

RURAL MUNICIPALITY OF ST. FRANCOIS XAVIER
CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2023

Rural Municipality of St. Francois Xavier
1060 Hwy #26
St. Francois Xavier, MB
R4L 1A5

STATEMENT OF RESPONSIBILITY

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

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

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



John Visser
CAO

Independent Auditors' Report

To the Reeve and members of Council of the
Rural Municipality of St. Francois Xavier

Opinion

We have audited the accompanying consolidated financial statements of the Rural Municipality of St. Francois Xavier, which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statement of operations, cash flows and change in net financial assets for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Rural Municipality of St. Francois Xavier as at December 31, 2023, and the results of its operations and its consolidated cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the 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 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.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Rural Municipality of St. Francois Xavier'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 Rural Municipality of St. Francois Xavier's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Rural Municipality of St. Francois Xavier to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

June 4, 2024
Winnipeg, Manitoba

Reid & Miller

Chartered Professional Accountants Inc.

RURAL MUNICIPALITY OF ST. FRANCOIS XAVIER

CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

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RURAL MUNICIPALITY OF ST. FRANCOIS XAVIER
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2023

	2023 Actual \$	2022 Actual \$
FINANCIAL ASSETS		
Cash and cash equivalents	7,670,495	5,180,189
Accounts receivable (note 3)	1,048,606	742,995
Portfolio investments (note 4)	104,177	118,268
	<u>8,823,278</u>	<u>6,041,452</u>
LIABILITIES		
Accounts payable and accrued liabilities (note 8)	2,231,413	2,257,306
Deferred revenue (note 9)	2,179,830	-
Long-term debt (note 10)	2,743,473	2,881,999
	<u>7,154,716</u>	<u>5,139,305</u>
NET FINANCIAL ASSETS	<u>1,668,562</u>	<u>902,147</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (schedule 1)	18,134,305	18,368,727
Inventories (note 5)	97,713	95,034
Prepaid expenses (note 6)	26,009	20,181
	<u>18,258,027</u>	<u>18,483,942</u>
ACCUMULATED SURPLUS (note 19)	<u>19,926,589</u>	<u>19,386,089</u>

Approved on Behalf of the Council


 _____ Reeve


 _____ Councillor

The accompanying notes are an integral part of these financial statements

RURAL MUNICIPALITY OF ST. FRANCOIS XAVIER**CONSOLIDATED STATEMENT OF OPERATIONS****For the Year Ended December 31, 2023**

	2023 Budget \$	2023 Actual \$	2022 Actual \$
	(Unaudited)		
REVENUE			
Property taxes	1,556,564	1,547,046	1,457,424
Grants in lieu of taxation	10,423	10,423	9,357
User fees	709,450	694,596	582,352
Grants - Province of Manitoba	250,460	305,113	135,103
Grants - Other	104,838	86,088	82,387
Permits, licences and fees	30,000	32,029	24,626
Investment revenue	35,000	233,556	153,794
Other revenue	35,000	62,812	51,338
Water and sewer	1,170,560	1,146,596	1,116,705
Total revenue (<i>schedules 2, 4 and 5</i>)	<u>3,902,295</u>	<u>4,118,259</u>	<u>3,613,086</u>
EXPENSES			
General government services	1,176,274	1,142,992	965,660
Protective services	226,589	167,490	162,701
Transportation services	639,609	587,662	570,045
Environmental health services	136,500	124,902	119,003
Public health and welfare services	905	905	905
Regional planning and development	104,800	97,578	88,270
Resource conservation and industrial development	108,550	100,246	100,954
Recreation and cultural services	49,550	41,352	39,873
Water and sewer	1,221,116	1,314,632	1,264,405
Total expenses (<i>schedules 3, 4 and 5</i>)	<u>3,663,893</u>	<u>3,577,759</u>	<u>3,311,816</u>
ANNUAL SURPLUS	238,402	540,500	301,270
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>19,386,089</u>	<u>19,386,089</u>	<u>19,084,819</u>
ACCUMULATED SURPLUS, END OF YEAR	<u>19,624,491</u>	<u>19,926,589</u>	<u>19,386,089</u>

The accompanying notes are an integral part of these financial statements

RURAL MUNICIPALITY OF ST. FRANCOIS XAVIER
CONSOLIDATED STATEMENT OF NET FINANCIAL ASSETS
For the Year Ended December 31, 2023

	2023 Budget \$	2023 Actual \$	2022 Actual \$
	(Unaudited)		
ANNUAL SURPLUS	238,402	540,500	301,270
Acquisition of tangible capital assets	-	(413,899)	(315,140)
Proceeds on disposal of tangible capital assets	-	4,036	378
Amortization of tangible capital assets	395,800	648,320	650,963
Gain on sale of tangible capital assets	-	(4,035)	(33)
Increase in inventories	-	(2,679)	(24,787)
Increase in prepaid expense	-	(5,828)	(2,856)
CHANGE IN NET FINANCIAL ASSETS	634,202	766,415	609,795
NET FINANCIAL ASSETS, BEGINNING OF YEAR	902,147	902,147	292,352
NET FINANCIAL ASSETS, END OF YEAR	1,536,349	1,668,562	902,147

The accompanying notes are an integral part of these financial statements

RURAL MUNICIPALITY OF ST. FRANCOIS XAVIER
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2023

	2023 Actual \$	2022 Actual \$
CASH PROVIDED BY (USED FOR) THE FOLLOWING ACTIVITIES		
OPERATING TRANSACTIONS		
Annual surplus	540,500	301,270
Changes in non-cash items:		
Amortization	648,320	650,963
Gain on disposal of tangible capital assets	<u>(4,035)</u>	<u>(33)</u>
	<u>1,184,785</u>	<u>952,200</u>
Net changes in non-cash working capital affecting operations <i>(note 22)</i>	<u>1,839,819</u>	<u>229,552</u>
	<u>3,024,604</u>	<u>1,181,752</u>
CAPITAL TRANSACTIONS		
Proceeds from sale of tangible capital assets	4,036	378
Cash used to acquire tangible capital assets	<u>(413,899)</u>	<u>(315,140)</u>
	<u>(409,863)</u>	<u>(314,762)</u>
INVESTING		
Proceeds on sale of portfolio investments	<u>14,091</u>	<u>13,291</u>
FINANCING		
Reduction in long-term debt	<u>(138,526)</u>	<u>(509,077)</u>
INCREASE IN CASH AND TEMPORARY INVESTMENTS	2,490,306	371,204
CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR	<u>5,180,189</u>	<u>4,808,985</u>
CASH AND TEMPORARY INVESTMENTS, END OF YEAR	<u><u>7,670,495</u></u>	<u><u>5,180,189</u></u>
CASH AND TEMPORARY INVESTMENTS IS REPRESENTED BY:		
Cash	3,208,330	2,903,037
Internally restricted cash	4,291,165	2,114,460
Externally restricted cash	<u>171,000</u>	<u>162,692</u>
	<u><u>7,670,495</u></u>	<u><u>5,180,189</u></u>

The accompanying notes are an integral part of these financial statements

RURAL MUNICIPALITY OF ST. FRANCOIS XAVIER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2023

1. STATUS OF THE RURAL MUNICIPALITY OF ST. FRANCOIS XAVIER

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

2. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada and reflect the following significant accounting policies:

a) REPORTING ENTITY

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

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

	Consolidated	
	<u>2023</u>	<u>2022</u>
Cartier Regional Water Co-op Inc	14.29 %	14.29 %
White Horse Plains Planning District	50.00 %	50.00 %

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.

RURAL MUNICIPALITY OF ST. FRANCOIS XAVIER

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2023

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) FINANCIAL INSTRUMENTS

The municipality classifies its financial instruments as either fair value, cost or amortized cost. The municipality's accounting policy for each category is as follows:

Fair value:

This category includes derivatives and equity instruments quoted in an active market. The municipal organization has not designated any of its portfolio investments or borrowings at fair value that would otherwise be classified in the amortized cost category.

Financial instruments in the fair value category are initially recognized at cost and subsequently carried at fair value. Unrealized changes in fair value on unrestricted investments are recognized in the Consolidated Statement of Remeasurement Gains and Losses until they are realized. When realized they are transferred to the Consolidated Statement of Operations. Changes in fair value on restricted investments are recognized as unearned revenue until the restriction on its use is realized. At that time, the balance is transferred to the Consolidated Statement of Operations.

Cost or amortized cost:

This category includes cash and cash equivalents, accounts receivable, portfolio investments, accounts payable and public debt. They are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets, except for donated financial assets, which are initially recognized at fair value.

d) CASH AND CASH EQUIVALENTS

Cash equivalents include short-term highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.

e) PORTFOLIO INVESTMENTS

Portfolio investments are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method.

RURAL MUNICIPALITY OF ST. FRANCOIS XAVIER

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2023

f) REAL ESTATE PROPERTIES HELD FOR SALE

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

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

RURAL MUNICIPALITY OF ST. FRANCOIS XAVIER

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2023

g) ASSET RETIREMENT OBLIGATIONS

Asset retirement obligations reflect the legal obligations arising from the retirement of the municipality's tangible capital assets, and are recognized when:

- there is a legal obligation for the municipality to incur costs in relation to a specific tangible capital asset,
- there is a past transaction or event causing the liability that has occurred,
- when economic benefits will need to be given up to remediate the liability, and
- when a reasonable estimate of the liability can be made.

Tangible capital assets that are in use, no longer in use, or that are leased may all give rise to asset retirement obligations.

When a liability for an asset retirement obligation is initially recognized, a corresponding adjustment to the related tangible capital asset is also recognized. Through the passage of time in subsequent reporting periods, the carrying value of the liability is adjusted to reflect accretion expenses incurred in the current period. This expense ensures that the time value of money is considered when recognizing outstanding liabilities at each reporting date. The capitalized asset retirement cost within tangible capital assets is also simultaneously depreciated on the same basis as the underlying asset to which it relates.

At remediation, the municipality derecognizes the liability that was established. In some circumstances, gains or losses may be incurred upon settlement related to the ongoing measurement of the liability and corresponding estimates that were made and are recognized in the statement of operations.

h) NON-FINANCIAL ASSETS

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

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

RURAL MUNICIPALITY OF ST. FRANCOIS XAVIER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2023

i) 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 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.

Amortization is provided using the straight line method using rates intended to amortize the cost of assets over their estimated useful lives.

General Tangible Capital Assets

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

Infrastructure Assets

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

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

RURAL MUNICIPALITY OF ST. FRANCOIS XAVIER

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2023

j) LEASES

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

k) INVENTORIES

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

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

RURAL MUNICIPALITY OF ST. FRANCOIS XAVIER

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2023

1) REVENUE RECOGNITION

Fees and other revenues:

Exchange transactions are transactions with performance obligations. A performance obligation is a promise to provide a distinct goods or services to a payor for consideration. The municipality recognizes revenue when the performance obligations are satisfied, and the payor obtains control of the asset or benefits from the service provided.

Non-exchange transactions are transactions or events where there is no direct transfer of good or services to a payor. The municipality receives an increase in economic resources for which the payor does not receive any direct goods or services in return. Revenue from non-exchange transactions is recognized when the municipality has the authority and identifies a past transaction or event that gives rise to an asset.

Revenue from product sales is recognized when the significant rewards of ownership of the products have passed to the buyer, usually on the delivery products.

Revenue from contracts with customers is recognized at an amount equal to the transaction price allocated to the specific distinct performance obligation when the performance obligation is satisfied. Revenue from contracts with customers is evaluated and separated into distinct performance obligations when there is a distinct good or service to be transferred in the future.

Government transfers:

Transfer payments from other governments include all accruals determined for current year entitlements that have been authorized by December 31, for which any eligibility criteria have been met and that can be reasonably estimated. A liability is recorded to the extent that a transfer gives rise to an obligation that meets the definition of a liability in accordance with the criteria in PS 3200 Liabilities.

Externally restricted inflows:

Externally restricted inflows are recognized as revenue in the period in which expenses are incurred for the purposes specified. Externally restricted inflows received before the expenses are incurred are reported as a liability.

RURAL MUNICIPALITY OF ST. FRANCOIS XAVIER

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2023

m) MEASUREMENT UNCERTAINTY

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

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

3. ACCOUNTS RECEIVABLE

Amounts receivable are valued at their net realizable value.

	<u>2023</u>	<u>2022</u>
	\$	\$
Tax assets (<i>schedule 10</i>)	626,548	205,436
Government grants and receivables	140,858	62,486
Utility customers	66,655	79,322
Accrued interest	(3,563)	-
Organizations and individuals	78,048	225,513
Other governments	146,260	176,438
	<u>1,054,806</u>	<u>749,195</u>
Allowance for doubtful accounts	(6,200)	(6,200)
	<u>1,048,606</u>	<u>742,995</u>

4. PORTFOLIO INVESTMENTS

	<u>2023</u>	<u>2022</u>
	\$	\$
Marketable securities		
Municipal debenture, bearing interest at 6.000% with principal and interest payments paid annually, due December 31, 2029.	52,303	59,377
Municipal debenture, bearing interest at 6.000% with principal and interest payments paid annually, due December 31, 2029.	51,874	58,891
	<u>104,177</u>	<u>118,268</u>

RURAL MUNICIPALITY OF ST. FRANCOIS XAVIER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2023

5. INVENTORIES

	<u>2023</u>	<u>2022</u>
	\$	\$
Gravel	15,432	11,352
Culverts	14,070	12,537
Fuel	6,019	6,216
Chemicals (other)	35,893	41,827
Other	26,299	23,102
	<u>97,713</u>	<u>95,034</u>

6. PREPAID EXPENSES

	<u>2023</u>	<u>2022</u>
	\$	\$
Insurance	14,558	13,141
Vehicle insurance	163	321
Postage	5,035	500
Other	6,253	6,219
	<u>26,009</u>	<u>20,181</u>

7. BANK INDEBTEDNESS

The Municipality has an authorized line of credit of a maximum of \$500,000 bearing interest at a rate of 3.25%.
As at December 31, 2023 the balance owing was \$ Nil (2022 - \$ Nil).

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2023</u>	<u>2022</u>
	\$	\$
Trade payables	137,532	155,591
Government payables	1,911,288	1,894,947
Accrued expenses	34,330	33,350
Deposits	137,715	168,091
Other	10,548	5,327
	<u>2,231,413</u>	<u>2,257,306</u>

9. DEFERRED REVENUE

	<u>2023</u>	<u>2022</u>
	\$	\$
MWSB Grant	2,068,733	-
Strategic Infrastructure	111,097	-
	<u>2,179,830</u>	<u>-</u>

RURAL MUNICIPALITY OF ST. FRANCOIS XAVIER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2023

10. LONG-TERM DEBT

	<u>2023</u>	<u>2022</u>
	\$	\$
General Authority:		
Municipal debenture payable in annual instalments of \$195,833 including interest at 3.875%, due December 31, 2041.	<u>2,504,482</u>	<u>2,599,581</u>
	<u>2,504,482</u>	<u>2,599,581</u>
Utility Funds:		
Municipal debenture payable in annual instalments of \$36,927 including interest at 5.625%, due December 31, 2027.	129,061	157,148
Municipal debenture payable in annual instalments of \$1,646 including interest at 5.625%, due December 31, 2027.	5,752	7,003
Municipal debenture payable in annual instalments of \$21,186 including interest at 6.000%, due December 31, 2029.	<u>104,178</u>	<u>118,267</u>
	<u>238,991</u>	<u>282,418</u>
	<u>2,743,473</u>	<u>2,881,999</u>

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

2024	145,000
2025	151,000
2026	158,000
2027	165,000
2028	134,000

11. DEBT CHARGES - FRONTAGE

<u>Purpose and By-law</u>	<u>2023</u>	<u>2022</u>
	Levy	Levy
	\$	\$
Water and Sewer Bylaw 7-2005A	38,572	38,572
Water and Sewer Bylaw 7-2005B	<u>21,186</u>	<u>21,186</u>
	<u>59,758</u>	<u>59,758</u>

12. DEBT CHARGES - AT LARGE

<u>Purpose and By-law</u>	<u>Assessment</u>	<u>Mill Rate</u>	<u>2023</u>	<u>2022</u>
			Levy	Levy
			\$	\$
Fibre Optics By-law 5-19	152,009,040	1.279	<u>194,427</u>	<u>185,755</u>

RURAL MUNICIPALITY OF ST. FRANCOIS XAVIER

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2023

13. RESERVES

Purpose and By-law	Assessment	Mill Rate	2023 Levy \$	2022 Levy \$
General Reserve			-	9,951
Public Works and Environment Reserve	152,009,040	0.614	93,325	64,611
Protective Services Reserve	152,009,040	0.483	73,469	29,854
Recreation and Culture Reserve			-	16,008
Buildings and Land Reserve			-	21,921
			166,794	142,345

14. 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 Canadian Institute of Chartered Accountants Handbook section PS3250.

Pension assets consist of investment grade securities. Market and credit risk on these securities are managed by MEPP by placing plan assets in trust and through MEPP investment policy. The pension expense is based on the contribution rate. The MEPP required that employees contribute 8.3% of basic annual earnings up to the CPP ceiling plus 9.5% of basic annual earnings in excess of the CPP ceiling, plus an additional 0.1% of earnings below and in excess of the CPP ceiling from employees that are not members of the Municipal Disability Income Plan. The employers are required to match the employee contributions to the MEPP. Actual contributions to MEPP made during 2023 by the municipality on behalf of its employees are expected to be \$39,836 (2022 - \$30,585) 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, 2022, indicated the plan was 111.6% funded on a going concern basis and had an unfunded solvency liability of \$19.3 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, 2022.

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.

RURAL MUNICIPALITY OF ST. FRANCOIS XAVIER

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2023

15. 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.

16. BUDGET

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

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

17. SEGMENTED INFORMATION

The Rural Municipality of St. Francois Xavier provides a wide ranges of services to its residents.

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

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

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

RURAL MUNICIPALITY OF ST. FRANCOIS XAVIER

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2023

18. 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. The aggregate financial statements of the government partnerships, in condensed summary, are as follows:

	<u>2023</u>	<u>2022</u>
	\$	\$
Financial Position		
Financial Assets	1,098,504	1,319,793
Liabilities	<u>13,719,721</u>	<u>13,735,929</u>
	(12,621,217)	(12,416,136)
Non-financial Assets	<u>67,931,271</u>	<u>68,535,879</u>
Accumulated Surplus	<u><u>55,310,054</u></u>	<u><u>56,119,743</u></u>
Result of Operations		
Revenue	4,990,007	5,393,143
Expenses	<u>5,799,696</u>	<u>6,118,427</u>
Annual Deficit	<u><u>(809,689)</u></u>	<u><u>(725,284)</u></u>

RURAL MUNICIPALITY OF ST. FRANCOIS XAVIER

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2023

19. ACCUMULATED SURPLUS

	<u>2023</u>	<u>2022</u>
	\$	\$
Accumulated surplus consists of the following:		
General Operating Fund - Nominal Surplus, excluding Tangible Capital Assets	1,303,571	1,304,418
Utility Operating Funds - Nominal Surplus, excluding Tangible Capital Assets	239,406	238,557
General Operating Tangible Capital Assets, net of related borrowings	3,041,026	3,003,445
Utility Tangible Capital Assets, net of related borrowings	2,881,574	2,936,306
Reserve Funds	<u>4,712,923</u>	<u>4,041,703</u>
Accumulated surplus of Municipality unconsolidated	<u>12,178,500</u>	<u>11,524,429</u>
Accumulated surpluses of consolidated government partnerships	<u>7,748,089</u>	<u>7,861,660</u>
Accumulated Surplus per Statement of Financial Position	<u><u>19,926,589</u></u>	<u><u>19,386,089</u></u>

20. PUBLIC SECTOR COMPENSATION DISCLOSURE

It is a requirement of The *Public Sector Compensation Disclosure Act* that annual public disclosure be made of aggregate compensation paid to members of council, and of individual compensation in an amount in exceeding \$85,000 annually to any member of council, officer or employee of the Municipality. For the year ended December 31, 2023:

- (a) Compensation paid to members of council amounted to \$70,487 in aggregate;
- (b) There were no members of council receiving compensation in excess of \$85,000 individually. The breakdown of compensation and expenses paid to members of council are as follows:

<u>Council Member</u>	<u>Compensation</u>	<u>Expenses</u>	<u>Total</u>
Fleury, Phillip	10,990	2,249	13,239
Houde, Marcel	13,369	2,355	15,724
Nott, Delmer	19,842	4,928	24,770
Proulx, Jim	12,276	2,104	14,380
Syreene, Bryan	14,010	2,505	16,515
	<u>70,487</u>	<u>14,141</u>	<u>84,628</u>

RURAL MUNICIPALITY OF ST. FRANCOIS XAVIER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2023

(c) The following individuals received compensation in excess of \$85,000:

Name	Position	Amount
H. John Visser	Chief Administrative Officer	110,055

21. PUBLIC UTILITY BOARD

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

For information purposes, the Municipality does not have any capital grants that require deferral.

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

Sewer Services:				Unamortized
Description of Utility	Unamortized Opening Balance	Additions During Year	Amortization During Year	Unamortized Ending Balance
St Francois Xavier Utility Operating Fund	320,797	5,967	9,435	317,329

22. CHANGES IN WORKING CAPITAL

	2023	2022
	\$	\$
Net changes in non-cash working capital affecting operations		
Accounts receivable	(305,611)	233,913
Inventories	(2,679)	(24,787)
Prepaid expenses	(5,828)	(2,856)
Accounts payable and accrued liabilities	(25,893)	23,282
Deferred revenue	2,179,830	-
	<u>1,839,819</u>	<u>229,552</u>

RURAL MUNICIPALITY OF ST. FRANCOIS XAVIER
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
For the Year Ended December 31, 2023

Schedule 1

	General Capital Assets				Infrastructure			2023	2022	
	Land and Improvements	Buildings and Leasehold Improvements	Vehicles and Equipment	Computer Hardware and Software	Assets under Construction	Roads, Streets, and Bridges	Water and Sewer	Assets under Construction	Actual	Actual
Cost										
Balance, beginning of year	5,615,014	808,005	2,013,291	82,136	-	538,970	15,978,827	-	25,036,243	24,725,183
Asset purchases	-	-	218,671	8,424	-	-	116,199	70,605	413,899	315,140
Disposals and write downs	-	-	18,935	(1,144)	-	-	1,144	-	18,935	4,080
Balance, end of year	5,615,014	808,005	2,213,027	91,704	-	538,970	16,093,882	70,605	25,431,207	25,036,243
Accumulated Amortization										
Balance, beginning of year	1,254,534	542,935	1,265,403	74,074	-	317,444	3,213,126	-	6,667,516	6,020,288
Amortization	116,713	12,435	137,787	6,318	-	12,207	362,860	-	648,320	650,963
Disposals and write downs	-	-	18,935	(297)	-	-	296	-	18,934	3,735
Balance, end of year	1,371,247	555,370	1,384,255	80,689	-	329,651	3,575,690	-	7,296,902	6,667,516
Net book value	4,243,767	252,635	828,772	11,015	-	209,319	12,518,192	70,605	18,134,305	18,368,727

RURAL MUNICIPALITY OF ST. FRANCOIS XAVIER

Schedule 2

CONSOLIDATED SCHEDULE OF REVENUES

For the Year Ended December 31, 2023

	2023 Budget \$	2023 Actual \$	2022 Actual \$
(Unaudited)			
PROPERTY TAXES			
Municipal taxes levied (<i>schedule 11</i>)	1,501,564	1,501,564	1,401,292
Taxes added	55,000	45,482	56,132
	<u>1,556,564</u>	<u>1,547,046</u>	<u>1,457,424</u>
GRANTS IN LIEU OF TAXATION			
Provincial government	3,795	3,795	3,324
Provincial government enterprises	6,628	6,628	6,033
	<u>10,423</u>	<u>10,423</u>	<u>9,357</u>
USER FEES			
Sales of service	709,450	670,596	578,352
Development charges	-	24,000	4,000
	<u>709,450</u>	<u>694,596</u>	<u>582,352</u>
GRANTS - PROVINCE OF MANITOBA			
General assistance payment	200,460	200,460	114,784
Conditional grants	50,000	104,653	20,319
	<u>250,460</u>	<u>305,113</u>	<u>135,103</u>
GRANTS - OTHER			
Federal government - gas tax funding	11,000	82,838	79,387
Federal government - other	82,838	-	-
Other local governments	-	3,250	3,000
Other grant	11,000	-	-
	<u>104,838</u>	<u>86,088</u>	<u>82,387</u>
PERMITS, LICENCES AND FEES			
Permits	30,000	19,819	22,206
Licences	-	210	420
Other fee	-	12,000	2,000
	<u>30,000</u>	<u>32,029</u>	<u>24,626</u>
INVESTMENT REVENUE			
Interest	35,000	231,757	153,243
Other interest	-	1,799	551
	<u>35,000</u>	<u>233,556</u>	<u>153,794</u>
OTHER REVENUE			
Gain on sale of tangible capital assets	-	4,035	33
Miscellaneous	10,000	33,638	28,855
Penalties and interest	25,000	25,139	22,450
	<u>35,000</u>	<u>62,812</u>	<u>51,338</u>
WATER AND SEWER			
Municipal utility (<i>schedule 8</i>)	413,402	448,905	362,505
Consolidated water co-operatives	757,158	697,691	754,200
	<u>1,170,560</u>	<u>1,146,596</u>	<u>1,116,705</u>
TOTAL REVENUE	<u><u>3,902,295</u></u>	<u><u>4,118,259</u></u>	<u><u>3,613,086</u></u>

RURAL MUNICIPALITY OF ST. FRANCOIS XAVIER

Schedule 3

CONSOLIDATED SCHEDULE OF EXPENSES

For the Year Ended December 31, 2023

	2023 Budget \$	2023 Actual \$	2022 Actual \$
(Unaudited)			
GENERAL GOVERNMENT SERVICES			
Legislative	92,350	81,608	59,012
General administrative	1,083,924	1,061,384	906,648
	<u>1,176,274</u>	<u>1,142,992</u>	<u>965,660</u>
PROTECTIVE SERVICES			
Fire	191,950	148,542	146,440
Emergency measures	34,639	18,948	16,261
	<u>226,589</u>	<u>167,490</u>	<u>162,701</u>
TRANSPORTATION SERVICES			
Road transport			
Administration and engineering	11,100	11,142	11,649
Road and street maintenance	595,309	546,829	529,977
Street lighting	15,900	17,033	14,332
Traffic services	5,000	378	1,807
Other	12,300	12,280	12,280
	<u>639,609</u>	<u>587,662</u>	<u>570,045</u>
ENVIRONMENTAL HEALTH SERVICES			
Waste collection and disposal	89,150	78,471	79,745
Recycling	47,350	46,431	39,258
	<u>136,500</u>	<u>124,902</u>	<u>119,003</u>
PUBLIC HEALTH AND WELFARE SERVICES			
Social assistance	905	905	905
REGIONAL PLANNING AND DEVELOPMENT			
Planning and zoning	104,800	91,036	78,735
Urban renewal	-	6,542	9,535
	<u>104,800</u>	<u>97,578</u>	<u>88,270</u>
RESOURCE CONSERVATION AND INDUSTRIAL DEVELOPMENT			
Rural area weed control	1,300	-	1,540
Drainage of land	103,500	96,645	95,814
Pest control	3,750	3,601	3,600
	<u>108,550</u>	<u>100,246</u>	<u>100,954</u>
RECREATION AND CULTURAL SERVICES			
Administration	9,250	4,900	7,433
Community centers and halls	15,000	14,752	9,413
Parks and playgrounds	22,800	18,980	20,642
Libraries	2,500	2,720	2,385
	<u>49,550</u>	<u>41,352</u>	<u>39,873</u>

RURAL MUNICIPALITY OF ST. FRANCOIS XAVIER

Schedule 3

CONSOLIDATED SCHEDULE OF EXPENSES

For the Year Ended December 31, 2023

	2023	2023	2022
	Budget	Actual	Actual
	\$	\$	\$
	(Unaudited)		
WATER AND SEWER			
Municipal utility <i>(schedule 8)</i>	506,100	503,668	408,435
Consolidated water co-operatives	715,016	810,964	855,970
	<u>1,221,116</u>	<u>1,314,632</u>	<u>1,264,405</u>
TOTAL EXPENSES	<u>3,663,893</u>	<u>3,577,759</u>	<u>3,311,816</u>

RURAL MUNICIPALITY OF ST. FRANCOIS XAVIER

Schedule 4

CONSOLIDATED SCHEDULE OF OPERATIONS BY PROGRAM

For the Year Ended December 31, 2023

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
REVENUE										
Property taxes	1,547,046	1,457,424	-	-	-	-	-	-	-	-
Grants in lieu of taxation	10,423	9,357	-	-	-	-	-	-	-	-
User fees	537,085	506,396	2,001	4,591	-	5,300	46,850	35,690	-	-
Grants - Province of Manitoba	305,113	135,103	-	-	-	-	-	-	-	-
Grants - Other	82,838	79,387	-	-	-	-	-	-	-	-
Permits, licences and fees	12,000	2,000	-	-	-	-	210	420	-	-
Investment revenue	233,556	153,794	-	-	-	-	-	-	-	-
Other revenue	56,405	48,659	-	-	-	-	6,407	2,679	-	-
Water and sewer	(59,758)	(59,758)	-	-	-	-	-	-	-	-
Consolidated water co-operatives	-	-	-	-	-	-	-	-	-	-
Total revenue	2,724,708	2,332,362	2,001	4,591	-	5,300	53,467	38,789	-	-
EXPENSES										
Personnel services	402,672	343,915	31,181	30,920	219,172	180,161	13,230	13,935	-	-
Contract services	282,504	188,623	17,678	16,261	12,170	14,336	102,611	94,822	905	905
Utilities	21,588	22,019	9,195	10,211	7,826	3,895	-	-	-	-
Maintenance materials & supplies	231,951	188,857	44,891	40,173	233,708	261,922	1,567	2,364	-	-
Grants & contributions	800	300	-	-	-	-	-	-	-	-
Amortization	97,811	95,833	64,545	65,136	114,786	109,731	7,494	7,882	-	-
Interest on long term debt	100,734	122,413	-	-	-	-	-	-	-	-
Other operating expense	4,932	3,700	-	-	-	-	-	-	-	-
Other operating expense	-	-	-	-	-	-	-	-	-	-
Total expenses	1,142,992	965,660	167,490	162,701	587,662	570,045	124,902	119,003	905	905
SURPLUS (DEFICIT)	1,581,716	1,366,702	(165,489)	(158,110)	(587,662)	(564,745)	(71,435)	(80,214)	(905)	(905)

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

RURAL MUNICIPALITY OF ST. FRANCOIS XAVIER

Schedule 4

CONSOLIDATED SCHEDULE OF OPERATIONS BY PROGRAM

For the Year Ended December 31, 2023

	Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services		Water and Sewer Services		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
REVENUE										
Property taxes	-	-	-	-	-	-	-	-	1,547,046	1,457,424
Grants in lieu of taxation	-	-	-	-	-	-	-	-	10,423	9,357
User fees	78,660	14,675	-	-	-	-	30,000	15,700	694,596	582,352
Grants - Province of Manitoba	-	-	-	-	-	-	-	-	305,113	135,103
Grants - Other	3,250	3,000	-	-	-	-	-	-	86,088	82,387
Permits, licences and fees	19,819	22,206	-	-	-	-	-	-	32,029	24,626
Investment revenue	-	-	-	-	-	-	-	-	233,556	153,794
Other revenue	-	-	-	-	-	-	-	-	62,812	51,338
Water and sewer	-	-	-	-	-	-	508,663	422,263	448,905	362,505
Consolidated water co-operatives	-	-	-	-	-	-	697,691	754,200	697,691	754,200
Total revenue	101,729	39,881	-	-	-	-	1,236,354	1,192,163	4,118,259	3,613,086
EXPENSES										
Personnel services	73,474	66,271	-	-	-	-	72,679	55,386	944,774	822,832
Contract services	-	-	64,389	60,246	5,347	19,758	115,048	54,996	639,869	485,275
Utilities	-	-	-	-	1,899	1,174	-	-	131,123	123,858
Maintenance materials & supplies	20,854	18,999	35,857	40,708	33,282	13,190	189,215	169,391	1,083,800	1,073,946
Grants & contributions	3,250	3,000	-	-	-	4,642	-	-	4,050	7,942
Amortization	-	-	-	-	824	1,109	110,396	109,733	648,320	650,963
Interest on long term debt	-	-	-	-	-	-	16,330	18,689	120,891	143,060
Other operating expense	-	-	-	-	-	-	-	-	4,932	3,700
Other operating expense	-	-	-	-	-	-	-	240	-	240
Total expenses	97,578	88,270	100,246	100,954	41,352	39,873	503,668	408,435	3,577,759	3,311,816
SURPLUS (DEFICIT)	4,151	(48,389)	(100,246)	(100,954)	(41,352)	(39,873)	732,686	783,728	540,500	301,270

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

RURAL MUNICIPALITY OF ST. FRANCOIS XAVIER

Schedule 5

CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS

For the Year Ended December 31, 2023

	Core Government		Government Partnerships		Total	
	2023	2022	2023	2022	2023	2022
	\$	\$	\$	\$	\$	\$
REVENUE						
Property taxes	1,547,046	1,457,424	-	-	1,547,046	1,457,424
Grants in lieu of taxation	10,423	9,357	-	-	10,423	9,357
User fees	694,596	582,352	-	-	694,596	582,352
Grants - Province of Manitoba	305,113	135,103	-	-	305,113	135,103
Grants - Other	82,838	79,387	3,250	3,000	86,088	82,387
Permits, licences and fees	32,029	24,626	-	-	32,029	24,626
Investment revenue	233,556	153,794	-	-	233,556	153,794
Other revenue	62,812	51,338	-	-	62,812	51,338
Water and sewer	448,905	362,505	-	-	448,905	362,505
Consolidated water co-operatives	-	-	697,691	754,200	697,691	754,200
Total revenue	<u>3,417,318</u>	<u>2,855,886</u>	<u>700,941</u>	<u>757,200</u>	<u>4,118,259</u>	<u>3,613,086</u>
EXPENSES						
Personnel services	807,966	686,652	136,808	136,180	944,774	822,832
Contract services	600,652	449,947	39,217	35,328	639,869	485,275
Utilities	40,508	37,299	90,615	86,559	131,123	123,858
Maintenance materials & supplies	788,969	734,362	294,831	339,584	1,083,800	1,073,946
Grants & contributions	7,300	10,942	(3,250)	(3,000)	4,050	7,942
Amortization	395,856	389,424	252,464	261,539	648,320	650,963
Interest on long term debt	117,064	141,102	3,827	1,958	120,891	143,060
Other operating expense	4,932	3,700	-	-	4,932	3,700
Other operating expense	-	240	-	-	-	240
Total expenses	<u>2,763,247</u>	<u>2,453,668</u>	<u>814,512</u>	<u>858,148</u>	<u>3,577,759</u>	<u>3,311,816</u>
SURPLUS (DEFICIT)	<u>654,071</u>	<u>402,218</u>	<u>(113,571)</u>	<u>(100,948)</u>	<u>540,500</u>	<u>301,270</u>

RURAL MUNICIPALITY OF ST. FRANCOIS XAVIER
SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

Schedule 6

For the Year Ended December 31, 2023

	General Reserve	Public Works and Environmental Reserve	Protective Services Reserve	Fire Department Equipment Reserve	Canada Community-Building Fund Reserve	Recreation and Culture Reserve	Buildings and Land Reserve
	\$	\$	\$	\$	\$	\$	\$
FINANCIAL ASSETS							
Cash and cash equivalents	696,567	356,101	306,538	6,811	171,000	119,168	356,788
Accounts receivable	-	-	-	-	-	-	-
Portfolio investments	51,874	-	-	-	-	-	-
Due from other funds	416,316	371,908	249,000	419,178	251,462	84,748	(31,000)
	<u>1,164,757</u>	<u>728,009</u>	<u>555,538</u>	<u>425,989</u>	<u>422,462</u>	<u>203,916</u>	<u>325,788</u>
REVENUE							
Investment revenue	37,373	17,300	14,892	332	18,158	5,790	17,334
TRANSFERS							
Transfers from operating fund	(12,298)	58,913	189,000	(15,000)	82,838	11,000	75,000
Transfer from reserve funds	-	-	-	-	-	-	-
	<u>(12,298)</u>	<u>58,913</u>	<u>189,000</u>	<u>(15,000)</u>	<u>82,838</u>	<u>11,000</u>	<u>75,000</u>
CHANGE IN FUND BALANCES	25,075	76,213	203,892	(14,668)	100,996	16,790	92,334
FUND SURPLUS, BEGINNING OF YEAR	<u>1,139,682</u>	<u>651,796</u>	<u>351,646</u>	<u>440,657</u>	<u>321,466</u>	<u>187,126</u>	<u>233,454</u>
FUND SURPLUS, END OF YEAR	<u>1,164,757</u>	<u>728,009</u>	<u>555,538</u>	<u>425,989</u>	<u>422,462</u>	<u>203,916</u>	<u>325,788</u>

RURAL MUNICIPALITY OF ST. FRANCOIS XAVIER
SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
For the Year Ended December 31, 2023

Schedule 6

	Special Events Reserve \$	Utility Reserve \$	Fibre Optic Reserve Fund \$	2023 Actual \$	2022 Actual \$
FINANCIAL ASSETS					
Cash and cash equivalents	302	380,156	-	2,393,431	2,277,152
Accounts receivable	-	(3,563)	-	(3,563)	-
Portfolio investments	-	52,303	-	104,177	118,268
Due from other funds	-	240,040	217,226	2,218,878	1,646,283
	<u>302</u>	<u>668,936</u>	<u>217,226</u>	<u>4,712,923</u>	<u>4,041,703</u>
REVENUE					
Investment revenue	16	18,468	-	129,663	59,554
TRANSFERS					
Transfers from operating fund	-	-	93,226	482,679	320,472
Transfer from reserve funds	-	58,878	-	58,878	20,250
	<u>-</u>	<u>58,878</u>	<u>93,226</u>	<u>541,557</u>	<u>340,722</u>
CHANGE IN FUND BALANCES	16	77,346	93,226	671,220	400,276
FUND SURPLUS, BEGINNING OF YEAR	<u>286</u>	<u>591,590</u>	<u>124,000</u>	<u>4,041,703</u>	<u>3,641,427</u>
FUND SURPLUS, END OF YEAR	<u>302</u>	<u>668,936</u>	<u>217,226</u>	<u>4,712,923</u>	<u>4,041,703</u>

RURAL MUNICIPALITY OF ST. FRANCOIS XAVIER
SCHEDULE OF FINANCIAL POSITION FOR UTILITIES
For the Year Ended December 31, 2023

Schedule 7

	2023 Actual \$	2022 Actual \$
FINANCIAL ASSETS		
Cash and cash equivalents	3,185,148	973,781
Accounts receivable (note 3)	66,655	79,322
Due from other funds	<u>(959,904)</u>	<u>(821,833)</u>
	<u>2,291,899</u>	<u>231,270</u>
LIABILITIES		
Accounts payable and accrued liabilities (note 8)	5,000	11,197
Deferred revenue (note 9)	2,068,733	-
Long-term debt (note 10)	<u>238,991</u>	<u>282,418</u>
	<u>2,312,724</u>	<u>293,615</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (schedule 1)	3,120,565	3,218,724
Inventories (note 5)	<u>21,240</u>	<u>18,484</u>
	<u>3,141,805</u>	<u>3,237,208</u>
FUND SURPLUS	<u>3,120,980</u>	<u>3,174,863</u>

SCHEDULE OF UTILITY OPERATIONS

For the Year Ended December 31, 2023

	2023 Budget \$	2023 Actual \$	2022 Actual \$
	(Unaudited)		
REVENUE			
WATER			
Water fees	230,000	233,965	212,271
SEWER			
Sewer fees	122,500	99,618	99,296
PROPERTY TAXES	59,760	59,758	59,758
GOVERNMENT TRANSFERS			
Capital	-	6,155	-
OTHER REVENUE			
Hydrant rentals	6,900	6,900	1,750
Connection charges	15,000	5,800	7,600
Penalties	3,000	2,462	3,031
Investment income	-	53,486	20,474
Administration fees	4,000	16,461	14,141
Other income	32,000	24,058	3,942
	<u>60,900</u>	<u>109,167</u>	<u>50,938</u>
TOTAL REVENUE	<u>473,160</u>	<u>508,663</u>	<u>422,263</u>
EXPENSES			
GENERAL			
Administration	53,600	33,369	27,868
WATER			
Transmission and distribution	72,300	28,919	25,201
Water purchases	197,500	189,215	169,391
Amortization	62,800	62,798	63,229
Interest and long-term debt	16,300	16,330	18,689
	<u>348,900</u>	<u>297,262</u>	<u>276,510</u>
SEWER			
Collection system costs	30,000	39,310	27,518
Treatment and disposal costs	25,000	86,129	29,795
Other sewer expense	1,000	-	240
	<u>56,000</u>	<u>125,439</u>	<u>57,553</u>
SEWER AMORTIZATION AND INTEREST			
Amortization	47,600	47,598	46,504
TOTAL EXPENSES	<u>506,100</u>	<u>503,668</u>	<u>408,435</u>

RURAL MUNICIPALITY OF ST. FRANCOIS XAVIER

Schedule 8

SCHEDULE OF UTILITY OPERATIONS

For the Year Ended December 31, 2023

	2023 Budget \$	2023 Actual \$	2022 Actual \$
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	(32,940)	4,995	13,828
TRANSFERS			
Transfer from reserve funds	<u>-</u>	<u>(58,878)</u>	<u>(20,250)</u>
CHANGE IN UTILITY FUND BALANCE	(32,940)	(53,883)	(6,422)
FUND SURPLUS, BEGINNING OF YEAR	<u>3,174,863</u>	<u>3,174,863</u>	<u>3,181,285</u>
FUND SURPLUS, END OF YEAR	<u><u>3,141,923</u></u>	<u><u>3,120,980</u></u>	<u><u>3,174,863</u></u>

RURAL MUNICIPALITY OF ST. FRANCOIS XAVIER

Schedule 9

RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET

For the Year Ended December 31, 2023

	Financial Plan General \$	Financial Plan Utility \$	Amortization (TCA) \$	Interest Expense \$	Transfers \$	Long Term Accruals \$	Government Partnerships \$	PSAB Budget \$
REVENUE								
Property taxes	1,556,564	-	-	-	-	-	-	1,556,564
Grants in lieu of taxation	10,423	-	-	-	-	-	-	10,423
User fees	709,450	-	-	-	-	-	-	709,450
Grants - Province of Manitoba	250,460	-	-	-	-	-	-	250,460
Grants - Other	104,838	-	-	-	-	-	-	104,838
Permits, licences and fees	30,000	-	-	-	-	-	-	30,000
Investment revenue	35,000	-	-	-	-	-	-	35,000
Other revenue	35,000	-	-	-	-	-	-	35,000
Transfers	551,662	105,000	-	-	(656,662)	-	-	-
Water and sewer	(59,758)	473,160	-	-	-	-	757,158	1,170,560
	<u>3,223,639</u>	<u>578,160</u>	<u>-</u>	<u>-</u>	<u>(656,662)</u>	<u>-</u>	<u>757,158</u>	<u>3,902,295</u>
EXPENSES								
General government services	977,774	-	97,800	100,700	-	-	-	1,176,274
Protective services	162,089	-	64,500	-	-	-	-	226,589
Transportation services	524,809	-	114,800	-	-	-	-	639,609
Environmental health services	129,000	-	7,500	-	-	-	-	136,500
Public health and welfare services	905	-	-	-	-	-	-	905
Regional planning and development	104,800	-	-	-	-	-	-	104,800
Resource conservation and industrial development	108,550	-	-	-	-	-	-	108,550
Recreation and cultural services	48,750	-	800	-	-	-	-	49,550
Fiscal services	1,162,933	139,000	-	-	(1,301,933)	-	-	-
Transfers	-	59,760	-	-	(59,760)	-	-	-
Water and sewer	-	379,400	110,400	16,300	-	-	715,016	1,221,116
	<u>3,219,610</u>	<u>578,160</u>	<u>395,800</u>	<u>117,000</u>	<u>(1,361,693)</u>	<u>-</u>	<u>715,016</u>	<u>3,663,893</u>
SURPLUS (DEFICIT)	<u>4,029</u>	<u>-</u>	<u>(395,800)</u>	<u>(117,000)</u>	<u>705,031</u>	<u>-</u>	<u>42,142</u>	<u>238,402</u>

ANALYSIS OF TAXES ON ROLL

For the Year Ended December 31, 2023

	2023 Actual \$	2022 Actual \$
BALANCE, BEGINNING OF YEAR	<u>205,436</u>	<u>182,701</u>
Add:		
Tax Levy (<i>schedule 11</i>)	3,014,199	2,967,938
Taxes added	45,482	56,132
Penalties and interest	25,139	22,450
Accounts added to tax roll	<u>12,754</u>	<u>6,659</u>
Sub-total	<u>3,303,010</u>	<u>3,235,880</u>
Deduct:		
Cash collections - current	2,441,328	2,741,731
Cash collections - arrears	91,825	109,578
Cancellations	-	-
Tax discounts	-	-
M.P.T.C. - cash advance	<u>143,309</u>	<u>179,135</u>
Sub-total	<u>2,676,462</u>	<u>3,030,444</u>
BALANCE, END OF YEAR	<u><u>626,548</u></u>	<u><u>205,436</u></u>

ANALYSIS OF TAX LEVY

For the Year Ended December 31, 2023

	Assessment	Mill Rate	2023 Levy	2022 Levy
Debt Charges:				
Frontage (note 11)			59,758	59,758
L.I.D.			-	-
At large (note 12)			194,427	185,755
			<u>254,185</u>	<u>245,513</u>
Reserves:				
Reserve (note 13)			166,794	142,345
			<u>166,794</u>	<u>142,345</u>
Other municipal levies:				
General municipal	152,009,040	7.109	1,080,585	1,013,434
Total municipal taxes (schedule 2)			<u>1,501,564</u>	<u>1,401,292</u>
Education Support Levy	5,194,940	8.140	42,287	46,550
Special levy:				
Prairie Rose School Division	142,120,910	9.516	1,352,422	1,405,128
Portage la Prairie School Division	9,888,130	11.926	117,926	114,968
			<u>1,470,348</u>	<u>1,520,096</u>
Total education taxes			<u>1,512,635</u>	<u>1,566,646</u>
Total tax levy (schedule 10)			<u>3,014,199</u>	<u>2,967,938</u>

RURAL MUNICIPALITY OF ST. FRANCOIS XAVIER
SCHEDULE OF GENERAL OPERATING FUND EXPENSES
For the Year Ended December 31, 2023

Schedule 12

	2023 Budget \$	2023 Actual \$	2022 Actual \$
	(Unaudited)		
GENERAL GOVERNMENT SERVICES			
Legislative	92,350	81,608	59,012
General administrative	1,083,924	1,061,384	906,648
	<u>1,176,274</u>	<u>1,142,992</u>	<u>965,660</u>
PROTECTIVE SERVICES			
Fire	191,950	148,542	146,440
Emergency measures	34,639	18,948	16,261
	<u>226,589</u>	<u>167,490</u>	<u>162,701</u>
TRANSPORTATION SERVICES			
Road transport			
Administration and engineering	11,100	11,142	11,649
Road and street maintenance	595,309	546,829	529,977
Street lighting	15,900	17,033	14,332
Traffic services	5,000	378	1,807
Other	12,300	12,280	12,280
	<u>639,609</u>	<u>587,662</u>	<u>570,045</u>
ENVIRONMENTAL HEALTH SERVICES			
Waste collection and disposal	89,150	78,471	79,745
Recycling	47,350	46,431	39,258
	<u>136,500</u>	<u>124,902</u>	<u>119,003</u>
PUBLIC HEALTH AND WELFARE SERVICES			
Social assistance	905	905	905
REGIONAL PLANNING AND DEVELOPMENT			
Planning and zoning	104,800	87,488	76,557
Urban renewal	-	6,542	9,535
	<u>104,800</u>	<u>94,030</u>	<u>86,092</u>
RESOURCE CONSERVATION AND INDUSTRIAL DEVELOPMENT			
Rural area weed control	1,300	-	1,540
Drainage of land	103,500	96,645	95,814
Pest control	3,750	3,601	3,600
	<u>108,550</u>	<u>100,246</u>	<u>100,954</u>
RECREATION AND CULTURAL SERVICES			
Administration	9,250	4,900	7,433
Community centers and halls	15,000	14,752	9,413
Parks and playgrounds	22,800	18,980	20,642
Libraries	2,500	2,720	2,385
	<u>49,550</u>	<u>41,352</u>	<u>39,873</u>
TOTAL EXPENSES	<u>2,442,777</u>	<u>2,259,579</u>	<u>2,045,233</u>

RURAL MUNICIPALITY OF ST. FRANCOIS XAVIER
ESTIMATED RECONCILIATION OF ANNUAL SURPLUS
For the Year Ended December 31, 2023

Schedule 13

	General \$	Utility \$	2023 Total \$	2022 Total \$
CONSOLIDATED ANNUAL SURPLUS <i>(statement 2)</i>	594,383	(53,883)	540,500	301,270
Elimination of appropriations from reserves	27,298	-	27,298	189,804
Elimination of appropriations to reserves	(568,855)	-	(568,855)	(530,526)
Consolidation of reserve operations	(129,663)	-	(129,663)	(59,554)
Elimination of consolidated entity operations	113,571	-	113,571	100,948
Amortization of tangible capital assets	285,460	110,396	395,856	389,424
Principal portion of long term debt	(95,099)	(43,427)	(138,526)	(132,619)
Acquisitions of capital assets from operating funds	(227,095)	(13,086)	(240,181)	(196,504)
ESTIMATED EXCESS OF REVENUES AND TRANSFERS OVER EXPEDITURES FOR THE PURPOSES OF SECTION 165(1) AND (2) OF THE MUNICIPAL ACT***	<u>-</u>	<u>-</u>	<u>-</u>	<u>62,243</u>

*** Please note that this is an estimate based on the adjustments presented above since it is possible that not every required adjustment for PSAB purposes that is different from and affects the results based on the municipal budget has necessarily been reflected.



REID & MILLER

CHARTERED PROFESSIONAL ACCOUNTANTS INC