

**RURAL MUNICIPALITY OF WHITEHEAD
CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended December 31, 2024

RURAL MUNICIPALITY OF WHITEHEAD

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STATEMENT OF RESPONSIBILITY

To the Ratepayers of the Rural Municipality of Whitehead:

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

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

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

Sensus Chartered Professional Accountants Ltd. as the Municipality's appointed external auditors, have audited the financial statements. The Auditor's Report is addressed to the Council Members and appears on the following page. The external auditors have full and free access to, and meet periodically and separately with, both the Council and administration to discuss their audit findings.

Trevor Tuttosi
Reeve



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INDEPENDENT AUDITOR'S REPORT

To the Reeve and Council of:
Rural Municipality of Whitehead
Alexander, Manitoba

Qualified Opinion

We have audited the consolidated financial statements of Rural Municipality of Whitehead, which comprise of the statement of financial position as at December 31, 2024 and the consolidated statement of operations, consolidated statement of changes in net financial assets, consolidated statement of cash flows, and consolidated statement of remeasurement gains (losses) for the year then ended, and notes to the consolidated financial statements including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Rural Municipality of Whitehead as at December 31, 2024, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

The Public Sector Accounting Board has introduced section PS 3280 which is a standard establishing guidance on the accounting and reporting on the retirement of tangible capital assets controlled by the Municipality. The Municipality has not provided a reasonable estimate for the asset retirement costs associated with their buildings containing asbestos and lagoon, to determine the asset retirement obligations. As such, we have qualified our audit opinion due to the departure from Canadian public sector accounting standards. The effects of this departure on the financial statements for the years ended December 31, 2024 have not been determined, as there is insufficient information available to do so.

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 Rural Municipality of Whitehead in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we 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 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 Rural Municipality of Whitehead'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 Rural Municipality of Whitehead or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Rural Municipality of Whitehead'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 auditing standards, we exercise our 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 Whitehead'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 Whitehead'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 Rural Municipality of Whitehead 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 group to express an opinion on the consolidated financial statements. We are responsible for the directions, supervision and performance of the group 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.

Brandon, Manitoba
December 23, 2025



Chartered Professional Accountants Ltd.

RURAL MUNICIPALITY OF WHITEHEAD
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2024

	2024	2023
FINANCIAL ASSETS		
Cash (Note 3)	\$ 4,738,613	\$ 4,161,092
Amounts receivable (Note 4)	779,225	867,976
	5,517,838	5,029,068
LIABILITIES		
Accounts payable and accrued liabilities (Note 6)	971,843	1,139,387
Severance and sick leave payable	15,979	12,233
Deferred revenue	46,123	32,176
Asset retirement obligation (Note 7)	47,919	47,919
Long-term debt (Note 8)	1,421,345	1,657,128
Obligations under capital lease (Note 10)	378,824	
	2,882,033	2,888,843
NET FINANCIAL ASSETS	2,635,805	2,140,225
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	12,625,865	12,268,385
Inventories (Note 5)	35,631	45,623
Prepaid expenses	33,126	29,401
	12,694,622	12,343,409
ACCUMULATED SURPLUS (Note 15)	\$ 15,330,427	\$14,483,634
Accumulated surplus is comprised of:		
Accumulated surplus excluding remeasurement gains (losses)	\$ 15,330,427	\$14,483,634
Accumulated remeasurement gains (losses)		
	\$ 15,330,427	\$14,483,634
CONTINGENCY (Note 11)		

RURAL MUNICIPALITY OF WHITEHEAD
CONSOLIDATED STATEMENT OF OPERATIONS
For the year ended December 31, 2024

	2024 Budget (Note 14)	2024 Actual	2023 Actual
REVENUE			
Property taxes	\$ 2,332,804	\$ 2,376,989	\$ 2,176,582
Grants in lieu of taxation	59,223	59,223	55,319
User fees	117,720	148,303	180,920
Permits, licences and fines	12,100	14,054	16,362
Investment income	36,210	206,225	200,084
Other revenue	32,593	210,418	85,122
Water and sewer	537,116	690,177	823,152
Grants - Province of Manitoba	222,400	299,961	444,178
Grants - Other	158,211	166,667	140,076
Total revenue (Schedules 2, 4 and 5)	3,508,377	4,172,017	4,121,795
EXPENSES			
General government services	590,401	602,831	552,407
Protective services	190,427	189,396	188,391
Transportation services	1,209,352	1,147,311	1,096,754
Environmental health services	127,167	114,271	135,066
Public health and welfare services	17,140	19,271	8,849
Regional planning and development	24,400	8,009	3,384
Resource conservation and industrial development	192,072	213,167	298,157
Recreation and cultural services	68,696	61,842	122,715
Water and sewer services	927,455	969,126	1,026,012
Total expenses (Schedules 3, 4 and 5)	3,347,110	3,325,224	3,431,735
ANNUAL SURPLUS			
ACCUMULATED SURPLUS, BEGINNING OF YEAR	\$ 161,267	846,793	690,060
ACCUMULATED SURPLUS, END OF YEAR		\$15,330,427	\$14,483,634

RURAL MUNICIPALITY OF WHITEHEAD
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
For the year ended December 31, 2024

	2024 Budget (Note 14)	2024 Actual	2023 Actual
ANNUAL SURPLUS	\$ 161,267	\$ 846,793	\$ 690,060
Acquisition of tangible capital assets	(1,218,831)	(1,065,863)	(422,933)
Amortization of tangible capital assets	541,643	541,643	538,559
Loss (Gain) on sale of tangible capital assets		(69,755)	
Proceeds on sale of tangible capital assets		236,495	
Decrease (increase) in inventories		9,992	(18,322)
Increase in prepaid expenses		(3,725)	(6,601)
	(677,188)	(351,213)	90,703
CHANGE IN NET FINANCIAL ASSETS	\$ (515,921)	495,580	780,763
NET FINANCIAL ASSETS, BEGINNING OF YEAR		2,140,225	1,359,462
NET FINANCIAL ASSETS, END OF YEAR	\$ 2,635,805	\$ 2,140,225	

RURAL MUNICIPALITY OF WHITEHEAD
CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended December 31, 2024

	2024	2023
OPERATING TRANSACTIONS		
Annual surplus	\$ 846,793	\$ 690,060
Changes in non-cash items:		
Amounts receivable	88,751	330,997
Inventories	9,992	(18,322)
Prepads	(3,725)	(6,601)
Accounts payable and accrued liabilities	(163,798)	(608,928)
Deferred revenue	13,947	(18,218)
Loss (Gain) on sale of tangible capital assets	(69,755)	
Amortization	541,643	538,559
Cash provided by operating transactions	<hr/> 1,263,848	<hr/> 907,547
CAPITAL TRANSACTIONS		
Proceeds on sale of tangible capital assets	236,495	
Cash used to acquire tangible capital assets	<hr/> (1,065,863)	<hr/> (422,933)
Cash applied to capital transactions	<hr/> (829,368)	<hr/> (422,933)
FINANCING TRANSACTIONS		
Debt repayment	(235,783)	(250,600)
Repayment of obligation under capital lease	<hr/> 378,824	<hr/> (102,168)
Cash applied to financing transactions	<hr/> 143,041	<hr/> (352,768)
INCREASE IN CASH	<hr/> 577,521	<hr/> 131,846
CASH, BEGINNING OF YEAR	<hr/> 4,161,092	<hr/> 4,029,246
CASH, END OF YEAR	<hr/> \$ 4,738,613	<hr/> \$ 4,161,092

RURAL MUNICIPALITY OF WHITEHEAD
CONSOLIDATED STATEMENT OF REMEASUREMENT GAINS (LOSSES)
For the year ended December 31, 2024

	2024 Actual	2023 Actual
ACCUMULATED REMEASUREMENT GAINS (LOSSES), BEGINNING OF YEAR	\$	\$
Unrealized gains (losses) attributable to:		
Portfolio investments		
Foreign exchange		
Derivatives		
Amounts reclassified to the statement of operations:		
Portfolio investments		
Foreign exchange		
Derivatives		
NET REMEASUREMENT GAINS (LOSSES) FOR THE YEAR		
ACCUMULATED REMEASUREMENT GAINS (LOSSES), END OF YEAR	\$	\$

RURAL MUNICIPALITY OF WHITEHEAD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2024

1. STATUS OF THE RURAL MUNICIPALITY OF WHITEHEAD

The incorporated Rural Municipality of Whitehead ("the Municipality") is a municipal government that was formed on December 22, 1883 pursuant to the Manitoba Municipal Act. The Municipality provides or funds municipal services such as police, fire, public works, planning, airport, parks and recreation, library and other general government operations. The Municipality owns one utility, has several designated special purpose reserves and provides funding support for other financial entities involved in economic development, recreation and tourism.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with 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:

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 controlled organizations are consolidated after adjusting their accounting policies to a basis consistent with the accounting policies of the Municipality. Inter-fund and inter-company balances and transactions have been eliminated. The Municipality has no controlled organizations.

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 for 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 consolidated financial statements. Inter-company balances and transactions have been eliminated. The government partnerships include:

Southwest Weed District - 22% (2023 - 22%)
Whitehead Elton Regional Water Co-op Inc. - 45% (2023 - 45%)

The taxation with respect to the operations of the school divisions are not reflected in the Municipality surplus of these consolidated 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 17 - Trust Funds.

RURAL MUNICIPALITY OF WHITEHEAD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Financial Instruments

The Municipality as part of its operations carries a number of financial instruments. It is management's opinion that 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 carrying values.

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 Municipality 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 (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 long-term 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.

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 insignificant risk of changes in value.

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.

RURAL MUNICIPALITY OF WHITEHEAD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Purchased intangible assets are identifiable non-monetary economic resources without physical substance, which are acquired through an arm's length transaction. Purchased intangible assets are recognized in the financial statements when they meet the definition of an asset and general criteria in PS 1000, Financial Statement Concepts. This guideline came into effect on January 1, 2024.

Tangible Capital Assets

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

General Tangible Capital Assets

Land	Indefinite
Land improvements	10 to 30 years
Buildings and leasehold improvements	
Buildings	25 to 40 years
Leasehold improvements	Life of lease
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

RURAL MUNICIPALITY OF WHITEHEAD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Tangible Capital Assets (continued)

Infrastructure Assets

Transportation	
Land	Indefinite
Road surface	20 to 30 years
Road grade	40 years
Bridges	25 to 50 years
Traffic lights and equipment	10 years
Water and Sewer	
Land	Indefinite
Land improvements	30 to 50 years
Buildings	25 to 40 years
Underground networks	40 to 60 years
Machinery and equipment	10 to 20 years
Dams and other surface water structures	40 to 60 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.

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.

Revenue Recognition

Effective January 1, 2024, the municipality adopted PS 3400 Revenue. PS 3400 addresses how to account for, and report on, revenues. The municipality used prospective application in the adoption of PS 3400, and the accounting standard has not been applied retroactively. Under prospective application, prior periods are not restated, including the opening accumulated surplus. Adjustments are only applied to events and transactions from January 1, 2024 onwards.

Fees and Other Revenues

Exchange transactions are transactions with performance obligations. A performance obligation is a promise to provide a distinct good or service or series of 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.

RURAL MUNICIPALITY OF WHITEHEAD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition (continued)

Non-exchange transactions are transactions or events where there is no direct transfer of goods 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 delivery of 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 31st, 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.

Property Taxes

Revenues from property taxes are accrued in the year they are authorized by Council. Property taxes are recorded net of tax concessions and other adjustments. Transfers made through the tax system are recognized as an expense.

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.

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.

RURAL MUNICIPALITY OF WHITEHEAD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Asset Retirement Obligations (continued)

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.

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.

Measurement Uncertainty

Estimates are used to accrue revenues and expenses in circumstances where the actual accrued amounts are unknown at the time the consolidated financial statements are prepared. Uncertainty in the determination of the amount at which an item is recognized in the consolidated 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 consolidated financial statements exists in the estimate of asset retirement obligations. The liability associated with asset retirement obligations reflects the best estimates by management of the amount required to remediate such liabilities, the timing when such remediation will occur, and the estimated future cash flows associated with asset retirement discounted to the consolidated financial statement date. The actual future cash flows and timing of obligations arising from asset retirement may differ significantly from these estimates.

RURAL MUNICIPALITY OF WHITEHEAD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Future Changes in Accounting Standards

A number of new and amended Canadian public sector accounting standards have been issued and not applied in preparing these consolidated financial statements. These standards will come into effect as follows:

- The Conceptual Framework for Financial Reporting in the Public Sector replaces the conceptual aspects of PSAS 1000 (Financial Statement Concepts) and PSAS 1100 (Financial Statement Objectives) for fiscal years beginning on or after January 1, 2027. The Conceptual Framework is applied prospectively.
- PSAS 1202, Financial Statement Presentation, replaces PSAS 1201 for fiscal years beginning January 1, 2027.

These new accounting standards have not been applied in preparing these consolidated financial statements.

The Municipality is currently assessing the impact of the new standards, and the extent of the impact of their adoption on the consolidated financial statements has not yet been determined.

3. CASH

Cash is comprised of the following:

	2024	2023
Cash	\$ 4,738,613	\$ 4,161,092

The Municipality has designated \$2,709,560 (2023 - \$2,207,332) to reserves for debt principal repayments and tangible capital asset acquisitions. See Schedule 6 – Schedule of Change in Reserve Fund Balances.

RURAL MUNICIPALITY OF WHITEHEAD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2024

4. AMOUNTS RECEIVABLE

Amounts receivable are valued at their net realized value.

	2024	2023
Organizations and individuals	\$ 33,498	\$ 9,104
Taxes on roll (Schedule 11)	355,706	405,277
Utility customers (Schedule 8)	211,182	323,226
Other governments	178,839	130,369
	<hr/>	<hr/>
	\$ 779,225	\$ 867,976
	<hr/>	<hr/>

5. INVENTORIES

	2024	2023
Inventories for use:		
Gravel	\$ 2,404	\$
Chemicals - Southwest Weed District	32,033	42,640
Chemicals - Whitehead Elton Regional Water Co-op Inc.	1,194	2,983
	<hr/>	<hr/>
	\$ 35,631	\$ 45,623
	<hr/>	<hr/>

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2024	2023
Accounts payable	\$ 863,077	927,967
School levies	67,043	173,573
Accrued expenses	41,723	36,830
Accrued interest payable	1,017	
	<hr/>	<hr/>
	\$ 971,843	\$ 1,139,387
	<hr/>	<hr/>

RURAL MUNICIPALITY OF WHITEHEAD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2024

7. ASSET RETIREMENT OBLIGATION

PS 3280 addressed the reporting of legal obligations associated with the retirement of tangible capital assets is required, and effective for fiscal years beginning on or after April 1, 2022. However, the Municipality has not adopted the new standard, therefore the audit report has been qualified due to a departure from section PS 3280. The balance recorded represents the balance calculated under the previous account standard.

Operating Landfill Site

The Municipality is currently operating a Class 2 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.

	2024	2023
Estimated closure and post closure costs	\$ 47,919	\$ 47,919
Discount rate	5.625 %	5.625 %
Discount costs	47,919	47,919
Expected year capacity will be reached	2022	2022
Capacity (tonnes):		
Used to date	100	100
Remaining	100	100
Total	100	100
Percent utilized	100.00 %	100.00 %
Liability based on percentage	\$ 47,919	\$ 47,919
Less: transfer site costs incurred during the year		
Liability, end of year	\$ 47,919	\$ 47,919

RURAL MUNICIPALITY OF WHITEHEAD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2024

8. LONG-TERM DEBT

	2024	2023
General Authority		
Debenture, payment of \$37,655 annually including interest at 3.040%, maturing January 2024.	\$	\$ 36,544
Royal Bank of Canada fixed rate term loan, payable at \$82,180 annually including interest at 4.230%, maturing May 2024.		17,263
		<hr/> 53,807
Utility Funds		
Debenture, payable at \$78,762 annually including interest at 5.625%, maturing December 2027.	212,001	275,279
Debenture, payable at \$35,488 annually including interest at 4.125%, maturing December 2037	351,639	371,790
Debenture, payable at \$80,357 annually including interest at 4.750%, maturing December 2030.	411,149	469,219
Debenture, payable at \$34,372 annually including interest at 4.125%, maturing December 2031.	205,354	230,229
Royal Bank of Canada fixed rate term loan, payable at \$25,463 annually including interest at 3.840%, maturing December 2036.	241,202	256,804
	<hr/> 1,421,345	1,603,321
	<hr/> \$ 1,421,345	\$ 1,657,128

Principal payments due in the next five years are as follows:

2025	\$ 190,749
2026	199,956
2027	209,611
2028	140,982
2029	<hr/> 147,183
	<hr/> \$ 888,481

RURAL MUNICIPALITY OF WHITEHEAD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2024

9. DEBENTURES PENDING

<u>Authority</u>	<u>Purpose</u>	<u>Authorized</u>
None		\$

10. OBLIGATION UNDER CAPITAL LEASE(S)

In 2024, the Municipality entered into an lease agreement with John Deere for a 2024 John Deere Grader with monthly payments of \$15,536 net of GST that expire in March 2027.

2025	\$ 186,430
2026	186,430
2027	31,072
Total minimum lease	\$ 403,932
Less amount representing future interest at 2.13%	(25,108)
Balance of obligation	\$ 378,824

Interest expense includes \$19,284 (2023 -\$844) with respect to this obligation.

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

	2024	2023
Cost of leased tangible capital assets	\$ 1,430,745	\$ 685,797
Accumulated amortization of leased tangible capital assets	(346,317)	(103,331)
\$ 1,084,428	\$ 582,466	

Amortization expense includes \$105,827 (2023 - \$68,580) on leased tangible capital assets.

11. CONTINGENCY

During the year, a claim was filed against the Municipality. The outcome and cost of the claim is unknown as of the audit report date, therefore no liability has been recorded. Furthermore, the claim is being handled by the Municipality's insurance company and during the year the Municipality received \$19,233 from the insurance company, net of a \$5,000 deductible, for defence cost reimbursement.

RURAL MUNICIPALITY OF WHITEHEAD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2024

12. 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 2.0% of their final average yearly non-CPP earnings times years of service. The costs of the retirement plan are not allocated to the individual entities within the related group. As a result, individual entities within the related group are not able to identify their share of the underlying assets and liabilities. Therefore, the plan is accounted for as a defined contribution plan in accordance with the requirements of the Chartered Professional Accountants of Canada Handbook section PS3250.

Pension assets consist of investment grade securities. Market and credit risk on these securities are managed by MEPP by placing plan assets in trust and through MEPP investment policy. The pension expense is based on the contribution rate. The MEPP required that employees contribute 8.3% of basic annual earnings up to the CPP ceiling plus 9.5% of basic annual earnings in excess of the CPP ceiling, plus an additional 0.1% of earnings below and in excess of the CPP ceiling from employees that are not members of the Municipal Disability Income Plan. The employers are required to match the employee contributions to the MEPP. Actual contributions to MEPP made during the year by the Municipality on behalf of its employees amounted to \$27,533 (2023 - \$30,001) 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, 2023 indicated the plan was 111.4% funded on a going concern basis and has an unfunded solvency liability of \$24.3 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, 2023.

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.

13. FINANCIAL INSTRUMENTS

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

RURAL MUNICIPALITY OF WHITEHEAD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2024

14. 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 consolidated 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 10 - Reconciliation of the Financial Plan to the Budget.

15. ACCUMULATED SURPLUS

	2024	2023
Accumulated surplus consists of the following:		
General Operating Fund - Nominal Surplus	\$ 2,051,069	\$ 1,786,933
Utility Operating Fund(s) - Nominal Surplus	124,064	254,266
TCA net of related borrowings	7,478,335	7,146,822
Reserve Funds	2,709,560	2,207,332
Accumulated Surplus of Municipality Unconsolidated	<hr/> 12,363,028	11,395,353
Accumulated Surpluses of Consolidated Entities	<hr/> 2,967,399	3,088,281
Accumulated Surplus per Consolidated Statement of Financial Position	<hr/> \$ 15,330,427	\$14,483,634

RURAL MUNICIPALITY OF WHITEHEAD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2024

16. 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 exceeding \$85,000 annually to any member of council, officer or employee of the Municipality. For the year ended December 31, 2024:

- a) Compensation paid to members of council amounted to \$81,295 in aggregate.
- b) There were no members of council receiving compensation in excess of \$85,000 individually.

Council Members:

	<u>Compensation</u>	<u>Expenses</u>	<u>Total</u>
Trevor Tuttosi	\$ 15,150	\$ 2,007	\$ 17,157
Jeffrey Owens	11,300	731	12,031
Christopher Semeschuk	10,110	656	10,766
Kaley Mykula	10,280	300	10,580
Curtis Storey	9,855	300	10,155
Dennis Foerster	9,600	300	9,900
Kevin Klassen	9,600	300	9,900
Bryden Izzard	1,800	300	2,100
Julie Bean	1,800	300	2,100
Laureen Owens	1,800	300	2,100
	<hr/>	<hr/>	<hr/>
	\$ 81,295	\$ 5,494	\$ 86,789
	<hr/>	<hr/>	<hr/>

- c) There is no officer received compensation in excess of \$85,000.

17. TRUST FUNDS

The Municipality administers the following trust funds that are not consolidated into these consolidated financial statements:

	<u>Balance, beginning of year</u>	<u>Excess of receipts over disbursements</u>	<u>Balance, end of year</u>
Cemetery Trust	\$ 4,875	\$ 7,442	\$ 12,317
Cenotaph Trust	3,251	166	3,417
Weed Trust	402	21	423
	<hr/>	<hr/>	<hr/>
	\$ 8,528	\$ 7,629	\$ 16,157
	<hr/>	<hr/>	<hr/>

RURAL MUNICIPALITY OF WHITEHEAD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2024

18. PUBLIC UTILITIES 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 or contributed capital assets and government transfers allow for adjustments to be made, for rate setting purposes, which do not meet PSAB standards.

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

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

The following table provides historical information on capital grants for tangible or contributed capital assets with a remaining net book value.

Water services:

<u>Description of Utility</u>	<u>Unamortized Opening Balance</u>	<u>Additions During Year</u>	<u>Amortization During Year</u>	<u>Unamortized Balance Ending</u>
Whitehead	\$ 3,112,667	\$ 79,266	\$ 79,266	\$ 3,033,401

Sewer services:

<u>Description of Utility</u>	<u>Unamortized Opening Balance</u>	<u>Additions During Year</u>	<u>Amortization During Year</u>	<u>Unamortized Balance Ending</u>
Whitehead	\$ 522,154	\$ 4,288	\$ 16,108	\$ 510,334

RURAL MUNICIPALITY OF WHITEHEAD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2024

19. SEGMENTED INFORMATION

The Rural Municipality of Whitehead provides a wide range of services to its residents. Segment information has been provided in Schedule 4 for the following services:

- General government services
- Protective services
- Transportation services
- Environmental health services
- Public health and welfare services
- Regional planning and development
- Resource 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 consolidated financial statements as described in the summary of significant accounting policies.

20. GOVERNMENT PARTNERSHIPS

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

	2024	2023
Financial Position		
Financial assets	\$ 259,024	\$ 218,054
Liabilities	<u>673,533</u>	<u>642,572</u>
Net debt	<u>(414,509)</u>	<u>(424,518)</u>
Non-financial assets	<u>3,381,908</u>	<u>3,512,799</u>
Accumulated surplus	<u><u>\$ 2,967,399</u></u>	<u><u>\$ 3,088,281</u></u>
Result of Operations		
Revenues	\$ 331,534	\$ 431,463
Expenses	<u>465,682</u>	<u>489,900</u>
Intercompany revenue and expense eliminations	<u>13,266</u>	<u>12,720</u>
Annual deficit	<u><u>\$ (120,882)</u></u>	<u><u>\$ (45,717)</u></u>

21. PUBLIC PRIVATE PARTNERSHIPS

The Municipality is not a party to any public private partnerships.

RURAL MUNICIPALITY OF WHITEHEAD
SCHEDULE 1 - CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
For the year ended December 31, 2024

Cost	General Capital Assets					Infrastructure			Totals	
	Land and Land Improvements	Building and Leasehold Improvements	Vehicles and Equipment	Computer Hardware and Software	Assets Under Construction	Roads, Streets, and Bridges	Water and Sewer	Assets Under Construction	2024	2023
Opening costs	\$ 290,053	473,659	2,346,105	17,430	95,682	8,834,957	13,077,983	2,017	\$ 25,131,886	\$ 24,711,955
Additions during the year	24,512	26,521	846,409			51,498	110,365	6,558	1,065,863	422,933
Disposals and write downs			(536,491)						(536,491)	(3,002)
Transfers				95,682	(95,682)					
Closing costs	314,565	500,180	2,751,705	17,430		8,886,455	13,182,348	8,575	25,661,258	25,131,886
Accumulated Amortization										
Opening accum'd amortization	8,272	217,364	1,291,681	10,289		8,285,926	3,049,969		12,863,501	12,327,944
Amortization	4,518	11,337	179,841	2,251		18,082	325,614		541,643	538,559
Disposals and write downs			(369,751)						(369,751)	(3,002)
Closing accum'd amortization	12,790	228,701	1,101,771	12,540		8,304,008	3,375,583		13,035,393	12,863,501
Net Book Value of Tangible Capital Assets	\$ 301,775	271,479	1,649,934	4,890		582,447	9,806,765	8,575	\$ 12,625,865	\$ 12,268,385

Water and sewer underground networks contributed to the Municipality totals \$8,351,293 and were capitalized at their fair value at the time of their receipt.

The Municipality has 434 km of roads that were capitalized at a nominal value of \$7,812,000.

RURAL MUNICIPALITY OF WHITEHEAD
SCHEDULE 2 - CONSOLIDATED SCHEDULE OF REVENUES
For the year ended December 31, 2024

	2024 Actual	2023 Actual
Property taxes:		
Municipal taxes levied (Schedule 12)	\$ 2,328,375	\$ 2,170,838
Taxes added	48,614	13,034
Discounts	(7,290)	
	<u>2,376,989</u>	2,176,582
Grants in lieu of taxation:		
	<u>59,223</u>	55,319
User fees:		
Sales of service	119,127	150,211
Sales of goods	510	1,304
Rentals	28,666	29,405
	<u>148,303</u>	180,920
Permits, licences and fines:		
Permits	12,019	11,718
Licences	1,550	3,085
Aggregate mining and transportation fees	75	75
Fines	410	1,484
	<u>14,054</u>	16,362
Investment income:		
	<u>206,225</u>	200,084
Other revenue:		
Gain on sale of tangible capital assets	93,630	
Insurance proceeds	24,233	16,552
Penalties and interest	42,086	30,763
Miscellaneous	50,469	37,807
	<u>210,418</u>	85,122
Water and sewer		
Municipal utility	451,161	492,340
Consolidated water co-operatives	239,016	330,812
	<u>690,177</u>	823,152
Grants - Province of Manitoba:		
Municipal operating grants	226,762	248,992
Conditional grants	73,199	195,186
	<u>299,961</u>	444,178
Sub-total	<u>\$ 4,005,350</u>	\$ 3,981,719

RURAL MUNICIPALITY OF WHITEHEAD**SCHEDULE 2 - CONSOLIDATED SCHEDULE OF REVENUES (continued)****For the year ended December 31, 2024**

	2024 Actual	2023 Actual
Sub-total (Carry forward)	\$ 4,005,350	\$ 3,981,719
Grants - other:		
Federal government - gas tax funding	93,366	97,516
Other municipal governments	73,301	42,560
	166,667	140,076
Total revenue	\$ 4,172,017	\$ 4,121,795

RURAL MUNICIPALITY OF WHITEHEAD
SCHEDULE 3 - CONSOLIDATED SCHEDULE OF EXPENSES
For the year ended December 31, 2024

	2024 Actual	2023 Actual
General government services:		
Legislative	\$ 85,913	\$ 84,224
General administrative	498,520	455,846
Other	12,328	12,337
Loss on disposal of tangible capital assets	6,070	
	602,831	552,407
Protective services:		
Police	12,013	10,451
Fire	110,577	106,771
Emergency measures	2,687	5,461
Other protection	46,314	65,708
Loss on disposal of tangible capital assets	17,805	
	189,396	188,391
Transportation services:		
Road transport		
Administration and engineering	173,240	225,409
Road and street maintenance	945,508	854,869
Street lighting	3,725	6,282
Other	24,838	10,194
	1,147,311	1,096,754
Environmental health services:		
Waste collection and disposal	97,121	130,618
Other	17,150	4,448
	114,271	135,066
Public health and welfare services:		
Public health	16,631	6,209
Social assistance	2,640	2,640
	19,271	8,849
Regional planning and development:		
Planning and zoning	4,879	1,370
Beautification and land rehabilitation	3,130	2,014
	8,009	3,384
Sub-total	\$ 2,081,089	\$ 1,984,851

RURAL MUNICIPALITY OF WHITEHEAD
SCHEDULE 3 - CONSOLIDATED SCHEDULE OF EXPENSES (continued)
For the year ended December 31, 2024

	2024 Actual	2023 Actual
Sub-total (Carry forward)	\$ 2,081,089	\$ 1,984,851
Resource conservation and industrial development:		
Rural area weed control	200,309	285,328
Veterinary services	2,254	2,147
Water resources and conservation	10,604	10,682
	213,167	298,157
Recreation and cultural services:		
Administration	14,688	13,736
Community centres and halls	22,793	96,616
Skating and curling rinks	11,619	11,363
Other cultural facilities	12,742	1,000
	61,842	122,715
Water and sewer (Schedule 9)		
Municipal utility	584,931	611,912
Consolidated water co-operatives	384,195	414,100
	969,126	1,026,012
Total expenses	\$ 3,325,224	\$ 3,431,735

RURAL MUNICIPALITY OF WHITEHEAD
SCHEDULE 4 - CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM
For the year ended December 31, 2024

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
REVENUE										
Property taxes	\$ 2,111,039	\$ 1,910,632								
Grants in lieu of taxation	59,223	55,319								
User fees	36,980	39,984	22,307	73,307	10,519	7,353	44,126	32,265		
Grants - other	122,249	97,516								
Permits, licences and fines	13,644	15,378	410	984						
Investment income	200,025	195,763								
Other revenue	197,379	53,855								
Water and sewer										
Prov of MB - unconditional grants	226,762	248,992	2,701	148,557	70,498	46,629				
Prov of MB - conditional grants										
Total revenue	2,967,301	2,617,439	25,418	222,987	81,017	53,982	44,126	32,265		
EXPENSES										
Personnel services	281,282	291,316	34,202	37,058	272,167	347,622	21,584	38,074	16,631	6,209
Contract services	187,995	173,373	49,358	44,858	60,976	49,652	84,907	94,829	2,640	2,640
Utilities	10,226	10,236	7,386	7,661	14,240	10,772				
Maintenance, materials and supplies	72,290	59,210	29,118	46,233	629,806	537,382	7,613	1,996		
Grants and contributions	1,100	1,000								
Amortization	5,772	6,429	51,527	51,379	150,838	151,141	167	167		
Interest on long-term debt	179	1,676	1,676	1,202	19,284	185				
Other	43,987	9,167	17,805							
Total expenses	602,831	552,407	189,396	188,391	1,147,311	1,096,754	114,271	135,066	19,271	8,849
Surplus (Deficit)	\$ 2,364,470	\$ 2,065,032	(163,978)	34,596	(1,066,294)	(1,042,772)	(70,145)	(102,801)	(19,271)	(8,849)

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

RURAL MUNICIPALITY OF WHITEHEAD
SCHEDULE 4 - CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM
For the year ended December 31, 2024

	Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services		Water and Sewer Services		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
REVENUE										
Property taxes					265,950	265,950	\$ 2,376,989	\$ 2,176,582		
Grants in lieu of taxation							59,223	55,319		
User fees							148,303	180,920		
Grants - other	28,861	22,642	5,510	5,369			166,667	140,076		
Permits, licences and fines	44,418	42,560					14,054	16,362		
Investment income							206,225	200,084		
Other revenue	6,200	4,321					210,418	85,122		
Water and sewer	13,039	31,128			690,177	823,152	690,177	823,152		
Prov of MB - unconditional grants							226,762	248,992		
Prov of MB - conditional grants							73,199	195,186		
Total revenue		92,518	100,651	5,510	5,369	956,127	1,089,102	4,172,017	4,121,795	
EXPENSES										
Personnel services	29,453	28,873			119,491	132,780	774,810	881,932		
Contract services	3,806	3,187			31,022	2,225	470,568	489,714		
Utilities	366	316			29,320	33,938	61,538	62,923		
Maintenance, materials and supplies	43,791	39,618	12,741	1,971	323,205	352,669	1,121,694	1,041,093		
Grants and contributions	131,680	222,357					32,713	132,780	256,070	
Amortization	3,609	3,647	4,116	3,164	325,614	322,632	541,643	538,559		
Interest on long-term debt					72,467	80,831	91,930	83,894		
Other			462	159		68,07	68,224	130,261	77,550	
Total expenses	8,009	3,384	213,167	298,157	61,842	122,715	969,126	1,026,012	3,325,224	3,431,735
Surplus (Deficit)	(8,009)	(3,384)	(120,649)	(197,506)	(56,332)	(117,346)	(12,999)	63,090	\$ 846,793	\$ 690,060

RURAL MUNICIPALITY OF WHITEHEAD
SCHEDULE 5 - CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS
For the year ended December 31, 2024

	Core Government		Controlled Entities		Government Partnerships		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
REVENUE								
Property taxes	\$ 2,376,989	\$ 2,176,582					\$ 2,376,989	\$ 2,176,582
Grants in lieu of taxation	59,223	55,319					59,223	55,319
User fees	119,442	158,278					148,303	180,920
Grants - other	122,249	97,516					166,667	140,076
Permits, licences and fines	14,054	16,362					14,054	16,362
Investment income	200,025	195,763					206,225	200,084
Other revenue	197,379	53,994					31,128	85,122
Water and sewer	451,161	492,340					690,177	823,152
Prov of MB - unconditional grants	226,762	248,992					226,762	248,992
Prov of MB - conditional grants	73,199	195,186					73,199	195,186
Total revenue	<u>3,840,483</u>	<u>3,690,332</u>					<u>431,463</u>	<u>4,121,795</u>
EXPENSES								
Personnel services	643,711	732,749					149,183	774,810
Contract services	466,762	486,527					3,187	470,568
Utilities	31,852	28,669					34,254	61,538
Maintenance, materials and supplies	977,595	894,909					146,184	1,121,694
Grants and contributions	132,780	256,070					132,780	256,070
Amortization	385,113	381,626					541,643	538,559
Interest on long-term debt	91,930	83,894					91,930	83,894
Other	129,799	77,391					462	159
Total expenses	<u>2,859,542</u>	<u>2,941,835</u>					<u>465,682</u>	<u>489,900</u>
Surplus (Deficit)	<u>\$ 980,941</u>	<u>\$ 748,497</u>					<u>(134,148)</u>	<u>(58,437)</u>
							<u>\$ 846,793</u>	<u>\$ 690,060</u>

RURAL MUNICIPALITY OF WHITEHEAD
SCHEDULE 6 - SCHEDULE OF CHANGES IN RESERVE FUND BALANCES
For the year ended December 31, 2024

	2024					Emergency Measures Reserve	Sub Total
	Mitigation and Preparedness Program Reserve	Employee Severance Reserve	Equipment Replacement Reserve	New General Reserve	Village of Alexander Reserve		
REVENUE							
Investment income							
Other income							
Total revenue	343	9,274		16,480	2	47	\$ 26,146
EXPENSES							
Investment charges							
Other expenses							
Total expenses	343	9,274		16,480	2	47	\$ 26,146
NET REVENUES							
TRANSFERS							
Debt repayment							
Transfers from operating fund	2,500	230,000 (215,849)		75,000 (22,066)	2,500	10,000	320,000 (237,915)
Transfers to operating fund							
Transfers from utility fund							
Transfers to utility fund							
Acquisition of tangible capital assets							
CHANGE IN RESERVE FUND BALANCES							
FUND SURPLUS, BEGINNING OF YEAR	14,213	12,696	176,181	620,862	7,000	65,520	896,472
FUND SURPLUS, END OF YEAR	\$ 14,213	15,539	199,606	690,276	9,502	75,567	\$ 1,004,703

RURAL MUNICIPALITY OF WHITEHEAD
SCHEDULE 6 - SCHEDULE OF CHANGES IN RESERVE FUND BALANCES
For the year ended December 31, 2024

		2023						
		Recreation Reserve	Rural Water Deposit Reserve	Gas Tax Reserve	Fire Capital Reserve	Utility Replacement Reserve	Waste Disposal Reserve	Total
REVENUE								
Investment income	\$ 36	29,606	33,192	6,234		6,878	\$ 102,092	\$ 100,034
Other income	9,583			750			10,333	2,000
Total revenue	9,619	29,606	33,192	6,984		6,878	112,425	102,034
EXPENSES								
Investment charges								
Other expenses								
Total expenses	9,619	29,606	33,192	6,984		6,878	112,425	102,034
NET REVENUES								
TRANSFERS								
Debt repayment								
Transfers from operating fund								
Transfers to operating fund								
Transfers from utility fund								
Transfers to utility fund								
Acquisition of tangible capital assets								
CHANGE IN RESERVE FUND BALANCES	9,619	198,540	126,558	(2,598)		61,878	502,228	304,514
FUND SURPLUS, BEGINNING OF YEAR	20,018	337,767	563,743	114,027	88,637	186,668	2,207,332	1,902,818
FUND SURPLUS, END OF YEAR	\$ 29,637	536,307	690,301	111,429	88,637	248,546	\$ 2,709,560	\$ 2,207,332

RURAL MUNICIPALITY OF WHITEHEAD
SCHEDULE 7 - SCHEDULE OF L.U.D. OPERATIONS - Alexander
For the year ended December 31, 2024

	2024 Budget	2024 Actual	2023 Actual
REVENUE			
Taxation	\$ 54,718	\$ 54,718	\$ 51,754
Other revenue	22,900	21,408	21,465
Total revenue	77,618	76,126	73,219
EXPENSES			
General government			
Indemnities	8,150	6,300	6,730
Transportation services			
Road and street maintenance	40,000	38,327	22,561
Street lighting	9,500	8,791	8,736
Other	31,000	28,258	18,762
Environmental health			
Other	4,000	428	3,472
Regional planning and development			
Environmental development	16,400	14,205	13,608
Recreation and cultural services			
Beautification	5,000	3,130	2,014
Total expenses	114,050	99,439	75,883
DEFICIT	(36,432)	(23,313)	(2,664)
TRANSFERS			
CHANGES IN L.U.D. BALANCES	\$ (36,432)	(23,313)	(2,664)
UNEXPENDED BALANCE, BEGINNING OF YEAR		44,650	47,314
UNEXPENDED BALANCE, END OF YEAR	\$ 21,337	\$ 44,650	

RURAL MUNICIPALITY OF WHITEHEAD
SCHEDULE 8- SCHEDULE OF FINANCIAL POSITION FOR UTILITY
For the year ended December 31, 2024

	2024			2023		
	Whitehead	Whitehead Elton Regional Water Co- operative Inc.	Total		Total	
FINANCIAL ASSETS						
Cash	\$ 48,370	\$ 110,832	\$ 159,202	\$ 48,370	\$ 211,182	\$ 259,552
Amounts receivable (Note 4)	\$ 100,350	\$ 110,832	\$ 211,182	\$ 100,350	\$ 211,182	\$ 323,226
	148,720	110,832	259,552			369,245
LIABILITIES						
Accounts payable and accrued liabilities						
Long-term debt (Note 8)						
Due to other funds						
	1,421,345	670,568	1,421,345			638,958
	24,656		24,656			1,603,321
	1,446,001	670,568	2,116,569			12,530
	(1,297,281)	(559,736)	(1,837,017)			2,254,809
NET DEBT						
NON-FINANCIAL ASSETS						
Tangible capital assets (Schedule 1)						
Inventories	\$ 6,483,876	\$ 3,331,464	\$ 9,815,340			10,024,031
Prepaid expenses		1,194	1,194			2,983
	6,483,876	3,333,419	9,817,295			761
FUND SURPLUS	\$ 5,186,595	\$ 2,773,683	\$ 7,960,278			10,027,775
REMEASUREMENT GAINS (LOSSES)						
Accumulated gains (losses), beginning of year						
Unrealized gains (losses)						
Amounts reclassified to statement of operations						
Accumulated gains (losses), end of year						
	\$	\$	\$			\$
	\$	\$	\$			\$
FUND SURPLUS (DEFICIT) CONSISTS OF:						
Accumulated operating surplus (deficit)	\$ 5,186,595	\$ 2,773,683	\$ 7,960,278	\$ 8,142,211		
Accumulated remeasurement gains (losses)						
	\$	\$	\$			\$
	5,186,595	2,773,683	7,960,278			8,142,211
COMMITMENTS AND CONTINGENCIES (Note 11)						

RURAL MUNICIPALITY OF WHITEHEAD
SCHEDULE 9 - SCHEDULE OF UTILITY OPERATIONS - Whitehead
For the year ended December 31, 2024

	Budget	2024	2023
REVENUE			
Water			
Water fees	\$ 260,000	\$ 254,469	\$ 242,686
Bulk water fees	5,000	6,475	3,727
Sub-Total - Water	265,000	260,944	246,413
Sewer			
Lagoon tipping fees		1,305	1,295
Property taxes	265,950	265,950	265,950
Government transfers		4,288	
Other			
Hydrant rentals	1,600	2,400	2,400
Connection charges	25,000	100,198	20,000
Penalties	2,500	3,899	2,796
Investment income	2,000	2,352	2,324
Other income	2,000	75,775	217,112
Sub-Total - Other	33,100	184,624	244,632
Total revenue	\$ 564,050	\$ 717,111	\$ 758,290

RURAL MUNICIPALITY OF WHITEHEAD

SCHEDULE 9 - SCHEDULE OF UTILITY OPERATIONS (continued) - Whitehead

For the year ended December 31, 2024

	Budget	2024	2023
EXPENSES			
General			
Administration	\$ 16,335	\$ 17,845	\$ 12,470
Billing and collection			270
Sub-Total - General	16,335	17,845	12,740
Water General			
Purification and treatment	15,000	22,494	5,175
Transmission and distribution		5,906	
Water purchases	235,000	225,305	240,383
Connection costs	28,765	68,007	100,937
Sub-Total - Water General	278,765	321,712	346,495
Water Amortization, Accretion & Interest			
Amortization	172,693	169,346	
Interest on long-term debt	72,467	80,831	
Sub-Total - Water Amortization, Accretion & Interest	245,160	250,177	
Sewer General			
Treatment and disposal cost	3,000		2,500
Lift station costs		214	
Sub-Total - Sewer General	3,000	214	2,500
Total expenses	298,100	584,931	611,912
NET OPERATING SURPLUS	\$ 265,950	132,180	146,378
TRANSFERS			
Transfers from (to) reserve funds		(168,934)	178,467
CHANGE IN UTILITY FUND BALANCE		(36,754)	324,845
FUND SURPLUS, BEGINNING OF YEAR		5,223,349	4,898,504
FUND SURPLUS, END OF YEAR	\$ 5,186,595	\$ 5,223,349	

RURAL MUNICIPALITY OF WHITEHEAD

SCHEDULE 9 - SCHEDULE OF UTILITY OPERATIONS - Whitehead Elton Regional Water Co-operative Inc.

For the year ended December 31, 2024

	Budget	2024	2023
REVENUE			
Water			
Water fees	\$ 206,258	\$ 206,258	\$ 235,360
Sub-Total - Water	206,258	206,258	235,360
Government transfers - capital	32,758	32,758	95,452
Total revenue	239,016	239,016	330,812
EXPENSES			
General			
Utilities (telephone, electricity, etc)	29,320	29,320	33,938
Sub-Total - General	29,320	29,320	33,938
Water General			
Purification and treatment	201,954	201,954	226,876
Sub-Total - Water General	201,954	201,954	226,876
Water Amortization, Accretion & Interest			
Amortization	152,921	152,921	153,286
Sub-Total - Water Amortization, Accretion & Interest	152,921	152,921	153,286
Total expenses	384,195	384,195	414,100
DEFICIT	\$ (145,179)	(145,179)	(83,288)
TRANSFERS			
CHANGE IN UTILITY FUND BALANCE			
FUND SURPLUS, BEGINNING OF YEAR			
FUND SURPLUS, END OF YEAR	\$ 2,773,683	\$ 2,918,862	

RURAL MUNICIPALITY OF WHITEHEAD
SCHEDULE 10 - RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET
For the year ended December 31, 2024

	Financial Plan General	Financial Plan Utility	Amortization & Accretion	Interest Expense	Transfers	L.U.D of Alexander	Consolidated Entities	PSAB Budget
REVENUE								
Property taxes	\$ 2,012,136	265,950				54,718		\$ 2,332,804
Grants in lieu of taxation	59,223							59,223
User fees	94,400							117,720
Grants - Province of Manitoba	200,000					22,400		222,400
Grants - other	100,527							158,211
Permits, licences and fines	12,100							12,100
Investment income	35,000							36,210
Other revenue	32,093					500		32,593
Water and sewer								537,116
Transfers from accumulated surplus	537,116							
Transfers from reserves	33,469							
Total revenue	<u>2,578,948</u>	<u>803,066</u>				<u>(69,901)</u>	<u>114,050</u>	<u>3,508,377</u>
EXPENSES								
General government services	576,300		5,772	179			8,150	590,401
Protective services	138,900		51,527					190,427
Transportation services	958,730		150,838	19,284			80,500	1,209,352
Environmental health services	123,000		167				4,000	127,167
Public health and welfare services	17,140							17,140
Regional planning and development	8,000							24,400
Resource cons. and industrial dev	103,300							
Recreation and cultural services	59,580							192,072
Water and sewer services								68,696
Fiscal services:								927,455
Transfer to capital								
Debt charges	33,469	265,950		(299,419)				
Short-term interest								
Transfer to reserves								
Allowance for tax assets	560,016					(560,016)		
Total expenses	513					(513)		
	<u>2,578,948</u>	<u>948,245</u>	<u>385,113</u>	<u>(207,489)</u>	<u>(560,529)</u>	<u>114,050</u>	<u>88,772</u>	<u>3,347,110</u>
Surplus (Deficit)	<u>\$ 6</u>	<u>(145,179)</u>	<u>(385,113)</u>	<u>207,489</u>	<u>490,628</u>		<u>(6,558)</u>	<u>\$ 161,267</u>

RURAL MUNICIPALITY OF WHITEHEAD
SCHEDULE 11 - ANALYSIS OF TAXES ON ROLL
For the year ended December 31, 2024

	2024	2023
Balance, beginning of year	\$ 405,277	\$ 350,580
Add:		
Tax levy (Schedule 12)	4,491,146	4,264,505
Taxes added	48,614	13,034
Penalties or interest	42,086	30,763
Other accounts added	20,403	99,187
Sub-total	4,602,249	4,407,489
Deduct:		
Cash collections - current	3,112,935	3,829,628
Cash collections - arrears	320,370	307,016
Writeoffs	25,281	8,943
Title value of tax titles acquired		8,551
Tax discounts		7,290
E.P.T.C. - cash advance	191,893	191,364
Manitoba School Tax Rebate	1,001,341	
Sub-total	4,651,820	4,352,792
Balance, end of year	\$ 355,706	\$ 405,277

RURAL MUNICIPALITY OF WHITEHEAD
SCHEDULE 12 - ANALYSIS OF TAX LEVY
For the year ended December 31, 2024

	2024		2023
	Assessment	Mill Rate	Levy
Other governments (L.U.D.):			
L.U.D. Alexander	11,083,520	4.937	\$ 54,719
Sub-Total - L.U.D			<u>54,719</u>
Debt charges:			
Frontage			58,825
L.I.D. - Water/Sewer	11,252,650	1.665	18,736
Sub-Total - Debt charges			<u>77,561</u>
Reserves:			
Machinery Replacement	154,642,660	1.447	223,768
Fire Replacement Reserve	154,642,660	0.504	77,940
Waste Disposal Site Reserve	154,642,660	0.346	53,506
General Reserve	154,642,660	0.472	72,991
Labour Reserve	154,642,660	0.016	2,474
Emergency Measures Reserve	154,642,660	0.063	9,743
Recreation Reserve	154,642,660	0.063	9,743
Sub-Total - Reserves			<u>450,165</u>
General Municipal - Rural Area	143,559,140	5.586	801,921
- At Large	154,642,660	4.894	<u>756,821</u>
Special levies:			
Kemville			11,508
Rural Water			175,680
Sub-Total - Special levies			<u>187,188</u>
Total municipal taxes (Schedule 2)			2,328,375
Education support levy	9,033,690	8.129	73,435
Special levies:			
Brandon School Division	130,117,090	14.148	1,840,896
Fort La Bosse	3,081,010	7.776	23,958
Southwest Horizon	21,444,560	10.468	224,482
Sub-Total - Special levies			<u>2,089,336</u>
Total education taxes			2,162,771
Total tax levy (Schedule 11)			\$ 4,491,146
			\$ 4,264,505

RURAL MUNICIPALITY OF WHITEHEAD
SCHEDULE 13 - SCHEDULE OF GENERAL OPERATING FUND EXPENSES
For the year ended December 31, 2024

	2024	2023
General government services:		
Legislative	\$ 85,913	\$ 84,224
General administrative	498,520	455,846
Other	12,328	12,337
Loss on disposal of tangible capital assets	6,070	
	602,831	552,407
Protective services:		
Police	12,013	10,451
Fire	110,577	106,771
Emergency measures	2,687	5,461
Other	46,314	65,708
Loss on disposal of tangible capital assets	17,805	
	189,396	188,391
Transportation services:		
Road transport		
Administration and engineering	173,240	225,409
Road and street maintenance	945,508	854,869
Street lighting	3,725	6,282
Other	24,838	10,194
	1,147,311	1,096,754
Environmental health services:		
Waste collection and disposal	97,121	130,618
Other	17,150	4,448
	114,271	135,066
Public health and welfare services:		
Public health	16,631	6,209
Social assistance	2,640	2,640
	19,271	8,849
Regional planning and development:		
Planning and zoning	4,879	1,370
Beautification and land rehabilitation	3,130	2,014
	8,009	3,384
Sub-total	\$ 2,081,089	\$ 1,984,851

RURAL MUNICIPALITY OF WHITEHEAD**SCHEDULE 13 - SCHEDULE OF GENERAL OPERATING FUND EXPENSES - continued**

For the year ended December 31, 2024

	2024	2023
Sub-total (carry forward)	\$ 2,081,089	\$ 1,984,851
Resource conservation and industrial development:		
Rural area weed control	132,088	222,248
Veterinary services	2,254	2,147
Water resources and conservation	10,604	10,682
	144,946	235,077
Recreation and cultural services:		
Administration	14,688	13,736
Community centres and halls	22,793	96,616
Skating and curling rinks	11,619	11,363
Other recreational facilities	12,742	1,000
	61,842	122,715
Total expenses	\$ 2,287,877	\$ 2,342,643

RURAL MUNICIPALITY OF WHITEHEAD
SCHEDULE 14 - RECONCILIATION OF ANNUAL SURPLUS (DEFICIT)
For the year ended December 31, 2024

	2024			2023		
	General	Utility	Total	General	Utility	Total
MUNICIPAL SURPLUS (DEFICIT) UNDER THE MUNICIPAL ACT	\$ 287,449	(130,202)	\$ 157,247	\$ 135,304		
Adjustments for reporting under public sector accounting standards						
Eliminate expense - transfers to reserves	558,366	248,811	807,177	775,962	(417,374)	(573,482)
Eliminate revenue - transfers from reserves	(337,497)	(79,877)		112,425		102,034
Increase revenue - reserve funds interest	112,425			(145,179)	(120,882)	(45,717)
Increase (decrease) revenue - net surplus (deficit) of consolidated entities	24,297			(23,313)	(23,313)	(2,664)
Increase (decrease) revenue - net surplus (deficit) of LUD(s)	(23,313)			(212,420)	(172,693)	(381,626)
Increase expense - amortization of tangible capital assets	(212,420)			53,807	181,976	235,783
Decrease expense - principal portion of debenture debt	366,124			366,124		250,600
Decrease expense - principal portion of obligations under capital lease	69,755			69,755		102,168
Increase (decrease) revenue - gain (loss) on sale of tangible capital assets	(744,948)			(744,948)		(744,948)
Eliminate revenue - proceeds from obligations under capital lease	(236,495)			(236,495)		(236,495)
Eliminate revenue - proceeds on sale of tangible capital assets	942,242	84,165	1,026,407	942,242	84,165	1,026,407
						327,481
NET SURPLUS (DEFICIT) PER STATEMENT OF OPERATIONS	\$ 859,792	(12,999)	\$ 846,793	\$ 690,060		