

RURAL MUNICIPALITY OF WHITEHEAD
CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2023

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., an independent firm of Chartered Professional Accountants, is appointed by the Council to audit the consolidated financial statements and report directly to them; their report follows. 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

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, 2023 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, 2023, 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 new 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, lagoon, and water wells, to determine potential 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 year ended December 31, 2023 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 19, 2024



 Chartered Professional Accountants Ltd.

RURAL MUNICIPALITY OF WHITEHEAD
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2023

	2023	2022
FINANCIAL ASSETS		
Cash (Note 3)	\$ 4,161,092	\$ 4,029,246
Amounts receivable (Note 4)	867,976	1,198,973
	<u>5,029,068</u>	<u>5,228,219</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 5)	1,139,387	1,749,795
Severance and sick leave payable	12,233	10,753
Deferred revenue	32,176	50,394
Asset retirement obligation (Note 6)	47,919	47,919
Long-term debt (Note 7)	1,657,128	1,907,729
Obligations under capital lease (Note 9)		102,168
	<u>2,888,843</u>	<u>3,868,758</u>
NET FINANCIAL ASSETS	<u>2,140,225</u>	<u>1,359,461</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	12,268,385	12,384,011
Inventories	45,623	27,301
Prepaid expenses	29,401	22,800
	<u>12,343,409</u>	<u>12,434,112</u>
ACCUMULATED SURPLUS (Note 14)	<u>\$ 14,483,634</u>	<u>\$13,793,573</u>
Accumulated surplus is comprised of:		
Accumulated surplus excluding remeasurement gains (losses)	\$ 14,483,634	\$13,793,573
Accumulated remeasurement gains (losses)		
	<u>\$ 14,483,634</u>	<u>\$13,793,573</u>
CONTINGENCY (Note 10)		

RURAL MUNICIPALITY OF WHITEHEAD
CONSOLIDATED STATEMENT OF OPERATIONS
For the year ended December 31, 2023

	2023 Budget (Note 13)	2023 Actual	2022 Actual
REVENUE			
Property taxes	\$ 2,173,298	\$ 2,176,583	\$ 2,004,708
Grants in lieu of taxation	55,319	55,319	48,190
User fees	113,350	180,920	221,306
Permits, licences and fines	8,100	16,362	15,997
Investment income	25,880	200,084	95,980
Other revenue	36,769	85,122	69,750
Water and sewer	616,112	823,152	1,613,532
Grants - Province of Manitoba	222,400	444,178	286,863
Grants - Other	154,806	140,076	143,366
Total revenue (Schedules 2, 4 and 5)	3,406,034	4,121,796	4,499,692
EXPENSES			
General government services	544,455	552,407	531,290
Protective services	188,981	188,391	244,148
Transportation services	1,126,527	1,096,754	901,110
Environmental health services	120,567	135,066	103,402
Public health and welfare services	15,140	8,849	6,505
Regional planning and development	20,500	3,384	5,188
Resource conservation and industrial development	181,844	298,157	161,624
Recreation and cultural services	53,664	122,715	65,661
Water and sewer services	949,577	1,026,012	1,408,621
Total expenses (Schedules 3, 4 and 5)	3,201,255	3,431,735	3,427,549
ANNUAL SURPLUS	\$ 204,779	690,061	1,072,143
ACCUMULATED SURPLUS, BEGINNING OF YEAR		13,793,573	12,721,430
ACCUMULATED SURPLUS, END OF YEAR		\$14,483,634	\$13,793,573

RURAL MUNICIPALITY OF WHITEHEAD
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
For the year ended December 31, 2023

	2023 Budget (Note 13)	2023 Actual	2022 Actual
ANNUAL SURPLUS	\$ 204,779	\$ 690,061	\$ 1,072,143
Acquisition of tangible capital assets	(1,037,878)	(422,933)	(1,054,900)
Amortization of tangible capital assets	538,559	538,559	523,265
Loss on sale of tangible capital assets			11,936
Proceeds on sale of tangible capital assets			11,475
Decrease (increase) in inventories		(18,322)	64,941
Increase in prepaid expenses		(6,601)	(2,167)
	(499,319)	90,703	(445,450)
CHANGE IN NET FINANCIAL ASSETS	\$ (294,540)	780,764	626,693
NET FINANCIAL ASSETS, BEGINNING OF YEAR		1,359,461	732,768
NET FINANCIAL ASSETS, END OF YEAR		\$ 2,140,225	\$ 1,359,461

RURAL MUNICIPALITY OF WHITEHEAD
CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended December 31, 2023

	2023	2022
OPERATING TRANSACTIONS		
Annual surplus	\$ 690,061	\$ 1,072,143
Changes in non-cash items:		
Amounts receivable	330,997	(249,100)
Inventories	(18,322)	64,941
Prepays	(6,601)	(2,167)
Accounts payable and accrued liabilities	(608,928)	(448,221)
Deferred revenue	(18,218)	5,887
Landfill closure and post-closure liabilities		(33,665)
Loss on sale of tangible capital assets		11,936
Amortization	538,559	523,265
Cash provided by operating transactions	<u>907,548</u>	<u>945,019</u>
CAPITAL TRANSACTIONS		
Proceeds on sale of tangible capital assets		11,475
Cash used to acquire tangible capital assets	(422,933)	(1,054,900)
Cash applied to capital transactions	<u>(422,933)</u>	<u>(1,043,425)</u>
FINANCING TRANSACTIONS		
Proceeds of long-term debt		82,180
Debt repayment	(250,601)	(229,310)
Repayment of obligation under capital lease	(102,168)	(172,361)
Cash applied to financing transactions	<u>(352,769)</u>	<u>(319,491)</u>
INCREASE (DECREASE) IN CASH	131,846	(417,897)
CASH, BEGINNING OF YEAR	4,029,246	4,447,143
CASH, END OF YEAR	\$ 4,161,092	\$ 4,029,246

RURAL MUNICIPALITY OF WHITEHEAD
CONSOLIDATED STATEMENT OF REMEASUREMENT GAINS (LOSSES)
For the year ended December 31, 2023

	2023 Actual	2022 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, 2023

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% (2022 - 22%)

Whitehead Elton Regional Water Co-op Inc. - 45% (2022 - 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 16 - Trust Funds.

RURAL MUNICIPALITY OF WHITEHEAD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2023

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, 2023

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.

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

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

RURAL MUNICIPALITY OF WHITEHEAD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Tangible Capital Assets (continued)

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.

Revenue Recognition

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.

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.

RURAL MUNICIPALITY OF WHITEHEAD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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 WHITEHEAD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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:

- PS 3400 Revenue (effective January 1, 2024), a new standard establishing guidance on the recognition, measurement, presentation and disclosure of revenue. Earlier adoption is permitted.
- PS 3160 Public Private Partnerships (effective January 1, 2024), is a new standard establishing guidance on the recognition, measurement, and disclosure of public private partnership arrangements. Earlier adoption is permitted.
- PSG - 8 Purchased Intangibles (effective January 1, 2024), provides guidelines on the accounting and reporting for purchased intangible assets that are acquired through arm's length exchange transactions between knowledgeable, willing parties that are under no compulsion to act.

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.

RURAL MUNICIPALITY OF WHITEHEAD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2023

3. CASH

Cash is comprised of the following:

	2023	2022
Cash	\$ 4,161,092	\$ 4,029,246

The Municipality has designated \$2,207,332 (2022 - \$1,902,819) to reserves for debt principal repayments and tangible capital asset acquisitions. See Schedule 6 – Schedule of Change in Reserve Fund Balances.

4. AMOUNTS RECEIVABLE

Amounts receivable are valued at their net realized value.

	2023	2022
Organizations and individuals	\$ 9,104	\$ 128,449
Taxes on roll (Schedule 11)	405,277	350,580
Utility customers (Schedule 8)	323,226	571,297
Other governments	130,369	148,647
	\$ 867,976	\$ 1,198,973

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2023	2022
Accounts payable	\$ 927,967	1,520,431
School levies	173,573	188,513
Accrued expenses	36,830	38,848
Accrued interest payable	1,017	2,003
	\$ 1,139,387	\$ 1,749,795

RURAL MUNICIPALITY OF WHITEHEAD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2023

6. ASSET RETIREMENT OBLIGATION

During the year, a new accounting standard that addresses section 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.

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. In 2021, a professional engineer was hired to assess the landfill site.

	2023	2022
Estimated closure and post closure costs	\$ 47,919	\$ 91,867
Discount rate	5.625 %	5.625 %
Discount costs	47,919	91,867
Expected year capacity will be reached	2022	2022
Capacity (tonnes):		
Used to date	100	100
Remaining		
Total	100	100
Percent utilized	100.00 %	100.00 %
Liability based on percentage	\$ 47,919	\$ 91,867
Less: transfer site costs incurred during the year		43,948
Liability, end of year	\$ 47,919	\$ 47,919

RURAL MUNICIPALITY OF WHITEHEAD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2023

7. LONG-TERM DEBT

	2023	2022
General Authority		
Debenture, payment of \$37,655 annually including interest at 3.040%, maturing January 2024.	\$ 36,544	\$ 72,009
Royal Bank of Canada fixed rate term loan, payable at \$82,180 annually including interest at 4.230%, maturing May 2024.	17,263	58,788
	53,807	130,797
Utility Funds		
Debenture, payable at \$78,762 annually including interest at 5.625%, maturing December 2027.	275,279	335,187
Debenture, payable at \$35,488 annually including interest at 4.125%, maturing December 2037	371,790	391,144
Debenture, payable at \$80,357 annually including interest at 4.750%, maturing December 2030.	469,219	524,655
Debenture, payable at \$34,372 annually including interest at 4.125%, maturing December 2031.	230,229	254,118
Royal Bank of Canada fixed rate term loan, payable at \$25,463 annually including interest at 3.840%, maturing December 2036.	256,804	271,828
	1,603,321	1,776,932
	\$ 1,657,128	\$ 1,907,729

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

2024	\$ 235,793
2025	190,749
2026	199,956
2027	209,611
2028	140,982
	<u>977,091</u>
	<u>\$ 977,091</u>

RURAL MUNICIPALITY OF WHITEHEAD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2023

8. DEBENTURES PENDING

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

9. OBLIGATION UNDER CAPITAL LEASE(S)

In 2019, the Municipality leased a 2019 Case 4-Wheel Tractor through Royal Bank of Canada with an initial payment of \$53,520 in February 2020. The terms of the lease include monthly payments of \$3,339 net of GST that expired in January 2023.

In 2020, the Municipality entered into another lease agreement with Royal Bank of Canada for a 2020 John Deere Grader with monthly payments of \$11,373 net of GST that expired in September 2023.

Interest expense includes \$844 (2022 -\$4,185) with respect to this obligation.

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

	2023	2022
Cost of leased tangible capital assets	\$ 685,797	\$ 685,797
Accumulated amortization of leased tangible capital assets	(240,490)	(103,331)
	<u>\$ 445,307</u>	<u>\$ 582,466</u>

Amortization expense includes \$68,580 (2022 - \$68,580) on leased tangible capital assets.

10. CONTINGENCY

Subsequent to year end, a claim was filed against the Municipality. The outcome 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.

RURAL MUNICIPALITY OF WHITEHEAD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2023

11. 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 \$30,001 (2022 - \$24,208) 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 has 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.

12. 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, 2023

13. 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.

14. ACCUMULATED SURPLUS

	2023	2022
Accumulated surplus consists of the following:		
General Operating Fund - Nominal Surplus	\$ 1,786,934	\$ 1,810,744
Utility Operating Fund(s) - Nominal Surplus	254,265	97,814
TCA net of related borrowings	7,146,822	6,848,198
Reserve Funds	2,207,332	1,902,819
	<hr/>	
Accumulated Surplus of Municipality Unconsolidated	11,395,353	10,659,575
Accumulated Surpluses of Consolidated Entities	3,088,281	3,133,998
	<hr/>	
Accumulated Surplus per Consolidated Statement of Financial Position	\$ 14,483,634	\$13,793,573
	<hr/>	

RURAL MUNICIPALITY OF WHITEHEAD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2023

15. 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, 2023:

- a) Compensation paid to members of council amounted to \$80,190 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	\$ 14,871	\$ 2,131	\$ 17,002
Christopher Semeschuk	9,389	300	9,689
Dennis Foerster	9,389	300	9,689
Kaley Mykula	10,154	300	10,454
Curtis Storey	10,569	930	11,499
Kevin Klassen	10,179	758	10,937
Jeffrey Owens	10,239	470	10,709
Bryden Izzard	1,800	290	2,090
Julie Bean	1,800	290	2,090
Laureen Owens	1,800	290	2,090
	<u>\$ 80,190</u>	<u>\$ 6,059</u>	<u>\$ 86,249</u>

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

16. 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	\$ 4,631	\$ 245	\$ 4,876
Cenotaph Trust	3,086	164	3,250
Weed Trust	382	20	402
	<u>\$ 8,099</u>	<u>\$ 429</u>	<u>\$ 8,528</u>

RURAL MUNICIPALITY OF WHITEHEAD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2023

17. 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	\$ 3,191,933	\$	\$ 79,266	\$ 3,112,667

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	\$ 538,262	\$	\$ 16,107	\$ 522,155

RURAL MUNICIPALITY OF WHITEHEAD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2023

18. 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.

19. 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:

	2023	2022
Financial Position		
Financial assets	\$ 218,054	\$ 538,646
Liabilities	642,572	960,606
Net debt	(424,518)	(421,960)
Non-financial assets	3,512,799	3,555,958
Accumulated surplus	<u>\$ 3,088,281</u>	<u>\$ 3,133,998</u>
Result of Operations		
Revenues	\$ 431,463	\$ 1,235,745
Expenses	489,900	535,201
Intercompany revenue and expense eliminations	12,720	12,045
Annual surplus (deficit)	<u>\$ (45,717)</u>	<u>\$ 712,589</u>

RURAL MUNICIPALITY OF WHITEHEAD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2023

20. PRIOR PERIOD ADJUSTMENT

In the current year, a material error was identified in the prior year financial statements. The Disaster Financial Assistance expenditures incurred by the Municipality were not set up as a grant receivable in error. The impact of the adjustment on the 2023 figures was an increase in accounts receivable and Grants - Province of Manitoba - Conditional grant revenue by \$59,715.

The net effect of the adjustment was an increase to the current year opening accumulated surplus and opening accounts receivable in the amount of \$59,715.

RURAL MUNICIPALITY OF WHITEHEAD
SCHEDULE 1 - CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
For the year ended December 31, 2023

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	2023	2022
Opening costs	\$ 277,352	464,477	2,321,947	14,911		8,818,849	12,814,419		\$ 24,711,955	\$ 23,700,498
Additions during the year	12,701	9,182	24,157	5,521	95,683	16,108	257,564	2,017	422,933	1,054,900
Disposals and write downs				(3,002)					(3,002)	(43,443)
Transfers										
Closing costs	290,053	473,659	2,346,104	17,430	95,683	8,834,957	13,071,983	2,017	25,131,886	24,711,955
Accumulated Amortization										
Opening accum'd amortization	4,107	206,958	1,110,635	11,500		8,267,407	2,727,337		12,327,944	11,824,711
Amortization	4,165	10,406	181,046	1,791		18,519	322,632		538,559	523,265
Disposals and write downs				(3,002)					(3,002)	(20,032)
Closing accum'd amortization	8,272	217,364	1,291,681	10,289		8,285,926	3,049,969		12,863,501	12,327,944
Net Book Value of Tangible Capital Assets	\$ 281,781	256,295	1,054,423	7,141	95,683	549,031	10,022,014	2,017	\$ 12,268,385	\$ 12,384,011

Water and sewer underground networks contributed to the Municipality totals \$8,273,686 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, 2023

	2023 Actual	2022 Actual
Property taxes:		
Municipal taxes levied (Schedule 12)	\$ 2,170,839	\$ 1,984,116
Taxes added	13,034	27,179
Discounts	(7,290)	(6,587)
	<u>2,176,583</u>	<u>2,004,708</u>
Grants in lieu of taxation:	<u>55,319</u>	48,190
User fees:		
Sales of service	150,211	128,449
Sales of goods	1,304	65,288
Rentals	29,405	27,569
	<u>180,920</u>	<u>221,306</u>
Permits, licences and fines:		
Permits	11,718	6,002
Licences	3,085	30
Aggregate mining and transportation fees	75	7,319
Fines	1,484	2,646
	<u>16,362</u>	<u>15,997</u>
Investment income:	<u>200,084</u>	95,980
Other revenue:		
Insurance proceeds	16,552	
Penalties and interest	30,763	28,150
Miscellaneous	37,807	30,921
Grant in kind		10,679
	<u>85,122</u>	<u>69,750</u>
Water and sewer		
Municipal utility	492,340	465,831
Consolidated water co-operatives	330,812	1,147,701
	<u>823,152</u>	<u>1,613,532</u>
Grants - Province of Manitoba:		
Municipal operating grants	248,992	132,816
Conditional grants	195,186	154,047
	<u>444,178</u>	<u>286,863</u>
Sub-total	<u>\$ 3,981,720</u>	<u>\$ 4,356,326</u>

RURAL MUNICIPALITY OF WHITEHEAD
SCHEDULE 2 - CONSOLIDATED SCHEDULE OF REVENUES (continued)
For the year ended December 31, 2023

	2023 Actual	2022 Actual
Sub-total (Carry forward)	\$ 3,981,720	\$ 4,356,326
Grants - other:		
Federal government - gas tax funding	97,516	93,453
Federal government - other		9,375
Other municipal governments	42,560	40,538
	<u>140,076</u>	<u>143,366</u>
Total revenue	\$ 4,121,796	\$ 4,499,692

RURAL MUNICIPALITY OF WHITEHEAD
SCHEDULE 3 - CONSOLIDATED SCHEDULE OF EXPENSES
For the year ended December 31, 2023

	2023 Actual	2022 Actual
General government services:		
Legislative	\$ 84,224	\$ 72,155
General administrative	455,846	443,410
Other	12,337	15,725
	<u>552,407</u>	<u>531,290</u>
Protective services:		
Police	10,451	9,944
Fire	106,771	95,465
Emergency measures	5,461	33,399
Other protection	65,708	105,340
	<u>188,391</u>	<u>244,148</u>
Transportation services:		
Road transport		
Administration and engineering	225,409	187,778
Road and street maintenance	854,869	690,575
Street lighting	6,282	3,640
Other	10,194	7,181
Loss on disposal of tangible capital assets		11,936
	<u>1,096,754</u>	<u>901,110</u>
Environmental health services:		
Waste collection and disposal	130,618	92,648
Other	4,448	10,754
	<u>135,066</u>	<u>103,402</u>
Public health and welfare services:		
Public health	6,209	3,865
Social assistance	2,640	2,640
	<u>8,849</u>	<u>6,505</u>
Regional planning and development:		
Planning and zoning	1,370	3,895
Beautification and land rehabilitation	2,014	1,293
	<u>3,384</u>	<u>5,188</u>
Sub-total	<u>\$ 1,984,851</u>	<u>\$ 1,791,643</u>

RURAL MUNICIPALITY OF WHITEHEAD
SCHEDULE 3 - CONSOLIDATED SCHEDULE OF EXPENSES (continued)
For the year ended December 31, 2023

	2023 Actual	2022 Actual
Sub-total (Carry forward)	\$ 1,984,851	\$ 1,791,643
Resource conservation and industrial development:		
Rural area weed control	285,328	148,983
Veterinary services	2,147	2,147
Water resources and conservation	10,682	10,494
	<u>298,157</u>	<u>161,624</u>
Recreation and cultural services:		
Administration	13,736	25,075
Community centres and halls	96,616	29,693
Skating and curling rinks	11,363	10,893
Other cultural facilities	1,000	
	<u>122,715</u>	<u>65,661</u>
Water and sewer (Schedule 9)		
Municipal utility	611,912	963,495
Consolidated water co-operatives	414,100	445,126
	<u>1,026,012</u>	<u>1,408,621</u>
Total expenses	\$ 3,431,735	\$ 3,427,549

RURAL MUNICIPALITY OF WHITEHEAD
SCHEDULE 4 - CONSOLIDATED STATEMENT 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	\$ 1,910,633	\$ 1,738,758								
Grants in lieu of taxation	55,319	48,190								
User fees	39,984	98,626	73,307	27,961	7,353	14,310	32,265	38,188		
Grants - other	97,516	102,828								
Permits, licences and fines	15,378	13,351	984	2,646						
Investment income	195,763	94,240								
Other revenue	53,855	61,934	139							
Water and sewer										
Prov of MB - unconditional grants	248,992	132,816	148,557	64,729	46,629	89,318				
Prov of MB - conditional grants										
Total revenue	2,617,440	2,290,743	222,987	95,336	53,982	103,628	32,265	38,188		
EXPENSES										
Personnel services	291,316	313,291	37,058	31,873	271,284	183,473	38,074	17,332	6,209	3,865
Contract services	173,373	113,536	44,858	68,420	49,652	38,187	94,829	74,944	2,640	2,640
Utilities	10,236	13,539	7,661	6,201	10,772	7,395	633			
Maintenance, materials and supplies	59,210	63,267	46,233	84,798	613,720	505,141	1,363	675		
Grants and contributions	1,000	12,250								
Amortization	6,429	4,539	51,379	50,536	151,141	150,796	167	167		
Interest on long-term debt	1,676	1,807	1,202	2,320	185	4,184				
Other	9,167	9,061				11,934		10,284		
Total expenses	552,407	531,290	188,391	244,148	1,096,754	901,110	135,066	103,402	8,849	6,505
Surplus (Deficit)	\$ 2,065,033	\$ 1,759,453	34,596	(148,812)	(1,042,772)	(797,482)	(102,801)	(65,214)	(8,849)	(6,505)

* 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, 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	
REVENUE									
Property taxes							265,950	265,950	\$ 2,004,708
Grants in lieu of taxation								55,319	48,190
User fees			22,642	37,950	5,369	4,271		180,920	221,306
Grants - other			42,560	40,538				140,076	143,366
Permits, licences and fines								16,362	15,997
Investment income			4,321	1,740				200,084	95,980
Other revenue			31,128	7,816				85,122	69,750
Water and sewer							823,152	1,613,532	1,613,532
Prov of MB - unconditional grants								248,992	132,816
Prov of MB - conditional grants								195,186	154,047
Total revenue			100,651	88,044	5,369	4,271	1,089,102	1,879,482	4,121,796
EXPENSES									
Personnel services			28,873	32,141			132,780	142,560	724,535
Contract services	1,370	3,895	3,187	2,753	117,580	51,368	2,225	4,989	489,714
Utilities			316	409			33,938	32,414	63,556
Maintenance, materials and supplies	2,014	1,293	39,618	41,028	1,971	1,262	352,669	400,320	1,097,784
Grants and contributions			222,357	81,416			32,713	388,613	482,279
Amortization			3,647	3,877	3,164	3,164	322,632	310,186	523,265
Interest on long-term debt							80,831	89,260	97,571
Other			159			9,867	68,224	40,279	81,425
Total expenses	3,384	5,188	298,157	161,624	122,715	65,661	1,026,012	1,408,621	3,427,549
Surplus (Deficit)	(3,384)	(5,188)	(197,506)	(73,580)	(117,346)	(61,390)	63,090	470,861	\$ 1,072,143

RURAL MUNICIPALITY OF WHITEHEAD
SCHEDULE 5 - CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS
For the year ended December 31, 2023

	Core Government		Controlled Entities		Government Partnerships		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
REVENUE								
Property taxes	\$ 2,176,583	\$ 2,004,708					\$ 2,176,583	\$ 2,004,708
Grants in lieu of taxation	55,319	48,190					55,319	48,190
User fees	158,278	183,356			22,642	37,950	180,920	221,306
Grants - other	97,516	102,828			42,560	40,538	140,076	143,366
Permits, licences and fines	16,362	15,997					16,362	15,997
Investment income	195,763	94,240			4,321	1,740	200,084	95,980
Other revenue	53,994	61,934			31,128	7,816	85,122	69,750
Water and sewer	492,340	465,831			330,812	1,147,701	823,152	1,613,532
Prov of MB - unconditional grants	248,992	132,816					248,992	132,816
Prov of MB - conditional grants	195,186	154,047					195,186	154,047
Total revenue	3,690,333	3,263,947			431,463	1,235,745	4,121,796	4,499,692
EXPENSES								
Personnel services	656,411	554,052			149,183	170,483	805,594	724,535
Contract services	486,527	357,979			3,187	2,753	489,714	360,732
Utilities	29,302	27,135			34,254	32,823	63,556	59,958
Maintenance, materials and supplies	970,614	926,003			146,184	171,781	1,116,798	1,097,784
Grants and contributions	256,070	482,279					256,070	482,279
Amortization	381,626	376,227			156,933	147,038	538,559	523,265
Interest on long-term debt	83,894	97,115				456	83,894	97,571
Other	77,391	71,558			159	9,867	77,550	81,425
Total expenses	2,941,835	2,892,348			489,900	535,201	3,431,735	3,427,549
Surplus (Deficit)	\$ 748,498	\$ 371,599			(58,437)	700,544	\$ 690,061	\$ 1,072,143

RURAL MUNICIPALITY OF WHITEHEAD
SCHEDULE 6 - SCHEDULE OF CHANGES IN RESERVE FUND BALANCES
For the year ended December 31, 2023

2023

	Mitigation and Preparedness Program Reserve	Employee Severance Reserve	Equipment Replacement Reserve	New General Reserve	Village of Alexander	Emergency Measures Reserve	Sub Total
REVENUE							
Investment income		312	9,161	15,805		18	\$ 25,296
Other income							
Total revenue		312	9,161	15,805		18	25,296
EXPENSES							
Investment charges							
Other expenses							
Total expenses							
NET REVENUES		312	9,161	15,805		18	25,296
TRANSFERS							
Debt repayment							
Transfers from operating fund	14,213	2,500	210,000	198,731	2,500	55,502	483,446
Transfers to operating fund			(155,091)	(66,587)			(221,678)
Transfers from utility fund							
Transfers to utility fund							
Acquisition of tangible capital assets							
CHANGE IN RESERVE FUND BALANCES	14,213	2,812	64,070	147,949	2,500	55,520	287,064
FUND SURPLUS, BEGINNING OF YEAR		9,884	112,111	472,913	4,500	10,000	609,408
FUND SURPLUS, END OF YEAR	\$ 14,213	12,696	176,181	620,862	7,000	65,520	\$ 896,472

RURAL MUNICIPALITY OF WHITEHEAD
SCHEDULE 6 - SCHEDULE OF CHANGES IN RESERVE FUND BALANCES
For the year ended December 31, 2023

	2023					2022	
	Recreation Reserve	Rural Water Deposit Reserve	Gas Tax Reserve	Fire Capital Reserve	Utility Replacement Reserve	Waste Disposal Reserve	Total
REVENUE							
Investment income	\$ 18	29,245	32,787	6,158		6,529	\$ 39,827
Other income				2,000			2,500
Total revenue	18	29,245	32,787	8,158		6,529	42,327
EXPENSES							
Investment charges							
Other expenses							
Total expenses							
NET REVENUES	18	29,245	32,787	8,158		6,529	42,327
TRANSFERS							
Debt repayment							
Transfers from operating fund	10,000		97,516	115,000		50,000	507,012
Transfers to operating fund			(20,000)	(133,337)			(299,324)
Transfers from utility fund		20,000					225,500
Transfers to utility fund		(196,842)			(1,625)		(515,290)
Acquisition of tangible capital assets							
CHANGE IN RESERVE FUND BALANCES	10,018	(147,597)	110,303	(10,179)	(1,625)	56,529	(39,775)
FUND SURPLUS, BEGINNING OF YEAR	10,000	485,364	453,440	124,206	90,262	130,139	1,942,594
FUND SURPLUS, END OF YEAR	\$ 20,018	337,767	563,743	114,027	88,637	186,668	\$ 1,902,819

RURAL MUNICIPALITY OF WHITEHEAD
SCHEDULE 7 - SCHEDULE OF L.U.D. OPERATIONS - Alexander
For the year ended December 31, 2023

	2023 Budget	2023 Actual	2022 Actual
REVENUE			
Taxation	\$ 51,754	\$ 51,754	\$ 48,106
Other revenue	25,650	21,465	31,340
Total revenue	<u>77,404</u>	<u>73,219</u>	79,446
EXPENSES			
General government			
Indemnities	7,500	6,730	7,181
Transportation services			
Road and street maintenance	40,000	22,561	20,495
Street lighting	9,500	8,736	9,434
Other	31,500	18,762	3,918
Environmental health			
Other	12,500	3,472	260
Regional planning and development			
Environmental development	12,500	13,608	8,294
Recreation and cultural services			
Beautification	3,000	2,014	1,262
Total expenses	<u>116,500</u>	<u>75,883</u>	50,844
NET REVENUES (DEFICIT)	(39,096)	(2,664)	28,602
TRANSFERS			
CHANGES IN L.U.D. BALANCES	\$ (39,096)	(2,664)	28,602
UNEXPENDED BALANCE, BEGINNING OF YEAR		<u>47,314</u>	18,712
UNEXPENDED BALANCE, END OF YEAR		<u>\$ 44,650</u>	\$ 47,314

RURAL MUNICIPALITY OF WHITEHEAD
SCHEDULE 8- SCHEDULE OF FINANCIAL POSITION FOR UTILITY
For the year ended December 31, 2023

	2023	2022
	Whitehead	Total
	Whitehead Elton Regional Water Co- operative Inc.	Total
FINANCIAL ASSETS		
Cash	\$ 46,019	\$ 46,019
Amounts receivable (Note 4)	220,777	323,226
	<u>266,796</u>	<u>369,245</u>
LIABILITIES		
Accounts payable and accrued liabilities	638,958	638,958
Long-term debt (Note 7)	1,603,321	1,603,321
Due to other funds	12,531	12,531
	<u>1,615,852</u>	<u>2,254,810</u>
	<u>(1,349,056)</u>	<u>(1,885,565)</u>
NET DEBT		(2,803,680)
		<u>(2,188,688)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	6,572,404	10,024,031
Inventories	2,983	1,498
Prepaid expenses	761	761
	<u>3,455,371</u>	<u>10,027,775</u>
	<u>5,223,348</u>	<u>8,142,210</u>
FUND SURPLUS	\$	\$
	<u>5,223,348</u>	<u>7,900,653</u>
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)	\$ 5,223,348	\$ 8,142,210
Accumulated remeasurement gains (losses)	\$ 2,918,862	\$ 7,900,653
	<u>5,223,348</u>	<u>8,142,210</u>
	<u>\$</u>	<u>\$</u>

RURAL MUNICIPALITY OF WHITEHEAD
SCHEDULE 9 - SCHEDULE OF UTILITY OPERATIONS - Whitehead
For the year ended December 31, 2023

REVENUE	Budget	2023	2022
Water			
Water fees	\$ 243,700	\$ 242,686	\$ 214,923
Bulk water fees	5,000	3,727	3,061
Sub-Total - Water	<u>248,700</u>	<u>246,413</u>	<u>217,984</u>
Sewer			
Lagoon tipping fees		<u>1,295</u>	<u>1,010</u>
Property taxes	<u>265,950</u>	<u>265,950</u>	<u>265,950</u>
Other			
Hydrant rentals	1,600	2,400	1,200
Connection charges	30,000	20,000	192,500
Penalties	2,000	2,796	
Investment income	1,000	2,324	1,029
Other income	2,000	217,112	52,108
Sub-Total - Other	<u>36,600</u>	<u>244,632</u>	<u>246,837</u>
Total revenue	<u>\$ 551,250</u>	<u>\$ 758,290</u>	<u>\$ 731,781</u>

RURAL MUNICIPALITY OF WHITEHEAD
SCHEDULE 9 - SCHEDULE OF UTILITY OPERATIONS (continued) - Whitehead
For the year ended December 31, 2023

EXPENSES	Budget	2023	2022
General			
Administration	\$ 12,000	\$ 12,470	\$ 4,218
Billing and collection		270	3,275
Sub-Total - General	<u>12,000</u>	<u>12,740</u>	<u>7,493</u>
Water General			
Purification and treatment	4,500	5,175	7,733
Transmission and distribution			11,605
Water purchases	230,000	240,383	247,929
Connection costs	35,800	100,937	429,949
Sub-Total - Water General	<u>270,300</u>	<u>346,495</u>	<u>697,216</u>
Water Amortization, Accretion & Interest			
Amortization		169,346	167,025
Interest on long-term debt		80,831	88,804
Sub-Total - Water Amortization, Accretion & Interest		<u>250,177</u>	<u>255,829</u>
Sewer General			
Treatment and disposal cost	3,000	2,500	2,957
Sub-Total - Sewer General	<u>3,000</u>	<u>2,500</u>	<u>2,957</u>
Total expenses	<u>285,300</u>	<u>611,912</u>	<u>963,495</u>
NET OPERATING SURPLUS (DEFICIT)	<u>\$ 265,950</u>	<u>146,378</u>	<u>(231,714)</u>
TRANSFERS			
Transfers from reserve funds		<u>178,467</u>	289,790
CHANGE IN UTILITY FUND BALANCE		<u>324,845</u>	58,076
FUND SURPLUS, BEGINNING OF YEAR		<u>4,898,503</u>	4,840,427
FUND SURPLUS, END OF YEAR		<u>\$ 5,223,348</u>	<u>\$ 4,898,503</u>

RURAL MUNICIPALITY OF WHITEHEAD

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

For the year ended December 31, 2023

	Budget	2023	2022
REVENUE			
Water			
Water fees	\$ 235,360	\$ 235,360	\$ 245,770
Sub-Total - Water	<u>235,360</u>	<u>235,360</u>	<u>245,770</u>
Government transfers	<u>95,452</u>	<u>95,452</u>	<u>901,931</u>
Total revenue	<u>330,812</u>	<u>330,812</u>	<u>1,147,701</u>
EXPENSES			
General			
Utilities (telephone, electricity, etc)	<u>33,938</u>	<u>33,938</u>	<u>32,414</u>
Sub-Total - General	<u>33,938</u>	<u>33,938</u>	<u>32,414</u>
Water General			
Purification and treatment	<u>226,876</u>	<u>226,876</u>	<u>269,095</u>
Sub-Total - Water General	<u>226,876</u>	<u>226,876</u>	<u>269,095</u>
Water Amortization, Accretion & Interest			
Amortization	<u>153,286</u>	<u>153,286</u>	<u>143,161</u>
Interest on long-term debt			<u>456</u>
Sub-Total - Water Amortization, Accretion & Interest	<u>153,286</u>	<u>153,286</u>	<u>143,617</u>
Total expenses	<u>414,100</u>	<u>414,100</u>	<u>445,126</u>
NET OPERATING SURPLUS (DEFICIT)	<u>\$ (83,288)</u>	<u>(83,288)</u>	<u>702,575</u>
TRANSFERS			
CHANGE IN UTILITY FUND BALANCE		<u>(83,288)</u>	<u>702,575</u>
FUND SURPLUS, BEGINNING OF YEAR		<u>3,002,150</u>	<u>2,299,575</u>
FUND SURPLUS, END OF YEAR		<u>\$ 2,918,862</u>	<u>\$ 3,002,150</u>

RURAL MUNICIPALITY OF WHITEHEAD
SCHEDULE 10 - RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET
For the year ended December 31, 2023

	Financial Plan General	Financial Plan Utility	Amortization & Accretion	Interest Expense	Transfers	L.U.D of Alexander	Consolidated Entities	PSAB Budget
REVENUE								
Property taxes	\$ 1,855,594	265,950				51,754		\$ 2,173,298
Grants in lieu of taxation	55,319							55,319
User fees	93,900					750	18,700	113,350
Grants - Province of Manitoba	200,000					22,400		222,400
Grants - other	99,527						55,279	154,806
Permits, licences and fines	8,100							8,100
Investment income	25,000						880	25,880
Other revenue	29,539					2,500	4,730	36,769
Water and sewer		616,112						
Transfers from accumulated surplus					(39,096)	39,096		
Transfers from reserves	37,655				(37,655)			
Total revenue	<u>2,404,634</u>	<u>882,062</u>			<u>(76,751)</u>	<u>116,500</u>	<u>79,589</u>	<u>3,406,034</u>
EXPENSES								
General government services	528,850		6,429	1,676		7,500		544,455
Protective services	136,400		51,379	1,202				188,981
Transportation services	894,200		151,142	185		81,000		1,126,527
Environmental health services	107,900		167			12,500		120,567
Public health and welfare services	15,140							15,140
Regional planning and development	8,000					12,500		20,500
Resource cons and industrial dev	103,150							181,844
Recreation and cultural services	47,500		3,164				78,694	53,664
Water and sewer services		699,400	169,346	80,831		3,000		949,577
Fiscal services:								
Transfer to capital								
Debt charges	37,655	265,950		(303,605)				
Short-term interest					(525,016)			
Transfer to reserves	525,016				(823)			
Allowance for tax assets	823							
Total expenses	<u>2,404,634</u>	<u>965,350</u>	<u>381,627</u>	<u>(219,711)</u>	<u>(525,839)</u>	<u>116,500</u>	<u>78,694</u>	<u>3,201,255</u>
Surplus (Deficit)	\$	<u>(83,288)</u>	<u>(381,626)</u>	<u>219,711</u>	<u>449,088</u>		<u>895</u>	\$ <u>204,779</u>

RURAL MUNICIPALITY OF WHITEHEAD
SCHEDULE 11 - ANALYSIS OF TAXES ON ROLL
For the year ended December 31, 2023

	2023	2022
Balance, beginning of year	\$ 350,580	\$ 260,750
Add:		
Tax levy (Schedule 12)	4,264,505	4,094,481
Taxes added	13,034	27,179
Penalties or interest	30,763	28,150
Other accounts added	99,187	15,258
Sub-total	4,407,489	4,165,068
Deduct:		
Cash collections - current	3,829,628	3,595,638
Cash collections - arrears	307,016	226,523
Writeoffs	8,943	8,501
Title value of tax titles acquired	8,551	
Tax discounts	7,290	6,587
E.P.T.C. - cash advance	191,364	237,989
Sub-total	4,352,792	4,075,238
Balance, end of year	\$ 405,277	\$ 350,580

RURAL MUNICIPALITY OF WHITEHEAD
SCHEDULE 12 - ANALYSIS OF TAX LEVY
For the year ended December 31, 2023

	2023		2022	
	Assessment	Mill Rate	Levy	Levy
Other governments (L.U.D.):				
L.U.D. Alexander	10,955,910	4.724	\$ 51,756	\$ 48,109
Sub-Total - L.U.D			<u>51,756</u>	<u>48,109</u>
Debt charges:				
Frontage			58,825	58,825
L.I.D.- Water/Sewer	11,250,340	1.665	18,732	18,786
Other (Fire Department)				5,836
Sub-Total - Debt charges			<u>77,557</u>	<u>83,447</u>
Reserves:				
Machinery Replacement	153,982,140	1.327	204,334	165,497
Fire Replacement Reserve	153,982,140	0.474	72,988	48,781
Waste Disposal Site Reserve	153,982,140	0.316	48,658	48,781
General Reserve	153,982,140	0.443	68,214	39,055
Labour Reserve	153,982,140	0.016	2,464	4,938
Emergency Measures Reserve	153,982,140	0.064	9,855	9,876
Recreation Reserve	153,982,140	0.064	9,855	9,876
Sub-Total - Reserves			<u>416,368</u>	<u>326,804</u>
General Municipal - Rural Area	143,026,230	5.066	724,571	653,836
- At Large	153,982,140	4.633	713,399	684,732
Special levies:				
Kemville			11,508	11,508
Rural Water			175,680	175,680
Sub-Total - Special levies			<u>187,188</u>	<u>187,188</u>
Total municipal taxes (Schedule 2)			<u>2,170,839</u>	<u>1,984,116</u>
Education support levy	8,995,990	8.140	73,227	74,406
Special levies:				
Brandon School Division	129,477,630	13.747	1,779,929	1,809,702
Fort La Bosse	3,081,010	7.659	23,597	21,035
Southwest Horizon	21,423,500	10.125	216,913	205,222
Sub-Total - Special levies			<u>2,020,439</u>	<u>2,035,959</u>
Total education taxes			<u>2,093,666</u>	<u>2,110,365</u>
Total tax levy (Schedule 11)			<u>\$ 4,264,505</u>	<u>\$ 4,094,481</u>

RURAL MUNICIPALITY OF WHITEHEAD
SCHEDULE 13 - SCHEDULE OF GENERAL OPERATING FUND EXPENSES
For the year ended December 31, 2023

	2023	2022
General government services:		
Legislative	\$ 84,224	\$ 72,155
General administrative	455,846	443,410
Other	12,337	15,725
	552,407	531,290
Protective services:		
Police	10,451	9,944
Fire	106,771	95,465
Emergency measures	5,461	33,399
Other	65,708	105,340
	188,391	244,148
Transportation services:		
Road transport		
Administration and engineering	225,409	187,778
Road and street maintenance	854,869	690,575
Street lighting	6,282	3,640
Other	10,194	7,181
Loss on disposal of tangible capital assets		11,936
	1,096,754	901,110
Environmental health services:		
Waste collection and disposal	130,618	92,648
Other	4,448	10,754
	135,066	103,402
Public health and welfare services:		
Public health	6,209	3,865
Social assistance	2,640	2,640
	8,849	6,505
Regional planning and development:		
Planning and zoning	1,370	3,895
Beautification and land rehabilitation	2,014	1,293
	3,384	5,188
Sub-total	\$ 1,984,851	\$ 1,791,643

RURAL MUNICIPALITY OF WHITEHEAD
SCHEDULE 13 - SCHEDULE OF GENERAL OPERATING FUND EXPENSES - continued
For the year ended December 31, 2023

	2023	2022
Sub-total (carry forward)	\$ 1,984,851	\$ 1,791,643
Resource conservation and industrial development:		
Rural area weed control	222,248	80,820
Veterinary services	2,147	2,147
Water resources and conservation	10,682	10,494
	235,077	93,461
Recreation and cultural services:		
Administration	13,736	15,208
Community centres and halls	96,616	29,693
Skating and curling rinks	11,363	10,893
Other recreational facilities	1,000	
	122,715	55,794
Total expenses	\$ 2,342,643	\$ 1,940,898

RURAL MUNICIPALITY OF WHITEHEAD
SCHEDULE 14 - RECONCILIATION OF ANNUAL SURPLUS (DEFICIT)
For the year ended December 31, 2023

	2023		2022	
	General	Utility	Total	Total
MUNICIPAL SURPLUS (DEFICIT) UNDER THE MUNICIPAL ACT	\$ (21,146)	\$ 156,451	\$ 135,305	\$ 206,458
Adjustments for reporting under public sector accounting standards				
Eliminate expense - transfers to reserves	755,962	20,000	775,962	732,512
Eliminate revenue - transfers from reserves	(375,015)	(198,467)	(573,482)	(814,614)
Increase revenue - reserve funds interest	102,033		102,033	42,327
Increase (decrease) revenue - net surplus (deficit) of consolidated entities	37,571	(83,288)	(45,717)	712,589
Increase (decrease) revenue - net surplus (deficit) of LUD(s)	(2,664)		(2,664)	28,602
Increase expense - amortization of tangible capital assets	(212,280)	(169,346)	(381,626)	(376,227)
Decrease expense - principal portion of debenture debt	76,990	173,611	250,601	229,310
	102,168		102,168	172,361
Increase (decrease) revenue - gain (loss) on sale of tangible capital assets				(11,936)
Eliminate revenue - proceeds on new debenture debt				(82,180)
Eliminate revenue - proceeds on sale of tangible capital assets				(11,475)
Eliminate expense - acquisitions of tangible capital assets				244,416
NET SURPLUS PER STATEMENT OF OPERATIONS	\$ 163,352	\$ 164,129	\$ 327,481	
	\$ 626,971	\$ 63,090	\$ 690,061	\$ 1,072,143