RURAL MUNICIPALITY OF CORNWALLIS

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

RURAL MUNICIPALITY OF CORNWALLIS

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STATEMENT OF RESPONSIBILITY

To the Ratepayers of the Rural Municipality of Cornwallis:

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 Council and management to discuss their audit findings.

Mike Waddell
Reeve

INDEPENDENT AUDITOR'S REPORT

To the Reeve and Council of:
Rural Municipality of Cornwallis
Brandon, Manitoba

Qualified Opinion

We have audited the consolidated financial statements of Rural Municipality of Cornwallis, 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 Cornwallis 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

We were unable to observe the counting of physical inventories or satisfy ourselves concerning inventory quantities as at December 31, 2023 by alternative means. Our audit opinion on the consolidated financial statements for the year ended December 31, 2023 was modified accordingly because of the possible effects of this limitation in scope. Since opening inventories enter into the determination of the results of operations and cash flows, we were unable to determine whether any adjustments might have been necessary to the annual surplus for the year, changes in net financial assets, and cash flows reported for the years ended December 31, 2024 and 2023, and closing net financial assets as at December 31, 2023. Our audit opinion on the consolidated financial statements for the year ended December 31, 2024 is modified because of the possible effects of this matter on the comparability of the current year's figures and the corresponding figures.

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 wells or buildings containing asbestos, to determine the asset retirement obligation. 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 and 2023 have not been determined, as there is sufficient information available to do so. Our audit opinion on the consolidated financial statements for the year ended December 2023 was modified accordingly because of the possible effects of this limitation in scope.

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 Cornwallis 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 Cornwallis'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 Cornwallis 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 Cornwallis'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 Cornwallis'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 Cornwallis'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 Cornwallis 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
October 20, 2026

Chartered Professional Accountants Ltd.

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

	2024	2023
FINANCIAL ASSETS		
Cash (Note 3)	$ 6,424,759	$ 7,002,918
Amounts receivable (Note 4)	1,876,671	1,991,663
Portfolio investments (Note 5)	13,400	12,774
	8,314,830	9,007,355
LIABILITIES		
Accounts payable and accrued liabilities (Note 6)	354,263	2,097,645
Deferred revenue	959,856	57,611
Long-term debt (Note 8)	435,507	
	1,749,626	2,155,256
NET FINANCIAL ASSETS	6,565,204	6,852,099
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	7,968,922	6,324,326
Prepaid expenses	22,394	22,870
Real estate properties held for sale (Note 2)	1,132	1,132
	7,992,448	6,348,328
ACCUMULATED SURPLUS (Note 13)	$ 14,557,652	$13,200,427
Accumulated surplus is comprised of:		
Accumulated surplus (deficit) excluding remeasurement gains (losses)	$ 14,557,652	$13,200,427
Accumulated remeasurement gains (losses)		
	$ 14,557,652	$13,200,427

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

	2024 Budget (Note 12)	2024 Actual	2023 Actual
REVENUE			
Property taxes	$ 1,876,039	$ 1,884,058	$ 1,812,322
Grants in lieu of taxation	269,288	269,288	278,855
User fees	425,255	639,889	810,834
Permits, licences and fines	259,615	167,921	176,087
Investment income	60,452	343,321	362,961
Other revenue	55,000	196,420	89,310
Water and sewer	120,217	567,589	1,262,777
Grants - Province of Manitoba	873,233	1,003,952	623,327
Grants - Other	303,490	265,269	321,606
Total revenue (Schedules 2, 4 and 5)	4,242,589	5,337,707	5,738,079
EXPENSES			
General government services	942,894	936,480	767,902
Protective services	524,177	469,920	476,364
Transportation services	1,730,604	1,881,546	1,675,204
Environmental health services	347,326	297,715	299,774
Public health and welfare services	8,100	8,062	8,062
Regional planning and development	217,444	203,565	339,801
Resource conservation and industrial development	15,000	42,001	14,490
Recreation and cultural services	97,667	12,350	8,360
Water and sewer services	101,217	128,843	80,702
Total expenses (Schedules 3, 4 and 5)	3,984,429	3,980,482	3,670,659
ANNUAL SURPLUS	$ 258,160	1,357,225	2,067,420
ACCUMULATED SURPLUS, BEGINNING OF YEAR		13,200,427	11,133,007
ACCUMULATED SURPLUS, END OF YEAR		$14,557,652	$13,200,427

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

	2024 Budget (Note 12)	2024 Actual	2023 Actual
ANNUAL SURPLUS	$ 258,160	$ 1,357,225	$ 2,067,420
Acquisition of tangible capital assets	(1,664,235)	(2,413,241)	(2,328,586)
Amortization of tangible capital assets	313,221	313,221	246,364
Gain on sale of tangible capital assets		(85,576)	
Proceeds on sale of tangible capital assets		541,000	
Decrease in inventories			13,138
Decrease (increase) in prepaid expenses		476	(5,031)
	(1,351,014)	(1,644,120)	(2,074,115)
CHANGE IN NET FINANCIAL ASSETS	$ (1,092,854)	(286,895}	(6,695)
NET FINANCIAL ASSETS, BEGINNING OF YEAR		6,852,099	6,858,794
NET FINANCIAL ASSETS, END OF YEAR		$ 6,565,204	$ 6,852,099

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

	2024	2023
OPERATING TRANSACTIONS		
Annual surplus	$ 1,357,225	$ 2,067,420
Changes in non-cash items:		
Amounts receivable	114,992	(342,365)
Inventories		13,138
Prepaids	476	(5,031)
Accounts payable and accrued liabilities	(1,747,825)	1,494,412
Deferred revenue	902,246	(8,718)
Severance and sick leave payable	4,442	1,217
Gain on sale of tangible capital assets	(85,576)	
Amortization	313,221	246,364
Cash provided by operating transactions	859,201	3,466,437
CAPITAL TRANSACTIONS		
Proceeds on sale of tangible capital assets	541,000	
Cash used to acquire tangible capital assets	(2,413,241)	(2,328,586)
Cash applied to capital transactions	(1,872,241)	(2,328,586)
INVESTING TRANSACTIONS		
Purchase of portfolio investments	(626)	(1,101)
Cash applied to investing transactions	(626)	(1,101)
FINANCING TRANSACTIONS		
Proceeds of long-term debt	448,052	
Debt repayment	(12,545)	
Cash applied to financing transactions	435,507	
INCREASE (DECREASE) IN CASH	(578,159)	1,136,750
CASH, BEGINNING OF YEAR	7,002,918	5,866,168
CASH, END OF YEAR	$ 6,424,759	$ 7,002,918

RURAL MUNICIPALITY OF CORNWALLIS
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	$	$

1. STATUS OF THE RURAL MUNICIPALITY OF CORNWALLIS

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

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:

Keystone Planning District 55% (2023 - 55%)

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 consolidated financial statements. The trust funds administered by the Municipality are presented in Note 15.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 the 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.

Foreign Currency Translation

The Municipality's foreign currency risk is reflected in its consolidated financial statements. Monetary assets and liabilities, denominated in a foreign currency, are translated at the year-end rate of exchange. Revenue and expense arising from a foreign currency transaction are translated into Canadian dollars at exchange rates approximating those in effect at the transaction date.

At each consolidated financial statement date, monetary assets, and liabilities, must be adjusted to reflect the exchange rate in effect at that date. Unrealized foreign exchange gains or losses that arise prior to settlement are recognized in the consolidated statement of remeasurement gains (losses).

In the period of settlement, the cumulative amount of foreign exchange gains and losses is removed from the consolidated statement of remeasurement gains (losses) and is recognized in the consolidated statement of operations.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Portfolio Investments

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

Portfolio investments denominated in a foreign currency are translated to the Canadian dollar equivalent at the exchange rate in effect at December 31st. Changes in the value of portfolio investments due to foreign currency changes are recorded in the consolidated statement of remeasurement gains (losses) until the investments are sold.

Investment income on portfolio investments, denominated in a foreign currency, are translated to Canadian dollar equivalents at the exchange rate in effect at the date of the transaction.

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.

Landfill Closure and Post Closure Liabilities

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

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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	30 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

Liability for Contaminated Site(s)

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is r♦cognized when all the following criteria are met:

i. An environmental standard exists;
ii. Contamination exceeds the environmental standard;
iii. The Municipality:
    a. Is directly responsible; or
    b. Accepts responsibility; and
iv. A reasonable estimate of the amount can be made.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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 100 (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	$ 6,424,759	$ 7,002,918

The Municipality has designated $5,616,423 (2023 - $6,010,954) 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.

	2024	2023
Taxes on roll (Schedule 11)	$ 561,239	$ 805,411
Utility customers (Schedule 8)	141,567	123,194
Organizations and individuals	681,314	521,502
Other governments	492,551	541,556
	$ 1,876,671	$ 1,991,663

5. PORTFOLIO INVESTMENTS

	2024	2023
Patronage equity	$ 13,400	$ 12,774

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2024	2023
Accounts payable	$ 245,473	$ 1,419,584
Accrued expenses	108,790	31,201
School levies		646,860
	$ 354,263	$ 2,097,645

7. ASSET RETIREMENT OBLIGATIONS

PS 3280 Asset Retirement Obligations was introduced in previous years and the accounting standard addresses the reporting of legal obligations associated with the retirement of tangible capital assets. The Municipality does not have a qualified assessment to support a reasonable estimate for the asset retirement costs associated with their lagoon, wells or buildings containing asbestos, to determine the asset retirement obligation.

8. LONG-TERM DEBT

	2024	2023
Utility Funds		
Debenture, payable at $38, 196 annually including interest at 5.725%, maturing December 2043.	$ 435,507	$

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

2025	$ 13,263
2026	14,022
2027	14,825
2028	15,674
2029	16,571
	$ 74,355

9. DEBENTURES PENDING

Authority	Purpose	Authorized
		$

10. 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 $32,238 (2023 - $32,760) 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.

11. 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.

12. 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.

13. ACCUMULATED SURPLUS

	2024	2023
Accumulated surplus consists of the following:		
General Operating Fund - Nominal Surplus	$ 1,242,201	$ 1,854,870
Utility Operating Fund(s)- Nominal Surplus (deficit)	103,596	(1,067,276)
TCA net of related borrowings	7,530,495	6,322,824
Reserve Funds	5,616,423	6,010,954
Accumulated Surplus of Municipality Unconsolidated	14,492,715	13,121,372
Accumulated Surpluses of Consolidated Entities	64,937	79,055
Accumulated Surplus per Consolidated Statement of Financial Position	$ 14,557,652	$13,200,427

14. 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 $72,260 in aggregate.

b) There were no members of council receiving compensation in excess of $85,000 individually.

Council Members:

	Compensation	Expenses	Total
Ed Maxwell	$ 15,342	$ 1,891	$ 17,233
Sam Hofer	14,644	500	15,144
Bob Brown	15,231	1,811	17,042
Shane Drohan	14,467	2,812	17,279
Terry Ross	12,576	80	12,656
	$ 72,260	$ 7,094	$ 79,354

c) There were no officers or employees that received compensation in excess of $85,000.

15. TRUST FUNDS

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

	Balance, beginning of year	Excess (deficiency) of receipts over disbursements	Balance, end of year
Chater Cemetery Trust	$ 29,917	$ 1,480	$ 31,397

16. 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:

Description of Utility	Unamortized Opening Balance	Additions During Year	Amortization During Year	Unamortized Balance Ending
Chater	$ 291,507	$	$ 11,824	$ 279,683

Sewer services:

Description of Utility	Unamortized Opening Balance	Additions During Year	Amortization During Year	Unamortized Balance Ending
Chater	$ 1,201,890	$ 100,488	$ 19,536	$ 1,282,842

17. SEGMENTED INFORMATION

The Rural Municipality of Cornwallis 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.

18. GOVERNMENT PARTNERSHIPS

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

	2024	2023
Financial Position		
Financial assets	$ 87,075	$ 151,102
Liabilities	25,247	73,548
Net financial assets	61,828	77,554
Non-financial assets	3,106	1,501
Accumulated surplus	$ 64,934	$ 79,055
Result of Operations		
Revenues	$ 106,423	$ 91,909
Expenses	130,196	110,264
Intercompany revenue and expense eliminations	9,652	14,800
Annual deficit	$ (14,121)	$ (3,555)

19. PUBLIC PRIVATE PARTNERSHIPS

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

20. SUBSEQUENT EVENT

During the 2021 year, the Municipality accepted an offer to sell land known as 1910 Victoria Avenue East for the purchase price of $550,000. A deposit of $25,000 was sent to the lawyers office in 2021 and title was transferred in February 2025.

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

	General Caeital Assets					Infrastructure			Totals	
Cost	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	$ 515,446	915,303	1,377,911	137,795		5,704,037	567,010	2,403,780	$ 11,621,282	$ 9,292,696
Additions during the year		172,278	1,467,618		21,786	540,461	10,122	200,976	2,413,241	2,328,586
Disposals and write downs			(750,930)						(750,930)	
Transfers							2,604,756	12,804,1ss1		
Closing costs	515,446	1,087,581	2,094,599	137,795	21,786	6,244,498	3,181,888		13,283,593	11,621,282
Accumulated Amortization										
Opening accum'd amortization	204,419	516,637	688,242	95,423		3,688,881	103,354		5,296,956	5,050,592
Amortization	10,704	25,266	96,374	11,145		110,281	59,451		313,221	246,364
Disposals and write downs			{295,506}						{295,506}	
Closing accum'd amortization	215,123	541,903	489,110	106,568		3,799,162	162,805		5,314,671	5,296,956
Net Book Value of Tangible Capital Assets	$ 300,323	545,678	1,605,489	31,227	21,786	2,445,336	3,019,083		$ 7,968,922	$ 6,324,326

Water and sewer underground networks contributed to the Municipality totals $2,700,499 and were capitalized at their fair value at the time of their receipt.

The Municipality has 346 km of roads that were capitalized at a nominal value of $2,418,750.

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

	2024 Actual	2023 Actual
Property taxes:		
Municipal taxes levied (Schedule 12)	$ 1,820,801	$ 1,703,930
Taxes added	64,548	109,601
Discounts	(1,291)	(1,209)
	1,884,058	1,812,322
Grants in lieu of taxation:	269,288	278,855
User fees:		
Sales of service	639,889	810,834
Permits, licences and fines:		
Permits	69,336	62,922
Licences	59,588	46,624
Fines	38,997	66,541
	167,921	176,087
Investment income:	343,321	362,961
Other revenue:		
Gain on sale of tangible capital assets	85,576	
Penalties and interest	48,284	55,158
Miscellaneous	62,560	34,152
	196,420	89,310
Water and sewer		
Municipal utility	567,589	1,262,777
Grants - Province of Manitoba:		
Disaster financial assistance	120,268	43,465
Municipal operating grants	532,270	522,999
Conditional grants	351,414	56,863
	1,003,952	623,327
Grants - other:		
Federal government - Canada Community-Building Fund funding	254,019	265,365
Other municipal governments	11,250	56,241
	265,269	321,606
Total revenue	$ 5,337,707	$ 5,738,079

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

	2024 Actual	2023 Actual
General government services:		
Legislative	$ 82,042	$ 80,807
General administrative	626,521	599,567
Other	♦27,917	87,528
	936,480	767,902
Protective services:		
Police	162,924	158,484
Fire	262,939	276,429
Emergency measures	22,292	21,652
Other protection	21,765	19,799
	469,920	476,364
Transportation services:		
Road transport		
Administration and engineering	440,523	388,436
Road and street maintenance	1,304,180	1,228,148
Street lighting	16,575	15,494
Disaster financial assistance	120,268	43,126
	1,881,546	1,675,204
Environmental health services:		
Waste collection and disposal	257,132	299,774
Recycling	40,583	
	297,715	299,774
Public health and welfare services:		
Social assistance	8,062	8,062
Regional planning and development:		
Planning and zoning	203,565	339,801
Resource conservation and industrial development:		
Rural area weed control	17,214	3,550
Water resources and conservation	9,502	8,617
Other	15,285	2,323
	42,001	14,490
Recreation and cultural services:		
Parks and playgrounds	700	1,610
Libraries	7,650	6,750
Other cultural facilities	4,000	
	12,350	8,360
Water and sewer (Schedule 9)		
Municipal utility	128,843	80,702
Total expenses	$ 3,980,482	$ 3,670,659

RURAL MUNICIPALITY OF CORNWALLIS
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	$1,884,058	$1,812,322								
Grants in lieu of taxation	269,288	278,855								
User fees	33,724	169,951			530,370	557,983	75,795	82,900		
Grants - other	254,019	298,005								
Permits, licences and fines	98,585	113,165								
Investment income	338,921	357,575								
Other revenue	174,983	89,310								
Water and sewer										
Prov of MB - unconditional grants	532,270	522,999								
Prov of MB - conditional grants	471,682	100,328								
Total revenue	4,057,530	3,742,510			530,370	557,983	75,795	82,900		
EXPENSES										
Personnel services	261,348	291,812	129,280	117,824	251,686	209,852	28,988	28,074		
Contract services	500,213	313,413	302,739	313,590	864,885	867,182	246,187	245,402	8,062	8,062
Utilities	18,348	17,483	1,419	1,227	21,873	18,023	5,173	2,354		
Maintenance, materials and supplies	91,147	87,106	32,543	40,101	528,478	385,693	6,933	13,510		
Grants and contributions	19,421	9,727								
Amortization	24,020	19,117	3,939	3,622	214,624	194,454	10,434	10,434		
Interest on long-term debt										
Other	21,983	29,244								
Total expenses	936,480	767,902	469,920	476,364	1,881,546	1,675,204	297,715	299,774	8,062	8,062
Surplus (Deficit)	$3,121,050	$2,974,608	(469,920)	(476,364)	(1,351,176)	(1,117,221)	(221,920)	(216,874)	(8,062)	(8,062)

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

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

	Regional Planning and Develoement		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									$1,884,058	$1,812,322
Grants in lieu of taxation									269,288	278,855
User fees									639,889	810,834
Grants - other	11,250	23,601							265,269	321,606
Permits, licences and fines	69,336	62,922							167,921	176,087
Investment income	4,400	5,386							343,321	362,961
Other revenue	21,437								196,420	89,310
Water and sewer							567,589	1,262,777	567,589	1,262,777
Prov of MB - unconditional grants									532,270	522,999
Prov of MB - conditional grants									471,682	100,328
Total revenue	106,423	91,909					567,589	1,262,777	5,337,707	5,738,079
EXPENSES										
Personnel services	94,603	219,799					24,272	19,477	790,177	886,838
Contract services	30,359	97,102	27,529	12,167	8,350	8,360	12,900	13,923	2,001,224	1,879,201
Utilities	26,319	881					6,991	4,523	80,123	44,491
Maintenance, materials and supplies	11,155	9,411	14,472	2,323			8,013	24,540	692,741	562,684
Grants and contributions	40,375	12,110			4,000				63,796	21,837
Amortization	754	498					59,450	18,239	313,221	246,364
Interest on long-term debt							17,217		17,217	
Other									21,983	29,244
Total expenses	203,565	339,801	42,001	14,490	12,350	8,360	128,843	80,702	3,980,482	3,670,659
Surplus (Deficit)	{97,142}	{247,892}	{42,001}	{14,490}	{12,350}	{8,360}	438,746	1,182,075	$1,357,225	$2,067,420

RURAL MUNICIPALITY OF CORNWALLIS

SCHEDULE 5 - CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS

For the year ended December 31, 2024

	Core Government		Controlled Entities		Government Partnershies		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
REVENUE								
Property taxes	$ 1,884,058	$ 1,812,322					$ 1,884,058	$ 1,812,322
Grants in lieu of taxation	269,288	278,855					269,288	278,855
User fees	639,889	810,834					639,889	810,834
Grants - other	254,019	298,005			11,250	23,601	265,269	321,606
Permits, licences and fines	98,585	113,165			69,336	62,922	167,921	176,087
Investment income	338,921	357,575			4,400	5,386	343,321	362,961
Other revenue	174,983	89,310			21,437		196,420	89,310
Water and sewer	567,589	1,262,777					567,589	1,262,777
Prov of MB - unconditional grants	532,270	522,999					532,270	522,999
Prov of MB - conditional grants	471,682	100,328					471,682	100,328
Total revenue	5,231,284	5,646,170			106,423	91,909	5,337,707	5,738,079
EXPENSES								
Personnel services	704,495	808,850			85,682	77,988	790,177	886,838
Contract services	1,994,938	1,857,715			6,286	21,486	2,001,224	1,879,201
Utilities	53,804	43,610			26,319	881	80,123	44,491
Maintenance, materials and supplies	681,586	553,273			11,155	9,411	692,741	562,684
Grants and contributions	63,796	21,837					63,796	21,837
Amortization	312,467	245,866			754	498	313,221	246,364
Interest on long-term debt	17,217						17,217	
Other	21,983	29,244					21,983	29,244
Total expenses	3,850,286	3,560,395			130,196	110,264	3,980,482	3,670,659
Surplus (Deficit)	$ 1,380,998	$ 2,085,775			(23,773)	(18,355)	$ 1,357,225	$ 2,067,420

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

	2024		
	Natural Disaster Reserve	Aggregate Revenue Reserve	Sub Total
REVENUE			
Investment income	$ 1,809		$ 1,809
Other income			
Total revenue	1,809		1,809
EXPENSES			
Investment charges			
Other expenses			
Total expenses			
NET REVENUES	1,809		1,809
TRANSFERS			
Debt repayment			
Transfers from operating fund	100,000	161,189	261,189
Transfers to operating fund			
Transfers from utility fund			
Transfers to utility fund			
Acquisition of tangible capital assets			
CHANGE IN RESERVE FUND BALANCES	101,809	161,189	262,998
FUND SURPLUS, BEGINNING OF YEAR			
FUND SURPLUS, END OF YEAR	$ 101,809	161,189	$ 262,998

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

	2024							
	Chater Development Reserve	Snow Removal Reserve	Utility Reserve	Planning Reserve	Election Reserve	Water Tanker Replacement Reserve	Infrastructure Reserve	Sub Total
REVENUE								
Investment income	$ 173	24	4,475	2,438	54	1,552	3,618	$ 12,334
Other income								
Total revenue	173	24	4,475	2,438	54	1,552	3,618	12,334
EXPENSES								
Investment charges								
Other expenses								
Total expenses								
NET REVENUES	173	24	4,475	2,438	54	1,552	3,618	12,334
TRANSFERS								
Debt repayment								
Transfers from operating fund					3,000	92,919	200,000	295,919
Transfers to operating fund							(21,659)	(21,659)
Transfers from utility fund			21,800					21,800
Transfers to utility fund								
Acquisition of tangible capital assets								
CHANGE IN RESERVE FUND BALANCES	173	24	26,275	2,438	3,054	94,471	181,959	308,394
FUND SURPLUS, BEGINNING OF YEAR	3,615	510	192,229	50,940				247,294
FUND SURPLUS, END OF YEAR	$ 3,788	534	218,504	53,378	3,054	94,471	181,959	$ 555,688

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

	2024							2023
	General Reserve	Capital Development Reserve	Machinery Replacement Reserve	Bridge & Culvert Reserve	Gas Tax Reserve	Road Reconstruction Reserve	Total	Total
REVENUE								
Investment income	$ 93,496	4,484	28,810	14,407	99,637	11,548	$ 266,525	$ 276,845
Other income								
Total revenue	93,496	4,484	28,810	14,407	99,637	11,548	266,525	276,845
EXPENSES								
Investment charges								
Other expenses								
Total expenses								
NET REVENUES	93,496	4,484	28,810	14,407	99,637	11,548	266,525	276,845
TRANSFERS								
Debt repayment								
Transfers from operating fund	100,000		200,000		254,019		1,111,127	265,365
Transfers to operating fund	(553,720)		(510,727)		(167,648)	(70,163)	(1,323,917)	(266,145)
Transfers from utility fund							21,800	21,800
Transfers to utility fund				(56,025)	(414,041)		(470,066)	
Acquisition of tangible capital assets								
CHANGE IN RESERVE FUND BALANCES	(360,224)	4,484	(281,917)	(41,618)	(228,033)	(58,615)	(394,531)	297,865
FUND SURPLUS, BEGINNING OF YEAR	1,863,085	93,698	789,897	301,056	2,474,603	241,321	6,010,954	5,713,089
FUND SURPLUS, END OF YEAR	$ 1,502,861	98,182	507,980	259,438	2,246,570	182,706	$ 5,616,423	$ 6,010,954

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

	2024 Budget	2024 Actual	2023 Actual
REVENUE			
Taxation	$	$	$
EXPENSES			
General government			
Transportation services			
Environmental health			
Regional planning and development			
Recreation and cultural services			
TRANSFERS			
CHANGES IN L.U.D. BALANCES	$		
UNEXPENDED BALANCE, BEGINNING OF YEAR			
UNEXPENDED BALANCE, END OF YEAR		$	$

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

	2024	2023
FINANCIAL ASSETS		
Amounts receivable (Note 4)	$ 141,567	$ 123,194
LIABILITIES		
Accounts payable and accrued liabilities	336	12,155
Deferred revenue	899	899
Long-term debt (Note 8)	435,507	
Due to other funds	36,736	1,177,416
	473,478	1,190,470
NET DEBT	(331,911)	(1,067,276)
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	3,019,083	2,867,436
FUND SURPLUS	$ 2,687,172	$ 1,800,160
FUND SURPLUS CONSISTS OF:		
Accumulated operating surplus	$ 2,687,172	$ 1,800,160
Accumulated remeasurement gains (losses)		
	$ 2,687,172	$ 1,800,160

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

	Budget	2024	2023
REVENUE			
Water			
Water fees	$ 119,817	$ 136,247	$ 122,713
Sub-Total -Water	119,817	136,247	122,713
Other			
Penalties	400	581	471
Contributed tangible capital assets		5,435	5,271
Province of MB - conditional grants		100,488	1,134,322
Development levies		324,838	
Sub-Total - Other	400	431,342	1,140,064
Total revenue	$ 120,217	$ 567,589	$ 1,262,777

RURAL MUNICIPALITY OF CORNWALLIS
SCHEDULE 9 - SCHEDULE OF UTILITY OPERATIONS (continued)- Chater
For the year ended December 31, 2024

	Budget	2024	2023
EXPENSES			
General			
Administration	$ 16,100	$ 27,051	$ 20,286
Billing and collection	4,200	3,200	3,200
Sub-Total - General	20,300	30,251	23,486
Water General			
Purification and treatment	46,990	21,924	38,978
Sub-Total -Water General	46,990	21,924	38,978
Water Amortization, Accretion & Interest			
Amortization		20,380	18,238
Interest on long-term debt		17,217	
Sub-Total - Water Amortization. Accretion & Interest		37,597	18,238
Sewer General			
Collection system costs	33,927		
Sewer Amortization, Accretion & Interest			
Amortization		39,071	
Sub-Total - Sewer Amortization, Accretion & Interest		39,071	
Total expenses	101,217	128,843	80,702
NET OPERATING SURPLUS	$ 19,000	438,746	1,182,075
TRANSFERS			
Transfers from (to) reserve funds		448,266	(21,800)
CHANGE IN UTILITY FUND BALANCE		887,012	1,160,275
FUND SURPLUS, BEGINNING OF YEAR		1,800,160	639,885
FUND SURPLUS, END OF YEAR		$ 2,687,172	$ 1,800,160

RURAL MUNICIPALITY OF CORNWALLIS
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 Exeense	Transfers	Consolidated Entities	PSAB Budget
REVENUE							
Property taxes	$ 1,876,039						$ 1,876,039
Grants in lieu of taxation	269,288						269,288
User fees	425,255						425,255
Grants - Province of Manitoba	873,233						873,233
Grants - other	265,365					38,125	303,490
Permits, licences and fines	189,600					70,015	259,615
Investment income	55,000					5,452	60,452
Other revenue	55,000						55,000
Water and sewer		120,217					120,217
Transfers from accumulated surplus	685,800				(685,800)		
Transfers from reserves	35,000				{35,000}		
Total revenue	4,729,580	120,217			{720,800}	113,592	4,242,589
EXPENSES							
General government services	913,364		24,020	1,800	3,710		942,894
Protective services	520,238		3,939				524,177
Transportation services	1,515,979		214,625				1,730,604
Environmental health services	336,892		10,434				347,326
Public health and welfare services	8,100						8,100
Regional planning and development	59,098					158,346	217,444
Resource cons and industrial dev	15,000						15,000
Recreation and cultural services	21,000		59,450	17,217			97,667
Water and sewer services		101,217					101,217
Fiscal services:							
.Transfer to capital	380,234	9,000			(389,234)		
Debt charges							
Short-tenn interest	1,800			(1,800)			
Transfer to reserves	954,165	21,800			(975,965)		
Allowance for tax assets	3i710				{3,710}		
Total expenses	4,729,580	132,017	312,468	17,217	{1,365,199}	158,346	3,984,429
Surplus (Deficit)	$	{11,800}	{312,468}	{17,217}	644,399	{44,754}	$ 258,160

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

	2024	2023
Balance, beginning of year	$ 805,411	$ 725,868
Add:		
Tax levy (Schedule 12)	5,230,333	4,935,644
Taxes added	64,548	109,601
Penalties or interest	48,284	55,158
Sub-total	5,343,165	5,100,403
Deduct:		
Cash collections - current	3,046,438	4,746,713
Cash collections - arrears	744,367	
Writeoffs	21,482	12,710
Tax discounts	1,291	1,209
E.P.T.C. - cash advance	260,388	260,228
Manitoba School Tax Rebate	1,513,371	
Sub-total	5,587,337	5,020,860
Balance, end of year	$ 561,239	$ 805,411

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

	2024			2023
	Assessment	Mill Rate	Levy	Levy
Debt charges:				
Other (Chater Utility)			$ 29z762	$
Sub-Total - Debt charges			29.762	
Reserves:				
Election			2,682	
Sub-Total - Reserves			2.682	
General Municipal- At Large	244,494,200	6.892	1,684.818	1,703,930
Special levies:				
Garbage Pickup			103,539	
Sub-Total - Special levies			103,539	
Total municipal taxes (Schedule 2)			1,820,801	1,703,930
Education support levy	22,021,730	8.129	179,015	166,558
Special levy:				
Rolling River	57,419,010	10.547	605,598	572,137
Brandon	181,920,600	14.148	2,573,812	2,443,586
Southwest Horizon	4,882,300	10.468	51,107	49,433
Sub-Total - Special levies			3,230,517	3,065,156
Total education taxes			3,409,532	3,231,714
Total tax levy (Schedule 11)			$ 5,230,333	$ 4,935,644

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

	2024	2023
General government services:		
Legislative	$ 82,042	$ 80,807
General administrative	626,521	599,567
Other	227,917	87,528
	936,480	767,902
Protective services:		
Police	162,924	158,484
Fire	262,939	276,429
Emergency measures	22,292	21,652
Other	21,765	19,799
	469,920	476,364
Transportation services:		
Road transport		
Administration and engineering	440,523	388,436
Road and street maintenance	1,304,180	1,228,148
Street lighting	16,575	15,494
Disaster financial assistance	120,268	43,126
	1,881,546	1,675,204
Environmental health services:		
Waste collection and disposal	257,132	299,774
Recycling	40,583	
	297,715	299,774
Public health and welfare services:		
Public health	8,062	8,062
Regional planning and development:		
Planning and zoning	83,021	244,337
Resource conservation and industrial development:		
Rural area weed control	17,214	3,550
Water resources and conservation	9,502	8,617
Other	15,285	2,323
	42,001	14,490
Recreation and cultural services:		
Parks and playgrounds	700	1,610
Libraries	7,650	6,750
Other cultural facilities	4,000	
	12,350	8,360
Total expenses	$ 3,731,095	$ 3,494,493

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

	2024			2023
	General	Utility	Total	Total
MUNICIPAL SURPLUS (DEFICIT) UNDER THE MUNICIPAL ACT	$ 73,131	1,170,872	$ 1,244,003	$ (309,610)
Adjustments for reporting under public sector accounting standards				
Eliminate expense - transfers to reserves	1,111,127	21,800	1,132,927	287,165
Eliminate revenue - transfers from reserves	(1,323,917)	(470,066)	(1,793,983)	(266,145)
Increase revenue - reserve funds interest	266,525		266,525	276,845
Increase (decrease) revenue - net surplus (deficit) of consolidated entities	(14,118)		(14,118)	(3,555)
Eliminate revenue - transfer from nominal surplus	(685,800)		(685,800)	
Increase expense - amortization of tangible capital assets	(253,017)	(59,451)	(312,468)	(245,866)
Decrease expense - principal portion of debenture debt		12,545	12,545	
Increase (decrease) revenue - gain (loss) on sale of tangible capital assets	85,576		85,576	
Eliminate revenue - proceeds on new debenture debt		(448,052)	(448,052)	
Eliminate revenue - proceeds on sale of tangible capital assets	(541,000)		(541,000}	
Eliminate expense - acquisitions of tangible capital assets	2,199,972	211,098	2,411,070	2,328,586
NET SURPLUS PER STATEMENT OF OPERATIONS	$ 918,479	438,746	$ 1,357,225	$ 2,067,420