

Council Briefing - 2023 Audit Summary

April 28, 2026

The 2023 Draft Consolidated Financial Statements for the Rural Municipality of St. Clements are a comprehensive account of our fiscal performance for 2023 and are a total of the financial results of our collective general government partnership resources including for example RRPD, Gaynor Family Regional Library, etc..

1. The "Qualified Opinion" (ARO - Asbestos)

- The auditors (Reid & Miller) issued a Qualified Opinion for 2023.
- This is due to a new accounting standard (PS 3280 Asset Retirement Obligations). Like many municipalities, the RM has not yet completed a formal assessment to provide a "reasonable estimate" of potential retirement costs for buildings containing asbestos.
- This does not impact our cash flow. We will work to inventory these assets to clear this qualification in future years.

2. Exceptional Financial Performance

- The RM achieved a significant surplus of \$9,688,952 in 2023.
- This far exceeded the budgeted surplus of \$3,341,823.
- Total revenue was \$25.6 million, largely driven by \$8.67 million in Provincial Grants—which was more than double our budgeted expectations (\$4.07M).

3. Balance Sheet Strength

- Our total "net worth" increased to \$58.7 million (up from \$49.0 million in 2022).
- "Net Debt" decreased from \$9.57 million to ****\$8.25 million****, indicating a stronger position to cover financial liabilities with financial assets.
- We invested \$9.9 million into tangible capital assets (infrastructure and equipment) this year.

4. Utility and Operating Highlights

- Property tax revenue remained the core steady income at \$9.95 million.
- Total spending was ****\$15.9 million****, with the largest portion (\$5.02M) dedicated to Transportation Services (roads and infrastructure).

Recommendation to Council

It is recommended that Council approve the 2023 Draft Consolidated Financial Statements. Aside from the technical qualification regarding the ARO estimate, the statements represent a true and fair view of our robust financial health and our significant progress in infrastructure investment and debt reduction.

