



St. Clements

The place to be

2021 Consolidated Financial Statements

December 9, 2025

Audit Status and Opinion



Clean Audit Opinion

The auditors issued a clean, unqualified opinion confirming the fairness of the financial statements.

Compliance with Standards

Financial statements comply with Canadian Public Sector Accounting Standards without material misstatements.

Governance

Clean audit opinion demonstrates sound financial governance.

Accurate Financial Representation

Audit confirms that the municipality's financial health is accurately and transparently reported.

Note: Audit for the Rural Municipality of St. Clements was conducted by Exchange Group Chartered Professional Accountants Inc.

Key Highlights of the Balance Sheet

CATEGORY	2021	2020	CHANGE
Financial Assets	\$19.3M	\$7.7M	+ \$11.6M
Liabilities	\$26.1M	\$14.9M	+ \$11.2M
Net Financial Assets	(\$6.8M)	(\$7.2M)	Improved by \$0.4M
Non-Financial Assets	\$53.8M	\$49.4M	+ \$4.4M
Accumulated Surplus	\$47.0M	\$42.2M	+ \$4.8M

Revenue and Expense Performance



Strong Financial Surplus

The municipality achieved a \$4.84 million surplus, increase of budget and prior year surpluses.

Revenue Outperformance

Total revenues of \$17.87 million over budget expectations, due to higher property tax revenues and grants.

Expense Control

Expenses were kept below budget at \$13.03 million, showing expense management and operational efficiency.

Future Financial Flexibility

The surplus stabilizes the financial position and provides flexibility for future municipal investments and growth.

Infrastructure Investments and Asset Valuation



Significant Asset Investments

The municipality invested over \$6.8 million in infrastructure in 2021, to support ongoing development.

Asset Valuation Overview

Total Net Book Value of tangible assets is \$53.2 million after accounting for amortization expenses.

Major Asset Categories

Key assets include water and sewer systems, roads, buildings, and assets under construction for future service improvements.

Focus on Lifecycle Management

Amortization expenses of \$1.75 million are for effective lifecycle management of municipal assets.

Debt Growth and Reserve Strength



Long-term Debt Increase

Debt grew from \$12.2 million to over \$18 million due to borrowing for infrastructure development projects.

New Borrowing Proceeds

The municipality received \$6.9 million in new borrowing proceeds this year to fund capital projects.

Reserve Fund Growth

Reserves increased from \$5.16 million to over \$7.3 million, showing financial management and fiscal sustainability.

Balanced Financial Strategy

Debt growth is for strategic investments while reserve strengthens ability to address financial risks and obligations.

Note: Our long-term debt has increased to fund specific capital projects, but it is important to note that our reserve funds for future needs also grew by over \$2 million.



Major Items and Information

High Surplus Explanation

The \$4.8 million surplus is a result of lower spending on services and higher revenues from fees and grants than expected.

Accounts Payable Increase

Accounts Payable increased to \$6.4 million due to year-end invoice timings, especially for capital assets and construction projects.

Municipality Financial Stability

Although showing net debt of (\$6.8 million), accumulated surplus of \$47 million shows strong financial health and future growth potential.



Recommendation and Proposed Resolution

Financial Statements

Council formally receives audited consolidated financial statements for the year ended December 31, 2021, in order to accept audit findings from Exchange Group Chartered Professional Accountants Inc.

Proposed Resolution

The proposed resolution supports official acknowledgment of audit results to promote transparency and accountability in governance.