



RM of St. Clements – 2022 Audited Financial Statements

2022 AUDITED FINANCIAL STATEMENTS



Audit Process and Standards

Financial statements prepared per Canadian standards and independently audited to ensure governance transparency.

Stable Financial Position

Audit confirms positive surplus, infrastructure investments, and strong accumulated surplus for the municipality.

Qualified Audit Opinion Explanation

Qualification tied to new accounting rule on asset retirement obligations, not mismanagement or controls.

Next Steps and Reassurance

Administration actively assessing obligations; service delivery unaffected, ensuring continued financial commitments.

2022 FINANCIAL HIGHLIGHTS



Annual and Accumulated Surplus

The municipality achieved a \$3.15 million annual surplus and maintains a \$49.0 million accumulated surplus ensuring financial stability.

Tangible Capital Assets

Capital assets valued at \$58.5 million reflect extensive infrastructure including roads, utilities, and public facilities under management.

Net Debt and Financial Strategy

Net debt of \$9.57 million is balanced within the municipality's financial strategy, indicating manageable liabilities and long-term planning.

Commitment to Service and Renewal

Ongoing financial trends demonstrate dedication to infrastructure renewal and effective service delivery amid economic challenges.

EXPLANATION OF THE AUDITOR'S QUALIFIED OPINION



Qualified Opinion Context

The qualification is linked to compliance with the 2022 PSAB standard on Asset Retirement Obligations (ARO).

Asset Retirement Obligations

Municipalities must estimate future costs for retiring assets, including asbestos and lead paint remediation.

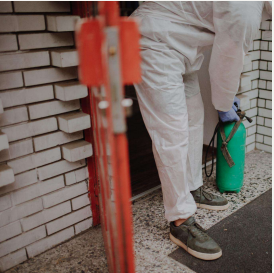
Nature of Qualification

Qualification arises from incomplete assessments, not from errors, fraud, or internal control issues.

Maintaining Public Trust

Clear communication ensures stakeholders understand the qualification is administrative and will be resolved.

NEXT STEPS



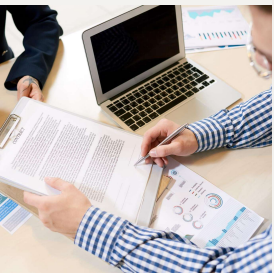
Inventory and Environmental Assessment

Conducting detailed inventories and environmental assessments to identify hazardous materials in municipal buildings.



Estimating Remediation Obligations

Using assessment data to accurately estimate future remediation costs for compliance with PSAB standards.



Phased Implementation and Governance

Phasing work to minimize impact and will engage council for approval and maintain transparency in reporting.