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**RURAL MUNICIPALITY OF WEST RIVER**

**Financial Statements**

**March 31, 2024**

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**RURAL MUNICIPALITY OF WEST RIVER**  
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**March 31, 2024**

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## MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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The accompanying financial statements of the Rural Municipality of West River are the responsibility of management and have been prepared in accordance with Canadian Public Sector Accounting Standards. A summary of the significant accounting policies are described in the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current period cannot be finalized with a certainty until future periods.

To meet its responsibility, management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements. These systems are monitored and evaluated by management.

Mayor and Council meet with management and the external auditors to review the financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the financial statements.

The financial statements have been audited by MRSB Chartered Professional Accountants Inc., independent external auditors appointed by the Rural Municipality of West River. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the financial statements.

On behalf of the Rural Municipality of West River:

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Mayor  
June 27, 2024

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## INDEPENDENT AUDITOR'S REPORT

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### To the Mayor and Members of Council of the Rural Municipality of West River

#### Opinion

We have audited the financial statements of Rural Municipality of West River (the municipality), which comprise the statement of financial position as at March 31, 2024, and the statements of operations, changes in net financial assets and cash flows for the year then ended, and notes and schedule to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the municipality as at March 31, 2024, and the results of its operations and cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

#### Basis for Opinion

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 Financial Statements* section of our report. We are independent of the municipality in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have 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 opinion.

#### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the municipality'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 municipality or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the municipality's financial reporting process.

#### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 municipality'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 municipality'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 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 municipality to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

*MRSB Chartered Professional Accountants Inc.*

MRSB CHARTERED PROFESSIONAL ACCOUNTANTS INC.

Charlottetown, PE

June 27, 2024

**RURAL MUNICIPALITY OF WEST RIVER**  
**Statement of Financial Position**  
**March 31, 2024**

|   | <u>2024</u>         | <u>2023</u>         |
|---|---------------------|---------------------|
| <b>Financial assets</b>                   |                     |                     |
| Cash                                      | \$ 134,854          | \$ 316,785          |
| Restricted cash                           | 2,341               | 147,875             |
| Accounts receivable (Note 3)              | <u>163,596</u>      | <u>203,487</u>      |
|   | <u>300,791</u>      | <u>668,147</u>      |
| <b>Liabilities</b>                        |                     |                     |
| Accounts payable and accrued liabilities  | 129,966             | 81,229              |
| Deferred revenue (Note 4)                 | <u>18</u>           | <u>91,370</u>       |
|   | <u>129,984</u>      | <u>172,599</u>      |
| <b>Net financial assets</b> (Statement 6) | <u>170,807</u>      | <u>495,548</u>      |
| <b>Non-financial assets</b>               |                     |                     |
| Prepaid expense                           | 1,077               | 3,931               |
| Tangible capital assets (Schedule 1)      | 2,607,787           | 1,903,004           |
| Intangible assets (Note 5)                | <u>141,870</u>      | <u>159,707</u>      |
|   | <u>2,750,734</u>    | <u>2,066,642</u>    |
| <b>Accumulated surplus</b> (Statement 5)  | <u>\$ 2,921,541</u> | <u>\$ 2,562,190</u> |

**Commitments** (Note 6)

**On behalf of Council**

\_\_\_\_\_ Mayor  
 \_\_\_\_\_ Councillor

Notes 1 - 13 are an integral part of the financial statements

**RURAL MUNICIPALITY OF WEST RIVER**  
**Statement of Operations**  
**Year Ended March 31, 2024**

|   | Budget<br>2024      | Actual<br>2024      | Actual<br>2023      |
|---|---------------------|---------------------|---------------------|
| <b>Revenues</b>                                   |                     |                     |                     |
| Property taxes                                    | \$ 611,705          | \$ 676,010          | \$ 616,423          |
| Government transfers for operations (Note 7)      | 6,000               | 131,444             | 101,593             |
| Permit fees                                       | 10,000              | 29,591              | 5,074               |
| Planning tax                                      | 40,000              | 17,530              | -                   |
| Rentals   | 2,500               | 9,691               | 1,500               |
| Miscellaneous                                     | 2,000               | 2,930               | 2,806               |
|   | <u>672,205</u>      | <u>867,196</u>      | <u>727,396</u>      |
| <b>Expenditures</b>                               |                     |                     |                     |
| Afton Hall grant                                  | 15,000              | -                   | 25,000              |
| Amortization of intangible assets                 | -                   | 17,837              | 13,789              |
| Amortization of tangible capital assets           | -                   | 116,583             | 64,529              |
| Black Fly program                                 | 13,500              | 14,348              | 11,957              |
| Bonshaw Community Centre                          | 10,000              | 207                 | 10,000              |
| Canteen and bar                                   | -                   | 6,184               | -                   |
| Communities 13 grant                              | 15,000              | 14,539              | 14,500              |
| Community building and engagement grants          | 12,000              | 9,640               | 11,971              |
| Conference and council training                   | 4,000               | 462                 | 726                 |
| Continuing education                              | 3,000               | 485                 | 1,546               |
| Dues and memberships                              | 10,999              | 7,510               | 10,689              |
| Election  | 2,500               | -                   | 3,908               |
| Emergency measures                                | 5,000               | 69,865              | 40,949              |
| Events  | 9,000               | 5,516               | 3,834               |
| Fire dues   | 293,261             | 307,228             | 288,565             |
| Insurance   | 60,000              | 62,398              | 54,871              |
| Miscellaneous                                     | 1,500               | 588                 | -                   |
| Office  | 10,000              | 11,038              | 7,984               |
| Official plan                                     | 27,000              | 27,394              | -                   |
| Professional fees                                 | 30,000              | 49,064              | 12,185              |
| Public property parks and recreation              | 30,000              | 61,883              | 17,943              |
| Travel  | -                   | 5,947               | 851                 |
| Tree program                                      | -                   | 40,083              | -                   |
| Wages and wage levies                             | 185,000             | 244,589             | 136,669             |
|   | <u>736,760</u>      | <u>1,073,388</u>    | <u>732,466</u>      |
| <b>Operating deficit</b>                          | <b>(64,555)</b>     | <b>(206,192)</b>    | <b>(5,070)</b>      |
| <b>Other revenues</b>                             |                     |                     |                     |
| Government transfers for capital (Note 7)         | 970,000             | 565,543             | 820,264             |
| <b>Annual surplus</b>                             | <b>905,445</b>      | <b>359,351</b>      | <b>815,194</b>      |
| <b>Accumulated surplus - beginning of year</b>    | <b>2,562,190</b>    | <b>2,562,190</b>    | <b>1,746,996</b>    |
| <b>Accumulated surplus - end of year (Note 8)</b> | <b>\$ 3,467,635</b> | <b>\$ 2,921,541</b> | <b>\$ 2,562,190</b> |

Notes 1 - 13 are an integral part of the financial statements

**RURAL MUNICIPALITY OF WEST RIVER**  
**Statement of Changes in Net Financial Assets**  
**Year Ended March 31, 2024**

|  | Budget<br>2024    | Actual<br>2024    | Actual<br>2023    |
|--|-------------------|-------------------|-------------------|
| <b>Annual Surplus</b>                              | <b>\$ 905,445</b> | <b>\$ 359,351</b> | <b>\$ 815,194</b> |
| Amortization of tangible capital assets            | -                 | 116,583           | 64,529            |
| Amortization of intangible capital assets          | -                 | 17,837            | 13,789            |
| Purchase of tangible capital assets                | (930,000)         | (821,366)         | (731,591)         |
| Purchase of intangible capital assets              | -                 | -                 | (80,949)          |
| Decrease in prepaid expense                        | -                 | 2,854             | 27,368            |
|  | <b>(930,000)</b>  | <b>(684,092)</b>  | <b>(706,854)</b>  |
| <b>Increase (decrease) in net financial assets</b> | <b>(24,555)</b>   | <b>(324,741)</b>  | <b>108,340</b>    |
| <b>Net financial assets - beginning of year</b>    | <b>495,548</b>    | <b>495,548</b>    | <b>387,208</b>    |
| <b>Net financial assets - end of year</b>          | <b>\$ 470,993</b> | <b>\$ 170,807</b> | <b>\$ 495,548</b> |



**RURAL MUNICIPALITY OF WEST RIVER**

**Statement of Cash Flows**

**Year Ended March 31, 2024**

|   | 2024       | 2023       |
|---|------------|------------|
| <b>Cash flows from operating activities</b> |            |            |
| Annual surplus                              | \$ 359,351 | \$ 815,194 |
| Items not affecting cash:                   |            |            |
| Amortization of property and equipment      | 116,583    | 64,529     |
| Amortization of intangible assets           | 17,837     | 13,789     |
|   | 493,771    | 893,512    |
| Changes in non-cash working capital:        |            |            |
| Accounts receivable                         | 39,891     | (153,001)  |
| Prepaid expense                             | 2,854      | 27,368     |
| Accounts payable and accrued liabilities    | 48,737     | 8,813      |
| Deferred revenue                            | (91,352)   | (258,103)  |
|   | 130        | (374,923)  |
|   | 493,901    | 518,589    |
| <b>Cash flows from capital activities</b>   |            |            |
| Purchase of tangible capital assets         | (821,366)  | (731,591)  |
| Purchase of intangible assets               | -          | (80,949)   |
|   | (821,366)  | (812,540)  |
| <b>Decrease in cash</b>                     | (327,465)  | (293,951)  |
| <b>Cash - beginning of year</b>             | 464,660    | 758,611    |
| <b>Cash - end of year</b>                   | \$ 137,195 | \$ 464,660 |
| <b>Cash consists of:</b>                    |            |            |
| Cash  | \$ 134,854 | \$ 316,785 |
| Restricted cash                             | 2,341      | 147,875    |
|   | \$ 137,195 | \$ 464,660 |

Notes 1 - 13 are an integral part of the financial statements

# RURAL MUNICIPALITY OF WEST RIVER

## Notes to Financial Statements

Year Ended March 31, 2024

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### 1. DESCRIPTION OF BUSINESS

Rural Municipality of West River ("the Municipality") was incorporated in 2020 under the Municipalities Act of Prince Edward Island. On September 1, 2020 the Rural Municipalities of New Haven-Riverdale, Bonshaw, Meadowbank, West River, and Afton amalgamated to form the new Rural Municipality of West River. Its principal activities include the provision of local government services to residents of the incorporated area. The Municipality is a non-profit organization under the Income Tax Act and accordingly is exempt from income taxes, provided certain requirements of the Income Tax Act are met.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### Basis of preparation

The financial statements of the Rural Municipality of West River are the representations of management prepared in accordance with Canadian Public Sector Accounting Standards.

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it is earned and measurable. Expenditures are recognized as they are incurred and measurable based upon receipt of goods or services and/or the legal obligation to pay.

Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

Government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used for certain programs and in the completion of specific work. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the year when the related expenditures are incurred, services are performed or the tangible capital assets are acquired.

#### Reporting entity

The financial statements of the Rural Municipality of West River reflect the assets, liabilities, revenues, expenditures, and annual surplus of the Municipality. The Municipality is comprised of all organizations and committees accountable to the Municipality for the administration of their financial affairs and resources.

#### Cash and cash equivalents

Cash and cash equivalents is comprised of cash in banks.

#### Accounts receivable

Accounts receivable arise from government grants, Harmonized Sales Tax recoverable and other miscellaneous accounts receivable. An allowance for bad debts has been calculated through discussions with management, assessment of the other circumstances influencing the collectibility of amounts, and using historical loss experience. Amounts deemed uncollectible are written off and deducted from the carrying value of the receivable. Amounts subsequently recovered from accounts previously written off are credited to the allowance account in the period of recovery.

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RURAL MUNICIPALITY OF WEST RIVER

Notes to Financial Statements

Year Ended March 31, 2024

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Tangible capital assets

Tangible capital assets are stated at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over the estimated useful life as follows:

|                                |          |
|--------------------------------|----------|
| Land improvements              | 15 years |
| Buildings                      | 25 years |
| Park and playground equipment  | 15 years |
| Furniture and fixtures         | 15 years |
| Computer equipment             | 5 years  |
| Parks, playgrounds, and trails | 20 years |

Tangible capital assets acquired during the year are amortized at 50% of the regular rate. No amortization is taken on assets disposed of during the year.

Tangible capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

Intangible assets

Intangible assets are recorded at cost and amortized on a straight-line basis over their estimated useful lives of ten years.

Impairment of long lived assets

The municipality tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent the carrying value exceeds its fair value.

Asset Retirement Obligations

Liabilities are recognized for statutory, contractual or legal obligations associated with the retirement of tangible capital assets when those obligations result from the acquisition, construction, development or normal operation of the assets. The obligations are measured initially at fair value, determined using present value methodology, and the resulting costs capitalized into the carrying amount of the related tangible capital assets. In subsequent periods, the liability is adjusted for accretion and any changes in the amount or timing of the underlying future cash flows. The capitalized asset retirement cost is amortized on the same basis as the related assets and accretion expense is included in the Statement of Operations. As at March 31, 2024, no asset retirement obligations have been identified by management.

Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for the use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the annual surplus, provides the change in net financial assets for the year.

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2. SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Government transfers

Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return.

Government transfers are recognized in the financial statements as revenue in the year in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates on the amounts can be determined.

Revenue recognition

Property tax billings are based on the assessed value of real property in the Municipality and is payable in each calendar year. Tax rates are reviewed, established, and approved annually by the Municipality. These revenues are recognized when monthly billings come due.

Revenue from transactions with performance obligations are recognized when (or as) the municipality satisfies a performance obligation. Revenue from transactions with no performance obligations are recognized when the municipality has the authority to claim or retain an inflow of economic resources and a past transaction has given rise to an asset.

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in surplus. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issuance of financial instruments that are subsequently measured at amortized cost are shown as an adjustment to the carrying value of the related financial instrument.

Management estimates

The presentation of the financial statements in conformity with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future. The following are areas in which management makes significant accounting estimates:

- The amounts recorded for amortization of tangible capital assets on the statement of operations is subject to management's assessment of the estimated useful life of the Municipality's tangible capital assets;
- The recognized amounts of potential claims and liabilities depend on management's assessment of future costs and the probability these events will occur.

**RURAL MUNICIPALITY OF WEST RIVER**  
**Notes to Financial Statements**  
**Year Ended March 31, 2024**

**3. ACCOUNTS RECEIVABLE**

|                   | <b>2024</b>       | <b>2023</b>       |
|-------------------|-------------------|-------------------|
| Grants receivable | \$ 134,600        | \$ 170,058        |
| HST receivable    | 28,801            | 33,429            |
| Miscellaneous     | 195               | -                 |
|                   | <b>\$ 163,596</b> | <b>\$ 203,487</b> |

**4. DEFERRED REVENUE**

|                                   | <b>2024</b>  | <b>2023</b>      |
|-----------------------------------|--------------|------------------|
| Canada Community Building Fund    | \$ 18        | \$ -             |
| Employment and Social Development | -            | 91,370           |
|                                   | <b>\$ 18</b> | <b>\$ 91,370</b> |

Under the Canada Community Building Fund for Incorporated Communities, the Municipality is allocated funds for fiscal years ending March 31, 2020 to 2024. These funds, along with interest earned, must be used for eligible infrastructure and capacity building projects. Any funds received under this program, including interest earned, but not yet spent are recognized as deferred revenue at the end of the year. During the year, the Municipality received \$151,420 direct allocation and incurred eligible expenditures of \$98,512.

**5. INTANGIBLE ASSETS**

|                          | <b>2024</b>       | <b>2023</b>       |
|--------------------------|-------------------|-------------------|
| Official Plan            | \$ 178,367        | \$ 178,367        |
| Accumulated amortization | (36,497)          | (18,660)          |
|                          | <b>\$ 141,870</b> | <b>\$ 159,707</b> |

**6. COMMITMENTS**

The Municipality has entered into a lease for a photocopier. The following are the minimum lease payments for the next two fiscal years:

|      |  |          |
|------|--|----------|
| 2025 |  | \$ 1,661 |
| 2026 |  | 1,246    |

**RURAL MUNICIPALITY OF WEST RIVER**

**Notes to Financial Statements**

**Year Ended March 31, 2024**

**7. GOVERNMENT TRANSFERS**

|  | 2024              | 2023              |
|--|-------------------|-------------------|
| <u>Government transfers for operations</u>         |                   |                   |
| Province of PEI Fiona response                     | \$ 59,929         | \$ 27,824         |
| Minister of Environment, Energy and Climate Action | 41,342            | -                 |
| New Horizons                                       | 13,831            | -                 |
| Province of PEI Seniors Meals                      | 5,000             | -                 |
| Employment Development Agency                      | 4,827             | 4,560             |
| Innovation PEI                                     | 3,200             | -                 |
| Regional Energy Efficiency program                 | 3,315             | -                 |
| Emergency Jobs Initiative                          | -                 | 2,498             |
| Canada Summer Jobs                                 | -                 | 1,918             |
| Department of Canadian Innovation and Heritage     | -                 | 1,680             |
| Department of Fisheries and Communities            | -                 | 63,113            |
|  | <b>131,444</b>    | <b>101,593</b>    |
| <u>Government transfers for capital</u>            |                   |                   |
| Community Revitalization                           | 264,881           | 36,000            |
| Canada Community Building Fund                     | 98,512            | 365,654           |
| Employment and Social Development                  | 91,370            | 33,630            |
| Municipal Capital Expenditure Grant                | 77,455            | 82,436            |
| Atlantic Canada Opportunities Agency               | 28,656            | 271,344           |
| New Horizons                                       | 4,669             | -                 |
| Efficiency PEI                                     | -                 | 31,200            |
|  | <b>565,543</b>    | <b>820,264</b>    |
|  | <b>\$ 696,987</b> | <b>\$ 921,857</b> |

**8. ACCUMULATED SURPLUS**

|  | 2024                | 2023                |
|--|---------------------|---------------------|
| Unrestricted surplus                           | \$ 262,729          | \$ 546,136          |
| Investment in tangible capital assets (Note 9) | 2,607,787           | 1,903,004           |
| Reserves (Note 10)                             | 51,025              | 113,050             |
|  | <b>\$ 2,921,541</b> | <b>\$ 2,562,190</b> |

**9. INVESTMENT IN TANGIBLE CAPITAL ASSETS**

|                                       | 2024                | 2023                |
|---------------------------------------|---------------------|---------------------|
| Tangible capital assets (Schedule 1)  | \$ 3,466,695        | \$ 2,645,329        |
| Accumulated amortization (Schedule 1) | (858,908)           | (742,325)           |
|                                       | <b>\$ 2,607,787</b> | <b>\$ 1,903,004</b> |

**RURAL MUNICIPALITY OF WEST RIVER**

**Notes to Financial Statements**

**Year Ended March 31, 2024**

**10. RESERVES**

|                                    | <b>2024</b>      | <b>2023</b>       |
|------------------------------------|------------------|-------------------|
| Legal Reserve                      | \$ 34,000        | \$ 34,000         |
| Capital Reserve                    | 12,025           | 35,000            |
| Election Reserve                   | 5,000            | 5,000             |
| Community Priority and Contingency | -                | 39,050            |
|                                    | <b>\$ 51,025</b> | <b>\$ 113,050</b> |

**11. BUDGET FIGURES**

The budget figures provided on the Statement of Operations and the Statement of Changes in Net Financial Assets have not been audited or reviewed by the external auditor. A reconciliation of the 2024 fiscal budget prepared by Council to the budget figures disclosed in the financial statements is as follows:

|                                   | <b>2024</b>       |
|-----------------------------------|-------------------|
| Budgeted annual surplus           | \$ 445            |
| Less: Surplus from previous years | (60,000)          |
| Less: HST                         | (10,000)          |
| Add: Capital expenditures         | 45,000            |
| Add: Capital funding              | 930,000           |
|                                   | <b>\$ 905,445</b> |

**12. FINANCIAL INSTRUMENTS**

The Municipality's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities.

The municipality is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the municipality's risk exposure and concentration as of March 31, 2024.

(a) Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The municipality is exposed to credit risk from residents. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information.

(b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The municipality is exposed to this risk mainly in respect of its receipt of government funding, and accounts payable and accrued liabilities.

RURAL MUNICIPALITY OF WEST RIVER

Notes to Financial Statements

Year Ended March 31, 2024

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**13. SEGMENT DISCLOSURE**

The Municipality is a diversified municipal unit that provides a wide range of services to its citizens. For management reporting purposes the Municipality's operations and activities are organized and reported by segment. The major segment is as follows:

General Government

This segment is responsible for the overall financial and local government administration. Its tasks include, but are not limited to, daily accounting functions, preparation and coordination of annual audited financial statements, development of the annual budget, human resource functions for the entire municipality, maintenance of bylaws and policies, oversight of public works, maintenance of municipal facilities, and administration of municipal services.



**RURAL MUNICIPALITY OF WEST RIVER**  
**Schedule to Financial Statements**  
**Tangible Capital Assets**  
**Year Ended March 31, 2024**

(Schedule 1)

|                                   | Cost<br>beg of<br>year | Disposals<br>and write<br>downs | Additions         | Cost<br>end<br>of year | Accum<br>amort<br>beginning<br>of year | Disposals<br>and write<br>downs | Amort<br>in the<br>year | Accum<br>amort<br>end<br>of year | Net<br>book<br>value |
|-----------------------------------|------------------------|---------------------------------|-------------------|------------------------|--|---------------------------------|-------------------------|----------------------------------|----------------------|
| <b>2024</b>                       |                        |                                 |                   |                        |  |                                 |                         |                                  |                      |
| Land                              | \$ 439,419             | -                               | \$ -              | \$ 439,419             | -                                      | -                               | -                       | \$ -                             | \$ 439,419           |
| Land improvements                 | 31,127                 | -                               | -                 | 31,127                 | 5,495                                  | -                               | 2,075                   | 7,570                            | 23,557               |
| Buildings                         | 1,423,647              | -                               | 739,162           | 2,162,809              | 340,314                                | -                               | 70,515                  | 410,829                          | 1,751,980            |
| Park and playground<br>equipment  | 418,864                | -                               | 18,056            | 436,920                | 322,126                                | -                               | 26,643                  | 348,769                          | 88,151               |
| Furniture and fixtures            | 82,117                 | -                               | 41,704            | 123,821                | 51,245                                 | -                               | 3,531                   | 54,776                           | 69,045               |
| Computer equipment                | 4,269                  | -                               | 4,895             | 9,164                  | 2,137                                  | -                               | 1,086                   | 3,223                            | 5,941                |
| Parks, playgrounds<br>and trails  | 245,886                | -                               | 17,549            | 263,435                | 21,008                                 | -                               | 12,733                  | 33,741                           | 229,694              |
|                                   | <b>\$ 2,645,329</b>    | <b>\$ -</b>                     | <b>\$ 821,366</b> | <b>\$ 3,466,695</b>    | <b>\$ 742,325</b>                      | <b>\$ -</b>                     | <b>\$ 116,583</b>       | <b>\$ 858,908</b>                | <b>\$ 2,607,787</b>  |
| <b>2023</b>                       |                        |                                 |                   |                        |  |                                 |                         |                                  |                      |
| Land                              | \$ 439,419             | -                               | \$ -              | \$ 439,419             | -                                      | -                               | -                       | \$ -                             | \$ 439,419           |
| Land improvements                 | 31,127                 | -                               | -                 | 31,127                 | 3,420                                  | -                               | 2,074                   | 5,495                            | 25,632               |
| Building                          | 779,207                | -                               | 644,440           | 1,423,647              | 316,378                                | -                               | 23,936                  | 340,314                          | 1,083,333            |
| Parks and playground<br>equipment | 418,864                | -                               | -                 | 418,864                | 296,085                                | -                               | 26,041                  | 322,126                          | 96,738               |
| Furniture and fixtures            | 51,462                 | -                               | 30,655            | 82,117                 | 50,126                                 | -                               | 1,119                   | 51,245                           | 30,872               |
| Computer equipment                | 2,664                  | -                               | 1,605             | 4,269                  | 1,701                                  | -                               | 436                     | 2,137                            | 2,132                |
| Parks, playgrounds<br>and trails  | 190,995                | -                               | 54,891            | 245,886                | 10,086                                 | -                               | 10,922                  | 21,008                           | 224,878              |
|                                   | <b>\$ 1,913,738</b>    | <b>\$ -</b>                     | <b>\$ 731,591</b> | <b>\$ 2,645,329</b>    | <b>\$ 677,797</b>                      | <b>\$ -</b>                     | <b>\$ 64,529</b>        | <b>\$ 742,325</b>                | <b>\$ 1,903,004</b>  |

Notes 1 - 13 are an integral part of these financial statements