

RURAL MUNICIPALITY OF CRAPAUD
Consolidated Financial Statements
March 31, 2021

RURAL MUNICIPALITY OF CRAPAUD
Index to Consolidated Financial Statements
March 31, 2021

	Page
MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS	1
INDEPENDENT AUDITOR'S REPORT	2 - 3
CONSOLIDATED FINANCIAL STATEMENTS	
Consolidated Statement of Financial Position	4
Consolidated Statement of Operations	5
Consolidated Statement of Changes in Net Debt	6
Consolidated Statement of Cash Flows	7
Notes to Consolidated Financial Statements	8 - 15
Schedules to Consolidated Financial Statements	16 - 23

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements of the Rural Municipality of Crapaud are the responsibility of management and have been prepared in accordance with Canadian accounting standards for the public sector. A summary of the significant accounting policies are described in the consolidated financial statements. The preparation of consolidated 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 consolidated financial statements. These systems are monitored and evaluated by management.

The Official Trustee meets with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

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

On behalf of the Rural Municipality of Crapaud:



Official Trustee



Chief Administrative Officer

INDEPENDENT AUDITOR'S REPORT

To the Official Trustee of the Rural Municipality of Crapaud

Opinion

We have audited the consolidated financial statements of the Rural Municipality of Crapaud (the "Municipality"), which comprise the consolidated statement of financial position as at March 31, 2021, and the consolidated statements of changes operations, changes in net debt and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Municipality as at March 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for the public sector.

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 Consolidated Financial Statements section of our report. We are independent of the Municipality in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian accounting standards for the public sector, 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 the Municipality's ability to continue as a going concern, disclosing, as applicable, matters relating 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.

(continues)

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 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 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 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 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 Municipality 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.

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.

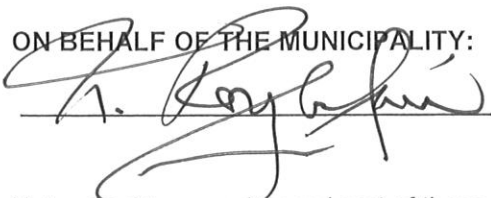
Charlottetown, PE

December 7, 2021

RURAL MUNICIPALITY OF CRAPAUD
Consolidated Statement of Financial Position
March 31, 2021

	2021	2020
Financial assets		
Cash and cash equivalents		
Unrestricted	\$ 277,349	\$ 246,509
Restricted	143,659	203,602
Accounts receivable	188,814	154,031
	<u>609,822</u>	<u>604,142</u>
Liabilities		
Accounts payable and accrued liabilities	34,413	17,599
Deferred revenue (Note 3)	146,339	176,779
Long term debt (Note 4)	436,364	471,012
	<u>617,116</u>	<u>665,390</u>
Net financial debt (Statement 6)	<u>(7,294)</u>	<u>(61,248)</u>
Non-financial assets		
Tangible capital assets (Schedules 1 and 2)	4,244,496	4,262,380
Intangible assets	12,956	-
Land held for resale	4,249	6,381
Prepaid expense	8,245	12,107
	<u>4,269,946</u>	<u>4,280,868</u>
Accumulated surplus and municipal position (Statement 5)	<u>\$ 4,262,652</u>	<u>\$ 4,219,620</u>

ON BEHALF OF THE MUNICIPALITY:


 _____ Official Trustee

Notes 1 - 14 are an integral part of these consolidated financial statements

RURAL MUNICIPALITY OF CRAPAUD
Consolidated Statement of Operations
Year Ended March 31, 2021

	Budget 2021	Actual 2021	Actual 2020
Revenues			
General (Schedule 3)	\$ 197,434	\$ 172,403	\$ 178,582
Fire Protection (Schedule 4)	178,790	181,635	165,219
Sewerage (Schedule 7)	82,850	74,754	77,945
Water (Schedule 8)	24,200	20,893	22,730
	<u>483,274</u>	<u>449,685</u>	<u>444,476</u>
Expenditures			
General (Schedule 3)	198,400	211,564	198,268
Fire Protection (Schedule 4)	180,725	175,733	208,295
Sewerage (Schedule 7)	94,520	95,429	94,941
Water (Schedule 8)	32,131	33,781	33,445
	<u>505,776</u>	<u>516,507</u>	<u>534,949</u>
Operating Surplus (Deficit)	(22,502)	(66,822)	(90,473)
Other revenues			
Government transfers for capital (Note 5)	154,450	109,854	22,156
Annual Surplus	131,948	43,032	(68,317)
Accumulated surplus - beginning of year	-	4,219,620	4,287,937
Accumulated surplus - end of year (Note 6)	<u>\$ 131,948</u>	<u>\$ 4,262,652</u>	<u>\$ 4,219,620</u>

Notes 1 - 14 are an integral part of these consolidated financial statements

RURAL MUNICIPALITY OF CRAPAUD
Consolidated Statement of Changes in Net Debt
Year Ended March 31, 2021

	Budget 2021	Actual 2021	Actual 2020
Annual surplus	\$ 131,948	\$ 43,032	\$ (68,317)
Amortization of tangible capital assets	141,601	144,426	140,865
Purchase of tangible capital assets	(101,800)	(126,541)	(78,712)
Purchase of intangible assets	-	(12,956)	-
(Increase) decrease in prepaid expense	-	3,861	(5,327)
Decrease in land held for resale	-	2,132	643
	39,801	10,922	57,469
Increase (decrease) in net financial debt	171,749	53,954	(10,848)
Net financial debt - beginning of year	(61,248)	(61,248)	(50,400)
Net financial assets (debt) - end of year	\$ 110,501	\$ (7,294)	\$ (61,248)

Notes 1 - 14 are an integral part of these consolidated financial statements

RURAL MUNICIPALITY OF CRAPAUD
Consolidated Statement of Cash Flows
Year Ended March 31, 2021

	Actual 2021	Actual 2020
Cash flows from operating activities		
Annual surplus	\$ 43,032	\$ (68,317)
Item not affecting cash:		
Amortization of tangible capital assets	144,426	140,865
	<u>187,458</u>	<u>72,548</u>
Changes in non-cash working capital:		
Accounts receivable	(34,783)	281
Prepaid expense	3,862	(5,327)
Accounts payable and accrued liabilities	16,813	(7,402)
Deferred revenue	(30,440)	151,331
	<u>(44,548)</u>	<u>138,883</u>
	<u>142,910</u>	<u>211,431</u>
Cash flows from capital activities		
Purchase of tangible capital assets	(126,541)	(78,712)
Purchase of intangible assets	(12,956)	-
Land held for resale	2,132	643
	<u>(137,365)</u>	<u>(78,069)</u>
Cash flows from financing activity		
Repayment of long term debt	(34,648)	(32,427)
	<u>(34,648)</u>	<u>(32,427)</u>
Increase (decrease) in cash and cash equivalents	<u>(29,103)</u>	<u>100,935</u>
Cash - beginning of year	<u>450,111</u>	<u>349,176</u>
Cash - end of year	<u>\$ 421,008</u>	<u>\$ 450,111</u>
Cash and cash equivalents consist of:		
Unrestricted	\$ 277,349	\$ 246,509
Restricted	143,659	203,602
	<u>\$ 421,008</u>	<u>\$ 450,111</u>

Notes 1 - 14 are an integral part of these consolidated financial statements

RURAL MUNICIPALITY OF CRAPAUD
Notes to Consolidated Financial Statements
Year Ended March 31, 2021

1. DESCRIPTION OF BUSINESS

Rural Municipality of Crapaud ("the Municipality") was incorporated under the Municipalities Act of Prince Edward Island. 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 consolidated financial statements of the Rural Municipality of Crapaud are the representations of management prepared in accordance with Canadian accounting standards for the public sector.

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.

Basis of consolidation

The consolidated financial statements for the Rural Municipality of Crapaud reflect the assets, liabilities, revenues, expenditures, change in net debt and change in financial position of the Municipality. The Municipality is comprised of the municipal operations plus all of the organizations that are owned or controlled by the Municipality and are, therefore, accountable to the Council for the administration of their financial affairs and resources. Included with the Municipality are the following:

Crapaud Fire Department
Crapaud Sewerage Corporation
Crapaud Water Corporation

Cash and cash equivalents

Cash and cash equivalents is comprised of cash on hand, cash in banks and short term investments.

Accounts receivable

Accounts receivable arise from water and sewer dues, fire dues, funding agreements, and Harmonized Sales Tax 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.

(continues)

RURAL MUNICIPALITY OF CRAPAUD
Notes to Consolidated Financial Statements
Year Ended March 31, 2021

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:

General:	
Buildings	2.5%
Fire vehicles	6.67%
Equipment	10.0%
Electronic equipment	25.0%
Signage	10.0%
Sewer and water:	
Sewerage system	1.2%
Sewerage equipment	5.0%
Water system	1.2%
Wells and springs	1.2%

Full amount of annual amortization is charged in the year of acquisition. Assets under construction are not amortized until the asset is available for productive use. No amortization is recorded in the year of disposal.

Equipment, furniture, software, and buildings and improvements with a cost in excess of \$500 and an estimated useful life of two years or more are capitalized at cost.

Intangible assets

Intangible assets are stated at cost and amortization to commence upon completion of work.

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.

Land held for resale

Land held for resale is recorded at the lower of cost or net realizable value. Cost includes costs for land acquisition and improvements required to prepare land for servicing. Related development costs incurred to provide infrastructure are recorded as physical assets under the respective function.

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 debt for the year.

(continues)

RURAL MUNICIPALITY OF CRAPAUD
Notes to Consolidated Financial Statements
Year Ended March 31, 2021

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.

Sewer and water dues are charged based on rates approved by the Island Regulatory and Appeals Commission (IRAC). These charges are assessed semi annually and are recognized when billings come due.

Fire dues are reviewed, established, and approved annually by the Council. These revenues are recognized when monthly billings come due.

The Municipality follows the deferral method of accounting for grants and contributions. Restricted contributions are recognized as revenue in the year in which the related expenditures are incurred, with recognition of excess amounts being deferred until the related expenditures are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent years, 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 accounting standards for the public sector 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 CRAPAUD
Notes to Consolidated Financial Statements
Year Ended March 31, 2021

3. DEFERRED REVENUE

	2021	2020
Gas tax direct allocation		
Balance - beginning of year	\$ 176,779	\$ 25,448
Allocation received during the year	-	150,000
Interest	769	1,331
Eligible expenditures incurred	(40,342)	-
Balance - end of year	137,206	176,779
Gas tax MSC		
Balance - beginning of year	-	-
Funds received during the year	22,090	-
Expenditures incurred	(12,957)	-
Balance - end of year	9,133	-
Total deferred revenue	\$ 146,339	\$ 176,779

Under the New Deals Gas Tax Funding. The 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.

4. LONG TERM DEBT

	2021	2020
<u>General</u>		
Bank of Nova Scotia - prime; repayable in monthly principal installments of \$400 plus interest. The loan is renewable on November 2, 2023, is amortized to 2043 and is secured by borrowing resolution.	\$ 109,200	\$ 114,000
<u>Sewerage</u>		
Bank of Nova Scotia - prime; repayable in monthly principal installments of \$2,333 plus interest. The loan is renewable on March 31, 2026, is amortized to 2036, and is secured by a borrowing resolution.	273,737	293,993
Bank of Nova Scotia - prime; repayable in monthly principal installments of \$346 plus interest. The loan is renewable on March 31, 2026, is amortized to 2026 and is secured by a borrowing resolution.	20,085	24,299
<u>Water</u>		
Bank of Nova Scotia - prime; repayable in monthly principal installments of \$733 plus interest. The loan is renewable on March 31, 2025, is amortized to 2025, and is secured by borrowing resolution.	33,342	38,720
	\$ 436,364	\$ 471,012

(continues)

RURAL MUNICIPALITY OF CRAPAUD
Notes to Consolidated Financial Statements
Year Ended March 31, 2021

4. LONG TERM DEBT (continued)

Principal repayments of long term debt are expected to be repaid over the next five years as follows:

2022	\$ 45,752
2023	45,752
2024	140,552
2025	39,094
2026	165,216

5. GOVERNMENT TRANSFERS

	2021	2020
<u>Government transfers for operations</u>		
<u>General</u>		
Provincial equalization grant	\$ 27,541	\$ 25,581
Provincial wage grant	10,809	3,033
Provincial Safe Restart program grant	8,181	-
	<u>\$ 46,531</u>	<u>\$ 28,614</u>

<u>Government transfers for capital</u>		
<u>General</u>		
Province of PEI Community revitalization	\$ 58,002	\$ 15,000
New Deals Gas tax	53,299	-
Municipal Capital Expenditures Grant	(1,447)	7,156
	<u>\$ 109,854</u>	<u>\$ 22,156</u>

6. ACCUMULATED SURPLUS

	2021	2020
Unrestricted surplus	\$ 328,173	\$ 307,807
Reserve funds (Note 7)	126,347	120,445
Investment in tangible capital assets (Note 8)	3,808,132	3,791,368
	<u>\$ 4,262,652</u>	<u>\$ 4,219,620</u>

7. RESERVE FUNDS

	2021	2020
<u>Fire Department Reserve</u>		
Balance - beginning of year	\$ 120,445	\$ 163,521
Allocation (from) to fire reserve	5,902	(43,076)
Balance - end of year	<u>\$ 126,347</u>	<u>\$ 120,445</u>

RURAL MUNICIPALITY OF CRAPAUD
Notes to Consolidated Financial Statements
Year Ended March 31, 2021

8. INVESTMENT IN TANGIBLE CAPITAL ASSETS

	2021	2020
Tangible capital assets - Schedules 1 and 2	\$ 5,953,976	\$ 5,827,435
Accumulated amortization - Schedules 1 and 2	(1,709,480)	(1,565,055)
Long term debt (Note 4)	(436,364)	(471,012)
	<u>\$ 3,808,132</u>	<u>\$ 3,791,368</u>

9. BUDGET FIGURES

The columns presented as budget on the statements of operations and the attached schedules were not subject to an audit or review by the external auditor.

10. FINANCIAL INSTRUMENTS

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

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, 2021.

(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 customers. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Municipality has a significant number of customers which minimizes concentration of credit risk.

(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.

(c) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Municipality manages exposure through its normal operating and financing activities. The Municipality is exposed to interest rate risk primarily through its floating interest rate credit facilities.

RURAL MUNICIPALITY OF CRAPAUD
Notes to Consolidated Financial Statements
Year Ended March 31, 2021

11. RATE REGULATION

The Rural Municipality of Crapaud is subject to rate regulation on the sewer and water utilities provided to residents in Prince Edward Island under the Island Regulatory & Appeals Commissions Act. The purpose of this Act, which is administered by the Island Regulatory & Appeals Commission (IRAC), is to regulate the rate municipalities may charge for sewer and water utilities provided to residents within Prince Edward Island and to ensure at all times a just and reasonable price for sewer and water services.

Utility rates and charges are fixed and determined in accordance with the generally accepted public utility practices after taking into consideration local conditions and circumstances. Municipalities may apply for changes to sewer utility rates with IRAC. The commission will review these requests and adjust the price accordingly.

12. 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 segments are 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 consolidated 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.

Water and Sewer Corporation

This segment is responsible for the maintenance and operations of water and sewer services provided to residents and other customers.

Fire Protection

This segment is responsible for providing fire protection services for residents. Its tasks include providing critical, life saving services in preventing or minimizing loss of life and property from fire and natural or man made emergencies.

RURAL MUNICIPALITY OF CRAPAUD
Notes to Consolidated Financial Statements
Year Ended March 31, 2021

13. SUBSEQUENT EVENT

The recent outbreak of the Coronavirus Disease 2019, or COVID-19, has spread across the globe and is impacting worldwide economic activity. This global pandemic poses the risk that the Municipality or its residents, employees, contractors, suppliers and other partners may be unable to conduct regular business activities for an indefinite period of time. While it is not possible at this time to estimate the impact that COVID-19 could have on the Municipality's business, the continued spread of COVID-19 and the measures taken by the federal and provincial governments to contain its impact could adversely impact the Municipality's business, financial condition or results of operations. The extent to which the COVID-19 outbreak impacts the Municipality's results will depend on future developments that are highly uncertain and cannot be predicted, including new information that may emerge concerning the spread of the virus and government actions.

14. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

RURAL MUNICIPALITY OF CRAPAUD
Schedules to Consolidated Financial Statements
Tangible Capital Assets
Year Ended March 31, 2021

(Schedule 1)

	Cost beginning of year	Additions	Disposals and write downs	Cost end of year	Accum amort beginning of year	Amort in the year	Disposals and write downs	Accum amort end of year	Net book value
General									
Land	\$ 597,747	\$ -	\$ -	\$ 597,747	\$ -	\$ -	\$ -	\$ -	\$ 597,747
Buildings	965,038	63,745	-	1,028,783	440,595	25,721	-	466,315	562,468
Fire vehicles	634,528	-	-	634,528	371,477	38,958	-	410,435	224,093
Equipment	471,143	62,796	-	533,939	294,344	39,989	-	334,333	199,606
Electronic equipment	3,934	-	-	3,934	3,331	201	-	3,532	402
Signage	4,006	-	-	4,006	1,727	401	-	2,128	1,878
	\$ 2,676,396	\$ 126,541	\$ -	\$ 2,802,937	\$ 1,111,474	\$ 105,270	\$ -	\$ 1,216,743	\$ 1,586,194
Sewer and Water									
Land	\$ 2,693	\$ -	\$ -	\$ 2,693	\$ -	\$ -	\$ -	\$ -	\$ 2,693
Sewerage system	2,452,730	-	-	2,452,730	368,461	29,432	-	397,893	2,054,837
Sewerage equipment	53,171	-	-	53,171	19,617	2,014	-	21,631	31,540
Water system	483,954	-	-	483,954	49,968	5,808	-	55,776	428,178
Wells and springs	158,491	-	-	158,491	15,535	1,902	-	17,437	141,054
	\$ 3,151,039	\$ -	\$ -	\$ 3,151,039	\$ 453,581	\$ 39,156	\$ -	\$ 492,737	\$ 2,658,302
Total Tangible Capital Assets	\$ 5,827,435	\$ 126,541	\$ -	\$ 5,953,976	\$ 1,565,055	\$ 144,426	\$ -	\$ 1,709,480	\$ 4,244,496

Notes 1 - 14 are an integral part of these consolidated financial statements

RURAL MUNICIPALITY OF CRAPAUD
Schedules to Financial Statements
Tangible Capital Assets
Year Ended March 31, 2020

(Schedule 2)

	Cost beginning of year	Additions	Disposals and write downs	Cost end of year	Accum amort beginning of year	Amort in the year	Disposals and write downs	Accum amort end of year	Net book value
General									
Land	\$ 597,747	\$ -	\$ -	\$ 597,747	\$ -	\$ -	\$ -	\$ -	\$ 597,747
Buildings	965,038	-	-	965,038	416,472	24,123	-	440,595	524,443
Fire vehicles	579,797	54,731	-	634,528	329,153	42,324	-	371,477	263,051
Equipment	447,966	23,177	-	471,143	259,684	34,660	-	294,344	176,799
Electronic equipment	3,130	804	-	3,934	3,130	201	-	3,331	603
Signage	4,006	-	-	4,006	1,327	400	-	1,727	2,279
	\$ 2,597,684	\$ 78,712	\$ -	\$ 2,676,396	\$ 1,009,766	\$ 101,708	\$ -	\$ 1,111,474	\$ 1,564,922
Sewer and Water									
Land	\$ 2,693	-	\$ -	\$ 2,693	\$ -	\$ -	\$ -	\$ -	\$ 2,693
Sewerage system	2,452,730	-	-	2,452,730	339,028	29,433	-	368,461	2,084,269
Sewerage equipment	53,171	-	-	53,171	17,602	2,015	-	19,617	33,554
Water system	483,954	-	-	483,954	44,161	5,807	-	49,968	433,986
Wells and springs	158,491	-	-	158,491	13,633	1,902	-	15,535	142,956
	\$ 3,151,039	\$ -	\$ -	\$ 3,151,039	\$ 414,424	\$ 39,157	\$ -	\$ 453,581	\$ 2,697,458
Total Tangible Capital Assets	\$ 5,748,723	\$ 78,712	\$ -	\$ 5,827,435	\$ 1,424,190	\$ 140,865	\$ -	\$ 1,565,055	\$ 4,262,380

Notes 1 - 14 are an integral part of these consolidated financial statements

RURAL MUNICIPALITY OF CRAPAUD
Schedules to Consolidated Financial Statements
Schedule of Operations - General

(Schedule 3)

Year Ended March 31, 2021

	Budget 2021	Actual 2021	Actual 2020
Revenues			
Real property tax	\$ 101,173	\$ 101,701	\$ 99,880
Government transfers for operations (Note 5)	42,541	46,531	28,614
Lot sales - net	20,000	10,119	12,429
Rent	22,220	7,980	21,633
Hall	10,000	3,031	9,783
Sponsorships of community events	-	2,330	4,562
Interest	1,500	711	1,681
	<u>197,434</u>	<u>172,403</u>	<u>178,582</u>
Expenditures			
Community hall (Schedule 5)	38,900	29,795	27,382
General Government (Schedule 5)	115,060	129,597	110,957
Parks and Public Property (Schedule 5)	11,800	13,930	11,638
Professional Centre (Schedule 6)	20,140	27,179	34,284
Recreation (Schedule 6)	4,000	1,995	5,085
Streets (Schedule 6)	8,500	9,068	8,922
	<u>198,400</u>	<u>211,564</u>	<u>198,268</u>
Operating Surplus (Deficit)	<u>\$ (966)</u>	<u>\$ (39,161)</u>	<u>\$ (19,686)</u>

Notes 1 - 14 are an integral part of these consolidated financial statements

RURAL MUNICIPALITY OF CRAPAUD
Schedules to Consolidated Financial Statements
Schedule of Operations - Fire Protection
Year Ended March 31, 2021

(Schedule 4)

	Budget 2021	Actual 2021	Actual 2020
Revenues			
Fire dues	\$ 178,790	\$ 181,635	\$ 165,219
Expenditures			
Amortization of tangible capital assets	75,000	77,940	76,653
Gas and oil	3,000	1,328	3,071
Heat	4,000	3,252	5,631
Honorariums	31,000	30,349	30,605
Insurance - firemen	7,500	4,640	7,380
Insurance - trucks	12,000	9,271	11,733
Interest and bank charges	125	352	357
Office, supplies and postage	9,000	8,748	11,118
Property taxes	600	578	578
Repairs and maintenance	9,000	14,610	12,320
Telephone and radio	5,500	6,074	4,272
Training, uniforms and mileage	6,000	592	26,694
Utilities	4,000	3,999	3,883
	166,725	161,733	194,295
Transfers:			
Expenditures allocated from general government	7,000	7,000	7,000
Expenditures allocated from professional centre	7,000	7,000	7,000
	180,725	175,733	208,295
Operating Surplus (Deficit)	\$ (1,935)	\$ 5,902	\$ (43,076)

Notes 1 - 14 are an integral part of these consolidated financial statements

RURAL MUNICIPALITY OF CRAPAUD
Schedules to Consolidated Financial Statements
Schedule of Expenditures - General (Schedule 5)
Year Ended March 31, 2021

	Budget 2021	Actual 2021	Actual 2020
Community Hall			
Amortization of tangible capital assets	\$ 6,000	\$ 6,365	\$ 4,552
Electricity	1,500	1,096	759
Equipment	5,000	-	-
Heat	6,400	3,247	3,722
Insurance	5,000	6,550	4,394
Interest on long term debt	4,300	2,747	4,577
Repairs and maintenance	6,500	5,635	8,190
Taxes and sewerage utility	1,200	1,155	1,188
	<u>35,900</u>	<u>26,795</u>	<u>27,382</u>
Transfers:			
Expenditures allocated from general government	3,000	3,000	-
	<u>\$ 38,900</u>	<u>\$ 29,795</u>	<u>\$ 27,382</u>
General Government			
Advertising	\$ 9,000	\$ 1,845	\$ 7,489
Amortization of tangible capital assets	5,000	2,514	2,054
Dues	500	1,110	1,153
Fire protection	12,100	12,100	12,100
Honorariums	19,600	17,650	15,748
Interest and bank charges	2,000	1,579	3,444
Liability insurance	6,500	16,053	6,678
Library	3,000	2,647	2,739
Office and postage	7,500	5,127	2,594
Professional fees	12,000	24,277	24,103
Telephone	2,000	1,590	1,410
Travel and meetings	500	233	283
Wages and wage levies	65,360	72,872	58,162
	<u>145,060</u>	<u>159,597</u>	<u>137,957</u>
Transfers:			
Expenditures allocated to community hall	(3,000)	(3,000)	-
Expenditures allocated to fire protection	(7,000)	(7,000)	(7,000)
Expenditures allocated to sewerage and water	(20,000)	(20,000)	(20,000)
	<u>\$ 115,060</u>	<u>\$ 129,597</u>	<u>\$ 110,957</u>
Parks and Public Property			
Amortization of tangible capital assets	\$ 4,000	\$ 4,465	\$ 4,465
Bug control	2,500	2,391	2,435
Mileage	1,800	600	1,800
Property taxes	1,000	5,456	1,570
Repairs and improvements	2,500	1,018	1,368
	<u>\$ 11,800</u>	<u>\$ 13,930</u>	<u>\$ 11,638</u>

Notes 1 - 14 are an integral part of these consolidated financial statements

RURAL MUNICIPALITY OF CRAPAUD
Schedules to Consolidated Financial Statements
Schedule of Expenditures - General

(Schedule 6)

Year Ended March 31, 2021

	Budget 2021	Actual 2021	Actual 2020
Professional Centre			
Amortization of tangible capital assets	\$ 14,000	\$ 13,985	\$ 13,985
Electricity	2,640	3,962	789
Heat	4,500	4,342	5,100
Insurance	5,000	2,230	5,171
Repairs and maintenance	3,000	7,122	15,546
Snow removal and grass cutting	3,000	7,960	5,115
Taxes and sewerage utility	1,000	578	578
	<u>33,140</u>	<u>40,179</u>	<u>46,284</u>
Transfers:			
Expenditures allocated to fire protection	(7,000)	(7,000)	(7,000)
Expenditures allocated to sewerage and water	(6,000)	(6,000)	(5,000)
	<u>\$ 20,140</u>	<u>\$ 27,179</u>	<u>\$ 34,284</u>
 Recreation			
Festival and events	\$ 2,000	\$ 995	\$ 3,553
Sponsorships	2,000	1,000	1,532
	<u>\$ 4,000</u>	<u>\$ 1,995</u>	<u>\$ 5,085</u>
 Streets			
Street lights	\$ 8,500	\$ 9,068	\$ 8,922

Notes 1 - 14 are an integral part of these consolidated financial statements

RURAL MUNICIPALITY OF CRAPAUD
Schedules to Consolidated Financial Statements
Schedule of Operations - Sewerage

(Schedule 7)

Year Ended March 31, 2021

	Budget 2021	Actual 2021	Actual 2020
Revenues			
Flat rate revenues	\$ 80,850	\$ 74,754	\$ 77,945
Interest	2,000	-	-
	<u>82,850</u>	<u>74,754</u>	<u>77,945</u>
Expenditures			
General:			
Interest and bank charges	320	1,688	646
Regulatory commission fees	1,000	995	1,440
	<u>1,320</u>	<u>2,683</u>	<u>2,086</u>
Operating:			
Operator expenses	1,200	2,641	1,110
Operator fee	12,000	14,851	12,202
Repairs and maintenance	9,000	5,789	5,517
Utilities	10,000	9,265	9,333
	<u>32,200</u>	<u>32,546</u>	<u>28,162</u>
Other:			
Amortization of tangible capital assets	30,000	31,447	31,447
Interest on long term debt	10,000	7,753	13,246
	<u>40,000</u>	<u>39,200</u>	<u>44,693</u>
Transfers:			
Allocation from general government	16,000	16,000	16,000
Allocation from professional centre	5,000	5,000	4,000
	<u>21,000</u>	<u>21,000</u>	<u>20,000</u>
	<u>94,520</u>	<u>95,429</u>	<u>94,941</u>
Operating Surplus (Deficit)	<u>\$ (11,670)</u>	<u>\$ (20,675)</u>	<u>\$ (16,996)</u>

Notes 1 - 14 are an integral part of these consolidated financial statements

RURAL MUNICIPALITY OF CRAPAUD
Schedules to Consolidated Financial Statements
Schedule of Operations - Water

(Schedule 8)

Year Ended March 31, 2021

	Budget 2021	Actual 2021	Actual 2020
Revenues			
Flat rate revenues	\$ 24,000	\$ 20,893	\$ 22,730
Interest	200	-	-
	<u>24,200</u>	<u>20,893</u>	<u>22,730</u>
Expenditures			
General:			
Interest and bank charges	250	188	194
Regulatory commission fees	280	249	380
	<u>530</u>	<u>437</u>	<u>574</u>
Operating:			
Operator expense	500	1,204	886
Operator fee	9,000	8,813	8,789
Repairs and maintenance	5,000	6,193	5,961
Utilities	3,000	3,523	2,900
	<u>17,500</u>	<u>19,733</u>	<u>18,536</u>
Other:			
Amortization of tangible capital assets	7,601	7,709	7,709
Interest on long term debt	1,500	902	1,626
	<u>9,101</u>	<u>8,611</u>	<u>9,335</u>
Transfers:			
Allocation from general government	4,000	4,000	4,000
Allocation from professional centre	1,000	1,000	1,000
	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>
	<u>32,131</u>	<u>33,781</u>	<u>33,445</u>
Operating Surplus (Deficit)	<u>\$ (7,931)</u>	<u>\$ (12,888)</u>	<u>\$ (10,715)</u>

Notes 1 - 14 are an integral part of these consolidated financial statements