
RURAL MUNICIPALITY OF ALEXANDRA
ALEXANDRA, PRINCE EDWARD ISLAND

FINANCIAL STATEMENTS

MARCH 31, 2022

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THE RURAL MUNICIPALITY OF ALEXANDRA
COUNCILS' RESPONSIBILITY FOR FINANCIAL REPORTING
YEAR ENDED MARCH 31, 2022

Council's Responsibility for the Financial Statements

These financial statements have been prepared by Council in accordance with Canadian Public Sector Accounting Standards, and the integrity and objectivity of these statements are Councils' responsibility. Council is also responsible for all of the notes to the financial statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements. A summary of the significant accounting policies are described in Note 2 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on Councils' judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

Council is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced. The internal controls are 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.

Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal controls, and exercises these responsibilities through Council. Council reviews internal financial statements on a monthly basis and external audited financial statements annually. Council also discusses any significant financial reporting or internal control matters prior to their approval of the financial statements..

The external auditor, Carl R. Herring, Chartered Professional Accountant, conduct an independent examination, in accordance with Canadian Auditing Standards, and express his opinion on the financial statements. The external auditor has full and free access to financial management of the Rural Municipality of Alexandra and meet when required. The accompanying Auditor's Report outlines his responsibilities, the scope of his examination and his opinion on the financial statements.

On behalf of the Rural Municipality of Alexandra:

Chief Administrative Officer

Mayor

INDEPENDENT AUDITOR'S REPORT

To the Council of The Rural Municipality of Alexandra

Opinion

I have audited the financial statements of The Rural Municipality of Alexandra, which comprise of the statement of financial position as at March 31, 2022 and the statements of operations, changes in net financial assets, and cash flow for the year then ended and a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The Rural Municipality of Alexandra as at March 31, 2022, and the results of its operations, net financial assets, and cash flow for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of my report. I am independent of the rural municipality in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of Council for the Financial Statements

Council 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 Council 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, Council is responsible for assessing the rural 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 Council intends to liquidate the rural municipality or to cease operations, or has no realistic alternative but to do so.

Council is responsible for overseeing the rural municipality's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

My objectives is 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 my 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. As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 rural municipality's internal control;

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Council;

Conclude on the appropriateness of Councils' 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 rural municipality's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusion is based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the rural 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.

I 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 I identify during my audit.

Charlottetown
Prince Edward Island
July 22, 2022



Chartered Professional Accountant

RURAL MUNICIPALITY OF ALEXANDRA
STATEMENT OF FINANCIAL POSITION
MARCH 31, 2022

| | <u>2022</u> | <u>2021</u> |
|---|------------------|------------------|
| Financial assets | | |
| Cash | \$ <u>35,058</u> | \$ <u>25,424</u> |
| Liabilities | | |
| Payables and accruals | 3,414 | 3,280 |
| Reserve for capital expenditures (Page 7) | <u>13,562</u> | <u>7,562</u> |
| | <u>16,976</u> | <u>10,842</u> |
| Net financial assets | <u>18,082</u> | <u>14,582</u> |
| Non-financial assets | | |
| Prepaid expenses | 1,951 | 1,951 |
| Tangible capital assets (Note 3) | <u>5</u> | <u>5</u> |
| | <u>1,956</u> | <u>1,956</u> |
| Accumulated surplus | <u>\$20,038</u> | <u>\$16,538</u> |

ON BEHALF OF THE COUNCIL

Mayor

Councillor

RURAL MUNICIPALITY OF ALEXANDRA
STATEMENT OF OPERATIONS
YEAR ENDED MARCH 31, 2022

| | <u>March 31, 2022</u> | | <u>March 31, 2021</u> |
|--|-----------------------|-------------------|-----------------------|
| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>ACTUAL</u> |
| Revenue | | | |
| Property taxes | \$ 38,442 | \$ 38,911 | \$ 33,178 |
| Equalization grant | 1,385 | 1,385 | 1,322 |
| Grant Province of Prince Edward Island | 656 | 656 | 639 |
| Rent | <u>100</u> | <u> </u> | <u> </u> |
| | <u>40,583</u> | <u>40,952</u> | <u>35,139</u> |
| Expenditures | | | |
| Administrator | 4,000 | 4,000 | 3,000 |
| Community centre | | | |
| Electricity | 1,000 | 1,031 | 1,040 |
| Heat | 2,500 | 1,601 | 1,150 |
| Insurance | 900 | 747 | 877 |
| Maintenance | 5,500 | 5,585 | 1,445 |
| Property tax | 656 | 656 | 639 |
| Fire dues | 13,588 | 13,722 | 13,119 |
| Grants | 500 | 500 | 500 |
| Election expense | 500 | 289 | 341 |
| Insurance | 1,114 | 965 | 1,132 |
| Miscellaneous | 250 | | 75 |
| Office | 1,000 | 177 | 84 |
| Professional fees | <u>2,000</u> | <u>2,179</u> | <u>1,334</u> |
| | <u>33,508</u> | <u>31,452</u> | <u>24,736</u> |
| | 7,075 | 9,500 | 10,403 |
| Provision for capital expenditures | <u>6,000</u> | <u> </u> | <u> </u> |
| Annual surplus | 1,075 | 9,500 | 10,403 |
| Accumulated surplus, beginning of year | | <u>16,538</u> | <u>10,135</u> |
| | | 26,038 | 20,538 |
| Transfer to Reserve for Capital Expenditures | | <u>6,000</u> | <u>4,000</u> |
| Accumulated surplus, end of year | | <u>\$ 20,038</u> | <u>\$ 16,538</u> |

RURAL MUNICIPALITY OF ALEXANDRA
STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
YEAR ENDED MARCH 31, 2022

| | <u>2022</u> | <u>2021</u> |
|---|------------------|------------------|
| Annual operating surplus | \$ 9,500 | \$ 10,403 |
| Change in prepaids | | (5) |
| Transfers to Reserve for Capital Expenditures | <u>(6,000)</u> | <u>(4,000)</u> |
| Change in Net Financial Assets | 3,500 | 6,398 |
| Net Financial Assets, beginning of year | <u>14,582</u> | <u>8,184</u> |
| Net Financial Assets, end of year | <u>\$ 18,082</u> | <u>\$ 14,582</u> |

RURAL MUNICIPALITY OF ALEXANDRA
STATEMENT OF CASH FLOWS
MARCH 31, 2022

| | <u>2022</u> | <u>2021</u> |
|--|------------------|-------------------|
| Cash provided by (used in) | | |
| Operating activities | | |
| Annual surplus | \$ 9,500 | \$ 10,403 |
| (Increase) Decrease in prepaid expense | | (5) |
| Increase in payables and accruals | <u>134</u> | <u> </u> |
| Increase in cash | 9,634 | 10,398 |
| Cash, beginning of year | <u>25,424</u> | <u>15,026</u> |
| Cash, end of year | <u>\$ 35,058</u> | <u>\$ 25,424</u> |

RURAL MUNICIPALITY OF ALEXANDRA
RESERVE FOR CAPITAL EXPENDITURES
MARCH 31, 2022

Reserve for Capital Expenditures

Transferred to reserve fifteen month
period ended March 31, 2019

| | | |
|--------------|------------|---------|
| Budget | \$2,500 | |
| Expenditures | <u>Nil</u> | \$2,500 |

Transferred to reserve year ended
March 31, 2020

| | | |
|---------------------------------|--------------|-------|
| Budget | \$4,000 | |
| Expenditure fiberglass oil tank | <u>2,938</u> | 1,062 |

Transferred to reserve year ended
March 31, 2021

| | | |
|--------------|------------|-------|
| Budget | \$4,000 | |
| Expenditures | <u>Nil</u> | 4,000 |

Transferred to reserve year ended
March 31, 2022

| | | |
|--------------|------------|--------------|
| Budget | \$6,000 | |
| Expenditures | <u>Nil</u> | <u>6,000</u> |

Balance, March 31, 2022

\$13,562

RURAL MUNICIPALITY OF ALEXANDRA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2022

1. Nature of operations

The Rural Municipality of Alexandra is incorporated under the Province of Prince Edward Island Municipality Act and provides services for the residents of Alexandra.

2. Summary of significant accounting policies

(a) Basis of presentation

These financial statements are prepared in accordance with Canadian Public Sector Accounting Standards of The Chartered Professional Accountants of Canada.

(b) Cash

Cash is defined as cash on hand and cash on deposit net of cheques issued and outstanding at the report date.

(c) Financial instruments

Financial instruments consist of cash, payables and accruals.

(d) Tangible capital assets

Tangible capital assets are recorded at cost and are not being amortized.

(e) Use of estimates

The presentation of 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 and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reported period. These estimates are reviewed periodically, and as adjustments become necessary, they are reported in earnings in the period they become known.

(f) Revenue recognition

Tax revenue consists of property tax billings which are received directly from the Province of Prince Edward Island. Taxes are billed based on the assessment rolls provided by the Province of Prince Edward Island at rates established by the Rural Municipality. Taxation revenue is recorded as it is received in monthly installments from the Province of Prince Edward Island. Other revenue is recorded when it is earned and collection is reasonably assured.

3. Tangible capital assets

The tangible capital assets consist of the Community Center which was purchased from the Woman's Institute of Alexandra for \$5. and is carried at its original cost.