

Consolidated financial statements of the
**Corporation of the Township of
Alfred and Plantagenet**

December 31, 2023

Corporation of the Township of Alfred and Plantagenet

December 31, 2023

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To the members of Council, Inhabitants and Ratepayers of
Corporation of the Township of Alfred and Plantagenet

Qualified Opinion

We have audited the consolidated financial statements of Corporation of the Township of Alfred and Plantagenet (the "Municipality"), which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statements of operations, change in net financial assets and cash flow for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Municipality as at December 31, 2023, and the results of its operations, change in its net financial assets and its cash flow for the year then ended in accordance with Canadian public sector accounting standards ("PSAS").

Basis for Qualified Opinion

The information on the asset retirement obligation liability for buildings and facilities was not fully available. No amounts have therefore been recorded for this category of tangible capital assets. We are unable to quantify the impact on the financial statements if this obligation had been recorded.

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). 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 the 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 qualified 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 PSAS, 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 qualified opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS 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 GAAS, 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.

Hawkesbury ON
December 17, 2024

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Licensed Public Accountants

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Corporation of the Township of Alfred and Plantagenet
Consolidated statement of operations
For the year ended December 31, 2023

	2023 Budget	2023 Actual	2022 Actual
	\$	\$	\$
Revenues			
Taxation – all classes	16,707,376	16,760,213	16,154,030
Less: amounts received for counties and school boards (Note 4)	(7,192,494)	(7,251,205)	(6,997,933)
Net taxation for municipal purposes	9,514,882	9,509,008	9,156,097
User fees	4,019,931	4,278,912	4,200,307
Transfer payments			
Government of Canada	642,851	336,024	739,692
Province of Ontario	2,481,746	2,406,388	3,524,810
Other municipalities	278,000	363,849	311,892
Licenses and permits	65,150	56,086	57,806
Investment income	230,050	550,253	250,118
Penalties and interest	162,100	234,090	195,210
Equity earnings of Hydro 2000 Inc.	-	(76,564)	(20,397)
Rent	93,338	97,581	93,754
Donations	25,000	24,723	97,871
(Loss) gain on sale of tangible capital assets	-	(52,167)	58,176
Other	96,350	54,248	104,051
	17,609,398	17,782,431	18,769,387
Expenses (Schedule 4)			
General government	1,863,816	1,791,474	1,629,599
Protection to person and property	2,728,931	2,808,694	3,621,116
Transportation services	3,105,094	4,417,608	4,230,883
Environmental services	3,726,124	4,590,625	4,436,255
Health services	-	2,300	20,682
Recreation and cultural services	1,934,426	2,039,927	2,083,629
Planning and zoning	290,305	298,065	281,593
	13,648,696	15,948,693	16,303,757
Annual surplus	3,960,702	1,833,738	2,465,630
Accumulated surplus, beginning of year	59,072,374	59,072,374	56,606,744
Accumulated surplus, end of year (Schedule 2)	63,033,076	60,906,112	59,072,374

The accompanying notes and schedules are an integral part of the consolidated financial statements.

Corporation of the Township of Alfred and Plantagenet
Consolidated statement of financial position
December 31, 2023

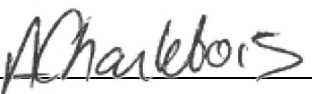


	2023	2022
	\$	\$
Assets		
Financial assets		
Cash	8,009,382	7,734,334
Accounts receivable	1,509,758	2,205,853
Taxes receivable	1,606,815	1,247,014
Investments (Note 5)	1,104,280	1,180,844
	12,230,235	12,368,045
Liabilities		
Accounts payable and accrued liabilities	2,053,680	2,118,636
Deferred revenues (Note 6)	1,475,232	1,115,290
Employee benefits payable	85,952	82,112
Debts (Note 7)	3,873,857	4,033,793
Asset retirement obligation liability (Note 8)	2,577,334	1,958,145
	10,066,055	9,307,976
Net financial assets	2,164,180	3,060,069
Commitments (Note 11)		
Non-financial assets		
Tangible capital assets (Schedule 1)	58,233,950	55,712,404
Inventories	358,458	200,960
Prepaid expenses	149,524	98,941
	58,741,932	56,012,305
Accumulated surplus (Schedule 2)	60,906,112	59,072,374

The accompanying notes and schedules are an integral part of the consolidated financial statements.

Approved on behalf of the Council

, Mayor

, Treasurer



Corporation of the Township of Alfred and Plantagenet
Consolidated statement of change in net financial assets
For the year ended December 31, 2023

	2023 Budget	2023 Actual	2022 Actual
	\$	\$	\$
Annual surplus	3,960,702	1,833,738	2,465,630
Loss (gain) on sale of tangible capital assets	-	52,167	(58,176)
Amortization of tangible capital assets	-	2,233,141	2,079,021
Purchase of tangible capital assets	(3,171,867)	(4,235,087)	(4,320,392)
Proceeds from sale of tangible capital assets	-	10,000	76,781
Increase of inventories	-	(157,498)	(48,251)
(Increase) decrease of prepaid expenses	-	(50,583)	14,338
Asset retirement obligation	-	(581,767)	-
(Decrease) increase in net financial assets	788,835	(895,889)	208,951
Net financial assets, beginning of year	3,060,069	3,060,069	2,851,118
Net financial assets, end of year	3,848,904	2,164,180	3,060,069

The accompanying notes and schedules are an integral part of the consolidated financial statements.



Corporation of the Township of Alfred and Plantagenet
Consolidated statement of cash flow
For the year ended December 31, 2023

	2023	2022
	\$	\$
Operating activities		
Annual surplus	1,833,738	2,465,630
Change in non-cash assets and liabilities		
Decrease (increase) in accounts receivable	696,095	(846,266)
Increase in taxes receivable	(359,801)	(127,228)
(Decrease) increase in accounts payable and accrued liabilities	(135,005)	471,253
Increase (decrease) in deferred revenues	359,942	(809,426)
Increase (decrease) in employee benefits payable	3,840	(10,111)
Increase in inventories	(157,498)	(48,251)
(Increase) decrease in prepaid expenses	(50,583)	14,338
	356,990	(1,355,691)
Non-cash operating items		
Equity earnings of Hydro 2000 Inc.	76,564	20,397
Loss (gain) on sale of tangible capital assets	52,167	(58,175)
Amortization of tangible capital assets	2,233,141	2,079,021
Accretion expense related to asset retirement obligation	37,422	-
	2,399,294	2,041,243
Net increase in cash from operating activities	4,590,022	3,151,182
Capital activities		
Purchase of tangible capital assets	(4,165,038)	(4,318,594)
Proceeds from sale of tangible capital assets	10,000	76,781
	(4,155,038)	(4,241,813)
Financing activity		
Debts principal repayment	(159,936)	(154,332)
Net increase (decrease) in cash	275,048	(1,244,963)
Cash, beginning of year	7,734,334	8,979,297
Cash, end of year	8,009,382	7,734,334

Additional information is presented in Note 9.

The accompanying notes and schedules are an integral part of the consolidated financial statements.

1. Change in accounting policies

Section PS 1201, Financial statement presentation

Effective January 1, 2023, the Municipality adopted Section PS 1201 Financial Statement Presentation, which replaces PS 1200 Financial Statement Presentation. PS 1201 is generally equivalent to PS 1200 except that the Municipality is now required to present separately in a Statement of Remeasurement Gains and Losses: unrealized gains and losses attributable to financial instruments in the fair value category; exchange gains and losses associated with monetary assets and liabilities denominated in a foreign currency that have not been settled; amounts reclassified to the statement of operations upon derecognition or settlement; and, other comprehensive income from government business enterprises and partnerships. Upon adoption of this Section, the Municipality reports on its financial condition by presenting its accumulated surplus or deficit and net debt which includes accumulated remeasurement gains and losses.

The application of this new standard had no impact on the consolidated financial statements.

Section PS 3280, Asset retirement obligations

Effective January 1, 2023, the Municipality adopted the Public Sector Accounting Board's (PSAB) new standard for the recognition, measurement and disclosure of a liability for asset retirement obligations under PS 3280 Asset Retirement Obligations. The new standard establishes when to recognize and how to measure a liability for an asset retirement obligation and provides the related financial statement presentation and disclosure requirements. Pursuant to these recommendations, the change was applied prospectively, and prior periods have not been restated.

Under the new standard, a liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset when certain criteria are met, as described in Note 3.

Asset retirement obligations in the amount of \$2,577,334 arise from the application of Section PS 3280. As the Municipality adopted the standard prospectively, there were no changes to prior years balances (see Note 8).

Section PS 3450, Financial Instruments

Effective January 1, 2023, the Municipality adopted the PSAB new recommendations for the recognition, measurement, presentation and disclosure of financial assets, financial liabilities and derivatives under section PS 3450 Financial Instruments. The new section is applied prospectively, and prior periods have not been restated. There was no material impact on the consolidated financial statements from the prospective application of the new accounting recommendations.

2. Future accounting policies

Effective date: January 1, 2024

Section PS 3400, Revenue

This section establishes standards on how to account for and report on revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations and transactions that do not have performance obligations.

The Municipality is currently evaluating the impacts of this new standard, which may be applied retroactively or prospectively.

3. Accounting policies

The consolidated financial statements of the Municipality are the responsibility of management and are prepared in accordance with PSAS as recommended by the PSAB.

The focus of PSAB consolidated financial statements is on the financial position of the Municipality and the changes thereto. The consolidated statement of financial position reports assets and liabilities. Financial assets are available to provide resources to discharge existing liabilities or finance future operations. Net financial assets represent the difference between financial assets and liabilities. This information explains the Municipality's overall future revenue requirements and its ability to finance activities and meet its obligations.

Reporting entity

Consolidated financial statements

These consolidated financial statements reflect the assets, liabilities, operating revenues and expenses, reserves and reserve funds and changes in investment in tangible capital assets and include the activities of all committees of Council and the following board which is under the control of Council:

Township of Alfred and Plantagenet Public Library Board

Basis of accounting

Accrual basis

Expenses and related sources of financing are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of an obligation to pay.

Financial instruments

The Municipality recognizes its financial instruments when the Municipality becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

At initial recognition, the Municipality may irrevocably elect to subsequently measure any financial instrument at fair value. The Municipality has not made such an election during the year.

The Municipality subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Transactions to purchase or sell these items are recorded on the trade date. Net gains and losses arising from changes in fair value are recognized in the statement of remeasurement gains and losses. The Municipality has not presented a statement of remeasurement gains and losses as it does not have any items giving rise to remeasurement gains and losses. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost. With the exception of those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost using the effective interest rate method.

Transaction costs directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in expenses. Conversely, transaction costs are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

All financial assets except derivatives are tested annually for impairment. Any impairment, which is not considered temporary, is recorded in the consolidated statement of operations. Write-downs of financial assets measured at cost and/or amortized cost to reflect losses in value are not reversed for subsequent increases in value. Reversals of any net remeasurements of financial assets measured at fair value are reported in the statement of remeasurement gains and losses.

3. Accounting policies (continued)

Basis of accounting (continued)

Non-financial assets

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

Tangible capital assets

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

Machinery and equipment	5 – 50 years
Vehicles	10 – 20 years
Roads	10 – 50 years
Land improvements	20 – 75 years
Buildings and facilities	20 – 90 years

The amortization starts in the month when the asset is put into service and ends in the month of sale. Assets under construction are not amortized until the TCA are available for productive use.

Land is not amortized due to its infinite life.

The Municipality has a capitalization threshold of \$25,000 for civil infrastructure systems and pooled assets and \$10,000 for all other assets. Items of lesser value are expensed, unless they are pooled because, collectively, they have significant value or for operational reasons. Examples of pools are desktop computer systems, meters, utility poles and fire hydrants.

Contribution of tangible capital assets

TCA received as contributions are recorded in the consolidated statement of financial position at their fair value at the date of receipt and that fair value is also recorded as revenue. Transfers of TCA to the other organizations are recorded as an expense at the net book value as of the date of transfer.

Leases

Leases are classified as capital or operating leases. Leases, which transfer substantially all the benefits and risks incidental to ownership of property, are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

Inventories

Inventories held for consumption are recorded at the lower of cost or replacement cost. Cost is determined on the first-in, first-out basis.

Investment

The investment in the common shares of Hydro 2000 Inc. is accounted for by the modified equity method.

3. Accounting policies (continued)

Deferred revenues

Funds received for specific purposes are accounted for as deferred revenues until the Municipality discharges its obligation, which led to receipt of the funds.

Basis of accounting (continued)

Government transfers

Government transfers are recognized as revenues in the period during which the transfer is authorized and any eligibility criteria are met. Government transfers are deferred if they are restricted through stipulations that require specific actions to be carried out in order to keep the transfer. For such transfers, revenues are recognized when the stipulation has been met.

Segment disclosures

A segment is defined as a distinguishable activity or group of activities for which it is appropriate to separately report financial information. Management has determined that existing disclosures in the consolidated statement of operations and within the related notes sufficiently discloses information of all appropriate segments and therefore no additional disclosure is required.

Asset retirement obligation liability

The Municipality recognizes the liability for an asset retirement obligation arising from the acquisition, development, construction or normal operation of a long-lived asset, in the year in which it is incurred and when a reasonable estimate of the amount of the obligation can be made. The liability is measured at the best estimate of the expenditure required to settle the present obligation.

The corresponding cost is capitalized as part of the related asset and is amortized over the asset's useful life.

In subsequent years, the liability is adjusted for changes resulting from the passage of time and revisions to either the timing or the amount of the original estimate of the undiscounted cash flows or the discount rate. The accretion of the liability as a result of the passage of time is charged to earnings while changes to the liability resulting from revisions to either the original estimate of the undiscounted cash flows or the discount rate are accounted for as an adjustment to the carrying amount of the related long-lived asset.

The Municipality continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

Use of estimates

The preparation of consolidated financial statements in conformity with PSAS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Key components of the consolidated financial statements requiring management to make estimates include the provision for doubtful accounts in respect of receivables, the useful life of TCA and certain accrued liabilities. Actual results could differ from these estimates.

4. Operations of the United Counties of Prescott and Russell and the school boards

The taxation of the United Counties of Prescott and Russell and the school boards is comprised of the following:

	United Counties	School boards	Total
	\$	\$	\$
2023			
Taxation	5,081,592	2,110,902	7,192,494
Supplementary taxes	88,250	34,893	123,143
Taxes written off	(46,739)	(17,693)	(64,432)
	5,123,103	2,128,102	7,251,205
2022			
Taxation	4,811,469	2,071,332	6,882,801
Supplementary taxes	114,440	56,870	171,310
Taxes written off	(37,809)	(18,369)	(56,178)
	4,888,100	2,109,833	6,997,933

5. Investments

	2023	2022
	\$	\$
<i>Hydro 2000 Inc.</i>		
100% of the common shares	1,104,280	1,180,844

6. Deferred revenues

	2023	2022
	\$	\$
Development charges	1,372,529	1,076,506
Parkland	13,209	7,054
Other	89,494	31,730
	1,475,232	1,115,290

The net change during the year in deferred revenues is made up as follows:

Amounts received	1,372,311	1,073,534
Investment income	64,126	30,141
Deferred revenues recognized	(1,076,495)	(1,913,101)
	359,942	(809,426)
Deferred revenues, beginning of year	1,115,290	1,924,716
Deferred revenues, end of year	1,475,232	1,115,290

7. Debts

	2023	2022
	\$	\$
Debts incurred by the Municipality with interest between 2.16% and 4.53%, maturing between 2024 and 2037	3,873,857	4,033,793

Of the debts reported above, principal payments for the next fiscal years are as follows:

	General taxation	User charges	Total
	\$	\$	\$
2024	98,288	67,470	165,758
2025	69,104	70,460	139,564
2026	60,025	73,584	133,609
2027	61,798	76,848	138,646
2028	63,625	80,257	143,882
Thereafter	353,772	2,798,626	3,152,398
	706,612	3,167,245	3,873,857

The annual principal and interest payments required to service these debts are within the annual debt repayment limits prescribed by the Ministry of Municipal Affairs.

8. Asset retirement obligation liability

The main obligations of the Municipality related to the decommissioning of tangible assets consist of the three landfill sites, which must be properly eliminated when they are sold or renovations are undertaken.

	2023	2022
	\$	\$
Opening balance	1,958,145	1,887,807
Impact of the application of Section PS 3280	581,767	-
Obligation settled	(74,842)	70,338
Accretion expense	112,264	-
	2,577,334	1,958,145

Asset retirement obligation liability is made up as follows:

Landfill post-closure activities	2,577,334	1,958,145
Buildings and facilities	-	-
	2,577,334	1,958,145

Landfill post-closure activities

Landfill post-closure care requirements have been defined in accordance with industry standards and include final covering and landscaping of the landfill, the monitoring of well development, groundwater and surface water sampling and analysis, groundwater level monitoring and reporting to the Ministry.

Corporation of the Township of Alfred and Plantagenet

Notes to the consolidated financial statements

December 31, 2023

8. Asset retirement obligation liability (continued)

Landfill post-closure activities (continued)

The reported liability is based on estimates and assumptions with respect to events extending over a 25-year period using the best information available to management. Future events may result in significant changes to the estimated total expenses, capacity used or total capacity and the estimated liability, and would be recognized prospectively, as a change in estimate, when applicable.

9. Additional information relating to the consolidated statement of cash flow

Non-cash transactions

During the year, TCA were acquired at an aggregate cost of \$4,235,087 (\$4,320,392 in 2022), of which \$103,626 (\$33,577 in 2022) was paid after year-end and \$4,131,461 (\$4,286,815 in 2022) was paid during the year.

10. Pension agreements

The Municipality makes contributions to the Ontario Municipal Employees Retirement System (OMERS), a multi-employer plan which, for 2023, was on behalf of 59 members (40 in 2022) of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

The amount contributed to OMERS for 2023 was \$282,154 (\$235,491 in 2022) for current services and is included as an expense in the consolidated statement of operations.

11. Commitments

Waste and recycling collection

The Municipality has entered into agreements for waste and recycling collection. The agreements were signed between April 2021 and November 2023 and expire between March 2024 and March 2029. The total estimated amount payable in the next six years is \$3,508,000.

Wastewater and landfill sites

The Municipality has entered into an agreement for the monitoring of landfill sites. The agreement was signed in December 2023 and expires in December 2025. The total estimated amount payable in the next two years is \$100,000.

Rental agreement

The Municipality has entered into an agreement for the rental of a wheel loader. The agreement was signed in October 2023 and expires in August 2026. The total estimated amount payable in the next three years is \$113,000.

12. Contractual rights

Rental agreement

The Municipality has entered into two rental agreements for buildings. The agreements were signed between April 2022 and November 2023 and expire between January 2027 and February 2029. The total estimated amounts receivable in the next six years are \$70,000.

The Municipality has entered into lease agreements with communication companies for signal devices located in the township. The agreements were signed between September 2018 and January 2023 and expire between December 2027 and September 2028. The total estimated amounts receivable in the next five years are \$65,000.

Solar panel

The Municipality has entered into an agreement with a solar panel company. The agreement was signed in November 2017 and expires in November 2037. The total estimated amounts receivable in the next fourteen years are \$332,000.

13. Financial instruments

The Municipality as part of its operations carries a number of financial instruments. It is management's opinion that the Municipality is not exposed to significant interest, currency or credit risks arising from these financial instruments except as otherwise disclosed.

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. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk.

The Municipality is exposed to price risk arising from variations in interest rates due to its bank loan and its debts, which bear interest at fixed rates. Fixed interest rate instruments subject the Municipality to fair value risk since it varies inversely with variations in market interest rates.

Liquidity risk

The Municipality's objective is to have sufficient liquidity to meet its liabilities when due. The Municipality monitors its cash balances and cash flows generated from operations to meet its requirements. As at December 31, 2023, the financial liabilities are the accounts payable and accrued liabilities and debts.

14. Budget amounts

The initial operating budget approved by the Municipality is reflected on the consolidated statement of operations. The budgets established for capital investment in TCA are on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual expense amounts. As well, the Municipality does not budget activity within reserves and reserve funds, with the exception being those transactions, which affect either operations or TCA.

16. Corresponding figures

Certain corresponding figures have been reclassified to conform to the current year's presentation.

Corporation of the Township of Alfred and Plantagenet

Consolidated tangible capital assets

For the year ended December 31, 2023

Schedule 1

	Machinery and equipment	Vehicles	Roads improvements	Land and land	Buildings and facilities	Assets under construction	Asset retirement obligations	2023	2022
	\$	\$	\$	\$	\$	\$		\$	\$
Cost									
Beginning of year	4,597,705	4,341,804	24,573,292	5,520,091	59,241,971	141,622	-	98,416,485	94,732,151
Purchases	115,544	890,426	1,654,894	1,499,940	-	74,283	581,767	4,816,854	4,320,392
Sales	-	(142,180)	(112,647)	-	-	-	-	(254,827)	(636,058)
End of year	4,713,249	5,090,050	26,115,539	7,020,031	59,241,971	215,905	581,767	102,978,512	98,416,485
Accumulated amortization									
Beginning of year	3,223,263	2,392,123	13,137,032	1,847,508	22,104,155	-	-	42,704,081	41,242,512
Amortization	228,585	230,601	716,559	127,092	914,581	-	15,723	2,233,141	2,079,021
Accumulated amortization on sales	-	(123,707)	(68,953)	-	-	-	-	(192,660)	(617,452)
End of year	3,451,848	2,499,017	13,784,638	1,974,600	23,018,736	-	15,723	44,744,562	42,704,081
Net book value	1,261,401	2,591,033	12,330,901	5,045,431	36,223,235	215,905	566,044	58,233,950	55,712,404

Corporation of the Township of Alfred and Plantagenet

Consolidated accumulated surplus

For the year ended December 31, 2023

Schedule 2

	2023	2022
	\$	\$
Reserves (Schedule 3)		
Working capital	948,405	615,873
Ward future capital expenses	871,486	1,514,493
Waterworks	503,389	96,816
Sewers	-	56,979
	2,323,280	2,284,161
Reserve funds (Schedule 3)		
Current purposes		
Waterworks	92,447	86,227
Sewers	674	641
Future capital expenses		
Waterworks	2,332,428	2,098,855
Sewers	4,013,916	3,519,189
Landfill site	1,375,105	1,255,078
	7,814,570	6,959,990
	10,137,850	9,244,151
Operating		
· for increase of user charges of sewers	(40,729)	(151,728)
· for decrease of user charges of waterworks	42,171	198,741
· Library Board	211,752	202,801
· Community Access Program	13,402	13,402
	226,596	263,216
Invested in tangible capital assets	54,360,093	51,678,611
Unfinanced tangible capital assets	(1,226,865)	-
Unfinanced asset retirement obligation liability	(2,577,336)	(1,958,148)
Unfinanced internal loan	(1,118,506)	(1,336,300)
Investments (Note 5)	1,104,280	1,180,844
	50,541,666	49,565,007
	60,906,112	59,072,374

The cumulated operating surplus for the year ended December 31, 2023, in the amount of \$332,532 (\$221,383 in 2022) was (financed by) transferred to the following reserves:

Reserves

Working capital	332,532	103,553
Ward future capital expenses	-	117,830
	332,532	221,383



Corporation of the Township of Alfred and Plantagenet
Consolidated statement of change in reserves and reserve funds
For the year ended December 31, 2023

Schedule 3

	2023	2022
	\$	\$
Revenues		
Investments	374,458	204,775
User fees	476,005	297,552
	850,463	502,327
Net transfers to operating	43,236	(55,714)
Change in reserves and reserve funds	893,699	446,613
Reserves and reserve funds, beginning of year	9,244,151	8,797,538
Reserves and reserve funds, end of year	10,137,850	9,244,151



Corporation of the Township of Alfred and Plantagenet
Consolidated statement of expenses by object
For the year ended December 31, 2023

Schedule 4

	2023 Budget	2023 Actual	2022 Actual
	\$	\$	\$
Expenses			
Salaries, wages and benefits	4,708,177	4,480,696	4,216,046
Interest	227,015	225,557	238,605
Materials	4,037,473	4,507,208	4,826,536
Contracted services	4,575,331	4,351,486	4,514,233
Rents and financial expenses	34,700	82,407	363,455
External transfers	66,000	68,198	65,861
Amortization of tangible capital assets	-	2,233,141	2,079,021
	13,648,696	15,948,693	16,303,757