

**RESORT MUNICIPALITY OF STANLEY BRIDGE, HOPE RIVER, BAYVIEW,
CAVENDISH AND NORTH RUSTICO**

Non-Consolidated Financial Statements

March 31, 2023

RESORT MUNICIPALITY OF STANLEY BRIDGE, HOPE RIVER, BAYVIEW, CAVENDISH
AND NORTH RUSTICO

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March 31, 2023

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MANAGEMENT'S RESPONSIBILITY FOR THE NON-CONSOLIDATED FINANCIAL STATEMENTS

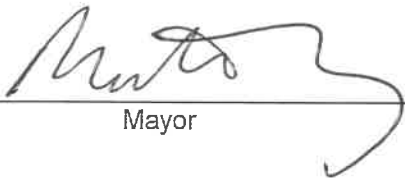
The non-consolidated financial statements of the Resort Municipality of Stanley Bridge, Hope River, Bayview, Cavendish and North Rustico are the responsibility of management and have been prepared in accordance with Canadian Accounting Standards for the Public Sector. A summary of the significant accounting policies are described in the non-consolidated financial statements. The preparation of non-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.

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

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

On behalf of the Resort Municipality of Stanley Bridge, Hope River, Bayview, Cavendish and North Rustico:



Mayor

INDEPENDENT AUDITOR'S REPORT

To the Mayor and Councillors of the Resort Municipality of Stanley Bridge, Hope River, Bayview, Cavendish and North Rustico

Opinion

We have audited the non-consolidated financial statements of the Resort Municipality of Stanley Bridge, Hope River, Bayview, Cavendish and North Rustico (the Municipality), which comprise the non-consolidated statement of financial position as at March 31, 2023, and the non-consolidated statements of operations, changes in net financial assets and cash flows for the year then ended, and notes to the non-consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying non-consolidated financial statements present fairly, in all material respects, the financial position of the Municipality as at March 31, 2023, 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 Non-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 non-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 Non-Consolidated Financial Statements

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

In preparing the non-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.

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Auditor's Responsibilities for the Audit of the Non-Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the non-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 non-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 non-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 non-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 non-consolidated financial statements, including the disclosures, and whether the non-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

June 19, 2023

**RESORT MUNICIPALITY OF STANLEY BRIDGE, HOPE RIVER, BAYVIEW, CAVENDISH
AND NORTH RUSTICO**

Non-Consolidated Statement of Financial Position

March 31, 2023

	2023	2022
Financial assets		
Cash		
Unrestricted cash	\$ 643,152	\$ 276,212
Restricted cash	178,890	177,012
Accounts receivable (Note 3)	17,656	300,036
Due from related party	72,510	121,005
Funds held in trust	48,185	40,458
Recreation fund (Note 4)	54,692	54,183
Contingency fund (Note 5)	17,378	17,194
	1,032,463	986,100
Liabilities		
Accounts payable and accrued liabilities	104,270	73,431
Security deposits payable	48,185	40,458
Deferred revenue (Note 6)	296,468	227,055
Long term debt (Note 7)	97,322	127,212
	546,245	468,156
Net financial assets (Statement 6)	486,218	517,944
Non-financial assets		
Prepaid expense	13,518	13,151
Tangible capital assets (Schedules 1 and 2)	1,585,813	1,659,720
Intangibles (Note 8)	89,244	49,461
	1,688,575	1,722,332
Accumulated surplus (Statement 5)	\$ 2,174,794	\$ 2,240,277

Commitments (Note 9)

ON BEHALF OF COUNCIL

 _____ Mayor
 _____ Councillor

Notes 1 - 15 are an integral part of these non-consolidated financial statements

**RESORT MUNICIPALITY OF STANLEY BRIDGE, HOPE RIVER, BAYVIEW, CAVENDISH
AND NORTH RUSTICO**

Non-Consolidated Statement of Operations

Year Ended March 31, 2023

	Budget 2023	Actual 2023	Actual 2022
Revenues			
Municipal tax	\$ 301,579	\$ 328,437	\$ 306,889
Administration fees	21,000	20,480	20,480
Building permits	6,000	17,981	9,634
Government transfers for operations (Note 12)	-	8,275	23,179
Interest	1,500	5,404	648
Miscellaneous	10,000	3,260	767
	<u>340,079</u>	<u>383,837</u>	<u>361,597</u>
Expenditures			
Advertising	4,000	520	1,481
Amortization of intangible assets	-	19,659	11,609
Amortization of tangible capital assets	82,600	100,732	98,903
Community projects	30,000	4,883	19,984
Election	-	5,312	-
Federation dues	1,200	672	672
Fire protection	83,000	83,564	72,395
Honorariums	20,000	15,649	16,598
Insurance	15,000	11,885	7,805
Interest and bank charges	500	76	771
Meetings and seminars	1,000	1,102	874
Miscellaneous	8,000	3,564	1,864
Office	12,000	10,896	7,660
Professional fees	81,000	22,503	41,898
Property tax and sewer	600	530	524
Recreation rebate	400	100	100
Rent	12,000	11,319	8,251
Street lighting and maintenance	35,000	45,877	39,948
Telephone	5,000	4,477	3,384
Travel	7,000	6,435	4,757
Wages and wage levies	127,000	126,851	122,373
	<u>525,300</u>	<u>476,606</u>	<u>461,851</u>
Operating deficit	(185,221)	(92,769)	(100,254)
Other revenues			
Government transfers for capital (Note 12)	-	26,593	419,928
Annual surplus (deficit)	(185,221)	(66,176)	319,674
Accumulated surplus - beginning of year	2,240,277	2,240,277	1,916,402
Change in restricted funds	-	693	4,201
Accumulated surplus - end of year (Note 10)	\$ 2,055,056	\$ 2,174,794	\$ 2,240,277

Notes 1 - 15 are an integral part of these non-consolidated financial statements

**RESORT MUNICIPALITY OF STANLEY BRIDGE, HOPE RIVER, BAYVIEW, CAVENDISH
AND NORTH RUSTICO**

**Non-Consolidated Statement of Changes in Net Financial Assets
Year Ended March 31, 2023**

	Budget 2023	Actual 2023	Actual 2022
Annual surplus (deficit)	\$ (185,221)	\$ (66,176)	\$ 319,674
Amortization of tangible capital assets	82,600	100,732	98,903
Purchase of tangible capital assets	-	(26,823)	(459,910)
Amortization of intangible assets	-	19,659	11,609
Purchase of intangible assets	-	(59,442)	(33,108)
Increase in prepaid expense	-	(369)	(11,230)
Increase in recreation fund	-	509	4,184
Increase in contingency fund	-	184	17
	<u>82,600</u>	<u>34,450</u>	<u>(389,535)</u>
Decrease in net financial assets	(102,621)	(31,726)	(69,861)
Net financial assets - beginning of year	<u>517,944</u>	<u>517,944</u>	<u>587,805</u>
Net financial assets - end of year	<u>\$ 415,323</u>	<u>\$ 486,218</u>	<u>\$ 517,944</u>

Notes 1 - 15 are an integral part of these non-consolidated financial statements

**RESORT MUNICIPALITY OF STANLEY BRIDGE, HOPE RIVER, BAYVIEW, CAVENDISH
AND NORTH RUSTICO**

**Non-Consolidated Statement of Cash Flows
Year Ended March 31, 2023**

	2023	2022
Cash flows from operating activities		
Annual surplus (deficit)	\$ (66,176)	\$ 319,674
Items not affecting cash:		
Amortization of tangible capital assets	100,732	98,903
Amortization of intangible assets	19,659	11,609
	<u>54,215</u>	<u>430,186</u>
Changes in non-cash working capital:		
Accounts receivable	282,380	(245,900)
Funds held in trust	(7,727)	(8,786)
Prepaid expense	(366)	(11,232)
Accounts payable and accrued liabilities	30,836	(11,173)
Security deposits payable	7,727	8,786
Deferred revenue	69,413	58,905
	<u>382,263</u>	<u>(209,400)</u>
	<u>436,478</u>	<u>220,786</u>
Cash flows from capital activities		
Purchase of tangible capital assets	(26,823)	(459,910)
Purchase of intangible assets	(59,442)	(33,108)
	<u>(86,265)</u>	<u>(493,018)</u>
Cash flows from financing activities		
Advances from related party	48,495	19,805
Repayment of long term debt	(29,890)	(29,692)
	<u>18,605</u>	<u>(9,887)</u>
Other cash flow items		
Transfer to reserves	-	(34,781)
Increase (decrease) in cash	<u>368,818</u>	<u>(316,900)</u>
Cash - beginning of year	<u>453,224</u>	<u>770,124</u>
Cash - end of year	<u>\$ 822,042</u>	<u>\$ 453,224</u>
Cash consists of:		
Unrestricted cash	\$ 643,152	\$ 276,212
Restricted cash	178,890	177,012
	<u>\$ 822,042</u>	<u>\$ 453,224</u>

Notes 1 - 15 are an integral part of these non-consolidated financial statements

**RESORT MUNICIPALITY OF STANLEY BRIDGE, HOPE RIVER, BAYVIEW, CAVENDISH
AND NORTH RUSTICO**

**Notes to Non-Consolidated Financial Statements
Year Ended March 31, 2023**

1. DESCRIPTION OF BUSINESS

The Resort Municipality of Stanley Bridge, Hope River, Bayview, Cavendish and North Rustico (the "Municipality") was incorporated under the Municipalities Act of Prince Edward Island. 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. Its principal activities include the provision of local government services to residents of the incorporated area.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The non-consolidated financial statements of the Resort Municipality of Stanley Bridge, Hope River, Bayview, Cavendish and North Rustico are the representations of management prepared in accordance with Canadian Accounting Standards for the Public Sector.

The non-consolidated 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.

Cash

Cash is comprised of unrestricted, internally restricted and restricted balances on deposits with banks and short term indebtedness.

Accounts receivable

Accounts receivable arise from government funding receivable, Harmonized Sales Tax receivable and other miscellaneous receivables. 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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RESORT MUNICIPALITY OF STANLEY BRIDGE, HOPE RIVER, BAYVIEW, CAVENDISH
AND NORTH RUSTICO

Notes to Non-Consolidated Financial Statements
Year Ended March 31, 2023

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 over the useful life on a straight-line basis as follows:

Street lights	25 years
Land improvements	20 years
Leasehold improvements	20 years
Sidewalks and trails	20 years
Heritage Park	20 years
Boardwalk	15 years
Fencing	10 years
Equipment	10 years
Signage	5 years
Computer equipment	5 years

The Municipality regularly reviews its tangible capital assets to eliminate obsolete items.

Intangible assets

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

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 obligation

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 asset. 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 asset and accretion expense is included in the Non-Consolidated Statement of Operations. As at March 31, 2023, 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 consolidated change in net debt for the year.

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**RESORT MUNICIPALITY OF STANLEY BRIDGE, HOPE RIVER, BAYVIEW, CAVENDISH
AND NORTH RUSTICO**

**Notes to Non-Consolidated Financial Statements
Year Ended March 31, 2023**

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 non-consolidated 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.

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.

Revenue recognition

Property tax billings are based on the assessed value of real property in the Municipality and are payable in each calendar year. Municipal tax rates are reviewed, established, and approved annually by the Council. These revenues are recognized when received monthly from Province.

The Municipality follows the deferral method of accounting for revenues. Restricted contributions are recognized as revenue in the year in which 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.

Interest revenue is recognized on a time proportion basis.

Measurement uncertainty

The presentation of the non-consolidated 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 non-consolidated 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 non-consolidated statement of operations and schedules is subject to management's assessment of the estimated useful life of the Resort'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.

**RESORT MUNICIPALITY OF STANLEY BRIDGE, HOPE RIVER, BAYVIEW, CAVENDISH
AND NORTH RUSTICO**

**Notes to Non-Consolidated Financial Statements
Year Ended March 31, 2023**

3. ACCOUNTS RECEIVABLE

	2023	2022
Government funding receivable	\$ 11,800	\$ 275,981
HST receivable	3,934	20,881
Other receivables	1,921	3,174
	\$ 17,656	\$ 300,036

4. RECREATION FUND

The Members of Council have internally restricted the purpose for which recreation funds arising from subdivision fees may be used. During the year, the Members of Council did not approve the release of funds for the purpose of funding general operating activities.

	2023	2022
Balance - beginning of year	\$ 54,183	\$ 49,999
Subdivision fees	50	4,021
Interest	459	163
	\$ 54,692	\$ 54,183

5. CONTINGENCY FUND

The Members of Council have internally restricted the purpose for which contingency funds set aside in an earlier fiscal year may be used. During the year, the Members of Council did not approve the release of any funds for the purpose of funding general operating activities.

	2023	2022
Balance - beginning of year	\$ 17,194	\$ 17,177
Interest	184	17
	\$ 17,378	\$ 17,194

6. DEFERRED REVENUE

	2023	2022
Canada Community Building Fund	\$ 296,468	\$ 227,055

During the year, the Municipality was allocated \$100,000 under the Canada Community Building Fund and earned interest of \$1,878. Total funds expended for projects during the year totaled \$32,464. The Municipality must use its allocation for eligible infrastructure and capacity building projects.

**RESORT MUNICIPALITY OF STANLEY BRIDGE, HOPE RIVER, BAYVIEW, CAVENDISH
AND NORTH RUSTICO**

Notes to Non-Consolidated Financial Statements

Year Ended March 31, 2023

7. LONG TERM DEBT

	2023	2022
Canada Mortgage and Housing Corporation - 4.15%; repayable in annual blended installments of \$35,170. The loan matures on May 1, 2025.	\$ 97,322	\$ 127,212

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

2024	\$	31,131
2025		32,423
2026		33,768

8. INTANGIBLE ASSETS

	2023	2022
Official plan	\$ 121,990	\$ 74,600
Water study	12,052	-
Accumulated amortization	(44,798)	(25,139)
	\$ 89,244	\$ 49,461

9. LEASE COMMITMENT

The Municipality has entered into a lease agreement with the Department of Transportation and Public Works for the lease of office space. The lease is due to expire February 28, 2027 at an annual fixed rate of \$10,290.

The Municipality has entered into a lease agreement with RCAP leasing for the lease of a photocopier. The lease payments due over the next year are \$1,208.

10. ACCUMULATED SURPLUS

	2023	2022
Unrestricted surplus	\$ 614,234	\$ 636,393
Restricted surplus		
Recreation fund (Note 3)	54,692	54,183
Contingency fund (Note 4)	17,378	17,194
Investment in tangible capital assets (Note 11)	1,488,490	1,532,507
	\$ 2,174,794	\$ 2,240,277

**RESORT MUNICIPALITY OF STANLEY BRIDGE, HOPE RIVER, BAYVIEW, CAVENDISH
AND NORTH RUSTICO**

**Notes to Non-Consolidated Financial Statements
Year Ended March 31, 2023**

11. INVESTMENT IN TANGIBLE CAPITAL ASSETS

	2023	2022
Tangible capital assets (Schedules 1 and 2)	\$ 2,941,881	\$ 2,915,056
Accumulated amortization (Schedules 1 and 2)	(1,356,069)	(1,255,337)
Long term debt (Note 7)	(97,322)	(127,212)
	\$ 1,488,490	\$ 1,532,507

12. GOVERNMENT TRANSFERS

	2023	2022
<u>Government transfers for operations</u>		
Transportation, Infrastructure & Energy	\$ 5,635	\$ 4,419
Canada Heritage	2,640	1,600
Innovation PEI	-	17,160
	8,275	23,179
 <u>Government transfers for capital</u>		
Canada Community Building Fund	7,028	141,272
Municipal Capital Expenditure Grant	9,821	12,478
Investing in Canada Infrastructure Program	9,744	50,928
PEI Department of Environment, Energy and Climate Action	-	215,250
	26,593	419,928
	\$ 34,868	\$ 443,107

13. BUDGET FIGURES

A reconciliation of the 2023 fiscal operating budget prepared by Council to the budget figures disclosed in the consolidated financial statements is as follows:

	2023
Resort Municipality budgeted annual surplus	\$ -
Deduct: Prior year surplus	(185,221)
	\$ (185,221)

14. RELATED PARTY TRANSACTIONS

During the year, Resort Municipality of Stanley Bridge, Hope River, Bayview, Cavendish and North Rustico received administrative fees in the amount of \$20,480 (2022 - \$20,480) and paid sewer fees of \$530 (2022 - \$524) to the Cavendish Sewer Utility, a related party.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

**RESORT MUNICIPALITY OF STANLEY BRIDGE, HOPE RIVER, BAYVIEW, CAVENDISH
AND NORTH RUSTICO**

**Notes to Non-Consolidated Financial Statements
Year Ended March 31, 2023**

15. FINANCIAL INSTRUMENTS

The Municipality's financial instruments consist of cash, restricted cash, accounts receivable, funds held in trust, accounts payable and accrued liabilities, security deposits payable, 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, 2023.

(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 funds from its customers and other related sources, long term debt, and accounts payable.

RESORT MUNICIPALITY OF STANLEY BRIDGE, HOPE RIVER, BAYVIEW, CAVENDISH AND NORTH RUSTICO
Schedules to Non-Consolidated Financial Statements
Tangible Capital Assets
Year Ended March 31, 2023
(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
Resort Municipality									
Land	\$ 58,200	\$ -	\$ -	\$ 58,200	\$ -	\$ -	\$ -	\$ -	\$ 58,200
Street lights	132,939	5,097	-	138,036	102,873	1,525	-	104,398	33,638
Land improvements	4,500	-	-	4,500	3,094	225	-	3,319	1,181
Leasehold improvements	61,166	-	-	61,166	61,166	-	-	61,166	-
Sidewalks and trails	964,707	-	-	964,707	145,210	48,236	-	193,446	771,261
Heritage Park	809,034	14,401	-	823,435	114,285	41,172	-	155,457	667,978
Boardwalk	808,221	-	-	808,221	801,853	1,699	-	803,552	4,669
Fencing	53,021	-	-	53,021	9,822	5,017	-	14,839	38,182
Equipment	7,620	2,419	-	10,039	4,069	969	-	5,038	5,001
Signage	9,481	-	-	9,481	8,455	369	-	8,824	657
Computer equipment	6,167	4,906	-	11,073	4,509	1,521	-	6,030	5,043
	\$ 2,915,056	\$ 26,823	\$ -	\$ 2,941,878	\$ 1,255,336	\$ 100,733	\$ -	\$ 1,356,069	\$ 1,585,810

Notes 1 to 15 are an integral part of these non-consolidated financial statements

RESORT MUNICIPALITY OF STANLEY BRIDGE, HOPE RIVER, BAYVIEW, CAVENDISH AND NORTH RUSTICO
Schedules to Non-Consolidated Financial Statements
Tangible Capital Assets
Year Ended March 31, 2022

(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
Resort Municipality									
Land	\$ 58,200	\$ -	\$ -	\$ 58,200	\$ -	\$ -	\$ -	\$ -	\$ 58,200
Street lights	132,939	-	-	132,939	101,552	1,321	-	102,873	30,066
Land improvements	4,500	-	-	4,500	2,869	225	-	3,094	1,406
Leasehold improvements	61,166	-	-	61,166	61,166	-	-	61,166	-
Sidewalks and trails	606,302	358,405	-	964,707	96,974	48,236	-	145,210	819,497
Heritage Park	738,610	70,424	-	809,034	73,834	40,451	-	114,285	694,749
Boardwalk	808,221	-	-	808,221	800,154	1,699	-	801,853	6,368
Fencing	22,397	30,624	-	53,021	4,591	5,231	-	9,822	43,199
Equipment	7,620	-	-	7,620	3,341	728	-	4,069	3,551
Signage	9,216	265	-	9,481	7,983	472	-	8,455	1,026
Computer equipment	5,977	190	-	6,167	3,968	541	-	4,509	1,658
	\$ 2,455,148	\$ 459,910	\$ -	\$ 2,915,056	\$ 1,156,432	\$ 98,903	\$ -	\$ 1,255,337	\$ 1,659,720

Notes 1 to 15 are an integral part of these non-consolidated financial statements