

# **Town of Kensington**

Financial Statements  
**March 31, 2024**

## Management's Report

The integrity, relevance and comparability of the data in the accompanying financial statements are the responsibility of management.

The financial statements are prepared by management in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. A summary of the significant accounting policies is disclosed in note 2 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current period cannot be finalized with a certainty until future periods.

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

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

The financial statements have been audited by ArsenaultBestCameronEllis, 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 Municipality's financial statements.

  
\_\_\_\_\_  
Geoff Baker  
Chief Administrative Officer  
\_\_\_\_\_  
Jeff Spencer  
Mayor

August 11, 2025

## **Independent Auditor's Report**

**To His Worship the Mayor and the Members of the Council of the Town of Kensington**

### ***Opinion***

We have audited the accompanying financial statements of Town of Kensington, which comprise the statement of financial position as at March 31, 2024, and the statements of accumulated surplus, operations, changes in net debt and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Town of Kensington as at March 31, 2024, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### ***Basis for Opinion***

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of Town of Kensington 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 opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing Town of Kensington's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. 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:



# ArsenaultBestCameronEllis

CHARTERED PROFESSIONAL ACCOUNTANTS

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- 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 Town of Kensington'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 Town of Kensington'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 Town of Kensington 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.

*ArsenaultBestCameronEllis*


**Chartered Professional Accountants**

**Town of Kensington**  
Statement of Financial Position  
As at March 31, 2024

|  | 2024<br>\$         | 2023<br>\$         |
|--|--------------------|--------------------|
| <b>Assets</b>                                      |                    |                    |
| <b>Financial assets</b>                            |                    |                    |
| Cash   | 800,887            | 1,288,196          |
| Restricted cash - infrastructure funding (note 6a) | 337,401            | 348,118            |
| Accounts receivable (note 3)                       | 632,417            | 380,512            |
| Government transfers receivable                    | 482,820            | 697,211            |
| Inventory for resale                               | 14,004             | 11,727             |
| <b>Total financial assets</b>                      | <u>2,267,529</u>   | <u>2,725,764</u>   |
| <b>Liabilities</b>                                 |                    |                    |
| Accounts payable and accrued liabilities (note 10) | 443,782            | 302,374            |
| Deferred revenue - operating funding (note 5)      | 63,410             | 25,000             |
| Deferred revenue - infrastructure funding (note 6) | 337,401            | 361,377            |
| Long-term debt (note 7)                            | 6,727,795          | 6,087,706          |
| Asset retirement obligation (note 8)               | 1,545,000          | 1,500,000          |
| <b>Total liabilities</b>                           | <u>9,117,388</u>   | <u>8,276,457</u>   |
| <b>Net debt</b>                                    | <u>(6,849,859)</u> | <u>(5,550,693)</u> |
| <b>Non-financial assets</b>                        |                    |                    |
| Prepaid expenses                                   | -                  | 95,950             |
| Tangible capital assets (Schedule 2)               | 21,116,099         | 16,932,569         |
|  | <u>21,116,099</u>  | <u>17,028,519</u>  |
| <b>Accumulated surplus (note 9)</b>                | <u>14,266,240</u>  | <u>11,477,826</u>  |

On behalf of the Council

Mayor

Councilor

# Town of Kensington

## Statement of Accumulated Surplus For the year ended March 31, 2024

|   | 2024<br>\$ | 2023<br>\$ |
|---|------------|------------|
| Accumulated surplus - Beginning of year | 11,477,826 | 10,402,893 |
| Annual surplus                          | 2,788,414  | 1,074,933  |
| Accumulated surplus - End of year       | 14,266,240 | 11,477,826 |

**Town of Kensington**  
**Statement of Operations**  
**For the year ended March 31, 2024**

|  | <b>2024<br/>Budget<br/>(unaudited)<br/>\$</b> | <b>2024<br/>Actual<br/>\$</b> | <b>2023<br/>Actual<br/>\$</b> |
|--|---|-------------------------------|-------------------------------|
| <b>Revenue</b> (Schedule 1 and note 14)              |   |                               |                               |
| Property taxes (note 11)                             | 719,990                                       | 746,302                       | 724,761                       |
| Government transfers                                 |   |                               |                               |
| Equalization   | 423,365                                       | 423,365                       | 390,519                       |
| Police tax credit                                    | 200,000                                       | 200,856                       | 198,053                       |
| Municipal tax credit                                 | 67,154  | 67,649                        | 52,806                        |
| Fire dues  | 287,096                                       | 287,128                       | 235,164                       |
| Credit Union Centre                                  | 424,800                                       | 424,875                       | 423,937                       |
| Rental   | 107,720                                       | 107,144                       | 105,417                       |
| Sale of services (note 12)                           | 412,700                                       | 322,164                       | 347,096                       |
| Police fines and grants                              | 137,350                                       | 49,295                        | 48,084                        |
| Other revenue  | 536,244                                       | 227,481                       | 155,494                       |
| Water & Sewer utility (note 13)                      | 658,345                                       | 648,648                       | 618,863                       |
| Gain on disposal of tangible capital assets          | -   | 372,964                       | 299,701                       |
| Municipal Capital Expenditures Grant - reimbursement | -   | 471,214                       | 219,467                       |
|  | <b>3,974,764</b>                              | <b>4,349,085</b>              | <b>3,819,362</b>              |
| <b>Expenses</b> (Schedule 1)                         |   |                               |                               |
| General government                                   | 821,815                                       | 1,096,793                     | 675,436                       |
| Protective - police                                  | 631,426                                       | 633,455                       | 654,643                       |
| - fire   | 374,456                                       | 346,687                       | 327,501                       |
| Sale of services                                     | 206,964                                       | 169,491                       | 166,400                       |
| Transportation & Public Works                        | 502,265                                       | 439,055                       | 348,631                       |
| Parks and recreation                                 | 206,055                                       | 182,942                       | 175,548                       |
| Credit Union Centre                                  | 487,358                                       | 689,079                       | 574,390                       |
| Water & Sewer utility                                | 742,120                                       | 974,009                       | 917,818                       |
|  | <b>3,972,459</b>                              | <b>4,531,511</b>              | <b>3,840,367</b>              |
| <b>Annual operating surplus (deficit)</b>            | <b>2,305</b>                                  | <b>(182,426)</b>              | <b>(21,005)</b>               |
| <b>Other revenue</b> (note 14)                       |   |                               |                               |
| Infrastructure funding - water and sewer             | -   | 1,034,736                     | 539,586                       |
| Infrastructure funding - general                     | 4,708,656                                     | 1,936,104                     | 556,352                       |
|  | <b>4,708,656</b>                              | <b>2,970,840</b>              | <b>1,095,938</b>              |
| <b>Annual surplus</b>                                | <b>4,710,961</b>                              | <b>2,788,414</b>              | <b>1,074,933</b>              |

# Town of Kensington

## Statement of Changes in Net Debt For the year ended March 31, 2024

|   | <b>2024<br/>Budget<br/>(Unaudited)<br/>\$</b> | <b>2024<br/>Actual<br/>\$</b> | <b>2023<br/>Actual<br/>\$</b> |
|---|---|-------------------------------|-------------------------------|
| <b>Annual surplus</b>                           | 4,710,961                                     | 2,788,414                     | 1,074,933                     |
| Amortization of tangible capital assets - net   | 732,696                                       | 802,909                       | 668,148                       |
| Acquisition of tangible capital assets - net    | (5,980,623)                                   | (5,048,393)                   | (3,984,481)                   |
| Proceeds on disposal of tangible capital assets | -   | 434,918                       | 417,889                       |
| Gain on disposal of tangible capital assets     | -   | (372,964)                     | (299,701)                     |
| Change in prepaid expenses - general            | -   | 95,950                        | (5,525)                       |
|   | <u>(5,247,927)</u>                            | <u>(4,087,580)</u>            | <u>(3,203,670)</u>            |
| <b>Increase in net debt</b>                     | (536,966)                                     | (1,299,166)                   | (2,128,737)                   |
| <b>Net debt - Beginning of year</b>             | <u>(5,550,693)</u>                            | <u>(5,550,693)</u>            | <u>(3,421,956)</u>            |
| <b>Net debt - End of year</b>                   | <u>(6,087,659)</u>                            | <u>(6,849,859)</u>            | <u>(5,550,693)</u>            |



# Town of Kensington

## Statement of Cash Flows

For the year ended March 31, 2024

|   | 2024<br>\$  | 2023<br>\$  |
|---|-------------|-------------|
| <b>Cash provided by (used in)</b>                               |             |             |
| <b>Operating activities</b>                                     |             |             |
| Annual surplus  | 2,788,414   | 1,074,933   |
| Items not affecting cash  |             |             |
| Amortization  | 802,909     | 668,148     |
| Gain on disposal of tangible capital assets                     | (372,964)   | (299,701)   |
|   | 3,218,359   | 1,443,380   |
| Net change in non-cash working capital items                    |             |             |
| Decrease (increase) in accounts receivable                      | (251,905)   | 262,096     |
| Decrease (increase) in government transfers receivable          | 214,391     | (108,169)   |
| Increase in inventory for resale                                | (2,277)     | (1,840)     |
| Increase (decrease) in accounts payable and accrued liabilities | 141,408     | (399,104)   |
| Increase (decrease) in deferred revenue - operating funding     | 38,410      | (51,123)    |
| Decrease in deferred revenue - infrastructure funding           | (23,976)    | (258,770)   |
| Decrease (increase) in prepaid expenses                         | 95,950      | (5,525)     |
|   | 3,430,360   | 880,945     |
| <b>Capital activities</b>                                       |             |             |
| Acquisition of tangible capital assets                          | (5,048,393) | (3,984,481) |
| Proceeds on disposal of tangible capital assets                 | 434,918     | 417,889     |
|   | (4,613,475) | (3,566,592) |
| <b>Financing activities</b>                                     |             |             |
| Issuance of long-term debt                                      | 1,740,733   | 2,043,287   |
| Debt repayment  | (1,100,644) | (676,893)   |
| Increase in asset retirement obligation                         | 45,000      | 1,500,000   |
| Change in restricted cash - infrastructure funding              | 10,717      | 154,435     |
|   | 695,806     | 3,020,829   |
| <b>Increase (decrease) in cash</b>                              | (487,309)   | 335,182     |
| <b>Cash - Beginning of year</b>                                 | 1,288,196   | 953,014     |
| <b>Cash - End of year</b>                                       | 800,887     | 1,288,196   |

# Town of Kensington

## Notes to Consolidated Financial Statements

March 31, 2024

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### 1 Nature of municipality

Town of Kensington (the "Town") was incorporated in 1914 as a Town in the Province of Prince Edward Island and operates under the provisions of the *Municipal Government Act* (2017) of Prince Edward Island. The Town is overseen by an elected council consisting of 7 members and provides services such as sewer, fire and police protection, planning, parks and other general government services.

### 2 Summary of significant accounting policies

The financial statements of Town of Kensington are prepared by management in accordance with Canadian Public Sector Accounting Standards (PSAS) of the Chartered Professional Accountants of Canada. Significant aspects of the accounting policies adopted by the Town are as follows:

#### a) Basis of accounting

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

#### b) Cash

Cash includes cash on hand and balances with banks.

#### c) Restricted cash

Restricted cash is cash required to be maintained in a separate bank account and is to be used for a specific purpose as outlined in (note 6a).

#### d) Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for 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 excess of revenue over expenses, provides the change in net debt for the year.

#### e) Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of 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.

# Town of Kensington

## Notes to Consolidated Financial Statements

March 31, 2024

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### f) Management 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. Significant estimates, which include employee benefit liabilities and the estimated useful life of tangible capital assets, are based on management's best information and judgment. Actual results could differ from those reported.

### g) Revenue recognition

- (i) 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 Town. Taxation revenue is recorded as it is received in monthly installments from the Province of Prince Edward Island. Assessments and the related property taxes are subject to appeal to the Province of Prince Edward by residents. The Town's revenue is adjusted for any of these appeals using a yearly statement.
- (ii) All other revenue is recorded when it is earned and collection is reasonably assured.

### h) Government transfers

Revenue from governments without eligibility criteria or stipulations is recognized as revenue by the Town when the transfer is authorized. Revenue with eligibility criteria is recognized as revenue by the Town when the transfer is authorized and all eligibility criteria have been met, unless there is a stipulation that gives rise to an obligation that meets the definition of a liability. In that case, the transfer is recorded as a liability and recognized as revenue as the stipulations are met. Revenue with stipulations is recognized as revenue by the Town when the transfer is authorized and all stipulations have been met.

Transfers to other organizations are recognized as an expense when they are authorized.

### i) Fair value of financial instruments

#### (i) Measurement of financial instruments

Town of Kensington's financial instruments consist of cash, restricted cash - infrastructure funding, accounts receivable, government transfers receivable, inventory for resale, accounts payable and accrued liabilities and long-term debt.

The Town initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument. This fair value amount is then deemed to be the amortized cost of the financial instrument.

The Town subsequently measures all its financial assets and financial liabilities at amortized cost.

# Town of Kensington

## Notes to Consolidated Financial Statements

March 31, 2024

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### (ii) Impairment

For financial assets measured at cost or amortized cost, the Town determines whether there are indications of possible impairment. When there is an indication of impairment, and the Town determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in annual surplus. A previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may not be greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in annual surplus.

### (iii) Risks

Transacting in financial instruments exposes the Town to certain financial risks and uncertainties. These risks include:

- i) Interest rate risk: The Town is exposed to interest rate risk due to the variable rate interest on their long-term debt and operating line of credit. Changes in the bank lending rates can cause fluctuations in cash flows and interest expense. The Town does not use any derivatives to manage this risk.
- ii) Credit risk: The Town is exposed to credit risk in connection with the collection of its accounts receivable. The Town mitigates this risk by performing continuous evaluation of its accounts receivables.
- iii) Liquidity risk: The Town's exposure to liquidity risk is dependent on the sale of inventory, collection of accounts receivable or raising of funds to meet commitments and sustain operations. The Town controls liquidity risk by management of working capital, cash flows and availability of borrowing facilities.

### j) Tangible capital assets

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

|                         |             |
|-------------------------|-------------|
| Buildings               | 2.5%        |
| Wind turbine            | 5.0%        |
| Streets and sidewalks   | 4.0%        |
| Vehicles                | 20.0%       |
| Fire vehicles           | 6.67%       |
| Equipment and signs     | 10.0%       |
| Electronic equipment    | 25.0%       |
| Water system            | 1.2%        |
| Sewer system and lagoon | 1.2% - 2.0% |
| Water equipment         | 5.0%        |
| Sewer equipment         | 5.0%        |

# Town of Kensington

## Notes to Consolidated Financial Statements

March 31, 2024

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Full amount of the annual amortization is charged in the year of acquisition. Assets under construction are not amortized until the asset is available for productive use.

All costs associated with placing an asset in service, including freight, installation costs, site preparation costs, alterations and professional fees are included in the capitalized value.

Capital assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of the asset is in excess of the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value.

### **k) Asset retirement obligation**

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset at the financial statement date when the following criteria have been met:

- there is a legal obligation for the Municipality to incur retirement costs;
- the past transaction or event giving rise to the liability has occurred;
- it is expected that future economic benefits will be given up; and
- a reasonable estimate of the amount can be made.

The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at year-end. The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods.

When a liability for an asset retirement obligation is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related tangible capital asset. The asset retirement cost is amortized over the useful life of the related asset. Asset retirement obligations which are incurred incrementally with the use of the asset are recognized in the period incurred with a corresponding asset retirement cost expensed in the period.

At each financial reporting date, the Municipality reviews the carrying amount of the liability. The Municipality recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital 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.

# Town of Kensington

## Notes to Consolidated Financial Statements

March 31, 2024

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### 3 Accounts receivable

|                                       | 2024    | 2023    |
|---------------------------------------|---------|---------|
|                                       | \$      | \$      |
| Accounts receivable - general         | 170,523 | 153,333 |
| Accounts receivable - water and sewer | 57,622  | 44,785  |
| Provincial contributions receivable   | 184,959 | 157,803 |
| HST                                   | 219,313 | 24,591  |
|                                       | <hr/>   | <hr/>   |
|                                       | 632,417 | 380,512 |

### 4 Bank indebtedness

The Town has authorized operating lines of credit of \$300,000 and \$20,000 bearing interest at prime less 0.50% and prime plus 1.00%, respectively, for the general account.

The Town also has an authorized operating line of credit of \$75,000 bearing interest at prime less 0.50% for the water and sewer utility.

The balances of these accounts at March 31, 2024 totaled nil (2023 - nil).

The Town has provided a borrowing resolution, as required by the bank.

At March 31, 2024, prime rate was 7.2% (2023 - 6.7%).

### 5 Deferred revenue - operating funding

|   | 2024   | 2023     |
|---|--------|----------|
|   | \$     | \$       |
| Deferred revenue - Beginning of year          | 25,000 | 76,123   |
| Government transfers received during the year | 38,410 | -        |
| Amount recognized as revenue during the year  | -      | (51,123) |
|   | <hr/>  | <hr/>    |
| Deferred revenue - End of year                | 63,410 | 25,000   |
|   | <hr/>  | <hr/>    |
| Equalization                                  | 38,410 | -        |
| Police Live Scan                              | 25,000 | 25,000   |
|   | <hr/>  | <hr/>    |
|   | 63,410 | 25,000   |

# Town of Kensington

## Notes to Consolidated Financial Statements

March 31, 2024

### 6 Deferred revenue - infrastructure funding

|  | Infrastructure<br>funding<br>\$ | Other<br>funding<br>\$ | 2024<br>Total<br>\$ | 2023<br>Total<br>\$ |
|--|---------------------------------|------------------------|---------------------|---------------------|
| Deferred revenue - Beginning<br>of year        | 348,118                         | 13,259                 | 361,377             | 620,147             |
| Government transfers<br>received or receivable | 164,897                         | -                      | 164,897             | 828,104             |
| Other funding received:<br>Interest income     | 16,054                          | -                      | 16,054              | 9,063               |
| Eligible expenditures<br>incurred              | (191,668)                       | (13,259)               | (204,927)           | (1,095,937)         |
| Deferred revenue - End of<br>year              | 337,401                         | -                      | 337,401             | 361,377             |

The Town has received funds which are restricted for expenditure on eligible projects. The following are a list of the outstanding agreements:

- Agreement on the Transfer of Federal Canada Community-Building Fund revenues (infrastructure funding). Through the New Deal for Cities and Communities and the Municipal Strategic Component Project, the Town will prepare, for approval by the government regulating body, a Capital Investment Plan which details expenditures for approved projects. The funding for this agreement is maintained in a separate bank account.
- Other funding

The Town received a grant from the Province of Prince Edward Island for active transportation system expenditures.

### 7 Long-term debt

|  | 2024<br>\$ | 2023<br>\$ |
|--|------------|------------|
| <b>The Town of Kensington</b>  |            |            |
| Prime less 0.50% term loan, Bank of Nova Scotia, maturing in 2025, amortized to 2049, repayable in monthly principal installments of \$1,667 plus interest, obtained to fund Credit Union Centre upgrades. As security, the Town has provided a borrowing resolution.            | 489,998    | -          |
| Prime less 0.50% term loan, Bank of Nova Scotia, maturing in 2025, amortized to 2034, repayable in monthly principal installments of \$528 plus interest, obtained to fund the repaving of the Town Hall parking lot. As security, the Town has provided a borrowing resolution. | 54,877     | 61,213     |

# Town of Kensington

## Notes to Consolidated Financial Statements

March 31, 2024

|  |                  |                  |
|--|------------------|------------------|
| Prime less 0.50% term loan, Bank of Nova Scotia, maturing in 2025, amortized to 2049, obtained to fund general construction of a new business park. As security, the Town has provided a borrowing resolution.   | 2,742,423        | 2,262,018        |
| Prime less 0.50% term loan, Bank of Nova Scotia, maturing in 2025, amortized to 2025, repayable in monthly principal installments of \$917 plus interest, obtained to fund the purchase of a firetruck for the fire department. As security, the Town has provided a borrowing resolution.                       | 5,500            | 16,500           |
| Prime less 0.50% term loan, Bank of Nova Scotia, maturing in 2025, amortized to 2040, repayable in monthly principal installments of \$187 plus interest, obtained to fund the purchase of a rescue command vehicle for the fire department. As security, the Town has provided a borrowing resolution.          | 35,988           | 38,237           |
| Prime less 0.50% term loan, Bank of Nova Scotia, maturing in 2025, amortized to 2045, repayable in monthly principal installments of \$1,867 plus interest, obtained to fund general construction of a new business park. As security, the Town has provided a borrowing resolution.                             | 456,706          | 479,126          |
| Prime less 0.50% term loan, Bank of Nova Scotia, maturing in 2025, amortized to 2032, repayable in monthly principal installments of \$2,287 plus interest, obtained to finance a fire hall. As security, the Town has provided a borrowing resolution.  | 125,780          | 153,223          |
| Prime less 0.50% term loan, Bank of Nova Scotia, maturing in 2028, amortized to 2028, repayable in monthly principal installments of \$1,200 plus interest, obtained to fund the purchase of a police car for the police department. As security, the Town has provided a borrowing resolution.                  | 45,600           | 60,000           |
| Prime less 0.50% term loan, Bank of Nova Scotia, maturing in 2028, amortized to 2033, repayable in monthly principal installments of \$6,972 plus interest, obtained to fund general capital expenditures under the operating fund of previous years. As security, the Town has provided a borrowing resolution. | 683,279          | 766,943          |
| Prime less 0.50% term loan, Bank of Nova Scotia, maturing in 2028, amortized to 2038, repayable in monthly principal installments of \$1,589 plus interest, obtained to fund the purchase of a firetruck for the fire department. As security, the Town has provided a borrowing resolution.                     | 249,453          | 268,521          |
| 3.89% term loan, Provincial Credit Union, repaid during the year.  | -                | 33,228           |
| 3.79% term loan, Provincial Credit Union, repaid during the year.  | -                | 1,766            |
|  | <u>4,889,604</u> | <u>4,140,775</u> |



# Town of Kensington

## Notes to Consolidated Financial Statements

March 31, 2024

### Water and Sewer Utility

|   |                  |                  |
|---|------------------|------------------|
| Prime less 0.50% term loan, Bank of Nova Scotia, maturing in 2025, amortized to 2048, repayable in monthly principal installments of \$1,852 plus interest, obtained to finance Broadway Street South water and sewer main extension. As security, the Town has provided a borrowing resolution.          | 514,632          | 536,856          |
| Prime less 0.50% term loan, Bank of Nova Scotia, maturing in 2025, amortized to 2040, repayable in monthly principal installments of \$7,210 plus interest, obtained to finance capital expenditures under the Utility Fund of previous years. As security, the Town has provided a borrowing resolution. | 1,088,667        | 1,175,183        |
| Prime less 0.50% term loan, Bank of Nova Scotia, maturing in 2027, amortized to 2047, repayable in monthly principal installments of \$783 plus interest, obtained to finance capital expenditures under the Utility Fund. As security, the Town has provided a borrowing resolution.                     | 234,892          | 234,892          |
|   | <u>1,838,191</u> | <u>1,946,931</u> |
|   | <u>6,727,795</u> | <u>6,087,706</u> |

Principal repayments in each of the next five years are due as follows:

|            | General<br>\$    | Fire<br>Department<br>\$ | Water &<br>Sewerage<br>\$ | Total<br>\$      |
|------------|------------------|--------------------------|---------------------------|------------------|
| 2025       | 3,842,068        | 186,336                  | 1,612,695                 | 5,641,099        |
| 2026       | 98,064           | 19,068                   | 9,396                     | 126,528          |
| 2027       | 98,064           | 19,068                   | 216,100                   | 333,232          |
| 2028       | 434,687          | 19,068                   | -                         | 453,755          |
| 2029       | -                | 19,068                   | -                         | 19,068           |
| Thereafter | -                | 154,113                  | -                         | 154,113          |
|            | <u>4,472,883</u> | <u>416,721</u>           | <u>1,838,191</u>          | <u>6,727,795</u> |

Bank of Nova Scotia prime rate at March 31, 2024 was 7.2% (2023 - 6.7%).

# Town of Kensington

## Notes to Consolidated Financial Statements

March 31, 2024

### 8 Asset retirement obligation

The Municipality operates a sewage treatment plant and is legally required to decommission the plant when it is retired. Closure and post-closure activities include abandonment of existing pipes, removal of contaminated fill, placement of sandstone, aeration system removal, disposal of material, and lagoon cleaning. A liability for the total obligation has been accrued. The estimated total liability at March 31, 2024 of \$1,545,000 (2023 - \$1,500,000) is based on the sum of discounted future cash flows for future closure activities using a discount rate of 3%. Undiscounted future cash flows expected in 2072 is \$6,384,329.

|   | 2024<br>\$       | 2023<br>\$       |
|---|------------------|------------------|
| <b>Obligation - beginning of year</b>     | 1,500,000        | -                |
| Recognition of liability at April 1, 2022 | -                | 1,456,350        |
| Accretion expense for the year            | 45,000           | 43,650           |
| <b>Obligation - end of year</b>           | <u>1,545,000</u> | <u>1,500,000</u> |

### 9 Accumulated surplus

|  | 2024<br>\$        | 2023<br>\$        |
|--|-------------------|-------------------|
| <b>Municipal position</b>              |                   |                   |
| Operating funds                        | 15,616,524        | 12,721,018        |
| Water & Sewer utility funds            | (680,208)         | (427,406)         |
| Reserve fund - Fire department         | (158,139)         | (167,885)         |
| Reserve fund - Credit Union Centre     | (511,937)         | (647,901)         |
|  | <u>14,266,240</u> | <u>11,477,826</u> |
| <br>Reserve fund - Fire department     |                   |                   |
| Balance - Beginning of year            | (167,885)         | (66,668)          |
| Changes during the year                | 9,746             | (101,217)         |
| <br>Balance - End of year              | <u>(158,139)</u>  | <u>(167,885)</u>  |
| <br>Reserve fund - Credit Union Centre |                   |                   |
| Balance - Beginning of year            | (647,901)         | (548,129)         |
| Changes during the year                | 135,964           | (99,772)          |
| <br>Balance - End of year              | <u>(511,937)</u>  | <u>(647,901)</u>  |

# Town of Kensington

## Notes to Consolidated Financial Statements

March 31, 2024

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### 10 Other employment benefits

#### Accumulated sick leave

Full time employees accumulate sick leave at the rate of 1.25 days per month. At March 31, 2024, the recorded liability for unused sick leave, that is required to be paid out upon severance or retirement, amounted to \$39,136 (2023 - \$57,267) and is included in accounts payable and accrued liabilities. No actuarial valuation has been performed pertaining to this liability.

#### Accumulated vacation

Full time employees accumulate vacation at the following rates: 0.83 days per month for 1-3 years of service; 1.25 days per month for 3-5 years of service; 1.67 days per month for greater than 5 years of service; and 2.08 days per month for greater than 10 years of service. In the event the employee does not use all earned vacation in a given year, the unused portion can be carried forward to a maximum of 10 days. As of March 31, 2024, the liability for unused vacation amounted to \$33,736 (2023 - \$28,976) and is included in accounts payable and accrued liabilities.

#### RRSP matching

The Town matches employees' RRSP contributions, into the employees' individual RRSP plans, to a maximum of 5% of their wages. The total expense for the Town's portion of the RRSP matching is as follows:

|                        | 2024   | 2023   |
|------------------------|--------|--------|
|                        | \$     | \$     |
| RRSP payments expensed | 37,718 | 33,914 |

### 11 Property taxes

|                             | 2024    | 2023    |
|-----------------------------|---------|---------|
|                             | \$      | \$      |
| Commercial property tax     | 177,682 | 173,673 |
| Non-commercial property tax | 568,620 | 551,088 |
|                             | 746,302 | 724,761 |

### 12 Contractual agreement

The Town has entered into an agreement to provide employment security-related services for a private company. During the year, the Town earned \$322,164 (2023 - \$347,096) of revenue from this contract.

# Town of Kensington

## Notes to Consolidated Financial Statements

March 31, 2024

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### 13 Rate regulation

The Town is subject to rate regulation on the sewerage and water utility provided to residents in Prince Edward Island under the Island Regulatory Appeals Commission Act. The purpose of this Act, which is administered by the Island Regulatory and Appeals Commission (IRAC), is to regulate the rate municipalities may charge for sewerage and water utility provided to residents within Prince Edward Island and to ensure at all times a just and reasonable price for sewerage and water services. Changes in sewerage and water utility rates can only be implemented with the approval from IRAC.

### 14 Government transfers

In accordance with the Town's accounting policy on government transfers (note 2 (h)), the Town recognizes government transfers for operating expenses as part of revenue and government transfers for infrastructure expenditures as part of other revenue. Below are the government transfers included in the respective lines of revenue and other revenue on the Statement of Operations:

|   | 2024<br>\$       | 2023<br>\$       |
|---|------------------|------------------|
| <b>Government transfers included in revenue</b>           |                  |                  |
| Government transfers                                      |                  |                  |
| Equalization  | 423,365          | 390,519          |
| Police tax credit   | 200,856          | 198,053          |
| Municipal tax credit                                      | 67,649           | 52,806           |
| Credit Union Centre                                       | 21,554           | 34,956           |
| Other revenue   | 31,405           | 36,030           |
| Municipal Capital Expenditures Grant - reimbursement      | 471,214          | 219,467          |
|   | <u>1,216,043</u> | <u>931,831</u>   |
| <br><b>Government transfers included in other revenue</b> |                  |                  |
| Infrastructure funding - water and sewer                  | 1,034,736        | 539,586          |
| Infrastructure funding - general                          | 1,936,104        | 556,352          |
|   | <u>2,970,840</u> | <u>1,095,938</u> |
| <br><b>Total government transfers</b>                     | <u>4,186,883</u> | <u>2,027,769</u> |

# Town of Kensington

## Notes to Consolidated Financial Statements

March 31, 2024

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### 15 Segment disclosure

The Town is a diversified municipal unit that provides a wide range of services to its citizens. For management reporting purposes the Town's operations and activities are organized and reported by segment. Segments were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

Town services are provided by departments and their activity is reported in these funds. The services provided by these departments are as follows:

#### General government services

This department is responsible for the overall financial and local government administration. Its tasks include accounts payable and receivables, budgets and financial statements, administration and maintenance of bylaws.

#### Police services

This department is responsible for police protection for its residents.

#### Fire services

This department is responsible for fire protection for its residents and surrounding areas.

#### Sale of services

This department is responsible for management of a contract to provide employment security-related services for a private company.

#### Transportation services and public works

This department is responsible for the maintenance of specialized roads within its jurisdiction.

#### Parks and recreation services

This department is responsible for promoting and offering recreation opportunities and activities to the Town's residents.

#### Credit Union Centre

This department is responsible for maintenance and operations of the rink, Fitplex, ball fields, and coordinating special events.

#### Water and sewer utility

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

Internally generated revenues and expenses are eliminated.

# Town of Kensington

## Schedule of Segment Disclosures

### For the year ended March 31, 2024

#### Schedule 1

|  | General<br>Government<br>\$ | Police<br>\$ | Fire<br>\$ | Sale of<br>Services<br>\$ | Transportation<br>& Public<br>Works<br>\$ | Parks and<br>Recreation<br>\$ | Credit<br>Union<br>Centre<br>\$ | Total<br>General<br>\$ | Water and<br>Sewer<br>Utility<br>\$ | Consolidation<br>Elimination<br>\$ | 2024<br>\$ |
|--|-----------------------------|--------------|------------|---------------------------|---|-------------------------------|---------------------------------|------------------------|-------------------------------------|------------------------------------|------------|
| <b>Revenue</b>                                 |                             |              |            |                           |   |                               |                                 |                        |                                     |                                    |            |
| Property taxes                                 | 746,302                     | -            | -          | -                         | -   | -                             | -                               | 746,302                | -                                   | -                                  | 746,302    |
| Government transfers                           |                             |              |            |                           |   |                               |                                 |                        |                                     |                                    |            |
| Equalization                                   | 423,365                     | -            | -          | -                         | -   | -                             | -                               | 423,365                | -                                   | -                                  | 423,365    |
| Police tax credit                              | -                           | 200,856      | -          | -                         | -   | -                             | -                               | 200,856                | -                                   | -                                  | 200,856    |
| Municipal tax credit                           | 67,649                      | -            | -          | -                         | -   | -                             | -                               | 67,649                 | -                                   | -                                  | 67,649     |
| Fire dues                                      | -                           | -            | 374,488    | -                         | -   | -                             | -                               | 374,488                | -                                   | (87,360)                           | 287,128    |
| Credit Union Centre                            | -                           | -            | -          | -                         | -   | -                             | 460,875                         | 460,875                | -                                   | (36,000)                           | 424,875    |
| Rental   | 107,144                     | -            | -          | -                         | -   | -                             | -                               | 107,144                | -                                   | -                                  | 107,144    |
| Sale of services                               | -                           | -            | -          | 322,164                   | -   | -                             | -                               | 322,164                | -                                   | -                                  | 322,164    |
| Police fines and grants                        | -                           | 42,582       | 6,713      | -                         | -   | -                             | -                               | 49,295                 | -                                   | -                                  | 49,295     |
| Other revenue                                  | 102,610                     | 50,658       | -          | -                         | -   | 74,213                        | -                               | 227,481                | -                                   | -                                  | 227,481    |
| Water & Sewer utility                          | -                           | -            | -          | -                         | -   | -                             | -                               | -                      | 717,468                             | (68,820)                           | 648,648    |
| Gain on disposal of tangible<br>capital assets | 372,964                     | -            | -          | -                         | -   | -                             | -                               | 372,964                | -                                   | -                                  | 372,964    |
| Municipal Capital Expenditures Grant           | 471,214                     | -            | -          | -                         | -   | -                             | -                               | 471,214                | -                                   | -                                  | 471,214    |
| - reimbursement                                |                             |              |            |                           |   |                               |                                 |                        |                                     |                                    |            |
|  | 2,291,248                   | 294,096      | 381,201    | 322,164                   | -   | 74,213                        | 460,875                         | 3,823,797              | 717,468                             | (192,180)                          | 4,349,085  |
| <b>Expenses</b>                                |                             |              |            |                           |   |                               |                                 |                        |                                     |                                    |            |
| Salaries and benefits<br>(note 10)             | 188,489                     | 481,041      | 22,435     | 169,491                   | 64,960                                    | 16,261                        | 281,891                         | 1,224,568              | 214,224                             | -                                  | 1,438,792  |
| Goods and services                             | 841,156                     | 102,160      | 179,469    | -                         | 124,488                                   | 105,734                       | 278,199                         | 1,631,206              | 332,906                             | (192,180)                          | 1,771,932  |
| Amortization                                   | 73,284                      | 46,786       | 116,019    | -                         | 249,607                                   | 30,580                        | 108,342                         | 624,618                | 178,291                             | -                                  | 802,909    |
| Interest                                       | 186,044                     | 3,468        | 28,764     | -                         | -   | -                             | 20,647                          | 238,923                | 203,588                             | -                                  | 442,511    |
| Other  | -                           | -            | -          | -                         | -   | 30,367                        | -                               | 30,367                 | -                                   | -                                  | 30,367     |
| Accretion (note 8)                             | -                           | -            | -          | -                         | -   | -                             | -                               | -                      | 45,000                              | -                                  | 45,000     |
|  | 1,288,973                   | 633,455      | 346,687    | 169,491                   | 439,055                                   | 182,942                       | 689,079                         | 3,749,682              | 974,009                             | (192,180)                          | 4,531,511  |
|  | 1,002,275                   | (339,359)    | 34,514     | 152,673                   | (439,055)                                 | (108,729)                     | (228,204)                       | 74,115                 | (256,541)                           | -                                  | (182,426)  |

# Town of Kensington

## Schedule of Segment Disclosures

### For the year ended March 31, 2023

Schedule 1

|  | General<br>Government | Police    | Fire     | Sale of<br>Services | Transportation<br>& Public<br>Works | Parks and<br>Recreation | Credit<br>Union<br>Centre | Total<br>General | Water and Consolidation<br>Sewer Utility Elimination | 2023      |
|--|-----------------------|-----------|----------|---------------------|-------------------------------------|-------------------------|---------------------------|------------------|--|-----------|
|  | \$                    | \$        | \$       | \$                  | \$                                  | \$                      | \$                        | \$               | \$   | \$        |
| <b>Revenue</b>                                 |                       |           |          |                     |                                     |                         |                           |                  |  |           |
| Property taxes                                 | 724,761               | -         | -        | -                   | -                                   | -                       | -                         | 724,761          | -  | 724,761   |
| Government transfers                           |                       |           |          |                     |                                     |                         |                           |                  |  |           |
| Equalization                                   | 390,519               | -         | -        | -                   | -                                   | -                       | -                         | 390,519          | -  | 390,519   |
| Police tax credit                              | -                     | 198,053   | -        | -                   | -                                   | -                       | -                         | 198,053          | -  | 198,053   |
| Municipal tax credit                           | 52,806                | -         | -        | -                   | -                                   | -                       | -                         | 52,806           | -  | 52,806    |
| Fire dues                                      | -                     | -         | 282,684  | -                   | -                                   | -                       | -                         | 282,684          | -  | 282,684   |
| Credit Union Centre                            | -                     | -         | -        | -                   | -                                   | -                       | 449,137                   | 449,137          | (47,520)   | 235,164   |
| Rental   | 105,417               | -         | -        | -                   | -                                   | -                       | -                         | 105,417          | -  | 105,417   |
| Sale of services                               | -                     | -         | -        | 347,096             | -                                   | -                       | -                         | 347,096          | -  | 347,096   |
| Police fines and grants                        | -                     | 18,084    | 30,000   | -                   | -                                   | -                       | -                         | 48,084           | -  | 48,084    |
| Other revenue                                  | 57,450                | 41,924    | -        | -                   | -                                   | 56,120                  | -                         | 155,494          | -  | 155,494   |
| Water & Sewer utility                          | -                     | -         | -        | -                   | -                                   | -                       | -                         | -                | 687,683  | 618,863   |
| Gain on disposal of tangible<br>capital assets | -                     | -         | -        | -                   | -                                   | -                       | -                         | -                | -  | -         |
| Municipal Capital Expenditures Grant           | 299,701               | -         | -        | -                   | -                                   | -                       | -                         | 299,701          | -  | 299,701   |
| - reimbursement                                | 219,467               | -         | -        | -                   | -                                   | -                       | -                         | 219,467          | -  | 219,467   |
|  | 1,850,121             | 258,061   | 312,684  | 347,096             | -                                   | 56,120                  | 449,137                   | 3,273,219        | 687,683  | 3,819,362 |
|  |                       |           |          |                     |                                     |                         |                           |                  | (141,540)  |           |
| <b>Expenses</b>                                |                       |           |          |                     |                                     |                         |                           |                  |  |           |
| Salaries and benefits<br>(note 10)             | 208,029               | 512,881   | 24,180   | 166,345             | 109,222                             | 18,021                  | 229,594                   | 1,268,272        | 202,800  | 1,471,072 |
| Goods and services                             | 430,073               | 90,920    | 170,577  | 55                  | 36,590                              | 99,368                  | 281,899                   | 1,109,482        | 389,298  | 1,357,240 |
| Amortization                                   | 70,780                | 48,054    | 110,183  | -                   | 202,819                             | 19,708                  | 57,636                    | 509,180          | 158,968  | 668,148   |
| Interest                                       | 108,094               | 2,788     | 22,561   | -                   | -                                   | -                       | 5,261                     | 138,704          | 123,102  | 261,806   |
| Other  | -                     | -         | -        | -                   | -                                   | 38,451                  | -                         | 38,451           | -  | 38,451    |
| Accretion (note 8)                             | -                     | -         | -        | -                   | -                                   | -                       | -                         | -                | 43,650   | 43,650    |
|  | 816,976               | 654,643   | 327,501  | 166,400             | 348,631                             | 175,548                 | 574,390                   | 3,064,089        | 917,818  | 3,840,367 |
|  |                       |           |          |                     |                                     |                         |                           |                  | (141,540)  |           |
|  | 1,033,145             | (396,582) | (14,817) | 180,696             | (348,631)                           | (119,428)               | (125,253)                 | 209,130          | (230,135)  | (21,005)  |

**Town of Kensington**  
Schedule of Tangible Capital Assets  
For the year ended March 31, 2024

Schedule 2

|                                     | Cost 2024    |              |                            | Accumulated amortization 2024 |              |                 | 2024                       |           |                   |
|-------------------------------------|--------------|--------------|----------------------------|-------------------------------|--------------|-----------------|----------------------------|-----------|-------------------|
|                                     | Beginning \$ | Additions \$ | Disposals/<br>Transfers \$ | Ending \$                     | Beginning \$ | Amortization \$ | Disposals/<br>Transfers \$ | Ending \$ | Net book value \$ |
| Land, buildings and wind turbine    | 4,805,756    | 2,126,011    | 59,436                     | 6,872,331                     | 1,866,634    | 134,957         | -                          | 2,001,591 | 4,870,740         |
| Streets and sidewalks               | 4,489,059    | 1,033,318    | -                          | 5,522,377                     | 1,087,706    | 209,435         | -                          | 1,297,141 | 4,225,236         |
| Vehicles                            | 258,967      | -            | -                          | 258,967                       | 179,605      | 22,951          | -                          | 202,556   | 56,411            |
| Fire vehicles                       | 1,302,166    | -            | -                          | 1,302,166                     | 612,615      | 72,203          | -                          | 684,818   | 617,348           |
| Equipment and signs                 | 2,359,893    | 249,796      | 38,672                     | 2,571,017                     | 1,685,785    | 185,072         | 36,154                     | 1,834,703 | 736,314           |
| Water & sewer systems and equipment | 11,666,546   | 1,639,268    | -                          | 13,305,814                    | 2,517,473    | 178,291         | -                          | 2,695,764 | 10,610,050        |
|                                     | 24,882,387   | 5,048,393    | 98,108                     | 29,832,672                    | 7,949,818    | 802,909         | 36,154                     | 8,716,573 | 21,116,099        |

**For the year ended March 31, 2023**

|                                     | Cost 2023    |              |                            | Accumulated amortization 2023 |              |                 | 2023                       |           |                   |
|-------------------------------------|--------------|--------------|----------------------------|-------------------------------|--------------|-----------------|----------------------------|-----------|-------------------|
|                                     | Beginning \$ | Additions \$ | Disposals/<br>Transfers \$ | Ending \$                     | Beginning \$ | Amortization \$ | Disposals/<br>Transfers \$ | Ending \$ | Net book Value \$ |
| Land, buildings and wind turbine    | 4,578,784    | 283,579      | 56,607                     | 4,805,756                     | 1,790,708    | 75,926          | -                          | 1,866,634 | 2,939,122         |
| Streets and sidewalks               | 3,796,797    | 692,262      | -                          | 4,489,059                     | 918,124      | 169,582         | -                          | 1,087,706 | 3,401,353         |
| Vehicles                            | 198,005      | 83,400       | 22,438                     | 258,967                       | 165,542      | 27,526          | 13,463                     | 179,605   | 79,362            |
| Fire vehicles                       | 1,116,086    | 186,080      | -                          | 1,302,166                     | 541,781      | 70,834          | -                          | 612,615   | 689,551           |
| Equipment and signs                 | 2,101,468    | 258,425      | -                          | 2,359,893                     | 1,512,798    | 165,313         | (7,674)                    | 1,685,785 | 674,108           |
| Water & sewer systems and equipment | 9,238,485    | 2,480,735    | 52,674                     | 11,666,546                    | 2,366,248    | 158,967         | 7,742                      | 2,517,473 | 9,149,073         |
|                                     | 21,029,625   | 3,984,481    | 131,719                    | 24,882,387                    | 7,295,201    | 668,148         | 13,531                     | 7,949,818 | 16,932,569        |

(22)