

VILLAGE OF MANNVILLE
CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

Management of the Village of Mannville is responsible for the preparation, accuracy, objectivity and integrity of the accompanying consolidated financial statements and all other information contained within this financial report. Management believes that the consolidated financial statements present fairly the Village's financial position as at December 31, 2021 and the results of its operations for the year then ended.

The consolidated financial statements have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards (PSAS).

The consolidated financial statements include certain amounts based on estimates and judgements. Such amounts have been determined on a reasonable basis in order to ensure that the consolidated financial statements are presented fairly in all material respects.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, management has designed and maintains a system of internal controls to produce reliable information and to meet reporting requirements on a timely basis. The system is designed to provide management with reasonable assurance that transactions are properly authorized and assets are properly accounted for and safeguarded.

These systems are monitored and evaluated by management and reliable financial information is available for preparation of the consolidated financial statements.

The Village Council carries out its responsibilities for review of the consolidated financial statements principally through its Audit Committee. This committee meets regularly with management and external auditors to discuss the results of audit examinations and financial reporting matters.

The external auditors have full access to the Audit Committee with and without the presence of management. The Village Council has approved the consolidated financial statements.

The consolidated financial statements have been audited by JMD Group LLP, Chartered Professional Accountants, the independent external auditors appointed by the Village. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Village's consolidated financial statements.

A handwritten signature in blue ink, appearing to read "Jody Quickstad", is written over a horizontal line.

Jody Quickstad, CAO

Mannville Alberta

February 15, 2022

INDEPENDENT AUDITOR'S REPORT

To the Members of Council of The Village of Mannville

Opinion

We have audited the consolidated financial statements of the Village of Mannville (the municipality), which comprise the consolidated statement of financial position as at December 31, 2021, and the consolidated statements of operations, changes in net financial assets and cash flows and schedules 1 to 7 for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the municipality as at December 31, 2021, and the consolidated results of its operations and consolidated 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 Consolidated Financial Statements* section of our report. We are independent of the municipality in accordance with ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with 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 Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the municipality's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the municipality's financial reporting process.

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

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

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the municipality's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the municipality to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

St Paul, Alberta
February 15, 2022


Chartered Professional Accountants

VILLAGE OF MANNVILLE
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2021

	2021	2020
Assets		
Cash (Note 2)	\$ 2,064,836	\$ 2,120,733
Taxes receivable (Note 3)	150,941	156,117
Receivables from other governments	540,460	411,134
Trade and other receivables	86,600	77,120
Inventory held for resale	4,580	3,536
Land held for resale	78,627	78,627
Credit Union shares	273	262
	<u>2,926,317</u>	<u>2,847,529</u>
Liabilities		
Accounts payable and accrued liabilities (Note 5)	189,389	183,514
Tax sale surplus	15,560	12,381
Landfill closure and post-closure liability (Note 4)	340,115	240,115
Deferred revenue (Note 6)	572,929	545,507
Long term debt (Note 7)	410,361	487,232
	<u>1,528,354</u>	<u>1,468,749</u>
Net financial assets	<u>1,397,963</u>	<u>1,378,780</u>
Non-financial assets		
Tangible capital assets (Schedule 2)	9,584,601	9,531,138
Inventory	15,000	15,000
Prepaid expenses	729	729
	<u>9,600,330</u>	<u>9,546,867</u>
Accumulated surplus (Schedule 1, Note 9)	<u>\$ 10,998,293</u>	<u>\$ 10,925,647</u>

APPROVED BY:

 Mayor

VILLAGE OF MANNVILLE
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2021

	Budget (Unaudited)	2021	2020
Revenue			
Net municipal taxes (<i>Schedule 3</i>)	\$ 847,389	\$ 844,789	\$ 824,531
Sales and user fees	995,800	1,272,385	1,102,984
Government transfers for operating (<i>Schedule 4</i>)	299,675	287,624	389,180
Investment income	8,100	4,149	8,960
Penalties and costs of taxes	22,500	26,860	23,384
Rentals and leases	20,792	27,014	28,830
Franchise and concession contracts	144,823	137,599	132,339
Licenses and permits	1,850	1,890	2,550
Insurance proceeds	-	-	51,379
Other	8,000	31,079	11,071
	<u>2,348,929</u>	<u>2,633,389</u>	<u>2,575,208</u>
Expenses			
Administration and legislative	474,872	453,814	462,833
Protective services	118,445	100,205	98,154
By-law enforcement	9,800	5,130	8,081
Roads, streets, walks, lighting	513,644	466,562	483,644
Water supply and distribution	519,692	519,252	339,651
Wastewater treatment and disposal	159,654	226,595	137,263
Waste management	153,884	212,640	148,581
Family and community support services	121,135	113,580	113,919
Cemetery	15,500	16,339	8,291
Planning and development	10,122	4,031	5,460
Recreation and culture	222,770	214,247	212,892
Golf course (<i>Schedule 6</i>)	584,930	581,180	566,604
	<u>2,904,448</u>	<u>2,913,575</u>	<u>2,585,373</u>
Deficiency of revenue over expenses before other	(555,519)	(280,186)	(10,165)
Other			
Government transfers for capital (<i>Schedule 4</i>)	262,500	355,368	139,376
Gain (loss) on disposal of tangible capital assets	5,000	(2,536)	-
Excess (deficiency) of revenue over expenses	(288,019)	72,646	129,211
Accumulated surplus - beginning of year	<u>10,925,647</u>	<u>10,925,647</u>	<u>10,796,436</u>
Accumulated surplus - end of year	<u>\$ 10,637,628</u>	<u>\$ 10,998,293</u>	<u>\$ 10,925,647</u>

VILLAGE OF MANNVILLE
CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2021

	Budget (Unaudited)	2021	2020
Excess (deficiency) of revenue over expenses	\$ (288,019)	\$ 72,646	\$ 129,211
Acquisition of tangible capital assets	(454,000)	(471,622)	(178,738)
Amortization of tangible capital assets	418,874	413,574	418,874
Proceeds on disposal of tangible capital assets	-	2,050	-
Loss (gain) on disposal of tangible capital assets	(5,000)	2,535	-
	(40,126)	(53,464)	240,136
Decrease (increase) in inventory	-	-	(1,293)
	(40,126)	(53,463)	238,843
Increase (decrease) in net financial assets	(328,145)	19,183	368,054
Net financial assets - beginning of year	1,378,780	1,378,780	1,010,726
Net financial assets - end of year	\$ 1,050,635	\$ 1,397,963	\$ 1,378,780

VILLAGE OF MANNVILLE
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021

	2021	2020
Operating		
Excess of revenue over expenses	\$ 72,646	\$ 129,211
Items not affecting cash:		
Amortization of tangible capital assets	413,574	418,874
Loss on disposal of tangible capital assets	2,536	-
	<u>488,756</u>	<u>548,085</u>
Changes in non-cash working capital:		
Taxes receivable	5,176	(21,355)
Receivables from other governments	(129,326)	(285,613)
Trade and other receivables	(9,480)	(799)
Inventory held for resale	(1,044)	359
Inventory	-	(1,293)
Accounts payable and accrued liabilities	5,874	10,444
Landfill closure and post-closure liability	100,000	25,000
Deferred revenue	27,422	232,401
Tax sale surplus	3,179	-
	<u>1,801</u>	<u>(40,856)</u>
Cash flow from operations	<u>490,557</u>	<u>507,229</u>
Capital		
Acquisition of tangible capital assets	(471,623)	(178,738)
Proceeds on disposal of property, plant and equipment	2,050	-
	<u>(469,573)</u>	<u>(178,738)</u>
Financing		
Repayment of long term debt	<u>(76,871)</u>	<u>(91,206)</u>
Investing		
Decrease (increase) in restricted cash	111,383	86,438
Decrease (increase) in investments	(10)	(7)
	<u>111,373</u>	<u>86,431</u>
Increase in cash flow	<u>55,486</u>	<u>323,716</u>
Cash - beginning of year	<u>1,944,065</u>	<u>1,620,349</u>
Cash - end of year	<u>\$ 1,999,551</u>	<u>\$ 1,944,065</u>
Cash consists of:		
Cash (Note 2)	\$ 2,064,836	\$ 2,120,733
Less: restricted cash	<u>(65,285)</u>	<u>(176,668)</u>
	<u>\$ 1,999,551</u>	<u>\$ 1,944,065</u>

VILLAGE OF MANNVILLE
SCHEDULE 1 - CHANGES IN ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2021

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2021	2020
Balance, beginning of year	\$ 500,970	\$ 1,380,771	\$ 9,043,906	\$ 10,925,647	\$ 10,796,436
Excess of revenue over expenses	72,646	-	-	72,646	129,211
Funds designated for future use	(136,805)	136,805	-	-	-
Reserve funds used	126,400	(304,992)	178,592	-	-
Funds used for tangible capital assets	(293,031)	-	293,031	-	-
Annual amortization expense	413,574	-	(413,574)	-	-
Net book value of tangible capital assets disposed of	4,586	-	(4,586)	-	-
Long-term debt repaid	(76,871)	-	76,871	-	-
Change in accumulated surplus	110,499	(168,187)	130,334	72,646	129,211
Balance, end of year	\$ 611,469	\$ 1,212,584	\$ 9,174,240	\$ 10,998,293	\$ 10,925,647

VILLAGE OF MANNVILLE
 SCHEDULE 2 - TANGIBLE CAPITAL ASSETS
 FOR THE YEAR ENDED DECEMBER 31, 2021

	Land	Land Improvements	Buildings	Engineered Structures	Machinery & Equipment	Vehicles	2021	2020
Cost								
Balance, beginning of year	\$ 420,874	\$ 886,491	\$ 6,346,113	\$ 10,958,390	\$ 1,244,778	\$ 161,335	\$ 20,017,981	\$ 19,839,243
Acquisition of tangible capital assets	-	44,946	-	154,848	237,153	34,675	471,622	178,738
Disposal of tangible capital assets	-	-	-	-	(1,550)	(36,964)	(38,514)	-
Balance, end of year	420,874	931,437	6,346,113	11,113,238	1,480,381	159,046	20,451,089	20,017,981
Accumulated amortization								
Balance, beginning of year	-	300,996	3,791,384	5,342,381	902,190	149,892	10,486,843	10,067,969
Annual amortization	-	20,455	124,747	216,601	50,914	857	413,574	418,874
Accumulated amortization on disposals	-	-	-	-	(1,550)	(32,379)	(33,929)	-
Balance, end of year	-	321,451	3,916,131	5,558,982	951,554	118,370	10,866,488	10,486,843
Net book value of tangible capital assets	\$ 420,874	\$ 609,986	\$ 2,429,982	\$ 5,554,256	\$ 528,827	\$ 40,676	\$ 9,584,601	\$ 9,531,138
2020 Net book value of tangible capital assets	\$ 420,874	\$ 585,495	\$ 2,554,729	\$ 5,616,009	\$ 342,588	\$ 11,443	\$ 9,531,138	

VILLAGE OF MANNVILLE
SCHEDULE 3 - PROPERTY TAXES LEVIED
FOR THE YEAR ENDED DECEMBER 31, 2021

	Budget (Unaudited)	2021	2020
Taxation			
Residential	\$ 735,408	\$ 738,257	\$ 739,341
Commercial	207,444	200,379	184,259
Linear property	58,430	60,046	52,249
	<u>1,001,282</u>	<u>998,682</u>	<u>975,849</u>
Requisitions			
Alberta School Foundation Fund	142,738	142,738	143,863
MD of Minburn Foundation	11,155	11,155	7,455
	<u>153,893</u>	<u>153,893</u>	<u>151,318</u>
Net taxes for general municipal operations	<u>\$ 847,389</u>	<u>\$ 844,789</u>	<u>\$ 824,531</u>

SCHEDULE 4 - GOVERNMENT TRANSFERS
FOR THE YEAR ENDED DECEMBER 31, 2021

	Budget (Unaudited)	2021	2020
Transfers for operations			
Federal	\$ 10,000	\$ 14,200	\$ 14,200
Provincial	215,372	205,465	305,064
Local governments	74,303	67,959	69,916
	<u>299,675</u>	<u>287,624</u>	<u>389,180</u>
Transfers for capital			
Provincial	<u>262,500</u>	<u>355,368</u>	<u>139,376</u>
Total government transfers	<u>\$ 562,175</u>	<u>\$ 642,992</u>	<u>\$ 528,556</u>

VILLAGE OF MANNVILLE
SCHEDULE 5 - CONSOLIDATED EXPENSES BY OBJECT
FOR THE YEAR ENDED DECEMBER 31, 2021

	Budget (Unaudited)	2021	2020
Expenses			
Salaries, wages and benefits	\$ 802,800	\$ 791,010	\$ 762,702
Contracted and general services	509,487	485,972	401,898
Purchased from other governments	479,253	457,573	332,445
Materials, goods, supplies and utilities	445,131	419,347	428,978
Provision for allowance	-	2,500	-
Transfers to other governments	50,000	143,116	47,293
Transfer to local boards and organizations	170,153	162,598	163,521
Bank charges and short term interest	12,700	12,590	11,304
Interest on long-term debt	14,050	13,801	16,121
Other expenses	2,000	11,494	2,237
Amortization	418,874	413,574	418,874
Total expenses	\$ 2,904,448	\$ 2,913,575	\$ 2,585,373

VILLAGE OF MANNVILLE
SCHEDULE 6 - GOLF COURSE STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2021

	Budget (Unaudited)	2021	2020
Revenue			
Fees and rentals	\$ 252,500	\$ 335,566	\$ 260,600
Insurance proceeds	-	-	22,680
Sale of confections	130,000	169,308	134,215
Camping	120,000	126,723	120,660
Sale of merchandise	30,000	31,609	32,154
Government transfers for operations	38,200	40,300	38,200
	<u>570,700</u>	<u>703,506</u>	<u>608,509</u>
Expenses			
Wages and benefits	264,500	259,671	220,920
Confections	73,000	86,882	69,925
Supplies	31,130	28,677	58,982
Repairs and maintenance	52,600	50,118	51,326
Amortization	50,746	48,976	50,746
Utilities	49,000	46,763	44,606
Equipment rentals	21,513	19,961	31,056
Merchandise	22,000	20,843	20,793
Bank charges	6,500	6,977	6,166
Advertising	6,465	3,931	3,994
Telephone	3,600	4,246	3,645
Insurance	3,211	3,472	3,566
Property taxes	665	663	662
Interest on long-term debt	-	-	217
	<u>584,930</u>	<u>581,180</u>	<u>566,604</u>
Excess (deficiency) of revenue over expenses before capital	<u>(14,230)</u>	<u>122,326</u>	<u>41,905</u>
Capital			
Government transfers for capital	34,500	27,768	93,523
Sponsorships/donations	-	22,654	-
Capital total	<u>34,500</u>	<u>50,422</u>	<u>93,523</u>
Excess of revenue over expenses	<u>\$ 20,270</u>	<u>\$ 172,748</u>	<u>\$ 135,428</u>
Supplementary Information			
Repayment of long-term debt	\$ -	\$ -	\$ 16,432
Acquisition of tangible capital assets	181,500	192,385	60,827
	<u>\$ 181,500</u>	<u>\$ 192,385</u>	<u>\$ 77,259</u>

VILLAGE OF MANNVILLE
SCHEDULE 7 - SEGMENTED DISCLOSURE
FOR THE YEAR ENDED DECEMBER 31, 2021

	General Government	Protective Services	Transportation Services	Environmental Services	Public Health	Planning and Development	Recreation and Culture	Total
Revenue								
Net municipal taxes	\$ 844,789	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 844,789
Sales and user fees	-	120	-	607,888	10,561	-	653,906	1,273,475
Government transfers for operating	31,262	64,100	6,300	-	104,562	-	81,400	287,624
Investment income	4,149	-	-	-	-	-	-	4,149
Other operating revenues	180,158	670	275	522	1,480	6,892	34,355	224,352
Government transfers for capital	-	12,334	245,488	7,100	36,678	-	53,768	355,368
	1,060,358	77,224	252,063	615,510	153,281	6,892	823,429	2,988,757
Expenses								
Salaries, wages and benefits	304,681	36,945	115,995	73,718	-	-	259,671	791,010
Contracted and general services	95,429	40,548	73,735	437,735	19,157	4,031	118,176	788,811
Materials, goods, supplies and utilities	29,283	16,221	102,749	315,165	84	-	208,582	672,084
Transfers to others	-	-	-	43,116	110,678	-	51,920	205,714
Interest on long-term debt	-	-	-	13,801	-	-	-	13,801
Other expenses	19,603	-	4,536	-	-	-	6,978	31,117
	448,996	93,714	297,015	883,535	129,919	4,031	645,327	2,502,537
Net revenue before amortization	611,362	(16,490)	(44,952)	(268,025)	23,362	2,861	178,102	486,220
Amortization expense	(4,818)	(11,621)	(172,083)	(74,952)	-	-	(150,100)	(413,574)
Net revenue	\$ 606,544	\$ (28,111)	\$ (217,035)	\$ (342,977)	\$ 23,362	\$ 2,861	\$ 28,002	\$ 72,646

VILLAGE OF MANNVILLE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

I. Significant Accounting Policies

The consolidated financial statements are the representations of management prepared in accordance with Canadian generally accepted accounting principles for local governments established by the Public Sector Accounting Board of the Canadian Institute of Chartered Professional Accountants. Significant aspects of the accounting policies adopted by the village are as follows:

Reporting Entity

The consolidated financial statements reflect the assets, liabilities, revenues and expenses, and change in financial position of the reporting entity. This entity is comprised of the municipal operations plus all of the organizations that are owned or controlled by the village and are, therefore, accountable to the Village Council for the administration of their financial affairs and resources.

The schedule of taxes levied also includes requisitions for education and other external organizations that are not part of the municipal reporting entity.

The statements exclude trust assets that are administered for the benefit of external parties.

Interdepartmental and organizational transactions and balances are eliminated.

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 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, in the completion of specific work, or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred, services performed, or the tangible capital assets are acquired.

Measurement Uncertainty

The preparation 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 assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Such estimates include allowance for uncollectable receivables and providing for amortization of tangible capital assets. Actual results could differ from those estimates. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in operations in the period in which they become known.

Cash

Cash is defined as petty cash, cash in chequing accounts adjusted for outstanding cheques and deposits, and savings accounts.

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VILLAGE OF MANNVILLE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

1. Significant Accounting Policies *(continued)*

Investments

Investments are recorded at amortized cost. When there has been a loss in value that is other than a temporary decline, the respective investment is written down to recognize the loss.

Inventories

Inventories of supplies for resale are valued at the lower of cost or net realizable value with cost determined by the average cost method.

Land held for resale is recorded at the lower of cost and net realizable value. Cost includes costs for land acquisition and improvements required to prepare the land for servicing such as clearing, stripping, and leveling charges. Related development costs incurred to provide infrastructure such as water and wastewater services, roads, sidewalks and street lighting are recorded as physical assets under their respective function.

Requisition Over-levy and Under-levy

Over-levies and under-levies arise from the difference between the actual property tax levy made to cover each requisition and the actual amount requisitioned.

If the actual levy exceeds the requisition, the over-levy is accrued as a liability and property tax revenue is reduced. Where the actual levy is less than the requisition amount, the under-levy is accrued as a receivable and as property tax revenue.

Requisition tax rates in the subsequent year are adjusted for any over-levies or under-levies of the prior year.

Tax Revenue

Tax revenues are recognized when the tax has been authorized by bylaw and the taxable event has occurred.

Requisitions operate as a flow through and are excluded from municipal revenue.

Government Transfers

Government transfers are the transfer of assets from other governments that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return.

Government transfers are recognized in the financial statements as revenue in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be determined.

Landfill Closure and Post-closure Liability

Pursuant to the Alberta Environmental Protection and Enhancement Act, the municipality is required to fund the closure of its landfill site and provide for post-closure care of the facility. Closure and post-closure activities include the final clay cover, landscaping as well as surface and ground water monitoring, leachate control and visual inspection. The requirement is being provided for over the estimated remaining life of the landfill site based on usage.

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VILLAGE OF MANNVILLE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

1. Significant Accounting Policies (continued)

Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They 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 revenues over expenses, provides the consolidated change in net financial assets for the year.

(a) 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 costs, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

	<u>Years</u>
Buildings	25-50
Engineered structures	
Roadway system	20-60
Water system	35-75
Wastewater system	35-75
Machinery and equipment	5-40
Vehicles	10-20
Land improvements	10-25

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

(b) Contributions of Tangible Capital Assets

Tangible capital assets received as contributions are recorded at fair value at the date of receipt and also are recorded as revenue.

(c) Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks of ownership 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.

(d) Inventories

Inventories held for consumption are recorded at the lower of cost and replacement cost.

Contaminated Sites Liability

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of a contaminated site is recognized when a site is not in productive use and is management's estimate of the cost of post-remediation including operation, maintenance and monitoring.

VILLAGE OF MANNVILLE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

2. Cash

	2021	2020
Petty cash	\$ 250	\$ 250
Current account	502,184	883,917
Savings accounts	1,545,647	1,223,034
Trust account	16,755	13,532
	\$ 2,064,836	\$ 2,120,733

Council has designated \$1,212,584 (2020 - \$1,380,771) to fund reserves.

Included in cash is a restricted amount of \$65,285 (2020 - \$176,668) comprised of deferred grant revenue received and not expended (see Note 6).

3. Taxes Receivable

	2021	2020
Current	\$ 137,681	\$ 128,660
Arrears	50,272	61,969
Less: allowance	(37,012)	(34,512)
	\$ 150,941	\$ 156,117

4. Landfill Closure and Post-Closure Liability

Alberta Environmental law requires closure and post-closure care of landfill sites, which includes final covering and landscaping, pumping of ground water and leachates from the site, and ongoing environmental monitoring, site inspections and maintenance.

The accrued liabilities for closure and post-closure care of the municipality's landfill site is recognized over the life of the site, using the net present value of the total estimated costs of closure and post-closure care, prorated on the basis of the current capacity, in cubic meters, utilized over the total estimated capacity of the site. The net present value or the estimated closure and post-closure costs were calculated using a rate of return equal to 6.25%.

All partner municipalities of the Mannville landfill site formed East Regional Waste Transfer Station in 2013. Reclamation of the Mannville landfill site has not yet commenced.

The municipality has designated some assets for settling closure and post-closure liabilities. The following summarizes the total net present value of the estimated costs for closure and post-closure:

	2021	2020
Estimated closure costs	\$ 520,977	\$ 510,762
Estimated post-closure costs	102,339	100,332
Estimated total liability	623,316	611,094
Amount accrued to December 31	(340,115)	(240,115)
Balance of estimated costs to accrue	\$ 283,201	\$ 370,979

VILLAGE OF MANNVILLE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

5. Employee Benefit Obligation

Included in wages and benefits payable is a vacation liability of \$30,405 (2020 - \$31,348). The vacation and overtime liability is comprised of the vacation that employees have earned and are entitled to within the next budgetary year.

6. Deferred Revenue

	2021	2020
MSI Capital	\$ 458,562	\$ 316,040
Municipal Operating Support Transfer	-	90,100
Federal Gas Tax Fund	81,818	100,000
ACP - Intermunicipal Collaboration Framework	-	11,972
EMPP - Emergency Management Preparedness	4,352	4,492
FCSS	7,955	2,661
Communities in Bloom	16,942	16,942
Other	3,300	3,300
	\$ 572,929	\$ 545,507

Unexpended funding in the amount of \$552,687 (2020 - \$525,265) was allocated to the village in the current year from various federal and provincial government programs and local governments. The use of these funds is restricted to eligible operating and capital projects as approved under the funding agreements. Of these allocations, funds received and unexpended are supported by funds in savings accounts of \$65,285 (2020 - \$176,668) and the remaining deferred grants are supported by receivables from other governments.

7. Long-Term Debt

	2021	2020
Utility supported debentures	\$ 410,361	\$ 487,232

Principal and interest repayments for each of the next five years and to maturity are as follows:

	Principal	Interest	Total
2022	\$ 79,028	\$ 11,892	\$ 90,920
2023	66,090	9,673	75,763
2024	52,708	7,898	60,606
2025	54,366	6,240	60,606
2026	56,075	4,530	60,605
Thereafter	102,094	3,710	105,804
	\$ 410,361	\$ 43,943	\$ 454,304

Debenture debt is repayable to Alberta Capital Finance Authority and bears interest at rates ranging from 2.229% to 3.295% per annum and matures in periods 2023 through 2028. The average annual interest rate is 3.075% for 2021 (3.025% for 2020).

Debenture debt is issued on the credit and security of the village at large.

Interest on long-term debt amounted to \$13,801 (2020 - \$16,121).

The village's total cash payments for interest in 2021 were \$14,049 (2020 \$16,501).

VILLAGE OF MANNVILLE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

8. Debt Limits

Section 276(2) of the Municipal Government Act requires that debt and debt limits as defined by Alberta Regulation 255/00 for the municipality be disclosed as follows:

	<u>2021</u>	<u>2020</u>
Total debt limit	\$ 3,950,083	\$ 3,862,812
Total debt	<u>(410,361)</u>	<u>(487,232)</u>
Debt limit remaining	<u>\$ 3,539,722</u>	<u>\$ 3,375,580</u>
Debt servicing limit	\$ 658,347	\$ 643,802
Debt servicing	<u>(90,920)</u>	<u>(90,920)</u>
Debt service limit remaining	<u>\$ 567,427</u>	<u>\$ 552,882</u>

The debt limit is calculated at 1.5 times revenue of the municipality (as defined in Alberta Regulation 255/00) and the debt service limit is calculated at 0.25 times such revenue. Incurring debt beyond these limitations requires approval by the Minister of Municipal Affairs. These thresholds are guidelines used by Alberta Municipal Affairs to identify municipalities that could be at financial risk if further debt is acquired. The calculation taken alone does not represent the financial stability of the municipality. Rather, the financial statements must be interpreted as a whole.

9. Accumulated Surplus

Accumulated surplus consists of restricted and unrestricted amounts and equity in tangible capital assets as follows:

	<u>2021</u>	<u>2020</u>
Unrestricted surplus	<u>\$ 611,469</u>	<u>\$ 500,970</u>
Restricted surplus		
Equipment replacement	247,086	425,678
Cemetery contributions	9,000	9,000
Internet Reserve	7,324	7,323
Water capital reserve	474,142	510,039
Sewer capital reserve	<u>475,032</u>	<u>428,731</u>
	<u>1,212,584</u>	<u>1,380,771</u>
Equity in tangible capital assets (Note 10)	<u>9,174,240</u>	<u>9,043,906</u>
	<u>\$ 10,998,293</u>	<u>\$ 10,925,647</u>

VILLAGE OF MANNVILLE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

10. Equity in Tangible Capital Assets

	2021	2020
Tangible capital assets (<i>Schedule 2</i>)	\$ 20,451,089	\$ 20,017,981
Accumulated amortization (<i>Schedule 2</i>)	(10,866,488)	(10,486,843)
Long-term debt (<i>Note 7</i>)	(410,361)	(487,232)
	\$ 9,174,240	\$ 9,043,906

11. Segmented Disclosure

The municipality provides a range of services to its ratepayers. For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in note 1.

Refer to Schedule 7– Segmented Disclosure.

12. Salary and Benefits Disclosure

Disclosure of salaries and benefits for municipal officials and the chief administrative officer and designated officers as required by Alberta Regulation 313/2000 is as follows:

	Salary (1)	Benefits & Allow (2)	2021	2020
<u>Council</u>				
Smith	\$ 10,550	\$ 1,017	\$ 11,567	\$ 10,946
Bielesch	8,200	889	9,089	8,473
Lanovaz	8,450	902	9,352	8,894
McLuckie	7,125	500	7,625	8,825
Jackson	8,100	778	8,878	8,315
Lyster	1,500	155	1,655	-
	43,925	4,241	48,166	45,453
<u>Others</u>				
CAO - Quickstad	98,106	8,845	106,951	106,545
Designated officer (contract)	11,728	-	11,728	11,492
	109,834	8,845	118,679	118,037
	\$ 153,759	\$ 13,086	\$ 166,845	\$ 163,490

(1) Salary includes regular base pay, bonuses, overtime, lump sum payments, gross honoraria and any other direct cash remuneration.

(2) Employer's share of all employee benefits and contributions or payments made on behalf of employees including cell phone reimbursement, pension and health plans.

13. Commitments

The municipality has entered into three-year contracts with Wainwright Assessment Group and JMD Group LLP. These contracts expire in 2023.

VILLAGE OF MANNVILLE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

14. Lease Commitments

The municipality is committed to making the following lease payments for equipment for the golf course:

2022		\$	19,537
2023			9,768
			29,305
		\$	29,305

15. Contaminated Sites Liability

The village has adopted PS3260 Liability for Contaminated Sites. The village did not identify any financial liabilities in 2021 (2020 – nil) as a result of this standard.

16. Contingency

The Village of Mannville is a member of the Alberta Municipal Insurance Exchange (MUNIX). Under the terms of the membership, the Village could become liable for its proportionate share of any claim losses in excess of the funds held by the exchange. Any liability incurred would be accounted for as a current transaction in the year the losses are determined.

17. Financial Instruments

The village’s financial instruments consist of cash , receivables, long-term investments and accounts payable and accrued liabilities, and deferred revenue. It is management’s opinion that the village is not exposed to significant interest or currency risks arising from these financial instruments.

The village is subject to credit risk with respect to taxes receivable and trade and other receivables. Credit risk arises from the possibility that taxpayers and entities to which the village provides services may experience financial difficulty and be unable to fulfill their obligations. The large number and diversity of taxpayers and customers minimizes the credit risk.

Unless otherwise noted, the carrying value of the financial instruments approximates fair value.

18. Approval of Financial Statements

Council has approved these financial statements.

19. Budget Amounts

Budget amounts are included for information purposes only and are not audited.

20. Uncertainty Due to Covid-19

On March 17, 2020, the Government of Alberta declared a public health emergency in response to the COVID-19 pandemic. The measures implemented to combat the spread of the virus have had an impact on the Village; however, an estimate of the financial impact cannot be made at this time.

The Village is closely monitoring the recommendations from public health agencies and government authorities while implementing its operational plan to reduce any adverse financial impact and continue operations.

VILLAGE OF MANNVILLE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

21. Recent Accounting Pronouncements Published But Not Yet Adopted

PSAS Section 1000, Financial Statement Concepts

The amendments are effective beginning on or after April 1, 2023. This standard has been amended to allow for recognition of intangibles.

PSAS Section 1201, Financial Statement Presentation

Revised standard is effective beginning on or after April 1, 2023, when sections PS2601 and PS3450 are adopted.

PSAS Section 2601, Foreign Currency Translation

PS2601 establishes standards on how to account for and report transactions that are denominated in foreign currency in government financial statements. It applies to years beginning on or after April 1, 2022.

PSAS Section 3041, Portfolio Investments

This standard addresses the distinction between temporary and portfolio investments. The standard is effective beginning on or after April 1, 2022, when sections PS1201, PS2601 and PS3450 are adopted.

PSAS Section 3160, Public Private Partnerships

This standard establishes standards on how to account for public private partnership arrangements. It applies in years beginning on or after April 1, 2023.

PSAS Section 3280, Asset Retirement Obligations

This standard is intended to provide guidance on accounting for asset retirement obligations and will apply in years beginning on or after April 1, 2021.

PSAS Section 3400, Revenue

This standard will provide greater clarity on the difference between exchange and non-exchange transactions. It applies in years beginning on or after April 1, 2023.

PSAS Section 3450, Financial Instruments

This standard establishes recognition, measurement and disclosure requirements for derivative and non-derivative financial instruments. It applies to years beginning on or after April 1, 2022.

22. Comparative Figures

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