

**VILLAGE OF MANNVILLE
CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**



VILLAGE OF MANNVILLE

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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, 2022 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 black ink, appearing to read "J. Hodel", is written over a horizontal line.

Jennifer Hodel, CAO
Mannville, Alberta
February 14, 2023



INDEPENDENT AUDITOR'S REPORT

To the Members of Council of The Village of Mannville

Opinion

We have audited the consolidated financial statements of Village of Mannville (the municipality), which comprise the consolidated statement of financial position as at December 31, 2022, and the consolidated statements of operations, changes in net financial assets, 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, 2022, 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 14, 2023


Chartered Professional Accountants

VILLAGE OF MANNVILLE
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2022

	2022	2021
Assets		
Cash (Note 2)	\$ 2,488,196	\$ 2,064,836
Taxes receivable (Note 3)	193,700	188,373
Receivables from other governments	461,428	540,460
Trade and other receivables	89,954	86,600
Inventory held for resale	5,335	4,580
Land held for resale	78,627	78,627
Credit Union shares	287	273
	<u>3,317,527</u>	<u>2,963,749</u>
Liabilities		
Accounts payable and accrued liabilities (Note 5)	211,510	226,821
Tax sale surplus	15,560	15,560
Landfill closure and post-closure liability (Note 4)	200,115	340,115
Deferred revenue (Note 6)	511,502	572,929
Long term debt (Note 7)	681,334	410,361
	<u>1,620,021</u>	<u>1,565,786</u>
Net financial assets	<u>1,697,506</u>	<u>1,397,963</u>
Non-financial assets		
Tangible capital assets (Schedule 2)	9,443,634	9,584,601
Inventory	30,000	15,000
Prepaid expenses	-	729
	<u>9,473,634</u>	<u>9,600,330</u>
Accumulated surplus (Schedule 1, Note 9)	\$ 11,171,140	\$ 10,998,293

APPROVED BY:

 _____ Mayor

VILLAGE OF MANNVILLE
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Budget (Unaudited)	2022	2021
Revenue			
Net municipal taxes (Schedule 3)	\$ 857,814	\$ 857,817	\$ 844,789
Sales and user fees	1,142,150	1,310,783	1,272,475
Government transfers for operating (Schedule 4)	430,712	249,353	287,624
Investment income	4,100	23,903	4,149
Penalties and costs of taxes	25,000	28,932	26,860
Rentals and leases	23,792	29,943	27,014
Franchise and concession contracts	168,483	166,908	137,599
Licenses and permits	1,450	2,265	1,800
Other	5,500	173,631	31,079
	<u>2,659,001</u>	<u>2,843,535</u>	<u>2,633,389</u>
Expenses			
Administration and legislative	683,652	442,781	453,814
Protective services	72,518	177,668	100,205
By-law enforcement	10,600	8,557	5,130
Roads, streets, walks, lighting	515,586	514,618	466,562
Water supply and distribution	531,934	506,392	519,252
Wastewater treatment and disposal	168,846	249,668	226,595
Waste management	131,800	111,109	212,640
Family and community support services	121,480	115,758	113,580
Cemetery	19,062	21,636	16,339
Planning and development	29,625	8,389	4,031
Recreation and culture	224,739	222,781	214,247
Golf course (Schedule 6)	676,676	682,385	581,180
	<u>3,186,518</u>	<u>3,061,742</u>	<u>2,913,575</u>
Deficiency of revenue over expenses before other	(527,517)	(218,207)	(280,186)
Other			
Government transfers for capital (Schedule 4)	459,500	391,054	355,368
Gain (loss) on disposal of tangible capital assets	-	-	(2,536)
Excess (deficiency) of revenue over expenses	(68,017)	172,847	72,646
Accumulated surplus - beginning of year	<u>10,998,293</u>	<u>10,998,293</u>	<u>10,925,647</u>
Accumulated surplus - end of year	<u>\$ 10,930,276</u>	<u>\$ 11,171,140</u>	<u>\$ 10,998,293</u>

VILLAGE OF MANNVILLE
CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Budget (Unaudited)	2022	2021
Excess (deficiency) of revenue over expenses	\$ (68,017)	\$ 172,847	\$ 72,646
Acquisition of tangible capital assets	(497,500)	(417,667)	(471,623)
Amortization of tangible capital assets	405,540	439,605	413,575
Proceeds on disposal of tangible capital assets	-	-	2,050
Transfer fire department assets to County of Minburn	-	119,029	-
Loss (gain) on disposal of tangible capital assets	-	-	2,536
	(91,960)	140,967	(53,462)
Decrease in prepaid expenses	-	729	-
Decrease (increase) in inventory	-	(15,000)	-
	(91,960)	126,696	(53,462)
Increase (decrease) in net financial assets	(159,977)	299,543	19,184
Net financial assets - beginning of year	1,397,963	1,397,963	1,378,779
Net financial assets - end of year	\$ 1,237,986	\$ 1,697,506	\$ 1,397,963

VILLAGE OF MANNVILLE
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022

	2022	2021
Operating		
Excess of revenue over expenses	\$ 172,847	\$ 72,646
Items not affecting cash:		
Amortization of tangible capital assets	439,605	413,574
Loss on disposal of tangible capital assets	-	2,536
Transfer fire department assets to County of Minburn	119,029	-
	<u>731,481</u>	<u>488,756</u>
Changes in non-cash working capital:		
Taxes receivable	(5,327)	5,176
Receivables from other governments	79,032	(129,326)
Trade and other receivables	(3,356)	(9,480)
Inventory held for resale	(755)	(1,044)
Inventory	(15,000)	-
Prepaid expenses	729	-
Accounts payable and accrued liabilities	(15,309)	5,874
Landfill closure and post-closure liability	(140,000)	100,000
Deferred revenue	(61,427)	27,422
Tax sale surplus	-	3,179
	<u>(161,413)</u>	<u>1,801</u>
Cash flow from operations	<u>570,068</u>	<u>490,557</u>
Capital		
Acquisition of tangible capital assets	(417,667)	(471,623)
Proceeds on disposal of property, plant and equipment	-	2,050
	<u>(417,667)</u>	<u>(469,573)</u>
Financing		
Issuance of debenture	350,000	-
Repayment of long term debt	(79,027)	(76,871)
	<u>270,973</u>	<u>(76,871)</u>
Investing		
Decrease (increase) in restricted cash	(60,476)	111,383
Decrease (increase) in investments	(14)	(10)
	<u>(60,490)</u>	<u>111,373</u>
Increase in cash flow	362,884	55,486
Cash - beginning of year	<u>1,999,551</u>	<u>1,944,065</u>
Cash - end of year	\$ 2,362,435	\$ 1,999,551
Cash consists of:		
Cash (Note 2)	\$ 2,488,196	\$ 2,064,836
Less: restricted cash	(125,761)	(65,285)
	<u>\$ 2,362,435</u>	<u>\$ 1,999,551</u>

VILLAGE OF MANNVILLE
SCHEDULE 1 - CHANGES IN ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2022	2021
Balance, beginning of year	\$ 611,469	\$ 1,212,584	\$ 9,174,240	\$ 10,998,293	\$ 10,925,647
Excess of revenue over expenses	172,847	-	-	172,847	72,646
Funds designated for future use	(488,408)	488,408	-	-	-
Reserve funds used	-	(37,090)	37,090	-	-
Funds used for tangible capital assets	(30,577)	-	380,577	350,000	-
Annual amortization expense	439,605	-	(439,605)	-	-
Transfer fire department assets to County of Minburn	119,029	-	(119,029)	-	-
Issuance of debenture	-	-	(350,000)	(350,000)	-
Long-term debt repaid	(79,027)	-	79,027	-	-
Change in accumulated surplus	133,469	451,318	(411,940)	172,847	72,646
Balance, end of year	\$ 744,938	\$ 1,663,902	\$ 8,762,300	\$ 11,171,140	\$ 10,998,293

VILLAGE OF MANNVILLE
SCHEDULE 2 - TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Land	Land Improvements	Buildings	Engineered Structures	Machinery & Equipment	Vehicles	2022	2021
Cost								
Balance, beginning of year	\$ 420,874	\$ 931,437	\$ 6,346,113	\$ 11,113,238	\$ 1,480,381	\$ 159,046	\$ 20,451,089	\$ 20,017,981
Acquisition of tangible capital assets	-	9,270	-	179,413	228,984	-	417,667	471,622
Disposal of tangible capital assets	-	-	-	-	-	-	-	(38,514)
Transfer of fire department assets to County of Minburn	(811)	-	(123,554)	-	(156,560)	-	(280,925)	-
Balance, end of year	420,063	940,707	6,222,559	11,292,651	1,552,805	159,046	20,587,831	20,451,089
Accumulated amortization								
Balance, beginning of year	-	321,451	3,916,131	5,558,982	951,554	118,370	10,866,488	10,486,843
Annual amortization	-	21,454	122,276	220,563	70,986	4,326	439,605	413,574
Accumulated amortization on disposals	-	-	-	-	-	-	-	(33,929)
Transfer of fire department assets to County of Minburn	-	-	(86,536)	-	(75,360)	-	(161,896)	-
Balance, end of year	-	342,905	3,951,871	5,779,545	947,180	122,696	11,144,197	10,866,488
Net book value of tangible capital assets	\$ 420,063	\$ 597,802	\$ 2,270,688	\$ 5,513,106	\$ 605,625	\$ 36,350	\$ 9,443,634	\$ 9,584,601
2021 Net book value of tangible capital assets	\$ 420,874	\$ 609,986	\$ 2,429,982	\$ 5,554,256	\$ 528,827	\$ 40,676	\$ 9,584,601	

VILLAGE OF MANNVILLE
SCHEDULE 3 - PROPERTY TAXES LEVIED
FOR THE YEAR ENDED DECEMBER 31, 2022

	Budget (Unaudited)	2022	2021
Taxation			
Residential	\$ 746,251	\$ 745,241	\$ 738,258
Commercial	204,941	205,927	200,379
Linear property	61,146	61,173	60,046
	<u>1,012,338</u>	<u>1,012,341</u>	<u>998,683</u>
Requisitions			
Alberta School Foundation Fund	139,861	139,861	142,739
MD of Minburn Foundation	14,663	14,663	11,155
	<u>154,524</u>	<u>154,524</u>	<u>153,894</u>
Net taxes for general municipal operations	<u>\$ 857,814</u>	<u>\$ 857,817</u>	<u>\$ 844,789</u>

SCHEDULE 4 - GOVERNMENT TRANSFERS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Budget (Unaudited)	2022	2021
Transfers for operations			
Federal	\$ 11,340	\$ 11,840	\$ 14,199
Provincial	415,372	233,263	205,466
Local governments	4,000	4,250	67,959
	<u>430,712</u>	<u>249,353</u>	<u>287,624</u>
Transfers for capital			
Provincial	459,500	391,054	355,368
Total government transfers	<u>\$ 890,212</u>	<u>\$ 640,407</u>	<u>\$ 642,992</u>

VILLAGE OF MANNVILLE
SCHEDULE 5 - CONSOLIDATED EXPENSES BY OBJECT
FOR THE YEAR ENDED DECEMBER 31, 2022

	Budget (Unaudited)	2022	2021
Expenses			
Salaries, wages and benefits	\$ 812,200	\$ 781,464	\$ 791,010
Contracted and general services	784,551	553,645	485,972
Purchased from other governments	471,231	452,483	457,573
Materials, goods, supplies and utilities	455,200	476,403	419,347
Provision for allowance	2,500	(3,100)	2,500
Transfers to other governments	50,000	162,946	143,116
Transfer to local boards and organizations	168,153	163,632	162,597
Bank charges and short term interest	14,000	12,980	12,590
Interest on long-term debt	11,893	12,324	13,801
Other expenses	11,250	9,360	11,494
Amortization	405,540	439,605	413,575
Total expenses	\$ 3,186,518	\$ 3,061,742	\$ 2,913,575

VILLAGE OF MANNVILLE
SCHEDULE 6 - GOLF COURSE STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2022

	Budget (Unaudited)	2022	2021
Revenue			
Fees and rentals	\$ 338,300	\$ 317,269	\$ 335,566
Sale of confections	175,000	196,493	169,308
Camping	130,000	127,418	126,723
Sale of merchandise	31,600	43,674	31,609
Government transfers for operations	38,200	38,200	40,300
Sponsorships/donations	-	16,535	22,654
	<u>713,100</u>	<u>739,589</u>	<u>726,160</u>
Expenses			
Wages and benefits	271,600	267,420	259,671
Confections	92,700	111,008	86,882
Utilities	87,045	94,269	46,763
Amortization	48,976	67,571	48,976
Supplies	43,080	52,713	28,677
Merchandise	22,000	26,450	20,843
Repairs and maintenance	66,080	20,216	50,118
Equipment rentals	21,513	20,068	19,961
Bank charges	7,500	7,298	6,977
Advertising	7,000	6,139	3,931
Insurance	3,982	3,981	3,472
Telephone	4,500	3,888	4,246
Interest on long-term debt	-	686	-
Property taxes	700	678	663
	<u>676,676</u>	<u>682,385</u>	<u>581,180</u>
Excess of revenue over expenses before capital	36,424	57,204	144,980
Capital	-		
Government transfers for capital	70,000	139,720	27,768
Excess of revenue over expenses	\$ 106,424	\$ 196,924	\$ 172,748
Supplementary Information			
Acquisition of tangible capital assets	\$ 108,000	\$ 176,810	\$ 192,385

VILLAGE OF MANNVILLE
SCHEDULE 7 - SEGMENTED DISCLOSURE
FOR THE YEAR ENDED DECEMBER 31, 2022

	General Government	Protective Services	Transportation Services	Environmental Services	Public Health	Planning and Development	Recreation and Culture	Total
Revenue								
Net municipal taxes	\$ 857,817	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 857,817
Sales and user fees	-	30	-	629,570	5,629	-	675,554	1,310,783
Government transfers for operating	31,262	4,602	4,200	24,239	105,910	-	79,140	249,353
Investment income	23,903	-	-	-	-	-	-	23,903
Other operating revenues	215,367	485	50	140,090	5,625	7,018	33,044	401,679
Government transfers for capital	19,157	-	189,890	-	-	-	182,007	391,054
	1,147,506	5,117	194,140	793,899	117,164	7,018	969,745	3,234,589
Expenses								
Salaries, wages and benefits	297,791	900	134,624	80,729	-	-	267,420	781,464
Contracted and general services	96,276	61,052	69,801	347,366	23,098	8,389	141,918	747,900
Materials, goods, supplies and utilities	28,796	1,660	129,388	308,389	969	-	265,429	734,631
Transfers to others	-	119,029	-	43,917	112,512	-	51,120	326,578
Interest on long-term debt	-	-	-	11,638	-	-	686	12,324
Other expenses	11,942	-	-	-	-	-	7,298	19,240
	434,805	182,641	333,813	792,039	136,579	8,389	733,871	2,622,137
Net revenue before amortization	712,701	(177,524)	(139,673)	1,860	(19,415)	(1,371)	235,874	612,452
Amortization expense	(7,974)	(3,585)	(180,806)	(75,129)	(815)	-	(171,296)	(439,605)
Net revenue	\$ 704,727	\$ (181,109)	\$ (320,479)	\$ (73,269)	\$ (20,230)	\$ (1,371)	\$ 64,578	\$ 172,847

VILLAGE OF MANNVILLE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

1. 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, 2022

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, 2022

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
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FOR THE YEAR ENDED DECEMBER 31, 2022

2. Cash

	2022	2021
Petty cash	\$ 249	\$ 250
Current account	947,517	502,184
Savings accounts	1,523,575	1,545,647
Trust account	16,855	16,755
	\$ 2,488,196	\$ 2,064,836

Council has designated \$1,663,902 (2021 - \$1,212,584) to fund reserves.

Included in cash is a restricted amount of \$125,761 (2021 - \$65,285) comprised of deferred grant revenue received and not expended (see Note 6).

3. Taxes Receivable

	2022	2021
Current	\$ 155,432	\$ 175,113
Arrears	72,180	50,272
Less: allowance	(33,912)	(37,012)
	\$ 193,700	\$ 188,373

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.

All partner municipalities of the Mannville landfill site formed East Regional Waste Transfer Station in 2013. Reclamation of the Mannville landfill site is expected to occur in 2023.

A new engineering study was conducted in 2022 to determine the cost of the landfill reclamation. The total estimated cost has been reduced to \$555,400 of which the village's portion is 36.22%. The only expected post-closure costs will be groundwater monitoring which will be minimal.

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:

	2022	2021
Estimated closure costs	\$ 200,115	\$ 520,977
Estimated post-closure costs	-	102,339
Estimated total liability	200,115	623,316
Amount accrued to December 31	(200,115)	(340,115)
Balance of estimated costs to accrue	\$ -	\$ 283,201

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

5. Employee Benefit Obligation

Included in wages and benefits payable is a vacation liability of \$20,984 (2021 - \$30,405). 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

	2022	2021
MSI Capital	\$ 355,308	\$ 458,562
Federal Gas Tax Fund	-	81,818
ACP - Intermunicipal Collaboration Framework	125,761	-
EMPP - Emergency Management Preparedness	-	4,352
FCSS	-	7,955
Communities in Bloom	13,290	16,942
Other	17,143	3,300
	\$ 511,502	\$ 572,929

Unexpended funding in the amount of \$481,069 (2021 - \$552,687) 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 \$125,761 (2021 - \$65,285) and the remaining deferred grants are supported by receivables from other governments.

7. Long-Term Debt

	2022	2021
Utility supported debentures	\$ 331,334	\$ 410,361
Tax supported debentures	350,000	-
	\$ 681,334	\$ 410,361

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

	Principal	Interest	Total
2023	\$ 94,546	\$ 25,004	\$ 119,550
2024	82,450	21,943	104,393
2025	85,453	18,940	104,393
2026	88,568	15,825	104,393
2027	91,801	12,592	104,393
Thereafter	238,516	25,615	264,131
	\$ 681,334	\$ 119,919	\$ 801,253

Debenture debt is repayable to Alberta Capital Finance Authority and bears interest at rates ranging from 2.229% to 4.47% per annum and matures in periods 2023 through 2032. The average annual interest rate is 3.323% for 2022 (3.075% for 2021).

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

Interest on long-term debt amounted to \$12,324 (2021 - \$13,801).

The village's total cash payments for interest in 2022 were \$11,892 (2021 - \$14,049).

VILLAGE OF MANNVILLE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

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:De

	<u>2022</u>	<u>2021</u>
Total debt limit	\$ 4,265,305	\$ 3,950,083
Total debt	<u>(681,334)</u>	<u>(410,361)</u>
Debt limit remaining	<u>\$ 3,583,971</u>	<u>\$ 3,539,722</u>
Debt servicing limit	\$ 710,884	\$ 658,347
Debt servicing	<u>(119,550)</u>	<u>(90,920)</u>
Debt service limit remaining	<u>\$ 591,334</u>	<u>\$ 567,427</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>2022</u>	<u>2021</u>
Unrestricted surplus	<u>\$ 744,938</u>	<u>\$ 611,469</u>
Restricted surplus		
Equipment replacement	559,996	247,086
Cemetery contributions	9,000	9,000
Internet Reserve	7,324	7,324
Water capital reserve	564,509	474,142
Sewer capital reserve	<u>523,073</u>	<u>475,032</u>
	<u>1,663,902</u>	<u>1,212,584</u>
Equity in tangible capital assets (Note 10)	<u>8,762,300</u>	<u>9,174,240</u>
	<u>\$ 11,171,140</u>	<u>\$ 10,998,293</u>

VILLAGE OF MANNVILLE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

10. Equity in Tangible Capital Assets

	2022	2021
Tangible capital assets (<i>Schedule 2</i>)	\$ 20,587,831	\$ 20,451,089
Accumulated amortization (<i>Schedule 2</i>)	(11,144,197)	(10,866,488)
Long-term debt (<i>Note 7</i>)	(681,334)	(410,361)
	\$ 8,762,300	\$ 9,174,240

11. Local Authorities Pension Plan

Employees of the village participate in the Local Authorities Pension Plan (LAPP), which is one of the plans covered by the Alberta Public Sector Pension Plans Act. The LAPP serves about 282,000 people and 435 employers. The LAPP is financed by employer and employee contributions and by investment earnings of the LAPP Fund.

Contributions for current service are recorded as expenditures in the year in which they become due.

The village is required to make current service contributions to the LAPP of 8.45% of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 12.8% on pensionable earnings above this amount. Employees of the village are required to make current service contributions of 7.45% of pensionable salary up to the year's maximum pensionable salary and 11.8% on pensionable salary above this amount.

Total current service contributions by the village to the LAPP in 2022 were \$2,436 (2021 - NIL). Total current service contributions by the employees of the village to the LAPP in 2022 were \$2,206 (2021 - NIL).

At December 31, 2021, the LAPP disclosed an actuarial surplus of \$11.9 billion

12. 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.

13. Other Credit Facility

The village has a Vermillion Credit Unin MasterCard with a limit of \$20,000. Interest is calculated on principal owing beyond one month at the rate of 19.99%. This credit facility is issued on the credit and security of the village at large.

VILLAGE OF MANNVILLE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

14. 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)	2022	2021
Council				
Smith	\$ 12,725	\$ 526	\$ 13,251	\$ 11,567
Bielesch	9,475	341	9,816	9,089
Lanovaz	10,525	400	10,925	9,352
Jackson	8,975	312	9,287	8,878
Lyster	7,975	255	8,230	1,655
McLuckie	-	-	-	7,625
	<u>49,675</u>	<u>1,834</u>	<u>51,509</u>	<u>48,166</u>
Others				
CAO - Hodel	26,667	5,504	32,171	-
CAO - Quickstad	74,520	7,946	82,466	106,951
Designated officer (contract)	12,048	-	12,048	11,728
	<u>113,235</u>	<u>13,450</u>	<u>126,685</u>	<u>118,679</u>
	<u>\$ 162,910</u>	<u>\$ 15,284</u>	<u>\$ 178,194</u>	<u>\$ 166,845</u>

- (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.

15. Commitments

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

16. Lease Commitments

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

2023	\$ 11,401
2024	1,633
2025	1,633
2026	1,633
2027	1,633
	<u>\$ 17,933</u>

17. Contaminated Sites Liability

The village has adopted PS3260 Liability for Contaminated Sites. The village did not identify any financial liabilities in 2022 (2021 – nil) as a result of this standard.

VILLAGE OF MANNVILLE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

18. 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.

19. 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.

20. Approval of Financial Statements

Council has approved these financial statements.

21. Budget Amounts

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

22. Recent Accounting Pronouncements Published But Not Yet Adopted

Conceptual Framework for Financial Reporting in the Public Sector

This standard describes the concepts underlying the development and use of accounting principles in government financial statements. It also identifies the objectives of government financial statements that are generally acceptable to the users and preparers of the statements. It applies to years beginning on or after April 1, 2026.

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 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.

23. Comparative Figures

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