

VILLAGE OF MANNVILLE
CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023



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, 2023 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.

Jennifer Hodel, CAO
Mannville, Alberta
February 13, 2024



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, 2023, 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, 2023, 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 13, 2024


Chartered Professional Accountants

VILLAGE OF MANNVILLE
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023

	2023	2022
Assets		
Cash (<i>Note 2</i>)	\$ 2,653,189	\$ 2,488,196
Taxes receivable (<i>Note 3</i>)	195,413	193,700
Receivables from other governments	196,950	461,428
Trade and other receivables	89,009	89,954
Inventory held for resale	5,256	5,335
Land held for resale	78,627	78,627
Credit Union shares	304	287
	<u>3,218,748</u>	<u>3,317,527</u>
Liabilities		
Accounts payable and accrued liabilities (<i>Note 4</i>)	328,778	211,510
Tax sale surplus	15,560	15,560
Landfill closure and post-closure liability (<i>Note 5</i>)	139,474	200,115
Deferred revenue (<i>Note 6</i>)	436,901	511,502
Long term debt (<i>Note 7</i>)	586,788	681,334
	<u>1,507,501</u>	<u>1,620,021</u>
Net financial assets	<u>1,711,247</u>	<u>1,697,506</u>
Non-financial assets		
Tangible capital assets (<i>Schedule 2</i>)	9,805,672	9,443,634
Inventory	30,000	30,000
	<u>9,835,672</u>	<u>9,473,634</u>
Accumulated surplus (<i>Schedule 1, Note 9</i>)	<u>\$ 11,546,919</u>	<u>\$ 11,171,140</u>

APPROVED BY:

_____ *Mayor*

VILLAGE OF MANNVILLE
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budget (Unaudited)	2023	2022
Revenue			
Net municipal taxes (<i>Schedule 3</i>)	\$ 856,077	\$ 855,628	\$ 857,817
Sales and user fees	1,181,750	1,453,483	1,310,783
Government transfers for operating (<i>Schedule 4</i>)	449,016	420,850	249,353
Investment income	20,100	77,648	23,903
Penalties and costs of taxes	25,000	25,858	28,932
Rentals and leases	27,000	26,868	29,943
Franchise and concession contracts	167,500	152,292	166,908
Licenses and permits	1,200	2,805	2,265
Other	6,500	90,593	173,631
	<u>2,734,143</u>	<u>3,106,025</u>	<u>2,843,535</u>
Expenses			
Administration and legislative	476,679	433,756	442,781
Protective services	66,417	71,177	177,668
By-law enforcement	10,600	9,417	8,557
Roads, streets, walks, lighting	543,478	492,034	514,618
Water supply and distribution	437,242	388,559	506,392
Wastewater treatment and disposal	289,517	240,366	249,668
Waste management	142,750	122,076	111,109
Family and community support services	117,695	118,532	115,758
Cemetery	23,939	20,024	21,636
Planning and development	26,125	7,549	8,389
Recreation and culture	233,420	262,190	222,781
Golf course (<i>Schedule 6</i>)	713,439	754,112	682,385
	<u>3,081,301</u>	<u>2,919,792</u>	<u>3,061,742</u>
Deficiency of revenue over expenses before other	(347,158)	186,233	(218,207)
Other			
Government transfers for capital (<i>Schedule 4</i>)	106,500	118,173	391,054
Contributed capital asset	-	62,325	-
Gain on sale of capital assets	-	9,048	-
	<u></u>	<u></u>	<u></u>
Excess (deficiency) of revenue over expenses	(240,658)	375,779	172,847
Accumulated surplus - beginning of year	11,171,140	11,171,140	10,998,293
Accumulated surplus - end of year	<u>\$ 10,930,482</u>	<u>\$ 11,546,919</u>	<u>\$ 11,171,140</u>

VILLAGE OF MANNVILLE
CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budget (Unaudited)	2023	2022
Excess (deficiency) of revenue over expenses	\$ (240,658)	\$ 375,779	\$ 172,847
Acquisition of tangible capital assets	(590,000)	(754,417)	(417,667)
Amortization of tangible capital assets	439,603	454,704	439,606
Proceeds on disposal of tangible capital assets	-	9,048	-
Transfer fire department assets to County of Minburn	-	-	119,029
Contributed capital asset	-	(62,325)	-
Loss (gain) on disposal of tangible capital assets	-	(9,048)	-
	(150,397)	(362,038)	140,968
Decrease in prepaid expenses	-	-	729
Decrease (increase) in inventory	-	-	(15,000)
	(150,397)	(362,038)	126,697
Increase (decrease) in net financial assets	(391,055)	13,741	299,544
Net financial assets - beginning of year	1,697,506	1,697,506	1,397,962
Net financial assets - end of year	\$ 1,306,451	\$ 1,711,247	\$ 1,697,506

VILLAGE OF MANNVILLE
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023

	2023	2022
Operating		
Excess of revenue over expenses	\$ 375,779	\$ 172,847
Items not affecting cash:		
Amortization of tangible capital assets	454,704	439,605
Transfer fire department assets to County of Minburn	-	119,029
Contributed capital asset	(62,325)	-
Gain on sale of tangible capital assets	(9,048)	-
	<u>759,110</u>	<u>731,481</u>
Changes in non-cash working capital:		
Taxes receivable	(1,713)	(5,327)
Receivables from other governments	264,478	79,032
Trade and other receivables	945	(3,356)
Inventory held for resale	79	(755)
Inventory	-	(15,000)
Prepaid expenses	-	729
Accounts payable and accrued liabilities	117,268	(15,309)
Landfill closure and post-closure liability	(60,641)	(140,000)
Deferred revenue	(74,601)	(61,427)
	<u>245,815</u>	<u>(161,413)</u>
Cash flow from operations	<u>1,004,925</u>	<u>570,068</u>
Capital		
Acquisition of tangible capital assets	(754,417)	(417,667)
Proceeds on disposal of property, plant and equipment	9,048	-
	<u>(745,369)</u>	<u>(417,667)</u>
Financing		
Issuance of debenture	-	350,000
Repayment of long term debt	(94,546)	(79,027)
	<u>(94,546)</u>	<u>270,973</u>
Investing		
Decrease (increase) in restricted cash	(130,992)	(60,476)
Decrease (increase) in investments	(17)	(14)
	<u>(131,009)</u>	<u>(60,490)</u>
Increase in cash flow	34,001	362,884
Cash - beginning of year	<u>2,362,435</u>	<u>1,999,551</u>
Cash - end of year	\$ 2,396,436	\$ 2,362,435
Cash consists of:		
Cash (Note 2)	\$ 2,653,189	\$ 2,488,196
Less: restricted cash	(256,753)	(125,761)
	<u>\$ 2,396,436</u>	<u>\$ 2,362,435</u>

VILLAGE OF MANNVILLE
SCHEDULE 1 - CHANGES IN ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2023	2022
Balance, beginning of year	\$ 744,938	\$ 1,663,902	\$ 8,762,300	\$ 11,171,140	\$ 10,998,293
Excess of revenue over expenses	375,779	-	-	375,779	172,847
Funds designated for future use	(397,609)	397,609	-	-	-
Contribution of capital assets	(62,325)	-	62,325	-	-
Funds used for tangible capital assets	(251,118)	(503,299)	754,417	-	350,000
Annual amortization expense	454,704	-	(454,704)	-	-
Issuance of debenture	-	-	-	-	(350,000)
Long-term debt repaid	(94,546)	-	94,546	-	-
Change in accumulated surplus	24,885	(105,690)	456,584	375,779	172,847
Balance, end of year	\$ 769,823	\$ 1,558,212	\$ 9,218,884	\$ 11,546,919	\$ 11,171,140

VILLAGE OF MANNVILLE
SCHEDULE 2 - TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Land	Land Improvements	Buildings	Engineered Structures	Machinery & Equipment	Vehicles	2023	2022
Cost								
Balance, beginning of year	\$ 420,063	\$ 940,707	\$ 6,222,559	\$ 11,292,651	\$ 1,552,805	\$ 159,046	\$ 20,587,831	\$ 20,451,089
Acquisition of tangible capital assets	-	633,612	62,325	40,430	30,801	49,574	816,742	417,667
Disposal of tangible capital assets	-	-	-	-	(25,000)	-	(25,000)	(280,925)
Balance, end of year	420,063	1,574,319	6,284,884	11,333,081	1,558,606	208,620	21,379,573	20,587,831
Accumulated amortization								
Balance, beginning of year	-	342,905	3,951,871	5,779,545	947,180	122,696	11,144,197	10,866,488
Annual amortization	-	21,660	122,275	225,182	81,262	4,325	454,704	439,605
Accumulated amortization on disposals	-	-	-	-	(25,000)	-	(25,000)	(161,896)
Balance, end of year	-	364,565	4,074,146	6,004,727	1,003,442	127,021	11,573,901	11,144,197
Net book value of tangible capital assets	\$ 420,063	\$ 1,209,754	\$ 2,210,738	\$ 5,328,354	\$ 555,164	\$ 81,599	\$ 9,805,672	\$ 9,443,634
2022 Net book value of tangible capital assets	\$ 420,063	\$ 597,802	\$ 2,270,688	\$ 5,513,106	\$ 605,625	\$ 36,350	\$ 944,363	

VILLAGE OF MANNVILLE
SCHEDULE 3 - PROPERTY TAXES LEVIED
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budget (Unaudited)	2023	2022
Taxation			
Residential	\$ 761,816	\$ 737,155	\$ 745,242
Commercial	194,835	216,376	205,927
Linear property	51,410	54,082	61,173
	1,008,061	1,007,613	1,012,342
Requisitions			
Alberta School Foundation Fund	136,943	136,944	139,862
MD of Minburn Foundation	15,041	15,041	14,663
	151,984	151,985	154,525
Net taxes for general municipal operations	\$ 856,077	\$ 855,628	\$ 857,817

SCHEDULE 4 - GOVERNMENT TRANSFERS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budget (Unaudited)	2023	2022
Transfers for operations			
Federal	\$ 13,920	\$ 5,520	\$ 11,839
Provincial	431,096	411,330	233,264
Local governments	4,000	4,000	4,250
	449,016	420,850	249,353
Transfers for capital			
Provincial	106,500	118,173	391,054
Total government transfers	\$ 555,516	\$ 539,023	\$ 640,407

VILLAGE OF MANNVILLE
SCHEDULE 5 - CONSOLIDATED EXPENSES BY OBJECT
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budget (Unaudited)	2023	2022
Expenses			
Salaries, wages and benefits	\$ 835,227	\$ 839,564	\$ 781,464
Contracted and general services	631,624	515,710	553,645
Purchased from other governments	389,077	363,202	452,483
Materials, goods, supplies and utilities	505,419	480,131	476,403
Provision for allowance	-	101	(3,100)
Transfers to other governments	68,000	39,219	162,946
Transfer to local boards and organizations	171,347	173,728	163,632
Bank charges and short term interest	14,000	17,026	12,980
Interest on long-term debt	25,004	24,786	12,324
Other expenses	2,000	11,621	9,360
Amortization	439,603	454,704	439,605
Total expenses	\$ 3,081,301	\$ 2,919,792	\$ 3,061,742

VILLAGE OF MANNVILLE
SCHEDULE 6 - GOLF COURSE STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2023

	Budget (Unaudited)	2023	2022
Revenue			
Fees and rentals	\$ 326,300	\$ 361,356	\$ 317,269
Sale of confections	210,000	227,399	196,493
Camping	127,500	163,736	127,418
Sale of merchandise	43,500	38,140	43,674
Government transfers for operations	38,200	34,000	38,200
Sponsorships/donations	1,500	12,376	16,535
	747,000	837,007	739,589
Expenses			
Wages and benefits	289,977	312,159	267,420
Confections	118,105	131,716	111,008
Utilities	65,000	61,745	94,269
Amortization	67,571	84,522	67,571
Supplies	46,200	41,133	52,713
Merchandise	27,000	27,587	26,450
Repairs and maintenance	38,900	34,164	20,216
Equipment rentals	20,537	19,777	20,068
Bank charges	7,500	8,822	7,298
Advertising	8,000	8,173	6,139
Insurance	4,118	4,442	3,981
Telephone	4,500	3,918	3,888
Interest on long-term debt	15,331	15,241	686
Property taxes	700	713	678
	713,439	754,112	682,385
Excess of revenue over expenses before capital	33,561	82,895	57,204
Capital			
Government transfers for capital	-	-	139,720
Contributed capital asset	-	62,325	-
Gain on disposal of tangible capital assets	-	9,048	-
Capital total	-	71,373	139,720
Excess of revenue over expenses	\$ 33,561	\$ 154,268	\$ 196,924
Supplementary Information			
Acquisition of tangible capital assets	\$ 354,000	\$ 636,911	\$ 176,810
Contributed capital asset	-	62,325	-
Principal repayment on debenture	28,456	28,456	-
	\$ 382,456	\$ 727,692	\$ 176,810

VILLAGE OF MANNVILLE
SCHEDULE 7 - SEGMENTED DISCLOSURE
FOR THE YEAR ENDED DECEMBER 31, 2023

	General Government	Protective Services	Transportation Services	Environmental Services	Public Health	Planning and Development	Recreation and Culture	Total
Revenue								
Net municipal taxes	\$ 855,628	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 855,628
Sales and user fees	20	-	27,249	621,304	24,591	-	780,319	1,453,483
Government transfers for operating	102,274	-	4,200	104,879	108,926	20,250	80,320	420,849
Investment income	77,648	-	-	-	-	-	-	77,648
Other operating revenues	193,199	1,069	4,586	64,049	4,320	7,442	23,751	298,416
Government transfers for capital	-	-	65,242	52,932	-	-	-	118,174
Other capital revenue	-	-	-	-	-	-	71,373	71,373
	1,228,769	1,069	101,277	843,164	137,837	27,692	955,763	3,295,571
Expenses								
Salaries, wages and benefits	270,735	400	145,774	110,494	-	-	312,161	839,564
Contracted and general services	109,268	75,354	52,213	222,524	22,349	7,549	158,332	647,589
Materials, goods, supplies and utilities	24,177	1,255	124,663	289,704	835	-	270,821	711,455
Transfers to others	-	-	-	39,219	114,557	-	59,171	212,947
Interest on long-term debt	-	-	-	9,545	-	-	15,241	24,786
Other expenses	19,874	-	-	51	-	-	8,822	28,747
	424,054	77,009	322,650	671,537	137,741	7,549	824,548	2,465,088
Net revenue before amortization	804,715	(75,940)	(221,373)	171,627	96	20,143	131,215	830,483
Amortization expense	(9,702)	(3,585)	(169,385)	(79,463)	(815)	-	(191,754)	(454,704)
Net revenue	\$ 795,013	\$ (79,525)	\$ (390,758)	\$ 92,164	\$ (719)	\$ 20,143	\$ (60,539)	\$ 375,779

VILLAGE OF MANNVILLE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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.

Financial Instruments

Financial instruments are recorded at fair value when acquired or issued and subsequently measured at amortized cost. Transaction costs and financial fees associated with financial instruments carried at amortized cost are recorded as adjustments to the initial fair value recognized and amortized over the life of the financial instrument.

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VILLAGE OF MANNVILLE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

1. Significant Accounting Policies *(continued)*

Cash

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

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.

Deferred Revenue

Deferred revenues represent government transfers (collected or allocated), donations, and other amounts that have been collected, but for which the related services have yet to be performed or agreement stipulations have not been met. These amounts will be recognized as revenues when revenue recognition criteria have been met.

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VILLAGE OF MANNVILLE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

1. Significant Accounting Policies *(continued)*

Revenue Recognition

Revenue from transactions with no performance obligation is recognized at realizable value when the village has the authority to claim or retain an inflow of economic resources and identifies a past transaction or event giving rise to an asset.

Revenue from transactions with performance obligations is recognized as the performance obligations are satisfied by providing the promised goods or services to the payor. User fees are recognized over the period of use, sales of goods are recognized when goods are delivered. Licenses and permits with a single performance obligation at a point in time are recognized as revenue on issuance.

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

(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.

(continues)

VILLAGE OF MANNVILLE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

1. Significant Accounting Policies (continued)

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.

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.

Asset Retirement

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 there is a legal obligation for the village 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 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 village reviews the carrying amount of the liability. The village 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 village 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.

2. Cash

	<u>2023</u>	<u>2022</u>
Petty cash	\$ 250	\$ 249
Current account	1,049,135	947,517
Savings accounts	1,586,742	1,523,575
Trust account	17,062	16,855
	<u>\$ 2,653,189</u>	<u>\$ 2,488,196</u>

Council has designated \$1,293,212, (2022- \$1,663,902) to fund reserves.

Included in cash is a restricted amount of \$256,753 (2022 - \$125,761) comprised of deferred grant revenue received and not expended (see Note 6).

VILLAGE OF MANNVILLE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

3. Taxes Receivable

	2023	2022
Current	\$ 140,461	\$ 155,432
Arrears	88,864	72,180
Less: allowance	<u>(33,912)</u>	<u>(33,912)</u>
	<u>\$ 195,413</u>	<u>\$ 193,700</u>

4. Employee Benefit Obligation

Included in wages and benefits payable is a vacation liability of \$22,818 (2022 - \$20,984). The vacation and overtime liability is comprised of the vacation that employees have earned and are entitled to within the next budgetary year.

5. Landfill Closure and Post-Closure Liability

The landfill was reclaimed by the County of Minburn in 2023. The county has billed the village \$139,473 for their portion of the reclamation costs. The village has an agreement with the county to repay this over ten years with equal annual instalments of \$13,947.

6. Deferred Revenue

	2022	Received	Recognized	2023
MSI capital	\$ 355,308	\$ 114,066	\$ 118,173	\$ 351,201
Gas tax fund	-	51,834	-	51,834
ACP - Intermunicipal collaboration	125,761	-	104,879	20,882
Communities in bloom	13,290	-	306	12,984
Other revenue	17,143	-	17,143	-
	<u>\$ 511,502</u>	<u>\$ 165,900</u>	<u>\$ 240,501</u>	<u>\$ 436,901</u>

Unexpended funding in the amount of \$423,917 (2022 - \$481,0694) was allocated to the village in the current year from various federal and provincial government programs. 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 \$256,753 (2022 - \$125,761).

VILLAGE OF MANNVILLE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

7. Long-Term Debt

	2023	2022
Utility supported debentures	\$ 265,244	\$ 331,334
Tax supported debentures	321,544	350,000
	\$ 586,788	\$ 681,334

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

	Principal	Interest	Total
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
2028	79,749	9,236	88,985
Thereafter	158,767	16,379	175,146
	\$ 586,788	\$ 94,915	\$ 681,703

Debenture debt is repayable to Alberta Capital Finance Authority and bears interest at rates ranging from 2.95% to 4.47% per annum and matures in periods 2027 through 2032. The average annual interest rate is 3.909% for 2023 (3.323% for 2022).

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

Interest on long-term debt amounted to \$24,786 (2022 - \$12,324).

The village's total cash payments for interest in 2023 were \$25,003 (2022 - 11,892).

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

	2023	2022
Total debt limit	\$ 4,672,610	\$ 4,265,305
Total debt	(586,788)	(681,334)
Debt limit remaining	\$ 4,085,822	\$ 3,583,971
Debt servicing limit	\$ 778,768	\$ 710,884
Debt servicing	(104,393)	(119,550)
Debt service limit remaining	\$ 674,375	\$ 591,334

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.

VILLAGE OF MANNVILLE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

9. Accumulated Surplus

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

	<u>2023</u>	<u>2022</u>
Unrestricted surplus	\$ 769,823	\$ 744,938
Restricted surplus		
Equipment replacement	396,697	559,996
Cemetery contributions	9,000	9,000
Internet reserve	7,324	7,324
Water capital reserve	632,927	564,509
Sewer capital reserve	471,119	523,073
Solid waste capital reserve	41,145	-
	<u>1,558,212</u>	<u>1,663,902</u>
Equity in tangible capital assets (<i>Note 10</i>)	<u>9,218,884</u>	<u>8,762,300</u>
	<u>\$ 11,546,919</u>	<u>\$ 11,171,140</u>

10. Equity in Tangible Capital Assets

	<u>2023</u>	<u>2022</u>
Tangible capital assets (<i>Schedule 2</i>)	\$ 21,379,573	\$ 20,587,831
Accumulated amortization (<i>Schedule 2</i>)	(11,573,901)	(11,144,197)
Long-term debt (<i>Note 7</i>)	(586,788)	(681,334)
	<u>\$ 9,218,884</u>	<u>\$ 8,762,300</u>

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 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.

	<u>2023</u>	<u>2022</u>
Current service contributions by employer	\$ 7,303	\$ 2,436
Current service contributions by employees	6,467	2,206
	<u>\$ 13,770</u>	<u>\$ 4,642</u>

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 12.23% 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 11.23% on pensionable salary above this amount.

At December 31, 2022, the LAPP disclosed an actuarial surplus of \$12.7 billion

For further information of the amount of LAPP deficiency/surplus see: www.lapp.ca/page/annual-reports

VILLAGE OF MANNVILLE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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 Union 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.

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)	2023	2022
<u>Council</u>				
Smith	\$ 13,725	\$ 608	\$ 14,333	\$ 13,251
Bielesch	9,250	342	9,592	9,816
Lanovaz	11,900	500	12,400	10,925
Jackson	9,825	376	10,201	9,287
Lyster	8,000	268	8,268	8,230
	52,700	2,094	54,794	51,509
<u>Others</u>				
CAO - Hodel	80,000	14,635	94,635	32,171
CAO - Quickstad	-	-	-	82,466
Designated officer (contract)	12,408	-	12,408	12,048
	92,408	14,635	107,043	126,685
	\$ 145,108	\$ 16,729	\$ 161,837	\$ 178,194

(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 2026.

VILLAGE OF MANNVILLE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

16. Lease Commitments

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

2024	\$	1,633
2025		1,633
2026		1,633
2027		1,633
		<hr/>
	\$	6,532

17. Contaminated Sites Liability

The village did not identify any financial liabilities in 2023 (2022 – nil) as a result of contaminated sites.

18. Asset Retirement Obligation

The village has adopted PS3280 - Asset RETirement Obligations. The village did not identify any financial obligations in 2023 (2022 - NIL) as a result of this standard.

19. 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.

20. 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. The village has recorded an allowance of \$33,912 (2022 - \$33,912) against taxes and other receivables.

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

21. Approval of Financial Statements

Council has approved these financial statements.

22. Budget Amounts

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

VILLAGE OF MANNVILLE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

23. 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 1202, Financial Statement Presentation

This standard responds to the need for understandable financial statements. The new reporting model will consist of:

- a statement of financial position;
- a statement of net financial assets (net financial liabilities);
- a statement of operations;
- a statement of changes in net assets (net liabilities);
- a statement of cash flows; and
- accompanying notes and schedules.