

**MUNICIPAL DISTRICT OF  
GREENVIEW NO. 16**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**



# MUNICIPAL DISTRICT OF GREENVIEW

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## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. The responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibility for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded, and financial records are properly maintained to provide reliable information for the preparation of the financial statements.

The elected Reeve and Council of the Municipal District of Greenview No. 16 are composed entirely of individuals who are neither management nor employees of the Municipality. The Reeve and Council have the responsibility of meeting with management and the external auditors to discuss the internal controls over the financial reporting process, auditing matters, and financial reporting issues. The Reeve and Council are also responsible for the appointment of the Municipality's external auditors.

Metrix Group LLP, an independent firm of Chartered Professional Accountants, is appointed by Council to audit the financial statements and to report directly to them. The external auditors have full and free access to and meet periodically and separately with both the Reeve and Council and management to discuss their audit findings.



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Stacey Wabick  
Chief Administrative Officer



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Ed Kaemingh  
Director of Corporate Services

April 25, 2023  
Valleyview, Alberta

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## INDEPENDENT AUDITORS' REPORT

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To the Reeve and Council of the Municipal District of Greenview No. 16

### *Opinion*

We have audited the accompanying financial statements of the Municipal District of Greenview No. 16 (the Municipality), which comprise the statement of financial position as at December 31, 2022, and the statement of operations, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Municipality as at December 31, 2022, the results of its operations, changes in its net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Municipality in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Other Information*

Management is responsible for the other information. The other information comprises the information included in the *Annual Report*, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

*Auditors' Responsibilities for the Audit of the Financial Statements*

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

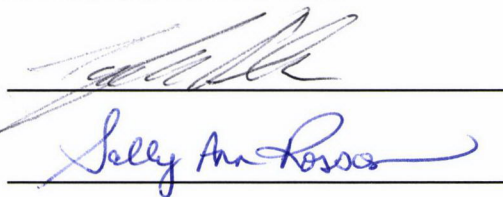
**METRIX GROUP LLP**

Chartered Professional Accountants

Edmonton, Alberta  
April 25, 2023

**MUNICIPAL DISTRICT OF GREENVIEW NO. 16****Statement of Financial Position****As at December 31, 2022**

	2022	2021
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents (Note 2)	\$ 99,105,914	\$ 81,650,563
Taxes and grants in place of taxes receivable (Note 3)	1,142,108	1,633,212
Trade and other receivables (Note 4)	10,442,917	16,741,012
Debt recoverable - local improvements (Note 5)	946,418	988,097
Land held for resale	602,000	602,000
Investments (Note 6)	81,727,467	84,653,307
	<u>193,966,824</u>	<u>186,268,191</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 7)	8,751,052	13,225,126
Employee benefit obligations (Note 8)	1,124,461	980,035
Deferred revenue (Note 9)	6,685,266	6,473,237
Long-term debt (Note 10)	1,915,906	2,390,450
Landfill closure and post-closure liability (Note 12)	9,681,069	6,000,000
Reclamation liability (Note 13)	2,877,865	2,000,000
	<u>31,035,619</u>	<u>31,068,848</u>
<b>NET FINANCIAL ASSETS</b>	<u>162,931,205</u>	<u>155,199,343</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 14)	378,932,747	382,498,280
Inventories for consumption (Note 15)	11,133,035	9,815,384
Prepaid expenses and deposits	1,777,059	1,344,234
	<u>391,842,841</u>	<u>393,657,898</u>
<b>ACCUMULATED SURPLUS (NOTE 16)</b>	<u>\$554,774,046</u>	<u>\$548,857,241</u>
Contingencies (Note 19)		

**ON BEHALF OF COUNCIL:**  
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Selley Ann Ross

**MUNICIPAL DISTRICT OF GREENVIEW NO. 16**  
**Statement of Operations and Accumulated Surplus**  
**For the Year Ended December 31, 2022**

	2022 (Budget) (Note 26)	2022 (Actual)	2021 (Actual)
<b>REVENUE</b>			
Net municipal taxes (Schedule 2)	\$ 95,780,009	\$ 95,618,138	\$ 91,579,141
Government transfers for operating (Schedule 3)	4,377,207	7,760,779	11,971,875
User fees and sale of goods	5,853,923	7,171,015	6,542,441
Penalties and costs on taxes	560,000	860,907	860,783
Other	94,800	705,020	380,407
Licenses and permits	84,500	372,285	206,643
Fines	150,000	155,853	37,605
Franchise and concession contracts	-	-	30,581
Investment income (expense)	2,967,164	(175,672)	3,645,366
	<u>109,867,603</u>	<u>112,468,325</u>	<u>115,254,842</u>
<b>EXPENSES</b>			
Transportation services	57,212,939	47,519,362	75,223,855
Recreation and cultural services	17,588,092	16,713,449	18,809,506
Administrative services	24,031,836	14,028,644	15,057,469
Utilities and environmental services	4,006,618	9,986,445	5,008,005
Planning and development services	12,125,659	8,838,520	6,082,791
Protective services	4,622,588	7,706,461	5,379,274
Waste management services	2,180,561	2,428,526	2,165,814
Public health and welfare services	2,275,500	2,055,466	1,974,496
Council and other legislative services	1,364,508	1,311,633	1,148,078
	<u>125,408,301</u>	<u>110,588,506</u>	<u>130,849,288</u>
<b>ANNUAL SURPLUS (DEFICIT) BEFORE OTHER INCOME</b>	<u>(15,540,698)</u>	<u>1,879,819</u>	<u>(15,594,446)</u>
<b>OTHER INCOME (EXPENSE)</b>			
Government transfers for capital (Schedule 3)	2,000,000	3,832,120	2,312,616
Gain (loss) on disposal of tangible capital assets	-	204,866	45,428
Contributed tangible capital assets	-	-	437,600
	<u>2,000,000</u>	<u>4,036,986</u>	<u>2,795,644</u>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<u>(13,540,698)</u>	<u>5,916,805</u>	<u>(12,798,802)</u>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<u>548,857,241</u>	<u>548,857,241</u>	<u>561,656,043</u>
<b>ACCUMULATED SURPLUS, END OF YEAR (NOTE 16)</b>	<u>\$ 535,316,543</u>	<u>\$ 554,774,046</u>	<u>\$ 548,857,241</u>

**MUNICIPAL DISTRICT OF GREENVIEW NO. 16**  
**Statement of Changes in Net Financial Assets**  
**For the Year Ended December 31, 2022**

	2022 (Budget) (Note 26)	2022 (Actual)	2021 (Actual)
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ (13,540,698)</b>	<b>\$ 5,916,805</b>	<b>\$ (12,798,802)</b>
Acquisition of tangible capital assets	(61,825,515)	(21,397,352)	(25,566,337)
Contributed tangible capital assets	-	-	(437,600)
Proceeds on disposal of tangible capital assets	-	544,620	173,478
Amortization of tangible capital assets	26,600,000	24,623,131	23,587,128
Loss (gain) on disposal of tangible capital assets	-	(204,866)	(45,428)
	<u>(35,225,515)</u>	<u>3,565,533</u>	<u>(2,288,759)</u>
Net change in inventories for consumption	-	(1,317,651)	(707,656)
Net change in prepaid expenses and deposits	-	(432,825)	(99,256)
	<u>-</u>	<u>(1,750,476)</u>	<u>(806,912)</u>
<b>INCREASE (DECREASE) IN NET FINANCIAL ASSETS</b>	<b>(48,766,213)</b>	<b>7,731,862</b>	<b>(15,894,473)</b>
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>	<b>155,199,343</b>	<b>155,199,343</b>	<b>171,093,816</b>
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	<b>\$106,433,130</b>	<b>\$162,931,205</b>	<b>\$155,199,343</b>

**MUNICIPAL DISTRICT OF GREENVIEW NO. 16****Statement of Cash Flows****For the Year Ended December 31, 2022**

	2022	2021
<b>OPERATING ACTIVITIES</b>		
Annual surplus (deficit)	\$ 5,916,805	\$ (12,798,802)
Non-cash items included in annual deficit:		
Loss (gain) on disposal of tangible capital assets	(204,866)	(45,428)
Amortization of tangible capital assets	24,623,131	23,587,128
Amortization of investment premium/discount	131,813	413,386
Acquisition of contributed tangible capital assets	-	(437,600)
	<u>30,466,883</u>	<u>10,718,684</u>
Change in non-cash working capital balances:		
Accounts receivable	6,789,199	(5,405,096)
Inventories for consumption	(1,317,651)	(707,656)
Prepaid expenses	(432,825)	(99,256)
Debt recoverable - local improvements	41,679	36,387
Landfill closure and post-closure liability	3,681,069	-
Reclamation liability	877,865	2,000,000
Accounts payable and accrued liabilities	(4,474,074)	(1,912,052)
Employee benefit obligation	144,426	131,811
Deferred revenue	212,029	3,200,801
	<u>35,988,600</u>	<u>7,963,623</u>
<b>CAPITAL ACTIVITIES</b>		
Proceeds on disposal of tangible capital assets	544,620	173,478
Acquisition of tangible capital assets	(21,397,352)	(25,566,337)
	<u>(20,852,732)</u>	<u>(25,392,859)</u>
<b>FINANCING ACTIVITIES</b>		
Repayment of long term debt	(474,544)	(453,911)
<b>INVESTING ACTIVITIES</b>		
Purchase of investments	(63,226,938)	(28,328,386)
Proceeds on sale of investments	66,020,965	68,928,301
	<u>2,794,027</u>	<u>40,599,915</u>
<b>CHANGE IN CASH AND CASH EQUIVALENTS DURING THE YEAR</b>	<b>17,455,351</b>	<b>22,716,768</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>81,650,563</b>	<b>58,933,795</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR (NOTE 2)</b>	<b>\$ 99,105,914</b>	<b>\$ 81,650,563</b>



**MUNICIPAL DISTRICT OF GREENVIEW NO. 16**  
**Schedule of Equity in Tangible Capital Assets**  
**For the Year Ended December 31, 2022**

**Schedule 1**

	<b>2022</b>	<b>2021</b>
<b>BALANCE, BEGINNING OF YEAR</b>	<b>\$ 381,095,927</b>	<b>\$ 378,392,944</b>
Acquisition of tangible capital assets	<b>21,397,352</b>	25,566,337
Contributed tangible capital assets	-	437,600
Cost of disposed tangible capital assets	<b>(3,701,767)</b>	(456,570)
Accumulated amortization on disposed tangible capital assets	<b>3,362,013</b>	328,520
Amortization of tangible capital assets	<b>(24,623,131)</b>	(23,587,128)
Debt recoverable - local improvements repayments	<b>(41,679)</b>	(39,687)
Repayment of long-term capital debt	<b>474,544</b>	453,911
<b>BALANCE, END OF YEAR</b>	<b>\$ 377,963,259</b>	<b>\$ 381,095,927</b>
Equity in Tangible Capital Assets is Comprised of the Following:		
Tangible capital assets ( <i>Note 14</i> )	<b>\$ 378,932,747</b>	\$ 382,498,280
Long-term capital debt	<b>(1,915,906)</b>	(2,390,450)
Debt recoverable - local improvements	<b>946,418</b>	988,097
	<b>\$ 377,963,259</b>	<b>\$ 381,095,927</b>

**MUNICIPAL DISTRICT OF GREENVIEW NO. 16**  
**Schedule of Property and Other Taxes**  
**For the Year Ended December 31, 2022**

**Schedule 2**

	2022 (Budget) (Note 26)	2022 (Actual)	2021 (Actual)
<b>TAXATION</b>			
Linear property taxes	\$ 67,335,088	<b>\$ 67,180,485</b>	\$ 62,344,582
Real property taxes	64,864,770	<b>63,584,522</b>	62,295,529
Government grants in lieu of property taxes	730,603	<b>730,603</b>	153,990
	<u>132,930,461</u>	<u><b>131,495,610</b></u>	<u>124,794,101</u>
<b>REQUISITIONS</b>			
Alberta School Foundation Fund	31,592,651	<b>30,334,901</b>	28,543,062
Seniors foundations	4,439,500	<b>4,446,731</b>	3,653,153
Designated industrial property	1,012,358	<b>1,012,582</b>	983,291
Other school boards	105,943	<b>83,258</b>	35,454
	<u>37,150,452</u>	<u><b>35,877,472</b></u>	<u>33,214,960</u>
<b>NET MUNICIPAL TAXES</b>	<u>\$ 95,780,009</u>	<u><b>\$ 95,618,138</b></u>	<u>\$ 91,579,141</u>

**MUNICIPAL DISTRICT OF GREENVIEW NO. 16**  
**Schedule of Government Transfers**  
**For the Year Ended December 31, 2022**

**Schedule 3**

	2022 (Budget) (Note 26)	2022 (Actual)	2021 (Actual)
<b>TRANSFERS FOR OPERATING</b>			
Provincial government	\$ 817,835	\$ 4,207,621	\$ 8,396,077
Local governments	3,559,372	<b>3,553,158</b>	3,575,798
	<u>4,377,207</u>	<u><b>7,760,779</b></u>	<u>11,971,875</u>
<b>TRANSFERS FOR CAPITAL</b>			
Provincial government	<u>2,000,000</u>	<u><b>3,832,120</b></u>	<u>2,312,616</u>
<b>TOTAL GOVERNMENT TRANSFERS</b>	<u>\$ 6,377,207</u>	<u><b>\$ 11,592,899</b></u>	<u>\$ 14,284,491</u>

**MUNICIPAL DISTRICT OF GREENVIEW NO. 16**  
**Schedule of Segmented Information**  
**For the Year Ended December 31, 2022**

**Schedule 4**

	Administrative Services	Recreation and Cultural Services	Community Services	Utilities and Transportation Services	Environmental Services	All Other	Total
<b>REVENUE</b>							
Taxation	\$ 95,618,138	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 95,618,138
Government transfers	3,603,672	114,426	123,907	3,261,767	-	657,008	7,760,780
User fees and sale of goods	523,021	1,311,833	139,843	1,248,574	3,610,165	337,579	7,171,015
All other	860,907	-	-	-	-	1,233,157	2,094,064
Investment income (expense)	-	-	-	-	-	(175,672)	(175,672)
	100,605,738	1,426,259	263,750	4,510,341	3,610,165	2,052,072	112,468,325
<b>EXPENSES</b>							
Contracted and general services	4,504,099	665,438	1,020,646	17,479,195	6,413,874	2,117,200	32,200,452
Salaries, wages, and benefits	6,412,692	3,878,012	3,440,326	6,362,484	2,375,946	4,126,462	26,595,922
Amortization of tangible capital assets	761,283	591,131	366,553	17,363,817	2,229,350	3,310,997	24,623,131
Transfers to other governments and local boards and agencies	-	9,731,908	3,421,785	-	138,278	504,476	13,796,447
Materials, goods, and supplies	838,850	492,915	462,327	3,997,625	697,786	535,576	7,025,079
Repairs and maintenance	207,133	496,756	12,289	1,792,897	-	189,429	2,698,504
Utilities	412,113	857,289	73,723	523,344	521,733	283,348	2,671,550
Insurance	801,168	-	-	-	-	6,072	807,240
Interest on long term debt	143,296	-	40,871	-	38,004	-	222,171
Bad debts (recovery)	(51,990)	-	-	-	-	-	(51,990)
	14,028,644	16,713,449	8,838,520	47,519,362	12,414,971	11,073,560	110,588,506
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ 86,577,094</b>	<b>\$ (15,287,190)</b>	<b>\$ (8,574,770)</b>	<b>\$ (43,009,021)</b>	<b>\$ (8,804,806)</b>	<b>\$ (9,021,488)</b>	<b>\$ 1,879,819</b>

**MUNICIPAL DISTRICT OF GREENVIEW NO. 16**  
**Schedule of Segmented Information**  
**For the year ended December 31, 2021**

**Schedule 5**

	Administrative Services	Recreation and Cultural Services	Community Services	Utilities and Transportation Services	Environmental Services	All Other	Total
<b>REVENUE</b>							
Taxation	\$ 91,579,141	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 91,579,141
Government transfers	3,402,767	194,009	129,973	7,606,077	-	639,048	11,971,874
User fees and sale of goods	525,614	699,558	98,491	1,244,095	3,602,365	372,318	6,542,441
Investment income (expense)	-	-	-	-	-	3,645,366	3,645,366
All other	380,407	-	-	-	-	1,135,613	1,516,020
	<u>95,887,929</u>	<u>893,567</u>	<u>228,464</u>	<u>8,850,172</u>	<u>3,602,365</u>	<u>5,792,345</u>	<u>115,254,842</u>
<b>EXPENSES</b>							
Transfer to other governments and local boards and agencies	-	11,472,078	849,639	25,000,000	167,184	341,364	37,830,265
Contracted and general services	4,161,852	650,537	671,468	21,951,429	1,745,934	1,783,029	30,964,249
Salaries, wages, and benefits	6,030,115	3,133,381	3,472,965	6,131,963	2,372,499	3,663,021	24,803,944
Amortization of tangible capital assets	496,563	2,013,186	421,050	17,060,097	1,835,443	1,760,789	23,587,128
Materials, goods, and supplies	812,233	317,535	507,044	3,024,624	465,147	463,879	5,590,462
Utilities	592,992	751,415	94,193	540,952	509,557	298,427	2,787,536
Repairs and maintenance	217,676	471,374	4,691	1,514,790	18,890	186,205	2,413,626
Bad debts	1,984,041	-	-	-	-	-	1,984,041
Insurance	761,997	-	-	-	1,000	5,134	768,131
Interest on long term debt	-	-	61,741	-	58,165	-	119,906
	<u>15,057,469</u>	<u>18,809,506</u>	<u>6,082,791</u>	<u>75,223,855</u>	<u>7,173,819</u>	<u>8,501,848</u>	<u>130,849,288</u>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<u>\$ 80,830,460</u>	<u>\$ (17,915,939)</u>	<u>\$ (5,854,327)</u>	<u>\$ (66,373,683)</u>	<u>\$ (3,571,454)</u>	<u>\$ (2,709,503)</u>	<u>\$ (15,594,446)</u>

## MUNICIPAL DISTRICT OF GREENVIEW NO. 16

### Notes to Financial Statements

Year Ended December 31, 2022

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#### 1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements of the Municipal District of Greenview No. 16 (the "Municipality") are the representations of management prepared in accordance with Canadian public sector accounting standards. Significant aspects of the accounting policies adopted by the Municipality are as follows:

##### **(a) Reporting Entity**

The financial statements reflect the assets, liabilities, revenue, expenses, and change in net financial assets and cash flows of the reporting entity. The entity is comprised of all the organizations that are owned or controlled by the Municipality and are, therefore, accountable to the Council for the administration of their financial affairs and resources.

The schedule of taxes levied includes operating requisitions for education and seniors foundations that are not part of the Municipality's reporting entity.

The statements exclude trust assets that are administered for the benefit of external parties. Interdepartmental and organizational transactions and balances are eliminated.

##### **(b) Basis of Accounting**

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognizes 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.

##### **(c) Cash and Cash Equivalents**

Cash and cash equivalents consist of items that are readily convertible to known amounts of cash, are subject to an insignificant risk of change in value, and have a maturity of three months or less at acquisition.

##### **(d) Investments**

Investments are recorded at amortized cost. Investment premiums and discounts are amortized over the term of the respective investments. 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. Gains on principal protected notes are recognized as income when sold.

Investment income is reported as revenue in the period earned. When required by the funding government or related act, investment income earned on deferred revenue is added to the investment, and forms part of the deferred revenue balance.

(CONT'D)

# MUNICIPAL DISTRICT OF GREENVIEW NO. 16

## Notes to Financial Statements

Year Ended December 31, 2022

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### 1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

**(e) Allowances for Operating and Physical Assets**

Allowances for asset valuations are netted against the related asset. Increases in allowances are recorded as expenditures, while decreases in allowances are recorded as revenues.

**(f) 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.

**i) Tangible Capital Assets**

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

Engineered Structures	
Roadways & Bridges	10 - 20 years
Wastewater system	50 years
Water system	25 - 50 years
Other engineering	5 - 50 years
Roadways	10-40 years
Buildings	25 - 50 years
Machinery, equipment and furnishings	5 - 20 years
Vehicles	3 - 20 years
Land improvements	15 years

Assets under construction are not amortized until the asset is available for productive use.

**ii) 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.

**iii) Leases**

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

**iv) Inventory for Consumption**

Inventory held for consumption is recorded at the lower of cost and replacement cost with cost determined using the average cost method.

**v) Cultural and Historical Tangible Capital Assets**

Works of art for display are not recorded as tangible capital assets but are disclosed.

(CONT'D)

## MUNICIPAL DISTRICT OF GREENVIEW NO. 16

### Notes to Financial Statements

Year Ended December 31, 2022

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#### 1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

**(g) Tax Revenue**

Property tax revenue is based on market value assessments determined in accordance with the *Municipal Government Act*. Tax mill rates are established annually. Taxation revenues are recorded at the time tax billings are issued. Assessments are subject to appeal.

Construction and borrowing costs associated with local improvement projects are recovered through annual special property assessments during the period of the related borrowing. These levies are collectible from property owners for work performed by the Municipality. Under the accrual basis of accounting, revenues to be received from local improvement assessments are recognized in full in the period the local improvement project costs are incurred and the passing of the related imposition by-law.

**(h) Requisition Over-Levies and Under-Levies**

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.

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

**(i) Government Transfers**

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

Government transfers are recognized in the consolidated financial statements as revenue in the period that the events giving rise to the transfer occurred, providing the transfers are authorized, any eligibility criteria have been met by the Municipality, and reasonable estimates of the amounts can be made.

**(j) Pension Expenses**

Selected employees of the Municipality are members of the Local Authorities Pension Plan (LAPP), a multi-employer defined benefit pension plan. The trustee of the plan is the Alberta Treasurer and is administered by a Board of Trustees. Since the plan is a multi-employer plan, it is accounted for as a defined benefit plan and, accordingly, the Municipality does not recognize its share of the plan surplus or deficit.

**(k) Contaminated Sites**

Pursuant to the *Environmental Enhancement and Protection Act* (Alberta), the Municipality is required to fund the future reclamation of its work sites. Closure activities include the final top soil cover, landscaping and visual inspection. The requirement is being provided for based on the estimated costs and length of time until the site is expected to be inactive.

(CONT'D)



## 1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### **(l) Land Held for Resale**

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 costs and leveling charges. Related development costs incurred to provide infrastructure such as water and wastewater services, roads, sidewalks and street lighting are recorded as tangible capital assets under their respective function. Proceeds from sales of land held for resale are recorded as revenue in the period in which the events giving rise to the transfer occurred, providing the transfers are authorized, the eligibility criteria have been met and reasonable estimates of the amounts can be made.

### **(m) Landfill closure and post-closure liability**

Pursuant to the *Environmental Enhancement and Protection Act* (Alberta), the Municipality is required to fund the closure of its landfill sites 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 sites based on usage.

The annual provision is reported as an operating expense in solid waste and recycling services and the accumulated provision is reported as a liability on the Statement of Financial Position.

### **(n) Use of Estimates**

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 revenue and expenditure during the period. Where management uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

The Municipality has used estimates to determine an allowance for doubtful accounts, accrued liabilities, employment benefit obligations, inventory valuation and the useful lives of tangible capital assets.

### **(o) Future Accounting Standard Pronouncements**

The following summarizes upcoming changes to the Canadian public sector accounting standards. The Municipality will continue to assess the impact and prepare for the adoption of these standards.

#### **i) Financial Statement Presentation**

PS1201, *Financial Statement Presentation*, requires a new statement of re-measurement gains and losses separate from the statement of operations. Included in this new statement are the unrealized gains and losses arising from the re-measurement of financial instruments and items denominated in foreign currencies, as well as the government's proportionate share of other comprehensive income that arises when a government includes the results of government business enterprises and partnerships. This standard is applicable for fiscal years beginning on or after April 1, 2022.

(CONT'D)

## MUNICIPAL DISTRICT OF GREENVIEW NO. 16

### Notes to Financial Statements

Year Ended December 31, 2022

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#### 1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

##### (o) *Future Accounting Standard Pronouncements (Cont'd)*

ii) Foreign Currency Translation

PS 2601, *Foreign Currency Translation*, requires that monetary assets and liabilities denominated in foreign currency be adjusted to reflect the exchange rates in effect at the financial statement dates. Unrealized gains and losses are to be presented in the new statement of re-measurement gains and losses. This standard must be adopted in conjunction with PS 2601 and PS 3450 and is applicable for fiscal years beginning on or after April 1, 2022.

iii) Portfolio Investments

PS 3041, *Portfolio Investments*, has removed the distinction between temporary and portfolio investments and amended to conform to PS 3405. This standard must be adopted in conjunction with PS 1201, PS 2601, and PS 3450 and is applicable for fiscal years beginning on or after April 1, 2022.

iv) Financial Instruments

PS 3450, *Financial Instruments*, established recognition, measurement and disclosure requirements for derivative and non-derivative financial instruments. The standard requires fair value measurement of derivative and equity instruments; all other financial instruments can be measured at cost/amortized cost or fair value at the election of the government. Unrealized gains and losses are presented in a new statement of re-measurement gains and losses. There is the requirement to disclose the nature and extent of risks arising from financial instruments and clarification is given for the de-recognition of financial liabilities. This standard is applicable for fiscal years beginning on or after April 1, 2022.

v) Asset Retirement Obligations

PS 3280, *Asset Retirement Obligations*, establishes standards on how to account and report for legal obligations associated with the retirement of certain tangible capital assets including solid waste landfill sites. As a result, PS 3270, *Solid Waste Landfill Closure and Post-Closure Liability* has been withdrawn but will remain in effect until the adoption of PS 3280. This standard is applicable for fiscal years beginning on or after April 1, 2022.

vi) Revenue

PS 3400, *Revenue*, establishes standards on how to account for and report revenue differentiating between revenue arising from transactions that include performance obligations and transactions that do not. This standard is applicable for fiscal years beginning on or after April 1, 2023.

vii) Purchased intangibles

PSG-8, *Purchased Intangibles*, guideline provides direction regarding the recognition, measurement, and disclosure of purchased intangible assets in relation to the conceptual framework for financial reporting in the public sector. This standard is applicable to fiscal years beginning on or after April 1, 2023.

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**MUNICIPAL DISTRICT OF GREENVIEW NO. 16****Notes to Financial Statements****Year Ended December 31, 2022**

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**2. CASH AND CASH EQUIVALENTS**

	<u>2022</u>	<u>2021</u>
Operating account	\$ 53,842,373	\$ 11,520,737
High-interest savings account	45,258,061	70,110,511
Cash on hand	5,480	19,315
	<u>\$ 99,105,914</u>	<u>\$ 81,650,563</u>

Temporary investments are short-term deposits with original maturities of three months or less bearing interest at rates ranging from 4.55% to 4.90% maturing in 2023.

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**3. TAXES AND GRANTS IN PLACE OF TAXES RECEIVABLE**

	<u>2022</u>	<u>2021</u>
Taxes and grants in place of taxes		
Current taxes	\$ 2,280,621	\$ 3,089,229
Arrears taxes	2,951,902	3,020,477
	5,232,523	6,109,706
Less: Allowance for doubtful accounts	(4,090,415)	(4,476,494)
	<u>\$ 1,142,108</u>	<u>\$ 1,633,212</u>

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**4. TRADE AND OTHER RECEIVABLES**

	<u>2022</u>	<u>2021</u>
Receivables from other governments	\$ 6,783,137	\$ 11,101,005
Trade and other	3,273,388	3,115,242
Goods and Services Tax	1,188,545	2,940,839
	11,245,070	17,157,086
Less: Allowance for doubtful accounts	(802,153)	(416,074)
	<u>\$ 10,442,917</u>	<u>\$ 16,741,012</u>

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**5. DEBT RECOVERABLE - LOCAL IMPROVEMENTS**

The Municipality passed Bylaw 07-534 authorizing Council to provide for a local improvement to install a water / wastewater line and lift station for the Creek Crossing Subdivision. The total cost of the local improvement was \$1,400,000, is repayable in 30 annual installments of \$92,164 including interest at a fixed rate of 5.152% per annum maturing September 2037.

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**MUNICIPAL DISTRICT OF GREENVIEW NO. 16****Notes to Financial Statements****Year Ended December 31, 2022****6. INVESTMENTS**

	<b>2022</b>		<b>2021</b>	
	<u><b>Carrying value</b></u>	<u><b>Market value</b></u>	<u><b>Carrying value</b></u>	<u><b>Market value</b></u>
Principal protected notes	\$ 32,500,000	\$ 32,453,200	\$ -	\$ -
Fixed income securities	32,222,284	32,132,788	58,148,357	58,511,985
Term deposits	17,000,233	17,000,233	26,500,000	26,500,000
Other	4,950	4,950	4,950	4,950
	<u><b>\$ 81,727,467</b></u>	<u><b>\$ 81,591,171</b></u>	<u><b>\$ 84,653,307</b></u>	<u><b>\$ 85,016,935</b></u>

The fixed income securities have effective interest rates ranging from 1.67% to 6.53% (2021 - 2.20% to 6.00%) with maturity dates from April 2030 to January 2033 (2021 - July 2024 to October 2029).

The market value of the fixed income securities and principal protected notes are based on quoted market values. The market value of the fixed income securities and principal protected notes fluctuate with changes in market interest rates and indices. 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. Market values are based on market conditions at a certain point in time and as such, may not be reflective of the future fair values.

Term deposits bear interest at rates between 1.20% to 3.01% (2021 - 1.06% to 2.30%) per annum and mature at dates between September 2023 to April 2024 (2021 - February 2022 to September 2023).

**7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<b>2022</b>	<b>2021</b>
Trade	\$ 7,891,035	\$ 10,785,582
Other governments	860,017	2,415,075
Accrued interest	-	24,469
	<u><b>\$ 8,751,052</b></u>	<u><b>\$ 13,225,126</b></u>

**8. EMPLOYEE BENEFIT OBLIGATIONS**

	<b>2022</b>	<b>2021</b>
Vacation and overtime	\$ 1,124,461	\$ 980,035

The vacation and overtime liability is comprised of the vacation and overtime that employees are deferring. Employees have either earned the benefits (and are vested) or are entitled to these benefits within the next budgetary year. The Municipality does not provide post-employment benefits to their employees.

**MUNICIPAL DISTRICT OF GREENVIEW NO. 16****Notes to Financial Statements****Year Ended December 31, 2022****9. DEFERRED REVENUE**

Deferred revenue consists of the following grant funding which has been restricted by third parties for a specified purpose. These amounts are recognized as revenue in the period in which the related costs are incurred.

	2021	Additions	Revenue Recognized	2022
Alberta Municipal Water/Wastewater Partnership	\$ 4,087,087	\$ 1,577,144	\$ (314,356)	\$ 5,349,875
Alberta Environmental and Park				
- Kakwa Corridor Project	-	1,038,880	(2,888)	1,035,992
Grande Cache Mini-Bus Society	185,423	-	-	185,423
Greenview Regional Multiplex				
- Furniture & Equipment Fund	105,085	-	-	105,085
Other	369,325	2,674	(363,108)	8,891
Canada Community Building Fund	1,001,586	-	(1,001,586)	-
Municipal Stimulus Program	532,193	-	(532,193)	-
Alberta Environmental and Park				
- Grande Cache Trail	111,538	-	(111,538)	-
Greenview Regional Multiplex				
- Sponsorships	81,000	-	(81,000)	-
	<u>\$ 6,473,237</u>	<u>\$ 2,618,698</u>	<u>\$ (2,406,669)</u>	<u>\$ 6,685,266</u>

**MUNICIPAL DISTRICT OF GREENVIEW NO. 16****Notes to Financial Statements****Year Ended December 31, 2022****10. LONG-TERM DEBT**

	<b>2022</b>	2021
The Province of Alberta debentures bearing interest at 4.964% per annum maturing in 2037.	<b>\$ 946,418</b>	\$ 988,098
The Province of Alberta debentures bearing interest at 4.047% per annum maturing in 2025.	<b>485,283</b>	666,188
The Province of Alberta debentures bearing interest at 4.006% per annum maturing in 2025.	<b>484,205</b>	664,837
Loan was retired during the year.	-	71,327
	<b>\$ 1,915,906</b>	\$ 2,390,450

The current portion of the long-term debt amounts to \$420,016 (2021 - \$474,545).

Principal and interest payments are due as follows:

	Principal	Interest	Total
2023	\$ 420,016	\$ 81,731	\$ 501,747
2024	437,518	64,229	501,747
2025	249,989	45,994	295,983
2026	50,712	39,507	90,219
2027	53,260	36,958	90,218
Thereafter	704,411	197,773	902,184
	<b>\$ 1,915,906</b>	<b>\$ 466,192</b>	<b>\$ 2,382,098</b>

Interest on long-term debt amounted to \$78,875 (2022 - \$119,906). The Municipality's total cash payments for interest in 2022 were \$103,344 (2021 - \$123,978).

**MUNICIPAL DISTRICT OF GREENVIEW NO. 16****Notes to Financial Statements****Year Ended December 31, 2022**

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**11. 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:

	<b>2022</b>	<b>2021</b>
Total debt limit	<b>\$168,702,488</b>	\$172,882,263
Total debt	<b>1,915,906</b>	2,390,450
Amount of debt limit unused	<b><u>\$166,786,582</u></b>	<b><u>\$170,491,813</u></b>
Service on debt limit	<b>\$ 28,117,081</b>	\$ 28,813,711
Service on debt	<b>501,747</b>	577,889
Amount of debt servicing limit unused	<b><u>\$ 27,615,334</u></b>	<b><u>\$ 28,235,822</u></b>

The debt limit is calculated at 1.5 times revenue of the Municipality (as defined in Alberta Regulation 255/2000) and the debt service limit is calculated at 0.25 times such revenue. Incurring debt beyond these limits requires approval by the Minister of Municipal Affairs. These thresholds are a conservative guideline 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.

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**MUNICIPAL DISTRICT OF GREENVIEW NO. 16****Notes to Financial Statements****Year Ended December 31, 2022****12. 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 Municipality recognizes the anticipated costs for the Hamlet of Grande Cache landfill closure and post-closure liability on an annual basis. The estimated liability for these costs is based on estimates and assumptions related to future events and costs using information currently available to management and is recognized on a cumulative basis as the landfill capacity is utilized. Future events may result in significant changes to the estimated total costs, capacity used or total capacity and the estimated liability.

The accrued liability for closure and post-closure of the landfill is recognized over the life of the cells, 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 metric tonnes utilized over the total estimated capacity of the site. Estimated total costs equal the sum of the discounted future cash flows for closure and post-closure care activities discounted at the current average long-term borrowing rate of 4.87% (2021 - 4.00%), and using inflation rates of 5.00% (2021 - 3.00%).

The following summarizes the total net present value of the estimated total costs for closure and post-closure care:

	<b>2022</b>	<b>2021</b>
Estimated closure costs	<b>\$ 8,175,486</b>	\$ 4,850,000
Estimated post-closure costs	<b>1,505,583</b>	1,150,000
Estimated total liability	<b>9,681,069</b>	6,000,000
Estimated capacity remaining	-%	-%
Portion of total liability remaining to be recognized	-	-
Estimated capacity used	<b>100.0%</b>	100.0%
Accrued liability portion	<b>\$ 9,681,069</b>	6,000,000

The Municipality is planning on closing the Hamlet of Grande Cache landfill and developing a waste transfer site within the existing landfill site. It is anticipated that post-closure care will be required for a period of twenty-five years once the landfill has been closed.

**13. RECLAMATION LIABILITY**

	<b>2022</b>	<b>2021</b>
Lagoon	<b>\$ 2,877,865</b>	\$ 2,000,000

Post closure reclamation of the Grovedale lagoon is assessed as reasonable and considers the accreted costs of restoration per acre, the age of the lagoon and the estimated useful life of the lagoon. Costs were estimated by an independent contractor and include land application and site reclamation costs.



**MUNICIPAL DISTRICT OF GREENVIEW NO. 16**

**Notes to Financial Statements**

**Year Ended December 31, 2022**

**14. TANGIBLE CAPITAL ASSETS**

	Net Book Value	
	2022	2021
Engineered structures		
Roadways	\$ 109,475,218	\$ 113,594,968
Water systems	59,377,185	56,571,899
Bridges	28,716,787	28,562,312
Wastewater systems	27,689,612	27,319,105
Recreation	4,098,127	4,418,919
Solid waste systems	2,534,105	2,653,998
Cemetery	64,971	68,899
	<b>231,956,005</b>	233,190,100
Buildings	114,410,501	116,278,968
Land	13,076,521	13,007,078
Machinery, equipment, and furnishings	13,648,457	12,960,520
Vehicles	5,841,263	7,061,614
	<b>\$ 378,932,747</b>	\$ 382,498,280

	Cost Beginning of Year	Additions	Disposals	Transfers	Cost End of Year
Engineering structures					
Roadways	\$ 502,380,803	\$ 9,822,501	\$ (1,562,393)	-	\$ 510,640,911
Water	62,807,434	3,998,721	-	-	66,806,155
Bridges	53,329,490	1,443,695	(425,595)	-	54,347,590
Wastewater	35,099,407	1,159,569	-	-	36,258,976
Recreation	7,168,152	115,796	-	-	7,283,948
Solid waste	3,752,644	76,251	-	-	3,828,895
Cemetery	88,090	-	-	-	88,090
	664,626,020	16,616,533	(1,987,988)	-	679,254,565
Buildings	139,285,982	918,054	(2,506)	-	140,201,530
Machinery, equipment, and furnishings	26,502,522	3,162,672	(1,134,420)	-	28,530,774
Vehicles	20,499,353	475,801	(576,853)	-	20,398,301
Land and land improvement	13,825,042	224,292	-	-	14,049,334
	<b>\$ 864,738,919</b>	<b>\$ 21,397,352</b>	<b>\$ (3,701,767)</b>	<b>\$ -</b>	<b>\$ 882,434,504</b>

(CONT'D)

**MUNICIPAL DISTRICT OF GREENVIEW NO. 16****Notes to Financial Statements****Year Ended December 31, 2022****14. TANGIBLE CAPITAL ASSETS (CONT'D)**

	Accumulated Amortization Beginning of Year	Current Amortization	Disposals	Transfers	Accumulated Amortization End of Year
Engineered structures					
Roadways	\$ 388,785,835	\$ 13,862,053	\$ (1,482,195)	\$ -	\$ 401,165,693
Bridges	24,767,178	1,140,774	(277,149)	-	25,630,803
Water	6,235,535	1,193,435	-	-	7,428,970
Wastewater	7,780,302	789,062	-	-	8,569,364
Recreation	2,749,233	436,588	-	-	3,185,821
Solid waste	1,098,646	196,144	-	-	1,294,790
Cemetery	19,191	3,928	-	-	23,119
	431,435,920	17,621,984	(1,759,344)	-	447,298,560
Buildings	23,007,014	2,784,015	-	-	25,791,029
Machinery, equipment, and furnishings	13,542,002	2,421,713	(1,081,398)	-	14,882,317
Vehicles	13,437,739	1,640,570	(521,271)	-	14,557,038
Land and land improvement	817,964	154,849	-	-	972,813
	<u>\$ 482,240,639</u>	<u>\$ 24,623,131</u>	<u>\$ (3,362,013)</u>	<u>\$ -</u>	<u>\$ 503,501,757</u>

Included in Roadways cost is work in progress of \$2,225,714 (2021 - \$4,117,098), in Bridges cost is work in progress of \$703,547 (2021 - \$34,275), in Water cost is work in progress of \$2,115,294 (2021 - \$24,741,271), in Wastewater cost is working in progress of \$264,662 (2021 - \$5,135,950), in Recreation cost is work in progress of \$46,265 (2021 - \$252,530), in Solid waste cost is work in progress of \$70,402 (2021 - \$49,143), in Buildings cost is work in progress of \$5,042,087 (2021 - \$5,027,201). These amounts are not amortized until the asset is completed and in use.

**15. INVENTORIES FOR CONSUMPTION**

	<u>2022</u>	<u>2021</u>
Sand and gravel	\$ 9,847,902	\$ 8,973,844
Parts, chemicals, and other	<u>1,285,133</u>	<u>841,540</u>
	<u>\$ 11,133,035</u>	<u>\$ 9,815,384</u>

**MUNICIPAL DISTRICT OF GREENVIEW NO. 16****Notes to Financial Statements****Year Ended December 31, 2022****16. ACCUMULATED SURPLUS**

	<b>2022</b>	<b>2021</b>
Unrestricted surplus	<b>\$ 14,315,257</b>	\$ 4,197,393
Restricted surplus ( <i>Note 17</i> )	<b>162,495,530</b>	163,563,921
Equity in tangible capital assets ( <i>Schedule 1</i> )	<b>377,963,259</b>	381,095,927
	<b><u>\$554,774,046</u></b>	<b><u>\$548,857,241</u></b>

**17. RESTRICTED SURPLUS**

	<b>2022</b>	<b>2021</b>
Road infrastructure	<b>\$ 81,927,578</b>	\$ 71,410,896
Economic development	<b>13,208,662</b>	15,000,000
Facilities	<b>13,194,172</b>	12,745,926
Bridge replacement	<b>11,327,781</b>	11,304,736
Equipment and vehicle fleet	<b>8,287,550</b>	7,726,221
Water	<b>6,284,182</b>	5,177,187
Fire apparatuses	<b>5,372,972</b>	4,255,010
Recreation	<b>4,964,197</b>	3,032,586
Wastewater	<b>4,350,335</b>	4,827,526
Operating contingency	<b>3,587,259</b>	3,772,682
Fire facilities	<b>3,324,696</b>	2,710,021
Disaster response	<b>3,000,000</b>	3,000,000
Gravel pit reclamation	<b>1,412,022</b>	1,347,447
Solid waste equipment replacement	<b>1,221,238</b>	966,847
Project carry forward	<b>713,835</b>	14,186,836
Community bus	<b>185,423</b>	-
Greenview Family and Community Support Services	<b>100,000</b>	100,000
Medical clinic	<b>33,628</b>	-
Heart River Housing	<b>-</b>	2,000,000
	<b><u>\$162,495,530</u></b>	<b><u>\$163,563,921</u></b>

Reserves have been established and approved as follows:

*(a) Road Infrastructure*

Provides funds for future years' road construction budget, based on approved capital plans. This reserve will contain an additional amount of \$2 million to allow the Municipality the ability to react to positive or negative pricing shifts.

*(b) Project Carry Forward*

Holds all funds for projects that have been carried over from one year to a subsequent year. This reserve will be funded as needed in any given year.

*(c) Economic Development*

Funds for municipal development projects (property development, etc.) as depicted in the long-term capital plan

(CONT'D)

## MUNICIPAL DISTRICT OF GREENVIEW NO. 16

### Notes to Financial Statements

Year Ended December 31, 2022

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#### 17. RESERVES (CONT'D)

(d) *Facilities*

Provides funds for replacement or construction costs for the Municipality's facilities such as offices and maintenance shops. Facilities relating to utilities and emergency services will be funded through their own respective reserve funds. Annual contributions based on depreciation.

(e) *Bridge Replacement*

Funds future replacement costs of bridges. Annual contribution based on life cycle costing of bridges.

(f) *Wastewater*

Provides funds for replacement or construction of wastewater collection systems and networks within the Municipality. Annual contributions based on depreciation.

(g) *Water*

Provides funds for replacement or construction of water distribution systems and networks within the Municipality.

(h) *Equipment and Vehicle Fleet*

Ensures funds for replacing equipment and vehicles as per Council's replacement policy. The annual contribution based on yearly depreciation of vehicles.

(i) *Operating Contingency*

Provides funds to supply the Municipality with emergency operating funds in case of a large scale disaster or other disruption to funding sources.

(j) *Fire Apparatuses*

Provides funds for the purchase of the Municipality's fire apparatuses for the Municipality's fire stations and the Municipality's share of apparatus purchases for the towns of Valleyview and Fox Creek.

(k) *Disaster Response*

Provides funds for emergency funding for the Municipality to deal with disasters when they occur, with minimal impact to approved Operating and Capital Budgets.

(l) *Recreation*

Provides funds for construction or replacement of the Municipality's recreation facilities (campgrounds, multiplexes, etc.). Annualized contributions based on depreciation for existing facilities. Annual contribution to be used for development of future facilities

(m) *Fire Facilities*

Provides funds for the Municipality's share of replacement or construction of fire halls and other fire infrastructure (dry hydrants, etc.) within the Municipality and the towns of Fox Creek and Valleyview.

(n) *Gravel Pit Reclamation*

Used for the environmental reclamation of gravel pits and as the source and return of deposits and guarantees regarding reclamation.

(CONT'D)

## MUNICIPAL DISTRICT OF GREENVIEW NO. 16

### Notes to Financial Statements

Year Ended December 31, 2022

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#### 17. RESERVES (CONT'D)

(o) *Solid Waste Equipment Replacement*

Ensures funds for replacing the solid waste equipment as per Council's replacement policy. The annual contribution based on yearly depreciation of the assets.

(p) *Community Bus*

Ensures funds for replacing the community buses as per Council's replacement policy. The annual contribution based on yearly depreciation of the buses.

(q) *Greenview Family and Community Support Services (FCSS)*

Used to set aside FCSS program surpluses from the FCSS programs operated by the Municipality on behalf of the Town of Valleyview. The Municipality's FCSS Board shall determine the use of funds in this reserve.

(r) *Medical Clinic*

Provides funds for replacement or construction of a medical clinic within the Municipality.

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#### 18. CREDIT FACILITY

The Municipality has access to a municipal revolving loan credit facility with a maximum of \$5,000,000 bearing interest at rate prime plus 1% per annum. No amounts were outstanding on the revolving loan at December 31, 2022 or 2021.

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#### 19. CONTINGENCIES

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

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#### 20. LOCAL AUTHORITIES PENSION PLAN

Employees of the Municipality participate in the Local Authorities Pension Plan (LAPP), which is one of the plans covered by the *Public Sector Pension Plans Act*. The LAPP is financed by employer and employee contributions and investment earnings of the LAPP Fund.

The Municipality is required to make current service contributions to the Plan of 8.45% (2021 - 9.39%) of pensionable earnings up to the Canada Pension Plan year's maximum pensionable earnings and 12.80% (2021 - 13.84%) for the excess. Employees of the Municipality are required to make current service contributions of 7.45% (2021 - 8.39%) of pensionable earnings up to the year's maximum pensionable earnings and 11.80% (2021 - 12.84%) on pensionable earnings above this amount.

Total current and past service contributions by the Municipality to the LAPP in 2022 were \$1,585,633 (2021 - \$1,535,904). Total current and past service contributions by the employees of the Municipality to the LAPP in 2022 were \$1,414,367 (2021 - \$1,390,362).

At December 31, 2021 the Plan disclosed an actuarial surplus of \$11.92 billion (2020 - \$4.96 billion).

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**MUNICIPAL DISTRICT OF GREENVIEW NO. 16****Notes to Financial Statements****Year Ended December 31, 2022****21. SALARIES AND BENEFITS DISCLOSURE**

Disclosure of salaries and benefits for elected municipal officials, Chief Administrative Officer, and designated officers as required by Alberta Regulation 313/2000 is as follows:

	Salary (A)	Benefits (B)	2022 Total	2021 Total
<b>Elected Officials:</b>				
Reeve (Ward #9)	\$ 110,791	\$ 20,258	\$ 131,049	\$ 83,959
Deputy Reeve (Ward #8)	66,060	13,399	79,459	71,212
Ward #1	69,727	13,758	83,485	74,175
Ward #2	66,559	13,337	79,896	14,954
Ward #3	70,788	11,039	81,827	16,476
Ward #4	68,877	12,000	80,877	15,035
Ward #5	57,371	10,383	67,754	83,070
Ward #6	79,717	14,710	94,427	74,319
Ward #7	66,591	12,230	78,821	16,308
Ward #8	68,514	12,882	81,396	13,756
Ward #9	80,495	16,525	97,020	80,248
<b>Former Elected Officials:</b>				
Ward #2	-	-	-	54,934
Ward #3	-	-	-	52,018
Ward #4	-	-	-	55,987
Ward #7	-	-	-	56,967
<b>Total for Elected Officials:</b>	<b>\$ 805,490</b>	<b>\$ 150,521</b>	<b>\$ 956,011</b>	<b>\$ 763,418</b>
<b>Chief Administrative Officer (Current)</b>	<b>\$ 238,322</b>	<b>\$ 32,753</b>	<b>\$ 271,075</b>	<b>\$ 129,585</b>
<b>Chief Administrative Officer (Former)</b>	-	-	-	179,200
	<b>\$ 238,322</b>	<b>\$ 32,753</b>	<b>\$ 271,075</b>	<b>\$ 308,785</b>
<b>Designated Officers (4)</b>	<b>\$ 934,598</b>	<b>\$ 28,333</b>	<b>\$ 962,931</b>	<b>\$ 870,514</b>

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

(B) Employer's share of all employee benefits, travel and allowances or payments made on behalf of employees including travel and subsistence, pension, health care, dental coverage, vision coverage, group life insurance, accidental disability and dismemberment insurance, long and short term disability plans, professional memberships, tuition and the Municipality's share of the costs of taxable benefits received by the councilors or officers, such as special leave with pay, financial planning services, retirement planning services, concessionary loans, travel allowances, car allowances and club memberships.

## MUNICIPAL DISTRICT OF GREENVIEW NO. 16

### Notes to Financial Statements

Year Ended December 31, 2022

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#### 22. FINANCIAL INSTRUMENTS

The Municipality's financial instruments consist of cash and cash equivalents, accounts receivable, investments, investments, accounts payable and accrued liabilities, debt recoverable local improvements and long-term debt. It is management's opinion that the Municipality is not exposed to significant interest, currency or credit risk arising from these financial instruments.

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

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

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#### 23. CONTRACTUAL OBLIGATIONS

*(a) Aggregate Supply Agreement*

The Municipality entered into an Agreement on April 1, 2013 which requires the Municipality to purchase a minimum of 50,000 tonnes of aggregate at a price of \$3.00 per tonne during the first ten years of the agreement ending December 2023.

*(b) Alberta Transportation - Twinning of Highway 40*

The Municipality entered into an Agreement dated August 19, 2020 which requires the Municipality to share the costs to twin Highway 40 for a distance of approximately 20 kilometres (the "Project"). The Province of Alberta will contribute 50% of the total incurred Project costs and be responsible for any cost overruns above the Project cost estimated to be \$120 million. The Municipality is required to contribute 50% of the total incurred Project costs, to a maximum of \$60 million. During 2022, the Municipality made a contribution of \$NIL (2021 - \$25 million).

The County of Grande Prairie No.1 has agreed to contribute \$10 million to assist with the Municipality's contribution of the Project.

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#### 24. SEGMENTED INFORMATION

Segmented information has been identified based upon lines of service provided by the Municipality. Municipality services are provided by departments and their activities are reported by functional area in the body of the financial statements. Certain lines of service that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

*(a) Administrative Services*

Administrative Services is comprised of the Office of the Chief Administrative Officer, Communications, and Corporate Services. Corporate Services is comprised of Financial Services, Human Resources, Records Management, and Information Technology Services. These groups provide connection to Council and ensure consistent processes and systems throughout the Municipality.

(CONT'D)

## MUNICIPAL DISTRICT OF GREENVIEW NO. 16

### Notes to Financial Statements

Year Ended December 31, 2022

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#### 24. SEGMENTED INFORMATION (CONT'D)

##### *(b) Recreation and Cultural Services*

Recreation and Cultural Services consists of the Grande Cache Recreation Centre (the "Centre"), Greenview Regional Multiplex (the "Multiplex"), the Outdoor Recreation department and the Community Grants program area. Through these groups the Municipality provides:

- The Centre consists of an aquatic centre, a ice hockey rink, a curling rink, fitness centre, and multi-purpose rooms.
- The Multiplex consists of an aquatic centre, fitness centre, dance studio, fieldhouse, indoor play centre, and party and board rooms.
- The Outdoor Recreation department consists of 7 campgrounds, five day use areas, and walking trails. They also work with Alberta Environment and Parks on joint projects on public lands.
- Community Grants delivers ongoing support to community groups, museums, cemeteries and support to other organizations, including scholarships and sponsorships on an annual basis

##### *(c) Community Services*

Community Services consists of Agricultural Services, Construction and Engineering, Planning and Development and Economic Development and Tourism. These groups support the Municipality in economic direction as follows:

- Agricultural Services support the Agricultural Services Board to implement their decisions, deliver their programming, and enforce applicable legislation.
- Constructing and Engineering constructs new roads, re-establishes existing ditches and re-grades existing roads, registered drainage systems and bridge files.
- Planning and Development coordinates and manages orderly land development in the Municipality that protects the interest of the Municipality and ensures the ongoing conservation of the Municipality's natural environment and cultural heritage.
- Economic Development and Tourism peruse growth opportunities that meet the strategic goals set out by the Council that includes building business relationships, promoting the Municipality as an investment opportunity, deliver programming for small businesses and not-for profits in the Municipality and promotion of tourism.

##### *(d) Utilities and Transportation Services*

Utilities and Transportation Services is responsible for road maintenance and fleet services within the Municipality. This includes fleet and mechanical services throughout the Municipality, snowplow services, road grading and re-graveling, dust control, road bans and bonds, road use agreements and other activities to maintain safe roads.

##### *(e) Environmental Services*

Environmental Services manages the capital construction and daily operations of the water, wastewater, and solid waste infrastructure systems within the Municipality.

(CONT'D)



## MUNICIPAL DISTRICT OF GREENVIEW NO. 16

### Notes to Financial Statements

Year Ended December 31, 2022

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#### 24. SEGMENTED INFORMATION (CONT'D)

(f) *All Other*

All Other is comprised of Municipality Council, Enforcement Services, Fire Rescue Services and Family and Community Support Services.

Council provides the strategic direction for the Municipality and makes decisions regarding level of services delivered in the Municipality.

Enforcement Services is responsible for enforcing community bylaws and provincial statutes.

Fire Rescue Services provide fire suppression services, fire prevention programs, training and education related to fire prevention, detection or extinguishments of fires, and respond to non-fire emergencies.

The Family and Community Services area provides services mandated by Family and Community Support Services Alberta through a shared funding model between the Province of Alberta and the Municipality.

Certain allocation methodologies are employed in the preparation of segmented financial information. Net municipal taxes are unallocated to segments and are presented under Administrative Services. Sales and user charges have been allocated to the segment based upon the segment that generated the revenue. Government transfers have been allocated to the segment based upon the purpose for which the transfer was made.

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#### 25. TRUST FUNDS

Trust assets are not owned by the Municipality, trust assets and liabilities have been excluded from the financial statements. The following table provides a summary of the transactions during the year:

	Opening	Receipts	Disbursements	Ending
Tax sale proceeds	\$ 73,926	\$ 468,828	\$ (2,373)	\$ 540,381
Greenview Regional Multiplex	326,420	8,884	(18,657)	316,647
	<u>\$ 400,346</u>	<u>\$ 477,712</u>	<u>\$ (21,030)</u>	<u>\$ 857,028</u>

## MUNICIPAL DISTRICT OF GREENVIEW NO. 16

### Notes to Financial Statements

Year Ended December 31, 2022

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#### 26. BUDGET FIGURES

The 2022 budget data presented in these financial statements is based on the operating and capital budgets approved by Council on April 26, 2022. The chart below reconciles the approved financial plan to the figures reported in these financial statements.

	2022 (Budget)	2022 (Actual)	2021 (Actual)
Annual surplus	\$ (13,540,698)	\$ 5,916,805	\$ (12,798,802)
Add back:			
Net transfers from (to) reserves	75,407,895	1,068,391	15,569,884
Deduct:			
Principal debt repayments	(41,682)	(474,544)	(453,911)
Purchase of tangible capital assets	(61,825,515)	(21,397,352)	(26,003,937)
	\$ -	\$ (14,886,700)	\$ (23,686,766)

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#### 27. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current year's financial statement presentation.

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#### 28. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by Council and Management on April 25, 2023.

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