

MUNICIPAL DISTRICT OF GREENVIEW NO. 16

Financial Statements

December 31, 2023

MUNICIPAL DISTRICT OF GREENVIEW NO. 16

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Year Ended December 31, 2023

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INDEPENDENT AUDITORS' REPORT

To the Members of 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, 2023, and the statements of financial activities, changes in accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes to the financial statements, including 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, 2023, and the results of its financial activities and accumulated surplus, changes in 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 *Independent 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 Matter

The financial statements for the year ended December 31, 2022 were audited by another auditor who expressed an unmodified opinion on those financial statements on April 25, 2023.

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

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

In preparing the financial statements, management is responsible for assessing 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.

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

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Independent 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.

Fletcher Moody & LLP

Grande Prairie, Alberta
April 23, 2024

Chartered Professional Accountants



MUNICIPAL DISTRICT OF GREENVIEW NO. 16

Statement of Financial Position

December 31, 2023

	2023	2022
FINANCIAL ASSETS		
Cash <i>(Note 2)</i>	\$ 71,426,027	\$ 99,105,914
Portfolio investments <i>(Note 3)</i>	130,812,288	81,727,467
Receivables		
Taxes and grants in place of taxes receivable <i>(Note 4)</i>	1,958,211	1,142,108
Trade and other receivables <i>(Note 5)</i>	10,610,523	10,442,917
Debt recoverable - local improvements <i>(Note 6)</i>	902,643	946,418
Land held for resale	602,000	602,000
	<u>216,311,692</u>	<u>193,966,824</u>
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities <i>(Note 7)</i>	11,598,433	8,751,052
Employee benefit obligations <i>(Note 8)</i>	1,238,418	1,124,461
Deferred revenue <i>(Note 9)</i>	2,219,274	6,685,266
Long-term debt <i>(Note 10)</i>	1,495,890	1,915,906
Asset retirement obligations and environmental liabilities <i>(Note 12)</i>	32,762,964	12,558,934
	<u>49,314,979</u>	<u>31,035,619</u>
NET FINANCIAL ASSETS	<u>166,996,713</u>	<u>162,931,205</u>
NON-FINANCIAL ASSETS		
Tangible capital assets <i>(Schedule 2)</i>	393,304,784	378,932,747
Inventory for consumption	15,619,071	11,133,035
Prepaid expenses and deposits	1,694,013	1,777,059
	<u>410,617,868</u>	<u>391,842,841</u>
ACCUMULATED SURPLUS <i>(Schedule 1)</i>	<u>\$ 577,614,582</u>	<u>\$ 554,774,046</u>
CONTINGENT LIABILITIES <i>(Note 22)</i>		

ON BEHALF OF COUNCIL

Please see accompanying notes to financial statements

MUNICIPAL DISTRICT OF GREENVIEW NO. 16

Statement of Financial Activities

Year Ended December 31, 2023

	<i>Budget (Unaudited - Note 21)</i>	2023	2022
REVENUES			
Net municipal taxes <i>(Schedule 3)</i>	\$ 111,635,813	\$ 111,305,427	\$ 95,618,138
Government transfers for operating <i>(Schedule 4)</i>	4,634,425	5,978,526	7,760,779
User fees and sales of goods	6,489,332	6,754,859	7,171,015
Penalties and cost of taxes	715,000	916,703	860,907
Other	73,300	102,293	705,020
Licenses and permits	325,000	514,559	372,285
Fines	125,000	149,383	155,853
Interest and investment income	3,292,164	9,062,712	(175,672)
	<u>127,290,034</u>	<u>134,784,462</u>	<u>112,468,325</u>
EXPENDITURES			
Transportation services	53,184,053	44,804,773	47,519,362
Recreation and cultural services	20,326,828	19,455,302	18,199,687
General government and administration	18,502,345	15,021,059	15,340,278
Utilities and environmental	9,204,633	26,012,763	12,414,971
Planning and development services	8,224,394	7,926,363	9,003,848
Protective services	6,761,809	8,794,103	6,054,894
Public health and welfare	2,321,842	2,390,412	2,055,466
	<u>118,525,904</u>	<u>124,404,775</u>	<u>110,588,506</u>
EXCESS OF REVENUES OVER EXPENDITURES BEFORE THE FOLLOWING	<u>8,764,130</u>	<u>10,379,687</u>	<u>1,879,819</u>
OTHER ITEMS			
Gain (loss) on disposal of tangible capital assets	-	(68,017)	204,866
Government transfers for capital <i>(Schedule 4)</i>	1,000,000	12,528,866	3,832,120
	<u>1,000,000</u>	<u>12,460,849</u>	<u>4,036,986</u>
EXCESS OF REVENUES OVER EXPENDITURES	9,764,130	22,840,536	5,916,805
ACCUMULATED SURPLUS - BEGINNING	<u>554,774,046</u>	<u>554,774,046</u>	<u>548,857,241</u>
ACCUMULATED SURPLUS - ENDING	<u>\$ 564,538,176</u>	<u>\$ 577,614,582</u>	<u>\$ 554,774,046</u>

Please see accompanying notes to financial statements

MUNICIPAL DISTRICT OF GREENVIEW NO. 16

Statement of Changes in Net Financial Assets

Year Ended December 31, 2023

	<i>Budget (Unaudited - Note 21)</i>		
	2023	2023	2022
EXCESS OF REVENUES OVER EXPENDITURES	\$ 9,764,130	\$ 22,840,536	\$ 5,916,805
Acquisition of tangible capital assets	(101,731,806)	(39,981,238)	(21,397,352)
Proceeds on disposal of tangible capital assets	-	37,500	544,620
Loss (gain) on disposal of tangible capital assets	-	68,017	(204,866)
Amortization of tangible capital assets	24,131,205	25,503,682	24,623,131
	<u>(77,600,601)</u>	(14,372,039)	3,565,533
Net change in inventory for consumption	-	(4,486,035)	(1,317,651)
Acquisition of prepaid expenses	-	(971,881)	(1,170,302)
Use of prepaid expenses	-	1,054,927	737,477
	<u>-</u>	(4,402,989)	(1,750,476)
	<u>(77,600,601)</u>	(18,775,028)	1,815,057
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	(67,836,471)	4,065,508	7,731,862
NET FINANCIAL ASSETS - BEGINNING OF YEAR	<u>162,931,205</u>	162,931,205	155,199,343
NET FINANCIAL ASSETS - END OF YEAR	<u>\$ 95,094,734</u>	\$ 166,996,713	\$ 162,931,205

Please see accompanying notes to financial statements

MUNICIPAL DISTRICT OF GREENVIEW NO. 16

Statement of Cash Flows

Year Ended December 31, 2023

	<u>2023</u>	<u>2022</u>
OPERATING ACTIVITIES		
Excess of revenues over expenditures	\$ 22,840,536	\$ 5,916,805
Items not affecting cash:		
Amortization of tangible capital assets	25,503,682	24,623,131
Loss (gain) on disposal of tangible capital assets	<u>68,017</u>	<u>(204,866)</u>
	<u>48,412,235</u>	<u>30,335,070</u>
Change in non-cash working capital:		
Trade and other receivables	(167,606)	6,298,096
Taxes and grants in place of taxes receivable	(816,103)	491,103
Inventory for consumption	(4,486,035)	(1,317,651)
Prepaid expenses	83,046	(432,825)
Accounts payable and accrued liabilities	2,847,381	(4,474,074)
Employee benefit obligations	113,957	144,426
Asset retirement obligations	20,204,030	4,558,934
Deferred revenue	<u>(4,465,992)</u>	<u>212,029</u>
Cash from operating activities	<u>61,724,913</u>	<u>35,815,108</u>
INVESTING ACTIVITY		
Debt recoverable - local improvements	<u>43,775</u>	<u>41,680</u>
FINANCING ACTIVITY		
Long-term debt repaid	<u>(420,016)</u>	<u>(474,544)</u>
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(39,981,238)	(21,397,352)
Proceeds on disposal of tangible capital assets	<u>37,500</u>	<u>544,620</u>
Cash used by capital activities	<u>(39,943,738)</u>	<u>(20,852,732)</u>
INCREASE (DECREASE) IN CASH	21,404,934	14,529,512
CASH - BEGINNING OF YEAR	<u>180,833,381</u>	<u>166,303,869</u>
CASH - END OF YEAR	<u>\$ 202,238,315</u>	<u>\$ 180,833,381</u>
CASH CONSISTS OF:		
Cash (Note 2)	\$ 71,426,027	\$ 99,105,914
Portfolio investments (Note 3)	<u>130,812,288</u>	<u>81,727,467</u>
	<u>\$ 202,238,315</u>	<u>\$ 180,833,381</u>

Please see accompanying notes to financial statements

MUNICIPAL DISTRICT OF GREENVIEW NO. 16

Schedule of Changes in Accumulated Surplus

(Schedule 1)

Year Ended December 31, 2023

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2023	2022
BALANCE, BEGINNING OF YEAR	\$ 14,315,257	\$ 162,495,530	\$ 377,963,259	\$ 554,774,046	\$ 548,857,241
Excess of revenues over expenditures	22,840,536	-	-	22,840,536	5,916,805
Unrestricted funds designated for future use	(3,738,624)	3,738,624	-	-	-
Restricted funds used for operations	3,815,533	(3,815,533)	-	-	-
Asset retirement obligation initial recognition	6,830,923	-	(6,830,923)	-	-
Current year funds used for tangible capital assets	(19,745,113)	-	19,745,113	-	-
Restricted funds used for tangible capital assets	-	(20,236,125)	20,236,125	-	-
Annual amortization expense	-	25,503,682	(25,503,682)	-	-
Annual accretion expense	574,611	-	(574,611)	-	-
Disposal of tangible capital assets	105,518	-	(105,518)	-	-
Long-term debt for capital repaid	(420,016)	-	420,016	-	-
Agreements receivable recovered	43,775	-	(43,775)	-	-
BALANCE, END OF YEAR	\$ 24,622,400	\$ 167,686,178	\$ 385,306,004	\$ 577,614,582	\$ 554,774,046

Please see accompanying notes to financial statements

MUNICIPAL DISTRICT OF GREENVIEW NO. 16

Schedule of Tangible Capital Assets

(Schedule 2)

Year Ended December 31, 2023

	Engineered Structures	Buildings and Leasehold Improvements	Land and Land Improvements	Machinery and Equipment and Furnishings	Vehicles	Assets Under Construction	2023	2022
COST								
BALANCE, BEGINNING	\$ 673,828,684	\$ 135,159,442	\$ 14,049,333	\$ 28,530,773	\$ 20,398,301	\$ 10,467,971	\$ 882,434,504	\$ 864,738,919
Acquisition of tangible capital assets	11,847,646	1,047,898	2,762,291	1,079,630	862,329	17,147,079	34,746,873	58,079,771
Addition of asset retirement obligations to tangible capital assets	6,606,800	224,123	-	-	-	-	6,830,923	-
Transfers of assets under construction	2,810,499	1,114,701	210,998	337,210	-	(6,069,966)	(1,596,558)	-
Disposal of tangible capital assets	(188,333)	(104,753)	-	(20,810)	(77,291)	-	(391,187)	(40,384,186)
BALANCE, ENDING	694,905,296	137,441,411	17,022,622	29,926,803	21,183,339	21,545,084	922,024,555	882,434,504
ACCUMULATED AMORTIZATION								
BALANCE, BEGINNING	447,298,561	25,791,029	972,813	14,882,317	14,557,037	-	503,501,757	482,240,639
Annual amortization	18,492,388	2,798,198	163,516	2,560,320	1,489,260	-	25,503,682	24,623,131
Accumulated amortization on disposals	(186,260)	(54,122)	-	(20,810)	(24,475)	-	(285,668)	(3,362,013)
BALANCE, ENDING	465,604,689	28,535,105	1,136,329	17,421,827	16,021,822	-	528,719,771	503,501,757
NET BOOK VALUE, ENDING	\$ 229,300,607	\$ 108,906,306	\$ 15,886,293	\$ 12,504,976	\$ 5,161,517	\$ 21,545,084	\$ 393,304,784	\$ 378,932,747
2022 NET BOOK VALUE, ENDING	\$ 226,530,123	\$ 109,368,413	\$ 13,076,522	\$ 13,648,456	\$ 5,841,264	\$ 10,467,971	\$ 378,932,747	

Please see accompanying notes to financial statements

MUNICIPAL DISTRICT OF GREENVIEW NO. 16

Schedule of Property and Other Taxes

(Schedule 3)

Year Ended December 31, 2023

	<i>Budget (Unaudited) 2023</i>	2023	2022
Taxation			
Linear property taxes	\$ 74,274,333	\$ 74,045,652	\$ 67,180,485
Real property taxes	72,621,071	72,532,468	63,842,352
Government grants in lieu of property taxes	529,760	529,502	472,773
	<u>147,425,164</u>	<u>147,107,622</u>	<u>131,495,610</u>
Requisitions			
Alberta School Foundation Fund	29,737,612	29,756,665	30,334,901
Seniors foundations	4,914,817	4,914,817	4,446,731
Designated industrial property	1,054,422	1,054,486	1,012,582
Other school boards	82,500	76,227	83,258
	<u>35,789,351</u>	<u>35,802,195</u>	<u>35,877,472</u>
	<u>\$ 111,635,813</u>	<u>\$ 111,305,427</u>	<u>\$ 95,618,138</u>

Please see accompanying notes to financial statements

MUNICIPAL DISTRICT OF GREENVIEW NO. 16

Schedule of Government Transfers

(Schedule 4)

Year Ended December 31, 2023

	<i>Budget (Unaudited) 2023</i>	2023	2022
Transfers for operating			
Provincial government	\$ 1,079,602	\$ 2,363,090	\$ 4,207,621
Federal government	-	57,315	-
Other local governments	3,554,823	3,558,121	3,553,158
	<u>4,634,425</u>	<u>5,978,526</u>	<u>7,760,779</u>
Transfers for capital			
Provincial government	1,000,000	12,513,380	3,832,120
Federal government	-	15,486	-
	<u>1,000,000</u>	<u>12,528,866</u>	<u>3,832,120</u>
TOTAL GOVERNMENT TRANSFERS	<u>\$ 5,634,425</u>	<u>\$ 18,507,392</u>	<u>\$ 11,592,899</u>

Please see accompanying notes to financial statements

MUNICIPAL DISTRICT OF GREENVIEW NO. 16

Schedule of Expenditures by Object

(Schedule 5)

Year Ended December 31, 2023

	<i>Budget (Unaudited)</i>		
	2023	2023	2022
EXPENDITURES			
Salaries, wages and benefits	\$ 32,673,791	\$ 29,115,034	\$ 26,595,922
Contracted and general services	37,168,335	37,484,884	30,885,349
Materials, goods, and utilities	11,654,296	6,082,019	9,692,861
Provision for allowances	500,000	(1,610,983)	(51,990)
Transfers to local boards and agencies	11,640,305	12,769,425	13,796,447
Bank charges and short-term interest	-	316,187	143,296
Interest on long-term debt	457,972	81,731	78,875
Amortization of tangible capital assets	24,131,205	25,503,682	24,623,131
Accretion of asset retirement obligations	300,000	574,611	-
Provision for asset retirement obligations	-	14,088,185	4,824,615
	<u>\$ 118,525,904</u>	<u>\$ 124,404,775</u>	<u>\$ 110,588,506</u>

Please see accompanying notes to financial statements

MUNICIPAL DISTRICT OF GREENVIEW NO. 16

Schedule of Segmented Disclosure

(Schedule 6)

Year Ended December 31, 2023

	General Government	Protective Services	Transportation Services	Planning and Development	Community Services	Recreation and Culture	Utilities and Environmental	Total
REVENUE								
Net municipal taxes	\$ 111,305,427	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 111,305,427
Government transfers	3,333,333	788,517	661,621	223,562	673,618	292,055	5,820	5,978,526
User fees and sales of goods	161,067	68,174	1,370,021	3,150	322,501	1,325,987	3,503,959	6,754,859
Investment income	9,014,322	-	-	-	-	-	48,390	9,062,712
Other revenue	1,166,218	154,990	-	324,810	12,344	24,576	-	1,682,938
	<u>124,980,367</u>	<u>1,011,681</u>	<u>2,031,642</u>	<u>551,522</u>	<u>1,008,463</u>	<u>1,642,618</u>	<u>3,558,169</u>	<u>134,784,462</u>
EXPENSES								
Salaries, wages and benefits	8,084,367	2,093,660	6,352,697	3,808,693	1,718,534	4,481,199	2,575,884	29,115,034
Contracted and general services	6,153,983	4,098,742	20,697,884	1,697,156	275,147	1,397,777	3,164,195	37,484,884
Materials, goods and utilities	1,227,742	630,424	850,708	570,593	100,280	1,355,890	1,346,382	6,082,019
Transfers to local boards and agencies	-	211,463	-	1,489,424	278,650	10,090,282	699,606	12,769,425
Interest on long-term debt	-	-	-	35,287	-	-	46,444	81,731
Amortization expense	849,763	1,759,814	16,903,484	325,210	17,801	2,130,154	3,517,456	25,503,682
Accretion expense	-	-	-	-	-	-	574,611	574,611
Provision for asset retirement obligations	-	-	-	-	-	-	14,088,185	14,088,185
Other expenses	(1,294,796)	-	-	-	-	-	-	(1,294,796)
	<u>15,021,059</u>	<u>8,794,103</u>	<u>44,804,773</u>	<u>7,926,363</u>	<u>2,390,412</u>	<u>19,455,302</u>	<u>26,012,763</u>	<u>124,404,775</u>
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES	<u>\$ 109,959,308</u>	<u>\$ (7,782,422)</u>	<u>\$ (42,773,131)</u>	<u>\$ (7,374,841)</u>	<u>\$ (1,381,949)</u>	<u>\$ (17,812,684)</u>	<u>\$ (22,454,594)</u>	<u>\$ 10,379,687</u>
2022 EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES	<u>\$ 85,793,925</u>	<u>\$ (5,757,508)</u>	<u>\$ (43,009,021)</u>	<u>\$ (8,665,698)</u>	<u>\$ (988,247)</u>	<u>\$ (16,750,456)</u>	<u>\$ (8,743,176)</u>	<u>\$ 1,879,819</u>

Please see accompanying notes to financial statements

MUNICIPAL DISTRICT OF GREENVIEW NO. 16

Notes to Financial Statements

Year Ended December 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Municipal District of Greenview No. 16 (the "Municipality") are the representations of management prepared in accordance with accounting standards established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. Significant aspects of the accounting policies adopted by the Municipality are as follows:

Reporting entity

The financial statements reflect the assets, liabilities, revenues and expenditures, changes in net assets and changes 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 Municipality and are, therefore, accountable to the Municipality for the administration of their financial affairs and resources.

The schedule of taxes levied also includes requisitions for education, health, social and senior foundations that are not part of the Municipality's reporting entity.

Interdepartmental and organizational transactions and balances have been eliminated.

The financial statements also exclude trust assets that are administered for the benefit of external parties as described in Note 18.

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.

Investments

Investments are recorded at amortized cost. Investment premiums and discounts are amortized on the net present value basis 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.

(continues)

MUNICIPAL DISTRICT OF GREENVIEW NO. 16

Notes to Financial Statements

Year Ended December 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Inventories for resale

Assets held for resale is recorded at the lower of cost or 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. 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.

Agreements receivable

Debt charges recoverable consist of amounts that are recoverable through local improvement taxes with respect to outstanding debentures or other long-term debt pursuant to bylaws or joint capital undertakings. These recoveries are recorded at a value that equals the offsetting portion of the un-matured long-term debt, less actuarial requirements for the retirement of any sinking fund debentures.

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 the 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.

Employee future benefits

Certain employees of the Municipality are members of the Local Authorities Pension Plan (LAPP), a multi-employer defined benefit pension plan. The President of the Alberta Treasury Board and the Minister of Finance are the legal trustees and administrators of the Plan, which is governed by a Board of Trustees. Since the Plan is a multi-employer plan, it is accounted for as a defined contribution plan and, accordingly, the Municipality does not recognize its share of any plan surplus or deficit.

Qualifying employees of the Municipality are members of the APEX Supplementary Pension Plan (APEX), a multi-employer defined benefit pension plan. The Trustee of the plan is the Alberta Municipal Services Corporation, a subsidiary of the Alberta Urban Municipalities Association and the plan is administered by a Board of Trustees. Since the Plan is a multi-employer plan, it is accounted for as a defined contribution plan and, accordingly, the Municipality does not recognize its share of any plan surplus or deficit.

Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They 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.

(continues)

MUNICIPAL DISTRICT OF GREENVIEW NO. 16

Notes to Financial Statements

Year Ended December 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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 the estimated useful life, in years, as follows:

Buildings	20-40
Land improvements	15
Engineered structures	10-50
Machinery and equipment	10-20
Vehicles	5-15
Office and information technology	3-5

In the year of acquisition, a half year of amortization is applied. Assets under construction are not amortized until the asset is available for productive use.

The Municipality regularly reviews its tangible capital assets for sold or scrapped assets, at which time the cost and the related accumulated amortization are removed from the accounts and any resulting gain or loss on disposal is reflected in income.

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

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.

Impairment of long-lived assets

The Municipality tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent the carrying value exceeds its fair value.

(continues)

MUNICIPAL DISTRICT OF GREENVIEW NO. 16

Notes to Financial Statements

Year Ended December 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Asset retirement obligations

The Municipality recognizes a liability at the best estimate of the amount required for the future environmental remediation of certain properties and for future removal and handling costs for contamination. 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 Municipality reviews the carrying amount of the liability. The Municipality recognizes the period-to-period changes to the liability as an accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset. The Municipality continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

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 there is a legal obligation for the Municipality to incur retirement costs a site is not in productive use and is management's estimate of the cost of post-remediation including operation, maintenance and monitoring.

Inventory held for consumption

Inventories held for consumption consists of gravel, salt, sand, parts, chemicals, cleaning supplies, and promotional items. Gravel, salt, and sand cost is determined on a weighted average basis. Cost for parts, chemicals, cleaning supplies, and promotional items is determined on a first-in, first-out basis. All other inventory held for consumption are recorded at the lower of cost and replacement cost.

Reserves for future expenditures

Reserves are established at the discretion of Council to set aside funds for future expenditures and capital projects.

(continues)

MUNICIPAL DISTRICT OF GREENVIEW NO. 16

Notes to Financial Statements

Year Ended December 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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 senior levels of government 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.

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, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the period. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from these estimates.

Significant estimates made by management in these financial statements include the provision for amortization of tangible capital assets, provisions for uncollectible receivables and asset retirement obligations.

Budget

The budget amounts are presented for information purposes and have not been audited.

Future accounting changes

The Public Sector Accounting Board has issued the following accounting standards:

- PS 3160 Public Private Partnerships (effective for fiscal years beginning on or after April 1, 2023)
This standard establishes standards on how to account for certain arrangements between public and private entities. The standard provides guidance on situations where a public entity acquires infrastructure assets using a private sector partner that designs, builds, or finances the infrastructure asset past the point where it is ready for use.
 - PS 3400 Revenue (effective for fiscal years beginning on or after April 1, 2023)
This standard provides guidance on how to account for and report on revenue, specifically in regard to revenue arising from transactions with performance obligations (exchange transactions) and those without performance obligations (non-exchange transactions).
 - PSG-8 Purchased Intangibles (effective for fiscal years beginning on or after April 1, 2023)
This standard allows for purchased intangible assets to be recognized as assets in the public sector entity's financial statements.
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MUNICIPAL DISTRICT OF GREENVIEW NO. 16

Notes to Financial Statements

Year Ended December 31, 2023

2. CASH

Cash held in bank accounts bears interest at rates ranging between prime less 1.90% and prime less 1.55% depending on the cash balance (2022 - prime less 1.90% and prime less 1.55%).

Included in cash are restricted amounts aggregating \$2,219,274 (2022 - \$6,685,266) to be used for specific projects included in deferred revenue (*Note 9*).

The Municipality has entered into a credit facility agreement which encompasses a revolving line of credit with a maximum limit of \$5,000,000 bearing interest at the bank prime rate plus 1.00% and secured by borrowing by-laws and approvals as required to be in compliance with the Alberta Municipal Government Act and its Regulations. At year-end, no amounts were withdrawn against the available balance.

The Municipality has entered into a credit facility agreement which encompasses a non-revolving demand loan with a maximum limit of \$40,104,228 bearing interest at the bank prime rate less 0.25% and secured by borrowing by-laws and approvals as required to be in compliance with the Alberta Municipal Government Act and its Regulations. At year-end, no amounts were withdrawn against the available balance.

In addition, the Municipality holds \$419,912 (2022 - \$857,028) that is held in trust as described in Note 18.

3. PORTFOLIO INVESTMENTS

Portfolio investments, with a market value of \$132,142,251, are readily convertible to cash, consist of fixed income investments and Canadian treasury bills, have a weighted average investment yield of 3.78% (2022 - 2.69%) per annum and mature between April 2024 and November 2033.

4. TAXES AND GRANTS IN PLACE OF TAXES RECEIVABLE

	<u>2023</u>	<u>2022</u>
Current taxes and grants in place of taxes	\$ 1,465,584	\$ 2,280,621
Arrears	3,488,670	2,951,902
	<u>4,954,254</u>	<u>5,232,523</u>
Less: Allowance for doubtful accounts	<u>(2,996,043)</u>	<u>(4,090,415)</u>
	<u>\$ 1,958,211</u>	<u>\$ 1,142,108</u>

5. TRADE AND OTHER RECEIVABLES

	<u>2023</u>	<u>2022</u>
Trade and other receivables	\$ 2,063,457	\$ 2,814,800
Government grants receivable	6,804,585	6,783,137
Goods and services tax	1,086,907	1,188,545
Accrued investment earnings	1,068,384	458,588
Less: Allowance for doubtful accounts	<u>(412,810)</u>	<u>(802,153)</u>
	<u>\$ 10,610,523</u>	<u>\$ 10,442,917</u>

MUNICIPAL DISTRICT OF GREENVIEW NO. 16

Notes to Financial Statements

Year Ended December 31, 2023

6. DEBT RECOVERABLE - LOCAL IMPROVEMENTS

	<u>2023</u>	<u>2022</u>
Creek Crossing Subdivision	\$ 902,643	\$ 946,418
Agreements receivable due in one year	<u>(45,975)</u>	<u>(43,775)</u>
	<u>\$ 856,668</u>	<u>\$ 902,643</u>

Estimated principal amounts to be received are as follows:

2024	\$ 45,975
2025	48,285
2026	50,712
2027	53,260
2028	55,937
Thereafter	<u>648,474</u>
	<u>\$ 902,643</u>

The Municipality passed Bylaw 07-534 authorizing council to provide a local improvement to install water and wastewater lines and a 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.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2023</u>	<u>2022</u>
Trade payables and other accrued liabilities	\$ 8,780,549	\$ 6,533,884
Construction holdbacks payable	1,740,164	1,184,129
Accrued payroll	<u>1,077,720</u>	<u>1,033,039</u>
	<u>\$ 11,598,433</u>	<u>\$ 8,751,052</u>

8. EMPLOYEE BENEFIT OBLIGATIONS

	<u>2023</u>	<u>2022</u>
Vacation and overtime	\$ 1,238,418	\$ 1,124,461

The vacation and overtime liability is comprised of the vacation and overtime that employees are deferring to future years. 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 direct post-employment benefits to its employees. Employees may qualify for group pension plans as disclosed in Note 16.

MUNICIPAL DISTRICT OF GREENVIEW NO. 16

Notes to Financial Statements

Year Ended December 31, 2023

9. DEFERRED REVENUE

	<u>2023</u>	<u>2022</u>
Operating grants	\$ 1,623,593	\$ 1,335,391
CCBF capital grant	595,681	-
AMWWP capital grant	-	5,349,875
	<u>\$ 2,219,274</u>	<u>\$ 6,685,266</u>

Deferred revenue is comprised of the funds noted above, the use of which, together with any earnings thereon, is restricted by an agreement. These funds are recognized as revenue in the period they are used for the purpose specified.

Deferred operating grants consist of restricted amounts for specific operating projects including disaster recovery and parks.

Canada Community Building Fund (CCBF, formerly the Federal Gas Tax Fund)

Capital funding in the amount of \$595,681 (2022 - \$1,106,314) was committed to the Municipality in the current year from the Canada Community Building Fund. The funding relates to a capital project beginning in subsequent periods.

Alberta Municipal Water/Wastewater Partnership (AMWWP)

Capital funding in the amount of \$2,913,959 (2022 - \$1,577,144) was committed to the Municipality in the current year from the Alberta Municipal Water/Wastewater Partnership. The funding relates to capital projects currently in progress. At year end, no funds were deferred.

Municipal Sustainability Initiative (MSI)

Capital funding in the amount of \$1,123,293 (2022 - \$2,061,646) was committed to the Municipality in the current year from the Municipal Sustainability Initiative, as approved under the funding agreement. The funding related to capital projects worked on in the year. At year end, no funds were deferred.

Strategic Transportation Infrastructure Program (STIP)

Capital funding in the amount of \$3,000,000 (2022 - \$NIL) was committed to the Municipality in the current year from the Strategic Transportation Infrastructure Program. The funding relates to a capital project currently in progress. At year end, no funds were deferred.

MUNICIPAL DISTRICT OF GREENVIEW NO. 16

Notes to Financial Statements

Year Ended December 31, 2023

10. LONG-TERM DEBT

	<u>2023</u>	<u>2022</u>
Tax supported debentures	\$ 1,495,890	\$ 1,915,906
Long-term debt due in one year	<u>(437,518)</u>	<u>(420,016)</u>
Long-term debt due thereafter	<u>\$ 1,058,372</u>	<u>\$ 1,495,890</u>

Principal repayment terms are approximately:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
2028	55,937	34,281	90,218
Thereafter	<u>648,474</u>	<u>163,491</u>	<u>811,965</u>
	<u>\$ 1,495,890</u>	<u>\$ 384,460</u>	<u>\$ 1,880,350</u>

Debenture debt is repayable to the Province of Alberta and bears interest at rates ranging from 4.01% to 4.96% per annum and matures in years 2025 through 2037.

Cash paid for interest on long-term debt amounted to \$81,731 (2022 - \$78,875).

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 of Greenview No. 16 be disclosed as follows:

	<u>2023</u>	<u>2022</u>
Total debt limit	\$ 202,176,693	\$ 168,702,488
Total debt	<u>(1,495,890)</u>	<u>(1,915,906)</u>
Amount debt limit remaining	<u>\$ 200,680,803</u>	<u>\$ 166,786,582</u>
Debt servicing limit	\$ 33,696,116	\$ 28,117,081
Debt servicing	<u>(501,747)</u>	<u>(501,747)</u>
Service on debt limit remaining	<u>\$ 33,194,369</u>	<u>\$ 27,615,334</u>

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

As discussed in Note 2, the Municipality has entered into a credit facility agreement which encompasses a non-revolving demand loan with a maximum limit of \$40,104,228.

MUNICIPAL DISTRICT OF GREENVIEW NO. 16

Notes to Financial Statements

Year Ended December 31, 2023

12. ASSET RETIREMENT OBLIGATIONS

	<u>2023</u>	<u>2022</u>
Asset Retirement Obligations, beginning of year	\$ 12,558,934	\$ 8,000,000
Liability incurred	19,629,419	4,558,934
Accretion expense	574,611	-
	<u>\$ 32,762,964</u>	<u>\$ 12,558,934</u>

Effective January 1, 2023 the The Municipal District of Greenview No. 16 adopted the new accounting standard PS 3280 Asset Retirement Obligations and applied the standard using the prospective approach.

On the effective date of the PS 3280 Standard, the Municipality recognized the following to conform to the new standard:

- asset retirement obligations where the event giving rise to the obligation occurred on or after January 1, 2023;
- asset retirement obligations where the event giving rise to the obligation arose prior to January 1, 2023 and the obligation had not previously been recognized; and
- asset retirement obligations where the event giving rise to the obligation arose prior January 1, 2023 and the previously recognized obligation requires adjustment in applying this standard.

PS 3280, Asset Retirement Obligations defines which activities would be included in a liability for retirement of a tangible capital asset, establishes when to recognize and how to measure a liability for asset retirement. This new standard effectively replaces PS 3270, Solid Waste Landfill closure and Post-closure liabilities.

Asset retirement obligations associated with tangible capital assets no longer in productive use or not recognized as a tangible capital asset are to be expensed, as there is no cost basis of the underlying asset to which the asset retirement costs can be attached. Asset retirement obligations attached to tangible capital assets are \$6,830,923 (2022 - \$NIL).

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 of the landfill closure and post closure 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.

(continues)

MUNICIPAL DISTRICT OF GREENVIEW NO. 16

Notes to Financial Statements

Year Ended December 31, 2023

12. ASSET RETIREMENT OBLIGATIONS *(continued)*

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 average long-term investment interest rate of 8.36% (2022 - 4.87% average long-term borrowing rate), and assuming annual inflation of 2.00% (2022 - 5.00%).

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.

The Municipality owns assets which contain asbestos and therefore the Municipality is legally required to perform abatement activities upon renovation or demolition of the asset. Abatement activities include handling and disposing of the asbestos in a prescribed manner when it is disturbed. Estimated total costs equal the sum of the discounted future cash flows for asbestos abatement activities using a discount rate equal to the average long term investment interest rate of 8.36% and assuming annual inflation of 2.00%.

The Municipality owns lagoons which require post-closure reclamation which considers the accreted costs of restoration per acre, the age of the lagoon and the estimated useful life of the lagoon. Estimated total costs equal the sum of the discounted future cash flows for lagoon post-closure activities using a discount rate equal to the average long term investment interest rate of 8.36% and assuming annual inflation of 2.00%.

13. EQUITY IN TANGIBLE CAPITAL ASSETS

	<u>2023</u>	<u>2022</u>
Tangible capital assets <i>(Schedule 2)</i>	\$ 393,304,784	\$ 378,932,747
Capital agreements receivable <i>(Note 6)</i>	902,643	946,418
Long-term debt issued for capital purposes <i>(Note 10)</i>	(1,495,890)	(1,915,906)
Asset retirement obligations <i>(Note 12)</i>	(7,405,533)	-
	<u>\$ 385,306,004</u>	<u>\$ 377,963,259</u>

MUNICIPAL DISTRICT OF GREENVIEW NO. 16

Notes to Financial Statements

Year Ended December 31, 2023

14. RESTRICTED SURPLUS

Council has set aside funds as an internal allocation of accumulated surplus as follows:

	Balance Beginning	Additions	Reductions	Balance Closing
Bridge replacement	\$ 11,327,781	\$ 1,310,390	\$ 590,253	\$ 12,047,918
Community Bus	185,423	2,226	-	187,649
Facilities	13,194,172	10,831,356	1,241,618	22,783,910
Fire facilities	3,324,696	662,132	-	3,986,828
Fire rescue apparatus and equipment	5,372,972	1,151,572	155,431	6,369,113
Fleet and equipment replacement	8,287,550	2,771,107	1,598,525	9,460,132
Gravel pit reclamation	1,412,022	82,299	-	1,494,321
Operating project carry forward	713,835	373,295	538,890	548,240
Recreation	4,964,197	2,189,565	40,801	7,112,961
Road infrastructure	81,927,578	14,591,059	24,856,170	71,662,467
Solid waste	1,221,238	1,891,427	15,635	3,097,030
Medical clinic	33,628	44,510	-	78,138
Wastewater	4,350,335	16,339,976	7,190,869	13,499,442
Water	6,284,182	1,578,958	6,963,782	899,358
Economic development	13,208,662	408,754	6,033,968	7,583,448
Disaster Response	3,000,000	14,451	1,796,029	1,218,422
Green View FCSS	100,000	1,200	-	101,200
Operating contingency	3,587,259	2,015,772	47,430	5,555,601
	<u>\$ 162,495,530</u>	<u>\$ 56,260,049</u>	<u>\$ 51,069,401</u>	<u>\$ 167,686,178</u>

MUNICIPAL DISTRICT OF GREENVIEW NO. 16

Notes to Financial Statements

Year Ended December 31, 2023

15. SALARY AND BENEFITS DISCLOSURE

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

	Salary	Benefits and Allowances	2023	2022
Elected Officials:				
Reeve (Ward #9)	\$ 113,823	\$ 22,599	\$ 136,422	\$ 131,049
Deputy Reeve (Ward #8)	71,890	15,537	87,427	79,459
Ward #1	82,140	15,915	98,055	83,485
Ward #2	70,375	13,830	84,205	79,896
Ward #3	69,210	11,717	80,927	81,827
Ward #4	66,553	12,314	78,867	80,877
Ward #5	52,312	9,953	62,265	67,754
Ward #6	106,086	20,083	126,169	94,427
Ward #7	67,934	12,386	80,320	78,821
Ward #8	75,162	11,729	86,891	81,396
Ward #9	60,048	13,479	73,527	97,020
Chief Administrative Officer:	257,130	35,820	292,950	271,075
Designated officers:	758,902	152,102	911,004	722,942
	\$ 1,851,565	\$ 347,464	\$ 2,199,029	\$ 1,950,028

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

Benefits and allowances includes employer's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, vision coverage, group life insurance, accidental disability and dismemberment insurance, long and short-term disability plans, professional memberships and tuition.

Benefits and allowances figures also include the employer's share of the costs of additional taxable benefits including special leave with pay, travel allowances and car allowances.

Designated officers include the Infrastructure and Engineering Director, Community Services Director, Corporate Services Director, and the Planning and Development Director, consisting of 4 full-time positions.

MUNICIPAL DISTRICT OF GREENVIEW NO. 16

Notes to Financial Statements

Year Ended December 31, 2023

16. EMPLOYEE FUTURE BENEFITS

a) 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 Alberta Public Sector Pension Plans Act. The LAPP serves about 291,259 people and 437 employers. The LAPP is financed by employer and employee contributions and by investment earnings of the LAPP Fund.

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

The Municipality 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 Municipality 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.

Total current service contributions by the Municipality to the LAPP in 2023 were \$1,684,526 (2022 - \$1,573,231). Total current service contributions by the employees of the Municipality to the Local Authorities Pension Plan in 2023 were \$1,507,029 (2022 - \$1,409,173).

At December 31, 2022, the LAPP disclosed an actuarial surplus of \$12.7 billion (2021 surplus - \$11.9 billion).

Effective January 1, 2024, member contribution rates will be 8.45% of pensionable earnings up to the year's maximum pensionable earnings and 11.65% thereafter for employers and 7.45% of pensionable earnings up to the year's maximum pensionable earnings and 10.65% thereafter for employees.

b) APEX Supplementary Pension Plan

Eligible employees may also elect to participate in the APEX Supplementary Pension Plan offered through the Alberta Urban Municipalities Association, which is covered by the Public Sector Pension Plans Act. The plan serves about 2,500 people and 72 employers. It is funded by employer and employee contributions and investment earnings on the APEX fund.

The Municipality is required to make current service contributions of 2.96% of pensionable earnings up to the year's maximum pensionable earnings of \$175,333 (2022 - \$171,000) for those employees who have elected to participate in the Plan. No contributions are required on earnings above the maximum threshold.

Employees of the Municipality electing to participate in the Plan are required to make current service contributions of 2.42% of pensionable earnings up to the year's maximum pensionable earnings of \$175,333 (2022 - \$171,000). No contributions are required on earnings above the maximum threshold.

Total current and past service contributions made by the Municipality to APEX in 2023 were \$65,868 (2022 - \$68,790). The current and past service contributions by employees of the Municipality to APEX in 2023 were \$53,851 (2022 - \$46,635).

At December 31, 2022, the Plan disclosed an actuarial surplus of \$3.3 million (2021 surplus - \$2.0 million).

MUNICIPAL DISTRICT OF GREENVIEW NO. 16

Notes to Financial Statements

Year Ended December 31, 2023

17. RELATED PARTY TRANSACTIONS

The following is a summary of transactions and balances with related and other parties for the year ended December 31, 2023:

	2023	2022
Greenview Regional Waste Management Commission <i>(33.33% interest)</i>		
Management fee revenue	\$ 40,000	\$ 40,000
Tipping fees, contracted maintenance services, and professional services	115,115	106,788
Trade and other accounts receivable	63,955	53,156
Trade accounts payable	15,306	13,508

Transactions and balances with Greenview Regional Waste Commission are in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

The summary of specific transactions with regional municipalities is not intended to be representative of all transactions undertaken with these or other municipalities, but is intended to identify only specific transactions that management has identified as relevant to the users of these financial statements.

18. FUNDS HELD IN TRUST

The Municipality administers the following trusts on behalf of third parties. As related trust assets are not owned by the Municipality, the trusts have been excluded from the financial statements. The following table provides a summary of the transactions within these trusts during the year:

	Balance Beginning	Receipts	Disbursements	Balance Closing
Tax sale proceeds	\$ 540,381	\$ 21,797	\$ 476,403	\$ 85,775
Greenview Regional Multiplex	316,647	17,490	-	334,137
	\$ 857,028	\$ 39,287	\$ 476,403	\$ 419,912

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Notes to Financial Statements

Year Ended December 31, 2023

19. FINANCIAL INSTRUMENTS

The Municipality's financial instruments consist of cash and portfolio investments, accounts receivable, investments, agreements receivable, accounts payable and accrued liabilities, deposit liabilities and long-term debt. It is management's opinion that the Municipality is not exposed to significant currency risks arising from these financial instruments.

The Municipality is subject to credit risk with respect to taxes and grants in place of taxes receivables 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 taxpayers and customers minimizes this credit risk.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk; currency rate risk, interest rate risk and other price risk. The Municipality is mainly exposed to interest rate risk and other price risk with respect to its portfolio investments.

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

20. SEGMENTED DISCLOSURE

The Municipality is a diversified municipal government that provides a wide range of services to its citizens. The Schedule of Segmented Disclosure (Schedule 6) has been prepared in accordance with PS 2700 Segmented Disclosures and is intended to help users of the financial statements identify the resources allocated to support major activities of the Municipality and allow users to make more informed judgments regarding the government reporting entity.

Segmented information has been identified based on functional activities provided by the Municipality. For each reported segment, revenues and expenses represent amounts that are directly attributable to the segments and amounts that are allocated on a reasonable basis. The functional areas that have been separately disclosed in the segmented information, along with services they provide are as follow:

General Government

General Government is comprised of the Council, the Office of the Chief Administrative Officer, Communications and Corporate Services. Corporate Services is comprised of Information Technology, Financial Services, Human Resources, and Records Management and other corporate functions that provide for the overall operation of the Municipality. Facility expenses are included in the General Government grouping. Council provides the strategic direction for the Municipality and makes decision regarding level of services delivered in the Municipality, the other groups provide connection to Council and ensure consistent processes and systems throughout the Municipality.

Protective Services

Protective Services is comprised of Enforcement Services, and Fire Rescue Services. 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.

(continues)

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Notes to Financial Statements

Year Ended December 31, 2023

20. SEGMENTED DISCLOSURE *(continued)*

Transportation Services

Transportation Services is comprised of fleet and mechanical services, snowplow services, road grading and re-graveling, dust control, road bans and bonds, road use agreements and other activities to maintain safe roads.

Planning and Development

Planning and Development is comprised of Construction and Engineering, Planning and Development, and Economic Development and Tourism.

Community Services

Community Services is comprised of Agricultural Services, and Family and Community Support Services, and other community supports. Agricultural Services support the Agricultural Services Board to implement their decisions, deliver their programming and enforce applicable legislation. Family and Community Support 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.

Recreation and Culture

Recreation and Culture is comprised of the Grande Cache Recreation Centre (the "Centre"), Greenview Regional Multiplex (the "Multiplex"), the Outdoor Recreation department and the Community Grants program area and other activities related to providing recreational and cultural opportunities in the Municipality. 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.

Utilities and Environmental

Utilities and Environmental Services manages the capital construction, maintenance and daily operations of the water, wastewater, and solid waste infrastructure systems within the Municipality. Utilities consists of costs related to maintaining and providing utility services throughout the Municipality. Environmental Services include waste management costs and the accretion expense related to the asset retirement obligations.

21. BUDGETED ANNUAL SURPLUS

The annual operating budget is prepared based upon the Municipality's annual fiscal plan, therefore, a reconciliation of the budgeted surplus as disclosed in these financial statements to the budget as approved by Council is required under Public Sector Accounting Board standards.

	<u>2023</u>
Budget surplus per financial statements	\$ 9,764,130
Net transfers from reserves	92,469,422
Purchase of tangible capital assets	(101,731,806)
Debt principal payments	<u>(501,746)</u>
Municipal operating budget, approved by Council	<u>\$ -</u>

MUNICIPAL DISTRICT OF GREENVIEW NO. 16

Notes to Financial Statements

Year Ended December 31, 2023

22. CONTINGENT LIABILITIES

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 exchange. Any liability incurred would be accounted for as a current transaction in the year the losses are determined.

The Municipality has been named defendant in various lawsuits as at December 31, 2023. While it is not possible to estimate the ultimate liability with respect to the pending litigation, based on evaluation and correspondence with the Municipality's various legal counsel, management indicates that it is unlikely that there will be a materially adverse effect on the financial position of the Municipality. The ultimate settlement of these lawsuits, if any, will be recorded in the period the details become known.

23. CONTRACTUAL OBLIGATIONS

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 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 2023 the Municipality made a contribution of \$NIL.

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

24. COMMITMENTS

The Municipality has entered into various leases and other agreements as part of its ongoing operations. It is the opinion of management that there are no commitments that will have a materially adverse effect on the financial position of the Municipality.

25. COMPARATIVE FIGURES

The prior year comparative figures were audited by another firm of chartered professional accountants. Fletcher Mudryk LLP performed those procedures as determined to be necessary to ensure reliance could be placed on the comparative figures.

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