

TOWN OF MANNING
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

INDEPENDENT AUDITORS' REPORT

To the Mayor and Members of Council of the Town of Manning

Opinion

We have audited the accompanying financial statements of the Town of Manning (the Town), which comprise the statement of financial position as at December 31, 2022, and the statements of operations and accumulated surplus, 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 financial statements present fairly, in all material respects, the financial position of the Town as at December 31, 2022, and the results of its operations and, 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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Town 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.

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.

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Independent Auditors' Report to the Mayor and Members of the Town of Manning (*continued*)

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

Those charged with governance are responsible for overseeing the Town'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 it 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:

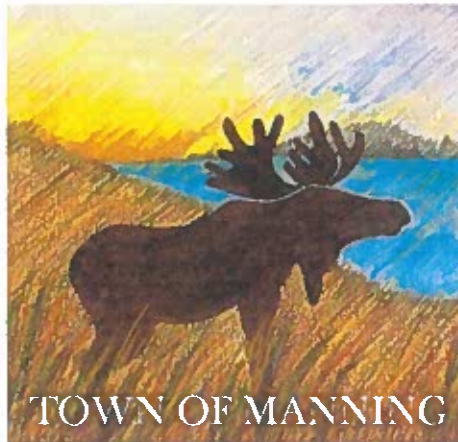
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting 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 Town's internal control.
- Evaluate the appropriateness of accounting policies 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 Town'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 Town 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.

Chartered Professional Accountants

METRIX GROUP LLP

Edmonton, Alberta
April 27, 2023



MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

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

In discharging its responsibility for the integrity and fairness of the financial statements, Administration 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 Mayor and Council of the Town of Manning are composed entirely of individuals who are neither administration nor employees of the Town. The Mayor and Council have the responsibility of meeting with Administration and the external auditors to discuss the internal controls over the financial reporting process, auditing matters, and financial reporting issues. The Mayor and Council are also responsible for the appointment of the Town'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 Mayor and Council and Administration to discuss their audit findings.

A handwritten signature in black ink, appearing to read "April Doll", is written over a horizontal line.

April Doll, Chief Administrative Officer

Manning, Alberta
April 27, 2023

**TOWN OF MANNING
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2022**

	<u>2022</u>	<u>2021</u>
FINANCIAL ASSETS		
Cash (Note 2)	\$ 1,929,978	\$ 1,025,960
Taxes and grants in place of taxes receivable (Note 3)	116,052	113,475
Government transfer receivables (Note 4)	603,967	842,409
Trade and other receivables (Note 5)	613,670	487,722
Investments (Note 6)	<u>90,070</u>	<u>496,257</u>
	<u>3,353,737</u>	<u>2,965,823</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 7)	663,632	385,545
Deposit liabilities	2,455	3,405
Deferred revenue (Note 8)	883,204	1,162,185
Long-term debt (Note 9)	<u>1,273,704</u>	<u>1,414,765</u>
	<u>2,822,995</u>	<u>2,965,900</u>
NET FINANCIAL ASSET (DEBT)	<u>530,742</u>	<u>(77)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 6)	23,029,904	23,583,820
Inventory for consumption	240,902	228,185
Prepaid expenses	<u>99,236</u>	<u>93,357</u>
	<u>23,370,042</u>	<u>23,905,362</u>
ACCUMULATED SURPLUS (Note 11)	<u>\$ 23,900,784</u>	<u>\$ 23,905,285</u>
CONTINGENCIES (Note 12)		

The accompanying notes are an integral part of the financial statements.

TOWN OF MANNING
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>2022</u> (Budget) (Note 19)	<u>2022</u> (Actual)	<u>2021</u> (Actual)
REVENUES			
User fees and sales of goods	\$ 2,411,035	\$ 2,680,604	\$ 2,335,579
Net municipal property taxes (Schedule 2)	1,451,339	1,457,177	1,451,865
Government transfers for operating (Schedule 3)	757,523	491,235	488,165
Penalties and costs on taxes	26,000	29,191	38,748
Interest and investment income	22,000	23,816	19,396
Fines	2,200	2,350	2,074
Rentals	22,010	21,241	23,992
Licenses and permits	2,000	1,920	2,060
Franchise and concession	79,500	96,011	76,873
Other	<u>221,744</u>	<u>140,194</u>	<u>14,560</u>
	<u>4,995,351</u>	<u>4,943,739</u>	<u>4,453,312</u>
EXPENSES			
Council and other legislative	66,636	49,028	65,369
General administration	648,489	576,950	647,065
Fire protection and safety services	235,321	319,003	381,883
Ambulance, disaster and emergency	9,100	9,100	13,019
Bylaw enforcement	39,775	30,198	34,029
Common and equipment pool	165,090	209,080	231,662
Roads, streets, walks, and lighting	286,174	610,708	559,970
Other transportation	3,500	2,771	919
Storm sewers and drainage	19,100	15,926	18,312
Water supply and distribution	1,018,666	1,287,690	1,285,339
Wastewater treatment and disposal	120,478	259,075	207,694
Waste management and recycle	105,772	103,098	102,759
Family and community support services	108,404	115,096	106,441
Cemeteries	9,294	4,187	3,446
Subdivision land development	47,702	47,502	45,775
Parks and recreation	454,509	611,002	542,597
Culture: libraries, museums, halls	91,938	106,859	112,207
Gas production and distribution	<u>730,366</u>	<u>1,028,890</u>	<u>682,646</u>
	<u>4,160,314</u>	<u>5,386,163</u>	<u>5,041,132</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES BEFORE OTHER INCOME	<u>835,037</u>	<u>(442,424)</u>	<u>(587,820)</u>
OTHER INCOME			
Government transfers for capital (Schedule 3)	116,280	434,839	140,622
Gain on disposal of tangible capital assets	<u>-</u>	<u>3,084</u>	<u>(2,892)</u>
	<u>116,280</u>	<u>437,923</u>	<u>137,730</u>
EXCESS OF REVENUE (DEFICIENCY) OVER EXPENSES	<u>\$ 951,317</u>	<u>\$ (4,501)</u>	<u>\$ (450,090)</u>

The accompanying notes are an integral part of the financial statements.

**TOWN OF MANNING
STATEMENT OF ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>2022</u> (Budget) (Note 19)	<u>2022</u> (Actual)	<u>2021</u> (Actual)
ACCUMULATED SURPLUS, BEGINNING OF YEAR	24,355,375	23,905,285	24,355,375
EXCESS OF REVENUE (DEFICIENCY) OVER EXPENSES	\$ <u>951,317</u>	\$ <u>(4,501)</u>	\$ <u>(450,090)</u>
ACCUMULATED SURPLUS, END OF YEAR	\$ <u>951,317</u>	\$ <u>23,900,784</u>	\$ <u>23,905,285</u>

TOWN OF MANNING
STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>2022</u> (Budget) (Note 19)	<u>2022</u> (Actual)	<u>2021</u> (Actual)
EXCESS OF REVENUE OVER EXPENSES	\$ <u>(752,826)</u>	\$ <u>(4,501)</u>	\$ <u>(450,090)</u>
Acquisition of tangible capital assets	-	(608,224)	(317,549)
Proceeds on disposal of tangible capital assets	-	65,100	56,967
Amortization of tangible capital assets	-	1,100,125	1,089,761
Gain on disposal of tangible capital assets	-	(3,084)	2,892
	<u>-</u>	<u>553,917</u>	<u>832,071</u>
Net change in inventory for consumption	-	(12,718)	(28,592)
Net change in prepaid expenses	-	(5,879)	2,884
	<u>-</u>	<u>(18,597)</u>	<u>(25,708)</u>
INCREASE IN NET FINANCIAL ASSET	(752,826)	530,819	356,273
NET FINANCIAL DBET, BEGINNING OF YEAR	<u>-</u>	<u>(77)</u>	<u>(356,350)</u>
NET FINANCIAL ASSET, END OF YEAR	\$ <u>(752,826)</u>	\$ <u>530,742</u>	\$ <u>(77)</u>

The accompanying notes are an integral part of the financial statements.

TOWN OF MANNING
STATEMENT OF CHANGES IN CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>2022</u>	<u>2021</u>
OPERATING ACTIVITIES		
Deficiency of revenue over expenditures	\$ (4,501)	\$ (450,090)
Non-cash items included in annual surplus:		
Loss (gain) on disposal of tangible capital assets	(3,084)	2,892
Amortization of tangible capital assets	1,100,125	1,089,761
Change in non-cash working capital balances:		
Taxes and grants in place of taxes receivable	(2,577)	135,894
Trade and other receivables	(125,948)	(121,600)
Receivables from other governments	238,442	(390,350)
Accounts payable and accrued liabilities	278,087	130,119
Deposit liabilities	(950)	(450)
Deferred revenue	(278,981)	435,509
Inventory for consumption	(12,718)	(28,595)
Prepaid expenses	<u>(5,879)</u>	<u>2,887</u>
	<u>1,182,016</u>	<u>805,977</u>
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(608,224)	(317,549)
Proceeds on disposal of tangible capital assets	<u>65,100</u>	<u>56,967</u>
	<u>(543,124)</u>	<u>(260,582)</u>
INVESTING ACTIVITIES		
Decrease (increase) in investments	<u>406,187</u>	<u>(324,065)</u>
	<u>406,187</u>	<u>(324,065)</u>
FINANCING ACTIVITIES		
Long-term debt repaid	<u>(141,061)</u>	<u>(136,593)</u>
	<u>(141,061)</u>	<u>(136,593)</u>
INCREASE IN CASH	904,018	84,737
CASH (INDEBTEDNESS), BEGINNING OF YEAR	<u>1,025,960</u>	<u>941,223</u>
CASH, END OF YEAR	<u>\$ 1,929,978</u>	<u>\$ 1,025,960</u>

TOWN OF MANNING
SCHEDULE OF EQUITY IN CAPITAL ASSETS
SCHEDULE 1
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>2022</u>	<u>2021</u>
BALANCE, BEGINNING OF YEAR AS PREVIOUSLY REPORTED	22,169,055	22,864,534
Purchase of tangible capital assets	608,224	317,549
Cost of Tangible Capital Assets Disposed of	(64,154)	(64,135)
Financing of Tangible Capital Assets	-	-
Accumulated Amortization of Tangible Capital Assets Disposed of	2,138	4,276
Amortization of Tangible Capital Assets	(1,100,125)	(1,089,761)
Long-term Debt Repayments	<u>141,062</u>	<u>136,592</u>
BALANCE, END OF YEAR	<u>\$ 21,756,200</u>	<u>\$ 22,169,055</u>

Equity in Tangible Capital Assets is comprised of the following:

Tangible capital assets (net book value)	\$ 23,029,904	\$ 23,583,820
Capital long-term debt	<u>(1,273,704)</u>	<u>(1,414,765)</u>
	<u>\$ 21,756,200</u>	<u>\$ 22,169,055</u>

TOWN OF MANNING
SCHEDULE OF PROPERTY TAXES LEVIED
SCHEDULE 2
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>2022</u> (Budget) (Note 19)	<u>2022</u> (Actual)	<u>2021</u> (Actual)
TAXATION			
Real property taxes	\$ 1,767,715	\$ 1,769,195	\$ 1,759,722
Linear property taxes	32,787	32,787	32,865
Government grants in place of property taxes	<u>35,640</u>	<u>39,997</u>	<u>42,732</u>
	<u>1,836,142</u>	<u>1,841,979</u>	<u>1,835,319</u>
REQUISITIONS			
Alberta School Foundation Fund	328,176	328,175	328,780
North Peace Seniors Foundation	<u>56,627</u>	<u>56,627</u>	<u>54,674</u>
	<u>384,803</u>	<u>384,802</u>	<u>383,454</u>
NET MUNICIPAL TAXES	<u>\$ 1,451,339</u>	<u>\$ 1,457,177</u>	<u>\$ 1,451,865</u>

TOWN OF MANNING
SCHEDULE OF GOVERNMENT TRANSFERS
SCHEDULE 3
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>2022</u> (Budget) (Note 19)	<u>2022</u> (Actual)	<u>2021</u> (Actual)
TRANSFERS FOR OPERATING			
Provincial government	\$ 447,619	\$ 118,799	\$ 118,799
Local governments	<u>234,904</u>	<u>372,436</u>	<u>369,366</u>
	<u>757,523</u>	<u>491,235</u>	<u>488,165</u>
TRANSFERS FOR CAPITAL			
Provincial government	<u>-</u>	<u>434,839</u>	<u>140,622</u>
	<u>116,280</u>	<u>434,839</u>	<u>140,622</u>
TOTAL GOVERNMENT TRANSFERS	<u>\$ 873,803</u>	<u>\$ 926,074</u>	<u>\$ 628,787</u>

TOWN OF MANNING
SCHEDULE OF SEGMENT DISCLOSURES
FOR THE YEAR ENDED DECEMBER 31, 2022

SCHEDULE 4

	General Government	Protective Services	Transportation Services	Environmental Services	Public health and Welfare	Planning and Development	Recreation and Culture	Gas Services	2022 Total
REVENUE									
User fees and sales of goods	\$ 9,372	\$ 34,425	\$ -	\$ 1,390,637	\$ 3,200	\$ -	\$ 17,136	\$ 1,225,834	\$ 2,680,604
Net municipal taxes	1,457,177	-	-	-	-	-	-	-	1,457,177
Government transfers - operating	8,707	2,500	-	199,615	90,488	-	189,925	-	491,235
Penalties and costs on taxes	29,191	-	-	-	-	-	-	-	29,191
Investment income	23,816	-	-	-	-	-	-	-	23,816
Fines	-	2,350	-	-	-	-	-	-	2,350
Rentals	18,241	975	-	-	-	-	2,025	-	21,241
Licenses and permits	1,150	190	-	-	-	580	-	-	1,920
Franchise fees and concessions	96,011	-	-	-	-	-	-	-	96,011
All other	14,985	9,918	87,919	2,520	8,865	-	14,828	1,159	140,194
	<u>1,668,650</u>	<u>50,358</u>	<u>87,919</u>	<u>1,592,772</u>	<u>102,553</u>	<u>580</u>	<u>223,914</u>	<u>1,226,993</u>	<u>4,943,739</u>
EXPENSES									
Salaries, wages, and benefits	388,730	76,725	273,334	138,357	57,897	-	142,542	94,302	1,171,887
Contracted and general services	156,396	56,984	37,885	507,590	12,162	47,502	77,252	34,502	930,273
Purchases from other governments	-	-	-	82,274	-	-	-	-	82,274
Material, goods and utilities	41,564	96,985	190,021	490,394	45,713	-	72,579	869,842	1,807,098
Transfers to local board and agencies	-	-	-	-	3,511	-	174,899	-	178,410
Transfers to individuals and organizations	27,750	6,000	-	-	-	-	21,500	-	55,250
Interest on long-term debt	-	-	1,042	56,193	-	-	2,184	-	59,419
Other expenses	1,427	-	-	-	-	-	-	-	1,427
Amortization of tangible capital assets	10,111	121,607	320,277	390,981	-	-	226,905	30,244	1,100,125
	<u>625,978</u>	<u>358,301</u>	<u>822,559</u>	<u>1,665,789</u>	<u>119,283</u>	<u>47,502</u>	<u>717,861</u>	<u>1,028,890</u>	<u>6,386,163</u>
Annual surplus (deficiency) before other income	1,032,672	(307,943)	(734,640)	(73,017)	(16,730)	(46,922)	(493,947)	198,103	(442,424)
Gain on disposal of capital assets	-	-	3,084	-	-	-	-	-	3,084
Government transfers for capital	-	-	-	434,839	-	-	-	-	434,839
Contributed tangible capital assets	-	-	-	-	-	-	-	-	-
ANNUAL SURPLUS (DEFICIT)	<u>\$ 1,032,672</u>	<u>\$ (307,943)</u>	<u>\$ (731,556)</u>	<u>\$ 361,822</u>	<u>\$ (16,730)</u>	<u>\$ (46,922)</u>	<u>\$ (493,947)</u>	<u>\$ 198,103</u>	<u>\$ (4,501)</u>

The accompanying notes are an integral part of the financial statements.

TOWN OF MANNING
SCHEDULE OF SEGMENT DISCLOSURES
FOR THE YEAR ENDED DECEMBER 31, 2021

SCHEDULE 5

	General Government	Protective Services	Transportation Services	Environmental Services	Public Health and Welfare	Planning and Development	Recreation and Culture	Gas Services	2021 Total
REVENUE									
User fees and sales of goods	\$ 10,522	\$ 10,080	\$ -	\$ 1,251,075	\$ 22,550	\$ -	\$ 380	\$ 1,040,972	\$ 2,335,579
Net municipal property taxes	436,557	188,218	496,183	-	-	45,135	285,772	-	1,451,865
Government transfers for operating	6,837	72,811	-	184,336	90,488	-	133,693	-	488,165
Penalties and costs on taxes	38,748	-	-	-	-	-	-	-	38,748
Interest and investment income	19,396	-	-	-	-	-	-	-	19,396
Fines	-	2,074	-	-	-	-	-	-	2,074
Rentals	14,129	1,875	-	-	-	-	7,988	-	23,992
Licenses and permits	1,200	220	-	-	-	640	-	-	2,060
Franchise and concession	76,873	-	-	-	-	-	-	-	76,873
All other	9,470	243	1,986	103	1,120	-	1,300	339	14,560
	<u>613,732</u>	<u>275,521</u>	<u>498,169</u>	<u>1,435,514</u>	<u>114,158</u>	<u>45,775</u>	<u>429,133</u>	<u>1,041,311</u>	<u>4,453,312</u>
EXPENSES									
Salaries, wages, and benefits	393,082	72,704	287,278	160,015	56,609	-	118,674	68,855	1,157,217
Contracted and general services	245,256	88,818	71,771	528,571	9,732	45,675	68,518	53,186	1,111,527
Purchases from other governments	-	-	-	80,027	-	-	-	-	80,027
Material, goods and utilities	38,344	107,999	134,795	413,571	39,046	100	50,748	510,993	1,295,596
Transfers to local board and agencies	-	-	-	-	4,500	-	167,356	-	171,856
Transfers to individuals and organizations	27,500	6,000	-	-	-	-	21,500	-	55,000
Interest on long-term debt	-	-	1,433	54,326	-	-	2,337	-	58,096
Other expenses	2,052	-	-	-	-	-	-	20,000	22,052
Amortization of tangible capital assets	6,200	153,410	297,274	377,594	-	-	225,671	29,612	1,089,761
	<u>712,434</u>	<u>428,931</u>	<u>792,651</u>	<u>1,614,104</u>	<u>109,887</u>	<u>45,775</u>	<u>654,804</u>	<u>682,646</u>	<u>5,041,132</u>
Annual surplus (deficiency) before other income	(98,702)	(153,410)	(294,382)	(178,590)	4,271	-	(225,671)	358,665	(587,820)
Gain (loss) on disposal of capital assets	-	-	(2,892)	-	-	-	-	-	(2,892)
Government transfers for capital	-	-	-	140,622	-	-	-	-	140,622
Contributed tangible capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ANNUAL SURPLUS (DEFICIT)	\$ (98,702)	\$ (153,410)	\$ (297,274)	\$ (37,968)	\$ 4,271	\$ -	\$ (225,671)	\$ 358,665	\$ (450,090)

The accompanying notes are an integral part of the financial statements.

TOWN OF MANNING
SCHEDULE OF TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2022

SCHEDULE 6

	<u>Land</u>	<u>Land Improvements</u>	<u>Buildings</u>	<u>Engineered Structures</u>	<u>Machinery & Equipment</u>	<u>Vehicles</u>	<u>Construction in Progress</u>	<u>2022</u>	<u>2021</u>
COST:									
Balance, Beginning of Year	\$ 1,085,946	\$ 1,033,761	\$ 24,172,324	\$ 18,815,332	\$ 2,349,360	\$ 1,808,541	\$ -	\$ 49,265,264	\$ 49,011,849
Additions	-	-	-	-	120,247	-	487,977	608,224	317,549
Construction-in-progress	-	-	-	(18,115)	-	-	18,115	-	-
Disposals	-	-	-	-	(64,154)	-	-	(64,154)	(64,135)
Balance, End of Year	<u>1,085,946</u>	<u>1,033,761</u>	<u>24,172,324</u>	<u>18,797,217</u>	<u>2,405,453</u>	<u>1,808,541</u>	<u>506,092</u>	<u>49,809,334</u>	<u>49,265,263</u>
ACCUMULATED AMORTIZATION:									
Balance, Beginning of Year	-	486,857	10,940,875	11,473,032	1,183,568	1,597,111	-	25,681,443	24,595,958
Amortization expense	-	51,688	470,917	399,498	130,298	47,724	-	1,100,125	1,089,761
Disposals	-	-	-	-	(2,138)	-	-	(2,138)	(4,276)
Balance, End of Year	-	<u>538,545</u>	<u>11,411,792</u>	<u>11,872,530</u>	<u>1,311,728</u>	<u>1,644,835</u>	-	<u>26,779,430</u>	<u>25,681,443</u>
NET BOOK VALUE	\$ 1,085,946	\$ 495,216	\$ 12,760,532	\$ 6,924,687	\$ 1,093,725	\$ 163,706	\$ 506,092	\$ 23,029,904	\$ 23,583,820

The accompanying notes are an integral part of the financial statements.

TOWN OF MANNING
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town of Manning (the "Town") are the representations of management prepared in accordance with Canadian generally accepted accounting principles for local governments established by the Public Sector Accounting Board ("PSAB"). Significant aspects of the accounting policies adopted by the Town are as follows:

(a) Reporting entity

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

Taxes levied include requisitions for the Alberta School Foundation Fund and North Peace Housing. The taxation, other revenue, expenses, assets and liabilities with respect to the operations of the Alberta School Foundation Fund and North Peace Housing are not reflected in these financial statements.

(b) 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.

Revenues are accounted for in the period in which the transactions or events occurred that gave rise to the revenues are reliably measured and reasonably estimated. 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 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 fees are collected for which the related services have yet to be performed. Revenues are recognized in the period when the related expenses are incurred, services performed or the tangible capital assets are acquired.

Expenses are recognized in the period the goods or services are acquired and a liability is incurred or transfers are due.

(CONT'D)

TOWN OF MANNING
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) 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.

Accounts receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary. The amounts recorded for valuation of tangible capital assets, the useful lives and related amortization of tangible capital assets, landfill closure and post-closure costs are areas where management makes significant estimates and assumptions in determining the amounts to be recorded in the financial statements.

(d) Cash

Cash and cash equivalents consist of cash on deposit with original maturities of 90 days or less at the date of acquisition and are recorded at cost.

(e) 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.

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

(f) Local Improvements

When a service or improvement is deemed to benefit a specific area more than the municipality as a whole, the project may be classified as a local improvement under the *Municipal Government Act*, to be paid in whole or in part by a tax imposed on the benefiting property owners. The property owner's share of the improvements is recognized as revenue, and established as a receivable, in the period that the project expenditures are completed.

(g) Deferred revenue

Deferred revenue represents government transfers, contributions and other amounts received from third parties pursuant to legislation, regulation or agreement that 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. These amounts will be recognized as revenues in the fiscal year when the related expense is incurred, services performed or the tangible capital assets are acquired.

(CONT'D)

TOWN OF MANNING
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Tax Revenue

Property tax revenue is based on market value assessments determined in accordance with the *Municipal Government Act*. Tax 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 Town. 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.

(i) 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 are 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.

(j) 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 change in net financial assets for the year.

(k) Requisition over-levy and under-levy

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

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

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

(l) Equity in tangible capital assets

Equity in tangible capital assets represents the Town's net investment in tangible capital assets, after deducting the portion financed by third parties through debenture, bond and mortgage debts, long-term capital borrowing, capital leases or other capital liabilities.

(CONT'D)

TOWN OF MANNING
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2022

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. Contributed assets are capitalized and are recorded at their estimated fair value upon acquisition and are also recorded as revenue. Construction in progress represents assets which are not available for productive use and therefore are not subject to amortization. The cost, less residual value, of tangible capital assets is amortized on a straight-line basis over the estimated useful life as follows:

	<u>Years</u>
Land improvements	15 - 20
Buildings	10 - 40
Engineered structures	10 - 75
Machinery and equipment	7 - 15
Vehicles	10

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

Inventory

Inventory held for consumption is valued at the lower of cost or replacement cost, with cost determined by the average cost method.

(m) Future Accounting Standard Pronouncements

The following summarizes upcoming changes to *Public Sector Accounting Standards*. The Town will continue to assess the impact and prepare for the adoption of these standards.

i) 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.

ii) 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 to fiscal years beginning on or after April 1, 2023.

iii) 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.

**TOWN OF MANNING
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

2. CASH

	<u>2022</u>	<u>2021</u>
Operating	\$ 1,706,111	\$ 970,347
Public reserve trust account	56,453	(220,272)
Externally restricted	<u>167,414</u>	<u>275,885</u>
	<u>\$ 1,929,978</u>	<u>\$ 1,025,960</u>

Cash in operating includes investments with an interest rate of 0.95%, term of two months (maturing January 2023), and a balance of \$47,910.19. Public reserve trust account is restricted for parks and recreational purposes. The amount is composed of principal and interest earned. Externally restricted cash is funds held for specific capital projects.

3. TAXES AND GRANTS IN PLACE OF TAXES RECEIVABLE

	<u>2022</u>	<u>2021</u>
Property taxes receivable	\$ 93,925	\$ 91,003
Tax arrears	<u>22,127</u>	<u>22,472</u>
	<u>\$ 116,052</u>	<u>\$ 113,475</u>

4. GOVERNMENT TRANSFER RECEIVABLES

	<u>2022</u>	<u>2021</u>
MSI Capital	\$ 533,075	\$ 703,893
Federal Gas Tax	<u>70,892</u>	<u>138,516</u>
	<u>\$ 603,967</u>	<u>\$ 842,409</u>

5. TRADE AND OTHER RECEIVABLES

	<u>2022</u>	<u>2021</u>
Trade and other receivables	\$ 591,669	\$ 465,305
GST receivable	<u>22,001</u>	<u>22,417</u>
	<u>\$ 613,670</u>	<u>\$ 487,722</u>

6. INVESTMENTS

	<u>2022</u>	<u>2021</u>
Short term notes and deposits	\$ 41,933	\$ 451,128
Common shares held with the credit union	25,486	22,478
Shares held with Gas Alberta	<u>22,651</u>	<u>22,651</u>
	<u>\$ 90,070</u>	<u>\$ 496,257</u>

Short term notes and deposits have effective interest rates ranging from 1.50% to 3.40% (2021 - 0.05% to 0.60%) and mature in less than one year.

**TOWN OF MANNING
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2022</u>	<u>2021</u>
Trade and other payables	\$ 595,321	\$ 337,824
Government remittances payable	-	14,203
Holdbacks payable	37,818	-
Employee benefit obligation	28,214	31,239
Accrued interest payable	2,279	2,279
	<u>\$ 663,632</u>	<u>\$ 385,545</u>

8. DEFERRED REVENUE

Deferred revenue is comprised of prepaid property taxes and also amounts received from third parties which are restricted to eligible operating and capital projects as approved in the funding agreements. These amounts are recognized as revenue in the period in which the related expenditures are incurred.

	<u>2021</u>	<u>Additions</u>	<u>Revenue Recognized</u>	<u>2022</u>
Prepaid property taxes	\$ 136,329	\$ 84,003	\$ (136,329)	\$ 84,003
Family Community Support Services	27,332	90,488	(92,848)	24,972
MSI Capital	952,448	232,136	(438,174)	746,410
Federal Gas Tax Fund	11,077	70,892	(75,000)	6,969
Other	<u>35,000</u>	<u>-</u>	<u>(14,150)</u>	<u>20,850</u>
	<u>\$ 1,162,185</u>	<u>\$ 477,519</u>	<u>\$ (756,501)</u>	<u>\$ 883,204</u>

9. LONG-TERM DEBT

	<u>2022</u>	<u>2021</u>
Government of Alberta debenture debt	\$ 1,160,099	\$ 1,248,860
SMS Equipment - Capital Financing	113,605	165,905
	<u>\$ 1,273,704</u>	<u>\$ 1,414,765</u>
Principal and interest repayments:		
	<u>Principal</u>	<u>Interest</u>
2023	\$ 145,731	\$ 54,750
2024	150,607	49,874
2025	106,651	44,933
2026	107,129	40,009
2027	112,287	34,851
Thereafter	<u>651,299</u>	<u>122,616</u>
	<u>\$ 1,273,704</u>	<u>\$ 347,033</u>
		<u>\$ 1,620,737</u>

Long-term debt is repayable to the Government of Alberta and bears interest at a rate of 4.758% per annum and matures in 2032. SMS Equipment - Capital Financing is repayable to SMS Equipment and bears interest at a rate of 0.75% per annum and matures in 2025. Long term debt is issued on the credit and security of the Town at large. The Town's cash payments for interest in 2022 were \$59,420 (2021 - \$58,096).

TOWN OF MANNING
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

10. 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 Town be disclosed as follows:

	<u>2022</u>	<u>2021</u>
Total debt limit	\$ 7,415,609	\$ 6,679,968
Total debt	<u>(1,273,704)</u>	<u>(1,414,765)</u>
Amount of debt limit unused	<u>\$ 6,141,905</u>	<u>\$ 5,265,203</u>
Service on debt limit	\$ 1,235,935	\$ 1,113,328
Service on debt (Note 9)	<u>(141,061)</u>	<u>(159,041)</u>
Amount of service on debt limit unused	<u>\$ 1,094,874</u>	<u>\$ 954,287</u>

The debt limit is calculated at 1.5 times revenue of the Town (as defined in *Alberta Regulation 255/00*) 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 guidelines used by Alberta Municipal Affairs to identify municipalities which could be at financial risk if further debt is acquired. The calculation taken alone does not represent the financial stability of the Town. Rather, the financial statements must be interpreted as a whole.

11. ACCUMULATED SURPLUS

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

	<u>2022</u>	<u>2021</u>
Unrestricted surplus	\$ 2,046,854	\$ 1,638,500
Restricted surplus	97,730	97,730
Equity in tangible capital assets	<u>21,756,200</u>	<u>22,169,055</u>
	<u>\$ 23,900,784</u>	<u>\$ 23,905,285</u>

12. CONTINGENCIES

The Town is a member of the Alberta Municipal Insurance Exchange (MUNIX). Under the terms of the membership, the Town 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.

TOWN OF MANNING
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2022

13. CONTRACTUAL OBLIGATIONS

The Town leases recreational land under long term operating leases. The lease agreements expire periodically by November 30, 2039. A nominal payment is made upon initiation of the leases.

14. TRANSACTION WITH THE LONG LAKE REGIONAL WASTE MANAGEMENT SERVICES COMMISSION

During the year, the Town paid \$47,339 (2021 - \$47,339) to the Long Lake Regional Waste Management Services Commission which it is a member of.

15. SALARY AND BENEFITS DISCLOSURE

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

	<u>Salary</u>	<u>Benefits and Allowances</u>	<u>Total 2022</u>	<u>Total 2021</u>
McLeod, Robert, Mayor	\$ 18,900	\$ 646	\$ 19,546	\$ 11,303
Fredrickson, Trevor - Councillor	6,425	96	6,521	6,409
Hutchinson, Keith - Councillor	6,255	88	6,343	5,980
Pasichnuk, Greg - Councillor	5,850	91	5,941	6,038
Schamehorn, Morley - Deputy Mayor	5,950	85	6,035	5,436
Walker, Sunni-Jeanne - Councillor	-	-	-	9,800
Rycroft, Greg - Mayor (former)	-	-	-	8,275
	<u>\$ 43,380</u>	<u>\$ 1,006</u>	<u>\$ 44,386</u>	<u>\$ 53,241</u>
Chief Administrative Officer	<u>\$ 82,747</u>	<u>\$ 3,500</u>	<u>\$ 86,247</u>	<u>\$ 82,854</u>

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

For Mayor and Councilors, benefits and allowances consists of employer's share of Canada Pension Plan, travel, and general non-accountable expense allowances. For chief administrative officer, benefits and allowances consists of employer's share of Canada Pension Plan, employment insurance contributions, pension, health care, dental coverage, vision coverage, group life insurance, accidental disability and disbursement insurance, long and short-term disability plans.

TOWN OF MANNING
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

16. LOCAL AUTHORITIES PENSION PLAN

Employees of the Town participate in the *Local Authorities Pension Plan* ("LAPP"), which is covered by the *Alberta Public Sector Pension Plans Act*. The LAPP is financed by employer and employee contributions and by investment earnings of the LAPP Fund. Contributions for current service are recorded as expenditures in the year in which they become due.

The Town is required to make current service contributions to the LAPP consisting of 8.45% (2021 - 9.39%) of pensionable earnings up to the year's maximum pensionable earnings ("YMPE") under the Canada Pension Plan ("CPP") and 12.80% (2021 - 13.84%) on pensionable earnings above this amount. Employees of the Town of Manning are required to make current service contributions of 7.45% (2021 - 8.39%) of pensionable salary up to the year's maximum pensionable salary and 11.80% (2021 - 12.84%) on pensionable salary about this amount.

Total current service contributions made by the Town to the LAPP in 2022 were \$52,743 (2021 - \$63,916). Total current service contributions made by the employees of the Town to the LAPP in 2022 were \$46,781 (2021 - \$57,403).

At December 31, 2021, the LAPP disclosed an actuarial surplus of \$11.92 billion (2020 - \$4.96 billion). The 2022 actuarial balance was not available at the time the date these financial statements were released.

TOWN OF MANNING
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

17. SEGMENTED INFORMATION

The Town provides a range of services to its ratepayers. For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in Note 1. Certain lines of service that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

(a) General government

General government includes activities that provide for the overall operation of the Town, which are common to, or affect all of the services provided by the Town, including Council and legislative, general administration, property assessment, taxation administration, licensing, elections and municipal census.

(b) Protective services

Protective services include fire and law enforcement. The Fire Department is responsible for providing fire suppression services, fire prevention programs, motor vehicle accident response training and education related to prevention. The Town's by-law officers are responsible for enforcing the Town's bylaws.

(c) Transportation services

This category of functions is used to report activities related to public transportation, including roads, streets, walks and lighting, public transit and storm sewers and drainage.

(d) Environmental services

Environmental services include garbage pickup and recycling bins. Water and sewer is also provided by the Town.

(e) Public health and welfare

Public health and welfare is comprised of Cemeteries, FCSS Administration, Seniors Programming, Community Development, Young Adult Programming and Youth Programs.

(f) Planning and development

Planning and development manages all aspects of land use planning, including long range forecasting and planning, processing development permits and compliance certificates. The department is also responsible for corporate mapping functions.

(g) Recreation and culture

This function comprised of the Library, Ball Diamonds, Recreation Administration, Recreation Centre, Recreation Grounds and Recreations Facilities.

(CONT'D)

TOWN OF MANNING
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

17. SEGMENTED INFORMATION (CONT'D)

(h) Gas

Gas is included as part of the utility services supplied by the Town.

Refer to the Schedule of Segmented Disclosure (Schedule 4).

18. FINANCIAL INSTRUMENTS

(a) Credit risk

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

(b) Fair value

The Town's carrying value of cash, taxes and grants in lieu of taxes receivable, trade and other receivables, investments, and accounts payable and accrued liabilities approximates its fair value due to the immediate or short-term maturity of these instruments.

The carrying value of long-term debt approximates the fair value as the interest rates are consistent with the current rates offered to the Town for notes receivable and debt with similar terms.

(c) Currency risk

Currency risk is the risk to the Town's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. It is management's opinion that the Town is not exposed to significant interest or currency risk arising from these financial instruments.

19. BUDGET

The 2022 budget data presented in these financial statements is based on the 2022 operating and capital budgets approved by Council on May 13, 2022.

20. COMPARATIVE FIGURES

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

21. APPROVAL OF FINANCIAL STATEMENTS

Council and Management have approved these financial statements on April 26, 2023.