

TOWN OF MANNING
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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, 2023, 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 (hereinafter referred to as the "financial statements").

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Town as at December 31, 2023, 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.

Emphasis of Matter

We draw attention to Note 1, which explains that certain comparative information presented for the period ended December 31, 2022 has been restated. Our opinion is not modified in respect of this matter.

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.

(continues)

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:

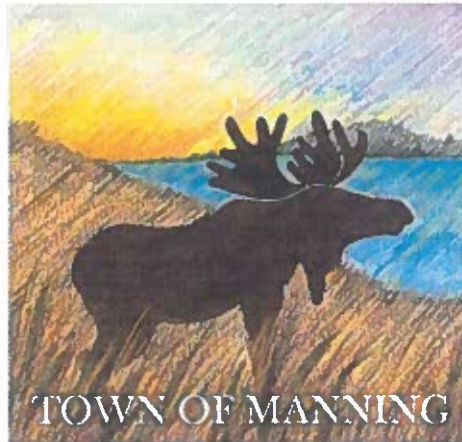
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting 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 29, 2024



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.

April Doll, Chief Administrative Officer

Manning, Alberta
April 29, 2024

TOWN OF MANNING
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023

	<u>2023</u>	<u>2022</u> (Restated) (Note 1)
FINANCIAL ASSETS		
Cash (Note 2)	\$ 1,130,655	\$ 1,929,978
Taxes and grants in place of taxes receivable (Note 3)	119,360	116,052
Government transfer receivables (Note 4)	153,802	603,967
Trade and other receivables (Note 5)	481,415	613,670
Investments (Note 6)	<u>1,309,808</u>	<u>90,070</u>
	<u>3,195,040</u>	<u>3,353,737</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 7)	419,003	663,632
Deposit liabilities	2,955	2,455
Deferred revenue (Note 8)	408,738	883,204
Long-term debt (Note 9)	1,186,867	1,273,704
Asset retirement obligations (Note 11)	<u>2,897,974</u>	<u>2,803,496</u>
	<u>4,915,537</u>	<u>5,626,491</u>
NET FINANCIAL DEBT	<u>(1,720,497)</u>	<u>(2,272,754)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 6)	23,784,382	23,436,587
Inventory for consumption	257,942	240,902
Prepaid expenses	<u>110,381</u>	<u>99,237</u>
	<u>24,152,705</u>	<u>23,776,726</u>
ACCUMULATED SURPLUS (Note 12)	<u>\$ 22,432,208</u>	<u>\$ 21,503,972</u>
CONTINGENCIES (Note 13)		

TOWN OF MANNING
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>2023</u> (Budget) (Note 20)	<u>2023</u> (Actual)	<u>2022</u> (Restated) (Note 1)
REVENUES			
User fees and sales of goods	\$ 2,784,617	\$ 2,466,037	\$ 2,680,604
Net municipal property taxes (Schedule 2)	1,506,407	1,509,763	1,457,177
Government transfers for operating (Schedule 3)	427,787	637,114	491,235
Penalties and costs on taxes	29,000	26,382	29,191
Interest and investment income	45,000	72,041	23,816
Fines	2,100	2,870	2,350
Rentals	19,360	19,703	21,241
Licenses and permits	1,750	1,390	1,920
Franchise and concession	173,000	177,443	96,011
Other	<u>186,354</u>	<u>44,182</u>	<u>140,194</u>
	<u>5,175,375</u>	<u>4,956,925</u>	<u>4,943,739</u>
EXPENSES			
Council and other legislative	64,850	58,802	49,028
General administration	649,844	618,198	593,639
Fire protection and safety services	273,322	353,983	319,003
Ambulance, disaster and emergency	9,100	9,100	9,100
Bylaw enforcement	27,950	26,903	30,198
Common and equipment pool	195,995	242,387	213,155
Roads, streets, walks, and lighting	318,346	580,558	610,708
Other transportation	3,500	-	2,771
Storm sewers and drainage	17,960	18,545	15,926
Water supply and distribution	1,060,256	1,209,588	1,287,690
Wastewater treatment and disposal	129,612	270,168	322,114
Waste management and recycle	104,141	102,071	103,098
Family and community support services	121,279	121,778	115,096
Cemeteries	8,450	6,025	4,187
Subdivision land development	49,265	72,869	47,502
Parks and recreation	593,124	909,884	631,583
Culture: libraries, museums, halls	86,186	108,625	114,300
Gas production and distribution	<u>958,912</u>	<u>620,381</u>	<u>1,029,818</u>
	<u>4,672,092</u>	<u>5,329,865</u>	<u>5,498,916</u>
DEFICIENCY OF REVENUE OVER EXPENSES BEFORE OTHER INCOME	<u>503,283</u>	<u>(372,940)</u>	<u>(555,177)</u>
OTHER INCOME			
Government transfers for capital (Schedule 3)	1,437,753	1,286,602	434,839
Gain on disposal of tangible capital assets	<u>-</u>	<u>14,574</u>	<u>3,084</u>
	<u>1,437,753</u>	<u>1,301,176</u>	<u>437,923</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ <u>1,941,036</u>	\$ <u>928,236</u>	\$ <u>(117,254)</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, 2023**

	<u>2023</u> (Budget) (Note 20)	2023 (Actual)	<u>2022</u> (Restated) (Note 1)
ACCUMULATED SURPLUS, BEGINNING OF YEAR, AS PREVIOUSLY STATED	21,503,972	21,503,972	23,905,285
Prior period adjustments (Note 1(h))	-	-	(2,284,059)
ACCUMULATED SURPLUS, BEGINNING OF YEAR, AS RESTATED	21,503,972	21,503,972	21,621,226
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ <u>1,941,036</u>	\$ <u>928,236</u>	\$ <u>(117,254)</u>
ACCUMULATED SURPLUS, END OF YEAR	\$ <u><u>23,445,008</u></u>	\$ <u>22,432,208</u>	\$ <u><u>21,503,972</u></u>

TOWN OF MANNING
STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2023

	2023 (Budget) (Note 20)	2023 (Actual)	2022 (Restated) (Note 1)
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ <u>1,941,036</u>	\$ <u>928,236</u>	\$ <u>(117,254)</u>
Acquisition of tangible capital assets	-	(1,608,745)	(608,224)
Proceeds on disposal of tangible capital assets	-	89,682	65,100
Amortization of tangible capital assets	-	1,185,844	1,121,479
Gain on disposal of tangible capital assets	-	(14,574)	(3,084)
	-	<u>(347,793)</u>	<u>575,271</u>
Net change in inventory for consumption	-	(17,042)	(12,718)
Net change in prepaid expenses	-	(11,144)	(5,879)
	-	<u>(28,186)</u>	<u>(18,597)</u>
INCREASE IN NET FINANCIAL ASSET (DEBT)	1,941,036	552,257	439,420
NET FINANCIAL DEBT, BEGINNING OF YEAR AS PREVIOUSLY STATED	-	<u>(2,272,754)</u>	<u>(77)</u>
Prior period adjustments (Note 1(h))	-	-	(2,712,097)
NET FINANCIAL DEBT, BEGINNING OF YEAR AS RESTATED	-	<u>(2,272,754)</u>	<u>(2,712,174)</u>
NET FINANCIAL DEBT, END OF YEAR	\$ <u>1,941,036</u>	\$ <u>(1,720,497)</u>	\$ <u>(2,272,754)</u>

TOWN OF MANNING
STATEMENT OF CHANGES IN CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>2023</u>	<u>2022</u> (Restated) (Note 1)
OPERATING ACTIVITIES		
Deficiency of revenue over expenditures	\$ 928,236	\$ (117,254)
Non-cash items included in annual surplus:		
Loss (gain) on disposal of tangible capital assets	(14,574)	(3,084)
Amortization of tangible capital assets	1,185,844	1,121,479
Accretion of asset retirement obligations	94,478	91,398
Change in non-cash working capital balances:		
Taxes and grants in place of taxes receivable	(3,308)	(2,577)
Trade and other receivables	132,255	(125,948)
Receivables from other governments	450,165	238,442
Accounts payable and accrued liabilities	(244,630)	278,088
Deposit liabilities	500	(950)
Deferred revenue	(474,466)	(278,981)
Inventory for consumption	(17,041)	(12,718)
Prepaid expenses	(11,144)	(5,879)
	<u>2,026,315</u>	<u>1,182,016</u>
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(1,608,745)	(608,224)
Proceeds on disposal of tangible capital assets	89,682	65,100
	<u>(1,519,063)</u>	<u>(543,124)</u>
INVESTING ACTIVITIES		
Proceeds on disposal of investments	38,161	448,120
Purchase of investments	(1,257,899)	(41,933)
	<u>(1,219,738)</u>	<u>406,187</u>
FINANCING ACTIVITIES		
Long-term debt repaid	(86,837)	(141,061)
	<u>(86,837)</u>	<u>(141,061)</u>
INCREASE (DECREASE) IN CASH	(799,323)	904,018
CASH, BEGINNING OF YEAR	<u>1,929,978</u>	<u>1,025,960</u>
CASH, END OF YEAR	<u>\$ 1,130,655</u>	<u>\$ 1,929,978</u>

TOWN OF MANNING
SCHEDULE OF EQUITY IN CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2023

SCHEDULE 1

	<u>2023</u>	<u>2022</u> (Restated) (Note 1)
BALANCE, BEGINNING OF YEAR AS PREVIOUSLY REPORTED	19,359,387	19,884,997
Purchase of tangible capital assets	1,608,745	608,224
Cost of Tangible Capital Assets Disposed of	(2,054,271)	(64,154)
Financing of Tangible Capital Assets	(65,277)	-
Accumulated Amortization of Tangible Capital Assets Disposed of	1,979,165	2,138
Amortization of Tangible Capital Assets	(1,185,844)	(1,121,479)
Long-term Debt Repayments	152,115	141,059
Change in Asset Retirement Obligation	(94,479)	(91,398)
BALANCE, END OF YEAR	<u>\$ 19,699,541</u>	<u>\$ 19,359,387</u>

Equity in Tangible Capital Assets is comprised of the following:

Tangible capital assets (net book value)	\$ 23,784,382	\$ 23,436,587
Capital long-term debt	(1,186,867)	(1,273,704)
Asset retirement obligation	(2,897,974)	(2,803,496)
	<u>\$ 19,699,541</u>	<u>\$ 19,359,387</u>

**TOWN OF MANNING
SCHEDULE OF PROPERTY TAXES LEVIED
FOR THE YEAR ENDED DECEMBER 31, 2023**

SCHEDULE 2

	<u>2023</u> (Budget) (Note 20)	2023 (Actual)	<u>2022</u> (Actual)
TAXATION			
Real property taxes	\$ 1,823,712	\$ 1,821,360	\$ 1,769,195
Linear property taxes	34,162	34,324	32,787
Government grants in place of property taxes	<u>35,210</u>	<u>40,757</u>	<u>39,997</u>
	<u>1,893,084</u>	<u>1,896,441</u>	<u>1,841,979</u>
REQUISITIONS			
Alberta School Foundation Fund	323,205	323,206	328,175
North Peace Seniors Foundation	<u>63,472</u>	<u>63,472</u>	<u>56,627</u>
	<u>386,677</u>	<u>386,678</u>	<u>384,802</u>
NET MUNICIPAL TAXES	<u>\$ 1,506,407</u>	<u>\$ 1,509,763</u>	<u>\$ 1,457,177</u>

**TOWN OF MANNING
SCHEDULE OF GOVERNMENT TRANSFERS
FOR THE YEAR ENDED DECEMBER 31, 2023**

SCHEDULE 3

	<u>2023</u> (Budget) (Note 20)	2023 (Actual)	<u>2022</u> (Restated) (Note 1)
TRANSFERS FOR OPERATING			
Federal government	\$ 72,992	\$ 20,688	\$ -
Provincial government	197,134	198,500	118,799
Local governments	<u>157,661</u>	<u>417,926</u>	<u>372,436</u>
	<u>427,787</u>	<u>637,114</u>	<u>491,235</u>
TRANSFERS FOR CAPITAL			
Federal government	70,145	77,550	-
Provincial government	533,075	530,065	434,839
Local government	<u>834,533</u>	<u>678,987</u>	<u>-</u>
	<u>1,437,753</u>	<u>1,286,602</u>	<u>434,839</u>
TOTAL GOVERNMENT TRANSFERS	<u>\$ 1,865,540</u>	<u>\$ 1,923,716</u>	<u>\$ 926,074</u>

TOWN OF MANNING
SCHEDULE OF SEGMENT DISCLOSURES
FOR THE YEAR ENDED DECEMBER 31, 2023

SCHEDULE 4

	<u>General Government</u>	<u>Protective Services</u>	<u>Transportation Services</u>	<u>Environmental Services</u>	<u>Public health and Welfare</u>	<u>Planning and Development</u>	<u>Recreation and Culture</u>	<u>Gas Services</u>	<u>2023 Total</u>
REVENUE									
User fees and sales of goods	\$ 11,154	\$ 24,400	\$ -	\$ 1,526,618	\$ 2,200	\$ -	\$ 19,126	\$ 882,539	\$ 2,466,037
Net municipal taxes	1,509,763	-	-	-	-	-	-	-	1,509,763
Government transfers - operating	182,595	77,695	-	-	121,778	-	255,046	-	637,114
Penalties and costs on taxes	26,382	-	-	-	-	-	-	-	26,382
Investment income	72,041	-	-	-	-	-	-	-	72,041
Fines	-	2,870	-	-	-	-	-	-	2,870
Rentals	16,853	375	-	-	-	-	2,475	-	19,703
Licenses and permits	1,100	20	-	-	-	270	-	-	1,390
Franchise fees and concessions	177,443	-	-	-	-	-	-	-	177,443
All other	8,538	5,566	6,868	4,471	12,196	-	4,667	1,876	44,182
	<u>2,005,869</u>	<u>110,926</u>	<u>6,868</u>	<u>1,531,089</u>	<u>136,174</u>	<u>270</u>	<u>281,314</u>	<u>884,415</u>	<u>4,956,925</u>
EXPENSES									
Salaries, wages, and benefits	374,223	75,381	274,541	159,499	64,980	-	268,913	83,245	1,300,782
Contracted and general services	192,126	65,300	30,893	486,450	14,503	72,869	139,889	37,468	1,039,498
Purchases from other governments	-	-	-	80,642	-	-	-	-	80,642
Material, goods and utilities	43,862	114,231	189,218	397,749	45,920	-	81,352	468,037	1,340,369
Transfers to local board and agencies	-	-	-	-	2,400	-	163,803	-	166,203
Transfers to individuals and organizations	31,250	6,000	-	-	-	-	21,500	-	58,750
Interest on long-term debt	-	-	646	52,390	-	-	2,024	-	55,060
Other expenses	8,240	-	-	-	-	-	-	-	8,240
Accretion of asset retirement obligations	14,765	-	3,645	50,107	-	-	25,168	792	94,477
Amortization of tangible capital assets	12,534	129,074	324,002	373,535	-	-	315,860	30,839	1,185,844
	<u>677,000</u>	<u>389,986</u>	<u>822,945</u>	<u>1,600,372</u>	<u>127,803</u>	<u>72,869</u>	<u>1,018,509</u>	<u>620,381</u>	<u>5,329,865</u>
Annual surplus (deficiency) before other income	1,328,869	(279,060)	(816,077)	(69,283)	8,371	(72,599)	(737,195)	264,034	(372,940)
Gain on disposal of capital assets	-	-	14,574	-	-	-	-	-	14,574
Government transfers for capital	-	-	77,550	302,959	-	-	906,093	-	1,286,602
Contributed tangible capital assets	-	-	-	-	-	-	-	-	-
ANNUAL SURPLUS (DEFICIT)	<u>\$ 1,328,869</u>	<u>\$ (279,060)</u>	<u>\$ (723,953)</u>	<u>\$ 233,676</u>	<u>\$ 8,371</u>	<u>\$ (72,599)</u>	<u>\$ 168,898</u>	<u>\$ 264,034</u>	<u>\$ 928,236</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, 2022

SCHEDULE 5

	General	Protective	Transportation	Environmental	Public Health	Planning and	Recreation	Gas	2022
	Government	Services	Services	Services	and Welfare	Development	and Culture	Services	(Restated) (Note 1) Total
REVENUE									
User fees and sales of goods	\$ 9,373	\$ 34,425	\$ -	\$ 1,390,637	\$ 3,200	\$ -	\$ 17,136	\$ 1,225,833	\$ 2,680,604
Net municipal property taxes	1,457,177	-	-	-	-	-	-	-	1,457,177
Government transfers for operating	8,707	2,500	-	199,615	90,488	-	189,925	-	491,235
Penalties and costs on taxes	29,191	-	-	-	-	-	-	-	29,191
Interest and 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 and concession	96,011	-	-	-	-	-	-	-	96,011
All other	14,985	9,918	87,919	2,520	8,865	-	14,828	1,160	140,194
	<u>1,658,651</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	34,503	930,274
Purchases from other governments	-	-	-	82,274	-	-	-	-	82,274
Material, goods and utilities	43,969	94,581	190,021	490,394	45,713	-	72,578	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	1,426	-	-	-	-	-	-	-	1,426
Accretion of asset retirement obligations	14,284	-	3,526	48,474	-	-	24,349	766	91,399
Amortization of tangible capital assets	10,112	124,011	320,826	405,546	-	-	230,579	30,405	1,121,479
	<u>642,667</u>	<u>358,301</u>	<u>826,634</u>	<u>1,728,828</u>	<u>119,283</u>	<u>47,502</u>	<u>745,883</u>	<u>1,029,818</u>	<u>5,498,916</u>
Annual surplus (deficiency) before other income	1,015,984	(307,943)	(738,715)	(136,056)	(16,730)	(46,922)	(521,969)	197,175	(555,177)
Gain (loss) 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>\$ 1,015,984</u>	<u>\$ (307,943)</u>	<u>\$ (735,631)</u>	<u>\$ 298,783</u>	<u>\$ (16,730)</u>	<u>\$ (46,922)</u>	<u>\$ (521,969)</u>	<u>\$ 197,175</u>	<u>\$ (117,254)</u>

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, 2023**

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>2023</u>	<u>2022</u> (Restated) (Note 1)
COST:									
Balance, Beginning of Year	\$ 1,085,946	\$ 1,033,761	\$ 24,643,555	\$ 19,365,509	\$ 2,405,453	\$ 1,808,541	\$ 506,092	\$ 50,848,857	\$ 50,304,787
Additions	-	-	-	380,509	1,036,492	62,169	129,575	1,608,745	608,224
Construction-in-progress	-	-	-	452,954	53,138	-	(506,092)	-	-
Disposals	-	-	(1,827,170)	-	(196,797)	(30,304)	-	(2,054,271)	(64,154)
Balance, End of Year	<u>1,085,946</u>	<u>1,033,761</u>	<u>22,816,385</u>	<u>20,198,972</u>	<u>3,298,286</u>	<u>1,840,406</u>	<u>129,575</u>	<u>50,403,331</u>	<u>50,848,857</u>
ACCUMULATED AMORTIZATION:									
Balance, Beginning of Year	-	538,545	11,622,249	12,294,913	1,311,728	1,644,835	-	27,412,270	26,292,929
Amortization expense	-	51,688	397,114	406,524	243,259	87,259	-	1,185,844	1,121,479
Disposals	-	-	(1,827,161)	-	(126,700)	(25,304)	-	(1,979,165)	(2,138)
Balance, End of Year	-	<u>590,233</u>	<u>10,192,202</u>	<u>12,701,437</u>	<u>1,428,287</u>	<u>1,706,790</u>	-	<u>26,618,949</u>	<u>27,412,270</u>
NET BOOK VALUE	<u>\$ 1,085,946</u>	<u>\$ 443,528</u>	<u>\$ 12,624,183</u>	<u>\$ 7,497,535</u>	<u>\$ 1,869,999</u>	<u>\$ 133,616</u>	<u>\$ 129,575</u>	<u>\$ 23,784,382</u>	<u>\$ 23,436,587</u>

TOWN OF MANNING
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

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, 2023

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, 2023

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Adoption of Accounting Standards

Effective April 1, 2022, the Town adopted PS3450 Financial Instruments standard and corresponding standards of PS2601 Foreign Currency Translation, PS1201 Financial Statement Presentation and PS3041 Portfolio Investments. The Town used prospective application to adopt these standards. As a result, 2022 comparative figures are not restated. There was no current year implications of adopting this standard.

The Town also adopted PS3280 Asset Retirement Obligations standard, using the modified retroactive approach with restatement of prior year comparatives.

Asset retirement obligations are legal obligations associated with the retirement of tangible capital assets. Asset retirement activities included all activities relating to an asset retirement obligation. These can include, but are not limited to:

- Demolishing or decommissioning a tangible capital asset that was acquired, constructed or developed;
- Remediation of contamination of a tangible capital asset created by its normal use;
- Post-retirement activities such as monitoring; and
- Constructing other tangible capital assets to perform post-retirement activities.

A liability for an asset retirement obligation is recognized when all of the following criteria are met:

- There is a legal obligation that results in the Town incurring retirement costs in relation to a tangible capital asset;
- There is a past transaction or event giving rise to a liability;
- It is expected that the Town will give up future benefits; and
- A reasonable estimate of the amount can be made.

The Town adopted this standard and recognized the following to align with the new standard:

- Asset retirement obligations, adjusted for accumulated accretion to the effective date;
- Asset retirement cost capitalized as an increase to the carrying amount of the related tangible capital assets in productive use;
- Accumulated amortization on the capitalized cost; and
- Adjustment to the opening balance of the accumulated surplus.

Asset retirement obligations are initially measured at the later of the date of acquisition or legislative obligation. When a liability for an asset retirement obligation is recognized, asset retirement costs related to the recognized tangible capital asset in productive use are capitalized by increasing the carrying amount of the related asset. The adjusted carrying amount is amortized over the estimated useful life of the underlying capital asset. Asset retirement costs related to unrecognized tangible capital assets or those not in productive use are expensed.

When the future retirement date is unknown, the asset retirement obligation is measured at the current estimated cost to settle or extinguish the liability. When the future retirement date is known, a present value technique is used to measure the liability. The liability is adjusted for the passage of time and is recognized as accretion expense in the statement of operations.

(CONT'D)

TOWN OF MANNING
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Adoption of Accounting Standards (CONT'D)

These liabilities reflect the Town's best estimate, as at December 31, 2023, of the amount required to retire tangible capital assets. Estimates are made by management using professional judgement, similar contractor costs, and third-party quotes and are subsequently re-measured taking into account any new information and the appropriateness of assumptions used.

The impact on the prior year's financial statements as a result of the adoptions of the accounting standards is as follows:

	2022 <u>Unadjusted</u>	Adjustments	2022 <u>(Restated)</u>
Statement of Operations			
Revenues	\$ <u>5,381,662</u>	\$ -	\$ <u>5,381,662</u>
Expenses	\$ <u>(5,386,163)</u>	\$ <u>(112,753)</u>	\$ <u>(5,498,916)</u>
Annual Surplus / (Deficit)	<u>(4,501)</u>	<u>(112,753)</u>	<u>(117,254)</u>
Statement of Financial Position			
Financial Assets	3,353,737	-	3,353,737
Liabilities	(2,822,995)	(2,803,496)	(5,626,491)
Net Financial Assets	530,742	(2,803,496)	(2,272,754)
Non-Financial Assets	<u>23,370,042</u>	<u>406,684</u>	<u>23,776,726</u>
Accumulated Surplus	<u>23,900,784</u>	<u>(2,396,812)</u>	<u>21,503,972</u>
Statement of Changes in Net Financial Assets			
Annual Surplus / (Deficit)	(4,501)	(112,753)	(117,254)
Acquisition of Tangible Capital Assets	(608,224)	-	(608,224)
Proceeds on disposal of tangible capital assets	65,100	-	65,100
Amortization of tangible capital assets	1,100,125	21,354	1,121,479
Gain on disposal of tangible capital assets	(3,084)	-	(3,084)
Net change in inventory and prepaid expenses	<u>(18,597)</u>	<u>-</u>	<u>(18,597)</u>
Change in Net Financial Assets	<u>530,819</u>	<u>(91,399)</u>	<u>439,420</u>
Net Financial Assets, Beginning of Year	<u>(77)</u>	<u>(2,712,097)</u>	<u>(2,712,174)</u>
Net Financial Assets, End of Year	<u>530,742</u>	<u>(2,803,496)</u>	<u>(2,272,754)</u>

(i) 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.

(CONT'D)

TOWN OF MANNING
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) 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.

(k) 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.

(l) 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.

(m) 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.

(n) Valuation of Financial Assets and Liabilities

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:

(CONT'D)

TOWN OF MANNING
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(n) Valuation of Financial Assets and Liabilities (CONT'D)

	<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.

(o) 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) Public Private Partnerships

PS 3160, Public Private Partnerships, establish standards on how to account for public private partnership agreements, specifically recognition and measurement of infrastructure assets and the corresponding financial liability. This standard is applicable for fiscal years beginning on or after April 1, 2023.

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.

iv) Financial Statement Presentation

PS 1202, Financial Statement Presentation, standard sets out general and specific requirements for the presentation of information in general purpose financial statements. The financial statement principles are based on the concepts in the Conceptual Framework for Financial Reporting in the Public Sector. This standard is applicable to fiscal years beginning on or after April 1, 2026.

TOWN OF MANNING
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

2. CASH

	<u>2023</u>	<u>2022</u>
Operating	\$ 1,073,345	\$ 1,706,111
Public reserve trust account	57,310	56,453
Externally restricted	<u>-</u>	<u>167,414</u>
	<u>\$ 1,130,655</u>	<u>\$ 1,929,978</u>

Public reserve trust account is restricted for parks and recreational purposes. The amount is composed of principal and interest earned. Externally restricted cash in the prior year was funds held for specific capital projects. Council approved the movement of these funds to the general operating account in the current fiscal year.

3. TAXES AND GRANTS IN PLACE OF TAXES RECEIVABLE

	<u>2023</u>	<u>2022</u>
Property taxes receivable	\$ 97,233	\$ 93,580
Tax arrears	<u>22,127</u>	<u>22,472</u>
	<u>\$ 119,360</u>	<u>\$ 116,052</u>

4. GOVERNMENT TRANSFER RECEIVABLES

	<u>2023</u>	<u>2022</u>
MSI Capital	\$ 153,802	\$ 703,893
Federal Gas Tax	<u>-</u>	<u>138,516</u>
	<u>\$ 153,802</u>	<u>\$ 603,967</u>

5. TRADE AND OTHER RECEIVABLES

	<u>2023</u>	<u>2022</u>
Trade and other receivables	\$ 464,803	\$ 591,669
GST receivable	<u>16,612</u>	<u>22,001</u>
	<u>\$ 481,415</u>	<u>\$ 613,670</u>

TOWN OF MANNING
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

6. INVESTMENTS

	<u>2023</u>	<u>2022</u>
Short term notes and deposits	\$ -	\$ 41,933
Guaranteed investment certificates	1,257,899	-
Common shares held with the credit union	29,258	25,486
Shares held with Gas Alberta	<u>22,651</u>	<u>22,651</u>
	<u>\$ 1,309,808</u>	<u>\$ 90,070</u>

Granted investment certificates have effective interest rates ranging from 4.87% to 5.53% (2021 - 1.50% to 3.40%) and mature in less than one year.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2023</u>	<u>2022</u>
Trade and other payables	\$ 332,593	\$ 566,769
Government remittances payable	-	14,203
Holdbacks payable	51,230	52,167
Wages and vacation payable	11,559	-
Employee benefit obligation	32,901	28,214
Accrued interest payable	<u>2,279</u>	<u>2,279</u>
	<u>\$ 419,003</u>	<u>\$ 663,632</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>2022</u>	<u>Additions</u>	<u>Revenue Recognized</u>	<u>2023</u>
Prepaid property taxes	\$ 84,004	\$ 23,132	\$ (84,004)	\$ 23,132
Family Community Support Services	24,972	107,306	(121,778)	10,500
MSI Capital	746,410	153,802	(530,065)	370,147
Federal Gas Tax Fund	6,969	74,058	(77,550)	3,477
MSI Operating	-	156,670	(156,670)	-
Other	<u>20,850</u>	<u>-</u>	<u>(19,368)</u>	<u>1,482</u>
	<u>\$ 883,204</u>	<u>\$ 514,968</u>	<u>\$ (989,435)</u>	<u>\$ 408,738</u>

TOWN OF MANNING
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

9. LONG-TERM DEBT

	<u>2023</u>	<u>2022</u>	
Government of Alberta debenture debt	\$ 1,073,448	\$ 1,107,799	
Ford Credit Canada - Capital Financing	58,893	-	
SMS Equipment - Capital Financing	<u>54,526</u>	<u>165,905</u>	
	<u>\$ 1,186,867</u>	<u>\$ 1,273,704</u>	
Principal and interest repayments:			
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 163,412	\$ 50,455	\$ 213,867
2025	123,194	45,374	168,568
2026	120,238	40,287	160,525
2027	125,526	34,999	160,525
2028	124,357	29,475	153,832
Thereafter	<u>530,140</u>	<u>58,320</u>	<u>588,460</u>
	<u>\$ 1,186,867</u>	<u>\$ 258,910</u>	<u>\$ 1,445,777</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. Ford Credit Canada - Capital Financing is repayable to Ford Canada and bears interest at a rate of 5.24% per annum and matures in 2028. Long term debt is issued on the credit and security of the Town at large. The Town's cash payments for interest in 2023 were \$55,060 (2022 - \$59,420).

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>2023</u>	<u>2022</u>
Total debt limit	\$ 7,435,388	\$ 7,415,609
Total debt	<u>(2,897,974)</u>	<u>(2,803,496)</u>
Amount of debt limit unused	<u>\$ 4,537,414</u>	<u>\$ 4,612,113</u>
Service on debt limit	\$ 1,239,231	\$ 1,235,935
Service on debt (Note 9)	<u>(141,061)</u>	<u>(159,041)</u>
Amount of service on debt limit unused	<u>\$ 1,098,170</u>	<u>\$ 1,076,894</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.

TOWN OF MANNING
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

11. ASSET RETIREMENT OBLIGATIONS

	<u>2023</u>	<u>2022</u> (Restated)
Asset retirement obligations, beginning of year	\$ 2,803,496	\$ 2,712,098
Asset retirement obligations incurred	-	-
Asset retirement obligations settled	-	-
Accretion expense	94,478	91,398
Revision in estimates	<u>-</u>	<u>-</u>
Asset retirement obligations, end of year	<u>\$ 2,897,974</u>	<u>\$ 2,803,496</u>

Tangible capital assets with associated retirement obligations include buildings and sewage lagoons.

The Town has obligations to remove asbestos fibre containing materials and lead paint from various buildings under its control. Federal regulation requires the Town to dispose and handle the lead paint and asbestos materials in a prescribed manner when it is disturbed. These materials can be disturbed when a building undergoes renovations or is demolished. The timing of the asbestos and lead paint removal is based on when the building will undergo renovations or be demolished. However, the regulations create an existing obligation for the Town to remove the asbestos and lead paint when the retirement activities occur.

Under provincial legislation the Town is required to remediate and return the site of the sewage lagoon to its original land capacity at the end of life. The retirement process involves desludging, backfilling the lagoon to return the land to its original capacity, and monitoring.

Asset retirement obligations are initially measured as of the date of the legal obligation and based on the best estimate of management on the amount required to retire the capital assets. The asset retirement obligations are subsequently re-measured taking into account any new information and the appropriateness of assumptions used. Liability estimates are based on third-party estimates of the cost of remediation.

The extent of the liability is limited to costs directly attributable to the removal of the lead paint and asbestos materials from the various buildings under the Town's control in accordance with the legislation establishing the liability. The town estimated the nature and extent of the lead paint and asbestos in its buildings based on the third-party assessment of each of the buildings containing the hazardous materials.

The Town has measured the cost of remediation by applying the present value method. The amount was discounted back to the date of the legal obligation applying a discount rate based on the Town's applicable long term borrowing rate of 3.37%. The obligation was then inflated based on an inflation rate of 3.65% to determine the amount of obligation to be recorded as at December 31, 2023.

TOWN OF MANNING
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

12. ACCUMULATED SURPLUS

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

	<u>2023</u>	<u>2022</u> (Restated)
Unrestricted surplus	\$ 2,634,937	\$ 2,046,855
Restricted surplus	97,730	97,730
Equity in tangible capital assets	<u>19,699,541</u>	<u>19,359,387</u>
	<u>\$ 22,432,208</u>	<u>\$ 21,503,972</u>

13. 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.

14. 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.

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

During the year, the Town paid \$47,339 (2022 - \$47,339) to the Long Lake Regional Waste Management Services Commission which it is a member of.

16. 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 2023</u>	<u>Total 2022</u>
McLeod, Robert, Mayor	\$ 20,175	\$ 992	\$ 21,167	\$ 19,546
Fredrickson, Trevor - Councillor	5,850	152	6,002	6,521
Hutchinson, Keith - Councillor	4,825	90	4,915	6,343
Pasichnuk, Greg - Councillor	5,625	131	5,756	5,941
Schamehorn, Morley - Deputy Mayor	<u>6,500</u>	<u>186</u>	<u>6,686</u>	<u>6,035</u>
	<u>\$ 42,975</u>	<u>\$ 1,551</u>	<u>\$ 44,526</u>	<u>\$ 44,386</u>
Chief Administrative Officer (CAO)	<u>\$ 82,800</u>	<u>\$ 3,754</u>	<u>\$ 86,554</u>	<u>\$ 86,247</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 CAO, 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.

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17. 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% (2022 - 8.45%) of pensionable earnings up to the year's maximum pensionable earnings ("YMPE") under the Canada Pension Plan ("CPP") and 12.23% (2022 - 12.80%) on pensionable earnings above this amount. Employees of the Town of Manning are required to make current service contributions of 7.45% (2022 - 7.45%) of pensionable salary up to the year's maximum pensionable salary and 11.23% (2022 - 11.80%) on pensionable salary about this amount.

Total current service contributions made by the Town to the LAPP in 2023 were \$56,629 (2022 - \$52,743). Total current service contributions made by the employees of the Town to the LAPP in 2023 were \$50,919 (2022 - \$46,781).

At December 31, 2022, the LAPP disclosed an actuarial surplus of \$12.67 billion (2021 - \$11.92 billion). The 2023 actuarial balance was not available at the time the date these financial statements were released.

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.

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19. SEGMENTED INFORMATION

The Town provides a range of services to its ratepayers (refer to the Schedule of Segmented Disclosure (Schedule 4)). 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 Receptions Facilities.

(h) Gas

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

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20. BUDGET

The 2023 budget data presented in these financial statements is based on the 2023 operating and capital budgets approved by Council on May 10, 2023.

21. COMPARATIVE FIGURES

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

22. APPROVAL OF FINANCIAL STATEMENTS

Council and Management have approved these financial statements on April 24, 2024.