

APPENDIX A

MUNICIPAL DISTRICT OF BONNYVILLE NO. 87

2023 PRESENTATION TO COUNCIL



METRIX GROUP LLP

CHARTERED PROFESSIONAL
ACCOUNTANTS

Jeff Alliston, CPA, CA
Partner

AUDIT OVERVIEW

- ❑ ENHANCE DEGREE OF CONFIDENCE OF INTENDED USERS
- ❑ ACHIEVED BY AUDITOR EXPRESSING OPINION
- ❑ WHETHER FS PRESENT FAIRLY, IN ALL MATERIAL RESPECTS
 - WHETHER DUE TO FRAUD OR ERROR
- ❑ AUDITOR SEEKING REASONABLE ASSURANCE
 - HIGH LEVEL OF ASSURANCE
 - NOT ABSOLUTE ASSURANCE
 - MOST EVIDENCE PERSUASIVE NOT CONCLUSIVE
- ❑ AUDITOR EXERCISES PROFESSIONAL JUDGEMENT
- ❑ AUDITOR MAINTAINS PROFESSIONAL SKEPTICISM
 - QUESTIONING MIND
 - ALERT TO CONDITIONS WHICH MAY INDICATE POSSIBLE MISSTATEMENT
 - CRITICAL ASSESSMENT OF AUDIT EVIDENCE

INDEPENDENT AUDITORS' REPORT

□ OUR OPINION

- PRESENT FAIRLY IN ALL MATERIAL RESPECTS

□ BASIS FOR OPINION

- IN ACCORDANCE WITH CANADIAN GAAS

□ RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE

- PREPARATION AND FAIR PRESENTATION
- IN ACCORDANCE WITH CANADIAN PSAS
- RESPONSIBLE FOR ASSESSING ABILITY TO CONTINUE AS A GOING CONCERN

□ AUDITORS' RESPONSIBILITIES FOR THE AUDIT

- OBTAIN REASONABLE ASSURANCE
- ARE FREE FROM MATERIAL MISSTATEMENT
- PROCEDURES DEPEND ON AUDITORS' JUDGEMENT
- CONSIDER RELEVANT INTERNAL CONTROLS
- EVALUATE ACCOUNTING POLICIES / ESTIMATES

STATEMENT OF FINANCIAL POSITION

	<u>2023</u>	<u>2022</u>
FINANCIAL ASSETS		
Cash and temporary investments	\$ 27,444,807	\$ 19,868,211
Taxes and grants in place of taxes receivable	1,949,196	1,652,821
Trade and other receivables	2,429,358	4,769,199
Debt recoverable - local improvements	229,515	297,038
Loan receivable	2,149,159	929,859
Land held for resale	344,395	345,090
Portfolio investments	106,175,232	99,193,391
	A <u>140,721,662</u>	<u>127,055,609</u>
LIABILITIES		
Accounts payable and accrued liabilities	16,371,469	4,826,472
Deposit liabilities	1,482,116	3,427,172
Deferred revenue	3,974,350	7,769,190
Employee benefit obligations	1,060,914	1,057,482
Asset retirement obligations	4,356,873	-
Landfill closure and post-closure liability	-	3,105,871
Long-term debt	9,533,286	10,385,487
	B <u>36,779,008</u>	<u>30,571,674</u>
NET FINANCIAL ASSETS	A - B C <u>103,942,654</u>	<u>96,483,935</u>
NON-FINANCIAL ASSETS		
Tangible capital assets	275,850,406	274,605,315
Inventory for consumption	44,608,005	47,305,353
Prepaid expenses	842,883	704,217
	D <u>321,301,294</u>	<u>322,614,885</u>
ACCUMULATED SURPLUS	C+D <u>\$ 425,243,948</u>	<u>\$ 419,098,820</u>

TAXES AND GRANTS IN PLACE OF TAXES RECEIVABLES

	2023	2022
Current taxes and grants in place of taxes		
Current taxes	\$ 1,382,323	\$ 820,406
Arrears taxes	873,369	1,106,068
	2,255,692	1,926,474
Less: Allowance for doubtful accounts	(306,496)	(273,653)
	\$ 1,949,196	\$ 1,652,821

RECEIVABLES

	<u>2023</u>	<u>2022</u>
Trade and other	\$ 1,128,517	\$ 1,384,192
Receivable from other governments	847,937	3,270,741
Receivable from other governments - GST	711,503	372,865
	<u>2,687,957</u>	<u>5,027,798</u>
Less: Allowance for doubtful accounts	(258,599)	(258,599)
	<u>\$ 2,429,358</u>	<u>\$ 4,769,199</u>

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INVESTMENTS

	2023	2022
Investments - fair value	\$ 59,245,498	\$ 71,000,229
Investments - amortized costs	46,929,734	28,193,162
	\$ 106,175,232	\$ 99,193,391

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DEFERRED REVENUE

	2022	Additions	Revenue Recognition	2023
Canada Community Building Fund	\$ 2,020,554	\$ 798,797	\$ -	\$ 2,819,351
Alberta Watercourse Remediation Grant	-	800,000	-	800,000
Other	448,492	-	(93,499)	354,993
Willow Prairie Agricultural Society lease agreement	7	-	(1)	6
Municipal Sustainability Initiative	5,300,137	-	(5,300,137)	-
	\$ 7,769,190	\$ 1,598,797	\$ (5,393,637)	\$ 3,974,350

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LONG-TERM DEBT

- **LONG-TERM DEBT - \$9,533,286**
 - Tax supported - \$9,533,286

- **DEBT REPAID - \$852,201**

- **MATURITY**
 - 2026 - 2033

- **INTEREST RATES**
 - 3.051% - 6.375%

DEBT LIMITS

	<u>2023</u>	<u>2022</u>
Total debt limit	\$ 152,790,162	\$ 142,927,041
Total debt	9,533,286	10,385,487
Amount of total debt limit unused	<u>\$ 143,256,876</u>	<u>\$ 132,541,554</u>
Debt servicing limit	\$ 25,465,027	\$ 23,821,174
Debt servicing	1,172,996	1,172,996
Amount of debt servicing limit unused	<u>\$ 24,292,031</u>	<u>\$ 22,648,178</u>

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NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS

	OPENING BALANCE	ADDITIONS	CONTRIBUTED ASSETS	DISPOSALS	AMORTIZATION	TRANSFERS	ENDING BALANCE
LAND	\$ 14,087,955	\$ 1,000	\$ 13,700	\$ -	\$ -	\$ -	\$ 14,102,655
BUILDINGS	44,705,580	1,558,071	-	-	(1,276,677)	486,530	45,473,504
ENGINEERED STRUCTURES	176,417,581	10,263,488	-	-	(16,094,877)	10,851,394	181,437,586
MACHINERY AND EQUIPMENT	14,181,875	1,566,718	-	(67,986)	(1,798,184)	-	13,882,423
VEHICLES	5,132,324	3,734,552	-	-	(1,065,832)	-	7,801,044
CONSTRUCTION IN PROGRESS	20,080,000	4,453,489	-	(42,371)	-	(11,337,924)	13,153,194
	\$ 274,605,315	\$ 21,577,318	\$ 13,700	\$ (110,357)	\$ (20,235,570)	\$ -	\$ 275,850,406

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ACCUMULATED SURPLUS

	2023	2022
Unrestricted surplus	\$ 76,113,619	\$ 65,934,462
Restricted surplus:		
Cash flow	21,543,696	20,130,758
General equipment replacement	31,330,464	31,317,962
Other	34,299,010	37,198,774
	87,173,170	88,647,494
Equity in tangible capital assets	262,189,761	264,516,864
Accumulated surplus from operations	425,476,550	419,098,820
Accumulated remeasurement gains and (losses)	(232,602)	-
	\$ 425,243,948	\$ 419,098,820

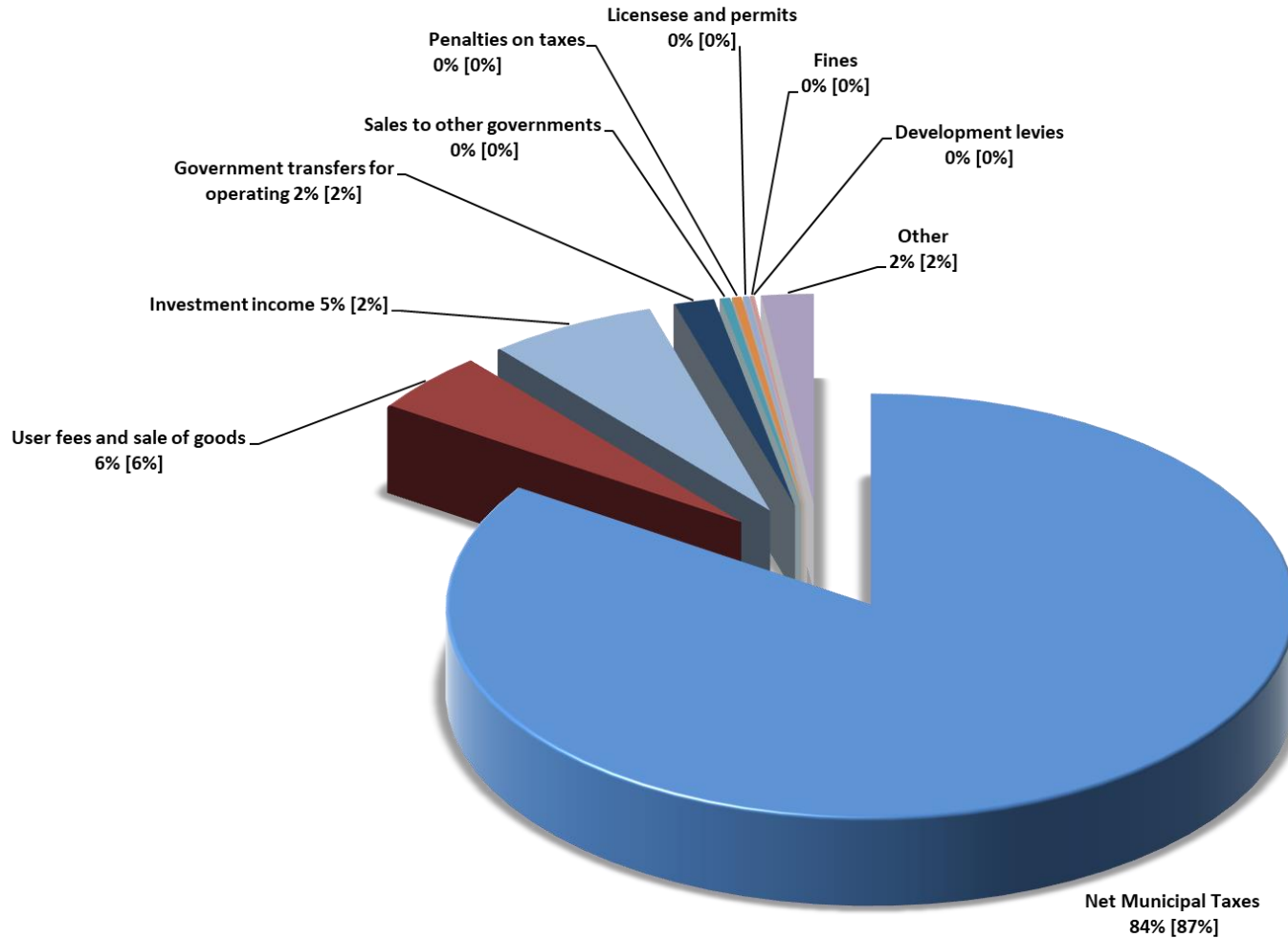
SURPLUS BREAKDOWN

	2023	2022
Unrestricted surplus	\$ 76,113,618	\$ 65,934,462
Restricted surplus	87,173,170	88,647,494
Accumulated remeasurement gains (losses)	(232,602)	-
Surplus before TCA	163,054,186	154,581,956
Net financial assets (cash)	103,942,654	96,483,935
Inventory	44,608,005	47,305,353
Prepaid expenses	842,883	704,217
Long-term debt	9,533,286	10,385,487
Asset retirement obligations	4,356,873	-
Debt recoverable - local improvements	(229,515)	(297,038)
	\$ 163,054,186	\$ 154,581,956

OPERATING REVENUE

	2023 (Budget)	2023 (Actual)	2022 (Actual)
REVENUE			
Net municipal taxes	\$ 85,428,918	\$ 85,901,634	\$ 82,429,973
Investment income	1,679,000	4,667,519	2,325,519
User fees and sales of goods	5,603,475	6,589,215	5,431,251
Government transfers for operating	2,113,347	1,564,795	1,680,052
Sales to other governments	161,311	380,061	420,861
Penalties on taxes	357,000	352,872	377,785
Fines	106,000	211,506	64,386
Licenses and permits	148,000	154,602	195,051
Development levies	-	5,731	13,375
Other	838,508	2,032,173	2,346,441
	<u>\$ 96,435,559</u>	<u>\$ 101,860,108</u>	<u>\$ 95,284,694</u>

OPERATING REVENUE

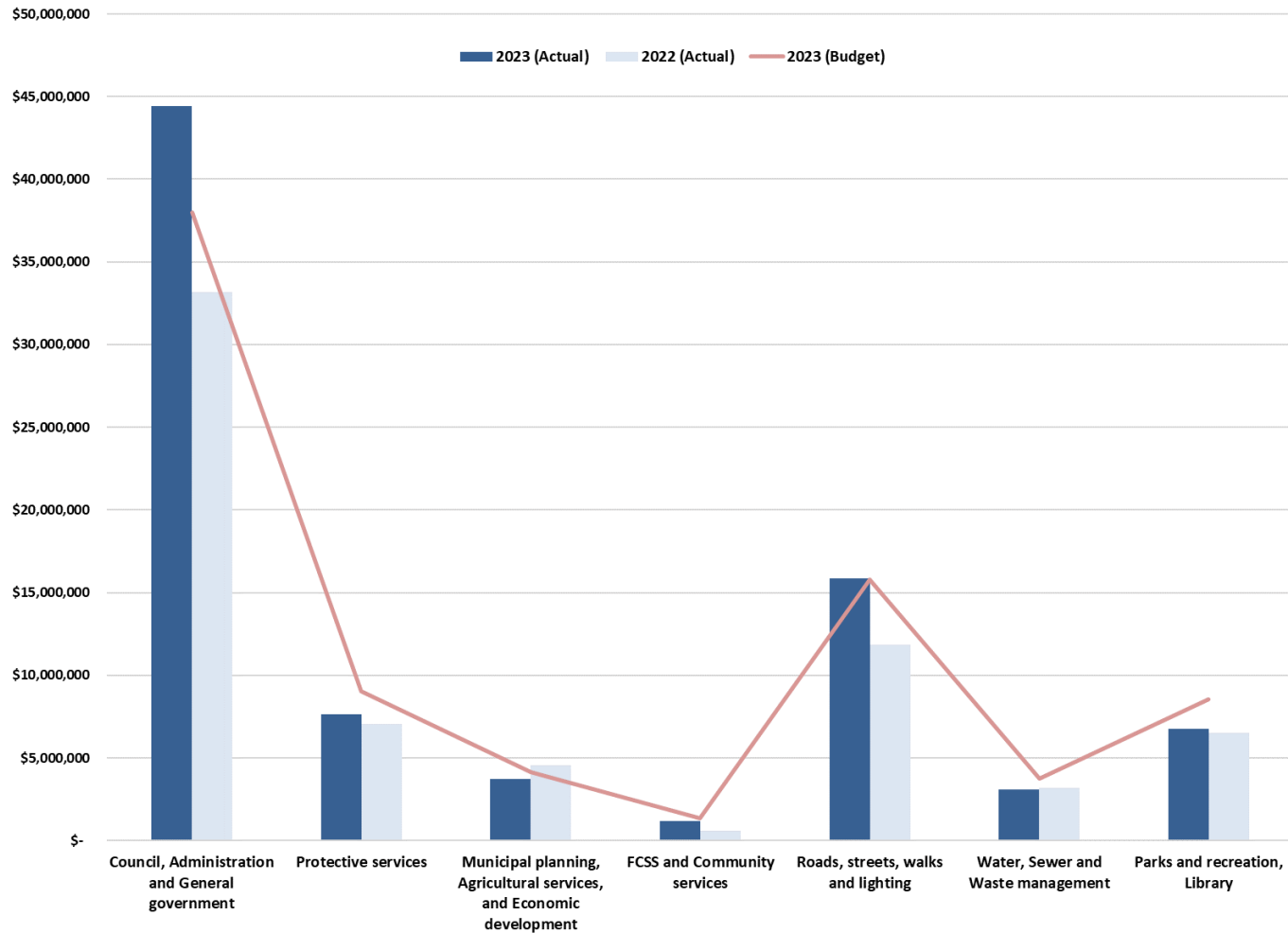


EXPENSES BY FUNCTION

EXPENSES	2023 (Budget)	2023 (Actual)	2022 (Actual)
Council, Administration and General government	\$ 38,009,248	\$ 44,677,656	\$33,391,040
Protective services	9,047,669	8,529,533	7,938,005
Municipal planning, Agricultural services, and Economic development	4,156,171	4,005,161	4,815,779
FCSS and Community services	1,332,293	1,188,711	604,422
Roads, streets, walks and lighting	15,785,636	32,560,762	28,564,137
Water, Sewer and Waste management	3,765,265	5,622,808	3,949,070
Parks and recreation, Library	8,542,998	8,325,197	7,649,376
	<u>\$ 80,639,280</u>	<u>\$ 104,909,828</u>	<u>\$ 86,911,829</u>

EXPENSES BY FUNCTION

(W/O Amortization or Accretion Expense)



EXPENSES BY OBJECT

	2023 (Budget)	2023 (Actual)	2022 (Actual)
Salaries, wages and benefits	\$ 28,744,721	\$ 25,248,091	\$ 24,338,669
Amortization	54,118	20,235,570	19,934,192
Contracted and general services	7,696,961	5,432,641	6,090,960
Transfers to other governments	30,064,640	28,748,024	27,682,942
Transfers to local boards and organizations	1,267,612	1,178,946	1,242,873
Materials, goods, supplies and utilities	10,307,056	11,350,525	7,015,724
Other (recovery)	2,183,377	10,423,879	265,762
Accretion expense	-	1,979,151	-
Interest on long-term debt	320,795	313,001	340,707
	<u>\$ 80,639,280</u>	<u>\$ 104,909,828</u>	<u>\$ 86,911,829</u>

OTHER INCOME (EXPENSE)

	2023 (Budget)	2023 (Actual)	2022 (Actual)
ANNUAL SURPLUS (DEFICIT) BEFORE OTHER INCOME	\$ 15,796,279	\$ (3,049,720)	\$ 8,372,865
OTHER INCOME			
Government transfers for capital	-	6,214,870	2,291,600
Asset retirement obligation adoption	-	3,105,871	-
Gain (loss) on disposal of tangible capital assets	-	93,009	(758,256)
Contributed assets	-	13,700	187,166
	-	9,427,450	1,720,510
ANNUAL SURPLUS	15,796,279	6,377,730	10,093,375
ACCUMULATED SURPLUS BEGINNING OF YEAR	419,098,820	419,098,820	409,005,445
ACCUMULATED SURPLUS, END OF YEAR	\$ 434,895,099	\$ 425,476,550	\$ 419,098,820

BUDGET RECONCILIATION

	2023 (Budget)	2023 (Actual)	2022 (Actual)
Annual surplus	\$ 15,796,279	\$ 6,377,730	\$ 10,093,375
Addback (deduct)			
Amortization expense	(44,644)	20,235,570	19,934,192
Net transfers (to) from reserves	(3,451,227)	1,474,324	7,613,872
Acquisition of tangible capital assets	(11,448,206)	(21,577,318)	(17,205,376)
Loss (gain) on disposal of tangible capital assets	-	(93,009)	758,256
Proceeds on tangible capital assets	-	203,368	3,558,694
Contributed assets	-	(13,700)	(187,166)
Principal debt repayments	(852,202)	(852,201)	(824,751)
Levied portion of debt recoverable - local improvements	-	67,519	63,477
Accretion expense	-	1,979,151	-
Operating surplus	\$ -	\$ 7,801,434	\$ 23,804,573

SUMMARY

- ❑ **ANNUAL SURPLUS**

\$6,377,730 (2022 – \$ 10,093,375)

- ❑ **NET FINANCIAL ASSETS**

\$103,942,654 (2022 - \$ 96,483,935)

- ❑ **AUDIT FINDINGS REPORT TO COUNCIL (see report)**

- NO SIGNIFICANT CONTROL DEFICIENCIES
- NO UNUSUAL ACCOUNTING POLICIES / ESTIMATES
- UNCORRECTED MISSTATEMENTS
- NO SIGNIFICANT DIFFICULTIES

- ❑ **THANK YOU TO MANAGEMENT & STAFF**

- ❑ **QUESTIONS?**