
MUNICIPAL DISTRICT OF BONNYVILLE NO. 87

2024 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

| | 2024 | 2023 |
|-----------------------------------------------|-----------------------------------|----------------|
| FINANCIAL ASSETS | | |
| Cash and temporary investments | \$ 8,483,519 | \$ 27,444,807 |
| Taxes and grants in place of taxes receivable | 1,640,549 | 1,949,196 |
| Trade and other receivables | 1,255,001 | 2,429,358 |
| Debt recoverable - local improvements | 157,686 | 229,515 |
| Loan receivable | 2,061,475 | 2,149,159 |
| Land held for resale | 344,395 | 344,395 |
| Portfolio investments | 134,551,463 | 106,175,232 |
| | A 148,494,088 | 140,721,662 |
| LIABILITIES | | |
| Accounts payable and accrued liabilities | 5,255,797 | 16,371,469 |
| Deposit liabilities | 1,891,259 | 1,482,116 |
| Deferred revenue | 4,939,873 | 3,974,350 |
| Employee benefit obligations | 1,165,182 | 1,060,914 |
| Asset retirement obligations | 4,481,064 | 4,356,873 |
| Long-term debt | 8,652,657 | 9,533,286 |
| | B 26,385,832 | 36,779,008 |
| NET FINANCIAL ASSETS | A - B C 122,108,256 | 103,942,654 |
| NON-FINANCIAL ASSETS | | |
| Tangible capital assets | 268,744,931 | 275,850,406 |
| Inventory for consumption | 39,971,585 | 44,608,005 |
| Prepaid expenses | 929,435 | 842,883 |
| | D 309,645,951 | 321,301,294 |
| ACCUMULATED SURPLUS | C+D \$ 431,754,207 | \$ 425,243,948 |

TAXES AND GRANTS IN PLACE OF TAXES RECEIVABLES

| | 2024 | 2023 |
|--------------------------------------------|---------------------|---------------------|
| Current taxes and grants in place of taxes | | |
| Current taxes | \$ 815,655 | \$ 1,382,323 |
| Arrears taxes | 1,163,610 | 873,369 |
| | 1,979,265 | 2,255,692 |
| Less: Allowance for doubtful accounts | (338,716) | (306,496) |
| | <u>\$ 1,640,549</u> | <u>\$ 1,949,196</u> |

RECEIVABLES

| | 2024 | 2023 |
|-----------------------------------------|--------------|--------------|
| Trade and other | \$ 1,040,355 | \$ 1,128,517 |
| Receivable from other governments - GST | 391,366 | 711,503 |
| Receivable from other governments | - | 847,937 |
| | 1,431,721 | 2,687,957 |
| Less: Allowance for doubtful accounts | (176,720) | (258,599) |
| | \$ 1,255,001 | \$ 2,429,358 |

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INVESTMENTS

| | 2024 | 2023 |
|-------------------------------|-----------------------|----------------------|
| Investments - fair value | \$ 103,600,382 | \$ 59,245,498 |
| Investments - amortized costs | 30,951,081 | 46,929,734 |
| | <u>\$ 134,551,463</u> | <u>\$106,175,232</u> |

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DEFERRED REVENUE

| | 2023 | Additions | Revenue Recognized | 2024 |
|-----------------------------------------------------|--------------|--------------|-----------------------|--------------|
| Canada Community Building Fund | \$ 2,819,351 | \$ - | \$ - | \$ 2,819,351 |
| Bonnyville Regional Fire Authority | 354,993 | 1,034,740 | - | 1,389,733 |
| Alberta Watercourse Remediation Grant | 800,000 | 137,500 | (206,716) | 730,784 |
| Willow Prairie Agricultural Society lease agreement | 6 | - | (1) | 5 |
| | \$ 3,974,350 | \$ 1,172,240 | \$ (206,717) | \$ 4,939,873 |

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LONG-TERM DEBT

- ❑ **LONG-TERM DEBT - \$8,652,657**
 - Tax supported - \$8,652,657
- ❑ **DEBT REPAID - \$880,629**
- ❑ **MATURITY**
 - 2026 - 2033
- ❑ **INTEREST RATES**
 - 3.051% - 6.375%

DEBT LIMITS

| | 2024 | 2023 |
|---------------------------------------|-----------------------|-----------------------|
| Total debt limit | \$ 156,650,649 | \$ 152,790,162 |
| Total debt | 8,652,657 | 9,533,286 |
| Amount of total debt limit unused | <u>\$ 147,997,992</u> | <u>\$ 143,256,876</u> |
| Debt servicing limit | \$ 26,108,442 | \$ 25,465,027 |
| Debt servicing | 1,172,996 | 1,172,996 |
| Amount of debt servicing limit unused | <u>\$ 24,935,446</u> | <u>\$ 24,292,031</u> |

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NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS

| | OPENING BALANCE | ADDITIONS | CONTRIBUTED ASSETS | DISPOSALS | AMORTIZATION | TRANSFERS | ENDING BALANCE |
|--------------------------|--------------------|---------------|-----------------------|----------------|-----------------|-------------|-------------------|
| LAND | \$ 14,102,655 | \$ 734,586 | \$ 186,865 | \$ (311,250) | \$ - | \$ - | \$ 14,712,856 |
| BUILDINGS | 45,473,504 | 2,730,833 | - | (59,446) | (1,283,226) | 100,341 | 46,962,006 |
| ENGINEERED STRUCTURES | 181,437,586 | 1,204,124 | 708,802 | (1,293,248) | (15,753,325) | 7,141,865 | 173,445,804 |
| MACHINERY AND EQUIPMENT | 13,882,423 | 3,277,894 | - | (241,037) | (1,899,686) | 214,074.00 | 15,233,668 |
| VEHICLES | 7,801,044 | 4,225,148 | - | (41,153) | (1,226,165) | - | 10,758,874 |
| CONSTRUCTION IN PROGRESS | 13,153,194 | 4,582,603 | - | (2,647,794) | - | (7,456,280) | 7,631,723 |
| | \$ 275,850,406 | \$ 16,755,188 | \$ 895,667 | \$ (4,593,928) | \$ (20,162,402) | \$ - | \$ 268,744,931 |

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| ACCUMULATED SURPLUS | C+D \$ 431,754,207 | \$ 425,243,948 |

ACCUMULATED SURPLUS

| | 2024 | 2023 |
|----------------------------------------------|----------------|----------------|
| Unrestricted surplus | \$ 76,075,329 | \$ 76,113,618 |
| Restricted surplus: | | |
| Cash flow | 22,694,424 | 21,543,696 |
| General equipment replacement | 35,604,354 | 31,330,464 |
| Other | 42,230,319 | 34,299,010 |
| | 100,529,097 | 87,173,170 |
| Equity in tangible capital assets | 255,768,899 | 262,189,762 |
| Accumulated surplus from operations | 432,373,325 | 425,476,550 |
| Accumulated remeasurement gains and (losses) | (619,118) | (232,602.00) |
| | \$ 431,754,207 | \$ 425,243,948 |

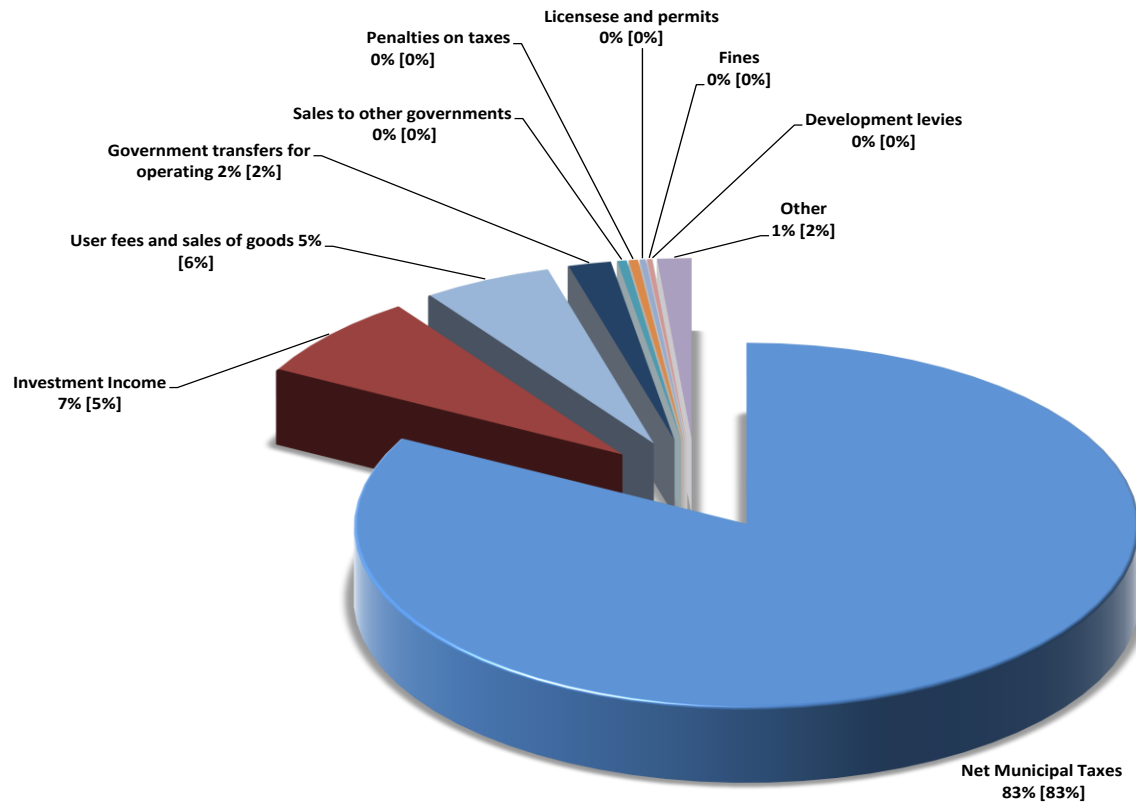
SURPLUS BREAKDOWN

| | 2024 | 2023 |
|------------------------------------------|----------------|----------------|
| Unrestricted surplus | \$ 76,075,329 | \$ 76,113,618 |
| Restricted surplus | 100,529,097 | 87,173,170 |
| Accumulated remeasurement gains (losses) | (619,118) | - |
| Surplus before TCA | 175,985,308 | 163,286,788 |
| Net financial assets (cash) | 122,108,256 | 103,942,654 |
| Inventory for consumption | 39,971,585 | 44,608,005 |
| Prepaid expenses | 929,435 | 842,883 |
| Long-term debt | 8,652,657 | 9,533,286 |
| Asset retirement obligations | 4,481,064 | 4,356,873 |
| Debt recoverable - local improvements | (157,686) | (229,515) |
| | \$ 175,985,311 | \$ 163,054,188 |

OPERATING REVENUE

| | 2024 (Budget) | 2024 (Actual) | 2023 (Actual) |
|------------------------------------|----------------------|------------------------------|-----------------------|
| REVENUE | | | |
| Net municipal taxes | \$ 86,086,544 | \$ 86,469,201 | \$ 85,901,634 |
| Investment income | 3,600,000 | 7,780,517 | 4,667,519 |
| User fees and sales of goods | 2,947,300 | 5,599,137 | 6,589,215 |
| Government transfers for operating | 889,925 | 1,850,281 | 1,564,795 |
| Sales to other governments | 447,294 | 402,297 | 380,061 |
| Penalties on taxes | 357,000 | 382,934 | 352,872 |
| Licenses and permits | 148,000 | 254,076 | 154,602 |
| Fines | 126,000 | 211,206 | 211,506 |
| Development levies | - | 5,433 | 5,731 |
| Other | 927,800 | 1,478,684 | 2,032,173 |
| | <u>\$ 95,529,863</u> | <u>\$ 104,433,766</u> | <u>\$ 101,860,108</u> |

OPERATING REVENUE

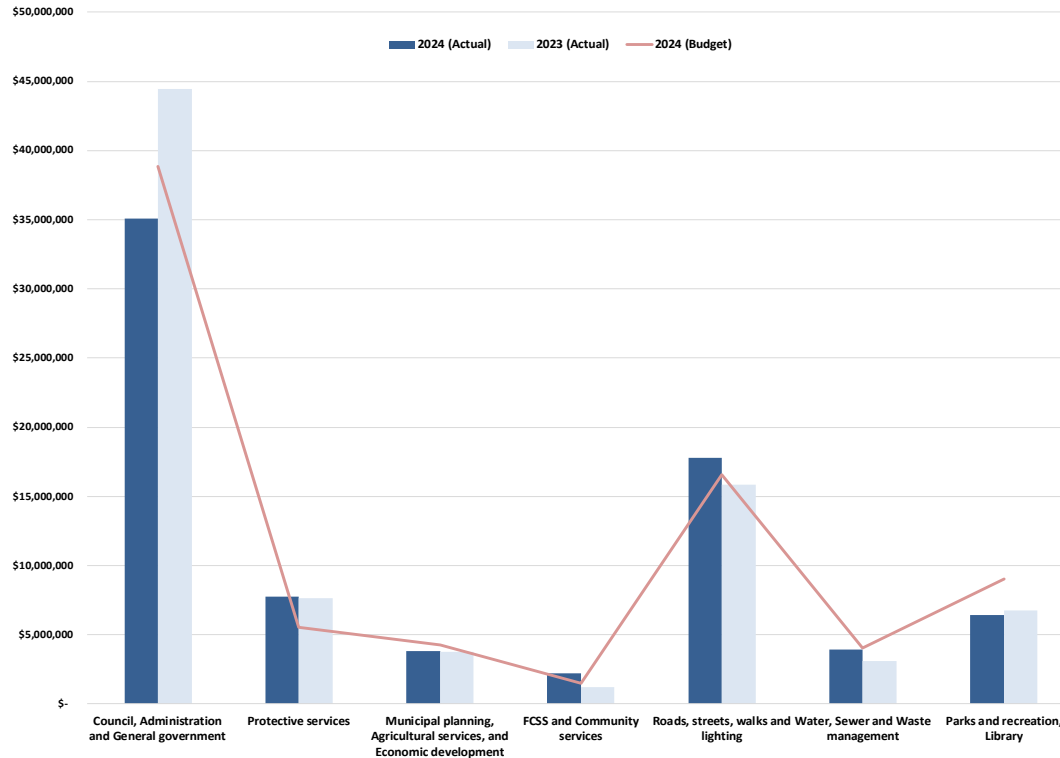


EXPENSES BY FUNCTION

| | 2024 (Budget) | 2024 (Actual) | 2023 (Actual) |
|------------------------------------------------------------------------|----------------------|----------------------|-----------------------|
| EXPENSES | | | |
| Council, Administration and General government | \$ 38,857,538 | \$ 35,307,186 | \$ 44,677,656 |
| Protective services | 5,552,108 | 8,793,832 | 8,529,533 |
| Municipal planning, Agricultural services, and Economic development | 4,243,111 | 4,088,273 | 4,005,161 |
| FCSS and Community services | 1,484,594 | 2,214,408 | 1,188,711 |
| Roads, streets, walks and lighting | 16,551,728 | 33,813,334 | 32,560,762 |
| Water, Sewer and Waste management | 4,060,264 | 4,789,950 | 5,622,808 |
| Parks and recreation, Library | 9,036,391 | 7,861,965 | 8,325,197 |
| | <u>\$ 79,785,734</u> | <u>\$ 96,868,948</u> | <u>\$ 104,909,828</u> |

EXPENSES BY FUNCTION

(W/O Amortization or Accretion Expense)



EXPENSES BY OBJECT

| | 2024 (Budget) | 2024 (Actual) | 2023 (Actual) |
|---------------------------------------------|----------------------|----------------------|-----------------------|
| Salaries, wages and benefits | \$ 26,855,734 | \$ 25,665,037 | \$ 25,248,091 |
| Amortization | - | 20,162,402 | 20,235,570 |
| Contracted and general services | 7,621,145 | 5,870,324 | 5,432,641 |
| Transfers to other governments | 31,459,592 | 29,160,771 | 28,748,024 |
| Transfers to local boards and organizations | 1,316,827 | 2,134,367 | 1,178,946 |
| Materials, goods, supplies and utilities | 10,016,370 | 12,952,229 | 11,350,525 |
| Other | 2,223,700 | 426,158 | 10,423,879 |
| Accretion expense | - | 213,361 | 1,979,151 |
| Interest on long-term debt | 292,366 | 284,299 | 313,001 |
| | <u>\$ 79,785,734</u> | <u>\$ 96,868,948</u> | <u>\$ 104,909,828</u> |

OTHER INCOME (EXPENSE)

| | 2024 (Budget) | 2024 (Actual) | 2023 (Actual) |
|-----------------------------------------------------|-----------------------|-----------------------|-----------------------|
| ANNUAL SURPLUS (DEFICIT) BEFORE OTHER INCOME | \$ 15,744,129 | \$ 7,564,818 | \$ (3,049,720) |
| OTHER INCOME | | | |
| Government transfers for capital | 3,330,000 | 1,845,011 | 6,214,870 |
| Contributed assets | - | 895,667 | 13,700 |
| Asset retirement obligation adoption | - | - | 3,105,871 |
| Gain (loss) on disposal of tangible capital assets | - | (3,408,721) | 93,009 |
| | 3,330,000 | (668,043) | 9,427,450 |
| ANNUAL SURPLUS | 19,074,129 | 6,896,775 | 6,377,730 |
| ACCUMULATED SURPLUS BEGINNING OF YEAR | 425,476,550 | 425,476,550 | 419,098,820 |
| ACCUMULATED SURPLUS, END OF YEAR | \$ 444,550,679 | \$ 432,373,325 | \$ 425,476,550 |

BUDGET RECONCILIATION

| | 2024 (Budget) | 2024 (Actual) | 2023 (Actual) |
|---------------------------------------------------------|----------------------|---------------------|---------------------|
| Annual surplus | <u>\$ 19,074,129</u> | <u>\$ 6,896,775</u> | <u>\$ 6,377,730</u> |
| Add back (deduct) | | | |
| Amortization expense | - | 20,162,402 | 20,235,570 |
| Net transfers (to) from reserves | 922,200 | (13,355,927) | 1,474,324 |
| Acquisition of tangible capital assets | (19,115,700) | (16,755,188) | (21,577,318) |
| Loss (gain) on disposal of tangible capital assets | - | 3,408,721 | (93,009) |
| Proceeds on tangible capital assets | - | 1,185,209 | 203,368 |
| Contributed assets | - | (895,667) | (13,700) |
| Principal debt repayments | (880,629) | (880,629) | (852,201) |
| Levied portion of debt recoverable - local improvements | - | 71,828 | 67,519 |
| Accretion expense | - | 213,361 | 1,979,151 |
| Operating surplus | <u>\$ -</u> | <u>\$ 50,885</u> | <u>\$ 7,801,434</u> |

SUMMARY

■ ANNUAL SURPLUS

\$6,896,775 (2023 – \$ 6,377,730)

■ NET FINANCIAL ASSETS

\$122,108,256 (2023 - \$ 103,942,654)

■ 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?