

VILLAGE OF GIROUXVILLE
CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2021

VILLAGE OF GIROUXVILLE
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Year Ended December 31, 2021

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of Village of Girouxville (the "Village") have been prepared in accordance with Canadian public sector accounting standards. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

A system of internal accounting and administrative controls is maintained by management to provide reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition and that the financial records are properly maintained to provide accurate and reliable consolidated financial statements.

Council is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. Council carries out this responsibility through regular meetings with management throughout the year to review significant accounting and auditing matters.

These consolidated financial statements have been audited, in accordance with Canadian public sector accounting standards, by Crescendo Accounting & Consulting, who were appointed by Council. Crescendo Accounting & Consulting have full and unrestricted access to management and Council to discuss their audit and related findings. The Independent Auditor's Report outlining the scope of their examination and their opinion on the consolidated financial statements is presented on the following page.



Estelle Girard, Chief Administrative
Officer

Girouxville, AB
April 13, 2022

INDEPENDENT AUDITOR'S REPORT

To the Members of Council of Village of Girouxville

Opinion

We have audited the consolidated financial statements of Village of Girouxville (the Village), which comprise the consolidated statement of financial position as at December 31, 2021, and the consolidated statements of operations, changes in net financial assets (debt) and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Village as at December 31, 2021, and the consolidated results of its operations and consolidated 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 *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Village in accordance with ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 2 in the financial statements, which describes the impact of the COVID-19 outbreak. Our opinion is not modified in respect of these matters.

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Village'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 Village or to cease operations, or has no realistic alternative but to do so.

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

(continues)

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* denotes professional corporation

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated 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 consolidated 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 Village's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Village's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated 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 auditor's report. However, future events or conditions may cause the Village to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Calgary, Alberta
April 13, 2022

Crescendo Accounting
Crescendo Accounting & Consulting
Chartered Professional Accountants

VILLAGE OF GIROUXVILLE
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
December 31, 2021

	2021	2020
FINANCIAL ASSETS		
Cash (Note 3)	\$ 550,308	\$ 457,742
Taxes and grants in place of taxes (Note 4)	30,112	47,562
Trade and other receivables (Note 5)	106,208	110,682
Trade accounts receivable from related parties	62,278	111,144
Land held for resale	16,607	16,607
Investments (Note 6)	10,702	11,061
Debt charges recoverable (Note 7)	214,117	214,117
TOTAL FINANCIAL ASSETS	990,332	968,915
LIABILITIES		
Accounts payable and accrued liabilities	52,456	35,092
Deposit liabilities	3,968	3,568
Deferred income (Note 8)	16,133	39,134
Employee benefit obligations (Note 9)	7,942	8,979
Long term debt (Note 10)	279,956	302,037
TOTAL LIABILITIES	360,455	388,810
NET FINANCIAL ASSETS	629,877	580,105
NON-FINANCIAL ASSETS		
Prepaid expenses	5,423	5,022
Tangible capital assets	4,325,957	4,243,669
	4,331,380	4,248,691
ACCUMULATED SURPLUS (Schedule 1), (Note 13)	\$ 4,961,257	\$ 4,828,796
COMMITMENTS AND CONTINGENCIES (Note 17) (Note 18)		

VILLAGE OF GIROUXVILLE
CONSOLIDATED STATEMENT OF OPERATIONS
Year Ended December 31, 2021

	(Unaudited) Budget	2021	2020
REVENUES			
Net municipal taxes <i>(Schedule 3)</i>	\$ 280,798	\$ 278,575	\$ 277,478
User fees and sale of goods	266,400	271,986	263,827
Government transfers for operating <i>(Schedule 4)</i>	64,309	65,637	79,050
Franchise and concession contracts	34,000	39,157	33,268
Other revenue	29,004	24,447	23,737
Penalties and costs on taxes	13,000	13,911	12,432
Investment income	4,500	3,147	3,644
Rentals	2,000	3,024	2,314
Licenses and permits	200	100	120
	694,211	699,984	695,870
EXPENSES			
Roads, streets, walks, lighting	394,955	232,779	261,905
Water supply and distribution	199,400	199,082	192,991
General administration	157,940	171,250	152,012
Parks and recreation	53,459	84,488	91,888
Wastewater treatment and disposal	30,272	44,664	47,039
Waste management	40,260	39,242	40,027
Culture: libraries, museums, halls	62,208	32,734	28,741
Council and other legislative	16,300	14,901	15,309
Storm sewers and drainage	-	11,631	11,631
Firefighting and protective services	31,770	11,770	11,549
Economic development and community services	9,210	7,297	7,036
Airport	5,839	5,839	5,839
Police services	7,160	7,177	4,770
By-law enforcement	3,290	2,465	3,135
Family and community support services	3,012	3,011	3,011
Public health and physician recruitment	790	1,518	1,829
	1,015,865	869,848	878,712
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES - BEFORE OTHER	(321,654)	(169,864)	(182,842)
OTHER			
Government transfers for capital <i>(Schedule 4)</i>	321,900	301,826	7,628
Donations and other transfers for capital	-	500	5,000
	321,900	302,326	12,628
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES	246	132,462	(170,214)
ACCUMULATED SURPLUS - BEGINNING OF YEAR	4,828,795	4,828,795	4,999,010
ACCUMULATED SURPLUS - END OF YEAR	\$ 4,829,041	\$ 4,961,257	\$ 4,828,796

VILLAGE OF GIROUXVILLE
CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS (DEBT)
Year Ended December 31, 2021

	Budget (Unaudited)	2021	2020
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES	\$ 246	\$ 132,462	\$ (170,214)
Amortization of tangible capital assets	-	250,594	235,775
Acquisition of tangible capital assets	(326,900)	(332,883)	(12,628)
	(326,900)	(82,289)	223,147
Acquisition of supplies inventories	(23,600)	(10,919)	(25,366)
Acquisition of prepaid assets	(25,000)	(30,555)	(28,760)
Use of supplies inventories	23,600	10,919	25,366
Use of prepaid assets	19,600	30,154	28,757
	(332,300)	(82,690)	223,144
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	(332,054)	49,772	52,930
NET FINANCIAL ASSETS - BEGINNING OF YEAR	580,105	580,105	527,175
NET FINANCIAL ASSETS - END OF YEAR	\$ 248,051	\$ 629,877	\$ 580,105

VILLAGE OF GIROUXVILLE
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2021

	2021	2020
OPERATING ACTIVITIES		
Excess (shortfall) of revenues over expenses	\$ 132,462	\$ (170,214)
Non-cash items included in excess (shortfall) of revenues over expenses:		
Amortization of property, plant and equipment	250,594	235,775
Non-cash charges to operations (net change):		
Decrease (increase) in taxes receivable	17,450	(4,969)
Decrease (increase) in other receivables	4,474	3,327
Decrease (increase) in receivable from other governments	48,866	(6,757)
Increase (decrease) in accounts payable and accrued liabilities	17,364	(111,701)
Increase (decrease) in deferred income	(23,001)	12,816
Decrease (increase) in prepaid expenses	(401)	(3)
Increase (decrease) in employee benefit obligations	(1,037)	1,281
Increase (decrease) in deposit liabilities	400	(1,050)
Cash provided by (applied to) operating transactions	<u>447,171</u>	<u>(41,495)</u>
CAPITAL		
Acquisition of tangible capital assets	<u>(332,883)</u>	<u>(12,628)</u>
Cash applied to capital transactions	<u>(332,883)</u>	<u>(12,628)</u>
INVESTING ACTIVITIES		
Decrease (increase) in investments	359	210
Decrease (increase) in restricted cash or cash equivalents	<u>17,209</u>	<u>(12,179)</u>
Cash provided by (applied to) investing transactions	<u>17,568</u>	<u>(11,969)</u>
FINANCING ACTIVITY		
Long term debt repaid	<u>(22,080)</u>	<u>(21,063)</u>
Cash provided by (applied to) financing transactions	<u>(22,080)</u>	<u>(21,063)</u>
INCREASE (DECREASE) IN CASH FLOW	109,776	(87,155)
Cash - beginning of year	<u>301,252</u>	<u>388,407</u>
CASH - END OF YEAR	\$ 411,028	\$ 301,252
CASH CONSISTS OF:		
Cash and temporary investments (Note 3)	\$ 550,308	\$ 457,742
Less: restricted portion of cash and temporary investments	<u>(139,280)</u>	<u>(156,490)</u>
	\$ 411,028	\$ 301,252

VILLAGE OF GIROUXVILLE
SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS
For the Year Ended December 31, 2021

(Schedule 1)

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2021	2020
BALANCE, BEGINNING OF THE YEAR	\$ 166,742	\$ 506,306	\$ 4,155,748	\$ 4,828,796	\$ 4,999,011
Excess (shortfall) of revenues over expenses	132,461	-	-	132,461	(170,215)
Unrestricted funds designated for future use	(5,289)	5,289	-	-	-
Current year funds used for tangible capital assets	(332,883)	-	332,883	-	-
Amortization expense	250,594	-	(250,594)	-	-
Capital long-term debt repaid	(22,080)	-	22,080	-	-
CHANGE IN ACCUMULATED SURPLUS	22,803	5,289	104,369	132,461	(170,215)
BALANCE, END OF THE YEAR	\$ 189,545	\$ 511,595	\$ 4,260,117	\$ 4,961,257	\$ 4,828,796

VILLAGE OF GIROUXVILLE
SCHEDULE OF TANGIBLE CAPITAL ASSETS
For the Year Ended December 31, 2021

(Schedule 2)

	Land	Land Improvements	Buildings	Engineered Structures	Machinery and Equipment	Vehicles	2021	2020
COST:								
BALANCE, BEGINNING OF THE YEAR	\$ 53,980	\$ 227,662	\$ 1,804,132	\$ 6,149,768	\$ 311,153	\$ 29,506	\$ 8,576,201	\$ 8,563,573
Acquisition of tangible capital assets	-	-	-	332,883	-	-	332,883	7,257
Construction-in-progress	-	-	-	-	-	-	-	5,371
BALANCE, END OF THE YEAR	53,980	227,662	1,804,132	6,482,651	311,153	29,506	8,909,084	8,576,201
ACCUMULATED AMORTIZATION:								
BALANCE, BEGINNING OF THE YEAR	-	38,688	602,170	3,551,902	118,968	20,804	4,332,533	4,096,757
Annual amortization	-	11,218	37,551	182,851	17,523	1,451	250,594	235,775
BALANCE, END OF THE YEAR	-	49,906	639,721	3,734,753	136,491	22,255	4,583,127	4,332,532
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	53,980	177,756	1,164,411	2,747,898	174,662	7,251	4,325,957	4,243,669
2020 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	\$ 53,980	\$ 188,974	\$ 1,201,962	\$ 2,597,866	\$ 192,185	\$ 8,702	\$ 4,243,669	

VILLAGE OF GIROUXVILLE
SCHEDULE OF PROPERTY AND OTHER TAXES
For the Year Ended December 31, 2021

(Schedule 3)

	Budget (Unaudited)	2021	2020
TAXATION			
Real property taxes	\$ 314,028	\$ 314,031	\$ 310,860
Linear property taxes	11,484	11,481	11,729
Government grants in place of property taxes	2,038	2,038	2,064
	<u>327,550</u>	<u>327,550</u>	<u>324,653</u>
REQUISITIONS			
Alberta School Foundation Fund	41,956	44,223	42,454
Designated industrial property	44	-	-
Heart River Seniors Foundation	4,752	4,752	4,721
	<u>46,752</u>	<u>48,975</u>	<u>47,175</u>
NET MUNICIPAL TAXES	<u>\$ 280,798</u>	<u>\$ 278,575</u>	<u>\$ 277,478</u>

VILLAGE OF GIROUXVILLE
SCHEDULE OF GOVERNMENT TRANSFERS
For the Year Ended December 31, 2021

(Schedule 4)

	Budget (Unaudited)	2021	2020
TRANSFERS FOR OPERATING			
Federal government	\$ 13,669	\$ 10,997	\$ 8,495
Provincial government - conditional	50,640	54,640	70,555
	64,309	65,637	79,050
TRANSFERS FOR CAPITAL			
Provincial government	321,900	301,826	7,628
TOTAL GOVERNMENT TRANSFERS	\$ 386,209	\$ 367,463	\$ 86,678

VILLAGE OF GIROUXVILLE
SCHEDULE OF CONSOLIDATED EXPENSES BY OBJECT
For the Year Ended December 31, 2021

(Schedule 5)

	Budget (Unaudited)	2021	2020
CONSOLIDATED EXPENSES BY OBJECT			
Materials, goods, supplies & utilities	\$ 255,000	\$ 231,878	\$ 251,151
Amortization	-	250,594	235,775
Salaries, wages and benefits	187,515	177,479	177,846
Contracted and general services	191,770	169,686	163,344
Transfers to local boards and agencies	14,489	14,475	15,662
Bad debts	-	-	15,085
Interest on long-term debt	13,787	13,643	14,594
Transfers to other individuals and organizations	4,224	11,900	4,221
Transfers to other governments	-	-	690
Interest and bank charges	100	193	344
Other expenditures	348,980	-	-
	\$ 1,015,865	\$ 869,848	\$ 878,712

VILLAGE OF GIROUXVILLE
SCHEDULE OF SEGMENTED DISCLOSURE
For the Year Ended December 31, 2021

(Schedule 6)

	General Government	Protective Services	Transportation Services	Environmental Services	Recreation and Culture	Other	2021
REVENUE							
Net municipal taxes	\$ 278,575	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 278,575
User fees and sale of goods	145	-	-	271,409	432	-	271,986
Government transfers for operating	4,000	14,280	5,839	5,210	27,661	8,647	65,637
Penalties and costs on taxes	13,911	-	-	-	-	-	13,911
Licenses and permits	100	-	-	-	-	-	100
Franchise and concession contracts	39,157	-	-	-	-	-	39,157
Investment income	3,147	-	-	-	-	-	3,147
Rentals	-	-	360	-	1,979	685	3,024
Other revenues	544	-	3,350	5,568	14,985	-	24,447
	339,579	14,280	9,549	282,187	45,057	9,332	699,984
EXPENSES							
Salaries, wages and benefits	104,721	-	38,374	16,678	17,706	-	177,479
Contracted and general services	73,607	21,412	14,393	54,258	4,247	1,769	169,686
Materials, goods and utilities	6,517	-	31,820	170,093	22,528	920	231,878
Transfers to local boards & agencies	-	-	5,839	-	-	8,635	14,474
Transfers to individuals and organizations	-	-	1,114	-	10,425	361	11,900
Interest and bank charges	193	-	-	-	-	-	193
Interest on long-term debt	-	-	843	4,105	8,696	-	13,644
	185,038	21,412	92,383	245,134	63,602	11,685	619,254
Net revenue before amortization and government transfers for capital	154,541	(7,132)	(82,834)	37,053	(18,545)	(2,353)	80,730
Amortization	(1,115)	-	(157,866)	(37,853)	(53,619)	(141)	(250,594)
Donations and contributions for capital	-	-	-	-	500	-	500
Government transfers for capital	-	-	301,826	-	-	-	301,826
Grand Total	\$ 153,426	\$ (7,132)	\$ 61,126	\$ (800)	\$ (71,664)	\$ (2,494)	\$ 132,462

VILLAGE OF GIROUXVILLE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Village of Girouxville are the representations of management prepared in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board of the Canadian Institute of Chartered Professional Accountants. Significant aspects of the accounting policies adopted by the Village are as follows:

Reporting Entity

The consolidated financial statements reflect the assets, liabilities, revenues and expenditures, changes in fund balances and change in financial position of the reporting entity. This entity is comprised of the municipal operations plus all of the organizations that are owned or controlled by the Village and are, therefore, accountable to the Village Council for the administration of their financial affairs and resources. Included with the municipality are the following:

Smoky River Regional Committee

The schedule of taxes levied also includes requisitions for education, health, social and other external organizations that are not part of the municipal reporting entity.

The statements exclude trust assets that are administered for the benefit of external parties. Interdepartmental and organizational transactions and balances are eliminated.

Basis of Accounting

The consolidated financial statements were prepared in accordance with Canadian public sector accounting standards (PSAS).

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or the legal obligation to pay.

Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

Government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used for certain programs, in the completion of specific work, or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred, services performed or the tangible capital assets are acquired.

Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles 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 measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

Cash and Temporary Investments

Cash and cash equivalents consist of cash on hand, balances with banks, and deposits with an original maturity date of purchase of three months or less. Because of the short term maturity of these investments, their carrying value approximates fair value.

Investments

(continues)

VILLAGE OF GIROUXVILLE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

1. SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Investments are recorded at amortized cost. Investment premiums and discounts are amortized on the net present value basis over the term of the respective investments. When there has been a loss in value that is other than a temporary decline, the respective investment is written down to recognize the loss.

Debt Charges Recoverable

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

Requisition Over-levy and Under-levy

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

If the actual levy exceeds the requisition, the over-levy is accrued as a liability and 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 a property tax revenue.

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

Inventories for Resale

Land held for resale is recorded at the lower of cost or net realizable value. Cost includes costs for land acquisition and improvements required to prepare the land for servicing such as clearing, stripping and levelling charges. Related development costs incurred to provide infrastructure such as water and wastewater services, roads, sidewalks and street lighting are recorded as physical assets under their respective function.

Tax Revenue

Tax revenues are recognized when the tax has been authorized by bylaw and the taxable event has occurred.

Requisitions operate as a flow through and are excluded from municipal revenue.

Government Transfers

Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return.

Government transfers are recognized in the financial statements as revenue in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be determined.

Contaminated Sites Liability

(*continues*)

VILLAGE OF GIROUXVILLE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of a contaminated site is recognized when a site is not in productive use and is management's estimate of the cost of post-remediation including operation, maintenance and monitoring.

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 consolidated Change in Net Financial Assets (Debt) for the year.

i) Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over the estimated useful life as follows:

	YEARS
Land improvements	20
Buildings	25-50
Engineered structures	
Water system	45-75
Wastewater system	45-75
Other engineered structures	20-50
Machinery and equipment	10-15
Vehicles	10

Annual amortization is charged in the year of acquisition and no amortization is charged in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

ii) Contribution of Tangible Capital Assets

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

iii) Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

iv) Inventories

Inventories held for consumption are recorded at the lower of cost and replacement cost on a first-in first-out basis.

v) Cultural and Historical Tangible Capital Assets

Museum artifacts for display are not recorded as tangible capital assets.

VILLAGE OF GIROUXVILLE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

2. COVID-19

In March 2020, the World Health Organization declared a global pandemic due to the novel coronavirus (COVID-19). The situation is constantly evolving, and the measures put in place are having multiple impacts on local, provincial, national and global economies.

The overall effect of these events on the Village and its operations are too uncertain to be estimated at this time. The impacts will be accounted for when they are known and may be assessed.

3. CASH AND TEMPORARY INVESTMENTS

	<u>2021</u>	<u>2020</u>
Petty Cash (Cash on Hand)	\$ 200	\$ 200
AB. Treasury Branch Chequing	<u>550,108</u>	<u>457,542</u>
	<u>\$ 550,308</u>	<u>\$ 457,742</u>

Included in cash, there are restricted contributions from other local organizations and individuals of \$1,877 (2020: \$24,087) held exclusively for capital projects (Note 8).

Council has designated funds of \$137,403 (2020: \$132,403) included in the above amounts for capital asset replacement (Note 13).

4. TAXES AND GRANTS IN PLACE OF TAXES RECEIVABLE

	<u>2021</u>	<u>2020</u>
Current taxes and grants in place of taxes	\$ 13,871	\$ 19,117
Arrears taxes	16,241	27,311
Under Levies	-	1,134
Subtotal	<u>30,112</u>	<u>47,562</u>
Less: Allowance for doubtful accounts	-	-
	<u>\$ 30,112</u>	<u>\$ 47,562</u>

5. TRADE AND OTHER RECEIVABLES

	<u>2021</u>	<u>2020</u>
Trade accounts	\$ 45,333	\$ 39,157
Smoky River Physician Committee (Town of McLennan)	1,081	1,244
Utilities	60,122	61,967
Water supply and distribution	-	8,642
	<u>106,536</u>	<u>111,010</u>
Allowance for doubtful accounts	<u>(328)</u>	<u>(328)</u>
	<u>\$ 106,208</u>	<u>\$ 110,682</u>

VILLAGE OF GIROUXVILLE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

6. INVESTMENTS

	2021		2020	
	Book Value	Market Value	Book Value	Market Value
AMFC share	\$ 10	\$ 10	\$ 10	\$ 10
Equity held in Vision Credit Union	3,293	3,293	3,659	3,659
Equity held in UFA	365	365	538	538
Equity held in Girouxville Co-op	7,034	7,034	6,854	6,854
	\$ 10,702	\$ 10,702	\$ 11,061	\$ 11,061

7. DEBT CHARGES RECOVERABLE

	2021	2020
Current portion of debt charges recoverable	\$ 27,871	\$ 21,198
Non-current debt charges recoverable	186,246	192,919
	214,117	214,117

On December 15, 2010 the Village borrowed \$250,000 to complete the construction of a bowling alley. The Girouxville Sports Club signed a debt repayment agreement on January 1, 2011. The Girouxville Sports Club has agreed to pay all of the principal and interest (4.3975%) debenture payments beginning on June 15, 2011 and ending on December 14, 2040. As at December 31, 2021, the June 15, 2018, December 15, 2019, June 15, 2019, December 15, 2020, June 15, 2020, December 15, 2021, and June 15, 2021 debenture principal payments totaling \$21,198 had not been recovered.

Principal and interest repayment schedule:

	Principal	Interest	Total
2022	\$ 27,871	\$ 17,045	\$ 44,916
2023	6,970	8,114	15,084
2024	7,280	7,804	15,084
2025	7,604	7,481	15,084
2026	7,942	7,143	15,084
Thereafter	156,450	54,732	211,182
	\$ 214,117	\$ 102,319	\$ 316,434

8. DEFERRED REVENUE

	2021	2020
<u>Provincial government transfers</u> Municipal Sustainability Initiative	\$ 1,877	\$ 24,087
	1,877	24,087
Prepaid property tax charges	14,188	14,999

(continues)

VILLAGE OF GIROUXVILLE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

8. DEFERRED REVENUE *(continued)*

	<u>2021</u>	<u>2020</u>
Transfers from other organizations	<u>68</u>	<u>48</u>
	<u>\$ 16,133</u>	<u>\$ 39,134</u>

Provincial and local funding per above of \$1,877 (2020: \$24,087) remains unspent at year-end. The use of these funds is restricted to eligible projects as approved under the funding agreements. Unexpended capital funds related to the advance are supported by cash and temporary investments of \$1,877 (2020: \$24,807) held exclusively for these eligible capital projects (*Note 3*).

9. EMPLOYEE BENEFIT OBLIGATIONS

	<u>2021</u>	<u>2020</u>
Vacation and overtime	<u>\$ 7,942</u>	<u>\$ 8,979</u>

The vacation and overtime liability is comprised of the vacation and overtime that employees are deferring to future years. Employees have either earned the benefits (and are vested) or are entitled to these benefits within the next budgetary year.

10. LONG TERM DEBT

	<u>2021</u>	<u>2020</u>
Supported by general tax levies	<u>\$ 549</u>	<u>\$ 11,833</u>
Supported by debt charges recoverable	<u>186,466</u>	<u>192,856</u>
Supported by utility rates	<u>70,745</u>	<u>75,152</u>
	<u>257,760</u>	<u>279,841</u>
Current portion of long-term debt	<u>22,196</u>	<u>22,196</u>
	<u>\$ 279,956</u>	<u>\$ 302,037</u>

Principal and interest repayments as follows:

	Principal	Interest	Total
2022	\$ 23,252	\$ 12,616	\$ 35,868
2023	11,950	11,656	23,606
2024	12,505	11,101	23,606
2025	13,087	10,519	23,606
2026	13,696	9,910	23,606
Thereafter	<u>205,466</u>	<u>79,615</u>	<u>285,081</u>
	<u>\$ 279,956</u>	<u>\$ 135,417</u>	<u>\$ 415,373</u>

Debenture debt is repayable to Alberta Capital Finance Authority and bears interest at rates ranging from 4.3975 to 5.24% per annum and maturity varies from 2022 to 2040. The average annual interest rate is 4.52% for 2021 (4.52% for 2020). Debenture debt is issued on the credit and security of the Village of Girouxville at large.

Interest on long-term debt amounted to \$13,643 (2020 - \$14,594).

The Village's total cash payments for interest in 2021 were \$13,787 (2020 - \$14,804).

VILLAGE OF GIROUXVILLE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

11. DEBT LIMITS

Section 276(2) of the Municipal Government Act requires that debt and debt limits as defined by Alberta Regulation 255/00 for the Village of Girouxville be disclosed as follows:

	<u>2021</u>	<u>2020</u>
Total debt limit	\$ 1,050,726	\$ 1,051,305
Total debt	<u>279,956</u>	<u>302,037</u>
Amount of debt limit unused	<u>\$ 770,770</u>	<u>\$ 749,268</u>
Debt servicing limit	\$ 175,121	\$ 175,218
Debt servicing	<u>35,867</u>	<u>35,867</u>
Amount of debt servicing limit unused	<u>\$ 139,254</u>	<u>\$ 139,351</u>

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

12. EQUITY IN TANGIBLE CAPITAL ASSETS

	<u>2021</u>	<u>2020</u>
Tangible capital assets (Schedule 2)	\$ 8,909,084	\$ 8,576,201
Accumulated amortization (Schedule 2)	<u>(4,583,127)</u>	<u>(4,332,532)</u>
Long term debt (<i>Note 10</i>)	<u>(279,956)</u>	<u>(302,037)</u>
Debt charges recoverable (<i>Note 7</i>)	<u>214,117</u>	<u>214,117</u>
	<u>\$ 4,260,117</u>	<u>\$ 4,155,748</u>

13. ACCUMULATED SURPLUS

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

	<u>2021</u>	<u>2020</u>
Unrestricted surplus (deficit)	\$ 189,545	\$ 166,742
Restricted surplus - operating		
Physician recruitment and housing	4,962	4,672
Contingency (mill rate stabilization)	367,231	367,231
Fire services	2,000	2,000
Restricted surplus - capital		
Water supply and distribution	89,001	84,001
Museum capital projects	48,402	48,402
Equity in tangible capital assets	<u>4,260,117</u>	<u>4,155,748</u>
	<u>\$ 4,961,257</u>	<u>\$ 4,828,796</u>

VILLAGE OF GIROUXVILLE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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14. SALARY AND BENEFITS DISCLOSURE

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

	Salary (1)	Benefits & Allowances (2)	2021	2020
Mayor:				
DION, Alain	\$ 3,191	\$ 67	\$ 3,258	\$ 2,552
Councillors				
EWING, Carmen	-	-	-	2,552
ZDEB, Joseph	4,410	67	4,477	3,991
JOHNSON, Ernest	3,134	67	3,201	3,229
ELLIOTT, Kelly	2,079	67	2,146	2,679
LAFLAMME, Danielle	678	67	745	-
	<u>13,492</u>	<u>335</u>	<u>13,827</u>	<u>15,003</u>
GIRARD, Estelle	<u>72,815</u>	<u>7,873</u>	<u>80,688</u>	<u>79,036</u>
	<u>\$ 86,307</u>	<u>\$ 8,208</u>	<u>\$ 94,515</u>	<u>\$ 94,039</u>

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

2) For mayor and councillors, benefits and allowances consists of 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, registered retirement savings plan contributions, health care, dental coverage, group life insurance, accidental disability and dismemberment insurance and long and short-term disability plans made on behalf of the employee.

3) The designated officer for the position of municipal assessor is Compass Assessments Consultants Inc. (Aaron Steblyk). Contracted services of \$5,182 (2020 - \$5,183) were paid to Compass Assessments Consultants Incorporated.

15. GOVERNMENT PARTNERSHIP

A Co-owners agreement between the Village of Donnelly, Village of Girouxville, Town of Falher, Town of McLennan and the Municipal District of Smoky River #130 was made the 1st day of October, 2015. The land title is registered in the trustee's name (Town of McLennan) as specified in the declaration of trust. The co-owners venture operates under the name of Smoky River Regional Committee. The primary purpose of this agreement is to provide and maintain a building in McLennan to rent a residential dwelling to doctors and their families. This investment was accounted for by the proportionate consolidation method.

	2021	2020
Share of assets (4%)	\$ 8,212	\$ 8,515
Share of liabilities (4%)	<u>(216)</u>	<u>(176)</u>
Subtotal	<u>7,996</u>	<u>8,339</u>
Total revenues	<u>(17,132)</u>	<u>(20,400)</u>
Total expenditures	<u>18,441</u>	<u>16,667</u>
	<u>1,309</u>	<u>(3,733)</u>
Share of surplus (deficit) for the year ended December 31 (4%)	<u>\$ (52)</u>	<u>\$ 149</u>

VILLAGE OF GIROUXVILLE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

16. TRUST FUNDS

The Village of Girouxville administers a trust as follows:

	<u>2021</u>	<u>2020</u>
<u>Girouxville Museum Trust</u>		
Balance, beginning of the year	\$ 57,775	\$ 56,402
Add:		
Deposits	-	-
Interest	832	1,378
Subtotal	58,607	57,780
Less:		
Service charge	(5)	(5)
Transfer to Village of Girouxville (repairs)	-	-
Transfer to Village of Girouxville	(1,955)	-
Balance, end of the year	<u>\$ 56,647</u>	<u>\$ 57,775</u>

17. CONTINGENCIES

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

18. COMMITMENTS

The Village of Girouxville is committed to make annual payments ranging from \$10,706 to \$12,076 per year under a fire protection services agreement with the Municipal District of Smoky River No. 130. The agreement was in force until December 31, 2021 and was still undergoing negotiations as at that date. The agreement was renewed on January 1, 2022 where the Municipal District of Smoky River No. 130 agreed to annual payments of \$15,962 from 2022-2024.

19. RELATED PARTY TRANSACTIONS

The Village of Girouxville is a member of the Smoky River Regional Water Management Commission and the Smoky River Regional Waste Management Commission and, as such, these commissions have been identified as related parties.

During the year, the Village of Girouxville paid \$162,446 (2020: \$166,201) to the Smoky River Regional Water Management Commission for the purchase of treated water.

During the year, the Village of Girouxville paid \$31,207 (2020: \$31,081) to the Smoky River Regional Waste Management Commission for residential garbage collection and landfill tipping fees.

These transactions were made in the normal course of operations and have been measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

VILLAGE OF GIROUXVILLE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

20. FINANCIAL INSTRUMENTS

The Village's financial instruments consist of cash and temporary investments, accounts receivable, investments, debt charges recoverable, bank indebtedness, accounts payable and accrued liabilities, deposit liabilities, requisition over-levy, and long-term debt. It is management's opinion that the village is not exposed to significant interest or currency risks arising from these financial instruments.

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

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

21. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to correspond with the current year presentation.

22. APPROVAL OF FINANCIAL STATEMENTS

Council and management approved these financial statements on April 13, 2022.
