

VILLAGE OF GIROUXVILLE
CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2023

VILLAGE OF GIROUXVILLE
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2023

	Page
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING	1
INDEPENDENT AUDITOR'S REPORT	2 - 3
CONSOLIDATED FINANCIAL STATEMENTS	
Consolidated Statement of Financial Position	4
Consolidated Statement of Operations	5
Consolidated Statement of Changes in Net Financial Assets (Debt)	6
Consolidated Statement of Cash Flows	7
Schedule of Changes in Accumulated Surplus (<i>Schedule 1</i>)	8
Consolidated Schedule of Tangible Capital Assets (<i>Schedule 2</i>)	9
Consolidated Schedule of Property and Other Taxes (<i>Schedule 3</i>)	10
Consolidated Schedule of Government Transfers (<i>Schedule 4</i>)	11
Consolidated Schedule of Consolidated Expenses by Object (<i>Schedule 5</i>)	12
Consolidated Schedule of Segmented Disclosure (<i>Schedule 6</i>)	13
Notes to Consolidated Financial Statements	14 - 26

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

Management of the Village of Girouxville (the "Village") is responsible for the preparation, accuracy, objectivity and integrity of the accompanying consolidated financial statements and all other information contained within this Financial Report. Management believes that the consolidated financial statements present fairly the village's financial position as at December 31, 2023 and the results of its operations for the year then ended.

The consolidated financial statements have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards (PSAS).

The consolidated financial statements include certain amounts based on estimates and judgments. Such amounts have been determined on a reasonable basis in order to ensure the consolidated financial statements are presented fairly in all material respects.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, management has designed and maintains a system of internal controls to produce reliable information and to meet reporting requirements on a timely basis. The system is designed to provide management with reasonable assurance that transactions are properly authorized and assets are properly accounted for and safeguarded.

These systems are monitored and evaluated by management and reliable financial information is available for preparation of the 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.

The external auditors have full access to the Council with and without the presence of management. The Village council has approved the consolidated financial statements.

The consolidated financial statements have been audited, in accordance with Canadian public sector accounting standards, by Crescendo Accounting & Consulting, CPA who were appointed by Council. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the village's consolidated financial statements.

Estelle Girard

Estelle Girard, Chief Administrative
Officer

Girouxville, AB
April 10, 2024

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, 2023, 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, 2023, 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.

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.

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.

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* denotes professional corporation

Independent Auditor's Report to the Members of Councils of Village of Girouxville (*continued*)

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 10, 2024

Crescendo Accounting
Crescendo Accounting & Consulting
Chartered Professional Accountants

VILLAGE OF GIROUXVILLE
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
December 31, 2023

	2023	2022 (Restated)
FINANCIAL ASSETS		
Cash (Note 3)	\$ 635,920	\$ 636,368
Taxes and grants in place of taxes (Note 4)	35,490	35,045
Trade and other receivables (Note 5)	136,734	106,321
Trade accounts receivable from related parties	67,368	97,031
Land held for resale	16,607	16,607
Investments (Note 6)	10,418	10,516
Debt charges recoverable (Note 7)	214,117	214,117
TOTAL FINANCIAL ASSETS	1,116,654	1,116,005
LIABILITIES		
Accounts payable and accrued liabilities	102,890	48,471
Deposit liabilities	4,368	4,368
Deferred revenue (Note 8)	19,590	72,085
Employee benefit obligations (Note 9)	9,548	6,520
Long term debt (Note 10)	244,951	256,809
TOTAL LIABILITIES	381,347	388,253
NET FINANCIAL ASSETS	735,307	727,752
NON-FINANCIAL ASSETS		
Prepaid expenses	8,735	5,339
Tangible capital assets (Schedule 2)	4,076,470	4,220,201
	4,085,205	4,225,540
ACCUMULATED SURPLUS (Schedule 1), (Note 13)	\$ 4,820,512	\$ 4,953,289
COMMITMENTS AND CONTINGENCIES (Note 19) (Note 20)		

VILLAGE OF GIROUXVILLE
CONSOLIDATED STATEMENT OF OPERATIONS
Year Ended December 31, 2023

	Budget (Unaudited)	2023	2022 (Restated)
REVENUES			
Net municipal taxes <i>(Schedule 3)</i>	\$ 292,927	\$ 292,562	\$ 287,144
User fees and sale of goods	285,650	253,400	261,764
Government transfers for operating <i>(Schedule 4)</i>	81,997	91,047	92,242
Franchise and concession contracts	46,000	43,372	47,052
Other revenue	58,104	33,977	53,347
Penalties and costs on taxes	9,000	9,755	8,610
Investment income	10,000	29,362	10,101
Rentals	3,860	4,505	4,483
Licenses and permits	200	240	100
Gains (losses) on disposal of assets	-	-	(6,072)
	<u>787,738</u>	<u>758,220</u>	<u>758,771</u>
EXPENSES			
Roads, streets, walks, lighting	168,984	259,426	277,970
Water supply and distribution	185,600	172,067	180,258
General administration	173,485	181,945	203,890
Parks and recreation	58,485	77,007	72,475
Wastewater treatment and disposal	359,673	91,983	61,215
Waste management	39,740	39,667	39,314
Culture: libraries, museums, halls	74,626	43,708	34,479
Council and other legislative	16,800	18,866	14,548
Storm sewers and drainage	-	11,631	11,631
Firefighting and protective services	16,750	16,535	23,659
Economic development and community services	8,782	8,008	6,193
Airport	4,215	4,215	4,220
Police services	14,320	13,113	9,566
By-law enforcement	3,480	3,160	3,022
Family and community support services	3,012	3,100	3,011
Public health and physician recruitment	1,832	1,713	1,625
	<u>1,129,784</u>	<u>946,144</u>	<u>947,076</u>
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES - BEFORE OTHER	<u>(342,046)</u>	<u>(187,924)</u>	<u>(188,305)</u>
OTHER			
Government transfers for capital <i>(Schedule 4)</i>	337,046	49,947	180,338
Donations and other transfers for capital	5,000	5,200	-
	<u>342,046</u>	<u>55,147</u>	<u>180,338</u>
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES	-	(132,777)	(7,967)
ACCUMULATED SURPLUS - BEGINNING OF YEAR	<u>4,953,289</u>	<u>4,953,289</u>	<u>4,961,256</u>
ACCUMULATED SURPLUS - END OF YEAR	<u>\$ 4,953,289</u>	<u>\$ 4,820,512</u>	<u>\$ 4,953,289</u>

VILLAGE OF GIROUXVILLE
CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS (DEBT)
Year Ended December 31, 2023

	Budget (Unaudited)	2023	2022 (Restated)
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES	\$ -	\$ (132,777)	\$ (7,967)
Amortization of tangible capital assets	-	254,198	254,213
Acquisition of tangible capital assets	(367,046)	(110,467)	(180,618)
Loss on disposal of assets	-	-	6,072
	(367,046)	143,731	79,667
Acquisition of supplies inventories	(25,200)	(11,974)	(15,722)
Acquisition of prepaid assets	-	(37,891)	(32,333)
Use of supplies inventories	25,200	11,974	15,722
Use of prepaid assets	-	34,492	32,419
	(367,046)	140,332	79,753
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	(367,046)	7,555	71,786
NET FINANCIAL ASSETS - BEGINNING OF YEAR	696,695	701,664	629,878
NET FINANCIAL ASSETS - END OF YEAR	\$ 329,649	\$ 709,219	\$ 701,664

VILLAGE OF GIROUXVILLE
CONSOLIDATED STATEMENT OF CASH FLOWS
Year Ended December 31, 2023

	2023	2022 <i>Restated</i>
OPERATING ACTIVITIES		
Excess (shortfall) of revenues over expenses	\$ (132,777)	\$ (7,967)
Non-cash items included in excess (shortfall) of revenues over expenses:		
Amortization of tangible capital assets	254,198	254,213
Loss on disposal of tangible capital assets	-	6,072
	<u>121,421</u>	<u>252,318</u>
Non-cash charges to operations (net change):		
Decrease (increase) taxes receivable	(445)	(4,933)
Decrease (increase) other receivables	(30,413)	(113)
Decrease (increase) in receivable from other governments	29,654	(34,753)
Decrease (increase) accounts payable and accrued liabilities	54,417	(3,984)
Increase (decrease) in deferred income	(52,495)	55,952
Decrease (increase) in prepaid expenses	(3,388)	84
Increase (decrease) in employee benefit obligations	3,028	(1,422)
Increase (decrease) in deposit liabilities	-	400
	<u>358</u>	<u>11,231</u>
Cash provided by (applied to) operating transactions	<u>121,779</u>	<u>263,549</u>
CAPITAL		
Acquisition of tangible capital assets	(110,467)	(180,618)
Sale of tangible capital assets	-	26,088
Cash applied to capital transactions	<u>(110,467)</u>	<u>(154,530)</u>
INVESTING ACTIVITIES		
Decrease (increase) in investments	98	186
Decrease (increase) in restricted cash or cash equivalents	49,009	(83,358)
Cash provided by (applied to) operating transactions	<u>49,107</u>	<u>(83,172)</u>
FINANCING ACTIVITY		
Long term debt repaid	(11,858)	(23,147)
Cash provided by (applied to) financing transactions	<u>(11,858)</u>	<u>(23,147)</u>
INCREASE IN CASH FLOW	48,561	2,700
Cash - beginning of year	<u>413,730</u>	<u>411,030</u>
CASH - END OF YEAR	\$ 462,291	\$ 413,730
CASH CONSISTS OF:		
Cash	\$ 635,920	\$ 636,368
Less: restricted portion of cash and temporary investments	<u>(173,629)</u>	<u>(222,638)</u>
	<u>\$ 462,291</u>	<u>\$ 413,730</u>

VILLAGE OF GIROUXVILLE
SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS
For the Year Ended December 31, 2023

(Schedule 1)

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2023	2022 (Restated)
BALANCE, BEGINNING OF THE YEAR	\$ 242,171	\$ 533,609	\$ 4,177,509	\$ 4,953,289	\$ 4,961,256
Excess (shortfall) of revenues over expenses	(132,777)	-	-	(132,777)	(7,967)
Share of 2022 partnership	-	-	-	-	-
Current year funds used for tangible capital assets	(110,467)	-	110,467	-	-
Disposals of tangible capital assets	-	-	-	-	-
Accumulated amortization on disposals	-	-	-	-	-
Amortization expense	254,198	-	(254,198)	-	-
Capital long-term debt repaid	(11,858)	-	11,858	-	-
Share of 2022 partnership	-	-	-	-	-
CHANGE IN ACCUMULATED SURPLUS	(904)	-	(131,873)	(132,777)	(7,967)
BALANCE, END OF THE YEAR	\$ 241,267	\$ 533,609	\$ 4,045,636	\$ 4,820,512	\$ 4,953,289

VILLAGE OF GIROUXVILLE
SCHEDULE OF TANGIBLE CAPITAL ASSETS
For the Year Ended December 31, 2023

(Schedule 2)

	Land	Land Improvements	Buildings	Engineered Structures	Machinery and Equipment	Vehicles	2023	2022
COST:								
BALANCE, BEGINNING OF THE YEAR	\$ 53,980	\$ 227,662	\$ 1,843,061	\$ 6,496,339	\$ 358,753	\$ 29,506	\$ 9,009,301	\$ 8,909,083
Acquisition of tangible capital assets	-	17,895	24,619	45,899	22,054	-	110,467	175,703
Construction-in-progress	-	-	-	-	-	-	-	4,915
Disposal of tangible capital assets	-	-	-	-	-	-	-	(80,400)
BALANCE, END OF THE YEAR	53,980	245,558	1,867,680	6,542,238	380,807	29,506	9,119,768	9,009,301
ACCUMULATED AMORTIZATION:								
BALANCE, BEGINNING OF THE YEAR	-	61,124	677,280	3,918,043	108,947	23,706	4,789,100	4,583,127
Annual amortization	-	12,113	39,748	177,551	23,335	1,450	254,198	254,213
Accumulated amortization on disposals	-	-	-	-	-	-	-	(48,240)
BALANCE, END OF THE YEAR	-	73,237	717,028	4,095,594	132,282	25,156	5,043,298	4,789,100
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	53,980	172,321	1,150,652	2,446,644	248,525	4,350	4,076,470	4,220,201
2022 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	\$ 53,980	\$ 166,538	\$ 1,165,781	\$ 2,578,296	\$ 249,806	\$ 5,800	\$ 4,220,201	

See accompanying schedules and notes to financial statements

VILLAGE OF GIROUXVILLE
SCHEDULE OF PROPERTY AND OTHER TAXES
For the Year Ended December 31, 2023

(Schedule 3)

	Budget	2023	2022
TAXATION			
Real property taxes	\$ 325,811	\$ 325,396	\$ 323,105
Linear property taxes	13,533	13,535	11,866
Government grants in place of property taxes	2,192	2,193	2,136
	<u>341,536</u>	<u>341,124</u>	<u>337,107</u>
REQUISITIONS			
Alberta School Foundation Fund	43,437	43,437	45,099
Heart River Seniors Foundation	5,172	5,125	4,864
	<u>48,609</u>	<u>48,562</u>	<u>49,963</u>
NET MUNICIPAL TAXES	<u>\$ 292,927</u>	<u>\$ 292,562</u>	<u>\$ 287,144</u>

VILLAGE OF GIROUXVILLE
SCHEDULE OF GOVERNMENT TRANSFERS
For the Year Ended December 31, 2023

(Schedule 4)

	Budget	2023	2022 (Restated)
TRANSFERS FOR OPERATING			
Federal government	\$ 4,125	\$ 4,125	\$ 44,708
Provincial government - conditional	77,872	86,922	47,534
	81,997	91,047	92,242
TRANSFERS FOR CAPITAL			
Provincial government	287,046	49,947	180,338
Federal government	50,000	-	-
	337,046	49,947	180,338
TOTAL GOVERNMENT TRANSFERS	\$ 419,043	\$ 140,994	\$ 272,580

VILLAGE OF GIROUXVILLE**SCHEDULE OF CONSOLIDATED EXPENSES BY OBJECT****(Schedule 5)****For the Year Ended December 31, 2023**

	Budget	2023	2022
CONSOLIDATED EXPENSES BY OBJECT			
Materials, goods, supplies & utilities	\$ 240,628	\$ 230,191	\$ 223,892
Amortization	-	254,198	254,213
Salaries, wages and benefits	181,552	188,114	173,119
Contracted and general services	298,907	242,798	266,005
Transfers to local boards and agencies	13,901	13,989	13,320
Interest on long-term debt	11,749	11,739	12,569
Transfers to other individuals and organizations	3,832	3,832	3,651
Interest and bank charges	310	1,283	307
Other expenditures	378,905	-	-
	<u>\$ 1,129,784</u>	<u>\$ 946,144</u>	<u>\$ 947,076</u>

VILLAGE OF GIROUXVILLE
SCHEDULE OF SEGMENTED DISCLOSURE
For the Year Ended December 31, 2023

(Schedule 6)

	General Government	Protective Services	Transportation Services	Environmental Services	Recreation and Culture	Other	2023
REVENUE							
Net municipal taxes	\$ 292,562	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 292,562
User fees and sale of goods	81	-	-	252,341	978	-	253,400
Government transfers for operating	-	19,123	4,215	35,676	27,194	4,839	91,047
Penalties and costs on taxes	9,755	-	-	-	-	-	9,755
Licenses and permits	240	-	-	-	-	-	240
Franchise and concession contracts	43,372	-	-	-	-	-	43,372
Investment income	29,362	-	-	-	-	-	29,362
Rentals	-	-	-	-	3,689	816	4,505
Other revenues	1,821	-	-	4,776	29,361	3,219	39,177
	<u>377,193</u>	<u>19,123</u>	<u>4,215</u>	<u>292,793</u>	<u>61,222</u>	<u>8,874</u>	<u>763,420</u>
EXPENSES							
Salaries, wages and benefits	119,925	-	38,245	15,401	14,545	-	188,116
Contracted and general services	78,075	32,808	29,702	97,396	4,316	500	242,797
Materials, goods and utilities	5,817	-	38,863	155,183	28,297	2,030	230,190
Transfers to local boards & agencies	-	-	4,215	-	-	9,774	13,989
Transfers to individuals and organizations	-	-	1,114	-	2,357	361	3,832
Interest and bank charges	1,284	-	-	-	-	-	1,284
Interest on long-term debt	-	-	-	3,624	8,114	-	11,738
	<u>205,101</u>	<u>32,808</u>	<u>112,139</u>	<u>271,604</u>	<u>57,629</u>	<u>12,665</u>	<u>691,946</u>
Net revenue before amortization and government transfers for capital	172,092	(13,685)	(107,924)	21,189	3,593	(3,791)	71,474
Amortization	(1,115)	-	(162,944)	(32,114)	(57,869)	(156)	(254,198)
Government transfers for capital	-	-	22,054	18,981	8,912	-	49,947
Grand Total	<u>\$ 170,977</u>	<u>\$ (13,685)</u>	<u>\$ (248,814)</u>	<u>\$ 8,056</u>	<u>\$ (45,364)</u>	<u>\$ (3,947)</u>	<u>\$ (132,777)</u>

See accompanying schedules and notes to financial statements

VILLAGE OF GIROUXVILLE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2023

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.

Valuation of Financial Assets and Liabilities

(continues)

VILLAGE OF GIROUXVILLE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

The village's financial assets and liabilities are measured as follows:

<u>Financial statement component</u>	<u>Measurement</u>
Cash	Cost and amortized cost
Short-term investments	Amortized cost
Trade and other receivables	Lower of cost or net recoverable value
Investments	Fair value and amortized cost
Loans receivable and debt charges recoverable	Amortized cost
Accounts payable and accrued liabilities	Cost
Deposit liabilities	Cost
Bank indebtedness and long-term debt	Amortized cost

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

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.

Long-term debt

Long-term debt is initially recognized net of any premiums, discounts, fees and transactions costs, with interest expense recognized using the effective interest method. Long-term debt is subsequently measured at amortized cost.

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.

(continues)

VILLAGE OF GIROUXVILLE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES (*continued*)

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.

Asset Retirement Obligation

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset at the financial statement date when there is a legal obligation for the village to incur retirement costs, the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at year-end. The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods.

When a liability for an asset retirement obligation is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related tangible capital asset. The asset retirement cost is amortized over the useful life of the related asset. Asset retirement obligations which are incurred incrementally with use of the asset are recognized in the period incurred with a corresponding asset retirement cost expensed in the period.

At each financial reporting date, the village reviews the carrying amount of the liability. The village recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset. The village continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

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

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

(*continues*)

VILLAGE OF GIROUXVILLE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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.

(continues)

VILLAGE OF GIROUXVILLE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Revenue recognition

Revenue from transactions with no performance obligation is recognized at realizable value when the Village has the authority to claim or retain an inflow of economic resources and identifies a past transaction or event giving rise to an asset.

Revenue from transactions with performance obligations is recognized as the performance obligations are satisfied by providing the promised goods or services to the payor. User fees are recognized over the period of use, sales of goods are recognized when goods are delivered. Licenses and permits with a single performance obligation at a point in time are recognized as revenue on issuance, those which result in a continued performance obligation over time are recognized over the period of the license or permit as the performance obligation is satisfied.

Deferred Revenues

Deferred revenues represent government transfers, donations, and other amounts which have been collected, but for which the related services have yet to be performed or agreement stipulations have not been met. These amounts will be recognized as revenues when revenue recognition criteria have been met. Interest earned on deferred revenues, reserves, and offsite levies are calculated using an average investment earnings monthly.

Future Accounting Standard Pronouncements

The following summarizes upcoming changes to Canadian public sector accounting standards. In 2024, the Town will continue to assess the impact and prepare for the adoption of these standards. While the timing of standard adoption may vary, certain standards must be adopted concurrently. The requirements in Financial Statement Presentation (PS1201), Financial Instruments (PS3450), Foreign Currency Translations (PS2601) and Portfolio Investments (PS3041) must be implemented at the same time.

Financial Statement Presentation

PS1201, Financial Statement Presentation, requires a new statement of re-measurement gains and losses separate from the statement of operations. Included in this new statement are the unrealized gains and losses arising from the re-measurement of financial instruments and items denominated in foreign currencies, as well as the government's proportionate share of other comprehensive income that arises when a government includes the results of government business enterprises and partnerships. This standard is applicable for the fiscal years beginning on or after April 1, 2022.

Portfolio Investments

PS3041, Portfolio Investments has removed the distinction between temporary and portfolio investments and was amended to conform to Financial Instruments, PS3450. Once PS3450 and PS3041 are adopted, Temporary Investments PS3030 will no longer apply. This standard is applicable for fiscal years beginning on or after April 1, 2022.

Financial Instruments

PS3450, Financial Instruments, establishes recognition, measurement, and disclosure requirements for derivative and non-derivative financial instruments. The standard requires fair value measurement of derivatives and equity instruments; all other financial instruments can be measured at cost, amortized cost, or fair value at the election of the government. There is the requirement to disclose the nature and extent of risks arising from financial instruments and clarification is given for the de-recognition financial liabilities. This standard is applicable for fiscal years beginning on or after April 1, 2022.

(*continues*)

VILLAGE OF GIROUXVILLE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Asset Retirement Obligations

PS3280, Asset Retirement Obligations defines which activities would be included in a liability for retirement of a tangible capital asset, establishes when to recognize and how to measure a liability for asset retirement, and provides the related financial statement presentation and disclosure requirements. This new standard will effectively replace PS3270, Solid Waste Landfill Closure and Post-closure Liability. This standard is applicable for fiscal years beginning on or after April 1, 2022.

Revenue

PS3400, Revenue establishes standards on how to account for and report on revenue, specifically in regard to revenue arising from transactions with performance obligations (exchange transactions) and those without performance obligations (non-exchange transactions). This standard is applicable for fiscal years beginning on or after April 1, 2023.

Purchased Intangibles

PSG-8, Purchased Intangibles, allows for purchased intangible assets to be recognized as assets in the public sector entity's financial statements. This standard is applicable for fiscal years beginning on or after April 1, 2023.

Public Private Partnerships

PS3160, Public Private Partnerships, establishes standards on how to account for certain arrangements between public and private entities. The standard provides guidance on situations where a public entity acquires infrastructure assets using a private sector partner that designs, builds, or finances the infrastructure asset past the point where it is ready for use. This standard is applicable for fiscal years beginning on or after April 1, 2023.

2. PRIOR PERIOD ADJUSTMENT

A prior period adjustment was made to recognize \$31,055 of previously deferred capital grant revenue for the corresponding capital expenditures, restating Net Financial Assets at December 31, 2022 from \$696,695 to \$727,752; Deferred income from \$103,140 to \$72,085; and Government transfers for capital from \$149,283 to \$180,338.

3. CASH AND TEMPORARY INVESTMENTS

	<u>2023</u>	<u>2022</u>
Petty Cash (Cash on Hand)	\$ 200	\$ 200
Cash held in a financial institution	<u>635,720</u>	<u>636,168</u>
	<u>\$ 635,920</u>	<u>\$ 636,368</u>

Included in cash, there are restricted contributions from other local organizations and individuals of \$14,502 (2022: \$63,511) held exclusively for capital projects *(Note 8)*.

Included in the above amounts, council has designated funds of \$137,403 (2022: \$137,403) for capital asset replacement and \$396,205 (2022: \$396,205) for internally restricted operating contingencies *(Note 13)*.

VILLAGE OF GIROUXVILLE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2023

4. TAXES AND GRANTS IN PLACE OF TAXES RECEIVABLE

	<u>2023</u>	<u>2022</u>
Current taxes and grants in place of taxes	\$ 17,483	\$ 18,552
Arrears taxes	18,007	16,493
Subtotal	<u>35,490</u>	<u>35,045</u>
Less: Allowance for doubtful accounts	-	-
	<u>\$ 35,490</u>	<u>\$ 35,045</u>

5. TRADE AND OTHER RECEIVABLES

	<u>2023</u>	<u>2022</u>
Trade accounts receivable	\$ 60,953	\$ 36,431
Smoky River Physician Committee (Town of McLennan)	1,030	981
Utilities	<u>75,079</u>	<u>69,237</u>
	137,062	106,649
Allowance for doubtful accounts	<u>(328)</u>	<u>(328)</u>
	<u>\$ 136,734</u>	<u>\$ 106,321</u>

6. INVESTMENTS

	<u>2023</u>		<u>2022</u>	
	<u>Book Value</u>	<u>Market Value</u>	<u>Book Value</u>	<u>Market Value</u>
AMFC share	\$ 10	\$ 10	\$ 10	\$ 10
Equity held in Vision Credit Union	2,667	2,667	2,964	2,964
Equity held in UFA	404	404	380	380
Equity held in Girouxville Co-op	<u>7,337</u>	<u>7,337</u>	<u>7,162</u>	<u>7,162</u>
	<u>\$ 10,418</u>	<u>\$ 10,418</u>	<u>\$ 10,516</u>	<u>\$ 10,516</u>

7. DEBT CHARGES RECOVERABLE

	<u>2023</u>	<u>2022</u>
Current portion of debt charges recoverable	\$ 34,841	\$ 27,871
Non-current debt charges recoverable	<u>179,276</u>	<u>186,246</u>
	<u>214,117</u>	<u>214,117</u>

(continues)

VILLAGE OF GIROUXVILLE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2023

7. DEBT CHARGES RECOVERABLE *(continued)*

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, 2023, the December 15, 2018, June 15, 2019, December 15, 2019, June 15, 2020, December 15, 2020, June 15, 2021, December 15, 2021, June 15, 2022, December 15, 2022, June 15, 2023 and December 15, 2023 debenture principal payments totalling \$34,841 had not been recovered.

Principal and interest repayment schedule:

	Principal	Interest	Total
2024	\$ 42,123	\$ 32,263	\$ 74,386
2025	7,602	7,482	15,084
2026	7,942	7,142	15,084
2027	8,295	6,789	15,084
2028	8,663	6,421	15,084
Thereafter	139,492	41,521	181,013
	<u>\$ 214,117</u>	<u>\$ 101,618</u>	<u>\$ 315,735</u>

8. DEFERRED REVENUE

	<u>2023</u>	<u>2022</u> <i>(Restated)</i>
<u>Provincial government transfers</u>		
Municipal Sustainability Initiative	\$ 14,502	\$ 63,512
	<u>14,502</u>	<u>63,512</u>
Prepaid property tax charges	5,020	8,505
Transfers from other organizations	68	68
	<u>\$ 19,590</u>	<u>\$ 72,085</u>

Provincial and local funding per above of \$14,502 (2022: \$63,512) 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 \$14,502 (2022: \$63,512) held exclusively for these eligible capital projects (*Note 3*).

9. EMPLOYEE BENEFIT OBLIGATIONS

	<u>2023</u>	<u>2022</u>
Vacation and overtime	\$ 9,548	\$ 6,520

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.

VILLAGE OF GIROUXVILLE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2023

10. LONG TERM DEBT

	<u>2023</u>	<u>2022</u>
Supported by debt charges recoverable	\$ 171,947	\$ 179,222
Supported by utility rates	60,499	65,638
	<u>232,446</u>	244,860
Current portion of long-term debt	<u>12,505</u>	11,949
	<u>\$ 244,951</u>	<u>\$ 256,809</u>

The current portion of long-term debt amounts to \$12,505 (2022 - \$11,949). Principal and interest repayments are as follows:

Principal and interest repayments as follows:

	Principal	Interest	Total
2024	\$ 12,505	\$ 11,101	\$ 23,606
2025	13,087	10,519	23,606
2026	13,696	9,910	23,606
2027	14,334	9,272	23,606
2028	15,002	9,272	24,274
Thereafter	<u>176,327</u>	<u>85,342</u>	<u>261,669</u>
	<u>\$ 244,951</u>	<u>\$ 135,416</u>	<u>\$ 380,367</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 4.57% for 2023 (4.49% for 2022). Debenture debt is issued on the credit and security of the Village of Girouxville at large.

Interest on long-term debt amounted to \$11,749 (2022 - \$12,570).

The Village's total cash payments for interest were \$11,749 (2022 - \$12,720).

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>2023</u>	<u>2022</u>
Total debt limit	\$ 1,145,130	\$ 1,138,157
Total debt	<u>244,951</u>	256,809
Amount of debt limit unused	<u>\$ 900,179</u>	<u>\$ 881,348</u>
Debt servicing limit	\$ 190,855	\$ 189,693
Debt servicing	<u>23,606</u>	35,867
Amount of debt servicing limit unused	<u>\$ 167,249</u>	<u>\$ 153,826</u>

(continues)

VILLAGE OF GIROUXVILLE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2023

11. DEBT LIMITS *(continued)*

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.

Total debt includes long-term debt less debt charges recoverable. Debt servicing includes principle and interest payments due on long-term debt in the 12 months subsequent to year-end less amounts that are recoverable.

12. EQUITY IN TANGIBLE CAPITAL ASSETS

	<u>2023</u>	<u>2022</u>
Tangible capital assets (Schedule 2)	\$ 9,119,768	\$ 9,009,301
Accumulated amortization (Schedule 2)	(5,043,298)	(4,789,100)
Long term debt <i>(Note 10)</i>	(244,951)	(256,809)
Debt charges recoverable <i>(Note 7)</i>	214,117	214,117
	<u>\$ 4,045,636</u>	<u>\$ 4,177,509</u>

13. ACCUMULATED OPERATING SURPLUS

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

	<u>2023</u>	<u>2022</u> <i>(Restated)</i>
Unrestricted surplus (deficit)	\$ 241,267	\$ 242,171
Internally restricted surplus - operating		
Physician recruitment and housing	5,251	5,251
Contingency (mill rate stabilization)	367,231	367,231
Fire services	2,000	2,000
Streetlights	21,723	21,722
Internally restricted surplus - capital		
Water supply and distribution	89,001	89,001
Museum capital projects	48,402	48,402
Equity in tangible capital assets	4,045,636	4,177,509
	<u>\$ 4,820,512</u>	<u>\$ 4,953,288</u>

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)	<u>2023</u>	<u>2022</u>
Mayor:				

(continues)

VILLAGE OF GIROUXVILLE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2023

14. SALARY AND BENEFITS DISCLOSURE (continued)

	Salary (1)	Benefits & Allowances (2)	2023	2022
ZDEB, Joseph	\$ 6,130	\$ 685	\$ 6,815	\$ 5,555
Councillors:				
ZDEB, Devon	2,990	95	3,085	130
DION, Alain	2,600	95	2,695	1,622
JOHNSON, Ernest	3,120	114	3,234	2,368
ELLIOTT, Kelly	-	-	-	2,086
LAFLAMME, Danielle	4,030	241	4,271	4,388
	<u>18,870</u>	<u>1,230</u>	<u>20,100</u>	<u>16,149</u>
GIRARD, Estelle	<u>79,717</u>	<u>8,776</u>	<u>88,493</u>	<u>82,723</u>
	<u>\$ 98,587</u>	<u>\$ 10,006</u>	<u>\$ 108,593</u>	<u>\$ 98,872</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 as well as council insurance premiums. 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 \$5,278 (2022 - \$5,220) 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.

	2023	2022
Share of assets (4%)	\$ 11,474	\$ 8,212
Share of liabilities (4%)	(216)	(216)
Subtotal	<u>11,258</u>	<u>7,996</u>
Total revenues	<u>20,400</u>	20,400
Total expenditures	<u>(11,378)</u>	<u>(11,016)</u>
	<u>9,022</u>	<u>9,384</u>
Share of surplus (deficit) for the year ended December 31 (4%)	<u>\$ 361</u>	<u>\$ 375</u>

VILLAGE OF GIROUXVILLE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2023

16. TRUST FUNDS

The Village of Girouxville administers a trust as follows:

	<u>2023</u>	<u>2022</u>
<u>Girouxville Museum Trust</u>		
Balance, beginning of the year	\$ 57,242	\$ 56,647
Add:		
Deposits	-	-
Interest	741	595
Subtotal	<u>57,983</u>	<u>57,242</u>
Less:		
Service charge	-	-
Transfer to Village of Girouxville (repairs)	-	-
Transfer to Village of Girouxville	-	-
Balance, end of the year	<u>\$ 57,983</u>	<u>\$ 57,242</u>

17. SEGMENTED DISCLOSURE

The Village provides a range of services to its ratepayers. For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in Note 1.

Refer to the Schedule of Segmented Disclosure (Schedule 6).

General government includes council and other legislative, and general administration. Protective services includes bylaw enforcement, police, and fire. Transportation includes roads, streets, walks and lighting. Planning and development includes land use planning, zoning and subdivision land and development. Public health and welfare includes family and community support. Recreation and culture includes parks and recreation, libraries, museums and halls. Environmental use and protection includes water supply and distribution, wastewater treatment and disposal, and waste management.

18. CONTAMINATED SITES LIABILITY

The Village did not identify any financial liabilities in 2023 (2022 – nil) as a result of contaminated sites.

19. 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.

VILLAGE OF GIROUXVILLE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2023

20. 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 renewed on January 1, 2022 where the Municipal District of Smoky River No. 130 agreed to annual payments of \$15,962 from 2022-2024.

21. 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 \$148,258 (2022: \$151,235) to the Smoky River Regional Water Management Commission for the purchase of treated water.

During the year, the Village of Girouxville paid \$31,246 (2022: \$31,365) 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.

22. 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.

23. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to correspond with the current year presentation. Trivial differences due to rounding may be present.

24. APPROVAL OF FINANCIAL STATEMENTS

Council and management approved these financial statements on April 10, 2024.
