

VILLAGE OF BOYLE
Financial Statements
Year Ended December 31, 2023

VILLAGE OF BOYLE
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Year Ended December 31, 2023

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

Management of the Village of Boyle is responsible for the preparation, accuracy, objectivity and integrity of of the accompanying financial statements and all other information contained within this Financial Report. Management believes that the 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 financial statements have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards (PSAS).

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

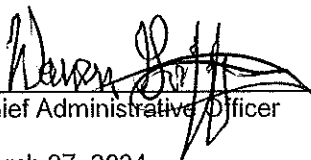
In fulfilling its responsibilities and recognizing the limits inherent in all systems, management has designed and maintains a system of internal controls to produce reliable information and to meet reporting requirements on a timely basis. The system is designed to provide management with reasonable 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 financial statements.

The Village Council carries out its responsibilities for review of the financial statements principally through its Council Meetings. This Council meets annually with management and external auditors to discuss the results of audit examinations and financial reporting matters.

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

The financial statements have been audited by Friesen Viney Stasiuk, Chartered Professional Accountants, independent external auditors appointed by the Village. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Village's financial statements.



Chief Administrative Officer

March 27, 2024

Boyle, Alberta



Assistant Chief Administrative Officer

March 27, 2024

Boyle, Alberta

INDEPENDENT AUDITOR'S REPORT

To the Council of the Village of Boyle

Opinion

We have audited the financial statements of the Village of Boyle (the Village), which comprise the statement of financial position as at December 31, 2023, and the statements of operations, changes in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Village Of Boyle as at December 31, 2023, and the results of its operations and cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAS).

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 Financial Statements* section of our report. We are independent of the Village Of Boyle in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with 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 Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 financial statements.

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Independent Auditor's Report to the Members of Village of Boyle *(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:

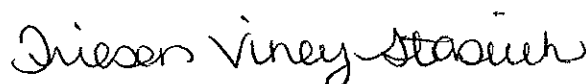
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting 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 Of Boyle'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 Of Boyle'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 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 Of Boyle to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Debt Limit Regulation: In accordance with Alberta Regulation 255/2000, we confirm that the municipality is in compliance with the Debt Limit Regulation. A detailed account of the Village's debt limit can be found in Note 9.

The engagement partner on the audit resulting in this independent auditor's report is Kendra Stasiuk, CPA, CA.



Westlock, Alberta
March 27, 2024

FRIESEN VINEY STASIUK
CHARTERED PROFESSIONAL ACCOUNTANTS

VILLAGE OF BOYLE
Statement of Financial Position
December 31, 2023

	2023	2022
FINANCIAL ASSETS		
Cash and temporary investments <i>(Note 2)</i>	\$ 3,261,259	\$ 3,437,194
Taxes and grants in place of taxes <i>(Note 3)</i>	129,365	118,624
Trade and other receivables <i>(Note 4)</i>	812,064	693,228
Investments <i>(Note 5)</i>	32,792	32,792
Security deposit	61,605	-
	<u>\$ 4,297,085</u>	<u>\$ 4,281,838</u>
LIABILITIES		
Accounts payable and accrued liabilities	\$ 264,252	\$ 177,202
Deferred revenue <i>(Note 6)</i>	182,083	68,274
Asset retirement obligation <i>(Note 7)</i>	331,298	-
Long term debt <i>(Note 8)</i>	3,425,366	3,707,012
	<u>4,202,999</u>	<u>3,952,488</u>
NET FINANCIAL ASSETS	<u>94,086</u>	<u>329,350</u>
NON-FINANCIAL ASSETS		
Tangible capital assets <i>(Schedule 2)</i>	15,270,773	15,065,916
Inventory for consumption	18,120	19,475
Prepaid expenses	39,967	36,608
	<u>15,328,860</u>	<u>15,121,999</u>
ACCUMULATED SURPLUS	<u>\$ 15,422,946</u>	<u>\$ 15,451,349</u>
CONTINGENCIES <i>(Note 18)</i>		
COMMITMENTS <i>(Note 19)</i>		

VILLAGE OF BOYLE
Statement of Operations
Year Ended December 31, 2023

	Budget <i>(unaudited)</i>	2023	2022
REVENUE			
Net municipal taxes(Schedule 3)	\$ 1,080,508	\$ 1,100,710	\$ 1,088,913
User fees and sales of goods	2,146,335	1,938,531	2,077,075
Government transfers for operating(Schedule 4)	499,668	388,099	286,813
Rental revenue	140,540	169,107	133,135
Franchise revenue	170,000	168,373	167,782
Penalties and costs of taxes	72,000	61,264	64,337
Investment income	90,000	182,534	89,641
Licenses and permits	11,500	18,755	11,362
Other	11,100	39,754	15,534
Total Operating Revenue	4,221,651	4,067,127	3,934,592
EXPENSES			
Legislative	201,600	208,136	191,039
Administration	604,903	619,124	572,016
Protective services	172,017	184,780	126,541
Roads, streets, walks, lighting	729,045	614,405	544,020
Water supply and distribution	585,023	591,580	711,493
Wastewater treatment and disposal	64,235	56,715	50,442
Waste management	161,350	170,481	167,341
Family and community support	12,200	12,399	12,172
Land use planning, zoning and development	92,976	76,811	85,903
Subdivision land development	154,100	165,491	121,451
Parks and recreation	560,676	565,938	489,820
Gas	713,155	431,489	662,267
Amortization of tangible capital assets (unbudgeted)	729,274	729,274	664,643
Total Operating Expenses	4,780,554	4,426,623	4,399,148
DEFICIENCY OF REVENUE OVER EXPENSES FROM OPERATIONS	(558,903)	(359,496)	(464,556)
CAPITAL INCOME			
Government transfer for capital (Schedule 4)	576,898	324,885	90,993
Donations and local grants	-	6,208	24,313
Donation in kind	-	-	197,550
	576,898	331,093	312,856
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	17,995	(28,403)	(151,700)
ACCUMULATED SURPLUS - BEGINNING OF YEAR	15,451,349	15,451,349	15,603,049
ACCUMULATED SURPLUS - END OF YEAR	\$ 15,469,344	\$ 15,422,946	\$ 15,451,349

VILLAGE OF BOYLE
Statement of Changes in Net Financial Assets
Year Ended December 31, 2023

	Budget <i>(Unaudited)</i>	2023	2022
(DEFICIENCY) EXCESS OF REVENUE OVER EXPENSES	\$ 17,995	\$ (28,403)	\$ (151,700)
Acquisition of tangible capital assets	(1,597,528)	(934,131)	(978,747)
Proceeds on disposal of tangible capital assets	-	4,383	7,476
Amortization of tangible capital assets (unbudgeted)	729,274	729,274	664,643
Gain/loss on disposal of tangible capital assets	-	(4,383)	4,696
	<u>(868,254)</u>	<u>(204,857)</u>	<u>(301,932)</u>
(Acquisition) disposal of inventory	-	1,355	23,884
(Acquisition) disposal of prepaid expenses	-	(3,359)	(4,415)
INCREASE/(DECREASE) IN NET FINANCIAL ASSETS	(850,259)	(235,264)	(434,163)
NET FINANCIAL ASSETS - BEGINNING OF YEAR	329,350	329,350	763,513
NET FINANCIAL ASSETS - END OF YEAR	<u>\$ (520,909)</u>	<u>\$ 94,086</u>	<u>\$ 329,350</u>

VILLAGE OF BOYLE
Statement of Cash Flows
Year Ended December 31, 2023

	2023	2022
OPERATING ACTIVITIES		
Deficiency of revenue over expenses	\$ (28,403)	\$ (151,700)
Items not affecting cash:		
Amortization of tangible capital assets	729,274	664,643
Loss (gain) on disposal of tangible capital assets	(4,383)	4,696
	<u>696,488</u>	<u>517,639</u>
Changes in non-cash working capital:		
Taxes and grants in place of taxes	(10,741)	25,489
Trade and other receivables	(118,836)	(16,675)
Security / tender deposits	(61,605)	-
Accounts payable and accrued liabilities	87,050	10,788
Deferred revenue	113,809	59,119
Asset retirement obligations	331,298	-
Inventory for consumption	1,355	23,884
Prepaid expenses	(3,359)	(4,415)
Land for resale inventory	-	1
	<u>338,971</u>	<u>98,191</u>
Cash flow from operating activities	<u>1,035,459</u>	<u>615,830</u>
INVESTING ACTIVITIES		
Purchase of tangible capital assets	(934,131)	(978,747)
Proceeds on disposal of tangible capital assets	4,383	7,476
	<u>(929,748)</u>	<u>(971,271)</u>
Cash flow used by investing activities	<u>(929,748)</u>	<u>(971,271)</u>
FINANCING ACTIVITY		
Long term debt issued (repaid)	(281,646)	354,546
	<u>(281,646)</u>	<u>354,546</u>
Net change in cash and cash equivalents during the year	(175,935)	(895)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>3,437,194</u>	<u>3,438,089</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 3,261,259</u>	<u>\$ 3,437,194</u>

VILLAGE OF BOYLE
Schedule of Changes in Accumulated Surplus
Year Ended December 31, 2023

(Schedule 1)

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2023	2022
BALANCE, BEGINNING OF YEAR	\$ 3,012,241	\$ 797,847	\$ 11,641,261	\$ 15,451,349	\$ 15,603,049
Excess (deficiency) of revenues over expenses	(28,403)	-	-	(28,403)	(151,700)
Unrestricted funds designated for future use	(60,000)	60,000	-	-	-
Current year funds used for tangible capital assets	(934,131)	-	934,131	-	-
Annual amortization expense	729,274	-	(729,274)	-	-
Capital long term debt repaid	(202,105)	-	202,105	-	-
Asset retirement obligation	331,298	-	(331,298)	-	-
BALANCE, END OF YEAR	\$ 2,848,174	\$ 857,847	\$ 11,716,925	\$ 15,422,946	\$ 15,451,349

VILLAGE OF BOYLE
Schedule of Tangible Capital Assets
Year Ended December 31, 2023

(Schedule 2)

	Land	Land Improvements	Buildings	Engineered Structures	Machinery and Equipment	Vehicles	2023	2022
COST:								
BALANCE, BEGINNING OF YEAR	\$ 1,464,395	\$ 1,321,183	\$ 17,703,392	\$ 17,247,826	\$ 1,457,585	\$ 1,372,190	\$ 40,566,571	\$ 39,656,349
Acquisitions	-	104,808	105,654	212,869	163,085	35,170	621,586	781,197
ARO additions	-	-	312,545	-	-	-	312,545	-
Contributed tangible capital assets	-	-	-	-	-	-	-	197,550
Disposals	-	-	-	-	-	(35,000)	(35,000)	(68,525)
BALANCE, END OF YEAR	1,464,395	1,425,991	18,121,591	17,460,695	1,620,670	1,372,360	41,465,702	40,566,571
ACCUMULATED AMORTIZATION:								
BALANCE, BEGINNING OF YEAR	-	713,464	11,087,424	11,846,281	1,291,310	562,176	25,500,655	24,892,365
Annual amortization	-	41,859	370,589	185,676	38,553	92,587	729,274	664,643
Accumulated amortization on disposals	-	-	-	-	-	(35,000)	(35,000)	(56,353)
BALANCE, END OF YEAR	-	755,323	11,458,023	12,031,957	1,329,863	619,763	26,194,929	25,500,655
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	\$ 1,464,395	\$ 670,668	\$ 6,663,568	\$ 5,428,738	\$ 290,807	\$ 752,597	\$ 15,270,773	\$ 15,065,916

There were no donated assets during the year (2022- \$197,550).

VILLAGE OF BOYLE
Schedule of Property and Other Taxes
Year Ended December 31, 2023

(Schedule 3)

	Budget (Unaudited)	2023	2022
TAXATION			
Residential land and improvements	\$ 821,035	\$ 799,248	\$ 797,650
Non residential land and improvements	367,077	360,106	363,614
Linear property	135,518	173,334	167,894
Machinery and equipment	10,920	10,844	10,285
Government grants in place of property taxes	19,777	21,145	21,048
	<u>1,354,327</u>	<u>1,364,677</u>	<u>1,360,491</u>
REQUISITIONS			
Alberta School Foundation Fund	263,678	252,335	261,437
Greater North Foundation	10,141	11,632	10,141
	<u>273,819</u>	<u>263,967</u>	<u>271,578</u>
NET MUNICIPAL TAXES	<u>\$ 1,080,508</u>	<u>\$ 1,100,710</u>	<u>\$ 1,088,913</u>

VILLAGE OF BOYLE
Schedule of Government Transfers
Year Ended December 31, 2023

(Schedule 4)

	Budget (Unaudited)	2023	2022
TRANSFERS FOR OPERATING:			
Federal Government	\$ 11,520	\$ 6,300	\$ -
Provincial Government	285,973	211,308	131,209
Local Government	202,175	170,491	155,604
	<u>499,668</u>	<u>388,099</u>	<u>286,813</u>
TRANSFERS FOR CAPITAL:			
Federal government	57,907	113,339	-
Provincial government	518,991	130,380	90,993
Local government	-	81,166	-
	<u>576,898</u>	<u>324,885</u>	<u>90,993</u>
TOTAL GOVERNMENT TRANSFERS	\$ 1,076,566	\$ 712,984	\$ 377,806

VILLAGE OF BOYLE
Schedule of Expenses by Object
Year Ended December 31, 2023

(Schedule 5)

	Budget (Unaudited)	2023	2022
CONSOLIDATED EXPENSES BY OBJECT			
Salaries, wages and benefits	\$ 1,165,626	\$ 1,190,127	\$ 1,042,122
Contracted and general services	730,642	725,140	710,866
Materials, goods, supplies and utilities	849,000	758,141	695,653
Purchases from other governments	966,644	704,134	1,003,454
Transfer to other boards	153,210	158,989	142,842
Interest on long term debt	154,158	114,500	109,327
Grants to other organizations	12,000	12,000	12,000
Other	20,000	15,565	18,241
Amortization on tangible capital assets (unbudgeted)	729,274	729,274	664,643
Accretion of asset retirement obligation (unbudgeted)	-	18,753	-
	<u>\$ 4,780,554</u>	<u>\$ 4,426,623</u>	<u>\$ 4,399,148</u>

VILLAGE OF BOYLE
Schedule of Segmented Disclosure
Year Ended December 31, 2023

(Schedule 6)

	General Government	Protective Services	Transportation Services	Planning & Development	Recreation & Culture	Environmental Services	Gas	Other	2023
REVENUE:									
Net municipal taxes	\$ 1,100,710	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,100,710
Government transfers	41,850	-	134,999	13,750	156,740	40,760	-	-	388,099
User fees and sales of goods	2,933	159,997	6,227	-	8,530	945,403	815,441	-	1,938,531
Investment income	182,534	-	-	-	-	-	-	-	182,534
Rental revenue	1,600	18,000	4,748	81,411	63,148	-	-	-	169,107
Other revenues	64,680	4,386	181,208	4,120	4,501	8,277	20,974	-	288,146
	<u>1,394,507</u>	<u>182,383</u>	<u>327,182</u>	<u>99,281</u>	<u>232,919</u>	<u>994,440</u>	<u>836,415</u>	<u>-</u>	<u>4,067,127</u>
EXPENSES:									
Contract & general services	282,001	36,166	38,272	77,719	108,920	143,283	38,779	-	725,140
Salaries & wages	339,262	60,566	302,502	66,402	192,976	122,398	106,021	-	1,190,127
Goods & supplies	66,650	58,692	273,632	74,703	213,917	56,693	13,644	-	758,141
Purchases from other	-	29,356	-	-	-	401,733	273,045	-	704,134
Grants to other	12,000	-	-	20,065	37,133	89,390	-	12,400	170,988
Other expenses	127,138	-	-	-	16,402	5,278	-	-	148,818
	<u>827,251</u>	<u>184,760</u>	<u>614,406</u>	<u>238,890</u>	<u>569,348</u>	<u>818,775</u>	<u>431,489</u>	<u>12,400</u>	<u>3,697,349</u>
NET REVENUE, BEFORE AMORTIZATION	<u>567,246</u>	<u>(2,397)</u>	<u>(287,224)</u>	<u>(139,609)</u>	<u>(336,429)</u>	<u>175,665</u>	<u>404,926</u>	<u>(12,400)</u>	<u>369,778</u>
Capital transfers	-	6,208	113,339	-	120,655	90,880	-	-	331,093
Amortization expense	(161,454)	(36,516)	(171,939)	-	(228,239)	(87,875)	(43,251)	-	(729,274)
	<u>(161,454)</u>	<u>(30,308)</u>	<u>(58,600)</u>	<u>-</u>	<u>(107,573)</u>	<u>3,005</u>	<u>(43,251)</u>	<u>-</u>	<u>(398,181)</u>
NET REVENUE	<u>\$ 405,792</u>	<u>\$ (32,705)</u>	<u>\$ (345,824)</u>	<u>\$ (139,609)</u>	<u>\$ (444,002)</u>	<u>\$ 178,670</u>	<u>\$ 361,675</u>	<u>\$ (12,400)</u>	<u>\$ (28,403)</u>

VILLAGE OF BOYLE
Notes to Financial Statements
Year Ended December 31, 2023

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The consolidated financial statements of the Village of Boyle 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 Chartered Professional Accountants of Canada. Significant aspects of the accounting policies adopted by the Village of Boyle are as follows:

a) 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 of Boyle and are, therefore, accountable to the Village Council for the administration of their financial affairs and resources.

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.

b) Basis of Accounting

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

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.

c) Use of Estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditure during the period. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

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VILLAGE OF BOYLE
Notes to Financial Statements
Year Ended December 31, 2023

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

d) Financial instruments policy

Initial and subsequent measurement

The Village initially measures its financial assets and liabilities at fair value. Subsequent measurement of all financial assets and liabilities is at cost or amortized cost.

Financial assets measured at amortized cost on a straight-line basis include cash, taxes and grants in place of taxes, and trade and other receivables.

Financial liabilities measured at amortized cost on a straight-line basis include accounts payable and accrued liabilities.

Transaction costs

Transaction costs related to financial instruments that will be subsequently measured at fair value are recognized in net income in the period incurred. Transaction costs related to financial instruments subsequently measured at amortized cost are included in the original cost of the assets or liability and recognized in net income over the life of the instrument using the straight-line method.

Impairment

For financial assets measured at cost or amortized cost, the Village determines whether there are indications for possible impairment. When there is an indication of impairment, and the Village determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in net income. A previously recognized impairment loss may be reversed to the extent of the improvements. The carrying amount of the financial assets may not be greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income. Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets are reported at amortized costs, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

e) Cash and temporary investments

Cash consists of cash on hand and cash kept in the bank accounts of the Village.

f) 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.

(continues)

VILLAGE OF BOYLE
Notes to Financial Statements
Year Ended December 31, 2023

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

g) Requisition Over-levy and Under-levy

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

If the actual levy exceeds the requisition, the over-levy is accrued as a liability and property tax revenue is reduced. Where the actual levy is less than the requisition amount, the under-levy is accrued as a receivable and as property tax revenue.

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

h) 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.

i) 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.

j) Asset Retirement

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.

(continues)

VILLAGE OF BOYLE
Notes to Financial Statements
Year Ended December 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

k) 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.

l) 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 are recognized as revenue on issuance.

(continues)

VILLAGE OF BOYLE
Notes to Financial Statements
Year Ended December 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

m) Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the Change in Net Financial Assets for the year.

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:

Land improvements	25 years	straight-line method
Buildings	15 to 40 years	straight-line method
Engineered structures	30 to 50 years	straight-line method
Machinery and equipment	5 to 40 years	straight-line method
Vehicles	10 to 20 years	straight-line method

One-half of the annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

ii. Contributions of Tangible Capital Assets

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

iv. Inventories

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

v. Cultural and Historical Tangible Capital Assets

Works of art for display are not recorded as tangible capital assets.

VILLAGE OF BOYLE
Notes to Financial Statements
Year Ended December 31, 2023

2. CASH AND TEMPORARY INVESTMENTS

	2023	2022
Cash and temporary investments	\$ 3,261,259	\$ 3,437,194

Council has designated \$857,847 (2022 - \$797,847) of cash for future operating and capital reserves.

Included in cash and temporary investments is a restricted amount of \$182,083 (2022 - \$68,274) received from the provincial government and others, held exclusively for a variety of capital and operating projects.

The Village has amounts held in trust of \$3,841 (2022 - \$15,982) received on behalf of other organizations also included in cash and temporary investments.

The Village does not have any temporary investments at December 31, 2023.

3. TAXES AND GRANTS IN PLACE OF TAXES

	2023	2022
Taxes and grants in place of taxes	\$ 70,233	\$ 77,871
Property taxes - arrears	59,132	40,753
	\$ 129,365	\$ 118,624

4. TRADE AND OTHER RECEIVABLES

	2023	2022
Utilities receivable	\$ 227,685	\$ 318,867
Receivables from other governments	445,364	218,584
Trade accounts receivable	139,015	155,777
	\$ 812,064	\$ 693,228

5. INVESTMENTS

	2023	2022
Gas Alberta - Debenture Receivable	\$ 32,500	\$ 32,500
Gas Alberta - Class A Shares	105	105
Subtotal	32,605	32,605
Other investment	187	187
	\$ 32,792	\$ 32,792

The Village of Boyle has signed an agreement with Gas Alberta Inc. to exclusively buy natural gas from Gas Alberta Inc. The Village was required to invest in common shares and provide a loan to assist with initial operating capital. The loan is secured by a debenture and is non-interest bearing.

VILLAGE OF BOYLE
Notes to Financial Statements
Year Ended December 31, 2023

6. DEFERRED REVENUE

	2023	2022
Alberta Community Partnership	\$ 159,240	\$ -
Other non-government	22,843	12,842
Canada Community Building Fund (formerly Federal Gas Tax Fund)	-	55,432
	\$ 182,083	\$ 68,274

Funding in the amount of \$200,000 was allocated in the current year from the Alberta Community Partnership grant and only \$40,760 was utilized during the year. Of the \$200,000, \$150,000 was received at the time of signing the agreement, while the remaining \$50,000 will be received once the project is completed. These funds are restricted for use towards conducting an asset ownership, operational, and governance review in partnership with the Town of Athabasca, and Athabasca County.

7. ASSET RETIREMENT OBLIGATION

The Village owns buildings which contain asbestos, and therefore, the Village is legally required to perform abatement activities upon renovation or demolition of the buildings. Abatement activities include handling and disposing of the asbestos in a prescribed manner when it is disturbed. The estimated total liability of \$331,298 is based on the sum of discounted future cash flows for abatement activities using a discount rate of 6%. The Village has not designated assets for settling the abatement activities.

8. LONG TERM DEBT

	2023	2022
Province of Alberta loan bearing interest at 3.127% per annum, repayable in semi-annual blended payments of \$89,581. The loan matures January 15, 2045.	\$ 2,789,169	\$ 2,879,001
Province of Alberta loan bearing interest at 4.36% per annum, repayable in semi-annual blended payments of \$67,427. The loan matures June 15, 2027.	433,380	545,654
Province of Alberta loan bearing interest at 1.13% per annum, repayable in semi-annual blended payments of \$41,254. The loan matures June 15, 2026.	202,817	282,357
Tax supported debentures	\$ 3,425,366	\$ 3,707,012

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VILLAGE OF BOYLE
Notes to Financial Statements
Year Ended December 31, 2023

8. LONG TERM DEBT *(continued)*

Principal and interest repayment terms are as follows:

	PRINCIPAL	INTEREST	TOTAL
2024	\$ 290,327	\$ 106,195	\$ 396,522
2025	299,325	97,197	396,522
2026	267,400	87,869	355,269
2027	167,691	78,897	246,588
2028	104,908	74,254	179,162
Thereafter	<u>2,295,715</u>	<u>660,458</u>	<u>2,956,173</u>
	<u>\$ 3,425,366</u>	<u>\$ 1,104,870</u>	<u>\$ 4,530,236</u>

The current portion of the long-term debt amounts to \$290,327 (2022 - \$281,646).

Interest on long term debt amounted to \$114,500 (2022 - \$109,327).

9. DEBT LIMITS

Section 276(2) of the Municipal Government Act requires that debt and debt limits as defined by Alberta Regulation 255/2000 for the Village of Boyle be disclosed as follows:

	<u>2023</u>	<u>2022</u>
Total debt limit	\$ 6,100,691	\$ 5,901,888
Total debt	<u>3,425,366</u>	<u>3,707,012</u>
Amount of debt limit unused	<u>2,675,325</u>	<u>2,194,876</u>
Debt servicing limit	1,016,782	983,648
Debt servicing	<u>396,522</u>	<u>396,523</u>
Amount of debt servicing limit unused	<u>\$ 620,260</u>	<u>\$ 587,125</u>

The debt limit is calculated at 1.5 times revenue of the municipality (as defined in Alberta Regulation 255/2000) 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 municipality. Rather, the financial statements must be interpreted as a whole.

VILLAGE OF BOYLE
Notes to Financial Statements
Year Ended December 31, 2023

10. EQUITY IN TANGIBLE CAPITAL ASSETS

	2023	2022
Tangible capital assets <i>(Schedule 2)</i>	\$ 41,465,702	\$ 40,566,571
Accumulated amortization <i>(Schedule 2)</i>	(26,194,929)	(25,500,655)
Capital long term debt	(3,222,550)	(3,424,655)
Asset retirement obligations	(331,298)	-
	\$ 11,716,925	\$ 11,641,261

11. ACCUMULATED SURPLUS

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

	2023	2022
Unrestricted surplus	\$ 2,848,174	\$ 3,012,241
Restricted surplus		
Utility Reserves (incl. gas)	542,206	482,206
Recreation Reserves	112,692	112,692
Public Works Reserves (incl. roads)	160,205	160,205
Other Reserves	42,744	42,744
Equity in tangible capital assets	11,716,925	11,641,261
	\$ 15,422,946	\$ 15,451,349

VILLAGE OF BOYLE
Notes to Financial Statements
Year Ended December 31, 2023

12. SALARY AND BENEFITS DISCLOSURE

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

	Salary/ Contract Cost ¹	Benefits & allowances ²	2023 Total	2022 Total
Councillors:				
Antal	\$ 19,580	\$ 5,102	\$ 24,682	\$ 17,495
Ferguson	21,340	5,132	26,472	20,385
Kiteley	23,610	5,170	28,780	19,620
Smith	30,340	5,283	35,623	28,547
Mayor: Derko				
	36,500	5,388	41,888	34,168
CAO: Griffin				
	103,100	19,739	122,839	107,666
Designated Officers (5) (2022-4)				
	57,222	-	57,222	53,591
	\$ 291,692	\$ 45,814	\$ 337,506	\$ 281,472

1. Salary includes regular base pay, bonuses, overtime, lump sum payments, gross honoraria and any other direct cash remuneration.
2. Employer's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, vision coverage, group life insurance, accidental disability and dismemberment insurance, long and short term disability plans, professional memberships and tuition.

13. LOCAL AUTHORITIES PENSION PLAN

Employees of the Village of Boyle participate in the Local Authorities Pension Plan (LAPP), which is one of the plans covered by the Alberta Public Sector Pension Plans Act. The LAPP is financed by employer and employee contributions and by investment earnings of the LAPP Fund.

Contributions for current service are recorded as expenditures in the year in which they become due.

The Village of Boyle is required to make current service contributions to the LAPP of 8.45% of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 12.23% on pensionable earnings above this amount. Employees of the Village of Boyle are required to make current service contributions of 7.45% of pensionable salary up to the year's maximum pensionable salary and 11.23% on pensionable salary above this amount.

Total current service contributions by the Village of Boyle to the LAPP in 2023 were \$60,312 (2022 - \$52,896). Total current service contributions by the employees of the Village of Boyle to LAPP in 2023 were \$53,589 (2022 - \$47,022).

At December 31, 2022, the LAPP disclosed an actuarial surplus of \$12.7 billion.

VILLAGE OF BOYLE
Notes to Financial Statements
Year Ended December 31, 2023

14. FINANCIAL INSTRUMENTS

The Village is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Village's risk exposure and concentration as of December 31, 2023.

(a) Credit Risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Village is exposed to credit risk from customers. In order to reduce its credit risk, the Village utilizes sound collection policies. The Village has a significant number of customers which minimizes concentration of credit risk.

(b) Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Village is exposed to this risk mainly in respect of its receipts of funds from its customers and other related sources, and the ability to pay its accounts payable amounts as they come due.

Unless otherwise noted, it is management's opinion that the Village is not exposed to significant other price risks arising from these financial instruments.

15. SEGMENTED DISCLOSURE

The Village of Boyle 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).

16. CONTAMINATED SITES LIABILITY

The Village has adopted PS3260 Liability for Contaminated Sites. The Village did not identify any financial liabilities in 2022 (2021-nil) as a result of this standard.

17. RELATED PARTY TRANSACTIONS

The following is a summary of the municipality's related party transactions:

	2023	2022
Aspen Regional Waste Services Commission		
Landfill deficit requisition	\$ (70,634)	\$ (69,249)
Landfill usage expense	(54,330)	(51,898)
	\$ (124,964)	\$ (121,147)
Aspen Regional Water Services Commission		
Water purchases	\$ (401,733)	\$ (469,989)

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VILLAGE OF BOYLE
Notes to Financial Statements
Year Ended December 31, 2023

17. RELATED PARTY TRANSACTIONS *(continued)*

	2023	2022
Northern Lights Library System		
Municipal levy	\$ (5,034)	\$ (4,958)
Annual funding	(32,100)	(28,590)
	\$ (37,134)	\$ (33,548)
Boyle Library Board		
Operating costs	\$ (8,707)	\$ (9,389)
Greater Athabasca Community Foundation <i>until October 2022</i>		
Donation in kind	\$ -	\$ 197,550

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

VILLAGE OF BOYLE
Notes to Financial Statements
Year Ended December 31, 2023

18. CONTINGENCIES

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

The Village of Boyle is a member of the Joint Modified Landfill Committee. Under the terms of this agreement, the Village is liable for its proportionate share of closure and post-closure costs associated with the landfill. The Committee has established a reserve for landfill closure and post-closure costs and plans to fund this reserve annually. When the landfill reaches capacity, the Village of Boyle may become liable for its proportionate share of the actual closure and post-closure costs should they exceed the reserve established by the Committee. Due to the uncertainty surrounding this potential liability and since the closure and post-closure costs are not determinable at this time, no amount has been recorded in the financial statements to reflect this contingency.

The Village of Boyle is a member of the Greater North Foundation. Under the terms of this agreement, the Village is liable for its proportionate share of the maintenance, replacement, and renewal of the facilities of the Foundation. The Foundation has established a reserve fund for this purpose. Due to the uncertainty surrounding these potential costs and since they are not determinable at this time, no amount has been recorded in the financial statements to reflect this contingency. As of December 31, 2023, the Village has not been requisitioned to contribute to the reserve.

The Village has access to a bank line of credit with a limit of \$840,000 and a credit card with a \$20,000 limit. As of year end, the balance of both were nil (2022 - nil).

The Village of Boyle has been named in a lawsuit where another municipality is the principal defendant. The suit seeks damages of \$600,000 total from both defendants. At this time, it is management's opinion that it is unlikely the Village will realize a legal liability, hence there has been no accrual in the financial statements.

The Village of Boyle has been named in a lawsuit as the defendant, along with a Canadian corporation and former employee. The suit seeks damages of \$1,690,000. It is unclear at this time what the legal liability for the Village will be. There has been no accrual in the financial statements.

19. COMMITMENTS

In March 2020, the Village entered into a lease agreement for a photocopier. The lease term is 66 months with quarterly payments of \$899. In January 2023, the Village entered into a lease agreement for a postage machine. The lease term is 60 months with quarterly payments of \$245. Both leases have been classified as an operating lease for financial statement purposes.

20. SUBSEQUENT EVENTS

The Village of Boyle is currently in the process of selling their natural gas service to Apex Utilities. It is anticipated that this transaction will be completed in June 2024.

21. BUDGET FIGURES

Budget figures are included for information purposes only and are not audited.

VILLAGE OF BOYLE
Notes to Financial Statements
Year Ended December 31, 2023

22. APPROVAL OF FINANCIAL STATEMENTS

Council and Management have approved these financial statements.
