



## REQUEST FOR PROPOSAL - AUDIT SERVICES

The MD of Opportunity is requesting proposals for the provision of audit services. We invite your firm to submit a proposal to us by Friday January 31, 2025 for consideration.

Previously, audit services have been provided by Wilde & Company. Council agree that periodically issuing a request for proposal is a mark of good governance.

A description of our organization, the services needed and other pertinent information follows:

### Overview

The MD of Opportunity has an official population of 3,382 (based on the 2021 Municipal Census) and includes the Hamlets of Wabasca, Calling Lake, Red Earth Creek & Sandy Lake along with several other communities. The Bigstone Cree Nation is also within the MD of Opportunity, with their main administration being located 10 minutes from the MD Office. In 2023 revenues totaled \$68.2 million and 2024 budgeted revenues are \$76.8 million.

### Organization Structure

Chad Tullis has been with the MD of Opportunity for 17 years, and is currently the CAO for the MD.

Trina Mineault, CPA, CA was appointed as Chief Financial Officer in January 2021. Trina has many years of financial experience including 4 years of municipal finance experience.

Other key financial staff are:

- Omar Khalil – Assistant Manager of Financial Reporting & Payroll
- Mandy Decoine – Accounting Coordinator
- Lisa Gladue & Colleen Gladue – A/P
- Hilary Cardinal & Leonardo Cruel – A/R
- Phaydra McLeod & April Carew – Payroll
- Lorna Auger – Asset Management
- Marlene Auger – Finance Analyst

There are 184 permanent employees at the MD, an organization chart is attached for your reference.





A number of temporary employees are hired during the summer months for summer programs, parks, public works and other seasonal work.

There are comprehensive facilities in the MD including an arena, senior facility, rec center, medical clinic, golf course and others in the various communities.

The MD of Opportunity maintains all accounting records in-house and uses Microsoft GP/Diamond for the accounting system.

The MD's financial activities are governed by the provisions of the Municipal Government Act & PSAB.

For more information about the MD please visit our website at <https://mdopportunity.ab.ca/>.

## **Current Audit Practice**

The MD has a fiscal year-end of December 31, with a requirement to file an Audited Financial Statement and Financial Information Return with Municipal Affairs by May 1 of each year.

In addition to the audit of the MD's financial statements, an audit is required for the Local Authorities Pension Plan for submission by June 30.

MNP's Forensics practice is conducting a proactive Fraud Risk Assessment for the MD in early 2025. The successful proponent will have access to their Report and to the MNP team to make enquiries.

## **Services**

Your proposal is expected to cover the following services:

- Annual audit of the financial statements for the years ending 2024, 2025 & 2026
- Annual audit of the Local Authorities Pension Plan for the years ending 2024, 2025 & 2026
- Meetings with Administration and Council, as necessary
- Management letter containing comments and recommendations with respect to accounting and administrative controls and efficiency
- Consolidation of Wabasca/Desmarais Housing Authority audited financial reports (Audit to be completed by UVision CPA)
- Presentation of audited Financial Statements to Council
- Availability throughout the year to provide advice and guidance on financial accounting and reporting issues.



## Proposal Content

In order to simplify the evaluation process and obtain maximum comparability, the MD of Opportunity requires that all responses to the RFP be organized in the following manner and format:

### 1. Executive Summary

Describe your understanding of the work to be performed and your firm's ability to perform the work within the set reporting deadlines. Provide number of year's municipal audit experience, total number of clients and number of municipal clients. Discuss the firm's independence with respect to the MD of Opportunity.

### 2. Professional Experience

Describe how and why your firm is different from other firms being considered, this should include an explanation of the firm's philosophy, size, structure, and qualifications with serving municipalities with a similar size and operations.

Describe your firm's resources devoted to municipal organizations and describe practical examples of addressing specific and relevant issues to other clients, including if relevant copies of resource materials addressing issues relevant to municipalities.

### 3. Team Qualifications

Identify the specific partners, managers, and in-charge staff who will be assigned to this engagement if you are successful in your bid. Provide their bios specifying relevant experience and expertise to the type of services requested. Also discuss commitments you make to staff continuity, including your staff turnover experience in the last three years.

### 4. Audit Approach

Describe how your firm will approach the proposed services, what distinguishes your proposed audit approach from that of other firms, areas that will receive primary emphasis including:

- Materiality to be applied to planning and conducting the audit
- Explanation on how a high risk area would be audited
- Approach to testing and reliance on controls
- Type of assistance that will be required from municipal staff
- How issues will be reported Administration and Council

- Use of technology.

## 5. Timeframe

Provide an anticipated timeframe for the services to be provided:

- Audit planning [Date]
- Interim testing (if required, state number of days) [Date]
- Request client documentation required prior to fieldwork [Date]
- Begin fieldwork (state number of days) [Date]
- Duration of review work (state number of days) [Date]
- Financial statement and information return draft for management review [Date]
- Issue and present audit report and comments to Council [Date]
- File audited statements and final information returns [Date]

## 6. Fees

Please provide a firm estimate of fees for the services to be provided. Given that the time required in the first year will be more substantial than subsequent years, please feel free to include the fees for subsequent years if there is a significant differential in cost from year one as well as provide any guarantees that can be made regarding increases in future years.

The audit fee quotation is to include a breakdown of the cost of the audit on the following:

- Financial Audit
- Preparation of Financial Statement
- Preparation of Financial Information Return
- Audit Local Authorities Pension Plan
- Attendance and presentation of Financial Statements to Council
- Rate for advice outside the scope of the audit contract

## 7. Client References

Include a list of the relevant clients the firm has served within the past three years and furnish the names, telephone numbers and email addresses of any references whom we may contact.

## 8. Additional Information

Please provide any additional information, not specifically requested, but which you believe would be useful in evaluating your proposal.





## Proposal Closing Date

Proposals must be delivered no later than Friday January 31, 2025 to:

Ryan Musch

Bloom CME

[ryan.musch@bloomcme.com](mailto:ryan.musch@bloomcme.com)

We would also appreciate a response if you decline to submit a proposal.

## Proposal Timetable

- RFP distributed to potential firms: January 10, 2025
- Proposals due for submission: January 31, 2025
- Administration will recommend proposals to Council for review and decision at the Regular Council meeting: February 5, 2025.



## Evaluation of Proposals

While price is an important factor, the MD of Opportunity will evaluate proposals on price and the following criteria:

- Prior experience auditing similar organizations
- Qualifications of staff to be assigned to the engagement
- Firm's understanding of work to be performed
- References
- Completeness and timeliness of the proposal.

## Terms and Conditions

1. There shall be no payment for the costs incurred in the preparation and submission of proposals to this request.
2. The MD of Opportunity reserves the right to reject any or all proposals submitted, or to accept a proposal in its entirety with or without negotiation.
3. The selection of the successful proposal will be based on technical merit and best overall value; not on cost alone.
4. Proposals submitted must be valid for ninety (90) days from the closing date.
5. The successful auditor may not subcontract any portion of this project without permission of the MD of Opportunity.

## Inquires

Please address requests for additional information and questions to our offices through:

Ryan Musch  
Bloom CME  
780-803-3713  
ryan.musch@bloomcme.com

## Attachments

1. 2022 & 2023 Audited Financial Statement
2. 2023 & 2024 Budget Summaries
3. Strategic Plan
4. Organization Chart

## INDEPENDENT AUDITOR'S REPORT

To the Member of MD of Opportunity No. 17

### *Opinion*

We have audited the consolidated financial statements of MD of Opportunity No. 17 (the municipality), which comprise the consolidated statement of financial position as at December 31, 2022, and the consolidated statements of operations, changes in net financial assets 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 municipality as at December 31, 2022, and the consolidated results of its operations and consolidated 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 Consolidated Financial Statements* section of our report. We are independent of the municipality 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 municipality'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 municipality or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the municipality'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.

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:

(continues)

Independent Auditor's Report to the Member of MD of Opportunity No. 17 (*continued*)

- 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 municipality'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 municipality'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 municipality 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.

*Wilde & Company*

Vegreville, AB  
April 26, 2023

Chartered Professional Accountants

**MD OF OPPORTUNITY NO. 17**  
**Consolidated Statement of Financial Position**  
**As at December 31, 2022**

	2022 \$	2021 \$
<b>Financial Assets</b>		
Cash and temporary investments <i>(Note 3)</i>	64,239,273	57,172,662
Taxes and grants in place of taxes receivable <i>(Note 4)</i>	3,828,679	1,479,464
Due from federal and provincial governments	3,157,039	4,395,842
Trade and other receivables	2,111,088	1,480,773
Loans receivable <i>(Note 5)</i>	388,671	475,131
Land held for resale	969,222	900,282
	<b>74,693,972</b>	<b>65,904,154</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities <i>(Note 7)</i>	5,022,886	5,867,222
Deposit liabilities	185,155	159,261
Deferred revenue <i>(Note 8)</i>	3,670,311	3,101,888
Restricted operating reserve fund	5,000	5,000
Unamortized capital contributions related to housing units <i>(Note 9)</i>	965,500	1,198,000
Long term debt <i>(Note 10)</i>	22,421,980	23,265,483
Capital lease obligations <i>(Note 11)</i>	504,362	799,085
	<b>32,775,194</b>	<b>34,395,939</b>
<b>Net Financial Assets</b>	<b>41,918,778</b>	<b>31,508,215</b>
<b>Non-Financial Assets</b>		
Tangible capital assets <i>(Schedule 2)</i>	303,560,111	312,459,953
Inventory for consumption <i>(Note 13)</i>	500,337	1,094,418
Prepaid expenses	735,757	1,583,052
	<b>304,796,205</b>	<b>315,137,423</b>
<b>Accumulated Surplus (Schedule 1, Note 16)</b>	<b>346,714,983</b>	<b>346,645,638</b>

*Contingencies (Note 17)*

*Commitments (Note 18)*

**MD OF OPPORTUNITY NO. 17**  
**Consolidated Statement of Operations**  
**As at December 31, 2022**

	Budget \$ (Unaudited)	2022 \$	2021 \$
<b>Revenue</b>			
Net municipal taxes <i>(Schedule 3)</i>	52,491,245	<b>52,465,058</b>	50,319,272
User fees and sales of goods	2,870,870	<b>3,053,633</b>	2,659,517
Government transfers for operating <i>(Schedule 4)</i>	3,296,835	<b>3,840,839</b>	2,176,814
Rental	2,063,000	<b>2,343,087</b>	2,101,623
Investment income	277,000	<b>1,683,473</b>	392,412
Penalties and costs on taxes	650,407	<b>989,054</b>	1,082,210
Well drilling	153,500	<b>160,625</b>	4,276
Licenses, permits and fines	29,600	<b>70,857</b>	45,220
Other	1,674,611	<b>1,914,498</b>	552,758
<b>Total revenue</b>	<b>63,507,068</b>	<b>66,521,124</b>	59,334,102
<b>Expenses</b>			
General government	3,738,063	<b>(2,194,455)</b>	2,661,897
Council	1,707,142	<b>1,488,964</b>	1,330,572
Administration	7,493,292	<b>6,432,795</b>	6,079,284
Engineering	-		
Fire protection and safety services	4,887,932	<b>5,848,583</b>	3,627,781
Roads, streets, walks, lighting	14,390,517	<b>16,239,028</b>	15,158,918
Airport	96,700	<b>26,687</b>	117,010
Water supply and distribution	7,439,711	<b>8,122,815</b>	7,237,686
Wastewater treatment and disposal	2,304,917	<b>2,116,882</b>	1,886,806
Waste management	639,515	<b>739,751</b>	724,778
Family and community support	290,773	<b>708,732</b>	326,181
Daycare and out of school care	2,350,755	<b>1,966,722</b>	1,491,274
Public health and welfare	1,974,096	<b>1,862,718</b>	2,495,677
Land use, planning, zoning, and development	-	-	115,810
Economic development and tourism	-	-	523,406
Recreation and culture	12,972,564	<b>13,037,622</b>	9,916,290
Housing operations	9,410,521	<b>8,509,891</b>	8,094,441
<b>Total expenses</b>	<b>69,696,498</b>	<b>64,906,735</b>	61,787,811
<b>Deficiency of revenue over expenses - before other</b>	<b>(6,189,430)</b>	<b>1,614,389</b>	(2,453,709)
<b>Other</b>			
Loss on disposal of tangible capital assets	-	<b>(2,998,850)</b>	(402,379)
Government transfers for capital <i>(Schedule 4)</i>	-	<b>1,453,806</b>	5,885,734
<b>Excess (deficiency) of revenues over expenses</b>	<b>(6,189,430)</b>	<b>69,345</b>	3,029,646
<b>Accumulated surplus - beginning of the year</b>	<b>346,645,638</b>	<b>346,645,638</b>	343,615,992
<b>Accumulated surplus - end of the year</b>	<b>340,456,208</b>	<b>346,714,983</b>	346,645,638

**MD OF OPPORTUNITY NO. 17**  
**Consolidated Statement of Change in Net Financial Assets**  
**As at December 31, 2022**

	<b>Budget \$ (Unaudited)</b>	<b>2022 \$</b>	<b>2021 \$</b>
<b>Excess (deficiency) of revenues over expenses</b>	(6,189,430)	<b>69,345</b>	3,029,646
Acquisition of tangible capital assets	(13,527,792)	<b>(8,151,413)</b>	(13,019,650)
Proceeds on disposal of tangible capital assets	-	<b>512,770</b>	3,849,338
Amortization of tangible capital assets	13,489,897	<b>13,539,635</b>	13,489,898
Loss on disposal of tangible capital assets	-	<b>2,998,850</b>	402,379
	(37,895)	<b>8,899,842</b>	4,721,965
Use (acquisition) of supplies inventories	-	<b>594,081</b>	(659,509)
Use (acquisition) of prepaid assets	-	<b>847,295</b>	(1,091,701)
	-	<b>1,441,376</b>	(1,751,210)
<b>Increase in net financial assets</b>	(6,227,325)	<b>10,410,563</b>	6,000,401
<b>Net Financial Assets, beginning of year</b>	31,508,215	<b>31,508,215</b>	25,507,814
<b>Net Financial Assets, end of year</b>	25,280,890	<b>41,918,778</b>	31,508,215

**MD OF OPPORTUNITY NO. 17**  
**Consolidated Statement of Cash Flows**  
**As at December 31, 2022**

	2022 \$	2021 \$
<b>Operating</b>		
Excess of revenue over expenses	69,345	3,029,646
Net changes in non-cash items included in excess of revenues over expenses		
Amortization of tangible capital assets	13,539,634	13,489,898
Loss on disposal of tangible capital assets	2,998,850	402,379
Net changes in non-cash charges to operations		
Decrease (increase) in taxes and grants in lieu receivable	(2,349,215)	1,317,233
Decrease in government receivables	1,238,803	4,915,728
Increase in trade and other receivables	(630,315)	(454,315)
Increase in land held for resale	(68,940)	-
Decrease in loans receivable	86,460	121,902
Increase in restricted operating reserve fund	-	5,000
Decrease (increase) in prepaid expenses	847,295	(1,091,701)
Decrease (increase) in inventory for consumption	594,081	(659,509)
Decrease in accounts payable and accrued liabilities	(844,333)	(2,898,863)
Increase (decrease) in deposit liabilities	25,894	(56,781)
Decrease in unamortized capital contributions related to housing units	(232,500)	(232,500)
Increase (decrease) in deferred revenues	568,423	(81,866)
<i>Net cash provided by operating transactions</i>	<b>15,843,482</b>	<b>17,806,251</b>
<b>Capital</b>		
Acquisition of tangible capital assets	(8,151,413)	(13,019,650)
Proceeds on disposal of tangible capital assets	512,770	3,849,338
<i>Net cash used in capital transactions</i>	<b>(7,638,643)</b>	<b>(9,170,312)</b>
<b>Investing</b>		
Increase (decrease) in restricted cash	(568,423)	81,866
<i>Net cash provided by investing transactions</i>	<b>(568,423)</b>	<b>81,866</b>
<b>Financing</b>		
Revolving loan repaid	-	(1,945,283)
Capital lease obligations repaid	(294,722)	(321,976)
Long term debt repaid	(843,506)	(818,445)
<i>Net cash provided by (used in) financing transactions</i>	<b>(1,138,228)</b>	<b>(3,085,704)</b>
<b>Change in cash and cash equivalents during the year</b>	<b>6,498,188</b>	<b>5,632,101</b>
Cash and cash equivalents, beginning of year	54,070,774	48,438,673
<b>Cash and cash equivalents, end of year</b>	<b>60,568,962</b>	<b>54,070,774</b>
Cash and cash equivalents is made up of:		
Cash and temporary investments (Note 3)	64,239,273	57,172,662
Less: restricted portion of cash and temporary investments (Note 3)	(3,670,311)	(3,101,888)
	<b>60,568,962</b>	<b>54,070,774</b>
Cash flows supplementary information:		
Interest paid	721,814	721,699
Interest received	1,683,473	392,412



**MD OF OPPORTUNITY NO. 17**  
**Schedule of Changes in Accumulated Surplus**  
**As at December 31, 2022**

*(Schedule 1)*

	Unrestricted Surplus	Restricted Capital Reserves	Equity in Capital Assets	2022 \$	2021 \$
<b>Balance, beginning of year</b>	38,089,196	21,359,058	287,197,384	<b>346,645,638</b>	343,615,992
Annual surplus	69,345			<b>69,345</b>	3,029,646
Amortization of tangible capital assets	13,539,635		(13,539,635)	-	-
Transfer to restricted capital reserves	(3,029,646)	3,029,646	-	-	-
Disposal of tangible capital assets	3,511,621		(3,511,621)	-	-
Current year funds used for tangible capital assets	(8,151,413)		8,151,413	-	-
Recognition of unamortized capital contributions related to housing units	(232,500)		232,500	-	-
Capital lease obligations repaid	(294,722)		294,722	-	-
Long term debt repaid	(843,506)		843,506	-	-
Change in accumulated surplus	4,568,814	3,029,646	(7,529,115)	<b>69,345</b>	3,029,646
<b>Balance, end of year</b>	42,658,010	24,388,704	279,668,269	<b>346,714,983</b>	346,645,638

MD OF OPPORTUNITY NO. 17  
Schedule of Tangible Capital Assets  
As at December 31, 2022

(Schedule 2)

	Land	Work in Progress	Buildings	Engineered Structures	Machinery and Equipment	Vehicles	Land Improvements	2022 \$	2021 \$
<b>Cost</b>									
Balance, beginning of year	5,414,430	8,375,415	126,378,075	362,088,517	27,313,781	15,559,395	4,571,802	549,701,415	542,686,004
Acquisition of tangible capital assets	-	5,503,557	95,150	179,987	1,494,600	878,119	-	8,151,413	13,019,650
Disposal of tangible capital assets	(31,231)	(3,330,841)	(80,000)	-	(930,141)	(405,027)	-	(4,777,240)	(6,004,239)
Balance, end of year	5,383,199	10,548,131	126,393,225	362,268,504	27,878,240	16,032,487	4,571,802	553,075,588	549,701,415
<b>Accumulated amortization</b>									
Balance, beginning of year	-	-	26,763,950	183,280,214	15,941,798	10,611,640	643,860	237,241,462	225,504,086
Annual amortization	-	-	2,752,968	7,432,820	2,008,027	1,136,145	209,674	13,539,634	13,489,898
Accumulated amortization on disposals	-	-	(1,600)	-	(930,141)	(333,878)	-	(1,265,619)	(1,752,522)
Balance, end of year	-	-	29,515,318	190,713,034	17,019,684	11,413,907	853,534	249,515,477	237,241,462
<b>2022 net book value of tangible capital assets</b>	5,383,199	10,548,131	96,877,907	171,555,470	10,858,556	4,618,580	3,718,268	303,560,111	312,459,953
<b>2021 net book value of tangible capital assets</b>	5,414,430	8,375,415	99,614,125	178,808,303	11,371,983	4,947,755	3,927,942		312,459,953

Included in Machinery and Equipment are capital leased assets with a cost of \$1,653,576 (2021 - \$2,009,589) and accumulated amortization of \$660,590 (2021- \$511,412). Amortization expense incurred on capital leased assets is \$165,148 (2021 - \$169,140) for the year.

**MD OF OPPORTUNITY NO. 17**  
**Schedule of Property and Other Taxes**  
**As at December 31, 2022**

(Schedule 3)

	Budget \$ (Unaudited)	2022 \$	2021 \$
<b>Taxation</b>			
Real property taxes	17,535,606	<b>15,892,349</b>	14,794,057
Linear property	43,260,588	<b>44,618,046</b>	44,291,618
Government grants in place of property taxes	-	<b>242,885</b>	227,614
	60,796,194	<b>60,753,280</b>	59,313,289
<b>Requisitions</b>			
Alberta School Foundation Fund	7,902,518	<b>7,891,518</b>	8,614,283
Designated Industrial Property	183,523	<b>183,670</b>	178,240
Seniors Lodge	218,908	<b>213,034</b>	201,494
	8,304,949	<b>8,288,222</b>	8,994,017
<b>Net Municipal Taxes</b>	52,491,245	<b>52,465,058</b>	50,319,272

**MD OF OPPORTUNITY NO. 17**  
**Schedule of Government Transfers**  
**As at December 31, 2022**

*(Schedule 4)*

	Budget \$ (Unaudited)	2022 \$	2021 \$
<b>Transfers for operating</b>			
Provincial Government	3,296,835	<b>3,827,321</b>	1,986,140
Federal Government	-	<b>1,650</b>	-
Other Local Government	-	<b>11,868</b>	190,674
	3,296,835	<b>3,840,839</b>	2,176,814
<b>Transfers for capital</b>			
Provincial Government	-	<b>1,453,806</b>	5,517,175
Federal Government	-	-	368,559
	-	<b>1,453,806</b>	<b>5,885,734</b>
<b>Total Government Transfers</b>	3,296,835	<b>5,294,645</b>	8,062,548

**MD OF OPPORTUNITY NO. 17**  
**Schedule of Consolidated Expenses by Object**  
**As at December 31, 2022**

*(Schedule 5)*

	Budget \$ (Unaudited)	2022 \$	2021 \$
<b>Consolidated expenses by object</b>			
Salaries, wages and benefits	28,676,499	<b>27,038,318</b>	26,215,920
Contracted and general services	13,986,087	<b>16,267,129</b>	12,335,977
Materials, goods, supplies and utilities	6,755,695	<b>8,374,381</b>	5,454,723
Provision (recovery) of allowances	3,738,063	<b>(2,194,455)</b>	2,661,897
Transfers to individuals and organizations	1,291,700	<b>1,049,686</b>	786,951
Bank charges and short term interest	131,800	<b>111,962</b>	120,746
Interest on long term debt	696,950	<b>720,079</b>	721,699
Amortization of tangible capital assets	13,489,897	<b>13,539,635</b>	13,489,898
Other	929,807	-	-
	<b>69,696,498</b>	<b>64,906,735</b>	61,787,811

**MD OF OPPORTUNITY NO. 17**  
**Schedule of Segmented Disclosure**  
**As at December 31, 2022**

**(Schedule 6)**

	<b>General Government</b>	<b>Protective Services</b>	<b>Transportation Services</b>	<b>Environmental Services</b>	<b>Planning &amp; Development</b>	<b>Public Health</b>	<b>Recreation &amp; Culture</b>	<b>Public Housing</b>	<b>Total \$</b>
<b>Revenue</b>									
Net municipal taxes	52,465,058	-	-	-	-	-	-	-	52,465,058
Well drilling	160,625	-	-	-	-	-	-	-	160,625
Sale of goods and services	8,784	116,671	345,842	2,143,837	-	348,325	90,174	-	3,053,633
Penalties/costs	982,416	-	-	6,638	-	-	-	-	989,054
Licenses and permits	-	70,857	-	-	-	-	-	-	70,857
Return on investment	1,682,765	-	-	-	-	-	-	708	1,683,473
Rental revenues	51,611	340,149	-	-	-	-	618,372	1,332,955	2,343,087
Government transfers	84,466	1,186,138	-	-	-	769,966	1,239,393	2,014,682	5,294,645
Other revenues	1,721,148	10,000	-	-	-	65,666	17,232	100,452	1,914,498
	<b>57,156,873</b>	<b>1,723,815</b>	<b>345,842</b>	<b>2,150,475</b>	<b>-</b>	<b>1,183,957</b>	<b>1,965,171</b>	<b>3,448,797</b>	<b>67,974,930</b>
<b>Expenses</b>									
Salaries, wages and benefits	3,717,051	1,674,341	5,127,789	3,441,639	-	1,764,564	5,961,997	5,350,937	27,038,318
Contracted and general services	2,797,796	3,346,796	2,200,916	2,511,156	-	1,902,483	1,969,230	1,538,752	16,267,129
Materials, goods, supplies and utilities	198,185	262,899	3,224,725	1,603,146	-	396,514	2,370,063	318,849	8,374,381
Transfers to individuals and organizations	686,897	18,300	98,000	209,605	-	153,875	37,253	(154,244)	1,049,686
Bank charges and interest	65,537	60	42,248	246	-	66	45	3,760	111,962
Interest on long term debt	-	36,947	24,909	-	-	-	-	658,223	720,079
Recovery of allowances	(2,194,455)	-	-	-	-	-	-	-	(2,194,455)
	<b>5,271,011</b>	<b>5,339,343</b>	<b>10,718,587</b>	<b>7,765,792</b>	<b>-</b>	<b>4,217,502</b>	<b>10,338,588</b>	<b>7,716,277</b>	<b>51,367,100</b>
<b>Net revenue (expense) before amortization</b>	<b>51,885,862</b>	<b>(3,615,528)</b>	<b>(10,372,745)</b>	<b>(5,615,317)</b>	<b>-</b>	<b>(3,033,545)</b>	<b>(8,373,417)</b>	<b>(4,267,480)</b>	<b>16,607,830</b>
Loss on disposal of assets	(2,998,850)	-	-	-	-	-	-	-	(2,998,850)
Amortization of tangible capital assets	456,293	509,240	5,533,998	3,213,656	13,130	320,670	2,699,034	793,614	13,539,635
<b>2022 net revenue (expense)</b>	<b>48,430,719</b>	<b>(4,124,768)</b>	<b>(15,906,743)</b>	<b>(8,828,973)</b>	<b>(13,130)</b>	<b>(3,354,215)</b>	<b>(11,072,451)</b>	<b>(5,061,094)</b>	<b>69,345</b>
<b>2021 net revenue (expense)</b>	<b>42,485,103</b>	<b>(867,172)</b>	<b>(13,773,739)</b>	<b>(7,818,054)</b>	<b>(173,229)</b>	<b>(2,963,822)</b>	<b>(7,379,358)</b>	<b>(6,480,083)</b>	<b>3,029,646</b>

**MD OF OPPORTUNITY NO. 17**  
**Non-consolidated Statement of Operations**  
**As at December 31, 2022**

**(Schedule 7)**

	<b>Budget \$ (Unaudited)</b>	<b>2022 \$</b>	<b>2021 \$</b>
<b>Revenue</b>			
Net municipal taxes	48,959,745	<b>49,021,883</b>	47,405,583
User fees and sales of goods	2,870,870	<b>3,059,033</b>	2,659,517
Government transfers for operating	866,835	<b>2,058,657</b>	1,425,005
Rental	1,415,000	<b>1,378,521</b>	895,586
Investment income	277,000	<b>1,682,765</b>	387,705
Penalties and costs on taxes	650,407	<b>989,054</b>	1,082,210
Well drilling	153,500	<b>160,625</b>	4,276
Licenses, permits and fines	29,600	<b>70,857</b>	45,220
Other	1,484,611	<b>2,835,362</b>	494,686
<b>Total revenue</b>	<b>56,707,568</b>	<b>61,256,757</b>	54,399,788
<b>Expenses</b>			
General government	3,738,063	<b>(2,194,455)</b>	2,661,897
Council	1,707,142	<b>1,488,964</b>	1,330,572
Administration	7,493,292	<b>6,432,795</b>	6,079,284
Fire protection and safety services	4,887,932	<b>5,848,583</b>	3,508,276
Roads, streets, walks, lighting	14,390,517	<b>16,239,028</b>	15,278,425
Airport	96,700	<b>26,687</b>	117,010
Water supply and distribution	7,439,711	<b>8,122,815</b>	7,237,686
Wastewater treatment and disposal	2,304,917	<b>2,116,882</b>	1,886,806
Waste management	639,515	<b>739,751</b>	724,778
Family and community support	290,773	<b>708,732</b>	326,181
Daycare and out of school care	2,350,755	<b>1,966,722</b>	1,491,274
Public health and welfare	1,974,096	<b>1,862,718</b>	2,495,677
Land use planning, zoning, and development	-	-	115,810
Economic development and tourism	-	-	523,406
Recreation and culture	12,972,564	<b>13,037,622</b>	9,916,290
Housing operations	2,392,521	<b>1,999,533</b>	761,919
<b>Total expenses</b>	<b>62,678,498</b>	<b>58,396,377</b>	54,455,291
<b>Excess (deficiency) of revenue over expenses - before other</b>	<b>(5,970,930)</b>	<b>2,860,380</b>	(55,503)
<b>Other</b>			
Gain (loss) on disposal of tangible capital assets	-	<b>(2,998,850)</b>	75,135
Government transfers for capital	-	<b>1,221,306</b>	5,653,234
<b>Excess of revenues over expenses</b>	<b>(5,970,930)</b>	<b>1,082,836</b>	5,672,866
<b>Accumulated surplus - beginning of the year</b>	<b>333,075,511</b>	<b>333,075,511</b>	327,402,645
<b>Accumulated surplus - end of the year</b>	<b>327,104,581</b>	<b>334,158,347</b>	333,075,511

**MD OF OPPORTUNITY NO. 17**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2022**

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1. Significant accounting policies

Basis of presentation

The consolidated financial statements of the municipality 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 municipality 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 municipality, therefore, accountable to Council for the administration of their financial affairs and resources. Included with the Municipality are the following:

Wabasca/Desmarais Housing Authority

MD of Opportunity No. 17 Housing and Development Corporation

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 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.

*(continues)*



**MD OF OPPORTUNITY NO. 17**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2022**

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1. Significant accounting policies (*continued*)

Use of estimates

The preparation of the 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.

Significant estimates include:

- Amortization of tangible capital assets
- Estimated useful life of tangible capital assets
- Allowance for doubtful accounts
- Inventory valuation
- Accounts payable and accrued liabilities

Cash and cash equivalents

Cash includes cash and cash equivalents. Cash equivalents are investments in treasury bills and are valued at cost plus accrued interest. The carrying amounts approximate fair value because they have maturities at the date of purchase of less than ninety days.

Loans receivable

Loans receivable are recorded at book value. Loans that are more than six months in arrears, without legal action, are classified as non-performing. Allowance for doubtful accounts has been provided and there has been a write-down of loans receivable to their net realizable value in the account.

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 unmatured long term debt, less actuarial requirements for the retirement of any sinking fund debentures.

(*continues*)

**MD OF OPPORTUNITY NO. 17**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2022**

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1. Significant accounting policies (*continued*)

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.

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 the respective function.

Tax revenue

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

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

Landfill closure and post-closure liability

Pursuant to the Alberta Environmental Protection and Enhancement Act, the municipality is required to fund the closure of its landfill site and provide for post-closure care of the facility. Closure and post-closure activities include the final clay cover, landscaping, as well as surface and ground water monitoring, leachate control, and visual inspection. The requirement is being provided for over the estimated remaining life of the landfill site based on usage.

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.

(*continues*)

**MD OF OPPORTUNITY NO. 17**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2022**

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1. Significant accounting policies (*continued*)

Non-financial assets

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

a) 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:

	<b>YEARS</b>
Buildings	25-50
Engineered structures	
Water system	45-75
Wastewater system	45-75
Other engineered structures	10-65
Machinery and equipment	10-40
Land improvements	25-50
Vehicles	10-40

b) Contributions 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.

c) 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.

d) Inventory for consumption

Inventories held for consumption are recorded at the lower of cost and net realizable value.

e) Cultural and historical tangible capital assets

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

**MD OF OPPORTUNITY NO. 17**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2022**

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2. Recent accounting pronouncements published but not yet adopted

The following accounting standards have been issued by the Chartered Professional Accountants of Canada (CPAC) but are not yet effective. The municipality is currently evaluating the effect of adopting these standards on their financial statements.

Section PS 3450 - Financial Instruments

The new Section establishes standards for recognizing and measuring financial assets, financial liabilities and non-financial derivatives. In conjunction with this new Section, Section PS1201, Section PS 2601 and Section 3041 have been amended as a consequence of the introduction of new financial instruments standards. These amendments were required to present the associated gains and losses with financial instruments recognized under the new Section. The new Section and the related amendments are effective for fiscal periods beginning on or after April 1, 2022. Early adoption is permitted.

Section PS 3280 - Asset Retirement Obligations

This new Section establishes standards on how to account for and report a liability for asset retirement obligations. This Section applies to fiscal years beginning on or after April 1, 2022. Earlier adoption is permitted. As a consequence of the issuance of Section PS3280, Solid Waste Landfill Closure and Post-Closure Liability, Section PS3270, has been withdrawn. Section PS3270 will remain in effect until the adoption of Section PS3280.

Section 3400 - Revenue

This new Section establishes standards on how to account for and report on revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations and transactions that do not have performance obligations. This Section applies to fiscal years beginning on or after April 1, 2023. Early adoption is permitted.

Section PS 1201 - Financial Statement Presentation

Section PS1201 and section PS2601 have been amended to introduce an irrevocable accounting policy election arising from a foreign currency transaction. These amendments are effective for fiscal periods beginning on or after April 1, 2022. Early adoption is permitted.

Guideline PSG-8 - Purchased Intangibles

This new guideline explains the scope of intangibles allowed to be recognized in financial statements given the removal of recognition prohibition relating to purchased intangibles in section PS 1000. This new guideline is effective for fiscal periods beginning on or after April 1, 2023.

Section PS 3160 - Public Private Partnerships

This new section establishes standards are how to account for public private partnership agreements. This new section applies to fiscal years beginning on or after April 1, 2023. Early adoption is permitted.

*(continues)*

**MD OF OPPORTUNITY NO. 17**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2022**

2. Recent accounting pronouncements published but not yet adopted (*continued*)  
Section PS 2601 - Foreign Currency Translation

This new section has been amended to introduce an irrevocable accounting policy election available to financial assets and financial liabilities arising from a foreign currency transaction. This allows public sector entities to elect on initial recognition to recognize their exchange gains and losses on financial assets or financial liability directly in the statement of operations. This amendment is effective for fiscal years beginning on or after April 1, 2021. Early adoption is permitted.

Section PS 3041 - Portfolio Investments

This section applies in the period section PS 1201 Financial Statement Presentation, section PR 2601 Foreign Currency Translation and section PS 3450 Financial Instruments are adopted (fiscal years beginning on or after April 1, 2022).

3. Cash and temporary investments

	2022	2021
Cash	\$ 64,090,667	\$ 57,025,462
Temporary investments	148,606	147,200
	<b>\$ 64,239,273</b>	<b>\$ 57,172,662</b>

Temporary investments are short term deposits with original maturities of three months or less.

Council has designated funds of \$24,388,704 (2021 - \$21,359,058) included in the above amounts for equipment replacement.

Included in cash and temporary investments is a restricted amount of \$3,670,311 (2021 - \$3,101,888) comprised of deferred revenue not expended (Note 8).

4. Taxes and grants in place of taxes receivable

	2022	2021
Current taxes and grants in place of taxes	\$ 2,749,514	\$ 3,555,202
Arrears taxes	10,415,469	9,455,725
	<b>13,164,983</b>	13,010,927
Less: allowance for doubtful accounts	<b>(9,336,304)</b>	(11,531,463)
	<b>\$ 3,828,679</b>	<b>\$ 1,479,464</b>

**MD OF OPPORTUNITY NO. 17**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2022**

5. Loans receivable

	<b>2022</b>	2021
Non-interest bearing mortgage loan agreements receivable, repayable in monthly payments of \$1,400. The loans mature between 2025 and 2028 and are secured by claims against the housing units sold.	<b>\$ 1,765,305</b>	\$ 1,851,765
Non-interest bearing loan receivable with no set repayment terms and is secured by a claim against the housing unit owned by the borrower.	<b>4,761</b>	4,761
	<b>1,770,066</b>	1,856,526
Allowance for doubtful loans receivable	<b>(1,381,395)</b>	(1,381,395)
	<b>\$ 388,671</b>	\$ 475,131

6. Municipal revolving loan

The municipality has a credit facility with ATB Financial, which includes an approved Municipal revolving loan that can be drawn upon to a maximum of \$11,800,000 which bears interest at prime plus 1% and is secured by a General Security Agreement. At the consolidated statement of financial position date, the amount owing, which is due on demand, was \$nil (2021: \$nil). Prime rate is 6.45% at December 31, 2022.

7. Accounts payable and accrued liabilities

	<b>2022</b>	2021
Trade accounts payable and accrued liabilities	<b>\$ 4,036,005</b>	\$ 4,866,399
Vacation and overtime accruals	<b>562,412</b>	510,770
Government payables	<b>424,469</b>	490,053
	<b>\$ 5,022,886</b>	\$ 5,867,222

**MD OF OPPORTUNITY NO. 17**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2022**

8. Deferred revenue

	<b>2022</b>	2021
Operating	\$ 203,317	\$ 245,505
Deposit liabilities and prepaid rent	-	9,788
Alberta Municipal Water/Wastewater Partnership	<b>2,820,729</b>	2,820,729
Strategic Transportation Infrastructure Program	<b>450,000</b>	-
Alberta Community Partnership	<b>150,000</b>	-
Tax sale surplus	<b>46,265</b>	25,866
	<b>\$ 3,670,311</b>	<b>\$ 3,101,888</b>

Alberta Municipal Water/Wastewater Partnership

Funding in the amount of \$6,251,193 was received in a previous year from Alberta Municipal Water/Wastewater Partnership. The use of these funds is restricted to the Sandy Lake water treatment plant project as approved under the funding agreement. This project was completed however the funds are not required to be repaid. The municipality is working with the Alberta Municipal Water/Wastewater Partnership to approve a new project to use these funds. Unexpended funds related to the advance are supported by temporary investments of \$2,820,729 held exclusively for these projects (Note 3).

9. Expended deferred capital revenues related to housing units

The Housing Authority received provincial funding to build affordable housing units which are sold to qualified applicants. The terms of the funding require that the revenue associated with these grants be recognized over 20 years. The funding was received under the Sustainable Remote Housing Initiative Grant.

	<b>2022</b>	2021
2004 - 2005 Alberta Government Grant for 18 units	\$ 135,000	\$ 202,500
2006 - 2008 Alberta Government Grant for 30 units	<b>830,500</b>	995,500
	<b>\$ 965,500</b>	<b>\$ 1,198,000</b>

**MD OF OPPORTUNITY NO. 17**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2022**

10. Long-term debt

	2022	2021
Long term care facility debenture	\$ 21,370,088	\$ 22,139,988
Developer agreement debenture	1,051,892	1,125,495
	<b>\$ 22,421,980</b>	<b>\$ 23,265,483</b>

The current portion of the long-term debt amounts to \$869,329 (2021 - \$843,503)

Principal and interest repayments are as follows:

	Principal	Interest	Total
2023	\$ 869,329	\$ 671,123	\$ 1,540,452
2024	895,946	644,506	1,540,452
2025	923,380	617,072	1,540,452
2026	951,655	588,797	1,540,452
2027	980,798	559,654	1,540,452
Thereafter	<u>17,800,872</u>	<u>4,359,732</u>	<u>22,160,604</u>
	<b><u>\$ 22,421,980</u></b>	<b><u>\$ 7,440,884</u></b>	<b><u>\$ 29,862,864</u></b>

Debenture debt is repayable to the Alberta Capital Finance Authority and bears interest at rates ranging from 3.004% to 3.406% per annum and matures in periods 2034 through 2042. The average annual interest rate is 3.205% for 2022 (2021 - 3.205%).

Debenture debt is issued on the credit and security of the municipality at large.

Interest on long-term debt amounted to \$720,079 (2021 - \$721,699).

The municipality's total cash payments for interest were \$721,814 (2021 - \$722,007).



**MD OF OPPORTUNITY NO. 17**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2022**

11. Obligations under capital lease

	<b>2022</b>	2021
Caterpillar Finance capital lease	\$ -	\$ 14,862
Caterpillar Finance capital lease	<b>223,183</b>	307,946
Caterpillar Finance capital lease	<b>223,183</b>	307,946
Caterpillar Finance capital lease	<b>57,996</b>	168,331
	<b>\$ 504,362</b>	\$ 799,085

Future minimum capital lease payments are approximately:

Total minimum payments	\$ 517,709
Less interest amount at various rates	13,347
Present value of minimum payments	504,362
Less current portion	504,362
	<b>\$ -</b>

Capital lease obligations bear interest at rates ranging from 5.2% to 6.7% per annum and mature in 2023. The average annual rate is 5.7% (2021 - 5.2%). The capital lease obligations are secured by machinery and equipment with a combined carrying value of \$992,986 (2021 - \$1,498,177).

**MD OF OPPORTUNITY NO. 17**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2022**

12. 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 municipality be disclosed as follows:

	<b>2022</b>	2021
Total debt limit	<b>\$ 99,781,686</b>	\$ 88,397,585
Total debt	<b>22,421,980</b>	23,265,483
Amount of debt limit unused	<b>\$ 77,359,706</b>	\$ 65,132,102
Debt servicing limit	<b>\$ 16,630,281</b>	\$ 14,732,931
Debt servicing	<b>1,540,452</b>	1,540,453
Amount of debt servicing limit unused	<b>\$ 15,089,829</b>	\$ 13,192,478

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.

13. Inventory for consumption

	<b>2022</b>	2021
Gravel	<b>\$ 309,161</b>	\$ 833,234
Fuel	<b>75,873</b>	186,717
Eagle Point golf course merchandise	<b>115,303</b>	74,467
	<b>\$ 500,337</b>	\$ 1,094,418

**MD OF OPPORTUNITY NO. 17**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2022**

14. Landfill closure and post-closure liability

Alberta environmental law requires closure and post-closure care of landfill sites, which includes final covering and landscaping, pumping of ground water and leachates from the site, and ongoing environmental monitoring, site inspections and maintenance.

The estimated total liability is based on the sum of discounted future cash flows for closure and post-closure activities for 25 years after closure using a discount rate of 6% and assuming annual inflation of 2.31%.

The accrued liability portion is based on the cumulative capacity used at year end compared to the estimated total landfill capacity. The total capacity of the site is estimated at 232,999 tonnes. The estimated remaining capacity of the landfill site is 172,560 tonnes (2021 – 179,527 tonnes). The existing landfill site is expected to reach capacity in approximately the year 2034.

The municipality has not designated assets for settling closure and post-closure liabilities.

	<b>2022</b>	2021
Estimated closure costs	<b>\$ 1,274,670</b>	\$ 1,274,670
Estimated post-closure costs	<b>2,700,000</b>	2,700,000
Total estimated costs	<b>3,974,670</b>	3,974,670
Liability accrued to December 31, 2022	<b>(1,078,397)</b>	(889,308)
Estimated balance to accrue	<b>\$ 2,896,273</b>	\$ 3,085,362

15. Equity in tangible capital assets

	<b>2022</b>	2021
Tangible capital assets (Schedule 2)	<b>\$553,075,588</b>	\$549,701,414
Less: Accumulated amortization (Schedule 2)	<b>249,515,477</b>	237,241,462
Less: Long-term debt (Note 10)	<b>22,421,980</b>	23,265,483
Less: Capital lease obligations (Note 11)	<b>504,362</b>	799,085
Less: Deferred contributions related to housing units (Note 9)	<b>965,500</b>	1,198,000
	<b>\$279,668,269</b>	\$287,197,384

**MD OF OPPORTUNITY NO. 17**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2022**

16. Accumulated surplus

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

	2022	2021
Unrestricted surplus	\$ 42,658,010	\$ 38,089,196
Restricted surplus		
General capital	15,669,769	12,640,123
Water	8,718,935	8,718,935
Equity in tangible capital assets	279,668,269	287,197,384
	<b>\$346,714,983</b>	<b>\$346,645,638</b>

17. Contingencies

Optrics Inc. filed a Statement of Claim on October 17, 2017, seeking damages of \$1,634,032 plus interest and costs. The Municipality has filed a Statement of Defence and Notice to Co-Defendants on December 15, 2017. An amended Statement of Defence was filed on December 6, 2018, on behalf of TekTeam Consulting Inc. and Mihai Lupescu. Further information will be required to properly address the full extent of the claim against the Municipality. Legal counsel is of the opinion that the Municipality should not be found liable for breach of contract or unpaid services.

18. Commitments

The municipality is committed to completion of the Sandy Lake lagoon project. As of December 31, 2022, the municipality has incurred \$433,050 in project-related costs. The balance of costs committed to complete the project is \$4,526,126.

The municipality is committed to completion of the Red Earth Creek community hall project. As of December 31, 2022, the municipality has incurred \$2,091,610 in project-related costs. The balance of costs committed to complete the project is \$224,437.

The municipality is committed to completion of the Wabasca north bridge project. As of December 31, 2022, the municipality has incurred \$45,656 in project-related costs. The balance of costs committed to complete the project is \$1,201,122.

19. Subsequent events

The following event occurred subsequent to the fiscal year end:

Effective January 1, 2023 the federal government approved the establishment of the Peerless Trout First Nation as an independent entity. Over the next year, tangible capital assets will be transferred and land boundaries will be established for the new entity. The full impact on the financial statements of the MD of Opportunity No. 17 is not known at this time. In fiscal 2022, funding of approximately \$1.3 million was received from the Federal government for operations and to offset the costs of this transition.

**MD OF OPPORTUNITY NO. 17**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2022**

20. Segmented disclosure

The municipality 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).

21. 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:

			<b>2022</b>	2021
	Salary (1)	Benefits & allowances (2)	<b>Total</b>	Total
Councillors:	\$ -	\$ -	\$ -	\$ -
Marcel D. Auger (Reeve)	100,046	5,165	<b>105,211</b>	97,634
Brendan Powell (Deputy Reeve)	94,602	5,165	<b>99,767</b>	91,753
Leo Alook	90,510	3,965	<b>94,475</b>	89,976
Larry Cardinal	85,589	365	<b>85,954</b>	17,018
Louis Cardinal	91,072	5,165	<b>96,237</b>	91,176
Cheri Courtorielle	92,194	5,165	<b>97,359</b>	17,595
Robin Guild	90,123	5,104	<b>95,227</b>	89,051
Darlene Davis-Jackson	90,329	2,965	<b>93,294</b>	88,776
Gerald Johnson	90,178	5,165	<b>95,343</b>	17,595
Tahirih Wiebe	88,637	2,765	<b>91,402</b>	17,595
Roy Yellowknee	91,550	5,165	<b>96,715</b>	91,176
Kevin Bigstone	-	-	-	73,182
Victor Gladue	-	-	-	67,411
Barry Schmidt	-	-	-	71,182
Everett Gottfried (Former Dep Reeve)	-	-	-	75,396
Chad Tullis (CAO)	246,345	6,085	<b>252,430</b>	238,207
Subdivision and Appeal Board Clerk	36,151	1,804	<b>37,955</b>	8,959
Development Officer	-	-	-	36,979

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.
3. An automobile is provided and no amount is included in the benefits and allowances figure.
4. Benefits and allowances figures also include the employer's share of the costs of additional taxable benefits including special leave with pay, financial and retirement planning services, concessionary loans, travel allowances, car allowances and club memberships.

**MD OF OPPORTUNITY NO. 17**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2022**

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22. Local Authorities Pension Plan

Employees of the municipality participate in the Local Authorities Pension Plan (LAPP), which is one of the plans covered by the 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 municipality 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 12.8% on pensionable earnings above this amount.

Total current service contributions by the municipality to the LAPP in 2022 were \$1,212,728 (2021 - \$1,573,420). Total current service contributions by the employees of the municipality to the Local Authorities Pension Plan in 2022 were \$1,082,983 (2021 - \$1,421,500).

At December 31, 2021, the LAPP disclosed an accounting surplus of \$11.9 billion.

23. Financial instruments

The municipality's financial instruments consist of cash and temporary investments, accounts receivable, debt charges recoverable, accounts payable and accrued liabilities, deposit liabilities, and long term debt. It is management's opinion that the municipality is not exposed to significant interest or currency risk arising from these financial instruments.

The municipality is subject to credit risk with respect to taxes and grants in place of taxes receivable and trade and other receivables. Credit risk arises from the possibility that taxpayers and entities to which the municipality 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.

24. Approval of financial statements

Council and Management have approved these financial statements.

25. Budget amounts

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

## INDEPENDENT AUDITOR'S REPORT

To the Reeve and Council of MD of Opportunity No. 17

### *Qualified Opinion*

We have audited the consolidated financial statements of MD of Opportunity No. 17 (the "municipality"), which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statements of changes in net financial assets, operations 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, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the municipality 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 (PSAS).

### *Basis for Qualified Opinion*

The municipality did not record any asset retirement obligations in the statement of financial position. We were unable to obtain sufficient appropriate audit evidence regarding the municipality's asset retirement obligations as of December 31, 2023 as the municipality did not have available information necessary to accurately calculate the fair value of these obligations. Items identified but not addressed include, but are not limited to: landfill, buildings, and infrastructure. Consequently, we were not able to determine whether any adjustments to these amounts were necessary.

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 municipality 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 qualified audit 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 municipality'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 municipality or to cease operations, or has no realistic alternative but to do so.

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

(continues)



Independent Auditor's Report to the Reeve and Council of MD of Opportunity No. 17 (*continued*)

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality'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 municipality'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 municipality 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.

*Wilde & Company*



**MD OF OPPORTUNITY NO. 17**  
**Consolidated Statement of Financial Position**  
**As at December 31, 2023**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Financial Assets</b>		
Cash and temporary investments <i>(Note 3)</i>	<b>71,045,202</b>	64,239,273
Taxes and grants in place of taxes receivable <i>(Note 4)</i>	<b>4,274,654</b>	3,828,679
Due from federal and provincial governments	<b>1,924,796</b>	3,157,039
Trade and other receivables	<b>3,222,106</b>	2,111,088
Loans receivable <i>(Note 5)</i>	<b>298,458</b>	388,671
Land held for resale	<b>969,222</b>	969,222
	<b>81,734,438</b>	74,693,972
<b>Liabilities</b>		
Accounts payable and accrued liabilities <i>(Note 7)</i>	<b>8,109,767</b>	5,022,886
Deposit liabilities	<b>219,297</b>	185,155
Deferred revenue <i>(Note 8)</i>	<b>3,158,586</b>	3,670,311
Restricted operating reserve fund	<b>5,000</b>	5,000
Unamortized capital contributions related to housing units <i>(Note 9)</i>	<b>733,000</b>	965,500
Long term debt <i>(Note 10)</i>	<b>30,853,333</b>	22,421,980
Capital lease obligations <i>(Note 11)</i>	<b>-</b>	504,362
	<b>43,078,983</b>	32,775,194
<b>Net Financial Assets</b>	<b>38,655,455</b>	41,918,778
<b>Non-Financial Assets</b>		
Tangible capital assets <i>(Schedule 2)</i>	<b>296,136,803</b>	303,560,111
Inventory for consumption <i>(Note 13)</i>	<b>659,952</b>	500,337
Prepaid expenses	<b>716,590</b>	735,757
	<b>297,513,345</b>	304,796,205
<b>Accumulated Surplus (Schedule 1, Note 16)</b>	<b>336,168,800</b>	346,714,983

*Contingencies (Note 17)*

*Commitments (Note 18)*

**MD OF OPPORTUNITY NO. 17**  
**Consolidated Statement of Operations**  
**For the year ending December 31, 2023**

	<b>Budget \$ (Unaudited)</b>	<b>2023 \$</b>	<b>2022 \$</b>
<b>Revenue</b>			
Net municipal taxes <i>(Schedule 3)</i>	52,021,751	<b>51,997,845</b>	52,465,058
User fees and sales of goods	3,409,025	<b>3,829,950</b>	3,053,633
Government transfers for operating <i>(Schedule 4)</i>	1,203,949	<b>4,066,909</b>	3,840,839
Rental	2,709,932	<b>2,251,116</b>	2,343,087
Investment income	677,000	<b>3,539,165</b>	1,683,473
Penalties and costs on taxes	655,407	<b>1,165,592</b>	989,054
Well drilling	25,000	<b>32,125</b>	160,625
Licenses, permits and fines	26,600	<b>35,562</b>	70,857
Other	3,631,590	<b>1,338,471</b>	1,914,498
<b>Total revenue</b>	<b>64,360,254</b>	<b>68,256,735</b>	66,521,124
<b>Expenses</b>			
General government	650,407	<b>1,870,722</b>	(2,194,455)
Council	1,715,942	<b>1,686,395</b>	1,488,964
Administration	9,366,761	<b>6,451,482</b>	6,432,795
Fire protection and safety services	5,001,925	<b>4,786,469</b>	5,848,583
Roads, streets, walks, lighting	14,950,452	<b>15,360,358</b>	16,239,028
Airport	74,100	<b>64,700</b>	26,687
Water supply and distribution	8,066,168	<b>7,933,308</b>	8,122,815
Wastewater treatment and disposal	2,286,792	<b>2,497,379</b>	2,116,882
Waste management	801,678	<b>603,145</b>	739,751
Family and community support	572,851	<b>811,501</b>	708,732
Daycare and out of school care	2,840,502	<b>2,244,396</b>	1,966,722
Public health and welfare	1,993,155	<b>1,895,344</b>	1,862,718
Recreation and culture	15,343,654	<b>13,663,716</b>	13,037,622
Housing operations	12,575,206	<b>10,111,686</b>	8,509,891
<b>Total expenses</b>	<b>76,239,593</b>	<b>69,980,601</b>	64,906,735
<b>Excess (deficiency) of revenue over expenses - before other</b>	<b>(11,879,339)</b>	<b>(1,723,866)</b>	1,614,389
<b>Other</b>			
Loss on disposal of tangible capital assets	-	<b>(11,214,162)</b>	(2,998,850)
Government transfers for capital <i>(Schedule 4)</i>	-	<b>2,391,845</b>	1,453,806
<b>Excess (deficiency) of revenues over expenses</b>	<b>(11,879,339)</b>	<b>(10,546,183)</b>	69,345
<b>Accumulated surplus - beginning of the year</b>	<b>346,714,983</b>	<b>346,714,983</b>	346,645,638
<b>Accumulated surplus - end of the year</b>	<b>334,835,644</b>	<b>336,168,800</b>	346,714,983

**MD OF OPPORTUNITY NO. 17**  
**Consolidated Statement of Change in Net Financial Assets**  
**For the year ending December 31, 2023**

	<b>Budget \$ (Unaudited)</b>	<b>2023 \$</b>	<b>2022 \$</b>
<b>Excess (deficiency) of revenues over expenses</b>	(11,879,339)	<b>(10,546,183)</b>	69,345
Acquisition of tangible capital assets	(13,527,792)	<b>(18,111,158)</b>	(8,151,413)
Proceeds on disposal of tangible capital assets	-	<b>1,240,824</b>	512,770
Amortization of tangible capital assets	13,301,634	<b>13,079,480</b>	13,539,635
Loss on disposal of tangible capital assets	-	<b>11,214,162</b>	2,998,850
	(226,158)	<b>7,423,308</b>	8,899,842
Use (acquisition) of supplies inventories	-	<b>(159,615)</b>	594,081
Use of prepaid assets	-	<b>19,167</b>	847,295
	-	<b>(140,448)</b>	1,441,376
<b>Increase (decrease) in net financial assets</b>	(12,105,497)	<b>(3,263,323)</b>	10,410,563
<b>Net Financial Assets, beginning of year</b>	41,918,778	<b>41,918,778</b>	31,508,215
<b>Net Financial Assets, end of year</b>	29,813,281	<b>38,655,455</b>	41,918,778

**MD OF OPPORTUNITY NO. 17**  
**Consolidated Statement of Cash Flows**  
**For the year ending December 31, 2023**

	2023 \$	2022 \$
<b>Operating</b>		
Excess (deficiency) of revenue over expenses	(10,546,183)	69,345
Net changes in non-cash items included in excess of revenues over expenses		
Amortization of tangible capital assets	13,079,480	13,539,634
Loss on disposal of tangible capital assets	11,214,162	2,998,850
Net changes in non-cash charges to operations		
Increase in taxes and grants in lieu receivable	(445,975)	(2,349,215)
Decrease in government receivables	1,232,243	1,238,803
Increase in trade and other receivables	(1,111,018)	(630,315)
Increase in land held for resale	-	(68,940)
Decrease in loans receivable	90,213	86,460
Decrease in prepaid expenses	19,167	847,295
Decrease (increase) in inventory for consumption	(159,615)	594,081
Increase (decrease) in accounts payable and accrued liabilities	3,086,880	(844,333)
Increase in deposit liabilities	34,142	25,894
Decrease in unamortized capital contributions related to housing units	(232,500)	(232,500)
Increase (decrease) in deferred revenues	(511,725)	568,423
<i>Net cash provided by operating transactions</i>	<b>15,749,271</b>	<b>15,843,482</b>
<b>Capital</b>		
Acquisition of tangible capital assets	(18,111,158)	(8,151,413)
Proceeds on disposal of tangible capital assets	1,240,824	512,770
<i>Net cash used in capital transactions</i>	<b>(16,870,334)</b>	<b>(7,638,643)</b>
<b>Investing</b>		
Increase (decrease) in restricted cash	511,725	(568,423)
<i>Net cash provided by investing transactions</i>	<b>511,725</b>	<b>(568,423)</b>
<b>Financing</b>		
Long term debt advanced	9,438,710	-
Capital lease obligations repaid	(504,362)	(294,722)
Long term debt repaid	(1,007,356)	(843,506)
<i>Net cash provided by (used in) financing transactions</i>	<b>7,926,992</b>	<b>(1,138,228)</b>
<b>Change in cash and cash equivalents during the year</b>	<b>7,317,654</b>	<b>6,498,188</b>
Cash and cash equivalents, beginning of year	60,568,962	54,070,774
<b>Cash and cash equivalents, end of year</b>	<b>67,886,616</b>	<b>60,568,962</b>
Cash and cash equivalents is made up of:		
Cash and temporary investments (Note 3)	71,045,202	64,239,273
Less: restricted portion of cash and temporary investments (Note 3)	(3,158,586)	(3,670,311)
	<b>67,886,616</b>	<b>60,568,962</b>
Cash flows supplementary information:		
Interest paid	1,217,566	721,814
Interest received	3,539,165	1,683,473

**MD OF OPPORTUNITY NO. 17**  
**Schedule of Changes in Accumulated Surplus**  
**For the year ending December 31, 2023**

*(Schedule 1)*

	Unrestricted Surplus	Restricted Capital Reserves	Equity in Capital Assets	2023 \$	2022 \$
<b>Balance, beginning of year</b>	42,658,010	24,388,704	279,668,269	<b>346,714,983</b>	346,645,638
Annual surplus	(10,546,183)	-	-	<b>(10,546,183)</b>	69,345
Amortization of tangible capital assets	13,079,480	-	(13,079,480)	-	-
Transfer to restricted capital reserves	(69,345)	69,345	-	-	-
Disposal of tangible capital assets	12,454,986	-	(12,454,986)	-	-
Current year funds used for tangible capital assets	(18,111,158)	-	18,111,158	-	-
Recognition of unamortized capital contributions related to housing units	(232,500)	-	232,500	-	-
Long term debt advanced	9,438,710	-	(9,438,710)	-	-
Capital lease obligations repaid	(504,362)	-	504,362	-	-
Long term debt repaid	(1,007,356)	-	1,007,356	-	-
Change in accumulated surplus	4,502,272	69,345	(15,117,800)	<b>(10,546,183)</b>	69,345
<b>Balance, end of year</b>	47,160,282	24,458,049	264,550,469	<b>336,168,800</b>	346,714,983

**MD OF OPPORTUNITY NO. 17**  
**Schedule of Tangible Capital Assets**  
**For the year ending December 31, 2023**

*(Schedule 2)*

	Land	Work in Progress	Buildings	Engineered Structures	Machinery and Equipment	Vehicles	Land Improvements	2023 \$	2022 \$
<b>Cost</b>									
<b>Balance, beginning of year</b>	5,383,199	10,548,131	126,393,225	362,268,504	27,878,240	16,032,487	4,571,802	<b>553,075,588</b>	549,701,415
Acquisition of tangible capital assets	-	4,815,540	4,520,883	4,671,305	2,293,240	521,606	1,288,584	<b>18,111,158</b>	8,151,413
Disposal of tangible capital assets	-	(9,739)	(3,704,250)	(27,904,463)	(23,378)	(2,569,334)	(114,516)	<b>(34,325,680)</b>	(4,777,240)
<b>Balance, end of year</b>	<b>5,383,199</b>	<b>15,353,932</b>	<b>127,209,858</b>	<b>339,035,346</b>	<b>30,148,102</b>	<b>13,984,759</b>	<b>5,745,870</b>	<b>536,861,066</b>	<b>553,075,588</b>
<b>Accumulated amortization</b>									
<b>Balance, beginning of year</b>	-	-	29,515,318	190,713,034	17,019,684	11,413,907	853,534	<b>249,515,477</b>	237,241,462
Annual amortization	-	-	2,747,702	7,371,623	1,737,184	1,019,860	203,111	<b>13,079,480</b>	13,539,634
Accumulated amortization on disposals	-	-	(1,391,591)	(18,083,947)	(8,182)	(2,272,458)	(114,516)	<b>(21,870,694)</b>	(1,265,619)
<b>Balance, end of year</b>	<b>-</b>	<b>-</b>	<b>30,871,429</b>	<b>180,000,710</b>	<b>18,748,686</b>	<b>10,161,309</b>	<b>942,129</b>	<b>240,724,263</b>	<b>249,515,477</b>
<b>2023 net book value of tangible capital assets</b>	<b>5,383,199</b>	<b>15,353,932</b>	<b>96,338,429</b>	<b>159,034,636</b>	<b>11,399,416</b>	<b>3,823,450</b>	<b>4,803,741</b>	<b>296,136,803</b>	<b>303,560,111</b>
<b>2022 net book value of tangible capital assets</b>	<b>5,383,199</b>	<b>10,548,131</b>	<b>96,877,907</b>	<b>171,555,470</b>	<b>10,858,556</b>	<b>4,618,580</b>	<b>3,718,268</b>		<b>303,560,111</b>

Included in Machinery and Equipment are capital leased assets with a cost of \$1,653,576 (2022 - \$1,653,576) and accumulated amortization of \$825,738 (2022- \$660,590). Amortization expense incurred on capital leased assets is \$165,148 (2022 - \$165,148) for the year.

**MD OF OPPORTUNITY NO. 17**  
**Schedule of Property and Other Taxes**  
**For the year ending December 31, 2023**

(Schedule 3)

	Budget \$ (Unaudited)	2023 \$	2022 \$
<b>Taxation</b>			
Real property taxes	15,698,825	<b>14,753,505</b>	15,892,349
Linear property	45,803,364	<b>45,803,364</b>	44,618,046
Government grants in place of property taxes	203,033	<b>203,033</b>	242,885
	61,705,222	<b>60,759,902</b>	60,753,280
<b>Requisitions</b>			
Alberta School Foundation Fund	9,263,369	<b>8,349,689</b>	7,891,518
Designated Industrial Property	194,112	<b>186,378</b>	183,670
Seniors Lodge	225,990	<b>225,990</b>	213,034
	9,683,471	<b>8,762,057</b>	8,288,222
<b>Net Municipal Taxes</b>	52,021,751	<b>51,997,845</b>	52,465,058

**MD OF OPPORTUNITY NO. 17**  
**Schedule of Government Transfers**  
**For the year ending December 31, 2023**

*(Schedule 4)*

	<b>Budget</b>	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
	(Unaudited)		
<b>Transfers for operating</b>			
Provincial Government	1,203,949	<b>4,066,909</b>	3,827,321
Federal Government	-	-	1,650
Other Local Government	-	-	11,868
	1,203,949	<b>4,066,909</b>	3,840,839
<b>Transfers for capital</b>			
Provincial Government	-	<b>1,716,399</b>	1,453,806
Federal Government	-	<b>675,446</b>	-
	-	<b>2,391,845</b>	1,453,806
<b>Total Government Transfers</b>	1,203,949	<b>6,458,754</b>	5,294,645



**MD OF OPPORTUNITY NO. 17**  
**Schedule of Consolidated Expenses by Object**  
**For the year ending December 31, 2023**

**(Schedule 5)**

	<b>Budget</b> <b>\$</b> (Unaudited)	<b>2023</b> <b>\$</b>	<b>2022</b> <b>\$</b>
<b>Consolidated expenses by object</b>			
Salaries, wages and benefits	31,721,982	<b>28,632,862</b>	27,038,318
Contracted and general services	17,321,054	<b>15,875,006</b>	16,267,129
Materials, goods, supplies and utilities	8,309,229	<b>7,729,842</b>	8,374,381
Provision (recovery) of allowances	1,837,457	<b>1,870,722</b>	(2,194,455)
Transfers to individuals and organizations	2,267,701	<b>1,458,228</b>	1,049,686
Bank charges and short term interest	73,802	<b>59,328</b>	111,962
Interest on long term debt	1,406,734	<b>1,275,133</b>	720,079
Amortization of tangible capital assets	13,301,634	<b>13,079,480</b>	13,539,635
	76,239,593	<b>69,980,601</b>	64,906,735

**MD OF OPPORTUNITY NO. 17**  
**Schedule of Segmented Disclosure**  
**For the year ending December 31, 2023**

**(Schedule 6)**

	<b>General Government</b>	<b>Protective Services</b>	<b>Transportation Services</b>	<b>Environmental Services</b>	<b>Planning &amp; Development</b>	<b>Public Health</b>	<b>Recreation &amp; Culture</b>	<b>Public Housing</b>	<b>Total \$</b>
<b>Revenue</b>									
Net municipal taxes	51,997,845	-	-	-	-	-	-	-	51,997,845
Well drilling	32,125	-	-	-	-	-	-	-	32,125
Sale of goods and services	3,153	1,031,274	145,652	2,280,536	-	273,517	95,818	-	3,829,950
Penalties/costs	1,159,350	-	-	6,242	-	-	-	-	1,165,592
Licenses and permits	-	35,562	-	-	-	-	-	-	35,562
Return on investment	3,539,165	-	-	-	-	-	-	-	3,539,165
Rental revenues	39,196	317,384	-	-	-	-	647,204	1,247,332	2,251,116
Government transfers	168,932	341,844	199,136	930,590	-	1,305,391	1,058,082	2,454,779	6,458,754
Other revenues	642,555	-	-	-	-	55,878	118,116	521,922	1,338,471
	<b>57,582,321</b>	<b>1,726,064</b>	<b>344,788</b>	<b>3,217,368</b>	<b>-</b>	<b>1,634,786</b>	<b>1,919,220</b>	<b>4,224,033</b>	<b>70,648,580</b>
<b>Expenses</b>									
Salaries, wages and benefits	3,979,881	2,278,832	4,643,670	3,471,335	-	2,014,928	6,759,613	5,484,603	28,632,862
Contracted and general services	3,013,035	1,362,422	2,043,424	2,906,547	-	2,091,850	1,779,659	2,678,069	15,875,006
Materials, goods, supplies and utilities	199,290	640,620	2,485,722	1,342,079	-	326,329	2,435,459	300,343	7,729,842
Transfers to individuals and organizations	700,817	9,000	119,000	184,645	-	197,290	26,988	220,488	1,458,228
Bank charges and interest	33,452	114	14,607	216	-	174	5,358	5,407	59,328
Interest on long term debt	34,439	-	605,799	-	-	-	-	634,895	1,275,133
Provision for bad debts	1,870,722	-	-	-	-	-	-	-	1,870,722
	<b>9,831,636</b>	<b>4,290,988</b>	<b>9,912,222</b>	<b>7,904,822</b>	<b>-</b>	<b>4,630,571</b>	<b>11,007,077</b>	<b>9,323,805</b>	<b>56,901,121</b>
<b>Net revenue (expense) before amortization and loss on disposal of assets</b>	<b>47,750,685</b>	<b>(2,564,924)</b>	<b>(9,567,434)</b>	<b>(4,687,454)</b>	<b>-</b>	<b>(2,995,785)</b>	<b>(9,087,857)</b>	<b>(5,099,772)</b>	<b>13,747,459</b>
Loss on disposal of assets	(11,214,162)	-	-	-	-	-	-	-	(11,214,162)
Amortization of tangible capital assets	176,963	495,481	5,512,836	3,129,010	-	320,670	2,656,639	787,881	13,079,480
<b>2023 net revenue (expense)</b>	<b>36,359,560</b>	<b>(3,060,405)</b>	<b>(15,080,270)</b>	<b>(7,816,464)</b>	<b>-</b>	<b>(3,316,455)</b>	<b>(11,744,496)</b>	<b>(5,887,653)</b>	<b>(10,546,183)</b>
<b>2022 net revenue (expense)</b>	<b>48,430,719</b>	<b>(4,124,768)</b>	<b>(15,906,743)</b>	<b>(8,828,973)</b>	<b>(13,130)</b>	<b>(3,354,215)</b>	<b>(11,072,451)</b>	<b>(5,061,094)</b>	<b>69,345</b>

**MD OF OPPORTUNITY NO. 17**  
**Non-consolidated Statement of Operations**  
**For the year ending December 31, 2023**

**(Schedule 7)**

	<b>Budget \$ (Unaudited)</b>	<b>2023 \$</b>	<b>2022 \$</b>
<b>Revenue</b>			
Net municipal taxes	48,587,794	<b>48,537,547</b>	49,021,883
User fees and sales of goods	3,409,025	<b>3,842,910</b>	3,059,033
Government transfers for operating	967,885	<b>1,844,630</b>	2,058,657
Rental	1,341,450	<b>1,384,174</b>	1,378,521
Investment income	677,000	<b>3,539,165</b>	1,682,765
Penalties and costs on taxes	655,407	<b>1,165,592</b>	989,054
Well drilling	25,000	<b>32,125</b>	160,625
Licenses, permits and fines	26,600	<b>35,562</b>	70,857
Other	1,631,590	<b>816,549</b>	2,835,362
<b>Total revenue</b>	<b>57,321,751</b>	<b>61,198,254</b>	61,256,757
<b>Expenses</b>			
General government	650,407	<b>1,870,722</b>	(2,194,455)
Council	1,715,942	<b>1,686,395</b>	1,488,964
Administration	9,366,761	<b>6,451,482</b>	6,432,795
Fire protection and safety services	5,001,925	<b>4,786,469</b>	5,848,583
Roads, streets, walks, lighting	14,950,452	<b>15,360,358</b>	16,239,028
Airport	74,100	<b>64,700</b>	26,687
Water supply and distribution	8,066,167	<b>7,933,308</b>	8,122,815
Wastewater treatment and disposal	2,286,792	<b>2,497,379</b>	2,116,882
Waste management	801,678	<b>603,145</b>	739,751
Family and community support	572,851	<b>811,501</b>	708,732
Daycare and out of school care	2,840,502	<b>2,244,396</b>	1,966,722
Public health and welfare	1,993,155	<b>1,895,344</b>	1,862,718
Recreation and culture	15,343,654	<b>13,663,716</b>	13,037,622
Housing operations	2,823,376	<b>2,841,917</b>	1,999,533
<b>Total expenses</b>	<b>66,487,762</b>	<b>62,710,832</b>	58,396,377
<b>Excess (deficiency) of revenue over expenses - before other</b>	<b>(9,166,011)</b>	<b>(1,512,578)</b>	2,860,380
<b>Other</b>			
Loss on disposal of tangible capital assets	-	<b>(11,214,162)</b>	(2,998,850)
Government transfers for capital	-	<b>2,159,345</b>	1,221,306
<b>Excess of revenues over expenses</b>	<b>(9,166,011)</b>	<b>(10,567,395)</b>	1,082,836
<b>Accumulated surplus - beginning of the year</b>	<b>334,158,347</b>	<b>334,158,347</b>	333,075,511
<b>Accumulated surplus - end of the year</b>	<b>324,992,336</b>	<b>323,590,952</b>	334,158,347

**MD OF OPPORTUNITY NO. 17**  
**Notes to Consolidated**  
**Year Ended December 31, 2023**

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1. Significant accounting policies

Basis of presentation

The consolidated financial statements of the municipality 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 municipality 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 municipality, therefore, accountable to Council for the administration of their financial affairs and resources. Included with the municipality are the following:

**Wabasca/Desmarais Housing Authority**

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 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 the 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.

Significant estimates include:

- Amortization of tangible capital assets
- Estimated useful life of tangible capital assets
- Allowance for doubtful accounts

*(continues)*

**MD OF OPPORTUNITY NO. 17**  
**Notes to Consolidated**  
**Year Ended December 31, 2023**

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1. Significant accounting policies (*continued*)

Cash and cash equivalents

Cash includes cash and cash equivalents. Cash equivalents are investments in treasury bills and are valued at cost plus accrued interest. The carrying amounts approximate fair value because they have maturities at the date of purchase of less than ninety days.

Loans receivable

Loans receivable are recorded at book value. Loans that are more than six months in arrears, without legal action, are classified as non-performing. Allowance for doubtful accounts has been provided and there has been a write-down of loans receivable to their net realizable value in the account.

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 unmatured long term debt, less actuarial requirements for the retirement of any sinking fund debentures.

Requisition over-levy and under-levy

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

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

Tax revenue

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

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

(*continues*)

**MD OF OPPORTUNITY NO. 17**  
**Notes to Consolidated**  
**Year Ended December 31, 2023**

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1. Significant accounting policies (*continued*)

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.

Landfill closure and post-closure liability

Pursuant to the Alberta Environmental Protection and Enhancement Act, the municipality is required to fund the closure of its landfill site and provide for post-closure care of the facility. Closure and post-closure activities include the final clay cover, landscaping, as well as surface and ground water monitoring, leachate control, and visual inspection. The requirement is being provided for over the estimated remaining life of the landfill site based on usage.

Non-financial assets

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

a) 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:

	<b>YEARS</b>
Buildings	25-50
Engineered structures	
Water system	45-75
Wastewater system	45-75
Other engineered structures	10-65
Machinery and equipment	10-40
Land improvements	25-50
Vehicles	10-40

b) Contributions 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.

c) 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.

*(continues)*

**MD OF OPPORTUNITY NO. 17**  
**Notes to Consolidated**  
**Year Ended December 31, 2023**

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1. Significant accounting policies (*continued*)

d) Inventories for consumption

Inventories held for consumption are recorded at the lower of cost and replacement cost.

e) Cultural and historical tangible capital assets

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

2. Recent accounting pronouncements published but not yet adopted

The following accounting standards have been issued by the Chartered Professional Accountants of Canada (CPAC) but are not yet effective. The municipality is currently evaluating the effect of adopting these standards on their financial statements.

Section 3400 - Revenue

This new Section establishes standards on how to account for and report on revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations and transactions that do not have performance obligations. This Section applies to fiscal years beginning on or after April 1, 2023.

Guideline PSG-8 – Purchased Intangibles

This new guideline explains the scope of intangibles allowed to be recognized in financial statements given the removal of the recognition prohibition relating to purchased intangibles in section PS 1000. This new guideline is effective for fiscal periods beginning on or after April 1, 2023.

Section PS 3160 – Public Private Partnerships

This new section establishes standards on how to account for public private partnership arrangements. This new section is effective for fiscal periods beginning on or after April 1, 2023. Earlier adoption is permitted.

3. Cash and temporary investments

	<b>2023</b>	2022
Cash	<b>\$ 17,999,662</b>	\$ 64,090,667
Temporary investments	<b>53,045,540</b>	148,606
	<b>\$ 71,045,202</b>	\$ 64,239,273

Temporary investments are short term deposits with original maturities of three months or less.

Council has designated funds of \$24,458,049 (2022 - \$24,388,704) included in the above amounts for equipment replacement.

Included in cash and temporary investments is a restricted amount of \$3,158,586 (2022 – \$3,670,311) comprised of deferred revenue not expended (Note 8).

**MD OF OPPORTUNITY NO. 17**  
**Notes to Consolidated**  
**Year Ended December 31, 2023**

4. Taxes and grants in place of taxes receivable

	2023	2022
Current taxes and grants in place of taxes	\$ 3,101,844	\$ 2,749,514
Arrears taxes	11,433,377	10,415,469
	<b>14,535,221</b>	13,164,983
Less: allowance for doubtful accounts	<b>(10,260,567)</b>	(9,336,304)
	<b>\$ 4,274,654</b>	<b>\$ 3,828,679</b>

5. Loans receivable

	2023	2022
Non-interest bearing mortgage loan agreements receivable, repayable in monthly payments of \$1,400. The loans mature between 2025 and 2028 and are secured by claims against the housing units sold.	\$ 1,675,092	\$ 1,765,305
Non-interest bearing loan receivable with no set repayment terms and is secured by a claim against the housing unit owned by the borrower.	4,761	4,761
	<b>1,679,853</b>	1,770,066
Allowance for doubtful loans receivable	<b>(1,381,395)</b>	(1,381,395)
	<b>\$ 298,458</b>	<b>\$ 388,671</b>

6. Municipal revolving loan

The municipality has a credit facility with ATB Financial, which includes an approved Municipal revolving loan that can be drawn upon to a maximum of \$11,800,000 which bears interest at prime plus 1% and is secured by a general security agreement. At the consolidated statement of financial position date, the amount owing, which is due on demand, was \$nil (2022: \$nil). Prime rate is 7.2% at December 31, 2023.

7. Accounts payable and accrued liabilities

	2023	2022
Trade accounts payable and accrued liabilities	\$ 6,083,838	\$ 4,036,005
Vacation and overtime accruals	617,471	562,412
Government payables	491,496	424,469
Overlevy	916,962	-
	<b>\$ 8,109,767</b>	<b>\$ 5,022,886</b>



**MD OF OPPORTUNITY NO. 17**  
**Notes to Consolidated**  
**Year Ended December 31, 2023**

8. Deferred revenue

	<b>2023</b>	<b>2022</b>
Operating	\$ 292,164	\$ 203,317
Deposit liabilities and prepaid rent	8,844	-
Alberta Municipal Water/Wastewater Partnership	2,820,729	2,820,729
Strategic Transportation Infrastructure Program	-	450,000
Alberta Community Partnership	-	150,000
Tax sale surplus	36,849	46,265
	<b>\$ 3,158,586</b>	<b>\$ 3,670,311</b>

Alberta Municipal Water/Wastewater Partnership

Funding in the amount of \$6,251,193 was received in a previous year from Alberta Municipal Water/Wastewater Partnership. The use of these funds is restricted to the Sandy Lake water treatment plant project as approved under the funding agreement. This project was completed however the funds are not required to be repaid. The municipality is working with the Alberta Municipal Water/Wastewater Partnership to approve a new project to use these funds. Unexpended funds related to the advance are supported by temporary investments of \$2,820,729 held exclusively for these projects (Note 3).

9. Unamortized capital contributions related to housing units

The Housing Authority received provincial funding to build affordable housing units which are sold to qualified applicants. The terms of the funding require that the revenue associated with these grants be recognized over 20 years. The funding was received under the Sustainable Remote Housing Initiative Grant.

	<b>2023</b>	<b>2022</b>
2004 - 2005 Alberta Government Grant for 18 units	\$ 67,500	\$ 135,000
2006 - 2008 Alberta Government Grant for 30 units	665,500	830,500
	<b>\$ 733,000</b>	<b>\$ 965,500</b>

**MD OF OPPORTUNITY NO. 17**  
**Notes to Consolidated**  
**Year Ended December 31, 2023**

10. Long-term debt

	2023	2022
Long term care facility debenture	\$ 20,576,890	\$ 21,370,088
Developer agreement debenture	975,760	1,051,892
Wabasca paving project debenture	9,300,683	-
	<b>\$ 30,853,333</b>	<b>\$ 22,421,980</b>

The current portion of the long-term debt amounts to \$1,182,712 (2022 - \$869,329)

Principal and interest repayments are as follows:

	Principal	Interest	Total
2024	\$ 1,182,712	\$ 1,118,001	\$ 2,300,713
2025	1,225,047	1,075,666	2,300,713
2026	1,268,996	1,031,717	2,300,713
2027	1,314,626	986,087	2,300,713
2028	1,362,007	938,706	2,300,713
Thereafter	<u>24,499,945</u>	<u>7,143,985</u>	<u>31,643,930</u>
	<b>\$ 30,853,333</b>	<b>\$ 12,294,162</b>	<b>\$ 43,147,495</b>

Debenture debt is repayable to the Alberta Capital Finance Authority and bears interest at rates ranging from 3.004% to 5.13% per annum and matures in periods 2034 through 2044. The average annual interest rate is 3.8465% for 2023 (2022 - 3.205%).

Debenture debt is issued on the credit and security of the municipality at large.

Interest on long-term debt amounted to \$1,275,133 (2022 - \$720,079).

The municipality's total cash payments for interest were \$1,217,566 (2022 - \$721,814).

11. Obligations under capital lease

	2023	2022
Caterpillar Finance capital lease repaid during the year.	\$ -	\$ 223,183
Caterpillar Finance capital lease repaid during the year.	-	223,183
Caterpillar Finance capital lease repaid during the year.	-	57,996
	<b>\$ -</b>	<b>\$ 504,362</b>

**MD OF OPPORTUNITY NO. 17**  
**Notes to Consolidated**  
**Year Ended December 31, 2023**

12. 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 municipality be disclosed as follows:

	<b>2023</b>	2022
Total debt limit	<b>\$ 102,385,103</b>	\$ 99,781,686
Total debt	<b>30,853,333</b>	22,421,980
Amount of debt limit unused	<b>\$ 71,531,770</b>	\$ 77,359,706
Debt servicing limit	<b>\$ 17,064,184</b>	\$ 16,630,281
Debt servicing	<b>2,300,713</b>	1,540,452
Amount of debt servicing limit unused	<b>\$ 14,763,471</b>	\$ 15,089,829

The debt limit is calculated at 1.5 times revenue of the municipality excluding transfers from the governments of Alberta and Canada for the purposes of capital property (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.

13. Inventory for consumption

	<b>2023</b>	2022
Gravel	<b>\$ 320,752</b>	\$ 309,161
Fuel	<b>231,773</b>	75,873
Eagle Point golf course merchandise	<b>107,427</b>	115,303
	<b>\$ 659,952</b>	\$ 500,337

**MD OF OPPORTUNITY NO. 17**  
**Notes to Consolidated**  
**Year Ended December 31, 2023**

14. Landfill closure and post-closure liability

For the year ended December 31, 2023 the municipality was required to, but did not, adopt Section PS 3280 - Asset Retirement Obligations. Please see Qualified Audit Opinion for further details.

Alberta environmental law requires closure and post-closure care of landfill sites, which includes final covering and landscaping, pumping of ground water and leachates from the site, and ongoing environmental monitoring, site inspections and maintenance.

The estimated total liability is based on the sum of discounted future cash flows for closure and post-closure activities for 25 years after closure using a discount rate of 6% and assuming annual inflation of 2.31%.

The accrued liability portion is based on the cumulative capacity used at year end compared to the estimated total landfill capacity. The total capacity of the site is estimated at 232,999 tonnes. The estimated remaining capacity of the landfill site is 165,178 tonnes (2022 – 172,560 tonnes). The existing landfill site is expected to reach capacity in approximately the year 2034.

The municipality has not designated assets for settling closure and post-closure liabilities.

	<b>2023</b>	2022
Estimated closure costs	<b>\$ 1,274,670</b>	\$ 1,274,670
Estimated post-closure costs	<b>2,700,000</b>	2,700,000
Total estimated costs	<b>3,974,670</b>	3,974,670
Liability accrued to December 31, 2023	<b>(1,078,397)</b>	(1,078,397)
Estimated balance to accrue	<b>\$ 2,896,273</b>	\$ 2,896,273

15. Equity in tangible capital assets

	<b>2023</b>	2022
Tangible capital assets (Schedule 2)	<b>\$536,861,066</b>	\$553,075,588
Less: Accumulated amortization (Schedule 2)	<b>240,724,263</b>	249,515,477
Less: Long-term debt (Note 10)	<b>3,085,334</b>	22,421,980
Less: Capital lease obligations (Note 11)	-	504,362
Less: Deferred contributions related to housing units (Note 9)	<b>733,000</b>	965,500
	<b>\$292,318,469</b>	\$279,668,269

**MD OF OPPORTUNITY NO. 17**  
**Notes to Consolidated**  
**Year Ended December 31, 2023**

16. Accumulated surplus

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

	<b>2023</b>	<b>2022</b>
Unrestricted surplus	<b>\$ 47,160,282</b>	\$ 42,658,010
Restricted surplus		
General capital	<b>15,739,114</b>	15,669,769
Water	<b>8,718,935</b>	8,718,935
Equity in tangible capital assets	<b>264,550,469</b>	279,668,269
	<b>\$336,168,800</b>	\$346,714,983

17. Contingencies

Optrics Inc. filed a Statement of Claim on October 17, 2017, seeking damages of \$1,634,032 plus interest and costs. The municipality has filed a Statement of Defence and Notice to Co-Defendants on December 15, 2017. An amended Statement of Defence was filed on December 6, 2018, on behalf of TekTeam Consulting Inc. and Mihai Lupescu. Further information will be required to properly address the full extent of the claim against the Municipality. Legal counsel is of the opinion that the Municipality should not be found liable for breach of contract. The municipality paid \$140,000 in 2023 with respect to the unpaid services claim. Legal counsel is of the opinion that the unpaid services claim is now satisfied by Optrics.

18. Commitments

The municipality is committed to completion of the Sandy Lake lagoon project. As of December 31, 2023, the municipality has incurred \$913,547 in project-related costs. The balance of costs committed to complete the project is \$4,102,687.

The municipality is committed to completion of the Sandy Lake water and sewer South End phase project. As of December 31, 2023, the municipality has incurred \$109,25 in project-related costs. The balance of costs committed to complete the project is \$2,203,077.

The municipality is committed to completion of the Wabasca north bridge project. As of December 31, 2023, the municipality has incurred \$45,656 in project-related costs. The balance of costs committed to complete the project is \$2,336,122.

The municipality is committed to completion of the Wabasca paving project. As of December 31, 2023, the municipality has incurred \$8,277,837 in project-related costs. The balance of costs committed to complete the project is \$2,105,303.

**MD OF OPPORTUNITY NO. 17**  
**Notes to Consolidated**  
**Year Ended December 31, 2023**

19. Segmented disclosure

The municipality 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).

20. 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:

			<b>2023</b>	2022
	Salary (1)	Benefits & allowances (2)		Total
Councillors:				
Marcel D. Auger (Reeve)	\$ 100,677	\$ 7,030	<b>\$ 107,707</b>	\$ 105,211
Brendan Powell (Deputy Reeve)	93,158	6,436	<b>99,594</b>	99,767
Leo Alook	89,865	5,550	<b>95,415</b>	94,475
Larry Cardinal	86,624	1,008	<b>87,632</b>	85,954
Louis Cardinal	90,816	5,951	<b>96,767</b>	96,237
Cheri Courtorielle	96,757	6,842	<b>103,599</b>	97,359
Robin Guild	90,050	5,722	<b>95,772</b>	95,227
Darlene Davis-Jackson	97,551	6,835	<b>104,386</b>	93,294
Gerald Johnson	96,016	6,450	<b>102,466</b>	95,343
Tahirih Wiebe	93,478	4,062	<b>97,540</b>	91,402
Roy Yellowknee	91,552	6,737	<b>98,289</b>	96,715
Chief Administrative Officer	251,736	6,160	<b>257,896</b>	252,430
Subdivision and Appeal Board Clerk	112,257	5,451	<b>117,708</b>	37,955

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.
3. An automobile is provided and no amount is included in the benefits and allowances figure.
4. Benefits and allowances figures also include the employer's share of the costs of additional taxable benefits including special leave with pay, financial and retirement planning services, concessionary loans, travel allowances, car allowances and club memberships.

**MD OF OPPORTUNITY NO. 17**  
**Notes to Consolidated**  
**Year Ended December 31, 2023**

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21. Local Authorities Pension Plan

Employees of the municipality participate in the Local Authorities Pension Plan (LAPP), which is one of the plans covered by the 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 municipality 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.

Total current service contributions by the municipality to the LAPP in 2023 were \$1,246,574 (2022 - \$1,212,728). Total current service contributions by the employees of the municipality to the Local Authorities Pension Plan in 2023 were \$1,112,110 (2022 - \$1,082,983).

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

22. Financial instruments

The municipality's financial instruments consist of cash and temporary investments, accounts receivable, debt charges recoverable, accounts payable and accrued liabilities, deposit liabilities, and long term debt. It is management's opinion that the municipality is not exposed to significant interest or currency risk arising from these financial instruments.

The municipality is subject to credit risk with respect to taxes and grants in place of taxes receivable and trade and other receivables. Credit risk arises from the possibility that taxpayers and entities to which the municipality 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. Approval of financial statements

Council and Management have approved these financial statements.

24. Budget amounts

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

**MD OF OPPORTUNITY**  
**Operating Summary by Department**  
**For the Twelve Months Ending December 31, 2024**

Account Description	Budget 2023	Final Budget 2024
<b>REVENUE</b>		
Finance - General - Revenue	63,098,504.	71,245,838.
Finance - Operations - Revenue	2,002,115.	454,366.
Economic Development & Tourism - Revenue	0.	0.
Fire Department - Revenue	0.	133,482.
Municipal Enforcement - Revenue	0.	39,500.
Regulatory Services - Revenue	776,650.	1,223,250.
Transportation - Revenue	60,800.	98,800.
Water - Revenue	1,644,225.	942,000.
Sewer - Revenue	341,000.	339,000.
Landfill/Transfer Site - Revenue	313,500.	357,500.
FCSS - Revenue	444,098.	225,053.
Child Care - Revenue	828,000.	891,700.
Keyanow Medical Clinic - Revenue	0.	36,000.
Recreation & Culture - Revenue	1,030,287.	877,987.
<b>Total Revenue</b>	<b>70,539,179.</b>	<b>76,864,476.</b>
<b>EXPENDITURES</b>		
Finance - General - Expenditures	9,206,594.	10,715,244.
Council - Expenditures	1,715,942.	1,654,498.
Finance - Operations - Expenditures	3,248,969.	2,869,952.
Management - Expenditures	1,965,674.	2,027,240.
Administration - Expenditures	2,541,794.	2,428,700.
Facility Maintenance - Expenditures	0.	4,528,424.
Economic Development & Tourism - Expenditures	0.	13,130.
Fire Department - Expenditures	0.	1,839,774.
Municipal Enforcement - Expenditures	0.	2,745,692.
Regulatory Services - Expenditures	5,051,925.	2,696,362.
Transportation - Expenditures	14,851,452.	16,685,500.
Airport - Expenditures	74,100.	97,400.
Water - Expenditures	7,752,467.	7,392,775.
Sewer - Expenditures	2,286,792.	2,303,928.
Landfill/Transfer Site - Expenditures	801,678.	863,048.
FCSS - Expenditures	497,851.	343,095.
Child Care - Expenditures	2,838,502.	2,797,820.
Keyanow Medical Clinic - Expenditures	1,993,155.	1,997,155.
Child Care - OSC - Wabasca - Expenditures	2,000.	0.
Keekenow Senior Facility - Expenditures	500,630.	500,630.
WDHA - Expenditures	0.	54,983.
M.D Housing Corporation - Expenditures	0.	0.
Recreation & Culture - Expenditures	15,343,654.	12,309,126.
<b>Total Expenditures</b>	<b>70,673,179.</b>	<b>76,864,476.</b>
<b>Total Net Income - Surplus / (Deficit)</b>	<b>(134,000.)</b>	<b>0.</b>



# STRATEGIC PLAN

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## 2022-2025

M.D. of Opportunity No. 17

Box 60  
2077 Mistassiniy Road North  
Wabasca, AB T0G 2K0





# A MESSAGE FROM COUNCIL



On behalf of the Municipal District of Opportunity #17 Council, we are pleased to present our 2022-2025 Strategic Plan. This plan is a roadmap for Council and staff as we make decisions and move forward over the next three years that reflect the priorities of our Communities Sustainable Infrastructure; Corporate Excellence; Strong Community; Economic Prosperity and building relationships with other Governments and Agencies.

It is our goal to have people feel connected in a place with a rich history and culture where they can thrive. We continue to aim and build a competitive economy that celebrates entrepreneurship, provides opportunity, creates jobs, and enhances all community's attractiveness. Our core goal is to deliver transparent, affordable, local government services to our constituents with excellence.

REEVE Marcel D. Auger C:780-891-8272  
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marcel.auger@mdopportunity.ab.ca

DEPUTY REEVE Brendan Powell C:587-279-0033  
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COUNCILLOR Leo Alook C:780-649-0182  
Trout Lake, Ward 5  
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COUNCILLOR Larry Cardinal C:780-984-4958  
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COUNCILLOR Louis A. Cardinal C:780-649-5858  
Peerless Lake, Ward 4  
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COUNCILLOR Cheri Courtorielle C:780-231-4442  
Calling Lake, Ward 2  
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COUNCILLOR Robin Guild C:780-773-6284  
Wabasca, Ward 1  
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COUNCILLOR Darlene Jackson C:780-891-7900  
Wabasca, Ward 1  
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COUNCILLOR Gerald Johnson C:780-676-4400  
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COUNCILLOR Tahirih Wiebe C:780-273-0122  
Sandy Lake, Ward 3  
tahirih.wiebe@mdopportunity.ab.ca

COUNCILLOR Roy Yellowknee C:780-891-8795  
Chipewyan Lake, Ward 7  
roy.yellowknee@mdopportunity.ab.ca

## VISION:

A THRIVING MUNICIPALITY THAT IS PROVIDING A HEALTHY, CULTURALLY DIVERSE LIFESTYLE WHICH IS SUSTAINABLE WITH OPPORTUNITIES FOR GROWTH AND PROSPERITY

## MISSION:

WE PROVIDE OUR RESIDENTS WITH A VARIETY OF HIGH LEVEL, AFFORDABLE SERVICES WHILE ENCOURAGING ECONOMIC GROWTH AND DEVELOPING SUCCESSFUL PARTNERSHIPS





## CORE VALUES

**Accountability:** being responsible to our ratepayers;  
transparency

**Health:** promoting wellness of our residents and  
communities

**Service:** providing affordable, quality services

**Residents:** valuing our communities and their residents

**Relationships:** placing importance on working  
together to achieve results





# STRATEGIC PRIORITY AREAS

- Residents
- Economy
- Budget
- Marketing and Branding



# STRATEGIC PRIORITY AREAS AND GOALS:

- **RESIDENTS:**
  - Goal: Support Treaty Land Entitlement negotiations for Peerless and Trout Lake First Nations and Bigstone Cree Nation
  - Goal: Continued support of rate payers
  
- **ECONOMY:**
  - Goal: Diversification of the economy.
  - Strategy: Working committees with industry, neighbours and agencies
  - Strategy: Solidify our industrial partnerships
  
- **BUDGET:**
  - Goal: Budget so that the goals of council are achieved
  - Strategy: Submit more grant applications
  - Strategy: Lobby government to increase service provision in our region (healthcare, roads, education, grants)
  - Strategy: Complete our existing projects
  - Strategy: Community beautification
  
- **MARKETING AND BRANDING:**
  - Goal: Cultural acknowledgement and visual promotion



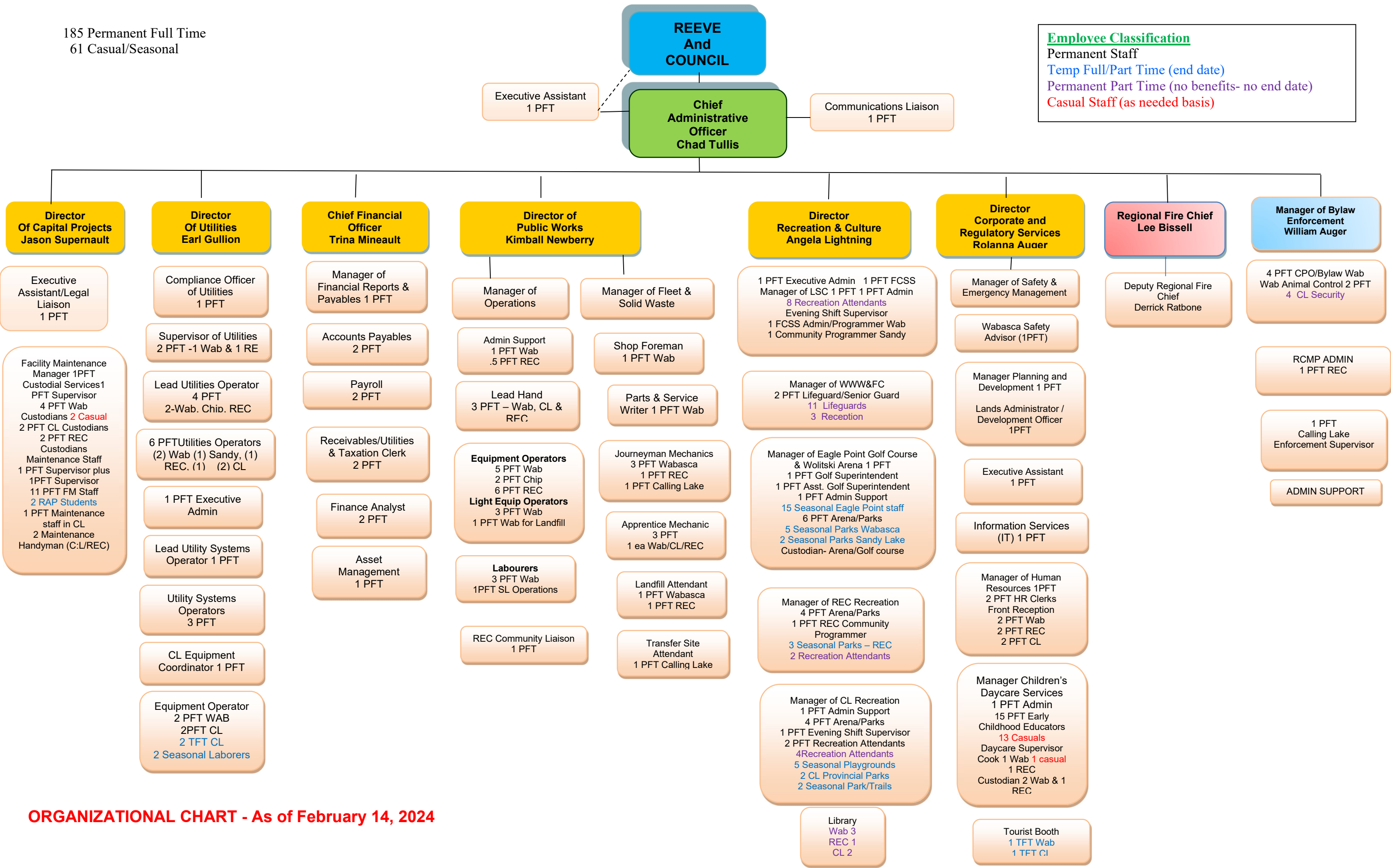
#	CAPITAL BUDGET	2022	2023	2024	2025
1	CL - Multi Plex Construction (Seniors)	2,800,577			
2	WB - North Bridge - BF77255	1,201,122			
3	SL - Lagoon	4,564,216			
4	Keekenow Senior Facility	372,500			
5	WB - Arena Improvements	147,479			
6	CL Wellsite Pit - Gravel Crushing	100,000			
7	CL WTP Filter	194,280			
8	WB - Main Office - Renovation	97,124			
9	WB - Fireguard	1,170,820			
10	RE - Fireguard	988,737			
11	CL - Generator	50,000			
12	ALL - Street Lights (Excl. CL)	80,000			
13	RE - Community Hall - New	2,213,515			
14	WB - Fire Department - Concrete Pad	740,000			
15	SL W&S South End Phase	1,531,877			
16	RE - Arena - Apron Replacement/Concrete	85,000			
17	WB - Eagle Point Golf Course Expansion - 2018	264,632			
18	WB - Public Wrks Shop - Concrete Aprons/Sidewalks	248,220			
19	SL - Hall Air Conditioning/Kitchen Renovations	177,014			
20	WB - Spray Park	555,000			
21	CL - Spray Park	550,000			
22	WB - Eli Cardinal Park Improvements	150,000			
23	RE - Community Site Playground	150,000			
24	SL - Campground Improvements	50,000			
25	WB - Facility Maintenance Shop Concrete	50,000			
26	ALL - Christmas Decorations	200,000			
27	CL - Street Lights - SE30-72-21-4	25,000			
28	ALL - Fleet - Vehicle Purchases 2022	1,246,345			
29	ALL - Fleet - Equipment Purchases 2022	1,645,849			
30	WB - Muskwa Cemetary 2022	100,000			
31	WB - Desmarais Raw Pump House	59,000			
32	WB - Lab Lift Station Generator	100,000			
33	CL - Meeting Room/Washroom	63,500			
34	PL - Truckfill & Keypad Upgrade	20,200			
35	RE - Truckfill & Keypad Upgrade	20,200			
36	TL - Truckfill & Keypad Upgrade	20,200			
37	ALL - IT - Hardware Infrastructure 2022	50,000			
38	ALL - Security Camera/Surveillance Upgrade	200,000			
39	WB - Mud Bog Clearing	540,000			
40	ALL - FD Radio Communications Upgrade	263,000			
41	SL - Gasification	1,100,000			
42	CL - Transportation Roof	80,000			
43	WB - Lions Campground Dock	100,000			
44	WB - All-Lot Development	540,300			
45	WB - Animal Shelter Facility	150,000			
46	WB - WWW Sidewalk Project	50,000			
	<b>TOTAL</b>	<b>25,105,707</b>			

#	CAPITAL BUDGET	2022	2023	2024	2025
47	WB - Community Stage (outreach events)	-	150,000		
48	WB Lions Club Campground Expansion/Improvements	-	200,000		
49	CL - Jaybird Arena - Addition	-	750,000		
50	WB - Arena Siding	-	140,000		
51	WB - Hall Siding	-	110,000		
52	RE- Gazebo	-	200,000		
53	WB - New Washroom at Eli Cardinal Park	-	20,000		
54	SL - Fox Dr Playground	-	100,000		
55	ALL - Marketing/Community Signage	-	1,000,000		
56	ALL - Park Improvements	-	1,000,000		
57	WB - Muskwa Cemetary 2023	-	250,000		
58	ALL - Fleet 2023	-	2,340,000		
59	WB - North Road Paving/Eagle Drive	-	5,368,705		
60	WB - David Starr Road - Paving	-	449,704		
61	WB - Cardinal Point - Paving	-	916,323		
62	WB - Desmarais Road - Paving	-	990,358		
63	WB - Noel Drive - Paving (Mist Rd to Lift Stn)	-	479,027		
64	WB - Gullion & Cardinal Avenue - Paving	-	1,234,593		
65	RE - Transportation Road - Grading/Paving	-	974,863		
66	ALL - Christmas Decorations	-	50,000		
67	WB - Airport Lift Station Upgrade	-	1,330,723		
68	ALL - FD Radio Communications Upgrade	-	125,000		
69	ALL - IT - Hardware Infrastructure 2023	-	50,000		
70	CL - Calling Lake Drive Pavement Repair & Overlay	-	-	3,632,193	
71	RE - Community Hall Parking Lot Paving	-	-	990,699	
72	RE - Cardinal Road Paving	-	-	445,863	
73	RE - Hwy 88 Service Road Paving ( RE Drive to RCMP)	-	-	969,606	
74	RE - Hwy 88 Service Road Paving ( Fas Gas to Petro-Car	-	-	1,329,606	
75	RE - Walking Trail repair & overlay	-	-	137,523	
76	ALL - Fleet 2024	-	-	4,000,000	
77	RE - Transportation Road - Paving	-	-	11,000,000	
78	WB - M&M Lift Station Generator	-	-	100,000	
79	WB - David Starr Lift Station Upgrade	-	-	600,000	
80	WB - WTP (New Plant) 2024	-	-	1,000,000	
81	CL - Calling Lake Water Treatment Plant	-	-	11,337,000	
82	ALL - Ice Rescue Equipment	-	-	48,000	
83	ALL - Vehicle Extrication Equipment	-	-	100,000	
84	ALL - IT - Hardware Infrastructure 2024	-	-	50,000	
85	ALL - Fire Dept Training Facilities 2024	-	-	150,000	
86	WB - Firehall Lean to	-	-	100,000	
87	RE - Outdoor Skating Rink	-	-		260,000
88	ALL - Fire Dept Training Facilities 2025	-	-		150,000
89	ALL - IT - Hardware Infrastructure 2025	-	-		50,000
90	ALL - Vehicle Extrication Equipment 2025	-	-		50,000
91	ALL - Fleet 2025	-	-		3,000,000
92	ALL - Christmas Decorations	-	-		50,000
93	RE - WTP New Plant	-	-		13,336,000
94	WB - WTP (New Plant) 2024	-	-		4,312,000
95	WB - FM Shop Parking Lot (Paving)	-	-		106,957
	<b>TOTAL</b>	<b>25,105,707</b>	<b>18,229,296</b>	<b>35,990,490</b>	<b>21,314,957</b>



185 Permanent Full Time  
61 Casual/Seasonal

**Employee Classification**  
 Permanent Staff  
 Temp Full/Part Time (end date)  
 Permanent Part Time (no benefits- no end date)  
 Casual Staff (as needed basis)



**ORGANIZATIONAL CHART - As of February 14, 2024**