



M.D. of Opportunity No. 17

2022 Annual Report

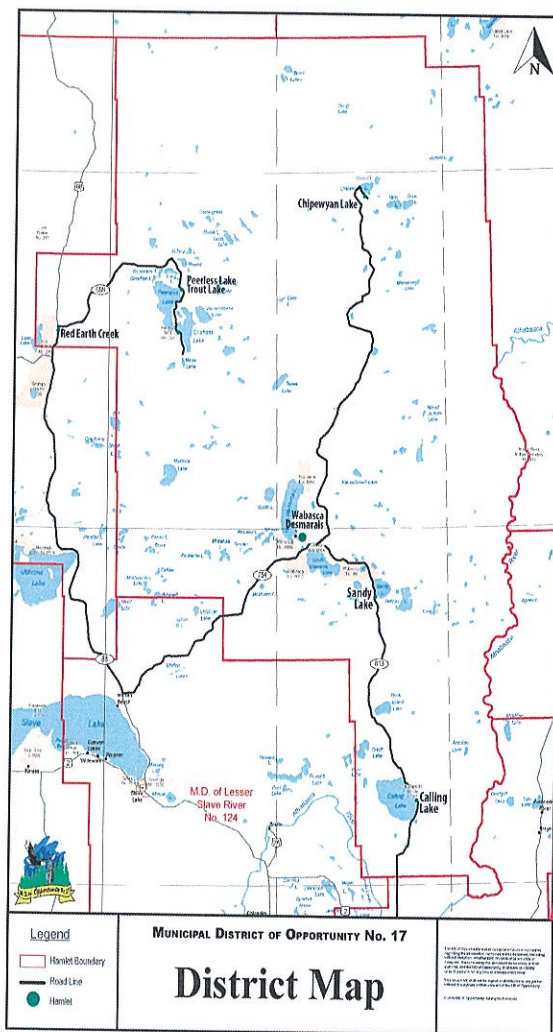


New Red Earth Creek Community Hall

TABLE OF CONTENTS

| | |
|-------|--|
| 2 | Message from Reeve |
| 3 | Vision Statement, Mission Statement, Meet your Reeve & Council |
| 4-5 | Independent Auditor's Report |
| 6-32 | Financial Reports |
| 33-34 | Tax Rate Bylaw |
| 35 | Chief Administrative Officer's Annual Report to Council |
| 36 | 2022 Operating Budget |
| 37 | 2023 Capital Budget |
| 38 | Contact Information |

The Municipal District of Opportunity is the third largest municipality in Alberta. The population is comprised predominately of First Nations people, Opportunity offers a variety of benefits to its citizens. All seven communities within the region boast community halls, while three have arenas, a swimming pool and a golf course in Wabasca. Tourism is another growth industry that takes advantage of the natural beauty to be seen at every turn. Many campgrounds and park areas are the starting points for exploring wilderness areas and walking trails. The MD is in a remote part of northern Alberta. Wabasca welcomes one and all.



Message from the Reeve of the M.D.:

Hello Residents of the Municipal District of Opportunity. As an M.D. we have gone through some tough years which included: a fire evacuation of several of our communities, a crash of our country's economy, and then the Covid Pandemic. We are still not clear of the effects of the pandemic but things have gotten better and the economy appears to be moving in the right direction so we see better brighter days in our future.

The focus for our Council with the operating & capital budget in 2022 was completing unfinished projects and stimulating our local economies with projects that local contractors could partake in.

During the Pandemic, we were forced to make some very difficult decisions and cut many positions within the organization to become more efficient in our operations. However, in the past year we have seen the need to add some positions back as we have had to increase programming in order help combat the negative affects of poor mental health within the general population.

As a priority we will continue to nurture and grow our relationship and partnerships with our neighboring nations (Bigstone Cree, Peerless/Trout, and Loon River) as we have many common interests and concerns so together, we are a louder voice to the Provincial and Federal Governments when pursuing grants and funding.

We will also continue to meet with the province to push for our fair share of grants to offset the millions of dollars the province collects on Industry within our borders.

Municipal District of Opportunity No. 17

Vision Statement:

Through unified leadership, the M.D. of Opportunity will provide a superior quality of life, unity and equality for our communities while preserving the environment.

Mission Statement:

Provide opportunity for our communities; unite cultures and provide a broad range of affordable municipal and community services; encourage people to participate in the future of their Communities; understand diverse cultures, environmental consideration while planning economic growth and sustainability.

Meet Your Reeve & Council



From left to right – Top Row: Councillor Louis A. Cardinal – Ward 4 Peerless Lake, Councillor Roy Yellowknee – Ward 7 Chipewyan Lake, Councillor Gerald Johnson – Ward 2 Calling Lake, Reeve Marcel D. Auger – Ward 1 Wabasca, Councillor Robin Guild – Ward 1 Wabasca, Deputy Reeve Brendan Powell – Ward 6 Red Earth Creek, Councillor Larry Cardinal – Ward 1 Wabasca

From left to right – Bottom Row: Councillor Darlene Jackson – Ward 1 Wabasca, Councillor Tahirih Wiebe – Ward 3 Sandy Lake, Councillor Cheri Courtorielle – Ward 2 Calling Lake, Councillor Leo Alook – Ward 5 Trout Lake

INDEPENDENT AUDITOR'S REPORT

To the Reeve and Council 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, 2021, 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, 2021, and the consolidated results of its operations and consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards (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 Reeve and Council 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 and
Company***

Chartered Professional Accountants

Vegreville, AB
April 28, 2022

MD OF OPPORTUNITY NO. 17
Consolidated Statement of Financial Position
As at December 31, 2021

| | 2021 \$ | 2020 \$ |
|---|--------------------|--------------------|
| Financial Assets | | |
| Cash and temporary investments (Note 3) | 57,172,662 | 51,622,427 |
| Taxes and grants in place of taxes receivable (Note 4) | 1,479,464 | 2,796,697 |
| Due from federal and provincial governments | 4,395,842 | 9,311,570 |
| Trade and other receivables | 1,480,773 | 1,026,458 |
| Loans receivable (Note 5) | 475,131 | 597,033 |
| Land held for resale | 900,282 | 900,282 |
| | 65,904,154 | 66,254,467 |
| Liabilities | | |
| Municipal revolving loan (Note 6) | - | 1,945,283 |
| Accounts payable and accrued liabilities (Note 7) | 5,867,222 | 8,766,084 |
| Deposit liabilities | 159,261 | 216,042 |
| Deferred revenue (Note 8) | 3,101,888 | 3,183,754 |
| Restricted operating reserve fund | 5,000 | - |
| Unamortized capital contributions related to housing units (Note 9) | 1,198,000 | 1,430,500 |
| Long term debt (Note 10) | 23,265,483 | 24,083,928 |
| Capital lease obligations (Note 11) | 799,085 | 1,121,062 |
| | 34,395,939 | 40,746,653 |
| Net Financial Assets | 31,508,215 | 25,507,814 |
| Non-Financial Assets | | |
| Tangible capital assets (Schedule 2) | 312,459,953 | 317,181,918 |
| Inventory for consumption (Note 13) | 1,094,418 | 434,909 |
| Prepaid expenses | 1,583,052 | 491,351 |
| | 315,137,423 | 318,108,178 |
| Accumulated Surplus (Schedule 1, Note 16) | 346,645,638 | 343,615,992 |

Contingencies (Note 17)

Commitments (Note 18)

MD OF OPPORTUNITY NO. 17
Consolidated Statement of Operations
Year Ended December 31, 2021

| | Budget | 2021 | 2020 |
|---|--------------------|-------------------------|--------------------|
| | \$ | \$ | \$ |
| | (Unaudited) | | |
| Revenue | | | |
| Net municipal taxes <i>(Schedule 3)</i> | 50,048,129 | 50,319,272 | 51,247,228 |
| User fees and sales of goods | 3,484,762 | 2,659,517 | 2,962,018 |
| Government transfers for operating <i>(Schedule 4)</i> | 1,164,149 | 2,176,814 | 7,354,064 |
| Rental | 2,464,667 | 2,101,623 | 1,444,380 |
| Investment income | 505,191 | 392,412 | 522,748 |
| Penalties and costs on taxes | 261,653 | 1,082,210 | 840,516 |
| Loss on disposal of tangible capital assets | 66,150 | (402,379) | (413,569) |
| Well drilling | 100,000 | 4,276 | 71,883 |
| Licenses, permits and fines | 16,700 | 45,220 | 20,037 |
| Other | 1,987,112 | 552,758 | 1,333,335 |
| Total revenue | 60,098,513 | 58,931,723 | 63,715,970 |
| Expenses | | | |
| Council | 1,963,142 | 1,330,572 | 1,282,874 |
| Administration | 10,401,054 | 8,741,181 | 12,490,607 |
| Engineering | 157,968 | 119,505 | 269,785 |
| Fire protection and safety services | 4,186,759 | 3,508,276 | 4,326,681 |
| Roads, streets, walks, lighting | 13,849,493 | 15,158,918 | 15,465,279 |
| Airport | 100,900 | 117,010 | 36,535 |
| Water supply and distribution | 7,131,846 | 7,237,686 | 6,967,557 |
| Wastewater treatment and disposal | 2,185,288 | 1,886,806 | 2,206,061 |
| Waste management | 622,257 | 724,778 | 685,160 |
| Family and community support | 342,743 | 326,181 | 201,140 |
| Daycare and out of school care | 1,955,279 | 1,491,274 | 1,851,200 |
| Public health and welfare | 3,159,610 | 2,495,677 | 2,663,256 |
| Land use, planning, zoning, and development | 195,000 | 115,810 | 57,223 |
| Economic development and tourism | 748,549 | 523,406 | 99,763 |
| Recreation and culture | 10,558,943 | 9,916,290 | 10,693,341 |
| Housing operations | 8,737,496 | 8,094,441 | 6,821,350 |
| Total expenses | 66,296,327 | 61,787,811 | 66,117,812 |
| Deficiency of revenue over expenses - before other | (6,197,814) | (2,856,088) | (2,401,842) |
| Other | | | |
| <u>Government transfers for capital <i>(Schedule 4)</i></u> | <u>4,861,210</u> | <u>5,885,734</u> | <u>2,800,569</u> |
| Excess (deficiency) of revenues over expenses | (1,336,604) | 3,029,646 | 398,727 |
| Accumulated surplus - beginning of the year | 343,615,992 | 343,615,992 | 343,217,265 |
| Accumulated surplus - end of the year | 342,279,388 | 346,645,638 | 343,615,992 |

MD OF OPPORTUNITY NO. 17**Consolidated Statement of Change in Net Financial Assets****Year Ended December 31, 2021**

| | Budget \$ (Unaudited) | 2021 \$ | 2020 \$ |
|--|---|---------------------|-------------------|
| Excess (deficiency) of revenues over expenses | (1,336,604) | 3,029,646 | 398,727 |
| Acquisition of tangible capital assets | (27,619,917) | (13,019,650) | (8,795,305) |
| Proceeds on disposal of tangible capital assets | - | 3,849,338 | 16,622 |
| Amortization of tangible capital assets | 13,500,000 | 13,489,898 | 13,581,719 |
| Loss on disposal of tangible capital assets | 66,150 | 402,379 | 413,569 |
| | (14,053,767) | 4,721,965 | 5,216,605 |
| Use (acquisition) of supplies inventories | - | (659,509) | 503,320 |
| Use (acquisition) of prepaid assets | - | (1,091,701) | 238,809 |
| | | (1,751,210) | 742,129 |
| Increase in net financial assets | (15,390,371) | 6,000,401 | 6,357,461 |
| Net Financial Assets, beginning of year | 25,507,814 | 25,507,814 | 19,150,353 |
| Net Financial Assets, end of year | 10,117,443 | 31,508,215 | 25,507,814 |

MD OF OPPORTUNITY NO. 17
Consolidated Statement of Cash Flows
Year Ended December 31, 2021

| | 2021 \$ | 2020 \$ |
|---|--------------------|--------------------|
| Operating | | |
| Excess of revenue over expenses | 3,029,646 | 398,727 |
| Net changes in non-cash items included in excess (deficiency) of revenues over expenses | | |
| Amortization of tangible capital assets | 13,489,898 | 13,581,717 |
| Loss on disposal of tangible capital assets | 402,379 | 413,569 |
| Net changes in non-cash charges to operations | | |
| Decrease (increase) in taxes and grants in lieu receivable | 1,317,233 | (661,880) |
| Decrease (increase) in government receivables | 4,915,728 | (4,708,301) |
| Decrease (increase) in trade and other receivables | (454,315) | 2,239,950 |
| Decrease in loans receivable | 121,902 | 92,746 |
| Increase in restricted operating reserve fund | 5,000 | - |
| Decrease (increase) in prepaid expenses | (1,091,701) | 238,809 |
| Decrease (increase) in inventory for consumption | (659,509) | 503,320 |
| Increase (decrease) in accounts payable and accrued liabilities | (2,898,863) | 1,894,584 |
| Increase (decrease) in deposit liabilities | (56,781) | 3,676 |
| Decrease in unamortized capital contributions related to housing units | (232,500) | (232,500) |
| Decrease in deferred revenues | (81,866) | (57,741) |
| <i>Net cash provided by operating transactions</i> | 17,806,251 | 13,706,676 |
| Capital | | |
| Acquisition of tangible capital assets | (13,019,650) | (8,795,305) |
| Proceeds on disposal of tangible capital assets | 3,849,338 | 16,622 |
| <i>Net cash used in capital transactions</i> | (9,170,312) | (8,778,683) |
| Investing | | |
| Increase in restricted cash | 81,866 | 57,741 |
| <i>Net cash provided by investing transactions</i> | 81,866 | 57,741 |
| Financing | | |
| Revolving loan advanced | - | 1,945,283 |
| Revolving loan repaid | (1,945,283) | - |
| Capital lease obligations repaid | (321,976) | (331,040) |
| Long term debt repaid | (818,445) | (794,133) |
| <i>Net cash provided by (used in) financing transactions</i> | (3,085,704) | 820,110 |
| Change in cash and cash equivalents during the year | 5,632,101 | 5,805,844 |
| Cash and cash equivalents, beginning of year | 48,438,673 | 42,632,829 |
| Cash and cash equivalents, end of year | 54,070,774 | 48,438,673 |
| Cash and cash equivalents is made up of: | | |
| Cash and temporary investments (Note 3) | 57,172,662 | 51,622,427 |
| Less: restricted portion of cash and temporary investments (Note 3) | (3,101,888) | (3,183,754) |
| | 54,070,774 | 48,438,673 |
| Cash flows supplementary information: | | |
| Interest paid | 721,699 | 743,363 |
| Interest received | 392,412 | 522,748 |

MD OF OPPORTUNITY NO.17

**Schedule of Changes in Accumulated Surplus
Year Ended December 31, 2021**

(Schedule 1)

| | Unrestricted Surplus | Restricted Capital Reserves | Equity in Capital Assets | 2021 \$ | 2020 \$ |
|---|-------------------------|-----------------------------------|--------------------------------|-------------|-------------|
| Balance, beginning of year | 31,710,506 | 21,359,058 | 290,546,428 | 343,615,992 | 343,217,265 |
| Annual surplus | 3,029,646 | | | 3,029,646 | 398,727 |
| Amortization of tangible capital assets | 13,489,898 | | (13,489,898) | - | - |
| Disposal of tangible capital assets | 4,251,717 | | (4,251,717) | - | - |
| Current year funds used for tangible capital assets | (13,019,650) | | 13,019,650 | - | - |
| Recognition of unamortized capital contributions related to housing units | (232,500) | | 232,500 | - | - |
| Capital lease obligations repaid | (321,976) | | 321,976 | - | - |
| Long term debt repaid | (818,445) | | 818,445 | - | - |
| Change in accumulated surplus | 6,378,690 | - | (3,349,044) | 3,029,646 | 398,727 |
| Balance, end of year | 38,089,196 | 21,359,058 | 287,197,384 | 346,645,638 | 343,615,992 |

MD OF OPPORTUNITY NO. 17
Schedule of Tangible Capital Assets
Year Ended December 31, 2021

(Schedule 2)

| Cost | Land | Work in Progress | Buildings | Engineered Structures | Machinery and Equipment | Vehicles | Land Improvements | 2021 \$ | 2020 \$ |
|--|-----------|------------------|-------------|-----------------------|-------------------------|------------|-------------------|-------------|-------------|
| Balance, beginning of year | 4,706,660 | 3,493,787 | 128,930,704 | 359,641,535 | 26,859,890 | 14,904,898 | 4,148,530 | 542,686,004 | 535,091,069 |
| Acquisition of tangible capital assets | 859,340 | 5,335,597 | 3,067,309 | 2,334,540 | 589,053 | 711,650 | 122,161 | 13,019,650 | 8,795,305 |
| Writedown of tangible capital assets | | | | | | | | | |
| Transfer of completed projects | | (453,969) | 24,638 | 112,442 | 15,778 | | 301,111 | | (36,900) |
| Disposal of tangible capital assets | (151,570) | | (5,644,576) | | (150,940) | (57,153) | | (6,004,239) | (1,163,470) |
| Balance, end 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 |
| Accumulated amortization | | | | | | | | | |
| Balance, beginning of year | | | | | | | | | |
| Annual amortization | | | 25,642,976 | 175,855,820 | 14,062,459 | 9,483,678 | 459,153 | 225,504,086 | 212,692,544 |
| Accumulated amortization on disposals | | | 2,701,134 | 7,424,394 | 2,029,410 | 1,150,253 | 184,707 | 13,489,898 | 13,581,717 |
| Balance, end of year | - | - | (1,580,160) | (150,071) | (150,071) | (22,291) | | (1,752,522) | (770,175) |
| 2021 net book value of tangible capital assets | 5,414,430 | 8,375,415 | 99,614,125 | 178,808,303 | 11,371,983 | 4,947,755 | 3,927,942 | 312,459,953 | 317,181,918 |
| 2020 net book value of tangible capital assets | 4,706,660 | 3,493,787 | 103,287,728 | 183,785,715 | 12,797,431 | 5,421,220 | 3,689,377 | | 317,181,918 |

Included in Machinery and Equipment are capital leased assets with a cost of \$2,009,589 (2020 - \$2,009,589) and accumulated amortization of \$511,412 (2020-\$342,272). Amortization expense incurred on capital leased assets is \$169,140 (2020 - \$169,140) for the year.

MD OF OPPORTUNITY NO. 17
Schedule of Property and Other Taxes
Year Ended December 31, 2021

(Schedule 7)

| | Budget | 2021 | 2020 |
|--|--------------------|-------------------|-------------|
| | \$ | \$ | \$ |
| | (Unaudited) | | |
| Taxation | | | |
| Real property taxes | 21,325,867 | 14,794,057 | 24,496,132 |
| Linear property | 37,791,920 | 44,291,618 | 35,621,596 |
| Government grants in place of property taxes | - | 227,614 | 196,264 |
| | 59,117,787 | 59,313,289 | 60,313,992 |
| Requisitions | | | |
| Alberta School Foundation Fund | 8,690,395 | 8,614,283 | 8,721,729 |
| Designated Industrial Property | 177,768 | 178,240 | 185,756 |
| Seniors Lodge | 201,495 | 201,494 | 159,279 |
| | 9,069,658 | 8,994,017 | 9,066,764 |
| Net Municipal Taxes | 50,048,129 | 50,319,272 | 51,247,228 |

MD OF OPPORTUNITY NO. 17
Schedule of Government Transfers
Year Ended December 31, 2021

(Schedule 8)

| | Budget | 2021 | 2020 |
|-----------------------------------|--------------------|------------------|-------------------|
| | \$ | \$ | \$ |
| | (Unaudited) | | |
| Transfers for operating | | | |
| Provincial Government | 1,164,149 | 1,986,140 | 7,354,064 |
| Other Local Government | - | 190,674 | - |
| | 1,164,149 | 2,176,814 | 7,354,064 |
| Transfers for capital | | | |
| Provincial Government | 4,861,210 | 5,517,175 | 2,800,569 |
| Federal Government | - | 368,559 | - |
| | 4,861,210 | 5,885,734 | 2,800,569 |
| Total Government Transfers | 6,025,359 | 8,062,548 | 10,154,633 |

MD OF OPPORTUNITY NO. 17**(Schedule 5)****Schedule of Consolidated Expenses by Object****Year Ended December 31, 2021**

| | Budget | 2021 | 2020 |
|--|--------------------|-------------------|-------------------|
| | \$ | \$ | \$ |
| | (Unaudited) | | |
| Consolidated expenses by object | | | |
| Salaries, wages and benefits | 27,760,540 | 26,215,920 | 27,247,972 |
| Contracted and general services | 12,976,688 | 12,335,977 | 12,770,092 |
| Materials, goods, supplies and utilities | 6,772,685 | 5,454,723 | 5,453,470 |
| Provision for allowances | 3,030,000 | 2,661,897 | 4,073,026 |
| Transfers to individuals and organizations | 1,276,200 | 786,951 | 936,941 |
| Bank charges and short term interest | 102,760 | 120,746 | 115,977 |
| Interest on long term debt | 867,454 | 721,699 | 786,850 |
| Amortization of tangible capital assets | 13,500,000 | 13,489,898 | 13,581,719 |
| Other | 10,000 | - | 1,151,765 |
| | 66,296,327 | 61,787,811 | 66,117,812 |

MD OF OPPORTUNITY NO. 17
Schedule of Segmented Disclosure
Year Ended December 31, 2021

(Schedule 6)

| | General Government | Protective Services | Transportation Services | Environmental Services | Planning & Development | Public Health | Recreation & Culture | Public Housing | Total \$ |
|--|--------------------|---------------------|-------------------------|------------------------|------------------------|---------------|----------------------|----------------|------------|
| Revenue | | | | | | | | | |
| Net municipal taxes | 50,319,272 | | | | | | | | 50,319,272 |
| Well drilling | 4,276 | | | | | | | | 4,276 |
| Sale of goods and services | 2,912 | 81,550 | 106,889 | 1,936,643 | | 455,110 | 76,413 | | 2,659,517 |
| Penalties/costs | 1,072,738 | | | 9,472 | | | | | 1,082,210 |
| Licenses and permits | | 45,220 | | | | | | 4,707 | 45,220 |
| Return on investment | 387,705 | | | | | | | | 387,705 |
| Rental revenues | | 316,448 | | | | | | | 316,448 |
| Gain (loss) on disposal of assets | 75,135 | | | | | 24,063 | 555,075 | 1,206,037 | 2,101,623 |
| Government transfers | 26,458 | | | | | | | (477,514) | (402,379) |
| Other revenues | 449,686 | 2,840,797 | 1,395,302 | 85,101 | | 825,137 | 1,905,444 | 984,309 | 8,062,548 |
| | | | | | | 45,000 | | 58,072 | 552,758 |
| | 52,338,182 | 3,284,015 | 1,502,191 | 2,031,216 | | 1,349,310 | 2,536,932 | 1,775,611 | 64,817,457 |
| Expenses | | | | | | | | | |
| Salaries, wages and benefits | 3,840,189 | 1,756,556 | 4,749,225 | 3,274,243 | | 1,757,386 | 5,025,886 | 5,812,435 | 26,215,920 |
| Contracted and general services | 2,310,630 | 1,108,629 | 3,025,496 | 1,909,427 | | 1,942,276 | 794,605 | 1,244,914 | 12,335,977 |
| Materials, goods, supplies and utilities | 163,478 | 239,493 | 1,774,366 | 1,330,629 | | 198,275 | 1,413,541 | 334,941 | 5,454,723 |
| Transfers to individuals and organizations | 306,905 | 12,000 | 97,900 | 130,920 | 115,810 | 94,405 | 29,011 | | 786,951 |
| Bank charges and interest | 47,902 | 260 | 55,819 | 2,260 | | 120 | 931 | 13,454 | 120,746 |
| Interest on long term debt | | | | | 57,419 | | | 664,280 | 721,699 |
| Provision for bad debts | 2,661,897 | | | | | | | | 2,661,897 |
| Other expenses | | | | | | | | | |
| | 9,331,001 | 3,116,938 | 9,702,806 | 6,647,479 | 173,229 | 3,992,462 | 7,263,974 | 8,070,024 | 48,297,913 |
| Net revenue (expense) before amortization | | | | | | | | | |
| | 43,007,181 | 167,077 | (8,200,615) | (4,616,263) | (173,229) | (2,643,152) | (4,727,042) | (6,294,413) | 16,519,544 |
| Amortization of tangible capital assets | 522,078 | 1,034,249 | 5,573,124 | 3,201,791 | | 320,670 | 2,652,316 | 185,670 | 13,489,898 |
| 2021 net revenue (expense) | 42,485,103 | (867,172) | (13,773,739) | (7,818,054) | (173,229) | (2,963,822) | (7,379,358) | (6,480,083) | 3,029,646 |
| 2020 net revenue (expense) | 41,224,952 | (394,278) | (14,106,067) | (7,788,046) | (426,661) | (3,444,311) | (9,094,250) | (5,572,612) | 398,727 |

MD OF OPPORTUNITY NO. 17
Non-consolidated Statement of Operations
Year Ended December 31, 2021

(Schedule 7)

| | Budget \$ (Unaudited) | 2021 \$ | 2020 \$ |
|--|-----------------------------|--------------------|--------------------|
| Revenue | | | |
| Net municipal taxes | 47,047,393 | 47,405,583 | 49,357,922 |
| User fees and sales of goods | 3,294,762 | 2,659,517 | 2,968,188 |
| Government transfers for operating | 1,164,149 | 1,425,005 | 7,219,803 |
| Rental | 1,002,267 | 895,586 | 608,053 |
| Investment income | 505,191 | 387,705 | 504,263 |
| Penalties and costs on taxes | 261,653 | 1,082,210 | 840,516 |
| Gain (loss) on disposal of tangible capital assets | 66,150 | 75,135 | (413,569) |
| Well drilling | 100,000 | 4,276 | 71,883 |
| Licenses, permits and fines | 16,700 | 45,220 | 20,037 |
| Other | 46,602 | 494,686 | (360,509) |
| Total revenue | 53,504,867 | 54,474,923 | 60,816,587 |
| Expenses | | | |
| Council | 1,963,142 | 1,330,572 | 1,282,874 |
| Administration | 10,401,054 | 8,741,181 | 12,490,617 |
| Engineering | 157,968 | 119,505 | 269,785 |
| Fire protection and safety services | 4,186,759 | 3,508,276 | 4,326,681 |
| Roads, streets, walks, lighting | 13,849,493 | 15,158,920 | 15,465,279 |
| Airport | 100,900 | 117,010 | 36,535 |
| Water supply and distribution | 7,131,846 | 7,237,686 | 6,967,557 |
| Wastewater treatment and disposal | 2,185,288 | 1,886,806 | 2,206,061 |
| Waste management | 622,257 | 724,778 | 685,160 |
| Family and community support | 342,743 | 326,181 | 201,140 |
| Daycare and out of school care | 1,955,279 | 1,491,274 | 1,851,200 |
| Public health and welfare | 3,159,610 | 2,495,677 | 2,663,256 |
| Land use planning, zoning, and development | 195,000 | 115,810 | 57,223 |
| Economic development and tourism | 748,549 | 523,406 | 99,763 |
| Recreation and culture | 10,558,943 | 9,916,290 | 10,693,341 |
| Housing operations | 767,454 | 761,919 | 895,275 |
| Total expenses | 58,326,285 | 54,455,291 | 60,191,747 |
| Excess (deficiency) of revenue over expenses • before other | (4,821,418) | 19,632 | 624,840 |
| Other | | | |
| Government transfers for capital | 4,861,210 | 5,653,234 | 2,568,069 |
| Excess of revenues over expenses | 39,792 | 5,672,866 | 3,192,909 |
| Accumulated surplus - beginning of the year | 327,402,645 | 327,402,645 | 324,209,736 |
| Accumulated surplus • end of the year | 327,442,437 | 333,075,511 | 327,402,645 |

MD OF OPPORTUNITY NO. 17
Notes to Consolidated Financial Statements
Year Ended December 31, 2021

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, 2021

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
- 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, 2021

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, 2021

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:

| | YEARS |
|-----------------------------|--------------|
| 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, 2021

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.

Section PS 1000 - Financial Statement Concepts

This section has been amended to allow for recognition of purchased intangibles in financial statements. In conjunction with section 1201 there have been amendments made to remove disclosure requirements for unrecognized purchased intangibles. These amendments are effective for fiscal periods beginning on or after April 1, 2023. Early adoption is permitted.

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, 2021****2. Recent accounting pronouncements published but not yet adopted (continued)****Section PS 1150 - Generally Accepted Accounting Principles**

This new section has been amended to position International Public Sector Accounting Standards as the first accounting framework to consult in situations not covered by primary sources of GAAP to specific circumstances and it is necessary to consult pronouncements issued by other bodies authorized to issue accounting standards. The amendment is effective for fiscal years beginning on or after April 1, 2021.

3. Cash and temporary investments

| | 2021 | 2020 |
|-----------------------|----------------------|----------------------|
| Cash | \$ 57,025,462 | \$ 2,487,079 |
| Temporary investments | 147,200 | 49,135,348 |
| | \$ 57,172,662 | \$ 51,622,427 |

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

Council has designated funds of \$21,359,058 (2020 - \$21,359,058) included in the above amounts for equipment replacement.

Included in cash and temporary investments is a restricted amount of \$3,101,888 (2020 - \$3,183,754) comprised of deferred revenue not expended (Note 8).

4. Taxes and grants in place of taxes receivable

| | 2021 | 2020 |
|--|---------------------|---------------------|
| Current taxes and grants in place of taxes | \$ 3,555,202 | \$ 4,096,827 |
| Arrears taxes | 9,455,725 | 7,569,434 |
| | 13,010,927 | 11,666,261 |
| Less: allowance for doubtful accounts | (11,531,463) | (8,869,564) |
| | \$ 1,479,464 | \$ 2,796,697 |

MD OF OPPORTUNITY NO. 17**Notes to Consolidated Financial Statements****Year Ended December 31, 2021****5. Loans receivable**

| | 2021 | 2020 |
|--|--------------|--------------|
| 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. | \$ 1,851,765 | \$ 1,973,667 |
| Non-interest bearing loan receivable, repayable in monthly payments of \$500. The loan matures in January 2022 and secured by a claim against the housing unit owned by the borrower. | 4,761 | 4,761 |
| | 1,856,526 | 1,978,428 |
| Allowance for doubtful loans receivable | (1,381,395) | (1,381,395) |
| | \$ 475,131 | \$ 597,033 |

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 (2020: \$1,945,283). Prime rate is 2.45% at December 31, 2021.

7. Accounts payable and accrued liabilities

| | 2021 | 2020 |
|--|--------------|--------------|
| Trade accounts payable and accrued liabilities | \$ 4,866,399 | \$ 7,968,577 |
| Vacation and overtime accruals | 510,770 | 618,020 |
| Government payables | 490,053 | 179,487 |
| | \$ 5,867,222 | \$ 8,766,084 |

MD OF OPPORTUNITY NO. 17**Notes to Consolidated Financial Statements****Year Ended December 31, 2021****8. Deferred revenue**

| | 2021 | 2020 |
|--|---------------------|---------------------|
| Operating | \$ 245,505 | \$ 195,638 |
| Deposit liabilities and prepaid rent | 9,788 | 32,908 |
| Alberta Municipal Water/Wastewater Partnership | 2,820,729 | 2,820,729 |
| Tax sale surplus | 25,866 | 179,487 |
| | \$ 3,101,888 | \$ 3,183,754 |

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.

| | 2021 | 2020 |
|---|---------------------|---------------------|
| 2004 - 2005 Alberta Government Grant for 18 units | \$ 202,500 | \$ 270,000 |
| 2006 - 2008 Alberta Government Grant for 30 units | 995,500 | 1,160,500 |
| | \$ 1,198,000 | \$ 1,430,500 |

MD OF OPPORTUNITY NO. 17
Notes to Consolidated Financial Statements
Year Ended December 31, 2021

10. Long-term debt

| | 2021 | 2020 |
|-----------------------------------|----------------------|----------------------|
| Long term care facility debenture | \$ 22,139,988 | \$ 22,188,275 |
| Developer agreement debenture | 1,125,495 | 1,196,653 |
| | \$ 23,265,483 | \$ 24,083,928 |

The current portion of the long-term debt amounts to \$843,503 (2020 - \$818,445)

Principal and interest repayments are as follows:

| | Principal | Interest | Total |
|------------|----------------------------|---------------------------|----------------------------|
| 2022 | \$ 843,503 | \$ 696,950 | \$ 1,540,453 |
| 2023 | 869,329 | 671,124 | 1,540,453 |
| 2024 | 895,946 | 644,506 | 1,540,452 |
| 2025 | 923,380 | 617,107 | 1,540,452 |
| 2026 | 951,655 | 588,179 | 1,540,452 |
| Thereafter | <u>18,781,670</u> | <u>4,919,387</u> | <u>23,701,057</u> |
| | <u>\$23,265,483</u> | <u>\$8,137,836</u> | <u>\$31,403,319</u> |

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 2021 (3.205% for 2020).

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

Interest on long-term debt amounted to \$721,699 (2020 - \$786,850).

The municipality's total cash payments for interest were \$722,007 (2020 - \$746,319).

MD OF OPPORTUNITY NO. 17**Notes to Consolidated Financial Statements****Year Ended December 31, 2021****11. Obligations under capital lease**

| | 2021 | 2020 |
|-----------------------------------|-------------------|---------------------|
| Caterpillar Finance capital lease | \$ 14,862 | \$ 72,682 |
| Caterpillar Finance capital lease | 307,946 | 388,422 |
| Caterpillar Finance capital lease | 307,946 | 388,422 |
| Caterpillar Finance capital lease | 168,331 | 271,536 |
| | \$ 799,085 | \$ 1,121,062 |

Future minimum capital lease payments are approximately:

| | |
|---------------------------------------|-------------------|
| 2022 | \$ 331,816 |
| 2023 | 517,709 |
| Total minimum payments | 849,525 |
| Less interest amount at various rates | 50,440 |
| Present value of minimum payments | 799,085 |
| Less current portion | 294,723 |
| | \$ 504,362 |

Capital lease obligations bear interest at rates ranging from 4.45% to 6.7% per annum and mature in years 2022 through 2023. The average annual rate is 5.2% (2020 - 5.2%). The capital lease obligations are secured by machinery and equipment with a combined carrying value of \$1,498,177 (2020-\$1,667,317).

MD OF OPPORTUNITY NO. 17
Notes to Consolidated Financial Statements
Year Ended December 31, 2021

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:

| | 2021 | 2020 |
|---------------------------------------|---------------|---------------|
| Total debt limit | \$ 88,397,585 | \$ 95,757,312 |
| Total debt | 23,265,483 | 24,083,928 |
| Amount of debt limit unused | \$ 65,132,102 | \$ 71,673,384 |
| Debt servicing limit | \$ 14,732,931 | \$ 15,959,552 |
| Debt servicing | 1,540,453 | 1,540,453 |
| Amount of debt servicing limit unused | \$ 13,192,478 | \$ 14,419,099 |

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

| | 2021 | 2020 |
|-------------------------------------|--------------|------------|
| Gravel | \$ 833,234 | \$ 224,649 |
| Fuel | 186,717 | 104,264 |
| Eagle Point golf course merchandise | 74,467 | 105,996 |
| | \$ 1,094,418 | \$ 434,909 |

MD OF OPPORTUNITY NO. 17**Notes to Consolidated Financial Statements****Year Ended December 31, 2021****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 179,527 tonnes (2020 - 186,108 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.

| | 2021 | 2020 |
|--|--------------|--------------|
| Estimated closure costs | \$ 1,274,670 | \$ 1,274,670 |
| Estimated post-closure costs | 2,700,000 | 2,700,000 |
| Total estimated costs | 3,974,670 | 3,974,670 |
| Liability accrued to December 31, 2021 | (889,308) | (750,745) |
| Estimated balance to accrue | \$ 3,085,362 | \$ 3,223,925 |

15. Equity in tangible capital assets

| | 2021 | 2020 |
|--|---------------|---------------|
| Tangible capital assets (Schedule 2) | \$549,701,414 | \$542,686,004 |
| Accumulated amortization (Schedule 2) | (237,241,462) | 225,504,086) |
| Long-term debt (Note 10) | (23,265,483) | (24,083,928) |
| Less: Capital lease obligations (Note 11) | (799,085) | (1,121,062) |
| Less: Deferred contributions related to housing units (Note 9) | (1,198,000) | (1,430,500) |
| | \$287,197,384 | \$290,546,428 |

MD OF OPPORTUNITY NO. 17
Notes to Consolidated Financial Statements
Year Ended December 31, 2021

16. Accumulated surplus

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

| | 2021 | 2020 |
|-----------------------------------|----------------------|----------------------|
| Unrestricted surplus | \$ 38,089,196 | \$ 31,710,506 |
| Restricted surplus | | |
| General capital | 12,640,123 | 12,640,123 |
| Water | 8,718,935 | 8,718,935 |
| Equity in tangible capital assets | 287,197,384 | 290,546,428 |
| | \$346,645,638 | \$343,615,992 |

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 Wabasca and Red Earth Creed fireguard projects. As of December 31, 2021, the municipality has incurred \$2,949,446 in project-related costs. The balance of costs committed to complete the project is \$1,609,557.

The municipality is committed to completion of the Sandy Lake lagoon project. As of December 31, 2021, the municipality has incurred \$156,784 in project-related costs. The balance of costs committed to complete the project is \$4,592,014.

The municipality is committed to completion of the Red Earth Creek community hall project. As of December 31, 2021, the municipality has incurred \$1,591,249 in project-related costs. The balance of costs committed to complete the project is \$1,900,574.

The municipality is committed to completion of the Wabasca north bridge project. As of December 31, 2021, the municipality has incurred \$19,878 in project-related costs. The balance of costs committed to complete the project is \$1,201,122.

MD OF OPPORTUNITY NO. 17
Notes to Consolidated Financial Statements
Year Ended December 31, 2021

19. Pandemic risk

In March 2020, the World Health Organization declared a global pandemic due to the novel coronavirus (COVID-19). The situation is constantly evolving, and the measures put in place are having multiple impacts on local, provincial, national and global economies. As at April 28, 2022 the Municipality is aware of these changes in its operations as a result of the COVID-19 crisis. Management is uncertain of the effects of these changes on its financial statements and believes that any disturbance may be temporary; however, there is uncertainty about the length and potential impact of the disturbance. As a result, we are unable to estimate the potential impact on the Municipality's operations as at the date of these financial statements.

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).

MD OF OPPORTUNITY NO.17
Notes to Consolidated Financial Statements
Year Ended December 31, 2021

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:

| | | | 2021 | 2020 |
|--------------------------------------|---------------|--|------------------|-------------|
| | Salary | (1) Benefits & allowances (2) | | |
| Councillors: | | | | |
| Marcel D. Auger (Reeve) | 90,405 | 7,229 | \$ 97,634 | 100,485 |
| Everett Gottfried (Former Dep Reeve) | 69,372 | 6,024 | 75,396 | 101,485 |
| Leo Alook | 83,947 | 6,029 | 89,976 | 92,635 |
| Kevin Bigstone | 67,158 | 6,024 | 73,182 | 93,835 |
| Louis Cardinal | 83,947 | 7,229 | 91,176 | 93,835 |
| Victor Gladue | 67,158 | 253 | 67,411 | 86,762 |
| Robin Guild | 83,947 | 5,104 | 89,051 | 91,562 |
| Darlene Davis-Jackson | 83,947 | 4,829 | 88,776 | 91,435 |
| Brendan Powell (Deputy Reeve) | 84,524 | 7,229 | 91,753 | 93,835 |
| Barry Schmidt | 67,158 | 4,024 | 71,182 | 91,435 |
| Roy Yellowknee | 83,947 | 7,229 | 91,176 | 93,835 |
| Larry Cardinal | 16,790 | 228 | 17,018 | |
| Cheri Courtorielle | 16,790 | 805 | 17,595 | |
| Gerald Johnson | 16,790 | 805 | 17,595 | |
| Tahirih Wiebe | 16,790 | 805 | 17,595 | |
| William Kostiw (previous CAO) | | | | 288,327 |
| Chad Tullis (CAO) | 231,739 | 6,468 | 238,207 | 74,566 |
| Subdivision and Appeal Board Clerk | 8,959 | | 8,959 | 19,821 |
| Development Officer | 33,621 | 3,358 | 36,979 | 98,948 |

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.

MD OF OPPORTUNITY NO. 17
Notes to Consolidated Financial Statements
Year Ended December 31, 2021

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 8.39% of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 12.84% on pensionable earnings above this amount.

Total current service contributions by the municipality to the LAPP in 2021 were \$1,573,420 (2020 - \$1,666,998). Total current service contributions by the employees of the municipality to the Local Authorities Pension Plan in 2021 were \$1,421,500 (2020-\$1,507,031).

At December 31, 2020, the LAPP disclosed an actuarial surplus of \$4.961 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.



THE MUNICIPAL DISTRICT OF OPPORTUNITY NO. 17, Alberta
BYLAW 2022 - 05

A Bylaw to authorize the taxation rates to be levied against assessable property within the Municipal District of Opportunity No. 17 for the 2022 taxation year

WHEREAS, the Municipal District of Opportunity No. 17 (hereafter named the MD) has prepared and adopted detailed estimates of the municipal revenues and expenditures as required, at the Council meeting held on May 11, 2022; and

WHEREAS, the estimated municipal expenditures and transfers (operating and capital) set out in the MD's 2021 annual budget stand at \$ 75,054,249 and

WHEREAS, the estimated municipal revenues and transfers from all sources other than property taxation is estimated at \$7,606,323 and balance of \$48,126,500 (amount excludes school, seniors, housing, and Designated Industrial Assessment) is to be raised by general municipal taxation, and

WHEREAS, the Council authorized under the provision of Section 359.3 of the New Municipal Government Act, to set the same tax rate to pay for requisitions to recover the costs associated with the assessment of designated industrial property, and any other matters related to the Provincial assessor's operations, confirms that the tax rate set by the Minister of Municipal Affairs is \$0.0766 per dollar per Ministerial Order No. MAG 012/22, and,

WHEREAS, the Council is authorized under the provision of Section 359(1) of the *Municipal Government Act*, that if in any year the property tax imposed to pay the requisitions results in too much or too little revenue being raised for that purpose, the Council must accordingly reduce or increase the amount of revenue to be raised for that purpose in the next year; and,

WHEREAS, the requisitions are:

| | |
|----------------------------------|----------------------|
| AB School Foundation Fund (ASFF) | |
| Residential/Farmland | \$ 667,181 |
| Non-residential | <u>\$ 8,012,582</u> |
| Total School | \$ 8,679,763 |
| Seniors Lodges | \$ 3,152,951 |
| Management Body – Housing | 595,000 |
| Designated Industrial Assessment | \$183,670 |
| Total Requisitions | <u>\$ 12,611,384</u> |

WHEREAS, the Council of the MD is required each year to levy on the assessed value of all property, tax rates sufficient to meet the estimated expenditures and the requisitions; and

WHEREAS, the Council is authorized to classify property assessment, and to establish different rates of taxation in respect to each class of property, subject to the Municipal Government Act, Chapter M-26, Revised Statutes of Alberta, 2000; and

WHEREAS, the assessed value of all taxable property in the MD as shown on the assessment roll is:

| Class | Assessment Type | Assessment |
|------------|----------------------------------|-------------------------|
| Class I: | Residential | \$ 257,489,070 |
| Class II: | Non-Residential | \$ 2,039,561,550 |
| Sub-Class | Non-Residential - Small Business | \$8,796,780 |
| Class III: | Farmland | \$ 348,330 |
| Class IV: | Machinery & Equipment | <u>\$ 447,610,440</u> |
| | Total | <u>\$ 2,753,806,170</u> |

NOW THEREFORE, under the authority of the *Municipal Government Act*, the Council of the MD, in the Province of Alberta, enacts as follows:

1. That the Chief Administrative Officer is hereby authorized to levy the following rates of taxation on the assessed value of all property as shown on the assessment roll of the MD:

| <u>General Municipal</u> | | <u>Tax Levy</u> | | <u>Assessment</u> | <u>Tax Rate</u> |
|----------------------------|----|-----------------|----|-------------------|-----------------|
| Residential | \$ | 849,714 | \$ | 257,489,070 | 3.3000 |
| Non-Residential | | 38,664,988 | | 2,039,561,550 | 18.9575 |
| - Small Business Sub-class | | 125,074 | | 8,796,780 | 14.2181 |
| Farmland | | 1149 | | 348,330 | 3.3000 |
| Machinery & Equipment | | 8,485,575 | | 447,610,440 | 18.9575 |
| Total | \$ | 48,126,500 | \$ | 2,753,806,170 | |

| <u>School (ASFF)</u> | | <u>Tax Levy</u> | | <u>Assessment</u> | <u>Tax Rate</u> |
|------------------------|----|-----------------|----|-------------------|-----------------|
| Residential & Farmland | \$ | 667,184 | \$ | 255,655,320 | 2.6097 |
| Non-residential | | 8,012,639 | | 2,041,540,620 | 3.9248 |
| Total | \$ | 8,679,822 | \$ | 2,297,195,940 | |

| <u>Seniors Lodges</u> | | <u>Tax Levy</u> | | <u>Assessment</u> | <u>Tax Rate</u> |
|-----------------------|----|-----------------|----|-------------------|-----------------|
| All Classes | \$ | 3,152,948 | \$ | 2,746,470,630 | 1.1480 |

| | | | | | |
|----------------------------------|--|---------|--|---------------|--------|
| <u>Management Body – Housing</u> | | 594,886 | | 2,746,470,630 | 0.2166 |
|----------------------------------|--|---------|--|---------------|--------|

| <u>Designated Ind Property</u> | | <u>Tax Levy</u> | | <u>Assessment</u> | <u>Tax Rate</u> |
|----------------------------------|----|-----------------|--|-------------------|-----------------|
| Designated Industrial Assessment | | 183,522 | | 2,395,859,380 | 0.0766 |
| LEVY GRAND TOTAL | \$ | 60,737,878 | | | |

- 2 Under the provision of section 357(1) of the Municipal Government Act, that despite what the assessment times the tax rate, the minimum amount of \$400 per tax roll parcel is payable as a property tax for municipal purposes on the titled vacant residential and non-residential properties; and that farmland assessments are excluded from the minimum amount payable, and,

3. That this bylaw shall take effect on the date of the third and final reading

Read a first time this 11th day of May, 2022.

Read a second time this 11th day of May, 2022.

Read a third time and passed this 11th day of May, 2022.


REEVE


CHIEF ADMINISTRATIVE OFFICER

CHIEF ADMINISTRATIVE OFFICER

ANNUAL REPORT TO COUNCIL

SEPTEMBER 2022

Within 2021/2022, the world has navigated through a global pandemic, and moved into supply chain and inflation concerns. Locally inflation is presenting a challenge to households; however, there is increased optimism with jobs and the economy. The MD recognizes the hardship inflation has caused, and as such has maintained residential and non-residential mill rates to keep property taxes low, and continue to provide a high level of service provision at low user rates from utility bills to recreation fee's.

The MD ended 2021 in a surplus position, with a balanced budget in place for 2022. The MD is in a strong financial position with substantial restricted and unrestricted reserves.

Administration is focusing on transparency, responsible budgeting and long-term stability for the Municipality. The MD has aggressively pursued Federal and Provincial grant opportunities, and has been successfully approved for grants for the following projects: Red Earth Creek Community Hall \$2,000,000; Wabasca Splash Park \$235,017; Calling Lake Splash Park \$235,017; Keekenow Senior Facility (Capital) \$6,714,251; Keekenow Senior Facility (Operating) approx.\$2,000,000/year; Peerless/Trout Lake Operating Funding \$1,341,145

The MD held our Annual fundraising golf Tournament on July 29. The tournament was a success, raising \$68,553 for Atoske Action Group and Bigstone Cree Nation Career Development.

Some of the key Capital Projects this year include the completion of Eagle Point Golf Course Back 9, Splash Parks in Wabasca and Calling Lake, Red Earth Creek Community Hall, Sandy Lake gasification, Wabasca cemetery expansion, Wabasca Campground Improvements, Calling Lake Senior Housing, Wabasca Mud bog Site, and Sandy Lake Lagoon.

Our continued goal is to provide a high level of service to residents while maintaining financially responsible government. I would like to thank staff and Council for all the hard work over the past year. As Public Servants, we strive to better our communities so we can all enjoy a high quality of life.



CHAD TULLIS

CHIEF ADMINISTRATIVE OFFICER

MD OF OPPORTUNITY**Operating by Department Summary Report****For the Twelve Months Ending December 31, 2022**

| Account Description | Budget 2022 | Actual 2021 |
|---|------------------------|------------------------|
| REVENUE | | |
| Finance - General - Revenue | 61,721,601. | 60,972,714. |
| Council - Revenue | 0. | 26,708. |
| Finance - Operations - Revenue | 1,933,511. | 484,087. |
| Economic Development & Tourism - Revenue | 0. | 0. |
| Regulatory Services - Revenue | 946,800. | 913,439. |
| Transportation - Revenue | 75,900. | 106,889. |
| Water - Revenue | 1,391,550. | 1,185,053. |
| Sewer - Revenue | 322,000. | 372,914. |
| Landfill/Transfer Site - Revenue | 324,500. | 473,247. |
| FCSS - Revenue | 269,098. | 585,794. |
| Child Care - Revenue | 654,000. | 579,885. |
| Keyanow Medical Clinic - Revenue | 20,000. | 183,632. |
| Keekenow Senior Facility - Revenue | 0. | 4,313,784. |
| WDHA - Revenue | 0. | 614,291. |
| Recreation & Culture - Revenue | 885,057. | 649,575. |
| Total Revenue | 68,544,017. | 71,462,012. |
| EXPENDITURES | | |
| Finance - General - Expenditures | 25,581,397. | 16,230,985. |
| Council - Expenditures | 1,707,142. | 1,330,572. |
| Finance - Operations - Expenditures | 2,939,947. | 2,774,080. |
| Management - Expenditures | 1,443,207. | 921,041. |
| Administration - Expenditures | 2,203,703. | 1,931,004. |
| Engineering - Expenditures | 0. | 119,505. |
| Economic Development & Tourism - Expenditures | 0. | 523,406. |
| Regulatory Services - Expenditures | 4,234,456. | 3,505,276. |
| Transportation - Expenditures | 8,963,917. | 15,061,020. |
| Airport - Expenditures | 96,700. | 117,010. |
| Water - Expenditures | 4,050,871. | 7,106,767. |
| Sewer - Expenditures | 2,304,917. | 1,886,806. |
| Landfill/Transfer Site - Expenditures | 639,515. | 724,778. |
| FCSS - Expenditures | 215,773. | 281,181. |
| Child Care - Expenditures | 2,164,643. | 1,487,085. |
| Keyanow Medical Clinic - Expenditures | 1,835,000. | 2,495,677. |
| Child Care - OSC - Wabasca - Expenditures | 0. | 4,189. |
| Keekenow Senior Facility - Expenditures | 0. | 6,522,046. |
| WDHA - Expenditures | 0. | 1,122,650. |
| M.D Housing Corporation - Expenditures | 0. | 97,639. |
| Recreation & Culture - Expenditures | 10,235,329. | 9,916,291. |
| Total Expenditures | 68,616,517. | 74,159,009. |
| Total Net Income - Surplus / (Deficit) | (72,500.) | (2,696,997.) |

MD OF OPPORTUNITY
Capital Report
As at December 31, 2022

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

Questions? Contact M. D. of Opportunity Staff

Chief Administrative Officer:

Chad Tullis - 780-891-3778

Chief Financial Officer:

Trina Mineault—780-891-3778

Director of Corporate & Regulatory Services:

Gerhard Stickling—780-891-3778

Director of Public Works:

Cyndi Taron—780-891-8719

Director of Recreation & Culture:

Angela Lightning—780-909-8203

Director of Utilities:

Earl Gullion—780-891-8230

Manager of Planning & Development:

Katelyn Alook—780-891-3778

Manager of Bylaw Enforcement & Security:

William Auger—780-891-0988

Manager of Children's Services:

Tanya Alook—780-891-8039

Manager of Facility Maintenance:

James Bronson—780-799-0425

Manager of Fleet & Solid Waste:

Kimball Newberry—780-891-8234

Manager of Human Resources:

Loretta Beaver—780-891-3778

Manager of Operations:

Rebecca Cardinal—780-891-3816

Manager of Safety & Fire Services:

Rolanna Auger—780-273-0333

Contact Information:

Wabasca—Head Office

Box 60

2077 Mistassiniy Road North

Wabasca AB T0G 2K0

Phone: 780-891-3778

Toll Free Phone: 1-888-891-3778

Fax: 780-891-4283

Calling Lake Sub-Office

Box 22

2824 Central Drive

Calling Lake AB T0G 0K0

Phone: 780-331-3860

Toll Free Phone: 1-855-331-3860

Fax: 780-331-3950

Red Earth Creek Sub-Office

Box 50

249 Red Earth Drive

Red Earth Creek AB T0G 1X0

Phone: 780-649-3427

Toll Free Phone: 1-855-649-3427

Fax: 780-649-3440

Website:

www.mdopportunity.ab.ca/contact



