
VILLAGE OF MYRNAM
Consolidated Financial Statements
Year Ended December 31, 2021

VILLAGE OF MYRNAM
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Year Ended December 31, 2021

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INDEPENDENT AUDITOR'S REPORT

To the Members of Village of Myrnam

Opinion

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

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the organization 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 organization 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 organization'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 organization or to cease operations, or has no realistic alternative but to do so.

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

(continues)

Independent Auditor's Report to the To the Members of Village of Myrnam (continued)

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

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

Neube & Landry LLP

**Edmonton, AB
April 29, 2022**

Chartered Professional Accountants

VILLAGE OF MYRNAM
Consolidated Statement of Financial Position
December 31, 2021

	<i>December 31</i> 2021	<i>December 31</i> 2020
ASSETS		
Cash (Note 3)	\$ 261,301	\$ -
Accounts receivable	74,188	128,782
Taxes and grants in place of taxes receivable (Note 4)	93,846	93,131
Receivables from other governments	7,759	9,037
Land for resale inventory	23	23
	<u>437,117</u>	<u>230,973</u>
LIABILITIES		
Bank indebtedness (Note 5)	-	26,640
Accounts payable and accrued liabilities	55,037	59,784
Deferred income (Note 6)	255,412	11,440
Current portion of long term debt (Note 7)	14,193	76,976
Funds held in trust	9,169	9,169
Long term debt (Note 7)	413,460	371,198
	<u>747,271</u>	<u>555,207</u>
NET FINANCIAL DEBT	<u>(310,154)</u>	<u>(324,234)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets	3,911,812	3,924,301
Prepaid expenses	3,345	3,345
	<u>3,915,157</u>	<u>3,927,646</u>
ACCUMULATED SURPLUS	<u>\$ 3,605,002</u>	<u>\$ 3,603,411</u>

ON BEHALF OF THE BOARD

_____ Mayor

_____ Chief Administrative Officer

VILLAGE OF MYRNAM**Consolidated Statement of Operations and Accumulated Surplus****Year Ended December 31, 2021**

	2021	2021	2020
REVENUES			
Sales of goods and services	\$ 292,690	\$ 261,466	\$ 252,440
Net municipal taxes	246,113	257,335	264,357
Government transfers for operating	172,220	174,512	321,280
Penalties and costs of taxes	12,000	11,905	10,184
Investment income	250	310	1,327
	<u>723,273</u>	<u>705,528</u>	<u>849,588</u>
EXPENSES			
Administration	149,514	216,912	181,410
Roads, street, walks, lighting	194,848	205,330	269,800
Water supply and distribution	165,279	188,262	257,732
Recreation and culture	34,279	78,572	145,737
Protective services	48,613	38,305	19,671
Waste management	35,618	35,618	37,918
Legislative	16,300	17,660	15,952
Waste water treatment and disposal	5,258	17,447	21,157
Family and community support	3,573	3,282	5,913
Land use planning, zoning and development	1,470	1,500	1,671
	<u>654,752</u>	<u>802,888</u>	<u>956,961</u>
SURPLUS (DEFICIT) FROM OPERATIONS	68,521	(97,360)	(107,373)
Government transfers for capital			
Government transfers for capital	320,000	98,951	78,511
ANNUAL SURPLUS (DEFICIT)	388,521	1,591	(28,862)
ACCUMULATED SURPLUS - BEGINNING OF YEAR	<u>3,603,411</u>	<u>3,603,411</u>	<u>3,632,273</u>
ACCUMULATED SURPLUS - END OF YEAR	<u>\$ 3,991,932</u>	<u>\$ 3,605,002</u>	<u>\$ 3,603,411</u>

See notes to financial statements

VILLAGE OF MYRNAM**Consolidated Statement of Changes in Net Financial Debt****Year Ended December 31, 2021**

	Budget 2021	2021	2020
ANNUAL SURPLUS (DEFICIT)	\$ 388,521	\$ 1,591	\$ (28,862)
Amortization of tangible capital assets	103,613	103,613	173,339
Purchase of tangible capital assets	(320,000)	(91,124)	(129,054)
Decrease (increase) in prepaid expenses	-	-	(3,346)
	(216,387)	12,489	40,939
INCREASE IN NET FINANCIAL ASSETS	172,134	14,080	12,077
NET FINANCIAL DEBT - BEGINNING OF YEAR	(324,233)	(324,234)	(336,311)
NET FINANCIAL DEBT - END OF YEAR	\$ (152,099)	\$ (310,154)	\$ (324,234)

See notes to financial statements

VILLAGE OF MYRNAM
Consolidated Statement of Cash Flows
Year Ended December 31, 2021

	2021	2020
OPERATING ACTIVITIES		
Annual surplus (deficit)	\$ 1,591	\$ (28,862)
Item not affecting cash:		
Amortization of tangible assets	<u>103,613</u>	173,339
	<u>105,204</u>	144,477
Changes in non-cash working capital:		
Accounts receivable	54,594	118,200
Taxes and grants in place of taxes receivable	(715)	(243)
Receivables from other governments	1,281	8,261
Accounts payable and accrued liabilities	(4,750)	(118,836)
Deferred income	243,972	(99,724)
Prepaid expenses	-	(3,345)
	<u>294,382</u>	(95,687)
Cash flow from operating activities	<u>399,586</u>	48,790
INVESTING ACTIVITY		
Purchase of property, plant and equipment	<u>(91,124)</u>	(129,054)
Cash flow used by investing activity	<u>(91,124)</u>	(129,054)
FINANCING ACTIVITY		
Repayment of long term debt	<u>(20,521)</u>	(76,315)
Cash flow used by financing activity	<u>(20,521)</u>	(76,315)
INCREASE (DECREASE) IN CASH FLOW	287,941	(156,579)
Cash (deficiency) - beginning of year	<u>(26,640)</u>	129,940
CASH (DEFICIENCY) - END OF YEAR	\$ 261,301	\$ (26,639)

See notes to financial statements

VILLAGE OF MYRNAM
Consolidated Changes in Accumulated Surplus
Year Ended December 31, 2021

	Unrestricted Surplus	Equity in Tangible Capital Assets	Total 2021	Total 2020
Balance, beginning of year, as previously stated	\$ (40,258)	\$ 3,643,669	\$ 3,603,411	\$ 3,632,273
Excess of revenues over expenses	1,591	-	1,591	(28,862)
Current year funds used for tangible capital assets	(91,124)	91,124	-	-
Amortization of tangible capital assets	103,613	(103,613)	-	-
Long term debt repaid	(13,725)	13,725	-	-
Balance, at year end	\$ (39,903)	\$ 3,644,905	\$ 3,605,002	\$ 3,603,411

See notes to financial statements

VILLAGE OF MYRNAM
Schedule of Tangible Capital Assets
Year Ended December 31, 2021

(Schedule 1)

	Land	Buildings	Engineered Structures	Machinery & Equipment	Vehicles	2021	2020
COST							
BALANCE BEGINNING OF YEAR	\$ 101,098	\$ 2,513,601	\$ 3,495,565	\$ 216,755	\$ 408,521	\$ 6,735,540	\$ 6,606,486
Acquisition of tangible capital assets	-	16,288	74,836	-	-	91,124	1,896,241
Disposal of tangible capital assets	-	-	-	-	-	-	(1,767,187)
BALANCE, END OF YEAR	\$ 101,098	\$ 2,529,889	\$ 3,570,401	\$ 216,755	\$ 408,521	\$ 6,826,664	\$ 6,735,540
ACCUMULATED AMORTIZATION							
BALANCE BEGINNING OF YEAR	\$ -	\$ 244,019	\$ 2,111,757	\$ 163,973	\$ 291,490	\$ 2,811,239	\$ 2,637,900
Annual amortization	-	50,911	2,824	16,306	33,572	103,613	173,339
ACCUMULATED AMORTIZATION	-	294,930	2,114,581	180,279	325,062	2,914,852	2,811,239
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	\$ 101,098	\$ 2,234,959	\$ 1,455,820	\$ 36,476	\$ 83,459	\$ 3,911,812	\$ 3,924,301
2020 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	\$ 101,098	\$ 2,269,582	\$ 1,383,808	\$ 52,782	\$ 117,031	\$ 3,924,301	\$ -

See notes to financial statements

VILLAGE OF MYRNAM
Schedule of Property and Other Taxes
Year Ended December 31, 2021

(Schedule 2)

	Budget 2021	Total 2021	Total 2020
TAXATION			
Residential	\$ 275,170	\$ 288,611	\$ 298,659
Non-residential tax	26,950	22,335	21,348
T2-Res farm tax	8,710	11,079	8,257
Farmland	628	657	724
Machinery and equipment tax	844	907	628
	<u>312,302</u>	<u>323,589</u>	<u>329,616</u>
REQUISITIONS			
Alberta School Foundation	50,589	50,589	52,094
Eagle Hill Foundation	15,565	15,665	13,165
	<u>66,154</u>	<u>66,254</u>	<u>65,259</u>
NET MUNICIPAL TAXES	<u>\$ 246,148</u>	<u>\$ 257,335</u>	<u>\$ 264,357</u>

VILLAGE OF MYRNAM
Schedule of Government Transfers
Year Ended December 31, 2021

(Schedule 3)

	Budget 2021	Total 2021	Total 2020
TRANSFERS FOR OPERATING			
Provincial grants	\$ 104,720	\$ 109,512	\$ 246,280
Local grants	65,000	65,000	75,000
	169,720	174,512	321,280
TRANSFERS FOR CAPITAL			
Provincial grants	320,000	98,951	38,562
Federal grants	-	-	39,949
	320,000	98,951	78,511
TOTAL GOVERNMENT TRANSFERS	\$ 489,720	\$ 273,463	\$ 399,791

VILLAGE OF MYRNAM**Schedule of Consolidated Expenses by Object****(Schedule 4)****Year Ended December 31, 2021**

	Budget 2021	Total 2021	Total 2020
EXPENSES BY OBJECT			
Materials, goods, supplies and utilities	\$ 332,850	\$ 333,739	\$ 382,263
Salaries, wages and benefits	221,387	267,161	238,805
Amortization of tangible capital assets	103,613	103,613	173,339
Contracted and general services	84,397	87,677	144,584
Interest on long term debt	7,379	10,508	16,271
Bank charges and short term interest	1,600	190	1,098
Provisions for allowance	-	-	601
TOTAL	\$ 751,226	\$ 802,888	\$ 956,961

VILLAGE OF MYRNAM
Schedule of Segmented Disclosure
Year Ended December 31, 2021

(Schedule 5)

	General Government	Protective Services	Transportation Services	Environmental Services	Planning Development	Family Community Support Services	Recreation Culture	2021
REVENUE								
Net municipal taxes	\$ 257,334	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 257,334
User fees & sales of goods	24,774	18,970	2,111	203,648	500	-	11,463	261,466
Government transfers	17,712	7,500	-	147,964	16,787	2,500	16,000	208,463
Local government transfers	65,000	-	-	-	-	-	-	65,000
Penalties and cost of taxes	11,906	-	-	-	-	-	-	11,906
Investment income	310	-	-	-	-	-	-	310
	<u>377,036</u>	<u>26,470</u>	<u>2,111</u>	<u>351,612</u>	<u>17,287</u>	<u>2,500</u>	<u>27,463</u>	<u>804,479</u>
EXPENSES								
Salaries & wages	151,279	-	102,043	9,628	-	-	4,211	267,161
Contract & general services	27,681	7,155	8,138	18,209	2,474	-	24,021	87,678
Good & supplies	40,809	31,150	73,472	174,490	-	3,282	10,536	333,739
Interest and bank charges	189	-	-	6,790	-	-	3,718	10,697
	<u>219,958</u>	<u>38,305</u>	<u>183,653</u>	<u>209,117</u>	<u>2,474</u>	<u>3,282</u>	<u>42,486</u>	<u>699,275</u>
NET REVENUE, BEFORE AMORTIZATION	<u>157,078</u>	<u>(11,835)</u>	<u>(181,542)</u>	<u>142,495</u>	<u>14,813</u>	<u>(782)</u>	<u>(15,023)</u>	<u>105,204</u>
Amortization expense	<u>14,616</u>	<u>-</u>	<u>20,701</u>	<u>32,210</u>	<u>-</u>	<u>-</u>	<u>36,086</u>	<u>103,613</u>
EXCESS OF REVENUE OVER EXPENSES	<u>\$ 142,462</u>	<u>\$ (11,835)</u>	<u>\$ (202,243)</u>	<u>\$ 110,285</u>	<u>\$ 14,813</u>	<u>\$ (782)</u>	<u>\$ (51,109)</u>	<u>\$ 1,591</u>

See notes to financial statements

VILLAGE OF MYRNAM

Notes to Consolidated Financial Statements

Year Ended December 31, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and short term investments

Cash and cash equivalents consist primarily of commercial paper and deposits with an original maturity date of purchase of three months or less. Because of the short term maturity of these investments, their carrying amount approximates fair value.

Reporting entity

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

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

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

Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenues as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or 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 be only 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 that the related expenses are incurred, services performed or the tangible capital assets are acquired.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Requisition overlevy and under-levy

Over-levies and under-levies arise from the difference between the actual 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-levy or underlevies of the prior year.

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VILLAGE OF MYRNAM
Notes to Consolidated Financial Statements
Year Ended December 31, 2021

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

Inventory

Land held for resale is recorded at the lower of cost or net realized value. Cost includes cost for land acquisitions and improvements required to prepare the land for servicing such as clearing, stripping and leveling charges.

Tax revenue

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

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

Government transfers

Government transfers are the transfers of assets from senior levels of government that are not the result of exchange transactions, 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 the 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.

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 indented for sale in the normal course of operations. The change in non-financial assets during the year, together with excess of revenues over expenses, provided the consolidated Change in Net Financial Assets (Debt) for the year.

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VILLAGE OF MYRNAM
Notes to Consolidated Financial Statements
Year Ended December 31, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital assets

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

Buildings	50 years	straight-line method
Portable Buildings	25 years	straight-line method
Vehicles	10 years	straight-line method
Machinery and equipment	10 years	straight-line method
Roads	30 years	straight-line method
Water system	40 - 75 years	straight-line method
Wastewater system	40 - 75 years	straight-line method

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

- 1. Contribution of Tangible Capital Assets** - Tangible capital assets received as contributions are recorded at the date of receipt and also are recorded as revenue.
- 2. Leases** - Leases are classified as capital or operating leases. Leases which transfer substantially all the benefits and risk incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and related lease payments are charged to expenses as incurred.
- 3. Inventories** - Inventories held for consumption are recorded at lower of cost and replacement cost.
- 4. Cultural and Historical Tangible Capital Assets** - Works of art for display are not recorded as tangible capital assets but are disclosed.

VILLAGE OF MYRNAM
Notes to Consolidated Financial Statements
Year Ended December 31, 2021

2. GOING CONCERN

In the last couple of years, the Village has been experiencing deficits from its operations resulting in concerns about its going as a concern. The Village's ability to continue as a going concern relies on its ability to sustain its operations by increasing its revenues and being watchful of its spending.

To eliminate the accumulated deficit, the Village is in the process of implementing the following plans:

Revenues:

The Village has an ongoing financial assistance from the County of Two Hills that has been arranged via the unconditional grant of approximately \$65,000 a year. Utility rates have been increased by over 15%, however, due to COVID 19 related issues, the increase was delayed until later in 2020. Other Covid 19 adjustments in fees and services not covered by MOST funding had a positive influence in revenues.

With the construction of CTEC (Career Training Education Centre) completed, the Village will begin the construction of senior rental housing. Once completed, the housing units will increase the Village's revenues by \$50,000 to \$60,000. Also, Instructional workshops and facility rentals will provide additional revenues. The Village is also in a position to adjust the taxation mill rates to address the increasing municipal costs, especially utility expenses from the new carbon levies, policing, and other requisitions.

Increased municipal revenues in future through tax and utility rate setting to cover expenses in the future. Tax arrears are going to be addressed more aggressively starting in 2022.

Cost Mitigation:

As a result of the ICF, IDP and other initiatives, the Village continues to develop stronger ties with the County of Two Hills No. 21. via shared service / cost arrangements. These have been implemented in water management, fire services, emergency services and subdivision development. The Village continues to examine public works opportunities wherever possible.

Overall, the Village is committed to continue examining all opportunities to address revenues and costs to ensure that the outstanding deficit is eliminated in the near future. This has been demonstrated by the fact that, despite the COVID -19, over the past two years the accumulated deficit has been reduced by over eighty percent.

3. CASH

Included in cash is a restricted amount of \$9,169 (2020 - \$9,169) comprises of \$9,169 (2019 - \$9,169) of funds held in trust.

	<u>2021</u>	<u>2020</u>
Cash	\$ 261,301	\$ -

4. TAXES AND GRANTS IN PLACE OF TAXES RECEIVABLE

	<u>2021</u>	<u>2020</u>
Current	\$ 31,683	\$ 34,146
Arrears	62,163	58,985
	<u>\$ 93,846</u>	<u>\$ 93,131</u>

VILLAGE OF MYRNAM
Notes to Consolidated Financial Statements
Year Ended December 31, 2021

5. BANK INDEBTEDNESS

	<u>2021</u>	<u>2020</u>
Bank in overdraft position	\$ -	\$ 26,640

6. DEFERRED REVENUE

Deferred revenue is comprised of the funds noted below, the use of which are externally restricted. The funds are recognized as revenue in the period they are used for in the purpose specified.

	<u>2021</u>	<u>2020</u>
MSI Mini Sustainability Program	\$ -	\$ 11,440
Federal Gas Tax Funds	3,931	-
MSI Capital	<u>251,481</u>	-
	<u>\$ 255,412</u>	<u>\$ 11,440</u>

Funding from various grant programs, organizations and individuals, remained unspent at the end of the current year. The use of these funds is restricted to eligible operating and capital projects as approved under the funding agreements or as indicated by the donors.

7. LONG TERM DEBT

	<u>2021</u>	<u>2020</u>
Alberta Capital Finance Authority loan bearing interest at 3.127% per annum, repayable in semi-annual blended payments of \$6,793. The loan matures on June 15, 2045.	\$ 224,922	\$ 231,718
Servus Credit Union loan bearing interest at 2.95% per annum, repayable in annual blended payments of \$14,127. The loan matures on August 1, 2025. This loan was refinanced in the current year.	<u>202,731</u>	216,456
	427,653	448,174
Amounts payable within one year	<u>(14,193)</u>	<u>(76,976)</u>
	<u>\$ 413,460</u>	<u>\$ 371,198</u>

Principal repayment terms are approximately:

2022	\$ 14,193
2023	13,720
2024	14,171
2025	14,676
2026	15,179
Thereafter	<u>355,714</u>
	<u>\$ 427,653</u>

Interest paid on long term debt was \$10,508 (2020 - \$16,270) equal to actual cash payments.

VILLAGE OF MYRNAM
Notes to Consolidated Financial Statements
Year Ended December 31, 2021

8. DEBTS LIMITS

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

	<u>2021</u>	<u>2020</u>
Total debt Limit	\$ 1,058,294	\$ 1,274,382
Total debt	<u>(427,653)</u>	<u>(448,174)</u>
	\$ 630,641	\$ 826,208
Debt servicing limit	\$ 176,382	\$ 212,397
Debt servicing	<u>(14,193)</u>	<u>(76,976)</u>
Amount of debt servicing limit unused	\$ 162,189	\$ 135,421

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

9. SALARY AND BENEFITS DISCLOSURE

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

	Salary	Benefits & Allowance	<u>2021</u>	<u>2020</u>
Mayor: Rudolf	\$ 7,650	\$ -	\$ 7,650	\$ 2,350
Mayor: Sosnowski	-	-	-	3,300
Councillor: Yaremchuk	5,100	-	5,100	4,350
Councillor: Ewanec	4,050	-	4,050	900
Councillor: Rudolf	-	-	-	4,100
Administrator: Kiziak	19,177	-	19,177	-
Administrator: Dupuis	43,057	4,544	47,601	70,892
Total	<u>\$ 79,034</u>	<u>\$ 4,544</u>	\$ 83,578	\$ 85,892

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

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.

If an automobile is provided, no amount is included in the benefits and allowances figure

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.

VILLAGE OF MYRNAM
Notes to Consolidated Financial Statements
Year Ended December 31, 2021

10. SEGMENTED DISCLOSURE

The Village of Myrnam provides a range of services to its ratepayers. For each reported segment, revenues and expenses represent both amount 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 financial statements as disclosed in Note 1.

Refer to the Schedule of Segmented Disclosure (Schedule 5)

11. COMMITMENTS AND SUBSEQUENT EVENTS

The village of Myrnam is working on restore its reservoir, which is anticipated to cost about \$1.9 million. As an alternative, the Village is seeking more efficient costs that will reduce the cost to about \$1 million by utilizing a steel reservoir or reduce by \$1.5M by relining the existing reservoir and adding the new roof. To fund this project, in the prior year the village was approved a matching grant of up to \$800,000 from the federal CWWF (Canadian Water Wastewater Fund) for the construction of the new reservoir. The village will have to raise about \$800,000 to complete the restoration of the reservoir. Additionally, the village is investigating other lower cost alternatives that will reduce the cost to below \$1 million in total by utilizing a steel reservoir. This could also be done by relining the existing reservoir and adding a new roof for the cost of upto \$1.5 million.

12. FINANCIAL INSTRUMENTS

The Village's financial instruments consist of cash, accounts receivables, accounts payable, accrued liabilities, funds held in trust, obligations under capital lease and long term debt. It is management's opinion that the Village is not exposed to significant interest or currency risk arising from these financial instruments.

The Village 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 town provides services may experience financial difficulty and be unable to fulfil their obligation. The large number and diversity of taxpayers and customers minimizes the credit risk.

Unless otherwise noted, the fair value of these financial instruments approximates their carrying value.

13. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by Council and Management.