

Municipality of Crowsnest Pass

**CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022**

MUNICIPALITY OF CROWSNEST PASS

CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2022

CONTENTS

Management's Responsibility for Reporting	1
Independent Auditor's Report	2-3
Financial Statements	
Consolidated Statement of Financial Position	4
Consolidated Statement of Operations	5
Consolidated Statement of Changes in Net Financial Assets	6
Consolidated Statement of Cash Flows	7
Schedule 1 - Schedule of Changes in Accumulated Surplus	8
Schedule 2 - Schedule of Tangible Capital Assets	9
Schedule 3 - Schedule of Property and Other Taxes	10
Schedule 4 - Schedule of Government Transfers	11
Schedule 5 - Schedule of Consolidated Expenses by Object	12
Schedule 6-7 - Consolidated Schedule of Segment Disclosure	13-14
Notes to Consolidated Financial Statements	15-27



Management's Responsibility for Reporting

Municipality of Crowsnest Pass' management is responsible for the preparation, accuracy, objectivity, and integrity of the accompanying consolidated financial statements and the notes thereto. Management believes that the consolidated financial statements present fairly the Municipality's financial position as at December 31, 2022 and the results of its operations for the year then ended.

The consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards. The consolidated financial statements include certain amounts based on estimates and judgments. Such amounts have been determined on a reasonable basis in order to ensure that the consolidated financial statements are presented fairly in all material respects.

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

The Municipal Council is responsible for overseeing management in the performance of its reporting responsibilities, and for approving the financial statements. Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. Council is also responsible for recommending the appointment of the Municipality's external auditors.

The consolidated financial statements have been audited by the independent firm of BDO Canada LLP, Chartered Professional Accountants. Their report to the Members of Council of Municipality of Crowsnest Pass, stating the scope of their examination and opinion on the consolidated financial statements follow.

Patrick Thomas, P.Eng., CLGM
Chief Administrative Officer
April 25, 2023



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Independent Auditor's Report

To the Mayor and Members of Council of the Municipality of Crowsnest Pass

Opinion

We have audited the consolidated financial statements of the Municipality of Crowsnest Pass and its controlled entities (the Municipality), which comprise the consolidated statement of financial position as at December 31, 2022, and the consolidated statements of operations, change in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Municipality as at December 31, 2022, and the consolidated results of its operations, change in its consolidated net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Municipality in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian public sector accounting standards, 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 Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Municipality's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Municipality's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Municipality to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Municipality to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

 BDO Canada

Chartered Professional Accountants,

Lethbridge, Alberta
April 25, 2023

MUNICIPALITY OF CROWSNEST PASS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2022

	<u>2022</u>	<u>2021</u>
FINANCIAL ASSETS		
Cash and cash equivalents (note 2)	\$ 17,576,557	\$ 13,518,537
Taxes and grants in lieu receivables (note 3)	686,358	488,491
Trade and other receivables (note 3)	2,237,830	5,071,652
Investments (note 4)	5,535,110	5,445,068
	<u>26,035,855</u>	<u>24,523,748</u>
LIABILITIES		
Accounts payable and accrued liabilities	6,326,617	6,947,552
Employee benefit obligations (note 5)	435,484	522,587
Deferred revenue (note 6)	5,886,960	5,117,279
Long-term debt (note 7)	9,931,756	6,005,740
	<u>22,580,817</u>	<u>18,593,158</u>
NET FINANCIAL ASSETS	<u>3,455,038</u>	<u>5,930,590</u>
NON - FINANCIAL ASSETS		
Tangible capital assets (schedule 2)	115,234,217	105,861,683
Inventory for consumption	428,299	430,408
Prepaid expenses	68,419	227,282
	<u>115,730,935</u>	<u>106,519,373</u>
ACCUMULATED SURPLUS (schedule 1, note 10)	<u>\$ 119,185,973</u>	<u>\$ 112,449,963</u>

Contingencies and commitments - See notes 15 and 16

APPROVED BY:

Blair Parant

Debra Blawie

The accompanying notes and supporting schedules are an integral part of these consolidated financial statements.

MUNICIPALITY OF CROWSNEST PASS

CONSOLIDATED STATEMENT OF OPERATIONS YEAR ENDED DECEMBER 31, 2022

	Budget (note 13)	2022	2021
REVENUE			
Net municipal taxes (schedule 3)	\$ 8,691,287	\$ 9,974,415	\$ 8,747,929
Government transfers (schedule 4)	455,904	825,846	1,672,417
User fees and sales of goods	5,205,395	5,175,459	9,505,205
Investment income	145,000	522,781	220,165
Penalties and cost of taxes	130,000	178,320	128,844
Licenses and permits	218,600	301,698	364,987
Franchise and concession contracts	1,319,000	1,350,420	1,170,988
Rental	334,959	288,739	258,857
Other	35,200	89,018	59,585
Gain on disposal of tangible capital assets	-	371,265	690,153
Total Revenue	16,535,345	19,077,961	22,819,130
EXPENSES			
Legislative	256,939	313,793	203,191
Administration	2,917,664	2,639,236	2,747,717
Protection services	1,527,201	1,541,055	1,596,376
Roads, streets, walks and lighting	3,521,466	5,732,773	7,667,434
Water supply, distribution and wastewater	2,144,686	4,118,795	2,963,782
Waste management	670,825	674,784	607,773
Family and community support services	283,151	305,371	280,636
Cemeteries and crematoriums	61,100	23,819	53,997
Planning and development	712,699	888,263	769,481
Parks and recreation	2,669,417	3,503,425	3,261,333
Culture - libraries and museums	581,255	526,617	566,326
Total Expenses	15,346,403	20,267,931	20,718,046
ANNUAL SUPRLUS (DEFICIT) BEFORE OTHER	1,188,942	(1,189,970)	2,101,084
OTHER			
Government transfers for capital (schedule 4)	4,731,300	7,925,980	9,385,246
ANNUAL SURPLUS	5,920,242	6,736,010	11,486,330
ACCUMULATED SURPLUS, BEGINNING OF YEAR	112,449,963	112,449,963	100,963,633
ACCUMULATED SURPLUS, END OF YEAR	\$ 118,370,205	\$ 119,185,973	\$ 112,449,963

The accompanying notes and supporting schedules are an integral part of these consolidated financial statements.

MUNICIPALITY OF CROWSNEST PASS

CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS YEAR ENDED DECEMBER 31, 2022

	<u>Budget (note 13)</u>	<u>2022</u>	<u>2021</u>
ANNUAL SURPLUS	\$ 5,920,242	\$ 6,736,010	\$ 11,486,330
Acquisition of tangible capital assets	(8,262,300)	(13,547,040)	(15,237,565)
Proceeds on disposal of tangible capital assets	-	505,313	758,383
Amortization of tangible capital assets	-	4,040,458	3,762,908
Gain on disposal of tangible capital assets	-	(371,265)	(690,153)
Loss on disposal of tangible capital assets	-	-	102,818
	<u>(8,262,300)</u>	<u>(9,372,534)</u>	<u>(11,303,609)</u>
Acquisition of supplies inventories	-	(428,299)	(430,408)
Acquisition of prepaid assets	-	(68,419)	(227,282)
Use of supplies inventories	-	430,408	345,798
Use of prepaid assets	-	227,282	96,464
	<u>-</u>	<u>160,972</u>	<u>(215,428)</u>
DECREASE IN NET FINANCIAL ASSETS	(2,342,058)	(2,475,552)	(32,707)
NET FINANCIAL ASSETS, BEGINNING OF YEAR	<u>5,930,590</u>	<u>5,930,590</u>	<u>5,963,297</u>
NET FINANCIAL ASSETS, END OF YEAR	<u>\$ 3,588,532</u>	<u>\$ 3,455,038</u>	<u>\$ 5,930,590</u>

The accompanying notes and supporting schedules are an integral part of these consolidated financial statements.

MUNICIPALITY OF CROWNEST PASS

CONSOLIDATED STATEMENT OF CASH FLOWS YEAR ENDED DECEMBER 31, 2022

	2022	2021
NET OUTFLOW OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Annual surplus	\$ 6,736,010	\$ 11,486,330
Non-cash items included in excess of revenue over expenses:		
Amortization of tangible capital assets	4,040,458	3,762,908
Gain on disposal of tangible capital assets	(371,265)	(690,153)
Loss on disposal of tangible capital assets	-	102,818
Amortization of bonds discount	(18,240)	(9,325)
Gain on disposal of investments	-	(13,454)
Non-cash charges to operations (net change):		
Taxes and grants in lieu receivables	(197,867)	235,123
Trade and other receivables	2,833,822	(3,071,680)
Inventory for consumption	2,109	(84,610)
Prepaid expenses	158,863	(130,818)
Accounts payables	(620,935)	5,288,362
Deferred revenue	769,681	1,223,223
Employee benefit obligations	(87,103)	(7,959)
Cash provided by operating transactions	13,245,533	18,090,765
CAPITAL		
Acquisition of tangible capital assets	(13,547,040)	(15,237,565)
Proceeds on disposal of tangible capital assets	505,313	758,383
Cash applied to capital transactions	(13,041,727)	(14,479,182)
INVESTING		
Purchase of investments	(71,800)	(3,321,980)
Sale of investments	-	3,181,379
Cash applied to investing transactions	(71,800)	(140,601)
FINANCING		
Proceeds of long-term debt	4,369,590	-
Repayment of long-term debt	(443,576)	(344,544)
Cash applied to financing transactions	3,926,014	(344,544)
CHANGE IN CASH AND EQUIVALENTS DURING THE YEAR	4,058,020	3,126,438
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	13,518,537	10,392,099
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 17,576,557	\$ 13,518,537

The accompanying notes and supporting schedules are an integral part of these consolidated financial statements.

MUNICIPALITY OF CROWSNEST PASS

SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS YEAR ENDED DECEMBER 31, 2022

SCHEDULE 1

	Unrestricted Surplus (note 10)	Internally Restricted Surplus (note 10)	Equity in Tangible Capital Assets (note 9)	2022	2021
BALANCE, BEGINNING OF YEAR	1,254,160	8,317,997	102,877,806	\$ 112,449,963	\$ 100,963,633
Annual surplus	6,736,010	-	-	6,736,010	11,486,330
Unrestricted funds designated for future use	(819,137)	819,137	-	-	-
Restricted funds used for operations	245,698	(245,698)	-	-	-
Current year funds used for tangible capital assets	(13,365,653)	(181,387)	13,547,040	-	-
Disposal of tangible capital assets	134,048	-	(134,048)	-	-
Annual amortization expense	4,040,458	-	(4,040,458)	-	-
Change in capital debt	6,947,879	-	(6,947,879)	-	-
Change in accumulated surplus	3,919,303	392,052	2,424,655	6,736,010	11,486,330
BALANCE, END OF YEAR	5,173,463	8,710,049	105,302,461	\$ 119,185,973	\$ 112,449,963

MUNICIPALITY OF CROWNEST PASS

SCHEDULE OF TANGIBLE CAPITAL ASSETS YEAR ENDED DECEMBER 31, 2022

SCHEDULE 2

	Land	Land Improvements	Buildings	Engineered Structures	Machinery and Equipment	Vehicles		
							2022	2021
COST:								
BALANCE, BEGINNING OF YEAR	\$5,454,599	\$5,930,540	\$9,928,950	\$216,604,444	\$14,029,868	\$3,547,596	\$ 255,495,997	\$ 240,885,344
Acquisition of tangible capital assets	-	278,023	215,525	442,609	79,832	1,589,309	2,605,298	3,182,334
Transfers	-	-	-	-	-	-	-	-
Additions to construction-in-progress (a)	-	-	65,793	10,875,949	-	-	10,941,742	12,055,231
Disposition of tangible capital assets	(134,048)	-	-	-	-	-	(134,048)	(626,912)
BALANCE, END OF YEAR	5,320,551	6,208,563	10,210,268	227,923,002	14,109,700	5,136,905	268,908,989	255,495,997
ACCUMULATED AMORTIZATION:								
BALANCE, BEGINNING OF YEAR	-	2,642,409	5,222,583	132,861,941	6,783,023	2,124,358	149,634,314	146,327,270
Annual amortization	-	236,893	324,340	2,506,892	740,428	231,905	4,040,458	3,762,908
Transfers	-	-	-	-	-	-	-	-
Accumulated amortization on disposal	-	-	-	-	-	-	-	(455,864)
BALANCE, END OF YEAR	-	2,879,302	5,546,923	135,368,833	7,523,451	2,356,263	153,674,772	149,634,314
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	\$5,320,551	\$3,329,261	\$4,663,345	\$92,554,169	\$6,586,249	\$2,780,642	\$ 115,234,217	\$ 105,861,683
2021 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	\$5,454,599	\$3,288,131	\$4,706,368	\$83,742,502	\$7,246,845	\$1,423,238	105,861,683	

(a) The net book value of tangible capital assets not being amortized because they are under construction is \$23,115,198 (2021 - \$12,173,455).

MUNICIPALITY OF CROWSNEST PASS

SCHEDULE OF PROPERTY AND OTHER TAXES YEAR ENDED DECEMBER 31, 2022

SCHEDULE 3

	Budget	2022	2021
TAXATION			
Real property taxes	\$ 10,817,731	\$ 12,184,521	\$ 10,605,042
Linear property taxes	1,073,030	1,073,030	1,051,837
Government grants in lieu of property taxes	104,155	104,155	163,705
	<u>11,994,916</u>	<u>13,361,706</u>	<u>11,820,584</u>
REQUISITIONS			
Alberta School Foundation	2,757,000	2,835,958	2,681,791
Crowsnest Pass Senior Housing	546,629	551,333	390,864
	<u>3,303,629</u>	<u>3,387,291</u>	<u>3,072,655</u>
NET MUNICIPAL TAXES	<u>\$ 8,691,287</u>	<u>\$ 9,974,415</u>	<u>\$ 8,747,929</u>

MUNICIPALITY OF CROWSNEST PASS

SCHEDULE OF GOVERNMENT TRANSFERS YEAR ENDED DECEMBER 31, 2022

SCHEDULE 4

	Budget	2022	2021
	<u> </u>	<u> </u>	<u> </u>
TRANSFERS FOR OPERATING			
Provincial Government	\$ 455,904	\$ 760,209	\$ 1,305,440
Other	-	65,637	366,977
	<u>455,904</u>	<u>825,846</u>	<u>1,672,417</u>
 TRANSFERS FOR CAPITAL			
Provincial Government	4,731,300	7,925,980	9,293,187
Other	-	-	92,059
	<u>4,731,300</u>	<u>7,925,980</u>	<u>9,385,246</u>
 TOTAL GOVERNMENT TRANSFERS	<u>\$ 5,187,204</u>	<u>\$ 8,751,826</u>	<u>\$ 11,057,663</u>

MUNICIPALITY OF CROWSNEST PASS

SCHEDULE OF CONSOLIDATED EXPENSES BY OBJECT YEAR ENDED DECEMBER 31, 2022

SCHEDULE 5

	Budget	2022	2021
EXPENSES			
Salaries, wages and benefits	\$ 7,380,551	\$ 6,998,083	\$ 6,915,520
Contracted and general services	5,149,001	4,828,819	6,619,498
Materials, goods, supplies and utilities	1,978,755	3,688,031	2,418,368
Bank charges and short-term interest	34,000	34,810	44,517
Interest on long-term debt	256,281	262,419	179,933
Other expenditures	45,500	49,965	205,953
Transfers to organizations and others	502,315	365,346	468,531
Amortization of tangible capital assets	-	4,040,458	3,762,908
Loss on disposal of tangible capital assets	-	-	102,818
	<u>\$ 15,346,403</u>	<u>\$ 20,267,931</u>	<u>\$ 20,718,046</u>

MUNICIPALITY OF CROWNEST PASS

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE YEAR ENDED DECEMBER 31, 2022

SCHEDULE 6

	General Government	Protective Services	Public Works	Water & Waste	Public Health & Welfare	Planning & Development	Recreation & Culture	Total
REVENUE								
Net municipal taxes (schedule 3)	\$ 9,974,415	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,974,415
Government transfers (schedule 4)	238,605	129,840	100,149	7,561,730	196,304	-	525,198	8,751,826
User fees and sales of goods	156,274	191,759	73,775	3,979,045	13,373	106,619	654,614	5,175,459
Investment Income	518,254	-	-	-	-	-	4,527	522,781
Penalties and costs of taxes	178,320	-	-	-	-	-	-	178,320
Licenses and permits	83,329	15,840	-	30,278	750	171,501	-	301,698
Franchise and concession contracts	1,350,420	-	-	-	-	-	-	1,350,420
Rental	-	70	-	-	-	44,158	244,511	288,739
Other	27,352	-	-	-	61,666	-	-	89,018
Gain on disposal of tangible capital assets	254,839	-	-	-	-	116,426	-	371,265
	<u>12,781,808</u>	<u>337,509</u>	<u>173,924</u>	<u>11,571,053</u>	<u>272,093</u>	<u>438,704</u>	<u>1,428,850</u>	<u>27,003,941</u>
EXPENSES								
Salaries and benefits	1,552,066	635,723	1,683,810	786,491	107,769	471,895	1,760,329	6,998,083
Goods and services	1,265,113	693,797	2,459,936	2,364,628	116,145	416,368	1,200,863	8,516,850
Interest	24,752	21,023	-	171,212	-	-	80,242	297,229
Transfers to organizations and others	-	-	-	-	102,113	-	263,233	365,346
Other expenditures	46,372	-	-	-	-	-	3,593	49,965
Loss on disposal of tangible capital assets	-	-	-	-	-	-	-	-
	<u>2,888,303</u>	<u>1,350,543</u>	<u>4,143,746</u>	<u>3,322,331</u>	<u>326,027</u>	<u>888,263</u>	<u>3,308,260</u>	<u>16,227,473</u>
ANNUAL SURPLUS (DEFICIT), BEFORE AMORTIZATION	<u>9,893,505</u>	<u>(1,013,034)</u>	<u>(3,969,822)</u>	<u>8,248,722</u>	<u>(53,934)</u>	<u>(449,559)</u>	<u>(1,879,410)</u>	<u>10,776,468</u>
Amortization of tangible capital assets	64,726	190,512	1,589,027	1,471,248	3,163	-	721,782	4,040,458
ANNUAL SURPLUS (DEFICIT)	<u>\$ 9,828,779</u>	<u>\$ (1,203,546)</u>	<u>\$ (5,558,849)</u>	<u>\$ 6,777,474</u>	<u>\$ (57,097)</u>	<u>\$ (449,559)</u>	<u>\$ (2,601,192)</u>	<u>\$ 6,736,010</u>

MUNICIPALITY OF CROWNEST PASS

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE YEAR ENDED DECEMBER 31, 2021

SCHEDULE 7

	General Government	Protective Services	Public Works	Water & Waste	Public Health & Welfare	Planning & Development	Recreation & Culture	Electrical Distribution	Total
REVENUE									
Net municipal taxes (schedule 3)	\$ 8,747,929	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,747,929
Government transfers (schedule 4)	808,883	209,062	1,399,924	8,061,699	196,304	22,600	359,191	-	\$ 11,057,663
User fees and sales of goods	149,764	96,338	3,240,003	3,853,734	11,483	1,524,529	629,354	-	\$ 9,505,205
Investment Income	216,043	-	-	-	-	-	4,122	-	\$ 220,165
Penalties and costs of taxes	128,844	-	-	-	-	-	-	-	\$ 128,844
Licenses and permits	68,940	15,055	-	37,566	8,039	235,387	-	-	\$ 364,987
Franchise and concession contracts	475,875	-	-	-	-	-	-	695,113	\$ 1,170,988
Rental	-	80	-	-	-	46,368	212,409	-	\$ 258,857
Other	700	1,196	-	-	55,766	1,923	-	-	\$ 59,585
Gain on disposal of tangible capital assets	537,165	55,121	-	-	-	14,980	-	82,887	\$ 690,153
	<u>11,134,143</u>	<u>376,852</u>	<u>4,639,927</u>	<u>11,952,999</u>	<u>271,592</u>	<u>1,845,787</u>	<u>1,205,076</u>	<u>778,000</u>	<u>32,204,376</u>
EXPENSES									
Salaries and benefits	1,540,890	637,186	1,845,833	695,733	116,264	410,695	1,668,919	-	6,915,520
Goods and services	1,032,190	683,053	4,246,995	1,484,900	105,716	358,786	1,126,226	-	9,037,866
Interest	34,675	-	-	104,239	-	-	85,536	-	224,450
Transfers to organizations and others	74,809	-	-	-	109,490	-	284,232	-	468,531
Other expenditures	203,049	-	-	250	-	-	2,654	-	205,953
Loss on disposal of tangible capital assets	-	79,135	-	-	-	-	23,683	-	102,818
	<u>2,885,613</u>	<u>1,399,374</u>	<u>6,092,828</u>	<u>2,285,122</u>	<u>331,470</u>	<u>769,481</u>	<u>3,191,250</u>	<u>-</u>	<u>16,955,138</u>
ANNUAL SURPLUS (DEFICIT), BEFORE AMORTIZATION	<u>8,248,530</u>	<u>(1,022,522)</u>	<u>(1,452,901)</u>	<u>9,667,877</u>	<u>(59,878)</u>	<u>1,076,306</u>	<u>(1,986,174)</u>	<u>778,000</u>	<u>15,249,238</u>
Amortization of tangible capital assets	65,295	197,002	1,574,606	1,286,433	3,163	-	636,409	-	3,762,908
ANNUAL SURPLUS (DEFICIT)	<u>\$ 8,183,235</u>	<u>\$ (1,219,524)</u>	<u>\$ (3,027,507)</u>	<u>\$ 8,381,444</u>	<u>\$ (63,041)</u>	<u>\$ 1,076,306</u>	<u>\$ (2,622,583)</u>	<u>\$ 778,000</u>	<u>\$ 11,486,330</u>

MUNICIPALITY OF CROWNEST PASS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2022

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Municipality of Crowstest Pass (the "Municipality") are the representations of management prepared in accordance with Canadian public sector accounting standards for local governments established by the Public Sector Accounting Board. Significant aspects of the accounting policies adopted by the Municipality of Crowstest Pass are as follows:

a) Reporting Entity

The consolidated financial statements reflect the assets, liabilities, revenues and expenses, changes in net financial assets and cash flows of the reporting entity. This entity is comprised of all the organizations that are owned or controlled by the Municipality and are, therefore, accountable to the Council for the administration of their financial affairs and resources. Taxes levied also includes requisitions for educational, health care, social and other external organizations that are not part of the municipal reporting entity.

Organizations that are controlled by the Municipality are the following:
The Municipality of Crowstest Pass Library Board

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 have been eliminated.

b) Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. User fees are recognized monthly as earned. Licenses and permits and rental revenues and other revenues are recognized as earned. Franchise revenues, and concession revenues are recognized monthly based on the term of the agreement as earned. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or legal obligation to pay.

c) Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits and short-term investments that are readily convertible to known amounts of cash that are subject to an insignificant risk of change in value. These short-term investments generally have a maturity of three months or less at acquisition, or are redeemable, and are held for the purpose of meeting short-term cash commitments rather than for investing.

d) Investments

Investments are recorded at amortized cost. Investment premiums and discounts are amortized on the net present value basis over the term of the respective investment. When there has been a loss in value that is other than a temporary decline, the respective investment is written down to recognize the loss.

MUNICIPALITY OF CROWSNEST PASS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2022

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

e) 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.

f) Government Transfers

Government transfers are the transfers 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 and any eligibility criteria have been met except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

g) Tax Revenue

Taxes are recorded at estimated amounts when they meet the definition of an asset, have been authorized and the taxable event occurs. For property taxes, the taxable event is the period for which the tax is levied. As taxes recorded are initially based on management's best estimate of the taxes that will be received, it is possible that changes in future conditions, such as reassessments due to audits, appeals and court decisions, could result in a change in the amount of tax revenue recognized. Taxes receivable are recognized net of an allowance for anticipated uncollectable amounts.

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

h) Employee Benefit Obligations

The cost of sick leave benefits are actuarially determined using management's best estimate of salary escalation, accumulated sick days, long-term inflation rates and discount rates.

Unamortized gains and losses are amortized over the expected average remaining service life of the related employee groups, which is 10 years. Amortization commences in the year following the effective date of the related actuarial valuation.

MUNICIPALITY OF CROWSNEST PASS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2022

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

i) 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 annual surplus, provides the consolidated Change in Net Financial Assets for the year.

i. Tangible Capital Assets

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

	Years
Land improvements	15-50
Buildings	10-50
Engineered structures	20-99
Machinery and equipment	3-45
Vehicles	8-25

Assets under construction are not amortized until the asset is available for productive use.

ii. Contributions of Tangible Capital Assets

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

iii. Inventories

Inventories held for consumption are recorded at the lower of cost and replacement cost using the average costing method.

j) Contaminated Sites Liability

A contaminated site is a site at which substances occur in concentrations that exceed the maximum acceptable amounts under an environmental standard. Sites that are currently in productive use are only considered a contaminated site if an unexpected event results in contamination. A liability for remediation of contaminated sites is recognized when the Municipality is directly responsible or accepts responsibility; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made. The liability includes all costs directly attributable to remediation activities including post remediation operations, maintenance and monitoring.

MUNICIPALITY OF CROWSNEST PASS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2022

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

k) Measurement Uncertainty

The preparation of the consolidated financial statements in conformity with Canadian public sector accounting standards, requires management to make estimates and assumptions that affect the reporting amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the consolidated financial statements and the reported amounts of the revenues and expenses during the period. Items requiring the use of significant estimates include estimated employee benefit obligations and rates for amortization.

Estimates are based on the best information available at the time of preparation of the consolidated financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these consolidated financial statements. Actual results could differ from these estimates.

2. CASH AND CASH EQUIVALENTS

	<u>2022</u>	<u>2021</u>
Cash	\$ 17,538,173	\$ 13,518,534
Investment in cash account	28,085	3
Short-term investment - Library	<u>10,299</u>	<u>-</u>
	<u>\$ 17,576,557</u>	<u>\$ 13,518,537</u>

Cash includes bank accounts with interest rates from 0.00% to 4.25%.

Included in cash is \$5,886,960 (2021 - \$5,117,279) in externally restricted funds for future capital and operating expenditures and are include in deferred revenue (note 6). Included in cash is \$4,467,210 (2021 - \$4,483,521) in internally restricted funds related to reserves (note 10).

The Municipality has an available revolving line of credit facility up to \$2,000,000 with interest payable at prime minus 0.25% and secured by a general security agreement. As at December 31, 2022 the balance owing on this facility is \$nil (2021 - \$nil).

3. TAXES AND GRANTS IN LIEU RECEIVABLES AND OTHER RECEIVABLES

	<u>2022</u>	<u>2021</u>
Current taxes and grants in lieu	\$ 431,642	\$ 304,144
Arrears taxes and grants in lieu	<u>318,691</u>	<u>248,322</u>
	750,333	552,466
Less: allowance for doubtful accounts	<u>(63,975)</u>	<u>(63,975)</u>
	<u>\$ 686,358</u>	<u>\$ 488,491</u>
Utilities receivable	\$ 358,566	\$ 334,086
Trade receivables	387,888	342,451
GST receivable	189,015	310,449
Grants receivable	1,324,692	4,106,997
Other receivables	<u>2,800</u>	<u>2,800</u>
	2,262,961	5,096,783
Less: allowance for doubtful accounts	<u>(25,131)</u>	<u>(25,131)</u>
	<u>\$ 2,237,830</u>	<u>\$ 5,071,652</u>

MUNICIPALITY OF CROWSNEST PASS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2022

4. INVESTMENTS

	2021		2021
	Market Value	Amortized Cost	
Government guaranteed bonds	\$ 3,152,241	\$ 3,445,310	\$ 3,427,068
Canadian equity mutual fund	1,765,581	2,089,800	2,018,000
	<u>4,917,822</u>	<u>5,535,110</u>	<u>\$ 5,445,068</u>

Government and government guaranteed bonds have an effective interest rate of .34% to 2.68% with maturity dates from November 2022 to January 2033. The investments are internally restricted funds for purposes of funding reserves (note 10).

5. EMPLOYEE BENEFIT OBLIGATIONS

	2022	2021
Reconciliation of accrued benefit obligation		
Accrued benefit obligation - January 1	\$ 303,300	\$ 335,000
Current service cost	25,500	28,900
Interest cost	9,200	5,600
Benefits paid	(400)	(24,600)
Actuarial loss (gain)	(118,300)	(41,600)
Accrued benefit obligation - December 31	<u>219,300</u>	<u>303,300</u>
Components of net benefit cost		
Current service cost	25,500	28,900
Interest cost	9,200	5,600
Amortization of actuarial loss	(14,100)	(9,900)
Net benefit cost recognized	<u>20,600</u>	<u>24,600</u>
Reconciliation of accrued benefit liability		
Accrued benefit liability - January 1	370,900	370,900
Benefits paid	(400)	(24,600)
Benefit cost for the year	20,600	24,600
Accrued benefit liability - December 31	<u>391,100</u>	<u>370,900</u>
Vacation and overtime	<u>44,384</u>	<u>151,687</u>
	<u>\$ 435,484</u>	<u>\$ 522,587</u>

MUNICIPALITY OF CROWSNEST PASS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2022

5. EMPLOYEE BENEFIT OBLIGATIONS (CONTINUED)

The vacation and overtime liability is comprised of the vacation and overtime that employees are deferring to future years. Employees have either earned the benefits (and they are vested) or are entitled to these benefits within the next budgetary year.

Permanent employees hired before July 1, 2008 are credited two days of sick leave for each month of employment and permanent employees hired after July 1, 2008 are credited one and one-half days each month of employment, up to a total accumulation of 120 working days for use as paid absences in the year, due to illness or injury. Accumulated credits may be used in future years to the extent that the employee's illness or injury exceeds the current year's allocation of credits. Upon death (after five years of service) or retirement (after ten years of service), 50% of the accumulated sick credits will be payable to the employee.

The sick time accrual for employee future benefits as at December 31, 2022, are based on an actuarial valuation for accounting purposes as at December 31, 2022. Significant assumptions used in the valuation include a discount rate of 5.0% (2021 - 2.90%), annual inflation of 3.0% (2021 - 2.25%), and a net annual sick leave accumulation of 25% (2021 - 25%).

6. DEFERRED REVENUE

Deferred revenue relates to funding received in the current period that is related to the subsequent period, and consists of the following:

	<u>Opening balance</u>	<u>Received</u>	<u>Recognized</u>	<u>Ending balance</u>
Basic Municipal Transportation	1,320	-	1,320	-
Municipal Sustainability Initiative Capital	2,591,828	2,155,640	894,650	3,852,818
Canada Community Building Fund	-	1,337,962	-	1,337,962
Municipal Stimulus Program	57,102	-	57,102	-
Other	445,554	146,186	289,032	302,708
Estate of Agnes Poch	86,988	-	-	86,988
Wolfstone Development	306,484	-	-	306,484
Alberta Municipal Waste Water Partnership	1,628,003	4,235,359	5,863,362	-
	<u>\$ 5,117,279</u>	<u>7,875,147</u>	<u>7,105,466</u>	<u>\$ 5,886,960</u>

Municipal Sustainability Initiative Capital (MSI)

The Province provides conditional grant funding through this program to assist with various capital expenditures in the Municipality. The use of these funds is restricted to eligible expenditures as approved under the funding agreement.

MUNICIPALITY OF CROWSNEST PASS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2022

6. DEFERRED REVENUE (continued)

Canada Community Building Fund (CCBF) - Formerly Federal Gas Tax

The Government of Canada provides Alberta Transportation with a grant restricted to eligible expenditures as approved under the funding agreement.

Municipal Stimulus Program

The Province provides conditional grant funding through this program to assist with various capital expenditures in the MD. The use of these funds is restricted to eligible expenditures as approved under the funding agreement.

Other

This deferred revenue is made up of general revenues in the amount of \$92,350 for ski hill passes related to the 2022-2023 season, \$84,821 for ski hill accessibility, and \$125,537 for various other programs.

Estate of Agnes Poch

In 2020, the Estate of Agnes Poch left \$568,201 to the Municipality to be used for a community operated Senior Retirement Home or Lodge. Of this amount, \$86,988 is unspent at year end

Wolfstone Development

These funds are restricted to the Wolfstone development. The funds were originally received from the developer Wolfstone when he was building the Wolfstone subdivision and are restricted to be used for the future development of the subdivision.

Alberta Municipal Waste Water Partnership/Investing in Canada Infrastructure Program

The Province provides conditional grant funding through these programs to assist with projects specific to waste water projects.

7. LONG-TERM DEBT

	<u>2022</u>	<u>2021</u>
Tax supported debentures	<u>\$ 9,931,756</u>	<u>\$ 6,005,740</u>
Long-term debt related to capital expenditures (note 10)	9,931,756	2,983,877
Long-term debt acquired for capital expenditures and not yet spent	<u>-</u>	<u>3,021,863</u>
	<u>\$ 9,931,756</u>	<u>\$ 6,005,740</u>

MUNICIPALITY OF CROWSNEST PASS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2022

7. LONG-TERM DEBT (CONT.)

The current portion of the long-term debt amounts to \$550,113 (2021 - \$352,861). Principal and interest repayments are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	550,113	338,674	888,787
2024	566,614	322,173	888,787
2025	583,643	305,144	888,787
2026	534,449	287,568	822,017
2027	483,730	271,517	755,247
Thereafter	7,213,207	3,253,380	10,466,587
	<u>\$ 9,931,756</u>	<u>\$ 4,778,456</u>	<u>\$ 14,710,212</u>

Debenture debt is repayable to the Government of Alberta and matures from 2026 to 2047. Interest is payable at rates ranging from 2.081% to 5.08%. Debenture debt is issued on the credit and security of the Municipality at large. Interest on long-term debt during the year amounted to \$236,767 (2021 - \$183,338). The Municipality's total cash payments for interest in 2022 were \$262,419 (2021 - \$179,933).

8. DEBT LIMITS

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

	<u>2022</u>	<u>2021</u>
Total debt limit	\$ 28,060,044	\$ 33,193,466
Total debt	<u>9,931,756</u>	<u>6,005,740</u>
Amount total debt limit unused	<u>\$ 18,128,288</u>	<u>\$ 27,187,726</u>
Debt servicing limit	\$ 4,676,674	\$ 5,532,244
Debt servicing	<u>888,787</u>	<u>524,476</u>
Amount of debt servicing limit unused	<u>\$ 3,787,888</u>	<u>\$ 5,007,769</u>

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.

MUNICIPALITY OF CROWSNEST PASS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2022

9. EQUITY IN TANGIBLE CAPITAL ASSETS

	<u>2022</u>	<u>2021</u>
Tangible capital assets (schedule 2)	\$ 268,908,989	\$ 255,495,997
Accumulated amortization (schedule 2)	(153,674,772)	(149,634,314)
Long-term debt related to capital expenditures (note 7)	(9,931,756)	(2,983,877)
	<u>\$ 105,302,461</u>	<u>\$ 102,877,806</u>

10. ACCUMULATED SURPLUS

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

	<u>2022</u>	<u>2021</u>
Unrestricted surplus		
Municipal	\$ 5,160,448	\$ 1,241,145
Crowsnest Pass Municipal Library	13,015	13,015
	<u>5,173,463</u>	<u>1,254,160</u>
Internally Restricted surplus		
Roads, streets, walks and lighting	260,948	553,793
Land/housing	2,245,810	1,743,370
Public works	5,542,532	5,224,667
Operating stabilization	269,469	480,383
Family community support services	40,312	32,542
Risk management	350,978	283,242
	<u>8,710,049</u>	<u>8,317,997</u>
Equity in tangible capital assets (note 9)	<u>105,302,461</u>	<u>102,877,806</u>
	<u>\$ 119,185,973</u>	<u>\$ 112,449,963</u>

MUNICIPALITY OF CROWSNEST PASS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2022

11. SALARY AND BENEFITS DISCLOSURE

Disclosure of salaries and benefits for elected municipal officials, the Chief Administrative Officer and designated officers as required by Alberta Regulation 313/2000 is as follows:

	2022			2021
	Salary ¹	Benefits ²	Total	Total
Council				
Mayor Painter	\$ 30,437	4,075	\$ 34,512	\$ 31,692
Councillor Ward	26,756	3,864	30,620	23,808
Councillor Filipuzzi	25,431	-	25,431	20,943
Councillor Glavin	22,986	1,110	24,096	21,043
Councillor Anctil	-	-	-	19,002
Councillor Girhiny	20,846	399	21,245	18,221
Councillor Sygutek	19,622	3,457	23,079	21,026
Councillor Kubik	16,864	745	17,609	-
Chief Administrative Officer (1)	225,259	40,642	265,901	222,759
Designated Officers (2)	171,572	34,650	206,222	273,475

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 death and dismemberment insurance, long and short term disability plans, professional memberships, and tuition.

Benefits and allowances figures also include the employer's share of the costs of additional taxable benefits including special leave with pay, financial planning services, retirement planning services, concessionary loans, travel allowances, car allowances, and club memberships.

12. LOCAL AUTHORITIES PENSION PLAN

Employees of the Municipality of Crowsnest Pass participate in the Local Authorities Pension Plan (LAPP), which is one of the plans covered by the Public Sector Pension Plans Act. The LAPP serves approximately 281,764 people and approximately 435 employers. The LAPP is financed by employer and employee contributions and by investment earnings of the LAPP Fund.

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

MUNICIPALITY OF CROWSNEST PASS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2022

12. LOCAL AUTHORITIES PENSION PLAN (continued)

The Municipality is required to make current service contributions to the LAPP of 9.39% 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. Employees of the Municipality are required to make current service contributions of 8.39% of pensionable salary up to the year's maximum pensionable salary and 13.84% on pensionable salary above this amount.

Total current service contributions by the Municipality of Crowsnest Pass to the LAPP in 2022 were \$411,521 (2021 - \$424,187). Total current service contributions by the employees of Municipality of Crowsnest Pass to the Local Authorities Pension Plan in 2022 were \$367,177 (2021 - \$383,251).

At December 31, 2021, the Plan disclosed an actuarial surplus of \$11.9 Billion.

13. BUDGETED INFORMATION

Budgeted information was prepared under the modified accrual method. This note provides a reconciliation between the approved budget figures and the budget figures disclosed in the financial statements.

	<u>2022</u>
Budget surplus reported in financial statements	\$ 1,188,942
Capital asset acquisition	8,262,300
Government transfers capital revenue	-4,731,300
Long term debt repayment	(454,306)
Long term debt - new	-900,000
Short term debt - new/levy	-2,300,000
Transfers to reserves	-1,125,636
Transfers from reserves	<u>60,000</u>
Financial plan bylaw surplus for the year	<u>\$ -</u>

MUNICIPALITY OF CROWSNEST PASS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2022

14. SEGMENTED INFORMATION

The Municipality of Crowsnest Pass is a diversified municipal government institution that provides a wide range of services to its citizens, including protective services, public works, water and waste services, public health and welfare, planning and development, recreation and culture, and electrical distribution services. For management reporting purposes the Municipality's operations and activities are organized and reported by departments. Departments were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations or limitations.

Municipal services are provided by departments and their activities are reported in these funds. Certain departments that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

General Government

General government includes the legislation, administration and management of the Municipality.

Protective Services

Protective services are comprised of bylaw enforcement, police, and fire-rescue. The mandate of the police and bylaw enforcement department is to ensure the safety of the lives and property of citizens; preserve peace and good order; prevent crime from occurring; detect offenders and enforce the law. The fire service department is responsible for providing fire suppression service and rescue services.

Public Works

The Public Works department is responsible for the delivery of municipal public works services related to the planning, development and maintenance of roadway systems and the maintenance of the parks and open spaces.

Water & Waste

The Water and Waste department consists of three distinct utilities - water, wastewater and solid waste disposal. The department provides drinking water, collecting and treating wastewater, and providing collection, disposal and waste minimization programs.

Public Health & Welfare

The Public Health and Welfare department provides Family and Community Support Services and provides for the maintenance of the cemetery.

Planning & Development

The Planning and Development department provides a diverse bundle of services. It manages municipal development for its citizens, environmental concerns, and heritage matters through municipal planning. It facilitates economic development by providing services for the approval of land development plans, the processing of building permit application and the provision of geometrics services.

Recreation & Culture

Recreation and Culture provides support of libraries, parks, and recreation.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in note 1.

MUNICIPALITY OF CROWSNEST PASS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2022

15. CONTINGENCIES

- a) The Municipality is a member of the Alberta Local Authorities Reciprocal Insurance Exchange. Under the terms of membership, the Municipality could become liable for its proportionate share of any claim losses in excess of the funds held by the Exchange. Any liability incurred would be accounted for as a current transaction in the year the losses are determined.

16. COMMITMENTS

The Municipality has entered into various contracts with third party agencies to provide services on behalf of the Municipality:

- a) C.N.P. Waste Disposal Ltd. This agreement is for pick up, collection and removal of garbage within the Municipality and delivery to a landfill near Cowley, Alberta. Contract expires 2023 and contains the following agreed upon amounts:

June 1, 2022 - May 31, 2023: \$392,362

- b) Benchmark Assessment Consultants Inc. Under the terms of this agreement, Benchmark Assessment Consultants Inc. is required to provide property tax assessments for the Municipality. The contract expires 2023 and contains the following agreed upon amounts:

July 1, 2022 to June 30, 2023 \$119,058 plus GST

- c) Alberta Transportation. This agreement is to participate in the Transportation Routing and Vehicle Information Multi-Jurisdiction Permitting System for a period of five years with an effective date of April 1, 2014. An extension of the contract has taken effect for another 5 years commencing August 24, 2019.

- d) During the year the Municipality entered into an agreement to purchase land for purposes of greenspace for a total purchase price of \$648,631 subject to the completion of relevant rezoning, subdivision and consolidation of titles of the land. The purchase was not finalized as of December 31, 2022 as the conditions of the agreement have not been satisfied yet but are anticipated to be completed in 2023.

17. CONTAMINATED SITES LIABILITY

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