

Municipal District of Ranchland No.66

CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2023

Municipal District of Ranchland No.66
CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2023

CONTENTS

Management's Responsibility for Financial Reporting	1
Independent Auditor's Report	2-4
Financial Statements	
Consolidated Statement of Financial Position	5
Consolidated Statement of Operations	6
Consolidated Statement of Changes in Net Financial Assets	7
Consolidated Statement of Cash Flows	8
Schedule 1 - Schedule of Changes in Accumulated Surplus	9
Schedule 2 - Schedule of Tangible Capital Assets	10
Schedule 3 - Schedule of Property and Other Taxes	11
Schedule 4 - Schedule of Government Transfers	12
Schedule 5 - Schedule of Consolidated Expenses by Object	13
Schedule 6 - Schedule of Consolidated Segment Disclosure	14-15
Notes to Consolidated Financial Statements	16-26



M.D. OF RANCLAND No. 66

PO BOX 1060 ♦ NANTON, AB - TOL IR0 ♦ 403-646-3131 ♦ MDRANCLAND.CA

Management's Responsibility for Reporting

The Municipal District (MD) of Ranchland's 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 MD's financial position as at December 31, 2023 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 MD's Council is responsible for overseeing management in the performance of its reporting responsibilities, and for approving the consolidated 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 MD's external auditors.

The consolidated financial statements have been audited by the independent firm of BDO Canada LLP. Their report to the Members of Council of the MD of Ranchland, stating the scope of their examination and opinion on the financial statements, follow.

Robert Strauss, CAO
April 23, 2024



Tel: 403 328 5292
Fax: 403 328 9534
www.bdo.ca

BDO Canada LLP
600 Melcor Centre
400 - 4 Avenue South
Lethbridge AB T1J 4E1 Canada

Independent Auditor's Report

To the Reeve and Council of Municipal District of Ranchland No. 66

Qualified Opinion

We have audited the consolidated financial statements of Municipal District of Ranchland No.66 (the MD), and its controlled entities, which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statement of operations, the consolidated changes in net financial assets and the consolidated cashflows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the MD as at December 31, 2023, and its consolidated result of operations, its consolidated changes in net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards (PSAS).

Basis for Qualified Opinion

As disclosed in Note 15, the MD has entered into surface lease agreements to use various gravel pits which the MD has a responsibility in part or full to eventually reclaim. The MD has not completed an estimate on the liability in respect of reclamation of these pits and therefore has recorded no provision for this liability in either the current or prior year. The effects of this deviation from PSAS on the financial position and result of operations of the MD for both 2023 and 2022 have not been determined as it is impracticable to do so and the effects could be material. Our audit opinion on the financial statements for the year end December 31, 2023 was modified accordingly because of this departure from PSAS.

Effective January 1, 2023, the MD was required to adopt *PS 3280 Asset Retirement Obligations* which requires the recognition of legal obligations associated with the retirement of tangible capital assets by public sector entities. Under the modified retroactive application method, the asset retirement obligation on transition is to be recorded using assumptions as of January 1, 2023. The corresponding asset retirement cost is added to the carrying value of the related tangible capital assets adjusted for amortization since the time the legal obligation was incurred. The net adjustment is charged to accumulated surplus. Comparative figures are to be restated to reflect this change in accounting policy. Management has not completed its assessment of the tangible capital assets for potential asset retirement obligations. As a result, it is not possible to quantify the impact of this departure from Canadian Public Sector Accounting Standards on expenses and annual surplus for the years ended December 31, 2023 and 2022, tangible capital assets and the asset retirement obligation as at December 31, 2023 and 2022, and accumulated surplus as at January 1 and December 31 for both the 2023 and 2022 years.

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 MD in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified 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 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 MD'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 MD or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the MD'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:

- 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 MD'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 MD'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 MD 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 MD 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.

BDD Canada LLP

Chartered Professional Accountants

Lethbridge, Alberta

April 23, 2024

Municipal District of Ranchland No.66
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023

	<u>2023</u>	<u>2022</u>
	\$	\$
FINANCIAL ASSETS		
Cash (note 2)	4,388,677	3,724,879
Receivables		
Taxes and grants in place of taxes (note 3)	4,625	8,330
Trade and other receivables (note 3)	70,166	61,169
Due from other governments (note 3)	24,218	128,737
Investments (note 4)	<u>4,623,940</u>	<u>4,473,188</u>
	<u>9,111,626</u>	<u>8,396,303</u>
 LIABILITIES		
Accounts payable and accrued liabilities	164,189	272,621
Capital lease obligation (note 15)	-	38,980
Employee benefit obligations (note 5)	70,451	39,470
Deferred revenue (note 6)	<u>1,717,324</u>	<u>854,458</u>
	<u>1,951,964</u>	<u>1,205,529</u>
 NET FINANCIAL ASSETS	<u>7,159,662</u>	<u>7,190,774</u>
 NON - FINANCIAL ASSETS		
Tangible capital assets (schedule 2)	9,760,438	9,418,816
Prepaid expenses	56,762	47,483
Inventory for consumption (note 9)	<u>527,620</u>	<u>615,684</u>
	<u>10,344,820</u>	<u>10,081,983</u>
 ACCUMULATED SURPLUS (schedule 1, note 10)	<u>17,504,482</u>	<u>17,272,757</u>

Contingencies - (note 14)

APPROVED BY:

The accompanying notes and supporting schedules to which the consolidated financial statements are cross-referenced are an integral part of these financial statements.

Municipal District of Ranchland No.66
CONSOLIDATED STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2023

	Budget (note 18) \$	2023 \$	2022 \$
REVENUE			
Net municipal taxes (schedule 3)	2,296,247	2,296,221	2,189,126
User fees and sales of goods and services	219,950	264,068	410,982
Penalties and cost of taxes	-	2,209	860
Government transfers for operating (schedule 4)	405,923	316,821	145,863
Investment income	168,572	259,683	170,654
Rentals	74,495	90,629	75,037
Other	26,300	62,685	13,086
Gains on disposal of tangible capital assets	1,000	36,995	112,374
TOTAL REVENUE	3,192,487	3,329,311	3,117,982
EXPENSES			
Legislative	427,265	440,179	383,042
General administration	511,408	484,586	470,712
Protective services	238,064	223,423	169,507
Roads Services	1,642,794	1,456,706	1,323,171
Environmental use and protection	8,180	8,318	7,959
Public health and welfare	34,637	32,803	32,634
Planning and development	36,954	37,544	24,132
Agricultural service board and economic development	719,185	685,439	606,947
Parks and recreation	14,658	15,283	121,747
TOTAL EXPENSES	3,633,145	3,384,281	3,139,851
ANNUAL SURPLUS (DEFICIT) BEFORE OTHER	(440,658)	(54,970)	(21,869)
OTHER			
Government transfers for capital (schedule 4)	331,000	286,695	751,736
ANNUAL SURPLUS	(109,658)	231,725	729,867
ACCUMULATED SURPLUS, BEGINNING OF YEAR	17,272,757	17,272,757	16,542,890
ACCUMULATED SURPLUS, END OF YEAR	17,163,099	17,504,482	17,272,757

The accompanying notes and supporting schedules to which the consolidated financial statements are cross-referenced are an integral part of these financial statements.

Municipal District of Ranchland No.66
CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
YEAR ENDED DECEMBER 31, 2023

	Budget \$	2023 \$	2022 \$
Annual Surplus	<u>(109,658)</u>	<u>231,725</u>	<u>729,867</u>
Acquisition of tangible capital assets	(865,000)	(757,069)	(1,057,245)
Proceeds on disposal of tangible capital assets (Note 18)	97,500	113,950	743,442
Amortization of tangible capital assets	307,779	338,491	323,328
Loss (Gain) on disposal of tangible capital assets	<u>(1,000)</u>	<u>(36,995)</u>	<u>(112,374)</u>
	<u>(460,721)</u>	<u>(341,623)</u>	<u>(102,849)</u>
Change in inventory	80,000	88,065	21,920
Acquisition of prepaid expenses	-	(56,762)	(47,483)
Use of prepaid assets	<u>-</u>	<u>47,483</u>	<u>40,858</u>
	<u>80,000</u>	<u>78,786</u>	<u>15,295</u>
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	<u>(490,379)</u>	<u>(31,112)</u>	<u>642,313</u>
NET FINANCIAL ASSETS, BEGINNING OF YEAR	<u>7,190,774</u>	<u>7,190,774</u>	<u>6,548,461</u>
NET FINANCIAL ASSETS, END OF YEAR	<u>6,700,395</u>	<u>7,159,662</u>	<u>7,190,774</u>

The accompanying notes and supporting schedules to which the consolidated financial statements are cross-referenced are an integral part of these financial statements.

Municipal District of Ranchland No.66
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2023

	2023	2022
	\$	\$
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Annual surplus	231,725	729,867
Non-cash items included in excess (shortfall) of revenue over expenses:		
Amortization	338,491	323,328
Loss on disposal of tangible capital assets	-	-
Gain on disposal of tangible capital assets	(36,995)	(112,374)
Gain on disposal of investments	(5,898)	2,871
Non-cash charges to operations (net change):		
Decrease (increase) in taxes and grants in place receivable	3,705	(1,855)
Increase (decrease) in trade and other receivables	(8,997)	133,474
Decrease (increase) in due from other governments	104,519	28,065
Decrease in inventory consumption	88,064	21,921
Increase in prepaid expenses	(9,279)	(6,625)
Increase (decrease) in accounts payable and accrued liabilities	(108,432)	(57,079)
Increase (decrease) in capital lease obligation	(38,980)	(9,122)
Increase (decrease) in employee benefit obligation	30,981	(18,401)
Increase (decrease) in deferred revenue	862,866	(30,692)
	<u>1,451,770</u>	<u>1,003,378</u>
Cash provided by operating transactions		
CAPITAL		
Acquisition of tangible capital assets	(757,069)	(1,057,245)
Proceeds on disposal of tangible capital assets (Note 18)	113,950	743,442
	<u>(643,119)</u>	<u>(313,803)</u>
Cash applied to capital transactions		
INVESTING		
Purchase of investments	(838,966)	(1,177,879)
Proceeds from sales/redemptions of investments	694,113	400,000
	<u>(144,853)</u>	<u>(777,879)</u>
Cash applied to financing transactions		
INCREASE (DECREASE) IN CASH DURING THE YEAR	663,798	(88,304)
CASH, BEGINNING OF YEAR	<u>3,724,879</u>	<u>3,813,183</u>
CASH, END OF YEAR	<u>4,388,677</u>	<u>3,724,879</u>

The accompanying notes and supporting schedules to which the consolidated financial statements are cross-referenced are an integral part of these financial statements.

Municipal District of Ranchland No.66
SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS
YEAR ENDED DECEMBER 31, 2023
SCHEDULE 1

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets (note 8)	2023 \$	2022 \$
BALANCE, BEGINNING OF YEAR	5,191,617	2,701,304	9,379,836	17,272,757	16,542,890
Annual surplus	231,725	-	-	231,725	729,867
Restricted funds designated for future use	(617,123)	617,123	-	-	-
Funds from operations designated for future use (Nanton Health Centre)	(5,446)	5,446	-	-	-
Current year funds used for tangible capital assets	(757,069)	-	757,069	-	-
Disposal of tangible capital assets	76,956	-	(76,956)	-	-
Annual amortization expense	338,491	-	(338,491)	-	-
Capital lease repayment	(38,980)	-	38,980	-	-
Change in accumulated surplus	(771,446)	622,569	380,602	231,725	729,867
BALANCE, END OF YEAR	4,420,171	3,323,873	9,760,438	17,504,482	17,272,757

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Municipal District of Ranchland No.66

SCHEDULE OF TANGIBLE CAPITAL ASSETS

YEAR ENDED DECEMBER 31, 2023

SCHEDULE 2

	Land	Land Improvements	Buildings	Engineered Structures Road & Streets	Machinery & Equipment	Vehicles	2023 \$	2022 \$
COST								
BALANCE, BEGINNING OF YEAR	423,258	31,640	1,481,974	11,814,906	2,049,910	423,505	16,225,193	16,006,665
Transfer	-	-	-	-	-	-	-	-
Acquisition of tangible capital assets	-	-	44,129	-	498,085	147,644	689,858	1,057,245
Additions to construction-in-progress	-	-	-	67,211	-	-	67,211	-
Disposition of tangible capital assets	-	-	-	-	(50,623)	(102,157)	(152,780)	(838,717)
BALANCE, END OF YEAR	423,258	31,640	1,526,103	11,882,117	2,497,372	468,992	16,829,482	16,225,193
ACCUMULATED AMORTIZATION								
BALANCE, BEGINNING OF YEAR	-	27,427	555,588	5,650,252	461,017	112,093	6,806,377	6,690,699
Transfer	-	-	-	-	-	-	-	-
Annual amortization	-	780	28,036	159,512	104,846	45,317	338,491	323,328
Accumulated amortization on disposal	-	-	-	-	(23,963)	(51,861)	(75,824)	(207,650)
BALANCE, END OF YEAR	-	28,207	583,624	5,809,764	541,900	105,549	7,069,044	6,806,377
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	423,258	3,433	942,479	6,072,353	1,955,472	363,443	9,760,438	9,418,816
2022 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	423,258	4,213	926,386	6,164,654	1,588,893	311,412	9,418,816	

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Municipal District of Ranchland No.66

SCHEDULE OF PROPERTY AND OTHER TAXES

YEAR ENDED DECEMBER 31, 2023

SCHEDULE 3

	Budget	2023	2022
	\$	\$	\$
TAXATION			
Municipal property taxes	2,934,590	2,934,588	2,844,924
Government grants in place of property taxes	6,901	6,901	6,729
	<u>2,941,491</u>	<u>2,941,489</u>	<u>2,851,653</u>
REQUISITIONS			
Alberta School Foundation Fund	611,102	611,103	628,528
Seniors' Lodge	18,487	18,497	18,435
Designated Industrial Property	15,655	15,668	15,564
	<u>645,244</u>	<u>645,268</u>	<u>662,527</u>
NET MUNICIPAL TAXES	<u>2,296,247</u>	<u>2,296,221</u>	<u>2,189,126</u>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Municipal District of Ranchland No.66
SCHEDULE OF GOVERNMENT TRANSFERS
YEAR ENDED DECEMBER 31, 2023
SCHEDULE 4

	Budget \$	2023 \$	2022 \$
TRANSFERS FOR OPERATING			
Provincial Government	405,923	316,821	145,863
	<u>405,923</u>	<u>316,821</u>	<u>145,863</u>
TRANSFERS FOR CAPITAL			
Provincial Government	331,000	286,695	535,062
Federal Government		-	216,674
	<u>331,000</u>	<u>286,695</u>	<u>751,736</u>
TOTAL GOVERNMENT TRANSFERS	<u>736,923</u>	<u>603,516</u>	<u>897,599</u>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Municipal District of Ranchland No.66
SCHEDULE OF CONSOLIDATED EXPENSES BY OBJECT
YEAR ENDED DECEMBER 31, 2023
SCHEDULE 5

	Budget \$	2023 \$	2022 \$
EXPENSES			
Salaries, wages and benefits	1,458,162	1,465,878	1,396,132
Contracted and general services	1,162,919	1,100,823	980,245
Materials, goods and utilities	471,600	394,202	355,349
Transfers to local boards, agencies and other governments	222,085	53,459	47,070
Other expenses	10,600	31,429	37,727
Amortization of tangible capital assets	307,779	338,490	323,328
	<u>3,633,145</u>	<u>3,384,281</u>	<u>3,139,851</u>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Municipal District of Ranchland No.66
SCHEDULE OF CONSOLIDATED SEGMENT DISCLOSURE
YEAR ENDED DECEMBER 31, 2023
SCHEDULE 6

	General Government	Protective Services	Transportation Services	Planning and Development	Agricultural Services	Parks and Health	Environmental Services	Total \$
REVENUE								
Net municipal taxes	\$ 2,296,221	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,296,221
Government transfers	87,496	17,276	302,017	-	193,658	3,069	-	603,516
User fees and sales of goods and services	120	-	125,782	790	137,376	-	-	264,068
Investment income	255,973	-	-	-	-	3,710	-	259,683
Gain on disposal of tangible capital assets	-	-	29,272	-	-	7,723	-	36,995
Other revenues	3,453	4,727	116,887	-	981	29,475	-	155,523
	<u>2,643,263</u>	<u>22,003</u>	<u>573,958</u>	<u>790</u>	<u>332,015</u>	<u>43,977</u>	<u>-</u>	<u>3,616,006</u>
EXPENSES								
Salaries, wages and benefits	\$ 523,920	\$ 19,185	\$ 488,977	\$ 22,455	\$ 406,090	\$ 5,251	\$ -	\$ 1,465,878
Contracted and general services	326,629	167,615	400,176	2,901	192,525	5,074	5,903	1,100,823
Materials, goods and utilities	46,016	2,925	277,783	83	65,186	2,209	-	394,202
Transfers to local boards and agencies	2,100	31,418	-	12,105	4,000	3,836	-	53,459
Other expenses	4,539	-	-	-	-	26,890	-	31,429
	<u>903,204</u>	<u>221,143</u>	<u>1,166,936</u>	<u>37,544</u>	<u>667,801</u>	<u>43,260</u>	<u>5,903</u>	<u>3,045,791</u>
ANNUAL SURPLUS (DEFICIT) BEFORE AMORTIZATION	<u>1,740,059</u>	<u>(199,140)</u>	<u>(592,978)</u>	<u>(36,754)</u>	<u>(335,786)</u>	<u>717</u>	<u>(5,903)</u>	<u>570,215</u>
Amortization expense	21,561	2,280	289,770	-	17,638	4,826	2,415	338,490
ANNUAL SURPLUS (DEFICIT)	<u>1,718,498</u>	<u>(201,420)</u>	<u>(882,748)</u>	<u>(36,754)</u>	<u>(353,424)</u>	<u>(4,109)</u>	<u>(8,318)</u>	<u>231,725</u>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Municipal District of Ranchland No.66
SCHEDULE OF CONSOLIDATED SEGMENT DISCLOSURE
YEAR ENDED DECEMBER 31, 2022
SCHEDULE 6

	General Government	Protective Services	Transportation Services	Planning and Development	Agricultural Services	Parks and Health	Environmental Services	Total \$
REVENUE								
Net municipal taxes	\$ 2,189,126	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,189,126
Government transfers	58,402	-	715,018	-	121,210	2,969	-	897,599
User fees and sales of goods	1,100	-	117,375	543	129,894	162,070	-	410,982
Investment income	168,611	-	-	-	-	2,043	-	170,654
Gain on disposal of tangible capital assets	-	5,194	101,882	-	5,298	-	-	112,374
Other revenues	10,508	1,138	46,060	-	420	30,857	-	88,983
	<u>2,427,747</u>	<u>6,332</u>	<u>980,335</u>	<u>543</u>	<u>256,822</u>	<u>197,939</u>	<u>-</u>	<u>3,869,718</u>
EXPENSES								
Salaries, wages and benefits	\$ 485,590	\$ 11,521	\$ 451,705	\$ 12,399	\$ 347,202	\$ 87,715	\$ -	\$ 1,396,132
Contracted and general services	296,664	126,370	345,222	1,064	193,885	11,724	5,316	980,245
Materials, goods and utilities	34,699	2,561	254,875	-	45,298	17,688	228	355,349
Transfers to local boards and agencies	2,600	26,590	-	10,669	3,500	3,711	-	47,070
Other expenses	10,621	-	-	-	-	27,106	-	37,727
Loss on disposal of tangible capital assets	-	-	-	-	-	-	-	-
	<u>830,174</u>	<u>167,042</u>	<u>1,051,802</u>	<u>24,132</u>	<u>589,885</u>	<u>147,944</u>	<u>5,544</u>	<u>2,816,523</u>
ANNUAL SURPLUS (DEFICIT) BEFORE AMORTIZATION	<u>1,597,573</u>	<u>(160,710)</u>	<u>(71,467)</u>	<u>(23,589)</u>	<u>(333,063)</u>	<u>49,995</u>	<u>(5,544)</u>	<u>1,053,195</u>
Amortization expense	23,580	2,465	271,369	-	17,062	6,437	2,415	323,328
ANNUAL SURPLUS (DEFICIT)	<u>1,573,993</u>	<u>(163,175)</u>	<u>(342,836)</u>	<u>(23,589)</u>	<u>(350,125)</u>	<u>43,558</u>	<u>(7,959)</u>	<u>729,867</u>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Municipal District of Ranchland No.66

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Municipal District of Ranchland No.66 (the "M.D.") 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 M.D. 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 the M.D. operations plus all of the entities that are owned or controlled by the M.D. and are, therefore, accountable to M.D.'s Council for the administration of their financial affairs and resources. They include the following:

Nanton Health Centre Management Committee (NHCMC) 1/3 portion held by the M.D.

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. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or legal obligation to pay.

Contributions and other amounts received from third parties pursuant to legislation, regulation or agreement may only be used for certain programs, in the completion of specific work, or the purchase of capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed or goods yet to be provided. Revenue is recognized in the period when the related expenses are incurred, services performed or the tangible capital assets are acquired.

c) Use of Estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the the date of the financial statements, and the reported amounts of revenue and expenses 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. The M.D. has estimates in respect of accounts receivable are stated after evaluation as to their collectability accounts payable and accrued liabilities, employee obligations, deferred revenue, inventory for consumption, tangible capital assets, and asset retirement obligations.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where necessary. Provisions are made for slow moving and obsolete inventory and gravel inventory is recognized based on yards of gravel. Amortization is based on the estimated useful life of tangible capital assets.

d) Cash and Cash Equivalents

Cash and cash equivalents include cash and investments that are readily convertible to known amounts of cash and 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.

Municipal District of Ranchland No.66

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Investments

Investments are recorded at amortized cost. Investment premiums and discounts are amortized on the straight line basis over the term of the respective investments. 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.

f) 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.

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) Government Transfers

Government transfers are recognized as revenue in the financial statements when the transfer is authorized and any eligibility criteria are 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 transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

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 excess of revenue over expenses, 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
Buildings	25-50
Engineered structures - roads	60-75
Roads	60-75
Water systems	60-75
Wastewater systems	60-75
Land improvements	20
Machinery and equipment	5-25
Vehicles	10-25

ii. Contributions on 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.

Municipal District of Ranchland No.66

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

i) Non-Financial Assets (continued)

iii. Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

iv. Inventories

Inventories held for consumption are recorded at the lower of cost and replacement cost, with cost determined by the average cost method.

j) Contaminated Sites Liability

A contaminated site is a site at which substances occur in concentrations that exceed the maximum

Unless otherwise noted, the fair value of the financial instrument approximates their carrying value and it is management's opinion that the M.D. is not exposed to significant interest, currency or credit risk arising from financial instruments.

k) Contributed Materials and Services

Contributed materials and services which are used in the normal course of the M.D.'s operations and would otherwise have been purchased at their fair value at the date of the contribution if fair value can be reasonably estimated.

l) Asset Retirement Obligation

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset at the financial statement date when there is a legal obligation for the M.D. to incur retirement costs, the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at year-end. The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods. When a liability for an asset retirement obligation is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related tangible capital asset. The asset retirement cost is amortized over the useful life of the related asset. Asset retirement obligations which are incurred incrementally with use of the asset are recognized in the period incurred with a corresponding asset retirement cost expensed in the period. At each financial reporting date, the M.D. reviews the carrying amount of the liability. The M.D. recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset. The M.D. continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

m) New Accounting Policies Adopted During the Year

i. Financial Instruments

Cash, accounts receivable, accounts payable are measured at cost. Short term investments and long-term debt is measured at fair value or amortized cost. For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest expense. All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations. Transaction costs are added to the carrying value for financial instruments measured using cost or amortized cost.

Municipal District of Ranchland No.66

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

n) Financial Instruments

Cash and equity instruments quoted in an active market are measured at fair value. Accounts receivable, accounts payable, and long-term debt are measured at cost or amortized cost. The carrying amount of each of these financial instruments is presented on the statement of financial position.

Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the statement of remeasurement gains and losses. Upon settlement, the cumulative gain or loss is reclassified from the statement of remeasurement gains and losses and recognized in the statement of operations. Interest and dividends attributable to financial instruments are reported in the statement of operations.

When investment income and realized and unrealized gains and losses from changes in the fair value of financial instruments are externally restricted, the investment income and fair value changes are recognized as revenue in the period in which the resources are used for the purpose specified.

For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense.

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations.

Transaction costs are added to the carrying value for financial instruments measured using cost or amortized cost. Transaction costs are expensed for financial instruments measured at fair value.

2. CASH

	2023 \$	2022 \$
Cash	4,326,930	3,637,269
Investment cash account	61,747	87,610
	4,388,677	3,724,879

Included in cash is a restricted amount of \$1,717,324 (2022 - \$845,458) received from various programs and initiatives to be held for capital and other projects but are deferred as disclosed in Note 6.

Included in cash is the M.D.'s 1/3 portion in the Nanton Health Centre of \$130,966, earning interest between 0.05% - 5.5%

Interest earned on the investment cash account is 5.00% and interest earned on all other cash accounts at 5.40% (2022 - 4.15%).

3. RECEIVABLES

	2023 \$	2022 \$
Arrears taxes	4,625	8,330
Trade accounts	27,946	24,951
Interest	42,220	36,218
	70,166	61,169
GST receivable	24,218	26,439
Grant receivable	-	102,298
	24,218	128,737

The M.D.'s exposure to credit risk arises from the possibility that taxpayers may fail to meet their obligations. Taxes and grants in lieu receivable includes \$4,625 (2022 - \$8,330). The M.D. manages this risk by following the methods of recovering taxes in arrears as prescribed in section 411 of the Municipal Government Act, which includes the right of the M.D. to offer up for sale at a public auction those properties with taxes in arrears.

Municipal District of Ranchland No.66

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

4. INVESTMENTS

	2023 - \$		2022
	<u>Market Value</u>	<u>Amortized Cost</u>	<u>\$</u>
Government and government guaranteed bonds	3,810,845	3,923,940	4,028,285
Canadian GIC's and T-bills	<u>700,000</u>	<u>700,000</u>	<u>444,903</u>
	<u>4,510,845</u>	<u>4,623,940</u>	<u>4,473,188</u>

Government and government guaranteed bonds have an effective interest rate of 1.55% to 5.76% (2022 - 1.55% to 5.60%) with maturity dates from September 2024 to December 2048.

5. EMPLOYEE BENEFIT OBLIGATIONS

Employee benefit obligations include accrued wages and vacation. Employees have either earned the benefits or are entitled to these within the next budgetary year.

6. DEFERRED REVENUE

	Opening balance	Received	Recognized	Ending balance
	<u>\$</u>		<u>\$</u>	<u>\$</u>
Municipal Sustainability Initiative - Capital	700,248	215,127	254,483	660,892
Municipal Sustainability Initiative - Operating	-	43,368	43,368	-
Canada Community Building Fund	-	50,459	48,815	1,644
ACP Intermunicipal Collaboration	151,697	7,836	59,450	100,083
ASB Grant	-	181,247	181,247	-
Watercourse Crossing Remediation Project	-	1,021,065	67,212	953,853
Carnivore Conflict Resolution Initiative	<u>2,513</u>	<u>5,000</u>	<u>6,661</u>	<u>852</u>
	<u>854,458</u>	<u>1,524,102</u>	<u>661,236</u>	<u>1,717,324</u>

Municipal Sustainability Initiative

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

Canada Community Building Fund

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

Alberta Community Partnership (ACP) Intermunicipal Collaboration

In the current year there was interest earned of \$7,836 and no additional funding received (2022 - \$150,000) to assist with the M.D. developing an infrastructure master plan.

Agricultural Service Board Grant Program (ASB)

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

Watercourse Crossing Remediation Project

The use of these funds is to provide the M.D. funding to remediate watercourse crossings to restore fish passage in critical habitat.

Municipal District of Ranchland No.66

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

6. DEFERRED REVENUE (CONTINUED)

Carnivore Conflict Reduction Initiative

The use of these funds is to provide the M.D. for funding of deadstock pickup within the M.D. until the amount is depleted.

7. CONTAMINATED SITES LIABILITY

The M.D. has adopted PS3260 Liability for Contaminated Sites. The M.D. did not identify any financial liabilities in 2023 (2022-\$nil) as a result of this standard.

8. EQUITY IN TANGIBLE CAPITAL ASSETS

	2023	2022
	\$	\$
Tangible capital assets (schedule 2)	16,829,482	16,225,193
Accumulated amortization (schedule 2)	(7,069,044)	(6,806,377)
Capital lease obligation	-	(38,980)
	<u>9,760,438</u>	<u>9,379,836</u>

9. INVENTORIES FOR CONSUMPTION

	2023	2022
	\$	\$
Gravel inventories	415,678	492,316
Other inventories	111,942	123,368
	<u>527,620</u>	<u>615,684</u>

Municipal District of Ranchland No.66

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

10. ACCUMULATED SURPLUS

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

	<u>2023</u>	<u>2022</u>
	\$	\$
Unrestricted surplus	<u>4,420,171</u>	<u>5,191,617</u>
Restricted surplus		
Operating - general reserve	870,694	880,694
Operating - education reserve	1,301	1,301
Capital - transportation reserve	811,206	869,206
Capital - general reserve	383,537	386,489
Capital - administration reserve	12,391	12,391
Capital - fleet vehicle reserve	157,500	65,000
Capital - fleet heavy equipment reserve	101,000	355,000
Nanton Health Centre reserve	136,244	131,223
Operating - Gravel Crushing	500,000	-
Gravel Pit Reclamation	250,000	-
Asset Retirement Obligations	100,000	-
	<u>3,323,873</u>	<u>2,701,304</u>
Equity in tangible capital assets (note 8)	<u>9,760,438</u>	<u>9,379,836</u>
	<u>17,504,482</u>	<u>17,272,757</u>

11. 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:

	<u>2023</u>		<u>2022</u>	
	\$		\$	
	<u>Salary ¹</u>	<u>Benefits ²</u>	<u>Total</u>	<u>Total</u>
COUNCILLORS				
Harry Streeter	31,692	5,287	36,979	34,550
Cameron Gardner	21,079	6,905	27,984	25,802
Ron Davis	27,765	5,604	33,369	33,218
Chief Administrative Officer	132,384	26,262	158,646	147,959
Assessor	14,000	-	14,000	12,600

1. Salaries include regular base pay, bonuses, overtime, lump sum payments, gross honoraria and any other direct cash remuneration.
2. Employer's share of benefits includes mileage allowances, the employer portion of RRSP contributions, and the employer portion of the group benefits plan.

Municipal District of Ranchland No.66
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

12. SEGMENT DISCLOSURE

The M.D. 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 consolidated financial statements as disclosed in Note 1.

Refer to the Schedule of Segment Disclosure (schedule 6).

General Government

Included in this segment are revenues and expenses associated with legislative, general administration and finance.

Protective Services

Included in this segment are revenues and expenses associated with policing, fire protection, emergency management including disaster services.

Transportation Services

Included in this segment are revenues and expenses associated with common services and roads.

Planning and Development

Included in this segment are revenues and expenses associated with land use, planning, zoning and development, and economic development.

Agricultural Services

Included in this segment are revenues and expenses associated with agriculture, chemical, weed and pest control.

Parks and Health

Included in this segment are revenues and expenses associated with parks, recreation, culture and family and community support services (FCSS) and public health and welfare.

Environmental Services

Included in this segment are revenues and expenses associated with waste management and recycling.

13. 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 M.D. be disclosed as follows:

	<u>2023</u>	<u>2022</u>
	\$	\$
Total debt limit	4,915,491	4,563,489
Total debt	-	-
Amount total debt limit unused	<u>4,915,491</u>	<u>4,563,489</u>
Debt servicing limit	819,249	760,582
Debt servicing	-	-
Amount of debt servicing limit unused	<u>819,249</u>	<u>760,582</u>

Municipal District of Ranchland No.66

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

13. DEBT LIMITS (CONTINUED)

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.

14. CONTINGENCIES

The M.D. is a member of the Alberta Municipal Insurance Exchange (MUNIX). Under the terms of the membership, the M.D. could become liable for its proportional share of any losses in excess of the funds held by the exchange. Any liability would be accounted for as a current transaction in the year the losses are determined.

15. COMMITMENTS AND CONTRACTUAL OBLIGATIONS

The M.D. has entered into the following contracts with third party agencies to provide services on behalf of the M.D.:

- a) M.D. of Willow Creek. This agreement is to provide emergency services to the M.D. expiring December 31, 2025. The agreement contains the following agreed upon amounts:
2024 - 2023 costs plus GST plus 2023's annual inflation factor
2025 - 2024 costs plus GST plus 2024's annual inflation factor
- b) The M.D. has entered into surface lease agreements to use various gravel pits. The M.D. is responsible in part or in full for any costs associated with the eventual site reclamation of these gravel pits. The M.D. has not finalized their estimation of the costs of reclamations; however, the M.D. has engaged engineers to assist with determining the cost to reclaim the gravel pits. The estimated costs to reclaim as of December 31, 2021 are \$633,000. The costs of reclamation considering the timing of such expenditures has not been estimated and consequently no liability has been accrued in the accompanying financial statements. No reclamation estimation occurred for the December 31, 2023 year.
- c) During the year, the M.D. signed agreements to purchase a new capital asset for \$705,600 plus GST which comprises of the following:
160 15A AWD Motor Grader on October 14, 2023 for \$705,600
The agreements stipulate that payment is due when the equipment is delivered and is anticipated to be paid in 2024.
- d) The M.D. has entered into a contract with the M.D. of Willow Creek. This agreement is to provide Community Peace Officer services to the the M.D. expiring December 31, 2024. The Agreement contains the following agreed upon amounts:
2024 - \$83,631

Municipal District of Ranchland No.66

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

15. COMMITMENTS AND CONTRACTUAL OBLIGATIONS (continued)

- e) The M.D. entered in to a lease obligation that is capital in nature.

	2023 \$	2022 \$
Enterprise Fleet Management - monthly payments for \$928 for 60 months at 4.58%, secured by specific tangible capital assets with net book value of \$55,690, due May 2026.	-	38,980

The M.D. bought out the lease as at July 31, 2023.

16. FINANCIAL INSTRUMENTS

- a) Financial Instrument Risk

The M.D. is exposed to credit risk, liquidity risk, and interest rate risk from its financial instruments. This note describes the M.D.'s objectives, policies, and processes for managing those risks and the methods used to measure them. Further qualitative and quantitative information in respect of these risks is presented below and throughout these financial statements.

There have not been any changes from the prior year in the M.D.'s exposure to above risks or the policies, procedures, and methods it uses to manage and measure the risks.

- b) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The M.D. is exposed to credit risk through its cash and accounts receivable, and portfolio investments.

The M.D. manages its credit risk by monitoring outdated accounts for collection. The M.D. measures its exposure to credit risk based on by how long amounts have been outstanding and on historical experience regarding collections. The maximum exposure to credit risk at the financial statement date is the carrying value of its cash and accounts receivable, included in Notes 2 & 3. The M.D. maintains the majority of its bank accounts and investment accounts at two financial institutions. Balances in these accounts may exceed federally insured amounts. Accounts receivable arise primarily as a result of interest receivables. Based on this knowledge, credit risk of cash and accounts receivable are assessed as low.

The M.D. manages exposure to credit risk for portfolio investments by ensuring adequate diversification and by maintaining its investments which meets the investment requirements of Alberta Municipal Affairs. As a result, the MD has reduced exposure to market or value risk. The maximum exposure to credit risk on portfolio investments is outlined in Note 4.

- c) Liquidity Risk

Liquidity risk is the risk that the M.D. will encounter difficulty in meeting obligations associated with financial liabilities. The M.D. is exposed to liquidity risk through its accounts payable and investments.

The M.D. manages this risk by monitoring cash activities and expected outflows through budgeting, and has the ability to increase tax rates per bylaw in order to increase cash. The M.D. staggers maturity dates of its investment portfolio for cash flow needs. Also to help manage the risk, the M.D. has in place a planning, budgeting and forecasting process to help determine the funds required to support the normal operating requirements. The M.D. measures its exposure to liquidity risk based on extensive budgeting.

Municipal District of Ranchland No.66

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

17. NANTON HEALTH CENTRE MANAGEMENT COMMITTEE

The M.D. of Ranchland participates in a Joint Venture with the M.D. of Willow Creek and the Town of Nanton in operating the Nanton Health Centre Management Committee (o/a the Nanton Health Centre). The three stakeholders share responsibilities for 1/3 of the operating revenues, operating costs and net operating revenues of the Centre. The Joint Venture is proportionately consolidated with the M.D. of Ranchland financial statements at year-end on a line by line basis.

The following table presents condensed financial information for the Nanton Health Management Committee business partnerships:

	Nanton Health Centre	
	2023	2022
	\$	\$
Financial position		
Cash	174,541	169,600
Other assets	230,753	227,117
Trade and other	3,438	3,060
Total assets	<u>408,732</u>	<u>399,777</u>
Accounts payable	-	7,382
Total liabilities	<u>-</u>	<u>7,382</u>
Accumulated surplus	<u>408,732</u>	<u>392,395</u>
Result of operations		
Revenues	95,761	90,807
Expenses	79,424	79,810
Net income	<u>16,337</u>	<u>10,997</u>

18. 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.

	2023
	\$
Budgeted surplus reported in financial statements	(109,658)
Net transfers from reserves	490,379
Capital projects	(865,000)
Proceeds on sale of tangible capital assets	97,500
Non cash item budgeted for - amortization	307,779
Inventory change	80,000
Gain on disposal of tangible capital assets	(1,000)
Financial plan bylaw surplus for the year	<u>-</u>

19. COMPARATIVE FIGURES

Certain prior year figures have been reclassified to conform with the current year financial statement presentation.