

# MEMORANDUM

**To:** Greg Switenky, CAO

**From:** Steven Gerlitz, Asst. CAO

**Date:** May 5, 2020

**Re:** 2019 Financial Statements

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## Recommendation

That the Town of Stettler Council accept the 2019 Consolidated Financial Statements and the Municipal Financial Information Return for the Year Ended December 31, 2019 as presented, including correspondence from the Auditor as follows:

1. A Management Letter dated May 5, 2020. (in camera)
2. An Auditor Opinion Letter dated May 5, 2020
3. The Auditors' Report on the 2019 Consolidated Financial Statements, dated May 5, 2020.
4. The Auditors' Report on the 2019 Municipal Financial Information Return dated May 5, 2020.

## Background Information

### Plans & Bylaws

### Financial Implications

### Alternatives to the Recommendation

### Points to Ponder

### Communication

- J. Tanner, Auditor – Gitzel Krejci Dand Peterson
- K. Hymers – Office Administrator
- G. Switenky – CAO

### Documentation

- 2019 Financial Audit
- 2019 Expense and Revenue Statement
- 2019 Reserves
- 2019 Capital Budget Summary

**INDEPENDENT AUDITORS' REPORT  
MUNICIPAL FINANCIAL INFORMATION RETURN**

TO: The Mayor and Council  
Town of Stettler

**Opinion**

We have audited the municipal financial information return of the Town of Stettler, which comprises the schedule of financial position as at December 31, 2019 and the schedules of change in accumulated surplus, financial activities and supplementary schedules for the year then ended.

In our opinion, the accompanying municipal financial information return presents fairly, in all material respects, the financial position of the town as at December 31, 2019, the results of its operations and change in its accumulated surplus for the year then ended in accordance with Canadian public sector accounting standards.

It is understood that this report, as requested by the Minister of Alberta Municipal Affairs, is to be used primarily for statistical purposes. We have issued an independent auditors' report dated May 5, 2020 on the financial statements of the Town of Stettler for the year ended December 31, 2019 and reference should be made to those audited financial statements for complete information.

**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 *Auditors' Responsibilities for the Audit of the Financial Information Return* section of our report. We are independent of the town in accordance with the ethical requirements that are relevant to our audit of the financial information return 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.

**Emphasis of Matter – Basis of Accounting**

The financial information return is prepared to assist the town to meet the requirements of the Municipal Government Act (Section 277(1)). As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

**Responsibilities of Management and Those Charged with Governance for the Municipal Financial Information Return**

Management is responsible for the preparation and fair presentation of the municipal financial information return in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of the municipal financial information return free from material misstatement, whether due to fraud or error.

In preparing the municipal financial information return, management is responsible for assessing the ability of the town 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 cease operations, or has no realistic alternative but to do so.

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

## **Auditors' Responsibilities for the Audit of the Municipal Financial Information Return**

Our objectives are to obtain reasonable assurance about whether the municipal financial information return as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 this financial information return. 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 financial information return, 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 controls.
- 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 purposes of expressing an opinion on the effectiveness of the town'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 town's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report and to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditors' report. However, future events or conditions may cause the town to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the municipal financial information return, and whether the municipal financial information return represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Stettler, Alberta  
May 5, 2020

CHARTERED PROFESSIONAL ACCOUNTANTS

**TOWN OF STETTLER  
BOX 280**

**Stettler, AB  
T0C 2L0**

May 5, 2020

Gitzel & Company  
Chartered Professional Accountants  
Box 460  
STETTLER, AB T0C 2L0

Dear Sir or Madam:

We are providing this letter in connection with your audit of the financial statements of Town of Stettler as of December 31, 2019 and for the period then ended for the purpose of expressing an opinion as to whether the financial statements present fairly, in all material respects, the financial position, results of financial activities, and cash resources in accordance with Canadian public sector accounting standards. We acknowledge that we are responsible for the fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for the design and implementation of internal control to prevent and detect fraud and error.

We understand that your examination was planned and conducted in accordance with Canadian auditing standards and accordingly included such tests of the accounting records and such other auditing procedures for the purpose of expressing an opinion on the financial statements. While your work includes an examination of the accounting system, internal control and related data to the extent you considered necessary in the circumstances, it is not designed to identify, nor can it necessarily be expected to disclose, fraud, shortages, errors and other irregularities, should any exist.

Certain representations in this letter are described as being limited to matters that are material. An item is considered material, regardless of monetary value, if it is probable that its omission from or misstatement in the financial statements would influence the decision of a reasonable person relying on the financial statements.

We hereby confirm that to the best of our knowledge and belief as of the date of this letter, the following representations made to you during your audit.

**A. Financial statements and financial records**

1. Significant accounting policies and any changes in these policies, have been disclosed.
2. There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements.
3. We believe the effects of those uncorrected financial statement misstatements aggregated by you during the audit are immaterial, both individually and in the aggregate to the financial statements taken as a whole. Attached to this letter is a summary of such items.
4. All liabilities, contingencies, unusual contractual obligations or substantial commitments which would materially affect the financial statements have been recorded or disclosed in the financial statements.

5. All known related parties have been disclosed to you as well related party balances and transactions, including guarantees, non-monetary transactions and transactions for no consideration. They have been properly measured, recorded and disclosed in the financial statements.
6. Where appropriate, all transactions between the Municipality and its councillors occurring throughout the year have been segregated.
7. None of the councillors were indebted to the Municipality at year end, other than in the ordinary course of business, except as disclosed in the accounting records.
8. Information regarding the terms and conditions of interest rate risk, credit risk and foreign exchange risk of financial instruments has been disclosed. There were no derivative or off-balance sheet financial instruments held at period end.
9. Fair value of financial instruments has been disclosed. We believe that the significant assumptions used in arriving at the fair values of financial instruments as measured and disclosed in the financial statements are reasonable and appropriate in the circumstances.
10. We have reviewed, approve and accept full responsibility for the year-end adjusting entries which you prepared or changed, and account codes you determined or changed, which form a part of the Municipality's books-of-account.
11. We have read and approve the issue of the financial statements referred to above. They present fairly, in all material respects, the financial position of the Municipality as at December 31, 2019, and the results of its operations and its cash flows for the year then ended, in accordance with Canadian public sector accounting standards.
12. We have responded fully to all inquiries made to us and have made available to you all financial records and related data and all minutes of the meetings of shareholders, directors and committees of directors.

#### **B. Ownership**

1. The Municipality has satisfactory title to (or lease interest in,) all assets and there are no liens or encumbrances on the Municipality's assets.
2. All assets which are owned by the Municipality are recorded in the accounts.

#### **C. Valuation**

1. Our present plans and intentions are appropriately reflected by the carrying value and classification of the Municipality's assets and liabilities.
2. Where the value of any asset has been impaired, an appropriate provision has been made in the financial statements. This includes:
  - (a) appropriate provisions for idle, abandoned, destroyed or obsolete assets or where site restoration costs will be necessary.
3. Adequate provisions have been recorded in the accounts for all anticipated losses related to obsolete, slow-moving and defective inventories and all known or anticipated losses from uncollectible accounts receivable.

4. The nature of all material measurement uncertainty has been appropriately disclosed in the financial statements, including all estimates where it is possible that the estimate will change in the near term and the effect of the change could be material to the financial statements. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.

#### **D. Completeness**

1. All goods shipped or services rendered prior to the year-end have been recorded as sales of this year except that no amount has been included in sales and accounts receivable for goods shipped on consignment, on approval, or subject to repurchase agreements.
2. Inventory does not include:
  - (a) items not paid for or for which no liability has been recorded in the accounts at year-end
  - (b) goods on consignment from others
  - (c) goods invoiced to customers.
3. All additions to property and equipment during the year represent actual additions and no expenditures of a capital nature have been charged to expense during the year.
4. All property and equipment sold or dismantled (and all capital lease terminations) during the year have been properly accounted for in the accounts.
5. Capital and other assets with a limited life are being depreciated, amortized, or otherwise written off as a charge to income over their estimated useful lives in a systematic and rational manner.
6. All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the financial statements.
7. All accounting and financial records and related data of the Municipality have been made available to you and nothing was withheld from you.

#### **E. Fraud and illegal acts**

1. Management has assessed the risk as low, that the financial statements may be materially misstated as a result of fraud.
2. We have no knowledge of fraud or suspected fraud affecting the entity involving management; or employees who have significant roles in the system of internal control; or others where the fraud could have a non-trivial effect on the financial statements.
3. We acknowledge our responsibility for the design and implementation of internal control to prevent and detect fraud.
4. Management is not aware of any fraud, possible fraud, suspected fraud, illegal or possibly illegal acts the effects of which should be considered for disclosure in the financial statements or as the basis of recording a contingent loss.

#### **F. General**

1. The minute books of the Municipality contain a true record of all councillors' meetings and all the business transacted to date.

2. We have disclosed to you all significant customers and/or suppliers of the Municipality who individually represent a significant volume of transactions with our municipality. We are of the opinion that the volume of transactions done by the Municipality with any one party is not of sufficient magnitude that discontinuance would have a material effect on the ongoing operations of the Municipality.
3. We are aware of the environmental laws and regulations that impact on our municipality and we are in compliance.
4. Any pledge or assignment of municipality assets as security for liabilities has been disclosed to you.
5. All provisions for personal use of the business assets or expenses have been fairly ascertained and recognized.
6. All transactions of the Municipality which were not at arm's length have been disclosed to you.
7. We are not aware of any known or probable instances of non-compliance with the requirements of regulatory or governmental authorities, including their financial reporting requirements.
8. We are not aware of any violations or possible violations of laws or regulations, the effects of which should be considered for disclosure in the financial statements or as the basis of recording a contingent loss.
9. We have informed you of all outstanding and possible claims, whether or not they have been discussed with legal counsel.
10. We have disclosed to you, and the municipality has complied with, all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance.
11. We are aware of the positive, negative and financial covenants included in our loan agreements and we are in compliance, except as noted in the financial statements.

**G. Events subsequent to the year-end**

1. There have been no events subsequent to the balance sheet date up to the date of this letter that would require recognition or disclosure in the financial statements. Further, there have been no events subsequent to the date of the comparative financial statements that would require adjustment of those financial statements and related notes.

Yours very truly,

**TOWN OF STETTLER**

Per: \_\_\_\_\_ Title: \_\_\_\_\_

Per: \_\_\_\_\_ Title: \_\_\_\_\_

**TOWN OF STETTLER**  
**UNADJUSTED MISSTATEMENT SCHEDULE**  
**FOR THE PERIOD ENDED DECEMBER 31, 2019**

		Dr (Cr) Statement of Income			Dr (Cr) Balance Sheet Items		
File Ref	Description of Misstatement	Identified Misstatements	Likely or Projected Misstatements	Aggregate Misstatements	Assets	Liabilities	Closing Equity
20.1	Credit balances in tax accounts receivable	\$ -	\$ -	\$ -	\$ 21,695	\$ (21,695)	\$ -
20.4	Credit balances in utilities receivable	-	-	-	19,986	(19,986)	-
20.1 5.1	Write down of Stettler Hotel AR to assessed value of land	115,400	-	115,400	(115,400)	-	115,400
	a) TOTALS CURRENT YEAR	<b>\$115,400</b>	<b>\$-</b>	<b>\$ 115,400</b>	<b>\$ (73,719)</b>	<b>\$ (41,681)</b>	<b>\$ 115,400</b>
	b) Effects of unadjusted misstatements from previous years			-	-	-	-
	c) Aggregate likely misstatements (i.e. a+b)			115,400	(73,719)	(41,681)	115,400
	d) Materiality (Performance)	\$350,000		350,000	(350,000)	(350,000)	350,000
	e) Amount remaining for further possible misstatement (if <b>NEGATIVE</b> materiality has been exceeded)			<u>\$ 234,600</u>	<u>\$ 276,281</u>	<u>\$ 308,319</u>	<u>\$ 234,600</u>

**Conclusion:**

The proposed adjustments noted above do not affect the fair presentation of the financial statements.



## AUDIT FINDINGS

May 5, 2020

Council  
Town of Stettler  
Box 280  
Stettler, AB  
T0C 2L0

Dear Council:

The purpose of this report is to summarize certain aspects of the audit that we believe would be of interest to Council.

We performed an audit of the financial statements of Town of Stettler for the year ended December 31, 2019. The financial statements are the responsibility of the municipality's management. Our responsibility is to express an opinion on these financial statements based on our audit. Canadian auditing standards require that we communicate the following information with you in relation to our audit.

Our audit included:

- Assessing the risk that the financial statements may contain material misstatements;
- Examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements;
- Assessing the accounting principles used, and their application;
- Assessing the significant estimates made by management; and
- Gaining a sufficient understanding of internal controls in order to plan the audit and determine the level of control risk. Where control risk was assessed at below maximum, a combined audit approach was used. Where control risk was assessed at maximum or where it is determined that it would be more cost-efficient, a substantive audit approach was used. It should be noted that we have not expressed an opinion about the operating effectiveness of internal controls.

The engagement team undertook a documented planning process prior to commencement of the audit in order to identify concerns, address independence considerations, assess the engagement team requirements, and plan the nature, timing and extent of audit work required.

Management is responsible for the fair presentation of the financial statements and for the design, and implementation of internal controls to prevent and detect fraud and error.

We would like to communicate the following:

1. We will be submitting a letter to management regarding any significant deficiencies in internal control and other matters that we feel should be brought to their attention.
2. We accumulated uncorrected misstatements that we identified during the engagement and communicated them to management. All uncorrected misstatements for the current period have been corrected with the exception of the items summarized on the attached form "Unadjusted Misstatement Schedule."
3. Management is responsible for the appropriate selection and application of accounting policies. Our role is to review the appropriateness and application as part of our audit. The accounting policies used by Town of Stettler are described in Note 2, Summary of Significant Accounting Policies, in the financial statements.

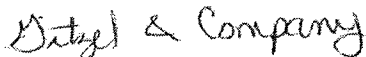
This report is intended solely for the use of Council, management and others within the municipality and should not be used for any other purposes. We accept no responsibility to a third party who uses this communication.

The matters identified above are a by-product of the financial statement audit. The audit would not necessarily identify all matters that may be of interest to communicate to you.

We look forward to discussing with you the matters addressed in this letter.

To ensure there is a clear understanding and record of the matters discussed, we ask that a member of Council sign their acknowledgement in the space provided below. Should any member of Council wish to discuss or review any matter addressed in this letter or any other matters related to financial reporting, please do not hesitate to contact us at any time.

Yours very truly,



GITZEL & COMPANY

**Acknowledgement of Council:**

I have read and reviewed the above disclosures and understand and agree with the comments therein:

\_\_\_\_\_ (Date)

**TOWN OF STETTLER**  
**UNADJUSTED MISSTATEMENT SCHEDULE**  
**FOR THE PERIOD ENDED DECEMBER 31, 2019**

		Dr (Cr) Statement of Income			Dr (Cr) Balance Sheet Items		
File Ref	Description of Misstatement	Identified Misstatements	Likely or Projected Misstatements	Aggregate Misstatements	Assets	Liabilities	Closing Equity
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	a) TOTALS CURRENT YEAR	<b>\$115,400</b>	<b>\$-</b>	<b>\$ 115,400</b>	<b>\$ (73,719)</b>	<b>\$ (41,681)</b>	<b>\$ 115,400</b>
	b) Effects of unadjusted misstatements from previous years			-	-	-	-
	c) Aggregate likely misstatements (i.e. a+b)			115,400	(73,719)	(41,681)	115,400
	d) Materiality (Performance)	\$350,000		350,000	(350,000)	(350,000)	350,000
	e) Amount remaining for further possible misstatement (if <b>NEGATIVE</b> materiality has been exceeded)			<u>\$ 234,600</u>	<u>\$ 276,281</u>	<u>\$ 308,319</u>	<u>\$ 234,600</u>

**Conclusion:**

The proposed adjustments noted above do not affect the fair presentation of the financial statements.



\*Peggy Weinzierl, CPA, CA \*Scott St. Arnaud, CPA, CA \*Jolene P. Kobi, CPA, CA \*Justin J. Tanner, CPA, CA  
\*Eric A. Peterson, CPA, CA (Associate) \*Robert J. Krejci, CA (Associate) \*Barry D. Gitzel, CPA, CA (Associate)

**TOWN OF STETTLER**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

**MANAGEMENTS' RESPONSIBILITY FOR  
FINANCIAL REPORTING**

Management of the Town of Stettler is responsible for the preparation, accuracy, objectivity and integrity of the accompanying financial statements and all other information contained within this Financial Report. Management believes that the financial statements present fairly the town's financial position as at December 31, 2019 and the results of its operations for the year then ended.

The financial statements have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards (PSAS).

The financial statements include certain amounts based on estimates and judgements. Such amounts have been determined on a reasonable basis in order to ensure that the 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 and to meet reporting requirements on a timely basis. The system is designed to provide management with reasonable assurance that transactions are properly authorized and assets are properly accounted for and safeguarded.

These systems are monitored and evaluated by management and reliable financial information is available for preparation of the financial statements.

The town council carries out its responsibilities for review of the financial statements principally through council meetings. They meet with management and the external auditors to discuss the results of audit examinations and financial reporting matters.

The external auditors have full access to Council with and without the presence of management. The town council has approved the financial statements.

The financial statements have been audited by Gitzel & Company, Chartered Professional Accountants, independent external auditors appointed by the town. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the town's financial statements.

\_\_\_\_\_  
**Chief Administrative Officer**

\_\_\_\_\_  
**Assistant Chief Administrative Officer**

May 5, 2020  
**Date**

May 5, 2020  
**Date**

## INDEPENDENT AUDITORS' REPORT

TO: The Mayor and Council  
The Town of Stettler

### Opinion

We have audited the financial statements of The Town of Stettler, which comprise the statement of financial position as at December 31, 2019 and the statements of operations, changes in net financial assets (debt) and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the town as at December 31, 2019, the results of its operations, change in its net financial assets (debt) and 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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the town 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 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the ability of the town 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 cease operations, or has no realistic alternative but to do so.

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

## **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 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 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 controls.
- 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 purposes of expressing an opinion on the effectiveness of the town'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 town's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the 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 the auditors' report. However, future events or conditions may cause the town to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Stettler, Alberta  
May 5, 2020

CHARTERED PROFESSIONAL ACCOUNTANTS

MUNICIPAL FINANCIAL INFORMATION RETURN

For the Year Ending December 31, 2019

**Municipality Name:**

**CERTIFICATION**

**The information contained in this Financial Information Return is presented fairly to the best of my knowledge.**

\_\_\_\_\_  
Signature of Duly Authorized Signing Officer

**Greg Switenky**

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date



	Total
	1
<b>Assets</b>	0010
Cash and Temporary Investments .....	0020 10,379,895
Taxes and Grants in Place of Taxes Receivable.....	0030
. Current .....	0040 155,837
. Arrears .....	0050 119,824
. Allowance .....	0060 -12,511
Receivable From Other Governments .....	0070 473,480
Loans Receivable .....	0080
Trade and Other Receivables .....	0090 1,872,379
Debt Charges Recoverable.....	0095
Inventories Held for Resale	0130
. Land .....	0140 393,882
. Other .....	0150
Long Term Investments	0170
. Federal Government .....	0180
. Provincial Government .....	0190
. Local Governments .....	0200
. Other .....	0210 40
Other Current Assets .....	0230
Other Long Term Assets .....	0240 1,337,046
	0250
<b>Total Financial Assets</b>	0260 14,719,872
<b>Liabilities</b>	0270
Temporary Loans Payable .....	0280
Payable To Other Governments .....	0290 172,784
Accounts Payable & Accrued Liabilities .....	0300 1,700,508
Deposit Liabilities .....	0310 22,275
Deferred Revenue .....	0340 1,894,505
Long Term Debt .....	0350 5,482,521
Other Current Liabilities .....	0360 100,147
Other Long Term Liabilities .....	0370 105,359
	0380
<b>Total Liabilities</b>	0390 9,478,099
	0395
<b>Net Financial Assets (Net Debt)</b>	0395 5,241,773
<b>Non Financial Assets</b>	
Tangible Capital Assets.....	0400 95,362,814
Inventory for Consumption.....	0410
Prepaid Expenses .....	0420 15,459
Other.....	0430
	0440
<b>Total Non-Financial Assets</b>	0440 95,378,273
	0450
<b>Accumulated Surplus</b>	0450 100,620,046

**CHANGE IN ACCUMULATED SURPLUS**

**Schedule 9B**

		Unrestricted	Restricted	Equity in TCA	Total
		1	2	3	4
Accumulated Surplus - Beginning of Year	0500	2,521,078	6,876,989	93,264,915	102,662,982
Net Revenue (Expense) .....	0505	-2,042,936			-2,042,936
Funds Designated For Future Use.....	0511	-2,679,573	2,679,573		
Restricted Funds - Used for Operations.....	0512	396,675	-396,675		
Restricted Funds - Used for TCA.....	0513		-945,019	945,019	
Current Year Funds Used for TCA .....	0514	-1,090,988		1,090,988	
Donated and Contributed TCA.....	0516				
Disposals of TCA.....	0517	29,901		-29,901	
Annual Amortization Expense.....	0518	5,912,296		-5,912,296	
Long Term Debt - Issued.....	0519				
Long Term Debt - Repaid.....	0521	-521,568		521,568	
Capital Debt - Used for TCA.....	0522				
	0523				
Other Adjustments.....	0524				
Accumulated Surplus - End of Year.....	0525	2,524,885	8,214,868	89,880,293	100,620,046

**FINANCIAL ACTIVITIES BY FUNCTION**

**Schedule 9C**

	Revenue		Expense
	1		2
<b>Total General</b>	0700 7,845,116		
<b>Function</b>	0710		1150
General Government	0720		1160
Council and Other Legislative .....	0730		1170 213,911
General Administration .....	0740 166,399		1180 1,245,640
Other General Government.....	0750		1190
Protective Services	0760		1200
Police .....	0770 493,089		1210 1,092,987
Fire .....	0780 422,344		1220 857,394
Disaster and Emergency Measures .....	0790		1230 31,104
Ambulance and First Aid .....	0800		1240
Bylaws Enforcement .....	0810 112,994		1250 186,784
Other Protective Services.....	0820		1260
Transportation	0830		1270
Common and Equipment Pool .....	0840		1280 390,184
Roads, Streets, Walks, Lighting .....	0850 562,146		1290 5,201,960
Airport .....	0860 10,637		1300 43,155
Public Transit .....	0870		1310
Storm Sewers and Drainage .....	0880		1320 150,140
Other Transportation .....	0890		1330
Environmental Use and Protection	0900		1340
Water Supply and Distribution .....	0910 3,538,231		1350 2,997,601
Wastewater Treatment and Disposal .....	0920 1,334,028		1360 1,002,196
Waste Management .....	0930 804,178		1370 714,125
Other Environmental Use and Protection .....	0940		1380
Public Health and Welfare	0950		1390
Family and Community Support .....	0960 157,148		1400 196,435
Day Care .....	0970		1410
Cemeteries and Crematoriums .....	0980 22,902		1420 48,384
Other Public Health and Welfare .....	0990		1430
Planning and Development	1000		1440
Land Use Planning, Zoning and Development .....	1010 33,422		1450 263,836
Economic/Agricultural Development .....	1020 273,726		1460 592,432
Subdivision Land and Development .....	1030 14,553		1470 53,507
Public Housing Operations .....	1040		1480 85,967
Land, Housing and Building Rentals .....	1050 267,250		1490 85,736
Other Planning and Development.....	1060		1500
Recreation and Culture	1070		1510
Recreation Boards .....	1080		1520
Parks and Recreation .....	1090 1,334,148		1530 3,562,453
Culture: Libraries, Museums, Halls .....	1100 68,636		1540 487,952
Convention Centres .....	1110		1550
Other Recreation and Culture.....	1120		1560
Other Utilities	1125		1565
Gas .....	1126		1566
Electric .....	1127		1567
Other .....	1130		1570
<b>Total Revenue/Expense</b>	1140 17,460,947		1580 19,503,883
<b>Net Revenue/Expense</b>			1590 -2,042,936

**FINANCIAL ACTIVITIES BY TYPE / OBJECT**

**Schedule 9D**

		<b>Total</b>
		<b>1</b>
Revenues	1700	
Taxation and Grants in Place	1710	
. Property (Net Municipal) .....	1720	6,035,118
. Business .....	1730	6,600
. Business Revitalization Zone .....	1740	
. Special .....	1750	
. Well Drilling .....	1760	
. Local Improvement .....	1770	
Sales To Other Governments .....	1790	32,000
Sales and User Charges .....	1800	5,521,953
Penalties and Costs on Taxes .....	1810	90,361
Licenses and Permits .....	1820	144,354
Fines .....	1830	53,703
Franchise and Concession Contracts .....	1840	1,630,338
Returns on Investments .....	1850	261,508
Rentals .....	1860	878,174
Insurance Proceeds .....	1870	
Net Gain on Sale of Tangible Capital Assets .....	1880	
Contributed and Donated Assets .....	1885	
Federal Government Unconditional Transfers .....	1890	
Federal Government Conditional Transfers .....	1900	1,500
Provincial Government Unconditional Transfers .....	1910	
Provincial Government Conditional Transfers .....	1920	2,026,010
Local Government Transfers .....	1930	879,744
Transfers From Local Boards and Agencies .....	1940	
Developer Agreements and Levies .....	1960	
Other Revenues .....	1970	-100,416
<b>Total Revenue</b>	1980	<b>17,460,947</b>
Expenses	1990	
Salaries, Wages, and Benefits .....	2000	6,046,447
Contracted and General Services .....	2010	2,389,198
Purchases from Other Governments .....	2020	976,608
Materials, Goods, Supplies, and Utilities .....	2030	2,807,266
Provision For Allowances .....	2040	10,272
Transfers to Other Governments .....	2050	293
Transfers to Local Boards and Agencies .....	2060	863,017
Transfers to Individuals and Organizations .....	2070	185,893
Bank Charges and Short Term Interest .....	2080	14,660
Interest on Operating Long Term Debt .....	2090	
Interest on Capital Long Term Debt .....	2100	238,436
Amortization of Tangible Capital Assets .....	2110	5,912,296
Net Loss on Sale of Tangible Capital Assets.....	2125	29,900
Write Down of Tangible Capital Assets.....	2127	
Other Expenditures .....	2130	29,597
<b>Total Expenses</b>	2140	<b>19,503,883</b>
<b>Net Revenue (Expense)</b>	2150	<b>-2,042,936</b>

REVENUE AND EXPENSE SUPPLEMENTARY DETAIL

Schedule 9E

		Revenue		Expenses	
		Sales and User Charges	Provincial Capital Transfers	Annual Amortization Expense	Capital Long Term Debt Interest Expense
		1	2	3	4
General Government	2200				
Council and Other Legislative .....	2210				
General Administration .....	2220	96,784		96,429	27,799
Other General Government.....	2230				
Protective Services	2240				
Police .....	2250	7,600			
Fire .....	2260	47,270		147,677	
Disaster and Emergency Measures .....	2270				
Ambulance and First Aid .....	2280				
Bylaws Enforcement .....	2290				
Other Protective Services.....	2300				
Transportation	2310				
Common and Equipment Pool .....	2320			246,863	
Roads, Streets, Walks, Lighting .....	2330	27,937	516,530	3,476,268	35,985
Airport .....	2340			17,785	
Public Transit .....	2350				
Storm Sewers and Drainage .....	2360			65,968	
Other Transportation .....	2370				
Environmental Use and Protection	2380				
Water Supply and Distribution .....	2390	3,040,678	441,008	677,800	87,302
Wastewater Treatment and Disposal .....	2400	883,258	257,991	325,978	57,256
Waste Management .....	2410	804,178		989	
Other Environmental Use and Protection .....	2420				
Public Health and Welfare	2430				
Family and Community Support .....	2440				
Day Care .....	2450				
Cemeteries and Crematoriums .....	2460	21,796		3,811	
Other Public Health and Welfare .....	2470				
Planning and Development	2480				
Land Use Planning, Zoning and Development .....	2490			4,744	
Economic/Agricultural Development .....	2500	253,365			
Subdivision Land and Development .....	2510	14,353		2,587	
Public Housing Operations .....	2520			85,967	
Land, Housing and Building Rentals .....	2530			38,383	
Other Planning and Development.....	2540				
Recreation and Culture	2550				
Recreation Boards .....	2560	1,960			
Parks and Recreation .....	2570	307,612		671,793	30,094
Culture: Libraries, Museums, Halls .....	2580	15,162		49,254	
Convention Centres .....	2590				
Other Recreation and Culture.....	2600				
Other Utilities	2605				
Gas .....	2606				
Electric .....	2607				
Other	2610				
<b>Total</b>	<b>2620</b>	<b>5,521,953</b>	<b>1,215,529</b>	<b>5,912,296</b>	<b>238,436</b>

TANGIBLE CAPITAL ASSETS SUPPLEMENTARY DETAIL

Schedule 9F

		Tangible Capital Assets		Capital Long Term Debt	
		Purchased	Donated or Contributed	Principal Additions	Principal Reductions
		1	2	3	4
General Government	2700				
Council and Other Legislative .....	2710				
General Administration .....	2720	50,915			46,074
Other General Government.....	2730				
Protective Services	2740				
Police .....	2750				
Fire .....	2760	8,850			
Disaster and Emergency Measures .....	2770				
Ambulance and First Aid .....	2780				
Bylaws Enforcement .....	2790				
Other Protective Services.....	2800				
Transportation	2810				
Common and Equipment Pool .....	2820	15,176			
Roads, Streets, Walks, Lighting .....	2830	635,933			86,447
Airport .....	2840				
Public Transit .....	2850				
Storm Sewers and Drainage .....	2860				
Other Transportation .....	2870				
Environmental Use and Protection	2880				
Water Supply and Distribution .....	2890	598,521			148,225
Wastewater Treatment and Disposal .....	2900	264,782			169,019
Waste Management .....	2910				
Other Environmental Use and Protection .....	2920				
Public Health and Welfare	2930				
Family and Community Support .....	2940				
Day Care .....	2950				
Cemeteries and Crematoriums .....	2960	20,261			
Other Public Health and Welfare .....	2970				
Planning and Development	2980				
Land Use Planning, Zoning and Development .....	2990				
Economic/Agricultural Development .....	3000				
Subdivision Land and Development .....	3010				
Public Housing Operations .....	3020				
Land, Housing and Building Rentals .....	3030	65,258			
Other Planning and Development.....	3040				
Recreation and Culture	3050				
Recreation Boards .....	3060				
Parks and Recreation .....	3070	193,145			71,804
Culture: Libraries, Museums, Halls .....	3080	188,082			
Convention Centres .....	3090				
Other Recreation and Culture.....	3100				
Other Utilities	3105				
Gas .....	3106				
Electric .....	3107				
Other .....	3110				
<b>Total</b>	<b>3120</b>	<b>2,040,923</b>			<b>521,569</b>

CHANGE IN TANGIBLE CAPITAL ASSETS

Schedule 9G

		Balance at Beginning of Year 1	Additions 2	Reductions 3	Balance at End of Year 4
<b>Tangible Capital Assets - Cost</b>					
Engineered Structures	3200				
Roadway Systems.....	3201	75,237,978	576,190	1,084,277	74,729,891
Light Rail Transit Systems.....	3202				
Water Systems.....	3203	13,517,335	472,181	43,435	13,946,081
Wastewater Systems.....	3204	17,199,633	264,782	21,404	17,443,011
Storm Systems.....	3205	4,729,560			4,729,560
Fibre Optics.....	3206				
Electricity Systems.....	3207				
Gas Distribution Systems.....	3208				
Total Engineered Structures .....	3210	110,684,506	1,313,153	1,149,116	110,848,543
Construction In Progress.....	3219				
Buildings .....	3220	57,377,697	342,691	138,538	57,581,850
Machinery and Equipment .....	3230	6,788,267	240,563	148,832	6,879,998
Land .....	3240	1,460,741	65,258		1,525,999
Land Improvements.....	3245	6,220,067	60,797		6,280,864
Vehicles .....	3250	4,092,261	18,461		4,110,722
<b>Total Capital Property Cost</b>	3260	186,623,539	2,040,923	1,436,486	187,227,976
<b>Accumulated Amortization</b>					
Engineered Structures	3270				
Roadway Systems	3271	53,544,258	3,368,152	1,084,277	55,828,133
Light Rail Transit Systems	3272				
Water Systems	3273	5,272,172	177,006	19,733	5,429,445
Wastewater Systems	3274	4,899,236	305,067	10,288	5,194,015
Storm Systems	3275	1,227,487	65,967		1,293,454
Fibre Optics	3276				
Electricity Systems	3277				
Gas Distribution Systems	3278				
Engineered Structures .....	3280	64,943,153	3,916,192	1,114,298	67,745,047
Buildings .....	3290	15,167,340	1,152,561	138,538	16,181,363
Machinery and Equipment .....	3300	2,830,300	405,934	148,832	3,087,402
Land .....	3310				
Land Improvements.....	3315	2,180,621	262,062		2,442,683
Vehicles .....	3320	2,233,120	175,547		2,408,667
<b>Total Accumulated Amortization</b>	3330	87,354,534	5,912,296	1,401,668	91,865,162
<b>Net Book Value of Capital Property</b>	3340	99,269,005			95,362,814
<b>Capital Long Term Debt (Net)</b>	3350	6,004,090			5,482,521
<b>Equity in Tangible Capital Assets</b>	3400	93,264,915			89,880,293

**LONG TERM DEBT SUPPORT**

**Schedule 9H**

		Operating Purposes 1	Capital Purposes 2	Total 3
<b>Long Term Debt Support</b>	3405			
Supported by General Tax Levies .....	3410		1,336,250	1,336,250
Supported by Special Levies .....	3420		1,471,644	1,471,644
Supported by Utility Rates .....	3430		2,674,627	2,674,627
Other .....	3440			
<b>Total Long Term Debt Principal Balance</b>	3450		5,482,521	5,482,521

**LONG TERM DEBT SOURCES**

**Schedule 9I**

		Operating Purposes 1	Capital Purposes 2	Total 3
Alberta Capital Finance Authority.....	3500		5,482,521	5,482,521
Canada Mortgage and Housing Corporation .....	3520			
Mortgage Borrowing .....	3600			
Other .....	3610			
<b>Total Long Term Debt Principal Balance</b>	3620		5,482,521	5,482,521

**FUTURE LONG TERM DEBT REPAYMENTS**

**Schedule 9J**

		Operating Purposes 1	Capital Purposes 2	Total 3
<b>Principal Repayments by Year</b>	3700			
Current + 1 .....	3710		478,163	478,163
Current + 2 .....	3720		499,514	499,514
Current + 3 .....	3730		488,528	488,528
Current + 4 .....	3740		502,626	502,626
Current + 5 .....	3750		482,989	482,989
Thereafter .....	3760		3,030,701	3,030,701
<b>Total Principal</b>	3770		5,482,521	5,482,521
<b>Interest by Year</b>	3780			
Current + 1 .....	3790		221,356	221,356
Current + 2 .....	3800		200,004	200,004
Current + 3 .....	3810		177,683	177,683
Current + 4 .....	3820		156,231	156,231
Current + 5 .....	3830		134,233	134,233
Thereafter .....	3840		455,172	455,172
<b>Total Interest</b>	3850		1,344,679	1,344,679



**PROPERTY TAXES AND GRANTS IN PLACE**

**Schedule 9K**

		<b>Property Taxes</b>	<b>Grants - in Place</b>	<b>Total</b>
		1	2	3
Property Taxes	3900			
Residential Land and Improvements .....	3910	5,393,314	28,147	5,421,461
Non-Residential	3920			
Land and Improvements (Excluding M & E).....	3935	3,081,983	10,358	3,092,341
Machinery and Equipment .....	3950			
Linear Property .....	3960	165,256		165,256
Railway .....	3970			
Farm Land .....	3980	3,070		3,070
Adjustments to Property Taxes .....	3990			
 Total Property Taxes and Grants In Place	4000	8,643,623	38,505	8,682,128
 Requisition Transfers			4010	
Education				
Residential/Farm Land .....			4031	1,414,274
Non-Residential .....			4035	900,709
Seniors Lodges .....			4090	331,308
Other .....			4100	936
Adjustments to Requisition Transfers .....			4110	-217
 Total Requisition Transfers			4120	2,647,010
 Net Municipal Property Taxes and Grants In Place			4130	6,035,118

**GRANTS IN PLACE OF TAXES**

**Schedule 9L**

		<b>Property Taxes</b>	<b>Business Taxes</b>	<b>Other Taxes</b>	<b>Total</b>
		1	2	3	4
Federal Government .....	4200	10,358			10,358
Provincial Government .....	4210	28,147			28,147
Local Government .....	4220				
Other .....	4230				
 Total	4240	38,505			38,505

**DEBT LIMIT**

**Schedule 9AA**

1

Debt Limit .....	5700	24,368,126
Total Debt .....	5710	5,482,521
Debt Service Limit .....	5720	4,061,354
Total Debt Service Costs .....	5730	699,519

Enter prior year Line 3450 Column 2 balance here:

6,004,090

EDIT LIST - PLEASE REVIEW AND CORRECT ANY ERRORS NOTED BELOW

Please ensure the correct breakdown of Non-Residential Property taxes has been recorded under line 3920

Please ensure the correct breakdown of Non-Residential Property taxes has been recorded under line 3920

**TOWN OF STETTLER**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2019**

	<u>2019</u>	<u>2018</u>
<b>FINANCIAL ASSETS</b>		
Cash and Temporary Investments (Note 2)	\$ 10,379,895	\$ 9,033,725
Taxes and Grants-in-lieu Receivables (Note 3)	263,150	237,712
Local Improvement Taxes Receivable	1,337,046	1,454,350
Trade and Other Receivables	1,872,379	1,415,165
Receivable from Governments	473,480	332,183
Land Inventory Held for Resale	393,882	393,882
Long-term Investments (Note 4)	40	40
Other Assets	<u>-</u>	<u>1,351</u>
TOTAL FINANCIAL ASSETS	<u>\$ 14,719,872</u>	<u>\$ 12,868,408</u>
 <b>LIABILITIES</b>		
Accounts Payable and Accrued Liabilities	\$ 1,873,292	\$ 1,714,427
Deposit Liabilities	22,275	20,350
Deferred Revenue (Note 5)	1,894,505	1,647,986
Other Current Liabilities	100,147	-
Other Long-term Liabilities (Note 19)	105,359	105,359
Long- term Debt (Note 7)	<u>5,482,521</u>	<u>6,004,090</u>
TOTAL LIABILITIES	<u>\$ 9,478,099</u>	<u>\$ 9,492,212</u>
NET FINANCIAL ASSETS (DEBT)	<u>\$ 5,241,773</u>	<u>\$ 3,376,196</u>
 <b>NON-FINANCIAL ASSETS</b>		
Tangible Capital Assets (Note 9)	95,362,814	99,269,005
Prepaid Expenses	<u>15,459</u>	<u>17,781</u>
TOTAL NON-FINANCIAL ASSETS	<u>\$ 95,378,273</u>	<u>\$ 99,286,786</u>
ACCUMULATED SURPLUS (Note 11)	<u>\$ 100,620,046</u>	<u>\$ 102,662,982</u>
 <b>CONTINGENCIES (NOTE 15)</b>		

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Date

**TOWN OF STETTLER  
CONSOLIDATED STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>2019</u> <u>Budget</u> <u>(Unaudited)</u>	<u>2019</u> <u>Actual</u>	<u>2018</u> <u>Actual</u>
<b>REVENUES</b>			
Net Taxes (Schedule 3)	\$ 5,939,833	\$ 6,041,718	\$ 5,787,901
Sales and User Fees	5,403,729	5,553,953	5,525,953
Government Transfers (Schedule 4)	1,477,351	1,691,725	1,550,941
Investment Income	121,300	261,508	191,951
Penalties and Costs on Taxes	85,950	90,361	88,062
Licenses and Permits	153,750	144,354	145,118
Fines	72,700	53,703	64,941
Franchise and Concession Contracts	1,597,000	1,630,338	1,551,013
Rentals	826,425	878,174	743,456
Gain on Sale of Tangible Capital Assets	-	-	-
Other	-	(100,416)	1,713
<b>Total Revenue</b>	<u>\$ 15,678,038</u>	<u>\$ 16,245,418</u>	<u>\$ 15,651,049</u>
<b>EXPENDITURES (Schedule 5)</b>			
Legislative	207,100	213,911	194,661
Administration	1,106,127	1,149,212	1,057,600
Protective Services	2,267,238	2,020,592	2,107,860
Transportation	2,208,864	1,978,555	2,198,825
Water Supply and Distribution	2,451,623	2,319,801	2,131,735
Wastewater Treatment and Disposal	508,387	676,218	471,326
Waste Management	729,435	713,136	681,293
Public Health and Welfare	277,863	241,008	238,654
Subdivision Land Development	1,078,252	949,797	1,005,965
Recreation, Culture and Parks	3,255,501	3,329,357	3,114,694
Amortization (Note 18)	-	5,912,296	6,208,320
<b>Total Expenditures</b>	<u>\$ 14,090,390</u>	<u>\$ 19,503,883</u>	<u>\$ 19,410,933</u>
<b>EXCESS (SHORTFALL) OF REVENUE OVER EXPENSE EXPENSES - BEFORE OTHER</b>	<u>\$ 1,587,648</u>	<u>\$ (3,258,465)</u>	<u>\$ (3,759,884)</u>
<b>OTHER</b>			
Government Transfers for Capital (Schedule 4)	<u>2,326,487</u>	<u>1,215,529</u>	<u>1,244,480</u>
<b>EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES</b>	<u>3,914,135</u>	<u>(2,042,936)</u>	<u>(2,515,404)</u>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<u>102,662,982</u>	<u>102,662,982</u>	<u>105,178,386</u>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<u>\$ 106,577,117</u>	<u>\$ 100,620,046</u>	<u>\$ 102,662,982</u>

**TOWN OF STETTLER**  
**CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS (DEBT)**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>2019</u> <u>Budget</u> <u>Unaudited</u>	<u>2019</u> <u>Actual</u>	<u>2018</u> <u>Actual</u>
<b>EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES</b>	<u>\$ -</u>	<u>\$ (2,042,936)</u>	<u>\$ (2,515,404)</u>
Acquisition of Tangible Capital Assets	-	(2,040,923)	(2,875,073)
Proceeds on Disposal of Tangible Capital Assets	-	4,917	83,350
Amortization of Tangible Capital Assets	-	5,912,296	6,208,320
(Gain) Loss on Sale of Tangible Capital Assets	-	29,901	29,322
	<u>\$ -</u>	<u>\$ 3,906,191</u>	<u>\$ 3,445,919</u>
Acquisition of Prepaid Assets	-	(15,459)	(17,781)
Use of Prepaid Assets	-	17,781	53,514
	<u>\$ -</u>	<u>\$ 2,322</u>	<u>\$ 35,733</u>
<b>(INCREASE) DECREASE IN NET DEBT</b>	<u>\$ -</u>	<u>\$ 1,865,577</u>	<u>\$ 966,248</u>
NET FINANCIAL ASSETS (DEBT), BEGINNING OF YEAR	<u>\$ -</u>	<u>\$ 3,376,196</u>	<u>\$ 2,409,948</u>
<b>NET FINANCIAL ASSETS (DEBT), END OF YEAR</b>	<u>\$ -</u>	<u>\$ 5,241,773</u>	<u>\$ 3,376,196</u>

**TOWN OF STETTLER  
CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

<b>NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:</b>	<u><b>2019</b></u> <u><b>Actual</b></u>	<u><b>2018</b></u> <u><b>Actual</b></u>
<b>OPERATING</b>		
Excess (Shortfall) of Revenues Over Expenditures	\$ (2,042,936)	\$ (2,515,404)
Non-cash items included in excess (shortfall) of revenues over expenditures:		
Amortization of Tangible Capital Assets (Note 18)	5,912,296	6,208,320
(Gain) Loss on Disposal of Tangible Capital Assets	29,901	29,322
Non-cash Charges to Operations (net change):		
Taxes and Grants-in-lieu Receivables	(25,438)	10,519
Local Improvement Taxes Receivables	117,304	121,050
Government Trade and Other Receivables	(598,511)	235,887
Other Financial Assets	1,351	(670)
Prepaid Expenses	2,322	35,733
Accounts Payable and Accrued Liabilities	158,865	24,832
Land Held for Resale	-	(1)
Deferred Revenue	346,666	1,196,312
Long Term Liability	-	-
Deposit Liabilities	1,925	(1,675)
Net Cash Provided by (used in) Operating Activities	<u>3,903,745</u>	<u>5,344,225</u>
<b>CAPITAL</b>		
Acquisition of Tangible Capital Assets	(2,040,923)	(2,875,073)
Sale of Tangible Capital Assets	4,917	83,350
Cash Applied to Capital Transactions	<u>(2,036,006)</u>	<u>(2,791,723)</u>
<b>INVESTING</b>		
Decrease (increase) in Restricted Cash or Cash Equivalents	<u>(261,021)</u>	<u>(1,086,491)</u>
Cash Provided by (Applied to) Investing Transactions	<u>(261,021)</u>	<u>(1,086,491)</u>
<b>FINANCING</b>		
Other Long-Term Debt	-	-
Long-Term Debt Issued	-	-
Long-Term Debt Repaid	<u>(521,569)</u>	<u>(498,536)</u>
Cash Provided by (Applied to) Financing Transactions	<u>(521,569)</u>	<u>(498,536)</u>
<b>CHANGE IN CASH AND EQUIVALENTS DURING THE YEAR</b>	<b>\$ 1,085,149</b>	<b>\$ 967,475</b>
CASH AND EQUIVALENTS - BEGINNING OF YEAR	<u>7,495,560</u>	<u>6,528,085</u>
<b>CASH AND EQUIVALENTS - END OF YEAR</b>	<b><u>\$ 8,580,709</u></b>	<b><u>\$ 7,495,560</u></b>
<b>Cash and Cash Equivalents is Made up of:</b>		
Cash and Temporary Investments (Note 2)	\$ 10,379,895	\$ 9,033,725
Less: Restricted Portion of Cash and Temporary Investments (Note 2)	<u>(1,799,186)</u>	<u>(1,538,165)</u>
	<b><u>\$ 8,580,709</u></b>	<b><u>\$ 7,495,560</u></b>

<b>TOWN OF STETTLER</b>					
<b>SCHEDULE 1 - CHANGES IN ACCUMULATED SURPLUS</b>					
<b>FOR THE YEAR ENDED DECEMBER 31, 2019</b>					
	<b>Unrestricted</b>	<b>Restricted</b>	<b>Equity in Tangible</b>	<b>2019</b>	<b>2018</b>
	<b>Surplus</b>	<b>Surplus</b>	<b>Capital Assets</b>	<b>Actual</b>	<b>Actual</b>
<b>BALANCE, BEGINNING OF YEAR</b>	<b>2,521,078</b>	<b>6,876,989</b>	<b>93,264,915</b>	<b>102,662,982</b>	105,178,386
Excess (deficiency) of Revenues over Expense	(2,042,936)	-	-	<b>(2,042,936)</b>	(2,515,404)
Unrestricted Funds Designated for Future Use	(2,679,573)	2,679,573		-	-
Restricted Funds Used for Operations	396,675	(396,675)		-	-
Restricted Funds Used for TCA		(945,019)	945,019	-	-
Current Year Funds Used for TCA	(1,090,988)		1,090,988	-	-
Donated and Contributed TCA	-		-	-	-
Disposal of TCA	29,901		(29,901)	-	-
Annual Amortization Expense	5,912,296		(5,912,296)	-	-
Long Term Debt Repaid	(521,568)		521,568	-	-
Long Term Debt Used for TCA			-		
Long Term Debt Issued			-		
	-			-	-
Change in Accumulated Surplus	3,807	1,337,879	(3,384,622)	<b>(2,042,936)</b>	(2,515,404)
<b>BALANCE, END OF YEAR</b>	<b>2,524,885</b>	<b>8,214,868</b>	<b>89,880,293</b>	<b>100,620,046</b>	102,662,982

**TOWN OF STETTLER**  
**SCHEDULE 2 - TANGIBLE CAPITAL ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	Land	Land Improvements	Buildings	Engineered Structures	Machinery and Equipment	Vehicles	2019 Actual	2018 Actual
<b>COST:</b>								
BALANCE, BEGINNING OF YEAR	1,460,741	6,220,067	57,377,697	110,684,506	6,788,267	4,092,261	<b>186,623,539</b>	184,918,214
Acquistition of Tangible Capital Assets	65,258	60,797	342,691	1,313,153	240,563	18,461	<b>2,040,923</b>	2,875,073
Construction-in-Progress						-	-	-
Disposal of Tangible Capital Assets	-	-	(138,538)	(1,149,116)	(148,832)	-	<b>(1,436,486)</b>	(1,169,748)
Write Down of Tangible Capital Assets								
BALANCE, END OF YEAR	1,525,999	6,280,864	57,581,850	110,848,543	6,879,998	4,110,722	<b>187,227,976</b>	186,623,539
<b>ACCUMULATED AMORTIZATION:</b>								
BALANCE, BEGINNING OF YEAR	-	2,180,621	15,167,340	64,943,153	2,830,300	2,233,120	<b>87,354,534</b>	82,203,290
Annual Amortization		262,062	1,152,561	3,916,192	405,934	175,547	<b>5,912,296</b>	6,208,320
Accumulated Amortization on Disposals			(138,538)	(1,114,298)	(148,832)	-	<b>(1,401,668)</b>	(1,057,076)
BALANCE, END OF YEAR	-	2,442,683	16,181,363	67,745,047	3,087,402	2,408,667	<b>91,865,162</b>	87,354,534
<b>2019 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<b>1,525,999</b>	<b>3,838,181</b>	<b>41,400,487</b>	<b>43,103,496</b>	<b>3,792,596</b>	<b>1,702,055</b>	<b>95,362,814</b>	99,269,005
<b>2018 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	1,460,741	4,039,446	42,210,357	45,741,353	3,957,967	1,859,141	99,269,005	



**TOWN OF STETTLER**  
**SCHEDULE 3 - PROPERTY AND OTHER TAXES**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>2019</u> <u>Budget</u> <u>(Unaudited)</u>	<u>2019</u> <u>Actual</u>	<u>2018</u> <u>Actual</u>
<b>TAXATION</b>			
Real Property Taxes	\$ 8,476,664	<b>\$ 8,478,367</b>	\$ 8,222,609
Linear Property Taxes	165,256	<b>165,256</b>	158,245
Government Grants-in-lieu of Property Taxes	38,505	<b>38,505</b>	37,874
Special Assessments and Local Improvement Taxes	-	-	-
Business Taxes	6,400	<b>6,600</b>	6,375
Subtotal	<u>\$ 8,686,825</u>	<u><b>\$ 8,688,728</b></u>	<u>\$ 8,425,103</u>
<b>REQUISITIONS</b>			
Alberta School Foundation Fund - Basic	2,415,272	<b>2,314,766</b>	2,322,377
Seniors Foundation	331,308	<b>331,308</b>	314,393
Designated Industrial Property	412	<b>936</b>	432
Subtotal	<u>\$ 2,746,992</u>	<u><b>\$ 2,647,010</b></u>	<u>\$ 2,637,202</u>
<b>NET MUNICIPAL TAXES</b>	<u>\$ 5,939,833</u>	<u><b>\$ 6,041,718</b></u>	<u>\$ 5,787,901</u>

**TOWN OF STETTLER**  
**SCHEDULE 4 - GOVERNMENT TRANSFERS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>2019</u> <u>Budget</u> <u>(Unaudited)</u>	<u>2019</u> <u>Actual</u>	<u>2018</u> <u>Actual</u>
<b>TRANSFERS FOR OPERATING</b>			
Federal Government	\$ 1,500	\$ 1,500	\$ 6,396
Provincial Government	559,328	810,481	596,039
Other Local Government	916,523	879,744	948,506
Subtotal	<u>\$ 1,477,351</u>	<u>\$ 1,691,725</u>	<u>\$ 1,550,941</u>
<b>TRANSFERS FOR CAPITAL:</b>			
Provincial Government	\$ 2,317,487	\$ 1,215,529	\$ 1,244,480
Other Local Government	9,000	-	-
Subtotal	<u>\$ 2,326,487</u>	<u>\$ 1,215,529</u>	<u>\$ 1,244,480</u>
 <b>TOTAL GOVERNMENT TRANSFERS</b>	 <u>\$ 3,803,838</u>	 <u>\$ 2,907,254</u>	 <u>\$ 2,795,421</u>

**TOWN OF STETTLER**  
**SCHEDULE 5 - CONSOLIDATED EXPENDITURES BY OBJECT**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>2019</u> <u>Budget</u> <u>(Unaudited)</u>	<u>2019</u> <u>Actual</u>	<u>2018</u> <u>Actual</u>
<b>CONSOLIDATED EXPENSES BY OBJECT</b>			
Salaries, Wages and Benefits	\$ 5,957,520	\$ 6,046,447	\$ 5,793,069
Contracted and General Services	2,675,956	2,389,198	2,268,985
Materials, Goods, Supplies and Utilities	3,170,159	2,807,266	2,924,524
Provision for Allowances	11,000	10,272	16,407
Purchases and Transfers from Other Governments	1,072,338	976,901	986,375
Transfers to Local Boards and Agencies	863,017	863,017	836,703
Transfers to Individuals and Organizations	38,260	185,893	35,627
Bank Charges and Short-term Interest	14,200	14,660	14,449
Interest on Long-term Debt	238,430	238,436	265,098
Other Expenditures	49,510	29,597	32,054
Loss on Sale of Tangible Capital Assets	-	29,900	29,322
Amortization of Tangible Capital Assets	-	5,912,296	6,208,320
 <b>TOTAL EXPENSES</b>	 <u>\$14,090,390</u>	 <u>\$19,503,883</u>	 <u>\$19,410,933</u>

**TOWN OF STETTLER**  
**SCHEDULE 6 - SEGMENTED DISCLOSURE**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	General Government	Protective Services	Transporation	Environmental Use & Protection	Public Health & Welfare	Planning & Development	Recreation & Culture	2019 Actual
<b>REVENUE:</b>								
Net Municipal Taxes	6,041,719							6,041,719
Sales to Other Governments	32,000							32,000
Sales and User Charges	96,784	54,870	27,937	4,728,114	21,796	267,718	324,734	5,521,953
Penalties and Costs on Taxes	63,964			26,397			-	90,361
Licenses and Permits		110,733				33,621		144,354
Fines		53,703						53,703
Franchise and Concession Contracts	1,630,338							1,630,338
Returns on Investments	210,081	3,042	15,579	30,147	1,106	1,553	-	261,508
Rentals			6,137			275,897	596,140	878,174
Contributed and Donated Assets		-					-	-
Federal Government Transfers						-	1,500	1,500
Provincial Government Transfers	38,128	401,815	518,630	891,779	157,148	10,161	8,348	2,026,009
Local Government Transfers	-	404,264	4,500		-	-	470,980	879,744
Other Revenues	(101,498)	-			-	-	1,082	(100,416)
<b>Total Revenue</b>	<b>8,011,516</b>	<b>1,028,427</b>	<b>572,783</b>	<b>5,676,437</b>	<b>180,050</b>	<b>588,950</b>	<b>1,402,784</b>	<b>17,460,947</b>
<b>EXPENSES:</b>								
Salaries , Wages and Benefits	913,490	554,855	904,758	1,369,097	36,466	472,600	1,795,181	6,046,447
Contracted and General Services	366,295	345,315	292,693	885,324	769	156,788	342,014	2,389,198
Purchases from Other Governments		976,608						976,608
Materials, Goods, Supplies and Utilities	46,128	141,799	776,461	816,322	7,339	294,607	724,610	2,807,266
Provision for Allowance	1,586	2,015		6,671	-		-	10,272
Transfer to Other Governments						293	-	293
Transfer to Local Boards and Agencies				386,880	196,435		279,702	863,017
Transfer to Individuals and Organizations			3,255	900	25,509	-	156,229	185,893
Bank Charges	7,947			295			6,418	14,660
Interest on Capital Long Term Debt	27,799		35,985	144,557			30,094	238,435
Net Loss on Sale of TCA		-	-	34,818			(4,917)	29,901
Other Expenditures	(124)	-	-	29,694			27	29,597
<b>Total Expense</b>	<b>1,363,121</b>	<b>2,020,592</b>	<b>2,013,152</b>	<b>3,674,558</b>	<b>266,518</b>	<b>924,288</b>	<b>3,329,358</b>	<b>13,591,587</b>
<b>NET REVENUE, BEFORE AMORTIZATION</b>	<b>6,648,395</b>	<b>(992,165)</b>	<b>(1,440,369)</b>	<b>2,001,880</b>	<b>(86,468)</b>	<b>(335,338)</b>	<b>(1,926,574)</b>	<b>3,869,361</b>
Amortization	96,429	147,677	3,806,884	1,004,767	3,811	131,681	721,047	5,912,296
<b>NET REVENUE</b>	<b>6,551,966</b>	<b>(1,139,842)</b>	<b>(5,247,253)</b>	<b>997,113</b>	<b>(90,279)</b>	<b>(467,019)</b>	<b>(2,647,621)</b>	<b>(2,042,936)</b>

**TOWN OF STETTLER**  
**NOTES TO THE FINANCIAL STATEMENT**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

**1. SIGNIFICANT ACCOUNTING POLICIES**

The consolidated financial statements of the Town of Stettler 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 Town are as follows:

**(a) Reporting Entity**

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

Town of Stettler Fire Department  
Stettler Regional Board of Trade and Community Development

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

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

**(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 the legal obligation to pay.

Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

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

**(c) Use of Estimates**

The preparation of financial statements in conformity with Canadian generally accepted accounting principles for local governments requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditure during the period. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

**(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 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.

**TOWN OF STETTLER**  
**NOTES TO THE FINANCIAL STATEMENT**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

**(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) Land Held For Resale**

Land held for resale is recorded at the lower of cost or net realizable value. Cost includes costs for land acquisition and improvements required to prepare the land for servicing such as clearing, stripping and leveling charges. Related development costs incurred to provide infrastructure such as water and wastewater services, roads, sidewalks and street lighting are recorded as physical assets under their respective function.

**(g) Government Transfers**

Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return.

Government transfers are recognized in the financial statements as revenue in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be determined.

**(h) Non-Financial Assets**

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

**i) Tangible Capital Assets**

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

	YEARS
Land Improvements	15 - 45
Buildings	25 - 50
Engineered Structures	
Roadway System	5 - 60
Water System	45 - 75
Wastewater System	45 - 75
Storm System	45 - 75
Machinery and Equipment	5 - 40
Vehicles	7 - 25

**TOWN OF STETTLER  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE YEAR ENDED DECEMBER 31, 2019**

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

**ii) Contributions of Tangible Capital Assets**

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

**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.

**(i) Cash & Cash Equivalents**

Cash and cash equivalents consist of cash on hand, accounts with banks and short-term, highly liquid investments with maturity dates not in excess of 1 year at the date of purchase.

**(j) Pensions**

Pension cost included in these statements comprise the cost of employer contributions for current service of employees during the year. The municipality participates in the multi-employer Local Authorities Pension Plan.

**2. CASH AND TEMPORARY INVESTMENTS**

	<u>2019</u>	<u>2018</u>
Cash	\$ 10,379,895	\$ 7,033,725
Temporary Investments	<u>-</u>	<u>2,000,000</u>
<b>Total</b>	<b><u>\$ 10,379,895</u></b>	<b><u>\$ 9,033,725</u></b>

Interest is earned on the General Account at Prime Rate less 1.65%. Included in Cash and Temporary Investments is a restricted amount of \$1,799,186 (2018 - \$1,538,165) received from various Provincial Programs and related to deferred grant funding (Note 5).

Included in cash is a restricted balance of \$51,644 (2018 - \$48,079) related to trust funds held at year end (Note 12).

**3. TAXES AND GRANTS IN LIEU RECEIVABLES**

	<u>2019</u>	<u>2018</u>
Current and Grants-in-lieu	\$ 155,837	\$ 137,536
Arrears Taxes	119,824	112,687
Less: Allowance for Doubtful Accounts	<u>(12,511)</u>	<u>(12,511)</u>
<b>Total</b>	<b><u>\$ 263,150</u></b>	<b><u>\$ 237,712</u></b>

**TOWN OF STETTLER**  
**NOTES TO THE FINANCIAL STATEMENT**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

**4. LONG-TERM INVESTMENTS**

	<u>2019</u>	<u>2018</u>
AMFC Shares, at Cost	\$ <u>40</u>	\$ <u>40</u>
<b>Total</b>	<b>\$ <u>40</u></b>	<b>\$ <u>40</u></b>

**5. DEFERRED REVENUE**

	<u>2019</u>	<u>2018</u>
Municipal Sustainability Initiative	\$ <b>984,716</b>	\$ 1,310,117
New Deal Communities	<b>548,067</b>	76,718
Police Assistance	<b>86,904</b>	86,904
Basic Municipal Transportation	<b>93,769</b>	51,949
Other	<b>85,730</b>	12,477
Other - P&L	<b>16,799</b>	12,830
Other - BOT	<b>78,520</b>	96,991
<b>Total</b>	<b>\$ <u>1,894,505</u></b>	<b>\$ <u>1,647,986</u></b>

Conditional grants are deferred until the prescribed expenditures are made.

**6. RESTRICTED FUNDS**

Reserves for operating and capital activities changed as follows:

<u>Operating Reserves</u>	<u>2018</u>	<u>Increases</u>	<u>Decreases</u>	<u>2019</u>
RCMP (Records Check)	62,685	7,600	557	<b>69,728</b>
Rescue Van	132,243	37,943	14,276	<b>155,910</b>
Land Farmed Site	7,650			<b>7,650</b>
Walking Pathway	67,982			<b>67,982</b>
Landfill Site Maintenance	3,000			<b>3,000</b>
Perpetual Care	48,079	5,365	1,800	<b>51,644</b>
West Stettler Planning	3,747			<b>3,747</b>
BOT Community Event	11,000	24,664		<b>35,664</b>
Building Maintenance	33,000	2,200		<b>35,200</b>
SCR Building Maintenance	9,211			<b>9,211</b>
Culture	111,000	15,000		<b>126,000</b>
Office Automation	7,825			<b>7,825</b>
RCMP Contract	230,000	95,230		<b>325,230</b>
Street Light Replacement	68,790	29,110		<b>97,900</b>
Mun 2000 Beautification	13,139			<b>13,139</b>
Coat Exterior Reservoir	40,000			<b>40,000</b>
Sewer Offsite	272,566	14,353		<b>286,919</b>
SE Industrial Planning	50,000			<b>50,000</b>
Land Development	1,136,814		65,259	<b>1,071,555</b>
Health Unit	12,500			<b>12,500</b>
Playground Program	3,000			<b>3,000</b>
Tree Maintenance	5,950			<b>5,950</b>
Senior HUB	917	6,000	1,861	<b>5,056</b>
Gravel	35,300			<b>35,300</b>

**TOWN OF STETTLER**  
**NOTES TO THE FINANCIAL STATEMENT**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

Cold Lake Survey	13,250			13,250
SRC Projection System	2,712			2,712
Community Orchard	13,658	1,620	4,668	10,610
ARB	6,000			6,000
WTS Operations	81,129			81,129
Planning	-	55,000		55,000
Memorial Park	4,864			4,864
Slurrey Seal	3,942			3,942
Trade Show	68,689	26,318		95,007
In Memorium	23,361			23,361
Water Well Building	50,000			50,000
Marketing Plan	-	20,000		20,000
WTP Waste Pond	-	70,000		70,000
WTP Valve/Small Capital	-	50,000		50,000
General Reserve	1,767,304	509,199	234,983	2,041,520
Available for Capital	232,675	679,528	608,355	303,848
Utilities - Other	455,318	318,899	33,921	740,296
Utilities - Water	836,001	128,358	122,856	841,503
<b>Total Operating Reserves</b>	<b>\$ 5,925,301</b>	<b>\$ 2,096,387</b>	<b>\$ 1,088,536</b>	<b>\$ 6,933,152</b>

<b>Capital Reserves</b>	<b>2018</b>	<b>Increases</b>	<b>Decreases</b>	<b>2019</b>
Admin Equipment/Computer	37,060	21,843	50,915	7,988
Disaster Services	6,008		6,008	-
Chainlink Fence	9,646			9,646
Compost Bins/Pads	2,880			2,880
Cemetery	2,497			2,497
GIS System	6,703			6,703
Fire Equipment	350,299	160,150		510,449
Common Services Equipment	20,000	84,565		104,565
Drainage	29,582	25,000		54,582
Sewer	13,900			13,900
Street Improvement	-	10,200		10,200
Airport Capital	-	14,528		14,528
Community Hall	221,523		188,082	33,441
Campground Expansion	20,986			20,986
WTP	30,698		8,153	22,545
Senior Centre	19,250			19,250
ML Sports Park	16,419			16,419
Cemetery Road	148,343			148,343
Water Dispensing System	3,220			3,220
Recreation Agreement	-	266,900		266,900
Fishing Pier	8,780			8,780
East Industrial Loop	3,894	-	-	3,894
<b>Total Capital Reserves</b>	<b>\$ 951,688</b>	<b>\$ 583,186</b>	<b>\$ 253,158</b>	<b>\$ 1,281,716</b>

<b>TOTAL RESTRICTED FUNDS</b>	<b>\$ 6,876,989</b>	<b>\$ 2,679,573</b>	<b>\$ 1,341,694</b>	<b>\$ 8,214,868</b>
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**TOWN OF STETTLER  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE YEAR ENDED DECEMBER 31, 2019**

**7. LONG-TERM DEBT**

	<u>2019</u>	<u>2018</u>
Tax Supported Debentures	\$ 1,336,250	\$ 1,488,761
Self Supported Debentures	<u>4,146,271</u>	<u>4,515,329</u>
<b>Total</b>	<b><u>\$ 5,482,521</u></b>	<b><u>\$ 6,004,090</u></b>

Principal and interest repayments are due as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 478,163	\$ 221,356	\$ 699,519
2021	499,514	200,004	699,518
2022	488,528	177,683	666,211
2023	502,626	156,231	658,857
2024	482,989	134,233	617,222
Thereafter	<u>3,030,701</u>	<u>455,172</u>	<u>3,485,873</u>
<b>Total</b>	<b><u>\$ 5,482,521</u></b>	<b><u>\$ 1,344,679</u></b>	<b><u>\$ 6,827,200</u></b>

Debenture debt is repayable to Alberta Capital Finance Authority and bears interest at rates ranging from 2.306% to 6.000% per annum, and mature in periods 2021 through 2036. The average annual interest rate is 4.49% for 2019 (4.49% for 2018).

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

Future interest repayment annual amounts have been calculated using the accrual method. The Town's total cash payments for interest in 2019 were \$238,435 (2018 - \$265,098)

**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 Town of Stettler be disclosed as follows:

	<u>2019</u>	<u>2018</u>
Total Debt Limit	\$ 24,368,126	\$ 23,476,574
Total Debt	<u>5,482,521</u>	<u>6,004,090</u>
<b>Amount of Debt Limit Unused</b>	<b><u>\$ 18,885,605</u></b>	<b><u>\$ 17,472,484</u></b>
Service on Debt Limit	\$ 4,061,354	\$ 3,912,762
Service on Debt	<u>699,519</u>	<u>767,059</u>
<b>Amount of Debt Servicing Limit Unused</b>	<b><u>\$ 3,361,835</u></b>	<b><u>\$ 3,145,703</u></b>

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.

**TOWN OF STETTLER  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE YEAR ENDED DECEMBER 31, 2019**

**9. TANGIBLE CAPITAL ASSETS**

<b>Net Book Value</b>	<b><u>2019</u></b>	<b><u>2018</u></b>
Land	\$ 1,525,999	\$ 1,460,741
Land Improvements	3,838,181	4,039,446
Buildings	41,400,487	42,210,357
Engineered Structures		
Distribution Systems - Roads	18,900,540	21,692,502
Distribution Systems - Water	8,517,857	8,246,386
Distribution Systems - Wastewater	12,248,995	12,300,392
Distribution Systems - Storm	3,436,104	3,502,073
Machinery & Equipment & Furnishings	3,792,596	3,957,967
Vehicles	<u>1,702,055</u>	<u>1,859,141</u>
<b>Total</b>	<b><u>\$ 95,362,814</u></b>	<b><u>\$ 99,269,005</u></b>

**10. EQUITY IN TANGIBLE CAPITAL ASSETS**

	<b><u>2019</u></b>	<b><u>2018</u></b>
Tangible Capital Assets (Schedule 2)	\$ 187,227,976	\$ 186,623,539
Accumulated Amortization (Schedule 2)	(91,865,162)	(87,354,534)
Long Term Debt (Note 7)	<u>(5,482,521)</u>	<u>(6,004,090)</u>
<b>Total</b>	<b><u>\$ 89,880,293</u></b>	<b><u>\$ 93,264,915</u></b>

**11. ACCUMULATED SURPLUS**

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

	<b><u>2019</u></b>	<b><u>2018</u></b>
Unrestricted Surplus (deficit)	\$ 2,524,885	\$ 2,521,078
Restricted Funds (Note 6)	8,214,868	6,876,989
Equity in Tangible Capital Assets (Note 10)	<u>89,880,293</u>	<u>93,264,915</u>
<b>Total</b>	<b><u>\$ 100,620,046</u></b>	<b><u>\$ 102,662,982</u></b>

**TOWN OF STETTLER  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE YEAR ENDED DECEMBER 31, 2019**

**12. TRUST FUNDS**

The Town of Stettler administers the following trust:

	<u>2019</u>	<u>2018</u>
Cemetery Perpetual Care		
Balance, Beginning of Year	\$ 48,079	\$ 66,064
Sale of Cemetery Plots/Columbarium Niche	3,565	6,715
Headstone Sidewalk Purchase	-	(24,700)
	<u>51,644</u>	<u>48,079</u>
Balance, End of Year	<u>\$ 51,644</u>	<u>\$ 48,079</u>

**13. SALARY & BENEFITS DISCLOSURE**

Disclosure of salaries and benefits for elected municipal officials, the chief administrative officer and designated officers as required by provincial regulation is as follows:

	2019				2018	
	<u>#of</u> <u>Persons</u>	<u>Salary (1)</u>	<u>Benefits &amp;</u> <u>Allowances (2&amp;3)</u>	<u>Total</u>	<u># of</u> <u>Persons</u>	<u>Total</u>
Councillor C. Barros	1	19,343	973	20,316	1	19,160
Councillor A.Campbell	1	24,153	165	24,318	1	22,751
Councillor M. Fischer	1	23,763	1,198	24,961	1	23,860
Councillor G. Lawlor	1	22,073	1,112	23,185	1	20,503
Councillor S. Pfeiffer	1	20,123	1,013	21,136	1	19,697
Mayor S. Nolls	1	39,336	1,993	41,329	1	38,866
Councillor W. Smith	1	19,083	960	20,043	1	18,220
CAO. G. Switenky	1	183,690	34,527	218,217	1	215,925

- (1) Salary includes regular base pay, bonuses, overtime, lump sum payments, gross honoraria and any other direct cash remuneration.
- (2) Employers share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, group life insurance, accidental disability and dismemberment insurance, long and short term disability plans, professional memberships and tuition
- (3) 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 and club memberships.

**TOWN OF STETTLER**  
**NOTES TO THE FINANCIAL STATEMENT**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

**14. LOCAL AUTHORITIES PENSION PLAN**

- Employees of the Town of Stettler participate in the Local Authorities Pension Plan (LAPP), which is covered by the Public Sector Pension Plans Act. The Plan serves about 265,813 people and 421 employers. It is financed by employer and employee contributions and investment earnings of the LAPP Fund.
- Contributions for current service are recorded as expenditures in the year in which they become due.
- The Town of Stettler is required to make current service contributions to the Plan of 9.39% of pensionable earnings up to the Canada Pension Plan Year's Maximum Pensionable Earnings and 13.84% for the excess.
- Employees of the Town of Stettler are required to make current service contributions of 8.39% of pensionable salary up to the year's maximum pensionable earnings under the Canada Pension Plan, and 12.84% on pensionable salary above this amount.
- Total current and past service contributions by the Town of Stettler to the Local Authorities Pension Plan in 2019 were \$443,389 (2018 - \$456,411) Total current and past service contributions by the employees of the Town of Stettler to the Local Authorities Pension Plan in 2019 were \$401,188 (2018 - \$416,887)
- At December 31, 2018 the Plan disclosed an actuarial surplus of \$3.5 billion for the Plan.

**15. CONTINGENCIES**

The Town of Stettler is a member of the Alberta Local Authorities Reciprocal Insurance Exchange. Under the terms of membership, the Town of Stettler 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.

The Town of Stettler, the County of Stettler, and all other incorporated municipalities within the geographical boundaries of the County of Stettler provide funds for the operation of the Stettler Waste Management Authority. The Authority is accumulating reserves to fund future estimated site cleanup obligations. The member municipalities may be liable for future costs in excess of the reserves.

The Town of Stettler and the County of Stettler through joint agreement provide funds for the operation of the Stettler Family and Community Support Services. The amounts noted in this financial statement represent only the Town of Stettler portion of contributions made to F.C.S.S.

**TOWN OF STETTLER**  
**NOTES TO THE FINANCIAL STATEMENT**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

**16. FINANCIAL INSTRUMENTS**

The Town's financial instruments consist of cash and temporary investments, accounts receivables, a line of credit, investments, accounts payable, accrued liabilities, deposit liabilities, requisition over-levy and long-term debt. It is management's opinion that the Town is not exposed to significant interest or currency risks arising from these financial instruments.

The Town is subject to credit risk with respect to taxes and grants in place of taxes receivable, and trade and other receivables. Credit risk arises from the possibility that taxpayers and entities to which the Town provides service may experience financial difficulty and may be unable to fulfill their obligations. The large number and diversity of taxpayers and customers minimizes the credit risk.

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

The Town is exposed to interest rate risk on temporary bank indebtedness, as the interest rate will fluctuate with change in the prime lending rate.

The fixed rate debentures are subject to interest rate risk, as the value will fluctuate as a result of changes in market rates.

**17. SEGMENTED DISCLOSURE**

The Town provides a range of services to its ratepayers. For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in Note 1.

Refer to the Schedule of Segmented Disclosure (Schedule 6).

**TOWN OF STETTLER**  
**NOTES TO THE FINANCIAL STATEMENT**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

**18. AMORTIZATION**

Amortization is a non-cash expense and is allocated to the different functions as follows:

	<u>2019</u>	<u>2018</u>
General Administration	\$ 96,429	\$ 89,585
Police Protective Services	-	-
Fire Protective Services	147,677	145,470
Common and Equipment Pool	246,863	293,228
Roads, Streets, Walks, Lighting	3,476,268	3,741,563
Airport	17,785	17,413
Storm Sewers and Drainage	65,968	65,967
Water Supply and Distribution	677,800	676,397
Wastewater Treatment and Disposal	325,978	321,560
Waste Management	989	989
Cemeteries	3,811	2,376
Land Use Planning	4,744	18,962
Economic Development	2,587	2,587
Public Housing Operations	85,967	85,967
Land, Housing and Building Rentals	38,383	38,383
Parks and Recreation	671,793	668,656
Culture	49,254	39,217
<b>Total</b>	<b>\$ 5,912,296</b>	<b>\$ 6,208,320</b>

**19. OTHER LONG-TERM LIABILITIES**

	<u>2019</u>	<u>2018</u>
Tax Sales In Trust	\$ -	\$ -
Reserve for Public Lands	105,359	105,359
<b>Total</b>	<b>\$ 105,359</b>	<b>\$ 105,359</b>

**20. OPERATING LINE OF CREDIT**

At December 31, 2019 the Town had a short-term line of credit for \$100,000 (2018 - \$100,000) of which nothing had been drawn down. The interest rate on advances would be Prime minus 1/4%.

**TOWN OF STETTLER**  
**NOTES TO THE FINANCIAL STATEMENT**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

**21. RECENT ACCOUNTING PRONOUNCEMENTS PUBLISHED BUT NOT YET ADOPTED**

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

**(a) Section PSAS 3041 - Portfolio Investments**

This standard addresses the distinction between temporary and portfolio investments. The standard is beginning on or after April 1, 2021, when sections PS1201, PS2601 and PS3450 are adopted.

**(b) Section PSAS 3450 - Financial Instruments**

This standard establishes recognition, measurement and disclosure requirements for derivative and non-derivative financial instruments. Applies to years beginning on or after April 1, 2021.

**(c) Section PSAS 2601 - Foreign Currency Translation**

This section establishes standards on how to account for and report transactions that are denominated in foreign currency in government financial statements. Applies to years beginning on or after April 1, 2021.

**(d) Section PSAS 1201 - Financial Statement Presentation**

Revised standard is effective beginning on or after April 1, 2021 when sections PS2601 and PS3450 are adopted.

**(e) Section PSAS 3280 - Asset Retirement Obligation**

This standard is intended to provide guidance on accounting for ARO's and will apply in years beginning on or after April 1, 2021.

**(f) Section PSAS 3400 - Revenue**

This standard will provide greater clarity on the difference between exchange and non-exchange transactions. Applies to years beginning on or after April 1, 2022.

**22. APPROVAL OF FINANCIAL STATEMENTS**

Council and Management have approved these financial statements.

**23. BUDGET AMOUNTS**

Budget figures for the year ended December 31, 2019 were approved as May 21, 2019 and are for information purposes. These amounts have not been audited.