

**TOWN OF STETTLER**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

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# GITZEL & COMPANY

CHARTERED PROFESSIONAL ACCOUNTANTS

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\*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)

## 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, 2021 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, 2021, 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 April 19, 2022 on the financial statements of the Town of Stettler for the year ended December 31, 2021 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 Municipal 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Stettler, Alberta  
April 19, 2022

CHARTERED PROFESSIONAL ACCOUNTANTS

**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, 2021 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**

April 19, 2022

**Date**

April 19, 2022

**Date**

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# GITZEL & COMPANY

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## 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, 2021 and the statements of operations, changes in net financial assets (debt) and cash flows for the year then ended, and notes schedules 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, 2021, 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 Municipal 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Stettler, Alberta  
April 19, 2022

CHARTERED PROFESSIONAL ACCOUNTANTS

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# GITZEL & COMPANY

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## SIGNIFICANT DEFICIENCIES IN INTERNAL CONTROL

April 19, 2022

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

Re: Audit of the Financial Statements for the period ending December 31, 2021

Dear Sir or Madam:

The objective of our audit was to express an opinion on the financial statements. Included in our audit was the consideration of internal control relevant to the preparation and fair presentation of the financial statements. This consideration of internal control was for the purpose of designing audit procedures that were appropriate in the circumstances and was not for the purpose of expressing an opinion on the effectiveness of internal control or for identifying all significant control deficiencies that might exist. The responsibility for internal control belongs to management.

During the course of our audit, we identified deficiencies that met the definition of a significant deficiency. A significant deficiency in internal control is defined as a deficiency or combination of deficiencies in internal control, that, in the auditors' professional judgment, is of sufficient importance to merit the attention of those charged with governance. Communicating significant deficiencies assists those charged with governance in fulfilling their oversight responsibilities.

The significant deficiencies identified are outlined below. Please note that this list includes all the significant deficiencies we have identified (including those previously reported to you that you have not yet remedied to date).

## Deficiency and Potential Effects

1. There are instances where management is not compliant with the TCA policy that was established in 2010. For example, items under the threshold are sometimes being capitalized when they should be expensed and on occasion expenditures that are not capital in nature are being capitalized
2. The Town does not retain copies of the signed checks as evidence of who the expenditure was paid to and of who authorized the expenditure by signing the checks

## Recommendation

In order to keep the TCA listing clean and as simple as possible only those items that fall under the definition of TCA per the Towns' policy should be capitalized and amortized

Either a hard copy of the cancelled checks or a digital copy should be retained as audit evidence to support the transactions that are being recorded in the accounting records as well as to show evidence of who approved the expenditure

This letter has been prepared for management and those charged with governance in fulfilling their oversight responsibilities, and is not intended for any other purpose.

There are certain other areas within the accounting system that have not been examined by us. We will comment on these areas, if necessary.

We appreciate the co-operation and assistance of your staff during this audit. Should you require any further information or explanations, please do not hesitate to call.

Yours very truly,

GITZEL & COMPANY CHARTERED PROFESSIONAL ACCOUNTANTS

Justin Tanner, CPA, CA



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## AUDIT FINDINGS

April 19, 2022

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, 2021. 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. Misstatements resulting from error that were material and were corrected are included in our adjusting journal entries. Please see attached.

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*

GITZEL & COMPANY

**Acknowledgement of Council:**

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

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



Administration  
(403) 742-8305

FAX (403) 742-1404

E-mail: [townoffice@stettler.net](mailto:townoffice@stettler.net)

Parks & Leisure Services  
(403) 742-4411

P.O. Box 280

Stettler, Alberta, Canada T0C 2L0

Home Page: [www.stettler.net](http://www.stettler.net)

April 19, 2022

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, 2021 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. All information relevant to use of the going concern assumption in the financial statements, has been disclosed.

3. We are not aware of any items that have not been properly recorded in the accounting records underlying the financial statements, except as noted in the summary of uncorrected items attached to this letter.
4. 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.
5. 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.
6. Material non-monetary transactions or transactions for no consideration undertaken by the municipality in the financial reporting period under consideration have been disclosed to you.
7. 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.
8. Where appropriate, all transactions between the municipality and its councillors occurring throughout the year have been segregated.
9. 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.
10. 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.
11. 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.
12. Business transacted at council meetings requiring disclosure has been disclosed correctly in the financial statements.
13. 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.
14. 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, 2021, and the results of its operations and its cash flows for the year then ended, in accordance with Canadian public sector accounting standards.
15. 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 council.

#### **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.
  - (b) impairments in the value of goodwill or intangible assets.
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. All donations received in the year (including property and equipment) have been appropriately measured and disclosed in the financial statements.
5. 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.

### **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 municipality 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. The nature and amount of any restrictions on funds received or held by the municipality have been disclosed in the financial statements.
12. 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. All events that have occurred, or are pending, or in prospect, as at the date of this letter which are of material significance to the municipality's affairs have been recognized or disclosed in the financial statements.

Yours very truly,

**TOWN OF STETTLER**

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

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

MUNICIPAL FINANCIAL INFORMATION RETURN

For the Year Ending December 31, 2021

**Municipality Name:**

Town of Stettler

**CERTIFICATION**

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

**Greg Switenky**

Print Name

Date

The number of potential errors on Page 13 of this form: 2



**FINANCIAL POSITION**

	Total 1
<b>Assets</b>	0010
Cash and Temporary Investments .....	0020 12,165,640
Taxes and Grants in Place of Taxes Receivable.....	0030
. Current .....	0040 186,599
. Arrears .....	0050 68,378
. Allowance .....	0060 -12,511
Receivable From Other Governments .....	0070 1,742,108
Loans Receivable .....	0080
Trade and Other Receivables .....	0090 1,383,512
Debt Charges Recoverable.....	0095
Inventories Held for Resale	0130
. Land .....	0140
. Other .....	0150
Long Term Investments	0170
. Federal Government .....	0180
. Provincial Government .....	0190
. Local Governments .....	0200
. Other .....	0210 40
Other Current Assets .....	0230 11,899
Other Long Term Assets .....	0240 1,084,291
	0250
<b>Total Financial Assets</b>	0260 16,629,956
	0270
<b>Liabilities</b>	0280
Temporary Loans Payable .....	0280
Payable To Other Governments .....	0290 477,647
Accounts Payable & Accrued Liabilities .....	0300 1,424,058
Deposit Liabilities .....	0310 27,200
Deferred Revenue .....	0340 2,947,820
Long Term Debt .....	0350 4,504,845
Other Current Liabilities .....	0360
Asset Retirement Obligations.....	0365
Other Long Term Liabilities .....	0370 105,359
	0380
<b>Total Liabilities</b>	0390 9,486,929
	0395
<b>Net Financial Assets (Net Debt)</b>	0395 7,143,027
	0400
<b>Non Financial Assets</b>	0400 89,622,586
Tangible Capital Assets.....	0410
Inventory for Consumption.....	0420 8,888
Prepaid Expenses .....	0430 733,882
Other.....	0430
	0440
<b>Total Non-Financial Assets</b>	0440 90,365,356
	0450
<b>Accumulated Surplus</b>	0450 97,508,383

**CHANGE IN OPERATING ACCUMULATED SURPLUS**

**Schedule 9B**

		Unrestricted	Restricted	Equity in TCA	Total
		1	2	3	4
Accumulated Operating Surplus - Beginning of Year	0500	2,529,995	8,547,083	86,950,913	98,027,991
Net Revenue (Expense)	0505	-519,608			-519,608
Funds Designated For Future Use	0511	-2,631,326	2,631,326		
Restricted Funds - Used for Operations	0512	460,358	-460,358		
Restricted Funds - Used for TCA	0513		-963,527	963,527	
Current Year Funds Used for TCA	0514	-2,141,781		2,141,781	
Donated and Contributed TCA	0516				
Disposals of TCA	0517	75,485		-75,485	
Annual Amortization Expense	0518	-5,362,509		5,362,509	
Long Term Debt - Issued	0519				
Long Term Debt - Repaid	0521	-499,514		499,514	
Capital Debt - Used for TCA	0522				
	0523				
Other Adjustments	0524				
Accumulated Operating Surplus - End of Year	0525	2,636,118	9,754,524	85,117,741	97,508,383

FINANCIAL ACTIVITIES BY FUNCTION

Schedule 9C

	Revenue		Expense	
		1		2
<b>Total General</b>	0700	7,777,171		
<b>Function</b>	0710		1150	
General Government	0720		1160	
Council and Other Legislative .....	0730		1170	191,963
General Administration .....	0740	613,917	1180	1,586,621
Other General Government.....	0750		1190	
Protective Services	0760		1200	
Police .....	0770	479,801	1210	1,169,279
Fire .....	0780	462,925	1220	932,002
Disaster and Emergency Measures .....	0790		1230	30,421
Ambulance and First Aid .....	0800		1240	
Bylaws Enforcement .....	0810	108,299	1250	200,673
Other Protective Services.....	0820		1260	
Transportation	0830		1270	
Common and Equipment Pool .....	0840	380,512	1280	386,876
Roads, Streets, Walks, Lighting .....	0850	720,460	1290	4,528,556
Airport .....	0860	23,293	1300	51,059
Public Transit .....	0870		1310	
Storm Sewers and Drainage .....	0880		1320	124,602
Other Transportation .....	0890		1330	
Environmental Use and Protection	0900		1340	
Water Supply and Distribution .....	0910	4,120,553	1350	2,901,465
Wastewater Treatment and Disposal .....	0920	859,177	1360	785,846
Waste Management .....	0930	824,392	1370	671,274
Other Environmental Use and Protection .....	0940		1380	
Public Health and Welfare	0950		1390	
Family and Community Support .....	0960	157,140	1400	196,435
Day Care .....	0970		1410	
Cemeteries and Crematoriums .....	0980	33,529	1420	39,137
Other Public Health and Welfare .....	0990		1430	
Planning and Development	1000		1440	
Land Use Planning, Zoning and Development .....	1010	41,089	1450	428,948
Economic/Agricultural Development .....	1020	133,127	1460	516,099
Subdivision Land and Development .....	1030	300	1470	51,421
Public Housing Operations .....	1040		1480	85,967
Land, Housing and Building Rentals .....	1050	287,319	1490	59,409
Other Planning and Development.....	1060		1500	
Recreation and Culture	1070		1510	
Recreation Boards .....	1080		1520	
Parks and Recreation .....	1090	1,009,543	1530	3,162,915
Culture: Libraries, Museums, Halls .....	1100	18,685	1540	469,872
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	18,051,232	1580	18,570,840
<b>Net Revenue/Expense</b>			1590	-519,608

FINANCIAL ACTIVITIES BY TYPE / OBJECT

		Total
		1
Revenues	1700	
Taxation and Grants in Place	1710	
Property (net municipal, excluding requisitions).....	1720	5,960,063
Business .....	1730	6,300
Business Revitalization Zone .....	1740	
Special .....	1750	
Well Drilling .....	1760	
Local Improvement .....	1770	-621
Sales To Other Governments .....	1790	8,000
Sales and User Charges .....	1800	5,729,169
Penalties and Costs on Taxes .....	1810	92,677
Licenses and Permits .....	1820	149,283
Fines .....	1830	40,262
Franchise and Concession Contracts .....	1840	1,667,707
Returns on Investments (incl. Portfolio Investments) .....	1850	82,713
Rentals .....	1860	615,345
Insurance Proceeds .....	1870	
Net Gain on Sale of Tangible Capital Assets .....	1880	17,500
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	2,740,102
Local Government Transfers .....	1930	768,021
Transfers From Local Boards and Agencies .....	1940	
Developer Agreements .....	1960	
Offsite Levies .....	1962	
Other Revenues .....	1970	173,217
<b>Total Revenue</b>	1980	18,051,232
Expenses	1990	
Salaries, Wages, and Benefits .....	2000	5,855,801
Contracted and General Services .....	2010	2,219,818
Purchases from Other Governments .....	2020	1,006,080
Materials, Goods, Supplies, and Utilities .....	2030	2,871,862
Provision For Allowances .....	2040	37,957
Transfers to Other Governments .....	2050	301
Transfers to Local Boards and Agencies .....	2060	855,807
Transfers to Individuals and Organizations .....	2070	40,509
Bank Charges and Short Term Interest .....	2080	18,877
Interest on Operating Long Term Debt .....	2090	
Interest on Capital Long Term Debt .....	2100	194,881
Accretion of Asset Retirement Obligations.....	2105	
Amortization of Tangible Capital Assets .....	2110	5,362,509
Net Loss on Sale of Tangible Capital Assets.....	2125	
Write Down of Tangible Capital Assets.....	2127	75,485
Other Expenditures .....	2130	30,953
<b>Total Expenses</b>	2140	18,570,840
<b>Net Revenue (Expense)</b>	2150	-519,608

**REMEASUREMENT GAINS AND LOSSES**

Accumulated remeasurement gains (losses) at beginning of the year .....	2171	
Gains .....	2172	
Losses .....	2174	
Amounts reclassified to Statement of Operations .....	2176	
Net Remeasurement gains (losses) for the year .....	2178	
Accumulated remeasurement gains (losses) at end of year .....	2180	

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	604,829		95,234	23,747
Other General Government.....	2230				
Protective Services	2240				
Police .....	2250	9,759			
Fire .....	2260	63,640		151,156	
Disaster and Emergency Measures .....	2270				
Ambulance and First Aid .....	2280				
Bylaws Enforcement .....	2290				
Other Protective Services.....	2300				
Transportation	2310				
Common and Equipment Pool .....	2320		363,012	253,063	
Roads, Streets, Walks, Lighting .....	2330	8,602	707,509	2,904,440	28,194
Airport .....	2340			30,465	
Public Transit .....	2350				
Storm Sewers and Drainage .....	2360			65,967	
Other Transportation .....	2370				
Environmental Use and Protection	2380				
Water Supply and Distribution .....	2390	3,015,034	1,071,094	673,818	73,717
Wastewater Treatment and Disposal .....	2400	859,177		327,375	46,218
Waste Management .....	2410	824,392		989	
Other Environmental Use and Protection .....	2420				
Public Health and Welfare	2430				
Family and Community Support .....	2440				
Day Care .....	2450				
Cemeteries and Crematoriums .....	2460	33,088		4,619	
Other Public Health and Welfare .....	2470				
Planning and Development	2480				
Land Use Planning, Zoning and Development .....	2490			1,746	
Economic/Agricultural Development .....	2500	114,661			
Subdivision Land and Development .....	2510			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	913			
Parks and Recreation .....	2570	186,614		670,949	23,005
Culture: Libraries, Museums, Halls .....	2580	8,454		55,751	
Convention Centres .....	2590				
Other Recreation and Culture.....	2600				
Other Utilities	2605				
Gas .....	2606				
Electric .....	2607				
Other .....	2610				
<b>Total</b>	2620	5,729,163.00	2,141,615.00	5,362,509.00	194,881.00

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
<b>General Government</b> 2700					
Council and Other Legislative .....	2710				
General Administration .....	2720	551			50,118
Other General Government.....	2730				
<b>Protective Services</b> 2740					
Police .....	2750				
Fire .....	2760	99,532			
Disaster and Emergency Measures .....	2770				
Ambulance and First Aid .....	2780				
Bylaws Enforcement .....	2790				
Other Protective Services.....	2800				
<b>Transportation</b> 2810					
Common and Equipment Pool .....	2820	365,912			
Roads, Streets, Walks, Lighting .....	2830	1,089,436			94,280
Airport .....	2840	13,270			
Public Transit .....	2850				
Storm Sewers and Drainage .....	2860				
Other Transportation .....	2870				
<b>Environmental Use and Protection</b> 2880					
Water Supply and Distribution .....	2890	1,163,137			161,638
Wastewater Treatment and Disposal .....	2900	22,210			114,684
Waste Management .....	2910				
Other Environmental Use and Protection .....	2920				
<b>Public Health and Welfare</b> 2930					
Family and Community Support .....	2940				
Day Care .....	2950				
Cemeteries and Crematoriums .....	2960	27,008			
Other Public Health and Welfare .....	2970				
<b>Planning and Development</b> 2980					
Land Use Planning, Zoning and Development .....	2990	35,069			
Economic/Agricultural Development .....	3000				
Subdivision Land and Development .....	3010				
Public Housing Operations .....	3020				
Land, Housing and Building Rentals .....	3030				
Other Planning and Development.....	3040				
<b>Recreation and Culture</b> 3050					
Recreation Boards .....	3060				
Parks and Recreation .....	3070	289,185			78,794
Culture: Libraries, Museums, Halls .....	3080				
Convention Centres .....	3090				
Other Recreation and Culture.....	3100				
<b>Other Utilities</b> 3105					
Gas .....	3106				
Electric .....	3107				
<b>Other</b> 3110					
	3110				
<b>Total</b>	3120	3,105,310.00			499,514.00

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	74,088,905	1,074,284	1,506,249	73,656,940
Light Rail Transit Systems.....	3202				
Water Systems.....	3203	14,487,117	1,134,760	14,527	15,607,350
Wastewater Systems.....	3204	17,443,011	10,496		17,453,507
Storm Systems.....	3205	4,729,560			4,729,560
Fibre Optics.....	3206				
Electricity Systems.....	3207				
Gas Distribution Systems.....	3208				
Total Engineered Structures .....	3210	110,748,593	2,219,540	1,520,776	111,447,357
Construction In Progress.....	3219				
Buildings .....	3220	57,602,228	65,332		57,667,560
Machinery and Equipment .....	3230	7,391,720	559,044	128,911	7,821,853
Land .....	3240	1,525,999			1,525,999
Land Improvements.....	3245	6,323,028	261,394		6,584,422
Vehicles .....	3250	4,372,077			4,372,077
<b>Total Capital Property Cost</b>	3260	187,963,645.00	3,105,310.00	1,649,687.00	189,419,268.00
<b>Accumulated Amortization</b>					
Engineered Structures	3270				
Roadway Systems	3271	57,602,296	2,794,715	1,430,937	58,966,074
Light Rail Transit Systems	3272				
Water Systems	3273	5,567,676	170,301	14,354	5,723,623
Wastewater Systems	3274	5,500,362	306,346		5,806,708
Storm Systems	3275	1,359,422	65,968		1,425,390
Fibre Optics	3276				
Electricity Systems	3277				
Gas Distribution Systems	3278				
Engineered Structures .....	3280	70,029,756	3,337,330	1,445,291	71,921,795
Buildings .....	3290	17,345,650	1,165,301		18,510,951
Machinery and Equipment .....	3300	3,355,889	431,335	128,911	3,658,313
Land .....	3310				
Land Improvements.....	3315	2,700,828	265,642		2,966,470
Vehicles .....	3320	2,576,250	162,903		2,739,153
<b>Total Accumulated Amortization</b>	3330	96,008,373.00	5,362,511.00	1,574,202.00	99,796,682.00
<b>Net Book Value of Capital Property</b>	3340	91,955,272			89,622,586
<b>Capital Long Term Debt (Net)</b>	3350	5,004,359			4,504,845
<b>Equity in Tangible Capital Assets</b>	3400	86,950,913.00			85,117,741.00



**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	1,008,491	1,008,491
Supported by Special Levies .....	3420	1,253,340	1,253,340
Supported by Utility Rates .....	3430	2,243,014	2,243,014
Other .....	3440		
<b>Total Long Term Debt Principal Balance</b>	3450	4,504,845.00	4,504,845.00

**LONG TERM DEBT SOURCES**

**Schedule 9I**

	Operating Purposes 1	Capital Purposes 2	Total 3
Alberta Capital Finance Authority.....	3500	4,504,845	4,504,845
Canada Mortgage and Housing Corporation .....	3520		
Mortgage Borrowing .....	3600		
Other .....	3610		
<b>Total Long Term Debt Principal Balance</b>	3620	4,504,845.00	4,504,845.00

**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	488,528	488,528
Current + 2 .....	3720	502,626	502,626
Current + 3 .....	3730	482,989	482,989
Current + 4 .....	3740	461,768	461,768
Current + 5 .....	3750	481,157	481,157
Thereafter .....	3760	2,087,777	2,087,777
<b>Total Principal</b>	3770	4,504,845.00	4,504,845.00
<b>Interest by Year</b>	3780		
Current + 1 .....	3790	177,683	177,683
Current + 2 .....	3800	156,230	156,230
Current + 3 .....	3810	134,233	134,233
Current + 4 .....	3820	114,161	114,161
Current + 5 .....	3830	94,772	94,772
Thereafter .....	3840	246,240	246,240
<b>Total Interest</b>	3850	923,319.00	923,319.00

**PROPERTY TAXES AND GRANTS IN PLACE**

**Schedule 9K**

		Property Taxes 1	Grants - in Place 2	Total 3
Municipal Property Taxes	3900			
Residential Land and Improvements .....				
Total	3910	3,732,134	21,514	3,753,648
Non-Residential	3920			
Land and Improvements (Excluding M & E).....	3935	2,089,802	6,920	2,096,722
Machinery and Equipment .....	3950			
Linear Property .....	3960	108,530		108,530
Small Business Tax .....	3965			
Farm Land .....	3980	1,163		1,163
Adjustments to Property Taxes .....	3990			
Total Municipal Property Taxes and Grants In Place	4000	5,931,629	28,434	5,960,063
Provincial and Seniors Foundation Requisitions			4010	
Education				
Residential/Farm Land .....			4031	1,406,042
Non-Residential .....			4035	909,559
Seniors Lodges .....			4090	368,112
Designated Industrial Property .....			4099	
Other .....			4100	
Adjustments to Requisition Transfers .....			4110	
Total Requisition Transfers			4120	2,683,713

**GRANTS IN PLACE OF TAXES**

**Schedule 9L**

		Property Taxes 1	Business Taxes 2	Other Taxes 3	Total 4
Federal Government .....	4200	6,920			6,920
Provincial Government .....	4210	21,514			21,514
Local Government .....	4220				
Other .....	4230				
Total	4240	28,434			28,434

**DEBT LIMIT**

**Schedule 9AA**

Debt Limit .....	5700	23,841,722
Total Debt .....	5710	4,504,845
Debt Service Limit .....	5720	3,973,620
Total Debt Service Costs .....	5730	666,211

Enter prior year Line 3450 Column 2 balance here: 5,004,359

**GRANT AND DEFERRED GRANT REVENUE SCHEDULE**

**Schedule 9P**

**Cash and Temporary Investments** 8820 12,165,640

**Restricted Cash by Grant**

Municipal Sustainability Initiative Capital	8825	1,446,745
Municipal Sustainability Initiative Operating	8826	
Federal Gas Tax Fund	8827	871,830
Alberta Community Partnership- Intermunicipal Collaboration	8828	
Alberta Community Partnership- Municipal Restructuring	8829	
Alberta Community Partnership- Mediation and Cooperative Processes	8830	
Alberta Community Partnership- Municipal Internship	8831	
Alberta Community Partnership- Local Land Use Planning	8832	200,000
Alberta Community Partnership- Strategic Initiative	8833	80,000
Alberta Community Partnership- Regional Collaboration Program	8834	
Other Grants	8835	

**Total Restricted Cash** 8865 2,598,575

**Unrestricted Cash** 8870 9,567,065

**Accounts Receivable - Grants** 8872

**Deferred Revenue** 8875 2,947,820

**Deferred Revenue by Grant**

Municipal Sustainability Initiative Capital	8880	1,446,745
Municipal Sustainability Initiative Operating	8881	
Federal Gas Tax Fund	8882	871,830
Alberta Community Partnership- Intermunicipal Collaboration	8883	
Alberta Community Partnership- Municipal Restructuring	8884	
Alberta Community Partnership- Mediation and Cooperative Processes	8885	
Alberta Community Partnership- Municipal Internship	8886	
Alberta Community Partnership- Local Land Use Planning	8887	200,000
Alberta Community Partnership- Strategic Initiative	8888	80,000
Alberta Community Partnership- Regional Collaboration Program	8889	
Other Grants	8890	

**Total Deferred Revenue by Grant** 8898 2,598,575

**Other Deferred Revenue** 8899 349,245

EDIT LIST - PLEASE REVIEW AND CORRECT ANY ERRORS NOTED BELOW

Please ensure the Machinery and Equipment taxes has been recorded under Line 3950  
Please ensure the Small Business tax has been recorded under Line 3965

**TOWN OF STETTLER**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2021**

	<u>2021</u>	<u>2020</u>
<b>FINANCIAL ASSETS</b>		
Cash and Temporary Investments (Note 2)	\$ 12,165,639	\$ 10,840,417
Taxes and Grants-in-lieu Receivables (Note 3)	242,466	285,810
Local Improvement Taxes Receivable	1,084,292	1,210,611
Trade and Other Receivables	1,383,512	1,939,990
Receivable from Governments	1,742,108	780,703
Long-term Investments (Note 4)	40	40
Other Assets	<u>11,899</u>	<u>4,529</u>
<b>TOTAL FINANCIAL ASSETS</b>	<b><u>\$ 16,629,956</u></b>	<b><u>\$ 15,062,100</u></b>
 <b>LIABILITIES</b>		
Accounts Payable and Accrued Liabilities	\$ 1,901,705	\$ 2,488,488
Deposit Liabilities	27,200	22,500
Deferred Revenue (Note 5)	2,947,820	2,072,868
Other Current Liabilities	-	-
Other Long-term Liabilities (Note 19)	105,359	105,359
Long-term Debt (Note 7)	<u>4,504,845</u>	<u>5,004,359</u>
<b>TOTAL LIABILITIES</b>	<b><u>\$ 9,486,929</u></b>	<b><u>\$ 9,693,574</u></b>
 <b>NET FINANCIAL ASSETS (DEBT)</b>	 <b><u>\$ 7,143,027</u></b>	 <b><u>\$ 5,368,526</u></b>
 <b>NON-FINANCIAL ASSETS</b>		
Tangible Capital Assets (Note 9)	89,622,586	91,955,272
Land Held for Resale	733,882	688,882
Prepaid Expenses	<u>8,888</u>	<u>15,311</u>
<b>TOTAL NON-FINANCIAL ASSETS</b>	<b><u>\$ 90,365,356</u></b>	<b><u>\$ 92,659,465</u></b>
 <b>ACCUMULATED SURPLUS (Note 11)</b>	 <b><u>\$ 97,508,383</u></b>	 <b><u>\$ 98,027,991</u></b>
 <b>CONTINGENCIES (NOTE 15)</b>		

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Date

**TOWN OF STETTLER**  
**CONSOLIDATED STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>2021</u> <u>Budget</u> <u>(Unaudited)</u>	<u>2021</u> <u>Actual</u>	<u>2020</u> <u>Actual</u>
<b>REVENUES</b>			
Net Taxes (Schedule 3)	\$ 5,999,175	\$ 5,966,363	\$ 5,847,977
Sales and User Fees	5,389,068	5,736,542	5,409,809
Government Transfers (Schedule 4)	1,440,203	1,368,008	2,066,681
Investment Income	141,600	82,713	96,858
Penalties and Costs on Taxes	87,950	92,677	83,079
Licenses and Permits	153,900	149,283	148,560
Fines	62,700	40,262	31,740
Franchise and Concession Contracts	1,729,950	1,667,707	1,674,186
Rentals	763,447	615,345	542,098
Other	404,529	190,717	105,859
<b>Total Revenue</b>	<u>\$ 16,172,522</u>	<u>\$ 15,909,617</u>	<u>\$ 16,006,847</u>
<b>EXPENDITURES (Schedule 5)</b>			
Legislative	219,630	191,963	169,775
Administration	1,236,812	1,491,387	1,924,410
Protective Services	2,429,406	2,181,219	2,191,473
Transportation	2,396,917	1,933,591	2,099,890
Water Supply and Distribution	2,490,385	2,131,214	2,697,264
Wastewater Treatment and Disposal	553,185	458,471	1,026,502
Waste Management	712,417	670,285	674,619
Public Health and Welfare	262,225	230,953	246,227
Subdivision Land Development	1,127,475	1,013,161	880,770
Recreation, Culture and Parks	3,396,536	2,906,087	3,020,222
Amortization (Note 18)	-	5,362,509	5,506,234
<b>Total Expenditures</b>	<u>\$ 14,824,988</u>	<u>\$ 18,570,840</u>	<u>\$ 20,437,386</u>
<b>EXCESS (SHORTFALL) OF REVENUE OVER EXPENSE</b>			
<b>EXPENSES - BEFORE OTHER</b>	\$ 1,347,534	\$ (2,661,223)	\$ (4,430,539)
<b>OTHER</b>			
Government Transfers for Capital (Schedule 4)	<u>3,001,241</u>	<u>2,141,615</u>	<u>1,838,484</u>
<b>EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES</b>	4,348,775	(519,608)	(2,592,055)
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<u>98,027,991</u>	<u>98,027,991</u>	<u>100,620,046</u>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<u>\$ 102,376,766</u>	<u>\$ 97,508,383</u>	<u>\$ 98,027,991</u>

**TOWN OF STETTLER**  
**CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS (DEBT)**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>2021</u> <u>Actual</u>	<u>2020</u> <u>Actual</u>
<b>EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES</b>	<b>\$ (519,608)</b>	<b>\$ (2,592,055)</b>
Acquisition of Tangible Capital Assets	(3,105,310)	(2,336,576)
Proceeds on Disposal of Tangible Capital Assets	17,500	44,997
Amortization of Tangible Capital Assets	5,362,509	5,506,234
(Gain) Loss on Sale of Tangible Capital Assets	<u>57,988</u>	<u>192,886</u>
	<b>\$ 2,332,687</b>	<b>\$ 3,407,541</b>
Acquisition of Prepaid Assets	(8,888)	(15,310)
Use of Prepaid Assets	15,310	15,459
Acquisition of Land held for Resale	<u>(45,000)</u>	<u>(295,000)</u>
	<b>\$ (38,578)</b>	<b>\$ (294,851)</b>
<b>INCREASE (DECREASE) IN NET FINANCIAL ASSETS</b>	<b>\$ 1,774,501</b>	<b>\$ 520,635</b>
NET FINANCIAL ASSETS (DEBT), BEGINNING OF YEAR	<u>\$ 5,368,526</u>	<u>\$ 4,847,891</u>
NET FINANCIAL ASSETS (DEBT), END OF YEAR	<u>\$ 7,143,027</u>	<u>\$ 5,368,526</u>

**TOWN OF STETTLER  
CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>2021</u> <u>Actual</u>	<u>2020</u> <u>Actual</u>
<b>NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:</b>		
<b>OPERATING</b>		
Excess (Shortfall) of Revenues Over Expenditures	\$ (519,608)	\$ (2,592,055)
Non-cash items included in excess (shortfall) of revenues over expenditures:		
Amortization of Tangible Capital Assets (Note 18)	5,362,509	5,506,234
(Gain) Loss on Disposal of Tangible Capital Assets	57,986	192,886
Non-cash Charges to Operations (net change):		
Taxes and Grants-in-lieu Receivables	43,344	(22,660)
Local Improvement Taxes Receivables	126,320	126,435
Government Trade and Other Receivables	(404,927)	(374,834)
Other Financial Assets	4,529	(4,529)
Prepaid Expenses	6,423	148
Accounts Payable and Accrued Liabilities	(586,783)	615,196
Land Held for Resale	(45,000)	(295,000)
Deferred Revenue	863,053	78,216
Long Term Liability	-	-
Deposit Liabilities	4,700	226
Net Cash Provided by (used in) Operating Activities	<u>4,912,546</u>	<u>3,230,263</u>
<b>CAPITAL</b>		
Acquisition of Tangible Capital Assets	(3,105,310)	(2,336,576)
Sale of Tangible Capital Assets	17,500	44,997
Cash Applied to Capital Transactions	<u>(3,087,810)</u>	<u>(2,291,579)</u>
<b>INVESTING</b>		
Decrease (increase) in Restricted Cash or Cash Equivalents	<u>(825,238)</u>	<u>(157,362)</u>
Cash Provided by (Applied to) Investing Transactions	<u>(825,238)</u>	<u>(157,362)</u>
<b>FINANCING</b>		
Other Long-Term Debt	-	-
Long-Term Debt Issued	-	-
Long-Term Debt Repaid	<u>(499,514)</u>	<u>(478,162)</u>
Cash Provided by (Applied to) Financing Transactions	<u>(499,514)</u>	<u>(478,162)</u>
<b>CHANGE IN CASH AND EQUIVALENTS DURING THE YEAR</b>	<b>\$ 499,984</b>	<b>\$ 303,160</b>
<b>CASH AND EQUIVALENTS - BEGINNING OF YEAR</b>	<u><b>8,883,869</b></u>	<u><b>8,580,709</b></u>
<b>CASH AND EQUIVALENTS - END OF YEAR</b>	<u><b>\$ 9,383,853</b></u>	<u><b>\$ 8,883,869</b></u>
<b>Cash and Cash Equivalents is Made up of:</b>		
Cash and Temporary Investments (Note 2)	\$ 12,165,639	\$ 10,840,417
Less: Restricted Portion of Cash and Temporary Investments (Note 2)	<u>(2,781,786)</u>	<u>(1,956,548)</u>
	<u><b>\$ 9,383,853</b></u>	<u><b>\$ 8,883,869</b></u>



**TOWN OF STETTLER**  
**SCHEDULE 1 - CHANGES IN ACCUMULATED SURPLUS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2021 Actual	2020 Actual
<b>BALANCE, BEGINNING OF YEAR</b>	<b>2,529,995</b>	<b>8,547,083</b>	<b>86,950,913</b>	<b>98,027,991</b>	<b>100,620,046</b>
Excess (deficiency) of Revenues over Expense	(519,608)	-	-	(519,608)	(2,592,055)
Unrestricted Funds Designated for Future Use	(2,631,326)	2,631,326	-	-	-
Restricted Funds Used for Operations	460,358	(460,358)	-	-	-
Restricted Funds Used for TCA	(2,141,781)	(963,527)	963,527	-	-
Current Year Funds Used for TCA	-	-	2,141,781	-	-
Donated and Contributed TCA	-	-	-	-	-
Disposal of TCA	75,485	-	(75,485)	-	-
Annual Amortization Expense	5,362,509	-	(5,362,509)	-	-
Long Term Debt Repaid	(499,514)	-	499,514	-	-
Long Term Debt Used for TCA	-	-	-	-	-
Long Term Debt Issued	-	-	-	-	-
Change in Accumulated Surplus	106,123	1,207,441	(1,833,172)	(519,608)	(2,592,055)
<b>BALANCE, END OF YEAR</b>	<b>2,636,118</b>	<b>9,754,524</b>	<b>85,117,741</b>	<b>97,508,383</b>	<b>98,027,991</b>

**TOWN OF STETTLER**

**SCHEDULE 2 - TANGIBLE CAPITAL ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Land	Land Improvements	Buildings	Engineered Structures	Machinery and Equipment	Vehicles	2021 Actual	2020 Actual
<b>COST:</b>								
BALANCE, BEGINNING OF YEAR	1,525,999	6,323,029	57,602,228	110,748,593	7,391,719	4,372,077	187,963,645	187,227,976
Acquisition of Tangible Capital Assets		261,393	65,332	2,219,540	559,045	-	3,105,310	2,336,577
Construction-in-Progress				(1,520,776)	(128,911)	-	(1,649,687)	(1,600,907)
Disposal of Tangible Capital Assets								
Write Down of Tangible Capital Assets								
BALANCE, END OF YEAR	1,525,999	6,584,422	57,667,560	111,447,357	7,821,853	4,372,077	189,419,268	187,963,646
<b>ACCUMULATED AMORTIZATION:</b>								
BALANCE, BEGINNING OF YEAR	-	2,700,828	17,345,650	70,029,756	3,355,889	2,576,250	96,008,373	91,865,162
Annual Amortization		265,642	1,165,301	3,337,330	431,335	162,903	5,362,511	5,506,234
Accumulated Amortization on Disposals				(1,445,291)	(128,911)	-	(1,574,202)	(1,363,023)
BALANCE, END OF YEAR	-	2,966,470	18,510,951	71,921,795	3,658,313	2,739,153	99,796,682	96,008,373
<b>2021 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<b>1,525,999</b>	<b>3,617,952</b>	<b>39,156,609</b>	<b>39,525,562</b>	<b>4,163,540</b>	<b>1,632,924</b>	<b>89,622,586</b>	<b>91,955,273</b>
<b>2020 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<b>1,525,999</b>	<b>3,622,201</b>	<b>40,256,578</b>	<b>40,718,837</b>	<b>4,035,830</b>	<b>1,795,827</b>	<b>91,955,272</b>	

**TOWN OF STETTLER**  
**SCHEDULE 3 - PROPERTY AND OTHER TAXES**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>2021</u> <u>Budget</u> <u>(Unaudited)</u>	<u>2021</u> <u>Actual</u>	<u>2020</u> <u>Actual</u>
<b>TAXATION</b>			
Real Property Taxes	\$ 8,480,377	\$ 8,447,021	\$ 8,315,187
Linear Property Taxes	158,522	<b>158,522</b>	157,597
Government Grants-in-lieu of Property Taxes	38,505	<b>38,233</b>	45,497
Special Assessments and Local Improvement Taxes	-	-	-
Business Taxes	6,400	<b>6,300</b>	6,450
Subtotal	<u>\$ 8,683,804</u>	<u>\$ 8,650,076</u>	<u>\$ 8,524,731</u>
<b>REQUISITIONS</b>			
Alberta School Foundation Fund - Basic	2,315,601	<b>2,315,601</b>	2,326,436
Seniors Foundation	368,112	<b>368,112</b>	350,318
Designated Industrial Property	916	-	-
Subtotal	<u>\$ 2,684,629</u>	<u>\$ 2,683,713</u>	<u>\$ 2,676,754</u>
<b>NET MUNICIPAL TAXES</b>	<u>\$ 5,999,175</u>	<u>\$ 5,966,363</u>	<u>\$ 5,847,977</u>

**TOWN OF STETTLER**  
**SCHEDULE 4 - GOVERNMENT TRANSFERS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>2021</u> <u>Budget</u> <u>(Unaudited)</u>	<u>2021</u> <u>Actual</u>	<u>2020</u> <u>Actual</u>
<b>TRANSFERS FOR OPERATING</b>			
Federal Government	\$ 1,500	\$ 1,500	\$ 55,629
Provincial Government	559,539	768,021	1,208,017
Other Local Government	879,164	598,487	803,035
Subtotal	<u>\$ 1,440,203</u>	<u>\$ 1,368,008</u>	<u>\$ 2,066,681</u>
<b>TRANSFERS FOR CAPITAL:</b>			
Provincial Government	\$ 3,001,241	\$ 2,141,615	\$ 1,838,484
Other Local Government	-	-	-
Subtotal	<u>\$ 3,001,241</u>	<u>\$ 2,141,615</u>	<u>\$ 1,838,484</u>
<b>TOTAL GOVERNMENT TRANSFERS</b>	<u>\$ 4,441,444</u>	<u>\$ 3,509,623</u>	<u>\$ 3,905,165</u>

**TOWN OF STETTLER**  
**SCHEDULE 5 - CONSOLIDATED EXPENDITURES BY OBJECT**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>2021</u> <u>Budget</u> <u>(Unaudited)</u>	<u>2021</u> <u>Actual</u>	<u>2020</u> <u>Actual</u>
<b>CONSOLIDATED EXPENSES BY OBJECT</b>			
Salaries, Wages and Benefits	\$ 6,409,340	\$ 5,855,801	\$ 6,087,658
Contracted and General Services	2,755,820	2,219,818	2,611,949
Materials, Goods, Supplies and Utilities	3,385,876	2,871,862	3,617,692
Provision for Allowances	26,800	37,957	165,189
Purchases and Transfers from Other Governments	1,080,981	1,006,381	1,079,255
Transfers to Local Boards and Agencies	855,807	855,807	875,941
Transfers to Individuals and Organizations	50,164	40,509	41,025
Bank Charges and Short-term Interest	14,300	18,877	16,826
Interest on Long-term Debt	194,890	194,881	213,434
Other Expenditures	51,010	30,953	29,297
Loss on Sale of Tangible Capital Assets	-	75,485	192,886
Amortization of Tangible Capital Assets	-	5,362,509	5,506,234
<b>TOTAL EXPENSES</b>	<u>\$14,824,988</u>	<u>\$18,570,840</u>	<u>\$20,437,386</u>

**TOWN OF STETTLER**  
**SCHEDULE 6 - SEGMENTED DISCLOSURE**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	General Government	Protective Services	Transporation	Environmental Use & Protection	Public Health & Welfare	Planning & Development	Recreation & Culture	2021 Actual
<b>REVENUE:</b>								
Net Municipal Taxes	5,966,363							5,966,363
Sales to Other Governments	8,000							8,000
Sales and User Charges	604,209	73,399	8,602	4,698,602	33,088	114,660	195,982	5,728,542
Penalties and Costs on Taxes	66,473			26,204				92,677
Licenses and Permits		107,029				42,254		149,283
Fines		40,262						40,262
Franchise and Concession Contracts	1,667,707							1,667,707
Returns on Investments	70,302	1,511	1,820	8,221	441	418		82,713
Rentals			18,793			293,959	302,593	615,345
Federal Government Transfers							1,500	1,500
Provincial Government Transfers		400,064	1,073,671	1,071,094	157,140	10,120	28,013	2,740,102
Local Government Transfers		329,228	4,500				434,293	768,021
Other Revenues	7,370	100,000	17,500				65,847	190,717
Total Revenue	8,390,424	1,051,493	1,124,886	5,804,121	190,669	461,411	1,028,228	18,051,232
<b>EXPENSES:</b>								
Salaries , Wages and Benefits	929,237	630,339	811,007	1,278,095	28,801	557,344	1,620,978	5,855,801
Contracted and General Services	465,446	400,978	247,607	618,181	581	174,318	312,704	2,219,815
Purchases from Other Governments		1,006,080						1,006,080
Materials, Goods, Supplies and Utilities	230,392	182,264	705,525	870,093	5,135	208,512	669,941	2,871,862
Provision for Allowance	14,966	5,480		17,511				37,957
Transfer to Other Governments						301		301
Transfer to Local Boards and Agencies				386,880	196,435		272,492	855,807
Transfer to Individuals and Organizations	15,159			350	25,000			40,509
Bank Charges	7,656			490		3,762	6,969	18,877
Interest on Capital Long Term Debt	23,747		28,194	119,935			23,005	194,881
Net Loss on Sale of TCA			75,312	173				75,485
Other Expenditures	4			30,952				30,956
Total Expense	1,686,607	2,225,141	1,867,645	3,322,660	255,952	944,237	2,906,089	13,208,331
<b>NET REVENUE, BEFORE AMORTIZATION</b>	6,703,817	(1,173,648)	(742,759)	2,481,461	(65,283)	(482,826)	(1,877,861)	4,842,901
Amortization	95,234	151,156	3,253,935	1,002,182	4,619	128,683	726,700	5,362,509
<b>NET REVENUE</b>	<b>6,608,583</b>	<b>(1,324,804)</b>	<b>(3,996,694)</b>	<b>1,479,279</b>	<b>(69,902)</b>	<b>(611,509)</b>	<b>(2,604,561)</b>	<b>(519,608)</b>

**TOWN OF STETTLER**  
**NOTES TO THE FINANCIAL STATEMENT**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

**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, 2021**

**(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, 2021**

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>2021</u>	<u>2020</u>
Cash	\$ 12,165,639	\$ 10,840,417
Temporary Investments	<u>                  -</u>	<u>                  -</u>
<b>Total</b>	<b><u>\$ 12,165,639</u></b>	<b><u>\$ 10,840,417</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 \$2,781,786 (2020 - \$1,956,548) received from various Provincial Programs and related to deferred grant funding (Note 5).

Included in cash is a restricted balance of \$55,144 (2019 - \$51,644) related to trust funds held at year end (Note 12).

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

	<u>2021</u>	<u>2020</u>
Current and Grants-in-lieu	\$ 186,599	\$ 227,513
Arrears Taxes	68,378	70,808
Less: Allowance for Doubtful Accounts	<u>(12,511)</u>	<u>(12,511)</u>
<b>Total</b>	<b><u>\$ 242,466</u></b>	<b><u>\$ 285,810</u></b>



**TOWN OF STETTLER**  
**NOTES TO THE FINANCIAL STATEMENT**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

**4. LONG-TERM INVESTMENTS**

	<u>2021</u>	<u>2020</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>2021</u>	<u>2020</u>
Municipal Sustainability Initiative	\$ <b>1,309,036</b>	\$ 765,017
New Deal Communities	<b>871,830</b>	552,114
Police Assistance	<b>87,520</b>	87,520
Basic Municipal Transportation	<b>137,709</b>	135,889
Municipal Stimulus Program	-	100,000
Alberta Community Partnership Grant	<b>200,000</b>	200,000
Other	<b>175,691</b>	116,008
Other - P&L	<b>14,949</b>	20,368
Other - BOT	<b>151,085</b>	95,952
<b>Total</b>	<b>\$ <u>2,947,820</u></b>	<b>\$ <u>2,072,868</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>2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>2021</u>
RCMP (Records Check)	70,938	8,185	16,859	<b>62,264</b>
Rescue Van	180,857	43,563	10,791	<b>213,629</b>
Land Farmed Site	7,650			<b>7,650</b>
Walking Pathway	35,817	-	-	<b>35,817</b>
Landfill Site Maintenance	3,000			<b>3,000</b>
Perpetual Care	55,144	11,150	-	<b>66,294</b>
West Stettler Planning	3,747			<b>3,747</b>
BOT Community Event	47,610	-		<b>47,610</b>
Building Maintenance	37,400	2,200		<b>39,600</b>
SRC Building Maintenance	9,211			<b>9,211</b>
Culture	128,203	15,000	16,450	<b>126,753</b>
Office Automation	2,825		-	<b>2,825</b>
RCMP Contract	325,230	74,401		<b>399,631</b>
Street Light Replacement	97,900			<b>97,900</b>
Mun 2000 Beautification	13,139			<b>13,139</b>
Coat Exterior Reservoir	40,000			<b>40,000</b>
Sewer Offsite	286,919			<b>286,919</b>
SE Industrial Planning	50,000			<b>50,000</b>
Land Development	1,071,555			<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>

**TOWN OF STETTLER**  
**NOTES TO THE FINANCIAL STATEMENT**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

Senior HUB	4,590	6,000	470	10,120
Gravel	35,300			35,300
Cold Lake Survey	13,250			13,250
Physician Recruit	5,491	-		5,491
SRC Projection System	2,712			2,712
Community Orchard	10,142	1,374	595	10,921
ARB	6,000			6,000
WTS Operations	129			129
Planning	50,224	27,344	54,631	22,937
Memorial Park	4,864			4,864
Provincial Grant	607,693		408,974	198,719
Slurrey Seal	3,942			3,942
Trade Show	95,007			95,007
In Memorium	23,361			23,361
Succession Planning	-	300,000		300,000
Water Well Building	50,000			50,000
Marketing Plan	20,000		20,000	-
Vacation Accrual	-	163,058		163,058
WTP Waste Pond	140,000	70,000		210,000
BOT Events	3,478			3,478
Economic Development	-	10,000		10,000
WTP Valve/Small Capital	50,000	50,000	53,625	46,375
General Reserve	2,147,258	1,062,171	767,621	2,441,808
Available for Capital	215,346	318,422	178,350	355,418
Utilities - Other	499,292	415,384	344,477	570,199
Utilities - Water	434,448	71,920	125,672	380,696
<b>Total Operating Reserves</b>	<b>\$ 6,911,122</b>	<b>\$ 2,650,172</b>	<b>\$ 1,998,515</b>	<b>\$ 7,562,779</b>

<u>Capital Reserves</u>	<u>2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>2021</u>
Admin Equipment/Computer	-	26,900	-	26,900
Disaster Services	-			-
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	670,599	100,000		770,599
Common Services Equipment	73,189		21,016	52,173
Drainage	54,582			54,582
Sewer	13,900			13,900
Street Improvement	10,200			10,200
Airport Capital	14,528			14,528
Campground Expansion	20,986			20,986
WTP	22,545	228,000	45,000	205,545
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	533,800	266,900		800,700
Fishing Pier	8,780			8,780
East Industrial Loop	3,894			3,894
<b>Total Capital Reserves</b>	<b>\$ 1,635,961</b>	<b>\$ 621,800</b>	<b>\$ 66,016</b>	<b>\$ 2,191,745</b>
<b>TOTAL RESTRICTED FUNDS</b>	<b>\$ 8,547,083</b>	<b>\$ 3,271,972</b>	<b>\$ 2,064,531</b>	<b>\$ 9,754,524</b>

**TOWN OF STETTLER**  
**NOTES TO THE FINANCIAL STATEMENT**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

**7. LONG-TERM DEBT**

	<u>2021</u>	<u>2020</u>
Tax Supported Debentures	\$ 1,008,491	\$ 1,176,283
Self Supported Debentures	<u>3,496,354</u>	<u>3,828,076</u>
<b>Total</b>	<b><u>\$ 4,504,845</u></b>	<b><u>\$ 5,004,359</u></b>

Principal and interest repayments are due as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 488,528	\$ 177,683	\$ 666,211
2023	502,626	156,230	658,856
2024	482,989	134,233	617,222
2025	461,768	114,161	575,929
2026	481,157	94,772	575,929
Thereafter	<u>2,087,777</u>	<u>246,240</u>	<u>2,334,017</u>
<b>Total</b>	<b><u>\$ 4,504,845</u></b>	<b><u>\$ 923,319</u></b>	<b><u>\$ 5,428,164</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 2022 through 2036. The average annual interest rate is 4.49% for 2021 (4.49% for 2020).

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 2021 were \$200,004 (2020 - \$213,434)

**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>2021</u>	<u>2020</u>
Total Debt Limit	\$ 23,841,722	\$ 24,077,771
Total Debt	<u>4,504,845</u>	<u>5,004,359</u>
<b>Amount of Debt Limit Unused</b>	<b><u>\$ 19,336,877</u></b>	<b><u>\$ 19,073,412</u></b>
Service on Debt Limit	\$ 3,973,620	\$ 4,012,962
Service on Debt	<u>666,211</u>	<u>699,518</u>
<b>Amount of Debt Servicing Limit Unused</b>	<b><u>\$ 3,307,409</u></b>	<b><u>\$ 3,313,444</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, 2021**

**9. TANGIBLE CAPITAL ASSETS**

<b>Net Book Value</b>	<b><u>2021</u></b>	<b><u>2020</u></b>
Land	\$ 1,525,999	\$ 1,525,999
Land Improvements	3,617,951	3,622,201
Buildings	39,156,607	40,256,578
Engineered Structures		
Distribution Systems - Roads	14,689,647	16,486,607
Distribution Systems - Water	9,884,949	8,919,441
Distribution Systems - Wastewater	11,646,799	11,942,650
Distribution Systems - Storm	3,304,171	3,370,139
Machinery & Equipment & Furnishings	4,182,000	4,035,830
Vehicles	<u>1,614,463</u>	<u>1,795,827</u>
<b>Total</b>	<b><u>\$ 89,622,586</u></b>	<b><u>\$ 91,955,272</u></b>

**10. EQUITY IN TANGIBLE CAPITAL ASSETS**

	<b><u>2021</u></b>	<b><u>2020</u></b>
Tangible Capital Assets (Schedule 2)	\$ 189,419,268	\$ 187,963,645
Accumulated Amortization (Schedule 2)	(99,796,682)	(96,008,373)
Long Term Debt (Note 7)	<u>(4,504,845)</u>	<u>(5,004,359)</u>
<b>Total</b>	<b><u>\$ 85,117,741</u></b>	<b><u>\$ 86,950,913</u></b>

**11. ACCUMULATED SURPLUS**

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

	<b><u>2021</u></b>	<b><u>2020</u></b>
Unrestricted Surplus (deficit)	\$ 2,636,118	\$ 2,529,995
Restricted Funds (Note 6)	9,754,524	8,547,083
Equity in Tangible Capital Assets (Note 10)	<u>85,117,741</u>	<u>86,950,913</u>
<b>Total</b>	<b><u>\$ 97,508,383</u></b>	<b><u>\$ 98,027,991</u></b>

**TOWN OF STETTLER  
NOTES TO THE FINANCIAL STATEMENT  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**12. TRUST FUNDS**

The Town of Stettler administers the following trust:

	<u>2021</u>	<u>2020</u>
Cemetery Perpetual Care		
Balance, Beginning of Year	\$ 55,144	\$ 51,644
Sale of Cemetery Plots/Columbarium Niche	11,150	3,500
Headstone Sidewalk Purchase	-	-
	\$ 66,294	\$ 55,144
Balance, End of Year	\$ 66,294	\$ 55,144

**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:

	<u>2021</u>				<u>2020</u>	
	<u>#of</u>	<u>Salary (1)</u>	<u>Benefits &amp;</u>	<u>Total</u>	<u># of</u>	<u>Total</u>
	<u>Persons</u>		<u>Allowances (2&amp;3)</u>		<u>Persons</u>	
Councillor C. Barros	1	20,307	1,081	21,388	1	19,970
Councillor A. Campbell	1	16,837	165	17,002	1	21,978
Councillor M. Fischer	1	16,187	503	16,690	1	19,891
Councillor G. Lawlor	1	21,217	1,112	22,329	1	20,760
Councillor S. Pfeiffer	1	20,567	1,095	21,662	1	20,654
Mayor S. Nolls	1	37,233	2,004	39,237	1	37,502
Councillor W. Smith	1	20,307	1,081	21,388	1	20,106
Councillor K. Baker	1	5,155	409	5,564	1	-
Councillor T. Randall	1	5,155	409	5,564		
CAO. G. Switenky	1	187,733	36,703	224,436	1	229,910

- (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, 2021**

**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 275,863 people and 433 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 2021 were \$435,218 (2020 - \$476,524) Total current and past service contributions by the employees of the Town of Stettler to the Local Authorities Pension Plan in 2021 were \$394,381 (2020 - \$431,592)
- At December 31, 2020 the Plan disclosed an actuarial surplus of \$5.0 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, 2021**

**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, 2021**

**18. AMORTIZATION**

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

	<u>2021</u>	<u>2020</u>
General Administration	\$ 95,234	\$ 87,666
Police Protective Services	-	-
Fire Protective Services	151,156	146,998
Common and Equipment Pool	253,063	253,913
Roads, Streets, Walks, Lighting	2,904,440	3,066,840
Airport	30,465	23,757
Storm Sewers and Drainage	65,967	65,967
Water Supply and Distribution	673,818	671,570
Wastewater Treatment and Disposal	327,375	327,257
Waste Management	989	989
Cemeteries	4,619	4,068
Land Use Planning	1,746	4,744
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	670,949	669,777
Culture	55,751	55,751
<b>Total</b>	<b>\$ 5,362,509</b>	<b>\$ 5,506,234</b>

**19. OTHER LONG-TERM LIABILITIES**

	<u>2021</u>	<u>2020</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, 2021 the Town had a short-term line of credit for \$100,000 (2020 - \$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, 2021**

**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, 2021 were approved as May 18, 2021 and are for information purposes. These amounts have not been audited.