

MEMORANDUM

To: Greg Switenky, CAO

From: Steven Gerlitz, Asst. CAO

Date: April 18, 2023

Re: 2022 Financial Statements

Recommendation

That the Town of Stettler Council accept the 2022 Consolidated Financial Statements and the Municipal Financial Information Return for the Year Ended December 31, 2022 as presented, including correspondence from the Auditor as follows:

1. "Audit Findings" Letter dated April 18, 2023.
2. "Significant Deficiencies in Internal Control" Letter dated April 18, 2023
3. Auditor Opinion Letter dated April 18, 2023
4. The Auditors' Report on the 2022 Consolidated Financial Statements, dated April 18, 2023.
5. The Auditors' Report on the 2022 Municipal Financial Information Return dated April 18, 2023.

Background Information

Plans & Bylaws

Financial Implications

Alternatives to the Recommendation

Points to Ponder

Communication

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

Documentation

- 2022 Financial Audit
- 2022 Expense and Revenue Statement
- 2022 Reserves
- 2022 Capital Budget Summary

AUDIT FINDINGS

April 18, 2023

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, 2022. 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)

TOWN OF STETTLER
UNADJUSTED MISSTATEMENT SCHEDULE
FOR THE PERIOD ENDED DECEMBER 31, 2022

		Dr (Cr) Statement of Income			Dr (Cr) Balance Sheet Items		
File Ref	Description of Misstatement	Identified Misstatements	Likely or Projected Misstatements	Aggregate Misstatements	Assets	Liabilities	Closing Equity
20.1	Credit balances in taxes receivable	\$ -	\$ -	\$ -	\$ 32,892	\$ (32,892)	\$ -
20.4 .1	Credit balances in utilities receivable	-	-	-	20,179	(20,179)	-
20.1 0	Board of Trade wages paid but not expensed at year end	20,835	-	20,835	(20,835)	-	20,835
20- 18-2	Present value of local improvement levies receivable over stated	-	-	-	-	-	-
10- 11	Convert US bank account to actual CDN converted balance	(47,653)	-	(47,653)	47,653	-	(47,653)
20- 18-1	Adjust local improvements taxes receivable to actual for discounted future cash flows	-	-	-	(64,406)	-	64,406
30-1	Adjust inventory to actual for recovery of costs	140,000	-	140,000	(140,000)	-	140,000
	a) TOTALS CURRENT YEAR	\$113,182	\$-	\$ 113,182	\$ (124,517)	\$ (53,071)	\$ 177,588
	b) Effects of unadjusted misstatements from previous years			(27,985)	-	-	-
	c) Aggregate likely misstatements (i.e. a+b)			85,197	(124,517)	(53,071)	177,588
	d) Materiality (Performance)	\$333,333		333,333	(333,333)	(333,333)	333,333
	e) Amount remaining for further possible misstatement (if NEGATIVE materiality has been exceeded)			\$ 248,136	\$ 208,816	\$ 280,262	\$ 155,745

Conclusion:

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

Town of Stettler

Year End: December 31, 2022

Adjusting journal entries

Date: 01/01/2022 To 12/31/2022

Prepared by	Reviewed by
JT 03/19/2023	

FS3

Number	Date	Name	Account No	Reference	Debit	Credit	Recurrence	Misstatement
4	12/31/2022	Returns on Investments	1-99-02-00-02-550			33,010.77		
4	12/31/2022	Credit union - common member shares	3-00-00-00-00-300		33,010.77			
To record credit union share investment (new GL account required for LT investment)								
5	12/31/2022	Water Reservoir - Other Services	2-41-14-00-00-239		39,413.00			
5	12/31/2022	Water - Amortization Expense	2-98-99-41-00-900			788.26		
5	12/31/2022	Water - Engineering Structures	3-41-00-00-00-610			39,413.00		
5	12/31/2022	Accum Amort. - Eng St. - Water	3-98-99-00-02-610		788.26			
Write off painting of water reservoir as a maintenance expense and reverse amortization provision for 2022								
6	12/31/2022	Admin - Other Goods & Services	1-12-01-00-01-490			1,667.52		
6	12/31/2022	Sewer - Gain on sale of TCA	1-42-00-00-00-000			95,891.39		
6	12/31/2022	Sewer - Engineering Structures	3-42-00-00-00-610			392,282.94		
6	12/31/2022	Accum Amort. - Eng St. - Sewer	3-98-99-00-03-610		95,891.39			
6	12/31/2022	A/P - Holdbacks	4-07-00-00-00-274		393,950.46			
To write off holdbacks payable related to lagoon improvements from 2011 and record gain on disposal								
7	12/31/2022	Water Reservoir - Other Services	2-41-14-00-00-239		1,200.40			
7	12/31/2022	Water - Amortization Expense	2-98-99-41-00-900			16.01		
7	12/31/2022	Water - Engineering Structures	3-41-00-00-00-610			1,200.40		
7	12/31/2022	Accum Amort. - Eng St. - Water	3-98-99-00-02-610		16.01			
Write off costs associated with tree replacements								
					564,270.29	564,270.29		
Net Income (Loss)					(1,222,498.86)			

GITZEL & COMPANY

CHARTERED PROFESSIONAL ACCOUNTANTS

*Peggy Weinzierl, CPA, CA *Scott St. Arnaud, CPA, CA *Jolene P. Kobi, CPA, CA *Justin J. Tanner, CPA, CA

April 18, 2023

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

Dear Council:

We have been engaged to audit the financial statements of Town of Stettler for the year ended December 31, 2022. Canadian generally accepted auditing standards require that we communicate at least annually with you regarding all relationships between the municipality and us that, in our professional judgment, may reasonably be thought to bear on our independence.

In determining which relationships to report, these standards require us to consider relevant rules and related interpretations prescribed by the appropriate provincial institute and applicable legislation, covering such matters as:

- a. holding a financial interest, either directly or indirectly, in a client;
- b. holding a position, either directly or indirectly, that gives the right or responsibility to exert significant influence over the financial or accounting policies of a client;
- c. personal or business relationships of immediate family, close relatives, partners or retired partners, either directly or indirectly, with a client;
- d. economic dependence on a client; and
- e. provision of services in addition to the audit engagement.

We have prepared the following comments to facilitate our discussion with you regarding independence matters.

We are aware of the following relationships between the municipality and us that, in our professional judgment, may reasonably be thought to bear on our independence.

The financial statements will be prepared by our firm in consultation with management. We will prepare journal entries and determine the classification of transactions with the approval of management.

The partner of the firm on this audit is also a volunteer firefighter for the Stettler Regional Fire Department and is compensated for the time he puts in to fulfill this role. He has no authority or

oversight over any financial matters of the fire department and as such we believe there to be no independence issues

Canadian generally accepted auditing standards require that we confirm our independence to the Council in the context of the Rules of Professional Conduct of the Chartered Professional Accountants of Alberta. Accordingly, we hereby confirm that we are independent with respect to the municipality within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Alberta as of April 18, 2023.

This report is intended solely for the use of the board of directors, management and council and others within the municipality and should not be used for any other purposes.

Yours very truly,

Gitzel & Company

GITZEL & COMPANY
CHARTERED PROFESSIONAL ACCOUNTANTS

Acknowledgement of Council:

I have read, reviewed and understand the above independence matters:

(Date)

**TOWN OF STETTLER
BOX 280**

**Stettler, AB
T0C 2L0**

April 18, 2023

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, 2022 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, 2022, 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. There have been no events subsequent to the balance sheet date up to the date of this letter that would require recognition or disclosure in the financial statements. Further, there have been no events subsequent to the date of the comparative financial statements that would require adjustment of those financial statements and related notes.

Yours very truly,

TOWN OF STETTLER

Per: _____ Title: _____

Per: _____ Title: _____

TOWN OF STETTLER
UNADJUSTED MISSTATEMENT SCHEDULE
FOR THE PERIOD ENDED DECEMBER 31, 2022

		Dr (Cr) Statement of Income			Dr (Cr) Balance Sheet Items		
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20-18-2	Present value of local improvement levies receivable over stated	-	-	-	-	-	-
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20-18-1	Adjust local improvements taxes receivable to actual for discounted future cash flows	-	-	-	(64,406)	-	64,406
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	b) Effects of unadjusted misstatements from previous years			(27,985)	-	-	-
	c) Aggregate likely misstatements (i.e. a+b)			85,197	(124,517)	(53,071)	177,588
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Conclusion:

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

Town of Stettler

Year End: December 31, 2022

Adjusting journal entries

Date: 01/01/2022 To 12/31/2022

Prepared by	Reviewed by
JT 03/19/2023	

FS3

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To record credit union share investment (new GL account required for LT investment)								
5	12/31/2022	Water Reservoir - Other Services	2-41-14-00-00-239		39,413.00			
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Write off painting of water reservoir as a maintenance expense and reverse amortization provision for 2022								
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To write off holdbacks payable related to lagoon improvements from 2011 and record gain on disposal								
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Write off costs associated with tree replacements								
					564,270.29	564,270.29		
Net Income (Loss)			(1,222,498.86)					

FINANCIAL INFORMATION RETURN

Town of Stettler (0298)

For the Year Ending December 31, 2022

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

Greg Switenky

Name

April 18, 2023

Date

Alberta ■
Municipal Affairs

Audited Schedule Error(s): Items listed below will require additional explanation. After submission a member of the Information Services Team may reach out to you requesting clarification on these items.

Audited Schedule Warning(s): The items below may require additional explanation. After submission a member of the Information Services Team may reach out to you requesting clarification on these items.

Please ensure the Machinery and Equipment taxes has been recorded under Line 3950

Audited Schedule (-) Values: Although allowed, some negative values are already assumed in calculations (i.e. Reductions, Expenses etc.). The following are items where a negative entered may alter the intended "horizontal" or "vertical" results and should be checked prior to submission.

<i>FIR Line</i>	<i>Col 1</i>	<i>Col 2</i>	<i>Col 3</i>	<i>Col 4</i>
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Unaudited Schedule Error(s):

Audited Schedules

Schedule 9A

FINANCIAL POSITION

	Total
	1
Assets	0010
Cash and Temporary Investments	0020 12,957,478
Taxes and Grants in Place of Taxes Receivable.....	0030
. Current	0040 209,263
. Arrears	0050 139,465
. Allowance	0060 -12,511
Receivable From Other Governments	0070 1,722,741
Loans Receivable	0080
Trade and Other Receivables	0090 1,062,623
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 33,011
Other Current Assets	0230
Other Long Term Assets	0240 964,363
	0250
Total Financial Assets	0260 17,076,433
	0270
Liabilities	0280
Temporary Loans Payable	0280
Payable To Other Governments	0290 110,779
Accounts Payable & Accrued Liabilities	0300 1,260,651
Deposit Liabilities	0310 28,900
Deferred Revenue	0340 2,225,070
Long Term Debt	0350 4,016,317
Other Current Liabilities	0360 6,340
Asset Retirement Obligations.....	0365
Other Long Term Liabilities	0370 105,359
	0380
Total Liabilities	0390 7,753,416
	0395
Net Financial Assets (Net Debt)	0395 9,323,017
	0400
Non Financial Assets	0400 86,136,186
Tangible Capital Assets.....	0400 86,136,186
Inventory for Consumption.....	0410
Prepaid Expenses	0420 92,799
Other.....	0430 733,882
	0440
Total Non-Financial Assets	0440 86,962,867
	0450
Accumulated Surplus	0450 96,285,884

CHANGE IN OPERATING ACCUMULATED SURPLUS

Schedule 9B

		Unrestricted	Restricted	Equity in TCA	Total
		1	2	3	4
Accumulated Operating Surplus - Beginning of Year	0500	2,636,118	9,754,524	85,117,741	97,508,383
Net Revenue (Expense)	0505	-1,222,499			-1,222,499
Funds Designated For Future Use	0511	-3,165,558	3,165,558		
Restricted Funds - Used for Operations	0512	1,513,828	-1,513,828		
Restricted Funds - Used for TCA	0513		-308,443	308,443	
Current Year Funds Used for TCA	0514	-1,752,783		1,752,783	
Donated and Contributed TCA	0516				
Disposals of TCA	0517	296,391		-296,391	
Annual Amortization Expense	0518	5,251,235		-5,251,235	
Long Term Debt - Issued	0519				
Long Term Debt - Repaid	0521	-488,528		488,528	
Capital Debt - Used for TCA	0522				
	0523				
Other Adjustments	0524				
Accumulated Operating Surplus - End of Year	0525	3,068,204	11,097,811	82,119,869	96,285,884

FINANCIAL ACTIVITIES BY FUNCTION

Schedule 9C

	Revenue 1	Expense 2
Total General	0700 8,173,723	
Function	0710	1150
General Government	0720	1160
Council and Other Legislative	0730	1170 202,355
General Administration	0740 419,912	1180 1,087,180
Other General Government.....	0750	1190
Protective Services	0760	1200
Police	0770 551,515	1210 1,134,059
Fire	0780 501,152	1220 893,903
Disaster and Emergency Measures	0790	1230 39,258
Ambulance and First Aid	0800	1240
Bylaws Enforcement	0810 117,412	1250 198,031
Other Protective Services.....	0820	1260
Transportation	0830	1270
Common and Equipment Pool	0840	1280 532,868
Roads, Streets, Walks, Lighting	0850 740,622	1290 4,719,870
Airport	0860 10,531	1300 51,868
Public Transit	0870	1310
Storm Sewers and Drainage	0880	1320 112,429
Other Transportation	0890	1330
Environmental Use and Protection	0900	1340
Water Supply and Distribution	0910 3,979,270	1350 3,328,238
Wastewater Treatment and Disposal	0920 994,544	1360 863,062
Waste Management	0930 828,381	1370 703,491
Other Environmental Use and Protection	0940	1380
Public Health and Welfare	0950	1390
Family and Community Support	0960 157,148	1400 196,435
Day Care	0970	1410
Cemeteries and Crematoriums	0980 29,550	1420 48,101
Other Public Health and Welfare	0990	1430
Planning and Development	1000	1440
Land Use Planning, Zoning and Development	1010 101,707	1450 510,172
Economic/Agricultural Development	1020 140,486	1460 567,489
Subdivision Land and Development	1030	1470 56,133
Public Housing Operations	1040	1480 85,967
Land, Housing and Building Rentals	1050 287,481	1490 67,369
Other Planning and Development.....	1060	1500
Recreation and Culture	1070	1510
Recreation Boards	1080	1520
Parks and Recreation	1090 1,193,456	1530 3,587,305
Culture: Libraries, Museums, Halls	1100 54,647	1540 518,453
Convention Centres	1110	1550
Other Recreation and Culture.....	1120	1560
Other Utilities	1125	1565
Gas	1126	1566
Electric	1127	1567
Other	1130	1570
Total Revenue/Expense	1140 18,281,537	1580 19,504,036
Net Revenue/Expense		1590 -1,222,499

FINANCIAL ACTIVITIES BY TYPE / OBJECT

Schedule 9D

	Total
	1
Revenues	1700
Taxation and Grants in Place	1710
Property (net municipal, excluding requisitions).....	1720 6,025,244
Business	1730 5,827
Business Revitalization Zone	1740
Special	1750
Well Drilling	1760
Local Improvement	1770
Sales To Other Governments	1790
Sales and User Charges	1800 5,579,354
Penalties and Costs on Taxes	1810 97,624
Licenses and Permits	1820 161,670
Fines	1830 46,297
Franchise and Concession Contracts	1840 1,828,329
Returns on Investments (incl. Portfolio Investments)	1850 344,579
Rentals	1860 799,070
Insurance Proceeds	1870
Net Gain on Sale of Tangible Capital Assets	1880 95,891
Contributed and Donated Assets.....	1885
Federal Government Unconditional Transfers	1890
Federal Government Conditional Transfers	1900 1,580
Provincial Government Unconditional Transfers	1910
Provincial Government Conditional Transfers	1920 2,549,880
Local Government Transfers	1930 614,145
Transfers From Local Boards and Agencies	1940
Developer Agreements	1960
Offsite Levies	1962
Other Revenues	1970 132,047
Total Revenue	1980 18,281,537
Expenses	1990
Salaries, Wages, and Benefits	2000 6,178,139
Contracted and General Services	2010 2,403,877
Purchases from Other Governments	2020 1,007,203
Materials, Goods, Supplies, and Utilities	2030 3,501,390
Provision For Allowances	2040 21,928
Transfers to Other Governments	2050 331
Transfers to Local Boards and Agencies	2060 885,288
Transfers to Individuals and Organizations	2070 42,916
Bank Charges and Short Term Interest	2080 24,062
Interest on Operating Long Term Debt	2090
Interest on Capital Long Term Debt	2100 172,391
Accretion of Asset Retirement Obligations.....	2105
Amortization of Tangible Capital Assets	2110 5,251,235
Net Loss on Sale of Tangible Capital Assets.....	2125
Write Down of Tangible Capital Assets.....	2127
Other Expenditures	2130 15,276
Total Expenses	2140 19,504,036
Net Revenue (Expense)	2150 -1,222,499

REMEASUREMENT GAINS AND LOSSES

Schedule 9Q

Accumulated remeasurement gains (losses) at beginning of 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	384,251	82,867	21,589
Other General Government.....	2230			
Protective Services	2240			
Police	2250	8,184		
Fire	2260	45,422	150,499	
Disaster and Emergency Measures	2270			
Ambulance and First Aid	2280			
Bylaws Enforcement	2290			
Other Protective Services.....	2300			
Transportation	2310			
Common and Equipment Pool	2320		731,286	277,610
Roads, Streets, Walks, Lighting	2330	9,335	2,762,823	24,013
Airport	2340		31,202	
Public Transit	2350			
Storm Sewers and Drainage	2360		65,967	
Other Transportation	2370			
Environmental Use and Protection	2380			
Water Supply and Distribution	2390	2,970,118	941,670	66,471
Wastewater Treatment and Disposal	2400	876,236	22,417	41,111
Waste Management	2410	828,381	989	
Other Environmental Use and Protection	2420			
Public Health and Welfare	2430			
Family and Community Support	2440			
Day Care	2450			
Cemeteries and Crematoriums	2460	28,006	4,809	
Other Public Health and Welfare	2470			
Planning and Development	2480			
Land Use Planning, Zoning and Development	2490		1,746	
Economic/Agricultural Development	2500	136,656		
Subdivision Land and Development	2510		2,587	
Public Housing Operations	2520		85,967	
Land, Housing and Building Rentals	2530			
Other Planning and Development.....	2540			
Recreation and Culture	2550			
Recreation Boards	2560	3,002	38,383	
Parks and Recreation	2570	275,738	668,744	19,207
Culture: Libraries, Museums, Halls	2580	14,025	54,891	
Convention Centres	2590			
Other Recreation and Culture.....	2600			
Other Utilities	2605			
Gas	2606			
Electric	2607			
Other	2610			
Total	2620	5,579,354.00	1,695,373.00	5,251,235.00
				172,391.00

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
General Government	2700				
Council and Other Legislative	2710				
General Administration	2720				52,272
Other General Government	2730				
Protective Services	2740				
Police	2750				
Fire	2760	13,721			
Disaster and Emergency Measures	2770				
Ambulance and First Aid	2780				
Bylaws Enforcement	2790				
Other Protective Services	2800				
Transportation	2810				
Common and Equipment Pool	2820				
Roads, Streets, Walks, Lighting	2830	940,392			70,265
Airport	2840				
Public Transit	2850				
Storm Sewers and Drainage	2860				
Other Transportation	2870				
Environmental Use and Protection	2880				
Water Supply and Distribution	2890	1,000,312			163,703
Wastewater Treatment and Disposal	2900	97,468			119,748
Waste Management	2910				
Other Environmental Use and Protection	2920				
Public Health and Welfare	2930				
Family and Community Support	2940				
Day Care	2950				
Cemeteries and Crematoriums	2960	9,333			
Other Public Health and Welfare	2970				
Planning and Development	2980				
Land Use Planning, Zoning and Development	2990				
Economic/Agricultural Development	3000				
Subdivision Land and Development	3010				
Public Housing Operations	3020				
Land, Housing and Building Rentals	3030				
Other Planning and Development	3040				
Recreation and Culture	3050				
Recreation Boards	3060				
Parks and Recreation	3070				82,540
Culture: Libraries, Museums, Halls	3080				
Convention Centres	3090				
Other Recreation and Culture	3100				
Other Utilities	3105				
Gas	3106				
Electric	3107				
Other	3110				
Total	3120	2,061,226.00			488,528.00

CHANGE IN TANGIBLE CAPITAL ASSETS

Schedule 9G

		Balance at Beginning of Year 1	Additions 2	Reductions 3	Balance at End of Year 4
Tangible Capital Assets - Cost					
Engineered Structures	3200				
Roadway Systems.....	3201	73,656,940	940,392	432,682	74,164,650
Light Rail Transit Systems.....	3202				
Water Systems.....	3203	15,607,350	980,470	33,975	16,553,845
Wastewater Systems.....	3204	17,453,507	97,468	392,283	17,158,692
Storm Systems.....	3205	4,729,560			4,729,560
Fibre Optics.....	3206				
Electricity Systems.....	3207				
Gas Distribution Systems.....	3208				
Total Engineered Structures	3210	111,447,357	2,018,330	858,940	112,606,747
Construction In Progress.....	3219				
Buildings	3220	57,667,560	15,483		57,683,043
Machinery and Equipment	3230	7,821,853	18,080		7,839,933
Land	3240	1,525,999			1,525,999
Land Improvements.....	3245	6,584,422	9,333		6,593,755
Vehicles	3250	4,372,077			4,372,077
Total Capital Property Cost	3260	189,419,268.00	2,061,226.00	858,940.00	190,621,554.00
Accumulated Amortization					
Engineered Structures	3270				
Roadway Systems	3271	58,966,074	2,652,340	432,682	61,185,732
Light Rail Transit Systems	3272				
Water Systems	3273	5,723,623	187,414		5,911,037
Wastewater Systems	3274	5,806,708	308,598	33,976	6,081,330
Storm Systems	3275	1,425,390	65,968	95,891	1,395,467
Fibre Optics	3276				
Electricity Systems	3277				
Gas Distribution Systems	3278				
Total Engineered Structures	3280	71,921,795	3,214,320	562,549	74,573,566
Buildings	3290	18,510,951	1,166,312		19,677,263
Machinery and Equipment	3300	3,658,313	433,500		4,091,813
Land	3310				
Land Improvements.....	3315	2,966,470	266,590		3,233,060
Vehicles	3320	2,739,153	170,513		2,909,666
Total Accumulated Amortization	3330	99,796,682.00	5,251,235.00	562,549.00	104,485,368.00
Net Book Value of Capital Property	3340	89,622,586			86,136,186
Capital Long Term Debt (Net)	3350	4,504,845			4,016,317
Equity in Tangible Capital Assets	3400	85,117,741.00			82,119,869.00

LONG TERM DEBT SUPPORT

Schedule 9H

	Operating Purposes	Capital	Purposes	Total
	1		2	3
Long Term Debt Support	3405			
Supported by General Tax Levies	3410		858,305	858,305
Supported by Special Levies	3420		1,140,479	1,140,479
Supported by Utility Rates	3430		2,017,533	2,017,533
Other	3440			
Total Long Term Debt Principal Balance	3450		4,016,317.00	4,016,317.00

LONG TERM DEBT SOURCES

Schedule 9I

	Operating Purposes	Capital	Purposes	Total
	1		2	3
Loans to Local Authorities	3500		4,016,317	4,016,317
Canada Mortgage and Housing Corporation	3520			
Mortgage Borrowing	3600			
Other	3610			
Total Long Term Debt Principal Balance	3620		4,016,317.00	4,016,317.00

FUTURE LONG TERM DEBT REPAYMENTS

Schedule 9J

	Operating Purposes	Capital	Purposes	Total
	1		2	3
Principal Repayments by Year	3700			
Current + 1	3710		502,626	502,626
Current + 2	3720		482,989	482,989
Current + 3	3730		461,768	461,768
Current + 4	3740		481,157	481,157
Current + 5	3750		374,369	374,369
Thereafter	3760		1,713,408	1,713,408
Total Principal	3770		4,016,317.00	4,016,317.00
Interest by Year	3780			
Current + 1	3790		156,230	156,230
Current + 2	3800		134,233	134,233
Current + 3	3810		114,161	114,161
Current + 4	3820		94,772	94,772
Current + 5	3830		76,011	76,011
Thereafter	3840		170,229	170,229
Total Interest	3850		745,636.00	745,636.00

PROPERTY TAXES AND GRANTS IN PLACE

Schedule 9K

		Property Taxes 1	Grants - in Place 2	Total 3
Net Municipal Property Taxes				
Residential Land and Improvements	3910	3,777,294	21,316	3,798,610
Non-Residential				
Land and Improvements (Excluding M & E).....	3935	2,104,151	7,181	2,111,332
Machinery and Equipment	3950			
Linear Property	3960	112,780		112,780
Small Business Tax	3965			
Farm Land	3980	2,522		2,522
Adjustments to Property Taxes	3990			
Net Total Municipal Property Taxes	4000	5,996,747	28,497	6,025,244

Provincial and Seniors Foundation Requisitions

Education				
Residential/Farm Land			4031	1,424,049
Non-Residential			4035	948,093
Seniors Lodges			4090	372,673
Designated Industrial Property			4099	938
Other			4100	
Adjustments to Requisition Transfers			4110	
Total Requisition Transfers			4120	2,745,753

GRANTS IN PLACE OF TAXES

Schedule 9L

		Property Taxes 1	Business Taxes 2	Other Taxes 3	Total 4
Federal Government	4200	7,181			7,181
Provincial Government	4210	21,316			21,316
Local Government	4220				
Other	4230				
Total	4240	28,497			28,497

DEBT LIMIT

Schedule 9AA

Debt Limit	5700	24,879,246
Total Debt	5710	4,016,317
Debt Service Limit	5720	4,146,541
Total Debt Service Costs	5730	658,856

Enter prior year Line 3450 Column 2 balance here:

4,504,845

GRANT AND DEFERRED GRANT REVENUE SCHEDULE

Schedule 9P

Cash and Temporary Investments

8820 12,957,478

Restricted Cash by Grant

Municipal Sustainability Initiative Capital	8825	797,834
Municipal Sustainability Initiative Operating	8826	
Federal Gas Tax Fund	8827	831,992
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	145,351
Alberta Community Partnership- Strategic Initiative	8833	80,000
Alberta Community Partnership- Regional Collaboration Program	8834	
Other Grants	8835	
Total Restricted Cash	8865	1,855,177

Unrestricted Cash

8870 11,102,301

Accounts Receivable - Grants

8872

Deferred Revenue

8875 2,225,070

Deferred Revenue by Grant

Municipal Sustainability Initiative Capital	8880	797,834
Municipal Sustainability Initiative Operating	8881	
Federal Gas Tax Fund	8882	831,992
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	145,351
Alberta Community Partnership- Strategic Initiative	8888	80,000
Alberta Community Partnership- Regional Collaboration Program	8889	
Other Grants	8890	
Total Deferred Revenue by Grant	8898	1,855,177

Other Deferred Revenue

8899 369,893

Unaudited Schedule (Municipal Statistics)

Schedule ST

Total Full-time Positions.....	5500	53.0
Number of Hamlets (for Specialized Municipalities and Municipal Districts only)	5515	
Length of all Open Roads Maintained (km)	5520	93.7
Length of Water Mains (km)		
Municipality Owned Systems	5555	66.3
Service Providers	5556	
Co-ops	5557	
Regional Systems	5558	
Other	5559	
Total	5560	66.3
Length of Wastewater Mains (km)		
Municipality Owned Systems	5565	59.8
Service Providers	5566	
Co-ops	5567	
Regional Systems	5568	
Other	5569	
Total	5570	59.8
Length of Storm Drainage Mains (km)	5580	26.1
Number of Residences (for Summer Villages only)	5590	
Number of Dwelling Units	5595	2,384
 2022 ASSESSMENT STATISTICS		
Total Assessment Services Costs (\$)	5596	82,851
Assessment Complaints to the Local Assessment Review Board (LARB)		
Number of LARB residential (three or fewer dwelling units) or farm land complaints filed	5602	
Number of LARB residential (three or fewer dwelling units) or farm land complaints withdrawn	5604	
Number of residential (three or fewer dwelling units) or farm land complaints heard by the LARB	5606	
Number of assessment adjustments made by the LARB	5608	
Assessment Complaints to the Composite Assessment Review Board (CARB)		
Number of CARB residential and non-residential complaints filed	5623	1
Number of CARB residential and non-residential complaints withdrawn	5625	1
Number of residential and non-residential complaints heard by the CARB	5627	
Number of residential and non-residential assessment adjustments made by the CARB	5629	1
 2022 WELL DRILLING EQUIPMENT TAX STATISTICS		
Does your municipality have a Well Drilling Equipment Tax (WDET) bylaw?	5531	No

2022 PLANNING STATISTICS

When was your Municipal Development Plan last approved (date)?	5658	September 3, 2013
Number of development permit applications received.....	5660	89
Average number of days from a development permit application to approval?	5669	30.0
Number of development permits issued.....	5661	89
Number of building permits issued.....	5668	50
Estimated value of construction from development/building permit (\$)		
Residential.....	5663	2,896,495
Commercial.....	5664	963,139
Industrial.....	5665	1,135,000
Institutional.....	5666	479,000
Total	5667	5,473,634.00
Does your municipality issue business licences?	5671	Yes
Number of business licences (new and renewals) issued in 2022?	5672	553
Average number of days from a business licence application to approval?	5673	2.0
Number of subdivision applications received in 2022?	5670	2
Number of subdivision applications approved in 2022?	5674	
Average number of days from subdivision application to approval?	5675	60.0
Number of land use bylaw amendment applications.....	5680	2
Number of Subdivision and Development Appeal Board appeals heard.....	5690	
Does your municipality have a Subdivision and Development Appeal Board (SDAB) established by bylaw?.....	5581	Yes
How many SDAB members are appointed?.....	5582	5
How many SDAB members are trained?.....	5583	1
Is the SDAB clerk a designated officer of your municipality?.....	5584	No
Has the SDAB clerk completed the SDAB Training?	5585	Yes
Is your municipality a member of an intermunicipal SDAB?.....	5586	No
How many municipalities are members of the intermunicipal SDAB?.....	5587	
Does your municipality have a Community Aggregate Payment Levy (CAPL) bylaw?	5541	No
What is the CAPL rate established by bylaw ? (\$ per tonne)	5542	
How much CAPL revenue (\$) was collected in 2022?	5543	
CAPL revenue in 2022 was allocated to: (select all that apply)	5544	
	General Government	
	Protective Services	
	Transportation	
	Environmental	
	Recreation	
	Other	

**TOWN OF STETTLER
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2022**

	<u>2022</u>	<u>2021</u>
FINANCIAL ASSETS		
Cash and Temporary Investments (Note 2)	\$ 12,957,478	\$ 12,165,639
Taxes and Grants-in-lieu Receivables (Note 3)	336,217	242,466
Local Improvement Taxes Receivable	964,363	1,084,292
Trade and Other Receivables	1,062,623	1,383,512
Receivable from Governments	1,722,741	1,742,108
Long-term Investments (Note 4)	33,011	40
Other Assets	<u>-</u>	<u>11,899</u>
TOTAL FINANCIAL ASSETS	<u>\$ 17,076,433</u>	<u>\$ 16,629,956</u>
 LIABILITIES		
Accounts Payable and Accrued Liabilities	\$ 1,371,430	\$ 1,901,705
Deposit Liabilities	28,900	27,200
Deferred Revenue (Note 5)	2,225,070	2,947,820
Other Current Liabilities	6,340	-
Other Long-term Liabilities (Note 19)	105,359	105,359
Long- term Debt (Note 7)	<u>4,016,317</u>	<u>4,504,845</u>
TOTAL LIABILITIES	<u>\$ 7,753,416</u>	<u>\$ 9,486,929</u>
NET FINANCIAL ASSETS (DEBT)	<u>\$ 9,323,017</u>	<u>\$ 7,143,027</u>
 NON-FINANCIAL ASSETS		
Tangible Capital Assets (Note 9)	86,136,186	89,622,586
Land Held for Resale	733,882	733,882
Prepaid Expenses	<u>92,799</u>	<u>8,888</u>
TOTAL NON-FINANCIAL ASSETS	<u>\$ 86,962,867</u>	<u>\$ 90,365,356</u>
ACCUMULATED SURPLUS (Note 11)	<u>\$ 96,285,884</u>	<u>\$ 97,508,383</u>

CONTINGENCIES (NOTE 15)

Mayor

Date

TOWN OF STETTLER
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>2022</u> <u>Budget</u> <u>(Unaudited)</u>	<u>2022</u> <u>Actual</u>	<u>2021</u> <u>Actual</u>
REVENUES			
Net Taxes (Schedule 3)	\$ 6,017,088	\$ 6,031,071	\$ 5,966,363
Sales and User Fees	5,342,781	5,579,354	5,736,542
Government Transfers (Schedule 4)	1,502,873	1,470,232	1,368,008
Investment Income	141,600	344,579	82,713
Penalties and Costs on Taxes	87,950	97,624	92,677
Licenses and Permits	153,750	161,670	149,283
Fines	62,700	46,297	40,262
Franchise and Concession Contracts	1,870,000	1,828,329	1,667,707
Rentals	786,970	799,070	615,345
Other	363,899	227,938	190,717
Total Revenue	<u>\$ 16,329,611</u>	<u>\$ 16,586,164</u>	<u>\$ 15,909,617</u>
EXPENDITURES (Schedule 5)			
Legislative	220,640	202,356	191,963
Administration	1,081,708	1,004,313	1,491,387
Protective Services	2,370,212	2,114,752	2,181,219
Transportation	2,412,125	2,279,432	1,933,591
Water Supply and Distribution	3,149,731	2,635,832	2,131,214
Wastewater Treatment and Disposal	570,170	533,319	458,471
Waste Management	735,719	702,501	670,285
Public Health and Welfare	260,725	239,726	230,953
Subdivision Land Development	1,127,992	1,158,447	1,013,161
Recreation, Culture and Parks	3,581,139	3,382,123	2,906,087
Amortization (Note 18)	-	5,251,235	5,362,509
Total Expenditures	<u>\$ 15,510,161</u>	<u>\$ 19,504,036</u>	<u>\$ 18,570,840</u>
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSE			
EXPENSES - BEFORE OTHER	\$ 819,450	\$ (2,917,872)	\$ (2,661,223)
OTHER			
Government Transfers for Capital (Schedule 4)	<u>3,580,218</u>	<u>1,695,373</u>	<u>2,141,615</u>
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES	4,399,668	(1,222,499)	(519,608)
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>97,508,383</u>	<u>97,508,383</u>	<u>98,027,991</u>
ACCUMULATED SURPLUS, END OF YEAR	<u>\$ 101,908,051</u>	<u>\$ 96,285,884</u>	<u>\$ 97,508,383</u>

TOWN OF STETTLER
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS (DEBT)
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>2022</u> <u>Actual</u>	<u>2021</u> <u>Actual</u>
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES	\$ (1,222,499)	\$ (519,608)
Acquisition of Tangible Capital Assets	(2,061,226)	(3,105,310)
Proceeds on Disposal of Tangible Capital Assets	392,282	17,500
Amortization of Tangible Capital Assets	5,251,235	5,362,509
(Gain) Loss on Sale of Tangible Capital Assets	<u>(95,891)</u>	<u>57,988</u>
	\$ 3,486,400	\$ 2,332,687
Acquisition of Prepaid Assets	(92,799)	(8,888)
Use of Prepaid Assets	8,888	15,310
Acquisition of Land held for Resale	<u>-</u>	<u>(45,000)</u>
	\$ (83,911)	\$ (38,578)
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	\$ 2,179,990	\$ 1,774,501
NET FINANCIAL ASSETS (DEBT), BEGINNING OF YEAR	<u>\$ 7,143,027</u>	<u>\$ 5,368,526</u>
NET FINANCIAL ASSETS (DEBT), END OF YEAR	<u>\$ 9,323,017</u>	<u>\$ 7,143,027</u>

**TOWN OF STETTLER
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>2022</u> <u>Actual</u>	<u>2021</u> <u>Actual</u>
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Excess (Shortfall) of Revenues Over Expenditures	\$ (1,222,499)	\$ (519,608)
Non-cash items included in excess (shortfall) of revenues over expenditures:		
Amortization of Tangible Capital Assets (Note 18)	5,251,235	5,362,509
(Gain) Loss on Disposal of Tangible Capital Assets	(95,891)	57,986
Non-cash Charges to Operations (net change):		
Taxes and Grants-in-lieu Receivables	(93,751)	43,344
Local Improvement Taxes Receivables	119,928	126,320
Government Trade and Other Receivables	340,256	(404,927)
Other Financial Assets	11,899	4,529
Prepaid Expenses	(83,911)	6,423
Accounts Payable and Accrued Liabilities	(523,934)	(586,783)
Land Held for Resale	-	(45,000)
Deferred Revenue	(722,750)	863,053
Long Term Liability	-	-
Deposit Liabilities	1,700	4,700
Net Cash Provided by (used in) Operating Activities	<u>2,982,282</u>	<u>4,912,546</u>
CAPITAL		
Acquisition of Tangible Capital Assets	(2,061,226)	(3,105,310)
Sale of Tangible Capital Assets	392,282	17,500
Cash Applied to Capital Transactions	<u>(1,668,944)</u>	<u>(3,087,810)</u>
INVESTING		
Acquisition of long term investments	(32,971)	-
Decrease (increase) in Restricted Cash or Cash Equivalents	719,745	(825,238)
Cash Provided by (Applied to) Investing Transactions	<u>686,774</u>	<u>(825,238)</u>
FINANCING		
Long-Term Debt Repaid	(488,528)	(499,514)
Cash Provided by (Applied to) Financing Transactions	<u>(488,528)</u>	<u>(499,514)</u>
CHANGE IN CASH AND EQUIVALENTS DURING THE YEAR	\$ 1,511,584	\$ 499,984
CASH AND EQUIVALENTS - BEGINNING OF YEAR	<u>9,383,853</u>	<u>8,883,869</u>
CASH AND EQUIVALENTS - END OF YEAR	<u>\$ 10,895,437</u>	<u>\$ 9,383,853</u>
Cash and Cash Equivalents is Made up of:		
Cash and Temporary Investments (Note 2)	\$ 12,957,478	\$ 12,165,639
Less: Restricted Portion of Cash and Temporary Investments (Note 2)	<u>(2,062,041)</u>	<u>(2,781,786)</u>
	<u>\$ 10,895,437</u>	<u>\$ 9,383,853</u>

TOWN OF STETTLER
SCHEDULE 1 - CHANGES IN ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2022 Actual	2021 Actual
BALANCE, BEGINNING OF YEAR	2,636,118	9,754,524	85,117,741	97,508,383	98,027,991
Excess (deficiency) of Revenues over Expense	(1,222,499)	-	-	(1,222,499)	(519,608)
Unrestricted Funds Designated for Future Use	(3,165,558)	3,165,558		-	-
Restricted Funds Used for Operations	1,513,828	(1,513,828)		-	-
Restricted Funds Used for TCA		(308,443)	308,443	-	-
Current Year Funds Used for TCA	(1,752,783)		1,752,783	-	-
Donated and Contributed TCA	-		-	-	-
Disposal of TCA	296,391		(296,391)	-	-
Annual Amortization Expense	5,251,235		(5,251,235)	-	-
Long Term Debt Repaid	(488,528)		488,528	-	-
Long Term Debt Used for TCA			-	-	-
Long Term Debt Issued			-	-	-
Change in Accumulated Surplus	432,086	1,343,287	(2,997,872)	(1,222,499)	(519,608)
BALANCE, END OF YEAR	3,068,204	11,097,811	82,119,869	96,285,884	97,508,383

TOWN OF STETTLER
SCHEDULE 2 - TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Land	Land Improvements	Buildings	Engineered Structures	Machinery and Equipment	Vehicles	2022 Actual	2021 Actual
COST:								
BALANCE, BEGINNING OF YEAR	1,525,999	6,584,422	57,667,560	111,447,357	7,821,853	4,372,077	189,419,268	187,963,645
Acquisition of Tangible Capital Assets		9,333	15,483	2,018,330	18,080	-	2,061,226	3,105,310
Construction-in-Progress				(858,940)			(858,940)	(1,649,687)
Disposal of Tangible Capital Assets								
Write Down of Tangible Capital Assets								
BALANCE, END OF YEAR	1,525,999	6,593,755	57,683,043	112,606,747	7,839,933	4,372,077	190,621,554	189,419,268
ACCUMULATED AMORTIZATION:								
BALANCE, BEGINNING OF YEAR	-	2,966,470	18,510,951	71,921,795	3,658,313	2,739,153	99,796,682	96,008,373
Annual Amortization		266,590	1,166,312	3,214,320	433,500	170,513	5,251,235	5,362,511
Accumulated Amortization on Disposals				(562,549)			(562,549)	(1,574,202)
BALANCE, END OF YEAR	-	3,233,060	19,677,263	74,573,566	4,091,813	2,909,666	104,485,368	99,796,682
2022 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	1,525,999	3,360,695	38,005,780	38,033,181	3,748,120	1,462,411	86,136,186	89,622,586
2021 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	1,525,999	3,617,952	39,156,609	39,525,562	4,163,540	1,632,924	89,622,586	

TOWN OF STETTLER
SCHEDULE 3 - PROPERTY AND OTHER TAXES
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>2022</u> <u>Budget</u> <u>(Unaudited)</u>	<u>2022</u> <u>Actual</u>	<u>2021</u> <u>Actual</u>
TAXATION			
Real Property Taxes	\$ 8,572,108	\$ 8,596,746	\$ 8,447,021
Linear Property Taxes	166,939	166,939	158,522
Government Grants-in-lieu of Property Taxes	39,054	39,054	38,233
Special Assessments and Local Improvement Taxes	-	-	-
Business Taxes	<u>6,400</u>	<u>5,827</u>	<u>6,300</u>
Subtotal	<u>\$ 8,784,501</u>	<u>\$ 8,808,566</u>	<u>\$ 8,650,076</u>
REQUISITIONS			
Alberta School Foundation Fund - Basic	2,393,802	2,402,887	2,315,601
Seniors Foundation	372,673	373,670	368,112
Designated Industrial Property	<u>938</u>	<u>938</u>	<u>-</u>
Subtotal	<u>\$ 2,767,413</u>	<u>\$ 2,777,495</u>	<u>\$ 2,683,713</u>
NET MUNICIPAL TAXES	<u>\$ 6,017,088</u>	<u>\$ 6,031,071</u>	<u>\$ 5,966,363</u>

TOWN OF STETTLER
SCHEDULE 4 - GOVERNMENT TRANSFERS
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>2022</u> <u>Budget</u> <u>(Unaudited)</u>	<u>2022</u> <u>Actual</u>	<u>2021</u> <u>Actual</u>
TRANSFERS FOR OPERATING			
Federal Government	\$ 1,500	\$ 1,580	\$ 1,500
Provincial Government	556,596	854,507	768,021
Other Local Government	944,777	614,145	598,487
Subtotal	<u>\$ 1,502,873</u>	<u>\$ 1,470,232</u>	<u>\$ 1,368,008</u>
 TRANSFERS FOR CAPITAL:			
Provincial Government	\$ 3,580,218	\$ 1,695,373	\$ 2,141,615
Other Local Government	-	-	-
Subtotal	<u>\$ 3,580,218</u>	<u>\$ 1,695,373</u>	<u>\$ 2,141,615</u>
 TOTAL GOVERNMENT TRANSFERS	 <u>\$ 5,083,091</u>	 <u>\$ 3,165,605</u>	 <u>\$ 3,509,623</u>

TOWN OF STETTLER
SCHEDULE 5 - CONSOLIDATED EXPENDITURES BY OBJECT
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>2022</u> <u>Budget</u> <u>(Unaudited)</u>	<u>2022</u> <u>Actual</u>	<u>2021</u> <u>Actual</u>
CONSOLIDATED EXPENSES BY OBJECT			
Salaries, Wages and Benefits	\$ 6,495,470	\$ 6,178,139	\$ 5,855,801
Contracted and General Services	3,262,154	2,403,877	2,219,818
Materials, Goods, Supplies and Utilities	3,470,295	3,501,390	2,871,862
Provision for Allowances	25,283	21,928	37,957
Purchases and Transfers from Other Governments	1,087,711	1,007,534	1,006,381
Transfers to Local Boards and Agencies	893,288	885,288	855,807
Transfers to Individuals and Organizations	38,260	42,916	40,509
Bank Charges and Short-term Interest	14,300	24,062	18,877
Interest on Long-term Debt	172,390	172,391	194,881
Other Expenditures	51,010	15,276	30,953
Loss on Sale of Tangible Capital Assets	-	-	75,485
Amortization of Tangible Capital Assets	-	5,251,235	5,362,509
 TOTAL EXPENSES	 <u>\$15,510,161</u>	 <u>\$19,504,036</u>	 <u>\$18,570,840</u>

TOWN OF STETTLER
SCHEDULE 6 - SEGMENTED DISCLOSURE
FOR THE YEAR ENDED DECEMBER 31, 2022

	General Government	Protective Services	Transportation	Environmental Use & Protection	Public Health & Welfare	Planning & Development	Recreation & Culture	2022 Actual
REVENUE:								
Net Municipal Taxes	6,031,071							6,031,071
Sales to Other Governments	-							-
Sales and User Charges	384,251	53,606	9,335	4,674,735	28,006	136,342	293,079	5,579,354
Penalties and Costs on Taxes	72,434			25,150		47,208	40	97,624
Licenses and Permits		114,462						161,670
Fines		46,297						46,297
Franchise and Concession Contracts	1,828,329							1,828,329
Returns on Investments	294,120	4,978		42,332	1,545	1,604	-	344,579
Rentals			6,031			287,965	505,074	799,070
Federal Government Transfers							1,580	1,580
Provincial Government Transfers		400,754	731,287	964,087	157,148	54,649	1,593	2,309,518
Local Government Transfers		402,981	4,500		-	-	447,026	854,507
Other Revenues	(16,571)	147,000		95,891	-	-	1,618	227,938
Total Revenue	8,593,634	1,170,078	751,153	5,802,195	186,699	527,768	1,250,010	18,281,537
EXPENSES:								
Salaries, Wages and Benefits	786,326	570,708	926,824	1,419,576	35,326	617,984	1,821,395	6,178,139
Contracted and General Services	312,751	345,286	340,908	745,889	547	270,057	388,439	2,403,877
Purchases from Other Governments		1,007,203						1,007,203
Materials, Goods, Supplies and Utilities	49,225	191,555	889,229	1,300,436	7,418	207,402	856,125	3,501,390
Provision for Allowance	14,062			7,866	-		-	21,928
Transfer to Other Governments						331	-	331
Transfer to Local Boards and Agencies				404,736	196,435		284,117	885,288
Transfer to Individuals and Organizations	15,255			600	25,000	2,061		42,916
Bank Charges	10,686			538		2,059	10,779	24,062
Interest on Capital Long Term Debt	21,589		24,013	107,582			19,207	172,391
Net Loss on Sale of TCA		-						-
Other Expenditures	29			15,247				15,276
Total Expense	1,209,923	2,114,752	2,180,974	4,002,470	264,726	1,099,894	3,380,062	14,252,801
NET REVENUE, BEFORE AMORTIZATION	7,383,711	(944,674)	(1,429,821)	1,799,725	(78,027)	(572,126)	(2,130,052)	4,028,736
Amortization	82,867	150,499	3,137,602	1,023,140	4,809	128,683	723,635	5,251,235
NET REVENUE	7,300,844	(1,095,173)	(4,567,423)	776,585	(82,836)	(700,809)	(2,853,687)	(1,222,499)

TOWN OF STETTLER
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2022

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, 2022**

(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, 2022**

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>2022</u>	<u>2021</u>
Cash	\$ 12,957,478	\$ 12,165,639
Temporary Investments	<u> -</u>	<u> -</u>
Total	<u>\$ 12,957,478</u>	<u>\$ 12,165,639</u>

Interest is earned on the General Account at Prime Rate less 1.60%. Included in Cash and Temporary Investments is a restricted amount of \$2,062,041 (2021 - \$2,781,786) received from various Provincial Programs and related to deferred grant funding (Note 5).

Included in cash is a restricted balance of \$70,544 (2021 - \$66,294) related to trust funds held at year end (Note 12).

3. TAXES AND GRANTS IN LIEU RECEIVABLES

	<u>2022</u>	<u>2021</u>
Current and Grants-in-lieu	\$ 209,263	\$ 186,599
Arrears Taxes	139,465	68,378
Less: Allowance for Doubtful Accounts	<u>(12,511)</u>	<u>(12,511)</u>
Total	<u>\$ 336,217</u>	<u>\$ 242,466</u>

**TOWN OF STETTLER
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2022**

4. LONG-TERM INVESTMENTS

	<u>2022</u>	<u>2021</u>
Credit Union Common Shares	\$ 33,011	\$ 40
Total	\$ 33,011	\$ 40

5. DEFERRED REVENUE

	<u>2022</u>	<u>2021</u>
Municipal Sustainability Initiative	\$ 797,834	\$ 1,309,036
New Deal Communities	831,992	871,830
Police Assistance	86,929	87,520
Basic Municipal Transportation	-	137,709
Municipal Stimulus Program	-	-
Alberta Community Partnership Grant	145,351	200,000
Other	199,935	175,691
Other - P&L	17,617	14,949
Other - BOT	145,412	151,085
Total	\$ 2,225,070	\$ 2,947,820

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>2021</u>	<u>Increases</u>	<u>Decreases</u>	<u>2022</u>
RCMP (Records Check)	62,264	8,184	439	70,009
Rescue Van	213,629	41,868	22,159	233,338
Land Farmed Site	7,650			7,650
Walking Pathway	35,817			35,817
Landfill Site Maintenance	3,000			3,000
Perpetual Care (Note 12)	66,294	4,250		70,544
West Stettler Planning	3,747			3,747
BOT Community Event	47,610			47,610
Building Maintenance	39,600	2,200		41,800
SRC Building Maintenance	9,211			9,211
Culture	126,753	30,000	27,497	129,256
Office Automation	2,825			2,825
RCMP Contract	399,631	132,456		532,087
Street Light Replacement	97,900			97,900
Mun 2000 Beautification	13,139			13,139
Coat Exterior Reservoir	40,000		39,413	587
Sewer Offsite	286,919			286,919
SE Industrial Planning	50,000		50,000	-
Land Development	1,071,555			1,071,555
Health Unit	12,500			12,500
Playground Program	3,000			3,000
Tree Maintenance	5,950			5,950

TOWN OF STETTLER
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2022

Senior HUB	10,120	6,000		16,120
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	10,921	15,000		25,921
ARB	6,000	946		6,946
WTS Operations	129			129
Planning	22,937	50,000		72,937
Memorial Park	4,864			4,864
Provincial Grant	198,719		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	-			-
Vacation Accrual	163,058			163,058
WTP Waste Pond	210,000	70,000		280,000
BOT Events	3,478			3,478
Economic Development	10,000	30,000		40,000
WTP Valve/Small Capital	46,375	50,000		96,375
General Reserve	2,441,808	1,525,821	911,902	3,055,727
Available for Capital	355,418	323,472	165,507	513,383
Utilities - Other	570,199	320,874	363,461	527,612
Utilities - Water	380,696	54,007	43,174	391,529
Total Operating Reserves	\$ 7,562,779	\$ 2,665,078	\$ 1,822,271	\$ 8,405,586

Capital Reserves	2021	Increases	Decreases	2022
Admin Equipment/Computer	26,900	26,900		53,800
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	770,599	147,000		917,599
Common Services Equipment	52,173	9,680		61,853
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	205,545	50,000		255,545
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	800,700	266,900		1,067,600
Fishing Pier	8,780			8,780
East Industrial Loop	3,894			3,894
Total Capital Reserves	\$ 2,191,745	\$ 500,480	\$ -	\$ 2,692,225
TOTAL RESTRICTED FUNDS	\$ 9,754,524	\$ 3,165,558	\$ 1,822,271	\$ 11,097,811

**TOWN OF STETTLER
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2022**

7. LONG-TERM DEBT

	<u>2022</u>	<u>2021</u>
Tax Supported Debentures	\$ 858,305	\$ 1,008,491
Self Supported Debentures	<u>3,158,012</u>	<u>3,496,354</u>
Total	<u>\$ 4,016,317</u>	<u>\$ 4,504,845</u>

Principal and interest repayments are due as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
2027	374,369	76,011	450,380
Thereafter	<u>1,713,408</u>	<u>170,229</u>	<u>1,883,637</u>
Total	<u>\$ 4,016,317</u>	<u>\$ 745,636</u>	<u>\$ 4,761,953</u>

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 2023 through 2036. The average annual interest rate is 4.49% for 2022 (4.49% for 2021).

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 2022 were \$177,683 (2021 - \$200,004)

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>2022</u>	<u>2021</u>
Total Debt Limit	\$ 24,879,246	\$ 23,841,722
Total Debt	<u>4,016,317</u>	<u>4,504,845</u>
Amount of Debt Limit Unused	<u>\$ 20,862,929</u>	<u>\$ 19,336,877</u>
Service on Debt Limit	\$ 4,146,541	\$ 3,973,620
Service on Debt	<u>658,856</u>	<u>666,211</u>
Amount of Debt Servicing Limit Unused	<u>\$ 3,487,685</u>	<u>\$ 3,307,409</u>

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

**TOWN OF STETTLER
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2022**

9. TANGIBLE CAPITAL ASSETS

Net Book Value	<u>2022</u>	<u>2021</u>
Land	\$ 1,525,999	\$ 1,525,999
Land Improvements	3,360,695	3,617,951
Buildings	38,005,780	39,156,607
Engineered Structures		
Distribution Systems - Roads	12,978,918	14,689,647
Distribution Systems - Water	10,642,808	9,884,949
Distribution Systems - Wastewater	11,469,644	11,646,799
Distribution Systems - Storm	2,941,811	3,304,171
Machinery & Equipment & Furnishings	3,748,120	4,182,000
Vehicles	<u>1,462,411</u>	<u>1,614,463</u>
Total	<u>\$ 86,136,186</u>	<u>\$ 89,622,586</u>

10. EQUITY IN TANGIBLE CAPITAL ASSETS

	<u>2022</u>	<u>2021</u>
Tangible Capital Assets (Schedule 2)	\$ 190,621,554	\$ 189,419,268
Accumulated Amortization (Schedule 2)	(104,485,368)	(99,796,682)
Long Term Debt (Note 7)	<u>(4,016,317)</u>	<u>(4,504,845)</u>
Total	<u>\$ 82,119,869</u>	<u>\$ 85,117,741</u>

11. ACCUMULATED SURPLUS

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

	<u>2022</u>	<u>2021</u>
Unrestricted Surplus (deficit)	\$ 3,068,204	\$ 2,636,118
Restricted Funds (Note 6)	11,097,811	9,754,524
Equity in Tangible Capital Assets (Note 10)	<u>82,119,869</u>	<u>85,117,741</u>
Total	<u>\$ 96,285,884</u>	<u>\$ 97,508,383</u>

**TOWN OF STETTLER
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2022**

12. TRUST FUNDS

The Town of Stettler administers the following trust:

	<u>2022</u>	<u>2021</u>
Cemetery Perpetual Care		
Balance, Beginning of Year	\$ 66,294	\$ 55,144
Sale of Cemetery Plots/Columbarium Niche	4,250	11,150
Headstone Sidewalk Purchase	-	-
	<u>\$ 70,544</u>	<u>\$ 66,294</u>
Balance, End of Year	<u>\$ 70,544</u>	<u>\$ 66,294</u>

13. SALARY & BENEFITS DISCLOSURE

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

		2022				2021
	<u>#of</u>	<u>Salary (1)</u>	<u>Benefits &</u>	<u>Total</u>	<u># of</u>	<u>Total</u>
	<u>Persons</u>		<u>Allowances (2&3)</u>		<u>Persons</u>	
Councillor C. Barros	1	21,578	1,195	22,773	1	21,388
Councillor G. Lawlor	1	22,228	1,112	23,340	1	22,329
Councillor S. Pfeiffer	1	22,488	1,247	23,735	1	21,662
Mayor S. Nolls	1	41,986	2,359	44,345	1	39,237
Councillor W. Smith	1	21,318	1,181	22,499	1	21,388
Councillor K. Baker	1	21,838	1,210	23,048	1	5,564
Councillor T. Randall	1	22,228	1,232	23,460		5,564
CAO. G. Switenky	1	188,679	36,639	225,318	1	224,436

- (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, 2022

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 281,764 people and 435 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 8.45% of pensionable earnings up to the Canada Pension Plan Year's Maximum Pensionable Earnings and 12.80% for the excess.
- Employees of the Town of Stettler are required to make current service contributions of 7.45% of pensionable salary up to the year's maximum pensionable earnings under the Canada Pension Plan, and 11.80% on pensionable salary above this amount.
- Total current and past service contributions by the Town of Stettler to the Local Authorities Pension Plan in 2022 were \$420,352 (2021 - \$435,218) Total current and past service contributions by the employees of the Town of Stettler to the Local Authorities Pension Plan in 2022 were \$375,375 (2021 - \$394,381)
- At December 31, 2021 the Plan disclosed an actuarial surplus of \$11.9 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, 2022

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, 2022**

18. AMORTIZATION

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

	<u>2022</u>	<u>2021</u>
General Administration	\$ 82,867	\$ 95,234
Police Protective Services	-	-
Fire Protective Services	150,499	151,156
Common and Equipment Pool	277,610	253,063
Roads, Streets, Walks, Lighting	2,762,823	2,904,440
Airport	31,203	30,465
Storm Sewers and Drainage	65,967	65,967
Water Supply and Distribution	692,407	673,818
Wastewater Treatment and Disposal	329,743	327,375
Waste Management	989	989
Cemeteries	4,809	4,619
Land Use Planning	1,746	1,746
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	668,744	670,949
Culture	54,891	55,751
Total	<u>\$ 5,251,235</u>	<u>\$ 5,362,509</u>

19. OTHER LONG-TERM LIABILITIES

	<u>2022</u>	<u>2021</u>
Tax Sales In Trust	\$ -	\$ -
Reserve for Public Lands	105,359	105,359
Total	<u>\$ 105,359</u>	<u>\$ 105,359</u>

20. OPERATING LINE OF CREDIT

At December 31, 2022 the Town had a short-term line of credit for \$100,000 (2021 - \$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, 2022

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, 2022 were approved as May 17, 2022 and are for information purposes. These amounts have not been audited.