

FINANCIAL INFORMATION RETURN

Town of Stettler (0298)

For the Year Ending December 31, 2023

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

Heath Graham
Name

May 1 24
Date


Municipal Affairs



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

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, 2023 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, 2023, 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 30, 2024 on the financial statements of the Town of Stettler for the year ended December 31, 2023 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.

Stettler, Alberta

CHARTERED PROFESSIONAL ACCOUNTANTS

Audited Schedules

FINANCIAL POSITION

Schedule 9A

	Total
	1
Assets	0010
Cash and Temporary Investments	0020 13,448,113
Taxes and Grants in Place of Taxes Receivable.....	0030
. Current	0040 215,395
. Arrears	0050 159,645
. Allowance	0060 -12,511
Receivable From Other Governments	0070 1,037,412
Loans Receivable	0080
Trade and Other Receivables	0090 953,370
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 197,055
Other Current Assets	0230 12,706
Other Long Term Assets	0240 844,436
	0250
Total Financial Assets	0260 16,855,621
	0270
Liabilities	0280
Temporary Loans Payable	0290 198,280
Payable To Other Governments	0300 1,604,011
Accounts Payable & Accrued Liabilities	0310 28,625
Deposit Liabilities	0340 1,781,106
Deferred Revenue	0350 3,513,691
Long Term Debt	0360
Other Current Liabilities	0365 2,164,697
Asset Retirement Obligations.....	0370 105,359
Other Long Term Liabilities	0380
	0390 9,395,769
Total Liabilities	
	0395 7,459,852
Net Financial Assets (Net Debt)	
Non Financial Assets	
Tangible Capital Assets.....	0400 84,539,088
Inventory for Consumption.....	0410
Prepaid Expenses	0420 25,232
Other.....	0430 463,882
Total Non-Financial Assets	0440 85,028,202
Accumulated Surplus	0450 92,488,054

CHANGE IN ACCUMULATED OPERATING SURPLUS

Schedule 9B

		Unrestricted 1	Restricted 2	Equity in TCA 3	Total 4
Accumulated Operating Surplus - Beginning of Year	0500	3,068,204	11,097,811	80,264,598	94,430,613
Net Revenue (Expense)	0505	-1,942,559			-1,942,559
Funds Designated For Future Use	0511	-5,282,568	5,282,568		
Restricted Funds - Used for Operations	0512	3,466,981	-3,466,981		
Restricted Funds - Used for TCA	0513		-1,779,336	1,779,336	
Current Year Funds Used for TCA	0514	-1,616,037		1,616,037	
Donated and Contributed TCA	0516	-250,000		250,000	
Disposals of TCA	0517	172,775		-172,775	
Annual Amortization Expense	0518	5,137,378		-5,137,378	
Long Term Debt - Issued	0519				
Long Term Debt - Repaid	0521	-502,626		502,626	
Capital Debt - Used for TCA	0522				
	0523				
Other Adjustments	0524	241,744		-241,744	
Accumulated Operating Surplus - End of Year	0525	2,493,292	11,134,062	78,860,700	92,488,054

FINANCIAL ACTIVITIES BY FUNCTION

Schedule 9C

	Revenue	Expense
	1	2
Total General	0700 9,008,615	1150
Function	0710	1160
General Government	0720	1170 210,876
Council and Other Legislative	0730	1180 1,330,833
General Administration	0740 73,662	1190
Other General Government.....	0750	1200
Protective Services	0760	1210 1,805,750
Police	0770 627,811	1220 872,973
Fire	0780 397,339	1230 41,924
Disaster and Emergency Measures	0790	1240
Ambulance and First Aid	0800	1250 207,404
Bylaws Enforcement	0810 150,170	1260
Other Protective Services.....	0820	1270
Transportation	0830	1280 642,418
Common and Equipment Pool	0840 600,000	1290 4,595,452
Roads, Streets, Walks, Lighting	0850 190,943	1300 81,257
Airport	0860 10,841	1310
Public Transit	0870	1320 121,610
Storm Sewers and Drainage	0880	1330
Other Transportation	0890	1340
Environmental Use and Protection	0900	1350 3,503,669
Water Supply and Distribution	0910 3,803,864	1360 770,681
Wastewater Treatment and Disposal	0920 1,344,235	1370 727,297
Waste Management	0930 844,490	1380
Other Environmental Use and Protection	0940	1390
Public Health and Welfare	0950	1400 203,065
Family and Community Support	0960 165,104	1410
Day Care	0970	1420 49,835
Cemeteries and Crematoriums	0980 47,519	1430
Other Public Health and Welfare	0990	1440
Planning and Development	1000	1450 491,819
Land Use Planning, Zoning and Development	1010 50,182	1460 549,952
Economic/Agricultural Development	1020 170,854	1470 346,462
Subdivision Land and Development	1030 120,144	1480 85,967
Public Housing Operations	1040	1490 96,932
Land, Housing and Building Rentals	1050 290,521	1500
Other Planning and Development.....	1060	1510
Recreation and Culture	1070	1520
Recreation Boards	1080	1530 4,220,803
Parks and Recreation	1090 1,634,682	1540 573,586
Culture: Libraries, Museums, Halls	1100 57,030	1550
Convention Centres	1110	1560
Other Recreation and Culture.....	1120	1565
Other Utilities	1125	1566
Gas	1126	1567
Electric	1127	1568
Other Utilities.....	1128	1570
Other	1130	1580 21,530,565
Total Revenue/Expense	1140 19,588,006	1590 -1,942,559
Net Revenue/Expense		

FINANCIAL ACTIVITIES BY TYPE / OBJECT

Schedule 9D

	Total	
	1	
Revenues	1700	
Taxation and Grants in Place	1710	
Property (net municipal, excluding requisitions).....	1720	6,283,221
Business	1730	6,000
Business Revitalization Zone	1740	
Special	1750	
Well Drilling	1760	
Local Improvement	1770	
Sales To Other Governments	1790	
Sales and User Charges	1800	5,747,980
Penalties and Costs on Taxes	1810	114,623
Licenses and Permits	1820	164,774
Fines	1830	94,355
Franchise and Concession Contracts	1840	1,822,708
Returns on Investments (incl. Portfolio Investments)	1850	900,406
Rentals	1860	899,748
Insurance Proceeds	1870	
Net Gain on Sale of Tangible Capital Assets	1880	99,225
Contributed and Donated Assets.....	1885	250,000
Federal Government Operating Transfers	1892	1,800
Federal Government Capital Transfers	1902	
Provincial Government Operating Transfers	1912	658,059
Provincial Government Capital Transfers	1922	1,633,954
Local Government Operating Transfers	1931	893,046
Local Government Capital Transfers	1932	
Transfers From Local Boards and Agencies	1940	
Developer Agreements	1960	
Offsite Levies	1962	
Other Revenues	1970	18,107
Total Revenue	1980	19,588,006
Expenses	1990	
Salaries, Wages, and Benefits	2000	6,211,176
Contracted and General Services	2010	3,391,745
Purchases from Other Governments	2020	1,680,130
Materials, Goods, Supplies, and Utilities	2030	3,487,315
Provision For Allowances	2040	173,246
Transfers to Other Governments	2050	342
Transfers to Local Boards and Agencies	2060	958,871
Transfers to Individuals and Organizations	2070	51,215
Bank Charges and Short Term Interest	2080	24,420
Interest on Operating Long Term Debt	2090	
Interest on Capital Long Term Debt	2100	150,721
Accretion of Asset Retirement Obligations.....	2105	100,378
Amortization of Tangible Capital Assets	2110	5,137,378
Net Loss on Sale of Tangible Capital Assets.....	2125	
Write Down of Tangible Capital Assets.....	2127	
Other Expenditures	2130	163,628
Total Expenses	2140	21,530,565
Net Revenue (Expense)	2150	-1,942,559

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	72,559		112,206	19,339
Other General Government.....	2230				
Protective Services	2240				
Police	2250	8,763			
Fire	2260	68,225		169,022	
Disaster and Emergency Measures	2270				
Ambulance and First Aid	2280				
Bylaws Enforcement	2290				
Other Protective Services.....	2300				
Transportation	2310				
Common and Equipment Pool	2320		557,316	353,573	
Roads, Streets, Walks, Lighting	2330	19,988	71,730	2,542,409	21,158
Airport	2340			31,617	
Public Transit	2350				
Storm Sewers and Drainage	2360			65,968	
Other Transportation	2370				
Environmental Use and Protection	2380				
Water Supply and Distribution	2390	3,177,588	558,452	704,566	59,190
Wastewater Treatment and Disposal	2400	897,779		275,114	35,807
Waste Management	2410	844,490	446,456	989	
Other Environmental Use and Protection	2420				
Public Health and Welfare	2430				
Family and Community Support	2440				
Day Care	2450				
Cemeteries and Crematoriums	2460	43,745		5,248	
Other Public Health and Welfare	2470				
Planning and Development	2480				
Land Use Planning, Zoning and Development	2490			6,435	
Economic/Agricultural Development	2500	258,848			
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	5,332		39,479	
Parks and Recreation	2570	340,953		684,546	15,227
Culture: Libraries, Museums, Halls	2580	9,710		57,652	
Convention Centres	2590				
Other Recreation and Culture.....	2600				
Other Utilities	2605				
Gas	2606				
Electric	2607				
Other Utilities.....	2608				
Other	2610				
Total	2620	5,747,980.00	1,633,954.00	5,137,378.00	150,721.00

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				54,518
Other General Government.....	2730				
Protective Services	2740				
Police	2750				
Fire	2760	186,282			
Disaster and Emergency Measures	2770				
Ambulance and First Aid	2780				
Bylaws Enforcement	2790				
Other Protective Services.....	2800				
Transportation	2810				
Common and Equipment Pool	2820	1,707,878			
Roads, Streets, Walks, Lighting	2830	193,380			73,069
Airport	2840				
Public Transit	2850				
Storm Sewers and Drainage	2860				
Other Transportation	2870				
Environmental Use and Protection	2880				
Water Supply and Distribution	2890	666,912			170,889
Wastewater Treatment and Disposal	2900	446,456			117,686
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	21,941			
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	27,824			
Other Planning and Development.....	3040				
Recreation and Culture	3050				
Recreation Boards	3060	11,803			
Parks and Recreation	3070	132,897	250,000		86,464
Culture: Libraries, Museums, Halls	3080				
Convention Centres	3090				
Other Recreation and Culture.....	3100				
Other Utilities	3105				
Gas	3106				
Electric	3107				
Other Utilities.....	3108				
Other	3110				
Total	3120	3,395,373.00	250,000.00		502,626.00

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	74,164,650	186,777	580,945	73,770,482
Light Rail Transit Systems.....	3202				
Water Systems.....	3203	16,553,845	564,577	6,990	17,111,432
Wastewater Systems.....	3204	17,158,692	446,454		17,605,146
Storm Systems.....	3205	4,729,560			4,729,560
Fibre Optics.....	3206				
Electricity Systems.....	3207				
Gas Distribution Systems.....	3208				
Total Engineered Structures	3210	112,606,747	1,197,808	587,935	113,216,620
Construction In Progress.....	3219				
Buildings	3220	58,005,200	179,751		58,184,951
Machinery and Equipment	3230	7,839,933	1,692,720	392,993	9,139,660
Land	3240	1,525,999	250,000		1,775,999
Land Improvements.....	3245	6,593,755	141,941		6,735,696
Vehicles	3250	4,372,077	183,153		4,555,230
Total Capital Property Cost	3260	190,943,711.00	3,645,373.00	980,928.00	193,608,156.00
Accumulated Amortization					
Engineered Structures	3270				
Roadway Systems	3271	61,185,732	2,431,926	580,945	63,036,713
Light Rail Transit Systems	3272				
Water Systems	3273	5,911,037	196,982	6,990	6,101,029
Wastewater Systems	3274	6,081,330	253,646		6,334,976
Storm Systems	3275	1,395,466	65,968		1,461,434
Fibre Optics	3276				
Electricity Systems	3277				
Gas Distribution Systems	3278				
Total Engineered Structures	3280	74,573,565	2,948,522	587,935	76,934,152
Buildings	3290	19,931,738	1,171,818		21,103,556
Machinery and Equipment	3300	4,091,814	604,323	220,218	4,475,919
Land	3310				
Land Improvements.....	3315	3,233,060	275,028		3,508,088
Vehicles	3320	2,909,666	137,687		3,047,353
Total Accumulated Amortization	3330	104,739,843.00	5,137,378.00	808,153.00	109,069,068.00
Net Book Value of Capital Property	3340	86,203,868			84,539,088
Capital Long Term Debt (Net)	3350	4,016,317			3,513,691
Asset Retirement Obligation	3355	1,922,953			2,164,697
Equity in Tangible Capital Assets	3400	80,264,598.00			78,860,700.00

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		701,044	701,044
Supported by Special Levies	3420		1,028,904	1,028,904
Supported by Utility Rates	3430		1,783,743	1,783,743
Other	3440			
Total Long Term Debt Principal Balance	3450		3,513,691.00	3,513,691.00

LONG TERM DEBT SOURCES

Schedule 9I

	Operating Purposes	Capital	Purposes	Total
	1		2	3
Loans to Local Authorities	3500		3,513,691	3,513,691
Canada Mortgage and Housing Corporation	3520			
Mortgage Borrowing	3600			
Other	3610			
Total Long Term Debt Principal Balance	3620		3,513,691.00	3,513,691.00

FUTURE LONG TERM DEBT REPAYMENTS

Schedule 9J

	Operating Purposes	Capital	Purposes	Total
	1		2	3
Principal Repayments by Year	3700			
Current + 1	3710		482,989	482,989
Current + 2	3720		461,768	461,768
Current + 3	3730		481,157	481,157
Current + 4	3740		374,369	374,369
Current + 5	3750		389,490	389,490
Thereafter	3760		1,323,918	1,323,918
Total Principal	3770		3,513,691.00	3,513,691.00
Interest by Year	3780			
Current + 1	3790		134,233	134,233
Current + 2	3800		114,161	114,161
Current + 3	3810		94,772	94,772
Current + 4	3820		76,011	76,011
Current + 5	3830		60,890	60,890
Thereafter	3840		109,339	109,339
Total Interest	3850		589,406.00	589,406.00

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 3,933,773	29,583	3,963,356
Non-Residential			
Land and Improvements (Excluding M & E).....	3935 2,186,618	7,521	2,194,139
Machinery and Equipment	3950		
Linear Property	3960 119,025		119,025
Small Business Tax	3965		
Farm Land	3980 6,701		6,701
Adjustments to Property Taxes	3990		
Net Total Municipal Property Taxes	4000 6,246,117	37,104	6,283,221

Provincial and Seniors Foundation Requisitions

Education			
Residential/Farm Land	4031	1,441,126	
Non-Residential	4035	897,320	
Seniors Lodges	4090	373,300	
Designated Industrial Property	4099	939	
Other	4100		
Adjustments to Requisition Transfers	4110		
Total Requisition Transfers	4120	2,712,685	

GRANTS IN PLACE OF TAXES

Schedule 9L

	Property Taxes 1	Business Taxes 2	Other Taxes 3	Total 4
Federal Government	4200 7,521			7,521
Provincial Government	4210 29,583			29,583
Local Government	4220			
Other	4230			
Total	4240 37,104			37,104

SALARIES AND BENEFITS

Schedule 9M

	Salaries 1	Benefits Allowances 2	Severance 3	Total 4
Elected Officials	4300 182,296	10,261		192,557
Chief Administrative Officer	4310 237,439	42,572		280,011
Designated Officer(s)	4320 133,575			133,575
Total	4340 553,310	52,833		606,143

DEBT LIMIT

Schedule 9AA

Debt Limit	5700	26,556,078	26,556,078
Total Debt	5710	3,513,691	
Debt Service Limit	5720	4,426,013	4,426,013
Total Debt Service Costs	5730	617,222	

Enter prior year Line 3450 Column 2 balance here:

4,016,317.0

GRANT AND DEFERRED GRANT REVENUE SCHEDULE

Schedule 9P

Cash and Temporary Investments

8820 13,448,113

Restricted Cash by Grant

Municipal Sustainability Initiative Capital	8825	420,692
Municipal Sustainability Initiative Operating	8826	
Canada Community-Building Fund	8827	552,729
Alberta Community Partnership- Intermunicipal Collaboration	8828	
Alberta Community Partnership- Municipal Restructuring	8829	140,742
Alberta Community Partnership- Mediation and Cooperative Processes	8830	
Alberta Community Partnership- Municipal Internship	8831	
Alberta Community Partnership- Strategic Initiative	8833	80,000
Local Government Fiscal Framework	8836	
Other Grants	8835	169,525

Total Restricted Cash

8865 1,363,688

Unrestricted Cash

8870 12,084,425

Accounts Receivable - Grants

8872

Deferred Revenue

8875 1,781,106

Deferred Revenue by Grant

Municipal Sustainability Initiative Capital	8880	420,692
Municipal Sustainability Initiative Operating	8881	
Canada Community-Building Fund	8882	552,729
Alberta Community Partnership- Intermunicipal Collaboration	8883	
Alberta Community Partnership- Municipal Restructuring	8884	140,742
Alberta Community Partnership- Mediation and Cooperative Processes	8885	
Alberta Community Partnership- Municipal Internship	8886	
Alberta Community Partnership- Strategic Initiative	8888	80,000
Local Government Fiscal Framework	8891	
Other Grants	8890	169,525

Total Deferred Revenue by Grant

8898 1,363,688

Other Deferred Revenue

8899 417,418

Schedule ST

15 of 16

Has the SDAB clerk completed the SDAB Training?
 Is your municipality a member of an intermunicipal SDAB?.....
 How many municipalities are members of the intermunicipal SDAB?.....

5585	Yes
5586	No
5587	

Does your municipality have a Community Aggregate Payment Levy (CAPL) bylaw?
 What is the CAPL rate established by bylaw ? (\$ per tonne)
 How much CAPL revenue (\$) was collected in 2023?
 CAPL revenue in 2023 was allocated to: (select all that apply)

5541	No
5542	
5543	
5544	
	General Government
	Protective Services
	Transportation
	Environmental
	Recreation
	Other

TOWN OF STETTLER
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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, 2023 and the results of its operations for the year then ended.

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

The financial statements include certain amounts based on estimates and judgements. Such amounts have been determined on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

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

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

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

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

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



Chief Administrative Officer



Assistant Chief Administrative Officer

May 11/24

Date

May 11/24

Date



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

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, 2023 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, 2023, 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.

Stettler, Alberta

CHARTERED PROFESSIONAL ACCOUNTANTS

TOWN OF STETTTLER
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023

	<u>2023</u>	Restated (Note 2) <u>2022</u>
FINANCIAL ASSETS		
Cash and Temporary Investments (Note 3)	\$ 13,448,113	\$ 12,957,478
Taxes and Grants-in-lieu Receivables (Note 4)	362,529	336,217
Local Improvement Taxes Receivable	844,436	964,363
Trade and Other Receivables	953,370	1,062,623
Receivable from Governments	1,037,412	1,722,741
Long-term Investments (Note 5)	197,055	33,011
Other Assets	<u>12,706</u>	<u>-</u>
TOTAL FINANCIAL ASSETS	<u>\$ 16,855,621</u>	<u>\$ 17,076,433</u>
LIABILITIES		
Accounts Payable and Accrued Liabilities	\$ 1,802,291	\$ 1,371,430
Deposit Liabilities	28,625	28,900
Deferred Revenue (Note 6)	1,781,106	2,225,070
Other Current Liabilities	-	6,340
Public Land Trust (Note 14)	105,359	105,359
Asset Retirement Obligation	2,164,697	1,922,953
Long- term Debt (Note 8)	<u>3,513,691</u>	<u>4,016,317</u>
TOTAL LIABILITIES	<u>\$ 9,395,769</u>	<u>\$ 9,676,369</u>
NET FINANCIAL ASSETS (DEBT)	<u>\$ 7,459,852</u>	<u>\$ 7,400,064</u>
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Note 11)	84,539,088	86,203,868
Land Held for Resale	463,882	733,882
Prepaid Expenses	<u>25,232</u>	<u>92,799</u>
TOTAL NON-FINANCIAL ASSETS	<u>\$ 85,028,202</u>	<u>\$ 87,030,549</u>
ACCUMULATED SURPLUS (Note 13)	<u>\$ 92,488,054</u>	<u>\$ 94,430,613</u>

CONTINGENCIES (NOTE 17)

Mayor

04/30/2024

Date

TOWN OF STETTLER
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>2023</u> <u>Budget</u> <u>(Unaudited)</u>	<u>2023</u> <u>Actual</u>	Restated (Note 2) <u>2022</u> <u>Actual</u>
REVENUES			
Net Taxes (Schedule 3)	\$ 6,082,156	\$ 6,289,221	\$ 6,031,071
Sales and User Fees	5,540,984	5,997,980	5,579,354
Government Transfers (Schedule 4)	1,502,873	1,552,905	1,470,232
Investment Income	141,600	900,406	344,579
Penalties and Costs on Taxes	87,950	114,623	97,624
Licenses and Permits	156,000	164,774	161,670
Fines	62,700	94,355	46,297
Franchise and Concession Contracts	1,980,030	1,822,708	1,828,329
Rentals	815,500	899,748	799,070
Gain on sale of Tangible Capital Assets	-	99,225	-
Other	419,385	18,107	227,938
Total Revenue	<u>\$ 16,789,178</u>	<u>\$ 17,954,052</u>	<u>\$ 16,586,164</u>
EXPENDITURES (Schedule 5)			
Legislative	221,450	210,876	202,356
Administration	1,192,778	1,218,028	1,004,313
Protective Services	3,019,426	2,745,767	2,114,752
Transportation	2,663,783	2,469,979	2,279,432
Water Supply and Distribution	3,125,490	2,756,968	2,635,832
Wastewater Treatment and Disposal	620,120	491,381	533,319
Waste Management	780,348	726,308	702,501
Public Health and Welfare	261,595	247,652	239,726
Subdivision Land Development	1,306,268	1,420,238	1,158,447
Recreation, Culture and Parks	4,363,964	4,005,612	3,382,123
Amortization (Note 20)	-	5,137,378	5,258,487
Accretion Expense	-	100,378	95,398
Total Expenditures	<u>\$ 17,555,222</u>	<u>\$ 21,530,565</u>	<u>\$ 19,606,686</u>
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSE			
EXPENSES - BEFORE OTHER	\$ (766,044)	\$ (3,576,513)	\$ (3,020,522)
OTHER			
Government Transfers for Capital (Schedule 4)	4,325,730	1,633,954	1,695,373
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES	3,559,686	(1,942,559)	(1,325,149)
ACCUMULATED SURPLUS, BEGINNING OF YEAR	94,430,613	94,430,613	95,755,762
ACCUMULATED SURPLUS, END OF YEAR	<u>\$ 97,990,299</u>	<u>\$ 92,488,054</u>	<u>\$ 94,430,613</u>

TOWN OF STETTLER
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS (DEBT)
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>2023</u> <u>Actual</u>	Restated (Note 2) <u>2022</u> <u>Actual</u>
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES	\$ (1,942,559)	\$ (1,325,149)
Acquisition of Tangible Capital Assets	(3,645,373)	(2,061,226)
Proceeds on Disposal of Tangible Capital Assets	272,000	392,282
Amortization of Tangible Capital Assets	5,137,378	5,258,487
(Gain) Loss on Sale of Tangible Capital Assets	<u>(99,225)</u>	<u>(95,891)</u>
	\$ 1,664,780	\$ 3,493,652
Acquisition of Prepaid Assets	(25,232)	(92,799)
Use of Prepaid Assets	92,799	8,888
Reduction of land held for resale	<u>270,000</u>	<u>-</u>
	\$ 337,567	\$ (83,911)
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	\$ 59,788	\$ 2,084,592
NET FINANCIAL ASSETS (DEBT), BEGINNING OF YEAR	\$ 7,400,064	\$ 5,315,472
NET FINANCIAL ASSETS (DEBT), END OF YEAR	\$ 7,459,852	\$ 7,400,064

TOWN OF STETTLER
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>2023</u> <u>Actual</u>	Restated (Note 2) <u>2022</u> <u>Actual</u>
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Excess (Shortfall) of Revenues Over Expenditures	\$ (1,942,559)	\$ (1,325,149)
Non-cash items included in excess (shortfall) of revenues over expenditures:		
Amortization of Tangible Capital Assets (Note 20)	5,137,378	5,258,487
(Gain) Loss on Disposal of Tangible Capital Assets	(99,225)	(95,891)
Accretion Expense	100,378	95,398
Non-cash changes to Operations (net change):		
Taxes and Grants-in-lieu Receivables	(26,312)	(93,751)
Local Improvement Taxes Receivables	119,927	119,928
Government Trade and Other Receivables	794,582	340,256
Other Financial Assets	(12,706)	11,899
Prepaid Expenses	67,567	(83,911)
Accounts Payable and Accrued Liabilities	430,861	(523,934)
Land Held for Resale	270,000	-
Deferred Revenue	(443,964)	(722,750)
Other Current Liabilities	(6,340)	-
Deposit Liabilities	(275)	1,700
Net Cash Provided by (used in) Operating Activities	<u>4,389,312</u>	<u>2,982,282</u>
CAPITAL		
Acquisition of Tangible Capital Assets	(3,504,007)	(2,061,226)
Sale of Tangible Capital Assets	272,000	392,282
Cash Applied to Capital Transactions	<u>(3,232,007)</u>	<u>(1,668,944)</u>
INVESTING		
Acquisition of long term investments	\$ (164,044)	(32,971)
Decrease (increase) in Restricted Cash or Cash Equivalents	464,172	719,745
Cash Provided by (Applied to) Investing Transactions	<u>300,128</u>	<u>686,774</u>
FINANCING		
Long-Term Debt Repaid	(502,626)	(488,528)
Cash Provided by (Applied to) Financing Transactions	<u>(502,626)</u>	<u>(488,528)</u>
CHANGE IN CASH AND EQUIVALENTS DURING THE YEAR	\$ 954,807	\$ 1,511,584
CASH AND EQUIVALENTS - BEGINNING OF YEAR	<u>10,895,437</u>	<u>9,383,853</u>
CASH AND EQUIVALENTS - END OF YEAR	<u>\$ 11,850,244</u>	<u>\$ 10,895,437</u>
Cash and Cash Equivalents is Made up of:		
Cash and Temporary Investments (Note 3)	\$ 13,448,113	\$ 12,957,478
Less: Restricted Portion of Cash and Temporary Investments (Note 3)	(1,597,869)	(2,062,041)
	<u>\$ 11,850,244</u>	<u>\$ 10,895,437</u>

TOWN OF STETTLER						
SCHEDULE 1 - CHANGES IN ACCUMULATED SURPLUS						
FOR THE YEAR ENDED DECEMBER 31, 2023						
	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2023 Actual	2022 Actual	Restated (Note 2)
BALANCE, BEGINNING OF YEAR	3,068,204	11,097,811	80,264,598	94,430,613		95,755,762
Excess (deficiency) of Revenues over Expense	(1,942,559)	-	-	(1,942,559)		(1,325,149)
Unrestricted Funds Designated for Future Use	(5,282,568)	5,282,568		-		-
Restricted Funds Used for Operations	3,466,981	(3,466,981)		-		-
Restricted Funds Used for TCA		(1,779,336)	1,779,336	-		-
Current Year Funds Used for TCA	(1,616,037)		1,616,037	-		-
Donated and Contributed TCA	(250,000)		250,000	-		-
Disposal of TCA	172,775		(172,775)	-		-
Annual Amortization Expense	5,137,378		(5,137,378)	-		-
Long Term Debt Repaid	(502,626)		502,626	-		-
Long Term Debt Used for TCA			-	-		-
Long Term Debt Issued			-	-		-
Other Adjustments	241,744		(241,744)	-		-
Change in Accumulated Surplus	(574,912)	36,251	(1,403,898)	(1,942,559)		(1,325,149)
BALANCE, END OF YEAR	2,493,292	11,134,062	78,860,700	92,488,054		94,430,613

TOWN OF STETTTLER									
SCHEDULE 2 - TANGIBLE CAPITAL ASSETS									
FOR THE YEAR ENDED DECEMBER 31, 2023									
	Land	Land Improvements	Buildings	Engineered Structures	Machinery and Equipment	Vehicles	2023 Actual	Restated (Note 2) 2022 Actual	
COST:									
BALANCE, BEGINNING OF YEAR	1,525,999	6,593,755	58,005,200	112,606,747	7,839,933	4,372,077	190,943,711	189,741,425	
Acquisition of Tangible Capital Assets	250,000	141,941	179,751	1,197,808	1,692,720	183,153	3,645,373	2,061,226	
Construction-in-Progress						-			
Disposal of Tangible Capital Assets	-	-	-	(587,935)	(392,993)	-	(980,928)	(858,940)	
Write Down of Tangible Capital Assets									
BALANCE, END OF YEAR	1,775,999	6,735,696	58,184,951	113,216,620	9,139,660	4,555,230	193,608,156	190,943,711	
ACCUMULATED AMORTIZATION:									
BALANCE, BEGINNING OF YEAR	-	3,233,060	19,931,738	74,573,565	4,091,814	2,909,666	104,739,843	100,043,905	
Annual Amortization		275,028	1,171,818	2,948,522	604,323	137,687	5,137,378	5,258,487	
Accumulated Amortization on Disposals			-	(587,935)	(220,218)	-	(808,153)	(562,549)	
BALANCE, END OF YEAR	-	3,508,088	21,103,556	76,934,152	4,475,919	3,047,353	109,069,068	104,739,843	
2023 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	1,775,999	3,227,608	37,081,395	36,282,468	4,663,741	1,507,877	84,539,088	86,203,868	
2022 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	1,525,999	3,360,695	38,073,462	38,033,182	3,748,119	1,462,411	86,203,868		

TOWN OF STETTLER
SCHEDULE 3 - PROPERTY AND OTHER TAXES
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>2023</u> <u>Budget</u> <u>(Unaudited)</u>	<u>2023</u> <u>Actual</u>	<u>2022</u> <u>Actual</u>
TAXATION			
Real Property Taxes	\$ 8,572,108	\$ 8,783,211	\$ 8,596,746
Linear Property Taxes	166,939	171,401	166,939
Government Grants-in-lieu of Property Taxes	39,054	40,355	39,054
Special Assessments and Local Improvement Taxes	-	-	-
Business Taxes	6,400	6,000	5,827
Subtotal	<u>\$ 8,784,501</u>	<u>\$ 9,000,967</u>	<u>\$ 8,808,566</u>
REQUISITIONS			
Alberta School Foundation Fund - Basic	2,329,045	2,338,446	2,402,887
Seniors Foundation	373,300	373,300	373,670
Designated Industrial Property	-	-	938
Subtotal	<u>\$ 2,702,345</u>	<u>\$ 2,711,746</u>	<u>\$ 2,777,495</u>
NET MUNICIPAL TAXES	<u>\$ 6,082,156</u>	<u>\$ 6,289,221</u>	<u>\$ 6,031,071</u>

TOWN OF STETTLER
SCHEDULE 4 - GOVERNMENT TRANSFERS
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>2023</u> <u>Budget</u> <u>(Unaudited)</u>	<u>2023</u> <u>Actual</u>	<u>2022</u> <u>Actual</u>
TRANSFERS FOR OPERATING			
Federal Government	\$ 1,500	\$ 1,800	\$ 1,580
Provincial Government	556,596	893,046	854,507
Other Local Government	944,777	658,059	614,145
Subtotal	<u>\$ 1,502,873</u>	<u>\$ 1,552,905</u>	<u>\$ 1,470,232</u>
TRANSFERS FOR CAPITAL:			
Provincial Government	\$ 4,325,730	\$ 1,633,954	\$ 1,695,373
Other Local Government	-	-	-
Subtotal	<u>\$ 4,325,730</u>	<u>\$ 1,633,954</u>	<u>\$ 1,695,373</u>
TOTAL GOVERNMENT TRANSFERS	<u>\$ 5,828,603</u>	<u>\$ 3,186,859</u>	<u>\$ 3,165,605</u>

TOWN OF STETTLER
SCHEDULE 5 - CONSOLIDATED EXPENDITURES BY OBJECT
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>2023</u> <u>Budget</u> <u>(Unaudited)</u>	<u>2023</u> <u>Actual</u>	Restated (Note 2) <u>2022</u> <u>Actual</u>
CONSOLIDATED EXPENSES BY OBJECT			
Salaries, Wages and Benefits	\$ 6,651,930	\$ 6,211,176	\$ 6,178,139
Contracted and General Services	4,428,664	3,391,745	2,403,877
Materials, Goods, Supplies and Utilities	3,740,677	3,487,315	3,501,390
Provision for Allowances	11,000	173,246	21,928
Purchases and Transfers from Other Governments	1,419,064	1,680,472	1,007,534
Transfers to Local Boards and Agencies	905,793	958,871	885,288
Transfers to Individuals and Organizations	53,260	51,215	42,916
Bank Charges and Short-term Interest	14,300	24,420	24,062
Interest on Long-term Debt	150,730	150,721	172,391
Other Expenditures	179,804	163,628	15,276
Accretion Expense	-	100,378	95,398
Amortization of Tangible Capital Assets	-	5,137,378	5,258,487
TOTAL EXPENSES	<u>\$ 17,555,222</u>	<u>\$ 21,530,565</u>	<u>\$ 19,606,686</u>

TOWN OF STETTTLER									
SCHEDULE 6 - SEGMENTED DISCLOSURE									
FOR THE YEAR ENDED DECEMBER 31, 2023									
	General Government	Protective Services	Transporation	Environmental Use & Protection	Public Health & Welfare	Planning & Development	Recreation & Culture	2023 Actual	
REVENUE:									
Net Municipal Taxes	6,289,221								6,289,221
Sales to Other Governments	-								-
Sales and User Charges	72,559	76,988	19,988	4,919,857	43,745	258,848	605,994		5,997,980
Penalties and Costs on Taxes	91,311			23,312					114,623
Licenses and Permits		117,251				47,523			164,774
Fines		94,355							94,355
Franchise and Concession Contracts	1,822,708								1,822,708
Returns on Investments	789,672	12,484	42,684	44,512	3,774	7,280	-		900,406
Rentals			6,341			300,413	592,994		899,748
Federal Government Transfers							1,800		1,800
Provincial Government Transfers		456,644	629,046	1,004,907	165,104	17,637	18,675		2,292,013
Local Government Transfers	-	417,598	4,500		-	-	470,948		893,046
Gain on sale of Tangible Capital Assets			99,225						99,225
Other Revenues	18,107				-	-	-		18,107
Total Revenue	9,083,578	1,175,320	801,784	5,992,588	212,623	631,701	1,690,411		19,588,006
EXPENSES:									
Salaries , Wages and Benefits	873,946	586,027	893,819	1,316,406	38,720	637,044	1,865,214		6,211,176
Contracted and General Services	442,589	300,454	579,572	941,137	119	300,531	827,343		3,391,745
Purchases from Other Governments		1,680,130							1,680,130
Materials, Goods, Supplies and Utilities	57,551	147,740	947,174	1,258,031	5,748	198,276	872,795		3,487,315
Provision for Allowance	167,196			6,050	-		-		173,246
Transfer to Other Governments						342	-		342
Transfer to Local Boards and Agencies				410,040	203,065		345,766		958,871
Transfer to Individuals and Organizations	16,755			1,200	25,000	7,000	1,260		51,215
Bank Charges	7,038			533		3,551	13,298		24,420
Interest on Capital Long Term Debt	19,339		21,158	94,996			15,228		150,721
Other Expenditures		13,262	17,268	77,696		16,426	38,976		163,628
Accretion Expense		13,262	17,268	46,321		16,426	7,101		100,378
Total Expense	1,584,414	2,740,875	2,476,259	4,152,410	272,652	1,179,596	3,986,981		16,393,187
NET REVENUE, BEFORE AMORTIZATION	7,499,164	(1,565,555)	(1,674,475)	1,840,178	(60,029)	(547,895)	(2,296,570)		3,194,819
Amortization	112,206	169,022	2,993,567	980,669	5,248	94,989	781,677		5,137,378
NET REVENUE	7,386,958	(1,734,577)	(4,668,042)	859,509	(65,277)	(642,884)	(3,078,247)		(1,942,559)

**TOWN OF STETTTLER
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2023**

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.

Amortization is based on the estimated useful lives of property and equipment. These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the periods in which they become known.

TOWN OF STETTLER
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2023

There is measurement uncertainty related to asset retirement obligations. Determining settlement amounts, discount rates and timing of settlement involves estimation. Changes to any of these estimates and assumptions may result in a change to the obligation.

(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.

(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.

TOWN OF STETTLER
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2023

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

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.

(k) Tax Revenue

Tax revenues are recognized when the tax has been authorized by bylaw and the taxable event has occurred.

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

TOWN OF STETTLER
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2023

(l) Revenue Recognition

Revenue from transactions with no performance obligation is recognized at realizable value when the town has the authority to claim or retain an inflow of economic resources and identifies a past transaction or event giving rise to an asset.

Revenue from transactions with performance obligations is recognized as the performance obligations are satisfied by providing the promised goods or services to the payor. User fees are recognized over the period of use, sales of goods are recognized when goods are delivered. Licenses and permits with a single performance obligation at a point in time are recognized as revenue on issuance, those which result in a continued performance obligation over time are recognized over the period of the license or permit as the performance obligations are satisfied.

(m) Asset retirement obligation

Asset retirement obligations are legal obligations associated with the retirement of a tangible capital asset. A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset at the financial statement date when there is a legal obligation for the town to incur retirement costs, the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made.

The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at year-end. These may include, but are not limited to, decommissioning, or dismantling a tangible capital asset that was acquired, constructed or developed; remediation of contamination of a tangible capital asset created by its normal use; post-retirement activities such as monitoring; and constructing other tangible capital assets to perform post-retirement activities.

The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods.

When a liability for an asset retirement obligation is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related tangible capital asset. The asset retirement cost is amortized over the useful life of the related asset. Asset retirement obligations which are incurred incrementally with use of the asset are recognized in the period incurred with a corresponding asset retirement cost expensed in the period.

At each financial reporting date, the town reviews the carrying amount of the liability. The town recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset. The town continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

TOWN OF STETTLER
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2023

2. Accounting Changes - Asset Retirement Obligations

The town adopted the recommendations in the CPA Canada Handbook, Section PS 3280, *Asset Retirement Obligations*, on how to account for a liability for the retirement of a tangible capital asset for fiscal years beginning on or after April 1, 2022, applied on a modified retroactive basis with restatement of prior year comparative information. The town chose to apply the amendments at the beginning of the earliest period presented, January 1, 2022.

Adoption of these new standards lead to adjustments to the comparative figures. As of January 1, 2022 the following balance sheet items were adjusted: increase to liabilities due to recording the asset retirement obligation less accumulated accretion up to the day of adoption in the sum of \$1,827,555, a corresponding increase in the cost of tangible capital assets of \$322,157 and an increase in the accumulated amortization of tangible capital assets of \$247,223. The equity in tangible capital assets was decreased by \$1,752,621 and due to additional amortization expense of \$7,252 and accretion expense of \$95,398 relating to the current year's asset retirement obligation. Overall this decreased ending accumulated surplus by \$1,855,271.

Adoption of this new standard lead to adjustments to the comparative figures:

	<u>Restated</u>	<u>As Previously Reported</u>	<u>Adjustment</u>
Consolidated statement of financial position			
Liabilities			
Asset Retirement Obligation	\$ 1,922,953	\$ -	\$ 1,955,953
Total Liabilities	\$ 9,676,369	\$ 7,753,416	\$ 1,922,953
Net Financial Assets (Debit)	\$ 7,400,064	\$ 9,323,017	\$ (1,922,953)
Non-Financial Assets			
Tangible Capital Assets (note 11)	\$ 86,203,868	\$ 86,136,186	\$ 67,682
Total non-financial assets	\$ 87,030,549	\$ 86,962,867	\$ 67,682
Consolidated statement of operations			
Expenses			
Amortization Expense	\$ 5,258,487	\$ 5,251,235	\$ 7,252
Accretion	\$ 95,398	\$ -	\$ 95,398
EXCESS (SHORTFALL) OF REVENUES OVER EXPENSES	\$ (1,325,149)	\$ (1,222,499)	\$ (102,650)
ACCUMULATED SURPLUS-END OF YEAR	\$ 94,430,613	\$ 96,285,884	\$ (1,855,271)
Consolidated statement of changes in net financial assets (debt)			
Excess of revenues over expenditures	\$ (1,325,149)	\$ (1,222,499)	\$ (102,650)
Amortization of tangible capital assets	\$ 5,258,487	\$ 5,251,235	\$ 7,252
Increase (decrease) in net financial assets	\$ 3,493,652	\$ 3,486,400	\$ 7,252
Net financial assets (debt), end of year	\$ 7,400,064	\$ 9,323,017	\$ (1,922,953)

TOWN OF STETTLER
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2023

Consolidated statement of cash flows

Operating Activities			
Excess (shortfall) of revenues over expenses	\$ (1,325,149)	\$ (1,222,499)	\$ (102,650)
Amortization of tangible capital assets	\$ 5,258,487	\$ 5,251,235	\$ 7,252
Accretion expense	\$ 95,398	\$ -	\$ 95,398

3. CASH AND TEMPORARY INVESTMENTS

	<u>2023</u>	<u>2022</u>
Cash	\$ 13,448,113	\$ 12,957,478
Temporary Investments	<u>-</u>	<u>-</u>
Total	<u>\$ 13,448,113</u>	<u>\$ 12,957,478</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 \$1,597,869 (2022 - \$2,062,041) received from various Provincial Programs and related to deferred grant funding (Note 6).

Included in cash is a restricted balance of \$105,359 (2022 - \$105,359) related to public land trust funds held at year end (Note 14).

4. TAXES AND GRANTS IN LIEU RECEIVABLES

	<u>2023</u>	<u>2022</u>
Current and Grants-in-lieu	\$ 215,395	\$ 209,263
Arrears Taxes	159,645	139,465
Less: Allowance for Doubtful Accounts	<u>(12,511)</u>	<u>(12,511)</u>
Total	<u>\$ 362,529</u>	<u>\$ 336,217</u>

5. LONG-TERM INVESTMENTS

	<u>2023</u>	<u>2022</u>
Credit Union Common Shares	<u>\$ 197,055</u>	<u>\$ 33,011</u>
Total	<u>\$ 197,055</u>	<u>\$ 33,011</u>

TOWN OF STETTLER
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2023

6. DEFERRED REVENUE

	<u>2023</u>	<u>2022</u>
Local Government Fiscal Framework (Formerly MSI Cap)	\$ 420,692	\$ 797,834
Canada Community-Building Fund (Formerly FGTF)	597,729	831,992
Police Assistance	86,929	86,929
Strategic Transportation Infrastructure Program (STIP)	169,525	-
Municipal Stimulus Program	-	-
Alberta Community Partnership Grant	140,742	145,351
Other	182,252	199,935
Other - P&L	19,191	17,617
Other - BOT	164,046	145,412
Total	\$ 1,781,106	\$ 2,225,070

Conditional grants are deferred until the prescribed expenditures are made.

7. RESTRICTED FUNDS

Reserves for operating and capital activities changed as follows:

<u>Operating Reserves</u>	<u>2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>2023</u>
RCMP (Records Check)	70,010	8,764	144	78,630
Rescue Van	233,338	64,608	10,381	287,565
Land Farmed Site	7,650			7,650
Walking Pathway	35,817		35,817	-
Landfill Site Maintenance	3,000			3,000
Perpetual Care	70,544	10,300		80,844
West Stettler Planning	3,747			3,747
BOT Community Event	47,610			47,610
Building Maintenance	41,800	2,200		44,000
SRC Building Maintenance	9,211			9,211
Culture	129,256	15,000	98,792	45,464
Office Automation	2,825			2,825
RCMP Contract	532,087			532,087
Street Light Replacement	97,900			97,900
Mun 2000 Beautification	13,139			13,139
Coat Exterior Reservoir	587			587
Sewer Offsite	286,919			286,919
SE Industrial Planning	-			-
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
Senior HUB	16,119		7,000	9,119
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	25,922			25,922
ARB	6,946			6,946
WTS Operations	129			129

TOWN OF STETTLER
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2023

Planning	72,937			72,937
Memorial Park	4,864			4,864
Provincial Grant	-			-
Slurrey Seal	3,942			3,942
Trade Show	95,007			95,007
In Memorium	23,361			23,361
Succession Planning	300,000		111,347	188,653
Water Well Building	50,000			50,000
Marketing Plan	-			-
Vacation Accrual	163,058			163,058
WTP Waste Pond	280,000	70,000		350,000
BOT Events	3,478			3,478
Economic Development	40,000			40,000
WTP Valve/Small Capital	96,375	75,000		171,375
General Reserve	3,055,727	3,565,505	1,911,054	4,710,178
Available for Capital	513,383	556,326	893,093	176,616
Utilities - Other	527,612	432,149	666,542	293,219
Utilities - Water	391,529	38,916	124,175	306,270
Total Operating Reserves	\$ 8,405,587	\$ 4,838,768	\$ 3,858,345	\$ 9,386,010

Capital Reserves	2022	Increases	Decreases	2023
Admin Equipment/Computer	53,800	26,900	16,833	63,867
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	917,599	100,000	752,250	265,349
Common Services Equipment	61,853		50,000	11,853
Drainage	54,582			54,582
Sewer	13,900			13,900
Street Improvement	10,200			10,200
Airport Capital	14,528		13,400	1,128
Campground Expansion	20,986			20,986
WTP	255,545	50,000	155,545	150,000
Senior Centre	19,250		4,000	15,250
ML Sports Park	16,419			16,419
Cemetery Road	148,343			148,343
Water Dispensing System	3,220			3,220
Recreation Agreement	1,067,600	266,900	389,242	945,258
Fishing Pier	8,780			8,780
East Industrial Loop	3,894			3,894
Total Capital Reserves	\$ 2,692,225	\$ 443,800	\$ 1,387,973	\$ 1,748,052
TOTAL RESTRICTED FUNDS	\$ 11,097,812	\$ 5,282,568	\$ 5,246,318	\$ 11,134,062

TOWN OF STETTLER
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2023

8. LONG-TERM DEBT

	<u>2023</u>	<u>2022</u>
Tax Supported Debentures	\$ 701,044	\$ 858,305
Self Supported Debentures	<u>2,812,647</u>	<u>3,158,012</u>
Total	\$ 3,513,691	\$ 4,016,317

Principal and interest repayments are due as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
2028	389,490	60,890	450,380
Thereafter	<u>1,323,918</u>	<u>109,339</u>	<u>1,433,257</u>
Total	\$ 3,513,691	\$ 589,406	\$ 4,103,097

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 2023 (4.49% for 2022).

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 2023 were \$156,230 (2022 - \$177,683)

9. 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>2023</u>	<u>2022</u>
Total Debt Limit	\$ 26,556,078	\$ 24,879,246
Total Debt	<u>3,513,691</u>	<u>4,016,317</u>
Amount of Debt Limit Unused	\$ 23,042,387	\$ 20,862,929
Service on Debt Limit	\$ 4,426,013	\$ 4,145,541
Service on Debt	<u>617,222</u>	<u>658,856</u>
Amount of Debt Servicing Limit Unused	\$ 3,808,791	\$ 3,486,685

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, 2023

10. ASSET RETIREMENT OBLIGATION

The town owns certain buildings which contain asbestos and, therefore, the town is legally required to perform abatement activities upon renovation or demolition of these buildings. Abatement activities include handling and disposing of the asbestos in a prescribed manner when it is disturbed. Undiscounted future cash flows expected for abatement costs in 2025 - 2045 are expected to be \$3,284,308. The estimated total liability of \$2,164,697 (2022 - \$1,922,953) is based on the sum of discounted future cash flows for abatement activities using a discount rate of 4.99% and assuming annual inflation of 3.028%. The town has not designated assets for settling the abatement activities.

	<u>2023</u>	<u>2022</u>
Balance, beginning of year	\$ 1,922,953	\$ 1,827,555
Change in estimated cash flows	141,366	-
Accretion expense	<u>100,378</u>	<u>95,398</u>
	<u>\$ 2,164,697</u>	<u>\$ 1,922,953</u>

11. TANGIBLE CAPITAL ASSETS

Net Book Value	<u>2023</u>	<u>2022</u>
Land	\$ 1,775,999	\$ 1,525,999
Land Improvements	3,227,608	3,360,695
Buildings	37,081,395	38,073,462
Engineered Structures		
Distribution Systems - Roads	10,733,769	12,978,919
Distribution Systems - Water	11,010,403	10,642,808
Distribution Systems - Wastewater	11,270,170	11,469,644
Distribution Systems - Storm	3,268,126	2,941,811
Machinery & Equipment & Furnishings	4,663,741	3,748,119
Vehicles	<u>1,507,877</u>	<u>1,462,411</u>
Total	<u>\$ 84,539,088</u>	<u>\$ 86,203,868</u>

12. EQUITY IN TANGIBLE CAPITAL ASSETS

	<u>2023</u>	<u>2022</u>
Tangible Capital Assets (Schedule 2)	\$ 193,608,156	\$ 190,943,711
Accumulated Amortization (Schedule 2)	(109,069,068)	(104,739,843)
Asset Retirement Obligation	(2,164,697)	(1,922,953)
Long Term Debt (Note 8)	<u>(3,513,691)</u>	<u>(4,016,317)</u>
Total	<u>\$ 78,860,700</u>	<u>\$ 80,264,598</u>

**TOWN OF STETTTLER
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2023**

13. ACCUMULATED SURPLUS

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

	<u>2023</u>	<u>2022</u>
Unrestricted Surplus (deficit)	\$ 2,493,292	\$ 3,068,204
Restricted Funds (Note 7)	11,134,062	11,097,811
Equity in Tangible Capital Assets (Note 12)	<u>78,860,700</u>	<u>80,264,598</u>
Total	<u>\$ 92,488,054</u>	<u>\$ 94,430,613</u>

14. PUBLIC LAND TRUST FUNDS

The Town of Stettler administers the following trust:

	<u>2023</u>	<u>2022</u>
Reserve for public lands	<u>\$ 105,359</u>	<u>\$ 105,359</u>

TOWN OF STETTLER
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2023

15. 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:

	2023					2022
	<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	23,008	1,167	24,175	1	22,773
Councillor G. Lawlor	1	24,278	1,236	25,514	1	23,340
Councillor S. Pfeiffer	1	23,238	1,174	24,412	1	23,735
Mayor S. Nolls	1	42,966	2,348	45,314	1	44,345
Councillor W. Smith	1	21,938	1,097	23,035	1	22,499
Councillor K. Baker	1	24,148	1,229	25,377	1	23,048
Councillor T. Randall	1	22,718	1,143	23,861		23,460
CAO. G. Switenky	1	189,626	34,768	224,394	1	225,318
CAO. L. Graham	1	47,813	7,804	55,617	1	-
Other Designated Officers	2	133,575	-	133,575	2	127,870

- (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.

16. 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 291,259 people and 437 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 12.23% 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 11.23% on pensionable salary above this amount.
- Total current and past service contributions by the Town of Stettler to the Local Authorities Pension Plan in 2023 were \$427,920 (2022 - \$420,352) Total current and past service contributions by the employees of the Town of Stettler to the Local Authorities Pension Plan in 2023 were \$383,617 (2022 - \$375,375)
- At December 31, 2022 the Plan disclosed an actuarial surplus of \$12.7 billion for the Plan.

**TOWN OF STETTTLER
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2023**

17. 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.

18. 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.

19. 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
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20. AMORTIZATION

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

	<u>2023</u>	<u>2022</u>
General Administration	\$ 112,206	\$ 82,867
Police Protective Services	-	-
Fire Protective Services	169,022	151,403
Common and Equipment Pool	353,573	278,582
Roads, Streets, Walks, Lighting	2,542,409	2,763,238
Airport	31,617	31,203
Storm Sewers and Drainage	65,968	65,967
Water Supply and Distribution	704,566	695,323
Wastewater Treatment and Disposal	275,114	330,066
Waste Management	989	989
Cemeteries	5,248	4,809
Land Use Planning	6,435	1,746
Economic Development	2,587	2,587
Public Housing Operations	85,967	85,967
Land, Housing and Building Rentals	39,479	39,479
Parks and Recreation	684,546	669,370
Culture	57,652	54,891
Total	\$ 5,137,378	\$ 5,258,487

21. OPERATING LINE OF CREDIT

At December 31, 2023 the Town had a short-term line of credit for \$100,000 (2022 - \$100,000) of which nothing had been drawn down. The interest rate on advances would be Prime minus 1/4%.

22. 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 PS3160 - Public Private Partnerships

This section establishes standards on accounting for public private partnerships between public and private sector entities where the public sector entity procures infrastructure using a private sector partner. Effective for the fiscal years beginning on or after April 1, 2023.

(b) Section PS 3400 - Revenue

This new section establishes standards on how to account for and report on revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations and transactions that do not have performance obligations. Effective for the fiscal years beginning on or after April 1, 2023.

**TOWN OF STETTLER
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(c) Section PSG-8- Purchased Intangibles

This section establishes standards on how to recognize and record purchased intangibles that meet the definition of an asset. Effective for the fiscal years beginning on or after April 1, 2023.

(d) The Conceptual Framework for Financial Reporting in the Public Sector

The Conceptual Framework is a coherent set of interrelated concepts underlying accounting and financial reporting standards, prescribes the nature, function and limits of financial accounting and reporting, and is the foundation on which standards are developed and professional judgement is applied. Effective for the fiscal years beginning on or after April 1, 2026.

(e) Section PS 1202 - Financial Statement Presentation

This section sets out general and specific requirements for the presentation of information in general purpose financial statements. This new standard will effectively replace PS 1201 - Financial Statement Presentation. Effective for the fiscal years beginning on or after April 1, 2026.

23. APPROVAL OF FINANCIAL STATEMENTS

Council and Management have approved these financial statements.

24. BUDGET AMOUNTS

Budget figures for the year ended December 31, 2023 were approved as May 16, 2023 and are for information purposes. These amounts have not been audited.