

TOWN OF STONY PLAIN
Consolidated Financial Statements
For the Year Ended December 31, 2023

INDEPENDENT AUDITORS' REPORT

To the Mayor and Council of the Town of Stony Plain

Opinion

We have audited the accompanying consolidated financial statements of the Town of Stony Plain, which comprise the statement of consolidated financial position as at December 31, 2023 and the consolidated statements of operations and accumulated surplus, changes in net debt, remeasurement gains and losses and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Town of Stony Plain as at December 31, 2023 and the results of its consolidated operations, changes in net financial assets, remeasurement gains and losses and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Town in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information is comprised of the information included in the Annual Report, but does not include the consolidated financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditors' report. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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



In preparing the consolidated financial statements, management is responsible for assessing the Town's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Town or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (Council) are responsible for overseeing the Town's financial reporting process.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but it 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 in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control.
- Evaluate the appropriateness of accounting policies 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 our 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 significant deficiencies in internal control that we identify during our audit.

METRIX GROUP LLP

Chartered Professional Accountants

Edmonton, Alberta
April 22, 2024

**MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL REPORTING**

The integrity, relevance and comparability of the data in the accompanying consolidated financial statements are the responsibility of management.

The consolidated financial statements are prepared by management, in accordance with Canadian public sector accounting standards established by the Canadian Public Sector Accounting Board. They necessarily include some amounts that are based on the best estimates and judgments of management.

To assist in its responsibility, management maintains accounting, budget and other controls to provide reasonable assurance that transactions are appropriately authorized, that assets are properly accounted for and safeguarded, and that financial records are reliable for preparation of financial statements.

Metrix Group LLP, Chartered Professional Accountants, have been appointed by Town Council to express an opinion on the Town's consolidated financial statements.



Thomas Goulden
Town Manager



Teri Stewart, CPA, CGA
Manager, Financial Services

TOWN OF STONY PLAIN
Consolidated Statement of Financial Position
As at December 31, 2023

	2023	2022 (Restated) (Note 23)
FINANCIAL ASSETS		
Cash and cash equivalents (Note 2)	\$ 11,314,913	\$ 15,015,174
Receivables (Note 3)	8,488,912	6,749,910
Land held for resale	32,351	-
Investments (Note 4)	17,402,651	22,857,967
	37,238,827	44,623,051
LIABILITIES		
Accounts payable and accrued liabilities (Note 5)	8,425,595	8,208,789
Deposit liabilities	1,616,134	1,813,831
Deferred revenue (Note 6)	9,610,552	8,575,757
Asset retirement obligations (Note 7)	806,439	768,037
Long-term debt (Note 8)	29,887,587	31,604,118
	50,346,307	50,970,532
NET DEBT	(13,107,480)	(6,347,481)
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 9)	262,445,528	249,825,432
Prepaid expenses	381,931	283,496
Inventories for consumption	155,671	150,540
	262,983,130	250,259,468
ACCUMULATED SURPLUS (NOTE 10)	\$ 249,875,650	\$ 243,911,987
ACCUMULATED SURPLUS IS COMPRISED OF:		
Accumulated surplus from operations	250,023,329	244,411,518
Accumulated rereasurement losses	(147,679)	(499,531)
	249,875,650	243,911,987

Contingencies (Note 12)

ON BEHALF OF TOWN COUNCIL:



TOWN OF STONY PLAIN
Consolidated Statement of Operations and Accumulated Surplus
For the Year Ended December 31, 2023

	2023 (Budget) (Note 21)	2023 (Actual)	2022 (Actual) (Restated) (Note 23)
REVENUE			
Net taxes available for municipal purposes (Schedule 2)	\$ 20,100,969	\$ 20,105,095	\$ 18,407,495
Sales and user charges (Schedule 4)	16,998,170	19,028,060	17,096,914
Franchise and concession contracts (Note 14)	3,768,200	3,867,135	3,982,939
Government transfers for operating (Schedule 3)	2,349,014	2,949,259	3,096,108
Rentals	1,007,124	966,522	892,014
Investment income	270,500	695,423	626,736
Licenses and permits	578,000	540,319	587,468
Fines	576,500	335,550	500,907
Other	252,000	331,839	326,710
Penalties and costs on taxes	253,000	329,158	267,810
	46,153,477	49,148,360	45,785,101
EXPENSES			
Recreation and culture	10,766,349	12,795,730	12,221,005
Utilities	10,379,483	10,592,863	10,305,986
Transportation	8,356,019	8,709,077	8,249,614
Protective services	8,476,667	8,349,589	8,149,848
General government	7,639,734	7,541,207	7,112,598
Development	2,487,633	2,404,897	2,514,494
Community and Social Development	1,039,926	1,058,428	1,077,914
	49,145,811	51,451,791	49,631,459
ANNUAL SURPLUS (DEFICIT) BEFORE OTHER REVENUE (EXPENSE)	(2,992,334)	(2,303,431)	(3,846,358)
OTHER REVENUE (EXPENSE)			
Contributed tangible capital assets (Note 15)	543,200	4,574,968	2,177,353
Government transfers for capital (Schedule 3)	5,168,790	2,559,164	4,483,290
Developer contributions for capital	346,000	828,748	927,871
Gain (loss) on disposal of tangible capital assets	-	(47,638)	(274,267)
	6,057,990	7,915,242	7,314,247
ANNUAL SURPLUS	3,065,656	5,611,811	3,467,889
ACCUMULATED SURPLUS, BEGINNING OF YEAR, AS PREVIOUSLY STATED	-	245,130,311	241,620,054
Restatement (Note 23)	-	(718,793)	(676,425)
ACCUMULATED SURPLUS, BEGINNING OF YEAR, AS RESTATED	244,411,518	244,411,518	240,943,629
ACCUMULATED SURPLUS, END OF YEAR (NOTE 10)	\$ 247,477,174	\$ 250,023,329	\$ 244,411,518

See accompanying notes to consolidated financial statements.

TOWN OF STONY PLAIN
Consolidated Statement of Changes in Net Debt
For the Year Ended December 31, 2023

	2023 (Budget) (Note 21)	2023 (Actual)	2022 (Actual) (Restated) (Note 23)
ANNUAL SURPLUS	\$ 3,065,656	\$ 5,611,811	\$ 3,467,889
Acquisition of tangible capital assets	(31,365,730)	(20,745,388)	(14,239,487)
Tangible capital assets transferred to land held for resale	-	32,351	-
Proceeds on disposal of tangible capital assets	-	17,334	1,147,796
Amortization of tangible capital assets	7,427,454	8,027,969	7,723,904
Loss (gain) on disposal of tangible capital assets	-	47,638	274,267
	(23,938,276)	(12,620,096)	(5,093,520)
Use (acquisition) of inventory for consumption	-	(5,131)	(46,727)
Use (acquisition) of prepaid expenses	-	(98,435)	(110,147)
Unrealized remeasurement gains (losses)	-	351,852	(390,752)
	-	248,286	(547,626)
DECREASE (INCREASE) IN NET DEBT	(20,872,620)	(6,759,999)	(2,173,257)
NET DEBT, BEGINNING OF YEAR	(6,347,481)	(6,347,481)	(4,174,224)
NET DEBT, END OF YEAR	\$ (27,220,101)	\$ (13,107,480)	\$ (6,347,481)

TOWN OF STONY PLAIN
Statement of Remeasurement Gains and Losses
For the Year Ended December 31, 2023

	2023 (Budget) (Note 21)	2023 (Actual)	2022 (Actual)
ACCUMULATED REMEASUREMENT GAINS (LOSS), BEGINNING OF THE YEAR	\$ -	\$ (499,531)	\$ (108,779)
Unrealized gains (losses) attributable to:			
Derivative investments	-	351,852	(390,752)
ACCUMULATED REMEASUREMENT GAINS (LOSS), END OF YEAR	\$ -	\$ (147,679)	\$ (499,531)

TOWN OF STONY PLAIN
Consolidated Statement of Cash Flows
For the Year Ended December 31, 2023

	2023	2022 <i>(Restated)</i> <i>(Note 23)</i>
OPERATING ACTIVITIES		
Cash from operations		
Annual surplus	\$ 5,611,811	\$ 3,467,889
Non-cash items included in annual surplus:		
Amortization of tangible capital assets	8,027,969	7,723,904
Amortization of investment premium/discounts	(20,315)	(14,462)
Loss (gain) on sale of investments	110,227	(14,798)
Loss (gain) on disposal of tangible capital assets	47,638	274,267
Tangible capital assets received as contributions	(4,574,968)	(2,177,353)
 Change in non-cash working capital balances related to operations:		
Receivables	(1,739,002)	1,613,196
Land held for resale	(32,351)	117,990
Prepaid expenses	(98,435)	(110,147)
Inventories for consumption	(5,131)	(46,727)
Accounts payable and accrued liabilities	216,806	(1,101,895)
Deferred revenue	1,034,795	793,466
Asset retirement obligations	38,402	36,573
Deposit liabilities	(197,697)	(402,429)
	8,419,749	10,159,474
FINANCING ACTIVITIES		
Repayment of long-term debt	(1,716,531)	(1,671,420)
Long-term debt issued	-	1,826,000
	(1,716,531)	154,580
INVESTING ACTIVITIES		
Purchases of investments	(8,113,727)	(7,167,512)
Proceeds on sale of investments	13,830,983	12,842,427
	5,717,256	5,674,915
CAPITAL ACTIVITIES		
Tangible capital assets transferred to held for resale	32,351	-
Proceeds from sale of tangible capital assets	17,334	1,147,796
Purchase of tangible capital assets	(16,170,420)	(12,062,134)
	(16,120,735)	(10,914,338)
CHANGE IN CASH AND CASH EQUIVALENTS DURING YEAR	(3,700,261)	5,074,631
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	15,015,174	9,940,543
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 11,314,913	\$ 15,015,174

TOWN OF STONY PLAIN
Schedule of Equity in Tangible Capital Assets
For the Year Ended December 31, 2023

Schedule 1

	2023	2022 <i>(Restated)</i> <i>(Note 23)</i>
BALANCE, BEGINNING OF YEAR	\$228,879,099	\$225,644,324
Acquisition of tangible capital assets	20,745,388	14,239,487
Amortization of tangible capital assets	(8,027,969)	(7,723,904)
Net book value of tangible capital assets disposed of	(97,323)	(1,422,063)
Asset retirement obligation accretion <i>(Note 7)</i>	(38,402)	(36,573)
Repayment of capital long-term debt	1,716,531	1,671,420
Debt proceeds used during the year	(10,303,652)	(3,493,592)
BALANCE, END OF YEAR	\$232,873,672	\$228,879,099
Equity in Tangible Capital Assets is Comprised of the Following:		
Tangible capital assets net book value <i>(Note 9)</i>	\$262,445,528	\$249,825,432
Asset retirement obligations <i>(Note 7)</i>	(806,439)	(768,037)
Debt used for tangible capital assets	(28,765,417)	(20,178,296)
EQUITY IN TANGIBLE CAPITAL ASSETS	\$232,873,672	\$228,879,099

TOWN OF STONY PLAIN
Schedule of Net Municipal Taxes
For the Year Ended December 31, 2023

Schedule 2

	2023 (Budget) (Note 21)	2023 (Actual)	2022 (Actual)
TAXATION			
Real property taxes	\$ 27,400,077	\$ 27,546,029	\$ 25,922,375
Linear property taxes	350,907	371,754	354,576
Government grants in lieu of property taxes	91,326	107,387	94,745
	27,842,310	28,025,170	26,371,696
REQUISITIONS			
Alberta School Foundation Fund	6,497,504	6,638,829	6,626,069
Catholic School boards	1,100,809	1,075,786	1,142,146
Seniors Foundation	140,894	203,082	193,715
Designated industrial property	2,134	2,378	2,271
	7,741,341	7,920,075	7,964,201
NET MUNICIPAL TAXES	\$ 20,100,969	\$ 20,105,095	\$ 18,407,495

TOWN OF STONY PLAIN
Schedule of Government Transfers
For the Year Ended December 31, 2023

Schedule 3

	2023 (Budget) (Note 21)	2023 (Actual)	2022 (Actual)
TRANSFERS FOR OPERATING			
Provincial government	\$ 1,302,761	\$ 1,821,496	\$ 2,025,661
Local governments	1,046,253	1,127,763	1,070,447
	2,349,014	2,949,259	3,096,108
TRANSFERS FOR CAPITAL			
Provincial government	5,168,790	2,445,625	4,483,290
Local government	-	113,539	-
	5,168,790	2,559,164	4,483,290
TOTAL GOVERNMENT TRANSFERS	\$ 7,517,804	\$ 5,508,423	\$ 7,579,398

TOWN OF STONY PLAIN
Schedule of Sales and User Charges
For the Year Ended December 31, 2023

Schedule 4

	2023 (Budget) (Note 21)	2023 (Actual)	2023 (Actual)
Water supply and distribution	\$ 5,140,246	\$ 5,296,823	\$ 5,006,836
Wastewater treatment and disposal	4,405,809	4,284,122	3,863,474
Storm water	2,700,702	2,603,610	1,966,585
Golf course (Schedule 5)	1,897,160	2,136,111	1,945,998
Waste management	2,031,223	2,068,445	1,994,048
Parks and recreation	222,880	1,998,801	1,717,748
Administrative	368,200	422,236	398,323
Other transportation	170,750	176,326	137,231
Planning and development	61,200	41,586	66,671
TOTAL SALES AND USER CHARGES	\$ 16,998,170	\$ 19,028,060	\$ 17,096,914

TOWN OF STONY PLAIN
Schedule of Golf Course Annual Surplus (Deficit)
For the Year Ended December 31, 2023

Schedule 5

	2023 (Budget) (Note 21)	2023 (Actual)	2023 (Actual)
REVENUE			
Green fees	\$ 1,236,160	\$ 1,352,272	\$ 1,199,014
Proshop	600,000	744,184	700,644
Food service	60,000	39,655	44,468
Summer employment grant	-	12,137	11,671
Other	1,000	-	1,872
	1,897,160	2,148,248	1,957,669
EXPENSES			
Grounds maintenance	640,511	856,292	700,408
Administration	566,133	588,743	589,097
Proshop	406,369	482,659	491,904
Amortization	133,267	131,765	136,092
Food service	32,400	40,989	38,879
	1,778,680	2,100,448	1,956,380
ANNUAL SURPLUS (DEFICIT)	\$ 118,480	\$ 47,800	\$ 1,289

TOWN OF STONY PLAIN
Schedule of Segmented Information
For the Year Ended December 31, 2023

Schedule 6

	General Government	Recreation & Culture	Protective Services	Transportation	Utilities	Development	Community & Social Development	Total 2023 Actual	2023 Budget
REVENUE									
Taxation	\$ 2,482,979	\$ 6,102,477	\$ 5,727,942	\$ 3,333,930	\$ -	\$ 2,135,161	\$ 322,606	\$ 20,105,095	\$ 20,100,969
Sales and user charges	422,238	4,133,462	-	176,326	14,253,000	22,586	20,448	19,028,060	16,998,170
All other	4,162,896	689,464	372,679	89,676	65,843	599,794	54,621	6,034,973	5,858,324
Government transfers	276,710	431,759	1,168,345	392,215	-	34,230	646,000	2,949,259	2,349,014
Investment income	636,031	-	2,337	10,014	47,041	-	-	695,423	270,500
Fines	-	-	335,550	-	-	-	-	335,550	576,500
	7,980,854	11,357,162	7,606,853	4,002,161	14,365,884	2,791,771	1,043,675	49,148,360	46,153,477
EXPENSES									
Materials, goods, contracted and general services	2,318,312	4,650,912	4,133,240	1,116,550	7,859,346	749,538	219,948	21,047,846	18,237,161
Salaries, wages, and benefits	4,370,614	4,335,616	3,106,719	1,590,830	1,017,936	1,651,689	838,480	16,911,884	16,811,870
Utilities	117,216	624,748	34,577	1,011,338	121,544	-	-	1,909,423	1,583,902
Repairs and maintenance	13,045	513,073	261,939	610,321	481,993	714	-	1,881,085	1,928,675
Interest on long term debt	26,758	84,194	296,238	388,922	87,909	-	-	884,021	1,086,560
Insurance	222,427	83,557	18,388	43,607	46,879	-	-	414,858	413,850
Transfers to local boards and organizations	-	334,303	2,000	-	-	-	-	336,303	1,656,339
Accretion expense	7,726	18,039	-	12,637	-	-	-	38,402	-
Amortization	465,109	2,151,288	496,488	3,934,872	977,256	2,956	-	8,027,969	7,427,454
	7,541,207	12,795,730	8,349,589	8,709,077	10,592,863	2,404,897	1,058,428	51,451,791	49,145,811
NET REVENUE (DEFICIT)	\$ 439,647	\$ (1,438,568)	\$ (742,736)	\$ (4,706,916)	\$ 3,773,021	\$ 386,874	\$ (14,753)	\$ (2,303,431)	\$ (2,992,334)

TOWN OF STONY PLAIN
Schedule of Segmented Information
For The Year Ended December 31, 2022

Schedule 7

	General Government	Recreation & Culture	Protective Services	Transportation	Utilities	Development	Community & Social Development	Total 2022 Actual	2022 Budget
REVENUE									
Taxation	\$ 2,273,325	\$ 5,616,125	\$ 5,244,295	\$ 3,052,425	\$ -	\$ 1,954,876	\$ 266,449	\$ 18,407,495	\$ 18,457,953
Sales and user charges	398,329	3,662,053	-	137,231	12,830,943	40,712	27,646	17,096,914	15,343,035
All other	4,214,601	643,335	401,992	18,153	61,020	637,898	79,942	6,056,941	5,569,161
Government transfers	149,461	533,576	1,168,639	495,298	-	75,531	673,603	3,096,108	2,476,656
Fines	-	-	500,907	-	-	-	-	500,907	277,500
Investment income	612,237	-	2,578	2,357	9,564	-	-	626,736	556,500
	7,647,953	10,455,089	7,318,411	3,705,464	12,901,527	2,709,017	1,047,640	45,785,101	42,680,805
EXPENSES									
Materials, goods, contracted and general services	2,268,764	4,149,863	4,259,495	1,201,182	7,838,529	933,280	223,013	20,874,126	17,274,649
Salaries, wages, and benefits	3,987,512	4,121,648	2,792,931	1,302,767	955,995	1,577,509	854,901	15,593,263	15,985,656
Repairs and maintenance	27,023	613,879	222,440	737,212	331,379	749	-	1,932,682	1,627,700
Utilities	114,749	637,492	35,100	963,717	113,848	-	-	1,864,906	1,425,432
Interest on long term debt	40,613	91,286	318,024	414,286	23,084	-	-	887,293	861,631
Insurance	212,086	72,589	17,015	38,674	43,255	-	-	383,619	378,000
Transfers to local boards and organizations	-	333,093	2,000	-	-	-	-	335,093	1,425,429
Accretion expense	7,358	17,180	-	12,035	-	-	-	36,573	-
Amortization	454,493	2,183,975	502,843	3,579,741	999,896	2,956	-	7,723,904	7,408,374
	7,112,598	12,221,005	8,149,848	8,249,614	10,305,986	2,514,494	1,077,914	49,631,459	46,386,871
NET REVENUE (DEFICIT)	\$ 535,355	\$ (1,765,916)	\$ (831,437)	\$ (4,544,150)	\$ 2,595,541	\$ 194,523	\$ (30,274)	\$ (3,846,358)	(3,706,066)

TOWN OF STONY PLAIN
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements of the Town of Stony Plain (the "Town") are the representations of management prepared in accordance with Canadian public sector accounting standards. Significant aspects of these accounting policies are as follows:

(a) Reporting Entity

The consolidated financial statements reflect the assets, liabilities, revenues and expenses, and changes in accumulated surplus and financial position of the reporting entity which comprises all the organizations accountable for the administration of their financial affairs and resources to the Town and which are owned or controlled by the Town. This includes the following:

Stony Plain Public Library
TransAlta Tri Leisure Centre

The Town accounts for government partnerships using the proportionate consolidation method. Under this method, the Town's proportionate share of assets, liabilities, non-financial assets, revenues, expenses and accumulated surplus are included in the consolidated financial statements. The consolidated financial statements include the Town's share of the TransAlta Tri Leisure Centre. Condensed financial information is provided in Note 18.

(b) Basis of Accounting

Revenues are accounted for in the period in which the transactions or events occurred that gave rise to the revenue.

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 are recognized as revenue in the period in which the events giving rise to the transfer occurred, providing the transfers are authorized, any eligibility criteria have been met by the municipality, and reasonable estimates of the amounts can be made.

Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

(c) Use of Estimates

The preparation of the consolidated financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Where measurement uncertainty exists, the consolidated financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

The Town has used estimates to determine accrued liabilities, asset retirement obligation liabilities and the useful lives of tangible capital assets.

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TOWN OF STONY PLAIN
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Valuation of financial assets and liabilities

The Town's financial assets and liabilities are measured as follows:

Cash	Cost and amortized cost
Accounts receivables	Lower of cost or net recoverable value
Investments	Fair value and amortized cost
Accounts payable and accrued liabilities	Cost
Deposit liabilities	Cost
Asset retirement obligations	Cost or present value
Long-term debt	Amortized cost

For financial assets and liabilities measured at amortized cost, the effective interest rate method is used to determine interest revenue or expense. Transaction costs are a component of cost for financial assets and liabilities that are measured at cost or amortized cost and expensed when measured at fair value.

(e) *Cash and Cash Equivalents*

Cash and cash equivalents include items that are readily convertible to known amounts of cash, are subject to an insignificant risk of change in value, and have a maturity of 90 days or less at acquisition.

(f) *Investments*

Unrealized gains and losses from changes in the fair value are recognized in the statement of remeasurement gains and losses.

The Town holds derivatives in the form of principal protected notes which are recorded at fair value in the statement of financial position. Unrealized gains and losses from changes in the fair value of derivatives are recognized in the statement of remeasurement gains and losses. Upon settlement, the realized gains and losses are reclassified as revenue or expense in the statement of operations. Investments in interest bearing securities are recorded at amortized cost. Investment premiums and discounts are amortized on 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. Investment income is recorded as revenue in the period it is earned.

(g) *Requisition Over-Levies and Under-Levies*

Over-levies and under-levies arise from the difference between the actual 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 taxes.

Requisitions for tax rate in the subsequent year are adjusted for any over-levies or under-levies of the prior year.

(CONT'D)

TOWN OF STONY PLAIN
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Tax Revenue

Property tax revenue is based on market value assessments determined in accordance with the *Municipal Government Act*. Tax mill rates are established annually. Taxation revenues are recorded at the time tax billings are issued. Assessments are subject to appeal.

Construction and borrowing costs associated with local improvement projects are recovered through annual special property tax assessments during the period of the related borrowings. These levies are collectible from property owners for work performed by the Town are recognized as revenue in the year they are levied.

(i) Pension Expenses

The Town accounts for the Local Authorities Pension Plan as a defined contribution plan, specifically, employer contributions for current and past service pension benefits are recorded as expenses in the year in which they become due. The Town does not recognize its share of the pension benefit obligation (*Note 22*).

(j) Developer Contributions

Developer contributions are recorded as deferred revenue upon signing of a development agreement and are recognized as revenue in the period the amounts have been used for the purpose specified.

(k) Asset retirement obligations

During 2023, the Town adopted *PS 3280 Asset Retirement Obligations* which provides guidance on how to account for and report liabilities for retirement of tangible capital assets.

Asset retirement obligations are legal obligations associated with the retirement of tangible capital assets. Asset retirement activities include all activities relating to an asset retirement obligation including, but not limited to, decommissioning or dismantling, remediation of contamination, post-retirement activities such as monitoring, and constructing other tangible capital assets to perform post-retirement activities.

A liability for asset retirement obligation is recognized when there is a legal obligation to incur retirement costs, the past transaction or event giving rise to the liability as occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made.

When a liability for asset retirement obligation is recognized, asset retirement costs related to recognized tangible capital assets in productive use are capitalized by increasing the carrying value of the related asset and are amortized over the estimated useful life of the underlying tangible capital asset. Asset retirement costs related to unrecognised tangible capital assets and those not in productive use are expensed.

(l) Contaminated Sites

Contaminated sites are defined as the result of contamination being introduced in air, soil, water or sediment of a chemical, organic, or radioactive material or live organism that exceeds an environmental standard. A liability for remediation on contaminated sites is recognized, net of any recoveries, when an environmental standard exists, contamination exceeds the environmental standard, the Town is directly responsible for or accepts responsibility for the liability, future economic benefits will be given up, and a reasonable estimate of the liability can be made.

(CONT'D)

TOWN OF STONY PLAIN
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) 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, provides the Change in Net Financial Assets for the year.

i) Tangible Capital Assets

Tangible capital assets are recorded at cost, which includes all amounts that are directly 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 their estimated useful lives as follows:

Buildings	10 - 50 years
Engineered structures:	
Roadways	10 - 40 years
Water systems	45 - 75 years
Wastewater systems	45 - 75 years
Storm systems	75 years
Other	20 years
Machinery, equipment, and furnishings	5 - 45 years
Land improvements	15 - 45 years
Vehicles	10 - 25 years

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

No annual amortization is charged in the year of acquisition. A full year of amortization is charged in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

The Town does not capitalize interest costs associated with the acquisition or construction of a tangible capital asset.

Works of art for display are not recorded as tangible capital assets but are disclosed.

ii) Inventories

Inventories are valued at the lower of cost and net realizable value with cost determined by the average cost method.

Land held for resale is recorded at the lower of cost or net realizable value on a specific item basis. 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 property and equipment under their respective function.

(n) New Accounting Standards not yet Adopted

Effective for fiscal years beginning on or after April 1, 2023, PS 3400 Revenue provides guidance on how to account for and report revenue, and specifically, it addresses revenue arising from exchange transactions and unilateral transactions.

TOWN OF STONY PLAIN
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2023

2. CASH AND CASH EQUIVALENTS

	2023	2022
Cash on hand	\$ 2,661	\$ 2,661
Operating accounts	9,788,666	13,765,543
Savings account	1,523,586	1,246,970
	\$ 11,314,913	\$ 15,015,174

3. RECEIVABLES

	2023	2022
Trade and other accounts receivable	\$ 6,038,809	\$ 4,649,353
Utilities	1,176,842	1,065,759
Taxes and grants in place of taxes	1,026,883	850,838
Goods and Services Tax	246,378	183,960
	\$ 8,488,912	\$ 6,749,910

The aging of receivables that are not impaired is as follows:

	2023	2022
Current	\$ 5,447,534	\$ 4,554,298
1 year	1,298,316	180,237
2 years	13,918	675,079
3 years	558,945	-
Over 3 years	1,170,199	1,340,296
	\$ 8,488,912	\$ 6,749,910

4. INVESTMENTS

	2023		2022	
	Carrying Value	Market Value	Carrying Value	Market Value
Corporate bonds - amortized cost	\$ 10,236,030	\$ 9,560,980	\$ 17,168,698	\$ 16,118,607
Principal-protected notes (b)	7,166,621	7,166,621	5,689,269	5,689,269
	\$ 17,402,651	\$ 16,727,601	\$ 22,857,967	\$ 21,807,876

Corporate bonds have coupon interest rates ranging from 1.78% - 5.60% (2022 - 1.67% to 4.86%) with maturity dates from March 2024 to September 2033.

Derivative investments have maturity dates from September 2028 to October 2033 and are carried at fair market value in which the measurements are derived from:

- a) Level 1 - Quoted prices in active markets for identical assets.
- b) Level 2 - Inputs other than quoted prices included within level 1 that are observable for the assets, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

TOWN OF STONY PLAIN
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2023

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2023	2022
Trade and other accounts payable	\$ 7,586,870	\$ 7,401,160
Earned vacation	383,192	336,450
Accrued sick pay	303,444	303,444
Accrued interest on long-term debt	152,089	167,735
	\$ 8,425,595	\$ 8,208,789

6. DEFERRED REVENUE

Deferred revenue is comprised of the following amounts, which have been received from third parties for a specified purpose. Additions are comprised of both contributions and interest earned during the year. These amounts are recognized as revenue in the period in which the related costs are incurred.

	2022	Additions	Revenue Recognized	2023
Municipal Sustainability Initiative	\$ 2,445,712	\$ 2,132,067	\$ (706,280)	\$ 3,871,499
Canada Community-Building Fund	3,311,055	1,283,060	(1,433,125)	3,160,990
Developer contributions	2,373,967	550,859	(828,748)	2,096,078
Other	295,023	150,706	(113,744)	331,985
Tri-Municipal integration grant	150,000	-	-	150,000
	\$ 8,575,757	\$ 4,116,692	\$(3,081,897)	\$ 9,610,552

7. ASSET RETIREMENT OBLIGATIONS

The Town has asset retirement obligations to remove various hazardous materials including, asbestos, lead, mercury, and mold from buildings under its control. Regulations require the Town to handle and dispose of these materials in a prescribed manner when it is disturbed, such as when when the building undergoes renovations or is demolished. Although the timing of the removal is conditional on the building undergoing renovations or being demolished, regulations create an existing obligation for the Town to remove the materials when the asset retirement activities occur.

	2023	2022
Balance, beginning of year	\$ 768,037	\$ 731,464
Accretion expense	38,402	36,573
Balance, end of year	\$ 806,439	\$ 768,037

The Town has not designated assets for settling the abatement activities.

TOWN OF STONY PLAIN
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2023

8. LONG-TERM DEBT

	2023	2022
Debtures	\$ 28,141,890	\$ 29,802,858
Term loan	1,745,697	1,801,260
	\$ 29,887,587	\$ 31,604,118

Principal and interest payments are due as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 1,768,362	\$ 847,836	\$ 2,616,198
2025	1,822,343	793,855	2,616,198
2026	1,722,450	740,132	2,462,582
2027	1,772,537	690,045	2,462,582
2028	1,823,935	638,646	2,462,581
Thereafter	20,977,960	2,776,911	23,754,871
	\$ 29,887,587	\$ 6,487,425	\$ 36,375,012

Debture debt is repayable to the Government of Alberta and bears interest at fixed rates ranging from 2.297% to 4.569% per annum maturing in years 2025 through 2041.

The term loan bears interest at a fixed rate of 4.950% and is repayable in monthly interest and principal payments of \$11,956, maturing August 2042.

Interest on long-term debt amounted to \$884,021 (2022 - \$887,293).

The Town's cash payments for interest in 2023 were \$899,667 (2022 - \$884,715).

TOWN OF STONY PLAIN
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2023

9. TANGIBLE CAPITAL ASSETS

	2023	2022
	Net Book Value	
Engineered structures		
Roadways	\$ 58,989,253	\$ 58,535,037
Wastewater systems	30,237,852	27,340,800
Storm systems	40,842,630	27,095,181
Water systems	19,439,581	19,486,651
Work in progress*	2,895,467	5,195,684
Other	-	1,530
	152,404,783	137,654,883
Land	41,072,994	40,748,545
Buildings	43,349,599	44,847,484
Land improvements	17,129,734	17,911,993
Machinery, equipment, and furnishings	4,851,808	4,904,591
Vehicles	3,636,610	3,757,936
	\$ 262,445,528	\$ 249,825,432

	Cost Beginning of Year	Additions	Disposals	Transfers	Cost End of Year
Engineered structures					
Roadways	\$ 101,333,081	\$ 3,341,778	\$ (146,217)	\$ 67,170	\$ 104,595,812
Wastewater systems	36,204,834	312,337	-	3,074,776	39,591,947
Water systems	30,910,748	395,804	-	-	31,306,552
Storm systems	32,095,247	1,164,349	-	13,014,104	46,273,700
Work in progress*	5,195,684	13,919,736	-	(16,219,953)	2,895,467
Other	327,038	-	-	-	327,038
	206,066,632	19,134,004	(146,217)	(63,903)	224,990,516
Land	40,748,545	356,800	(32,351)	-	41,072,994
Buildings	61,910,120	-	-	-	61,910,120
Machinery, equipment, and furnishings	11,715,355	629,039	(69,483)	63,903	12,338,814
Land improvements	28,339,547	337,599	(45,024)	-	28,632,122
Vehicles	6,745,279	287,946	-	-	7,033,225
	\$ 355,525,478	\$ 20,745,388	\$ (293,075)	\$ -	\$ 375,977,791

	Accumulated Amortization Beginning of Year	Current Amortization	Disposals	Transfers	Accumulated Amortization End of Year
Engineered structures					
Roadways	\$ 42,798,044	\$ 2,954,732	\$ (146,217)	-	\$ 45,606,559
Water systems	11,424,097	442,874	-	-	11,866,971
Wastewater systems	8,864,034	490,061	-	-	9,354,095
Storm systems	5,000,066	431,004	-	-	5,431,070
Other	325,508	1,530	-	-	327,038
	68,411,749	4,320,201	(146,217)	-	72,585,733
Buildings	17,062,636	1,497,885	-	-	18,560,521
Machinery, equipment, and furnishings	6,810,764	701,014	(24,772)	-	7,487,006
Land improvements	10,427,554	1,099,597	(24,763)	-	11,502,388
Vehicles	2,987,343	409,272	-	-	3,396,615
	\$ 105,700,046	\$ 8,027,969	\$ (195,752)	\$ -	\$ 113,532,263

*No amortization has been provided for assets included in work in progress.

TOWN OF STONY PLAIN
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2023

10. ACCUMULATED SURPLUS

	2023	2022
Unrestricted surplus	\$ 1,871,819	\$ 2,462,719
Developer deficit	(2,414,076)	(2,339,658)
Restricted surplus		
Operating reserves (Note 11)	7,043,146	6,321,074
Capital reserves (Note 11)	10,149,237	8,979,505
Equity in tangible capital assets (Schedule 1)	232,873,672	228,879,099
Unrealized remeasurement gains (losses)	351,852	(390,752)
	\$ 249,875,650	\$ 243,911,987

11. RESERVES

	2023	2022
OPERATING		
Tax levy stabilization	\$ 4,281,927	\$ 3,570,892
Utility rate stabilization	748,247	648,531
Police and Public Safety	650,430	949,637
Legacy	430,909	330,827
Technology	281,997	216,997
Public arts	271,485	241,677
Snow removal	200,460	200,460
Mural preservation	79,891	74,483
Safety rebate	60,800	50,570
Golf course operating	37,000	37,000
	\$ 7,043,146	\$ 6,321,074

CAPITAL

Roads capital	\$ 2,569,094	\$ 2,258,394
Water capital	1,479,819	1,302,459
Sewer capital	1,354,359	1,178,236
Storm capital	1,240,698	418,558
Capital equipment replacement	675,755	925,921
Fire equipment	583,077	496,654
Life cycle - heritage park	578,612	748,431
Life cycle - arena	371,194	333,844
Trails	351,504	344,229
Life cycle - library	322,129	282,129
Life cycle - community centre	209,102	204,102
Life cycle - pool	204,403	235,078
Life cycle - fire hall	183,115	173,115
Public	178,713	205,370
Recreation and culture	178,608	341,396
Life cycle - common services building	117,954	97,954
Waste management capital	112,747	105,047
Life cycle - outdoor recreation	112,017	125,657
Life cycle - Forest Green Plaza	95,283	90,000
TransAlta Tri Leisure Centre (Note 1 (a))	87,352	145,646
Town - administration building	83,973	58,973
Life cycle - youth centre	80,409	80,409
Life cycle - parkland building	74,008	74,008
Golf course capital	57,146	65,532
General purpose	52,166	106,363
Life cycle - Old Firehall	20,000	20,000
Life cycle - RCMP	20,000	15,000
Stony Plain central land	(1,244,000)	(1,453,000)
	\$ 10,149,237	\$ 8,979,505

TOWN OF STONY PLAIN
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2023

12. CONTINGENCIES

The Town is a member of the Alberta Municipal Insurance Exchange. Under the terms of membership, the Town 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 has been named as a defendant in various lawsuits. Where the outcome of a claim against the Town is considered likely to result in a loss and the amount of the loss can be reasonably estimated, accrued liabilities have been recorded. Where the resulting potential losses, if any, cannot be determined or the occurrence of future events is unknown, accrued liabilities have not been established.

13. CREDIT FACILITY

The Town has access to a revolving demand credit facility with a maximum of \$5,000,000 bearing interest at prime rate less 0.75%. No amounts were outstanding on the revolving loan at December 31, 2023 or December 31, 2022.

14. FRANCHISE AND CONCESSION CONTRACTS

Disclosure of utility franchise agreement annual revenues as required by Alberta Regulation 313/2000 is as follows:

	2023	2022
Fortis Alberta Inc.	\$ 2,282,367	\$ 2,206,345
Atco Gas	1,533,336	1,717,712
West Parkland Gas Co-op Ltd.	51,432	58,882
	\$ 3,867,135	\$ 3,982,939

15. CONTRIBUTED TANGIBLE CAPITAL ASSETS

	2023	2022
Roadway systems	\$ 2,291,590	\$ 1,794,010
Storm systems	1,128,456	111,390
Water systems	395,804	99,089
Land	356,800	65,400
Wastewater systems	311,244	96,964
Land improvements	91,074	10,500
	\$ 4,574,968	\$ 2,177,353

TOWN OF STONY PLAIN
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2023

16. 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 be disclosed as follows:

	2023	2022
Total debt limit	\$ 73,722,540	\$ 68,677,652
Total debt	(29,887,587)	(31,604,118)
Total debt limits available	\$ 43,834,953	\$ 37,073,534
Service on debt limit	\$ 12,287,090	\$ 11,446,275
Service on debt	(2,616,198)	(2,616,198)
Service on debt limit available	\$ 9,670,892	\$ 8,830,077

17. SALARIES AND BENEFITS DISCLOSURE

Disclosure of salaries and benefits for elected municipal officials, the Town Manager and designated officers as required by Alberta Regulation 313/2000 is as follows:

			2023	2022
	Salary	Benefits and Allowances	Total	Total
Choy (Mayor)	\$ 83,807	\$ 11,526	\$ 95,333	\$ 87,352
Laurie	41,373	9,903	51,276	46,597
Anderson	41,373	9,903	51,276	46,594
Loyns	41,373	9,903	51,276	46,389
Meyer	41,373	9,903	51,276	45,495
Pawlechko	41,373	9,284	50,657	45,451
Hansard	41,373	9,374	50,747	45,072
	\$ 332,045	\$ 69,796	\$ 401,841	\$ 362,950
Town Manager	\$ 219,924	\$ 37,901	\$ 257,825	\$ 245,892

Salary includes regular base pay, lump sum payments, gross honorarium and any other direct cash remuneration.

Benefits and allowances include the employer's share of all employee benefits and contributions or payments made on behalf of employees, and the employer's share of the costs of any additional taxable benefits.

TOWN OF STONY PLAIN
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2023

18. GOVERNMENT PARTNERSHIPS

The Town's financial statements include its share of operations 2023 - 26.1% (2022 - 26.1%) of the TransAlta Tri Leisure Centre. Condensed financial information of the TransAlta Tri Leisure Centre is as follows:

	2023	2022
FINANCIAL ASSETS		
Cash and investments	\$ 780,945	\$ 1,191,918
Receivables	188,803	329,586
Investments	800,000	-
	1,769,748	1,521,504
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities	365,302	392,683
Deferred revenue	968,276	525,981
	1,333,578	918,664
NET FINANCIAL ASSETS	436,170	602,840
NON-FINANCIAL ASSETS		
Tangible capital assets	1,701,710	1,582,011
Prepaid expenses and inventory for consumption	177,486	164,696
	1,879,196	1,746,707
ACCUMULATED SURPLUS	\$ 2,315,366	\$ 2,349,547
REVENUE		
Pass, program fees and rental fees	\$ 5,032,421	\$ 4,546,541
Partnership contributions	2,944,881	2,453,545
Corporate sponsors and donations	426,107	285,387
All other	784,858	622,217
	9,188,267	7,907,690
EXPENSES		
Salaries and benefits	4,737,103	4,121,720
Utilities	1,024,262	996,854
All other	3,461,083	2,938,475
	9,222,448	8,057,049
ANNUAL SURPLUS (DEFICIT)	\$ (34,181)	\$ (149,359)

19. SEGMENTED INFORMATION

Segmented information has been identified based upon lines of service provided by the Town. Town services are provided by departments and their activities are reported by functional area in the body of the financial statements. Certain lines of service that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

(a) General Government

General Government is comprised of Council, the Office of the CAO, Strategic Services, and Corporate Services. Strategic Services includes Communication Services. Corporate Services is comprised of Financial Services, Legislative Services, Human Resources, and Information Technology Services. Council makes decisions regarding service delivery and service levels on behalf of the municipality in order to balance the needs and wants of Town residents in a financially responsible manner.

(b) Protective Services

Protective Services is comprised of RCMP, Fire, Disaster, and Municipal Enforcement Services. The RCMP division in Stony Plain includes Federal, Provincial and Municipal employees and contracted members that serve Stony Plain and the surrounding area; it is an integrated force with Spruce Grove. Fire Services is responsible to provide fire suppression services; fire prevention programs; training and education related to prevention; and detection or extinguishment of fires. The mandate of Disaster Services is Emergency Management to help maintain safe communities. The Municipal Enforcement Services provide bylaw enforcement that ranges from public service to animal control as well as provincial statute enforcement with authorities granted by the Solicitor General of Alberta.

(c) Transportation

Transportation is comprised of Common Services and the Public Works areas. They are responsible for the maintenance of the roadway and storm systems. All transit services for the Town are included under Transportation.

(d) Recreation and Culture

Recreation and Culture is comprised of Parks and Recreation, Culture and Cultural Facilities. Parks and Recreation and Culture provide recreational and cultural services and activities which promote the well-being of its citizens. These areas are responsible for the parks, playgrounds, facilities, and green spaces of the Town. This area also acts as a liaison between community groups and the Transalta Tri-Leisure Centre.

(e) Utilities

Utilities are comprised of water, waste water, waste management collection and recycling. The Town is responsible for environmental programs such as organic carts, bi-weekly garbage pick-up and promoting recycling and other related initiatives.

(f) Development

Development is comprised of Planning and Infrastructure, Engineering and Economic Development. These areas are responsible for the planning and development of the Town's infrastructure system and work with developers in planning the growth of the Town in a sustainable manner. Engineering is responsible for major capital infrastructure projects. Economic Development works with businesses in the Town to encourage economic sustainability.

(g) Community and Social Development

The Community and Social Development area provides services mandated by Family and Community Support Services Alberta through a shared funding model between the Province of Alberta and the Town of Stony Plain.

(CONT'D)

TOWN OF STONY PLAIN
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2023

18. SEGMENTED INFORMATION (CONT'D)

Certain allocation methodologies are employed in the preparation of segmented financial information. Taxation and payments in lieu of taxes are allocated to the segments based on the segments' budgeted net expenditures. User charges and other revenue have been allocated to the segment based upon the segment that generated the revenue. Government transfers have been allocated to the segment based upon the purpose for which the transfer was made. Development charges and levies are allocated to the segment for which the charge was made.

20. FINANCIAL INSTRUMENTS

The Town is exposed to the following risks in respect of its financial instruments at December 31, 2023.

Credit risk

The Town is exposed to credit risk with respect to receivables. Credit risk arises from the possibility that customers may experience financial difficulty and be unable to fulfill their obligations. The Town is exposed to the credit risk associated with fluctuations in the economy as a significant portion of the outstanding receivables at December 31, 2023 are receivable from local developers. The large number and diversity of customers minimizes the Town's credit risk.

Market price risk

Market price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual security, its issuer or general market factors affecting all securities.

Liquidity risk

Liquidity risk is the risk that the Town will encounter difficulty in meeting obligations associated with its financial liabilities. The Town maintains cash balances to ensure that funds are available to meet current and forecasted financial requirements. Management continues to monitor the Town's liquidity position on a regular basis.

Interest rate risk

Interest rate risk is the risk that the Town's annual surplus will be affected by the fluctuation and degree of volatility in interest rates. Interest rate risk on the Town's long-term debt is managed through fixed interest rates.

21. BUDGET FIGURES

The budget figures presented in these consolidated financial statements are based upon the 2023 operating and capital budgets approved by Council on November 28, 2022. The table below reconciles the approved budget figures reported in these consolidated financial statements.

ANNUAL SURPLUS	\$ 3,065,656
Deduct:	
Purchase of tangible capital assets	(31,365,730)
Transfers to reserves	(6,187,336)
Long-term debt repayment	(1,830,821)
Add back:	
Amortization	7,427,454
Debenture proceeds	23,235,742
Transfers from reserves	<u>5,655,035</u>
	<u>\$ -</u>

TOWN OF STONY PLAIN
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2023

22. LOCAL AUTHORITIES PENSION PLAN (LAPP)

The Town is required to make current service contributions to the LAPP of 8.45% of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 12.23% on pensionable earnings above this amount. Employees of the Town are required to make current service contributions of 7.45% of pensionable earnings up to the year's maximum pensionable earnings and 11.23% on pensionable earnings above this amount.

Total current service contributions by the Town to the LAPP in 2023 were \$1,060,666 (2022 - \$1,016,330). Total current service contributions by the employees of the Town to the LAPP in 2023 were \$946,452 (2022 - \$910,826).

At December 31, 2022, the Plan disclosed an actuarial surplus of \$12.67 billion (2021 - \$11.92 billion).

23. RESTATEMENT

Effective January 1, 2023, the Town adopted *PS 3450 Financial Instruments and PS 3280 Asset Retirement Obligations* retroactively and comparative figures have been restated. The effect of these changes on the comparative figures is as follows:

- Decrease in investments of \$499,531
 - Increase in asset retirement obligations of \$768,037
 - Increase in tangible capital assets of \$49,244
 - Increase in expenses and decrease in annual surplus of \$42,368
 - Decrease in accumulated surplus of \$676,425
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24. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by Council.
