

TOWN OF STONY PLAIN
Consolidated Financial Statements
For the Year Ended December 31, 2022

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, 2022 and the consolidated statements of operations and accumulated surplus, changes in net debt, 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, 2022 and the results of its consolidated operations, changes in net financial assets, 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 24, 2023

**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



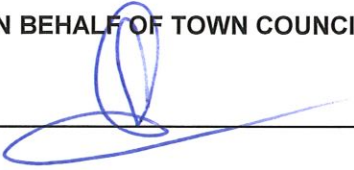
Teri Stewart, CPA, CGA
Manager, Financial Services

TOWN OF STONY PLAIN
Consolidated Statement of Financial Position
As at December 31, 2022

	2022	2021
FINANCIAL ASSETS		
Cash and cash equivalents (Note 2)	\$ 15,015,174	\$ 9,940,543
Receivables (Note 3)	6,749,910	8,363,106
Land held for resale	-	117,990
Investments (Note 4)	23,357,498	29,003,153
	45,122,582	47,424,792
LIABILITIES		
Accounts payable and accrued liabilities (Note 5)	8,208,789	9,310,684
Deposit liabilities	1,813,831	2,216,260
Deferred revenue (Note 6)	8,575,757	7,782,291
Long-term debt (Note 7)	31,604,118	31,449,538
	50,202,495	50,758,773
NET DEBT	(5,079,913)	(3,333,981)
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 8)	249,776,188	244,676,873
Prepaid expenses	283,496	173,349
Inventories for consumption	150,540	103,813
	250,210,224	244,954,035
ACCUMULATED SURPLUS (NOTE 9)	\$ 245,130,311	\$ 241,620,054

Contingencies (Note 11)

ON BEHALF OF TOWN COUNCIL:



TOWN OF STONY PLAIN
Consolidated Statement of Operations and Accumulated Surplus
For the Year Ended December 31, 2022

	2022 (Budget) (Note 20)	2022 (Actual)	2021 (Actual)
REVENUE			
Net taxes available for municipal purposes (Schedule 2)	\$ 18,457,953	\$ 18,407,495	\$ 17,721,640
Sales and user charges (Schedule 4)	15,343,035	17,096,914	15,903,027
Franchise and concession contracts (Note 13)	3,482,037	3,982,939	3,467,962
Government transfers for operating (Schedule 3)	2,476,656	3,096,108	3,066,740
Rentals	1,005,124	892,014	755,890
Investment income	277,500	626,736	326,477
Licenses and permits	546,000	587,468	613,267
Fines	556,500	500,907	537,007
Other	282,000	326,710	310,375
Penalties and costs on taxes	254,000	267,810	238,213
	42,680,805	45,785,101	42,940,598
EXPENSES			
Recreation and culture	9,928,996	12,201,359	10,993,212
Utilities	9,812,374	10,305,986	10,535,549
Transportation	7,887,411	8,235,323	7,089,312
Protective services	7,661,282	8,149,848	7,873,163
General government	7,381,260	7,104,167	6,560,566
Development	2,621,213	2,514,494	2,489,721
Community and Social Development	1,094,635	1,077,914	905,627
	46,387,171	49,589,091	46,447,150
ANNUAL SURPLUS (DEFICIT) BEFORE OTHER REVENUE (EXPENSE)	(3,706,366)	(3,803,990)	(3,506,552)
OTHER REVENUE (EXPENSE)			
Government transfers for capital (Schedule 3)	6,158,500	4,483,290	7,403,319
Contributed tangible capital assets (Note 14)	326,370	2,177,353	580,117
Developer contributions for capital	346,000	927,871	836,713
Gain (loss) on disposal of tangible capital assets	-	(274,267)	(30,055)
	6,830,870	7,314,247	8,790,094
ANNUAL SURPLUS	3,124,504	3,510,257	5,283,542
ACCUMULATED SURPLUS, BEGINNING OF YEAR	241,620,054	241,620,054	236,336,512
ACCUMULATED SURPLUS, END OF YEAR (NOTE 9)	\$ 244,744,558	\$ 245,130,311	\$ 241,620,054

TOWN OF STONY PLAIN
Consolidated Statement of Changes in Net Debt
For the Year Ended December 31, 2022

	2022 (Budget) (Note 20)	2022 (Actual)	2021 (Actual)
ANNUAL SURPLUS	\$ 3,124,504	\$ 3,510,257	\$ 5,283,542
Acquisition of tangible capital assets	(21,573,500)	(14,239,487)	(13,548,194)
Proceeds on disposal of tangible capital assets	-	1,147,796	63,531
Amortization of tangible capital assets	7,408,374	7,718,109	7,225,735
Loss (gain) on disposal of tangible capital assets	-	274,267	30,055
	(14,165,126)	(5,099,315)	(6,228,873)
Use (acquisition) of inventory for consumption	-	(46,727)	(2,056)
Use (acquisition) of prepaid expenses	-	(110,147)	(23,339)
	-	(156,874)	(25,395)
DECREASE (INCREASE) IN NET DEBT	(11,040,622)	(1,745,932)	(970,726)
NET DEBT, BEGINNING OF YEAR	(3,333,981)	(3,333,981)	(2,363,255)
NET DEBT, END OF YEAR	\$ (14,374,603)	\$ (5,079,913)	\$ (3,333,981)

TOWN OF STONY PLAIN
Consolidated Statement of Cash Flows
For the Year Ended December 31, 2022

	2022	2021
OPERATING ACTIVITIES		
Cash from operations		
Annual surplus	\$ 3,510,257	\$ 5,283,542
Non-cash items included in annual surplus:		
Amortization of tangible capital assets	7,718,109	7,225,735
Amortization of investment premium/discounts	(14,462)	(17,417)
Loss (gain) on sale of investments	(14,798)	-
Loss (gain) on disposal of tangible capital assets	274,267	30,055
Tangible capital assets received as contributions	(2,177,353)	(580,117)
Change in non-cash working capital balances related to operations:		
Receivables	1,613,196	2,134,742
Land held for resale	117,990	-
Prepaid expenses	(110,147)	(23,339)
Inventories for consumption	(46,727)	(2,056)
Accounts payable and accrued liabilities	(1,101,895)	1,665,112
Deposit liabilities	(402,429)	(493,193)
Deferred revenue	793,466	(2,193,672)
	10,159,474	13,029,392
FINANCING ACTIVITIES		
Repayment of long-term debt	(1,671,420)	(1,947,110)
Long-term debt issued	1,826,000	12,075,000
	154,580	10,127,890
INVESTING ACTIVITIES		
Purchases of investments	(7,167,512)	(22,393,182)
Proceeds on sale of investments	12,842,427	9,101,200
	5,674,915	(13,291,982)
CAPITAL ACTIVITIES		
Proceeds from sale of tangible capital assets	1,147,796	63,531
Purchase of tangible capital assets	(12,062,134)	(12,968,077)
	(10,914,338)	(12,904,546)
CHANGE IN CASH AND CASH EQUIVALENTS DURING YEAR	5,074,631	(3,039,246)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	9,940,543	12,979,789
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 15,015,174	\$ 9,940,543

See accompanying notes to consolidated financial statements.

TOWN OF STONY PLAIN
Schedule of Equity in Tangible Capital Assets
For the Year Ended December 31, 2022

Schedule 1

	2022	2021
BALANCE, BEGINNING OF YEAR	\$226,320,749	\$218,699,708
Acquisition of tangible capital assets	14,239,487	13,548,194
Amortization of tangible capital assets	(7,718,109)	(7,225,735)
Net book value of tangible capital assets disposed of	(1,422,063)	(93,586)
Repayment of capital long-term debt	1,671,420	1,947,110
Debt proceeds used during the year	(3,493,592)	(554,942)
BALANCE, END OF YEAR	\$229,597,892	\$226,320,749
Equity in Tangible Capital Assets is Comprised of the Following:		
Tangible capital assets net book value (<i>Note 8</i>)	\$249,776,188	\$244,676,873
Debt used for tangible capital assets	(20,178,296)	(18,356,124)
EQUITY IN TANGIBLE CAPITAL ASSETS	\$229,597,892	\$226,320,749

TOWN OF STONY PLAIN
Schedule of Net Municipal Taxes
For the Year Ended December 31, 2022

Schedule 2

	2022 (Budget) <i>(Note 20)</i>	2022 (Actual)	2021 (Actual)
TAXATION			
Real property taxes	\$ 25,766,733	\$ 25,922,375	\$ 24,986,977
Linear property taxes	313,210	354,576	328,948
Government grants in lieu of property taxes	119,351	94,745	89,828
Local improvement taxes	-	-	4,955
	26,199,294	26,371,696	25,410,708
REQUISITIONS			
Alberta School Foundation Fund	6,466,358	6,626,069	6,440,738
Catholic School boards	1,131,955	1,142,146	1,107,793
Seniors Foundation	140,894	193,715	138,337
Designated industrial property	2,134	2,271	2,200
	7,741,341	7,964,201	7,689,068
NET MUNICIPAL TAXES	\$ 18,457,953	\$ 18,407,495	\$ 17,721,640

TOWN OF STONY PLAIN
Schedule of Government Transfers
For the Year Ended December 31, 2022

Schedule 3

	2022 (Budget) (Note 20)	2022 (Actual)	2021 (Actual)
TRANSFERS FOR OPERATING			
Provincial government	\$ 1,563,008	\$ 2,025,661	\$ 2,060,024
Local governments	913,648	1,070,447	1,006,716
	2,476,656	3,096,108	3,066,740
TRANSFERS FOR CAPITAL			
Provincial government	6,158,500	4,483,290	7,318,532
Local government	-	-	84,787
	6,158,500	4,483,290	7,403,319
TOTAL GOVERNMENT TRANSFERS	\$ 8,635,156	\$ 7,579,398	\$ 10,470,059

TOWN OF STONY PLAIN
Schedule of Sales and User Charges
For the Year Ended December 31, 2022

Schedule 4

	2022 (Budget) (Note 20)	2022 (Actual)	2021 (Actual)
Water supply and distribution	\$ 4,954,769	\$ 5,006,836	\$ 5,230,482
Wastewater treatment and disposal	4,012,998	3,863,474	3,749,153
Waste management	1,968,488	1,994,048	1,941,564
Storm water	1,890,500	1,966,585	1,141,691
Golf course (Schedule 5)	1,702,300	1,945,998	1,954,957
Parks and recreation	222,880	1,717,748	1,370,419
Administrative	368,900	398,323	383,914
Other transportation	166,000	137,231	75,269
Planning and development	56,200	66,671	55,578
TOTAL SALES AND USER CHARGES	\$ 15,343,035	\$ 17,096,914	\$ 15,903,027

TOWN OF STONY PLAIN
Schedule of Golf Course Annual Surplus (Deficit)
For the Year Ended December 31, 2022

Schedule 5

	2022 (Budget) (Note 20)	2022 (Actual)	2021 (Actual)
REVENUE			
Green fees	\$ 1,138,400	\$ 1,199,014	\$ 1,243,569
Proshop	502,900	700,644	679,945
Food service	60,000	44,468	31,443
Summer employment grant	-	11,671	25,875
Other	1,000	1,872	-
	1,702,300	1,957,669	1,980,832
EXPENSES			
Grounds maintenance	593,497	700,408	694,200
Administration	565,680	589,097	621,834
Proshop	305,837	491,904	484,175
Amortization	132,925	136,092	131,610
Food service	28,600	38,879	30,789
	1,626,539	1,956,380	1,962,608
ANNUAL SURPLUS (DEFICIT)	\$ 75,761	\$ 1,289	\$ 18,224

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

Schedule 6

	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
Investment income	612,237	-	2,578	2,357	9,564	-	-	626,736	277,500
Fines	-	-	500,907	-	-	-	-	500,907	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	378,300
Transfers to local boards and organizations	-	333,093	2,000	-	-	-	-	335,093	1,425,429
Amortization	453,420	2,181,509	502,843	3,577,485	999,896	2,956	-	7,718,109	7,408,374
	7,104,167	12,201,359	8,149,848	8,235,323	10,305,986	2,514,494	1,077,914	49,589,091	46,387,171
NET REVENUE (DEFICIT)	\$ 543,786	\$ (1,746,270)	\$ (831,437)	\$ (4,529,859)	\$ 2,595,541	\$ 194,523	\$ (30,274)	\$ (3,803,990)	\$ (3,706,366)

TOWN OF STONY PLAIN
Schedule of Segmented Information
For The Year Ended December 31, 2021

Schedule 7

	General Government	Recreation & Culture	Protective Services	Transportation	Utilities	Development	Community & Social Development	Total 2021 Actual	2021 Budget
REVENUE									
Taxation	\$ 2,188,622	\$ 5,439,402	\$ 5,048,895	\$ 2,938,694	\$ 4,955	\$ 1,882,038	\$ 219,034	\$ 17,721,640	\$ 17,492,787
Sales and user charges	383,916	3,323,875	-	75,269	12,062,890	38,864	18,213	15,903,027	14,267,294
All other	3,702,591	516,761	325,224	104,872	49,204	641,350	45,705	5,385,707	5,367,088
Government transfers	168,780	640,618	1,125,088	365,502	-	144,077	622,675	3,066,740	2,706,358
Fines	-	-	537,007	-	-	-	-	537,007	556,500
Investment income	304,247	-	1,902	1,417	18,911	-	-	326,477	277,500
	6,748,156	9,920,656	7,038,116	3,485,754	12,135,960	2,706,329	905,627	42,940,598	40,667,527
EXPENSES									
Materials, goods, contracted and general services	2,024,382	3,596,345	3,938,290	838,931	7,861,449	928,125	187,588	19,375,110	16,342,068
Salaries, wages, and benefits	3,708,642	3,956,786	2,630,096	1,331,296	998,365	1,558,205	718,039	14,901,429	15,216,769
Repairs and maintenance	21,812	513,373	418,112	473,473	560,124	435	-	1,987,329	1,548,808
Utilities	89,400	407,509	27,479	858,507	96,885	-	-	1,479,780	1,411,432
Interest on long term debt	62,693	141,954	339,041	222,869	244	-	-	766,801	669,874
Transfers to local boards and organizations	-	328,489	2,000	-	-	-	-	330,489	346,494
Insurance	223,799	68,472	15,990	27,531	44,685	-	-	380,477	1,371,929
Amortization	429,838	1,980,284	502,155	3,336,705	973,797	2,956	-	7,225,735	6,807,670
	6,560,566	10,993,212	7,873,163	7,089,312	10,535,549	2,489,721	905,627	46,447,150	43,715,044
NET REVENUE (DEFICIT)	\$ 187,590	\$ (1,072,556)	\$ (835,047)	\$ (3,603,558)	\$ 1,600,411	\$ 216,608	\$ -	\$ (3,506,552)	(3,047,517)

TOWN OF STONY PLAIN
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2022

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 17.

(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) 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.

(d) 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.

(CONT'D)

TOWN OF STONY PLAIN
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2022

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Investments

Investments are recorded at amortized cost. Investment premiums and discounts are amortized 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. Gains on principal protected notes are recognized as income when sold.

(f) 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.

(g) 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.

(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.

(CONT'D)

TOWN OF STONY PLAIN
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2022

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) 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.

(j) 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.

(k) 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 and the useful lives of tangible capital assets.

(l) Pension Expenses

Contributions for current and past service pension benefits are recorded as expenses in the year in which they become due.

(m) New Accounting Standards not yet Adopted

Effective for fiscal years beginning on or after April 1, 2022, PS 3280 Asset Retirement Obligations provides guidance on how to account for and report liabilities for retirement of tangible capital assets.

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.

2. CASH AND CASH EQUIVALENTS

	2022	2021
Cash on hand	\$ 2,661	\$ 2,674
Operating accounts	13,765,543	8,722,349
Savings account	1,246,970	1,215,520
	\$ 15,015,174	\$ 9,940,543

TOWN OF STONY PLAIN
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2022

3. RECEIVABLES

	2022	2021
Trade and other accounts receivable	\$ 4,649,353	\$ 6,091,429
Utilities	1,065,759	1,012,522
Taxes and grants in place of taxes	850,838	948,679
Goods and Services Tax	183,960	310,476
	\$ 6,749,910	\$ 8,363,106

4. INVESTMENTS

	2022		2021	
	Carrying Value	Market Value	Carrying Value	Market Value
Corporate bonds	\$ 17,168,698	\$ 16,118,607	\$ 22,996,353	\$ 22,892,841
Principal protected notes	6,188,800	5,689,269	6,006,800	5,898,020
	\$ 23,357,498	\$ 21,807,876	\$ 29,003,153	\$ 28,790,861

Corporate bonds have coupon interest rates ranging from 1.67% - 4.86% (2021 - 0.50% to 4.86%) with maturity dates from March 2023 to October 2031.

The market value of the bonds and principal protected notes are based on quoted market values. The market value of the bonds and principal protected notes fluctuate with changes in market interest rates and indices. 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. Market values are based on market conditions at a certain point in time and as such, may not be reflective of future fair values.

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2022	2021
Trade and other accounts payable	\$ 7,401,160	\$ 8,530,419
Earned vacation	336,450	327,435
Accrued sick pay	303,444	287,673
Accrued interest on long-term debt	167,735	165,157
	\$ 8,208,789	\$ 9,310,684

TOWN OF STONY PLAIN
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2022

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.

	2021	Additions	Revenue Recognized	2022
Developer contributions	\$ 2,944,348	\$ 409,404	\$ (979,785)	\$ 2,373,967
Canada Community-Building Fund	2,173,569	1,137,486	-	3,311,055
Municipal Sustainability Initiative	1,792,264	4,314,520	(3,661,072)	2,445,712
Other	337,969	142,017	(184,963)	295,023
Tri-Municipal integration grant	150,000	-	-	150,000
Municipal Stimulus Program	343,735	-	(343,735)	-
Affordable Housing	40,406	715	(41,121)	-
	\$ 7,782,291	\$ 6,004,142	\$ (5,210,676)	\$ 8,575,757

7. LONG-TERM DEBT

	2022	2021
Debentures	\$ 29,802,858	\$ 31,449,538
Term loan	1,801,260	-
	\$ 31,604,118	\$ 31,449,538

Principal and interest payments are due as follows:

	Principal	Interest	Total
2023	\$ 1,716,531	\$ 899,667	\$ 2,616,198
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
Thereafter	22,801,895	3,415,557	26,217,452
	\$ 31,604,118	\$ 7,387,092	\$ 38,991,210

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

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

Interest on long-term debt amounted to \$887,293 (2021 - \$766,799).

The Town's cash payments for interest in 2022 were \$884,715 (2021 - \$710,348).

TOWN OF STONY PLAIN
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2022

8. TANGIBLE CAPITAL ASSETS

	2022	2021
	Net Book Value	
Engineered structures		
Roadways	\$ 58,535,037	\$ 56,331,084
Wastewater systems	27,340,800	27,719,402
Storm systems	27,095,181	26,050,368
Water systems	19,486,651	19,560,638
Work in progress*	5,195,684	2,487,487
Other	1,530	5,144
	137,654,883	132,154,123
Land	40,748,545	39,563,436
Buildings	44,798,240	46,178,042
Land improvements	17,911,993	18,439,906
Machinery, equipment, and furnishings	4,904,591	4,985,552
Vehicles	3,757,936	3,355,814
	\$ 249,776,188	\$ 244,676,873

	Cost Beginning of Year	Additions	Disposals	Transfers	Cost End of Year
Engineered structures					
Roadways	\$ 97,049,626	\$ 5,044,432	\$ (808,027)	\$ 47,050	\$ 101,333,081
Wastewater systems	36,087,002	96,964	-	20,868	36,204,834
Water systems	30,590,616	373,883	(75,337)	21,586	30,910,748
Storm systems	30,638,849	177,102	-	1,279,296	32,095,247
Work in progress*	2,487,487	4,593,568	(142,265)	(1,743,106)	5,195,684
Other	327,038	-	-	-	327,038
	197,180,618	10,285,949	(1,025,629)	(374,306)	206,066,632
Land	39,563,436	2,179,763	(994,654)	-	40,748,545
Buildings	61,675,292	102,870	(73,760)	-	61,704,402
Machinery, equipment, and furnishings	11,693,015	676,199	(696,105)	42,246	11,715,355
Land improvements	27,776,292	231,195	-	332,060	28,339,547
Vehicles	6,211,727	763,511	(229,959)	-	6,745,279
	\$ 344,100,380	\$ 14,239,487	\$ (3,020,107)	\$ -	\$ 355,319,760

	Accumulated Amortization Beginning of Year	Current Amortization	Disposals	Transfers	Accumulated Amortization End of Year
Engineered structures					
Roadways	\$ 40,718,542	\$ 2,726,117	\$ (646,615)	-	\$ 42,798,044
Water systems	11,029,978	438,893	(44,774)	-	11,424,097
Wastewater systems	8,367,600	496,434	-	-	8,864,034
Storm systems	4,588,481	411,585	-	-	5,000,066
Other	321,894	3,614	-	-	325,508
	65,026,495	4,076,643	(691,389)	-	68,411,749
Buildings	15,497,250	1,482,672	(73,760)	-	16,906,162
Machinery, equipment, and furnishings	6,707,463	706,237	(602,936)	-	6,810,764
Land improvements	9,336,386	1,091,168	-	-	10,427,554
Vehicles	2,855,913	361,389	(229,959)	-	2,987,343
	\$ 99,423,507	\$ 7,718,109	\$ (1,598,044)	\$ -	\$ 105,543,572

*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, 2022

9. ACCUMULATED SURPLUS

	2022	2021
Unrestricted surplus	\$ 2,571,498	\$ 1,343,228
Developer deficit	(2,339,658)	(2,240,653)
Restricted surplus		
Operating reserves (Note 10)	6,321,074	6,467,354
Capital reserves (Note 10)	8,979,505	9,729,376
Equity in tangible capital assets (Schedule 1)	229,597,892	226,320,749
	\$ 245,130,311	\$ 241,620,054

10. RESERVES

	2022	2021
OPERATING		
Tax levy stabilization	\$ 3,570,892	\$ 3,922,182
Police and Public Safety	949,637	932,442
Utility rate stabilization	648,531	497,170
Legacy	330,827	238,983
Public arts	241,677	265,447
Technology	216,997	176,066
Snow removal	200,460	300,461
Mural preservation	74,483	74,142
Safety rebate	50,570	60,461
Golf course operating	37,000	-
	\$ 6,321,074	\$ 6,467,354
CAPITAL		
Roads capital	\$ 2,258,394	\$ 2,029,172
Water capital	1,302,459	1,065,593
Sewer capital	1,178,236	552,540
Capital equipment replacement	925,921	1,143,694
Life cycle - heritage park	748,431	842,172
Fire equipment	496,654	294,482
Storm capital	418,558	235,642
Trails	344,229	503,854
Recreation and culture	341,396	341,396
Life cycle - arena	333,844	296,844
Life cycle - library	282,129	255,845
Life cycle - pool	235,078	225,078
Public	205,370	201,052
Life cycle - community centre	204,102	199,102
Life cycle - fire hall	173,115	163,115
TransAlta Tri Leisure Centre (Note 1 (a))	145,646	182,657
Life cycle - outdoor recreation	125,657	99,297
General purpose	106,363	113,587
Waste management capital	105,047	103,867
Life cycle - common services building	97,954	107,954
Life cycle - Forest Green Plaza	90,000	75,000
Life cycle - youth centre	80,409	80,409
Life cycle - parkland building	74,008	74,008
Golf course capital	65,532	92,684
Town - administration building	58,973	75,320
Life cycle - Old Firehall	20,000	20,000
Life cycle - RCMP	15,000	10,000
Economic development and regional reserve	-	7,012
Stony Plain central land	(1,453,000)	338,000
	\$ 8,979,505	\$ 9,729,376

TOWN OF STONY PLAIN
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2022

11. 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.

12. 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, 2022 or December 31, 2021.

13. FRANCHISE AND CONCESSION CONTRACTS

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

	2022	2021
Fortis Alberta Inc.	\$ 2,206,345	\$ 2,065,034
Atco Gas	1,717,712	1,343,441
West Parkland Gas Co-op Ltd.	58,882	59,486
	\$ 3,982,939	\$ 3,467,961

14. CONTRIBUTED TANGIBLE CAPITAL ASSETS

	2022	2021
Roadway systems	\$ 1,794,010	\$ 41,747
Storm systems	111,390	124,000
Water systems	99,089	225,300
Wastewater systems	96,964	94,970
Land	65,400	94,100
Land improvements	10,500	-
	\$ 2,177,353	\$ 580,117

TOWN OF STONY PLAIN
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2022

15. 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:

	2022	2021
Total debt limit	\$ 68,677,652	\$ 64,410,897
Total debt	(31,604,118)	(31,449,538)
Total debt limits available	\$ 37,073,534	\$ 32,961,359
Service on debt limit	\$ 11,446,275	\$ 10,735,150
Service on debt	(2,616,198)	(2,508,311)
Service on debt limit available	\$ 8,830,077	\$ 8,226,839

16. 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:

			2022	2021
	Salary	Benefits and Allowances	Total	Total
Choy (Mayor)	\$ 77,389	\$ 9,963	\$ 87,352	\$ 88,417
Laurie	38,205	8,392	46,597	48,521
Anderson	38,205	8,389	46,594	10,541
Loyns	38,205	8,184	46,389	10,541
Meyer	38,205	7,290	45,495	47,105
Pawlechko	38,205	7,246	45,451	47,405
Hansard	38,205	6,867	45,072	10,292
Matties	-	-	-	37,802
Lloy	-	-	-	36,500
Bennett	-	-	-	34,824
	\$ 306,619	\$ 56,331	\$ 362,950	\$ 371,948
Town Manager	\$ 207,984	\$ 37,908	\$ 245,892	\$ 245,202

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, 2022

17. GOVERNMENT PARTNERSHIPS

The Town's financial statements include its share of operations 2022 - 26.1% (2021 - 26.1%) of the TransAlta Tri Leisure Centre. Condensed financial information of the TransAlta Tri Leisure Centre is as follows:

	2022	2021
FINANCIAL ASSETS		
Cash and investments	\$ 1,191,918	\$ 1,184,738
Receivables	329,586	221,376
	1,521,504	1,406,114
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities	392,683	370,192
Deferred revenue	525,981	483,174
	918,664	853,366
NET FINANCIAL ASSETS	602,840	552,748
NON-FINANCIAL ASSETS		
Tangible capital assets	1,582,011	1,799,605
Prepaid expenses and inventory for consumption	164,696	146,553
	1,746,707	1,946,158
ACCUMULATED SURPLUS	\$ 2,349,547	\$ 2,498,906
REVENUE		
Pass and program fees and rental	\$ 4,546,541	\$ 2,425,355
Partnership contributions	2,453,545	2,381,942
Corporate sponsors and donations	285,387	277,102
All other	622,217	657,932
	7,907,690	5,742,331
EXPENSES		
Salaries and benefits	4,121,720	3,076,828
Utilities	996,854	851,982
All other	2,938,475	2,397,757
	8,057,049	6,326,567
ANNUAL SURPLUS (DEFICIT)	\$ (149,359)	\$ (584,236)

18. 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, 2022

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.

19. FINANCIAL INSTRUMENTS

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

The Town is subject to credit risk with respect to receivables. Credit risk arises from the possibility that the Town's customers may experience financial difficulty and be unable to fulfil their obligations. The large number and diversity of customers minimizes the Town's credit risk.

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

20. BUDGET FIGURES

The budget figures presented in these consolidated financial statements are based upon the 2022 operating and capital budgets approved by Council on November 29, 2021.

The table below reconciles the approved budget figures reported in these consolidated financial statements.

ANNUAL SURPLUS	\$ 3,124,504
Deduct:	
Purchase of tangible capital assets	(21,573,500)
Transfers to reserves	(3,994,373)
Long-term debt repayment	(1,646,680)
Add back:	
Amortization	7,408,374
Debenture proceeds	12,848,630
Transfers from reserves	<u>3,833,045</u>
	<u>\$ -</u>

TOWN OF STONY PLAIN
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2022

21. 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 12.80% 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 11.80% on pensionable earnings above this amount.

Total current service contributions by the Town to the LAPP in 2022 were \$1,016,330 (2021 - \$1,071,148). Total current service contributions by the employees of the Town to the LAPP in 2022 were \$910,826 (2021 - \$970,161).

At December 31, 2021, the Plan disclosed an actuarial surplus of \$11.922 billion (2020 - \$4.961 billion).

22. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by Council.
