

TOWN OF STONY PLAIN
Consolidated Financial Statements
For the Year Ended December 31, 2021

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, 2021 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, 2021 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 25, 2022

**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.

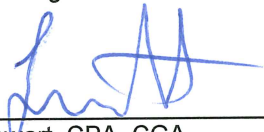
The consolidated financial statements are prepared by management, in accordance with Canadian public sector accounting standards established by the Canadian Public Sector Accounting Board. They necessarily include some amounts that are based on the best estimates and judgments of management.

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
Acting - General Manager, Corporate Services

TOWN OF STONY PLAIN
Consolidated Statement of Financial Position
As at December 31, 2021

	2021	2020 (Restated) (Note 23)
FINANCIAL ASSETS		
Cash and cash equivalents (Note 2)	9,940,543	12,979,789
Receivables (Note 3)	8,363,106	10,497,848
Land held for resale	117,990	117,990
Investments (Note 4)	29,003,153	15,693,754
	47,424,792	39,289,381
LIABILITIES		
Accounts payable and accrued liabilities (Note 5)	9,310,684	7,645,572
Deposit liabilities	2,216,260	2,709,453
Deferred revenue (Note 6)	7,782,291	9,975,963
Long-term debt (Note 7)	31,449,538	21,321,648
	50,758,773	41,652,636
NET DEBT	(3,333,981)	(2,363,255)
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 8)	244,676,873	238,448,000
Prepaid expenses	173,349	150,010
Inventories for consumption	103,813	101,757
	244,954,035	238,699,767
ACCUMULATED SURPLUS (NOTE 9)	\$ 241,620,054	\$ 236,336,512

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, 2021

	2021 (Budget) (Note 20)	2021 (Actual)	2020 (Actual) (Restated) (Note 23)
REVENUE			
Net taxes available for municipal purposes (Schedule 2)	\$ 17,492,787	\$ 17,721,640	\$ 17,445,227
Sales and user charges (Schedule 4)	14,267,294	15,903,027	14,461,856
Franchise and concession contracts (Note 13)	3,481,954	3,467,962	3,068,481
Government transfers for operating (Schedule 3)	2,706,358	3,066,740	4,582,952
Rentals	902,124	755,890	1,052,679
Licenses and permits	491,000	613,267	511,615
Fines	556,500	537,007	720,284
Investment income	277,500	326,477	481,747
Other	238,010	310,375	189,901
Penalties and costs on taxes	254,000	238,213	215,593
	40,667,527	42,940,598	42,730,335
EXPENSES			
Recreation and culture	9,561,025	10,993,212	9,958,923
Utilities	9,680,380	10,535,549	9,085,943
Protective services	7,204,319	7,873,163	7,032,675
Transportation	7,197,709	7,089,312	6,660,037
General government	6,381,159	6,266,013	5,697,910
Development	2,767,058	2,784,274	2,797,784
Family and Community Support Services	923,394	905,627	874,883
	43,715,044	46,447,150	42,108,155
ANNUAL SURPLUS (DEFICIT) BEFORE OTHER REVENUE (EXPENSE)	(3,047,517)	(3,506,552)	622,180
OTHER REVENUE (EXPENSE)			
Government transfers for capital (Schedule 3)	3,130,000	7,403,319	6,792,027
Contributed tangible capital assets (Note 14)	-	580,117	2,731,962
Developer contributions for capital	100,000	836,713	292,013
Other revenue of capital	-	-	225,000
Gain (loss) on disposal of tangible capital assets	-	(30,055)	31,463
	3,230,000	8,790,094	10,072,465
ANNUAL SURPLUS	182,483	5,283,542	10,694,645
ACCUMULATED SURPLUS, BEGINNING OF YEAR, AS PREVIOUSLY STATED	-	232,779,011	222,104,459
Restatement (Note 23)	-	3,537,408	3,537,408
ACCUMULATED SURPLUS, BEGINNING OF YEAR	236,336,512	236,336,512	225,641,867
ACCUMULATED SURPLUS, END OF YEAR (NOTE 9)	\$ 236,518,995	\$ 241,620,054	\$ 236,336,512

TOWN OF STONY PLAIN
Consolidated Statement of Changes in Net Debt
For the Year Ended December 31, 2021

	2021 (Budget) (Note 20)	2021 (Actual)	2020 (Actual) (Restated) (Note 23)
ANNUAL SURPLUS	\$ 182,483	\$ 5,283,542	\$ 10,694,645
Acquisition of tangible capital assets	(6,184,500)	(13,548,194)	(14,581,986)
Proceeds on disposal of tangible capital assets	-	63,531	1,464,504
Amortization of tangible capital assets	6,807,670	7,225,735	6,895,648
Loss (gain) on disposal of tangible capital assets	-	30,055	(31,463)
	623,170	(6,228,873)	(6,253,297)
Use (acquisition) of inventory for consumption	-	(2,056)	16,806
Use (acquisition) of prepaid expenses	-	(23,339)	(29,923)
	-	(25,395)	(13,117)
DECREASE (INCREASE) IN NET DEBT	805,653	(970,726)	4,428,231
NET DEBT, BEGINNING OF YEAR	(2,363,255)	(2,363,255)	(6,791,486)
NET DEBT, END OF YEAR	\$ (1,557,602)	\$ (3,333,981)	\$ (2,363,255)

TOWN OF STONY PLAIN
Consolidated Statement of Cash Flows
For the Year Ended December 31, 2021

	2021	2020 (Restated) (Note 23)
OPERATING ACTIVITIES		
Cash from operations		
Annual surplus	\$ 5,283,542	\$ 10,694,645
Non-cash items included in annual surplus:		
Amortization of tangible capital assets	7,225,735	6,895,648
Amortization of investment premium/discounts	(17,417)	(20,076)
Loss (gain) on sale of investments	-	(20,750)
Loss (gain) on disposal of tangible capital assets	30,055	(31,463)
Tangible capital assets received as contributions	(580,117)	(2,731,962)
Change in non-cash working capital balances related to operations:		
Receivables	2,134,742	(3,221,962)
Prepaid expenses	(23,339)	(29,923)
Inventories for consumption	(2,056)	16,806
Accounts payable and accrued liabilities	1,665,112	(1,857,358)
Deposit liabilities	(493,193)	23,462
Deferred revenue	(2,193,672)	(1,780,753)
	13,029,392	7,936,314
FINANCING ACTIVITIES		
Repayment of long-term debt	(1,947,110)	(1,433,355)
Long-term debt issued	12,075,000	-
	10,127,890	(1,433,355)
INVESTING ACTIVITIES		
Purchases of investments	(22,393,182)	(9,233,400)
Proceeds on sale of investments	9,101,200	9,744,136
	(13,291,982)	510,736
CAPITAL ACTIVITIES		
Proceeds from sale of tangible capital assets	63,531	1,464,504
Purchase of tangible capital assets	(12,968,077)	(11,850,024)
	(12,904,546)	(10,385,520)
CHANGE IN CASH AND CASH EQUIVALENTS DURING YEAR	(3,039,246)	(3,371,825)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	12,979,789	16,351,614
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 9,940,543	\$ 12,979,789

TOWN OF STONY PLAIN
Schedule of Equity in Tangible Capital Assets
For the Year Ended December 31, 2021

Schedule 1

	2021	2020
BALANCE, BEGINNING OF YEAR	\$218,699,708	\$209,670,457
Acquisition of tangible capital assets	13,548,194	14,581,986
Amortization of tangible capital assets	(7,225,735)	(6,895,648)
Net book value of tangible capital assets disposed of	(93,586)	(1,433,041)
Repayment of capital long-term debt	1,947,110	2,849,858
Debt proceeds used during the year	(554,942)	(73,904)
BALANCE, END OF YEAR	\$226,320,749	\$218,699,708
Equity in Tangible Capital Assets is Comprised of the Following:		
Tangible capital assets net book value (Note 8)	\$244,676,873	\$238,448,000
Debt used for tangible capital assets	(18,356,124)	(19,748,292)
EQUITY IN TANGIBLE CAPITAL ASSETS	\$226,320,749	\$218,699,708

TOWN OF STONY PLAIN
Schedule of Net Municipal Taxes
For the Year Ended December 31, 2021

Schedule 2

	2021 (Budget) (Note 20)	2021 (Actual)	2020 (Actual)
TAXATION			
Real property taxes	\$ 24,686,556	\$ 24,986,977	\$ 24,640,802
Linear property taxes	305,850	328,948	306,394
Government grants in lieu of property taxes	119,851	89,828	130,547
Local improvement taxes	4,955	4,955	4,955
	25,117,212	25,410,708	25,082,698
REQUISITIONS			
Alberta School Foundation Fund	6,380,588	6,440,738	6,393,558
Catholic School boards	1,100,809	1,107,793	1,100,809
Seniors Foundation	140,894	138,337	140,970
Designated industrial property	2,134	2,200	2,134
	7,624,425	7,689,068	7,637,471
NET MUNICIPAL TAXES	\$ 17,492,787	\$ 17,721,640	\$ 17,445,227

TOWN OF STONY PLAIN
Schedule of Government Transfers
For the Year Ended December 31, 2021

Schedule 3

	2021 (Budget) (Note 20)	2021 (Actual)	2020 (Actual)
TRANSFERS FOR OPERATING			
Provincial government	\$ 1,778,980	\$ 2,060,024	\$ 3,623,972
Local governments	927,378	1,006,716	958,980
	2,706,358	3,066,740	4,582,952
TRANSFERS FOR CAPITAL			
Provincial government	3,130,000	7,318,532	6,792,027
Local government	-	84,787	-
	3,130,000	7,403,319	6,792,027
TOTAL GOVERNMENT TRANSFERS	\$ 5,836,358	\$ 10,470,059	\$ 11,374,979

TOWN OF STONY PLAIN
Schedule of Sales and User Charges
For the Year Ended December 31, 2021

Schedule 4

	2021 (Budget) (Note 20)	2021 (Actual)	2020 (Actual)
Water supply and distribution	\$ 5,081,162	\$ 5,230,482	\$ 4,719,311
Wastewater treatment and disposal	3,792,192	3,749,153	3,465,885
Golf course (Schedule 5)	1,523,925	1,954,957	1,774,343
Waste management	1,929,306	1,941,564	1,932,729
Storm water	1,108,969	1,141,691	909,809
Parks and recreation	267,880	1,370,419	1,221,836
Administrative	353,260	383,914	360,509
Other transportation	154,400	75,269	30,349
Planning and development	56,200	55,578	47,085
TOTAL SALES AND USER CHARGES	\$ 14,267,294	\$ 15,903,027	\$ 14,461,856

TOWN OF STONY PLAIN
Schedule of Golf Course Annual Surplus (Deficit)
For the Year Ended December 31, 2021

Schedule 5

	2021 (Budget) (Note 20)	2021 (Actual)	2020 (Actual)
REVENUE			
Green fees	\$ 959,500	\$ 1,243,569	\$ 1,188,136
Proshop	509,425	679,945	531,211
Food service	54,000	31,443	54,710
Other	1,000	-	286
	1,523,925	1,954,957	1,774,343
EXPENSES			
Grounds maintenance	520,081	694,200	527,255
Administration	542,335	621,834	569,192
Proshop	291,860	484,175	318,825
Amortization	126,383	131,610	138,678
Food service	23,600	30,789	88,127
	1,504,259	1,962,608	1,642,077
ANNUAL SURPLUS (DEFICIT)	\$ 19,666	\$ (7,651)	\$ 132,266

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

Schedule 6

	General Government	Recreation & Culture	Protective Services	Transportation	Utilities	Development	Family & Community Support Services	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	38,884	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	1,858,146	3,596,345	3,938,290	838,931	7,861,449	1,094,362	187,588	19,375,111	16,342,068
Salaries, wages, and benefits	3,580,325	3,956,786	2,630,096	1,331,296	998,365	1,686,521	718,039	14,901,428	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
Insurance	223,799	68,472	15,990	27,531	44,685	-	-	380,477	346,494
Transfers to local boards and organizations	-	328,489	2,000	-	-	-	-	330,489	1,371,929
Amortization	429,838	1,980,284	502,155	3,336,705	973,797	2,956	-	7,225,735	6,807,670
	6,266,013	10,993,212	7,873,163	7,089,312	10,535,549	2,784,274	905,627	46,447,150	43,715,044
NET REVENUE (DEFICIT)	\$ 482,143	\$ (1,072,556)	\$ (835,047)	\$ (3,603,558)	\$ 1,600,411	\$ (77,945)	\$ -	\$ (3,506,552)	\$ (3,047,517)

See accompanying notes to consolidated financial statements.

TOWN OF STONY PLAIN
Schedule of Segmented Information
For The Year Ended December 31, 2020

Schedule 7

	General Government	Recreation & Culture	Protective Services	Transportation	Utilities	Development	Family & Community Support Services	Total 2020 Actual	2020 Budget
REVENUE									
Taxation	2,154,485	5,269,603	4,970,145	3,062,714	4,955	1,852,683	130,642	17,445,227	17,447,440
Sales and user charges	360,510	2,996,179	-	30,349	11,027,733	35,085	12,000	14,461,856	12,206,257
All other	3,242,516	374,271	732,851	2,643	45,591	523,975	116,422	5,038,269	4,134,030
Government transfers	1,942,115	623,083	1,096,662	285,253	-	20,020	615,819	4,582,952	2,515,675
Fines	-	-	720,284	-	-	-	-	720,284	881,500
Investment income	384,898	-	5,470	1,464	89,915	-	-	481,747	277,000
	8,084,524	9,263,136	7,525,412	3,382,423	11,168,194	2,431,763	874,883	42,730,335	37,461,902
EXPENSES									
Materials, goods, contracted and general services	1,790,366	3,247,693	3,792,443	682,467	6,572,022	1,327,713	145,119	17,557,823	16,389,867
Salaries, wages, and benefits	3,230,576	3,499,517	2,297,460	1,188,986	980,009	1,467,017	713,935	13,377,500	13,260,549
Repairs and maintenance	23,676	340,645	90,535	601,101	442,398	98	-	1,498,453	1,319,096
Utilities	87,875	347,147	26,776	816,517	92,627	-	5,306	1,376,248	1,332,175
Interest on long term debt	61,467	144,320	358,859	148,281	521	-	-	713,448	725,969
Transfers to local boards and organizations	-	319,440	26,000	-	-	-	10,523	355,963	1,371,343
Insurance	183,182	63,667	14,573	31,060	40,590	-	-	333,072	324,273
Amortization	320,768	1,996,494	426,029	3,191,625	957,776	2,956	-	6,895,648	6,783,206
	5,697,910	9,958,923	7,032,675	6,660,037	9,085,943	2,797,784	874,883	42,108,155	41,506,478
NET REVENUE (DEFICIT)	\$ 2,386,614	\$ (695,787)	\$ 492,737	\$ (3,277,614)	\$ 2,082,251	\$ (366,021)	\$ -	\$ 622,180	(4,044,576)

See accompanying notes to consolidated financial statements.

TOWN OF STONY PLAIN
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2021

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, 2021

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, 2021

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

	2021	2020
Cash on hand	\$ 2,674	\$ 2,974
Operating accounts	8,722,349	9,775,675
Savings account	1,215,520	3,201,140
	\$ 9,940,543	\$ 12,979,789

TOWN OF STONY PLAIN
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2021

3. RECEIVABLES

	2021	2020
Trade and other accounts receivable	\$ 6,091,429	\$ 7,386,561
Utilities	1,012,522	883,215
Taxes and grants in place of taxes	948,679	1,724,396
Goods and Services Tax	310,476	503,676
	\$ 8,363,106	\$10,497,848

4. INVESTMENTS

	2021		2020	
	Carrying Value	Market Value	Carrying Value	Market Value
Corporate bonds	\$ 22,996,353	\$ 22,892,841	\$ 12,174,454	\$ 12,426,658
Principal protected notes	6,006,800	5,898,020	3,519,300	3,498,426
	\$ 29,003,153	\$ 28,790,861	\$ 15,693,754	\$ 15,925,084

Corporate bonds bear interest at rates ranging from 0.50% - 4.86% (2020 - 0.95% to 4.86%) with maturity dates from March 2022 to January 2033.

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

	2021	2020
Trade and other accounts payable	\$ 8,530,419	\$ 6,967,192
Earned vacation	327,435	282,002
Accrued sick pay	287,673	287,673
Accrued interest on long-term debt	165,157	108,705
	\$ 9,310,684	\$ 7,645,572

TOWN OF STONY PLAIN
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2021

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.

	2020 (Restated) (Note 23)	Additions	Revenue Recognized	2021
Developer contributions	\$ 3,322,041	\$ 407,105	\$ (784,798)	\$ 2,944,348
Canada Community-Building Fund	806,237	2,100,395	(733,063)	2,173,569
Municipal Sustainability Initiative	4,507,842	2,348,468	(5,064,046)	1,792,264
Municipal Stimulus Program	719,478	1,120,862	(1,496,605)	343,735
Other	511,594	550,291	(723,916)	337,969
Tri-Municipal integration grant	-	150,000	-	150,000
Affordable Housing	108,771	642	(69,007)	40,406
	\$ 9,975,963	\$ 6,677,763	\$ (8,871,435)	\$ 7,782,291

7. LONG-TERM DEBT

	2021	2020
Supported by general tax levies	\$ 31,449,538	\$ 21,316,984
Supported by special levies	-	4,664
	\$ 31,449,538	\$ 21,321,648

Principal and interest payments are due as follows:

	Principal	Interest	Total
2022	\$ 1,646,680	\$ 861,631	\$ 2,508,311
2023	1,660,968	811,758	2,472,726
2024	1,710,230	762,496	2,472,726
2025	1,761,022	711,704	2,472,726
2026	1,658,025	661,085	2,319,110
Thereafter	23,012,613	4,118,312	27,130,925
	\$ 31,449,538	\$ 7,926,986	\$ 39,376,524

Debenture debt is repayable to the Government of Alberta and bears interest at rates ranging from 2.297% to 6.250% per annum maturing in years 2022 through 2041.

Interest on long-term debt amounted to \$766,801 (2020 - \$713,447).

The Town's cash payments for interest in 2021 were \$710,348 (2020 - \$725,968).

TOWN OF STONY PLAIN
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2021

8. TANGIBLE CAPITAL ASSETS

	2021		2020	
	Net Book Value			
Engineered structures				
Roadways	\$	56,331,084	\$	53,614,148
Wastewater systems		27,719,402		28,037,100
Storm systems		26,050,368		25,676,099
Water systems		19,560,638		19,179,939
Work in progress*		2,487,487		3,964,273
Other		5,144		15,405
		132,154,123		130,486,964
Land		39,563,436		39,053,149
Buildings		46,178,042		42,263,353
Land improvements		18,439,906		18,341,451
Machinery, equipment, and furnishings		4,985,552		4,704,350
Vehicles		3,355,814		3,598,733
	\$	244,676,873	\$	238,448,000
	Cost		Cost	
	Beginning of	Additions	End of	
	Year		Year	
Engineered structures				
Roadways	\$ 92,339,688	\$ 3,055,359	\$ (499,766)	\$ 97,049,626
Wastewater systems	35,909,902	177,100	-	36,087,002
Water systems	29,798,294	680,722	-	30,590,616
Storm systems	29,863,335	725,782	-	30,638,849
Work in progress*	3,964,273	3,752,038	-	2,487,487
Other	327,038	-	-	327,038
	192,202,530	8,391,001	(499,766)	197,180,618
Land	39,053,149	545,287	(35,000)	39,563,436
Buildings	56,459,980	3,253,973	(61,631)	61,675,292
Machinery, equipment, and furnishings	11,257,965	534,535	(539,341)	11,693,015
Land improvements	26,670,610	707,169	(51,808)	27,776,292
Vehicles	6,333,984	116,229	(238,486)	6,211,727
	\$ 331,978,218	\$ 13,548,194	\$ (1,426,032)	\$ 344,100,380
	Accumulated		Accumulated	
	Amortization	Current	Amortization	
	Beginning of	Amortization	End of	
	Year		Year	
Engineered structures				
Roadways	\$ 38,725,540	\$ 2,475,297	\$ (482,295)	\$ 40,718,542
Water systems	10,618,355	411,623	-	11,029,978
Wastewater systems	7,872,802	494,798	-	8,367,600
Storm systems	4,187,236	401,245	-	4,588,481
Other	311,633	10,261	-	321,894
	61,715,566	3,793,224	(482,295)	65,026,495
Buildings	14,196,627	1,360,746	(60,123)	15,497,250
Machinery, equipment, and furnishings	6,553,615	653,675	(499,827)	6,707,463
Land improvements	8,329,159	1,058,942	(51,715)	9,336,386
Vehicles	2,735,251	359,148	(238,486)	2,855,913
	\$ 93,530,218	\$ 7,225,735	\$ (1,332,446)	\$ 99,423,507

*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, 2021

9. ACCUMULATED SURPLUS

	2021	2020 (Restated) (Note 23)
Unrestricted surplus (deficit)	\$ 1,343,228	\$ 6,276,113
Developer deficit	(2,240,653)	(2,331,576)
Restricted surplus		
Operating reserves (Note 10)	6,467,354	5,964,824
Capital reserves (Note 10)	9,729,376	7,727,443
Equity in tangible capital assets (Schedule 1)	226,320,749	218,699,708
	\$ 241,620,054	\$ 236,336,512

10. RESERVES

	2021	2020
OPERATING		
Tax levy stabilization	\$ 3,922,182	\$ 4,450,881
Police and Public Safety	932,442	220,677
Utility rate stabilization	497,170	391,501
Snow removal	300,461	300,461
Public arts	265,447	235,447
Legacy	238,983	147,237
Technology	176,066	85,660
Mural preservation	74,142	75,455
Safety rebate	60,461	57,505
	\$ 6,467,354	\$ 5,964,824
CAPITAL		
Roads capital	\$ 2,029,172	\$ 115,827
Capital equipment replacement	1,143,694	390,407
Water capital	1,065,593	1,595,944
Life cycle - heritage park	842,172	875,786
Sewer capital	552,540	584,542
Trails	503,854	641,119
Recreation and culture	341,396	341,396
Stony Plain central land	338,000	119,000
Life cycle - arena	296,844	398,974
Fire equipment	294,482	75,928
Life cycle - library	255,845	313,760
TransAlta Tri Leisure Centre (Note 1 (a))	182,657	237,076
Life cycle - pool	225,078	215,078
Storm capital	235,642	182,965
Public	201,052	188,169
Life cycle - community centre	199,102	194,102
Life cycle - fire hall	163,115	153,115
General purpose	113,587	315,597
Life cycle - common services building	107,954	87,954
Waste management capital	103,867	102,702
Life cycle - outdoor recreation	99,297	72,937
Golf course capital	92,684	20,042
Life cycle - youth centre	80,409	80,409
Town - administration building	75,320	181,950
Life cycle - Forest Green Plaza	75,000	60,000
Life cycle - parkland building	74,008	107,664
Life cycle - Old Firehall	20,000	20,000
Life cycle - RCMP	10,000	5,000
Economic development and regional reserve	7,012	50,000
	\$ 9,729,376	\$ 7,727,443

TOWN OF STONY PLAIN
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2021

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, 2021 or December 31, 2020.

13. FRANCHISE AND CONCESSION CONTRACTS

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

	2021	2020
Fortis Alberta Inc.	\$ 2,065,034	\$ 1,903,044
Atco Gas	1,343,441	1,127,786
West Parkland Gas Co-op Ltd.	59,487	37,651
	\$ 3,467,962	\$ 3,068,481

14. CONTRIBUTED TANGIBLE CAPITAL ASSETS

	2021	2020
Water systems	\$ 225,300	\$ 180,218
Storm systems	124,000	169,398
Wastewater systems	94,970	195,956
Land	94,100	874,900
Roadway systems	41,747	791,142
Machinery and equipment	-	465,000
Land improvements	-	55,348
	\$ 580,117	\$ 2,731,962

TOWN OF STONY PLAIN
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2021

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:

	2021	2020
Total debt limit	\$ 64,410,897	\$ 64,065,366
Total debt	(31,449,538)	(21,321,648)
Total debt limits available	\$ 32,961,359	\$ 42,743,718
Service on debt limit	\$ 10,735,150	\$ 10,677,562
Service on debt	(2,508,311)	(2,159,322)
Service on debt limit available	\$ 8,226,839	\$ 8,518,240

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:

			2021	2020
	Salary	Benefits and Allowances	Total	Total
Choy (Mayor)	75,392	13,025	88,417	84,209
Laurie	37,219	11,302	48,521	45,062
Pawlechko	37,219	10,186	47,405	43,667
Meyer	37,219	9,886	47,105	43,667
Matties	30,879	6,923	37,802	44,825
Lloy	30,880	5,620	36,500	43,669
Bennett	30,879	3,945	34,824	41,346
Anderson	6,340	4,201	10,541	-
Loyns	6,340	4,201	10,541	-
Hansard	6,339	3,953	10,292	-
	\$ 298,706	\$ 73,242	\$ 371,948	\$ 346,445
Town Manager	\$ 207,201	\$ 38,001	\$ 245,202	\$ 239,269

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, 2021

17. GOVERNMENT PARTNERSHIPS

The Town's financial statements include its share of operations 2021 - 26.1% (2020 - 26.1%) of the TransAlta Tri Leisure Centre. Condensed financial information of the TransAlta Tri Leisure Centre is as follows:

	2021	2020
FINANCIAL ASSETS		
Cash and investments	\$ 1,184,738	\$ 1,685,687
Receivables	221,376	139,705
	1,406,114	1,825,392
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities	370,192	234,508
Deferred revenue	483,174	722,687
	853,366	957,195
NET FINANCIAL ASSETS	552,748	868,197
NON-FINANCIAL ASSETS		
Tangible capital assets	1,799,605	2,077,029
Prepaid expenses and inventory for consumption	146,553	137,916
	1,946,158	2,214,945
ACCUMULATED SURPLUS	\$ 2,498,906	\$ 3,083,142
REVENUE		
Pass and program fees and rental	\$ 2,425,355	\$ 2,387,705
Partnership contributions	2,381,942	2,357,282
Corporate sponsors and donations	277,102	285,437
All other	657,932	435,355
	5,742,331	5,465,779
EXPENSES		
Salaries and benefits	3,076,828	3,163,361
Utilities	851,982	779,955
All other	2,397,757	2,279,856
	6,326,567	6,223,172
ANNUAL SURPLUS (DEFICIT)	\$ (584,236)	\$ (757,393)

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 the introduction of 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) Family and Community Support Services

The Family and Community Services 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, 2021

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 2021 operating and capital budgets approved by Council on November 23, 2020.

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

ANNUAL SURPLUS	\$ 182,483
Deduct:	
Purchase of tangible capital assets	(6,184,500)
Transfers to reserves	(3,752,014)
Long-term debt repayment	(1,489,449)
Add back:	
Amortization	6,807,671
Transfers from reserves	<u>4,435,809</u>
	<u>\$ -</u>

TOWN OF STONY PLAIN
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2021

21. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current year's presentation.

22. LOCAL AUTHORITIES PENSION PLAN (LAPP)

The Town is required to make current service contributions to the LAPP of 9.39% of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 13.84% on pensionable earnings above this amount. Employees of the Town are required to make current service contributions of 8.39% of pensionable earnings up to the year's maximum pensionable earnings and 12.84% on pensionable earnings above this amount.

Total current service contributions by the Town to the LAPP in 2021 were \$1,071,148 (2020 - \$1,105,158). Total current service contributions by the employees of the Town to the LAPP in 2021 were \$970,161 (2020 - \$1,001,768).

At December 31, 2020, the Plan disclosed an actuarial surplus of \$4.961 billion (2019 - \$7.913 billion).

23. RESTATEMENT

During 2021 the Town determined that certain infrastructure costs that had originally been partially funded with grant proceeds could have been funded with developer contributions. This has been adjusted retroactively and the 2020 comparative figures have been restated.

The impact on the 2020 comparative figures has been to decrease deferred revenue by \$3,557,501, increase beginning accumulated surplus by \$3,537,408 and increase annual surplus by \$20,093.

24. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by Council.
