

**TOWN OF CARSTAIRS**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

## **Management's Responsibility**

To the Members of Council of the Town of Carstairs:

Management is responsible for the preparation, accuracy, objectivity, integrity, and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards ("PSAS"). This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required. Management believes that the financial statements present fairly the Town's financial position as at December 31, 2023 and the results of its operations for the year then ended.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

Council is composed entirely of individuals who are neither management nor employees of the Town. Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial statements. Council fulfills these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. Council is also responsible for recommending the appointment of the Town's external auditors.

MNP LLP is appointed by Council to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both Council and management to discuss their audit findings.

March 25, 2024



Chief Administrative Officer

## Independent Auditor's Report

To the Members of Council of the Town of Carstairs:

### **Opinion**

We have audited the financial statements of the Town of Carstairs (the "Town"), which comprise the statement of financial position as at December 31, 2023, and the statements of operations, change in net financial assets, cash flows, and the related schedules I to VI for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Town as at December 31, 2023, the results of its operations, changes in its 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 Auditor's 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 other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Responsibilities of Management and Those Charged With Governance for the Financial Statements**

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

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal 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 used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Town's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Town to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### **Report on Other Legal and Regulatory Requirements**

- **Debt Limit Regulation:**  
In accordance with Alberta Regulation 255/2000, we confirm that the Town is in compliance with the Debt Limit Regulation. A detailed account of the Town's debt limit can be found in Note 10.
- **Supplementary Accounting Principles and Standards Regulation:**  
In accordance with Alberta Regulation 313/2000, we confirm that the Town is in compliance with the Supplementary Accounting Principles and Standards Regulation and note the information required can be found in Note 14.

Calgary, Alberta  
March 25, 2024

*MNP LLP*


Chartered Professional Accountants

**MNP**

**Town of Carstairs**  
**Statement of Financial Position**  
As at December 31, 2023

	2023	2022
<b>FINANCIAL ASSETS</b>		
Cash and temporary investments (Note 2)	5,771,933	5,568,423
Receivables		
Taxes and grants in place of taxes receivable (Note 3)	175,798	217,110
Trade and other receivables	509,769	447,936
Receivables from other governments	97,159	34,799
Land inventory held for resale	422,595	422,595
	<b>6,977,254</b>	<b>6,690,863</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 4)	885,639	861,971
Deposit liabilities (Note 5)	24,950	22,300
Deferred revenue (Note 6)	391,592	109,998
Employee benefit obligations (Note 7)	279,112	254,229
Asset retirement obligation (Note 8)	69,716	84,671
Long-term debt (Note 9)	2,942,806	3,657,120
	<b>4,593,815</b>	<b>4,990,289</b>
<b>NET FINANCIAL ASSETS</b>	<b>2,383,439</b>	<b>1,700,574</b>
Contingencies (Note 16)		
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule II)	56,839,564	55,683,465
Inventory for consumption	65,801	44,402
Prepaid expenses	17,564	13,817
	<b>56,922,929</b>	<b>55,741,684</b>
<b>ACCUMULATED SURPLUS</b> (Schedule I, Note 12)	<b>59,306,368</b>	<b>57,442,258</b>

Approved on behalf of Council

  
\_\_\_\_\_  
Mayor

  
\_\_\_\_\_  
Councillor

*The accompanying notes are an integral part of these financial statements*

**Town of Carstairs**  
**Statement of Operations**  
For the year ended December 31, 2023

	2023 Budget	2023	2022
<b>REVENUE</b>			
Net municipal taxes (Schedule III)	4,988,522	<b>4,982,260</b>	4,607,260
User fees and sales of goods	4,984,479	<b>5,627,704</b>	4,959,138
Government transfers for operating (Schedule IV)	670,989	<b>936,731</b>	642,062
Investment income	40,329	<b>209,458</b>	117,063
Penalties and costs of taxes	75,000	<b>74,805</b>	78,441
Licenses and permits	117,650	<b>236,561</b>	173,536
Franchise and concession contracts	601,443	<b>561,709</b>	592,227
Gain on disposal of tangible capital assets	-	<b>10,000</b>	143,820
Other revenue	14,710	<b>124,031</b>	104,008
	11,493,122	<b>12,763,259</b>	11,417,555
<b>EXPENSES</b>			
General government			
Council and other legislative	341,132	<b>296,587</b>	341,232
General administrative	1,459,351	<b>1,392,630</b>	1,242,321
Protective services			
Fire	542,625	<b>936,006</b>	814,358
Disaster and emergency services	41,635	<b>37,713</b>	67,259
Bylaw enforcement	741,536	<b>755,494</b>	667,995
Transportation			
Common and equipment pool	34,262	<b>41,397</b>	38,218
Roads, streets, walks, lighting	899,576	<b>2,278,336</b>	2,065,641
Storm sewers and drainage	43,643	<b>112,740</b>	149,923
Planning and development			
Land use planning, zoning and development	321,302	<b>351,408</b>	428,442
Subdivision land and development	197,683	<b>340,573</b>	234,301
Recreation and culture			
Parks and recreation	2,962,932	<b>3,233,617</b>	2,983,008
Libraries, museums, halls	448,275	<b>399,907</b>	436,820
Environmental services			
Water supply and distribution	1,057,164	<b>1,361,610</b>	1,227,238
Wastewater treatment and disposal	228,221	<b>1,305,662</b>	454,572
Waste management	531,041	<b>493,123</b>	530,342
Community services			
Family and community support	107,161	<b>95,817</b>	85,524
Other public health and welfare	438,854	<b>424,829</b>	547,259
	10,396,393	<b>13,857,449</b>	12,314,453
<b>EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES BEFORE OTHER</b>	1,096,729	<b>(1,094,190)</b>	(896,898)
<b>OTHER</b>			
Capital donations and other revenue	-	-	-
Contributed and donated assets	-	<b>1,734,567</b>	-
Government transfers for capital (Schedule IV)	1,208,503	<b>952,898</b>	306,101
Off-site levies from developers	220,000	<b>270,835</b>	222,799
<b>EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES</b>	2,525,232	<b>1,864,110</b>	(367,998)
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	57,442,258	<b>57,442,258</b>	57,810,256
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	59,967,490	<b>59,306,368</b>	57,442,258

The accompanying notes are an integral part of these financial statements

**Town of Carstairs**  
**Statement of Change in Net Financial Assets**

For the year ended December 31, 2023

	2023 Budget	<b>2023</b>	2022
<b>EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES</b>	2,525,232	<b>1,864,110</b>	(367,998)
Acquisition of tangible capital assets	(2,125,805)	<b>(1,817,189)</b>	(1,518,719)
Contributed and donated tangible capital assets	-	<b>(1,734,567)</b>	-
Proceeds on disposal of tangible capital assets	-	<b>74,758</b>	400
Amortization of tangible capital assets	-	<b>2,324,127</b>	2,216,917
Net (gain) loss on disposal of tangible capital assets	-	<b>(3,228)</b>	2,076
(Acquisition) use of inventory for consumption	-	<b>(21,399)</b>	(44,402)
(Acquisition) use of prepaid expenses	-	<b>(3,747)</b>	2,147
<b>INCREASE (DECREASE) IN NET FINANCIAL ASSETS</b>	399,427	<b>682,865</b>	290,421
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>	1,700,574	<b>1,700,574</b>	1,410,153
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	2,100,001	<b>2,383,439</b>	1,700,574

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**Town of Carstairs**  
**Statement of Cash Flows**  
For the year ended December 31, 2023

	2023	2022
<b>NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:</b>		
<b>OPERATING</b>		
Excess (shortfall) of revenues over expenses	1,864,110	(367,998)
Non-cash items included in excess (shortfall) of revenues over expenses:		
Amortization of tangible capital assets	2,324,127	2,216,917
Tangible capital assets received as contributions	(1,734,567)	-
Net (gain) loss on disposal of tangible capital assets	(3,228)	2,076
Non-cash charges to operations (net change):		
Decrease (increase) in taxes and grants in lieu receivable	41,312	(5,958)
Decrease (increase) in trade and other receivables	(61,833)	(40,361)
Decrease (increase) in land held for resale	-	83,925
Decrease (Increase) in inventory for consumption	(21,399)	(44,402)
Decrease (increase) in prepaid expenses	(3,747)	2,147
Increase (decrease) in receivable from other governments	(62,360)	182,192
Increase (decrease) in accounts payable and accrued liabilities	23,668	(706,802)
Increase (decrease) in deposit liabilities	2,650	2,500
Increase (decrease) in deferred revenue	281,594	(76,451)
Increase (decrease) in employee benefit obligations	24,883	(23,507)
Increase (decrease) in asset retirement obligations	(14,955)	(14,062)
<b>Cash provided by operating transactions</b>	<b>2,660,255</b>	<b>1,210,216</b>
<b>CAPITAL</b>		
Acquisition of tangible capital assets (Schedule II)	(1,817,189)	(1,361,559)
Proceeds on disposal of tangible capital assets	74,758	400
<b>Cash provided by (applied to) capital transactions</b>	<b>(1,742,431)</b>	<b>(1,361,159)</b>
<b>FINANCING</b>		
Long-term debt issued	319,196	800,000
Long-term debt repaid	(1,033,510)	(1,098,206)
<b>Cash provided by (applied to) financing transactions</b>	<b>(714,314)</b>	<b>(298,206)</b>
<b>CHANGE IN CASH AND TEMPORARY INVESTMENTS DURING THE YEAR</b>	<b>203,510</b>	<b>(449,149)</b>
<b>CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR</b>	<b>5,568,423</b>	<b>6,017,572</b>
<b>CASH AND TEMPORARY INVESTMENTS, END OF YEAR</b>	<b>5,771,933</b>	<b>5,568,423</b>

The accompanying notes are an integral part of these financial statements



**Town of Carstairs**  
**Schedule I - Schedule of Changes in Accumulated Operating Surplus**

For the year ended December 31, 2023

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2023	2022
		(Note 12)	(Note 11)		
<b>BALANCE, BEGINNING OF YEAR</b>	<b>913,954</b>	<b>4,586,630</b>	<b>51,941,674</b>	<b>57,442,258</b>	57,810,256
Excess (deficiency) of revenue over expenses	1,864,110	-	-	<b>1,864,110</b>	(367,998)
Unrestricted funds designated for future use	(1,577,263)	1,577,263	-	-	-
Restricted funds used for operations	1,355,827	(1,355,827)	-	-	-
Restricted funds used for tangible capital assets	-	(426,959)	426,959	-	-
Acquisition of tangible capital assets	(1,390,230)	-	1,390,230	-	-
Contributed tangible capital assets	(1,734,567)	-	1,734,567	-	-
Disposal of tangible capital assets	71,530	-	(71,530)	-	-
Asset retirement obligation settled	(14,955)	-	14,955	-	-
Annual amortization expense	2,324,127	-	(2,324,127)	-	-
Long-term debt proceeds	319,196	-	(319,196)	-	-
Long-term debt repaid	(1,033,510)	-	1,033,510	-	-
<b>Change in accumulated surplus</b>	<b>184,265</b>	<b>(205,523)</b>	<b>1,885,368</b>	<b>1,864,110</b>	<b>(367,998)</b>
<b>BALANCE, END OF YEAR</b>	<b>1,098,219</b>	<b>4,381,107</b>	<b>53,827,042</b>	<b>59,306,368</b>	57,442,258

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**Town of Carstairs**  
**Schedule II - Schedule of Tangible Capital Assets**

For the year ended December 31, 2023

	Land	Land Improvements	Buildings	Engineered Structures	Machinery & Equipment	Vehicles	2023	2022
<b>COST:</b>								
BALANCE, BEGINNING OF YEAR	4,193,930	4,054,986	11,666,261	61,404,003	3,033,758	2,201,212	<b>86,554,150</b>	85,073,848
Acquisition of tangible capital assets	252,701	80,649	-	749,890	733,949	-	<b>1,817,189</b>	1,498,396
Contributed tangible capital assets	-	-	-	1,734,567	-	-	<b>1,734,567</b>	-
Work-in-progress	-	-	-	-	-	-	-	20,323
Disposal of tangible capital assets	-	(25,053)	-	(84,172)	(188,296)	-	<b>(297,521)</b>	(38,417)
BALANCE, END OF YEAR	4,446,631	4,110,582	11,666,261	63,804,288	3,579,411	2,201,212	<b>89,808,385</b>	86,554,150
<b>ACCUMULATED AMORTIZATION:</b>								
BALANCE, BEGINNING OF YEAR	-	1,559,380	3,261,210	23,470,362	1,717,468	862,265	<b>30,870,685</b>	28,689,710
Annual amortization	-	170,762	226,664	1,595,837	200,163	130,701	<b>2,324,127</b>	2,216,917
Accumulated amortization on disposals	-	(22,547)	-	(77,074)	(126,370)	-	<b>(225,991)</b>	(35,942)
BALANCE, END OF YEAR	-	1,707,595	3,487,874	24,989,125	1,791,261	992,966	<b>32,968,821</b>	30,870,685
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<b>4,446,631</b>	<b>2,402,987</b>	<b>8,178,387</b>	<b>38,815,163</b>	<b>1,788,150</b>	<b>1,208,246</b>	<b>56,839,564</b>	55,683,465
2022 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	4,193,930	2,495,606	8,405,051	37,933,641	1,316,290	1,338,947	55,683,465	

During the year, tangible capital assets were acquired at an aggregate cost of \$1,817,189 (2022 - \$1,518,719), and \$1,734,567 (2022 - nil) was acquired as contributed tangible capital assets. Of the \$1,817,189 (2022 - \$1,518,719) acquired, \$nil (2022- \$157,160) is included in accounts payable at year end, consequently, \$1,817,189 (2022- \$1,361,559) was paid in cash to acquire tangible capital assets during the year.

During the year, land with a cost of \$nil (2022 - \$nil) was transferred to an other organization resulting in a gain on disposal of \$10,000 (2022 - \$143,820). In addition, other tangible capital assets with a net book value of \$71,530 (2022 - \$2,476) were disposed of for proceeds of \$64,758 (2022 - \$400), resulting in a loss on disposal of tangible capital assets of \$6,772 (2022 - net loss of \$2,076).

*The accompanying notes are an integral part of these financial statements*

**Town of Carstairs**  
**Schedule III - Schedule of Property and Other Taxes**

For the year ended December 31, 2023

	2023 Budget	<b>2023</b>	2022
<b>TAXATION</b>			
Residential land and improvement taxes	7,078,384	<b>7,072,149</b>	6,591,790
Non-residential linear property taxes	859	<b>832</b>	828
Residential grants in place of property taxes	-	-	11,965
	<b>7,079,243</b>	<b>7,072,981</b>	6,604,583
<b>REQUISITIONS</b>			
Alberta School Foundation Fund	1,813,308	<b>1,813,308</b>	1,763,784
Mountain View Foundation	277,413	<b>277,413</b>	233,539
	<b>2,090,721</b>	<b>2,090,721</b>	1,997,323
<b>NET MUNICIPAL PROPERTY TAXES</b>	<b>4,988,522</b>	<b>4,982,260</b>	4,607,260

*The accompanying notes are an integral part of these financial statements*

**Town of Carstairs**  
**Schedule IV - Schedule of Government Transfers**  
For the year ended December 31, 2023

	2023 Budget	<b>2023</b>	2022
<b>TRANSFERS FOR OPERATING</b>			
Provincial government	174,478	<b>438,464</b>	150,300
Federal government	2,000	<b>8,220</b>	16,071
Other local governments	494,511	<b>490,047</b>	475,691
	670,989	<b>936,731</b>	642,062
<b>TRANSFERS FOR CAPITAL</b>			
Provincial government	1,183,673	<b>928,314</b>	279,240
Other local governments	24,830	<b>24,584</b>	26,861
	1,208,503	<b>952,898</b>	306,101
<b>TOTAL GOVERNMENT TRANSFERS</b>	1,879,492	<b>1,889,629</b>	948,163

*The accompanying notes are an integral part of these financial statements*

**Town of Carstairs**  
**Schedule V - Schedule of Expenses by Object**

For the year ended December 31, 2023

	2023 Budget	<b>2023</b>	2022
<b>EXPENSES BY OBJECT</b>			
Salaries, wages and benefits	5,193,456	<b>4,790,739</b>	4,952,195
Contracted and general services	2,349,739	<b>3,511,022</b>	2,202,215
Materials, goods, supplies, and utilities	2,322,756	<b>2,518,559</b>	2,214,394
Provision for allowances	4,010	<b>555</b>	113,453
Transfers to individuals and organizations	496,082	<b>508,498</b>	447,492
Bank charges and short-term interest	30,350	<b>39,978</b>	31,846
Interest on capital long-term debt	-	<b>157,198</b>	133,865
Amortization of tangible capital assets	-	<b>2,324,128</b>	2,216,917
Loss on disposal of tangible capital assets	-	<b>6,772</b>	2,076
	10,396,393	<b>13,857,449</b>	12,314,453

*The accompanying notes are an integral part of these financial statements*

**Town of Carstairs**  
**Schedule VI - Schedule of Segmented Disclosure**  
For the year ended December 31, 2023

	General government	Protective services	Transportation services	Planning & development	Recreation & culture	Environmental services	Community services	Total
<b>REVENUE</b>								
Net municipal taxes	4,982,260	-	-	-	-	-	-	4,982,260
User fees and sales of goods	16,612	194,061	650	138,972	2,106,805	3,031,737	138,867	5,627,704
Government transfers for operating	21,902	205,368	85,747	-	270,195	224,776	128,743	936,731
Investment income	199,786	3,479	-	-	6,193	-	-	209,458
Penalties and costs of taxes	74,805	-	-	-	-	-	-	74,805
Licenses and permits	-	790	-	206,596	-	-	29,175	236,561
Franchise and concession contracts	561,709	-	-	-	-	-	-	561,709
Gain on disposal of tangible capital assets	-	-	-	10,000	-	-	-	10,000
Other revenue	1,756	20,867	6,599	-	81,531	13,178	100	124,031
	5,858,830	424,565	92,996	355,568	2,464,724	3,269,691	296,885	12,763,259
<b>EXPENSES</b>								
Salaries, wages and benefits	1,072,173	653,419	440,100	356,739	1,679,547	340,640	248,121	4,790,739
Contracted and general services	407,156	591,959	200,421	327,465	465,012	1,331,205	187,804	3,511,022
Materials, goods, supplies, and utilities	33,232	175,391	383,631	4,201	871,937	1,040,546	9,621	2,518,559
Bank charges and short-term interest	10,169	-	-	-	29,809	-	-	39,978
Interest on capital long-term debt	-	80,136	25,994	-	32,455	18,613	-	157,198
Loss on disposal of tangible capital assets	-	-	(157)	-	2,505	4,424	-	6,772
Transfers to individuals and organizations	-	62,580	-	-	266,183	104,635	75,100	508,498
Provisions for allowances	555	-	-	-	-	-	-	555
	1,523,285	1,563,485	1,049,989	688,405	3,347,448	2,840,063	520,646	11,533,321
<b>EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES BEFORE AMORTIZATION AND OTHER</b>								
	4,335,545	(1,138,920)	(956,993)	(332,837)	(882,724)	429,628	(223,761)	1,229,938
Contributed assets	-	-	-	1,713,919	20,648	-	-	1,734,567
Capital government transfers	-	24,584	922,824	-	-	5,490	-	952,898
Offsite levies and other	-	-	136,379	-	-	134,456	-	270,835
Amortization expense	(165,932)	(165,728)	(1,382,484)	(3,576)	(286,076)	(320,332)	-	(2,324,128)
<b>NET REVENUE</b>	<b>4,169,613</b>	<b>(1,280,064)</b>	<b>(1,280,274)</b>	<b>1,377,506</b>	<b>(1,148,152)</b>	<b>249,242</b>	<b>(223,761)</b>	<b>1,864,110</b>

**Town of Carstairs**  
**Schedule VI - Schedule of Segmented Disclosure**  
For the year ended December 31, 2022

	General Government	Protective Services	Transportation Services	Planning & Development	Recreation & Culture	Environmental Services	Community Services	Total
<b>REVENUE</b>								
Net municipal taxes	4,607,260	-	-	-	-	-	-	<b>4,607,260</b>
User fees and sales of goods	19,025	154,351	12,393	142,596	2,045,125	2,458,842	126,806	<b>4,959,138</b>
Government transfers for operating	15,958	207,093	6,109	15,000	257,654	16,590	123,658	<b>642,062</b>
Investment income	85,001	7,440	11,345	-	1,252	12,025	-	<b>117,063</b>
Penalties and costs of taxes	78,441	-	-	-	-	-	-	<b>78,441</b>
Fines, rentals, licenses and permits	-	840	-	172,696	-	-	-	<b>173,536</b>
Franchise fees	592,227	-	-	-	-	-	-	<b>592,227</b>
Gain on disposal of tangible capital assets	-	-	-	143,820	-	-	-	<b>143,820</b>
Other revenue	2,262	18,479	-	-	72,434	3,028	7,805	<b>104,008</b>
	<b>5,400,174</b>	<b>388,203</b>	<b>29,847</b>	<b>474,112</b>	<b>2,376,465</b>	<b>2,490,485</b>	<b>258,269</b>	<b>11,417,555</b>
<b>EXPENSES</b>								
Salaries, wages and benefits	902,044	718,946	461,094	352,865	1,594,179	548,127	374,940	<b>4,952,195</b>
Contracted and general services	369,678	410,472	95,405	302,641	466,915	366,547	190,557	<b>2,202,215</b>
Materials, goods and utilities	28,036	207,553	324,941	2,981	775,282	864,878	10,723	<b>2,214,394</b>
Bank charges and short-term interest	6,458	-	-	-	25,388	-	-	<b>31,846</b>
Interest on long-term debt	-	61,874	20,836	-	30,676	20,479	-	<b>133,865</b>
(Gain) loss on disposal of tangible capital assets	400	-	401	-	-	1,275	-	<b>2,076</b>
Transfers to other organizations	-	37,633	-	-	252,880	100,416	56,563	<b>447,492</b>
Provisions for allowances	109,446	-	-	-	-	4,007	-	<b>113,453</b>
	<b>1,416,062</b>	<b>1,436,478</b>	<b>902,677</b>	<b>658,487</b>	<b>3,145,320</b>	<b>1,905,729</b>	<b>632,783</b>	<b>10,097,536</b>
<b>EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES</b>								
<b>BEFORE AMORTIZATION AND OTHER</b>	<b>3,984,112</b>	<b>(1,048,275)</b>	<b>(872,830)</b>	<b>(184,375)</b>	<b>(768,855)</b>	<b>584,756</b>	<b>(374,514)</b>	<b>1,320,019</b>
Contributed assets	-	-	-	-	-	-	-	-
Capital government transfers	-	26,861	279,240	-	-	-	-	<b>306,101</b>
Offsite levies and other	-	-	116,533	-	-	106,265	-	<b>222,798</b>
Amortization expense	(167,491)	(113,134)	(1,351,105)	(4,256)	(274,508)	(306,423)	-	<b>(2,216,917)</b>
<b>NET REVENUE</b>	<b>3,816,621</b>	<b>(1,134,548)</b>	<b>(1,828,162)</b>	<b>(188,631)</b>	<b>(1,043,363)</b>	<b>384,598</b>	<b>(374,514)</b>	<b>(367,999)</b>

## 1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town of Carstairs (the "Town") are the representations of management prepared in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board of the Canadian Institute of CPA Canada. Significant aspects of the accounting policies adopted by the Town are as follows:

### a) Reporting entity

The financial statements reflect the assets, liabilities, revenue and expenses, and changes in financial position of the reporting entity. This entity is comprised of the municipal operations plus all of the organizations that are owned or controlled by the Town and are, therefore, accountable to the Town for the administration of their financial affairs and resources. Included with the Town are the following:

- Town of Carstairs Fire Department

The schedule of taxes levied also includes requisitions for educational, health, social and other external organizations that are not part of the municipal reporting entity.

The financial statements exclude trust assets that are administered for the benefit of external parties. Interdepartmental and organizational transactions and balances are eliminated.

### b) Basis of accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or the legal obligation to pay.

Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

Government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation, or agreement and may only be used for certain programs, in the completion of specific work, or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed or goods have yet to be provided.

Revenue is recognized in the period when the related expenses are incurred, services performed, or the tangible capital assets are acquired.

### c) Use of estimates

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

The areas which requires management to make significant judgements, estimates and assumptions in determining carrying values include, but are not limited to:

- Allowance for doubtful accounts;
- Asset retirement obligations;
- Employee benefit obligations;
- Useful life of tangible capital assets;
- Accrued liabilities; and
- Fair value of contributed tangible capital assets



**1. SIGNIFICANT ACCOUNTING POLICIES** *(continued from previous page)*

**d) Cash and cash equivalents**

Cash and cash equivalents are comprised of cash on deposits with financial institutions and highly liquid investments.

**e) Valuation of financial assets and liabilities**

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

<u>Financial statement component</u>	<u>Measurement</u>
Cash	Cost and amortized cost
Temporary investments	Amortized cost
Trade and other receivables	Lower of cost or net recoverable value
Investments	Amortized cost
Accounts payable and accrued liabilities	Cost
Deposit liabilities	Cost
Long-term debt	Amortized cost

**f) Long-term debt**

Long-term debt is initially recognized net of any premiums, discounts, fees, and transaction costs, with interest expense recognized using the effective interest method. Long-term debt is subsequently measured at amortized cost.

**g) Requisition over-levy and under-levy**

Over-levies and under-levies arise from the difference between the actual property tax levy made to cover each requisition and the actual amount requisitioned.

If the actual levy exceeds the requisition, the over-levy is accrued as a liability and property tax revenue is reduced. Where the actual levy is less than the requisition amount, the under-levy is accrued as a receivable and as property tax revenue.

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

**h) Inventories for resale**

Land held for resale is recorded at the lower of cost or net realizable value. Cost includes costs for land acquisition and improvements required to prepare the land for servicing such as clearing, stripping and leveling charges.

Related development costs incurred to provide infrastructure such as water and wastewater services, roads, sidewalks and street lighting are recorded as physical assets under the respective function.

Proceeds from sales of land held for resale are recorded as revenue in the period in which the events giving rise to the transfer occurred, providing the transfers are authorized, the eligibility criteria have been met and reasonable estimates of the amounts can be made.

**i) Revenue recognition**

Revenue from transactions with no performance obligations are recognized at realizable value when the Town has the authority to claim or retain an inflow of economic resources and identifies a past transaction or event giving rise to an asset. Revenue from transactions with performance obligations are recognized as the performance obligations are satisfied by providing the promised goods or services to the payor.

**1. SIGNIFICANT ACCOUNTING POLICIES** *(continued from previous page)*

**i) Revenue recognition (continued from previous page)**

**i) Tax revenue**

The Town recognizes taxes as assets and revenue when they meet the definition of an asset, are authorized by Council, and the taxable event has occurred. Tax revenue is initially measured at Management's best estimate of the amount resulting from the original taxable event in accordance with legislation. The related tax receivable is initially recognized at its realizable value at the date of acquisition. At each financial statement date, the Town evaluates the tax receivable for collectibility and records a valuation allowance to reflect the tax receivable at its net recoverable amount, if necessary.

**ii) Government transfers**

Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return.

The Town recognizes a government transfer as revenue when the event giving rise to the transfer occurs, the transfer is authorized, all eligibility criteria, if any, have been met, and reasonable estimates of the amounts can be determined. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recorded as a liability. In such circumstances, the Town recognizes revenue as a liability until settled.

**iii) Other revenue**

User fees are recognized over the period of use, sales of goods are recognized when goods are delivered. Licenses and permits with a single performance obligation at a point in time are recognized as revenue on issuance. Those which result in a continued performance obligation over time are recognized over the period of the license or permit as the performance obligation is satisfied. The Town accounts for all other revenue in the period in which the transactions or events giving rise to the revenue occurred and collectibility is reasonably assured.

**j) Asset retirement obligation**

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset at the financial statement date when there is a legal obligation for the Town to incur retirement costs, the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at year-end. The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over the extended future periods.

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

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

**1. SIGNIFICANT ACCOUNTING POLICIES** *(continued from previous page)*

**k) Contaminated sites liability**

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of a contaminated site is recognized when the Town is directly responsible or accepts responsibility and is management's estimate of the cost of post-remediation including operation, maintenance, and monitoring.

It is management's assessment that no contaminated sites exist for the Town.

**l) Non-financial assets**

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the excess of revenue over expenses, provides the Change in Net Financial Assets for the year.

**i) Tangible capital assets**

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over the estimated useful life as follows:

	<u>Years</u>
Land improvements	10-25
Buildings	25-50
Engineering structures	
Water system	45-75
Wastewater system	45-75
Other engineered structures	10-75
Machinery and equipment	5-40
Vehicles	10-25

In the year of acquisition of a tangible capital asset, annual amortization is charged based on the number of months owned. Assets under construction are not amortized until the asset is available for productive use. Acquisition of used assets are amortized over the above years less the age of the existing asset.

**ii) Contributions of tangible capital assets**

Tangible capital assets received as contributions such as privately developed subdivisions including water systems, sanitary systems, storm systems, and roads are recorded at fair value at the date of receipt. Equivalent amounts are recorded as revenue for the year on the Statement of Operations.

**iii) Leases**

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

**iv) Inventories**

Inventories held for consumption are recorded at the lower of cost and replacement cost.

**v) Prepaid expenses**

Prepaid expenses include pre-payments on goods and services which will be utilized in the following fiscal year.

**Town of Carstairs**  
**Notes to the Financial Statements**  
For the year ended December 31, 2023

**2. CASH AND TEMPORARY INVESTMENTS**

	<b>2023</b>	2022
Cash	<b>3,328,565</b>	3,965,238
Temporary investments	<b>2,443,368</b>	1,603,185
	<b>5,771,933</b>	5,568,423

Temporary investments consists of two Guaranteed Investment Certificates, maturing January 8 and January 12, 2024 and earning interest at 5.1% and 5.4% respectively (2022 - one 60 day notice deposit account earning interest at .50%).

Included in cash and temporary investments are restricted amounts aggregating \$391,592 (2022 - \$109,998) to be used for specific capital and other projects, as disclosed in deferred revenue (Note 6).

The Town has negotiated an overdraft with BMO in the amount of \$1,000,000 (2022 - \$1,000,000) that bears interest at the bank prime rate plus 0% per annum. A balance of \$nil (2022 - \$nil) was outstanding at year end.

**3. TAXES AND GRANTS IN PLACE OF TAXES RECEIVABLE**

	<b>2023</b>	2022
Current taxes and grants in place of taxes	<b>115,144</b>	154,295
Arrears	<b>60,654</b>	62,815
	<b>175,798</b>	217,110

**4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<b>2023</b>	2022
Trade accounts payable	<b>864,081</b>	773,750
Salaries and wages payable	<b>1,535</b>	2,022
Holdback payable	-	75,000
Staff fund	<b>2,646</b>	2,646
Raincheck Liability - Golf Course	<b>1,695</b>	-
Gift certificates payable	<b>15,682</b>	8,553
	<b>885,639</b>	861,971

**5. DEPOSIT LIABILITIES**

The Town maintains utility and rental deposits of \$24,950 (2022 - \$22,300).

**Town of Carstairs**  
**Notes to the Financial Statements**  
For the year ended December 31, 2023

**6. DEFERRED REVENUE**

	2023	2022
Alberta Water Wastewater Partnership	244,510	-
Donations - Carstairs Nature Space	122,059	47,395
Family and Community Support Services	-	825
Donations - Skateboard Park	9,428	20,914
Donations and unearned revenue	15,595	40,864
	<b>391,592</b>	<b>109,998</b>

**Alberta Water Wastewater Partnership**

Funding was received from the Provincial government to help build municipal facilities for water supply and treatment, and wastewater treatment and disposal.

**Donations - Carstairs Nature Space**

Donations have been received by the Town, of which a portion has been spent for the establishment of a nature space within the Town.

**Family and Community Support Services**

Funding was received from the provincial government in the prior year to undertake certain community support service programs in the Town.

**Donations - Skateboard Park**

Donations have been received by the Town, which have not yet been spent, to fund the maintenance or upgrade of a skateboard park in the community.

**Donations and unearned revenue**

Certain contributions and fees were received by the Town, which have not yet been earned or are restricted for use in certain projects within the Town, which have not yet been expended.

**7. EMPLOYEE BENEFITS OBLIGATIONS**

	2023	2022
Vacation pay payable	58,723	58,092
Vested sick leave payable	220,389	196,137
	<b>279,112</b>	<b>254,229</b>

**Vacation pay payable:**

The vacation liability is comprised of the vacation and overtime that employees are deferring to future years. Employees have either earned the benefits (and are vested) or are entitled to these benefits within the next budgetary year.

**Vested sick leave payable:**

The vested sick leave liability is comprised of paid sick days that employees have not used and are being deferred to future years. Employees have either earned the benefits (and are vested) or are entitled to these benefits within the next budgetary year.

**Town of Carstairs**  
**Notes to the Financial Statements**  
For the year ended December 31, 2023

**8. ASSET RETIREMENT OBLIGATION**

Alberta Environment law requires post-closure care of landfill sites, which includes ongoing environmental monitoring, site inspections, and maintenance.

The Town has not designated assets for settling post-closure liabilities.

	2023	2022
Balance, beginning of year	84,671	98,733
Liabilities settled	(14,955)	(14,062)
Accrued liability portion	69,716	84,671

**9. LONG-TERM DEBT**

	2023	2022
Tax supported debentures	1,455,946	1,619,772
Tax supported loans	1,486,860	1,899,597
Obligations under capital lease	-	137,751
	<b>2,942,806</b>	3,657,120

The current portion of the long-term debt amounts to \$758,127 (2022 - \$994,123).

Principal and interest repayments are as follows:

	Principal	Interest	Total
2025	758,127	112,709	870,836
2026	413,806	75,609	489,415
2027	347,414	51,896	399,310
2028	229,033	43,464	272,497
2029	175,796	32,249	208,045
Thereafter	1,018,630	109,266	1,127,896
	<b>2,942,806</b>	<b>425,193</b>	<b>3,367,999</b>

Debenture debt is repayable to the Alberta Capital Finance Authority and bears interest at a rate of 2.090% (2022 - two debentures at 2.090% and 4.565%) per annum, and matures in 2036 (2022 - 2023 and 2036). The average annual interest rate is 2.090% (2022 - 3.328%).

Tax supported loans are Bank of Montreal loans that bear interest at bank prime plus zero percent. The prime rate as at December 31, 2023 was 7.2% (2022 - 6.45%).

A De Lage Landen Financial Services Canada Inc. lease obligation was repaid in the current year.

Debenture and bank debt is issued on the credit and security of the Town at large.

The Town of Carstairs' total cash payments for interest on long-term debt is \$157,198 (2022 - \$133,865).

**Town of Carstairs**  
**Notes to the Financial Statements**  
For the year ended December 31, 2023

**10. DEBT LIMITS**

Section 276(2) of the *Municipal Government Act* requires that debt and debt limits as defined by Alberta Regulation 255/2000 for the Town of Carstairs be disclosed as follows:

	<b>2023</b>	2022
Total debt limit	<b>19,129,889</b>	16,910,603
Total debt (Note 9)	<b>(2,942,806)</b>	(3,657,120)
Amount of debt limit remaining	<b>16,187,083</b>	13,253,483
Debt servicing limit	<b>3,188,315</b>	2,818,434
Debt servicing	<b>(870,836)</b>	(1,131,123)
Service on debt limit remaining	<b>2,317,479</b>	1,687,311

The debt limit is calculated at 1.5 times revenue of the Town excluding transfers from the governments of Alberta and Canada for the purposes of capital property (as defined in Alberta Regulation 255/2000) and the debt service limit is calculated at 0.25 times such revenue. Incurring debt beyond these limitations requires approval by the Minister of Municipal Affairs. These thresholds are guidelines used by Alberta Municipal Affairs to identify municipalities which could be at a financial risk if further debt is acquired. The calculation taken alone does not represent the financial stability of the municipality. Rather, the financial statements must be interpreted as a whole.

**11. EQUITY IN TANGIBLE CAPITAL ASSETS**

	<b>2023</b>	2022
Tangible capital assets (Schedule II)	<b>89,808,385</b>	86,554,150
Accumulated amortization (Schedule II)	<b>(32,968,821)</b>	(30,870,685)
Asset retirement obligation (Note 8)	<b>(69,716)</b>	(84,671)
Long-term debt (Note 9)	<b>(2,942,806)</b>	(3,657,120)
	<b>53,827,042</b>	51,941,674

**Town of Carstairs**  
**Notes to the Financial Statements**  
For the year ended December 31, 2023

**12. ACCUMULATED OPERATING SURPLUS**

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

	2023	2022
Unrestricted surplus	1,098,219	913,954
Internally restricted surplus:		
Operating		
Policing	150,009	177,270
Administration	-	-
Cemetery	54,172	49,500
Community services	3,000	2,254
Capital		
Water offsite levies	517,522	467,076
Wastewater offsite levies	621,643	596,738
Storm sewers and drainage offsite levies	433,543	372,807
Fire	193,515	184,608
Transportation	752,549	691,741
Water	450,010	320,011
Wastewater	147,427	396,574
Waste management	15,018	72,453
Cemetery	128,575	113,110
Recreation	3,877	191,042
Stone garden maintenance	10,000	10,000
General capital contingency	900,247	941,446
	4,381,107	4,586,630
Equity in tangible capital assets (Note 11)	53,827,042	51,941,674
	<b>59,306,368</b>	<b>57,442,258</b>

**13. SEGMENTED DISCLOSURE**

The Town of Carstairs provides a range of services to its ratepayers. For each reported segment, revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in Note 1.

Refer to the Schedule of Segmented Disclosure (Schedule VI).

- General government includes council and other legislative, and general administration.
- Protective services includes fire, disaster and emergency measures, and bylaw enforcement.
- Transportation includes common and equipment pool, roads, streets, walks, and lighting, and storm sewers and drainage.
- Planning and development includes land use planning, zoning and subdivision land and development.
- Recreation and culture includes parks and recreation, libraries, museums and halls.
- Environmental services includes water supply and distribution, wastewater treatment and disposal, and waste management.
- Community services includes family and community support and other public health and welfare.



**Town of Carstairs**  
**Notes to the Financial Statements**  
For the year ended December 31, 2023

**14. SALARY AND BENEFITS DISCLOSURE**

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

	Salary <sup>1</sup>	Benefits & allowances <sup>2</sup>	<b>2023</b>	2022
Mayor L. Colby	28,212	-	<b>28,212</b>	25,760
Councillors:				
Councillor Allan	24,545	1,252	<b>25,797</b>	23,489
Councillor Ball	21,724	1,084	<b>22,808</b>	20,766
Councillor Fricke	21,724	1,084	<b>22,808</b>	20,766
Councillor Ratz	21,724	1,084	<b>22,808</b>	20,766
Councillor Roberts	21,724	361	<b>22,085</b>	20,766
Councillor Wilcox	21,724	107	<b>21,831</b>	20,766
Chief Administrative Officer (1 individual)	189,386	6,711	<b>196,097</b>	206,679
Advisor to the Chief Administrative Officer (3)	-	-	-	78,546
Town Assessor (4)	54,934	-	<b>54,934</b>	53,520

1. Salary includes regular base pay, bonuses, overtime, lump sum payments, gross honoraria, mileage allowances and any other direct cash remuneration.
2. Benefits and allowances include the employer's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, vision coverage, group life insurance, accidental disability and dismemberment insurance, long and short-term disability plans, professional memberships and tuition.
3. The Town entered into an agreement for advising services with the prior chief administrative officer for the transition period of May 2022 through September 2022.
4. The Town has entered into an agreement for assessor services with an independent contractor.

**15. LOCAL AUTHORITIES PENSION PLAN**

Employees of the Town participate in the Local Authorities Pension Plan (LAPP), which is one of the plans covered by the Public Sector Pension Plans Act. The LAPP is financed by employer and employee contributions and by investment earnings of the LAPP Fund.

Contributions for current service are recorded as expenditures in the year in which they become due. 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.

Total current service contributions by the Town to the LAPP in 2023 were \$269,884 (2022 - \$260,377). Total current service contributions by the employees of the Town to the Local Authorities Pension Plan in 2023 were \$239,615 (2022 - \$231,582).

At December 31, 2022, the LAPP disclosed an actuarial surplus of \$12.67 billion. This amount is not specifically allocated to the participating government organizations. The 2023 actuarial balance was not available at the date these financial statements were released.

**16. CONTINGENCIES**

The Town is a member of the Alberta Municipal Insurance Exchange ("MUNIX"). Under the terms of the 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 is a 16.66% equity member of The Mountain View Regional Water Services Commission which was constituted under the Municipal Government Act in 1992.

The Town is an 11% equity member of The Mountain View Regional Waste Management Commission which was constituted under the Municipal Government Act in 2001.

The Town Council has a representative as a Board member on the Mountain View Seniors Housing Commission which was established under the Alberta Housing Act in 1995.

As part of the Town's operations, they could become liable for any requisitions for shortfalls issued by the Mountain View Regional Water Services Commission, the Mountain View Regional Waste Management Commission, and the Mountain View Seniors Housing Commission.

**17. FINANCIAL INSTRUMENTS**

The Town's financial instruments consist of cash and temporary investments, accounts receivable, 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 rate or currency risks arising from these financial instruments except as otherwise disclosed. Tax receivables and requisition over/under-levy are compulsory in nature, rather than contractual, however, the Town manages risk exposure on these items similar to other receivables and payables.

The Town is subject to credit risk with respect to taxes and grants in place of taxes receivables and trade and other receivables. Credit risk arises from the possibility that taxpayers and entities to which the Town provides services may experience financial difficulty and be unable to fulfill their obligations. The large number of diversity of taxpayers and customers minimizes the credit risk.

**18. APPROVAL OF FINANCIAL STATEMENTS**

Council and management have approved these financial statements.