

**TOWN OF TABER**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**For the year ended December 31, 2022**

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**TOWN OF TABER**  
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**December 31, 2022**

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## Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of the Town of Taber (the "Town") are the responsibility of the Town's management and have been prepared in compliance with legislation, and in accordance with Canadian Public Sector accounting standards. A summary of the significant accounting policies are described in Note 1 to the consolidated financial statements. The preparation of consolidated financial statements necessarily involves the use of estimates based on management's judgement, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Town's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by management.

Council meets with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the financial statements.

The consolidated financial statements have been audited by KPMG LLP, independent external auditors appointed by the Town. The accompanying Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Town's consolidated financial statements.



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Chief Administrative Officer



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Director of Finance



KPMG LLP  
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Lethbridge AB T1K 7T5  
Canada  
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## INDEPENDENT AUDITOR'S REPORT

To the Mayor and Members of Council of the Town of Taber

### ***Opinion***

We have audited the consolidated financial statements of the Town of Taber (the "Town"), which comprise:

- the consolidated statement of financial position as at December 31, 2022
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of changes in net financial assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- and schedules and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Town as at December 31, 2022, and its consolidated results of operations, changes in net financial assets, and its consolidated 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 auditor's 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 liquidate the Town or 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 the 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 represents the underlying transactions and events in a manner that achieves fair presentation.
- 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.

*KPMG LLP*

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Chartered Professional Accountants

Lethbridge, Canada

March 31, 2023

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**TOWN OF TABER****Consolidated Statement of Financial Position****As at December 31, 2022, with comparative information for 2021**

	2022	2021
<b>Financial assets</b>		
Cash and temporary investments (note 2)	\$ 18,938,513	\$ 15,411,617
Taxes and grants in lieu receivable (note 3)	887,803	805,230
Trade and other receivables	1,780,170	5,421,335
Long-term investments (note 4)	1,445,191	760,484
Debt charges recoverable	1,290,804	1,327,088
Other financial assets	1,119	1,489
	<b>24,343,600</b>	<b>23,727,243</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	1,869,122	1,583,996
Employee benefit obligations (note 5)	713,857	665,367
Deposit liabilities	710,148	345,512
Deferred revenue and government transfers (note 6)	3,141,171	5,166,582
Provision for landfill post-closure costs (note 7)	252,399	296,044
Long-term debt (note 8)	13,112,233	13,844,331
	<b>19,798,930</b>	<b>21,901,832</b>
<b>Net financial assets</b>	<b>4,544,670</b>	<b>1,825,411</b>
<b>Non-financial assets</b>		
Tangible capital assets (schedule 2, note 10)	143,250,974	138,397,547
Land held for resale	5,388,017	6,988,402
Inventory held for consumption	270,945	206,821
Prepays and deposits	42,122	62,928
	<b>148,952,058</b>	<b>145,655,698</b>
<b>Accumulated surplus (schedule 1, note 11)</b>	<b>153,496,728</b>	<b>147,481,109</b>
<b>Contingent liabilities (note 15)</b>		
<b>Contractual rights (note 16)</b>		

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## TOWN OF TABER

### Consolidated Statement of Operations and Accumulated Surplus For the year ended December 31, 2022, with comparative information for 2021

	Budget	2022	2021
<b>Revenue</b>			
Net taxes available for municipal purposes (schedule 3)	\$ 10,335,535	\$ 10,398,041	\$ 9,693,901
Sales and user fees	9,437,087	10,683,736	9,037,833
Government transfers for operating (schedule 4)	823,166	1,897,216	1,270,102
Penalties and costs of taxes	195,000	239,088	183,876
Fines	485,775	279,496	383,615
Franchise and concession contracts	2,065,200	2,169,448	1,983,371
Investment income	158,400	417,067	119,871
Licenses and permits	268,064	296,489	471,835
Rentals	852,440	940,772	666,281
Other	313,354	798,939	759,094
	<b>24,934,021</b>	<b>28,120,292</b>	<b>24,569,779</b>
<b>Expenses (schedule 5)</b>			
Council and other legislative	532,061	479,025	481,324
General government	3,399,055	2,850,875	2,935,404
Protective services	4,654,733	4,236,968	4,036,900
Fire	1,108,763	1,061,964	1,034,047
Disaster	16,161	12,479	11,928
Roads, walks and street lighting	3,895,028	4,613,747	4,091,755
Other transportation	131,712	131,712	139,488
Stormwater	493,792	518,577	472,194
Water supply and distribution	2,277,906	2,568,077	2,375,657
Wastewater treatment and disposal	3,295,292	3,181,200	3,232,909
Waste management	1,653,141	2,515,940	1,859,274
Family and community support	68,288	68,294	64,137
Cemeteries	186,272	125,116	176,399
Land use planning, zoning and development	767,302	593,009	566,472
Subdivision land and development	285,345	231,215	323,956
Land, housing and building rentals	896,149	741,249	680,721
Parks and recreation	3,704,577	3,453,617	3,468,414
Culture	419,595	810,501	730,657
	<b>27,785,172</b>	<b>28,193,565</b>	<b>26,681,636</b>
<b>Annual surplus (deficit) before other</b>	<b>(2,851,151)</b>	<b>(73,273)</b>	<b>(2,111,857)</b>
<b>Other</b>			
Contributed assets	-	1,441,743	324,019
Government transfers for capital (schedule 4)	8,846,401	4,647,149	4,860,621
<b>Annual surplus</b>	<b>5,995,250</b>	<b>6,015,619</b>	<b>3,072,783</b>
<b>Accumulated surplus, beginning of year</b>	<b>147,481,109</b>	<b>147,481,109</b>	<b>144,408,326</b>
<b>Accumulated surplus, end of year</b>	<b>\$ 153,476,359</b>	<b>\$ 153,496,728</b>	<b>\$ 147,481,109</b>



## TOWN OF TABER

### Consolidated Statement of Change in Net Financial Assets (Debt) For the year ended December 31, 2022, with comparative information for 2021

	Budget	2022	2021
<b>Annual surplus</b>	\$ 5,995,250	\$ 6,015,619	\$ 3,072,783
Acquisition of tangible capital assets	(17,321,802)	(8,742,823)	(5,881,291)
Contributed tangible capital assets	-	(1,441,743)	(324,019)
Amortization of tangible capital assets	5,201,424	5,237,714	5,201,425
Transfer of land held for resale	-	2,700,512	-
Loss (gain) on disposal of tangible capital	-	(24,803)	15,059
Proceeds on disposal of tangible capital assets	-	118,228	139,313
	(6,125,128)	3,862,704	2,223,270
Acquisition of land held for resale	-	(1,099,842)	(4,657,521)
Acquisition of inventories of supplies	-	(270,945)	(206,821)
Acquisition of prepaids and deposits	-	(42,122)	(62,928)
Disposal of land held for resale	-	-	222,330
Consumption of inventories of supplies	-	206,821	191,816
Use of prepaids and deposits	-	62,643	66,223
	-	(1,143,445)	(4,446,901)
<b>Increase (decrease) in net financial assets</b>	(6,125,128)	2,719,259	(2,223,631)
<b>Net financial assets, beginning of year</b>	1,825,411	1,825,411	4,049,042
<b>Net financial assets (debt), end of year</b>	\$ (4,299,717)	\$ 4,544,670	\$ 1,825,411

## TOWN OF TABER

### Consolidated Statement of Cash Flows

For the year ended December 31, 2022, with comparative information for 2021

	2022	2021
<b>Cash flows provided by (used in) the following activities:</b>		
<b>Operating</b>		
Annual surplus	\$ 6,015,619	\$ 3,072,783
Items not involving cash:		
Amortization of tangible capital assets	5,237,714	5,201,425
Contributed tangible capital assets	(1,441,743)	(324,019)
Loss on disposal of tangible capital assets	(24,803)	15,059
Change in non-cash assets and liabilities:		
Taxes and grants in lieu receivable	(82,573)	(117,053)
Trade and other receivables	3,641,165	(3,760,166)
Debt charges recoverable	36,284	24,526
Other financial assets	370	(1,368)
Accounts payable and accrued liabilities	285,130	(118,215)
Employee benefit obligations	48,490	(33,619)
Deposit liabilities	364,636	134,043
Deferred revenue and government transfers	(2,025,411)	255,392
Provision for landfill post-closure costs	(43,645)	15,505
Land held for resale	(1,100,130)	(4,435,191)
Inventory held for consumption	(64,124)	(15,005)
Prepays and deposits	20,806	3,295
	10,867,785	(82,608)
<b>Capital</b>		
Proceeds on disposal of tangible capital assets	118,228	139,313
Purchase of tangible capital assets:		
Transfer of land held for resale	2,700,512	-
Funded from reserves	(7,445,741)	(5,812,604)
Funded from operations	(1,297,082)	(68,687)
	(5,924,083)	(5,741,978)
<b>Investing</b>		
Purchase of long-term investments	(684,707)	(20,836)
Redemption of long-term investments	-	119,386
	(684,707)	98,550
<b>Financing</b>		
Repayment of debt charges recoverable	(14,106)	(13,661)
Proceeds of long-term debt	1,363,690	5,621,406
Repayment of long-term debt	(2,081,683)	(1,075,879)
	(732,099)	4,531,866
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>3,526,896</b>	<b>(1,194,170)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>15,411,617</b>	<b>16,605,787</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 18,938,513</b>	<b>\$ 15,411,617</b>

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**TOWN OF TABER****Consolidated Schedule of Changes in Accumulated Surplus****For the year ended December 31, 2022, with comparative information for 2021****Schedule 1**

	Unrestricted Net Assets	Reserves	Equity in tangible capital assets	2022	2021
<b>Beginning balance</b>	\$ 623,955	\$ 14,885,382	\$ 131,971,772	\$ 147,481,109	\$ 144,408,326
<b>Annual surplus</b>	6,015,619	-	-	6,015,619	3,072,783
<b>Operating reserves</b>					
Transfers to reserves	(322,042)	322,042	-	-	-
Transfers from reserves	256,854	(256,854)	-	-	-
<b>Capital reserves</b>					
Transfers to reserves	(4,343,384)	4,343,384	-	-	-
Transfers from reserves for capital purposes	(3,516,211)	(3,146,900)	6,663,111	-	-
<b>Capital investing</b>					
Capital assets internally funded	(1,297,082)	-	1,297,082	-	-
Contributed assets	(1,441,743)	-	1,441,743	-	-
Amortization of tangible capital assets	5,237,714	-	(5,237,714)	-	-
Transfer of land held for resale	2,700,512	-	(2,700,512)	-	-
Proceeds on disposal of tangible capital assets	118,228	-	(118,228)	-	-
Loss on disposal of tangible capital assets	(24,803)	-	24,803	-	-
<b>Capital financing</b>					
Principal payment of capital debt	(1,890,809)	-	1,890,809	-	-
<b>Total</b>	\$ 2,116,808	\$ 16,147,054	\$ 135,232,866	\$ 153,496,728	\$ 147,481,109

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## TOWN OF TABER

### Consolidated Schedule of Tangible Capital Assets

For the year ended December 31, 2022, with comparative information for 2021

#### Schedule 2

Cost	2021	Additions	Disposals	Transfers of assets under construction	2022
Land	\$ 2,904,363	\$ -	-	\$ -	\$ 2,904,363
Land improvements	6,719,571	410,983	-	310,276	7,440,830
Buildings	23,698,066	22,293	83,461	-	23,636,898
Engineering structures	174,828,394	4,273,466	39,786	3,807,228	182,869,302
Machinery and equipment	13,788,948	1,011,390	366,666	156,539	14,590,211
Vehicles	6,220,634	165,606	93,922	-	6,292,318
Assets under construction	4,774,762	4,300,830	-	(4,274,043)	4,801,549
<b>Total</b>	<b>\$ 232,934,738</b>	<b>\$ 10,184,568</b>	<b>\$ 583,835</b>	<b>\$ -</b>	<b>\$ 242,535,471</b>

Accumulated amortization	2021	Amortization expense	Disposals	2022
Land	\$ -	\$ -	\$ -	\$ -
Land improvements	2,124,239	229,367	-	2,353,606
Buildings	8,369,452	519,932	63,152	8,826,232
Engineering structures	74,384,628	3,252,824	24,088	77,613,364
Machinery and equipment	6,444,182	863,196	343,191	6,964,187
Vehicles	3,214,690	372,395	59,977	3,527,108
<b>Total</b>	<b>\$ 94,537,191</b>	<b>\$ 5,237,714</b>	<b>\$ 490,408</b>	<b>\$ 99,284,497</b>

Net book value	2021	2022
Land	\$ 2,904,363	\$ 2,904,363
Land improvements	4,595,332	5,087,224
Buildings	15,328,614	14,810,666
Engineering structures	100,443,766	105,255,938
Machinery and equipment	7,344,766	7,626,024
Vehicles	3,005,944	2,765,210
Assets under construction	4,774,762	4,801,549
<b>Total</b>	<b>\$ 138,397,547</b>	<b>\$ 143,250,974</b>

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## TOWN OF TABER

Consolidated Schedule of Taxes Levied and Net Taxes Available for Municipal Purposes  
For the year ended December 31, 2022, with comparative information for 2021  
Schedule 3

	Budget	2022	2021
<b>Taxation:</b>			
Real property taxes	\$ 13,107,844	\$ 13,186,057	\$ 12,311,164
Linear property taxes	289,886	289,844	277,060
Government grants in place of property taxes	48,115	48,115	55,620
	<b>13,445,845</b>	<b>13,524,016</b>	<b>12,643,844</b>
<b>Requisition:</b>			
Alberta School Foundation Fund	2,630,294	2,643,556	2,489,796
Holy Spirit School Division	344,880	347,283	335,926
Taber & District Housing Authority	135,136	135,136	124,221
	<b>3,110,310</b>	<b>3,125,975</b>	<b>2,949,943</b>
<b>Net taxes available for municipal purposes</b>	<b>\$ 10,335,535</b>	<b>\$ 10,398,041</b>	<b>\$ 9,693,901</b>

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**TOWN OF TABER****Consolidated Schedule of Government Transfers****For the year ended December 31, 2022, with comparative information for 2021****Schedule 4**

	Budget	2022	2021
Transfers for operating:			
Provincial government	\$ 860,761	\$ 1,542,450	\$ 930,883
Federal government	10,900	46,225	64,944
Other local governments	(48,495)	308,541	274,275
	823,166	1,897,216	1,270,102
Transfers for capital:			
Provincial government	8,846,401	4,647,149	4,860,621
Total government transfers	\$ 9,669,567	\$ 6,544,365	\$ 6,130,723

**Consolidated Schedule of Expenses by Object****For the year ended December 31, 2022, with comparative information for 2021****Schedule 5**

	Budget	2022	2021
Salaries, wages and benefits	\$ 12,114,331	\$ 11,818,022	\$ 11,448,370
Contracted and general services	5,927,504	6,033,015	5,258,313
Materials, goods and supplies	3,609,182	3,963,381	3,737,388
Provision for allowances	-	305	2,587
Transfers to local boards and agencies	362,232	357,764	413,446
Bank charges and short-term interest	13,236	12,357	10,864
Interest on long-term debt	305,683	362,422	231,191
Amortization of tangible capital assets	5,201,424	5,237,714	5,201,425
Loss on disposal of tangible capital assets	-	(24,803)	15,059
Other	251,580	433,388	362,993
	\$ 27,785,172	\$ 28,193,565	\$ 26,681,636

**TOWN OF TABER**

**Consolidated Schedule of Segmented Disclosure  
For the year ended December 31, 2022  
Schedule 6**

	General Government	Protective Services	Transportation Services	Environmental Services	Public Health Services	Planning and Development	Parks and Recreation	Culture and Libraries	Total
<b>Revenue</b>									
Net taxes available for municipal purposes	\$ 10,398,041	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,398,041
Sales and user fees	16,972	276,531	428,531	9,693,515	117,006	-	147,378	3,803	10,683,736
Government transfers for operating	35,569	912,168	616,928	32,099	-	-	219,139	81,313	1,897,216
Penalties and costs of taxes	199,055	-	-	40,033	-	-	-	-	239,088
Fines	-	277,271	-	-	-	-	-	2,225	279,496
Franchise and concession contracts	2,169,448	-	-	-	-	-	-	-	2,169,448
Investment income	417,067	-	-	-	-	-	-	-	417,067
Licenses and permits	7,530	-	-	-	1,425	287,534	-	-	296,489
Rentals	75,210	153,012	-	210	-	215,168	458,785	38,387	940,772
Other	173,987	177,265	2,388	139,942	-	202,705	51,085	51,567	798,939
	<b>13,492,879</b>	<b>1,796,247</b>	<b>1,047,847</b>	<b>9,905,799</b>	<b>118,431</b>	<b>705,407</b>	<b>876,387</b>	<b>177,295</b>	<b>28,120,292</b>
<b>Expenses</b>									
Salaries, wages and benefits	1,781,574	3,859,284	1,433,974	1,724,692	71,494	847,496	1,737,572	361,936	11,818,022
Contracted and general services	1,044,760	487,138	1,128,790	2,417,792	16,849	362,388	503,785	71,513	6,033,015
Materials, goods and supplies	251,779	378,076	766,735	1,627,369	12,985	65,241	645,580	215,616	3,963,381
Provision for allowances	-	-	-	305	-	-	-	-	305
Transfers to local boards and agencies	57,247	-	131,712	-	68,294	29,856	-	70,655	357,764
Bank charges and short-term interest	1,292	777	-	1,551	-	-	7,680	1,057	12,357
Interest on long-term debt	-	-	41,737	109,599	-	188,888	-	22,198	362,422
Amortization of tangible capital assets	115,722	498,575	1,772,356	2,150,777	23,770	50,846	558,143	67,525	5,237,714
Loss (gain) on disposal of tangible capital assets	(223)	(34,806)	(11,821)	955	-	20,309	783	-	(24,803)
Other	77,748	122,366	554	232,177	19	450	74	-	433,388
	<b>3,329,899</b>	<b>5,311,410</b>	<b>5,264,037</b>	<b>8,265,217</b>	<b>193,411</b>	<b>1,565,474</b>	<b>3,453,617</b>	<b>810,500</b>	<b>28,193,565</b>
Annual surplus (deficit) before other	10,162,980	(3,515,163)	(4,216,190)	1,640,582	(74,980)	(860,067)	(2,577,230)	(633,205)	(73,273)
<b>Other</b>									
Contributed assets	-	66,962	-	-	-	1,374,781	-	-	1,441,743
Government transfers for capital	-	296,575	4,197,187	153,387	-	-	-	-	4,647,149
<b>Annual surplus (deficit)</b>	<b>\$ 10,162,980</b>	<b>\$ (3,151,626)</b>	<b>\$ (19,003)</b>	<b>\$ 1,793,969</b>	<b>\$ (74,980)</b>	<b>\$ 514,714</b>	<b>\$ (2,577,230)</b>	<b>\$ (633,205)</b>	<b>\$ 6,015,619</b>

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## TOWN OF TABER

### Notes to Consolidated Financial Statements

For the year ended December 31, 2022

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#### 1. Significant accounting policies

The consolidated financial statements of the Town of Taber (the "Town") are the representations of management prepared in accordance with Canadian Public Sector Accounting Standards. Significant accounting policies adopted by the Town are as follows:

##### (a) Reporting entity:

The consolidated financial statements reflect the assets, liabilities, revenues and expenses, change in net financial assets and change in accumulated surplus 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 Council for the administration of their financial affairs and resources. Included with the town are the following:

Taber Public Library

Taxes levied also include requisitions for educational, health care, social and other external organizations that are not part of the Town.

The statements exclude trust assets that are administered for the benefit of external parties. A schedule of these trust assets is included in Note 12.

Interdepartmental and organizational transactions and balances have been eliminated.

##### (b) Basis of accounting:

The financial statements are prepared using the accrual basis of accounting in accordance with Canadian Public Sector Accounting Standards.

##### (c) Expenses:

Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or the obligation to pay.

##### (d) Pension expenses:

The Town participates in a multi-employer defined benefit pension plan. This plan is accounted for as a defined contribution plan whereby contributions are expensed as incurred.

##### (e) Cash and cash equivalents:

Cash and cash equivalents includes cash and deposits redeemable at managements discretion held with Canadian financial institutions.

##### (f) Investments:

Investments are recorded at amortized cost. Investment premiums and discounts are amortized on the net present value basis over the term of the respective investments. When there has been a loss in value that is other than a temporary decline, the respective investment is written down to recognize the loss.



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## TOWN OF TABER

### Notes to Consolidated Financial Statements For the year ended December 31, 2022

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**(g) Debt charges recoverable:**

Debt charges recoverable consist of amounts that are recoverable from municipal agencies or other local governments with respect to outstanding debentures or other long-term debt pursuant to annexation orders or joint capital undertakings. These recoveries are recorded at a value that equals the offsetting portion of the un-matured long-term debt, less actuarial requirements for the retirement of any sinking fund debentures.

**(h) 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 that 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.

**(i) Revenues:**

Revenue is recorded when it is earned and measurable. Sales and user fees are accounted for in the period in which the events occurred that gave rise to the revenues. Revenue is recognized in the period when the related expenses are incurred, services performed or the tangible capital assets are acquired.

**(j) Tax revenue:**

Tax revenues are recognized once Town Council passes the bylaw approving the current year's tax assessment and tax rate. Tax rate categories include: real property taxes (residential and non-residential), linear property taxes and local improvement taxes. Requisitions operating as flow through arrangements are excluded from revenue. See Schedule 3.

Taxes receivable are measured once the tax rate of the local improvement tax rate bylaw is passed. Taxes receivable are measured at their net realizable value. Net realizable value excludes individually identified taxes in arrears considered uncollectable through the tax recovery process. Taxes received in advance of the next tax year are recorded as a customer credit and liability until the bylaw is passed.

**(k) Deferred 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. Deferred revenue includes amounts received for services yet to be performed as well as government transfers where the stipulations have not yet been met.

**(l) Government transfers:**

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

Government transfers are recognized in the financial statements in the period that gives rise to the transfer occurring, providing the transfers are authorized, the Town has met any eligible criteria and a reasonable estimate of the amounts can be made.

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## TOWN OF TABER

Notes to Consolidated Financial Statements  
For the year ended December 31, 2022

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**(m) Landfill closure and post-closure liability:**

Pursuant to the Alberta Environmental Protection and Enhancement Act, the Town is required to fund the closure of its landfill site and provide for post-closure care of the facility. Closure and post-closure activities include the final clay cover, landscaping, as well as surface and ground water monitoring, leachate control, and visual inspection. The landfill site has been closed.

**(n) Non-financial assets:**

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the excess of revenues and expenses, provides the consolidated 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	25-45
Buildings	25-75
Engineered structures	25-75
Machinery and equipment	4-40
Vehicles	4-25

Assets under construction are not amortized until the asset is available for productive use.

**(ii) Tangible capital assets disclosed at nominal values:**

Where an estimate of fair value could not be made or where there was no future benefit related to the asset, the tangible capital asset was recognized at a nominal value. Land, land improvements, buildings and machinery and equipment are the categories where nominal values were assigned.

**(iii) Contributions of tangible capital assets:**

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

**(iv) Inventories:**

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

**(v) Interest capitalization:**

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

**(vi) Land held for resale:**

Land held for resale is recorded at the lower of cost or net realizable value. Cost includes costs for land acquisition and improvements required to prepare the land for servicing such as clearing, stripping and leveling charges. Related development costs incurred to provide infrastructure such as water and wastewater services, roads, sidewalks and street lighting are recorded as capital assets under their respective function.

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## TOWN OF TABER

Notes to Consolidated Financial Statements  
For the year ended December 31, 2022

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**(o) Use of estimates:**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Areas with significant use of managements estimates include amortization of capital assets and collection of accounts receivable.

Contributions of tangible capital assets are recorded at fair value at the date of receipt.

Actual results could differ from those estimates.

**(p) Liability for contaminated sites:**

Contaminated sites are a result of contamination being introduced into air, soil, water, sediment of material (chemical, organic, radioactive) or live organism that exceeds an environmental standard. The Town recognizes a liability for remediation of contaminated sites when the following criteria have been met:

- an environmental standard exists,
- there is evidence that contamination exceeds an environmental standard,
- the Town is directly responsible or accepts responsibility for the contamination
- it is expected that future economic benefits will be given up and,
- a reasonable estimate of the amount can be made.

Sites that are currently in productive use are only considered contaminated sites if an unexpected event results in remediation. In cases where the Town's responsibility is not determinable, a contingent liability may be disclosed.

The liability reflects the Town's best estimate, as of December 31, 2022, of the amount required to remediate non-productive sites to the current minimum standard of use prior to contamination. Where possible, provisions for remediation are based on environmental assessments completed on a site; for those sites where an assessment has not been completed, estimates of the remediation are completed using information available for the site and by extrapolating from the cost to clean up similar sites. The liability is recorded net of any estimated recoveries from third parties. The Town will measure the liability using present value techniques when cash flows are expected to occur over extended future periods.

**(q) Future accounting pronouncements:**

The following summarizes the upcoming changes to the Public Sector Accounting Standards by the Public Sector Accounting Standards Board (PSAB). In 2023, the Town will continue to assess the impact and prepare for the adoption of these standards. While the timing of standard adoption can vary, certain standards must be adopted concurrently.

**(i) PS 1201 - Financial Statement Presentation**

The implementation of this standard requires a new statement of re-measurement gains and losses separate from the statement of operations. This new statement will include the unrealized gains and losses arising from the remeasurement of financial instruments and items denominated in foreign currency. This standard is effective for fiscal years beginning on or after April 1, 2022.

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## **TOWN OF TABER**

### **Notes to Consolidated Financial Statements For the year ended December 31, 2022**

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**(q) Future accounting pronouncements (continued):**

**(ii) PS 3450 - Financial Instruments**

This section establishes recognition, measurement, and disclosure requirements for derivative and non-derivative instruments. The standard requires fair value measurements of derivative instruments and equity instruments; all other financial instruments can be measured at either cost or fair value depending upon elections made by the government. Unrealized gains and losses will be presented on the new statement of re-measurement gains and losses arising from the adoption of PS 1201. There will also be a requirement to disclose the nature and extent of risks arising from financial instruments and clarification is given for the de-recognition of financial liabilities. As the Town does not invest in derivatives or equity instruments based on its investment policy, it is anticipated that the adoption of this standard will have a minimal impact on the Town. This standard is effective for fiscal years beginning on or after April 1, 2022.

**(iii) PS 2601 - Foreign Currency Translation**

This section establishes guidance on the recognition, measurement, presentation and disclosure of assets and liabilities denominated in foreign currencies. The Section requires monetary assets and liabilities, denominated in a foreign currency and non-monetary items valued at fair value, denominated in a foreign currency to be adjusted to reflect the exchange rates in effect at the financial statement date. The resulting unrealized gains and losses are to be presented in the new statement of re-measurement gains and losses. This standard is effective for fiscal years beginning on or after April 1, 2022.

**(iv) PS 3041 - Portfolio Investments**

This section removes the distinction between temporary and portfolio investments and provides additional guidance on recognition, measurement, presentation and disclosure of these types of investments. Upon adoption of this section and PS 3450, PS 3040 - Portfolio Investments will no longer be applicable. This standard is effective for fiscal years beginning on or after April 1, 2022.

**(v) PS 3280 - Asset Retirement Obligations**

This section provides guidance on how to account for and report a liability for retirement of a tangible capital asset. This section is effective for fiscal years beginning on or after April 1, 2022.

**(vi) PS 3400 - Revenue**

This section provides guidance on how to account for and report on revenue, specifically addressing revenue arising from exchange transactions and unilateral transactions. This section is effective for fiscal years beginning on or after April 1, 2023.

**(vii) PSG-8- Purchased Intangibles:**

This new guideline allows for recognition of intangibles purchased through an exchange transaction. Narrow-scope amendments were made to PS 1000 Financial Statement Concepts to remove prohibition on recognition of intangibles purchased through exchange transactions and PS 1201 Financial Statement Presentation to remove the requirement to disclose that purchased intangibles are not recognized. This is effective for fiscal years beginning on or after April 1, 2023.

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## TOWN OF TABER

### Notes to Consolidated Financial Statements For the year ended December 31, 2022

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**(q) Future accounting pronouncements (continued):**

(viii) PS 3160 - Public Private Partnerships

This section establishes standards on how to account for public private partnership arrangements. This standard is effective for fiscal years beginning on or after April 1, 2023.

The requirements in PS 1201, PS 3450, PS 2601, and PS 3041 are required to be implemented at the same time.

Management has indicated that the impact of the adoption of these standards are being evaluated and the impact is not known or reasonably estimable at this time.

## 2. Cash and temporary investments

	2022	2021
Cash	\$ 2,663,664	\$ 13,116,117
Temporary investments (market value 2022 - \$16,434,081; 2021 - \$2,303,872)	16,274,849	2,295,500
	<b>\$ 18,938,513</b>	<b>\$ 15,411,617</b>

The temporary investments are comprised of short-term deposits issued by a Canadian financial institution. These investments mature between April 10, 2023 to November 7, 2023, but are redeemable at management's discretion.

Included in temporary investments are restricted amounts of \$189,329, \$611,285, \$413,354, \$991,409, and \$16,593 received from Municipal Sustainability Initiative, Clean Water and Wastewater Fund, Federal Gas Tax Fund, Alberta Community Resilience Program, and Alberta Community Partnership respectively and held exclusively for capital infrastructure projects (note 6).

## 3. Taxes and grants in lieu receivable

	2022	2021
Current taxes and grants in lieu of taxes	\$ 670,921	\$ 569,030
Tax arrears	216,882	236,200
	<b>\$ 887,803</b>	<b>\$ 805,230</b>

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**TOWN OF TABER**

Notes to Consolidated Financial Statements  
For the year ended December 31, 2022

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**4. Long-term investments**

	2022		2021	
	Cost	Market Value	Cost	Market Value
Guaranteed Investment Certificates	\$ 1,441,435	\$ 1,396,354	\$ 756,953	\$ 756,953
Patronage reserves - United Farmers of Alberta	3,658	3,658	3,434	3,434
Shares in Alberta Capital Finance Authority	40	40	40	40
Shares in 1st Choice Savings & Credit Union Ltd.	58	58	57	57
	<u>\$ 1,445,191</u>	<u>\$ 1,400,110</u>	<u>\$ 760,484</u>	<u>\$ 760,484</u>

Guaranteed Investment Certificates have effective interest rates of 2.58% to 6.53% with maturity dates of February 12, 2027 to January 28, 2033.

**5. Employee benefit obligations**

	2022	2021
Vacation and other entitlements	\$ 713,857	\$ 665,367

The vacation and other entitlements liability consists of the vacation, overtime, flex and sick leave that employees are deferring to future years. Employees have either earned the benefits or are entitled to these benefits within the next budgetary year.

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**TOWN OF TABER****Notes to Consolidated Financial Statements  
For the year ended December 31, 2022**

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**6. Deferred revenue and government transfers**

	2022	2021
Deferred revenue	\$ 443,858	\$ 398,690
Government contributions <sup>(1)</sup>	2,632,900	4,705,696
Prepaid taxes	64,413	62,196
	<b>\$ 3,141,171</b>	<b>\$ 5,166,582</b>

<sup>(1)</sup> Government contributions in deferred revenue consist of the following:

	2021 Balance	Grants Received & Interest Recognized	Government Transfer Revenue	2022 Balance
Municipal Sustainability Initiative Grant	\$ 652,572	\$ 853,508	\$ (1,316,751)	\$ 189,329
Alberta Municipal Water/Wastewater	350,000	350,000	(88,715)	611,285
Federal Gas Tax Fund Alberta Community Partnership	378,697	508,273	(473,616)	413,354
Alberta Community Resilience Program	16,593	-	-	16,593
Other Grants	3,034,554	36,860	(2,080,005)	991,409
	273,280	1,410,001	(1,272,351)	410,930
	<b>\$ 4,705,696</b>	<b>\$ 3,158,642</b>	<b>\$ (5,231,438)</b>	<b>\$ 2,632,900</b>

**7. Provision for landfill post-closure costs**

Alberta Environmental law requires closure and post-closure of landfill sites, which includes final covering and landscaping, pumping of ground water and leachates from the site, and on-going environmental monitoring, site inspections and maintenance.

The estimated total liability of \$252,399 for 2022 (2021 - \$296,044) is based on the sum of discounted future cash flows for post-closure activities for 8 years (2021 - 9 years) using a discount rate of 2.2% (2021 - 0.9%) and assuming annual inflation of 2.1% (2021 - 1.8%).

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

## TOWN OF TABER

### Notes to Consolidated Financial Statements For the year ended December 31, 2022

#### 8. Long-term debt

	2022	2021	
Tax supported:			
Debenture issued for the construction of library building	\$ 438,835	\$ 537,202	
Debenture issued for Sewer Truck	-	110,964	
Debenture issued for upgrade to the water and waste water treatment plant	2,492,422	3,046,294	
Debenture issued for Lagoon project	-	880,000	
Debenture issued for 56 avenue extension	1,770,982	1,851,315	
Debenture issued for land purchase	1,268,301	1,459,197	
Debenture issued for The Meadows	4,465,019	4,632,271	
Debenture issued for Wastewater Lagoon Solar Project	1,385,870	-	
Self supported:			
Debenture from debt charges recoverable (Taber Gymnastics Fitness Club)	323,847	337,953	
Debenture from debt charges recoverable (Taber Chamber of Commerce)	966,957	989,135	
	13,112,233	13,844,331	
Current portion	1,145,185	1,292,968	
	\$ 11,967,048	\$ 12,551,363	
	Principal	Interest	Total
2023	\$ 1,145,185	\$ 322,054	\$ 1,467,239
2024	1,163,969	289,977	1,453,946
2025	1,183,377	257,277	1,440,654
2026	1,203,430	223,931	1,427,361
2027	825,143	194,003	1,019,146
Thereafter	7,591,129	1,747,436	9,338,565
	\$ 13,112,233	\$ 3,034,678	\$ 16,146,911

The Town is under agreement with the Taber Gymnastics Fitness Club for the repayment of a debenture taken out for the benefit of the club. The full principal and interest costs for the debenture are recovered from the club.



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## TOWN OF TABER

Notes to Consolidated Financial Statements  
For the year ended December 31, 2022

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### 8. Long-term debt (continued)

The Town is under agreement with the Taber Chamber of Commerce for the repayment of a debenture taken out for the benefit of the chamber. The full principal and interest costs for the debenture are recovered from the chamber.

Debenture debt issued for the construction of the library building is repayable to Alberta Capital Finance Authority and bears interest at 4.365% and matures in 2026.

Debenture debt issued for the 56 avenue extension is repayable to Alberta Capital Finance Authority and bears interest at 2.084% and matures in 2040.

Debenture debt issued to Taber Gymnastics Fitness Club is repayable to Alberta Capital Finance Authority and bears interest at 3.228% and matures in 2039.

Debenture debt issued for the Sewer Truck was repaid in the year.

Debenture debt issued for the upgrade to the water and waste water treatment plant is repayable to Canadian Imperial Bank of Commerce and bears interest at 2.4% and matures in 2027.

Debenture debt issued for the Lagoon project was repaid in the year.

Debenture debt issued for the Land purchase is repayable to Alberta Capital Finance Authority and bears interest at 2.899% and matures in 2028.

Debenture debt issued for the Meadows project is repayable to the Alberta Capital Finance Authority and bears interest at 3.27% and matures in 2040.

Debenture debt issued for the Wastewater Lagoon Solar Project is repayable to Alberta Capital Finance Authority and bears interest at 4.870% and matures in 2037.

Debenture debt issued for the Taber Chamber of Commerce is repayable to the Alberta Capital Finance Authority and bears interest at 2.733% and matures in 2051.

The Town has a revolving loan with Canadian Imperial Bank of Commerce. The revolving loan is due on demand, bears interest at prime minus 0.5% and has available funds up to \$3,000,000. As at December 31, 2021, the revolving loan was not drawn upon. As at December 31, 2022, the prime rate was 6.45% (2021 - 2.45%).

During the year, on a cash basis, the Town paid \$378,876 on interest on long-term debt.

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

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## TOWN OF TABER

Notes to Consolidated Financial Statements  
For the year ended December 31, 2022

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### 9. Debt limits

Section 276(2) of the Municipal Government Act requires that debt and debt limits as defined by Alberta Regulation 255/00 for the Town be disclosed as follows:

	2022	2021
Total debt limit	\$ 42,180,438	\$ 36,854,669
Total debt	(13,112,233)	(13,844,331)
Amount of debt limit unused	\$ 29,068,205	\$ 23,010,338
Debt servicing limit	\$ 7,030,073	\$ 6,142,445
Debt servicing	(1,467,239)	(1,671,844)
Amount of debt servicing limit unused	\$ 5,562,834	\$ 4,470,601

The debt limit is calculated at 1.5 times revenue of the Town (as defined in Alberta Regulation 255/00) and the debt service limit is calculated at 0.25 times such revenue. Incurring debt beyond these limitations requires approval by the Minister of Municipal Affairs. These thresholds are guidelines used by Alberta Municipal Affairs to identify municipalities which could be at financial risk if further debt is acquired. The calculation taken alone does not represent the financial stability of the Town. Rather, the financial statements must be interpreted as a whole.

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**TOWN OF TABER**

Notes to Consolidated Financial Statements  
For the year ended December 31, 2022

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**10. Tangible capital assets**

	2022	2021
Land for Municipal Use	\$ 2,904,362	\$ 2,904,362
Land Improvements	5,087,224	4,595,332
Buildings	14,810,666	15,328,614
Engineering Structures	105,255,939	100,443,767
Machinery & Equipment	7,626,022	7,344,765
Vehicles	2,765,212	3,005,945
Work in Progress	4,801,549	4,774,762
	<b>\$ 143,250,974</b>	<b>\$ 138,397,547</b>

Contributed capital assets received and recognized in the year relate to various land recorded on the consolidated financial statements is \$1,441,743. Contributed capital assets received in 2021 relate to contributions from developers for various land \$324,019.

**11. Accumulated surplus**

	2022	2021
General government operations	\$ 153,325,576	\$ 147,358,807
Taber Public Library	171,152	122,302
	<b>\$ 153,496,728</b>	<b>\$ 147,481,109</b>

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

	2022	2021
Unrestricted surplus	\$ 2,116,808	\$ 623,955
Reserves	16,147,054	14,885,382
Equity in tangible capital assets	135,232,866	131,971,772
	<b>\$ 153,496,728</b>	<b>\$ 147,481,109</b>

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**TOWN OF TABER****Notes to Consolidated Financial Statements  
For the year ended December 31, 2022**

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**11. Accumulated surplus (continued)**

Reserves are comprised of funds internally restricted as follows:

	2021	Transfers in	Transfers out	2022
General operations	\$ 578,046	\$ 252,800	\$ (360,944)	\$ 469,902
Off street parking	6,700	-	(6,700)	-
Continuing projects	34,706	3,706	182,055	220,467
Police Commission	32,282	-	(32,282)	-
Health and safety	114,429	26,553	(1)	140,981
General capital	877,096	127,022	(118,622)	885,496
Infrastructure	9,172,361	2,969,387	(2,183,894)	9,957,854
Buildings	430,152	653,167	(658,263)	425,056
Equipment	296,224	317,810	343,543	957,577
Land	1,865,969	59,037	(418,178)	1,506,828
Vehicles	553,271	246,470	(98,644)	701,097
Energy conservation	299,255	7,626	(170,446)	136,435
Funds held in place of municipal reserves	179,264	1,847	4,541	185,652
Development levies	445,627	-	114,082	559,709
	<b>\$ 14,885,382</b>	<b>\$ 4,665,425</b>	<b>\$ (3,403,753)</b>	<b>\$ 16,147,054</b>

## Equity in tangible capital assets

	2022	2021
Net book value of tangible capital assets	\$ 143,250,974	\$ 138,397,547
Long-term debt	(13,112,233)	(13,844,331)
Long-term debt not used for capital	3,803,321	6,091,468
Debt charges recoverable	1,290,804	1,327,088
	<b>\$ 135,232,866</b>	<b>\$ 131,971,772</b>

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## TOWN OF TABER

### Notes to Consolidated Financial Statements For the year ended December 31, 2022

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#### 12. Trust funds

The Town administers the following trusts on behalf of parties external to the reporting entity:

	2021	Increases	Decreases	2022
AFFC Bonspiel	2,800	-	2,800	-
Police trust	507	-	-	507
	\$ 3,307	\$ -	\$ 2,800	\$ 507

These amounts are not reflected in the financial position of the Town.

#### 13. Salary and benefits disclosure

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

	2022		2021	
	Salary <sup>(1)</sup>	Benefits & Allowances <sup>(2,3)</sup>	Total	Total
Members of Council				
Mayor A. Prokop	45,287	-	45,287	45,287
Councillors:				
J. Brewin	25,331	-	25,331	25,547
J. Strojwas	-	-	-	25,331
G. Bekkering	25,331	-	25,331	25,331
L. Tams	-	-	-	26,122
C. Firth	26,372	250	26,622	25,331
M. Garner	-	-	-	26,122
M. Mclean	25,331	-	25,331	-
J. Sorensen	26,122	-	26,122	-
A. Rudd	25,331	-	25,331	-
Chief Administrative Officer	164,355	35,581	199,936	80,671

(1) Salary includes regular base pay, bonuses, overtime, lump sum payments, gross honoraria and any other direct cash remuneration.

(2) Benefits and allowances figures include the Town's share of all employee benefits and contributions or payments made on behalf of the employee.

(3) Benefits and allowances figures also include the Town's share of the costs of additional taxable benefits including travel allowances and car allowances.

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## TOWN OF TABER

### Notes to Consolidated Financial Statements For the year ended December 31, 2022

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#### 14. Pension plans

Employees of the Town qualify to belong to one of the following defined-benefits pension plans:

(a) Local Authorities Pension Plan

The Town participates in a multi-employer defined benefit pension plan. The plan is accounted for as a defined contribution plan.

Employees of the Town, with the exception of police officers, participate in the Local Authorities Pension Plan (LAPP), which is one of the plans covered by the Alberta Public Sector Pension Plans Act. The LAPP serves about 281,764 people and 435 employers. The LAPP is financed by employer and employee contributions and by investment earnings of the LAPP Fund.

Contributions for current services are recorded as expenses 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. Employees of the Town are required to make current service contributions of 7.45% of pensionable earnings up to the year's maximum pensionable earnings and 11.80% on pensionable earnings above this amount.

Total current service contributions by the Town to the LAPP in 2022 were \$518,610 (2021 - \$540,263). Total current service contributions by the employees of the Town to the LAPP in 2022 were \$462,925 (2021 - \$487,748).

At December 31, 2021 the LAPP disclosed an actuarial surplus of \$11.90 billion (2020 - surplus of \$5 billion).

(b) Special Forces Pension Plan

The Town participates in a multi-employer defined benefit pension plan. The plan is accounted for as a defined contribution plan.

Police officers employed by the Town, including management, participate in the Special Forces Pension Plan (SFPP), which is one of the plans covered by the Alberta Public Sector Pension Plans Act. The SFPP serves about 7,670 people and 7 employers. The plan is financed by employer and employee contributions and by investment earnings of the SFPP Fund.

Contributions for current services are recorded as expenses in the year in which they become due.

The Town is required to make current service contributions to the SFPP of 14.55% of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 14.55% on pensionable earnings above this amount. Police officers of the Town are required to make current service contributions of 13.45% of pensionable earnings up to the year's maximum pensionable earnings and 13.45% on pensionable earnings above this amount.

Total current service contributions by the Town to the SFPP in 2022 were \$231,910 (2021 - \$228,058). Total current service contributions by the police officers of the Town to the SFPP in 2022 were \$214,377 (2021 - \$210,816).

At December 31, 2021 the SFPP Plan disclosed an actuarial surplus of \$424.0 million (2020 - surplus of \$10.0 million).

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## **TOWN OF TABER**

**Notes to Consolidated Financial Statements**  
**For the year ended December 31, 2022**

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### **15. Contingent liabilities**

The Town has not recognized liabilities relating to certain obligations, primarily environmental and other liabilities relating to facilities, equipment and land. These liabilities are not recognized as the dates of remediation are unknown and as such the fair value of these liabilities cannot be reasonably determined.

### **16. Contractual rights**

The Town has entered into several land rent and oil lease agreements with various third parties. These agreements are individually insignificant. The timing and extent of future revenues from each agreement varies based on its terms. Revenue from land rent and oil leases for the year was \$135,154 (2021 - \$136,164).

### **17. Financial instruments**

The Town's financial instruments consist of cash and temporary investments, taxes and grants in lieu receivable, trade and other receivables, long-term investments, debt charges recoverable, accounts payable and accrued liabilities, employee benefit obligations, deposit liabilities and long-term debt. It is management's opinion that the Town is not exposed to significant interest, currency or liquidity risk arising from these financial instruments.

The Town is subject to credit risk with respect to taxes and grants in lieu receivable, 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 and diversity of taxpayers and customers minimized the credit risk.

### **18. Segmented disclosure**

Segmented disclosures (Schedule 6) have 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 consolidated financial statements. Certain lines of service that have been separately disclosed in the segmented financial information, along with the services they provide, are as follows:

(a) **General government**

The mandate of general government includes all taxation, Council and administrative functional activities.

(b) **Protective services**

The mandate of protective services is to provide for the rescue and protection of people and property within the Town through effective and efficient management and coordination of emergency service systems and resources.

(c) **Transportation services**

The mandate of transportation services is the delivery of municipal public works services relating to the planning, development and maintenance of roadway systems, streets, walks, lighting, storm water flows and public transit.

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## **TOWN OF TABER**

**Notes to Consolidated Financial Statements  
For the year ended December 31, 2022**

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### **18. Segmented disclosure (continued)**

(d) Environmental services

The mandate of environmental services is the delivery of utility services including water supply and distribution services, wastewater treatment and disposal activities, and solid waste and recycling management.

(e) Public health services

The mandate of public health services is the contribution to Family and Community Support Services (FCSS) and the administration and maintenance of the cemetery.

(f) Planning and development

The mandate of planning and development is the administration of residential, commercial and industrial development services, and operation and maintenance of Town owned buildings.

(g) Parks and recreation

The mandate of parks and recreation includes the operation and maintenance of parks, sportsfields, and recreation and community facilities within the Town.

(h) Culture and libraries

The mandate of culture and libraries includes the operation and maintenance of the community auditorium and meeting rooms, and the support of the Taber Public Library and the ownership of the building.

For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The accounting policies used in these segments are consistent with those adopted by the Town as a whole.

### **19. Budget**

The Operating and Capital budget information was approved by Council on October 12, 2021 and August 16, 2021 respectively.

### **20. Approval of financial statements**

These financial statements have been approved by Council and Management.