

TOWN OF TABER
CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2023

TOWN OF TABER
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December 31, 2023

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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.



Chief Administrative Officer

April 24, 2024



Director of Finance



KPMG LLP
3410 Fairway Plaza Road South
Lethbridge, AB T1K 7T5
Canada
Telephone 403 380 5700
Fax 403 380 5760

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, 2023
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of changes in net financial debt 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, 2023, 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

Chartered Professional Accountants

Lethbridge, Canada

April 22, 2024

TOWN OF TABER**Consolidated Statement of Financial Position****As at December 31, 2023, with comparative information for 2022**

	2023	2022 Restated (note 2)
Financial assets		
Cash and temporary investments (note 3)	\$ 17,715,800	\$ 18,938,513
Taxes and grants in lieu receivable (note 4)	745,292	887,803
Trade and other receivables	3,376,073	1,780,170
Long-term investments (note 5)	1,291,396	1,445,191
Debt charges recoverable	1,253,452	1,290,804
Other financial assets	4,131	1,119
	24,386,144	24,343,600
Liabilities		
Accounts payable and accrued liabilities	2,233,062	1,869,095
Employee benefit obligations (note 6)	808,613	713,857
Deposit liabilities	494,097	710,148
Deferred revenue and government transfers (note 7)	2,144,549	3,141,171
Asset retirement obligation (note 8)	12,243,569	12,051,600
Long-term debt (note 9)	14,068,961	13,112,233
	31,992,851	31,598,104
Net financial debt	(7,606,707)	(7,254,504)
Non-financial assets		
Tangible capital assets (schedule 2, note 11)	149,450,037	146,284,686
Land held for resale	4,434,333	5,388,017
Inventory held for consumption	194,830	270,945
Prepays and deposits	76,434	42,122
	154,155,634	151,985,770
Accumulated surplus (schedule 1, note 12)	146,548,927	144,731,266
Contractual rights (note 16)		

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Consolidated Statement of Operations and Accumulated Surplus For the year ended December 31, 2023, with comparative information for 2022

	Budget	2023	2022 Restated (note 2)
Revenue			
Net taxes available for municipal purposes (schedule 3)	\$ 10,930,587	\$ 10,953,261	\$ 10,398,041
Sales and user fees	11,101,883	12,945,259	10,683,736
Government transfers for operating (schedule 4)	1,364,961	2,434,191	1,897,216
Penalties and costs of taxes	190,000	227,999	239,088
Fines	383,000	242,077	279,496
Franchise and concession contracts	2,023,537	2,149,690	2,169,448
Investment income	158,013	976,580	417,067
Licenses and permits	320,564	341,021	296,489
Rentals	980,218	1,047,714	940,772
Other	267,692	367,262	798,939
	27,720,455	31,685,054	28,120,292
Expenses (schedule 5)			
Council and other legislative	635,345	771,277	479,025
General government	3,476,810	3,210,225	2,850,875
Protective services	4,857,147	4,405,516	4,236,968
Fire	1,156,366	1,205,401	1,061,964
Disaster	16,862	12,488	12,479
Victim services	-	84,464	-
Roads, walks and street lighting	4,166,139	5,419,230	4,613,747
Other transportation	138,700	138,700	131,712
Stormwater	478,867	811,327	518,577
Water supply and distribution	2,578,478	2,707,625	2,568,077
Wastewater treatment and disposal	3,515,552	3,898,603	3,683,779
Waste management	1,912,278	1,988,349	2,515,940
Family and community support	69,660	70,896	68,294
Cemeteries	227,955	169,777	125,116
Land use planning, zoning and development	777,423	743,366	593,009
Subdivision land and development	315,357	1,782,971	231,215
Land, housing and building rentals	1,375,424	1,214,812	741,249
Parks and recreation	3,891,876	3,903,611	3,453,617
Culture	770,410	848,144	810,501
	30,360,649	33,386,782	28,696,144
Annual surplus (deficit) before other	(2,640,194)	(1,701,728)	(575,852)
Other			
Contributed assets	-	81,950	1,441,743
Government transfers for capital (schedule 4)	7,565,885	3,437,439	4,647,149
Annual surplus	4,925,691	1,817,661	5,513,040
Accumulated surplus, beginning of year	144,731,266	144,731,266	139,218,226
Accumulated surplus, end of year	\$ 149,656,957	\$ 146,548,927	\$ 144,731,266

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Consolidated Statement of Change in Net Financial Debt

For the year ended December 31, 2023, with comparative information for 2022

	Budget	2023	2022 Restated (note 2)
Annual surplus	\$ 4,925,691	\$ 1,817,661	\$ 5,513,040
Acquisition of tangible capital assets	(15,122,346)	(9,149,367)	(8,742,823)
Contributed tangible capital assets	-	(81,950)	(1,441,743)
Amortization of tangible capital assets	5,264,818	5,663,149	5,418,905
Transfer of land held for resale	-	81,745	2,700,512
Loss (gain) on disposal of tangible capital assets	-	97,499	(24,803)
Proceeds on disposal of tangible capital assets	-	41,352	118,228
	(4,931,837)	(1,529,911)	3,541,316
Net disposal (acquisition) of land held for resale	-	1,136,190	(1,099,842)
Acquisition of inventories of supplies	-	(194,830)	(270,945)
Acquisition of prepaids and deposits	-	(76,434)	(42,122)
Consumption of inventories of supplies	-	270,945	206,821
Use of prepaids and deposits	-	41,837	62,670
	-	1,177,708	(1,143,418)
Increase (decrease) in net financial debt	(4,931,837)	(352,203)	2,397,898
Net financial debt, beginning of year	(7,254,504)	(7,254,504)	(9,652,402)
Net financial debt, end of year	\$ (12,186,341)	\$ (7,606,707)	\$ (7,254,504)

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Consolidated Statement of Cash Flows

For the year ended December 31, 2023, with comparative information for 2022

	2023	2022 Restated (note 2)
Cash flows provided by (used in) the following activities:		
Operating		
Annual surplus	\$ 1,817,661	\$ 5,513,040
Items not involving cash:		
Amortization of tangible capital assets	5,663,149	5,418,905
Contributed tangible capital assets	(81,950)	(1,441,743)
Transfer of land held for resale	81,745	2,700,512
Gain (loss) on disposal of tangible capital assets	97,499	(24,803)
Change in non-cash assets and liabilities:		
Taxes and grants in lieu receivable	142,511	(82,573)
Trade and other receivables	(1,398,371)	3,641,165
Debt charges recoverable	37,352	36,284
Other financial assets	(3,012)	370
Accounts payable and accrued liabilities	363,940	285,130
Employee benefit obligations	94,756	48,490
Deposit liabilities	(216,051)	364,636
Deferred revenue and government transfers	(996,622)	(2,025,411)
Asset retirement obligation	191,969	277,743
Land held for resale	938,685	(1,100,130)
Inventory held for consumption	75,830	(64,124)
Prepays and deposits	(34,312)	20,806
	6,774,779	13,568,297
Capital		
Proceeds on disposal of tangible capital assets	41,352	118,228
Purchase of tangible capital assets:		
Funded from reserves	(8,039,045)	(8,313,911)
Funded from operations	(1,110,322)	(428,912)
	(9,108,015)	(8,624,595)
Investing		
Purchase of long-term investments	(50,000)	(684,707)
Redemption of long-term investments	203,795	-
	153,795	(684,707)
Financing		
Repayment of debt charges recoverable	(14,565)	(14,106)
Proceeds of long-term debt	2,143,692	1,363,690
Repayment of long-term debt	(1,172,399)	(2,081,683)
	956,728	(732,099)
Net increase (decrease) in cash and cash equivalents	(1,222,713)	3,526,896
Cash and cash equivalents, beginning of year	18,938,513	15,411,617
Cash and cash equivalents, end of year	\$ 17,715,800	\$ 18,938,513

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Consolidated Schedule of Changes in Accumulated Surplus

For the year ended December 31, 2023, with comparative information for 2022

Schedule 1

	Unrestricted Net Assets	Reserves	Equity in tangible capital assets	2023	2022
Beginning balance, as previously stated	\$ 439,235	\$ 16,147,054	\$ 138,588,012	\$ 155,174,301	\$ 147,481,109
Adjustment related to asset retirement obligation		-	(10,443,035)	(10,443,035)	(8,262,883)
As restated	\$ 439,235	\$ 16,147,054	\$ 128,144,977	\$ 144,731,266	\$ 139,218,226
Annual surplus	1,817,661	-	-	1,817,661	5,513,040
Operating reserves					
Transfers to reserves	(835,925)	835,925	-	-	-
Transfers from reserves	1,338,610	(1,338,610)	-	-	-
Capital reserves					
Transfers to reserves	(5,010,728)	5,010,728	-	-	-
Transfers from reserves for capital purposes	74,547	(5,572,923)	5,498,376	-	-
Capital investing					
Capital assets internally funded	(1,110,322)	-	1,110,322	-	-
Contributed assets	(81,950)	-	81,950	-	-
Amortization of tangible capital assets	5,663,149	-	(5,663,149)	-	-
Transfer of land held for resale	81,745	-	(81,745)	-	-
Proceeds on disposal of tangible capital assets	41,352	-	(41,352)	-	-
Gain on disposal of tangible capital assets	97,499	-	(97,499)	-	-
Capital financing					
Principal payment of capital debt	(803,163)	-	803,163	-	-
Total	\$ 1,711,710	\$ 15,082,174	\$ 129,755,043	\$ 146,548,927	\$ 144,731,266

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Consolidated Schedule of Tangible Capital Assets

For the year ended December 31, 2023, with comparative information for 2022

Schedule 2

Cost	2022	Prior period adjustments	Additions	Disposals	Transfers of assets under construction	2023
Land	\$ 2,904,363	-	\$ 3,207,600	\$ 81,745	\$ -	\$ 6,030,218
Land improvements	7,440,830	-	477,234	-	-	7,918,064
Buildings	23,636,898	1,445,604	328,044	-	248,675	25,659,221
Engineering structures	182,869,302	6,750,216	2,831,025	175,467	3,887,405	196,162,481
Machinery and equipment	14,590,211	-	853,043	839,894	80,922	14,684,282
Vehicles	6,292,318	-	65,315	56,463	-	6,301,170
Assets under construction	4,801,549	-	1,469,055	182,248	(4,217,002)	1,871,354
Total	\$ 242,535,471	\$ 8,195,820	\$ 9,231,316	\$ 1,335,817	\$ -	\$ 258,626,790

Accumulated amortization	2022	Prior period adjustments	Amortization expense	Disposals	2023
Land	\$ -	-	\$ -	\$ -	\$ -
Land improvements	2,353,606	-	289,060	-	2,642,666
Buildings	8,826,232	720,842	518,050	-	10,065,124
Engineering structures	77,613,364	4,441,266	3,601,351	53,468	85,602,513
Machinery and equipment	6,964,187	-	928,373	821,406	7,071,154
Vehicles	3,527,108	-	326,287	58,099	3,795,296
Total	\$ 99,284,497	\$ 5,162,108	\$ 5,663,121	\$ 932,973	\$ 109,176,753

Net book value	2022 Restated (note 2)	2023
Land	\$ 2,904,363	\$ 6,030,218
Land improvements	5,087,224	5,275,398
Buildings	15,535,428	15,594,097
Engineering structures	107,564,888	110,559,968
Machinery and equipment	7,626,024	7,613,128
Vehicles	2,765,210	2,505,874
Assets under construction	4,801,549	1,871,354
Total	\$ 146,284,686	\$ 149,450,037

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Consolidated Schedule of Taxes Levied and Net Taxes Available for Municipal Purposes For the year ended December 31, 2023, with comparative information for 2022 Schedule 3

	Budget	2023	2022
Taxation:			
Real property taxes	\$ 13,728,773	\$ 13,754,697	\$ 13,186,057
Linear property taxes	301,095	309,103	289,844
Government grants in place of property taxes	48,060	48,060	48,115
	14,077,928	14,111,860	13,524,016
Requisition:			
Alberta School Foundation Fund	2,654,596	2,665,535	2,643,556
Holy Spirit School Division	343,133	343,417	347,283
Taber & District Housing Authority	149,612	149,647	135,136
	3,147,341	3,158,599	3,125,975
Net taxes available for municipal purposes	\$ 10,930,587	\$ 10,953,261	\$ 10,398,041

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Consolidated Schedule of Government Transfers

For the year ended December 31, 2023, with comparative information for 2022

Schedule 4

	Budget	2023	2022
Transfers for operating:			
Provincial government	\$ 905,540	\$ 1,900,265	\$ 1,542,450
Federal government	10,900	84,804	46,225
Other local governments	448,521	449,122	308,541
	1,364,961	2,434,191	1,897,216
Transfers for capital:			
Provincial government	7,565,885	3,437,439	4,647,149
Total government transfers	\$ 8,930,846	\$ 5,871,630	\$ 6,544,365

Consolidated Schedule of Expenses by Object

For the year ended December 31, 2023, with comparative information for 2022

Schedule 5

	Budget	2023	2022 Restated (note 2)
Salaries, wages and benefits	\$ 13,089,279	\$ 13,180,992	\$ 11,818,022
Contracted and general services	6,556,180	7,036,325	6,033,015
Materials, goods and supplies	4,288,404	4,183,110	3,963,381
Provision for allowances	-	3,435	305
Transfers to local boards and agencies	387,648	968,722	357,764
Bank charges and short-term interest	15,053	15,503	12,357
Interest on long-term debt	525,197	352,156	362,422
Amortization of tangible capital assets	5,264,818	5,663,149	5,418,905
Gain (Loss) on disposal of tangible capital assets	-	97,499	(24,803)
Other	234,070	1,885,891	754,776
	\$ 30,360,649	\$ 33,386,782	\$ 28,696,144

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Consolidated Schedule of Segmented Disclosure
For the year ended December 31, 2023
Schedule 6

	General Government	Protective Services	Transportation Services	Environmental Services	Public Health Services	Planning and Development	Parks and Recreation	Culture and Libraries	Total
Revenue									
Net taxes available for municipal purposes	\$ 10,953,261	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,953,261
Sales and user fees	14,648	389,296	485,897	8,686,564	88,221	3,124,595	151,833	4,205	12,945,259
Government transfers for operating	90,053	1,135,272	748,802	7,548	-	51,509	307,229	93,778	2,434,191
Penalties and costs of taxes	187,064	-	-	40,935	-	-	-	-	227,999
Fines	47,866	192,300	-	-	-	-	-	1,911	242,077
Franchise and concession contracts	2,149,690	-	-	-	-	-	-	-	2,149,690
Investment income	976,580	-	-	-	-	-	-	-	976,580
Licenses and permits	4,700	-	-	-	1,725	334,596	-	-	341,021
Rentals	70,023	160,702	-	-	-	261,767	508,472	46,750	1,047,714
Other	55,987	67,093	45,983	32,821	-	67,402	45,506	52,470	367,262
	14,549,872	1,944,663	1,280,682	8,767,868	89,946	3,839,869	1,013,040	199,114	31,685,054
Expenses									
Salaries, wages and benefits	1,936,900	4,268,579	1,605,421	1,871,196	96,887	1,074,455	1,904,261	423,293	13,180,992
Contracted and general services	1,170,044	624,917	1,399,697	2,309,230	38,816	741,518	697,721	54,382	7,036,325
Materials, goods and supplies	261,241	335,055	810,373	1,706,761	7,922	128,528	718,510	214,720	4,183,110
Provision for allowances	500	1,605	-	38	1,292	-	-	-	3,435
Transfers to local boards and agencies	313,679	-	467,644	-	70,896	46,756	-	69,747	968,722
Bank charges and short-term interest	1,776	1,194	-	1,956	-	-	9,336	1,241	15,503
Interest on long-term debt	-	-	38,883	117,832	-	177,595	-	17,846	352,156
Amortization of tangible capital assets	127,820	461,199	1,944,181	2,380,021	24,835	58,859	599,319	66,915	5,663,149
Loss (gain) on disposal of tangible capital assets	11,737	(4,249)	101,840	13,808	-	-	(25,637)	-	97,499
Other	157,806	19,571	1,220	193,731	25	1,513,438	100	-	1,885,891
	3,981,503	5,707,871	6,369,259	8,594,573	240,673	3,741,149	3,903,610	848,144	33,386,782
Annual surplus (deficit) before other	10,568,369	(3,763,208)	(5,088,577)	173,295	(150,727)	98,720	(2,890,570)	(649,030)	(1,701,728)
Other									
Contributed assets	-	-	-	-	-	-	81,950	-	81,950
Government transfers for capital	50,000	160,645	2,495,881	420,719	-	-	310,194	-	3,437,439
Annual surplus (deficit)	\$ 10,618,369	\$ (3,602,563)	\$ (2,592,696)	\$ 594,014	\$ (150,727)	\$ 98,720	\$ (2,498,426)	\$ (649,030)	\$ 1,817,661

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Notes to Consolidated Financial Statements For the year ended December 31, 2023

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 13.

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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Notes to Consolidated Financial Statements For the year ended December 31, 2023

(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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Notes to Consolidated Financial Statements

For the year ended December 31, 2023

(m) Non-financial assets:

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

	Years
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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Notes to Consolidated Financial Statements For the year ended December 31, 2023

(n) 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.

(o) Asset Retirement Obligations:

Asset retirement obligations (ARO) are legal obligations associated with the retirement of a tangible capital assets (TCA). Asset retirement activities include all activities relating to an asset retirement obligation. These may include, but are not limited to;

decommissioning or dismantling a tangible capital asset that was acquired, constructed or developed;

remediation of contamination of a tangible capital asset created by its normal use;

post-retirement activities such as monitoring; and

constructing other tangible capital assets to perform post-retirement activities.

A liability for an asset retirement obligation is recognized when, as at the financial reporting date:

(a) there is a legal obligation to incur retirement costs in relation to a tangible capital asset;

(b) the past transaction or event giving rise to the liability has occurred;

(c) it is expected that future economic benefits will be given up; and

(d) a reasonable estimate of the amount can be made.

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

(p) Future accounting pronouncements:

The following summarizes the upcoming changes to the Public Sector Accounting Standards by the Public Sector Accounting Standards Board (PSAB). In 2024, 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 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 standard has been deferred by PSAB and is now effective for fiscal years beginning on or after April 1, 2023

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Notes to Consolidated Financial Statements For the year ended December 31, 2023

(p) Future accounting pronouncements (continued):

PSG-8 - Purchased Intangibles:

(ii)

The Canadian Public Sector Accounting Board issued a new guideline, PSG 8 - Purchased Intangibles. This new guideline explains the scope of the intangibles now allowed to be recognized in financial statements given the removal of the recognition prohibition relating to purchased intangibles in Section PS 1000. The key aspects of this guideline are:

- A definition of purchased tangibles.
- Examples of items that are not purchased intangibles.
- References to other guidance in the PSA Handbook on intangibles.
- Reference to the asset definition general recognition criteria and the GAAP hierarchy for accounting for purchased intangibles.

(iii) **PS 3160 - Public Private Partnerships:**

The Canadian Public Sector Accounting Board issued a new standard, PS 3160, Public Private Partnerships in April 2021. This section establishes standards for the recognition, measurement, presentation, and disclosure of infrastructure procured through certain types of public private partnership arrangements.

This section is effective for fiscal years beginning on or after April 1, 2023 and may be applied retroactively with or without prior period restatement. Early adoption is permitted.

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.

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. Change in accounting policy

Effective January 1, 2023, the Town adopted the new accounting standard PS 3280 Asset Retirement Obligations and applied the standard using the modified retroactive approach with restatement of prior year comparative information.

On the effective date of the PS 3280 standard, the Town recognized the following to conform to the new standard;

- asset retirement obligations, adjusted for accumulated accretion to the effective date;
- asset retirement cost capitalized as an increase to the carrying amount of the related tangible capital assets in productive use;
- accumulated amortization on the capitalized cost; and
- adjustment to the opening balance of the accumulated surplus/deficit.

Amounts are measured using information, assumptions and discount rates where applicable that are current on the effective date of the standard. The amount recognized as an asset retirement cost is measured as of the date the asset retirement obligation was incurred. Accumulated accretion and amortization are measured for the period from the date the liability would have been recognized had the provisions of this standard been in effect to the date as of which this standard is first applied.

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Notes to Consolidated Financial Statements For the year ended December 31, 2023

2. Change in accounting policy (continued)

Impact on the prior year's financial statements as a result of the change in accounting policy is as follows:

	As previously reported	Adjustment recognized	As restated
Statement of Financial Position			
Financial assets	24,343,600	-	24,343,600
Liabilities	19,798,930	11,799,174	31,598,104
Net-financial assets	4,544,670	(11,799,174)	(7,254,504)
Non-financial assets	148,952,058	3,033,712	151,985,770
Net assets (net liabilities)	4,544,670	(11,799,174)	(7,254,504)
Accumulated surplus at beginning of year	147,481,109	(8,262,883)	139,218,226
Accumulated surplus at end of year	155,174,301	(10,443,035)	144,731,266
Statement of Operations			
Total Revenue	34,209,184	-	34,209,184
Total Expenses	28,193,565	502,579	28,696,144
Annual Surplus	6,015,619	(502,579)	5,513,040
Statement of Change in Net Financial Assets			
Annual surplus	6,015,619	(502,579)	5,513,040
Amortization of Tangible Capital assets	5,237,714	181,191	5,418,905
Net financial assets at beginning of year	1,825,411	(11,477,813)	(9,652,402)
Net financial assets at end of year	4,544,670	(11,799,174)	(7,254,504)

The Town also adopted the new accounting standards PS 1201 Financial Statement Presentation, PS 3450 - Financial Instruments, PS 2601 Foreign Currency Translation, and PS 3401 Portfolio Investments effective January 1, 2023.

The adoption of these standards did not impact the current year or prior year financial statements or presentation of the Town's financial position, operations, or cash flows.

3. Cash and temporary investments

	2023	2022
Cash	\$ 3,819,180	\$ 2,663,664
Temporary investments (market value 2023 - \$14,428,989; 2022 - \$16,434,081)	13,896,620	16,274,849
	\$ 17,715,800	\$ 18,938,513

The temporary investments are comprised of short-term deposits issued by a Canadian financial institution. These investments mature between February 7, 2024 to April 14, 2025, but are redeemable at management's discretion.

Included in temporary investments are restricted amounts of \$60,013, \$457,205, and \$592,458 received from Municipal Sustainability Initiative, Federal Gas Tax Fund, and Clean Water and Wastewater Fund respectively and held exclusively for capital infrastructure projects (note 7).

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Notes to Consolidated Financial Statements For the year ended December 31, 2023

4. Taxes and grants in lieu receivable

	2023		2022	
Current taxes and grants in lieu of taxes	\$	534,482	\$	670,921
Tax arrears		210,810		216,882
	\$	745,292	\$	887,803

5. Long-term investments

	2023		2022	
	Cost	Market Value	Cost	Market Value
Guaranteed Investment Certificates	\$ 1,287,337	\$ 1,233,560	\$ 1,441,435	\$ 1,396,354
Patronage reserves - United Farmers of Alberta	3,958	3,958	3,658	3,658
Shares in Alberta Capital Finance Authority	40	40	40	40
Shares in 1st Choice Savings & Credit Union Ltd.	61	61	58	58
	\$ 1,291,396	\$ 1,237,619	\$ 1,445,191	\$ 1,400,110

Guaranteed Investment Certificates have effective interest rates of 1.67% to 6.53% with maturity dates of February 12, 2027 to December 15, 2032.

6. Employee benefit obligations

	2023		2022	
Vacation and other entitlements	\$	808,613	\$	713,857

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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Notes to Consolidated Financial Statements For the year ended December 31, 2023

7. Deferred revenue and government transfers

	2023	2022
Deferred revenue	\$ 694,510	\$ 443,858
Government contributions ⁽¹⁾	1,375,952	2,632,900
Prepaid taxes	74,087	64,413
	\$ 2,144,549	\$ 3,141,171

⁽¹⁾ Government contributions in deferred revenue consist of the following:

	2022 Balance	Grants Received & Interest Recognized	Government Transfer Revenue	2023 Balance
Municipal Sustainability Initiative Grant	\$ 189,329	\$ 852,614	\$ (981,930)	\$ 60,013
Alberta Municipal Water/Wastewater	611,285	-	(18,827)	592,458
Federal Gas Tax Fund	413,354	545,484	(501,633)	457,205
Alberta Community Partnership	16,593	-	(16,593)	-
Alberta Community Resilience Program	1,081,552	31,340	(1,112,892)	-
Other Grants	320,787	1,713,189	(1,767,700)	266,276
	\$ 2,632,900	\$ 3,142,627	\$ (4,399,575)	\$ 1,375,952

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Notes to Consolidated Financial Statements For the year ended December 31, 2023

8. Asset Retirement obligations and environmental liabilities

	2023	2022
Asset retirement obligations, beginning of year	\$ 12,051,600	\$ 11,730,213
Accretion expense	191,969	321,387
	<u>\$ 12,243,569</u>	<u>\$ 12,051,600</u>

The Town applied new Section PS 3280 on January 1, 2022 using the modified retrospective method with restatement. Asset retirement obligations were recognized related to closure and post closure costs on the landfill, the remediation required for asbestos present in buildings and the decommissioning of a lagoon.

Landfill

The Town operates a landfill site and is legally required to perform closure and post-closure activities upon retirement of this site. Closure and post-closure activities include the closure of individual cells, removal of site infrastructure, final cover, landscaping, as well as surface and ground water monitoring, leachate control, and visual inspection. A liability for the total obligation, which was incurred when the site started accepting waste, irrespective of volume of waste accepted has been accrued. The Town estimates that no obligation is incurred incrementally due to the volume of waste accepted, therefore, no further obligation is being accrued based on volume of waste accepted. Closure of cells is estimated to happen at various points over the next 20 years with final closure activities in 2043 and post closure costs for 25 years following. The liability recognized in the consolidated financial statements is subject to measurement uncertainty. The recognized amounts are based on the Town's best information and judgment.

Asbestos abatement

The Town owns and operates several buildings that are known to have asbestos, which represents a health hazard upon demolition or renovation of the building. Following the adoption of PS3280 – Asset retirement obligations, the City recognized an obligation relating to the removal of the asbestos in these buildings as estimated at January 1, 2022. The costs were based upon the presently known obligations obtained through assessments. The majority of buildings will be remediated at intervals over the next 44 years. These costs were discounted to December 31, 2023.

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Notes to Consolidated Financial Statements
For the year ended December 31, 2023

9. Long-term debt

	2023	2022
Tax supported:		
Debenture issued for the construction of library building	\$ 336,125	\$ 438,835
Debenture issued for Clarifier Rehab	2,166,480	-
Debenture issued for upgrade to the water and waste water treatment plant	1,938,551	2,492,422
Debenture issued for 56 avenue extension	1,688,966	1,770,982
Debenture issued for land purchase	1,071,831	1,268,301
Debenture issued for The Meadows	4,292,253	4,465,019
Debenture issued for Wastewater Lagoon Solar Project	1,321,303	1,385,870
Self supported:		
Debenture from debt charges recoverable (Taber Gymnastics Fitness Club)	309,282	323,847
Debenture from debt charges recoverable (Taber Chamber of Commerce)	944,170	966,957
	14,068,961	13,112,233
Current portion	1,295,200	1,145,185
	\$ 12,773,761	\$ 11,967,048

	Principal	Interest	Total
2024	\$ 1,295,200	\$ 465,998	\$ 1,761,198
2025	1,321,310	366,401	1,687,711
2026	1,348,410	386,201	1,734,611
2027	977,529	348,868	1,326,397
2028	724,404	275,350	999,754
Thereafter	8,402,108	2,344,534	10,746,642
	\$ 14,068,961	\$ 4,187,352	\$ 18,256,313

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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Notes to Consolidated Financial Statements For the year ended December 31, 2023

9. 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 Clarifier rehabilitation is repayable to Alberta Capital Finance Authority and bears interest at 5.230% and matures in 2043.

Debenture debt issued for the upgrade to the water and waste water treatment plant is repayable to Alberta Capital Finance Authority and bears interest at 2.400% and matures in 2027.

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 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 2041.

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 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 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, 2023, the revolving loan was not drawn upon. As at December 31, 2023, the prime rate was 7.20% (2022 - 6.45%).

During the year, on a cash basis, the Town paid \$322,054 on interest on long-term debt.

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

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Notes to Consolidated 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 255/00 for the Town be disclosed as follows:

	2023	2022
Total debt limit	\$ 47,527,581	\$ 42,180,438
Total debt	(14,068,961)	(13,112,233)
Amount of debt limit unused	\$ 33,458,620	\$ 29,068,205
Debt servicing limit	\$ 7,921,264	\$ 7,030,073
Debt servicing	(1,761,198)	(1,467,239)
Amount of debt servicing limit unused	\$ 6,160,066	\$ 5,562,834

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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Notes to Consolidated Financial Statements
For the year ended December 31, 2023

11. Tangible capital assets

	2023	2022 Restated (note 2)
Land for Municipal Use	\$ 6,030,218	\$ 2,904,362
Land Improvements	5,275,398	5,087,224
Buildings	15,594,097	15,535,428
Engineering Structures	110,559,968	107,564,889
Machinery & Equipment	7,613,128	7,626,022
Vehicles	2,505,874	2,765,212
Work in Progress	1,871,354	4,801,549
	\$ 149,450,037	\$ 146,284,686

Contributed capital assets received and recognized in the year relate to various land recorded on the consolidated financial statements is \$81,950 (2022 - \$1,441,743).

12. Accumulated surplus

	2023	2022 Restated (note 2)
General government operations	\$ 146,338,738	\$ 144,560,114
Taber Public Library	210,189	171,152
	\$ 146,548,927	\$ 144,731,266

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

	2023	2022 Restated (note 2)
Unrestricted surplus	\$ 1,711,710	\$ 439,235
Reserves	15,082,174	16,147,054
Equity in tangible capital assets	129,755,043	128,144,977
	\$ 146,548,927	\$ 144,731,266

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Notes to Consolidated Financial Statements For the year ended December 31, 2023

12. Accumulated surplus (continued)

Reserves are comprised of funds internally restricted as follows:

	2022	Transfers in	Transfers out	2023
General operations	\$ 469,902	\$ 754,949	\$ (1,075,914)	\$ 148,937
Continuing projects	220,467	-	(40,739)	179,728
Health and safety	140,981	29,887	(170,868)	-
General capital	885,496	74,074	(84,061)	875,509
Infrastructure	9,957,854	4,148,421	(4,319,813)	9,786,462
Buildings	425,056	170,677	(144,243)	451,490
Equipment	957,577	318,696	(898,770)	377,503
Land	1,506,828	106,761	(239,237)	1,374,352
Vehicles	701,097	230,841	-	931,938
Energy conservation	136,435	10,500	-	146,935
Funds held in place of municipal reserves	185,652	1,847	19,038	206,537
Development levies	559,709	-	43,074	602,783
	\$ 16,147,054	\$ 5,846,653	\$ (6,911,533)	\$ 15,082,174

Equity in tangible capital assets

	2023	2022 Restated (note 2)
Net book value of tangible capital assets	\$ 149,450,037	\$ 146,284,686
Long-term debt	(14,068,961)	(13,112,233)
Long-term debt not used for capital	5,364,084	5,733,320
Debt charges recoverable	1,253,452	1,290,804
Asset retirement obligation liability	(12,243,569)	(12,051,600)
	\$ 129,755,043	\$ 128,144,977

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Notes to Consolidated Financial Statements For the year ended December 31, 2023

13. Trust funds

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

	2022	Increases	Decreases	2023
Police trust	507	-	-	507
	\$ 507	\$ -	\$ -	\$ 507

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

14. 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:

			2023	2022
	Salary ⁽¹⁾	Benefits & Allowances ^(2,3)	Total	Total
Members of Council				
Mayor A. Prokop	45,287	2,486	47,773	47,668
Councillors:				-
G. Bekkering	26,054	-	26,054	25,331
C. Firth	26,595	1,315	27,909	27,676
J. Brewin	25,331	1,299	26,630	26,575
J. Sorensen	25,331	1,299	26,630	27,412
M. Mclean	25,331	1,299	26,630	26,575
A. Rudd	13,193	-	13,193	25,331
D. Remfert	7,740	408	8,148	-
Chief Administrative Officer	173,259	40,427	213,686	201,556

(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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Notes to Consolidated Financial Statements For the year ended December 31, 2023

15. 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 291,259 people and 437 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 12.23% on pensionable earnings above this amount. Employees of the Town are required to make current service contributions of 7.45% of pensionable earnings up to the year's maximum pensionable earnings and 11.23% on pensionable earnings above this amount.

Total current service contributions by the Town to the LAPP in 2023 were \$551,004 (2022 - \$518,610). Total current service contributions by the employees of the Town to the LAPP in 2023 were \$491,820 (2022 - \$462,925).

At December 31, 2022 the LAPP disclosed an actuarial surplus of \$12.70 billion (2021 - surplus of \$12 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 7,812 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 2023 were \$232,638 (2022 - \$231,910). Total current service contributions by the police officers of the Town to the SFPP in 2023 were \$215,051 (2022 - \$214,377).

At December 31, 2022 the SFPP Plan disclosed an actuarial surplus of \$265.0 million (2021 - surplus of \$424.0 million).

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Notes to Consolidated Financial Statements For the year ended December 31, 2023

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 \$258,169 (2022 - \$210,280).

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.

(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.

TOWN OF TABER

Notes to Consolidated Financial Statements For the year ended December 31, 2023

18. Segmented disclosure (continued)

(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 May 11, 2023 and November 14, 2022 respectively.

20. Approval of financial statements

These financial statements have been approved by Council and Management.