

**TOWN OF HANNA  
FINANCIAL STATEMENTS  
FOR THE YEAR END DECEMBER 31, 2022**

**TOWN OF HANNA  
FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

***CONTENTS***

	<b>Page</b>
<b>INDEPENDENT AUDITOR'S REPORT</b>	2 - 3
<b>MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING</b>	4
<b>FINANCIAL STATEMENTS</b>	
Statement of Financial Position	5
Statement of Operations	6
Statement of Changes in Net Financial Assets	7
Statement of Cash Flows	8
Schedule of Tangible Capital Assets	9
Schedule of Property and Other Taxes	10
Schedule of Government Transfers	10
Schedule of Expenses by Object	11
Schedule of Changes in Accumulated Operating Surplus	12
Schedule of Segmented Disclosure	13
Notes to Financial Statements	14 - 26

## INDEPENDENT AUDITOR'S REPORT

### To the Members of Council:

#### *Opinion*

We have audited the financial statements of the Town of Hanna (the "Town"), which comprise of the statement of financial position as at December 31, 2022 and the statements of operations, changes in net financial assets and cash flows for the year then ended, and the notes and schedules to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Town of Hanna as at December 31, 2022, the results of its operations, changes in net financial assets and its cash flows for the year ended in accordance with Canadian Public Sector Accounting Standards.

#### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Town of Hanna 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 these 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 the financial statements that are free from material misstatement, whether due to fraud or error.

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

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

#### *Auditor's Responsibility 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 the users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls 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 controls.
- 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 the auditor's report. However future events or conditions may cause the Town to cease to continue to be a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

*Report on Other Legal and Regulatory Requirements*

- Debt Limit Regulation: In accordance with Alberta Regulation 255/2000, we confirm that the municipality is in compliance with the Debt Limit Regulation. A detailed account of the Town's debt limit can be found in Note 9.
- Supplementary Accounting Principles and Standards Regulation: In accordance with Alberta Regulation 313/2000, we confirm that the municipality is in compliance with the Supplementary Accounting Principles and Standards Regulation and note the information required can be found in Note 1.

*Ascend*

**HANNA, ALBERTA  
APRIL 10, 2023**

**ASCEND LLP  
CHARTERED PROFESSIONAL ACCOUNTANTS**



## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

Management of the Town of Hanna (the "Town") is responsible for the preparation, accuracy, objectivity, and integrity of the accompanying financial statements and the notes thereto. Management believes that the financial statements present fairly the Town's financial position as at December 31, 2022 and the results of its operations for the year then ended.

The financial statements have been prepared in compliance with legislation, and in accordance with Canadian Public Sector Accounting Standards (PSAS).

The financial statements include certain amounts based on estimates and judgments. Such amounts have been determined on a reasonable basis in order to ensure the financial statements are presented fairly in all material respects.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, management has designed and maintains a system of internal controls to produce reliable information and to meet reporting requirements on a timely basis. The system is designed to provide management with reasonable assurance that transactions are properly authorized and assets are properly accounted for and safeguarded.

These systems are monitored and evaluated by management and reliable financial information is available for preparation of the financial statements.

The Town Council carries out its responsibilities for review of the financial statements primarily through the Finance and Administration departments. Council meets annually with management and external auditors to discuss the results of audit examinations and financial reporting matters.

The external auditors have full access to Council with and without the presence of management. The Town Council has approved the financial statements.

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

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Kim Neill  
Chief Administrative Officer

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Winona Gutsche  
Director of Corporate Services

**TOWN OF HANNA**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2022**

	<b>2022</b>	<b>2021</b>
<b>FINANCIAL ASSETS</b>		
Cash (Note 2)	\$ 5,179,330	\$ 4,895,188
Receivables		
Taxes and grants in place of taxes (Note 3)	74,341	94,168
Trade and other receivables	510,040	810,433
Receivables from other governments	1,762,634	1,341,707
Land inventory held for resale	1,199,201	1,245,862
Investments (Note 4)	<u>2,181,108</u>	<u>1,794,437</u>
	<u>10,906,654</u>	<u>10,181,795</u>
<b>LIABILITIES</b>		
Accounts payable	169,621	189,191
Deposit liabilities	10,661	12,383
Deferred revenue (Note 5)	2,409,488	1,964,314
Employee benefit obligations (Note 6)	314,122	324,851
Long-term debt (Note 7)	<u>229,826</u>	<u>257,633</u>
	<u>3,133,718</u>	<u>2,748,372</u>
<b>NET FINANCIAL ASSETS</b>	<u>7,772,936</u>	<u>7,433,423</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 1)	30,033,699	30,318,037
Prepaid expenses	2,152	247
Deposit on asset acquisitions	<u>59,708</u>	<u>59,708</u>
	<u>30,095,559</u>	<u>30,377,992</u>
<b>ACCUMULATED SURPLUS</b>	<u>\$ 37,868,495</u>	<u>\$ 37,811,415</u>

**CONTAMINATED SITES LIABILITY (SEE NOTE 8)**  
**COMMITMENTS (SEE NOTE 17)**  
**CONTINGENCIES (SEE NOTE 18)**

**TOWN OF HANNA**  
**STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

	Budget (Unaudited)	2022	2021
<b>REVENUE</b>			
Net municipal taxes (Schedule 2)	\$ 2,767,680	\$ 2,768,225	\$ 2,769,853
User fees and sale of goods	2,449,577	2,626,698	2,586,673
Government transfers for operating (Schedule 3)	1,346,599	885,589	898,998
Investment income	71,000	149,892	81,370
Penalties and costs on taxes	15,000	16,167	24,710
Franchise and concession contracts	466,000	513,491	451,121
Transfers from local boards and agencies	-	-	200,000
Fines	10,500	6,296	6,790
Other	<u>175,800</u>	<u>126,413</u>	<u>51,455</u>
<b>Total Revenue</b>	<u>7,302,156</u>	<u>7,092,771</u>	<u>7,070,970</u>
<b>EXPENSES</b>			
General government			
Council and other legislative	150,250	122,741	117,012
General administrative	1,047,984	994,196	909,793
Protective services			
Police	72,800	72,794	48,500
Fire	275,590	437,905	462,331
Disaster and emergency measures	16,600	15,459	1,029
Bylaw enforcement	79,500	81,469	100,874
Transportation services			
Common and equipment pool	533,858	640,221	585,883
Roads, streets, walks, lighting	406,500	635,647	585,047
Storm sewers and drainage	-	15,467	15,467
Airport	46,410	85,578	65,630
Environmental services			
Water supply and distribution	1,072,400	1,204,274	1,107,272
Wastewater treatment and disposal	153,660	228,158	269,574
Waste management	410,100	410,110	410,095
Public health and welfare			
Family and community support	201,550	231,109	198,366
Cemeteries and crematoriums	33,820	15,468	22,143
Planning and development			
Economic development	269,890	241,596	237,930
Subdivision land and development	154,957	204,236	583,279
Recreation and culture			
Parks and recreation	1,228,950	1,503,795	1,558,709
Libraries, museums, halls	355,250	378,510	350,382
Recreation boards	<u>3,500</u>	<u>3,152</u>	<u>3,334</u>
<b>Total Expenses</b>	<u>6,513,569</u>	<u>7,521,885</u>	<u>7,632,650</u>
<b>EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES - BEFORE OTHER</b>	788,587	(429,114)	(561,680)
Government transfers for capital (Schedule 3)	430,439	470,949	78,883
Donations	<u>-</u>	<u>15,245</u>	<u>285,579</u>
<b>EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES</b>	1,219,026	57,080	(197,218)
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<u>37,811,415</u>	<u>37,811,415</u>	<u>38,008,633</u>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<u>\$ 39,030,441</u>	<u>\$ 37,868,495</u>	<u>\$ 37,811,415</u>

**TOWN OF HANNA**  
**STATEMENT OF CHANGES IN NET FINANCIAL ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

	Budget (Unaudited)	2022	2021
<hr/>			
<b>EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES</b>	\$ <u>1,219,026</u>	\$ <u>57,080</u>	\$ <u>(197,218)</u>
Acquisition of tangible capital assets	(1,266,200)	(868,535)	(570,804)
Amortization of tangible capital assets	-	1,150,927	1,137,784
Loss on disposal of tangible capital assets	-	1,946	5,608
Deposit for asset acquisitions	<u>-</u>	<u>-</u>	<u>(59,708)</u>
	<u>(1,266,200)</u>	<u>284,338</u>	<u>512,880</u>
Change in prepaid expenses	<u>-</u>	<u>(1,905)</u>	<u>32</u>
<b>INCREASE IN NET ASSETS</b>	(47,174)	339,513	315,694
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>	<u>7,433,423</u>	<u>7,433,423</u>	<u>7,117,729</u>
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	<u>\$ 7,386,249</u>	<u>\$ 7,772,936</u>	<u>\$ 7,433,423</u>



**TOWN OF HANNA**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

	<b>2022</b>	<b>2021</b>
<b>NET INFLOW(OUTFLOWS) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:</b>		
<b>OPERATING</b>		
Excess (shortfall) of revenues over expenses	\$ 57,080	\$ (197,218)
Non-cash items included in excess of revenues over expenses:		
Amortization on tangible capital assets	1,150,927	1,137,784
Loss on disposal of tangible capital assets	<u>1,946</u>	<u>5,608</u>
	1,209,953	946,174
Non-cash changes to operations (net change):		
Taxes and grants in place of taxes receivable	19,827	201,821
Trade and other receivables	300,393	(356,618)
Receivables from other governments	(420,927)	(299,566)
Land inventory held for resale	46,661	160,402
Loans receivable	-	68,000
Prepaid expenses	(1,905)	32
Deposit for asset acquisition	-	(59,708)
Accounts payable	(19,570)	(88,548)
Deposit liabilities	(1,722)	125
Deferred revenue	445,174	1,285,206
Employee benefit obligations	<u>(10,729)</u>	<u>(18,185)</u>
	<u>1,567,155</u>	<u>1,839,135</u>
<b>CAPITAL</b>		
Acquisition of tangible capital assets (Schedule 1)	<u>(868,535)</u>	<u>(570,804)</u>
<b>INVESTING</b>		
Purchase of investments	<u>(386,671)</u>	<u>201,547</u>
<b>FINANCING</b>		
Repayment of long-term debt	<u>(27,807)</u>	<u>(26,321)</u>
<b>CHANGE IN CASH DURING THE YEAR</b>	284,142	1,443,557
<b>CASH, BEGINNING OF YEAR</b>	<u>4,895,188</u>	<u>3,451,631</u>
<b>CASH, END OF YEAR</b>	<u>\$ 5,179,330</u>	<u>\$ 4,895,188</u>

**TOWN OF HANNA**  
**SCHEDULE OF TANGIBLE CAPITAL ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

**Schedule 1**

	Land	Land Improvements	Buildings	Engineered Structures	Machinery and Equipment	Vehicles	2022	2021
<b>COST:</b>								
BALANCE, BEGINNING OF YEAR	\$ 1,179,166	\$ 2,558,879	\$ 17,935,613	\$ 22,174,064	\$ 4,461,358	\$ 2,232,278	\$ 50,541,358	\$ 49,976,162
Acquisition of tangible capital assets	-	619,038	29,291	-	220,206	-	868,535	570,804
Disposals of tangible capital assets	<u>-</u>	<u>(10,241)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,241)</u>	<u>(5,608)</u>
BALANCE, END OF YEAR	<u>1,179,166</u>	<u>3,167,676</u>	<u>17,964,904</u>	<u>22,174,064</u>	<u>4,681,564</u>	<u>2,232,278</u>	<u>51,399,652</u>	<u>50,541,358</u>
<b>ACCUMULATED AMORTIZATION:</b>								
BALANCE, BEGINNING OF YEAR		1,097,670	4,863,104	10,175,185	2,838,292	1,249,070	20,223,321	19,085,537
Annual amortization		97,968	346,392	357,125	267,774	81,668	1,150,927	1,137,784
Disposals	<u>-</u>	<u>(8,295)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(8,295)</u>	<u>-</u>
BALANCE, END OF YEAR	<u>-</u>	<u>1,187,343</u>	<u>5,209,496</u>	<u>10,532,310</u>	<u>3,106,066</u>	<u>1,330,738</u>	<u>21,365,953</u>	<u>20,223,321</u>
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<u>\$ 1,179,166</u>	<u>\$ 1,980,333</u>	<u>\$ 12,755,408</u>	<u>\$ 11,641,754</u>	<u>\$ 1,575,498</u>	<u>\$ 901,540</u>	<u>\$ 30,033,699</u>	<u>\$ 30,318,037</u>
 2021 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	<u>\$ 1,179,166</u>	<u>\$ 1,461,209</u>	<u>\$ 13,072,509</u>	<u>\$ 11,998,879</u>	<u>\$ 1,623,066</u>	<u>\$ 983,208</u>	<u>\$ 30,318,037</u>	

**TOWN OF HANNA**  
**SCHEDULE OF PROPERTY AND OTHER TAXES**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**  
**Schedule 2**

	Budget (Unaudited)	2022	2021
<b>TAXATION</b>			
Real property taxes	\$ 3,396,910	\$ 3,397,294	\$ 3,376,662
Linear property taxes	146,643	146,683	147,800
Government grants in place of property taxes	<u>65,927</u>	<u>66,055</u>	<u>67,387</u>
	<u>3,609,480</u>	<u>3,610,032</u>	<u>3,591,849</u>
<b>REQUISITIONS</b>			
Alberta School Foundation Fund	671,700	671,677	668,716
Acadia Seniors Foundation	<u>170,100</u>	<u>170,130</u>	<u>153,280</u>
	<u>841,800</u>	<u>841,807</u>	<u>821,996</u>
<b>NET MUNICIPAL TAXES</b>	<u>\$ 2,767,680</u>	<u>\$ 2,768,225</u>	<u>\$ 2,769,853</u>

**SCHEDULE OF GOVERNMENT TRANSFERS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**  
**Schedule 3**

	Budget (Unaudited)	2022	2021
<b>TRANSFERS FOR OPERATING</b>			
Provincial government	\$ 307,098	\$ 256,530	\$ 308,878
Federal government	438,135	98,740	39,300
Local governments	<u>601,366</u>	<u>530,319</u>	<u>550,820</u>
	<u>1,346,599</u>	<u>885,589</u>	<u>898,998</u>
<b>TRANSFERS FOR CAPITAL</b>			
Provincial government	430,439	-	59,707
Federal government	-	316,872	-
Local governments	<u>          </u>	<u>154,077</u>	<u>19,176</u>
	<u>430,439</u>	<u>470,949</u>	<u>78,883</u>
<b>TOTAL GOVERNMENT TRANSFERS</b>	<u>\$ 1,777,038</u>	<u>\$ 1,356,538</u>	<u>\$ 977,881</u>

**TOWN OF HANNA**  
**SCHEDULE OF EXPENSES BY OBJECT**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

**Schedule 4**

	Budget (Unaudited)	2022	2021
<b>EXPENSES BY OBJECT</b>			
Salaries, wages and benefits	\$ 2,193,950	\$ 2,106,669	\$ 2,235,332
Contracted and general services	2,024,447	1,717,747	1,879,571
Purchases from other governments	72,800	72,794	48,500
Materials, goods, supplies and utilities	1,795,500	2,015,866	1,832,745
Provision for allowances	2,500	1,772	4,180
Transfers to local boards and agencies	106,300	161,627	147,776
Transfers to individuals and organizations	167,100	168,527	216,902
Bank charges and short-term interest	5,400	5,367	5,229
Interest on capital long-term debt (Note 7)	13,472	13,476	14,961
Amortization of tangible capital assets (Schedule 1)	-	1,150,927	1,137,784
Loss on disposal of tangible capital assets	-	1,946	5,608
Other expenses	132,100	105,167	104,062
	<u>\$ 6,513,569</u>	<u>\$ 7,521,885</u>	<u>\$ 7,632,650</u>

**TOWN OF HANNA**  
**SCHEDULE OF CHANGES IN ACCUMULATED OPERATING SURPLUS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

**Schedule 5**

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2022	2021
<b>BALANCE, BEGINNING OF YEAR</b>	\$ <u>5,290,236</u>	\$ <u>2,460,775</u>	\$ <u>30,060,404</u>	\$ <u>37,811,415</u>	\$ <u>38,008,633</u>
Excess of revenues over expenses	57,080	-	-	57,080	(197,218)
Unrestricted funds designated for future use	(408,553)	408,553	-	-	-
Restricted funds used for tangible capital assets	-	(158,916)	158,916	-	-
Current year funds used for tangible capital assets	(709,619)	-	709,619	-	-
Net book value of disposed tangible capital assets	1,946	-	(1,946)	-	-
Annual amortization expense	1,150,927	-	(1,150,927)	-	-
Long-term debt repaid	<u>(27,807)</u>	<u>-</u>	<u>27,807</u>	<u>-</u>	<u>-</u>
Change in accumulated surplus	<u>63,974</u>	<u>249,637</u>	<u>(256,531)</u>	<u>57,080</u>	<u>(197,218)</u>
<b>BALANCE, END OF YEAR</b>	<b>\$ <u><u>5,354,210</u></u></b>	<b>\$ <u><u>2,710,412</u></u></b>	<b>\$ <u><u>29,803,873</u></u></b>	<b>\$ <u><u>37,868,495</u></u></b>	<b>\$ <u><u>37,811,415</u></u></b>

**TOWN OF HANNA**  
**SCHEDULE OF SEGMENTED DISCLOSURE**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

**Schedule 6**

	General Government	Protective Services	Transportation Services	Environmental Services	Public Health and Welfare	Planning and Development	Recreation and Culture	Total
<b>REVENUE</b>								
Net municipal taxes	\$ 2,768,225	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,768,225
User fees and sales of goods	38,150	119,539	25,501	1,879,317	16,048	76,966	471,177	2,626,698
Government transfers	452,832	45,956	20,659	-	171,237	-	194,905	885,589
Investment Income	149,892	-	-	-	-	-	-	149,892
Penalties	16,167	-	-	-	-	-	-	16,167
Franchise fees	513,491	-	-	-	-	-	-	513,491
Fines	-	6,296	-	-	-	-	-	6,296
Insurance proceeds	-	-	-	76,941	-	-	-	76,941
Other revenues	-	3,250	-	60	3,000	10,000	33,162	49,472
	<u>3,938,757</u>	<u>175,041</u>	<u>46,160</u>	<u>1,956,318</u>	<u>190,285</u>	<u>86,966</u>	<u>699,244</u>	<u>7,092,771</u>
<b>EXPENSES</b>								
Salaries and wages	531,822	118,771	417,487	143,643	104,311	133,914	656,721	2,106,669
Contract and general services	300,496	150,235	244,778	541,249	12,966	166,994	301,029	1,717,747
Purchases from other governments	-	72,794	-	-	-	-	-	72,794
Goods and supplies	57,907	59,990	315,392	981,329	126,663	65,190	409,395	2,015,866
Provision for allowance	1,772	-	-	-	-	-	-	1,772
Transfers to local boards	-	7,424	-	-	-	55,000	99,203	161,627
Transfers to organizations	151,474	-	-	-	648	-	16,405	168,527
Bank charges and interest	5,367	-	-	-	-	-	-	5,367
Interest on long-term debt	-	-	13,476	-	-	-	-	13,476
Loss on disposal of tangible capital assets	-	-	-	-	-	-	1,946	1,946
Other expenses	12,132	14,817	2,047	614	1	9,716	65,840	105,167
	<u>1,060,970</u>	<u>424,031</u>	<u>993,180</u>	<u>1,666,835</u>	<u>244,589</u>	<u>430,814</u>	<u>1,550,539</u>	<u>6,370,958</u>
<b>EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES, BEFORE AMORTIZATION AND OTHER</b>	<u>2,877,787</u>	<u>(248,990)</u>	<u>(947,020)</u>	<u>289,483</u>	<u>(54,304)</u>	<u>(343,848)</u>	<u>(851,295)</u>	<u>721,813</u>
Capital government transfers		28,577					442,372	470,949
Donations							15,245	15,245
Amortization expense	(55,967)	(183,596)	(383,733)	(175,707)	(1,988)	(15,018)	(334,918)	(1,150,927)
<b>EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES</b>	<u>\$ 2,821,820</u>	<u>\$ (404,009)</u>	<u>\$ (1,330,753)</u>	<u>\$ 113,776</u>	<u>\$ (56,292)</u>	<u>\$ (358,866)</u>	<u>\$ (728,596)</u>	<u>\$ 57,080</u>

**TOWN OF HANNA**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

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**1. SIGNIFICANT ACCOUNTING POLICIES**

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

**a) Reporting Entity**

The financial statements reflect the assets, liabilities, revenues and expenditures, changes in fund balances and change in financial position of the reporting entity. This entity is comprised of the municipal operations plus all of the organizations that are owned or controlled by the Town and are, therefore, accountable to the Town Council for the administration of their financial affairs and resources.

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

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

**b) Basis of Accounting**

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

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

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

**c) Use of Estimates**

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

Significant financial statement areas requiring the use of management estimates include:

- Employee benefits obligations;
- Useful life of tangible capital assets;
- Allowance for doubtful accounts; and
- Fair value of contributed tangible capital assets.

**TOWN OF HANNA**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

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**1. SIGNIFICANT ACCOUNTING POLICIES** (continued)

**d) Valuation of Financial Assets and Liabilities**

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

<u>Financial statement component</u>	<u>Measurement</u>
Cash	Cost and amortized cost
Trade and other receivables	Lower of cost or net realizable value
Land inventory held for resale	Lower of cost or net realizable value
Investments	Fair value and amortized cost
Loans receivable and debt charges recoverable	Amortized cost
Accounts payable and accrued liabilities	Cost
Deposit liabilities	Cost
Employee benefit obligations	Cost
Long-term debt	Amortized cost

**e) Cash and Cash Equivalents**

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

**f) Investments**

Investments in interest bearing securities 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.

**g) Loans Receivable**

Loans receivable are initially recognized at cost, net of any transaction costs, with interest income recognized using the effective interest method. Loans receivable are subsequently measured at amortized cost net of any valuation allowances.

**h) Long-term debt**

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

**i) Requisition Over-levy and Under-levy**

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

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

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



**TOWN OF HANNA**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

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**1. SIGNIFICANT ACCOUNTING POLICIES** (continued)

**j) Land Inventories 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 levelling charges. Related development costs incurred to provide infrastructure such as water and wastewater services, roads, sidewalks and street lighting are recorded as tangible capital assets under the respective function.

**k) Tax Revenue**

Tax revenues are recognized when the tax has been authorized by bylaw and the taxable event has occurred. Requisitions operate as a flow through and are excluded from municipal revenue.

In the event that the prepaid amounts are applied against the related borrowings, the deferred revenue is amortized to revenue by an amount equal to the debt repayment.

**l) Contaminated Sites Liability**

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

**m) Revenue Recognition**

Revenue from transactions with no performance obligation is recognized at realizable value when the Town has the authority to claim or retain an inflow of economic resources and identifies a past transaction or event giving rise to an asset.

Revenue from transactions with performance obligations is recognized as the performance obligations are satisfied by providing the promised goods or services to the payor. User fees are recognized over the period of use, sales of goods are recognized when goods are delivered. Licenses and permits with a single performance obligation at a point in time are recognized as revenue on issuance, those which result in a continued performance obligation over time are recognized over the period of the license or permit as the performance obligation is satisfied.

**n) 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 as revenue in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be determined.

**TOWN OF HANNA**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

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**1. SIGNIFICANT ACCOUNTING POLICIES** (continued)

**o) 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 over expenses, provides the change in net financial assets for the year.

**i. Tangible Capital Assets**

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

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

One-half of the annual amortization is charged in the year of acquisition or when the asset is put into use. Assets under construction are not amortized until the asset is available for productive use.

**ii. Contributions of Tangible Capital Assets**

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

**iii. Leases**

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

**iv. Inventories**

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

**TOWN OF HANNA**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**2. CASH**

The Town received certain Alberta Government grants, local municipal grants and donations that are restricted in their use and are to be utilized as funding for certain projects. Since certain projects have not been completed for which this restricted funding has been received, \$873,144 (2021 - \$833,979) of the cash on hand is not available for general use by the Town.

The Royal Bank pays prime less 1.9% interest on funds maintained in the Town's general bank account.

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

	<u>2022</u>	<u>2021</u>
Current taxes and grants in place	\$ 26,397	\$ 48,960
Arrears taxes	<u>47,944</u>	<u>45,208</u>
	<u>\$ 74,341</u>	<u>\$ 94,168</u>

**4. INVESTMENTS**

	<u>2022</u>		<u>2021</u>	
	<u>Cost</u>	<u>Market Value</u>	<u>Cost</u>	<u>Market Value</u>
At amortized cost:				
Federal, provincial and local government bonds	\$ 1,347,796	\$ 1,264,757	\$ 1,094,979	\$ 1,190,981
Other institutional and private corporation bonds	733,312	682,636	699,458	699,906
Guaranteed investment certificate	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 2,181,108</u>	<u>\$ 1,947,393</u>	<u>\$ 1,794,437</u>	<u>\$ 1,890,887</u>

Government and private corporation bonds have effective interest rates of 1.0% to 5.6% (2021 – 1.0% to 5.6%) with maturity dates from June 2024 to December 2048.

Guaranteed investment certificate bears interest at 5% and matures October 2023.

**TOWN OF HANNA**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**5. DEFERRED REVENUE**

	<b>2022</b>	<b>2021</b>
Alberta Municipal Sustainability Initiative	\$ 1,313,012	\$ 1,035,396
Canada Community-Building Fund	599,359	445,740
Special Areas Board	380,023	325,000
Alberta Community Resilience Program	37,896	37,896
Centennial Place Donations	21,435	19,254
Alberta Economic Development and Trade Grant Program	20,915	20,915
Alberta Health Services grants	20,852	14,017
Donations and unearned revenue	15,150	25,150
Hector King-Hunter Pioneer Park donations	846	15,245
Family And Community Support Services	-	22,451
Emergency Management Preparedness Program	-	3,250
	<b>\$ 2,409,488</b>	<b>\$ 1,964,314</b>

**Alberta Municipal Sustainability Initiative**

Provincial government funding is receivable in the current and prior years to undertake certain eligible infrastructure expenditures within the Town that have not yet been expended.

**Canada Community-Building Fund**

Federal and provincial government funding is receivable in the current and prior years to undertake certain eligible infrastructure expenditures within the Town that have not yet been expended.

**Special Areas Board**

The Special Areas Board provided funding in the current and prior years for certain fire department capital projects which have not yet been expended.

**Alberta Community Resilience Program**

Provincial government funding was received to support the development of infrastructure to protect from flood and drought events that has not yet been expended.

**Alberta Economic Development and Trade Grant Program**

Provincial government funding was received to undertake expenditures within the Town under Community Action to create diversification which have not yet been expended.

**Centennial Place Donations**

Donations were received in the current year and prior years to undertake certain upgrades at Centennial Place which have not yet been expended.

**Hector King-Hunter Pioneer Park Donations**

Donations were received in the prior year for certain projects at the Hector King-Hunter Pioneer Park which have not yet been expended.

**Alberta Health Services Grants**

Funding was received in the current and prior years to undertake certain programs to promote healthy living within the Town which have not yet been expended.

**TOWN OF HANNA**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**6. EMPLOYEE BENEFIT OBLIGATIONS**

	<u>2022</u>	<u>2021</u>
Vacation pay payable	\$ 164,994	\$ 161,347
Vested sick leave payable	137,754	158,651
Banked hours payable	<u>11,374</u>	<u>4,853</u>
	<u>\$ 314,122</u>	<u>\$ 324,851</u>

**Vacation and banked overtime**

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

**Vested sick leave payable**

The vested sick leave liability is comprised of paid sick days that employees have not used and are being deferred to future years.

**7. LONG TERM DEBT**

	<u>2022</u>	<u>2021</u>
Capital lease obligation	\$ <u>229,826</u>	\$ <u>257,633</u>

The current portion of the long-term debt amounts to \$229,826 (2021 - \$27,806)

Principal and interest repayments are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ <u>229,826</u>	\$ <u>10,036</u>	\$ <u>239,862</u>

Obligation under capital lease is repayable in monthly instalments of \$3,440, including principal and interest at 5.50%, and is due in October 2023. The obligation under capital lease is secured by certain capital equipment with a net book value of \$237,792.

The Town's total cash payments for interest in 2022 were \$13,476 (2021 - \$14,961).

**TOWN OF HANNA**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**8. CONTAMINATED SITES LIABILITY**

During the year, the Town has identified a financial liability as a result of contaminated sites.

The Town conducted exploratory work for future road and infrastructure improvements expected to be completed in 2023. Soil samples taken from this work were analyzed and a portion were found to be contaminated.

The extent and severity of the contamination cannot be evaluated or estimated until the associated roads are removed, as a result, the financial liability relating to these sites cannot be reasonably estimated and no accrual has been made in these financial statements.

**9. DEBT LIMITS**

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

	<u>2022</u>	<u>2021</u>
Total debt limit	\$ 10,639,157	\$ 10,606,455
Total debt	<u>229,826</u>	<u>257,633</u>
Amount of debt limit unused	<u>\$ 10,409,331</u>	<u>\$ 10,348,822</u>
Service on debt limit	\$ 1,773,193	\$ 1,767,743
Service on debt	<u>30,962</u>	<u>41,282</u>
Amount of debt servicing limit unused	<u>\$ 1,742,231</u>	<u>\$ 1,726,461</u>

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

Total debt includes long-term debt less debt charges recoverable. Debt servicing includes principal and interest payments due on long-term debt in the 12 months subsequent to year-end less amounts that are recoverable.

**10. EQUITY IN TANGIBLE CAPITAL ASSETS**

	<u>2022</u>	<u>2021</u>
Tangible capital assets (Schedule 1)	\$ 51,399,652	\$ 50,541,358
Accumulated amortization (Schedule 1)	(21,365,953)	(20,223,321)
Long-term debt (Note 7)	<u>(229,826)</u>	<u>(257,633)</u>
	<u>\$ 29,803,873</u>	<u>\$ 30,060,404</u>

**TOWN OF HANNA**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**11. ACCUMULATED SURPLUS**

	<u>2022</u>	<u>2021</u>
Unrestricted surplus	\$ 5,354,210	\$ 5,290,236
Internally restricted surplus:		
Operating:		
Administrative	81,500	69,500
Police	1,306	1,306
Family and community support services	21,500	11,500
Commercial building reserve	31,165	17,565
Roads and streets	119,054	119,054
Recreation	32,400	22,400
General contingency	899,165	899,165
Capital:		
Administrative	9,857	5,826
Common services	-	18,916
Water	520,000	452,500
Wastewater	376,500	326,500
Recreation	392,243	374,093
Fitness centre	8,781	2,781
Culture	96,796	91,796
General contingency	47,873	47,873
Fire	55,023	-
Garbage capital reserve	17,249	-
Equity in tangible capital assets (Note 10)	<u>29,803,873</u>	<u>30,060,404</u>
	<u>\$ 37,868,495</u>	<u>\$ 37,811,415</u>

**12. TRUST FUNDS**

The Town of Hanna administers the following trusts:

	<u>2022</u>	<u>2021</u>
Hiltbrand trust	\$ 20,000	\$ 20,000
Tax sale trust	57,441	57,441
Geuder Educational bursary trust	<u>64,508</u>	<u>68,498</u>
	<u>\$ 141,949</u>	<u>\$ 145,939</u>

**TOWN OF HANNA**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

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**13.SEGMENTED DISCLOSURE**

The Town of Hanna provides a range of services to its ratepayers. 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 the following in the preparation of the financial statements as disclosed in Note 1.

Refer to Schedule of Segmented Disclosure (Schedule 6)

General government includes council and other legislative and general administration. Protective services includes police, fire, disaster and emergency services, and bylaw enforcement. Transportation includes common and equipment pool, roads, streets, walks and lighting, storm sewers and drainage, and airport. Environmental services includes water supply and distribution, wastewater treatment and disposal, and waste management. Public health and welfare includes family and community support and cemeteries and crematoriums. Planning and development includes economic development and subdivision land and development. Recreation and culture includes parks and recreation, libraries, museums and halls, and recreation boards.

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**14.BUDGET DATA**

The unaudited budget data presented in these financial statements is based upon the 2022 operating and capital budgets approved by Council. Amortization was not contemplated on development of the budget and, as such, has not been included. The chart below reconciles the approved budget to the budget figures reported in these financial statements.

	<u><b>Budget Amount</b></u>
<b>Revenue</b>	
Budgeted revenues	\$ 8,368,668
Less:	
Transfer to other funds	<u>(636,073)</u>
Total revenues	<u>7,732,595</u>
<b>Expenses</b>	
Budgeted expenses	8,368,668
Less:	
Transfer to other funds	(588,899)
Capital expenses	(1,266,200)
Total expenses	<u>6,513,569</u>
<b>Excess of revenue over expenses</b>	\$ <u><u>1,219,026</u></u>

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**TOWN OF HANNA**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**15. SALARY AND BENEFITS**

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:

	<b>2022</b>			<b>2021</b>
	<u>Salary</u>	<u>Benefits and allowances</u>	<u>Total</u>	<u>Total</u>
Councillors:				
Mayor Povaschuk	\$ 20,209	\$ 1,069	\$ 21,278	\$ 4,033
Mayor Warwick	-	-	-	16,226
Councillor Beaudoin	10,883	538	11,421	10,775
Councillor Champion	5,142	22	5,164	10,835
Councillor Crowle	10,958	531	11,489	2,187
Councillor Deadlock	-	-	-	8,649
Councillor Jensen	-	-	-	8,649
Councillor Murphy	11,558	565	12,123	2,161
Councillor Olsen	10,508	516	11,024	10,824
Councillor Stickel	-	-	-	8,302
Councillor Thuroo	3,418	168	3,586	-
Councillor A. Warwick	12,283	617	12,900	2,153
Chief Administrative Officer	150,004	16,122	166,126	167,464
Town Assessor	46,249	-	46,249	45,698

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

2. Employer's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, vision coverage, group life insurance, accidental disability and dismemberment insurance, long and short-term disability plans, professional memberships and tuition.

3. The Town has entered into an agreement for assessment services with an independent contractor. Total cost was \$46,249 (2021 - \$45,698).

**TOWN OF HANNA**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**16. LOCAL AUTHORITIES PENSION PLAN**

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

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

The Town is required to make current service contributions to the LAPP of 8.45% of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 12.80% on pensionable earnings above this amount.

Total current service contributions by the Town to the LAPP in 2022 were \$81,364 (2021 - \$97,876). Total current service contributions by the employees of the Town to the Local Authorities Pension Plan in 2022 were \$72,200 (2021 - \$88,000).

At December 31, 2021, the LAPP disclosed an actuarial surplus of \$11.92 billion. This amount is not specifically allocated to the participating government organizations. The 2022 actuarial balance was not available at the date these financial statements were released.

**17. COMMITMENTS**

On January 24, 2007 the Town became a shareholder of Palliser Regional Municipal Services Company Limited (the "Company"), a Part IX company under The Companies Act of Alberta. The Company provides municipal planning services to its members. This investment commits the Town to funding the annual operational and special needs of the company. Annually, the Town is requisitioned as a shareholder determined by the Board, in the ordinary course of business, and based on the population and the tax assessment as determined by the Town who is a shareholder. The requisition for the year was \$33,614 (2021 - \$32,635). The Town has the right to cease being a shareholder by giving 600 days notice.

The Town is committed under an agreement with the Marigold Library System to funding certain library initiatives annually based on a per capita formula. The Town provided funding during the year of \$16,062 (2021 - \$15,968). It is the understanding of the Town, that it can withdraw from the agreement at anytime by giving a one-year notice period.

The Town signed a contract with Commercial Emergency Equipment Co. for the purchase of a vehicle, with an estimated cost of \$626,932. As at year end, the outstanding commitment is approximately \$564,239.

The Town has entered into a lease agreement with Neopost Canada Limited to rent certain equipment in use by the Town. The aggregate future minimum lease payments are \$11,828 (2021 - \$18,587). The minimum lease payments for each of the next three succeeding years are as follows:

	2022	2021
Gross payments required in the first year subsequent	\$ 6,759	\$ 6,759
Gross payments required in the second year subsequent	5,069	6,759
Gross payments required in the third year subsequent	-	5,069
	\$ 11,828	\$ 18,587

**TOWN OF HANNA**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

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**18. CONTINGENCIES**

The Town is a member of the Alberta Local Authorities Reciprocal Insurance Exchange (MUNIX). Under the terms of the membership, the Town could become liable for its proportionate share of any claim losses in excess of the funds held by the exchange. Any liability incurred would be accounted for as a current transaction in the year the losses are determined.

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**19. FINANCIAL INSTRUMENTS**

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

The Town is subject to credit risk with respect to taxes and grants in place of taxes receivables and trade and other receivables. Credit risk arises from the possibility that taxpayers and entities to which the Town provides services may experience financial difficulty and be unable to fulfill their obligations. The large number and diversity of taxpayers and customers minimizes the credit risk. The Town is exposed to market price risk from investments in bonds instruments whose value fluctuates with changes in quoted market prices.

Unless otherwise noted, the carrying value of the financial instrument approximates fair value.

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**20. BUDGET AMOUNTS**

The 2022 budget for the Town was approved by Council on May 10, 2022 and has been reported in the financial statement for information purposes only. Amortization was not considered in the budget and has not been included. These budget amounts have not been audited, reviewed, or otherwise verified.

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**21. APPROVAL OF FINANCIAL STATEMENTS**

Council and Management have approved these financial statements.

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