

TOWN OF WAINWRIGHT

Financial Statements

Year Ended December 31, 2021

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

Management of the Town of Wainwright is responsible for the accuracy, objectivity and integrity of the accompanying consolidated financial statements and all other information contained within the Financial Report. Management believes that the consolidated financial statements present fairly the Town's financial position as at December 31, 2021 and the results of its operations for the year then ended.

The consolidated financial statements have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards (PSAS).

The consolidated financial statements include certain amounts based on estimates and judgments. Such amounts have been determined on a reasonable basis in order to ensure that the consolidated 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 consolidated financial statements.

The Town Council carries out its responsibilities for review of the consolidated financial statements principally through its Finance Committee. This committee meets regularly with management and external auditors to discuss the results of audit examinations and financial reporting matters.

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

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



Chief Administrative Officer
March 15, 2022



Assistant Director of Finance
March 15, 2022

INDEPENDENT AUDITORS' REPORT

To the Members of Council:

Opinion

We have audited the consolidated financial statements of the Town of Wainwright (the Entity), which comprise the statement of financial position as at December 31, 2021, and the statements of operations and accumulated surplus, change in net financial assets, cash flows and supporting schedules for the year then ended, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Town of Wainwright as at December 31, 2021, the results of its operations, change in its net financial assets, cash flows and supporting schedules for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Entity 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated 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 Entity'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 Entity's financial reporting process.

Auditors' Responsibility for the Audit of the Consolidated Financial Statements

Our objective is 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional scepticism 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 Entity'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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion of the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report of Other Legal and Regulatory Requirements

- Debt Limit Regulations:
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 Entity's debt limit can be found in note 12.
- 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.

Wainwright, Alberta
March 15, 2022

Isamar Chopak LLP

Chartered Professional Accountants



TOWN OF WAINWRIGHT

STATEMENT 1

CONSOLIDATED STATEMENT OF FINANCIAL POSITION DECEMBER 31, 2021

	2021	2020
FINANCIAL ASSETS		
Cash and temporary investments (Note 2)	8,088,225	5,009,116
Taxes and grants in lieu receivables (Note 3)	174,103	160,234
Receivables from other governments	2,339,135	1,015,509
Trade and other receivables (Note 4)	1,716,216	1,213,582
Land inventory held for resale	6,990,678	6,599,630
Investment in Gas Alberta Inc.	746	746
Investments (Note 5)	<u>13,500,000</u>	<u>15,500,000</u>
	<u>32,809,103</u>	<u>29,498,817</u>
LIABILITIES		
Accounts payable and accrued liabilities	1,060,909	654,339
Accrued wages and benefits	57,589	49,167
Deferred revenue (Note 6)	1,950,593	2,358,212
Deposit liability	18,843	21,843
Employee benefit obligations (Note 7)	377,062	365,313
Payable to other governments	728,591	546,950
Other current liabilities	425,954	100,245
Long term debt (Note 8)	3,250,000	3,750,000
Tax trust funds	<u>16,369</u>	<u>16,254</u>
	<u>7,885,910</u>	<u>7,862,323</u>
NET FINANCIAL ASSETS	<u>24,923,193</u>	<u>21,636,494</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 2)	82,224,235	80,179,429
Prepaid expenses	<u>89,836</u>	<u>130,750</u>
	<u>82,314,071</u>	<u>80,310,179</u>
ACCUMULATED SURPLUS (Schedule 1, Note 10)	<u>107,237,264</u>	<u>101,946,673</u>

SIGNED ON BEHALF OF COUNCIL:

Barrie Taylor
Harrie Azam

MAYOR

CHIEF ADMINISTRATIVE OFFICER



TOWN OF WAINWRIGHT

STATEMENT 2

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS YEAR ENDED DECEMBER 31, 2021

	Budget (Unaudited)	2021	2020
REVENUE			
Net taxes available for municipal purposes (Schedule 3)	6,335,854	6,326,203	6,244,231
Gain on sale of tangible capital assets	-	-	538
Government transfers for operating (Schedule 4)	2,156,397	2,155,161	2,478,802
Investment income	311,500	376,396	405,995
Licenses and permits	168,000	247,434	240,308
Other	68,000	98,703	299,956
Penalties and costs of taxes	68,100	98,104	78,493
User fees and sales of goods	10,245,993	11,818,489	9,787,207
TOTAL REVENUE	<u>19,353,844</u>	<u>21,120,490</u>	<u>19,535,530</u>
EXPENSES			
Council	327,150	204,355	179,563
General Administration	1,172,213	978,115	1,254,616
Police	1,317,560	1,380,404	1,329,804
Fire and Disaster Services	586,126	614,461	535,631
Bylaw Enforcement	98,325	90,271	76,908
Common Services	610,767	721,928	651,360
Roads and Streets	1,299,510	2,013,189	1,867,898
Airport	50,005	81,257	72,234
Storm Sewers	340,011	576,719	705,894
Water Supply	2,803,970	3,015,137	2,927,661
Sanitary Sewage Service	444,910	528,609	609,185
Garbage Collection	462,133	455,742	438,881
Family and Community Services	349,748	349,748	349,748
Cemeteries	98,763	85,665	83,776
Municipal Planning	631,921	601,998	463,643
Subdivision Land	100,000	136,580	28,475
Parks and Recreation Board	105,378	89,184	89,797
Parks and Recreations Facilities	2,772,486	3,077,371	3,032,106
Culture	271,921	263,153	256,640
Gas Distribution	2,870,353	3,695,243	2,744,855
TOTAL EXPENSES	<u>16,713,250</u>	<u>18,959,129</u>	<u>17,698,675</u>
EXCESS OF REVENUE OVER EXPENSES BEFORE OTHER	<u>2,640,594</u>	<u>2,161,361</u>	<u>1,836,855</u>
OTHER			
Government transfers for capital (Schedule 4)	5,533,176	3,129,230	1,362,423
	<u>5,533,176</u>	<u>3,129,230</u>	<u>1,362,423</u>
EXCESS OF REVENUE OVER EXPENSES	8,173,770	5,290,591	3,199,278
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>101,946,673</u>	<u>101,946,673</u>	<u>98,747,395</u>
ACCUMULATED SURPLUS, END OF YEAR	<u>110,120,443</u>	<u>107,237,264</u>	<u>101,946,673</u>



TOWN OF WAINWRIGHT

STATEMENT 3

CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS YEAR ENDED DECEMBER 31, 2021

	Budget (Unaudited)	2021	2020
EXCESS OF REVENUES OVER EXPENSES	<u>8,173,770</u>	<u>5,290,591</u>	<u>3,199,278</u>
Acquisition of tangible capital assets	(9,664,410)	(4,650,866)	(2,391,422)
Contributed tangible capital assets	-	-	-
Proceeds on disposal of tangible capital assets	-	64,374	62,194
Amortization of tangible capital assets	-	2,530,808	2,447,903
Loss (gain) on sale of tangible capital assets	-	10,878	(538)
	<u>(9,664,410)</u>	<u>(2,044,806)</u>	<u>118,137</u>
Acquisition of prepaid assets	-	(89,836)	(130,750)
Use of prepaid assets	-	130,750	85,170
	-	<u>40,914</u>	<u>(45,580)</u>
INCREASE IN NET FINANCIAL ASSETS	(1,490,640)	3,286,699	3,271,835
NET FINANCIAL ASSETS , BEGINNING OF YEAR	<u>21,636,494</u>	<u>21,636,494</u>	<u>18,364,659</u>
NET FINANCIAL ASSETS, END OF YEAR	<u>20,145,854</u>	<u>24,923,193</u>	<u>21,636,494</u>



TOWN OF WAINWRIGHT

STATEMENT 4

CONSOLIDATED STATEMENT OF CASH FLOWS YEAR ENDED DECEMBER 31, 2021

	2021	2020
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Excess of revenue over expenses (Statement 2)	5,290,591	3,199,278
Non-cash items included in excess of revenues over expenses:		
Amortization of tangible capital assets	2,530,808	2,447,903
Loss (gain) on disposal of tangible capital assets	10,878	(538)
Non-cash charges to operations (net change):		
(Increase) decrease in taxes and grants in lieu receivables	(13,869)	74,251
Increase in receivables from other governments	(1,323,626)	(664,292)
(Increase) decrease in trade and other receivables	(502,634)	27,870
Decrease (increase) in prepaid expenses	40,914	(45,580)
Increase in land inventory held for resale	(391,048)	(262,446)
Increase in accounts payable and accrued liabilities	406,570	129,561
(Decrease) increase in deferred revenue	(407,619)	783,690
Increase (decrease) in employee benefit obligations	11,749	(56,952)
Increase in accrued wages and benefits	8,422	14,269
Increase in payable to other governments	181,641	143,495
Decrease in deposit liability	(3,000)	(2,500)
Increase (decrease) in other current liabilities	325,709	(30,085)
Increase in tax trust funds	115	16,254
Cash provided by operating transactions	<u>6,165,601</u>	<u>5,774,178</u>
CAPITAL		
Acquisition of tangible capital assets	(4,650,866)	(2,391,422)
Sale of tangible capital assets	64,374	62,194
Cash applied to capital transactions	<u>(4,586,492)</u>	<u>(2,329,228)</u>
INVESTING		
Decrease (increase) in restricted cash or cash equivalents	84,796	(752,752)
Decrease (increase) in investments	2,000,000	(2,000,000)
Cash provided by (applied to) investing transactions	<u>2,084,796</u>	<u>(2,752,752)</u>
FINANCING		
Long term debt repaid	(500,000)	(500,000)
Cash applied to financing transactions	<u>(500,000)</u>	<u>(500,000)</u>
CHANGE IN CASH AND CASH EQUIVALENTS DURING THE YEAR	<u>3,163,905</u>	<u>192,198</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>2,512,561</u>	<u>2,320,363</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>5,676,466</u>	<u>2,512,561</u>



TOWN OF WAINWRIGHT

STATEMENT 4

CONSOLIDATED STATEMENT OF CASH FLOWS, CONTINUED YEAR ENDED DECEMBER 31, 2021

	2021	2020
Cash and cash equivalents is made up of :		
Cash and temporary investments (Note 2)	8,088,225	5,009,116
Less: restricted portion of cash and temporary investments (Note 2)	<u>(2,411,759)</u>	<u>(2,496,555)</u>
	<u>5,676,466</u>	<u>2,512,561</u>



TOWN OF WAINWRIGHT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

NOTES

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Town of Wainwright are the representations of management prepared in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Significant aspects of the accounting policies adopted by the town are as follows:

Reporting Entity

The consolidated financial statements reflect the assets, liabilities, revenues and expenditures, changes in fund balances and change in financial position of the reporting entity.

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.

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.

Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting 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.

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 WAINWRIGHT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

NOTES

1. SIGNIFICANT ACCOUNTING POLICIES - continued

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.

Non-Financial Assets

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

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 estimate useful life as follows:

	<u>Years</u>
Buildings	25-50
Engineered structures	5-75
Gas distribution system	35-75
Machinery and equipment	5-40
Vehicles	10-25
Land Improvements	15-25

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

Contributions of Tangible Capital Assets

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

Land Inventory 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.



TOWN OF WAINWRIGHT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

NOTES

1. SIGNIFICANT ACCOUNTING POLICIES - continued

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.

Financial Instruments

The Municipality initially measures all of its financial assets and liabilities at fair value.

The Municipality subsequently measures all of its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include accounts receivables.

Financial liabilities measured at amortized cost include bank loans, accounts payable and accrued liabilities.

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in the excess of revenue over expenses. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of reversal is recognized in the excess of revenue over expenses.

Investments

Investments are recorded at cost. 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.

Cultural and Historical Tangible Capital Assets

Works of art for display are not recorded as tangible capital assets but are disclosed.

2. CASH AND TEMPORARY INVESTMENTS

	<u>2021</u>	<u>2020</u>
Cash	6,088,225	5,009,116
Temporary investments	<u>2,000,000</u>	<u>-</u>
	<u>8,088,225</u>	<u>5,009,116</u>

Temporary investments are short term deposits with maturities of three months or less. Included in the above balances are \$2,411,759 (2020 - \$2,496,555) of funds restricted in use.



TOWN OF WAINWRIGHT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

NOTES

3. TAXES AND GRANTS IN LIEU RECEIVABLES

	<u>2021</u>	<u>2020</u>
Current taxes and grants in lieu	141,418	133,946
Tax arrears and grants in lieu	<u>32,685</u>	<u>26,288</u>
	<u>174,103</u>	<u>160,234</u>

4. TRADE AND OTHER RECEIVABLES

	<u>2021</u>	<u>2020</u>
Trade receivables	316,623	291,097
Utility receivables	1,332,093	854,985
Debenture due from Gas Alberta Inc., non-interest bearing, receivable in one lump sum, due when services provided to the Town are ceased.	<u>67,500</u>	<u>67,500</u>
	<u>1,716,216</u>	<u>1,213,582</u>

5. INVESTMENTS

	<u>2021 Cost</u>	<u>2021 Market Value</u>	<u>2020 Cost</u>	<u>2020 Market Value</u>
Short term deposits	4,500,000	4,500,000	6,500,000	6,500,000
Long term deposits	<u>9,000,000</u>	<u>9,000,000</u>	<u>9,000,000</u>	<u>9,000,000</u>
	<u>13,500,000</u>	<u>13,500,000</u>	<u>15,500,000</u>	<u>15,500,000</u>

Short term deposits have effective interest rates of 0.95% (2020 – 1.00%) and mature in less than one year.

Long term deposits have effective interest rates of 3.10% (2020 – 3.10%) and mature in greater than one year on July 4, 2023 and August 27, 2023.



TOWN OF WAINWRIGHT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

NOTES

6. DEFERRED REVENUE

	<u>2021</u>	<u>2020</u>
Alberta Community Partnership	201,129	387,345
Arena Naming Rights	22,400	30,000
Canada Community Building Fund	417,926	471,031
Investing in Canada Infrastructure Program	400,000	-
Municipal Stimulus Program	-	316,211
Municipal Sustainability Initiative	<u>909,138</u>	<u>1,153,625</u>
	<u>1,950,593</u>	<u>2,358,212</u>

Alberta Community Partnership

Alberta Community Partnership funding is currently being deferred on two different projects. No new funding was received during the year. During the year, \$132,881 was spent on the growth study and \$53,335 was spent on the regional stormwater assessment study. No funds were spent on the parks and recreation study in 2021.

Arena Naming Rights

Funding in the amount of \$50,000 was received in 2019 for naming rights of the blue arena located in the Peace Memorial Multiplex for a period of five years. During the year, \$10,000 was recognized as revenue. Funding in the amount of \$3,600 was received in 2021 for naming rights of the meeting room in the Peace Memorial Multiplex for a period of three years. During the year, \$1,200 was recognized as revenue.

Canada Community Building Fund

Funding in the amount of \$734,146 is receivable at year end from the Canada Community Building Fund (CCBF). Interest in the amount of \$3,025 has been earned on the CCBF funds over the past year. During the year, \$790,276 was spent on projects.

Investing in Canada Infrastructure Program

Funding in the amount of \$400,000 was received during the year. This funding will be spent on a capital infrastructure project in 2022.

Municipal Stimulus Program

Funding in the amount of \$429,098 was received during the year for a new grant program called the Municipal Stimulus Program (MSP) as a result of the Covid-19 pandemic. During the year, \$745,309 was spent on projects.

Municipal Sustainability Initiative

Funding in the amount of \$1,680,662 was received or receivable during the year from the Municipal Sustainability Initiative (MSI). Interest in the amount of \$7,895 has been earned on the MSI funds over the past year. During the year, \$1,933,044 was spent on projects.



TOWN OF WAINWRIGHT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

NOTES

7. EMPLOYEE BENEFIT OBLIGATIONS

Employee benefit obligations liability is comprised of the vacation and sick days that employees are deferring to future years. Employees have either earned the benefits or are entitled to these benefits within the next budgetary year.

	<u>2021</u>	<u>2020</u>
Accrued employee vacation	305,025	294,203
Accrued employee sick days	<u>72,037</u>	<u>71,110</u>
	<u>377,062</u>	<u>365,313</u>

8. LONG TERM DEBT

	<u>2021</u>	<u>2020</u>
Tax supported debenture	<u>3,250,000</u>	<u>3,750,000</u>

The current portion of the long term debt amounts to \$500,000 (2020 - \$500,000).

Principal and interest repayments are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	500,000	114,050	614,050
2023	500,000	95,800	595,800
2024	500,000	77,563	577,563
2025	500,000	59,300	559,300
2026	500,000	41,050	541,050
Thereafter	<u>750,000</u>	<u>27,362</u>	<u>777,362</u>
	<u>3,250,000</u>	<u>415,125</u>	<u>3,665,125</u>

Debenture debt is repayable to the Federation of Canadian Municipalities and bears interest at 3.65% per annum and matures on June 28, 2028.

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

Interest on long term debt amounted to \$132,104 (2020 - \$150,783).

The Town's total cash payments for interest in 2021 were \$132,300 (2020 - \$150,563).



TOWN OF WAINWRIGHT

NOTES

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2021

9. EQUITY IN TANGIBLE CAPITAL ASSETS

	<u>2021</u>	<u>2020</u>
Tangible capital assets (Schedule 2)	126,721,564	122,343,164
Accumulated amortization (Schedule 2)	(44,497,329)	(42,163,735)
Long term debt (Note 8)	<u>(3,250,000)</u>	<u>(3,750,000)</u>
	<u>78,974,235</u>	<u>76,429,429</u>

10. ACCUMULATED SURPLUS

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

	<u>2021</u>	<u>2020</u>
Unrestricted surplus	4,400,161	3,807,026
Restricted surplus (Note 11)	23,862,868	21,710,218
Equity in tangible capital assets (Note 9)	<u>78,974,235</u>	<u>76,429,429</u>
	<u>107,237,264</u>	<u>101,946,673</u>

11. RESTRICTED SURPLUS

Restricted surplus activities changed as follows:

	<u>2021</u>			<u>2020</u>
	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u>	<u>Balance</u>
Administration	50,000	-	685,127	635,127
Arena	100,000	130,354	103,822	134,176
Cemetery	20,000	-	66,841	46,841
Common services	175,000	-	761,178	586,178
Communiplex	130,000	2,966	220,178	93,144
Fire equipment	150,000	110,858	492,221	453,079
Gas	200,000	21,950	2,399,891	2,221,841
General administration	25,000	23,918	151,526	150,444
Land development	1,111,404	290,180	7,125,738	6,304,514
Off-site costs	14,867	-	885,254	870,387
Parking	-	-	88,014	88,014
Parks	142,930	11,641	490,225	358,936
Parks equipment	25,000	-	80,699	55,699
Police	-	-	38,608	38,608
Public works special projects	350,000	300,229	2,207,540	2,157,769
Recreation facilities	-	-	715,886	715,886
Recreation special projects	-	-	22,000	22,000
Road maintenance	365,000	-	900,044	535,044
Safety initiative projects	45,000	8,990	569,782	533,772
Sewer expansion	200,000	93,165	3,218,835	3,112,000
Storm water	-	132,300	888,921	1,021,221
Waterline	175,000	-	1,750,538	1,575,538
	<u>3,279,201</u>	<u>1,126,551</u>	<u>23,862,868</u>	<u>21,710,218</u>



TOWN OF WAINWRIGHT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

NOTES

12. 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 of Wainwright be disclosed as follows:

	<u>2021</u>	<u>2020</u>
Total debt limit	31,680,735	29,303,295
Total debt	<u>3,250,000</u>	<u>3,750,000</u>
Amount of debt limit unused	<u>28,430,735</u>	<u>25,553,295</u>
Debt servicing limit	5,280,123	4,883,883
Debt servicing	<u>614,050</u>	<u>632,300</u>
Amount of debt servicing limit unused	<u>4,666,073</u>	<u>4,251,583</u>

The debt limit is calculated at 1.5 times revenue of the municipality (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 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.

13. LOCAL AUTHORITIES PENSION PLAN

Employees of the Town of Wainwright 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 of Wainwright is required to make current service contributions to the LAPP of 9.39% (2020 – 9.39%) of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 13.84% (2020 – 13.84%) on pensionable earnings above this amount. Employees of the Town are required to make current service contributions of 8.39% (2020 – 8.39%) of pensionable salary up to the year's maximum pensionable salary and 12.84% (2020 – 12.84%) on pensionable salary above this amount.

Total current service contributions by the Town of Wainwright to the LAPP in 2021 were \$337,865 (2020 – \$346,289). Total current service contributions by the employees of the Town of Wainwright to the LAPP in 2021 were \$305,141 (2020 – \$312,988).

At December 31, 2020, the LAPP disclosed an actuarial surplus of \$4.961 billion.



TOWN OF WAINWRIGHT

NOTES

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2021

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:

	2021			2020
	Salary ¹	Benefits and Allowances ²	Total	Total
Mayor				
Brian Bethune	25,518	1,303	26,821	33,285
Bruce Pugh	6,585	335	6,920	-
Councillors				
William Challenger	18,463	852	19,315	18,535
Bob Foley	19,213	33	19,246	18,242
Richard Fountain	4,167	185	4,352	-
Ariel Haubrich	18,103	833	18,936	18,230
Heather MacDonald	14,575	667	15,242	18,830
Patrick Moroz	17,933	823	18,756	17,536
Bruce Pugh	14,196	656	14,852	17,851
Vince Saretsky	3,287	137	3,424	-
Chief Adm. Officer				
Ed Chow	104,075	16,812	120,887	192,836
Karrie Gau	80,802	14,000	94,802	-

¹Salary includes regular pay, gross honoraria and any other direct cash remuneration.

²Employer'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, and long term disability plans.

15. CONTINGENCIES

The Town of Wainwright is a member of the Alberta Municipal Insurance Exchange (MUNIX). Under the terms of membership, the Town of Wainwright 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 of the settlement.

The Town of Wainwright is named as defendant in one lawsuit to recover damages to land and property allegedly caused by the Town. This lawsuit is still pending, and as litigation is subject to many uncertainties, it is not possible to predict the outcome of the lawsuit or to estimate the loss, if any, which may result.

16. SEGMENTED DISCLOSURE

The Town of Wainwright 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 those followed in the preparation of the financial statements as disclosed in Note 1.

Refer to the Schedule of Segmented Disclosure (schedule 6).



TOWN OF WAINWRIGHT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

NOTES

17. FINANCIAL INSTRUMENTS

The Town's financial instruments consist of cash and temporary investments, accounts receivable, investments, accounts payable and accrued liabilities, employee benefit obligations, deposit liability 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 lieu 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.

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

18. COMMITMENT

The Town has guaranteed a loan with Encompass Credit Union Ltd. in the amount of \$627,500 on behalf of the Wainwright Golf and Country Club.

19. BANK INDEBTEDNESS

The Town of Wainwright has arranged \$5,000,000 in bank credit facilities bearing interest at prime rate less 0.25%. The credit facilities are secured by the taxes levied by the Municipality. There was no balance on the credit facilities at December 31, 2021.

20. APPROVAL OF FINANCIAL STATEMENTS

Council and Management have approved these financial statements.

21. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.



TOWN OF WAINWRIGHT

SCHEDULE 1

SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS YEAR ENDED DECEMBER 31, 2021

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2021 \$	2020 \$
BALANCE, BEGINNING OF YEAR	3,807,026	21,710,218	76,429,429	101,946,673	98,747,395
Excess of revenues over expenses	5,290,591	-	-	5,290,591	3,199,278
Unrestricted funds designated for future use	(3,279,201)	3,279,201	-	-	-
Restricted funds used for operations	410,104	(410,104)	-	-	-
Restricted funds used for tangible capital assets	-	(716,447)	716,447	-	-
Current year funds used for tangible capital assets	(3,934,419)	-	3,934,419	-	-
Contributed tangible capital assets	-	-	-	-	-
Disposal of tangible capital assets	75,252	-	(75,252)	-	-
Annual amortization expenses	2,530,808	-	(2,530,808)	-	-
Long term debt repaid	(500,000)	-	500,000	-	-
Change in accumulated surplus	593,135	2,152,650	2,544,806	5,290,591	3,199,278
BALANCE, END OF YEAR	4,400,161	23,862,868	78,974,235	107,237,264	101,946,673

TOWN OF WAINWRIGHT

SCHEDULE 2

SCHEDULE OF TANGIBLE CAPITAL ASSETS YEAR ENDED DECEMBER 31, 2021

	Land	Buildings	Engineered Structures	Gas Distribution	Machinery and Equipment	Vehicles	2021 \$	2020 \$
COST								
BALANCE, BEGINNING OF YEAR	4,957,165	19,551,120	89,054,065	2,871,688	3,964,467	1,944,659	122,343,164	120,087,187
Acquisition of tangible capital assets	-	140,492	1,840,554	21,950	219,906	830,135	3,053,037	1,286,942
Construction-in-progress	-	461,234	1,136,595	-	-	-	1,597,829	1,104,480
Disposal of tangible capital assets	-	-	(26,961)	-	(154,968)	(90,537)	(272,466)	(135,445)
Write down of tangible capital assets	-	-	-	-	-	-	-	-
BALANCE, END OF YEAR	4,957,165	20,152,846	92,004,253	2,893,638	4,029,405	2,684,257	126,721,564	122,343,164
ACCUMULATED AMORTIZATION								
BALANCE, BEGINNING OF YEAR	-	9,112,887	28,213,845	941,666	2,488,889	1,406,448	42,163,735	39,789,621
Annual amortization	-	412,108	1,677,065	84,835	255,416	101,384	2,530,808	2,447,903
Accumulated amortization on disposals	-	-	(19,954)	-	(87,407)	(89,853)	(197,214)	(73,789)
BALANCE, END OF YEAR	-	9,524,995	29,870,956	1,026,501	2,656,898	1,417,979	44,497,329	42,163,735
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS								
	4,957,165	10,627,851	62,133,297	1,867,137	1,372,507	1,266,278	82,224,235	80,179,429
2020 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	4,957,165	10,438,233	60,840,220	1,930,022	1,475,578	538,211	80,179,429	

TOWN OF WAINWRIGHT

SCHEDULE 3

SCHEDULE OF PROPERTY TAXES YEAR ENDED DECEMBER 31, 2021

	Budget (Unaudited)	2021	2020
TAXATION			
Property taxes			
- residential	5,700,725	5,690,348	5,650,595
- commercial	1,974,557	1,971,428	1,949,776
- industrial	963,287	964,787	946,924
- farmland	1,707	1,707	1,674
- electric power	125,154	125,154	121,776
- pipeline	49,009	49,009	47,504
- cable television	12,450	12,450	10,065
- machinery and equipment	79,070	81,424	80,973
Government grants in place of property taxes			
- federal	8,771	8,771	8,682
- provincial	32,236	32,236	31,171
	<u>8,946,966</u>	<u>8,937,314</u>	<u>8,849,140</u>
 REQUISITIONS			
School Foundation Fund	2,051,483	2,038,926	2,043,739
Wainwright East Central Catholic	396,447	409,003	394,715
Battle River Foundation	127,975	127,975	124,918
East Central 911	33,858	33,858	40,128
Provincial Designated Industrial Properties	1,349	1,349	1,409
	<u>2,611,112</u>	<u>2,611,111</u>	<u>2,604,909</u>
 NET MUNICIPAL TAXES	<u>6,335,854</u>	<u>6,326,203</u>	<u>6,244,231</u>



TOWN OF WAINWRIGHT

SCHEDULE 4

SCHEDULE OF GOVERNMENT TRANSFERS YEAR ENDED DECEMBER 31, 2021

	Budget (Unaudited)	2021	2020
TRANSFERS FOR OPERATING:			
Federal government	843,448	864,407	629,279
Local government	387,688	370,882	368,697
Provincial government	925,261	919,872	1,480,826
	<u>2,156,397</u>	<u>2,155,161</u>	<u>2,478,802</u>
TRANSFERS FOR CAPITAL:			
Federal government	1,207,509	167,509	332,491
Local government	353,085	115,859	-
Provincial government	3,972,582	2,845,862	1,029,932
	<u>5,533,176</u>	<u>3,129,230</u>	<u>1,362,423</u>
TOTAL GOVERNMENT TRANSFERS	<u>7,689,573</u>	<u>5,284,391</u>	<u>3,841,225</u>



TOWN OF WAINWRIGHT

SCHEDULE 5

SCHEDULE OF CONSOLIDATED EXPENSES BY OBJECT YEAR ENDED DECEMBER 31, 2021

	Budget (Unaudited)	2021	2020
CONSOLIDATED EXPENSES BY OBJECT			
Amortization of tangible capital assets	-	2,530,808	2,447,903
Bank charges and short-term interest	4,900	3,141	1,723
Contracted and general services	3,222,887	2,622,063	2,780,918
Interest on long term debt	132,300	132,104	150,783
Materials, goods and utilities	4,091,244	4,748,784	3,507,933
Provision for allowances	21,500	12,922	19,251
Purchases from other governments	3,341,000	3,385,335	3,246,440
Salaries, wages and benefits	5,223,786	4,916,727	4,958,827
Transfers to local boards and agencies	675,633	596,367	584,897
Loss on disposal of tangible capital assets	-	10,878	-
	<u>16,713,250</u>	<u>18,959,129</u>	<u>17,698,675</u>



TOWN OF WAINWRIGHT

SCHEDULE OF SEGMENTED DISCLOSURE
YEAR ENDED DECEMBER 31, 2021

	General Government	Protective Services	Transportation Services	Planning & Development	Recreation & Culture	Environmental Services	Gas Distribution	Other	Total \$
REVENUE									
Net municipal taxes	6,326,203	-	-	-	-	-	-	-	6,326,203
Government transfers	12,540	561,317	1,103,034	161,331	667,811	2,473,039	-	305,319	5,284,391
User fees and sales of goods	58,939	355,783	607,034	1,031,281	460,366	4,837,303	4,425,650	42,133	11,818,489
Investment income	376,396	-	-	-	-	-	-	-	376,396
Penalties and costs of taxes	65,961	-	-	-	-	6,433	25,710	-	98,104
Other revenues	135,921	150,122	8,686	36,009	15,199	-	-	200	346,137
	6,975,960	1,067,222	1,718,754	1,228,621	1,143,376	7,316,775	4,451,360	347,652	24,249,720
EXPENSES									
Contract & general services	453,745	247,043	419,737	411,334	413,271	460,980	169,207	46,746	2,622,063
Salaries & wages	587,936	471,214	726,296	318,517	1,590,291	518,081	627,075	77,317	4,916,727
Goods & supplies	48,761	224,864	695,245	7,997	665,170	290,097	2,814,106	2,544	4,748,784
Purchases from other governments	-	1,048,147	-	-	-	2,337,188	-	-	3,385,335
Transfers to local boards	30,734	-	-	-	260,314	-	-	305,319	596,367
Long-term debt interest	-	-	-	-	-	132,104	-	-	132,104
Other expenses	13,213	684	6,397	-	1,860	4,767	20	-	26,941
	1,134,389	1,991,952	1,847,675	737,848	2,930,906	3,743,217	3,610,408	431,926	16,428,321
NET REVENUE, BEFORE AMORTIZATION	5,841,571	(924,730)	(128,921)	490,773	(1,787,530)	3,573,558	840,952	(84,274)	7,821,399
Amortization expense	(48,081)	(93,184)	(968,699)	(730)	(498,802)	(832,990)	(84,835)	(3,487)	(2,530,808)
NET REVENUE	5,793,490	(1,017,914)	(1,097,620)	490,043	(2,286,332)	2,740,568	756,117	(87,761)	5,290,591