

TOWN OF NOBLEFORD

Consolidated Financial Statements

For the year ended December 31, 2021

TOWN OF NOBLEFORD
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INDEPENDENT AUDITOR'S REPORT

To: The Mayor and Members of Council of
the Town of Nobleford

Opinion

We have audited the consolidated financial statements of the Town of Nobleford which comprise the consolidated statement of financial position as at December 31, 2021, and the consolidated statements of operations, change in net financial assets and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Town in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

INDEPENDENT AUDITOR'S REPORT, continued

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

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

Report on Other Legal and Regulatory Requirements

- Debt Limit Regulation:
In accordance with Alberta Regulation 255/2000, we confirm that the Town is in compliance with the Debt Limit Regulation. A detailed account of the Entity's debt limit can be found in note 15.
- Supplementary Accounting Principles and Standards Regulation:
In accordance with Alberta Regulation 313/2000, we confirm that the Town is in compliance with the Supplementary Accounting Principles and Standards Regulation and note the information required can be found in note 16.

Lethbridge, Alberta

April 26, 2022



Chartered Professional Accountants

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

Management of the Town of Nobleford is responsible for the preparation, accuracy, objectivity and integrity of the accompanying consolidated financial statements and all other information contained within this 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 yearend 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 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 and Administration. Council 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 Audit 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 Avail LLP Chartered Professional Accountants, the independent external auditors appointed by the Town. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of the examination and their opinion on the Town's consolidated financial statements.

Joseph Hutter

Town Administrator

TOWN OF NOBLEFORD
CONSOLIDATED STATEMENT OF OPERATIONS
For the year ended December 31, 2021

	Budget (Unaudited)	2021	2020
Revenue			
Net municipal property taxes (note 12)	\$ 265,909	\$ 309,986	\$ 294,046
User fees and sales of goods	815,400	850,122	807,676
Government transfers for operating (note 13)	31,471	30,921	186,564
Investment income	66,010	55,371	79,945
Penalties and costs of taxes	12,010	12,104	13,345
Licenses and permits	9,510	17,757	25,226
Gain on disposal of tangible capital assets	-	-	9,115
Gain on sale of land held for resale	300,000	-	120,960
	1,500,310	1,276,261	1,536,877
Expenses (note 14)			
General government			
Legislative	22,350	22,662	18,741
Administration	406,410	424,867	357,949
Protective services			
Protective services	125,261	108,464	101,227
Transportation services			
Common and equipment pool	29,765	29,166	30,007
Roads, streets, walks and lighting	211,932	210,681	207,168
Environmental use and protection			
Water supply and distribution	404,757	436,905	424,222
Wastewater treatment and disposal	77,944	81,336	68,448
Waste management	107,093	113,478	106,645
Public health and welfare			
Family and community support services	10,000	9,726	9,726
Planning and development			
Planning and development	19,210	22,611	19,527
Recreation and culture			
Recreation and culture	138,327	136,434	128,062
	1,553,049	1,596,330	1,471,722
(Deficiency) excess of revenue over expenses before other	(52,739)	(320,069)	65,155
Other			
Government transfers for capital (note 13)	479,122	367,335	2,758,105
Contributed assets	-	131,250	5,000
	479,122	498,585	2,763,105
Excess of revenue over expenses	426,383	178,516	2,828,260
Accumulated surplus, beginning of year	18,451,060	18,451,060	15,622,800
Accumulated surplus, end of year	\$ 18,877,443	\$ 18,629,576	\$ 18,451,060

TOWN OF NOBLEFORD
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
For the year ended December 31, 2021

	Budget (Unaudited)	2021	2020
Excess of revenue over expenses	\$ 426,383	\$ 178,516	\$ 2,828,260
Acquisition of tangible capital assets	(1,200,000)	(385,172)	(2,940,540)
Amortization of tangible capital assets	501,474	501,474	493,736
Contributed assets	-	(131,250)	(5,000)
Loss (gain) on disposal of tangible capital assets	-	3,552	(9,115)
Proceeds on disposal of tangible capital assets	-	-	68,200
	(698,526)	(11,396)	(2,392,719)
Net change in prepaid expense	-	24,998	24,027
Increase (decrease) in net financial assets	(272,143)	192,118	459,568
Net financial assets, beginning of year	4,329,832	4,329,832	3,870,264
Net financial assets, end of year	\$ 4,057,689	\$ 4,521,950	\$ 4,329,832

TOWN OF NOBLEFORD
CONSOLIDATED STATEMENT OF CASH FLOW
For the year ended December 31, 2021

	2021	2020
Operating transactions		
Excess of revenue over expenses	\$ 178,516	\$ 2,828,260
Adjustments for items which do not affect cash		
Loss (gain) on disposal of tangible capital assets	3,552	(9,115)
Amortization of tangible capital assets	501,474	493,736
Contributed assets	(131,250)	(5,000)
	552,292	3,307,881
Net change in non-cash working capital items		
Taxes and grants in place of taxes receivable	(6,379)	21,433
Trade and other receivables	405,470	(360,763)
Land held for resale	(365,030)	169,141
Prepaid expenses	24,998	24,027
Accounts payable and accrued liabilities	(269,663)	35,217
Deferred revenue	183,154	(1,790,501)
	524,842	1,406,435
Capital transactions		
Proceeds on disposal of tangible capital assets	-	68,200
Acquisition of tangible capital assets	(385,172)	(2,940,540)
	(385,172)	(2,872,340)
Investing transactions		
Increase in investments	(10,059)	(9,863)
Financing transactions		
Repayment of long-term debt	(17,771)	(16,995)
Increase (decrease) in cash and temporary investments	111,840	(1,492,763)
Cash and temporary investments, beginning of year	3,218,539	4,711,302
Cash and temporary investments, end of year	\$ 3,330,379	\$ 3,218,539

TOWN OF NOBLEFORD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2021

1. Significant accounting policies

The consolidated financial statements of the Town of Nobleford 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 consolidated financial statements reflect the assets, liabilities, revenue and expenses, changes in fund balances and change in financial position of the reporting entity which comprises all of the organizations that are owned or controlled by the Town and are, therefore, accountable to the Council for the administration of their financial affairs and resources.

Taxes levied also includes requisitions for educational, health care, 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 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 expense 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.

(d) Investments

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

TOWN OF NOBLEFORD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2021

1. Significant accounting policies, continued

(e) Inventories for resale

Land held for resale is recorded at the lower of cost and 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 waste water services, roads, sidewalks, and street lighting are recorded as physical assets under their respective function.

(f) 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.

(g) 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 a site is not in productive use and is management's estimate of the cost of post-remediation including operation, maintenance and monitoring.

(h) 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.

(i) 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 NOBLEFORD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2021

1. Significant accounting policies, continued

(j) 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 consolidated Change in Net Financial Assets for the year.

(i) Tangible capital assets

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

	Years
Land improvements	10-25
Buildings	25-50
Engineered structures	5-75
Machinery and equipment	5-40
Vehicles	10-40

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 also are 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.

TOWN OF NOBLEFORD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2021

2. COVID-19

Events have occurred as a result of the COVID-19 (coronavirus) pandemic that have caused economic uncertainty. The duration and impact of the pandemic, as well as the effectiveness of government responses, remain unclear at this time.

Potential impacts on the Town's business could include future decreases in revenue and delays in completing capital project work, temporary declines in investment income, closure of facilities including recreation, library, and administrative buildings, temporary and/or permanent termination of public employees and mandatory working from home requirements for those able to do so.

The Town has continued to develop strategies to manage the impacts of the COVID-19 outbreak. Administration continues to monitor revenue, expenses, and projects for the Town. Cost saving measures have been instituted where appropriate. The Town continues to follow protocols set by the Alberta Government and to make suitable adjustments in the face of the pandemic.

Management is not aware of any material impairments, at this time, that will impact the financial assets or liabilities of the Town due to the pandemic.

The situation is continually changing and the future impact on the Town is not readily determinable at this time.

3. Cash and temporary investments

	2021	2020
Cash	\$ 1,160,313	\$ 1,069,299
Temporary investments	2,170,066	2,149,240
	<u>\$ 3,330,379</u>	<u>\$ 3,218,539</u>

Temporary investments are comprised of fixed income securities with interest rates of ranging from 1.0% to 1.10%.

TOWN OF NOBLEFORD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2021

4. Taxes and grants in place of taxes receivables

	2021		2020	
Current year	\$	12,335	\$	9,305
Arrears		6,711		3,362
	\$	19,046	\$	12,667

5. Trade and other receivables

	2021		2020	
Utilities	\$	91,821	\$	85,114
Trade accounts		73,717		30,934
Accrued interest and other		23,248		23,248
GST		21,377		68,898
Fortis		1,882		13,174
Alberta Municipal Waste/Wastewater Partnership		-		396,147
	\$	212,045	\$	617,515

6. Investments

	2021		2020	
	Cost	Market value	Cost	Market value
Alberta Treasury Branch	\$ 955,128	\$ 955,128	\$ 945,069	\$ 945,069

These GICs have a yield ranging from 2.26 to 3.09% (2020 - 2.26% to 3.09%). The investments mature between January to March 2022.

7. Deferred revenue

	2021		2020	
Canada Community Building Fund	\$	149,639	\$	-
Municipal Sustainability Initiative		38,668		-
Deposits on lots		16,039		16,039
Society donations		6,499		-
Advanced utilities and taxes		5,538		3,235
Refundable development permits		-		13,955
	\$	216,383	\$	33,229

TOWN OF NOBLEFORD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2021

8. Long-term debt

	2021	2020
Tax supported debenture - capital	\$ 187,878	\$ 205,649
Current portion	\$ 17,771	\$ 16,995

Principal and interest repayments are due as follows:

	Principal	Interest	Total
2022	\$ 18,583	\$ 8,281	\$ 26,864
2023	19,432	7,431	26,863
2024	20,320	6,544	26,864
2025	21,249	5,615	26,864
2026	22,220	4,645	26,865
Thereafter	86,074	7,951	94,025
	\$ 187,878	\$ 40,467	\$ 228,345

Debenture debt is repayable to Alberta Capital Finance Authority and bears interest at rates ranging from 4.307% to 5.75% per annum and matures in 2030. For qualifying debentures, the Province of Alberta rebates 60% of interest in excess of 8%, 9%, and 11% to a maximum annual rate of 12.5%, depending on the date borrowed. Debenture debt is issued on the credit and security of the Town of Nobleford at large.

Interest on long-term debt amounted to \$9,047 (2020 - \$9,838).

The Town's total cash payments for interest in 2021 were \$9,093 (2020 - \$9,869).

TOWN OF NOBLEFORD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2021

9. Accumulated surplus

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

	2021	2020
Unrestricted surplus	\$ 100,000	\$ 100,000
Internally restricted surplus (reserves) (note 11)	4,609,828	4,460,479
Equity in tangible capital assets (note 10)	13,919,748	13,890,581
	\$ 18,629,576	\$ 18,451,060

10. Equity in tangible capital assets

	2021	2020
Tangible capital assets (schedule 1)	\$ 24,033,714	\$ 23,570,572
Accumulated amortization (schedule 1)	(9,926,088)	(9,474,342)
Long-term debt (note 8)	(187,878)	(205,649)
	\$ 13,919,748	\$ 13,890,581

11. Reserves

Council has set up reserves for various purposes. These reserves are either required by legislation or set up at the discretion of Council to provide funding for future expenses.

	2021	2020
Operating		
Operating contingency	\$ 1,143,430	\$ 1,120,430
Emergency services	125,964	105,964
Roads/street	155,960	124,850
Water treatment plant	897,076	660,000
Utility	416,435	213,241
Residential subdivision	1,335,885	1,700,915
Environmental	125,121	125,121
	4,199,871	4,050,521
Capital		
Capital contingency	409,957	409,957
	\$ 4,609,828	\$ 4,460,478

TOWN OF NOBLEFORD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2021

12. Net municipal property taxes

	Budget (Unaudited)	2021	2020
Taxation			
Real property taxes	\$ 715,800	\$ 736,237	\$ 709,212
Requisitions			
Alberta School Foundation Fund	403,925	403,925	393,778
Green Acres Foundation	22,326	22,326	21,388
Alberta Police Requisition	23,640	-	-
	449,891	426,251	415,166
	\$ 265,909	\$ 309,986	\$ 294,046

13. Government transfers

	Budget (Unaudited)	2021	2020
Transfers for operating:			
Provincial government	\$ 31,471	\$ 30,921	\$ 186,564
Transfers for capital:			
Provincial government	479,122	367,335	2,758,105
	\$ 510,593	\$ 398,256	\$ 2,944,669

14. Expenses by object

	Budget (Unaudited)	2021	2020
Salaries, wages and benefits	\$ 538,900	\$ 502,813	\$ 456,042
Contracted and general services	275,873	331,398	291,434
Materials, goods, supplies and utilities	227,560	247,747	220,517
Bank charges and short-term interest	150	299	155
Interest on long-term debt	9,092	9,047	9,838
Amortization of tangible capital assets	501,474	501,474	493,736
Loss on disposal of tangible capital assets	-	3,552	-
	\$ 1,553,049	\$ 1,596,330	\$ 1,471,722

TOWN OF NOBLEFORD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2021

15. Debt limits

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

	2021	2020
Total debt limit	\$ 1,914,392	\$ 2,305,316
Total debt	187,878	205,649
	\$ 1,726,514	\$ 2,099,667
Debt servicing limit	\$ 319,065	\$ 384,219
Debt servicing	26,864	26,864
	\$ 292,201	\$ 357,355

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 which 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.

TOWN OF NOBLEFORD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2021

16. Salary and benefits disclosure

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

	(1) Salary	(2) Benefits & allowances	2021	2020
Council				
Don McDowell	\$ 1,800	\$ 1,500	\$ 3,300	\$ 4,900
Melissa Jensen	2,300	1,800	4,100	3,400
Don Holinaty	2,600	2,500	5,100	4,000
Joan Boeder	975	450	1,425	-
Bill Oudshoom	700	750	1,450	-
Corne Mans	-	-	-	3,700
Marinus de Leeuw	-	-	-	-
Kirk Hofman	157,096	-	157,096	155,153
Joe Hutter	74,486	-	74,486	-
Chris Snelgrove	\$ 11,119	\$ -	\$ 11,119	\$ 10,963

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

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

Benefits and allowances figures also include the employer's share of the costs of additional taxable benefits including special leave with pay, financial planning services, retirement planning services, concessionary loans, travel allowances, car allowances, and club memberships.

(3) During 2021 Councillor Marinus de Leeuw and Corne Mans waived their benefits in the amount of \$4,100 and \$4,600 respectively. (2020 - \$3,700 for Marnius de Leeuw)

TOWN OF NOBLEFORD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2021

17. 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 Alberta Public Sector Pensions Plans Act. The plan serves about 275,800 people and 430 employers. The LAPP is financed by the 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 9.39% of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 13.84% on pensionable earnings above this amount. Employees of the Town are required to make current service contributions of 8.39% of pensionable salary up to the year's maximum pensionable salary and 12.84% on pensionable salary above this amount.

Total current service contributions by the Town to the LAPP in 2021 were \$12,969 (2020 - \$7,003). Total current service contributions by the employees of the Town to the LAPP in 2021 were \$10,968 (2020 - \$6,308).

At December 31, 2020, the LAPP disclosed an actuarial surplus of \$4.96 billion.

18. Financial instruments

The Town's financial instruments consist of cash and temporary investments, accounts receivable, investments, accounts payable and accrued liabilities, and long-term debt. It is management's opinion that the Town is not exposed to significant interest or credit risk 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 fulfil 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.

TOWN OF NOBLEFORD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2021

19. Budget amounts

The 2021 budget for the Town was approved by Council on March 2, 2021 and has been reported in the consolidated financial statements for information purposes only. These budget amounts have not been audited, reviewed, or otherwise verified.

The approved budget contained reserve transfers, capital additions and principal payments on debt as expenditures. Since these items are not included in the amounts reported in the consolidated financial statements, they have been excluded from the budget amounts presented in these financial statements.

In addition, the approved budget did not contain an amount for amortization expense. In order to enhance comparability, the actual amortization expense has been included as a budget amount.

Budgeted surplus per financial statements	\$ 426,383
Less: Capital expenditures	(1,200,000)
Long-term debt repayments	(17,770)
Transfers to reserves	(441,130)
Add: Amortization of tangible capital assets	501,344
Transfers from reserves	731,173
<hr/>	
Equals: Balanced budget	\$ -
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20. Contaminated sites liability

The Town has adopted PS3260 liability for contaminated sites. The Town did not identify any financial liabilities in 2021 (2020 - nil) as a result of this standard.

21. Commitments and contingencies

With the changes to the collective agreement with the National Police Federation, the Town could have a potential liability for the retroactive pay increases identified in the agreement. It is unknown if costs will be downloaded to the Town and the specific amounts associated with the retroactive pay rates are not yet finalized. As a result, no amounts have been accrued in the financial statements as at December 31, 2021.

22. Comparative figures

Certain comparative figures have been reclassified to conform to the financial statement presentation adopted in the current year.

23. Approval of financial statements

These financial statements were approved by Council and Management.

TOWN OF NOBLEFORD
SCHEDULES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2021

Schedule of tangible capital assets	Schedule 1							
	Land	Land improvements	Buildings	Engineered structures	Machinery and equipment	Vehicles	2021	2020
Cost:								
Balance, beginning of year	\$ 916,060	\$ 624,946	\$ 2,204,568	\$ 19,173,564	\$ 24,885	\$ 626,549	\$ 23,570,572	\$ 20,690,683
Acquisitions	131,250	-	-	385,172	-	-	516,422	2,945,540
Disposals	-	-	-	(53,280)	-	-	(53,280)	(65,651)
Balance, end of year	1,047,310	624,946	2,204,568	19,505,456	24,885	626,549	24,033,714	23,570,572
Accumulated amortization:								
Balance, beginning of year	-	445,780	1,376,471	7,320,116	21,390	310,585	9,474,342	8,987,171
Annual amortization	-	32,058	46,601	395,811	500	26,504	501,474	493,736
Disposals	-	-	-	(49,728)	-	-	(49,728)	(6,565)
Balance, end of year	-	477,838	1,423,072	7,666,199	21,890	337,089	9,926,088	9,474,342
Net book value	\$ 1,047,310	\$ 147,108	\$ 781,496	\$ 11,839,257	\$ 2,995	\$ 289,460	\$ 14,107,626	\$ 14,096,230
2020 net book value	\$ 916,060	\$ 179,166	\$ 828,097	\$ 11,853,447	\$ 3,495	\$ 315,964	\$ 14,096,230	

Land of \$131,250 (2020 - \$0) was acquired as contributed tangible capital assets.

TOWN OF NOBLEFORD
SCHEDULES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2021

Schedule of changes in accumulated surplus

Schedule 2

	Unrestricted	Restricted	Equity in tangible capital assets	2021	2020
Balance, beginning of year	\$ 100,000	\$ 4,460,478	\$ 13,890,582	\$ 18,451,060	\$ 15,622,800
Excess of revenue over expenses	178,516	-	-	178,516	2,828,260
Unrestricted funds designated for future use	(149,350)	149,350	-	-	-
Current year funds used for tangible capital assets	(385,171)	-	385,171	-	-
Contributed tangible capital assets	(131,250)	-	131,250	-	-
Disposal of tangible capital assets	3,552	-	(3,552)	-	-
Amortization of tangible capital assets	501,474	-	(501,474)	-	-
Long-term debt repaid	(17,771)	-	17,771	-	-
Change in accumulated surplus	-	149,350	29,166	178,516	2,828,260
Balance, end of year	\$ 100,000	\$ 4,609,828	\$ 13,919,748	\$ 18,629,576	\$ 18,451,060

TOWN OF NOBLEFORD
SCHEDULE TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2021

Schedule of segmented disclosure

Schedule 3

	General government	Protective services	Transportation services	Environmental services	Public health services	Planning and development	Recreation and culture	Total
Revenue								
Net municipal property taxes	\$ 309,986	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 309,986
User fees and sales of goods	19,581	163,966	56,246	601,399	-	564	8,366	850,122
Government transfers for operating	-	-	21,471	-	-	-	9,450	30,921
Investment income	55,371	-	-	-	-	-	-	55,371
Penalties and costs of taxes	7,553	-	-	4,551	-	-	-	12,104
Licenses and permits	-	6,891	-	-	-	10,866	-	17,757
	392,491	170,857	77,717	605,950	-	11,430	17,816	1,276,261
Expenses								
Salaries, wages and benefits	293,858	24,442	19,773	113,474	-	-	51,266	502,813
Contracted and general services	121,458	40,672	6,687	129,167	9,726	22,611	1,077	331,398
Materials, goods, supplies and utilities	21,615	22,208	66,751	115,949	-	-	21,224	247,747
Bank charges and short-term interest	299	-	-	-	-	-	-	299
Interest on long-term debt	-	-	-	9,047	-	-	-	9,047
Amortization of tangible capital assets	10,300	21,141	146,637	260,529	-	-	62,867	501,474
Loss on disposal of capital assets	-	-	-	3,552	-	-	-	3,552
	447,530	108,463	239,848	631,718	9,726	22,611	136,434	1,596,330
(Deficiency) excess of revenue over expenses before other	(55,039)	62,394	(162,131)	(25,768)	(9,726)	(11,181)	(118,618)	(320,069)
Other								
Government transfers for capital	-	-	-	367,335	-	-	-	367,335
Contributed assets	-	-	-	-	-	-	131,250	131,250
	-	-	-	367,335	-	-	131,250	498,585
(Deficiency) excess of revenue over expenses	\$ (55,039)	\$ 62,394	\$ (162,131)	\$ 341,567	\$ (9,726)	\$ (11,181)	\$ 12,632	\$ 178,516