

**Town of Crossfield  
Financial Statements  
For the year ended December 31, 2022**

**Town of Crossfield**  
**Financial Statements**  
**For the year ended December 31, 2022**

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## Independent Auditor's Report

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**To the Mayor and Council for Town of Crossfield**

### **Opinion**

We have audited the financial statements of Town of Crossfield (the Town), which comprise the statement of financial position as at December 31, 2022, and statements of operations, change in net debt and cash flows for the year then ended, and notes 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 as at December 31, 2022, and results of operations, its change in net debt, and its cash flows for the year then ended in accordance with 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 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.

### **Other Matters**

The financial statements of the Town for the year ended December 31, 2021 were audited by another auditor who expressed an unmodified opinion on the financial statements on May 3, 2022.

### **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 Public Sector Accounting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of 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 control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Town's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Town to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements 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.

*BDO Canada LLP*

Chartered Professional Accountants,

Calgary, Alberta  
April 27, 2023

**Town of Crossfield**  
**Statement of Financial Position**

December 31	2022	2021
<b>Financial assets</b>		
Cash and cash equivalents (Note 2)	\$ 5,261,642	\$ 4,699,119
Taxes and grants in place of taxes (Note 3)	551,465	584,774
Trade and other receivables	1,026,590	577,589
Receivables from other governments	68,082	482,862
	<b>6,907,779</b>	<b>6,344,344</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities (Note 4)	717,900	607,268
Deposit liabilities (Note 5)	139,095	200,488
Deferred revenue (Note 6)	1,345,416	1,660,587
Long-term debt (Note 7)	7,516,370	7,994,728
	<b>9,718,781</b>	<b>10,463,071</b>
<b>Net debt</b>	<b>(2,811,002)</b>	<b>(4,118,727)</b>
<b>Non-financial assets</b>		
Tangible capital assets (Note 10)	53,545,418	53,975,364
Prepaid expenses	99,332	95,129
	<b>53,644,750</b>	<b>54,070,493</b>
<b>Accumulated surplus (Note 12)</b>	<b>\$ 50,833,748</b>	<b>\$ 49,951,766</b>
<b>Contaminated Sites Liability (Note 13)</b>		
<b>Contingencies (Note 22)</b>		
<b>Commitments (Note 21)</b>		
<b>Comparative Figures (Note 23)</b>		

**Town of Crossfield  
Statement of Operations**

<b>For the year ended December 31</b>	Budget (Unaudited)	2022	2021
<b>Revenue</b>			
Net municipal taxes (Note 14)	\$ 3,950,541	\$ 3,985,750	\$ 3,833,663
Government transfers for operating (Note 15)	365,510	367,955	542,201
Sales and user fees	3,112,640	3,440,084	2,986,475
Franchises and concessions	211,990	224,413	156,102
Investment income	25,990	131,189	37,355
Penalties and costs on taxes	157,690	161,168	131,543
Other	40,490	119,712	45,564
Licenses and permits	160,810	268,405	138,185
	<u>8,025,661</u>	<u>8,698,676</u>	<u>7,871,088</u>
<b>Expenditures (Note 16)</b>			
General Government	1,420,430	1,718,791	930,187
Protective services	1,029,210	1,089,574	1,014,244
Transportation services	1,867,384	1,881,478	1,977,227
Water and wastewater	2,492,201	2,207,379	2,311,151
Waste management	544,420	466,883	530,923
Development and planning	187,175	213,231	561,057
Recreation and culture	1,518,476	1,493,879	927,052
Public health and welfare	102,894	110,524	105,772
	<u>9,162,190</u>	<u>9,181,739</u>	<u>8,357,613</u>
<b>Deficiency of revenue over expenditures - before other</b>	(1,136,529)	(483,063)	(486,525)
<b>Other</b>			
Government transfers for capital (Note 15)	1,375,106	1,056,342	1,440,002
Contributed and donated assets	-	-	2,927,000
Developers' agreements and levies	352,832	308,703	72,265
	<u>591,409</u>	<u>881,982</u>	<u>3,952,742</u>
<b>Excess of revenue over expenditures</b>	<u>591,409</u>	<u>881,982</u>	<u>3,952,742</u>
<b>Accumulated surplus, beginning of the year</b>	<u>49,951,766</u>	<u>49,951,766</u>	<u>45,999,024</u>
<b>Accumulated surplus, end of year</b>	<u>\$ 50,543,175</u>	<u>\$ 50,833,748</u>	<u>\$ 49,951,766</u>

**Town of Crossfield**  
**Statement of Changes in Net Debt**

<b>For the year ended December 31</b>	Budget (Unaudited)	2022	2021
Excess of revenue over expenditures	\$ 591,409	\$ 881,982	\$ 3,952,742
Acquisition of tangible capital assets	-	(1,525,622)	(3,031,259)
Contributed and donated assets	-	-	(2,927,000)
Amortization of tangible capital assets	1,379,060	1,817,839	1,497,277
Proceeds on disposal of tangible capital assets	-	15,101	51,986
Loss on disposal of tangible capital assets	-	122,628	305,449
	1,970,469	1,311,928	(150,805)
Change in prepaid expenses	-	(4,203)	(4,568)
<b>Net change in net debt</b>	<b>1,970,469</b>	<b>1,307,725</b>	<b>(155,373)</b>
<b>Net debt, beginning of year</b>	<b>(4,118,727)</b>	<b>(4,118,727)</b>	<b>(3,963,354)</b>
<b>Net debt, end of year</b>	<b>\$ (2,148,258)</b>	<b>\$ (2,811,002)</b>	<b>\$ (4,118,727)</b>

**Town of Crossfield**  
**Statement of Cash Flows**

<b>For the year ended December 31</b>	<b>2022</b>	<b>2021</b>
<b>Operating transactions</b>		
Excess of revenue over expenditures	\$ 881,982	\$ 3,952,742
Items not involving cash		
Amortization	1,817,839	1,497,277
Net loss on disposal of tangible capital assets	180,377	305,449
Tangible capital assets received as contributions	-	(2,927,000)
Changes in non-cash operating balances		
Taxes and grants in place of taxes	33,309	(128,644)
Trade and other receivables	(449,001)	(173,447)
Receivables from other governments	414,780	2,392,212
Decrease in loan receivable	-	628,000
Prepaid expenses	(4,203)	(4,568)
Accounts payable and accrued liabilities	110,632	(1,050,912)
Deposit liabilities	(61,393)	22,022
Deferred revenue	(315,171)	262,968
	<b>2,609,151</b>	<b>4,776,099</b>
<b>Capital transactions</b>		
Acquisition of tangible capital assets	(1,583,371)	(3,031,259)
Proceeds on disposal of tangible capital assets	15,101	51,986
	<b>(1,568,270)</b>	<b>(2,979,273)</b>
<b>Financing transactions</b>		
Repayment of long-term debt	(478,358)	(474,186)
	<b>562,523</b>	<b>1,322,640</b>
<b>Net change in cash and cash equivalents</b>	<b>562,523</b>	<b>1,322,640</b>
Cash and cash equivalents, beginning of year	4,699,119	3,376,479
<b>Cash and cash equivalents, end of year</b>	<b>\$ 5,261,642</b>	<b>\$ 4,699,119</b>



**Town of Crossfield**  
**Schedule 1 of Changes in Accumulated Surplus**

For the year ended December 31

	Unrestricted surplus	Restricted surplus	Equity in tangible capital assets	2022	2021
<b>Balance, beginning of year</b>	\$ 67,784	\$ 3,903,346	\$ 45,980,636	\$ 49,951,766	\$ 45,999,024
Excess of revenue over expenses	881,982	-	-	881,982	3,952,742
Unrestricted funds designated for future use	(471,703)	471,703	-	-	-
Restricted funds used for tangible operations	1,262,261	(1,262,261)	-	-	-
Restricted funds used for tangible capital assets	-	(212,000)	212,000	-	-
Current year funds used for tangible capital assets	(1,313,622)	-	1,313,622	-	-
Net book value of disposed tangible capital assets	137,729	-	(137,729)	-	-
Annual amortization expense	1,817,839	-	(1,817,839)	-	-
Long-term debt repaid	(478,358)	-	478,358	-	-
Change in accumulated surplus	1,836,128	(1,002,558)	48,412	881,982	3,952,742
<b>Balance, end of year</b>	<b>\$ 1,903,912</b>	<b>\$ 2,900,788</b>	<b>\$ 46,029,048</b>	<b>\$ 50,833,748</b>	<b>\$ 49,951,766</b>

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**Town of Crossfield**  
**Summary of Significant Accounting Policies**

**December 31, 2022**

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**1. Summary of Significant Accounting Policies**

The financial statements of the Town of Crossfield (the "Town") are the responsibility of management. They have been prepared in accordance with Canadian generally accepted accounting principles established by the Public Sector Accounting Board of the Chartered Professional Accountants Canada.

**Reporting Entity**                      The financial statement reflect the assets, liabilities, revenue and expenses of all municipal organizations, committees and Boards which 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 (Note 14) also includes operational requisitions for educational, health, social and other external organizations that are not part of the municipal reporting entity.

**Cash and Cash Equivalents**                      Management considers all highly liquid investments with maturity of three months or less at acquisition to be cash equivalents.

**Tangible Capital Assets**                      Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset commencing once the asset is available for productive use as follows:

Land improvements	10 to 25 years
Buildings	25 to 50 years
Engineered Structures	
Water system	45 to 75 years
Wastewater system	45 to 75 years
Other engineered structures	10 to 75 years
Machinery and equipment	5 to 20 years
Vehicles	10 to 25 years

**Contributions of Tangible Capital Assets**                      Tangible capital assets received as contributions such as privately developed subdivisions including water systems, sanitary systems, storm systems, and roads are recorded at fair value at the date of receipt. Equivalent amounts are recorded as revenue for the year on the Statement of Operations.

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**Town of Crossfield**  
**Summary of Significant Accounting Policies**

**December 31, 2022**

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<b>Leases</b>	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.
<b>Long-term Debt</b>	Long-term debt is initially recognized at fair value 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.
<b>Excess Collections and Under-levies</b>	Excess collections arise from the difference between the actual levy made to cover each requisition and the actual amount requisitioned. If the actual levy exceeds the requisition, the excess collection is accrued as a liability and as a reduction in property tax revenue. Requisition tax rates in the subsequent year are adjusted for any excess collections.
<b>Deferred Revenue</b>	Funds received for specific purposes which are externally restricted by legislation, regulation or agreement and are not available for general municipal purposes are accounted for as deferred revenue on the consolidated statement of financial position. The revenue is recognized in the statement of operations in the year in which it is used for the specified purpose.
<b>Government Transfers</b>	Government transfers, which include legislative grants, are recognized in the financial statements in the period in which events giving rise to the transfers occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amount can be made.
<b>Revenue Recognition</b>	<p>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.</p> <p>Revenue from transactions with performance obligations is recognized as the performance obligations are satisfied by providing the promised goods or services to the payer. 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 over the period of the license or permit as the performance obligation is satisfied.</p> <p>Taxes are recognized as revenue in the year they are levied.</p> <p>Charges for sewer and water usage are recorded as user fees. Connection fee revenues are recognized when the connection has been established.</p>

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**Town of Crossfield**  
**Summary of Significant Accounting Policies**

**December 31, 2022**

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**1. Summary of Significant Accounting Policies (continued)**

Conditional grant revenue is recognized to the extent the conditions imposed on it have been fulfilled. Unconditional grant revenue is recognized when monies are receivable.

Grants for the acquisition of tangible capital assets are recognized in the period in which eligible expenditures are made.

Sales of service and other revenue is recognized on an accrual basis.

Investment income is recorded on the accrual basis and recognized when earned.

Franchise and concession revenue is recognized when earned and when the establishment has been used.

**Liability for  
Contaminated Sites**

A contaminated site is a site at which substances occur in concentrations that exceed the maximum acceptable amounts under an environmental standard. Sites that are currently in productive use are only considered a contaminated site if an unexpected event results in contamination. A liability for remediation of contaminated sites is recognized when the organization is directly responsible or accepts responsibility; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made. The liability includes all costs directly attributable to the remediation activities including post remediation operations, maintenance and monitoring. The liability is recorded at net of any expected recoveries.

**Use of Estimates**

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

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**Town of Crossfield**  
**Notes to Financial Statements**

**December 31, 2022**

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**2. Cash and Cash Equivalents**

	<u>2022</u>	<u>2021</u>
Total cash	<u>\$ 5,261,642</u>	<u>\$ 4,699,119</u>

The Town earns interest on its account deposits at rates between prime rate less 1.9% and prime rate less 1.65%. All deposits are highly liquid and redeemable within 90 days or less.

The Town received 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 yet been completed for which this restricted funding has been received, \$1,345,416 (2021: \$1,660,587) of the cash is not available for general use by the Town.

Of the remaining balance of cash, \$139,095 (2021: \$200,488) is considered restricted cash and not available for general use as it relates to deposits received.

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**3. Taxes and Grants in Place of Taxes Receivable**

	<u>2022</u>	<u>2021</u>
Current taxes and grants in place taxes	\$ 365,032	\$ 394,967
Arrears taxes	<u>186,433</u>	<u>189,807</u>
	<u>\$ 551,465</u>	<u>\$ 584,774</u>

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**Town of Crossfield**  
**Notes to Financial Statements**

**December 31, 2022**

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**4. Accounts Payable and Accrued Liabilities**

	<u>2022</u>		<u>2021</u>
Trade accounts payable	\$ 582,630	\$	274,938
Accrued liabilities	41,514		69,740
Holdbacks payable	93,756		262,590
	<u>\$ 717,900</u>	\$	<u>607,268</u>

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**5. Deposit Liabilities**

In addition to utility deposits of \$20,705 (2021: \$22,415) and damage deposits of \$9,390 (2021: \$28,073), the Town receives water servicing deposits, grade slip deposits and other deposits from developers which are refunded once the water service and/or the development has been inspected and approved. The amount of the developer deposits on hand at the end of the year is \$109,000 (2021: \$150,000).

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**Town of Crossfield**  
**Notes to Financial Statements**

**December 31, 2022**

**6. Deferred Revenue**

	2022	2021
Canada Community-Building Fund	\$ 1,104,588	\$ 1,486,599
Alberta Community Partnership	200,000	114,457
Active Transportation Fund	24,105	-
Alberta Healthy Communities Initiative	16,378	10,000
Recreation Donations	345	31,460
Family and Community Support Services	-	18,071
	\$ 1,345,416	\$ 1,660,587

**Canada Community-Building Fund**

Federal and provincial government funding was considered receivable in the current year to undertake certain eligible environmentally sustainable projects within the Town that have not yet been expended.

**Alberta Community Partnership**

Provincial government funding was received to undertake a certain intermunicipal collaboration project for a watershed scoping study and the development of a watershed modelling tool.

**Active Transportation Fund**

Active Transportation Fund is the first federal grant to target active transportation. Funding is available over five years to support a model shift away from cars and toward active transportation in support of Canada's National Active Transportation Strategy.

**Alberta Healthy Communities Initiative**

Funding was received from Alberta Health Services to create supports in the community to create healthy environments.

**Recreation Donations**

Donations were received in the current year to undertake certain parks and recreation initiatives in the Town, which have not yet been expended.

**Family and Community Support Services**

Certain provincial government funding was received to undertake certain social programs and related expenditures within the Town which have not yet been expended.

**Town of Crossfield**  
**Notes to Financial Statements**

**December 31, 2022**

**7. Long-term Debt**

	2022		2021
Tax supported debentures	\$	7,516,370	\$ 7,994,728
	Principle	Interest	Total
2023	\$ 502,543	\$ 216,039	\$ 718,582
2024	517,352	201,231	718,583
2025	532,596	185,986	718,582
2026	548,290	170,292	718,582
2027	564,447	154,136	718,583
Thereafter	4,851,142	717,253	5,568,395
	\$ 7,516,370	\$ 1,644,937	\$ 9,161,307

Debenture debt is repayable to the Alberta Capital Finance Authority and bears interest at 2.92% and 2.93% per annum and matures in 2032 and 2039.

The current portion of the long-term debt amounts to \$502,543 (2021: \$488,159). Principal and interest repayments shown above.

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

Interest on long-term debt amounted to \$228,648 (2021: \$242,361).

**8. Credit Facility**

The Town has a credit facility with ATB Financial, which includes an approved operating line that can be drawn upon to a maximum of \$1,500,000 (2021: \$nil), which bears interest at prime plus 1.00% and is secured by a General Security Agreement. At the balance sheet date, the amount drawn, which is due on demand, was \$nil (2021: \$nil).



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**Town of Crossfield**  
**Notes to Financial Statements**

**December 31, 2022**

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**9. Debt Limits**

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

	<u>2022</u>	<u>2021</u>
Total debt limit	\$ 12,618,026	\$ 16,197,132
Total debt	<u>7,516,370</u>	<u>7,994,728</u>
Total debt limit available	<u>5,101,656</u>	<u>8,202,404</u>
Debt servicing limit	2,113,504	2,699,522
Debt servicing	<u>718,582</u>	<u>730,520</u>
Total debt servicing limit available	<u>1,394,922</u>	<u>1,969,002</u>

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

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**Town of Crossfield**  
**Notes to Financial Statements**

**December 31, 2022**

**10. Tangible Capital Assets**

**For the year ended December 31**

	Construction in Progress	Land	Land Improvements	Buildings	Engineered Structures	Machinery and Equipment	Vehicles	Total 2022
Cost, beginning of year	\$ 57,750	\$ 3,035,592	\$ 4,701,943	\$ 8,042,346	\$ 54,062,853	\$ 6,245,665	\$ 1,684,305	\$ 77,830,454
Acquisition of Tangible Capital Assets	217,425	-	82,771	169,209	814,406	299,560	-	1,583,371
Change in work in progress	(57,749)	-	-	-	-	-	-	(57,749)
Disposal of Tangible Capital Assets	-	-	(10,400)	-	(473,043)	-	(34,396)	(517,839)
Cost, end of year	\$ 217,426	\$ 3,035,592	\$ 4,774,314	\$ 8,211,555	\$ 54,404,216	\$ 6,545,225	\$ 1,649,909	\$ 78,838,237
Accumulated amortization, beginning of year	\$ -	\$ -	\$ 1,458,351	\$ 2,169,910	\$ 16,132,565	\$ 3,054,991	\$ 1,039,273	\$ 23,855,090
Amortization	-	-	207,713	189,145	1,037,497	304,009	79,475	1,817,839
Disposals	-	-	(10,400)	-	(335,314)	-	(34,396)	(380,110)
Accumulated amortization, end of year	\$ -	\$ -	\$ 1,655,664	\$ 2,359,055	\$ 16,834,748	\$ 3,359,000	\$ 1,084,352	\$ 25,292,819
Net book amount of Tangible Capital Assets	\$ 217,426	\$ 3,035,592	\$ 3,118,650	\$ 5,852,500	\$ 37,569,468	\$ 3,186,225	\$ 565,557	\$ 53,545,418

**Town of Crossfield**  
Notes to Financial Statements

**December 31, 2022**

**10. Tangible Capital Assets (continued)**

**For the year ended December 31**

	Construction in Progress	Land	Land Improvements	Buildings	Engineered Structures	Machinery and Equipment	Vehicles	Total 2021
Cost, beginning of year	\$ 8,233,285	\$ 3,035,592	\$ 2,227,390	\$ 8,042,346	\$ 43,657,633	\$ 6,124,537	\$ 1,684,305	\$ 73,005,088
Acquisition of Tangible Capital Assets	(8,233,285)	-	2,474,553	-	11,477,278	181,963	-	5,900,509
Construction-in-progress	57,750	-	-	-	-	-	-	57,750
Disposal of Tangible Capital Assets	-	-	-	-	(1,072,058)	(60,835)	-	(1,132,893)
Cost, end of year	\$ 57,750	\$ 3,035,592	\$ 4,701,943	\$ 8,042,346	\$ 54,062,853	\$ 6,245,665	\$ 1,684,305	\$ 77,830,454
Accumulated amortization, beginning of year	\$ -	\$ -	\$ 1,347,301	\$ 1,988,117	\$ 16,083,178	\$ 2,757,894	\$ 956,781	\$ 23,133,271
Amortization	-	-	111,050	181,793	822,817	299,125	82,492	1,497,277
Disposals	-	-	-	-	(773,430)	(2,028)	-	(775,458)
Accumulated amortization, end of year	\$ -	\$ -	\$ 1,458,351	\$ 2,169,910	\$ 16,132,565	\$ 3,054,991	\$ 1,039,273	\$ 23,855,090
Net book amount of Tangible Capital Assets	\$ 57,750	\$ 3,035,592	\$ 3,243,592	\$ 5,872,436	\$ 37,930,288	\$ 3,190,674	\$ 645,032	\$ 53,975,364

**Town of Crossfield**  
**Notes to Financial Statements**

**December 31, 2022**

**11. Equity in Tangible Capital Assets**

	2022	2021
Tangible capital assets	\$ 78,838,237	\$ 77,830,454
Accumulated amortization	(25,292,819)	(23,855,090)
Long-term debt	(7,516,370)	(7,994,728)
	<b>\$ 46,029,048</b>	<b>\$ 45,980,636</b>

**12. Accumulated Surplus**

	2022	2021
Equity in tangible capital assets	\$ 46,029,048	\$ 45,980,636
Unrestricted surplus	1,903,912	67,784
	<b>47,932,960</b>	<b>46,048,420</b>
Restricted surplus		
Public works	15,000	-
Family and community support services	-	27,300
Fire	45,000	-
Police	15,000	-
Roadways	500,000	500,000
Water	10,000	140,226
Wastewater treatment and disposal	8,000	1,016,613
Cemetery	30,000	25,299
Subdivision	2,210,917	1,884,086
Parks and recreation	66,871	309,822
	<b>2,900,788</b>	<b>3,903,346</b>
	<b>\$ 50,833,748</b>	<b>\$ 49,951,766</b>

**13. Contaminated Sites Liability**

During the year, the Town did not identify any financial liabilities (2021: \$nil) as a result of contaminated sites.

**Town of Crossfield**  
**Notes to Financial Statements**

**December 31, 2022**

**14. Property and Other Taxes**

	Budget (Unaudited)	2022	2021
Real property taxes	\$ 5,781,961	\$ 5,867,372	\$ 5,567,012
Linear property taxes	-	-	65,617
Government grants in place of property taxes	-	-	5,359
Special assessments and local Tax Recovery	-	<b>6,052</b>	-
	<u>5,781,961</u>	<u>5,873,424</u>	<u>5,637,988</u>
Requisitions			
Alberta School Foundation Fund	<b>1,797,590</b>	<b>1,853,849</b>	1,771,029
Rocky View Foundation	33,830	<b>33,825</b>	33,296
	<u>1,831,420</u>	<u>1,887,674</u>	<u>1,804,325</u>
Net Municipal Taxes	<u>\$ 3,950,541</u>	<u>\$ 3,985,750</u>	<u>\$ 3,833,663</u>

**15. Government Transfers**

	Budget (Unaudited)	2022	2021
Transfers for Operating			
Federal government	\$ 44,631	\$ 45,172	\$ 34,837
Provincial government	110,879	<b>112,783</b>	297,364
Local government	210,000	<b>210,000</b>	210,000
	<u>\$ 365,510</u>	<u>\$ 367,955</u>	<u>\$ 542,201</u>
Transfers for Capital			
Provincial government	<u>\$ 1,375,106</u>	<u>\$ 1,056,342</u>	<u>\$ 1,440,002</u>
Total government transfers	<u>\$ 1,740,616</u>	<u>\$ 1,424,297</u>	<u>\$ 1,982,203</u>

**Town of Crossfield**  
**Notes to Financial Statements**

**December 31, 2022**

**16. Expenses by Object**

	Budget (Unaudited)	2022	2021
Salaries and wages	\$ 2,539,185	\$ 2,714,034	\$ 2,193,539
Contracted and general services	1,874,173	1,968,480	1,816,703
Materials, goods, supplies and utilities	2,408,258	2,067,296	2,063,999
Transfers to local boards and agencies	230,380	228,032	227,050
Bank charges and short-term interest	8,000	14,641	11,235
Interest on capital long-term debt	718,584	228,648	242,361
Loss on disposal of tangible capital assets	-	122,628	305,449
Amortization	1,379,060	1,817,839	1,497,277
Provision for allowances	4,550	20,141	-
	<b>\$ 9,162,190</b>	<b>\$ 9,181,739</b>	<b>\$ 8,357,613</b>

**December 31, 2022**

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**17. Segmented Information**

The Town is a diversified municipal government institution that provides a wide range of services to its citizens. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and the activities they encompass are as follows:

**General Government**

This service area includes legislative and administrative support to all other service areas and also relates to the revenues and expenses that relate to the operations of the Town itself and cannot be directly attributed to a specific segment.

**Protective Services**

Protective services is comprised of police, bylaw enforcement and fire protection. This service area is responsible for the overall safety of the public through various prevention and enforcement activities.

**Transportation Services**

Transportation services is responsible for the delivery of municipal public works services related to the planning, development and maintenance of roadway systems, the maintenance of park and open space, and street lighting.

**Water and Wastewater Services**

Water and wastewater provides drinking water to the Town's citizens and collects and treats wastewater through regional commissions. The Town processes and cleans sewage and ensures the water system meets all Provincial standards.

**Waste Management Services**

Waste management provides collection disposal and recycling programs.

**Public Health and Welfare**

This service area provides and administers community support programs.

**Development and Planning**

The planning department provides a number of services including town planning and enforcement of building and construction codes and review of all property development plans through its application process.

**Recreation and Culture**

This service area maintains recreation infrastructure such as parks, arenas, aquatic centres and community centres as well as provides recreational programs and cultural programs at those locations.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. In measuring and reporting segment revenue from transactions with other segments, inter-segment transfers have been eliminated. The revenues and expenses that are directly attributable to a particular segment are allocated to that segment. Taxation revenue has been allocated to general government except where specific tax revenues can be directly allocated to a service area.

**Town of Crossfield**  
**Notes to Financial Statements**

**December 31, 2022**

**17. Segmented Information (continued)**

	General Government	Protective Services	Transportation Services	Water and Wastewater	Waste Management	Public Health and Welfare	Development and Planning	Recreation and Culture	2022 Total
<b>Revenue</b>									
Net municipal taxes	\$ 3,985,750	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,985,750
User fees and sales of goods	105,615	326,489	254	2,265,708	452,588	-	-	289,430	3,440,084
Government transfers for operating	-	191,900	2,399	-	58,599	72,284	-	42,773	367,955
Investment Income	131,189	-	-	-	-	-	-	-	131,189
Penalties and costs on taxes	132,051	-	-	29,117	-	-	-	-	161,168
Licenses and permits	22,459	250	-	-	-	-	245,696	-	268,405
Franchise and concession contracts	224,413	-	-	-	-	-	-	-	224,413
Other	19,911	20,001	1,320	10,287	-	-	68,003	190	119,712
	<b>\$ 4,621,388</b>	<b>\$ 538,640</b>	<b>\$ 3,973</b>	<b>\$ 2,305,112</b>	<b>\$ 511,187</b>	<b>\$ 72,284</b>	<b>\$ 313,699</b>	<b>\$ 332,393</b>	<b>\$ 8,698,676</b>
<b>Expenses</b>									
Salaries, wages and benefits	\$ 1,065,408	\$ 491,079	\$ 425,568	\$ 172,541	\$ -	\$ 35,387	\$ 27,846	\$ 496,205	\$ 2,714,034
Contracted and general services	452,128	235,083	162,737	293,559	458,042	13,365	185,385	168,181	1,968,480
Materials, goods, supplies and utilities	88,152	199,468	428,758	970,058	-	7,372	-	373,488	2,067,296
Transfer to local boards and agencies	-	-	-	-	-	54,400	-	173,632	228,032
Bank charges and short-term interest	14,641	-	-	-	-	-	-	-	14,641
Interest on capital long-term debt	-	-	129,615	99,033	-	-	-	-	228,648
Loss (gain) on disposal of tangible capital assets	-	-	(4,100)	126,728	-	-	-	-	122,628
Provision for allowances	2,049	15,625	-	2,467	-	-	-	-	20,141
	<b>\$ 1,622,378</b>	<b>\$ 941,255</b>	<b>\$ 1,142,578</b>	<b>\$ 1,664,386</b>	<b>\$ 458,042</b>	<b>\$ 110,524</b>	<b>\$ 213,231</b>	<b>\$ 1,211,506</b>	<b>\$ 7,363,900</b>
<b>Excess (Shortfall) of revenue over expense before amortization and other expenses</b>									
Government transfers for capital levies	-	-	1,056,342	-	-	-	-	-	1,056,342
Developer agreement and levies	-	-	-	-	-	-	100,468	(879,113)	1,334,776
Amortization expense	(96,413)	(148,319)	(738,900)	(542,993)	(8,841)	-	281,832	26,871	308,703
	<b>\$ 2,902,597</b>	<b>\$ (550,934)</b>	<b>\$ (821,163)</b>	<b>\$ 97,733</b>	<b>\$ 44,304</b>	<b>\$ (38,240)</b>	<b>\$ 382,300</b>	<b>\$ (1,134,615)</b>	<b>\$ 881,982</b>
<b>Net surplus (deficit)</b>									



**Town of Crossfield**  
**Notes to Financial Statements**

**December 31, 2022**

**17. Segmented Information (continued)**

	General Government	Protective Services	Transportation Services	Water and Wastewater	Waste Management	Public Health and Welfare	Development and Planning	Recreation and Culture	2021 Total
<b>Revenue</b>									
Net municipal taxes	\$ 3,833,663	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,833,663
User fees and sales of goods	53,688	170,109	126	2,120,238	446,774	28,226	30,957	136,357	2,986,475
Government transfers for operating	70,382	190,000	-	85,543	58,599	103,893	33,784	-	542,201
Investment Income	37,355	-	-	-	-	-	-	-	37,355
Penalties and costs on taxes	116,691	-	-	14,852	-	-	-	-	131,543
Licenses and permits	-	138,185	-	-	-	-	-	-	138,185
Franchise and concession contracts	156,102	-	-	-	-	-	-	-	156,102
Other	18,004	234	194	152	-	-	26,980	-	45,564
	<b>\$ 4,285,885</b>	<b>\$ 498,528</b>	<b>\$ 320</b>	<b>\$ 2,220,785</b>	<b>\$ 505,373</b>	<b>\$ 132,119</b>	<b>\$ 91,721</b>	<b>\$ 136,357</b>	<b>\$ 7,871,088</b>
<b>Expenses</b>									
Salaries, wages and benefits	\$ 370,898	\$ 478,078	\$ 570,128	\$ 169,991	\$ -	\$ 18,072	\$ 340,863	\$ 245,509	\$ 2,193,539
Contracted and general services	361,247	251,067	82,299	338,622	522,082	21,799	113,159	126,428	1,816,703
Materials, goods, supplies and utilities	95,009	137,031	419,699	1,083,271	-	5,820	81,032	230,137	2,051,999
Transfer to local boards and agencies	-	-	-	-	-	59,159	26,003	141,888	227,050
Bank charges and short-term interest	11,235	-	-	-	-	-	-	-	11,235
Interest on capital long-term debt	-	-	135,122	107,239	-	-	-	-	242,361
Loss on disposal of tangible capital assets	-	-	146,329	159,120	-	-	-	-	305,449
Other expenses	-	-	-	12,000	-	-	-	-	12,000
	<b>\$ 838,389</b>	<b>\$ 866,176</b>	<b>\$ 1,353,577</b>	<b>\$ 1,870,243</b>	<b>\$ 522,082</b>	<b>\$ 104,850</b>	<b>\$ 561,057</b>	<b>\$ 743,962</b>	<b>\$ 6,860,336</b>
<b>Excess (Shortfall) of revenue over expense before amortization and other expenses</b>	\$ 3,447,496	\$ (367,648)	\$ (1,353,257)	\$ 350,542	\$ (16,709)	\$ 27,269	\$ (469,336)	\$ (607,605)	\$ 1,010,752
Government transfers for capital	-	-	1,440,002	-	-	-	-	-	1,440,002
Contributed and donated assets	-	-	2,423,000	504,000	-	-	-	-	2,927,000
Developer agreement and levies	-	-	-	-	-	-	27,265	45,000	72,265
Amortization expense	(91,798)	(148,068)	(623,650)	(440,908)	(8,841)	(922)	-	(183,090)	(1,497,277)
<b>Net surplus (deficit)</b>	<b>\$ 3,355,698</b>	<b>\$ (515,716)</b>	<b>\$ 1,886,095</b>	<b>\$ 413,634</b>	<b>\$ (25,550)</b>	<b>\$ 26,347</b>	<b>\$ (442,071)</b>	<b>\$ (745,695)</b>	<b>\$ 3,952,742</b>

**Town of Crossfield**  
**Notes to Financial Statements**

**December 31, 2022**

**18. Budget Data**

The unaudited budget data presented in these financial statements is based upon the 2022 operating and capital budgets approved by the Council. The chart below reconciles the approved budget to the budget figures reported in these financial statements.

	<b>2022</b>
Budgeted surplus for the year	\$ 259,916
Add:	
Budgeted transfers to reserves	2,191,553
Less:	
Budgeted transfers from reserves	(481,000)
Budgeted amortization	(1,379,060)
Budgeted surplus per statement of operations	\$ 591,409

**19. Salary and Benefits**

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

	<b>Salary</b>	<b>Benefits &amp; Allowances</b>	<b>Total 2022</b>	<b>Total 2021</b>
Mayor Harris	\$ 22,073	\$ 100	\$ 22,173	\$ 11,417
Mayor Tenant	-	-	-	9,651
Councillor Brennan	15,273	100	15,373	1,945
Councillor Cornelssen	-	-	-	6,548
Councillor Fox	15,466	100	15,566	-
Councillor Gustafson	13,945	100	14,045	10,474
Councillor Knight	14,805	100	14,905	6,501
Councillor Lambert	15,595	100	15,695	1,714
Councillor Price	-	-	-	1,939
Councillor Vang	14,870	100	14,970	1,870
Chief Administration				
Officer (1)	153,246	18,710	171,956	182,916
Designated Officers (5)	\$ 345,837	\$ 33,301	\$ 379,138	\$ 343,983

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

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

**December 31, 2022**

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**20. 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 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.

Contributions for the year were:

	2022	2021
Employer contributions	\$ 126,831	\$ 125,000
Employee contributions	113,133	112,753
	<u>\$ 239,964</u>	<u>\$ 237,753</u>

At December 31, 2021, the LAPP disclosed an actuarial surplus of \$11.9 billion (2020 - \$4.96 billion surplus). 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.

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**21. Commitments**

In 2021, the Town extended the lease agreement with the Crossfield United Church to lease property which is owned by the Church and where the Town Administration office and Council chambers are situated for an additional 2 years. The lease can be terminated by either party with 6 months notice.

The Town is a member of the The Mountain View Regional Water Services Commission which was constituted under the Municipal Government Act in 1992.

In 2019, the Town entered into a regional fire services agreement with the Municipal District of Rocky View No. 44 to provide such services in a certain specified area. The agreement will remain in force until December 31, 2024 or may be terminated by either party with six months notice. The Municipal District of Rocky View No. 44 will pay the Town a flat fee as outlined in the agreement.

In 2019, the Town entered into a 5 year lease agreement with the Collicutt Siding Golf Club to lease certain lands that the Town owns and where the golf club is situated. The annual lease payment is \$20,000.

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**December 31, 2022**

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**21. Commitments (continued)**

In 2021, the Town entered into lease agreements with Kubota Canada Ltd. to rent equipment assets for use in the Town. The aggregate future minimum lease payments are \$44,935 (2021: \$76,654). The minimum lease payments for each of the two succeeding years are as follows:

2023	\$	31,719
2024		<u>13,216</u>
Total	\$	<u><u>44,935</u></u>

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**22. Contingencies**

A former employee has initiated proceedings against the Town in relation to a former employment contract. Neither the possible outcome nor the amount, if any, of possible settlement can be foreseen. Therefore, no provision has been made in these financial statements.

The Town is a member of the Alberta Local Authorities Reciprocal Insurance Exchange. Under the terms of 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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**23. Comparative Figures**

Some of the comparative figures have been reclassified to conform to current years presentation. The changes do not affect prior year excess of revenues over expenditures.

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**24. Approval of Financial Statements**

Council and management approved these financial statements.

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