

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

**TOWN OF FOX CREEK
FINANCIAL STATEMENTS
DECEMBER 31, 2022**

CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	2 - 4
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING	5
FINANCIAL STATEMENTS	
Statement of Financial Position	6
Statement of Operations	7
Statement of Changes in Net Financial Assets	8
Statement of Cash Flows	9
Schedule of Tangible Capital Assets	10
Schedule of Property and Other Taxes	11
Schedule of Government Transfers	11
Schedule of Expenses by Object	12
Schedule of Changes in Accumulated Surplus	13
Schedule of Segmented Disclosure	14
Notes to Financial Statements	15 - 28

INDEPENDENT AUDITOR'S REPORT

To the Members of Council:

Qualified Opinion

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

In our opinion, except for the effect of the matters described in the Basis of Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Town of Fox Creek as at December 31, 2022, the results of its operations, changes in net financial assets and its cash flows for the year ended in accordance with Canadian Public Sector Accounting Standards.

Basis for Qualified Opinion

The Town of Fox Creek operates a landfill and has not recognized any liability for closure and post closure care costs associated with the landfill operations. This is a departure from CPA Canada Handbook Section PS3270 - *solid waste landfill closure and post closure liability*. The amount of any potential liability is unknown, and we are unable to determine if any adjustments are required.

The Town of Fox Creek's tangible capital asset balance may not be complete as it is not certain if all tangible capital assets have been properly capitalized. Further, the Town's accounting policy for amortization of tangible capital assets utilizes half-year amortization on year of acquisition rather than recognizing the in-service date of new tangible capital assets. Tangible capital assets are recorded as a non-financial asset and represents \$87,200,150 (2021 - \$86,445,076) of the Town's total non-financial assets. The amount of any potential adjustment is unknown, and we are unable to determine if any adjustments are required.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Town of Fox Creek 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 qualified opinion.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian Public Sector Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

Report on Other Legal and Regulatory Requirements

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

Ascend

CANMORE, ALBERTA
APRIL 22, 2024

ASCEND LLP
CHARTERED PROFESSIONAL ACCOUNTANTS



MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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

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

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

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

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

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

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

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

Kristen Milne
Kristen Milne (Apr 22, 2024 16:07 MDT)

Kristen Milne
Chief Administrative Officer

Lori Conkin
Lori Conkin (Apr 22, 2024 15:10 MDT)

Lori Conkin
Director of Corporate Services

TOWN OF FOX CREEK
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2022

	2022	2021
FINANCIAL ASSETS		
Cash (Note 2)	\$ 22,831,667	\$ 20,688,425
Investments (Note 3)	451,738	460,918
Receivables		
Taxes and grants in place of taxes (Note 4)	1,178,833	982,677
Trade and other receivables (Note 5)	372,746	574,480
Receivables from other governments	4,801,169	6,630,706
Land inventory held for resale	<u>3,029,244</u>	<u>2,892,436</u>
	<u>32,665,397</u>	<u>32,229,642</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 6)	1,228,045	1,220,812
Deposit liabilities	536,860	535,455
Deferred revenue (Note 7)	7,398,390	7,199,751
Long-term debt (Note 8)	<u>13,173,170</u>	<u>13,825,408</u>
	<u>22,336,465</u>	<u>22,781,426</u>
NET FINANCIAL ASSETS	<u>10,328,932</u>	<u>9,448,216</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	87,200,150	86,445,076
Prepaid expenses	<u>51,332</u>	<u>39,302</u>
	<u>87,251,482</u>	<u>86,484,378</u>
ACCUMULATED SURPLUS (Schedule 5)	<u>\$ 97,580,414</u>	<u>\$ 95,932,594</u>
	CONTAMINATED SITES LIABILITY (SEE NOTE 12)	
	COMMITMENTS (SEE NOTE 17)	
	CONTINGENCIES (SEE NOTE 18)	

TOWN OF FOX CREEK
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Budget (Unaudited)	2022	2021
REVENUE			
Net municipal taxes (Schedule 2)	\$ 3,909,487	\$ 3,909,298	\$ 3,818,808
User fees and sale of goods	2,981,062	2,812,544	2,519,991
Government transfers for operating (Schedule 3)	2,597,999	2,565,570	2,733,851
Penalties and costs on taxes	335,450	356,733	307,953
Licenses and permits	115,750	89,904	148,701
Fines	17,000	57,405	26,508
Franchise and concession contracts	322,319	292,297	233,477
Investment income	80,000	474,881	82,634
Rentals	390,585	431,552	348,498
Insurance proceeds	-	57	20,757
Gain on disposal of tangible capital assets	-	22,918	5,966
Other	183,780	209,742	270,363
Total Revenue	<u>10,933,432</u>	<u>11,222,901</u>	<u>10,517,507</u>
EXPENSES			
General government			
Council and other legislative	334,483	169,870	187,933
General administrative	1,892,701	1,679,615	1,556,418
Protective services			
Police	76,000	61,432	55,590
Fire protection	451,933	636,000	593,088
Emergency measures and disaster services	57,711	41,316	17,012
Ambulance services and first aid	23,065	24,813	13,105
Bylaw enforcement	178,019	169,272	84,121
Transportation services			
Common and equipment pool	882,087	763,063	976,549
Roads, streets, walks, and lighting	580,962	831,112	673,239
Airport	13,562	10,612	8,904
Water and wastewater			
Water supply and distribution	894,842	1,146,752	1,190,883
Wastewater treatment and disposal	165,839	367,681	364,823
Waste management			
Waste management	468,219	454,165	423,073
Public health and welfare			
Family and community support services	863,245	607,828	620,519
Other public health and welfare	264,136	236,952	243,026
Planning and development			
Land use planning, zoning and development	182,732	156,592	216,178
Subdivision land and development	30,500	4,893	44,709
Economic development	102,169	22,570	56,800
Recreation and culture			
Parks and recreation	2,795,383	3,728,644	3,375,787
Libraries, museums, and halls	144,804	153,098	146,623
Total Expenses	<u>10,402,392</u>	<u>11,266,280</u>	<u>10,848,380</u>
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES - BEFORE OTHER	531,040	(43,379)	(330,873)
Government transfers for capital (Schedule 3)	6,480,982	1,663,781	2,342,137
Other capital revenue	-	27,418	8,674
EXCESS OF REVENUE OVER EXPENSES	7,012,022	1,647,820	2,019,938
ACCUMULATED SURPLUS, BEGINNING OF YEAR	95,932,594	95,932,594	93,912,656
ACCUMULATED SURPLUS, END OF YEAR	<u>\$ 102,944,616</u>	<u>\$ 97,580,414</u>	<u>\$ 95,932,594</u>

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

	Budget (Unaudited)	2022	2021
EXCESS OF REVENUE OVER EXPENSES	\$ <u>7,012,022</u>	\$ <u>1,647,820</u>	\$ <u>2,019,938</u>
Acquisition of tangible capital assets	(9,081,849)	(3,346,366)	(2,805,885)
Amortization on tangible capital assets	-	2,543,520	2,523,641
Gain on disposal of tangible capital assets	-	(22,918)	(5,966)
Proceeds on disposition of tangible capital assets	<u>-</u>	<u>70,690</u>	<u>55,018</u>
	<u>(9,081,849)</u>	<u>(755,074)</u>	<u>(233,192)</u>
Change in prepaid expenses	<u>-</u>	<u>(12,030)</u>	<u>(19,506)</u>
(DECREASE) INCREASE IN NET ASSETS	(2,069,827)	880,716	1,767,240
NET FINANCIAL ASSETS, BEGINNING OF YEAR	<u>9,448,216</u>	<u>9,448,216</u>	<u>7,680,976</u>
NET FINANCIAL ASSETS, END OF YEAR	\$ <u><u>7,378,389</u></u>	\$ <u><u>10,328,932</u></u>	\$ <u><u>9,448,216</u></u>

The accompanying notes are an integral part of these financial statements

TOWN OF FOX CREEK
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022

	2022	2021
NET INFLOW (OUTFLOWS) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Excess of revenues over expenses	\$ 1,647,820	\$ 2,019,938
Non-cash items included in excess of revenues over expenses:		
Amortization on tangible capital assets	2,543,520	2,523,641
Gain on disposal of tangible capital assets	<u>(22,918)</u>	<u>(5,966)</u>
	4,168,422	4,537,613
Non-cash charges to operations (net change):		
Taxes and grants in place of taxes	(196,156)	33,007
Trade and other receivables	201,734	139,162
Receivables from other governments	1,829,537	(845,004)
Land inventory held for resale	(136,808)	34,607
Prepaid expenses	(12,030)	(19,506)
Accounts payable and accrued liabilities	7,233	(608,932)
Deposit liabilities	1,405	1,549
Deferred revenue	<u>198,639</u>	<u>54,730</u>
	<u>6,061,976</u>	<u>3,327,226</u>
CAPITAL		
Acquisition of tangible capital assets	(3,346,366)	(2,805,885)
Proceeds on disposal of tangible capital assets	<u>70,690</u>	<u>55,018</u>
	<u>(3,275,676)</u>	<u>(2,750,867)</u>
INVESTING		
Decrease in investments	<u>9,180</u>	<u>9,000</u>
FINANCING		
Repayment of long-term debt	<u>(652,238)</u>	<u>(687,509)</u>
CHANGE IN CASH DURING THE YEAR	2,143,242	(102,150)
CASH, BEGINNING OF YEAR	<u>20,688,425</u>	<u>20,790,575</u>
CASH, END OF YEAR	<u>\$ 22,831,667</u>	<u>\$ 20,688,425</u>

TOWN OF FOX CREEK
SCHEDULE OF TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2022

Schedule 1

	Construction in Progress	Land	Land Improvements	Buildings	Engineered Structures	Machinery and Equipment	Vehicles	2022	2021
COST:									
BALANCE, BEGINNING OF YEAR	\$ 839,118	\$ 418,149	\$ 3,506,790	\$52,220,880	\$46,839,180	\$ 5,526,838	\$ 1,656,819	\$111,007,774	\$108,264,276
Acquisition of tangible capital assets	901,081	-	27,720	165,944	1,600,372	651,249	-	3,346,366	2,447,369
Construction-in-progress	-	-	-	-	-	-	-	-	358,516
Disposal of tangible capital assets	-	-	-	-	-	(60,759)	-	(60,759)	(62,387)
BALANCE, END OF YEAR	<u>1,740,199</u>	<u>418,149</u>	<u>3,534,510</u>	<u>52,386,824</u>	<u>48,439,552</u>	<u>6,117,328</u>	<u>1,656,819</u>	<u>114,293,381</u>	<u>111,007,774</u>
ACCUMULATED AMORTIZATION:									
BALANCE, BEGINNING OF YEAR	-	-	903,601	6,800,716	12,003,327	3,503,860	1,351,194	24,562,698	22,052,392
Annual amortization	-	-	52,341	1,365,094	712,721	352,239	61,125	2,543,520	2,523,641
Accumulated amortization on disposals	-	-	-	-	-	(12,987)	-	(12,987)	(13,335)
BALANCE, END OF YEAR	<u>-</u>	<u>-</u>	<u>955,942</u>	<u>8,165,810</u>	<u>12,716,048</u>	<u>3,843,112</u>	<u>1,412,319</u>	<u>27,093,231</u>	<u>24,562,698</u>
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	<u>\$ 1,740,199</u>	<u>\$ 418,149</u>	<u>\$ 2,578,568</u>	<u>\$44,221,014</u>	<u>\$35,723,504</u>	<u>\$ 2,274,216</u>	<u>\$ 244,500</u>	<u>\$ 87,200,150</u>	<u>\$ 86,445,076</u>
2021 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	<u>\$ 839,118</u>	<u>\$ 418,149</u>	<u>\$ 2,603,189</u>	<u>\$45,420,164</u>	<u>\$34,835,853</u>	<u>\$ 2,022,978</u>	<u>\$ 305,625</u>	<u>\$ 86,445,076</u>	

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

	Budget (Unaudited)	2022	2021
TAXATION			
Real property taxes	\$ 4,966,920	\$ 4,934,804	\$ 4,842,188
Linear property taxes	103,126	135,471	128,376
Government grants in place of property taxes	48,112	47,694	56,352
Local improvement taxes	15,903	15,903	43,746
	<u>5,134,061</u>	<u>5,133,872</u>	<u>5,070,662</u>
REQUISITIONS			
Alberta School Foundation Fund	1,117,043	1,117,043	1,139,755
Heart River Foundation	107,531	107,531	112,099
	<u>1,224,574</u>	<u>1,224,574</u>	<u>1,251,854</u>
NET MUNICIPAL TAXES	<u>\$ 3,909,487</u>	<u>\$ 3,909,298</u>	<u>\$ 3,818,808</u>

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

	Budget (Unaudited)	2022	2021
TRANSFERS FOR OPERATING			
Provincial government	\$ 543,811	\$ 437,136	\$ 671,683
Federal government	22,688	19,934	
Local governments	2,031,500	2,108,500	2,062,168
	<u>2,597,999</u>	<u>2,565,570</u>	<u>2,733,851</u>
TRANSFERS FOR CAPITAL			
Provincial government	329,725	530,894	1,217,350
Federal government	155,148	218,262	86,945
Local governments	5,996,109	914,625	1,037,842
	<u>6,480,982</u>	<u>1,663,781</u>	<u>2,342,137</u>
TOTAL GOVERNMENT TRANSFERS	<u>\$ 9,078,981</u>	<u>\$ 4,229,351</u>	<u>\$ 5,075,988</u>

TOWN OF FOX CREEK
SCHEDULE OF EXPENSES BY OBJECT
FOR THE YEAR ENDED DECEMBER 31, 2022

Schedule 4

	Budget (Unaudited)	2022	2021
EXPENSES BY OBJECT			
Salaries, wages and benefits	\$ 5,165,266	\$ 4,566,016	\$ 4,400,773
Contracted and general services	2,701,082	2,055,131	1,858,193
Purchases from other governments	76,000	56,945	50,558
Materials, goods, supplies and utilities	1,659,785	1,395,600	1,225,586
Provision for allowances	81,000	82,837	175,091
Transfers to individuals and organizations	174,430	117,519	145,591
Bank charges and short-term interest	33,000	37,881	34,849
Interest on capital long-term debt (Note 8)	410,829	410,831	434,098
Amortization of tangible capital assets (Schedule 1)	-	2,543,520	2,523,641
Other expenses	101,000	-	-
	<u>\$ 10,402,392</u>	<u>\$ 11,266,280</u>	<u>\$ 10,848,380</u>

TOWN OF FOX CREEK
 SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS
 FOR THE YEAR ENDED DECEMBER 31, 2022
 Schedule 5

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2022	2021
BALANCE, BEGINNING OF YEAR	\$ <u>8,474,390</u>	\$ <u>14,838,536</u>	\$ <u>72,619,668</u>	\$ <u>95,932,594</u>	\$ <u>93,912,656</u>
Excess of revenues over expenses	1,647,820	-	-	1,647,820	2,019,938
Unrestricted funds designated for future use	(1,608,058)	1,608,058	-	-	-
Restricted funds used for tangible capital assets	-	(1,043,578)	1,043,578	-	-
Current year funds used for tangible capital assets	(2,302,788)	-	2,302,788	-	-
Net book value of disposed tangible capital assets	47,772	-	(47,772)	-	-
Annual amortization expense	2,543,520	-	(2,543,520)	-	-
Long-term debt repaid	(652,238)	-	652,238	-	-
Change in accumulated surplus	<u>(323,972)</u>	<u>564,480</u>	<u>1,407,312</u>	<u>1,647,820</u>	<u>2,019,938</u>
BALANCE, END OF YEAR	\$ <u><u>8,150,418</u></u>	\$ <u><u>15,403,016</u></u>	\$ <u><u>74,026,980</u></u>	\$ <u><u>97,580,414</u></u>	\$ <u><u>95,932,594</u></u>

TOWN OF FOX CREEK
SCHEDULE OF SEGMENTED DISCLOSURE
FOR THE YEAR ENDED DECEMBER 31, 2022

Schedule 6

	General Government	Protective Services	Transportation Services	Water and Wastewater	Waste Management	Public Health and Welfare	Planning and Development	Recreation and Culture	Total
REVENUE									
Net municipal taxes	\$ 3,893,395	\$ -	\$ 3,025	\$ 12,878	\$ -	\$ -	\$ -	\$ -	\$ 3,909,298
User fees and sales of goods	3,439	88,744	-	1,851,289	334,204	41,784	222,808	270,296	2,812,544
Government transfers for operating	1,031,324	108,750	1,056	3,000	-	412,320	-	1,009,120	2,565,570
Penalties and costs on taxes	335,144	-	-	21,589	-	-	-	-	356,733
Licenses and permits	23,781	43,613	-	-	-	-	22,510	-	89,904
Fines	-	57,405	-	-	-	-	-	-	57,405
Franchise and concession contracts	292,297	-	-	-	-	-	-	-	292,297
Investment income	474,727	-	-	-	-	-	-	154	474,881
Rentals	294,236	36,034	6,300	-	-	44,826	7,372	42,984	431,552
Insurance proceeds	-	-	-	-	-	-	-	57	57
Gain on disposal of tangible capital assets	-	-	22,918	-	-	-	-	-	22,918
Other revenues	404	2,850	20	-	-	2,615	1,694	202,159	209,742
	<u>6,348,747</u>	<u>337,396</u>	<u>33,319</u>	<u>1,888,736</u>	<u>334,204</u>	<u>501,345</u>	<u>254,384</u>	<u>1,524,770</u>	<u>11,222,901</u>
EXPENSES									
Salaries, wages and benefits	1,079,222	228,042	589,377	461,565	164,915	653,036	141,713	1,248,146	4,566,016
Contract and general services	487,000	184,752	160,307	172,803	254,341	169,027	34,731	592,170	2,055,131
Purchases from other governments	-	56,945	-	-	-	-	-	-	56,945
Materials, goods, supplies and utilities	71,534	105,623	369,330	253,543	12,050	14,651	7,611	561,258	1,395,600
Provision for allowance	55,535	158	-	2,893	1,711	-	-	22,540	82,837
Transfers to individuals and organizations	54,003	-	-	-	-	-	-	63,516	117,519
Bank charges and short-term interest	29,518	-	-	-	-	-	-	8,363	37,881
Interest on capital long-term debt	-	71,200	3,779	23,952	-	-	-	311,900	410,831
	<u>1,776,812</u>	<u>646,720</u>	<u>1,122,793</u>	<u>914,756</u>	<u>433,017</u>	<u>836,714</u>	<u>184,055</u>	<u>2,807,893</u>	<u>8,722,760</u>
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSE, BEFORE AMORTIZATION AND OTHER	<u>4,571,935</u>	<u>(309,324)</u>	<u>(1,089,474)</u>	<u>973,980</u>	<u>(98,813)</u>	<u>(335,369)</u>	<u>70,329</u>	<u>(1,283,123)</u>	<u>2,500,141</u>
Government transfers for capital	37,297	-	1,176,252	49,185	-	-	7,500	393,547	1,663,781
Other capital revenue	-	1,429	17,000	-	-	-	-	8,989	27,418
Amortization expense	(72,673)	(286,113)	(481,994)	(599,677)	(21,148)	(8,066)	-	(1,073,849)	(2,543,520)
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES	<u>\$ 4,536,559</u>	<u>\$ (594,008)</u>	<u>\$ (378,216)</u>	<u>\$ 423,488</u>	<u>\$ (119,961)</u>	<u>\$ (343,435)</u>	<u>\$ 77,829</u>	<u>\$ (1,954,436)</u>	<u>\$ 1,647,820</u>

TOWN OF FOX CREEK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

1. SIGNIFICANT ACCOUNTING POLICIES

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

a) Reporting Entity

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

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

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

b) Basis of Accounting

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

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

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

c) Use of Estimates

The preparation of financial statements in conformity with 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.

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

- Allowance for doubtful accounts;
- Useful life of tangible capital assets;
- Accrued liabilities; and
- Fair value of contributed tangible capital assets.

TOWN OF FOX CREEK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

d) Cash and Cash Equivalents

Cash and cash equivalents are comprised of cash on deposits with financial institutions and highly liquid investments with maturities of three months or less.

e) Investments

Investments are recorded at amortized cost.

f) Long-term Debt

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

g) 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.

h) Land Inventories Held for Resale

Land held for resale is recorded at the lower of cost or net realizable value. Cost includes costs for land acquisition and improvements required to prepare the land for servicing such as clearing, stripping and levelling charges. Related development costs incurred to provide infrastructure such as water and wastewater services, roads, sidewalks and street lighting are recorded as tangible capital assets under the respective function.

i) Tax Revenue

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

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

TOWN OF FOX CREEK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

j) Landfill Closure and Post-Closure Liability

Pursuant to the Alberta Environmental Protection and Enhancement Act, the Town is required to fund the closure of its landfill site and provide for post-closure care of the facility. Closure and post-closure activities include the final clay cover, landscaping, as well as surface and ground water monitoring, leachate control, and visual inspection. The requirement is being provided for over the estimated remaining life of the landfill site based on usage.

k) Contaminated Sites Liability

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

l) Revenue Recognition

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

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

m) 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 FOX CREEK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

n) Non-Financial Assets

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

i. Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets is amortized on a declining balance method at rates designed to amortize the cost of the tangible capital assets over their estimated useful lives. The annual amortization rates are as follows:

	RATE
Land improvements	2%
Buildings	3%
Engineered structures	
Water system	2%
Wastewater system	2%
Other engineered structures	2%
Machinery and equipment	15%
Vehicles	20%

One-half of the annual amortization is charged in the year of acquisition and in the year of disposal. Tangible capital 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.

2. CASH

The Town received certain Alberta government grants, local municipal grants and donations that are restricted in their use and are to be utilized as funding for certain projects. Since certain projects have not been completed for which this restricted funding has been received, \$6,686,170 (2021 - \$4,138,741) of the cash on hand is not available for general use by the Town.

Of the cash, \$536,860 (2021 - \$535,455) is considered restricted cash and not available for general use as it relates to deposits received.

The Town has a revolving line of credit with Canadian Imperial Bank of Commerce, with a maximum authorized limit of \$1,000,000, which bears interest at prime rate less 0.25%. As of year end, \$0 was outstanding on this revolving line of credit.

TOWN OF FOX CREEK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

3. INVESTMENTS

Investments include guaranteed investment certificates maturing between May 2023 and December 2023, bearing interest at rates between 0.5% and 3.15%.

4. TAXES AND GRANTS IN PLACE OF TAXES RECEIVABLE

	2022	2021
Current taxes and grants in place	\$ 702,826	\$ 582,308
Arrears taxes	1,044,653	881,519
	1,747,479	1,463,827
Less: allowance for doubtful accounts	(568,646)	(481,150)
	\$ 1,178,833	\$ 982,677

5. TRADE AND OTHER RECEIVABLES

	2022	2021
Trade accounts receivable	\$ 749,534	\$ 871,865
Utility accounts receivable	127,019	202,087
Due from employees	-	2,648
Accrued interest receivable	1,489	445
	878,042	1,077,045
Less: allowance for doubtful accounts	(505,296)	(502,565)
	\$ 372,746	\$ 574,480

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2022	2021
Trade payables	\$ 817,307	\$ 717,675
Holdbacks payable	168,807	212,764
Accrued liabilities	151,413	225,797
Accrued vacation payable to employees	90,518	64,576
	\$ 1,228,045	\$ 1,220,812

TOWN OF FOX CREEK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

7. DEFERRED REVENUE

	<u>2022</u>	<u>2021</u>
Municipal District of Greenview	\$ 3,889,601	\$ 3,304,226
Shell Canada Energy Waste Water Supply Agreement	2,153,607	2,507,625
Alberta Municipal Sustainability Initiative	507,073	547,749
Community Adult Learning Program	202,177	104,128
Canada Community - Building Fund	155,148	218,262
Alberta Community Partnership	111,990	-
Alberta Environment and Parks	94,500	94,500
Family Resource Network	92,153	56,748
Licenses and permits	53,658	24,495
Prepaid sponsorships	33,781	112,380
Fire Department donations	27,246	27,246
Alberta Environment and Parks - Community Environmental Project	23,607	102,735
Emergency Community Support Fund	13,764	21,264
Donations	12,821	12,821
Alberta Environment and Parks	7,500	-
Employment and Social Development Canada	6,874	-
Shell In the Community Grant	5,078	7,607
Career and Employment Resource Centre	4,050	5,348
Early Child Development Mapping Project Program	2,830	2,830
Canadian Mental Health Association	569	14,649
Unearned revenue	363	363
Family and Community Support Services	-	15,963
University of Alberta - Medically At-Risk Driver	-	14,012
Prepaid rent	-	4,800
	<u>\$ 7,398,390</u>	<u>\$ 7,199,751</u>

Municipal District of Greenview

Funding has been received from the Municipal District of Greenview for certain operating and capital expenditures which have not yet been expended.

Shell Canada Energy Waste Water Supply Agreement

The Town has received funding from Shell Canada Energy for the exclusive supply and use of all of the Town's treated waste water. The funds are recognized as revenue on an annual basis until expiry of the agreement in January 2029. During the year, \$354,018 (2021 - \$354,018) was recognized as user fees and sale of goods revenue.

Alberta Municipal Sustainability Initiative

Provincial government funding is to undertake certain eligible infrastructure expenditures within the Town that have not yet been expended. During the year, \$355,401 (2021 - \$442,198) was recognized as capital grant revenue and an additional \$314,725 (2021 - \$776,106) was deferred.

Community Adult Learning Program

Provincial government funding was received to undertake certain expenditures under the community adult learning program which have not yet been expended.

TOWN OF FOX CREEK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

7. DEFERRED REVENUE (continued)

Canada Community-Building Fund

Federal and provincial government funding is to undertake certain eligible infrastructure expenditures within the Town that have not yet been expended. During the year, \$218,262 (2021 - \$86,945) was recognized as capital grant revenue and an additional 155,148 (2021 - \$305,207) was deferred.

Alberta Community Partnership

Provincial government funding is to undertake certain regional transportation system infrastructure master planning in conjunction with the Municipal District of Greenview that have not yet been expended.

Alberta Environment and Parks

Provincial government funding was received to undertake certain sewage lagoon desludging project expenses that have not yet been expended.

Family Resource Network

Provincial government funding was received to provide family resource network services within the Town which have not yet been expended.

Alberta Environment and Parks - Community Environmental Project

Provincial government funding was received to undertake certain eligible community environmental projects within the Town that have not yet been expended. During the year, \$79,982 (2021 - \$410,519) was recognized as capital grant revenue and an additional \$854 (2021 - \$513,254) was deferred.

Emergency Community Support Fund

Federal government funding was received to operate certain programs that are serving vulnerable populations impacted by the COVID-19 pandemic within the Town which have not yet been expended. During the year, \$7,500 (2021 - \$32,604) was recognized as operating grant revenue.

Alberta Environment and Parks

Provincial government funding is to undertake certain eligible infrastructure expenditures at Town operated campgrounds which was not yet been expended.

Employment and Social Development Canada

Federal government funding was received to operate certain programs that are serving senior citizens within the Town which have not yet been expended.

Career and Employment Resource Centre

Certain provincial government funding was received to provide individuals with certain career, occupational, learning, and work search goals which have not yet been expended. During the year, \$46,298 (2021 - \$39,652) was recognized as operating grant revenue and an additional \$45,000 (2021 - \$45,000) was deferred.

Early Child Development Mapping Project Program

Provincial government funding was received to undertake certain programs to support early child development in the community which have not yet been expended.

TOWN OF FOX CREEK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

7. DEFERRED REVENUE (continued)

Canadian Mental Health Association

Certain funding was received to undertake a rural mental health project and related expenditures within the Town which have not yet been expended.

8. LONG TERM DEBT

	2022	2021
Tax supported debentures	\$ 414,265	\$ 460,211
Special levy supported debentures	97,882	113,786
Tax supported loans	12,661,023	13,251,411
	\$ 13,173,170	\$ 13,825,408

The current portion of the long-term debt amounts to \$673,107 (2021 - \$652,237)

Principal and interest repayments are as follows:

	Principal	Interest	Total
2023	\$ 673,107	\$ 391,570	\$ 1,064,677
2024	694,669	370,008	1,064,677
2025	716,948	347,729	1,064,677
2026	740,093	324,584	1,064,677
2027	765,456	299,221	1,064,677
Thereafter	9,582,897	1,705,755	11,288,652
	\$ 13,173,170	\$ 3,438,867	\$ 16,612,037

Debenture debt is repayable to the Alberta Treasury Board and Finance, and bears interest at 4.96% and 5.10% per annum and matures in March 2029 and December 2029.

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

The Canadian Imperial Bank of Commerce loans bear interest at 2.9%, and are repayable in blended monthly payments of \$15,095 and \$66,127.

Interest on long-term debt amounted to \$410,831 (2021 - \$434,098).

The Town's total cash payments for interest amounted to \$412,439 (2021 - \$436,177).

TOWN OF FOX CREEK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

9. DEBT LIMITS

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

	2022	2021
Total debt limit	\$ 16,799,975	\$ 15,767,312
Total debt	13,173,170	13,825,408
Amount of debt limit unused	\$ 3,626,805	\$ 1,941,904
Service on debt limit	\$ 2,799,996	\$ 2,627,885
Service on debt	1,064,677	1,064,677
Amount of debt servicing limit unused	\$ 1,735,319	\$ 1,563,208

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

10. EQUITY IN TANGIBLE CAPITAL ASSETS

	2022	2021
Tangible capital assets (Schedule 1)	\$ 114,293,381	\$ 111,007,774
Accumulated amortization (Schedule 1)	(27,093,231)	(24,562,698)
Long-term debt (Note 8)	(13,173,170)	(13,825,408)
	\$ 74,026,980	\$ 72,619,668

TOWN OF FOX CREEK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

11. ACCUMULATED SURPLUS

	<u>2022</u>	<u>2021</u>
Operating Surplus	\$ 8,150,418	\$ 8,474,390
Restricted surplus:		
General administration	370,160	370,160
Fire protection	292,934	363,210
Bylaw enforcement	-	1,939
Common and equipment pool	-	63,922
Roads, streets, walks, lighting	116,218	116,218
Airport	14,052	14,052
Water supply and distribution	2,164,071	2,183,586
Wastewater treatment and disposal	2,802,640	2,448,622
Waste management	61,988	61,988
Landfill closure and post-closure care	739,669	709,669
Family and community support services	20,065	20,065
Other public health and welfare	1,993	1,993
Community enhancement	1,508,307	2,047,246
Subdivision land and development	513,610	656,990
Recreation	1,132,689	1,041,620
Libraries, museums, halls	22,293	22,293
General	3,286,827	2,359,463
Mill rate stabilization fund	2,355,500	2,355,500
Equity in tangible capital assets	<u>74,026,980</u>	<u>72,619,668</u>
	<u>\$ 97,580,414</u>	<u>\$ 95,932,594</u>

12. CONTAMINATED SITES LIABILITY

The Town owns properties that may contain environmental contamination and may require site reclamation. The financial liability relating to these sites cannot be reasonably estimated and no accrual has been made in these financial statements.

TOWN OF FOX CREEK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

13.SEGMENTED DISCLOSURE

The Town of Fox Creek provides a range of services to its ratepayers. For each reported segment, revenues and expenses represents both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The accounting policies used in these segments are consistent with the following in the preparation of the financial statements as disclosed in Note 1.

Refer to Schedule of Segmented Disclosure (Schedule 6).

General government includes council and other legislative and general administrative. Protective services includes police, fire protection, emergency measures and disaster services, ambulance services and first aid, and bylaw enforcement. Transportation services includes common and equipment pool, roads, streets, walks, and lighting, and airport. Water and wastewater includes water supply and distribution and wastewater treatment and disposal. Waste management includes waste management. Public health and welfare includes family and community support services, and other public health and welfare. Planning and development includes land use planning, zoning and development, subdivision land and development, and economic development. Recreation and culture includes parks and recreation, and libraries, museums and halls.

14.BUDGET DATA

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

	<u>Budget Amount</u>
Revenue	
Budgeted revenues	\$ 13,331,780
Capital budget	9,081,849
Less:	
Transfer to other funds	(4,999,215)
Total revenues	<u>17,414,414</u>
Expenses	
Budgeted expenses	13,331,780
Capital budget	9,081,849
Less:	
Transfer to other funds	(2,277,150)
Capital expenses	(9,081,849)
Debt principal payments	(652,238)
Total expenses	<u>10,402,392</u>
Excess of revenue over expenses	<u><u>\$ 7,012,022</u></u>

TOWN OF FOX CREEK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

15. SALARY AND BENEFITS

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

	<u>2022</u>			<u>2021</u>
	<u>Salary</u>	<u>Benefits and allowances</u>	<u>Total</u>	<u>Total</u>
Councillors:				
Mayor Gilmour	\$ 16,522	\$ 1,664	\$ 18,186	\$ 4,428
Mayor Hailes	-	-	-	10,600
Councillor Ahn	-	-	-	6,920
Councillor Bainton	11,064	1,031	12,095	12,852
Councillor BurrIDGE	11,562	1,382	12,944	11,323
Councillor Doran	10,591	1,242	11,833	3,229
Councillor Gilmour	-	-	-	8,253
Councillor Hailes	13,160	777	13,937	3,344
Councillor Hudson	12,348	1,453	13,801	3,278
Councillor Norman	1,993	248	2,241	-
Councillor Stadnyk	7,606	844	8,450	12,299
Councillor Watson	-	-	-	5,266
Chief Administrative Officer	181,707	35,740	217,447	222,380
Designated officers (2 positions)	193,381	43,035	236,416	151,763
Town Assessor	28,050	-	28,050	27,499

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

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

3. The Town has entered into an agreement for assessor services with an independent contractor.

TOWN OF FOX CREEK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

16. LOCAL AUTHORITIES PENSION PLAN

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

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

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

Total current service contributions by the Town to the LAPP during the year were \$275,951 (2021 - \$283,484). Total current service contributions by the employees of the Town to the Local Authorities Pension Plan in the current year were \$246,432 (2021 - \$256,407).

At December 31, 2022, the LAPP disclosed an actuarial surplus of \$12.67 billion. This amount is not specifically allocated to the participating government organizations.

17. COMMITMENTS

The Town is committed under an agreement dated October 15, 2010 with Woodlands County, and the managing partner of the Golden Triangle Snowmobile Trail System, to provide annual funding of \$15,000 towards the maintenance and promotion of the Golden Triangle Snowmobile Trail System.

The Town has committed to make an annual contribution of \$15,000 to the Fox Creek Nordic and Trail Club.

The Town has committed to make an annual contribution of \$12,500 to the Shock Trauma Air Rescue Service until December 31, 2026.

18. CONTINGENCIES

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

In the ordinary course of business, lawsuits are brought against the Town. It is the opinion of administration that the settlement of these actions will not result in any material liabilities beyond any amounts already accrued.

TOWN OF FOX CREEK
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

19.FINANCIAL INSTRUMENTS

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

The Town is subject to credit risk with respect to taxes and grants in place of taxes receivables and trade and other receivables. Credit risk arises from the possibility that taxpayers and entities to which the Town provides services may experience financial difficulty and be unable to fulfill their obligations. The large number and diversity of taxpayers and customers minimizes the credit risk.

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

20.BUDGET AMOUNTS

The 2022 budget for the Town was approved by Council on May 24, 2022, and has been reported in the financial statement for information purposes only. Amortization was not considered in the budget and has not been included. These budget amounts have not been audited, reviewed, or otherwise verified.

21.APPROVAL OF FINANCIAL STATEMENTS

Council and Management have approved these financial statements.

DIRECT PAYMENTS

If the municipality pays costs in addition to its local appropriation (line 07) to the library board, this page should be completed by a municipal administrator. Include only that portion of the municipal expenditure that is paid on behalf of the library. These figures may be subject to audit. The figures in **lines a. to m. should not be included** in the library board's *Statement of Receipts and Disbursements* and/or financial statements.

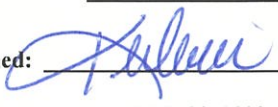
OPERATING EXPENDITURES PAID BY MUNICIPALITY (DIRECT PAYMENTS)		Reporting Period 2022
a.	Staff (salaries and benefits, moving expenses, course fees)	
b.	Building maintenance(janitor, supplies, maintenance, and repairs)	
c.	Insurance	1,685.41
d.	Utilities	
e.	Financial Report	
f.	Rent (to private landlord)	
g.	Telephone	
h.	Other Expenses	12,925.92
I. TOTAL OPERATING EXPENDITURES PAID BY MUNICIPALITY (add lines a to h)		\$ -
Other expenditures paid by Municipality		
j.	Debenture interest and principal	
k.	Capital or special grants (i.e., one-time grants)	
l.	Library System appropriation (Contribution of your Municipal Council to your Library System)	50,830.00
M. TOTAL OTHER EXPENDITURES PAID BY MUNICIPALITY (add lines j to l)		\$ 65,444.33

I, KRISTEN MILNE, Administrator
of, FOX CREEK
(name of municipality)

certify that the amounts stated above are the costs incurred by the municipality in providing the indicated services to the

TOWN OF FOX CREEK LIBRARY BOARD
(name of Library Board)

Print Name: KRISTEN MILNE

Signed: 

Date: JULY 20, 2023

