



**FOR THE YEAR ENDED  
December 31, 2022**

Report of the Chief Administrative Officer or Designated Officer

The information contained in this Municipal Financial Statement presents fairly, to the best of my knowledge, the information requested.

(Original Signed)  
Signature

Jennifer Mantay, Dir. of Corp. Services  
Name

February 17, 2023  
Dated

**TOWN OF BARRHEAD**  
**FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2022**

**CONTENTS**

	<u>Page</u>
Management's Responsibility For Financial Reporting	1
Auditors' Report on Financial Statements	2-4
Consolidated Statement of Financial Position	5
Consolidated Statement of Operations	6
Consolidated Statement of Change in Net Financial Assets (Debt)	7
Consolidated Statement of Cash Flows	8
Schedule 1 - Schedule of Changes in Accumulated Surplus	9
Schedule 2 - Schedule of Tangible Capital Assets	10
Schedule 3 - Schedule of Property and Other Taxes	11
Schedule 4 - Schedule of Government Transfers	12
Schedule 5 - Schedule of Consolidated Expenses by Object	13
Schedule 6 - Schedule of Segmented Disclosure	14



## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

Management of the Town of Barrhead is responsible for the preparation, accuracy, objectivity and integrity of the accompanying consolidated financial statements and all other information contained within this Financial Report. Management believes that the consolidated financial statements present fairly the Town's financial position as at December 31, 2022 and the results of its operations for the year then ended.

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

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

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

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

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

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

The consolidated financial statements have been audited by Ellerington LLP, Chartered Professional Accountants, 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 consolidated financial statements.

(Original Signed)

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**Chief Administrative Officer**

Dated: February 17, 2023

(Original Signed)

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**Director of Corporate Services**

Dated: February 17, 2023

## INDEPENDENT AUDITOR'S REPORT

### **To the Members of Council:**

#### ***Opinion***

We have audited the consolidated financial statements of Town of Barrhead (the Entity), which comprise the consolidated statement of financial position as at December 31, 2022, and the results of its operations, changes in its net financial assets (debt) and cash flows for the years then ended, and notes and schedules to the consolidated financial statements, including a summary of significant accounting policies. In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Town of Barrhead as at December 31, 2022, the results of its operations, change in its net financial assets (debt) and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

#### ***Basis for Opinion***

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

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

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian Public Sector Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Entity's financial reporting process.

## ***Auditor's Responsibility for the Audit of the Consolidated 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 judgement 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

(Original Signed)

Barrhead, Alberta  
February 17, 2023

Ellerington LLP  
Chartered Professional Accountants

**TOWN OF BARRHEAD**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**As at December 31, 2022**

	<b>2022</b>	2021
	<b>\$</b>	<b>\$</b>
<b>FINANCIAL ASSETS</b>		
Cash and Temporary Investments (Note 2)	<b>6,050,595</b>	9,745,985
Receivables (Note 3)		
Taxes and Grants In Lieu of Taxes	<b>153,952</b>	197,471
Trade and Other Receivables	<b>2,604,966</b>	1,123,455
Land for Resale Inventory	-	-
Investments	-	-
Debt Charges Recoverable	-	-
Other Current/Long Term Assets	<b>29,971</b>	75,702
	<b><u>8,839,484</u></b>	<u>11,142,613</u>
<b>LIABILITIES</b>		
Accounts Payable and Accrued Liabilities	<b>400,153</b>	186,392
Deposit Liabilities	<b>39,420</b>	38,129
Deferred Revenue (Note 4)	<b>216,020</b>	2,575,463
Employee Benefits Obligation (Note 5)	<b>262,666</b>	299,810
Provision for landfill closure and post-closing costs (Note 6)	<b>365,100</b>	334,675
Long Term Debt (Note 8)	<b>4,049,388</b>	4,208,507
	<b><u>5,332,747</u></b>	<u>7,642,976</u>
<b>NET FINANCIAL ASSETS (DEBT)</b>	<b><u>3,506,737</u></b>	<u>3,499,637</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible Capital Assets	<b>68,549,012</b>	65,147,552
Inventory for Consumption	<b>48,394</b>	48,394
Prepaid Expenses	<b>34,181</b>	56,717
	<b><u>68,631,587</u></b>	<u>65,252,663</u>
<b>ACCUMULATED SURPLUS</b> (Schedule 1 and Note 11)	<b><u>72,138,324</u></b>	<u>68,752,300</u>

*Contingencies - See Note 16*

**TOWN OF BARRHEAD**  
**CONSOLIDATED STATEMENT OF OPERATIONS**  
**For the Year Ended December 31, 2022**

<b>REVENUES</b>	Budget (Unaudited)	<b>2022</b> \$	2021 \$
Net Municipal Taxes (Schedule 3)	5,174,530	<b>5,130,658</b>	5,056,417
Sales, User Charges, Franchise & Rentals	5,459,450	<b>5,554,047</b>	5,164,983
Government Transfers for Operating (Schedule 4)	1,975,860	<b>1,878,166</b>	2,159,222
Investment Income	50,093	<b>196,439</b>	43,349
Penalties and Costs on Taxes	30,000	<b>46,263</b>	27,609
Development Levies	5,000	<b>6,515</b>	4,350
Licenses, Permits and Fines	69,100	<b>106,883</b>	61,024
Contributed Assets	-	-	-
Other Revenues	161,240	<b>309,293</b>	202,351
<b>TOTAL REVENUE</b>	<u>12,925,273</u>	<u><b>13,228,264</b></u>	<u>12,719,305</u>
<b>EXPENDITURES</b>			
Council and Other Legislative	268,400	<b>262,248</b>	181,943
General Administration	1,008,790	<b>998,413</b>	1,066,660
RCMP	179,860	<b>178,413</b>	131,178
Fire	1,322,820	<b>1,343,432</b>	1,181,293
Disaster and Emergency Measures	1,500	-	-
Bylaw Enforcement	139,700	<b>187,726</b>	130,846
Safety	45,720	<b>37,789</b>	6,654
Common Services	492,590	<b>416,385</b>	385,186
Roads, Streets, Walks, Lighting	1,269,230	<b>1,179,508</b>	1,188,025
Airport	17,990	<b>13,316</b>	15,288
Storm Sewers and Drainage	25,800	<b>14,075</b>	15,649
Water Supply and Distribution	2,418,160	<b>2,691,100</b>	2,319,648
Wastewater Treatment and Disposal	312,110	<b>303,307</b>	290,486
Waste Management	711,070	<b>695,342</b>	724,308
Family and Community Support	459,020	<b>459,023</b>	446,467
Cemeteries	24,620	<b>11,974</b>	26,962
Other Public Health and Welfare	27,730	<b>2,014</b>	6,470
Land Use, Planning, Zoning and Development	128,050	<b>100,563</b>	99,048
Economic Development	159,170	<b>133,474</b>	123,266
Subdivision Land and Development	-	-	45,057
Parks and Recreation	2,702,370	<b>2,492,438</b>	2,122,811
Culture: Libraries, Museums, Halls	291,190	<b>212,202</b>	173,124
Amortization Expenditures	1,955,000	<b>1,966,616</b>	1,939,963
Loss (Gain) On Disposal of Capital Assets	-	<b>37,509</b>	113,224
Other Expenditures	-	<b>43,225</b>	-
<b>TOTAL EXPENSES</b>	<u>13,960,890</u>	<u><b>13,780,092</b></u>	<u>12,733,556</u>
<b>EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES - BEFORE OTHER</b>	<u>(1,035,617)</u>	<u><b>(551,828)</b></u>	<u>(14,251)</u>
<b>OTHER</b>			
Government Transfers for Capital (Schedule 4)	4,178,803	<b>3,937,852</b>	1,322,923
Unrestricted Fund Transfers	-	-	-
	<u>4,178,803</u>	<u><b>3,937,852</b></u>	<u>1,322,923</u>
<b>EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES</b>	<u>3,143,186</u>	<u><b>3,386,024</b></u>	<u>1,308,672</u>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<u>68,752,300</u>	<u><b>68,752,300</b></u>	<u>67,443,628</u>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<u><u>71,895,486</u></u>	<u><u><b>72,138,324</b></u></u>	<u><u>68,752,300</u></u>



**TOWN OF BARRHEAD**  
**CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS (DEBT)**  
**For the Year Ended December 31, 2022**

	Budget (Unaudited)	2022 \$	2021 \$
<b>EXCESS (SHORTFALL) OF REVENUES OVER EXPENSES</b>	<u>3,143,186</u>	<u><b>3,386,024</b></u>	<u>1,308,672</u>
Acquisition of Tangible Capital Assets	(6,476,100)	<b>(5,463,036)</b>	(2,334,667)
Proceeds on Disposal of Tangible Capital Assets	40,000	<b>57,450</b>	34,501
Amortization of Tangible Capital Assets	1,955,000	<b>1,966,617</b>	1,939,963
(Gain) Loss on Sale of Tangible Capital Assets	<u>-</u>	<u><b>37,509</b></u>	<u>113,224</u>
	<u>(4,481,100)</u>	<u><b>(3,401,460)</b></u>	<u>(246,979)</u>
Acquisition of Prepaid Assets	-	<b>22,535</b>	(3,729)
Use of Prepaid Assets	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u><b>22,535</b></u>	<u>(3,729)</u>
<b>(INCREASE) DECREASE IN NET DEBT</b>	<u>(1,337,914)</u>	<u><b>7,099</b></u>	<u>1,057,964</u>
<b>NET FINANCIAL ASSETS (DEBT), BEGINNING OF YEAR</b>	<u>3,499,638</u>	<u><b>3,499,638</b></u>	<u>2,441,674</u>
<b>NET FINANCIAL ASSETS (DEBT), END OF YEAR</b>	<u>2,161,724</u>	<u><b>3,506,737</b></u>	<u>3,499,638</u>

**TOWN OF BARRHEAD**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
For the Year Ended December 31, 2022

**NET INFLOW (OUTFLOW) OF CASH RELATED TO THE  
FOLLOWING ACTIVITIES:**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<b>OPERATING</b>		
Excess (shortfall) of revenues over expenses	<b>3,386,024</b>	1,308,672
Non-cash items included in excess (shortfall) of revenues over expenses:		
Amortization of tangible capital assets	<b>1,966,617</b>	1,939,963
Loss (Gain) on disposal of tangible capital assets	<b>37,509</b>	113,224
Non-cash charges to operations (net change)		
Decrease (increase) in taxes and grants-in-lieu receivable	<b>43,519</b>	51,910
Decrease (increase) in trade and other receivables	<b>(1,481,511)</b>	1,080,020
Decrease (increase) in prepaid expenses	<b>22,536</b>	(3,729)
Decrease (increase) in current/long term assets	<b>45,731</b>	(1,555)
Increase (decrease) in accounts payable and accrued liabilities	<b>176,617</b>	34,624
Increase (decrease) in deposit liabilities	<b>1,291</b>	(3,021)
Increase (decrease) in deferred revenue	<b>(2,359,443)</b>	561,953
Increase (decrease) in provision for landfill closure/post-closure	<b>30,425</b>	30,425
Cash provided by operating transactions	<b><u>1,869,315</u></b>	<u>5,112,486</u>
<b>CAPITAL</b>		
Acquisition of tangible capital assets	<b>(5,463,036)</b>	(2,334,667)
Sale of tangible capital assets	<b><u>57,450</u></b>	<u>34,501</u>
Cash applied to capital transactions	<b><u>(5,405,586)</u></b>	<u>(2,300,166)</u>
<b>INVESTING</b>		
Decrease (increase) in restricted cash or equivalents	<b><u>2,353,810</u></b>	<u>(555,083)</u>
Cash provided by (applied to) investing transactions	<b><u>2,353,810</u></b>	<u>(555,083)</u>
<b>FINANCING</b>		
Debt charges recovered	-	-
Long-term debt issued	-	-
Long-term debt repaid	<b><u>(159,119)</u></b>	<u>(154,218)</u>
Cash provided by (applied to) financing transactions	<b><u>(159,119)</u></b>	<u>(154,218)</u>
<b>CHANGE IN CASH AND EQUIVALENTS DURING YEAR</b>	<b>(1,341,580)</b>	<b>2,103,019</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b><u>7,208,114</u></b>	<u>5,105,095</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b><u>5,866,534</u></b>	<u>7,208,114</u>
<b>Cash and cash equivalents is made up of:</b>		
Cash and temporary investments (Note 2)	<b>6,050,595</b>	9,745,985
Less: restricted portion of cash and temporary investments (Note 2)	<b><u>(184,061)</u></b>	<u>(2,537,871)</u>
	<b>5,866,534</b>	7,208,114

**TOWN OF BARRHEAD**  
**SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS**  
**For the Year Ended December 31, 2022**  
**Schedule 1**

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2022 \$	2021 \$ \$
<b>BALANCE, BEGINNING OF YEAR</b>	<b>327,209</b>	<b>7,486,046</b>	<b>60,939,045</b>	<b>68,752,300</b>	67,443,628
				-	-
Excess (deficiency) of revenues over expenses	3,386,024	-	-	<b>3,386,024</b>	1,308,672
Unrestricted funds designated for future use	(1,361,655)	1,361,655	-	-	-
Restricted funds used for operations	63,887	(63,887)	-	-	-
Restricted funds used for tangible capital assets	-	(1,431,633)	1,431,633	-	-
Current year funds used for tangible capital assets	(4,031,402)	-	4,031,402	-	-
Contributed tangible capital assets	-	-	-	-	-
Disposal of tangible capital assets	94,959	-	(94,959)	-	-
Annual amortization expense	1,966,616	-	(1,966,616)	-	-
Long term debt issued	-	-	-	-	-
Long term debt repaid	(159,119)	-	159,119	-	-
Capital debt used for TCA	-	-	-	-	-
Unrestricted fund transfers	-	-	-	-	-
Other Adjustments	-	-	-	-	-
Change in Accumulated Surplus	(40,690)	(133,865)	3,560,579	3,386,024	1,308,672
<b>BALANCE, END OF YEAR</b>	<b>286,519</b>	<b>7,352,181</b>	<b>64,499,624</b>	<b>72,138,324</b>	<u>68,752,300</u>

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

**Schedule 2**

	Land	Land Improvements	Buildings	Engineered Structures	Machinery and Equipment	Vehicles	2022 \$	2021 \$
<b>COST:</b>								
BALANCE, BEGINNING OF YEAR	1,389,850	1,831,433	27,569,968	77,970,856	8,553,868	3,863,159	<b>121,179,135</b>	119,114,529
Acquisition of tangible capital assets	-	53,101	298,876	139,819	577,034	398,128	<b>1,466,958</b>	2,024,992
Construction-in-progress	-	847,686	-	-	3,148,392	-	<b>3,996,078</b>	309,675
Disposal of tangible capital assets	-	-	-	-	(187,400)	(23,075)	<b>(210,475)</b>	(270,061)
Write down of tangible capital assets	-	-	-	-	-	-	<b>-</b>	-
BALANCE, END OF YEAR	<u>1,389,850</u>	<u>2,732,220</u>	<u>27,868,844</u>	<u>78,110,675</u>	<u>12,091,894</u>	<u>4,238,212</u>	<b><u>126,431,696</u></b>	<u>121,179,135</u>
<b>ACCUMULATED AMORTIZATION:</b>								
BALANCE, BEGINNING OF YEAR	-	1,173,608	5,935,148	43,894,108	3,482,563	1,546,156	<b>56,031,583</b>	54,213,957
Annual amortization	-	62,174	580,636	661,422	454,783	207,602	<b>1,966,617</b>	1,936,065
Accumulated amortization on disposals	-	-	-	-	(93,441)	(22,075)	<b>(115,516)</b>	(118,439)
BALANCE, END OF YEAR	<u>-</u>	<u>1,235,782</u>	<u>6,515,784</u>	<u>44,555,530</u>	<u>3,843,905</u>	<u>1,731,683</u>	<b><u>57,882,684</u></b>	<u>56,031,583</u>
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<u><u>1,389,850</u></u>	<u><u>1,496,438</u></u>	<u><u>21,353,060</u></u>	<u><u>33,555,145</u></u>	<u><u>8,247,989</u></u>	<u><u>2,506,529</u></u>	<b><u><u>68,549,012</u></u></b>	<u><u>65,147,552</u></u>
 2022 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	<u><u>1,389,850</u></u>	<u><u>657,825</u></u>	<u><u>21,634,820</u></u>	<u><u>34,076,748</u></u>	<u><u>5,071,305</u></u>	<u><u>2,317,003</u></u>	<u><u>65,147,552</u></u>	

**TOWN OF BARRHEAD**  
**SCHEDULE OF PROPERTY AND OTHER TAXES**  
**For the Year Ended December 31, 2022**

**Schedule 3**

<b>TAXATION</b>	Budget (Unaudited)	<b>2022</b> <b>\$</b>	2021 \$
Real Property Taxes	6,475,120	<b>6,472,863</b>	6,353,813
Linear Property Taxes	130,730	<b>130,724</b>	127,600
Government Grants In Lieu of Property Taxes	90,620	<b>48,477</b>	48,486
Special Assessment and Local Improvement Taxes	-	-	-
<b>TOTAL TAXATION</b>	<u>6,696,470</u>	<u><b>6,652,064</b></u>	<u>6,529,899</u>
<b>REQUISITIONS</b>			
Alberta School Foundation	1,457,740	<b>1,457,739</b>	1,451,773
Barrhead & District Social Housing	61,300	<b>61,295</b>	20,891
Designated Industrial Properties	530	-	-
Requisitions - Previous Year Underlevy	<u>2,370</u>	<u><b>2,372</b></u>	<u>818</u>
<b>TOTAL REQUISITIONS</b>	<u>1,521,940</u>	<u><b>1,521,406</b></u>	<u>1,473,482</u>
<b>NET MUNICIPAL TAXES</b>	<u>5,174,530</u>	<u><b>5,130,658</b></u>	<u>5,056,417</u>

**TOWN OF BARRHEAD**  
**SCHEDULE OF GOVERNMENT TRANSFERS**  
**For the Year Ended December 31, 2022**

**Schedule 4**

	Budget (Unaudited)	<b>2022</b> <b>\$</b>	2021 \$
<b>TRANSFERS FOR OPERATING:</b>			
Provincial Government	585,560	<b>563,959</b>	813,894
Federal Government	2,400	<b>6,720</b>	21,057
Other Local Government	<u>1,387,900</u>	<u><b>1,307,487</b></u>	<u>1,324,271</u>
	<u>1,975,860</u>	<u><b>1,878,166</b></u>	<u>2,159,222</u>
<b>TRANSFERS FOR CAPITAL:</b>			
Provincial Government	1,951,066	<b>1,952,310</b>	957,699
Federal Government	2,178,237	<b>1,956,794</b>	89,362
Other Local Government	<u>49,500</u>	<u><b>28,748</b></u>	<u>275,862</u>
	<u>4,178,803</u>	<u><b>3,937,852</b></u>	<u>1,322,923</u>
<b>TOTAL GOVERNMENT TRANSFERS</b>	<u><u>6,154,663</u></u>	<u><u><b>5,816,018</b></u></u>	<u><u>3,482,145</u></u>

**TOWN OF BARRHEAD**  
**SCHEDULE OF CONSOLIDATED EXPENSES BY OBJECT**  
**For the Year Ended December 31, 2022**

**Schedule 5**

<b>CONSOLIDATED EXPENSES BY OBJECT</b>	Budget (Unaudited)	<b>2022</b> <b>\$</b>	2021 <b>\$</b>
Salaries, Wages and Benefits	5,168,540	<b>5,029,815</b>	4,570,706
Contracted and General Services	3,472,670	<b>3,392,538</b>	3,128,155
Purchases from Other Governments	135,860	<b>136,455</b>	90,823
Materials, Goods, Supplies and Utilities	2,049,930	<b>2,069,765</b>	1,828,587
Provision for Allowances	3,000	<b>1,369</b>	1,749
Transfers to Other Governments	379,790	<b>339,167</b>	305,442
Transfers to Local Boards and Agencies	572,420	<b>576,074</b>	557,076
Transfers to Individuals and Organizations	56,300	<b>19,060</b>	16,093
Bank Charges and Short Term Interest	5,500	<b>6,624</b>	5,138
Interest on Long Term Debt	131,450	<b>131,450</b>	136,350
Other Expenditures	30,430	<b>73,650</b>	40,250
Amortization of Tangible Capital Assets	1,955,000	<b>1,966,616</b>	1,939,963
Loss on Disposal of Tangible Capital Assets	-	<b>37,509</b>	113,224
<b>TOTAL EXPENDITURES</b>	<b>13,960,890</b>	<b>13,780,092</b>	<b>12,733,556</b>

**TOWN OF BARRHEAD**  
**SCHEDULE OF SEGMENTED DISCLOSURE**  
**For the Year Ended December 31, 2022**

Schedule 6

<b>REVENUE</b>	<b>General Government</b>	<b>Protective Services</b>	<b>Transportation Services</b>	<b>Planning &amp; Development</b>	<b>Recreation &amp; Culture</b>	<b>Environmental Services</b>	<b>Other</b>	<b>2022 \$</b>
Net Municipal Taxes	5,130,658							<b>5,130,658</b>
Sales, User Charges, Franchise & Rentals	871,363	108,518	16,951	1,400	541,237	4,004,254	10,324	<b>5,554,047</b>
Government Transfers	-	834,491	278,560	-	2,604,269	1,714,775	383,923	<b>5,816,018</b>
Investment Income	-	-	27,350	-	42,300	108,200	18,589	<b>196,439</b>
Penalties and Costs on Taxes	46,263	-	-	-	-	-	-	<b>46,263</b>
Development Levies	-	-	-	-	-	-	6,515	<b>6,515</b>
Licenses, Permits and Fines	37,396	67,837	-	1,650	-	-	-	<b>106,883</b>
Other Revenues	6,478	112,745	-	-	60,383	129,172	515	<b>309,293</b>
	<u>6,092,158</u>	<u>1,123,591</u>	<u>322,861</u>	<u>3,050</u>	<u>3,248,189</u>	<u>5,956,401</u>	<u>419,866</u>	<b><u>17,166,116</u></b>
<b>EXPENSES</b>								
Salaries, Wages and Benefits	980,652	791,194	813,834	177,213	1,358,199	900,181	8,542	<b>5,029,815</b>
Contracted and General Services	238,514	312,881	276,345	34,186	437,884	2,089,859	2,869	<b>3,392,538</b>
Purchases from Other Governments	312	136,143	-					<b>136,455</b>
Materials, Goods, Supplies and Utilities	38,061	182,306	519,789	22,637	638,440	667,969	563	<b>2,069,765</b>
Transfers to Other Governments		325,852	13,315					<b>339,167</b>
Transfers to Local Boards and Agencies					117,051		459,023	<b>576,074</b>
Transfers to Individuals and Organizations		1,000			18,060			<b>19,060</b>
Interest on Long Term Debt					131,450			<b>131,450</b>
Other Expenditures	3,121	-	37,509	-	3,558	31,739	43,225	<b>119,152</b>
	<u>1,260,660</u>	<u>1,749,376</u>	<u>1,660,792</u>	<u>234,036</u>	<u>2,704,642</u>	<u>3,689,748</u>	<u>514,222</u>	<b><u>11,813,476</u></b>
<b>NET REVENUE, BEFORE AMORTIZATION</b>	<b>4,831,498</b>	<b>(625,785)</b>	<b>(1,337,931)</b>	<b>(230,986)</b>	<b>543,547</b>	<b>2,266,653</b>	<b>(94,356)</b>	<b>5,352,640</b>
Amortization Expense	<u>(64,720)</u>	<u>(173,951)</u>	<u>(502,982)</u>	<u>(761)</u>	<u>(647,662)</u>	<u>(575,821)</u>	<u>(719)</u>	<b><u>(1,966,616)</u></b>
<b>NET REVENUE</b>	<b><u>4,766,778</u></b>	<b><u>(799,736)</u></b>	<b><u>(1,840,913)</u></b>	<b><u>(231,747)</u></b>	<b><u>(104,115)</u></b>	<b><u>1,690,832</u></b>	<b><u>(95,075)</u></b>	<b><u>3,386,024</u></b>



**Town of Barrhead**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2022**

**1. SIGNIFICANT ACCOUNTING POLICIES**

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

***a) Reporting entity***

The consolidated financial statements reflect the assets, liabilities, revenues and expenditures, changes in fund balances and change in financial position of the reporting entity. 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 or goods have yet to be provided. Revenue is recognized in the period when the related expenses are incurred, services performed/goods provided 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.

**Town of Barrhead**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2022**

***d) Investments***

Investments in derivatives and equity instruments quoted in an active market are carried at fair value with transactions costs expensed upon initial recognition. Unrealized changes in fair value are recognized in the statement of remeasurement gains and losses. When the investment is disposed of the accumulated gains or losses are reclassified to the statement of operations. Investments in interest bearing securities are recorded at amortized cost. Investment premiums and discounts are amortized on the net present value basis over the term of the respective investments. When there has been a loss in value that is other than a temporary decline, the respective investment is written down to recognize the loss.

***e) Debt Charges Recoverable***

Debt charges recoverable consist of amounts that are recoverable from municipal agencies or other local governments with respect to outstanding debentures or other long-term debt pursuant to annexation orders or joint capital undertakings. These recoveries are recorded at a value that equals the offsetting portion of the un-matured long-term debt, less actuarial requirements for the retirement of any sinking fund debentures.

***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.

***g) Inventories for Resale***

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

***h) Tax Revenue***

Tax revenues are recognized when the tax has been authorized by bylaw and the taxable event has occurred.

**Town of Barrhead  
Notes to Financial Statements  
For the Year Ended December 31, 2022**

Requisitions operate as flow through and are excluded from municipal revenue.

***i) 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.

***j) 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.

***k) 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.

***l) Non-Financial Assets***

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

***i. Tangible Capital Assets***

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

	<u>Years</u>
Land Improvements	15 - 20
Buildings	25 - 50
Engineered structures	
Water System	35 - 65

**Town of Barrhead**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2022**

Storm Sewer System	35 - 65
Wastewater System	15 – 40
Other Engineered Structures	15 – 40
Machinery and equipment	5 - 20
Vehicles	3 - 20

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

**ii. Contributions of Tangible Capital Assets**

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

**iii. Leases**

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

**iv. Inventories**

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

**v. Cultural and Historical Tangible Capital Assets**

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

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**Town of Barrhead**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2022**

**2. CASH AND TEMPORARY INVESTMENTS**

	<b>2022 \$</b>	<b>2021 \$</b>
Cash	6,089,304.10	9,783,523.71
Temporary Investments	<u>(38,709.39)</u>	<u>(37,539.39)</u>
	<u><u>6,050,594.71</u></u>	<u><u>9,745,984.32</u></u>

Temporary investments are short-term deposits with original maturities of 1 year or less.

Included in temporary investments are restricted amounts received and held for specific **capital** projects:

	<b>2022 \$</b>	<b>2021 \$</b>
<u>FGTF – Water Reservoir</u>	0.00	1,263,393.00
<u>FGTF – Arena Retrofit</u>	105,556.40	779,357.00
<u>Alberta Blue Cross – Musical Playground</u>	50,000.00	0.00
<u>Municipal Sustainability Grant - Garbage Truck</u>	0.00	265,912.60
<u>Municipal Sustainability Grant – Skateboard Park</u>	<u>0.00</u>	<u>99,987.54</u>
	<u><u>155,556.40</u></u>	<u><u>2,408,650.14</u></u>

Included in temporary investments are restricted amounts received and held for specific **operating** projects.

	<b>2022 \$</b>	<b>2021 \$</b>
Alberta Health Services_ - 2019 Public Health Grant	13,943.18	19,730.21
Alberta Community Partnership – BRWC Grant	7,661.35	97,490.73
Yellowhead East Covid Support Grant	<u>7,500.00</u>	<u>12,000.00</u>
	<u><u>29,104.53</u></u>	<u><u>129,220.94</u></u>

**3. RECEIVABLES**

	<b>2022 \$</b>	<b>2021 \$</b>
Property Taxes		
Current Taxes and Grants in Place of Taxes	137,698.19	166,413.91
Arrears Taxes	<u>16,253.63</u>	<u>31,057.08</u>
	<u><u>153,951.82</u></u>	<u><u>197,470.99</u></u>
Less Allowance for Doubtful Accounts	<u>(0.00)</u>	<u>(0.00)</u>
	<u><u>153,951.82</u></u>	<u><u>197,470.99</u></u>
Other		
Trade Accounts	2,483,813.19	1,073,371.71
GST	<u>121,153.14</u>	<u>50,082.87</u>
	<u><u>2,604,966.33</u></u>	<u><u>1,123,454.58</u></u>
	<u><u><b>2,758,918.15</b></u></u>	<u><u><b>1,320,925.57</b></u></u>

**Town of Barrhead**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2022**

**4. DEFERRED REVENUE**

	<b>2022 \$</b>	<b>2021 \$</b>
Agrena – Future Advertising Sign Rental	1,012.50	2,800.20
Prepaid Taxes	30,346.39	34,791.28
Public Health – AHS Community Grant- Operating	13,943.18	19,730.21
Yellowhead East Covid Support Grant	7,500.00	12,000.00
2020 ACP Grant – BRWC - Operating	7,661.35	97,490.73
Alberta Blue Cross – Musical Playground Grant	50,000.00	0.00
Municipal Sustainability Initiative (Garbage Truck)- Capital	0.00	265,912.60
Municipal Sustainability Initiative (Skateboard Park) - Capital	0.00	99,987.54
Federal Gas Tax Fund Grant (Arena Retrofit)- Capital	105,556.40	779,357.00
Federal Gas Tax Fund Grant (Water)- Capital	<u>0.00</u>	<u>1,263,393.00</u>
	<b><u>216,019.82</u></b>	<b><u>2,575,462.56</u></b>

Businesses may enter into a 3 year contract for advertising signs that are placed in the Agrena.

Prepaid taxes are recorded as credit balances on the tax roll.

Operating and Capital Grants provide funding for specific projects for future years.

**5. EMPLOYEE BENEFITS OBLIGATIONS**

	<b>2022 \$</b>	<b>2021 \$</b>
Vacation and overtime accrued	262,665.81	299,809.94

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

**6. LANDFILL CLOSURE AND POST-CLOSURE LIABILITY**

Alberta Environment law requires closure and post-closure care of landfill sites, which includes final covering and landscaping, pumping of ground water and leachates from the site, and ongoing environmental monitoring, site inspections and maintenance.

The estimated total liability is based on the sum of discounted future cash flows for closure and post-closure activities for 40 years after closure using a discount rate of 4% and assuming annual inflation of 2%.

**Town of Barrhead**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2022**

The accrued liability portion is based on the cumulative capacity used at year end compared to the estimated total landfill capacity. The total air space capacity of the site is estimated at 235,300 cubic meters. The estimated remaining air space capacity of the landfill site is 224,000 cubic meters. The existing landfill site is expected to reach capacity in approximately the year 2030.

The Town has not designed assets for settling closure and post-closure liabilities. The Barrhead Regional Landfill is jointly owned by the Town of Barrhead and the County of Barrhead No. 11 with each municipality being responsible for 50% of the estimated total liability.

	<b>2022 \$</b>	<b>2021 \$</b>
Estimated Closure Costs	620,520.00	620,520.00
Estimated Post-Closure Costs	<u>863,500.00</u>	<u>863,500.00</u>
Estimated Total Liability	<u>1,484,020.00</u>	<u>1,484,020.00</u>
Estimated Capacity Remaining	<u>51%</u>	<u>55%</u>
Portion of Total Liability Remaining to be Recognized	<u>753,820.00</u>	<u>814,670.00</u>
Estimated Capacity Used	<u>49%</u>	<u>45%</u>
Total Accrued Liability Portion	<u>730,200.00</u>	<u>669,350.00</u>
Town of Barrhead 50% Accrued Liability Portion	<u>365,100.00</u>	<u>334,675.00</u>

**7. CONTAMINATED SITES LIABILITY**

On January 1, 2015, the Town adopted PS 3260 Liability for Contaminated Sites. The standard was applied on a retroactive basis and did not result in any adjustments to the financial liabilities, tangible capital assets or accumulated surplus of the Town.

**8. LONG-TERM DEBT**

	<b>2022 \$</b>	<b>2021 \$</b>
Tax supported debentures	4,049,387.62	4,208,506.85
Bank loans	<u>0.00</u>	<u>0.00</u>
	<u>4,049,387.62</u>	<u>4,208,506.85</u>

The current portion of the long-term debt amounts to \$ 159,119.23 (2021 - \$154,218.40).

Interest on long-term debt amounted to \$ 131,449.77 (2021 - \$ 136,350.60).

Principal and interest repayments are as follows:

	<b>Principal \$</b>	<b>Interest \$</b>	<b>Total \$</b>
2023	164,175.80	126,393.20	290,569.00
2024	169,393.07	121,175.93	290,569.00
2025	174,776.14	115,792.86	290,569.00
2026	180,330.26	110,238.74	290,569.00
2027	186,060.89	104,508.11	290,569.00
2028-2041	<u>3,174,651.46</u>	<u>748,030.04</u>	<u>3,922,681.50</u>
	4,049,387.62	1,326,138.88	5,375,526.50

**Town of Barrhead**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2022**

**9. DEBT LIMITS AND DEBT SERVICING LIMIT**

Section 276(2) of the MGA requires that debt and debt limits as defined by Alberta Regulation 255/00 for the Town of Barrhead are to be disclosed as follows:

	<b>2022 \$</b>	<b>2021 \$</b>
Total Debt Limit	19,842,396.00	19,078,958.00
Total Debt	<u>4,049,388.00</u>	<u>4,208,507.00</u>
Amount of Debt Limit Unused	15,793,008.00	14,870,451.00
Debt Servicing Limit	3,307,066.00	3,179,826.00
Debt Servicing	<u>290,569.00</u>	<u>290,569.00</u>
Amount of Debt Servicing Limit Unused	3,016,497.00	2,889,257.00

**10. EQUITY IN TANGIBLE CAPITAL ASSETS**

	<b>2022 \$</b>	<b>2021 \$</b>
Tangible Capital Assets (Schedule 2)	126,431,695.77	121,179,134.88
Accumulated Amortization (Schedule 2)	(57,882,682.49)	(56,031,582.64)
Long-term Debt (Note 8)	<u>(4,049,387.62)</u>	<u>(4,208,506.85)</u>
	<u>64,499,625.66</u>	<u>60,939,045.39</u>

**11. ACCUMULATED SURPLUS**

Accumulated surplus consists of restricted and unrestricted amounts and equity in tangible capital assets.

	<b>2022 \$</b>	<b>2021 \$</b>
Unrestricted Surplus (Deficit)	286,519	327,209
Restricted Surplus		
Tax Rate Stabilization	819,006	848,327
Roads	592,172	693,797
Water	1,682,203	1,932,782
Sewer	1,552,762	1,235,038
Garbage, Landfill, Recycling	246,304	325,477
Building Replacement & Renovations	730,825	709,846
Land Improvements	1,093,728	1,069,252
General Equipment Replacement	<u>635,179</u>	<u>671,527</u>
	7,352,179	7,486,046
Equity in Tangible Capital Assets	64,499,626	60,939,045
<b>TOTAL ACCUMULATED SURPLUS</b>	<b>72,138,324</b>	<b>68,752,300</b>



**Town of Barrhead**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2022**

**12. SEGMENTED DISCLOSURE**

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

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

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**13. TRUST FUNDS**

	<b>2022 \$</b>	<b>2021 \$</b>
Columbarium Trust – Perpetual Care	28,884.13	27,714.13
Tax Sale Trust	<u>9,825.26</u>	<u>9,825.26</u>
	<u><b>38,709.39</b></u>	<u><b>37,539.39</b></u>

The Town of Barrhead has an agreement with Rose Garden Chapels Ltd. to hold, in trust monies paid for perpetual care for the columbarium. Once all blocks have been sold the Town will assume responsibility of the columbarium.

The Town of Barrhead held one tax sale in 2021. The surplus funds from this sale have been put into a tax sale reserve where they will be held until 2031.

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**14. SALARY AND BENEFITS DISCLOSURE**

	<b>2022 Salary</b>	<b>2022 Benefits &amp; Allowance</b>	<b>2022 \$</b>	<b>2021 \$</b>
<b><u>Mayor</u></b>				
McKenzie, David	40,990	5,713	<b>46,703</b>	37,201
<b><u>Councillors</u></b>				
Assaf, Ty	32,180	8,910	<b>41,090</b>	25,373
Kluin, Dausen	28,570	4,857	<b>33,427</b>	23,549
Klumph, Rod	27,970	5,858	<b>33,828</b>	22,727
Oswald, Anthony	30,245	6,182	<b>36,427</b>	5,529
Oswald, Shelley	0	0	<b>0</b>	17,072
Penny, Leslie	0	0	<b>0</b>	16,202
Sawatzky, Dave	28,270	4,740	<b>33,010</b>	6,679
Smith, Don	29,770	5,810	<b>35,580</b>	24,675
<b><u>Appointed Officers</u></b>				
Chief Administrative Officer (1)	193,765	28,963	<b>222,728</b>	208,182
Designated Officers (3)	276,482	37,841	<b>314,323</b>	342,453

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

**Town of Barrhead**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2022**

Benefits and Allowances include amounts paid for the Employer's share of all employee benefits and amounts paid for travel and subsistence while conducting Town Business.

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**15. LOCAL AUTHORITIES PENSION PLAN**

Employees of the Town of Barrhead 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.

	<b>2022 \$</b>	<b>2021 \$</b>
Current Service Contributions By Employer	242,104.61	259,325.88
Current Service Contributions By Employee	<u>216,263.43</u>	<u>233,813.05</u>
	<b><u>458,368.04</u></b>	<b><u>493,138.93</u></b>

The Town of Barrhead is required to make current service contributions to the Plan of 8.45% of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 12.8% on pensionable earnings above this amount. Employees of the Town are required to make current service contributions of 7.45% of pensionable salary up to the year's maximum pensionable salary and 11.8% on pensionable salary above this amount.

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**16. CONTINGENCIES**

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

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**17. FINANCIAL INSTRUMENTS**

The Town's financial instruments consist of cash and temporary investments, accounts receivable, investments, debt charges recoverable, bank indebtedness, accounts payable and accrued liabilities, deposit liabilities, requisition over-levy, and long-term debt. It is management's opinion that the Town is not exposed to significant interest or currency risks arising from these financial instruments.

**Town of Barrhead**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2022**

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.

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**18. APPROVAL OF FINANCIAL STATEMENTS**

Council and Management have approved these financial statements.