

**TOWN OF CORONATION  
FINANCIAL STATEMENTS  
FOR THE YEAR END DECEMBER 31, 2021**

**TOWN OF CORONATION  
FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

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## INDEPENDENT AUDITOR'S REPORT

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

#### *Opinion*

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Town of Coronation as at December 31, 2021, 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 Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Town of Coronation 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 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 7.
- 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*

HANNA, ALBERTA  
AUGUST 12, 2022

ASCEND LLP  
CHARTERED PROFESSIONAL ACCOUNTANTS



**TOWN OF CORONATION**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2021**

|   | <b>2021</b>          | <b>2020</b>          |
|---|----------------------|----------------------|
| <b>FINANCIAL ASSETS</b>                     |                      |                      |
| Cash and temporary investments (Note 2)     | \$ 2,539,114         | \$ 2,258,697         |
| Receivables                                 |                      |                      |
| Taxes and grants in place of taxes (Note 3) | 402,214              | 413,531              |
| Trade and other receivables                 | 355,860              | 288,326              |
| Receivables from other governments          | 210,027              | 14,425               |
| Land inventory held for resale              | <u>597,097</u>       | <u>606,194</u>       |
|   | <u>4,104,312</u>     | <u>3,581,173</u>     |
| <b>LIABILITIES</b>                          |                      |                      |
| Accounts payable and accrued liabilities    | 210,829              | 210,985              |
| Deposit liabilities                         | 4,030                | 2,950                |
| Deferred revenue (Note 4)                   | 492,416              | 463,613              |
| Employee benefit obligations (Note 5)       | <u>27,377</u>        | <u>35,004</u>        |
|   | <u>734,652</u>       | <u>712,552</u>       |
| <b>NET FINANCIAL ASSETS</b>                 | <u>3,369,660</u>     | <u>2,868,621</u>     |
| <b>NON-FINANCIAL ASSETS</b>                 |                      |                      |
| Tangible capital assets (Schedule 1)        | <u>9,321,860</u>     | <u>9,312,906</u>     |
| <b>ACCUMULATED SURPLUS</b>                  | <u>\$ 12,691,520</u> | <u>\$ 12,181,527</u> |

**CONTAMINATED SITES LIABILITY (NOTE 6)**  
**COMMITMENTS (NOTE 15)**  
**CONTINGENCIES (NOTE 16)**

**TOWN OF CORONATION**  
**STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

|   | Budget<br>(Unaudited) | 2021             | 2020             |
|---|-----------------------|------------------|------------------|
| <b>REVENUE</b>  |                       |                  |                  |
| Net municipal taxes (Schedule 2)                                  | \$ 1,282,694          | \$ 1,262,974     | \$ 1,274,840     |
| User fees and sale of goods                                       | 1,100,621             | 1,103,894        | 1,035,461        |
| Government transfers for operating (Schedule 3)                   | 242,988               | 346,028          | 254,059          |
| Investment income   | 20,000                | 13,004           | 14,850           |
| Penalties and costs on taxes                                      | 40,078                | 72,260           | 72,171           |
| Franchise and concession contracts                                | 77,743                | 74,696           | 73,178           |
| Fines   | 6,500                 | 2,140            | 8,575            |
| Other   | <u>12,601</u>         | <u>9,483</u>     | <u>26,608</u>    |
| <b>Total Revenue</b>  | <u>2,783,225</u>      | <u>2,884,479</u> | <u>2,759,742</u> |
| <b>EXPENSES</b>   |                       |                  |                  |
| General government  |                       |                  |                  |
| Council and other legislative                                     | 58,669                | 70,934           | 57,728           |
| General administrative  | 440,964               | 981,767          | 515,509          |
| Protective services   |                       |                  |                  |
| Bylaw enforcement   | 8,630                 | 10,727           | 9,260            |
| Police  | 17,464                | 27,690           |                  |
| Fire  | 101,063               | 110,647          | 83,675           |
| Disaster and emergency measures                                   | 1,388                 | 388              | 388              |
| Ambulance and first aid   | 65,271                | 50,735           | 57,539           |
| Transportation services   |                       |                  |                  |
| Common and equipment pool   | 187,574               | 187,817          | 208,239          |
| Roads, streets, walks and lighting                                | 364,991               | 319,054          | 385,256          |
| Airport   | 29,854                | 31,000           | 31,019           |
| Storm sewers and drainage   | 2,500                 | 2,140            | 2,509            |
| Environmental services  |                       |                  |                  |
| Water supply and distribution                                     | 549,365               | 515,367          | 430,538          |
| Wastewater treatment and disposal                                 | 88,166                | 44,145           | 36,780           |
| Waste management  | 127,512               | 130,044          | 134,035          |
| Public health and welfare   |                       |                  |                  |
| Family and community support                                      | 44,846                | 75,846           | 46,299           |
| Cemeteries and crematoriums                                       | 1,673                 | 1,250            | 220              |
| Planning and development  |                       |                  |                  |
| Economic development  | 104,830               | 110,697          | 103,150          |
| Subdivision land and development                                  | 14,908                | 14,659           | 27,147           |
| Recreation and culture  |                       |                  |                  |
| Parks and recreation  | 568,407               | 609,544          | 555,438          |
| Libraries, museums, halls   | <u>22,614</u>         | <u>22,644</u>    | <u>22,614</u>    |
| <b>Total Expenses</b>   | <u>2,800,689</u>      | <u>3,317,095</u> | <u>2,707,343</u> |
| <b>(SHORTFALL) EXCESS OF REVENUE OVER EXPENSES - BEFORE OTHER</b> | <u>(17,464)</u>       | <u>(432,616)</u> | <u>52,399</u>    |

The accompanying notes are an integral part of these financial statements

**TOWN OF CORONATION**  
**STATEMENT OF OPERATIONS (CONT'D)**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

|   | Budget<br>(Unaudited) | 2021                 | 2020                 |
|---|-----------------------|----------------------|----------------------|
| <b>(SHORTFALL) EXCESS OF REVENUE OVER EXPENSES - BEFORE OTHER</b> | (17,464)              | (432,616)            | 52,399               |
| Government transfers for capital (Schedule 3)                     | 321,348               | 480,623              | 566,986              |
| Other capital revenues  |                       |                      | 2,989                |
| Insurance proceeds  |                       | 466,986              |                      |
| (Loss) gain on disposal of tangible capital assets                |                       | (5,000)              | 485                  |
| Other capital donations   |                       |                      | 10,000               |
| <b>EXCESS OF REVENUE OVER EXPENSES</b>                            | 303,884               | 509,993              | 632,859              |
| <b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>                     | <u>12,181,527</u>     | <u>12,181,527</u>    | <u>11,548,668</u>    |
| <b>ACCUMULATED SURPLUS, END OF YEAR</b>                           | <u>\$ 12,485,411</u>  | <u>\$ 12,691,520</u> | <u>\$ 12,181,527</u> |

The accompanying notes are an integral part of these financial statements

**TOWN OF CORONATION**  
**STATEMENT OF CHANGES IN NET FINANCIAL ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

|  | Budget<br>(Unaudited) | 2021                | 2020                |
|--|-----------------------|---------------------|---------------------|
| <b>EXCESS OF REVENUE OVER EXPENSES</b>             |                       |                     |                     |
|  | \$ <u>303,884</u>     | \$ <u>509,993</u>   | \$ <u>632,859</u>   |
| Acquisition of tangible capital assets             | (321,348)             | (573,327)           | (545,165)           |
| Proceeds on disposal of tangible capital assets    |                       | 70,000              | 69,249              |
| Amortization of tangible capital assets            | 461,871               | 489,373             | 461,576             |
| Loss (gain) on disposal of tangible capital assets |                       | <u>5,000</u>        | <u>(485)</u>        |
|  | <u>140,523</u>        | <u>(8,954)</u>      | <u>(14,825)</u>     |
| <b>INCREASE IN NET FINANCIAL ASSETS</b>            | 444,407               | 501,039             | 618,034             |
| <b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>     | <u>2,868,621</u>      | <u>2,868,621</u>    | <u>2,250,587</u>    |
| <b>NET FINANCIAL ASSETS, END OF YEAR</b>           | <u>\$ 3,313,028</u>   | <u>\$ 3,369,660</u> | <u>\$ 2,868,621</u> |

The accompanying notes are an integral part of these financial statements



**TOWN OF CORONATION**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

|   | 2021                        | 2020                |
|---|-----------------------------|---------------------|
| <b>NET INFLOW (OUTFLOWS) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:</b> |                             |                     |
| <b>OPERATING</b>  |                             |                     |
| Excess of revenues over expenses  | \$ 509,993                  | \$ 632,859          |
| Non-cash items included in excess of revenues over expenses:              |                             |                     |
| Amortization of tangible capital assets                                   | 489,373                     | 461,576             |
| Loss (gain) on disposal of tangible capital assets                        | <u>5,000</u>                | <u>(485)</u>        |
|   | 1,004,366                   | 1,093,950           |
| Changes in net financial asset items:                                     |                             |                     |
| Decrease in taxes and grants in place of taxes                            | 11,317                      | 22,888              |
| Increase in trade and other receivables                                   | (67,534)                    | (72,459)            |
| (Increase) decrease in receivables from other governments                 | (195,602)                   | 109,668             |
| Decrease (increase) in land inventory held for resale                     | 9,097                       | (111,227)           |
| (Decrease) increase in accounts payable and accrued liabilities           | (156)                       | 74,492              |
| Increase in deposit liabilities   | 1,080                       | 1,300               |
| Increase in deferred revenue  | 28,803                      | 62,443              |
| (Decrease) increase in employee benefit obligations                       | <u>(7,627)</u>              | <u>2,265</u>        |
| Cash provided by operating transactions                                   | <u>783,744</u>              | <u>1,183,320</u>    |
| <b>CAPITAL</b>  |                             |                     |
| Acquisition of tangible capital assets                                    | (573,327)                   | (545,165)           |
| Proceeds on disposal of tangible capital assets                           | <u>70,000</u>               | <u>69,249</u>       |
| Cash applied to capital transactions                                      | <u>(503,327)</u>            | <u>(475,916)</u>    |
| <b>FINANCING</b>  |                             |                     |
| Repayment of long-term debt   | <u>                    </u> | <u>(90,661)</u>     |
| <b>CHANGE IN CASH AND EQUIVALENTS DURING THE YEAR</b>                     | 280,417                     | 616,743             |
| <b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>                       | <u>2,258,697</u>            | <u>1,641,954</u>    |
| <b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>                             | <u>\$ 2,539,114</u>         | <u>\$ 2,258,697</u> |

**TOWN OF CORONATION**  
**SCHEDULE OF TANGIBLE CAPITAL ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

Schedule 1

|  | Land              | Land Improvements | Buildings           | Engineered Structures | Machinery and Equipment | Vehicles          | 2021                | 2020                |
|--|-------------------|-------------------|---------------------|-----------------------|-------------------------|-------------------|---------------------|---------------------|
| <b>COST:</b>                                     |                   |                   |                     |                       |                         |                   |                     |                     |
| BALANCE, BEGINNING OF YEAR                       | \$ 423,103        | \$ 288,932        | \$ 2,973,716        | \$ 18,020,428         | \$ 1,451,057            | \$ 541,837        | \$ 23,699,073       | \$ 23,228,924       |
| Acquisition of tangible capital assets           |                   |                   | 203,863             | 313,974               |                         |                   | 517,837             | 470,354             |
| Construction-in-progress                         |                   |                   | 55,490              | (75,000)              |                         |                   | 55,490              | 74,811              |
| Disposal of tangible capital assets              |                   |                   |                     |                       |                         |                   | (75,000)            | (75,016)            |
| BALANCE, END OF YEAR                             | <u>423,103</u>    | <u>288,932</u>    | <u>2,973,716</u>    | <u>18,279,781</u>     | <u>1,690,031</u>        | <u>541,837</u>    | <u>24,197,400</u>   | <u>23,699,073</u>   |
| <b>ACCUMULATED AMORTIZATION:</b>                 |                   |                   |                     |                       |                         |                   |                     |                     |
| BALANCE, BEGINNING OF YEAR                       |                   | 208,457           | 1,375,493           | 11,682,366            | 715,473                 | 404,378           | 14,386,167          | 13,930,843          |
| Annual amortization                              |                   | 2,882             | 85,358              | 279,611               | 97,242                  | 24,280            | 489,373             | 461,576             |
| Accumulated amortization on disposals            |                   |                   |                     |                       |                         |                   |                     | (6,252)             |
| BALANCE, END OF YEAR                             |                   | <u>211,339</u>    | <u>1,460,851</u>    | <u>11,961,977</u>     | <u>812,715</u>          | <u>428,658</u>    | <u>14,875,540</u>   | <u>14,386,167</u>   |
| <b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b> | <u>\$ 423,103</u> | <u>\$ 77,593</u>  | <u>\$ 1,512,865</u> | <u>\$ 6,317,804</u>   | <u>\$ 877,316</u>       | <u>\$ 113,179</u> | <u>\$ 9,321,860</u> | <u>\$ 9,312,906</u> |
| 2020 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS   | <u>\$ 423,103</u> | <u>\$ 80,475</u>  | <u>\$ 1,598,223</u> | <u>\$ 6,338,062</u>   | <u>\$ 735,584</u>       | <u>\$ 137,459</u> | <u>\$ 9,312,906</u> |                     |

**TOWN OF CORONATION**  
**SCHEDULE OF PROPERTY AND OTHER TAXES**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

**Schedule 2**

|                                | Budget<br>(Unaudited) | 2021                | 2020                |
|--------------------------------|-----------------------|---------------------|---------------------|
| <b>TAXATION</b>                |                       |                     |                     |
| Real property taxes            | \$ 1,542,286          | \$ 1,475,424        | \$ 1,484,386        |
| Linear property taxes          |                       | 48,897              | 48,354              |
|                                | <u>1,542,286</u>      | <u>1,524,321</u>    | <u>1,532,740</u>    |
| <b>REQUISITIONS</b>            |                       |                     |                     |
| Alberta School Foundation Fund | 220,781               | 222,536             | 220,781             |
| Paintearth Foundation          | 38,811                | 38,811              | 37,119              |
|                                | <u>259,592</u>        | <u>261,347</u>      | <u>257,900</u>      |
| <b>NET MUNICIPAL TAXES</b>     | <u>\$ 1,282,694</u>   | <u>\$ 1,262,974</u> | <u>\$ 1,274,840</u> |

**SCHEDULE OF GOVERNMENT TRANSFERS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

**Schedule 3**

|                                   | Budget<br>(Unaudited) | 2021              | 2020              |
|-----------------------------------|-----------------------|-------------------|-------------------|
| <b>TRANSFERS FOR OPERATING</b>    |                       |                   |                   |
| Provincial government             | \$ 96,663             | \$ 203,654        | \$ 119,106        |
| Federal government                | 25,000                | 26,000            | 13,700            |
| Local governments                 | 121,325               | 116,374           | 121,253           |
|                                   | <u>242,988</u>        | <u>346,028</u>    | <u>254,059</u>    |
| <b>TRANSFERS FOR CAPITAL</b>      |                       |                   |                   |
| Provincial government             | 265,064               | 322,737           | 406,996           |
| Federal government                | 56,284                | 110,064           | 159,990           |
| Local governments                 |                       | 47,822            |                   |
|                                   | <u>321,348</u>        | <u>480,623</u>    | <u>566,986</u>    |
| <b>TOTAL GOVERNMENT TRANSFERS</b> | <u>\$ 564,336</u>     | <u>\$ 826,651</u> | <u>\$ 821,045</u> |

**TOWN OF CORONATION**  
**SCHEDULE OF EXPENSES BY OBJECT**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

**Schedule 4**

|  | Budget<br>(Unaudited) | 2021                | 2020                |
|--|-----------------------|---------------------|---------------------|
| <b>EXPENSES BY OBJECT</b>                  |                       |                     |                     |
| Salaries, wages and benefits               | \$ 834,276            | \$ 843,282          | \$ 843,453          |
| Contracted and general services            | 636,725               | 1,122,386           | 578,190             |
| Materials, goods, supplies and utilities   | 618,504               | 615,010             | 589,993             |
| Provision for allowances                   |                       | 35,964              | 46,255              |
| Transfers to local boards and agencies     | 67,346                | 111,846             | 105,846             |
| Transfers to individuals and organizations | 71,966                | 94,342              | 73,673              |
| Bank charges and short-term interest       | 2,500                 | 4,892               | 7,162               |
| Interest on capital long-term debt         |                       |                     | 1,195               |
| Amortization of tangible capital assets    | 461,871               | 489,373             | 461,576             |
| Other expenses                             | 107,500               |                     |                     |
|  | <u>\$ 2,800,688</u>   | <u>\$ 3,317,095</u> | <u>\$ 2,707,343</u> |

**TOWN OF CORONATION**  
**SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

Schedule 5

|   | Unrestricted<br>Surplus | Restricted<br>Surplus | Equity in Tangible<br>Capital Assets | 2021                 | 2020                 |
|---|-------------------------|-----------------------|--------------------------------------|----------------------|----------------------|
| <b>BALANCE, BEGINNING OF YEAR</b>                   | \$ 229,509              | \$ 2,639,112          | \$ 9,312,906                         | \$ 12,181,527        | \$ 11,548,668        |
| Excess of revenues over expenses                    | 509,993                 |                       |                                      | 509,993              | 632,859              |
| Unrestricted funds designated for future use        | (113,212)               | 113,212               |                                      |                      |                      |
| Current year funds used for tangible capital assets | (573,327)               |                       | 573,327                              |                      |                      |
| Disposal of tangible capital assets                 | 75,000                  |                       | (75,000)                             |                      |                      |
| Annual amortization expense                         | 489,373                 |                       | (489,373)                            |                      |                      |
| Change in accumulated surplus                       | 387,827                 | 113,212               | 8,954                                | 509,993              | 632,859              |
| <b>BALANCE, END OF YEAR</b>                         | <b>\$ 617,336</b>       | <b>\$ 2,752,324</b>   | <b>\$ 9,321,860</b>                  | <b>\$ 12,691,520</b> | <b>\$ 12,181,527</b> |

**TOWN OF CORONATION**  
**SCHEDULE OF SEGMENTED DISCLOSURE**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

Schedule 6

|   | General Government | Protective Services | Public Health and Welfare | Transportation Services | Environmental Services | Recreation and Culture | Planning and Development | Total             |
|---|--------------------|---------------------|---------------------------|-------------------------|------------------------|------------------------|--------------------------|-------------------|
| <b>REVENUE</b>                          |                    |                     |                           |                         |                        |                        |                          |                   |
| Net municipal taxes                     | \$ 1,262,974       | \$                  | \$                        | \$                      | \$                     | \$                     | \$                       | \$ 1,262,974      |
| User fees and sales of goods            | 3,369              | 135,899             | 3,150                     | 18,096                  | 834,406                | 96,691                 | 12,283                   | 1,103,894         |
| Government transfers                    | 80,985             | 109,924             | 66,877                    | 220,348                 | 170,784                | 131,283                | 46,450                   | 826,651           |
| Investment income                       | 13,004             |                     |                           |                         |                        |                        |                          | 13,004            |
| Penalties                               | 57,141             |                     |                           |                         | 15,119                 |                        |                          | 72,260            |
| Franchise fees                          | 74,696             |                     |                           |                         |                        |                        |                          | 74,696            |
| Insurance proceeds                      | 466,986            |                     |                           |                         |                        |                        |                          | 466,986           |
| Fines                                   | 1,870              | 270                 |                           |                         |                        |                        |                          | 2,140             |
| Other revenues                          | 500                |                     | 3,583                     |                         |                        | 5,400                  |                          | 9,483             |
|   | <u>1,961,525</u>   | <u>246,093</u>      | <u>73,610</u>             | <u>238,444</u>          | <u>1,020,309</u>       | <u>233,374</u>         | <u>58,733</u>            | <u>3,832,088</u>  |
| <b>EXPENSES</b>                         |                    |                     |                           |                         |                        |                        |                          |                   |
| Salaries and wages                      | 293,843            | 24,034              |                           | 100,060                 | 81,604                 | 288,034                | 55,707                   | 843,282           |
| Contract and general services           | 645,023            | 76,043              | 314                       | 57,248                  | 187,132                | 132,497                | 24,129                   | 1,122,386         |
| Goods and supplies                      | 28,780             | 52,028              | 936                       | 156,139                 | 296,406                | 73,559                 | 7,162                    | 615,010           |
| Provision for allowance                 | 35,964             |                     |                           |                         |                        |                        |                          | 35,964            |
| Transfers to local boards               | 2,000              | 5,000               | 75,846                    |                         | 28,952                 | 29,000                 | 37,353                   | 111,846           |
| Transfers to organizations              | 20,000             |                     |                           |                         |                        | 8,037                  |                          | 94,342            |
| Bank charges and interest               | 4,892              |                     |                           | 5,000                   |                        |                        |                          | 4,892             |
| Loss on sale of tangible capital assets |                    |                     |                           |                         |                        |                        |                          |                   |
|   | <u>1,030,502</u>   | <u>157,105</u>      | <u>77,096</u>             | <u>318,447</u>          | <u>594,094</u>         | <u>531,127</u>         | <u>124,351</u>           | <u>2,832,722</u>  |
| <b>NET REVENUE, BEFORE AMORTIZATION</b> | <u>931,023</u>     | <u>88,988</u>       | <u>(3,486)</u>            | <u>(80,003)</u>         | <u>426,215</u>         | <u>(297,753)</u>       | <u>(65,618)</u>          | <u>999,366</u>    |
| Amortization expense                    | <u>22,199</u>      | <u>43,082</u>       |                           | <u>226,564</u>          | <u>95,462</u>          | <u>101,061</u>         | <u>1,005</u>             | <u>489,373</u>    |
| <b>NET REVENUE</b>                      | <u>\$ 908,824</u>  | <u>\$ 45,906</u>    | <u>\$ (3,486)</u>         | <u>\$ (306,567)</u>     | <u>\$ 330,753</u>      | <u>\$ (398,814)</u>    | <u>\$ (66,623)</u>       | <u>\$ 509,993</u> |

**TOWN OF CORONATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

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**1. SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Town of Coronation (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 Public Sector Accounting Standards principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures 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:

- Employee benefit obligations;
- Useful lives of tangible capital assets;
- Accrued liabilities;
- Allowance for doubtful accounts receivable; and
- Fair value of contributed tangible capital assets.

**TOWN OF CORONATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

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**1. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**d) Valuation of Financial Assets and Liabilities**

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

| <u>Financial statement component</u>     | <u>Measurement</u>                    |
|--|---------------------------------------|
| Cash                                     | Cost and amortized cost               |
| Short-term investments                   | Amortized cost                        |
| Trade and other receivables              | Lower of cost or net realizable value |
| Land inventory held for resale           | Lower of cost or net realizable value |
| Accounts payable and accrued liabilities | Cost                                  |
| Deposit liabilities                      | Cost                                  |
| Deferred revenue                         | Cost                                  |
| Employee benefit obligations             | Cost                                  |

**e) Cash and Cash Equivalents**

Cash and cash equivalents are comprised of cash on deposits with financial institutions and highly liquid investments.

**f) Investments**

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

**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 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 CORONATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

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**1. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**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) 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.

**l) 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 CORONATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

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**1. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**m) 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 straight-line basis over the estimated useful life as follows:

|                             | <b>YEARS</b> |
|-----------------------------|--------------|
| Land improvements           | 15 to 30     |
| Buildings                   | 10 to 50     |
| Engineered structures       |              |
| Water system                | 25 to 45     |
| Wastewater system           | 25 to 45     |
| Other engineered structures | 15 to 40     |
| Machinery and equipment     | 3 to 30      |
| Vehicles                    | 5 to 10      |

Annual amortization is charged in the year of acquisition based on the date the asset becomes available for use. 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.

**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**

Historical buildings and works of art for display are not recorded as tangible capital assets but are disclosed.

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**TOWN OF CORONATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**2. CASH AND TEMPORARY INVESTMENTS**

|                       | <u>2021</u>         | <u>2020</u>         |
|-----------------------|---------------------|---------------------|
| Cash                  | \$ 284,556          | \$ 12,436           |
| Temporary investments | <u>2,254,558</u>    | <u>2,246,261</u>    |
|                       | <u>\$ 2,539,114</u> | <u>\$ 2,258,697</u> |

Temporary investments include various business savings accounts that earn interest between prime less 1.9% and prime less 1.55%.

The Town received certain Alberta Government grants and other donations and contributions 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, \$259,152 (2020 - \$463,613) of the temporary investments on hand are not available for general use by the Town.

**3. TAXES AND GRANTS IN PLACE OF TAXES**

|   | <u>2021</u>       | <u>2020</u>       |
|---|-------------------|-------------------|
| Current taxes and grants in place receivables | \$ 176,281        | \$ 184,568        |
| Arrears taxes                                 | <u>309,787</u>    | <u>303,440</u>    |
|   | 486,068           | 488,008           |
| Less: allowance for doubtful accounts         | <u>(83,854)</u>   | <u>(74,477)</u>   |
|   | <u>\$ 402,214</u> | <u>\$ 413,531</u> |

**TOWN OF CORONATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**4. DEFERRED REVENUE**

|  | <b>2021</b>       | <b>2020</b>       |
|--|-------------------|-------------------|
| Alberta Municipal Sustainability Initiative                  | \$ 233,265        | \$ 158,117        |
| Alberta Community Partnership - Intermunicipal Collaboration | 150,033           | 144,510           |
| Municipal Operating Support Transfer                         |                   | 80,986            |
| County of Paintearth No. 18 - Fire capital revenue           | 73,118            | 80,000            |
| Municipal Stimulus Program                                   | 36,000            |                   |
|  | <b>\$ 492,416</b> | <b>\$ 463,613</b> |

**Alberta Municipal Sustainability Initiative ("MSI")**

The MSI is the Province of Alberta's commitment to assist municipalities in meeting growth-related challenges and enhancing long term sustainability. It includes incentives to encourage collaboration and cooperation between municipalities. The balance at year-end represents the unspent portion of the funding received or receivable to date plus interest earned.

**Alberta Community Partnership - Intermunicipal Collaboration**

Provincial government funding was received in the current year to develop a recreation master plan in collaboration with the County of Paintearth within the Town that have not yet been expended.

**Municipal Operating Support Transfer**

Federal and provincial government funding was received in the current year to provide assistance with operating impacts due to the COVID-19 pandemic within the Town that have not yet been expended.

**County of Paintearth No. 18 - Fire capital revenue**

Funding was received from the County of Paintearth No. 18 to undertake certain eligible capital expenses within the Town which have not yet been expended.

**Municipal Stimulus Program**

Provincial government funding was received in the current year to undertake certain eligible infrastructure expenditures within the Town that have not yet been expended.

**5. EMPLOYEE BENEFIT OBLIGATIONS**

|                                      | <b>2021</b> | <b>2020</b> |
|--------------------------------------|-------------|-------------|
| Vacation and banked overtime payable | \$ 27,377   | \$ 35,004   |

**Vacation and banked overtime**

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

**TOWN OF CORONATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**6. CONTAMINATED SITES LIABILITY**

The Town did not identify any financial liabilities in 2021 (2020 - \$0) as a result of contaminated sites.

**7. DEBT LIMITS**

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

|                                       | <u>2021</u>                 | <u>2020</u>                 |
|---------------------------------------|-----------------------------|-----------------------------|
| Total debt limit                      | \$ 4,326,719                | \$ 4,139,613                |
| Total debt                            | <u>                    </u> | <u>                    </u> |
| Amount of debit limit unused          | \$ <u>4,326,719</u>         | \$ <u>4,139,613</u>         |
| <br>                                  |                             |                             |
| Debt servicing limit                  | \$ 721,120                  | \$ 689,936                  |
| Debt servicing                        | <u>                    </u> | <u>                    </u> |
| Amount of debt servicing limit unused | \$ <u>721,120</u>           | \$ <u>689,936</u>           |

The debt limit is calculated at 1.5 times revenue of the municipality (as defined in Alberta Regulation 255/00) and the debt service limit is calculated at 0.25 times such revenue. Incurring debt beyond these limitations requires approval by the Minister of Municipal Affairs. These thresholds are guidelines used by Alberta Municipal Affairs to identify municipalities that could be at financial risk if further debt is acquired. The calculation taken alone does not represent the financial stability of the municipality. Rather, the financial statements must be interpreted as a whole.

**8. EQUITY IN TANGIBLE CAPITAL ASSETS**

|                                       | <u>2021</u>         | <u>2020</u>         |
|---------------------------------------|---------------------|---------------------|
| Tangible capital assets (Schedule 1)  | \$ 24,197,400       | \$ 23,699,073       |
| Accumulated amortization (Schedule 1) | <u>(14,875,540)</u> | <u>(14,386,167)</u> |
|                                       | \$ <u>9,321,860</u> | \$ <u>9,312,906</u> |

**TOWN OF CORONATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**9. ACCUMULATED SURPLUS**

|  | <b>2021</b>   | <b>2020</b>   |
|--|---------------|---------------|
| Unrestricted Surplus                       | \$ 617,336    | \$ 229,509    |
| Internally Restricted Surplus:             |               |               |
| Operating                                  |               |               |
| Physician recruitment                      | 20,501        | 20,501        |
| Capital                                    |               |               |
| Fire equipment                             | 86,200        | 86,200        |
| Common services                            | 203,359       | 203,359       |
| Water                                      | 876,602       | 801,001       |
| Roads                                      | 275,292       | 275,292       |
| Airport                                    | 212,288       | 212,288       |
| Wastewater                                 | 400,893       | 363,282       |
| Recreation                                 | 49,882        | 49,882        |
| Recreation Wellness Centre                 | 125,000       | 125,000       |
| General contingency                        | 502,307       | 502,307       |
| Equity in tangible capital assets (Note 8) | 9,321,860     | 9,312,906     |
|  | \$ 12,691,520 | \$ 12,181,527 |

**10. TRUST FUNDS**

The Town of Coronation administers the following trust:

|                        | <b>2021</b> | <b>2020</b> |
|------------------------|-------------|-------------|
| Tax sale trust account | \$ 4,670    | \$ 4,687    |

**11. SEGMENTED DISCLOSURE**

The Town of Coronation 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 Schedule of Segmented Disclosure (Schedule 6)

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

**TOWN OF CORONATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

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**12. BUDGET DATA**

The unaudited budget data presented in these financial statements is based upon the 2021 operating and capital budgets approved by Council. The chart below reconciles the approved budget to the budget figures reported in these financial statements.

|  | <u><b>Budget Amount</b></u> |
|--|-----------------------------|
| <b>Revenue</b>                         |                             |
| Operating budget                       | \$ 3,060,280                |
| Capital budget                         | 321,348                     |
| Less                                   |                             |
| Transfer to other funds                | <u>(277,055)</u>            |
| Total revenues                         | <u>3,104,573</u>            |
| <b>Expenses</b>                        |                             |
| Operating budget                       | 3,060,280                   |
| Capital budget                         | 321,348                     |
| Less:                                  |                             |
| Transfer to other funds                | (580,939)                   |
| Total expenses                         | <u>2,800,689</u>            |
| <b>Excess of revenue over expenses</b> | <u><u>\$ 303,884</u></u>    |

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**TOWN OF CORONATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**13. 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:

|                              | <b>2021</b>   |                                  |              | <b>2020</b>  |
|------------------------------|---------------|----------------------------------|--------------|--------------|
|                              | <u>Salary</u> | <u>Benefits &amp; allowances</u> | <u>Total</u> | <u>Total</u> |
| <b>Councillors:</b>          |               |                                  |              |              |
| Councillor Alderdice         | \$ 6,875      | \$ 84                            | \$ 6,959     | \$ 6,026     |
| Councillor Brigley           | 5,000         | 23                               | 5,023        | 6,026        |
| Councillor Bullick           | 1,300         | 20                               | 1,320        |              |
| Councillor Checkel           | 8,100         | 133                              | 8,233        | 6,337        |
| Councillor Cook              | 5,510         | 35                               | 5,545        | 6,026        |
| Councillor Griffiths         | 500           |                                  | 500          | 6,002        |
| Councillor Horkoff           |               |                                  |              | 3,013        |
| Councillor Peacock           | 1,300         | 39                               | 1,339        |              |
| Councillor Stannard          | 6,300         | 62                               | 6,362        | 7,579        |
| Chief Administrative Officer | 85,733        | 17,089                           | 102,822      | 92,636       |
| Town Assessor                | 25,200        | -                                | 25,200       | 24,778       |

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

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

3. The Town Assessor position is vacant and the Town has entered into an agreement for assessor services with an independent contractor. The cost totaled \$25,200 (2020 - \$24,778).



**TOWN OF CORONATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**14. LOCAL AUTHORITIES PENSION PLAN**

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

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

The Town is required to make current service contributions to the LAPP of 9.39% of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 13.84% on pensionable earnings above this amount.

Total current service contributions by the Town to the LAPP in 2021 were \$57,909 (2020 - \$58,533). Total current service contributions by the employees of the Town to the Local Authorities Pension Plan in 2021 were \$51,421 (2020 - \$52,991).

At December 31, 2021, the LAPP disclosed an actuarial surplus of \$11.92 billion. This amount is not specifically allocated to the participating government organizations.

**15. COMMITMENTS**

The Town has entered into a lease agreement with Meridian OneCap to rent certain equipment in use at the Town. The aggregate future minimum lease payments are \$10,900 (2020 - \$15,260). The minimum lease payments for each of the five succeeding years are as follows:

|   | 2021      | 2020      |
|---|-----------|-----------|
| Gross payments required in the first year subsequent  | \$ 4,360  | \$ 4,360  |
| Gross payments required in the second year subsequent | 4,360     | 4,360     |
| Gross payments required in the third year subsequent  | 2,180     | 4,360     |
| Gross payments required in the fourth year subsequent | 2,180     | 2,180     |
|   | \$ 10,900 | \$ 15,260 |

**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.

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

During the year, the Town entered into a grant funding agreement with Canada Mortgage and Housing Corporation to increase the supply of affordable housing. Under the terms of this agreement, a loan of up to \$41,000 is eligible to be advanced upon submission of invoices for eligible expenditures incurred before December 6, 2024. No amounts were received during the year.

**TOWN OF CORONATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

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**17. FINANCIAL INSTRUMENTS**

The Town's financial instruments consist of cash and temporary investments, accounts receivable, land held for resale, accounts payable and accrued liabilities, and deposit liabilities. It is management's opinion that the Town is not exposed to significant interest or currency risks arising from these financial instruments.

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

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

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**18. SIGNIFICANT EVENT**

In March 2020, the World Health Organization declared a global pandemic due to the novel coronavirus (COVID-19). The situation is constantly evolving and the measures put in place are having multiple impacts on local, provincial, national and global economies. The overall effect of these events on the Village and its operations is unknown at this time. The impacts will be accounted for when they are known and may be assessed.

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**19. BUDGET AMOUNTS**

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

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**20. CORRESPONDING FIGURES**

Certain corresponding figures have been reclassified to conform with the financial statement presentation adopted for the current year.

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**21. APPROVAL OF FINANCIAL STATEMENTS**

Council and management have approved these financial statements.

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