#### TOWN OF STEPHENVILLE CONSOLIDATED FINANCIAL STATEMENTS December 31, 2021 TABLE OF CONTENTS

	<u>Page</u>
STATEMENT OF RESPONSIBILITY	1
INDEPENDENT AUDITOR'S REPORT	2
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	5
CONSOLIDATED STATEMENT OF SURPLUS	6
CONSOLIDATED STATEMENT OF REVENUE AND EXPENDITURE - REVENUE	7
CONSOLIDATED STATEMENT OF REVENUE AND EXPENDITURE - EXPENDITURE	8
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS	9
CONSOLIDATED STATEMENT OF CASH FLOW	10
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS	11
SCHEDULE I - SCHEDULE OF TANGIBLE CAPITAL ASSETS	15
SCHEDULE II - RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET	16

#### STATEMENT OF RESPONSIBILITY

The accompanying consolidated financial statements are the responsibility of the management of the Town of Stephenville and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles established by the Public Sector Accounting Board of The Canadian Professional Accountants of Canada.

In carrying out its responsibilities, management maintains appropriate systems of internal and administrative controls designed to provide reasonable assurance that transactions are executed in accordance with proper authorization, that assets are properly accounted for and safeguarded, and that financial information produced is relevant and reliable.

The Council of the Municipality and management have reviewed a draft of the consolidated financial statements to discuss any significant financial reporting or internal control matters prior to their approval of the finalized financial statements.

Brian N. Hillier, CPA, CA, as the Municipality's appointed external auditor, has audited the consolidated financial statements. The Auditor's Report is addressed to the Mayor and members of Council and appears on the following page. His opinion is based upon an examination conducted in accordance with Canadian generally accepted auditing standards, performing such tests and other procedures as he considers necessary to obtain reasonable assurance that the financial statements are free of material misstatement and preset fairly the financial position and results of the Municipality in accordance with Canadian generally accepted accounting principles.

#### INDEPENDENT AUDITOR'S REPORT

The Mayor and Councillors Town of Stephenville Stephenville, NL

I have audited the consolidated financial statements of the Town of Stephenville, which comprise the consolidated statement of financial position as at December 31, 2021, and the consolidated statements of surplus, revenue and expenditures, changes in net financial assets (debt) and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

#### Opinion .

In my opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Town as at December 31, 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Public Sector Accounting Standards.

#### Basis for Opinion

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

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

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

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

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

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

My objective is 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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, international omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Town's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Town to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I 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 I identify during my audit.

#### INDEPENDENT AUDITOR'S REPORT (Cont'd)

I also provide those charged with governance with a statement that I 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 my independence and, where applicable, related safeguards.

CORNER BROOK, NEWFOUNDLAND LABRADOR

CHARTERED PROFESSIONAL ACCOUNTANT

#### TOWN OF STEPHENVILLE CONSOLIDATED STATEMENT OF FINANCIAL POSITION December 31, 2021

	<u>2021</u>	2020
FINANCIAL ASSETS  Cash and short-term investments (Note 3) Accounts receivable (Note 4)	\$ 336,533 1,859,352 2,195,885	59,664 1,699,813 1,759,477
LIABILITIES  Due to bank (Note 5)  Accounts payable and accrued liabilities  (Note 6)  Severance pay accrual  Long-term debt (Note 7)  NLHC land mortgage (Note 8)	190,000 1,202,514 334,760 696,564 995,511 3,419,349	35,284 1,336,527 349,555 995,511 2,716,877
NET FINANCIAL ASSETS (DEBT)	(1,223,464)	<u>(957,400</u> )
NON-FINANCIAL ASSETS  Tangible capital assets (Schedule I)  Prepaid expenses Land for resale	39,757,059 74,705 995,511 40,827,275	40,900,222 74,705 995,511 41,970,438
ACCUMULATED EQUITY	\$39,603,811	41,013,038

CONTINGENCIES (Note 9)

ON BEHALF OF THE COUNCIL:

Mayor

Town Clerk

#### TOWN OF STEPHENVILLE CONSOLIDATED STATEMENT OF SURPLUS Year ended December 31, 2021

	Budget	<u>2021</u>	2020
REVENUE	\$ 8,910,119	9,507,480	10,079,404
<u>EXPENDITURES</u>	10,336,398	10,916,707	9,838,486
ANNUAL SURPLUS (DEFICIT)	<u>\$(1,426,279</u> )	(1,409,227)	240,918
EQUITY, beginning of year		41,013,038	40,794,329
		39,603,811	41,035,247
<u>LESS</u> : Capital asset disposition			(22,209)
EQUITY, end of year		\$39,603,811	41,013,038

### TOWN OF STEPHENVILLE CONSOLIDATED STATEMENT OF REVENUE AND EXPENDITURE - REVENUE Year ended December 31, 2021

#### REVENUE

	<u>Budget</u> (Schedule II)	<u>2021</u>	2020
TAXATION Property tax Water and sewer tax Business tax Grants in lieu of taxes	\$3,616,129 2,124,731 1,534,468 156,611 7,431,939	3,636,108 2,126,371 1,530,907 157,164 7,450,550	3,719,103 2,084,051 1,540,562 158,070 7,501,786
GOVERNMENT CONTRIBUTIONS  Municipal assistance grants Grants regarding debt Gas tax Municipal capital works Provincial gas tax Safe Restart Program/Covid Stimulus Airport funding	414,520 23,234  715,776   1,153,530	414,520  715,776 64,560 125,563 214,502 1,534,921	414,520 15,957 294,549 788,700 64,560 389,196
OTHER Licences and permits Fines and meters Interest and service charges Water and sewerage - other Land transactions Service fees Miscellaneous	20,000 250 130,000 5,000 40,000 59,400 70,000	12,345 161 138,558 3,000 75,515 75,296 217,134 522,009	20,603 293 253,452 1,500 127,930 74,442 131,916
	\$8,910,119	9,507,480	10,079,404

#### TOWN OF STEPHENVILLE CONSOLIDATED STATEMENT OF REVENUE AND EXPENDITURE - EXPENDITURE Year ended December 31, 2021

#### **EXPENDITURE**

<del></del>		
<u>Budget</u> (Schedule II)	2021	2020
\$ 672,800 368,050 137,500 140,000 92,000 68,000	654,743 438,269 109,073 137,498 85,774 73,833 120,000 13,473 2,124,444	647,978 277,421 99,664 138,232 86,190 68,693 120,000 6,371 1,991,139
3,664,771	3,757,107	3,435,688
1,548,750 82,500 1,631,250	1,193,027 84,158 1,277,185	1,511,462 82,291 1,593,753
293,600 1,512,377 372,800 160,000 2,338,777	354,811 1,411,534 375,126 163,701 2,305,172	318,619 1,137,800 429,294 165,066 2,050,779
894,800 597,000	1,043,053 644,597	807,190 682,176 1,489,366
665,000 30,000 100,000 795,000	1,187,261 24,397 116,475 1,328,133	743,178 25,059 105,718 873,955
134,800 140,000 140,000 414,800 \$10,336,398	267,399 140,000 154,061 561,460	119,945 120,000 155,000 394,945
	\$ 672,800 368,050 137,500 140,000 92,000 68,000  61,977 2,124,444 3,664,771 1,548,750 82,500 1,631,250 293,600 1,512,377 372,800 160,000 2,338,777 894,800 597,000 1,491,800 665,000 30,000 100,000 795,000 134,800 140,000 140,000	\$ 672,800 654,743 368,050 438,269 137,500 109,073 140,000 137,498 92,000 85,774 68,000 73,833 120,000 61,977 13,473 2,124,444 2,124,444 3,664,771 3,757,107   1,548,750 1,193,027 82,500 84,158 1,631,250 1,277,185   293,600 354,811 1,512,377 1,411,534 372,800 375,126 160,000 163,701 2,338,777 2,305,172   894,800 1,043,053 597,000 644,597 1,491,800 1,687,650   665,000 1,187,261 30,000 164,597 100,000 164,597 100,000 116,475 795,000 1,328,133   134,800 267,399 140,000 140,000 140,000 154,061 414,800 561,460

#### TOWN OF STEPHENVILLE CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS Year ended December 31, 2021

	2021	2020
Annual surplus (deficit) Acquisition of tangible capital assets Amortization of tangible capital assets	\$(1,409,227) (981,281) 2,124,444	240,918 (1,627,709) 1,991,139
CHANGE IN NET FINANCIAL ASSETS	(266,064)	604,348
NET FINANCIAL ASSETS (DEBT), beginning of year	(957,400)	(1,561,748)
NET FINANCIAL ASSETS (DEBT), end of year	<u>\$(1,223,464</u> )	<u>(957, 400</u> )

#### TOWN OF STEPHENVILLE CONSOLIDATED STATEMENT OF CASH FLOW Year ended December 31, 2021

	<u>2021</u>	<u> 2020</u>
OPERATING TRANSACTIONS: Annual surplus (deficit)	\$(1,409,227)	240.918
Change in non-cash items: Working capital Amortization Severance pay accrual	(293,552) 2,124,444 (14,795)	252,046
	406,870	2,525,971
<u>CAPITAL TRANSACTIONS</u> : Acquisition of tangible capital assets	(981,281)	(1,627,709)
FINANCING TRANSACTIONS: Proceeds of long-term borrowings Repayment of long-term debt	846,272 (149,708)	(15,519)
	696,564	<u>(15,519</u> )
INCREASE (DECREASE) IN CASH	122,153	882,743
CASH, beginning of year	24,380	(858, 363)
CASH, end of year	\$ 146,533	24,380
<pre>CASH consists of:    Cash and short-term investments    Due to bank</pre>	\$ 336,533 (190,000)	59,664 (35,284)
	<u>\$ 146,533</u>	24,380

#### BUSINESS OF THE TOWN

The Town of Stephenville is a municipal government incorporated pursuant to the Province of Newfoundland Labrador's Municipalities Act. The Town provides and funds municipal services including fire, public works, recreation and other general government operations.

#### 2. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles as recommended by the Public Sector Accounting Board of the Canadian Professional Accountants of Canada and reflect the following significant accounting policies:

#### (a) Basis of Consolidation

The consolidated financial statements include the assets, liabilities, revenue and expenses of the reporting entity. The net financial position of related entities is incorporated into the financial statements, where material, based upon amounts provided by the entities and reflected in their records. There are currently no related entities included in the financial statements.

(b) Cash and temporary investments

Cash includes cash balances, bank balances and short-term investments.

#### (c) Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. Assets under construction are not amortized until the asset is put in use. The cost of the tangible capital assets are amortized on a straight-line basis over their estimated useful life as follows:

Buildings	25-40	years
General equipment		years
Transportation infrastructure	15-45	years
Vehicles and equipment	10-15	years
Water and sewer infrastructure	40-60	years
Stadium assets - declining balance		3-20%

#### (d) Revenue Recognition

Revenues are recognized as earned and when collection is reasonably assured. Tax rates are approved annually by Council.

#### SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### (e) Use of Estimates

The preparation of consolidated financial statements in conformity with Canadian generally accepted accounting principles for the public sector requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

#### (f) Comparative figures:

The comparative figures have been modified to conform to the current year presentation.

- (g) Fidelity bond coverage in the amount of \$50,000 is carried on employees of the Town who are in a position of trust. The coverage is considered adequate.
- (h) The Town is a non-profit entity not subject to federal or provincial income taxes.
- (i) The manner in which the accounts have been kept and the safeguards against fraud are considered satisfactory.

3.	CASH	2021	2020
	Municipal funds Gas tax funds	\$ 276,889 59,644	59,664
		<u>\$ 336,533</u>	59,664
4.	ACCOUNTS RECEIVABLE	<u>2021</u>	<u>2020</u>
	Taxes and rates receivable Goods and services tax Provincial funding Advance - Stephenville Airport Funding advance Other	\$2,601,425 57,621 305,170 26,876 15,000 14,910	2,426,750 133,590 64,642 45,881 50,000 35,350
	Allowance for doubtful accounts	3,021,002 1,161,650	2,756,213 1,056,400
		<u>\$1,859,352</u>	1,699,813

5.	DUE TO BANK			
			<u>2021</u>	<u>2020</u>
	Operating loan Current account overdraft	\$ _	190,000	35,284
		<u>\$</u>	190,000	35,284
6.	ACCOUNTS PAYABLE		2021	***
			2021	<u>2020</u>
	Accounts payable - trade Payroll liabilities Security deposit Deferred funding	\$	618,467 533,247 50,800	690,635 493,195 50,800 101,897
		<u>\$1</u>	<u>,202,514</u>	1,336,527
7.	LONG-TERM DEBT		<u>2021</u>	<u>2020</u>
	Bank loans			
	1.96% loan, payable in blended installments of \$14,819, maturing in 2026	<u>\$</u>	696,564	<b></b>
	Principal repayments due over the next five years	a	re as fol	lows:
	2022 2023 2024 2025 2026			\$163,316 168,215 173,262 177,243 14,528

#### 8. NLHC LAND MORTGAGE

During 2001 the Town acquired property from the Newfoundland and Labrador Housing Corporation in exchange for a mortgage issued in the amount of \$1,244,395. The mortgage is repayable as the Town disposes of the land in accordance with an agreement with Newfoundland and Labrador Housing Corporation. The land and mortgage balance at December 31, 2021 amounted to \$995,511.

#### 9. CONTINGENCIES

The Town is a member of the Newfoundland and Labrador Municipal Employee Benefits Inc. Pension Plan and participates in a defined benefit pension plan for its employees; pension costs and obligations are accounted for as incurred and billed by the plan administrator. The last actuarial valuation was performed as at December 31, 2010, identifying a deficiency of \$6,949,000 on a going concern basis and \$53,708,000 on a hypothetical wind-up basis. The Town is responsible for funding a portion of any deficiency. As a result of this deficiency the Town is required to make an additional annual payment of \$52,893. The Town has also expended and funded the pension plan for 2021 in the amount of \$168,862 while employees have contributed \$168,812.

#### 10. FINANCIAL INSTRUMENTS

The Town, as part of its operations, carries a number of financial instruments. It is management's opinion the Town is not exposed to significant interest, currency or credit risk arising from these financial instruments, except as otherwise disclosed. Unless otherwise noted, the fair market value of these financial instruments approximates their carrying values.

TOWN OF STEPHENVILLE SCHEDULE OF TANGIBLE CAPITAL ASSETS December 31, 2021

Net Book Value December 31, 2021	1,267,891 9,437,806 834,242	8,976,796	19,240,324	39,757,059	Net Book Value December	1,248,963 9,844,225 869,514	9,364,360	19,573,160	40,900,222
n December 31, 2021	5, 157, 878 627, 536	30,834,667	17, 183, 704	53, 803, 785	n December	4,751,459	29,891,030	16,459,408	51,757,003
Accumulated Amortization Additions (Disposals)	406, 419 50, 092 (77, 662)	943,637	724,296	2,124,444	Accumulated Amortization Additions (Disposals)	406, 419 28, 629 (199, 907)	838, 933	717,158	$\frac{1,991,139}{(199,907)}$
December 31, 2020	4,751,459	29,891,030	16,459,408	51,757,003	December 31, 2019	4,345,040 826,384	29,052,097	15,742,250	49, 965, 771
December 31, 2021	1, 267, 891 14, 595, 684 1, 461, 778	39,811,463	36,424,028	93,560,844	December 31, 2020	1,248,963 14,595,684 1,524,620	39, 255, 390	36,032,568	92,657,225
Cost Additions (Disposals)	18,928  14,820 (77,662)	556,073	391,460	981, 28 <u>1</u> (77, 66 <u>2</u> )	Cost Additions (Disposals)	553, 154 (222, 116)	854,780	219,254	1,627,709
December 31, 2020	\$ 1,248,963 14,595,684 1,524,620	39, 255, 390	36,032,568	\$92,657,225	December 31, 2019	\$ 1,248,963 14,595,163 1,193,582	38,400,610	35,813,314	\$91,251,632
	Land Buildings Equipment - general	structure/equipment	natel and sewel infrastructure			Land Buildings Equipment - general	Transportation infra- structure/equipment	infrastructure	

2020

2021

TOWN OF STEPHENVILLE
RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET
Year ended December 31, 2021

Revenue per Municipal Budget	\$ 8,194,343	8,177,906
Revisions: Capital funding	715,776	1,083,249
Revenue per PSAB Budget	8,910,119	9,261,155
Expenditures per Municipal Budget	8,480,261	8,177,906
Revisions:	(118, 599)	:
Capitat out of tangible capital assets Amortization of tangible capital assets Debt charges - principal	2,124,444 (149,708)	1,991,139 (15,519)
Expenditures per PSAB Budget	10,336,398 10,153,526	10, 153, 526
Surplus (Deficit)	\$(1,426,279) (892,371)	(892,371)

# TOWN OF STEPHENVILLE ANNUAL EXPENDITURE REPORT LOCAL GOVERNMENT GAS TAX FUNDING AGREEMENT December 31, 2021

#### AUDITOR'S REPORT

To the Gas Tax Secretariat of the Newfoundland and Labrador Department of Municipal and Intergovernmental Affairs

I have audited the Town of Stephenville's compliance as at December 31, 2021 with the criteria established by the terms and conditions of the Ultimate Recipient Gas Tax Agreement between the Province of Newfoundland and Labrador and the Town of Stephenville. Compliance with the criteria established by the provisions of the agreement is the responsibility of management of the Town of Stephenville. My responsibility is to express an opinion on this compliance based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the Town of Stephenville complied with the criteria established by the provisions of the agreement referred to above. Such an audit includes examining, on a test basis, evidence supporting compliance, evaluating the overall compliance with the agreement and, where applicable, assessing the accounting principles used and significant estimates made by management.

In my opinion, as at December 31, 2021, the Town of Stephenville is in compliance, in all material respects, with the criteria established by the terms and provisions of the agreement.

CORNER BROOK, NEWFOUNDLAND LABRADOR

CHARTERED PROFESSIONAL ACCOUNTANT

I, (Title), of the Town of Stephenville certify that the information reported is a true and accurate representation of the Town's position with respect to its federal gas tax revenues. I acknowledge and understand that any contravention of the terms and conditions of the Local Government Gas Tax Funding Agreement may result in funding being withheld.

Signature

Date

#### TOWN OF STEPHENVILLE ANNUAL EXPENDITURE REPORT Year ended December 31, 2021

	<u>2021</u>	Total to Date
BALANCE, beginning of year	\$ 59,664	
REVENUE Interest Province of Newfoundland Labrador	 	59,879 4,197,514 4,257,393
<u>EXPENDITURES</u>		4,197,729
BALANCE, end of year	\$ 59,664	59,664

ON BEHALF OF THE COUNCIL:

MAYUR

#### TOWN OF STEPHENVILLE NOTE TO ANNUAL EXPENDITURE REPORT Year ended December 31, 2021

(a) These funds have been deposited in a Town account and used to finance expenditures related to qualifying infrastructure programs as identified in the Capital Investment Plan.

TOWN OF STEPHENVILLE

GAS TAX FUNDS
Year ended December 31, 2021

TOTALS	253-2019- 6718	253-2017· 6273	253-2016- 6154	253-2016- 6073	253-2015- 5304	253-2014- 2486	253-2014- 2485	253-2014- 2526	253-2011- 1526	253-2009- 606/607	253-2008- 218	Project Number
	1,516,443	816,705	38.566	236,010	23.760	44, 192	89,300	169, 100	892.793	77,760	\$292.885	Amount approved by the Gas Tax Committee
	tocal roads	Recreational I	Drinking water	Local roads	Traffic Study	PSAB Compliance	Lift station upgrade	Road	Vork Avenue	ICSP/ Municipal Plan	Construction of treatment facility	Project title
	Upgrade	Heating system e Upgrade	Upgrade well	Paving program	Traffic	Kunicipal Software	Carolina	Georgia Drive	Water and	ח	Water/Sewer	Project description
	Completes	Complete	Complete	Complete	Complete	Complete	Complete	Complete	Complete	Complete	Complete	Current
												Start and End Date
	1,516,443	816,705	38, 566	236,010	23.760	44,407	89,300	169,100	892,793	77.760	292,885	Total Project Cost
\$	4 *	* 9	*	ě	* *	;			74	;		GST spent In 2021
4,197,729	1.516,443	816,705	38,566	236,010	23,760	44,407	89,300	169, 100	892,793	77,760	292, 885	Total GTFs Spent
				Economic growth	Strong community	Capacity building			Improved water flow	Enhanced sustainability	Improved sewage treatment	Outcomes
			:	Yes	1		Ţ	į.		1	;	Public

# TOWN OF STEPHENVILLE UNAUDITED STATEMENTS OF REVENUE, EXPENDITURES AND SURPLUS December 31, 2021

#### NOTICE TO READER

Based on information provided by management, I have compiled the statements of revenue, expenditures and surplus for the Town of Stephenville for the year ended December 31, 2021.

I have not performed an audit or a review engagement in respect of these financial statements and accordingly I express no assurance thereon.

Readers are cautioned that this statement may not be appropriate for their purposes.

CORNER BROOK, NEWFOUNDLAND LABRADOR

CHARTERED PROFESSIONAL ACCOUNTANT

#### TOWN OF STEPHENVILLE STATEMENT OF SURPLUS Year ended December 31, 2021 (Unaudited - see Notice to Reader)

	<u>Budget</u>	<u>2021</u>	<u>2020</u>
REVENUE	\$8,194,343	8,791,704	8,996,155
EXPENDITURES	8,480,261	9,207,476	8,022,057
SURPLUS (DEFICIT) FOR THE YEAR	<u>\$ (285,918</u> )	(415,772)	974,098
SURPLUS (DEFICIT), beginning of year		901,736	(72, 362)
SURPLUS, end of year		\$ 485,964	901,736

APPROVED BY

Mayor

# TOWN OF STEPHENVILLE STATEMENT OF REVENUE AND EXPENDITURE - REVENUE Year ended December 31, 2021 (Unaudited - see Notice to Reader)

#### REVENUE

	<u>Budget</u>	<u>2021</u>	<u>2020</u>
TAXATION Property tax Water and sewer tax Business tax Licences and permits Grants in lieu of taxes	\$3,616,129 2,124,731 1,534,468 20,000 156,611	3,636,108 2,126,371 1,530,907 12,345 157,164	3,719,103 2,084,051 1,540,562 20,603 158,070
	_7,451,939	7,462,895	7,522,389
GOVERNMENT CONTRIBUTIONS  Municipal assistance grants Special grant for debt charges Provincial gas tax Safe Restart Program/Covid Stimulus Airport funding	414,520 23,234 	414,520 64,560 125,563 214,502	414,520 15,957 64,560 389,196
	437,754	819,145	<u>884,233</u>
OTHER  Fines and meters Water and sewerage - other Interest and services charges Land transactions Service fees Miscellaneous	250 5,000 130,000 40,000 59,400 70,000	161 3,000 138,558 75,515 75,296 217,134	293 1,500 253,452 127,930 74,442 131,916
	304,650	509,664	<u>589,533</u>
	<u>\$8,194,343</u>	8,791,704	8,996,155

## TOWN OF STEPHENVILLE STATEMENT OF REVENUE AND EXPENDITURE - EXPENDITURE Year ended December 31, 2021 (Unaudited - see Notice to Reader)

#### **EXPENDITURE**

	Budget	2021	2020
GENERAL GOVERNMENT Salaries and benefits General office Council Insurance Assessment services Payroll burden	\$ 672,800 368,050 137,500 140,000 92,000 68,000	654,743 438,269 109,073 137,498 85,774 73,833 1,499,190	647,978 277,421 99,664 138,232 86,190 68,693
PROTECTIVE SERVICES Fire protection Municipal enforcement	1,548,750	1,193,027	1,511,462
	82,500	84,158	82,291
	1,631,250	1,277,185	1,593,753
TRANSPORTATION SERVICES Fleet maintenance Maintenance Snow clearing Street lighting	293,600	354,811	318,619
	1,512,377	1,411,534	1,137,800
	372,800	375,126	429,294
	160,000	163,701	165,066
	2,338,777	2,305,172	2,050,779
ENVIRONMENTAL SERVICES Water supply Sanitation	894,800	1,043,053	807,190
	597,000	644,597	682,176
	1,491,800	1,687,650	1,489,366
COMMUNITY DEVELOPMENT Grants and contributions Port Harmon Facility YMCA	665,000	1,187,261	743,178
	30,000	24,397	25,059
	100,000	116,475	105,718
	795,000	1,328,133	873,955
RECREATION Parks and recreation Pool contribution Stadium contribution	134,800	267,399	119,945
	140,000	140,000	120,000
	140,000	154,061	155,000
	414,800	561,460	394,945
FISCAL SERVICES Debt charges Provision for doubtful accounts Capital out of revenue	211,685	163,181	21,890
		120,000	120,000
	118,599	265,505	159,191
	330,284	548,686	301,081
	\$8,480,261	9,207,476	8,022,057

### TOWN OF STEPHENVILLE NOTE TO FINANCIAL STATEMENTS December 31, 2021 (Unaudited - see Notice to Reader)

The attached schedule of surplus, revenue and expenditures for 2021 with 2021 budget and 2020 actuals, have been prepared under the old accounting policies, i.e., pre PSAB.

The main differences between these two schedules and the PSAB financial statements is that these schedules will:

- (2) (3)
- record debt payments as expenditures; record the Town's portion of capital as expenditures; do not treat capital funding as revenue; and do not record amortization of capital assets. (4)

Brian N. Hillier, CPA, CA P. O. Box 783 Corner Brook, NL A2H 6G7

#### Dear Sir:

This representation letter is provided in connection with your audit of the consolidated financial statements of the Town of Stephenville for the year ended December 31, 2021 for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with legislation and Canadian generally accepted accounting principles established by the Public Sector Accounting Board of The Canadian Institute of Chartered Accountants.

I confirm that (to the best of our knowledge and belief, having made such inquires as we considered necessary for the purpose of appropriately informing ourselves):

#### Financial Statements

- (1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated today's date for the preparation of the financial statements in accordance with Canadian generally accepted accounting principles; in particular, the financial statements are fairly presented in accordance therewith.
- (2) Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- (3) Related-party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of Canadian generally accepted accounting principles.
- (4) All events subsequent to the date of the financial statements and for which Canadian generally accepted accounting principles require adjustment or disclosure have been adjusted or disclosed.
- (5) The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. There are no uncorrected misstatements of which we are aware.

#### Information Provided

We have provided you with:

- (1) Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- (2) Additional information that you have requested from us for the purpose of the audit; and
- (3) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

All transactions have been recorded in the accounting records and reflected in the financial statements.

Brian N. Hillier, CPA, CA Page 2

We have disclosed to you all information in relation to fraud or suspected fraud that we aware of and that affects the entity and involves:

(1) Management;

(2)

Employees who have significant roles in internal control; or Others where the fraud could have a material effect on the financial (3) statements.

We have disclosed to you all information in relation to allegations of fraud, suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others.

We have disclosed to you all known instances of non-compliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing the financial statements.

We have disclosed to you the identity of the entity's related parties and all the related-party relationships and transactions of which we are aware.

Yours very truly,

Mayor TOWN OF STEPHENVILLE

#### TOWN OF STEPHENVILLE

### Reconciliation of Annual Surplus per PSAB Financial Statements to Municipal Budget Statement

	<u>2021</u>	2020
Current year PSAB surplus (deficit)	\$(1,409,227)	240,918
Add Expense in PSAB not expensed for Budget:		
Amortization	2,124,444	1,991,139
	715,217	2,232,057
Less		
Expenses not on PSAB but expensed for budget: Capital out of revenue Debt charges - principal Revenue on PSAB not revenue for budget: Capital funding	265,505 149,708	159,191 15,519
Gas tax - federal Municipal capital works	715,776	294,549 788,700
	1,130,989	1,257,959
Municipal surplus (deficit)	<u>\$ (415,772</u> )	974.098

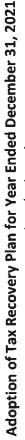
Expenditure Report, Local Government Tax Funding Agreement for the Year Ended December 31, Adoption, Consolidated Financial Statements for Period Ending December 31, 2021 and Annual

Motion No. 22-170

White/Boland

the period ended December 31, 2021 and Annual Expenditure Report, Local Gas Tax Funding It was the recommendation of the Finance Committee that the Consolidated Financial Statements for Agreement for the Year ended December 31, 2021 be adopted.

Carried Unanimously



Motion No. 22-171

White/Aylward

That the recommendation of the Finance Committee be accepted and the adoption of the Tax Recovery Plan for year ended December 31, 2021, be approved.