

TOWN OF BENTLEY



Consolidated Financial Statements and
Independent Auditor's Report
December 31, 2021



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INDEPENDENT AUDITOR'S REPORT

To the Members of Council of Town of Bentley

Opinion

We have audited the accompanying consolidated financial statements of Town of Bentley, which comprises of the consolidated statement of financial position as at December 31, 2021 and the consolidated statements of operations and accumulated surplus, changes in net financial assets (debt) and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Town of Bentley as at December 31, 2021, and its result of operations, its changes in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

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

In preparing the financial statements, management is responsible for assessing the 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 Financial Statements

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

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

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

Red Deer County, Alberta
March 23, 2022

RSM Alberta LLP

Chartered Professional Accountants

TOWN OF BENTLEY

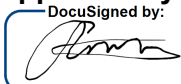
Contents December 31, 2021

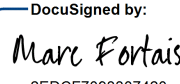
Financial Statements	Page
Consolidated Statement of Financial Position	1
Consolidated Statement of Operations and Accumulated Surplus	2
Consolidated Statement of Changes in Net Financial Assets (Debt)	3
Consolidated Statement of Cash Flows	4
Consolidated Schedule of Changes in Accumulated Surplus	5
Consolidated Schedule of Tangible Capital Assets	6
Consolidated Schedule of Property and Other Taxes	7
Consolidated Schedule of Government Transfers	8
Consolidated Schedule of Expenses by Object	9
Notes to the Consolidated Financial Statements	10 - 19
Supplementary Financial Information	20

TOWN OF BENTLEY
Consolidated Statement of Financial Position
December 31, 2021

	2021	2020
FINANCIAL ASSETS		
Cash	\$ 1,190,162	1,541,416
Trade and other receivables	182,292	140,911
Taxes receivable (note 3)	<u>212,191</u>	<u>218,744</u>
	<u>1,584,645</u>	<u>1,901,071</u>
LIABILITIES		
Accounts payable and accruals (note 5)	226,110	205,311
Deferred revenue (note 6)	135,718	346,418
Long-term debt (note 7)	576,433	953,459
Trust liabilities	<u>62,988</u>	<u>62,988</u>
	<u>1,001,249</u>	<u>1,568,176</u>
Contingent liabilities (note 9)		
NET FINANCIAL ASSETS	<u>583,396</u>	<u>332,895</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (page 6)	14,306,992	13,871,884
Prepaid expenses	60,922	55,851
Inventory for consumption	10,000	10,000
Land for resale inventory (note 10)	<u>664,000</u>	<u>657,000</u>
	<u>15,041,914</u>	<u>14,594,735</u>
ACCUMULATED SURPLUS (note 11)	<u>\$15,625,310</u>	<u>14,927,630</u>
Commitments (note 12)		

Approved by Council:

DocuSigned by:

 D556903F38B/A4DA...
 Mayor

DocuSigned by:

 2EDCF7093307420...
 Chief Administrative Officer

See accompanying schedules and notes.

TOWN OF BENTLEY**Consolidated Statement of Operations and Accumulated Surplus
Year Ended December 31, 2021**

	Budget (unaudited)	2021	2020
Revenue			
Net municipal taxes (page 7)	\$ 1,162,624	1,161,186	1,151,491
Government transfers for operating (page 8)	377,385	413,375	443,967
User fees and sales of goods	694,350	627,775	727,151
Other	97,149	152,823	66,064
Franchise fees (note 15)	105,000	114,485	108,717
Penalties and cost of taxes	53,500	8,435	33,353
Licenses and permits	6,000	7,839	4,865
Fines	2,000	3,975	2,100
Investment income	<u>7,000</u>	<u>2,227</u>	<u>5,080</u>
	<u>2,505,008</u>	<u>2,492,120</u>	<u>2,542,788</u>
Expenses (page 9)			
Administrative	364,474	433,989	381,604
Parks and recreation	302,708	397,269	390,399
Roads, streets, walks and lighting	246,907	380,727	379,913
Wastewater treatment and disposal	125,859	236,415	242,639
Waste management	195,016	222,822	205,855
Water supply and distribution	137,778	202,778	203,030
Common services	142,026	163,185	156,735
Library	54,803	115,195	112,968
Fire	82,878	103,631	199,603
Disaster services and bylaws enforcement	96,657	95,597	87,968
Municipal planning and zoning	172,500	85,812	43,410
Family and community support	59,200	77,505	79,806
Legislative	63,980	66,113	57,287
Oxford school (heritage)	<u>7,133</u>	<u>6,699</u>	<u>7,668</u>
	<u>2,051,919</u>	<u>2,587,737</u>	<u>2,548,885</u>
Deficiency of revenue over expenses before the following	453,089	(95,617)	(6,097)
Other income (expenses)			
Government transfers for capital (page 8)	425,123	793,297	264,214
Impairment of land for resale inventory	<u>-</u>	<u>-</u>	<u>(215,789)</u>
Excess of revenue over expenses	878,212	697,680	42,328
Accumulated surplus, beginning of year	<u>14,927,630</u>	<u>14,927,630</u>	<u>14,885,302</u>
Accumulated surplus, end of year	<u>\$ 15,805,842</u>	<u>15,625,310</u>	<u>14,927,630</u>

See accompanying schedules and notes.

TOWN OF BENTLEY**Consolidated Statement of Changes in Net Financial Assets (Debt)
Year Ended December 31, 2021**

	Budget (unaudited)	2021	2020
Excess of revenue over expenses	\$ 878,212	697,680	42,328
Acquisition of tangible capital assets	(1,024,059)	(968,997)	(233,187)
Amortization of tangible capital assets	-	533,888	494,212
Change in prepaid expenses	-	(5,070)	2,810
Change in land for resale inventory	<u>-</u>	<u>(7,000)</u>	<u>204,601</u>
Increase (decrease) in net financial assets	(145,847)	250,501	510,764
Net financial assets (debt), beginning of year	<u>332,895</u>	<u>332,895</u>	<u>(177,869)</u>
Net financial assets, end of year	\$ <u>187,048</u>	\$ <u>583,396</u>	<u>332,895</u>

See accompanying schedules and notes.

TOWN OF BENTLEY
Consolidated Statement of Cash Flows
Year Ended December 31, 2021

	2021	2020
CASH PROVIDED BY (USED FOR)		
Operating activities		
Cash receipts from ratepayers, services and agencies	\$ 2,437,050	2,962,175
Cash paid to suppliers, employees and agencies	(1,993,073)	(2,086,618)
Interest received	2,227	5,080
Interest paid	<u>(45,045)</u>	<u>(59,409)</u>
	<u>401,159</u>	<u>821,228</u>
Capital activities		
Purchase of tangible capital assets	(968,997)	(233,187)
Government transfers for capital	600,610	264,214
Land for resale inventory	<u>(7,000)</u>	<u>(11,188)</u>
	<u>(375,387)</u>	<u>19,839</u>
Financing activities		
Repayment of long-term debt	<u>(377,026)</u>	<u>(368,963)</u>
Increase (decrease) in cash	(351,254)	472,104
Cash, beginning of year	<u>1,541,416</u>	<u>1,069,312</u>
Cash, end of year	<u>\$ 1,190,162</u>	<u>1,541,416</u>

See accompanying schedules and notes.

TOWN OF BENTLEY
Consolidated Schedule of Changes in Accumulated Surplus
Year Ended December 31, 2021

	Unrestricted	Reserves	Equity in Library	Equity in Tangible Capital Assets	2021	2020
Balance, beginning of year	\$ 918	1,554,226	35,082	13,337,404	14,927,630	14,885,302
Excess of revenue over expenses	697,680	-	-	-	697,680	42,328
Transfer to reserves	(135,000)	135,000	-	-	-	-
Current year funds used for tangible capital assets	(767,039)	(201,958)	-	968,997	-	-
Annual amortization expense	533,888	-	-	(533,888)	-	-
Long-term debt repaid related to tangible capital assets	(242,143)	-	-	242,143	-	-
Bentley Fire Department excess of revenue over expenses	244	(244)	-	-	-	-
Bentley Municipal Library excess of revenues over expenses	(4,168)	-	4,168	-	-	-
Balance, end of year	<u>\$ 84,380</u>	<u>1,487,024</u>	<u>39,250</u>	<u>14,014,656</u>	<u>15,625,310</u>	<u>14,927,630</u>

See accompanying schedules and notes.



TOWN OF BENTLEY
Consolidated Schedule of Tangible Capital Assets
Year Ended December 31, 2021

	Land	Buildings	Water distribution systems	Wastewater distribution systems	Engineering structures	Machinery and equipment	Vehicles	2021	2020
Cost									
Beginning balance	\$ 405,683	3,818,876	4,318,348	8,491,012	8,878,659	1,033,745	601,348	27,547,671	27,314,484
Additions	<u>16,378</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>748,759</u>	<u>91,860</u>	<u>112,000</u>	<u>968,997</u>	<u>233,187</u>
Ending balance	<u>422,061</u>	<u>3,818,876</u>	<u>4,318,348</u>	<u>8,491,012</u>	<u>9,627,418</u>	<u>1,125,605</u>	<u>713,348</u>	<u>28,516,668</u>	<u>27,547,671</u>
Accumulated amortization									
Beginning balance	-	1,423,097	3,045,083	4,767,833	3,350,486	681,451	407,837	13,675,787	13,181,575
Amortization	<u>-</u>	<u>80,918</u>	<u>66,599</u>	<u>142,996</u>	<u>162,345</u>	<u>59,661</u>	<u>21,369</u>	<u>533,888</u>	<u>494,212</u>
Ending balance	<u>-</u>	<u>1,504,015</u>	<u>3,111,682</u>	<u>4,910,829</u>	<u>3,512,831</u>	<u>741,112</u>	<u>429,206</u>	<u>14,209,675</u>	<u>13,675,787</u>
Net book value	\$ <u>422,061</u>	<u>2,314,861</u>	<u>1,206,666</u>	<u>3,580,183</u>	<u>6,114,587</u>	<u>384,493</u>	<u>284,142</u>	<u>14,306,993</u>	<u>13,871,884</u>
2020 net book value	\$ <u>405,683</u>	<u>2,395,779</u>	<u>1,273,265</u>	<u>3,723,179</u>	<u>5,528,173</u>	<u>352,294</u>	<u>193,511</u>	<u>13,871,884</u>	



TOWN OF BENTLEY**Consolidated Schedule of Property and Other Taxes
Year Ended December 31, 2021**

	Budget (unaudited)	2021	2020
Taxation			
Real property taxes	\$ 1,430,660	1,429,353	1,420,128
Linear property taxes	<u>25,479</u>	<u>25,908</u>	<u>25,479</u>
	<u>1,456,139</u>	<u>1,455,261</u>	<u>1,445,607</u>
Requisitions			
Alberta School Foundation Fund	287,231	287,579	287,620
Lacombe Foundation	<u>6,284</u>	<u>6,496</u>	<u>6,496</u>
	<u>293,515</u>	<u>294,075</u>	<u>294,116</u>
Net municipal taxes	<u>\$ 1,162,624</u>	<u>1,161,186</u>	<u>1,151,491</u>

TOWN OF BENTLEY
Consolidated Schedule of Government Transfers
Year Ended December 31, 2021

	Budget (unaudited)	2021	2020
Operating transfers			
Provincial Government	\$ 231,433	251,873	257,299
Other Local Governments	<u>145,952</u>	<u>161,502</u>	<u>186,668</u>
	<u>377,385</u>	<u>413,375</u>	<u>443,967</u>
Capital transfers			
Provincial Government	<u>425,123</u>	<u>793,297</u>	<u>264,214</u>
	<u>\$ 802,508</u>	<u>1,206,672</u>	<u>708,181</u>

TOWN OF BENTLEY
Consolidated Schedule of Expenses by Object
Year Ended December 31, 2021

	Budget (unaudited)	2021	2020
Salaries, wages and benefits	\$ 758,193	827,199	872,144
Contracted and general services	819,414	721,049	612,578
Amortization	-	533,888	494,212
Materials, goods and utilities	305,125	322,032	367,818
Transfers to local boards and agencies	134,187	138,521	142,724
Interest on long-term debt	20,000	28,792	43,228
Bank charges and short-term interest	<u>15,000</u>	<u>16,256</u>	<u>16,181</u>
	<u>\$ 2,051,919</u>	<u>2,587,737</u>	<u>2,548,885</u>

TOWN OF BENTLEY

Notes to the Consolidated Financial Statements

December 31, 2021

1. Nature of Activities

The Town of Bentley is incorporated under the Municipal Government Act and carries out the administration and operation of the town.

2. Significant Accounting Policies

The consolidated financial statements of the Town of Bentley are the representations of management prepared in accordance with public sector accounting standards established by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada. Significant aspects of the accounting policies adopted are as follows:

Reporting entity

The consolidated financial statements reflect the assets, liabilities, revenues and expenditures, changes in net financial assets and cash flows 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. Included with the municipality are the following:

- Bentley Volunteer Fire Department
- Bentley Municipal Library

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.

Basis of accounting

The consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognizes the effect of transactions and events in the period in which the transactions and events occur, regardless of whether there has been a receipt or payment of cash or its equivalent.

i. Revenue

Revenue is recognized as it is earned and measurable. Funds from external parties, and earnings thereon, restricted by agreement or legislation are accounted for as deferred revenue until the related expenses are incurred, services performed or tangible capital assets are acquired.

TOWN OF BENTLEY

Notes to the Consolidated Financial Statements December 31, 2021

2. Significant Accounting Policies (Continued)

ii. 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.

iii. 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.

iv. Expenses

Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or legal obligation to pay.

Measurement uncertainty

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Significant areas requiring the use of estimates include: inventory valuation, land for resale inventory, and estimated useful lives of tangible capital assets. Actual results may differ from management's best estimates as additional information becomes available in the future.

Non-financial assets

Non-financial assets, except land for resale inventory, 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 revenue over expenses, provides the consolidated changes in net financial assets (debt) for the year. Non-financial assets consist of the following:

i. Inventory for consumption

The cost of inventories of material and supplies for consumption is estimated by management.

TOWN OF BENTLEY

Notes to the Consolidated Financial Statements December 31, 2021

2. Significant Accounting Policies (Continued)

ii. 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 assets. The cost, less residual value, of the tangible capital assets are amortized on a straight-line basis over the estimated useful life as follows:

Buildings	15 to 50 years
Wastewater distribution systems	50 to 83 years
Water distribution systems	15 to 80 years
Engineering structures	25 to 45 years
Machinery and equipment	5 to 45 years
Vehicles	10 to 20 years

One half the amortization is calculated in the year of acquisition. No amortization is calculated in the year of disposition. Assets under construction are not amortized until the asset is available for productive use. Tangible capital assets are written down when conditions indicate that they no longer contribute to the Town's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. Net write-downs are accounted for as expenses in the Consolidated Statement of Operations and Accumulated Surplus.

iii. Contributions of tangible capital assets

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

iv. Prepaid expenses

Expenses paid in advance where services have not been performed or materials have not been received.

v. Land for resale inventory

Land for resale inventory is recorded at the lower of cost or net realizable value. Cost includes costs for land acquisition and improvements. Related development costs for infrastructure such as water and waste water services, roads, sidewalks and lighting are recorded as physical assets under their respective functions.

Trust liability - public reserve

Certain funds collected as a result of the development of land are held in trust for the purpose of developing a public park or public recreation area. The funds can also be transferred to a school board or to separate areas of land that are used for different purposes.

TOWN OF BENTLEY
Notes to the Consolidated Financial Statements
December 31, 2021

3. Taxes Receivable

Included in taxes receivable are current taxes and grants in lieu of taxes receivable of \$114,047 (2020 - \$143,862) and taxes in arrears of \$98,144 (2020 - \$74,882).

4. Line of Credit

The Town has an undrawn \$500,000 operating line of credit, bearing interest at the bank prime rate (currently 2.45%). Collateral is provided by a general security agreement.

5. Employee Benefit Obligation

Included in accounts payable is \$21,512 (2020 - \$35,732) of accrued vacation benefits that are being deferred to future years. Employees have earned the benefit and are entitled to use the benefit within the next fiscal year.

6. Deferred Revenue	2021	2020
Alberta Community Partnership	\$ 98,100	-
Municipal Sustainability Initiative	29,104	160,128
Prepayment for animal and business licenses and ice rentals	8,514	14,915
Municipal Stimulus Program	-	91,779
Federal Gas Tax Funding	-	61,663
Municipal Operating Support Transfer	-	17,933
	<u>\$ 135,718</u>	<u>346,418</u>

The Alberta Community Partnership grant is restricted to development of area structure plans expenditures.

The Municipal Sustainability Initiative consists of grant funding designated for the Concrete Replacement capital project.

TOWN OF BENTLEY**Notes to the Consolidated Financial Statements
December 31, 2021**

7. Long-Term Debt	2021	2020
Demand bank loan repayable in monthly installments of \$12,280 including principal and interest at 3.49%, due December 2023. The loan was obtained to purchase the land for resale inventory. Collateral is provided by a general security agreement.	\$ 284,095	418,980
Demand bank loan repayable in annual principal installments of \$9,320 and interest of 3.49% paid monthly, due September 2024. Collateral is provided by a general security agreement.	292,338	392,079
Demand bank loan repaid.	<u>-</u>	<u>142,400</u>
	<u>\$ 576,433</u>	<u>953,459</u>

Notwithstanding the demand nature of the loans, the estimated principal and interest repayments for the next three years are as follows:

	Principal	Interest	Total
2022	\$ 242,815	16,385	259,200
2023	251,496	7,704	259,200
2024	<u>82,122</u>	<u>1,198</u>	<u>83,320</u>
	<u>\$ 576,433</u>	<u>25,287</u>	<u>601,720</u>

TOWN OF BENTLEY

Notes to the Consolidated Financial Statements

December 31, 2021

8. 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 municipality as follows:

	2021	2020
Total debt limit	\$ 3,738,179	3,814,182
Total debt	<u>576,625</u>	<u>953,459</u>
Amount of debt limit unused	<u>3,161,554</u>	<u>2,860,723</u>
Service limit of debt	\$ 623,030	635,697
Service on debt	<u>259,200</u>	<u>408,152</u>
Amount of debt servicing limit unused	<u>\$ 363,830</u>	<u>227,545</u>

The debt limit is calculated at 1.5 times the 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.

9. Contingent liabilities

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

The Town owns, manages, and maintains the Oxford School building. Subsequent to year end the Town had an assessment completed of the building which identified that it does not meet current building code requirements. A decision to rehabilitate or demolish the building is needed and Town Council must approve a plan before any work begins. Reasonable estimates of the cost of rehabilitation or demolition cannot be made until a plan is developed in conjunction with Town Council.

TOWN OF BENTLEY**Notes to the Consolidated Financial Statements
December 31, 2021****10. Land for resale inventory**

The Town owns a subdivision with 30 lots held for resale. The lots are listed with a realtor and are ready to be sold. The lots are included in non-financial assets as it cannot be reasonably anticipated that all the lots will be sold within a one year period.

The purchase of the land for resale inventory and additional costs to get the land available for resale was funded by general operations. When the sale of these lots occur the money will replenish the cash balance held by the Town.

11. Accumulated Surplus	2021	2020
Unrestricted surplus	\$ <u>84,380</u>	<u>918</u>
Reserves:		
Operating:		
Operating contingencies	48,199	48,199
Recreation and parks	47,985	47,985
Community services	31,205	31,205
Fire department	28,140	28,384
Administration	6,780	6,780
Bike path	3,214	3,214
Bentley Centennial (2015)	<u>1,266</u>	<u>1,266</u>
	<u>166,789</u>	<u>167,033</u>
Capital:		
General	531,246	562,003
Wastewater	248,000	228,000
Water and wastewater	208,963	198,963
Equipment replacement - public works	120,952	67,097
Arena upgrades	80,968	60,968
Fleet replacement - fire	59,541	87,597
Garbage collection equipment	36,000	148,000
Roads, streets and sidewalks	29,000	29,000
Administration	<u>5,565</u>	<u>5,565</u>
	<u>1,320,235</u>	<u>1,387,193</u>
Total reserves	<u>1,487,024</u>	<u>1,554,226</u>
Equity in tangible capital assets		
Tangible capital assets (page 6)	14,306,993	13,871,884
Related long-term debt	<u>(292,337)</u>	<u>(534,480)</u>
	<u>14,014,656</u>	<u>13,337,404</u>
Equity in Bentley Municipal Library	<u>39,250</u>	<u>35,082</u>
	\$ <u>15,625,310</u>	<u>14,927,630</u>

TOWN OF BENTLEY

Notes to the Consolidated Financial Statements

December 31, 2021

12. Commitments

The Town of Bentley is a member of the Lacombe Regional Solid Waste Services Commission (the "Commission"). Members of the Commission pay a quarterly requisition calculated on a per capita basis. The Commission's estimated budget for the Town of Bentley requisitions for the year-ended December 31, 2022 is \$70,070 (2021- \$70,070).

13. Salary and Benefits Disclosure

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:

	Salary (1)	Benefits and allowances (2)	2021 Total	2020 Total
Councillors				
Greg Rathjen, Mayor	\$ 12,132	-	12,132	10,184
Neil Maki, Councillor	4,083	-	4,083	6,053
Cora Knutson, Councillor	4,046	-	4,046	5,225
Joan Dickau, Councillor	3,935	-	3,935	5,053
Doug Talsma, Councillor	3,467	-	3,467	4,740
Pam Hansen, Councillor	3,296	-	3,296	-
Lenore Eastman, Councillor	2,795	-	2,795	-
Dale Grimsdale, Councillor	1,893	-	1,893	-
Brenda Valiquette, Councillor	1,889	-	1,889	-
Marc Fortais, CAO	130,000	12,848	142,848	131,758
Elizabeth Smart, CAO	-	-	-	21,447
	<u>\$ 167,536</u>	<u>12,848</u>	<u>721,536</u>	<u>184,460</u>

(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 health care and RRSP contributions.

TOWN OF BENTLEY

Notes to the Consolidated Financial Statements

December 31, 2021

14. Contingent Assets

The Town qualifies to receive a Federal Gas Tax Fund grant of \$126,222 for 2021. Project applications need to be completed and submitted in order to receive the government transfers. Receipt of the funds are contingent on the Government of Alberta approving the project applications.

15. Contractual Rights

The Town has contractual rights to franchise fees from ATCO Gas and Fortis Alberta for 12% of the gross usage charges for gas and 10% of the gross usage charges for electricity respectively each year.

16. Financial Instruments

The Town's financial instruments consist of cash, taxes receivable, trade and other receivables, accounts payable and accruals, and long-term debt. The fair value of these financial instruments approximates their carrying value, unless otherwise noted. It is management's opinion that the Town is not exposed to significant interest, currency, market, liquidity or credit risks arising from these financial instruments except as follows:

Interest rate risk

The Town is exposed to interest rate price risk as long-term debt bears interest at fixed interest rates.

Credit risk

The Town is exposed to credit risk with respect to taxes receivable 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 certain rights granted to the town under the Municipal Government Act minimizes the credit risk.

TOWN OF BENTLEY

Notes to the Consolidated Financial Statements December 31, 2021

17. Budget Amounts

Council and management approved the 2021 budget for the Town of Bentley on December 15, 2020.

18. Approval of Financial Statements

Council and management have approved these financial statements.

TOWN OF BENTLEY
Supplementary Financial Information
Year Ended December 31, 2021

Reconciliation of 2021 Budget to Operating Results

Effective January 1, 2009 the Town adopted the changes required under the Public Sector Accounting Board (PSAB) Handbook, including Section 1200, "Financial Statement Presentation". Under these requirements, the Town is required to use a full accrual reporting model for preparation of its consolidated financial statements. However, the Town continues to use a cash requirement basis in determining its annual budget. The reconciliation below is for information purposes only to provide users with supplementary comparative information. It should not be used as a replacement for the consolidated financial statements provided and users should note that this information may not be appropriate for their purposes.

	Budget (unaudited)	2021	2020
Excess of revenue over expenses per financial statements	\$ 878,212	697,680	42,328
Capital expenditures:			
Add: amortization expense	-	533,888	494,212
Deduct: tangible capital assets acquired	<u>(1,021,059)</u>	<u>(968,997)</u>	<u>(317,835)</u>
Excess (deficiency) of operating and capital revenues over expenditures	(142,847)	262,571	218,705
Capital financing:			
Add: interest on long-term capital debt	20,000	28,791	10,591
Deduct: repayment of capital debt, including interest	<u>(153,000)</u>	<u>(270,934)</u>	<u>(249,338)</u>
Net surplus (deficiency) before the following	(275,847)	20,428	(20,042)
Other:			
Add (Deduct): transfer from (to) operating reserves	(20,000)	243	(328)
Add (Deduct): transfer to (from) capital reserves	566,336	66,959	(146,480)
Deduct: Bentley Municipal Library excess of revenues over expenses	-	(4,168)	(576)
Deduct: repayment of Subdivision loan	<u>(270,000)</u>	<u>-</u>	<u>-</u>
Increase (decrease) in unrestricted surplus	\$ <u>489</u>	<u>83,462</u>	<u>(167,426)</u>