

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

Brian N. Hillier

Chartered Professional Accountant

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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

6 July 2022



CHARTERED PROFESSIONAL ACCOUNTANT

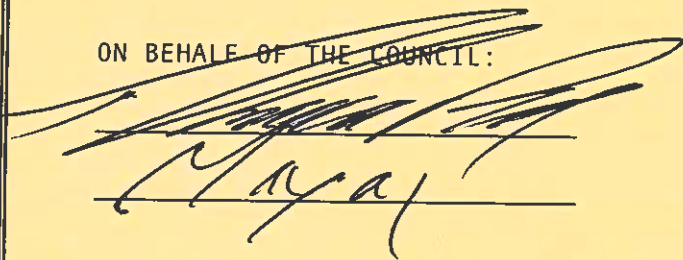
I, Thomas P. [Signature] (Name), [Signature] (Title), of the Town of Stephenville certify that the information reported is a true and accurate representation of the Town's position with respect to its federal gas tax revenues. I acknowledge and understand that any contravention of the terms and conditions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

[Signature]
Signature
10/14/2022
Date

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

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

ON BEHALF OF THE COUNCIL:



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

Project Number	Amount approved by the Gas Tax Committee	Project title	Project description	Current status	Start and End Date	Total Project Cost	65T spent in 2021	Total GTFs Spent	Outcomes	Public Tender
253-2008-218	\$292,885	Construction of treatment facility	Water/Sewer	Complete		292,885	--	292,885	Improved sewage treatment	--
253-2009-606/607	77,760	ICSP/ Municipal Plan		Complete		77,760	--	77,760	Enhanced sustainability	--
253-2011-1526	892,793	York Avenue upgrade	Water and storm sewer	Complete		892,793	--	892,793	Improved water flow	--
253-2014-2526	169,100	Road upgrade	Georgia Drive	Complete		169,100		169,100		--
253-2014-2485	89,300	Lift station upgrade	Carolina Avenue	Complete		89,300		89,300		--
253-2014-2486	44,192	PSAB Compliance	Municipal Software	Complete		44,407	--	44,407	Capacity building	--
253-2015-5304	23,760	Traffic Study	Traffic Study	Complete		23,760	--	23,760	Strong community	--
253-2016-6073	236,010	Local roads	Paving program	Complete		236,010	--	236,010	Economic growth	Yes
253-2016-6154	38,566	Drinking water	Upgrade well	Complete		38,566	--	38,566		--
253-2017-6273	816,705	Recreational Infrastructure	Heating system Upgrade	Complete		816,705	--	816,705		--
253-2019-6718	1,516,443	Local roads	Upgrade	Completes		1,516,443	--	<u>1,516,443</u>		
TOTALS							--	<u>4,197,729</u>		

TOWN OF STEPHENVILLE
CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021

TOWN OF STEPHENVILLE
CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021
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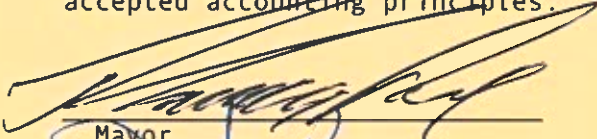
STATEMENT OF RESPONSIBILITY

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.

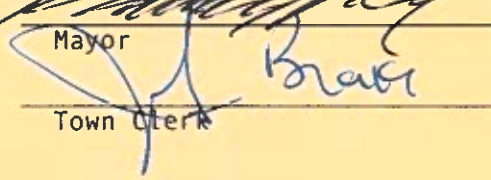
In carrying out its responsibilities, management maintains appropriate systems of internal and administrative controls designed to provide reasonable assurance that transactions are executed in accordance with proper authorization, that assets are properly accounted for and safeguarded, and that financial 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 present fairly the financial position and results of the Municipality in accordance with Canadian generally accepted accounting principles.



Mayor



Town Clerk

Brian N. Hillier

Chartered Professional Accountant

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Corner Brook, NL

A2H 6G7

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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.

..... Cont'd

INDEPENDENT AUDITOR'S REPORT (Cont'd)

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.

..... Cont'd

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

6 July 2022

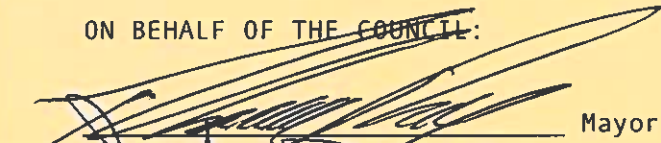



CHARTERED PROFESSIONAL ACCOUNTANT

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

	<u>2021</u>	<u>2020</u>
<u>FINANCIAL ASSETS</u>		
Cash and short-term investments (Note 3)	\$ 336,533	59,664
Accounts receivable (Note 4)	<u>1,859,352</u>	<u>1,699,813</u>
	<u>2,195,885</u>	<u>1,759,477</u>
<u>LIABILITIES</u>		
Due to bank (Note 5)	190,000	35,284
Accounts payable and accrued liabilities (Note 6)	1,202,514	1,336,527
Severance pay accrual	334,760	349,555
Long-term debt (Note 7)	696,564	--
NLHC land mortgage (Note 8)	<u>995,511</u>	<u>995,511</u>
	<u>3,419,349</u>	<u>2,716,877</u>
<u>NET FINANCIAL ASSETS (DEBT)</u>	<u>(1,223,464)</u>	<u>(957,400)</u>
<u>NON-FINANCIAL ASSETS</u>		
Tangible capital assets (Schedule I)	39,757,059	40,900,222
Prepaid expenses	74,705	74,705
Land for resale	<u>995,511</u>	<u>995,511</u>
	<u>40,827,275</u>	<u>41,970,438</u>
<u>ACCUMULATED EQUITY</u>	<u>\$39,603,811</u>	<u>41,013,038</u>
<u>CONTINGENCIES (Note 9)</u>		

ON BEHALF OF THE COUNCIL:


 _____ Mayor


 _____ Town Clerk

The accompanying notes are an integral part of this financial statement.

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

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

The accompanying notes are an integral part of this financial statement.

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

REVENUE

	<u>Budget</u> (Schedule II)	<u>2021</u>	<u>2020</u>
<u>TAXATION</u>			
Property tax	\$3,616,129	3,636,108	3,719,103
Water and sewer tax	2,124,731	2,126,371	2,084,051
Business tax	1,534,468	1,530,907	1,540,562
Grants in lieu of taxes	<u>156,611</u>	<u>157,164</u>	<u>158,070</u>
	<u>7,431,939</u>	<u>7,450,550</u>	<u>7,501,786</u>
<u>GOVERNMENT CONTRIBUTIONS</u>			
Municipal assistance grants	414,520	414,520	414,520
Grants regarding debt	23,234	--	15,957
Gas tax	--	--	294,549
Municipal capital works	715,776	715,776	788,700
Provincial gas tax	--	64,560	64,560
Safe Restart Program/Covid Stimulus	--	125,563	389,196
Airport funding	<u>--</u>	<u>214,502</u>	<u>--</u>
	<u>1,153,530</u>	<u>1,534,921</u>	<u>1,967,482</u>
<u>OTHER</u>			
Licences and permits	20,000	12,345	20,603
Fines and meters	250	161	293
Interest and service charges	130,000	138,558	253,452
Water and sewerage - other	5,000	3,000	1,500
Land transactions	40,000	75,515	127,930
Service fees	59,400	75,296	74,442
Miscellaneous	<u>70,000</u>	<u>217,134</u>	<u>131,916</u>
	<u>324,650</u>	<u>522,009</u>	<u>610,136</u>
	<u>\$8,910,119</u>	<u>9,507,480</u>	<u>10,079,404</u>

The accompanying notes are an integral part of this financial statement.

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

	<u>Budget</u> (Schedule II)	<u>2021</u>	<u>2020</u>
<u>GENERAL GOVERNMENT</u>			
Salaries and benefits	\$ 672,800	654,743	647,978
General office	368,050	438,269	277,421
Council	137,500	109,073	99,664
Insurance	140,000	137,498	138,232
Assessment services	92,000	85,774	86,190
Payroll burden	68,000	73,833	68,693
Tax allowance	--	120,000	120,000
Interest on long-term debt	61,977	13,473	6,371
Amortization	<u>2,124,444</u>	<u>2,124,444</u>	<u>1,991,139</u>
	<u>3,664,771</u>	<u>3,757,107</u>	<u>3,435,688</u>
<u>PROTECTIVE SERVICES</u>			
Fire protection	1,548,750	1,193,027	1,511,462
Municipal enforcement	<u>82,500</u>	<u>84,158</u>	<u>82,291</u>
	<u>1,631,250</u>	<u>1,277,185</u>	<u>1,593,753</u>
<u>TRANSPORTATION SERVICES</u>			
Fleet maintenance	293,600	354,811	318,619
Maintenance	1,512,377	1,411,534	1,137,800
Snow clearing	372,800	375,126	429,294
Street lighting	<u>160,000</u>	<u>163,701</u>	<u>165,066</u>
	<u>2,338,777</u>	<u>2,305,172</u>	<u>2,050,779</u>
<u>ENVIRONMENTAL SERVICES</u>			
Water supply	894,800	1,043,053	807,190
Sanitation	<u>597,000</u>	<u>644,597</u>	<u>682,176</u>
	<u>1,491,800</u>	<u>1,687,650</u>	<u>1,489,366</u>
<u>COMMUNITY DEVELOPMENT</u>			
Grants and contributions	665,000	1,187,261	743,178
Port Harmon Facility	30,000	24,397	25,059
YMCA	<u>100,000</u>	<u>116,475</u>	<u>105,718</u>
	<u>795,000</u>	<u>1,328,133</u>	<u>873,955</u>
<u>RECREATION</u>			
Parks and recreation	134,800	267,399	119,945
Pool contribution	140,000	140,000	120,000
Stadium contribution	<u>140,000</u>	<u>154,061</u>	<u>155,000</u>
	<u>414,800</u>	<u>561,460</u>	<u>394,945</u>
	<u>\$10,336,398</u>	<u>10,916,707</u>	<u>9,838,486</u>

The accompanying notes are an integral part of this financial statement.

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

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

The accompanying notes are an integral part of this financial statement.

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

	<u>2021</u>	<u>2020</u>
<u>OPERATING TRANSACTIONS:</u>		
Annual surplus (deficit)	\$(1,409,227)	240,918
Change in non-cash items:		
Working capital	(293,552)	252,046
Amortization	2,124,444	1,991,139
Severance pay accrual	<u>(14,795)</u>	<u>41,868</u>
	<u>406,870</u>	<u>2,525,971</u>
<u>CAPITAL TRANSACTIONS:</u>		
Acquisition of tangible capital assets	<u>(981,281)</u>	<u>(1,627,709)</u>
<u>FINANCING TRANSACTIONS:</u>		
Proceeds of long-term borrowings	846,272	--
Repayment of long-term debt	<u>(149,708)</u>	<u>(15,519)</u>
	<u>696,564</u>	<u>(15,519)</u>
<u>INCREASE (DECREASE) IN CASH</u>	122,153	882,743
<u>CASH, beginning of year</u>	<u>24,380</u>	<u>(858,363)</u>
<u>CASH, end of year</u>	<u>\$ 146,533</u>	<u>24,380</u>
 <u>CASH consists of:</u>		
Cash and short-term investments	\$ 336,533	59,664
Due to bank	<u>(190,000)</u>	<u>(35,284)</u>
	<u>\$ 146,533</u>	<u>24,380</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF STEPHENVILLE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021

1. 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	4 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.

..... Cont'd

TOWN OF STEPHENVILLE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021

2. 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

	<u>2021</u>	<u>2020</u>
Municipal funds	\$ 276,889	--
Gas tax funds	<u>59,644</u>	<u>59,664</u>
	<u>\$ 336,533</u>	<u>59,664</u>

4. ACCOUNTS RECEIVABLE

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

TOWN OF STEPHENVILLE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021

5. DUE TO BANK

	<u>2021</u>	<u>2020</u>
Operating loan	\$ 190,000	--
Current account overdraft	--	35,284
	<u>\$ 190,000</u>	<u>35,284</u>

6. ACCOUNTS PAYABLE

	<u>2021</u>	<u>2020</u>
Accounts payable - trade	\$ 618,467	690,635
Payroll liabilities	533,247	493,195
Security deposit	50,800	50,800
Deferred funding	--	101,897
	<u>\$1,202,514</u>	<u>1,336,527</u>

7. LONG-TERM DEBT

	<u>2021</u>	<u>2020</u>
<u>Bank loans</u>		
1.96% loan, payable in blended installments of \$14,819, maturing in 2026	\$ 696,564	--

Principal repayments due over the next five years are as follows:

2022	\$163,316
2023	168,215
2024	173,262
2025	177,243
2026	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.

TOWN OF STEPHENVILLE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021

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

	Cost		Accumulated Amortizations		Net Book Value December 31, 2021
	December 31, 2020	December 31, 2021	December 31, 2020	December 31, 2021	
Land					
Buildings	\$ 1,248,963	1,267,891	--	--	1,267,891
Equipment - general	14,595,684	14,595,684	4,751,459	5,157,878	9,437,806
	1,524,620	1,461,778	655,106	627,536	834,242
		(77,662)		(77,662)	
Transportation infrastructure/equipment	39,255,390	556,073	29,891,030	943,637	8,976,796
Water and sewer infrastructure	36,032,568	391,460	16,459,408	724,296	19,240,324
	\$92,657,225	981,281	51,757,003	2,124,444	39,757,059
		(77,662)		(77,662)	

	Cost		Accumulated Amortizations		Net Book Value December 31, 2020
	December 31, 2019	December 31, 2020	December 31, 2019	December 31, 2020	
Land					
Buildings	\$ 1,248,963	1,248,963	--	--	1,248,963
Equipment - general	14,595,163	14,595,684	4,345,040	4,751,459	9,844,225
	1,193,582	1,524,620	826,384	655,106	869,514
		(222,116)		(199,907)	
Transportation infrastructure/equipment	38,400,610	854,780	29,052,097	838,933	9,364,360
Water and sewer infrastructure	35,813,314	219,254	15,742,250	717,158	19,573,160
	\$91,251,632	1,627,709	49,965,771	1,991,139	40,900,222
		(222,116)		(199,907)	

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

	<u>2021</u>	<u>2020</u>
Revenue per Municipal Budget	\$ 8,194,343	8,177,906
Revisions:		
Capital funding	<u>715,776</u>	<u>1,083,249</u>
Revenue per PSAB Budget	<u>8,910,119</u>	<u>9,261,155</u>
Expenditures per Municipal Budget	8,480,261	8,177,906
Revisions:		
Capital out of revenue	(118,599)	--
Amortization of tangible capital assets	2,124,444	1,991,139
Debt charges - principal	<u>(149,708)</u>	<u>(15,519)</u>
Expenditures per PSAB Budget	<u>10,336,398</u>	<u>10,153,526</u>
Surplus (Deficit)	<u>\$(1,426,279)</u>	<u>(892,371)</u>