

*Opportunity. Potential. Clarity.
We know our direction.*

2022 ANNUAL REPORT



TOWN OF OKOTOKS
PROVINCE OF ALBERTA

For the Year Ended December 31, 2022





History of Settlement in Okotoks

We respectfully acknowledge that we are on the traditional territories of the people of the Treaty 7 region in Southern Alberta, which includes Blackfoot Confederacy members: Siksika, Piikani, the Kainai First Nations, the Stoney Nakoda of Bearspaw, Chiniki and Wesley First Nations, the Dene of Tsuut'ina First Nations, the Métis Nation Region 3 and all those that make Treaty 7 lands their home. As treaty People, Indigenous and non-Indigenous, we share the responsibility for stewardship of this beautiful land.

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INTRODUCTION

This report is for the community and highlights progress and achievements accomplished in the past year, which reflect the key strategic direction outlined in the 2022-2025 Strategic Plan and the Municipal Development Plan. The report also shares the Town's audited consolidated financial statements and a financial summary.

The Annual Report is divided into three sections:

SECTION 1: INTRODUCTORY

- › An overview of the Town of Okotoks, including its municipal profile and government structure
- › Council Committees
- › Messages from the Mayor, Chief Administrative Officer and Chief Financial Officer
- › Town Vision and Mission Statements
- › Strategic Planning and Budgeting
- › A year-in-review, which provides an overview of key corporate activities and accomplishments based on the Town's strategic plan
- › Information to enhance the public's understanding of the Town's budgetary process and property taxes

SECTION 2: FINANCIAL DISCUSSION AND REPORTING

- › Information to enhance the public's understanding of the Town's fiscal results and overall financial position
- › Audited Consolidated Financial Statements

SECTION 3: STATISTICAL INFORMATION (UNAUDITED)

- › Financial and general statistics.



Town Profile

Okotoks is a picturesque town located only 18 km south of Calgary's city limits and is widely recognized as one of the most beautiful and desirable communities in Alberta. With a population of 30,405 residents, the town is nestled in the heart of the foothills along the Sheep River valley with a spectacular view of the Rocky Mountains.

With a strong commitment to preserving its small-town feel while providing big-city amenities, Okotoks affords residents with an outstanding quality of life and is considered one of the best places to live in both Alberta and Canada. Unemployment and crime rates remain consistently low, coupled with excellent schools and quality healthcare – all factors that make Okotoks a wonderful place to call home.

Okotoks has a highly educated population and is well-positioned to attract business and industry to support its growth and that of the surrounding region. The charismatic downtown core offers boutique shopping and dining opportunities with attractive storefronts, as well as art galleries, unique coffee shops and a museum - making it a popular spot for locals and visitors alike. Okotoks offers low unemployment rates, low crime rates, excellent schools, and quality healthcare.



CITIZEN SATISFACTION SURVEY 2022

98% of households have a good quality of life

92% of households feel safe in the community

85% of households said the value for their taxes is "fair" or better

75% of households feel connected to their neighbours



Okotoks residents enjoy an enviable lifestyle with expanses of trails and natural areas and an abundance of recreational opportunities. The town has three local golf courses, an 18-hole miniature golf course, BMX track, disc golf course and skate park, providing ample opportunities for sports enthusiasts to enjoy their favourite activities. With state-of-the-art recreational facilities and amenities, Okotoks is a sports hub for baseball, hockey, lacrosse, soccer, swimming, biking, running, fishing, and so much more. Okotoks attracts many high-level sporting events to the community, including the scheduled Alberta Summer Games in 2023 and Hockey Canada's Centennial Cup in 2025.



Government Structure

The Municipal Government Act (MGA) defines the purposes of a municipality as follows:

- › To provide good government
- › Foster the well-being of the environment
- › Foster the economic development of the municipality
- › Provide services facilities or other things that, in the opinion of Council are necessary or desirable for all or a part of the municipality
- › Develop and maintain safe and viable communities
- › Work Corroboratively with neighbouring municipalities to plan, deliver and fund intermunicipal services

The Town of Okotoks consists of two branches:

- › A legislative branch, comprised of Town Council
- › An administrative branch, led by the Chief Administrative Officer (CAO)

LEGISLATIVE & ADMINISTRATIVE ORGANIZATION

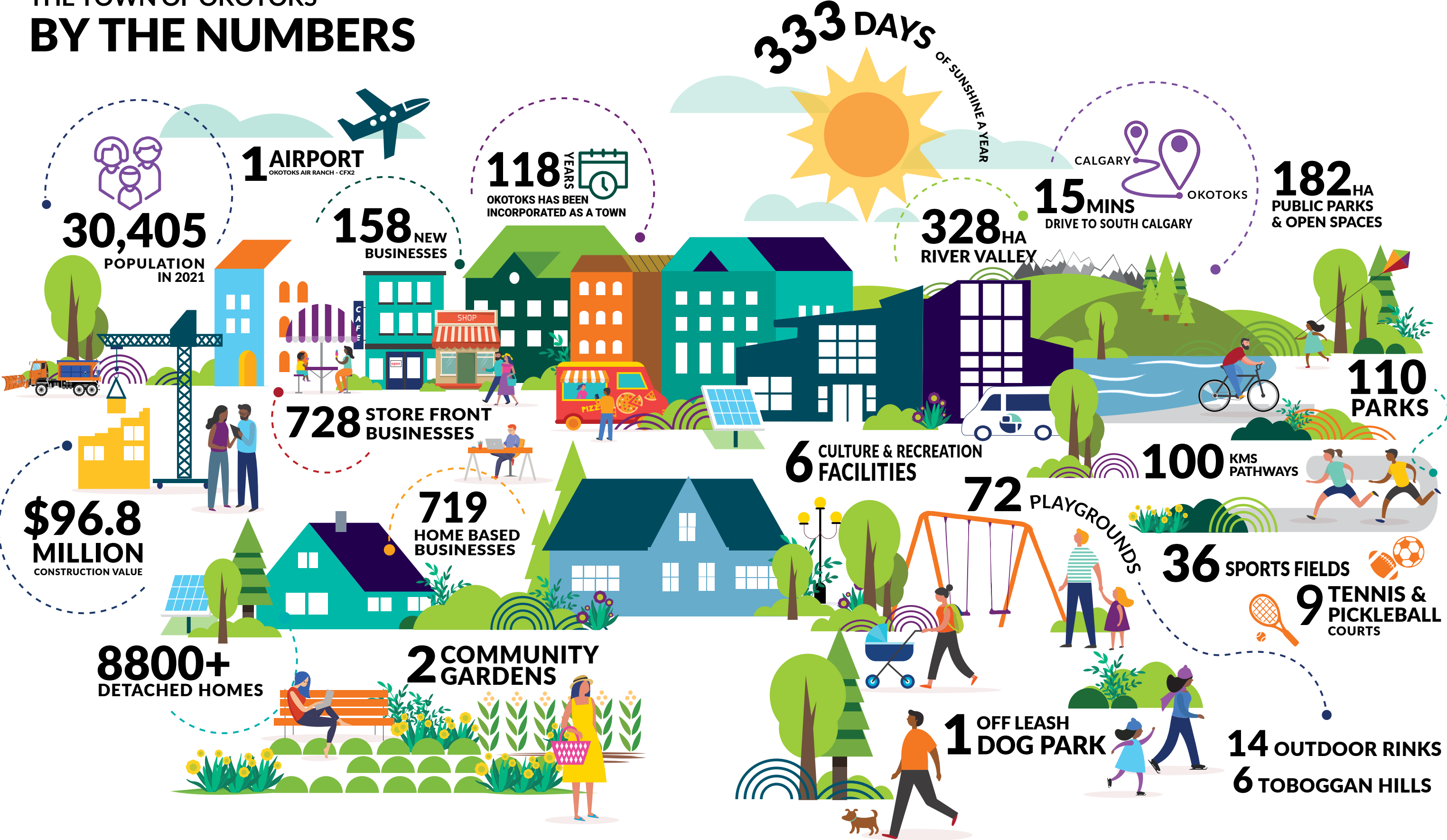
RESIDENTS ➤ COUNCIL ➤ CAO ➤ DIRECTORS ➤ MANAGERS ➤ MUNICIPAL STAFF

TOWN COUNCIL

Town Council is elected at large by residents to serve a four-year term and governs in accordance with powers granted under the MGA. Town Council consists of a Mayor and six Councillors and provides strategic direction to Administration through a variety of plans, bylaws, policies and other governance processes. A municipal election was held in October 2021 and the successful candidates now serve on Council for the next four years, with their term ending in October 2025.



THE TOWN OF OKOTOKS
BY THE NUMBERS



The Mayor

Thank you for taking the time to review the Town's 2022 Annual Report. We are very happy to share our organization's accomplishments from the past year with you, highlighting our continued commitment to providing high-quality services to our residents and business community.

Jumping right in, securing a supplemental water source remained the top priority of Town Council and Administration in 2022. A major highlight was the approval of \$16 M in grant funding to construct a Regional Water Pipeline in partnership with Foothills County. Raw water will be pumped from the Bow River where it meets the Highwood River through a shared water system to water treatment facilities located in both municipalities.

The Regional Water Pipeline will increase water supply system resiliency, reduce water supply vulnerability and allow for future growth and economic development in the region. We look forward to making positive progress on this project over the next several years and will continue to live within our means and leverage the water conservation practices that we have developed.

In 2022, many important community projects and initiatives were completed. Some highlights include:

In alignment with our commitment to Truth and Reconciliation, a Traditional Knowledge and Land Use Assessment was completed. This work was done to preserve, protect and honour the Indigenous culture and history in this region.

In consultation with Indigenous partners, Council also approved the renaming of the following community parks:

- › Dewdney Park at 53 North Railway Street became Piisttoo Park
- › Riverfront lands at 370068 40 Street East became litopatopa Park

Concept plans were approved for developing litopatopa Park into a leisure recreation space, including day use picnicking areas, play space, disc golf, and winter activities such as a skating path and snowshoe trails. The park also provides increased access to one of the most valued features in our community, the river valley.

We had the honour of renaming two additional community parks after influential citizens who had a profound impact on our community, including my predecessor, Mayor Bill:

- › Riverside Community Park at 1400 North Railway Street became Bill Robertson Park
- › The park located at 245 Mountainview Drive became Allen (Al) King Park



The Town continues to collaborate with local organizations on many community initiatives. Formal planning and procurement processes are underway with Christ the Redeemer Catholic Schools to install an outdoor rink/multi-use sport court at the John Paul II Collegiate junior high school site. The amenity will be open year-round, with ice during the natural ice season and accommodate activities such as lacrosse, floor hockey and in-line skating in the off-ice season.

Engaging with the community also remains a high priority of Council and Administration. This past year, many projects required your feedback including: Budget 2022; Public Safety; litopatopa Park amenities; Pump Track design; Ethel Tucker Park play space; and Rich's Playground equipment elements - just to name a few!

The citizen satisfaction survey was also conducted which helped guide Council in the development of our 2022-2025 Strategic Plan. Approved in 2022, the plan focuses on five strategic priorities for the next four years: Responsibly Managed Growth; Strong Local Economy; Enhanced Culture and Community Health; Demonstrated Environment Leadership and Organizational Excellence.

On behalf of Okotoks Town Council, thank you for getting involved and being part of the conversation! We are committed to enhancing community dialogue and I encourage you to visit [okotoks.ca](https://www.okotoks.ca) to learn more about upcoming public participation opportunities.

Sincerely,

Mayor Thorn on behalf of Okotoks Town Council



LEFT to RIGHT: Gord Lang, Rachel Swendseid, Oliver Hallmark, Mayor Tanya Thorn, Ken Heemeryck, Cheryl Actemichuk, Brent Robinson

“People’s participation is the essence of good governance.”
— Narendra Modi

Council Boards, Committees & Task Forces

Council has established committees under the Committees Bylaw to represent various civic interests and mandates. Committees are an important part of good governance for our community and contribute to the prosperity and sustainability of Okotoks. Committees examine issues and provide recommendations for approval by Council.

You are encouraged to get involved in the community by serving on one of Council’s boards or committees. For information on how to join a committee, visit [okotoks.ca/committees](https://www.okotoks.ca/committees).

MESSAGE FROM

The Chief Administrative Officer

On behalf of Town of Okotoks Administration, I am pleased to present our 2022 Annual Report. This report highlights many of our accomplishments over the past year and provides details on the Town's current financial position.

While it is apparent that we will be dealing with challenges stemming from the COVID-19 pandemic for some time, 2022 demonstrated that we are in a better position to face whatever lies ahead. We continued to encourage our community to engage with us as we worked to keep Okotoks as one of the most livable and well-managed communities in Alberta.

Throughout 2022, the Town continued to provide high-quality programs and services while mitigating against the pressures of inflation, through collaboration with local partnerships, neighboring municipalities, and all other levels of government.

Council's role is one of strategic vision setting, while the Chief Administrative Officer oversees the implementation of this vision. Council wrote the 2022-2025 Strategic Plan that was finalized in September 2022 which focuses on key priorities, including responsibly managed growth; a strong local economy; enhanced culture and community health; demonstrated environmental leadership and organizational excellence.

Council's direction prioritized economic resilience, social responsibility (public safety and affordable housing) and environmental stewardship as key commitments. These Council priorities and supporting strategies helped to guide the work of Administration in 2022. This of course, is in addition to day-to-day core services provided to the community.

Over the past year, the Town has made significant progress in creating an inclusive community with equal opportunities for all. I am grateful for the dedication and hard work shown by our employees, leadership team, and Council members, who proudly give their time and expertise to make Okotoks a safer, and more welcoming place. It truly is our people who make us stand out as a community.



In 2022, we prioritized enhancing community dialogue which is intended to create opportunity for community and the Town to engage together in meaningful ways. Over the next year, I invite you to connect with us. Take part and influence decision making through the many public participation opportunities that will be available to you in 2023. Do not hesitate to call, ask questions, show up and be engaged with your municipal government.

Okotoks is an enviable place to live, and this is a direct result of the efforts by our citizens, the business community and the hard work of dedicated Town employees who are committed to making life better every day for our residents. As you read through the 2022 Annual Report, I hope you feel a sense of pride like I do.

Sincerely,

Elaine Vincent
Chief Administrative Officer
Town of Okotoks

MESSAGE FROM

The Chief Financial Officer

As the Chief Financial Officer of the Town of Okotoks, I am pleased to share the Town's financial information in the Annual Report and approved by Council and Town Administration. Additionally, a financial summary has been prepared in accordance with Canadian public sector accounting standards. The Annual Report also recaps the accomplishments achieved in the first year of Okotoks' Town Council's 2022-2025 Strategic Plan. This report demonstrates the ongoing dedication of Council and Administration to ensure effective governance and transparency.

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

This year presented significant challenges that required careful navigation. Town Administration had to contend with unprecedented levels of inflation, price escalation for goods and services, and competition in the employee marketplace. Furthermore, we faced post COVID-19 revenue recovery issues, pressure from the Province of Alberta as they continued to transfer service responsibilities to municipalities, and uncertainty regarding long-term grant opportunities.

In light of these circumstances, our focus remained on preparing for growth and the anticipated delivery of the regional supplemental water solution in the next few years. To achieve this, we aligned funding requests with strategic and operational priorities, enabling us to continue delivering essential services to the community and advancing Council's objectives.

The total consolidated expenses increased from 2021 to 2022 primarily due to the Town returning to pre-pandemic service levels requiring staffing and contractor services. An example of this increase was seen in Parks and Recreation expenses as the Town fully reopened facilities to the public.

“We remain committed to delivering quality services while striking a balance between economic resilience, social responsibility and environmental stewardship.”

Your property tax supports schools and recreational facilities, provides law enforcement and fire protection, maintains town infrastructure, supports events, culture, and the many other services that make Okotoks a great community.

We remain committed to delivering quality services while striking a balance between economic resilience, social responsibility and environmental stewardship. To acknowledge the impact that tax increases have on our residents and balance the need for the additional staffing resources to meet service demands, the Town staggered staffing requirements over the next few years to mitigate against the tax rate implications. In this first year of the four-year budget, we have established a flexible budgetary process that includes the ability to identify significant and incremental changes enabling Council to amend the budget as needed.

As we wrap up year one of the Town's first four-year budget, the Town is well-positioned to face many of the unknowns as we look forward into the future. The Town takes pride in being fiscally responsible and continues to achieve a strong financial standing. As you review the report, I hope it helps enhance your understanding of the Town's finances and you find the information useful.

Respectfully,

Ralph Ettenauer, CPA, CMA
Chief Financial Officer
Town of Okotoks

Town Vision and Mission Statements

The Town Vision focuses on tomorrow and the direction for the future. The newly elected Town Council has reimagined the Town Vision to align with changing community values as identified through public participation feedback.

VISION
A vibrant, resilient and connected community that fosters the wellbeing of land and people; a community to call home.

MISSION
The Town of Okotoks strives to create and nurture an environment in which people are able to pursue the fulfilment of their values, in harmony with the community.



Administration

The Chief Administrative Officer (CAO) leads the Strategic Leadership Team (SLT) consisting of six members. The SLT is the executive branch of Town Administration who work to make Council’s strategic direction a reality.

Organizational Chart

The Town has a fairly flat organizational structure. This enables us to maintain an empowering environment that allows our people to:

- › Make decisions to meet the current and future needs of the clients they serve
- › Be flexible, nimble, and adapt to change quickly, while also having clear levels of authority and accountability



Using the challenges of today to create opportunities to thrive tomorrow



The Town’s Strategic Plan aligns with the Municipal Development Plan (MDP) and was developed in consultation with residents. It reflects Council’s priorities and commitment to deliver services that are in the best interest of Okotoks’ citizens today and tomorrow.



Strategic Planning and Budgeting

Town Council finalized the 2022-2025 Strategic Plan in September 2022 with a vision of “A vibrant, resilient, and connected community that fosters the wellbeing of land and people, a community to call home.” This plan highlights high level priorities that align directly to the 60-year vision that can be found in the Okotoks Municipal Development Plan (MDP).

To move toward this vision, Administration established an overarching four-year Corporate Business Plan, along with individual plans for each Business Centre. These plans are reviewed annually for any required changes to keep Administration on course.

Council approved a four-year budget to support the Corporate Business Plan. Each year any changes that are required to meet Council priorities will be reflected in future years.



In 2022, work was completed on outcomes for Integrated and Accessible Transportation from the MDP, along with five outcomes from the four-year Council Strategic Plan.

VISION

A vibrant, resilient, and connected community that fosters the wellbeing of land and people; a community to call home

Okotoks

Responsibly Managed Growth

We have flourishing spaces for all

- Improve diverse housing options for individuals and families
- Achieve a supplemental water supply
- Review additional revenue generation opportunities to meet the needs of a growing community

Strong Local Economy

We are the easiest place to do business in Alberta

- Focus on arts and culture as economic drivers
- Enhance the diversification of the tax base
- Review and update processes that may be barriers to businesses choosing Okotoks
- Develop downtown to attract new business

Enhanced Culture & Community Health

We are ready to welcome everyone

- Enhance community dialogue and engagement with residents and organizations
- Take meaningful steps to address the Truth and Reconciliation Commission's calls to action
- Increase sport and recreational opportunities
- Provide timely access to relevant programs and services that support health and well-being

Demonstrated Environmental Leadership

We do things differently to thrive tomorrow

- Work towards achieving Municipal Development and Climate Action Plan targets for:
 - Climate Change Resilience
 - Greenhouse Gas Emissions
 - Water Conservation
 - Energy Efficiency
 - Land and Biodiversity

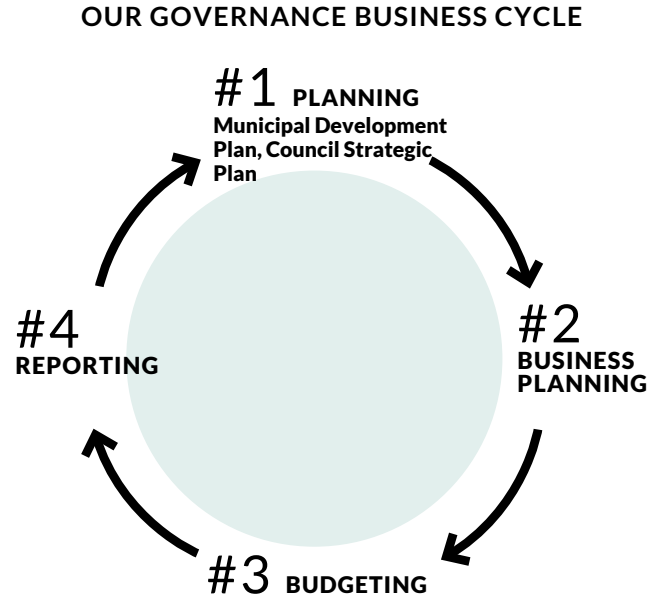
Organizational Excellence

We lead with passion and are focused on multidisciplinary collaboration, fostering creativity and innovation, allowing us to be agile and creative in serving our vibrant Town

- Become the Employer of Choice
- Operationalize Asset Management
- Create a technology roadmap to advance access to data and information, improve client experience and decision-making

VALUES

A Citizen Focus
A Committed Town Team
A Regional Focus
Partnering for Success
Transparency & Accountability
Financial Responsibility
Excellence and Prosperity
Respect for the Planet
Diversity, Equity, Inclusiveness and Accessibility



In addition to this Annual report, Council and the community are provided with the following to highlight our progress and achievements to date:

- Corporate Progress Report: provides updates on Corporate Business Plan initiatives, measures and service levels. Published twice per year.
- Financial Variance Report: capital and operating results. Published four times per year.





Responsibly Managed Growth

We have flourishing spaces for all

Responsibly managed growth is about how the Town manages land use change and density and development patterns in order to respond to the pressures of a growing population, housing needs, and a desire for new and expanded businesses.

OUTCOMES FOR 2022

- ✓ Improve diverse housing options for individuals and families
- ✓ Achieve a supplemental water supply
- ✓ Provide quality infrastructure for future growth

Highlights of what we achieved in 2022

- › The Secondary Suite and Accessory Dwelling Unit Grant Program was so successful in 2022 that it was at capacity by mid-year and many applicants had to be turned away. To address this challenge and support the creation of additional rental units in the community, Council approved additional annual funding for the program and implemented a waitlist for qualifying applications. Increased funding and a waitlist option enhanced the accessibility to funds in this program, prompting more residents to consider secondary suite and accessory dwelling unit projects.
- › The Town partnered with Westwinds Communities and Partners Development Group to build a 70-unit stacked townhouse development in the Drake Landing neighbourhood. The Town supported the builder in obtaining Canada Mortgage and Housing Corporation (CMHC) construction financing, committed to providing a \$150,000 grant through the Below Market Housing Program, approved Land Use Bylaw variances, and fast-tracked approvals for development.

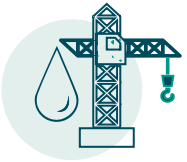


**70 Unit
Stacked
Townhouses**



10 units of this development will be owned and operated by Westwinds Communities; will be at least 20% below current rental prices in Okotoks; and will remain below market for at least 25 years

- › In December 2022, a water license for the Bow River Intake was transferred to Okotoks and the pre-qualification process was initiated to find contractors to design and construct the Foothills Okotoks Regional Water Project.
- › Waste Water Treatment Plant upgrades created improvements for many critical processes, such as the removal of sawdust during the treatment process. These upgrades established safer and more reliable maintenance practices during operations.



\$16 Million Water for Life Grant will be used towards construction of a sub-regional water system from the Bow River to water treatment facilities in both municipalities





MEASURES	2021	2022	TARGET
Measures that the organization wants to change through activity / policy			
New Total Housing Diversity Options Supported			
• Prequalified Grant Units - Below Market Housing (grant launched late in 2021)	10	0	Increase
• Prequalified Grant Units - Secondary/Accessory Suite (grant launched late in 2021)	3	7	Increase
• Under Development – Affordable Housing Units Supported			To be determined
New Total Housing Diversity Units Constructed			
• Total Constructed - Below Market Housing Grant (grant launched late in 2021)	0	0	
• Total Constructed - Secondary/Accessory Suite Grant (grant launched late in 2021)	3	7	N/A
• Under Development – Affordable Housing Units Supported			
Under Development - Percentage of Multi-residential units in Okotoks		First Progress Report 2023	40% multi-residential in Okotoks by 2080
Under Development - New Residential Unit Density			25 units per gross hectare by 2080
Under Development - Population Density			32 People per gross hectare by 2080

Future Measure(s) created with implemented options from the Alternative Funding Strategy and Housing for All Initiatives

INDICATORS	2022
Indicators that the organization monitors, which can influence outcomes	
New Town of Okotoks population – Stats Canada	30,405
New Percentage of Okotoks household owners spending 30% or more of income on shelter costs only – Stats Canada	14.2%
New Percentage of Okotoks household renters spending 30% or more of income on shelter costs only – Stats Canada	35.7%
New Total number of Okotoks Family Resource Centre unique requests for emergency housing shelter	22 (Jul – Dec)



Strong Local Economy

We are the easiest place to do business in Alberta

Okotoks is supported by a diverse and thriving economy where there are equitable opportunities for all to live and work. Council wants to facilitate change in this area to see the local economy become more diverse and continue to thrive by promoting Okotoks and making it easier to do business with the Town.

OUTCOMES FOR 2022

- ✓ Focus on Arts and Culture as economic drivers
- ✓ Review and update processes that may be barriers to businesses choosing Okotoks
- ✓ Promote and activate Okotoks
- ✓ Improve the ease of doing business with the Town
- ✓ Develop downtown to attract new business



Due to the overwhelming success of the Temporary Patio Pilot Program, it became an official program in 2022

Highlights of what we achieved in 2022

- › A new Permit Fee Calculator tool for the website was developed which allows homeowners, contractors, residential builders, and the Industrial/Commercial/Institutional sector to estimate their permit fees for all types of building permits. The tool can be found at okotoks.ca/permit-calculator.
- › Movie filming generated excitement and positive exposure for Okotoks. The crew, directors and producers indicated that they make every effort to “shop local” when shooting in a community. At least 28 storefront businesses, including the food, retail and service sectors were directly supported by the film company as part of its operations in Okotoks. Donations of \$7,500 were made by Bear & Pear Productions to the Okotoks Family Resource Centre (OFRC) in support of their services to residents. A second donation of \$2,500 was made to École Good Shepherd School.





MEASURES	2018	2019	2020	2021	2022	TARGET
<i>Measures that the organization wants to change through activity / policy</i>						
Ratio of Residential Assessment Value	86.6%	86.2%	86.3%	86.8%	86.5%	80 by 2033
Ratio of Non-Residential Assessment Value	13.4%	13.8%	13.7%	13.2%	13.5%	20 by 2033
Under Development - Total number of new downtown evening and weekend events						6 in 2023
Under Development - Total Number of downtown events hosted by external groups (non-Town organized)						45 events/ year by 2033
Under Development - Diversity of business industries						To be de-termined

Additional Measures from new economic development business strategy and survey are under development

INDICATORS	2021	2022
<i>Indicators that the organization monitors, which can influence outcomes</i>		
Total Number of Business Licenses (including non-resident licenses)	2018	2004
Total New Housing Starts (excluding secondary suites)	184	284
Estimated Residential Construction (\$Millions)	47	65
Total Number of Industrial, Commercial and Institutional (ICI) Permits	49	39
Estimated Industrial, Commercial and Institutional (ICI) Construction (\$Millions)	19	17.6

ACTIVE BUSINESS LICENSES	2019	2020	2021	2022
Total Businesses (including non-resident licenses)	2002	1937	2018	2004
Total Storefronts	734	743	758	793
Total Home-based	710	713	729	689

NEW BUSINESS LICENSES	2019	2020	2021	2022
New Businesses (including non-resident licenses)	174	214	221	259
New Storefronts	87	32	98	55
New Home-based	106	113	53	103
New Jobs Created	259	170	222	219



Enhanced Culture and Community Health

We are ready to welcome everyone

Okotoks recognizes the past, present and future of our town, families and communities. Okotoks is a place to connect, play, socialize, feel safe and be involved. Okotoks is a place where people live happy, healthy lives.

OUTCOMES FOR 2022

- ✓ Enhance community dialogue and engagement with residents and organizations
- ✓ Take meaningful steps to address the Truth and Reconciliation Commission's Calls to Action
- ✓ Provide timely access to relevant programs and services that support health and well-being
- ✓ Increase community and neighbourhood connections
- ✓ Support mental and physical wellness for residents

Highlights of what we achieved in 2022

- › To enhance opportunities for members of Council to connect with the community in a meaningful way, several events were held throughout 2022. These events included Council Connect(s) held in Town Council Chamber, coffee shops, and at community events, such as the Chamber of Commerce Trade and Lifestyle Show.
- › The Town continues to create new and innovative ways to engage with the community. Understanding community thoughts and feelings surrounding a variety of topics are critical to help in the decision-making process. Some of the highlighted public engagements in 2022 were:
 - Public Safety Survey 2022 - conducted an online survey where results helped to determine the local policing priorities for Okotoks Municipal Enforcement and the RCMP.
 - Let's Talk Recreation, Parks & Leisure – gathered feedback from many perspectives to help update the Recreation, Parks and Leisure Master Plan. This included a survey for local sport and recreation organizations, an online community survey, as well as pop up events at various locations throughout the community.
 - Rich's Playground – surveyed the community and formed a parent committee to guide the redesign of this very popular play space.
 - Face-to-Face Conference on Public Art – gathered together with fellow creative minds in Okotoks, shared ideas about arts and culture in the community, and brainstormed how to enrich the community through collaborative planning and programming. The event was offered both in-person or via live-stream.



Public Safety Survey 2022
618 survey participants
with a 78% completion rate,
740 comments



- › Through Indigenous consultation, two Okotoks parks were renamed. The Riverfront Lands are now known as Iitopatopa Park in honour of National Indigenous Peoples Day and the green space at the Okotoks Art Gallery was renamed Piistoo Park.
- › Council directed Administration to start implementing the recommendations contained in the 2022 report on Traditional Knowledge and Land Use Assessment. This report was developed in consultation with the Blackfoot Confederacy, the Tsuut'ina Nation and the Stoney Nakoda Nation and provided 21 recommendations for future work with Indigenous peoples, including: establishing a formal process for Indigenous involvement regarding future development; adding a First Nations welcome message to Town gateway signs; and hosting annual events that highlight First Nations' history and culture.
- › Peace poles are internationally recognized beacons of peace that include the phrase "May Peace Prevail on Earth". Through consultation with Indigenous partners and advisors, Okotoks completed the installation of 15 peace poles. The peace poles were constructed using wooden beams salvaged from the 1897 Lineham Lumber Company barn that stood near this site and burned down in 2015.
- › The redevelopment of the Arts & Learning Campus lands, including the Ethel Tucker Centennial Park area, now include meaningful Indigenous symbolism. The Blackfoot Creation story of Napi and the Big Rock inspired a new play space with a rich traditional story. Two elements pay homage to the Blackfoot Confederacy's long history in this region. First, the log-and-boulder climbing and seating feature reflect the importance of the tipi circles - a collection of rocks left at seasonal camps to weigh down tipi coverings. Second, a compass points to river crossings, buffalo jumps, and land formations that hold significance and sacred meaning in the Blackfoot territory.

Installation of 15 peace poles, featuring the phrase "May Peace Prevail on Earth" in 53 different languages spoken by Okotoks residents





- › The Drake Landing Community Garden opened in time for the 2022 gardening season. The garden has 12 plots and was the first garden to be requested through the neighbourhood-led Neighbourhood Community Garden Program. This program helps residents establish community-led garden projects in Town parks and green spaces. For more information visit Okotoks.ca/community-gardens.
- › Participants positively responded to receiving free online access to fitness classes with their in-person registration. This was offered to accommodate those who may not be able to attend class in-person due to an illness or weather, but still allowed them the opportunity to participate.
- › To meet the needs of the community, scheduling adjustments were made to increase aqua fitness opportunities by 255 classes for a total of 191 hours.
- › Stockton Block was declared a municipal historic resource. Municipally designated properties are protected under the Historical Resources Act and qualify for conservation grants from the Heritage Preservation Partnership Program.
- › In addition to the new 2022 – 2025 Urban Deer Strategy and Action Plan created in 2022, a Gardening with Deer webinar was offered where attendees learned how to cultivate a beautiful yard and garden while decreasing deer attraction. As well, a new pilot program, Steer Deer Clear, offered yard visits to provide customized recommendations to improve deer resistance to yards and gardens. This included advice on plant species, fencing strategies and general yard design.
- › A total of \$306,330 in Family and Community Support Services (FCSS) funding was provided to thirteen agencies that support residents with preventative social programs. The United Way/Okotoks Partnership distributed \$87,000 to 10 social programs.

“ I have hope for the future, I never thought I would have. With all the changes I have made, I finally have the relationship I want with my parents, and it is nice to come to school without the fear of something bad happening. I get to choose my future”
- Participant of FCSS Program

- › In 2022, COVID-19 restrictions eased and volunteers were enthusiastic to get back to normalcy by contributing to the community in a big way!

How they contributed:



135 registered volunteers contributed over 3,360 volunteer hours
398 drives to medical appointments outside Okotoks (27,914 km), supporting 94 residents

Various other programs such as summer day camps, adopt a sidewalk, special events, aquatics, repair café, sport programs and cultural programs.



319 tax returns filed for residents on low income, resulting in \$1.38 million in tax refunds, benefits, and credits

MEASURES	2022	TARGET
<i>Measures the organization wants to change through activity / policy</i>		
New Satisfaction with Municipal Communications	77%	Increase
New Satisfaction with the level of engagement the Town has offered	57%	Increase
New Amount of manicured, publicly accessible parks and open spaces	176 ha	250 hectares by 2076
New Total number of community gardens	2	4 by 2033
Under Development - Total number of sport and recreational opportunities created		Increase
Under Development - Percentage of homes within walking distance (400m) to a recreation facility, park or cultural facility		100% by 2080

INDICATORS	2018	2019	2020	2021	2022
<i>Indicators that the organization monitors, which can influence outcomes</i>					
Perception of Quality of Life in Okotoks (collected every four years)	98%	N/A	N/A	N/A	98%
New Okotoks Municipal Crime Severity Index (lower is better)		41.94	35.67	31.59	-----
New Perception of Safety & Security	How safe do you feel:				
	• In your residence/on your property?				96%
	• In your neighbourhood?				95%
	• In Town parks, playgrounds, and amenities?				92%



Demonstrated Environmental Leadership

We do things differently to thrive tomorrow

Okotoks is supported by infrastructure, buildings, ecological systems and community networks that can withstand and adapt to change in climate and extreme weather and contribute to community sustainability and resilience. The Town's commitment to respect the planet means we look to be innovative so we can have a bright future; but, we cannot do it alone. Community support and involvement are key to reaching our goals.

OUTCOMES FOR 2022

- ✓ Enhance community support and involvement
- ✓ Work towards achieving Municipal Development Plan and Climate Action Plan targets
- ✓ Approach things differently to thrive tomorrow
- ✓ Embrace stewardship of water, land, air and energy resources and regenerative solutions going forward
- ✓ Apply an environmental lens to corporate decision-making

Highlights of what we achieved in 2022

- › Increased water demands during the summer months, combined with reduced river levels, created seasonal pressure on the Town's water systems. During a hot, dry period in August, the Town's Water Shortage Response Plan was activated with a call to residents to increase water conservation efforts. The residents of Okotoks answered the call for help, reducing outdoor water use by approximately 20%. This allowed reservoirs to maintain safe operating levels throughout the dry weather period.
- › Nature Fridays was launched at the Environmental Education Centre and serves as an education platform for residents of all ages on environmental conservation topics directly related to Okotoks. The program saw over 580 visitors in just nine months.
- › A Water Smart Business Grant was launched for the commercial, industrial and institutional (ICI) sector in Okotoks, providing incentive for both indoor and outdoor water conservation upgrades. This grant provided an opportunity to support businesses that were taking measures to increase water conservation efforts and was part of the Town Water Conservation Rebate Program which saw 98% of dollars available being used.



Businesses and institutions can receive up to a **maximum of \$10,000 for eligible water-saving projects**. A total of **3 applications** saw the replacement of **25 toilets, one commercial faucet, and one commercial spray nozzle**



Xeriscape Program is in its fifth year and participating yards from the first two years of the program are seeing approximately a 7.5% decrease in water-saving results

DEMONSTRATED ENVIRONMENTAL LEADERSHIP

- Thermal scans were conducted in several municipal facilities to identify areas of heat loss and energy models were completed on the municipal buildings with the highest energy consumption. These models measured the impacts of potential upgrades and energy-efficiency actions that could be taken, such as the new ice plant at Okotoks Recreation Centre.
- Municipal facility guidelines now integrate sustainability into development practices. This is key to managing long-term risks and delivering healthy, efficient and high performing interior spaces that are well-positioned to support our communities and tenants.



DEMONSTRATED ENVIRONMENTAL LEADERSHIP



MEASURES <i>Measures that the organization wants to change through activity / policy</i>	2021	2022	TARGET
Percentage of waste diverted from the landfill per year	61%	First Progress Report 2023	Increase
New Utilization of Water Conservation Incentive Programs (new methodology for 2022)		98%	100% grant funds used annually
New Summer Peak Water Usage Day - liters per capita per day (lpcd)		First Progress Report 2023	Available Jun 30
Total residential potable water usage: litres per capita per day (lpcd)	178	165	To be determined
Greenhouse Gas Emissions (tonnes CO2e) - Municipally produced	18,805	First Progress Report 2023	Carbon neutrality by 2050
Community Greenhouse Gas Emissions (tonnes CO2e) produced	326,219	First Progress Report 2023	Carbon neutrality by 2050
New Percentage coverage by urban forest canopy (measured every 5 to 10 years)		6%	No net loss by 2050
Under Development - Number of publicly accessible electric vehicle charging stations in Okotoks			20 by 2033
Under Development - Percentage of energy used by Municipal facilities that is renewable			100% by 2050
Under Development - Percentage of non-potable water used for public parks and landscaping			25% of total irrigation water used is non-potable water



Integrated & Accessible Transportation

Okotoks is a community with integrated, connected, multimodal, sustainable transportation options

Okotoks residents and the environment benefit from integrated and accessible transportation. It supports those walking and rolling, cycling and riding transit, while also still facilitating automobile access.

OUTCOMES FOR 2022

- ✓ Develop more inclusive and barrier-free active transportation infrastructure and service levels
- ✓ Provide more sustainable, active transportation through strategic land use and transportation options
- ✓ Supports all modes of transportation with access to community amenities and events

Highlights of what we achieved in 2022

- › With a successful E-scooter Pilot Program in 2021, the E-scooter Program was approved by Council in February 2022 to be provided annually through a third-party company. The e-scooters were a popular alternative for community members and offered some relief to transit service.

28,135 e-scooter trips were taken in 2022, up from 15,766 in 2021

The number of available e-scooters increased from 75 to 150



- › When Okotoks Transit was first designed, the target was to have 52,000 passenger trips per year by 2026. This was surpassed with 62,241 passenger trips completed in 2022. Administration started working on possible short, medium, and long-term solutions to meet the growing demand.



Transit Target exceeded! There was a substantial increase of 45.63% in passenger trips between 2021 and 2022. This increase saw the passenger trip target exceeded four years ahead of schedule



- › A network screening tool for transportation safety was developed that takes known information about a location of concern and provides a risk-based ranking. This is based on traffic volume, vulnerable road users, frequency of casualty collisions (if available), speed and public concerns. The ranking provides a rationale for further investigation, which identifies potential improvements or mitigation measures. Using this tool, improvements were made to signage and lighting at Southridge Drive and Cimarron Boulevard following a review by a transportation safety professional. Additionally, a signal timing review was completed for the intersection of Southridge Drive and Woodhaven Drive, with changes including the addition of a protected southbound left turn during the peak morning period.
- › The final phase of the Veterans Way Pedestrian Corridor project was completed. The vision for this project was created in 2014 and was constructed in three phases. This project established a key active transportation corridor between downtown and the vast pathway network in Okotoks.
- › The Town wrapped up a snow clearing and sanding pilot, which allows transportation crews to monitor plowing and sanding operations to show route completions.
- › Milestones achieved as part of the Active Transportation Strategy included implementing a monitoring system using trail counters; completion of a condition assessment of all pathways and sidewalks; and development of a new system to identify, track and address maintenance issues.



Snow clearing and sanding pilot created more time for clearing and has improved service level times by 10%

MEASURES <i>Measures the organization looks to monitor and/or impact through activity / policy</i>	2021	2022	TARGET
New Number of trips made using Okotoks Transit	42,739	62,241	New target to be determined
New Percentage of shared rides (passengers/hour) - Transit	47%	53%	50% by 2026
New Average passengers per vehicle hour – Transit	3.5	3.9	5 passengers per hour by 2026
Under Development - Length of pathway system			40m/ha of primary, not secondary pathway





Organizational Excellence

We lead with passion and are focused on multidisciplinary collaboration, fostering creativity and innovation, allowing us to be agile and creative in serving our vibrant Town

Okotoks is led by a strong governance model where Council, Administration and the community work together to create a municipality where people want to live, work and play. We achieve this through a strong organizational culture that enables our people to do their best work. It provides a clear line of sight from the work they do to the impact it has on the town and our residents. This fosters a sense of shared purpose and community, which, when supported by strong leadership and communication, creates an environment where people flourish.

OUTCOMES FOR 2022

- ✓ Enable and support healthy and resilient employees
- ✓ Modernize the delivery of programs and services through technology
- ✓ Pursue municipal excellence through continuous improvement, innovation, mature business practices and service optimization
- ✓ Improve decision making and service delivery through access to data

Highlights of what we achieved in 2022

- › Town of Okotoks 2022 Citizen Satisfaction Survey was launched in August 2022, which provided data-driven and performance-based reporting for Council, Administration and the public. Survey results can be found at Okotoks.ca/citizen-survey and some of the highlights include:
 - Town Services were seen as well-run and received an overall positive rating with majority of households either satisfied or very satisfied with their interactions with Town of Okotoks employees. When asked about helpfulness & courtesy, 84% of households responded with a positive rating, a 12% increase from 2018. Knowledgeability about services rated at 72% and speed of response was rated at 67%.
 - Other positive results pertaining to service level satisfaction included the following Town programs and services: parks and pathways (96%); outdoor recreation facilities such as ball diamonds, soccer fields, and playgrounds (96%); and community events (94%).
- › The 2022-2025 Okotoks Strategic Plan was approved by Council in September 2022. The new simplified format provides clear direction on what Council wants to achieve during their term. See the plan on page 18 of this report. An updated format for bi-annual progress reports was also implemented to increase transparency and accountability.



Citizen Satisfaction Survey Result - 84% Employee Helpfulness & Courtesy an increase of 12% from 2018

- › Several governance improvements and streamlining processes took place in 2022 that will improve efficiencies for the community, stakeholders and Administration. Some examples include:
 - An amendment to the Committees Bylaw delegated the ability to make Town naming decisions to the Governance Priorities Committee (GPC). This eliminates the need to wait for upcoming Council meetings with the same membership to confirm the naming decision.
 - A new Council Procedure Bylaw was implemented to streamline procedures to support meetings that are outcome focused. An example is the implementation of the Consent Agenda, which prevents duplication of discussion items at committee meetings, such as GPC.

The new Council Procedure Bylaw has been successful in streamlining Council's decision-making processes with a 13.46% decrease in the number of resolutions made between 2020 and 2022, reducing meeting times

- › An overall benefits review took place and led to enhancements aimed at supporting a healthy and resilient workplace for employees, such as increased mental health support.
- › A new internal facing GIS mapping platform was developed to provide better access to information. Town employees state that this platform has saved them hours of work when mailing impacted landowners and has provided effective service delivery when locating valves during Alberta One-Call utility locate requests.
- › Enhancements to the Town's drone capabilities were made, allowing for them to track the progress on projects like the water treatment plant expansion. Enhancements can also be used for thermal imaging to identify heat loss on Town facilities and to support a tree canopy health pilot project.
- › Through innovation and collaboration with staff, the concept of a dual Engine Rescue truck was developed and came into service in 2022. This eliminated a former rescue truck from the fleet, positively impacting response times and saving money.
- › The 2022 Budget prioritized community safety. In May 2022, the Town recruited an additional eight firefighters (two per shift, 24/7). This addition of resources gives firefighters the ability to reduce the spread of fire with a timely response. Supporting the value of diversity and equity, Okotoks increased its women firefighters to 6.25%, which is above the national average of 5%.
- › A post fire process was developed to provide support and reassurance to those affected by a fire incident. Following an incident, firefighters will conduct a door knock campaign in the surrounding area to assess the needs of affected residents and offer a fire risk assessment. This process helps to reinforce the safety of the community and mitigate the impact of future fire incidents. To book a home fire safety inspection, visit Okotoks.ca/home-fire-inspection.



Fire risk assessments are available to provide residents with valuable safety information that can reduce the risk of future fires



- › To continue assisting property owners in understanding how their tax dollars are used, the Town launched an online property tax estimator. This tool provides the estimated amount of property taxes, based on an owner’s individual Notice of Assessment and the current tax rate. Property owners can also see how their specific municipal property taxes translate into a dollar and percentage break down of all the major services and programs the Town provides, such as street maintenance and recreation services.
- › With only four weeks’ notice, Okotoks hosted Hockey Canada’s National Esso Cup and Telus Cup Championships in May 2022. This was the first time a community has hosted both men’s and women’s U18 national tournaments at the same time.
- › The Foothills Region Interagency was formally adopted, providing monthly opportunities for social service providers to learn, connect, network and share resources. The transition to a regional group allows for agencies to use this time to build their capacity and better support residents of Okotoks and the entire Foothills region.
- › The Town of Okotoks assisted Black Diamond and Turner Valley (Diamond Valley) with implementing an organics program. Okotoks delivered recycling and organics carts to each household, scanned the carts into the system and created collection routes and maps.



Bill Robertson Park Renaming Ceremony

MEASURES	2018	2020	2021	2022	TARGET
<i>Measures the organization wants to change through activity / policy</i>					
Satisfaction with Service Experience - Interactions with Town of Okotoks Employees					
• Helpfulness & courtesy of employees	72%	N/A	N/A	84%	To be determined
• Knowledge about the services they provide	69%	N/A	N/A	72%	
• Speed of response to inquiries & requests	64%	N/A	N/A	67%	
New Permanent Employee Turnover Rate Note: In 2021 reduced hiring occurred due to COVID and reorganization. The 2022 turnover rate matched the prior 7-year average turnover rate for the Town of Okotoks at 9%		5%	10%	9%	To be determined
New Likelihood to recommend Town of Okotoks as a good employer				88%	>85%
Under Development - Employee Retention Rate					
Under Development - Safety Incident Frequency					

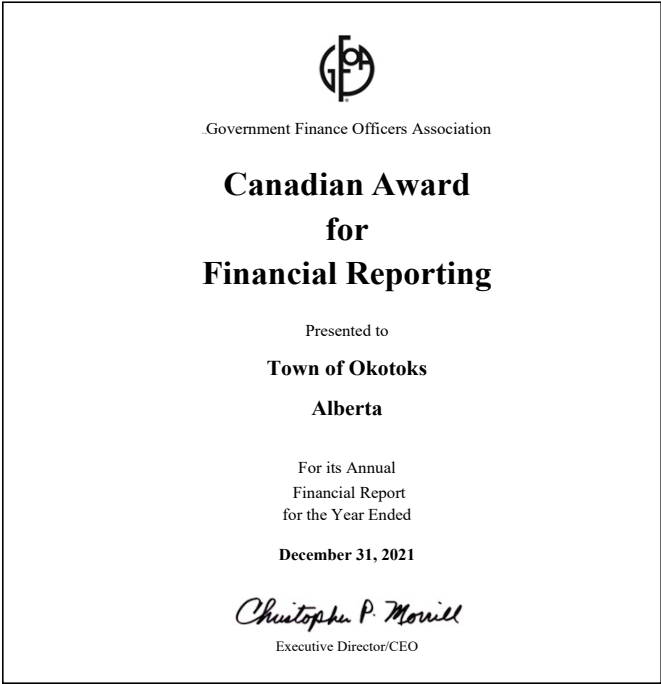


As a corporation, the Town of Okotoks has been recognized over the years with many awards and achievements. Our excellence in sustainability practices, both in Canada and abroad, have set the standard for many municipalities in Alberta and throughout North America. Below is a list of our achievements and awards for 2022:

★
Canadian Award for Financial Reporting
Government Finance Officers Association of the United States and Canada (GFOA) awarded a Canadian Award for Financial Reporting (CAnFR) to The Town of Okotoks for its annual financial report for the fiscal year ending December 31, 2021. This is the third year we have been recipients of this prestigious award. The CAnFR Program was established to encourage municipal governments throughout Canada to publish high quality financial reports and to provide peer recognition and technical guidance for officials preparing these reports.

In order to be awarded a CAnFR, a government unit must publish an easily readable and efficiently organized annual financial report, whose contents conform to program standards. Such reports should go beyond the minimum requirements of generally accepted accounting principles and demonstrate an effort to clearly communicate the municipal government’s financial picture, enhance an understanding of financial reporting by municipal governments, and address user needs.

A CAnFR is valid for a period of one year only. The Town believes our current report continues to conform to the Canadian Award for Financial Reporting program requirements, and will be submitting the 2022 report to the GFOA to determine its eligibility for the award.



★
MarCom Awards - PLATINUM for the 2021 Annual Report & GOLD for the 2022-2025 Four-Year Budget Story
The 2021 Annual Report was the recipient of the highest achievable award, the Platinum MarCom Award for Government Annual Report writing. The MarCom Awards is an international competition for marketing and communications professionals, which recognizes outstanding achievement by creative professionals in concept, direction, design and production of marketing and communications materials and programs. The 2022-2025 Four-Year Budget Story received a gold award. The Budget Story is a comprehensive overview of the four-year budget summarized for ease-of-use.



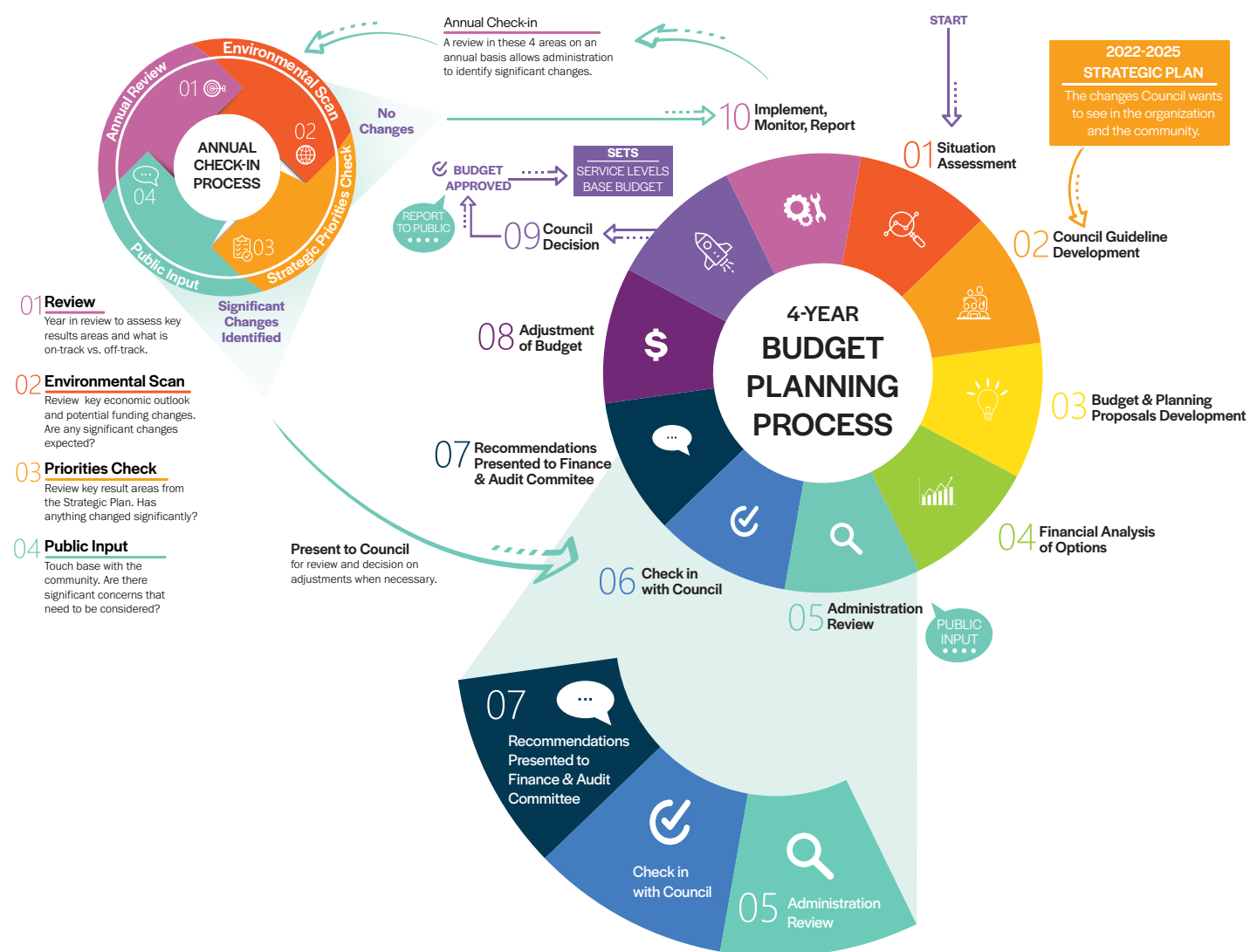
★
Ava Digital Awards GOLD - for the property tax estimator
The AVA Digital Awards is an international competition that recognizes excellence by creative professionals responsible for the planning, concept, direction, design, and production of digital communication. All work is evaluated solely on its own quality, creativity, and resourcefulness. The tax estimator was awarded gold in the Web-Based Online Interactive Tool category. For more information on Town corporate awards, visit Okotoks.ca/awards.



★
Okotoks Operation Centre’s Grounds as a “Greener Greenspace”
The Society for Organic Urban Land Care (SOUL) has recognized the Okotoks Operation Centre’s grounds as a “Greener Greenspace” for the creation of a site with focused attention to soil biology, integration of organic land care principles, and educational components that support public awareness. SOUL recognizes sites from across Canada that exemplify ‘greener’ greenspace stewardship and showcase the best examples of ecologically-focused land care. The Town is one of nine municipal and ecological projects recognized across Canada in the inaugural year of SOUL’s recognition program.

2022 - 2025 Budget

During each year of a four-year budget cycle, there is an annual budget check-in process that allows for additions or adjustments to services that may be necessary. These check-ins with Council determine whether any changes require amendments to the budget guidelines, which would then be incorporated into an updated budget. For 2022, the Town was in year one of the four-year budget cycle.



Using the four-year budget process implemented in 2021, the time spent reviewing and approving the budget in November 2022 was drastically reduced. Before the new process, it took about 2.5 days (20 hours) to review and approve the budget each year. In 2022, this was completed in six hours with only a review of required changes to the previously approved budget

Understanding Your Municipal Taxes

To help with understanding our municipal budget, Administration introduced the Budget Story to show what a typical homeowner's taxes are per year and how much money goes towards supporting specific services like fire, RCMP, recreation facilities, roads, parks, transit and more. The information is broken down in an easy-to-read receipt that provides a snapshot of the Town's programs and services a homeowner receives for their tax dollars. Read the story at [Okotoks.ca/budget](https://okotoks.ca/budget).

**The amount shown in this cash receipt does not include the requisitions, which are a separate item on your tax bill and not included above. Requisitions represent taxes collected on behalf of the province (for education), Okotoks Public Library and Westwinds Communities.*

As a typical example, a single family residential property assessed at \$450,000 will pay approximately \$2,416 per year in property taxes in 2022 for Town of Okotoks municipal services. For this, residents will receive the snapshot of services is listed in the graphic below, and much more. Roads infrastructure requires 12.8% of your tax dollar, while Recreation, Events, Programs and Culture requires 14.7% and 34.3% goes to funding Fire, RCMP and Municipal Enforcement.

The following receipt shows the 2022 annual taxes per average household, based on an assessment of \$450,000.

5 ELIZABETH ST. TOWN OF OKOTOKS	

RECEIPT	
MUNICIPAL TAXES	

PROTECTIVE SERVICES	
1) Fire Services	\$401.89
2) RCMP & Municipal Enforcement	\$426.80
COMMUNITY HEALTH	
3) Recreation Facilities (arenas, pools)	\$245.60
4) Events, Programs & Culture	\$108.98
5) Social Services & Community Wellness	\$45.11
INFRASTRUCTURE	
6) Roads (potholes, streets, snow clearing)	\$309.84
7) Parks (pathway maintenance, mowing)	\$305.78
8) Transit Services	\$79.78
9) Community Development (engineering)	\$61.62
10) Growth & Investment (planning & economic development)	\$81.85
11) Permits, Assessment & Environment	\$45.57
CORPORATE SUPPORT	
12) Enabling Services & Administration	\$262.87
13) Council	\$40.10

TOTAL \$2,416.00	

Daily = \$6.62/day
When you break down your taxes to a daily rate, you get all municipal services for just a little more than the price of a Starbucks latte!

A monthly overview

The average household in Okotoks will spend \$201.33 on property taxes each month. For this amount, taxpayers get a vast selection of services. The true value of this expense may best be reflected when compared with other household expenses of the same approximate value.

\$201.33/mo gets the average household:

All municipal services, which include:

Snow clearing + access to playgrounds, swimming pools, hockey rinks and other recreation facilities and programs + safe roads + 24/7 police, enforcement and fire + community events + parks + local government + more!

OR

- Monthly cable television + internet
- OR
- Monthly vehicle insurance
- OR
- Monthly heating—gas + electric

The average household pays just \$25.82/month for safe roads with year-round street cleaning and snow clearing.

What you Receive for Your Tax \$\$

- 24-hr police, fire and emergency service
- 100 kms of interconnected pathway systems
- Safe roads, including year-round street cleaning & snow removal on priority roads & pathways
- 181 kms of roadways, street lights, pedestrian safety signage and crosswalks, traffic signals & 4 vehicle bridges
- 182 ha of public parks & open spaces 328 ha of naturalized area/river valley
- Skateboard park, Water Spray Park, BMX track
- Foothills Centennial Centre
- 110 parks; 72 playgrounds; 36 sports fields; 5 sport courts; 6 pickleball courts; 3 tennis courts; 1 disc golf course and 1 multi-use sport court; 14 outdoor skating rinks; 6 toboggan hills; 3 locations of outdoor fitness equipment; 2 community gardens & an off leash dog park
- Variety of indoor recreation & sports facilities including swimming pools & hockey rinks at the Okotoks Recreation Centre & Pason Centennial Arenas
- Community events
- And more

Financial Management and Control

The Town of Okotoks (the Town) is required by provincial legislation, the Municipal Government Act (MGA), to prepare annual financial statements by May 1 for the immediate preceding year. These statements are consistent with principles and standards for financial reporting established by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

Public Sector Accounting Standards aim to ensure that a municipality’s financial statements:

- › Account for the full nature and extent of the financial affairs and resources that the entity controls
- › Show the entity’s financial position at the end of the fiscal period, so the entity’s ability to finance its activities and provide future services can be evaluated
- › Describe the entity’s change in financial position during the fiscal period
- › Demonstrate the entity’s accountability for the management of the resources, obligations and financial affairs for which it is responsible

This means that financial statements should provide readers with a clear understanding of the assets, liabilities, revenues and expenses of the municipality in question.

Four separate statements make up a full set of financial statements. These statements are described briefly below and in more detail in the pages that follow.

- › Statement of Financial Position – This overarching statement summarizes a municipality’s financial position at a point in time. For the Town, this point in time is the year end date of December 31.
- › Statement of Operations – This statement summarizes the change in the overall financial position of the municipality during the accounting period. For the Town of Okotoks, this accounting period is the twelve months from January to December.
- › Statement of Change in Net Financial Assets – This statement explains the change in the net asset position from the prior year and provides important accountability information regarding the extent to which the municipality’s expenditures of the accounting period are met by the revenues recognized in the period.
- › Statement of Cash Flow – This statement explains the change in cash and cash equivalents from the prior year and provides important information about the municipality’s ability to generate cash to meet its cash requirements.



SECTION 2: FINANCIAL DISCUSSION AND REPORTING



Statement of Financial Position

The Statement of Financial Position presents a municipality’s financial assets and liabilities at a point in time. The statement layout provides two key performance measures of the municipality’s ability to finance its operations and provide future services:

- › Net Debt or Net Financial Assets
- › Accumulated Surplus or Deficit

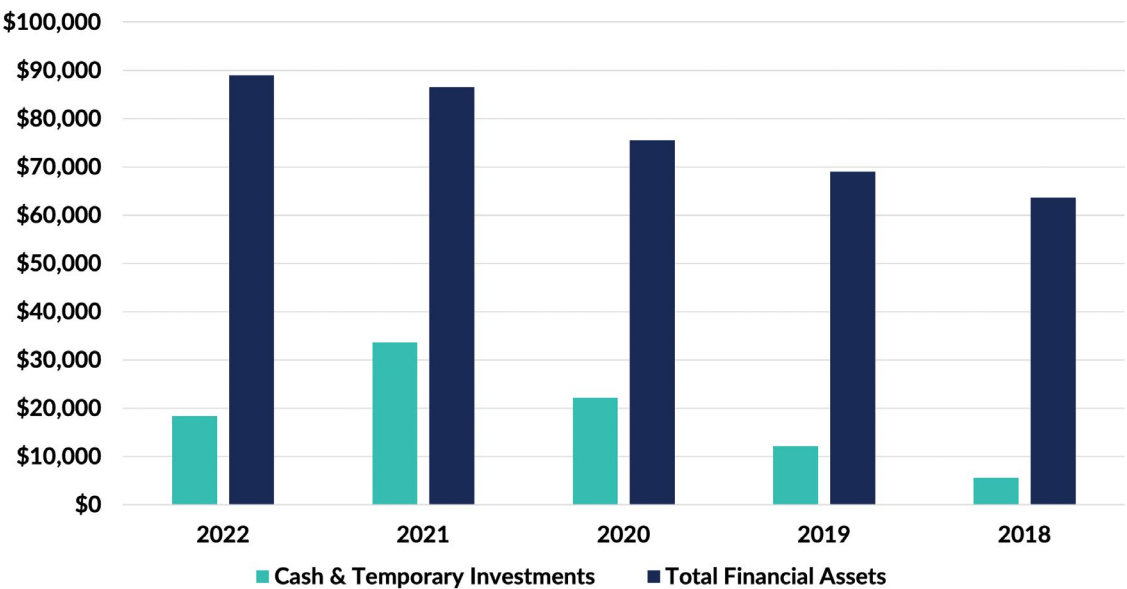
Financial Assets

Financial assets are the financial resources a municipality controls and can use to pay what it owes to others. These assets include cash, accounts receivable, investments, and assets that are convertible to cash or that generate cash so that the municipality can pay its liabilities as they come due. Information about the liquidity (which means how quickly assets can be used to pay bills) of a municipality’s financial assets is not presented on the Statement of Financial Position. However, the notes to the financial statements include disclosures on the liquidity of a municipality’s financial assets.

During the last two fiscal years the Town’s total financial assets increased by 2.8 percent, primarily as a result of an increase to trade and other receivables. Trade receivables are defined as the amount owed to a business by its customers following the sale of goods or services on credit.

Financial Assets

\$Thousands



The current ratio calculation measures ability to meet short-term obligations with existing liquid assets.

- › “Current Assets” are those which are liquid in nature (cash or an asset which can be easily converted to cash). Inventory is excluded from the calculation
- › “Current Liabilities” are generally obligations coming due within the next fiscal year

A ratio greater than one indicates the degree to which current assets exceed current liabilities. The Town’s ratio decreased 51.2 percent, from 3.7 in 2021 to 1.8 in 2022.

Accounting Process

The Town maintains accounting processes consistent with accepted standards for government accounting in Alberta and Canada, and with PSAB guidelines. The finance and accounting services are administered under the direction of the Chief Financial Officer and the Chief Administration Officer.

Audit Process

Pursuant to section 280 of the MGA, Council must appoint one or more auditors for the municipality. Avail, LLP was awarded the contract for professional audit services for the current year. The preparation, accuracy and integrity of the financial statements is the responsibility of municipal administration. The auditor’s responsibility is to express an opinion on the financial statements based on their audit results.

Budget process

A four-year budget is approved by Council in the first year of the Council term. In each subsequent year, incremental budget changes related to achieving Council’ strategic priorities may be presented and considered for approval by Council.

Quarterly, a projected variance for revenues and expenses compared to budget is prepared, indicating whether a surplus or deficit is anticipated. If it appears a deficit is projected, Council takes the necessary actions to eliminate this possibility.

Financial Policies

Council approves a number of financial management policies which are established to ensure good governance and fiscal responsibility. For more information please contact the Town of Okotoks Municipal Centre.

Asset Management Program

An Asset Management committee has developed an Asset Management Policy for the Town and ensures that the Asset Management work fits the needs of the Town overall. In alignment with that, a Maintenance Management (work order) system is being implemented concurrently. Work continues on validating base capital asset inventory and costing.

Financial Liabilities

Liabilities are existing financial obligations to outside parties at the date of the financial statements. They result from past transactions and events and will lead to the future sacrifice of economic benefits (financial assets). Common liabilities are accounts payable, employee benefit obligations and debt.

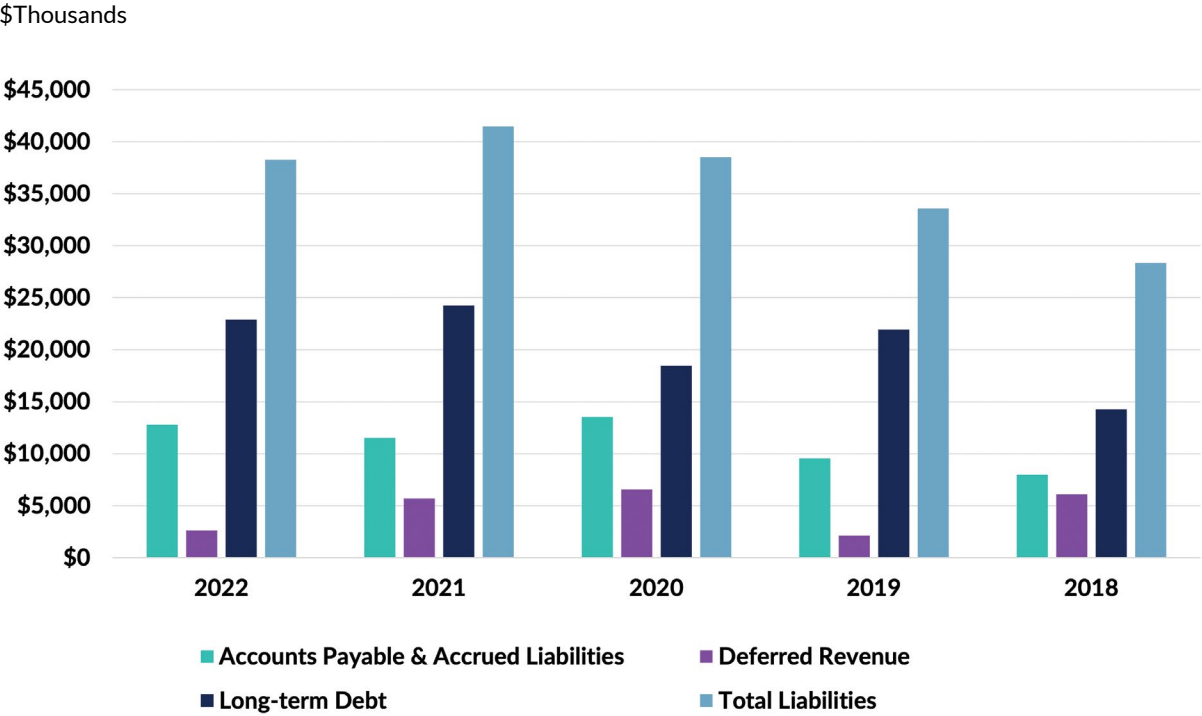
Users should also read the notes to the financial statements to better understand the nature of a municipality’s liabilities and when the liabilities are due.

During the last two fiscal years, the Town’s total financial liabilities decreased by 7.7 percent as a result of the following:

- › Accounts payable increased by 2.6 percent
- › Deferred revenue decreased by 7.4 percent
- › Long-term debt decreased by 3.3 percent

The long-term debt levels decreased to \$22,891 thousand, resulting in the debt per capita decreasing by 5.7 percent to \$753 per capita from \$798 per capita at the end of 2021.

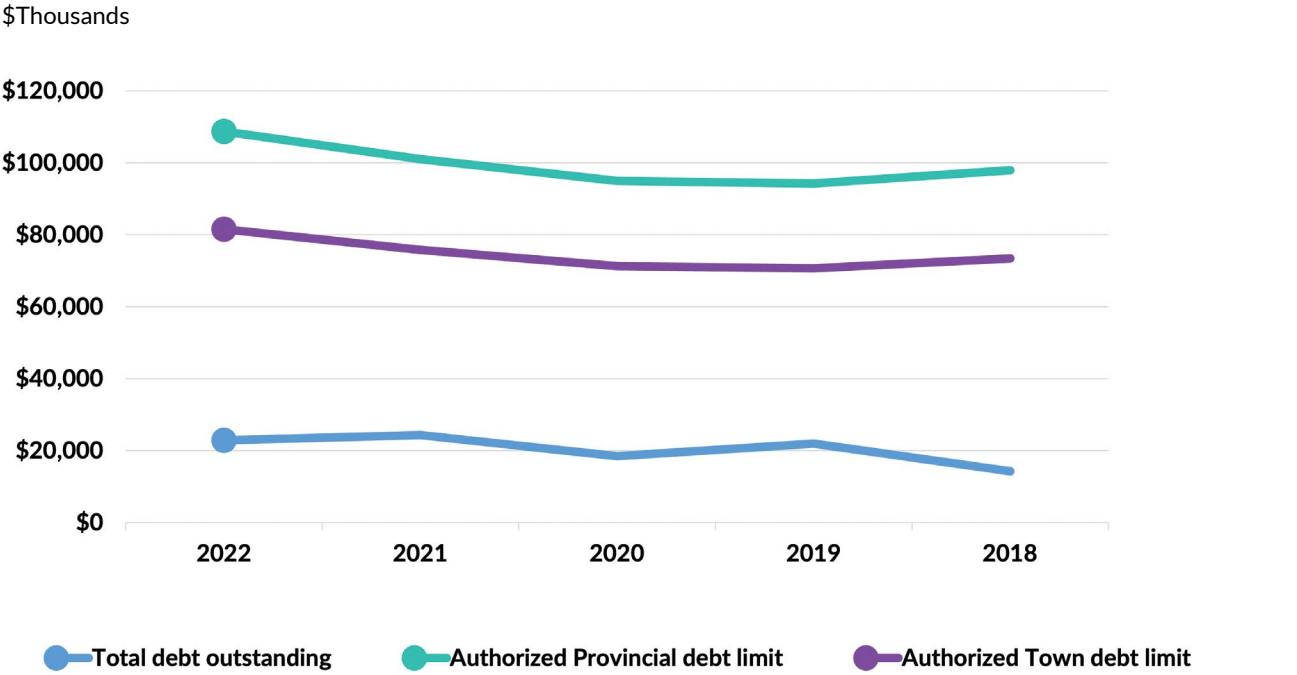
Financial Liabilities



Debt Limit

Section 276(2) of the MGA requires that debt, debt servicing and limits (as defined by the Alberta Regulation) be disclosed in the notes to the financial statements. The Town has internally restricted the debt and debt servicing limit amounts to 75% of the values permissible by the Alberta Regulation.

Long Term Debt Use & Limits



The debt limit used is 21 percent of the total limit available.
The debt service limit used is 10 percent of the total limit available.

Reserves

Reserves are vital to municipal financial health. At the discretion of Council, operating and capital reserves are established to set aside funds for future growth. Having healthy levels of reserves enable the Town to plan for:

- › Future operating and capital needs
- › Contingencies

Managing reserves with a combination of policy and effective long-term planning results in appropriate and healthy reserve levels.

	2022	2021	2020	2019	2018
Operating reserves	12,345	12,019	9,872	5,934	3,422
Capital reserves	37,380	33,444	28,948	34,643	43,472
TOTAL (\$ Thousands)	49,725	45,463	38,820	40,577	46,894
Reserves per Capita (\$ Dollars)	1,635	1,495	1,339	1,399	1,617

Net Financial Assets or Net Debt

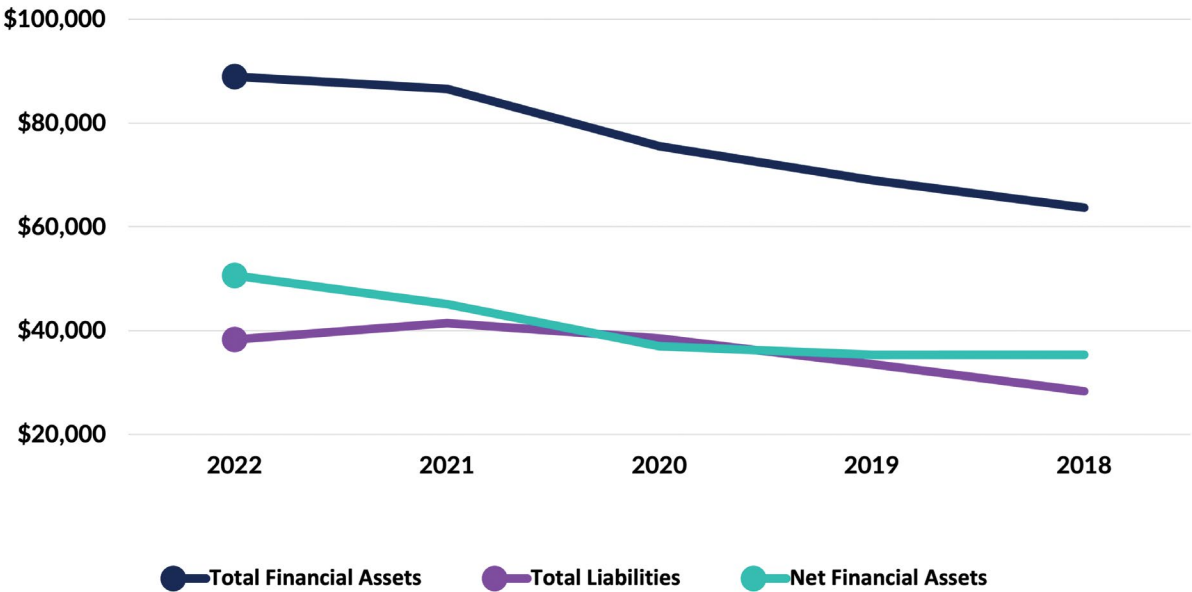
The net assets refer to the difference between financial assets and liabilities and is a key indicator of the Town’s ability to meet commitments and liabilities as well as financing future activities.

This performance measure provides readers with important information regarding the municipality’s requirement to generate future revenues to fund past services and transactions. Financial assets are the resources available to settle the Town’s liabilities to external parties.

- › When liabilities exceed financial assets, a municipality is in a net debt position. Entities in a net debt position must generate future revenues to cover the cost of past transactions and events.
- › When a municipality is in a net financial asset position, the financial assets exceed liabilities. This means an entity has sufficient financial assets to settle existing liabilities and assist in financing future projects.

Net Financial Assets

\$Thousands



During the last two fiscal years the Town’s total net financial assets increased by 12.3 percent as a result of the following:

- › Trade and other receivables increased by \$1,750 thousand
- › Deferred revenue decreased by \$3,048 thousand
- › Long-term debt increased by \$1,381 thousand

Net financial assets as of December 31, 2022 were \$50,658 thousand and attest to the Town’s stable position.

Non-Financial Assets

Non-financial assets are assets that a municipality will use up when providing future services to the public. These assets are not normally used by a municipality to settle its liabilities with external parties. As a result, they are shown separately in the Statement of Financial Position. During the 2022 fiscal year, the non-financial assets increased by 0.7 percent compared with an increase of 3.5 percent during the 2021 fiscal year.

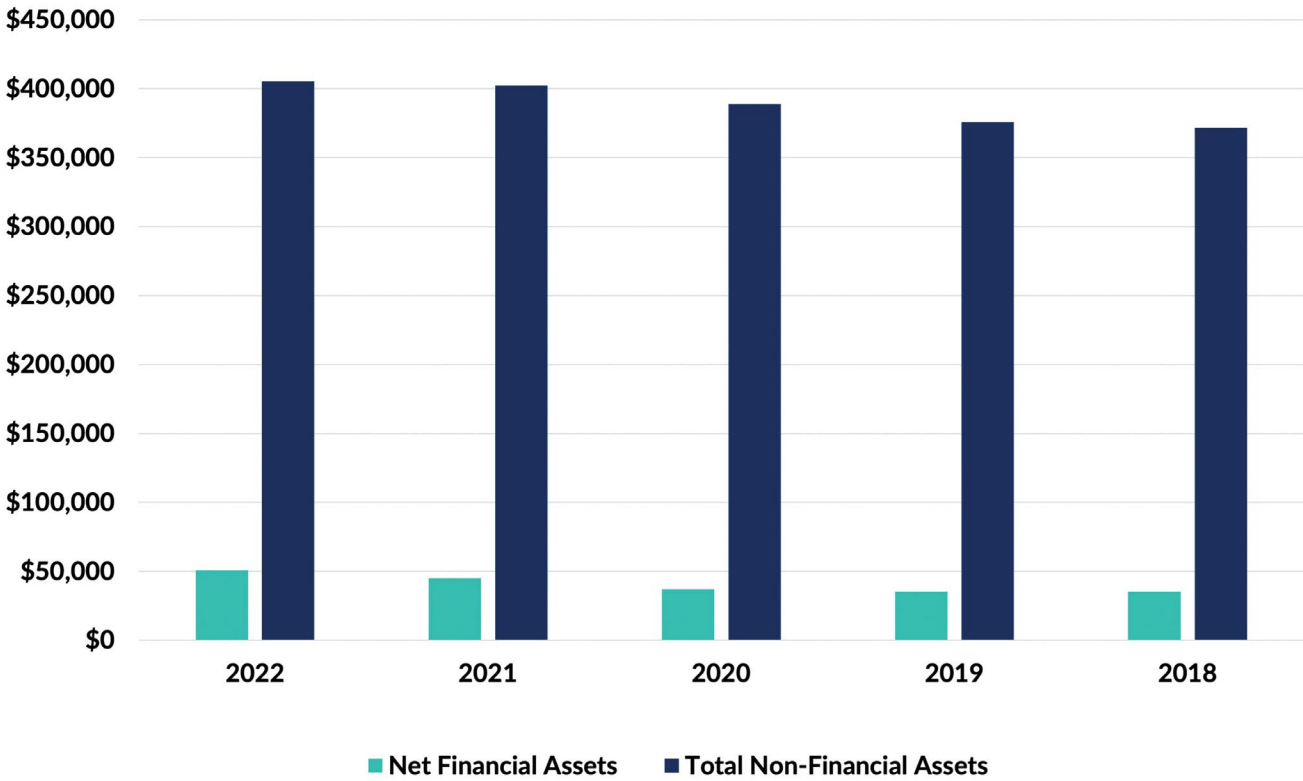
Often, the most significant group of assets within this category are the value of tangible capital assets, like buildings or roads, which are acquired to provide services over many years. As municipalities deliver services, the estimated portion of the assets used is recorded as an expense in the Statement of Operations. The balance presented represents the remaining service potential of the non-financial assets.

The Town prepares a ten-year capital plan. The challenge with capital planning is the balancing of infrastructure needs and ensuring fiscal stewardship.

As of December 31, 2022, the cost of tangible capital assets less amortization was \$404,830 thousand. Net book value as a percentage of total capital property costs is 71.9 percent.

Non vs Net Financial Assets

\$Thousands



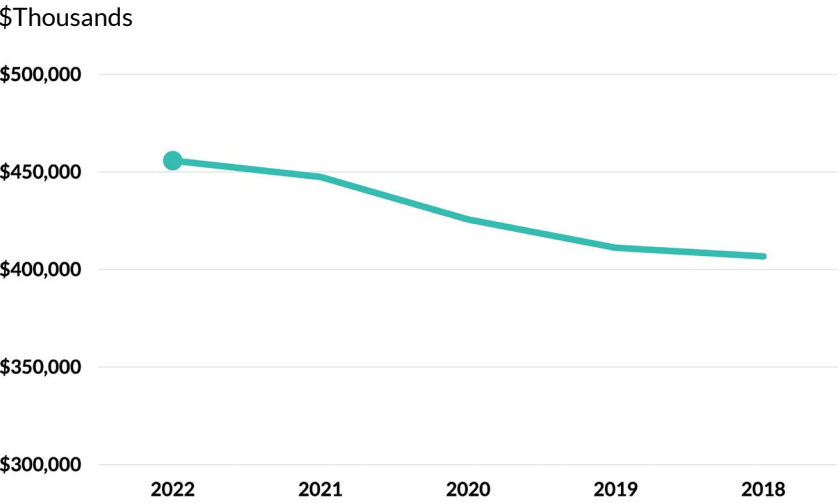
Financial Performance Measure: *Accumulated Surplus or Deficit*

The accumulated surplus or deficit represents the net recognized economic resources (all assets and liabilities) of the municipality at the date of the financial statements. This measure provides the net economic position of the municipality at a point in time.

The accumulated surplus or deficit is comprised of all of the past operating surpluses or deficits and re-measurement gains and losses, if any.

- › When total assets exceed total liabilities, the municipality is in an accumulated surplus position. This means that the municipality has net positive resources that could be used to provide future services.
- › When a municipality is in an accumulated deficit position, the total liabilities exceed total assets. This means the municipality must fund past transactions and events from future revenue.

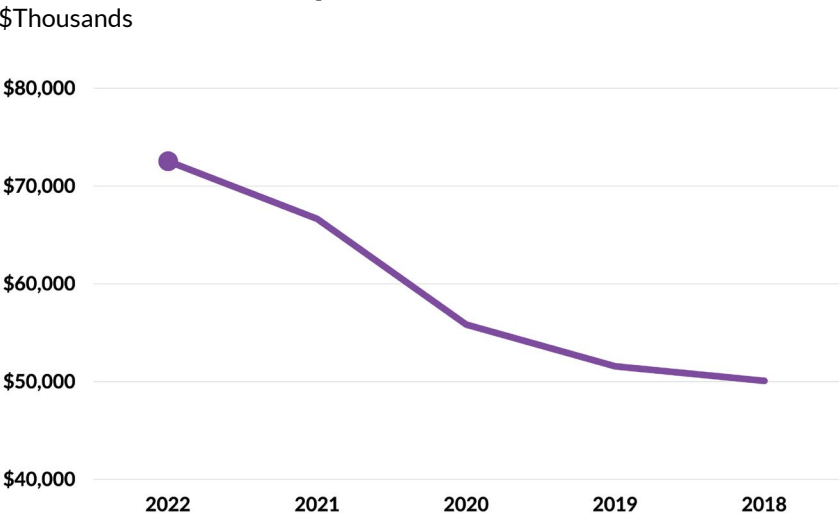
Accumulated Surplus



Municipal regulations require that the accumulated surplus net of equity in tangible capital assets cannot be less than zero.

During the last two fiscal years the net accumulated surplus increased by an average of 14.1 percent. At the end of 2022, the net accumulated surplus was \$72,535 thousand.

Net Accumulated Surplus



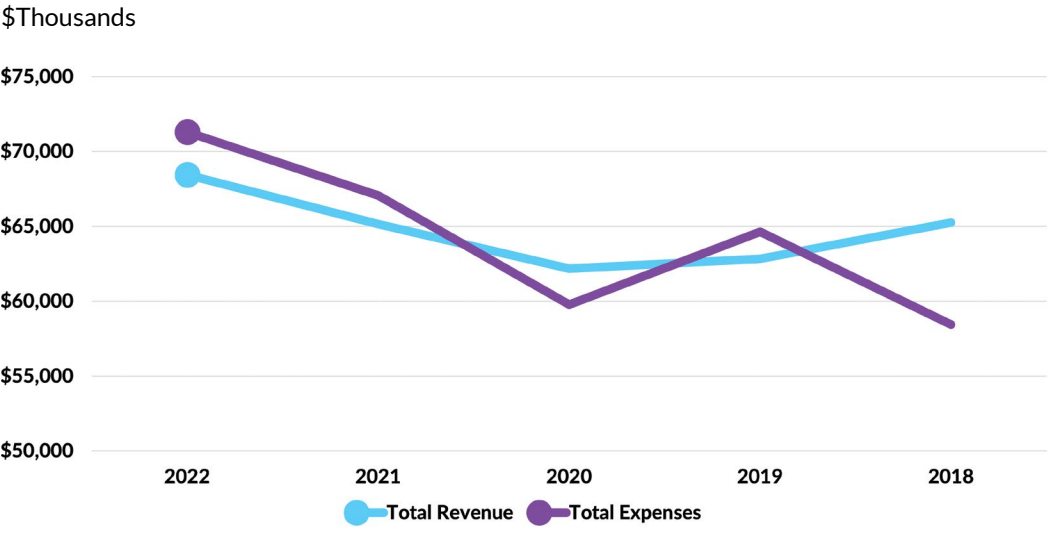
Statement of Operations

The Statement of Operations is prepared to explain the changes in the overall financial position of the municipality during the accounting period. This statement explains the change in the accumulated surplus or deficit from the prior year. The financial elements in the Statement of Operations include revenues and expenses.

The performance and accountability measures in this statement are the annual surplus or deficit[1] and the comparison of budgeted to actual results.

The operations of the Town are presented on a consolidated basis and include both the operating and capital activity.

Revenue vs Expense



Financial Performance Measure: *Annual Operating Surplus or Deficit*

The annual operating surplus or deficit shows whether the revenues raised in the year were sufficient to cover the year’s operating expenses and consequently, whether the financial position improved, was unchanged or declined during the year. It is important to look at the annual operating surplus or deficit trends over time.

- › The impact of a municipality’s annual operating surplus or deficit must be viewed in the context of the municipality’s overall financial position.
- › An entity in a strong financial position is better positioned to absorb the impact of annual operating deficits than an entity in a weak financial position.

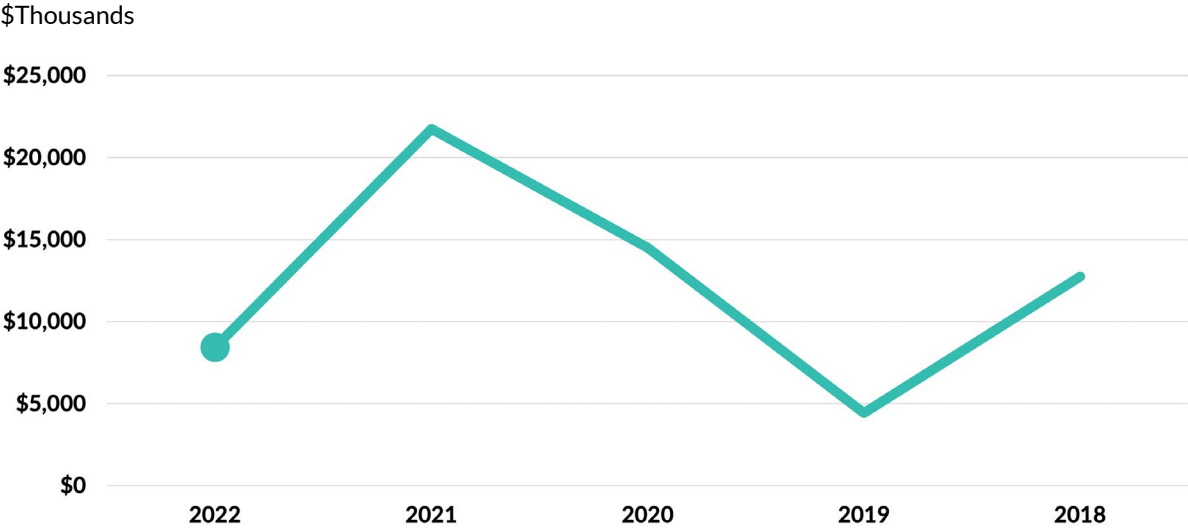
In addition to the excess or deficiency of revenues over expenses, the annual surplus includes:

	2022	2021	2020	2019	2018
Government transfers for capital	7,311	19,062	8,830	5,466	5,683
Developer capital contributions	3,990	2,192	1,131	-	-
Developer contributed assets	-	2,029	1,887	319	245
Capital donations	-	371	252	472	-
Total (\$ Thousands)	11,301	23,654	12,100	6,257	5,928

[1] The Financial Statements are presented based on the recommended terminology provided by Alberta Municipal Affairs: (Shortfall) Excess of revenue over expenses.

The total annual operating surplus for 2022 was \$8,433 thousand. This represents a decrease of \$13,324 thousand during the last twelve months, from an annual operating surplus of \$21,757 thousand at the end of 2021.

Annual Surplus



This 2022 surplus resulted in an increase in accumulated surplus. The beginning surplus balance of \$447,425 thousand was increased to \$455,858 thousand.

Revenue

Revenues are economic resources that result from the Town’s operations, transactions and events during the accounting period. Revenues result from decreases in liabilities or increases in assets.

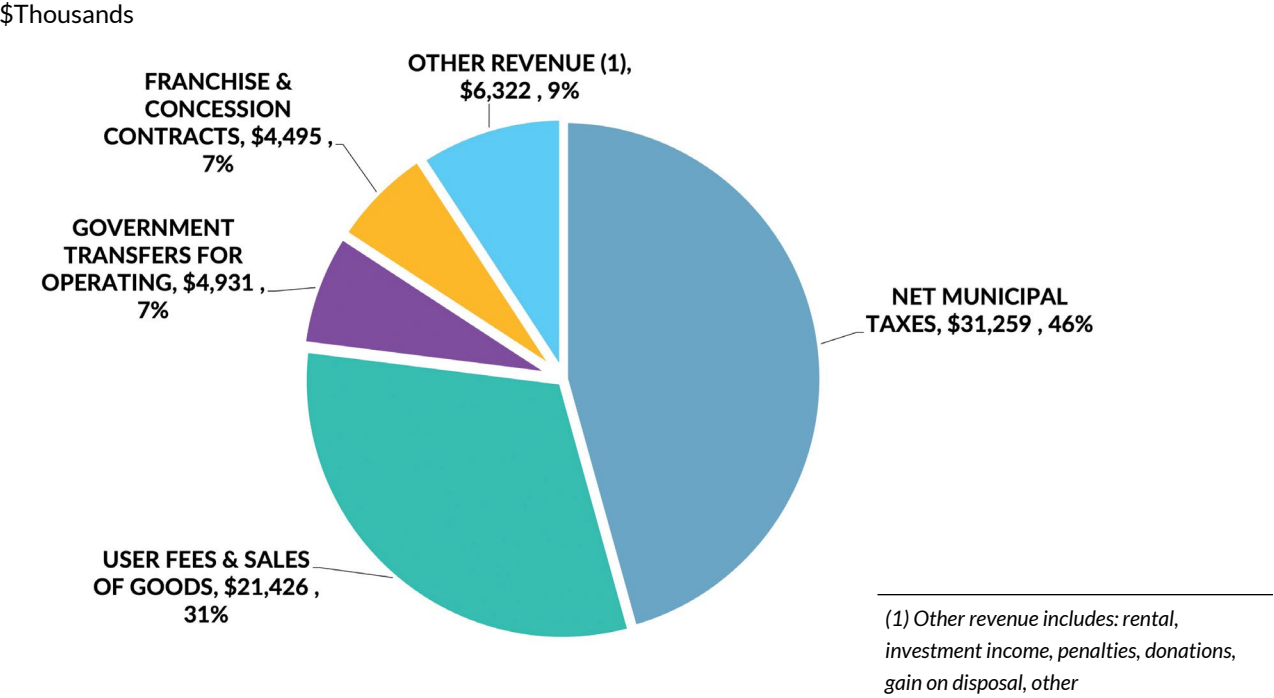
Common sources of revenues include: property taxes, sales of goods and services, transfers from governments (federal and provincial grants) and investment income.

Revenue for 2022 increased by 5.0 percent from 2021. The increase in revenue is primarily attributable to an increase in both user fees and rental income.

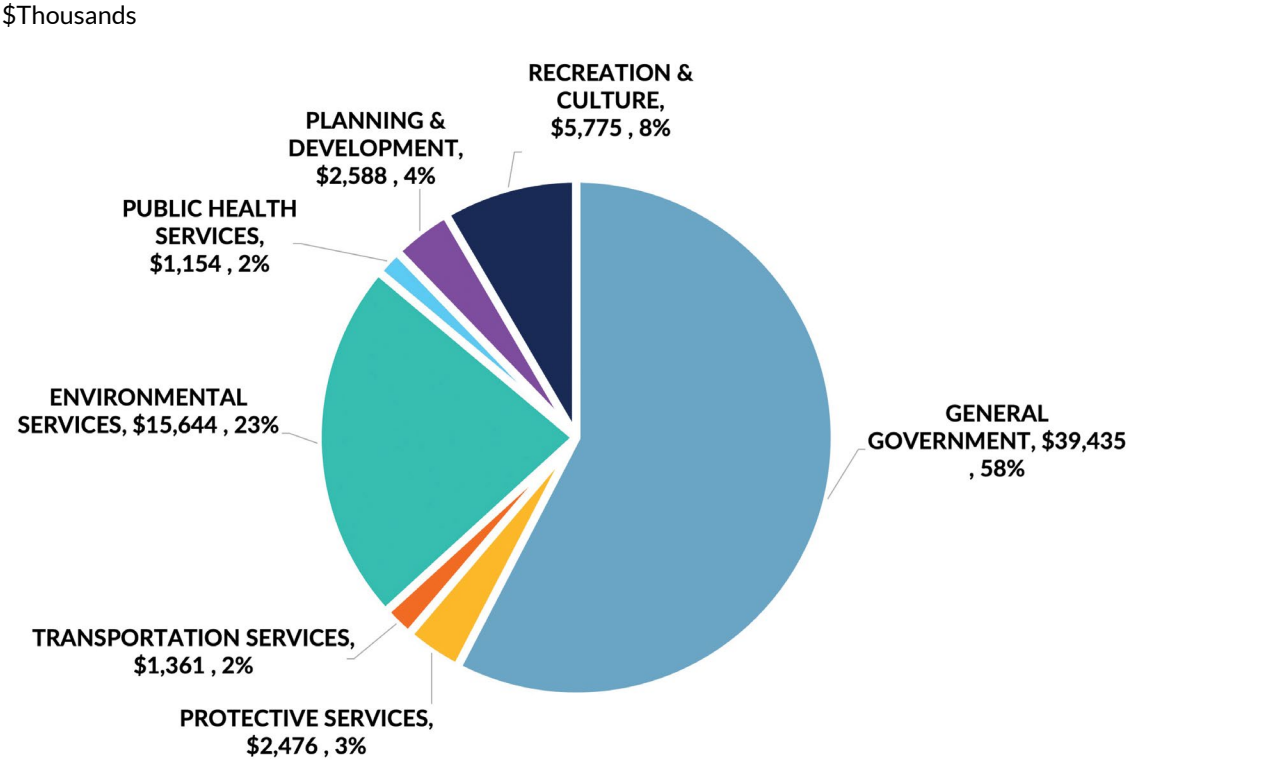
Over the last five years, the average change per year by revenue source was:

Revenue Source	Average Increase/(Decrease) 2018-2022
Net municipal taxes	2.8%
User fees & sales of goods	2.2%
Government transfers for operating	9.5%
Franchise & concession contracts	27.0%
Investment income	9.4%
Penalties & costs of taxes	4.8%

2022 Revenue by Source



2022 Revenue by Function



Expenses

Expenses are decreases in economic resources that result from the municipality’s operations, transactions and events during the accounting period. Expenses result from decreases to assets or increases in liabilities.

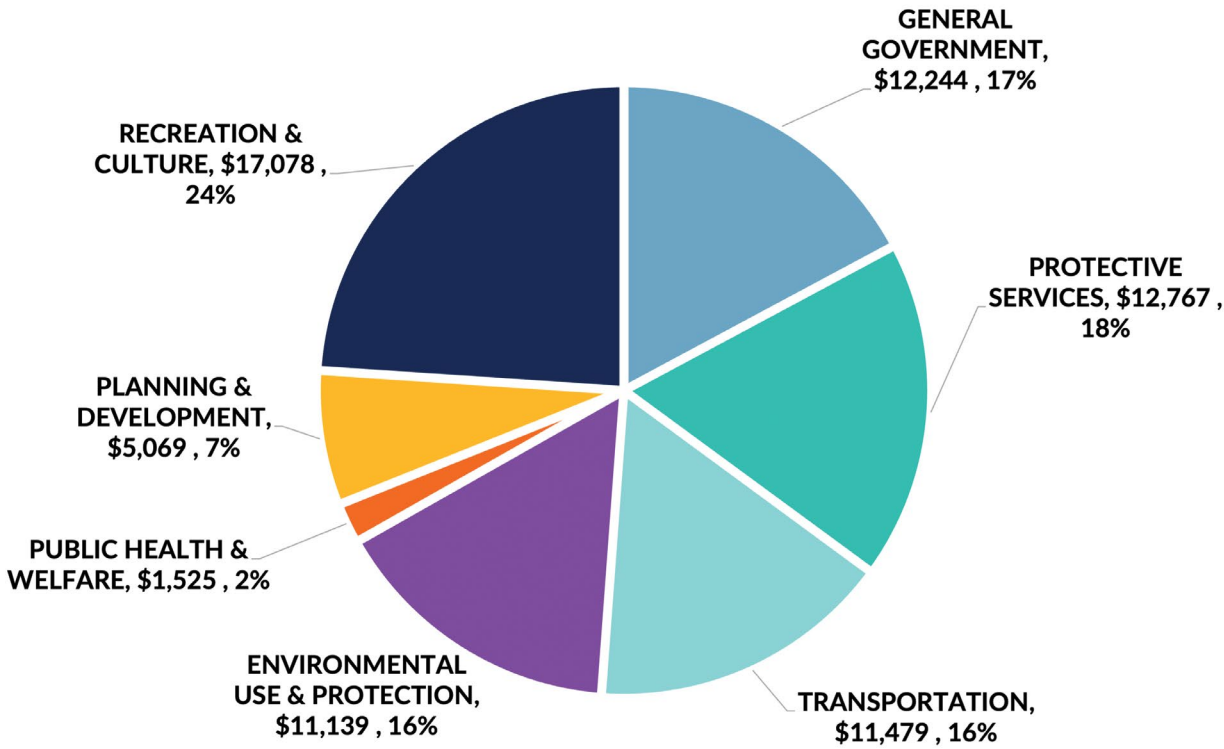
The Statement of Operations presents expenses by function categories. Note 17 to the financial statements contains additional information on the classification of expenses by object categories, such as salaries, wages and benefits.

During the 2022 fiscal year, The Town spent \$71,301 thousand (\$2,345 per capita) to operate municipal services, an increase of \$4,247 thousand (6.3 percent) over 2021.

The total consolidated expenses increased from 2021 to 2022 primarily due to the Town returning to pre-pandemic service levels requiring staffing and contractor services. An example of this increase was seen in Parks and Recreation expenses as the Town fully opened facilities to the public.

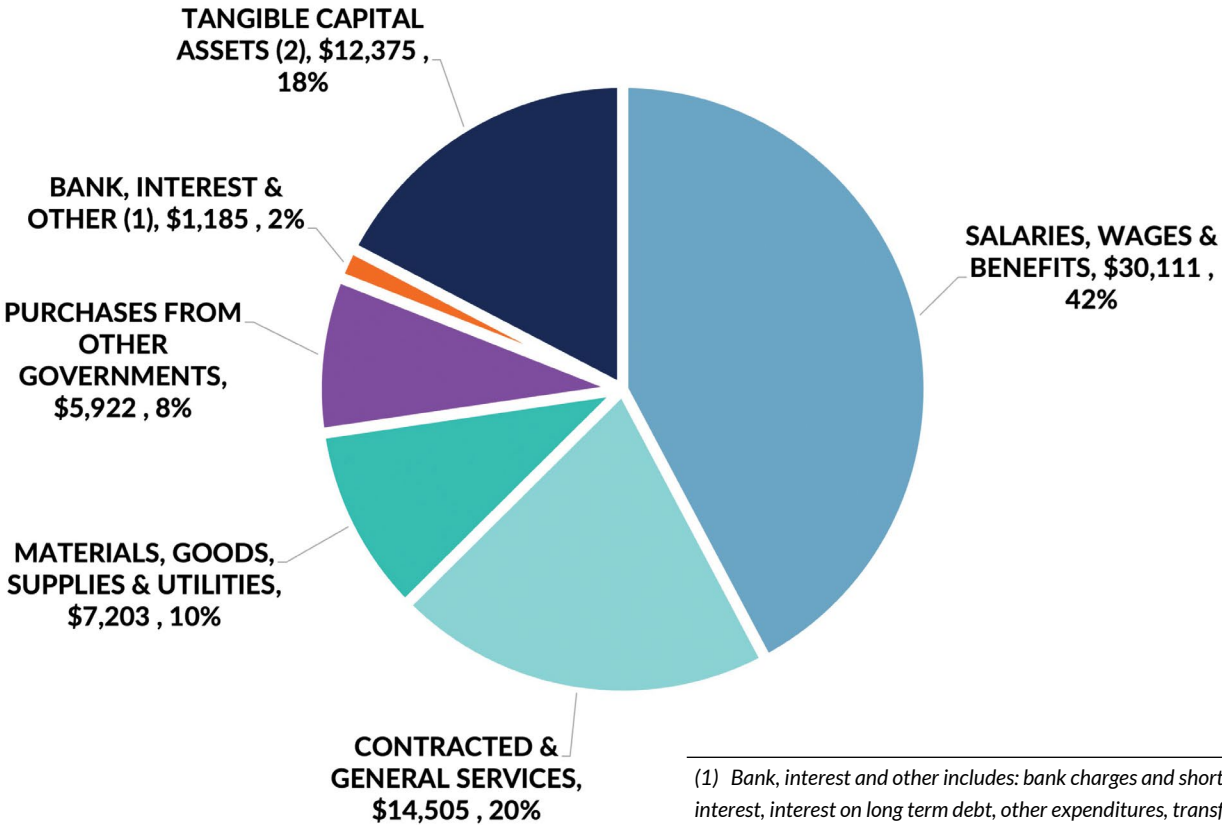
2022 Expenses by Function

\$Thousands



2022 Expenses by Object

\$Thousands



(1) Bank, interest and other includes: bank charges and short term interest, interest on long term debt, other expenditures, transfers to organizations and others, provision (recovery) for allowances
(2) Tangible capital assets includes: amortization, loss on disposal

Financial Accountability: Budget to Actual Results

Annual budgets approved by Council convey the financial policy and resource decisions for the Town. As a result, a key component of financial accountability in the public sector is comparing the actual financial results with the originally planned results in the budget.

To achieve this reporting objective, the Statement of Operations includes the detailed original approved annual budget. This is a unique requirement of public sector financial statements. The summarized results for 2022 are:

Budget to Actual Summary		
\$ Thousands		
	BUDGET	2022
Revenue	66,112	68,433
Expenses	73,168	71,301
Other	3,404	11,301
Annual Surplus (Deficit)	(3,652)	8,433

Statement of Change in Net Financial Assets

The Statement of Change in Net Financial Assets reconciles the change in net assets for the current and the prior year. This information helps readers understand why the position of the municipality changed. To explain how the expenditures of the period were met by revenues, the statement reconciles the annual operating surplus or deficit shown in the Statement of Operations to the change in net assets shown in the Statement of Financial Position.

The common items that explain the difference between the annual surplus or deficit and the change in net assets are:

- › Acquisition and disposal of tangible capital assets (TCA)
- › Current year amortization expense for TCA (expense for current year consumption)
- › Acquisition and disposal of other non-financial assets

Change in Net Financial Assets Summary			
\$ Thousands			
	BUDGET	2022	
Annual surplus (deficit)	(3,652)	8,433	(A)
(DECREASE): acquire TCA, contributed assets, gain on disposal of TCA	(20,442)	(15,186)	
INCREASE: amortization, proceeds on disposal of TCA, net change in inventory and prepaid expense	12,385	12,318	
Increase (decrease) during the year	(11,709)	5,565	
Beginning of year	45,093	45,093	(B)
End of year	33,384	50,658	(B)

(A) Statement of Operations
(B) Statement of Financial Position

Statement of Cash Flow

The Statement of Cash Flow explains the change in cash and cash equivalents from the prior year and provides readers with important information about how the municipality generated cash to meet its requirements.

The layout of the statement is designed to show how the entity financed its activities during the current and prior year.

Cash Flow Summary					
\$ Thousands					
	2022	2021	2020	2019	2018
Beginning of year	33,693	22,172	12,215	5,576	5,677
Increase/(decrease) during the year	(15,310)	11,521	9,957	6,639	(101)
End of year	18,383	33,693	22,172	12,215	5,576
Increase/(decrease) per capita (\$ Dollars)	(504)	379	343	229	(3)

The statement presents cash flow in four categories. How the cash is generated and used is shown separately in each of the following:

Operating Transactions

This section accounts for the adjustments to cash flow from non-cash items such as amortization and the impact from net changes to non-cash working capital items such as receivables, payables and deferred revenue.

Capital Transactions

Municipalities use tangible capital assets to support the delivery of services to residents. This section accounts for the impact on cash from tangible capital asset activities, such as additions and disposals.

Investing Transactions

This section accounts for the impact from net changes related to the purchase and sale of long-term investments.

Financing Transactions

This section accounts for the impact from net changes related to the issuance and payment of long-term debt obligations.

TOWN OF OKOTOKS
**Consolidated
Financial
Statements**
For the year ended December 31, 2022



INDEPENDENT AUDITOR'S REPORT

To: The Mayor and Members of Council of
the Town of Okotoks

Opinion

We have audited the consolidated financial statements of the Town of Okotoks which comprise the consolidated statement of financial position as at December 31, 2022, and the consolidated statements of operations, change in net financial assets and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Town of Okotoks as at December 31, 2022, the results of its operations, change 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 consolidated 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 the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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:

INDEPENDENT AUDITOR'S REPORT, continued

- 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 company 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.

Report on Other Legal and Regulatory Requirements

- Debt Limit Regulation:
In accordance with Alberta Regulation 255/2000, we confirm that the Town is in compliance with the Debt Limit Regulation. A detailed account of the Entity's debt limit can be found in note 24.
- Supplementary Accounting Principles and Standards Regulation:
In accordance with Alberta Regulation 313/2000, we confirm that the Town is in compliance with the Supplementary Accounting Principles and Standards Regulation and note the information required can be found in note 22.

Lethbridge, Alberta

April 24, 2023

Avail LLP

Chartered Professional Accountants

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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

The consolidated financial statements have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards (PSAS).

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

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

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

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

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

The consolidated financial statements have been audited by Avail LLP Chartered Professional Accountants, the independent external auditors appointed by the Town. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Town's consolidated financial statements.

Elaine A Vincent

Chief Administrative Officer

April 24, 2023

TOWN OF OKOTOKS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2022

(\$ thousands)

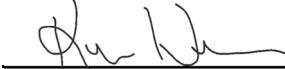
	2022	2021
Financial assets		
Cash and temporary investments (note 3)	\$ 18,383	\$ 33,693
Taxes and grants in place of taxes receivable (note 4)	1,827	1,596
Trade and other receivables (note 5)	9,318	7,568
Land held for resale	3,638	3,638
Loans receivable (note 6)	30	80
Inventory held for resale	99	120
Investments (note 7)	55,644	39,851
	88,939	86,546
Liabilities		
Accounts payable and accrued liabilities	10,209	9,124
Employee benefit obligations (note 8)	1,404	1,231
Deposit liabilities	1,157	1,158
Deferred revenue (note 9)	2,620	5,668
Long-term debt (note 10)	22,891	24,272
	38,281	41,453
Net financial assets	50,658	45,093
Non-financial assets		
Prepaid expenses	325	218
Inventory for consumption	45	53
Tangible capital assets (schedule 2)	404,830	402,061
	405,200	402,332
Accumulated surplus (note 11 and schedule 1)	\$ 455,858	\$ 447,425

Commitments and contingencies (note 23)

Approved on behalf of Council:

Tanya Thorn

Mayor



Chair, Finance and Audit Committee

TOWN OF OKOTOKS

CONSOLIDATED STATEMENT OF OPERATIONS

For the year ended December 31, 2022

(\$ thousands)

	Budget (Unaudited)	2022	2021
Revenue			
Net municipal taxes (note 14)	\$ 31,150	\$ 31,259	\$ 29,954
User fees and sales of goods	21,113	21,426	20,196
Government transfers for operating (note 15)	4,283	4,931	5,881
Franchise and concession contracts (note 16)	4,300	4,495	3,963
Rental	3,177	3,048	1,877
Investment income	973	1,767	1,339
Penalties and costs of taxes	550	633	429
Donations	164	422	500
Gain on disposal of tangible capital assets	-	34	127
Other	402	418	891
Total revenue	66,112	68,433	65,157
Expenses (note 17)			
General government			
Council and other legislative	1,492	1,412	1,368
General administration	10,401	10,832	8,810
Protective services			
Police	5,087	4,974	5,266
Fire	6,407	6,361	5,629
Bylaw enforcement	1,549	1,432	1,299
Transportation services			
Common and equipment pool	1,759	2,082	1,840
Roads, streets, walks, lighting	7,311	6,869	6,881
Public transportation	1,301	1,409	1,041
Storm sewers and drainage	1,129	1,119	1,133
Environmental use and protection			
Water supply and distribution	4,440	4,348	4,894
Wastewater treatment and collection	4,602	3,783	3,928
Waste management	3,084	3,008	2,759
Public health and welfare			
Family and community support	1,377	1,194	1,030
Cemeteries and crematoriums	319	331	322
Planning and development			
Land use planning, zoning and development	1,966	1,892	1,939
Subdivision land and development	3,247	3,177	2,959
Recreation and culture			
Parks and recreation	16,477	15,936	14,978
Culture - libraries, museums, halls	1,220	1,142	978
Total expenses	73,168	71,301	67,054
Shortfall of revenue over expenses before other	(7,056)	(2,868)	(1,897)

Continued

TOWN OF OKOTOKS

CONSOLIDATED STATEMENT OF OPERATIONS

For the year ended December 31, 2022

(\$ thousands)

	Budget (Unaudited)	2022	2021
Other			
Government transfers for capital (note 15)	3,354	7,311	19,062
Developer capital contributions	-	3,990	2,192
Developer contributed assets (note 18)	-	-	2,029
Capital donations	50	-	371
	3,404	11,301	23,654
(Shortfall) excess of revenue over expenses	(3,652)	8,433	21,757
Accumulated operating surplus, beginning of year	447,425	447,425	425,668
Accumulated operating surplus, end of year	\$ 443,773	\$ 455,858	\$ 447,425

TOWN OF OKOTOKS

CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

For the year ended December 31, 2022

(\$ thousands)

	Budget (Unaudited)	2022	2021
(Shortfall) excess of revenue over expenses	\$ (3,652)	\$ 8,433	\$ 21,757
Acquisition of tangible capital assets	(20,442)	(15,158)	(24,590)
Amortization of tangible capital assets	12,385	12,369	12,656
Developer contributed assets	-	-	(2,029)
Gain on disposal of tangible capital assets	-	(28)	(103)
Proceeds on disposal of tangible capital assets	-	48	278
	(8,057)	(2,769)	(13,788)
Net change in inventory for consumption	-	8	8
Net change in prepaid expense	-	(107)	154
	-	(99)	162
Increase in net financial assets	(11,709)	5,565	8,131
Net financial assets, beginning of year	45,093	45,093	36,962
Net financial assets, end of year	\$ 33,384	\$ 50,658	\$ 45,093

TOWN OF OKOTOKS

CONSOLIDATED STATEMENT OF CASH FLOW

For the year ended December 31, 2022

(\$ thousands)

	2022	2021
Operating transactions		
Annual surplus	\$ 8,433	\$ 21,757
Adjustments for items which do not affect cash		
Gain on disposal of tangible capital assets	(28)	(103)
Amortization of tangible capital assets	12,369	12,656
Developer contributed assets	-	(2,029)
	20,774	32,281
Net change in non-cash working capital items		
Taxes and grants in place of taxes receivable	(231)	748
Trade and other receivables	(1,749)	1,027
Inventory held for resale	21	9
Land held for resale	-	(325)
Loans receivable	50	70
Inventory for consumption	8	8
Prepaid expenses	(107)	154
Accounts payable and accrued liabilities	1,085	(1,880)
Employee benefit obligations	173	19
Deposit liabilities	(1)	(150)
Deferred revenue	(3,048)	(892)
	16,975	31,069
Capital transactions		
Proceeds on disposal of tangible capital assets	48	278
Acquisition of tangible capital assets	(15,158)	(24,590)
	(15,110)	(24,312)
Investing transactions		
Increase in investments	(15,794)	(1,064)
Financing transactions		
Proceeds of long-term debt	-	7,000
Repayment of long-term debt	(1,381)	(1,172)
	(1,381)	5,828
(Decrease) increase in cash and temporary investments	(15,310)	11,521
Cash and temporary investments, beginning of year	33,693	22,172
Cash and temporary investments, end of year	\$ 18,383	\$ 33,693

TOWN OF OKOTOKS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2022

(\$ thousands)

1. Significant accounting policies

The consolidated financial statements of the Town of Okotoks are the representations of management prepared in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. Significant aspects of the accounting policies adopted by the Town are as follows:

(a) Reporting entity
The consolidated financial statements reflect the assets, liabilities, revenue and expenses, changes in fund balances and change in financial position of the reporting entity which comprises all of the organizations that are owned or controlled by the Town and are, therefore, accountable to the Council for the administration of their financial affairs and resources.

Taxes levied also includes requisitions for educational, health care, social and other external organizations that are not part of the municipal reporting entity.

The statements exclude trust assets that are administered for the benefit of external parties. Interdepartmental and organizational transactions and balances are eliminated.

(b) Basis of accounting
The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or the legal obligation to pay.

Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

Government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used for certain programs, in the completion of specific work, or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred, services performed or the tangible capital assets are acquired.

(c) Use of estimates
The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expense during the period. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

TOWN OF OKOTOKS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2022

(\$ thousands)

1. Significant accounting policies, continued

- (d) Investments
- Investments are recorded at amortized cost. Investment premiums and discounts are amortized on the net present value basis over the term of the respective investments. When there has been a loss in value that is other than a temporary decline, the respective investment is written down to recognize the loss.
- (e) Inventories for resale
- Land held for resale is recorded at the lower of cost and net realizable value. Cost includes costs for land acquisition and improvements required to prepare the land for servicing such as clearing, stripping, and leveling charges. Related development costs incurred to provide infrastructure such as water and waste water services, roads, sidewalks, and street lighting are recorded as physical assets under their respective function.
- (f) Debt charges recoverable
- Debt charges recoverable consist of amounts that are recoverable from municipal agencies or other local governments with respect to outstanding debentures or other long-term debt pursuant to annexation orders or joint capital undertakings. These recoveries are recorded at a value that equals the offsetting portion of the unmatured long-term debt, less actuarial requirements for the retirement of any sinking fund debentures.
- (g) 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.
- (h) Contaminated sites liability
- Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of a contaminated site is recognized when a site is not in productive use and is management's estimate of the cost of post-remediation including operation, maintenance and monitoring.
- (i) Government transfers
- Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return.
- Government transfers are recognized in the financial statements as revenue in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be determined.

TOWN OF OKOTOKS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2022

(\$ thousands)

1. Significant accounting policies, continued

- (j) Non-financial assets
- Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the consolidated Change in Net Financial Assets for the year.
- (i) Tangible capital assets
- Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over the estimated useful life as follows:
- | | Years |
|-------------------------|-------|
| Land improvements | 15-75 |
| Buildings | 25-50 |
| Engineered structures | 25-75 |
| Machinery and equipment | 3-25 |
| Vehicles | 10-25 |
- Amortization is charged in the month of acquisition and in the month of disposal. Assets under construction are not amortized until the asset is available for productive use.
- (ii) Contributions of tangible capital assets
- Tangible capital assets received as contributions are recorded at fair value at the date of receipt and also are recorded as revenue.
- (iii) Leases
- Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.
- (iv) Inventories
- Inventories held for consumption are recorded at the lower of cost and replacement cost.
- (v) Cultural and historical tangible capital assets
- Works of art for display are not recorded as tangible capital assets but are disclosed.

TOWN OF OKOTOKS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2022

(\$ thousands)

2. Future accounting pronouncements

The following summarizes the upcoming changes to the Public Sector Accounting Standards by the Public Sector Accounting Board (PSAB):

(a) PS1201 - Financial statement presentation
This standard requires a new statement of remeasurement gains and losses separate from the statement of operations. The statement will include the unrealized gains and losses arising from the remeasurement of financial instruments and items denominated in a foreign currency. This standard is effective for fiscal years beginning on or after April 1, 2022.

(b) PS3450 - Financial instruments
This section establishes recognition, measurement, and disclosure requirements for derivative and non-derivative instruments. The standard requires fair value measurements of derivative instruments and equity instruments; all other financial instruments can be measured at either cost or fair value depending upon elections made by the government. Unrealized gains and losses will be presented on the new statement of remeasurement gains and losses arising from the adoption of PS1201. There will also be a requirement to disclose the nature and extent of risks arising from financial instruments and clarification is given for the de-recognition of financial liabilities. As the Town does not invest in derivatives or equity instruments based on its investment policy, it is anticipated that the adoption of this standard will have a minimal impact on the Town. This standard is effective for fiscal years beginning on or after April 1, 2022.

(c) PS2601 - Foreign currency translation
This section establishes guidance on the recognition, measurement, presentation and disclosure of assets and liabilities denominated in foreign currencies. The section requires monetary assets and liabilities, denominated in a foreign currency and non-monetary items valued at fair value denominated in a foreign currency to be adjusted to reflect the exchange rates in effect at the financial statement date. The resulting unrealized gains and losses are to be presented in the new statement of remeasurement gains and losses. This standard is effective for fiscal years beginning on or after April 1, 2022.

(d) PS3041 - Portfolio investments
This section removes the distinction between temporary and portfolio investments and provides additional guidance on recognition, measurement, presentation and disclosure of portfolio investments. Upon adoption of this section portfolio investments will no longer be applicable. This standard is effective for fiscal years beginning on or after April 1, 2022.

The requirements in PS1201, PS3450, PS2601 and PS3041 are required to be implemented at the same time.

(d) PS3280 - Asset retirement obligations
Under this new standard, an asset retirement obligation (ARO) is a legal obligation associated with the retirement of a tangible capital asset controlled by a public sector entity. An ARO will include post-retirement operation, maintenance, and monitoring costs. A liability will be recognized when specific criteria are met, with a corresponding increase to the carrying amount of the related tangible capital asset and expensing the amount in a rational and systematic manner. This new standard will replace the current standard for "Liability for Contaminated Sites" and will be effective for fiscal years beginning on or after April 1, 2022.

TOWN OF OKOTOKS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2022

(\$ thousands)

2. Future accounting pronouncements, continued

(e) PS3400 - Revenue
The new standard establishes overall guidance on how to account for and report revenue. The standard makes a distinction between transactions that include performance obligations (exchange transactions) and those that do not (non-exchange transactions). A performance obligation is an enforceable promise to provide specific goods or services to a specific payor. Revenue from transactions with performance obligations is recognized as the public sector entity satisfies a performance obligation by providing the goods or services to a payor. Once a performance obligation is identified, an assessment is needed to determine whether revenue recognition occurs over a period of time or at a point in time. Earlier adoption is permitted. This standard is effective for fiscal years beginning on or after April 1, 2023.

(f) PS3160 - Public private partnerships
This standard will provide guidance on the accounting for a public private partnership (P3). Earlier adoption is permitted. This standard is effective for fiscal years beginning on or after April 1, 2023.

(g) PSG-8 - Purchased intangibles
This guideline will allow recognition of purchased intangibles as assets. Earlier adoption is permitted. This standard is effective for fiscal years beginning on or after April 1, 2023.

The Town is continuing to assess the impact as it prepares for the adoption of these standards.

3. Cash and temporary investments

The Town has authorized a line of credit with TD Commercial Banking to a maximum of \$6,100. The line of credit bears interest at the prime rate. As at December 31, 2022, the line of credit was undrawn.

Included in cash is \$1,157 (2021 - \$1,158) of deposit liability funds which are not available for current purposes.

4. Taxes and grants in place of taxes receivables

	2022	2021
Taxes and grants in place of taxes receivable	\$ 1,684	\$ 1,246
Arrears	143	350
	\$ 1,827	\$ 1,596

TOWN OF OKOTOKS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2022

(\$ thousands)

5. Trade and other receivables

	2022	2021
Utility accounts	\$ 2,445	\$ 2,711
Provincial grants	2,362	-
Offsite levies	1,910	1,935
Trade receivables	1,560	2,034
Investment receivables	546	257
Recreation receivables	323	311
GST	217	217
Federal grants	-	166
Allowance for doubtful accounts	(45)	(63)
	\$ 9,318	\$ 7,568

6. Loans receivable

	2022	2021
Foothills Dawg's Baseball Club	\$ 30	\$ 80

An agreement was signed between Foothills Dawg's Baseball Club Ltd. and the Town in 2014 to fund stadium improvements. The loan is interest free and is to be fully repaid on October 31, 2023.

7. Investments

	2022		2021	
	Cost	Market value	Cost	Market value
Bonds	\$ 55,644	\$ 52,017	\$ 39,851	\$ 39,509

The investments consist of bonds and principal protected notes that earn interest at rates between 1.57% and 4.86% with maturity dates between 2023 and 2032.

8. Employee benefit obligations

	2022	2021
Vacation and overtime	\$ 755	\$ 645
Long-term service benefit	458	429
Health care spending account	191	157
	\$ 1,404	\$ 1,231

TOWN OF OKOTOKS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2022

(\$ thousands)

8. Employee benefit obligations, continued

Vacation and overtime

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

Long service benefits

The long service benefit liability is comprised of one day salary per year of service (at current pay rates) for those employees with ten or more years of service, as per policy. The liability will be paid upon retirement subject to compliance with the terms and arrangements at that time.

Health care spending account

The health care spending account liability is comprised of unused balances in employees accounts, which can be carried forward for up to two years.

9. Deferred revenue

	Balance, beginning of year	Received (Refunded)	Recognized	Balance, end of year
Municipal Sustainability Initiative				
- capital	\$ 3,372	\$ 950	\$ 4,322	\$ -
Municipal Sustainability Initiative				
- operating	-	219	219	-
Alberta Municipal				
Water/Wastewater Partnership	-	1,000	1,000	-
Services not yet provided	1,297	3,517	2,305	2,509
Canada Community-Building				
Fund	348	1,411	1,759	-
Green Trip	225	(105)	120	-
Basic Municipal Transportation				
grant	102	-	102	-
Family and Community Support				
Services	256	-	253	3
General administrative grants	55	71	37	89
Resource Centre grant	13	19	13	19
	\$ 5,668	\$ 7,082	\$ 10,130	\$ 2,620

TOWN OF OKOTOKS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2022

(\$ thousands)

10. Long-term debt

	2022	2021
Tax-supported debt	\$ 5,684	\$ 6,260
Self-supported debt		
Offsites	15,413	14,343
Offsites future capital projects	1,384	3,000
Utilities	410	669
Self-supported debt	17,207	18,012
	\$ 22,891	\$ 24,272
Current portion	\$ 1,263	\$ 1,381

Tax-supported debt represents the amount funded by municipal taxes. Self-supported debt represents the amount funded through self-supported municipal operations including offsite levies collected from developers, water, and sanitary.

Principal and interest repayments are due as follows:

	Principal	Interest	Total
2023	\$ 1,263	\$ 596	\$ 1,859
2024	1,031	558	1,589
2025	915	531	1,446
2026	940	506	1,446
2027	965	480	1,445
Thereafter	17,777	3,964	21,741
	\$ 22,891	\$ 6,635	\$ 29,526

Debenture debt is repayable to the Treasury Board and Finance. Debentures outstanding at December 31 bear interest at rates ranging from 2.42% to 4.61% (2021 - 2.27% to 4.61%) per annum, before Provincial subsidy, and mature in periods 2023 through 2046.

Debenture debt is issued on the credit and security of the Town at large.

Interest on long-term debt amounted to \$636 (2021 - \$557).

The Town's total cash payments for interest in 2022 were \$642 (2021 - \$509).

TOWN OF OKOTOKS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2022

(\$ thousands)

11. Accumulated surplus

Accumulated surplus consists of internally restricted and unrestricted amounts and equity in tangible capital assets as follows:

	2022	2021
Unrestricted surplus	\$ 22,810	\$ 21,173
Internally restricted surplus (reserves) (note 12)	49,725	45,463
Equity in tangible capital assets (note 13)	383,323	380,789
	\$ 455,858	\$ 447,425

12. Reserves

Reserves for operating and capital activities are as follows:

	2022	2021
Operating		
Infrastructure services	\$ 9,928	\$ 9,688
Corporate	2,410	2,324
Family & Community Support Services	7	7
	12,345	12,019
Capital		
Corporate	32,308	30,448
Community services	4,553	4,486
Infrastructure services	519	(1,490)
	37,380	33,444
	\$ 49,725	\$ 45,463

13. Equity in tangible capital assets

	2022	2021
Tangible capital assets (schedule 2)	\$ 563,435	\$ 549,374
Accumulated amortization (schedule 2)	(158,605)	(147,313)
Long-term debt (note 10)	(22,891)	(24,272)
Long-term debt - future capital projects (note 10)	1,384	3,000
	\$ 383,323	\$ 380,789

TOWN OF OKOTOKS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2022

(\$ thousands)

14. Net municipal property taxes

	Budget (Unaudited)	2022	2021
Taxation			
Real property taxes	\$ 47,139	\$ 47,278	\$ 45,585
Linear property taxes and Provincial DIP	388	388	370
Government grants in place of property taxes	5	5	5
Special assessments and local improvements	3	3	3
	47,535	47,674	45,963
Requisitions			
Alberta School Foundation Fund	13,136	13,166	12,941
Seniors Lodge	645	645	642
Christ the Redeemer Catholic Separate	1,586	1,586	1,542
Okotoks Library Board	1,016	1,016	882
Provincial DIP	2	2	2
	16,385	16,415	16,009
	\$ 31,150	\$ 31,259	\$ 29,954

15. Government transfers

	Budget (Unaudited)	2022	2021
Transfers for operating:			
Provincial government	\$ 1,586	\$ 1,802	\$ 2,993
Federal government	9	44	77
Other local government transfers	2,597	2,992	2,682
Transfer from local boards and agencies	91	93	129
	4,283	4,931	5,881
Transfers for capital:			
Provincial government	3,354	7,311	19,062
	\$ 7,637	\$ 12,242	\$ 24,943

TOWN OF OKOTOKS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2022

(\$ thousands)

16. Franchise and concession contracts

	Budget (Unaudited)	2022	2021
ATCO* - natural gas	\$ 1,200	\$ 1,299	\$ 991
Fortis - electricity	3,100	3,196	2,972
	\$ 4,300	\$ 4,495	\$ 3,963
*Net of property tax	\$ 166	\$ 165	

17. Expenses by object

	Budget (Unaudited)	2022	2021
Salaries, wages and benefits	\$ 29,956	\$ 30,111	\$ 27,088
Contracted and general services	16,489	14,505	14,472
Materials, goods, supplies and utilities	7,429	7,203	5,985
Bank charges and short term interest	80	117	85
Interest on long term debt	636	636	557
Other expenditures	-	-	1
Transfers to organizations and others	544	414	317
Purchases from other governments	5,649	5,922	5,843
Provision (recovery) for allowances	-	18	47
Amortization of tangible capital assets	12,385	12,369	12,656
Loss on disposal of tangible capital assets	-	6	3
	\$ 73,168	\$ 71,301	\$ 67,054

18. Developer contributed assets

Contributed assets consist of the following assets, by type:

	2022	2021
Storm	\$ -	\$ 914
Water	-	641
Sanitary	-	474
	\$ -	\$ 2,029

TOWN OF OKOTOKS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2022
(\$ thousands)

19. Local authorities pension plan

Employees of the Town participate in the Local Authorities Pension Plan (LAPP), which is one of the plans covered by the Alberta Public Sector Pensions Plans Act. The plan serves about 281,764 people and 435 employers. The LAPP is financed by the employer and employee contributions and by investment earnings of the LAPP Fund.

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

The Town is required to make current service contributions to the LAPP of 8.45% of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 12.80% on pensionable earnings above this amount. Employees of the Town are required to make current service contributions of 7.45% of pensionable salary up to the year's maximum pensionable salary and 11.80% on pensionable salary above this amount.

Total current service contributions by the Town to the LAPP in 2022 were \$1,824 (2021 - \$1,933). Total current service contributions by the employees of the Town to the LAPP in 2022 were \$1,637 (2021 - \$1,753).

At December 31, 2021, the LAPP disclosed an actuarial surplus of \$11.9 billion.

20. APEX Supplementary Pension Plan

The APEX supplementary pension plan, an Alberta Urban Municipalities Association (AUMA) sponsored defined benefit pension plan covered under the provisions of the Alberta Employment Pension Plans Act, commenced on January 1, 2003 and provides supplementary pension benefits to a prescribed class of employees. The plan supplements the Local Authorities Pension Plan.

Contributions are made by the prescribed class of employees and the Town. Employees and the Town are required to make current service contributions to APEX of 2.61% (2021 - 2.61%) and 3.85% (2021 - 3.85%) respectively of pensionable earnings up to \$171 (2021 - \$162).

Total current service contributions by the Town to APEX in 2022 were \$113 (2021 - \$117). Total current service contributions by the employees of the Town were \$77 (2021 - \$79).

21. Segmented disclosure

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

Refer to the schedule of segmented disclosure (schedule 3).

TOWN OF OKOTOKS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2022
(\$ thousands)

22. Salary and benefits disclosure

Disclosure of salaries and benefits for elected municipal officials, the chief administrative officer and designated officers as required by Alberta Regulation 313/2000 is as follows:

	(1) Salary	(2) Benefits & allowances	2022	2021
Council				
T. Thorn, Mayor	\$ 96	\$ 6	\$ 102	\$ 57
C. Actemichuk	44	3	47	9
O. Hallmark	45	8	53	10
K. Heemeryck	44	1	45	45
G. Lang	43	1	44	8
B. Robinson	43	6	49	9
R. Swendseid	43	1	44	8
W. Robertson, Mayor	-	-	-	54
F. Christophers	-	-	-	42
M. Rockley	-	-	-	42
E. Sands	-	-	-	41
R. Watrin	-	-	-	42
Chief Administrative Officer	\$ 288	\$ 44	\$ 332	\$ 333

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

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

Benefits and allowances figures also include the employer's share of the costs of additional taxable benefits including special leave with pay, financial planning services, retirement planning services, concessionary loans, travel allowances, car allowances, and club memberships.

TOWN OF OKOTOKS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2022

(\$ thousands)

23. Commitments and contingencies

- a) The Town of Okotoks is a member of the Alberta Local Authorities 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.
- b) No provisions have been made for any potential legal claims that may be filed against the Town, as management believes the Town has minimal exposure as at December 31, 2022.
- c) The Town also participates in the following boards, authorities and associations:
 - Drake Landing Solar Community
 - Foothills Regional Emergency Services Commission
 - Foothills Regional Services Commission
 - Okotoks Public Library Board
 - Westwinds Communities
- d) In 2017 the Town finalized an annexation agreement with Foothills County which resulted in land being annexed into the Town. As part of the agreement, the Town will pay the County a total of \$2,000, \$1,400 of which was paid in 2017 to 2022. The remaining balance will be paid in increments of \$200 annually. The last payment is expected to be paid by July 2025.

24. Debt limits

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

	2022	2021
Total debt limit *	\$ 108,634	\$ 101,022
Total debt	22,891	24,272
	\$ 85,743	\$ 76,750
Debt servicing limit *	\$ 18,106	\$ 16,837
Debt servicing	1,859	2,023
	\$ 16,247	\$ 14,814

The debt limit is calculated at 1.5 times revenue of the municipality (as defined in Alberta Regulation 255/00) and the debt service limit is calculated at 0.25 times such revenue. Incurring debt beyond these limitations requires approval by the Minister of Municipal Affairs. These thresholds are guidelines used by Alberta Municipal Affairs to identify municipalities which 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.

* The Town has internally restricted the Debt Limit and Debt Servicing Limit amounts to 75% of the values permissible by Alberta Regulation 255/00, or \$81,476 and \$13,579 respectively.

TOWN OF OKOTOKS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2022

(\$ thousands)

25. Contaminated sites liability

The Town has adopted PS3260 liability for contaminated sites. The Town has not identified any financial liabilities as a result of this standard.

26. Financial instruments

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

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

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

27. Approval of financial statements

These financial statements were approved by Council and Management.

28. Budget amounts

The 2022 budget for the Town was approved by Council on December 13, 2021 and has been reported in the consolidated financial statements for information purposes only. These budget amounts have not been audited, reviewed, or otherwise verified.

The approved budget contained reserve transfers, capital additions and principal payments on debt as expenditures. Since these items are not included in the amounts reported in the consolidated financial statements, they have been excluded from the budget amounts presented in these financial statements.

Budgeted deficit per financial statements	\$ (3,652)
Less: Capital expenditures	(20,442)
Long-term debt repayments	(1,381)
Transfers to reserves	(6,410)
Add: Amortization	12,385
Transfers from reserves	19,500
Equals: Balanced budget	\$ -

29. Comparative figures

Certain comparative figures have been reclassified to conform to the financial statement presentation adopted in the current year.

TOWN OF OKOTOKS SCHEDULES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the year ended December 31, 2022 (\$ thousands)							
Schedule of changes in accumulated surplus					Schedule 1		
	Unrestricted	Restricted	Equity in tangible capital assets	2022	2021		
Balance, beginning of year	\$ 21,173	\$ 45,463	\$ 380,789	\$ 447,425	\$ 425,668		
Annual surplus	8,433	-	-	8,433	21,757		
Unrestricted funds							
designated for future use	(13,887)	13,887	-	-	-		
Restricted funds used for operations	3,394	(3,394)	-	-	-		
Restricted funds used for tangible capital assets	-	(6,231)	6,231	-	-		
Current year funds used for tangible capital assets	(8,927)	-	8,927	-	-		
Disposal of tangible capital assets	20	-	(20)	-	-		
Amortization of tangible capital assets	12,369	-	(12,369)	-	-		
Long-term debt repaid	(1,381)	-	1,381	-	-		
Long-term debt spent on capital	1,616	-	(1,616)	-	-		
Change in accumulated surplus	1,637	4,262	2,534	8,433	21,757		
Balance, end of year	\$ 22,810	\$ 49,725	\$ 383,323	\$ 455,858	\$ 447,425		

TOWN OF OKOTOKS
SCHEDULES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2022
(\$ thousands)

Schedule of tangible capital assets				Schedule 2			
	Land	Land improvements	Buildings	Engineered structures	Machinery and equipment	Vehicles	Construction in progress
							2022
							2021
Cost:							
Balance, beginning of year	\$ 38,021	\$ 34,162	\$ 131,557	\$ 293,647	\$ 33,537	\$ 6,546	\$ 11,903
Acquisitions	-	21	228	26	569	745	13,569
Transfers	-	1,171	-	-	2,015	869	(4,055)
Disposals	-	(14)	-	-	(788)	(295)	-
							(1,097)
							(1,673)
Balance, end of year	38,021	35,340	131,785	293,673	35,333	7,865	21,417
							563,435
							549,374
Accumulated amortization:							
Balance, beginning of year	-	15,096	29,617	82,165	16,786	3,649	-
Annual amortization	-	1,266	2,868	6,029	1,672	534	-
Disposals	-	(11)	-	-	(757)	(309)	-
							(1,077)
							(1,498)
Balance, end of year	-	16,351	32,485	88,194	17,701	3,874	-
							158,605
							147,313
Net book value	\$ 38,021	\$ 18,989	\$ 99,300	\$ 205,479	\$ 17,632	\$ 3,991	\$ 21,417
							\$ 404,830
							\$ 402,061
2021 net book value	\$ 38,021	\$ 19,066	\$ 101,940	\$ 211,482	\$ 16,751	\$ 2,897	\$ 11,903
							\$ 402,061

TOWN OF OKOTOKS
SCHEDULE TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2022
(\$ thousands)

Schedule of segmented disclosure	Schedule 3						
	General government	Protective services	Transportation services	Environmental services	Public health services	Planning and development	Recreation and culture
Revenue							Total
Net municipal taxes	\$ 31,259	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
User fees and sales of goods	523	774	1,292	14,815	221	2,455	1,346
Government transfers for operating	163	1,450	21	550	919	84	1,744
Franchise and concession contracts	4,495	-	-	-	-	-	-
Rental	388	216	-	-	-	22	2,420
Investment income	1,767	-	-	-	-	-	-
Penalties and costs of taxes	491	-	14	124	-	-	633
Donations	300	-	-	-	14	-	109
Gain on disposal of capital assets	-	-	-	-	25	-	8
Other	49	36	34	130	-	27	143
	39,435	2,476	1,361	15,644	1,154	2,588	5,775
							68,433
Expenses							
Salaries, wages and benefits	7,179	6,418	1,912	3,043	828	3,719	7,012
Contracted and general services	2,999	695	2,307	3,171	124	1,245	3,964
Materials, goods, supplies and utilities	418	409	2,517	1,434	88	19	2,318
Bank charges and short term interest	21	3	-	-	-	35	58
Interest on long term debt	417	192	-	27	-	-	117
Transfers to organizations and others	3	-	-	-	405	-	636
Purchases from other governments	201	4,429	186	244	-	51	414
Provision for allowances	1	17	-	-	-	-	5,922
Amortization of tangible capital assets	999	604	4,555	3,221	80	-	18
Loss on disposal of tangible capital assets	3	-	3	-	-	-	12,369
	12,241	12,767	11,480	11,140	1,525	5,069	17,079
							71,301
Excess (shortfall) of revenue over expenses before other	27,194	(10,291)	(10,119)	4,504	(371)	(2,481)	(11,304)
Other							
Government transfers for capital	33	178	1,602	1,000	-	-	4,498
Developer capital contributions	-	-	1,480	2,008	-	-	502
	33	178	3,082	3,008	-	-	5,000
Excess (shortfall) of revenue over expenses	\$ 27,227	\$ (10,113)	\$ (7,037)	\$ 7,512	\$ (371)	\$ (2,481)	\$ (6,304)
							\$ 8,433

SECTION 3:
Statistical Information (Unaudited)

1. All data is based on the restated amounts for 2018
2. Unless otherwise indicated, data is in \$ Thousands

Expenses by Function	2022	2021	2020	2019	2018
General government	12,244	10,177	9,102	9,701	9,704
Protective services	12,767	12,194	11,660	11,791	11,255
Transportation	11,479	10,895	10,036	9,105	8,642
Environmental	11,139	11,581	10,521	14,365	10,962
Public health	1,525	1,352	1,136	1,228	1,334
Planning and development	5,069	4,898	4,382	3,369	2,571
Parks, recreation and culture	17,078	15,956	12,932	15,089	13,970
Total	71,301	67,054	59,770	64,648	58,438

Expenses by Object	2022	2021	2020	2019	2018
Salaries, wages and benefits	30,111	27,088	25,675	24,493	22,670
Contracted and general services	14,505	14,472	11,244	14,993	14,427
Materials, goods, supplies and utilities	7,203	5,985	5,492	5,823	5,568
Bank, interest and other	1,185	1,007	948	1,124	1,307
Purchases from other governments	5,922	5,843	5,149	5,053	4,345
Tangible capital assets	12,375	12,659	11,262	13,162	10,121
Total	71,301	67,054	59,770	64,648	58,438

Revenue by Source	2022	2021	2020	2019	2018
Net municipal taxes	31,259	29,954	29,399	29,156	27,915
User fees and sales of goods	21,426	20,067	17,726	20,344	26,814
Government transfers for operating	4,931	5,881	7,041	4,508	3,832
Franchise and concession contracts	4,495	3,963	3,264	3,130	1,597
Other revenue	6,322	5,292	4,743	5,684	5,105
Total	68,433	65,157	62,173	62,822	65,263

Annual Surplus	2022	2021	2020	2019	2018
Total revenue	68,433	65,157	62,173	62,822	65,263
Total expenses	71,301	67,054	59,770	64,648	58,438
Other	11,301	23,654	12,100	6,257	5,928
Total	8,433	21,757	14,503	4,431	12,753

Taxable Assessments					
\$ Millions	2022	2021	2020	2019	2018
Residential	4,727	4,459	4,495	4,521	4,450
Non Residential	751	739	756	728	703
Total	5,478	5,198	5,251	5,249	5,153

Government Transfers	2022	2021	2020	2019	2018
Transfers for operating	4,931	5,881	7,041	4,508	3,832
Transfers for capital	7,311	19,062	8,830	5,466	5,683
Total	12,242	24,943	15,871	9,974	9,515

Long-Term Debt Summary	2022	2021	2020	2019	2018
Tax-supported	5,684	6,260	6,853	9,415	12,184
Self-supported	17,207	18,012	11,591	12,509	2,076
Total	22,891	24,272	18,444	21,924	14,259
Debt per capita (\$ Dollars)	753	798	636	756	492

Legal Debt Limits	2022	2021	2020	2019	2018
Debt limit - provincial	108,634	101,022	94,957	94,233	97,894
Debt limit - internal*	81,476	75,766	71,218	70,675	73,421
Debt servicing limit - provincial	18,106	16,837	15,826	15,705	16,316
Debt servicing limit - internal*	13,579	12,628	11,870	11,779	12,237

*Internally restricted to 75% of provincial limit

Financial Position Summary	2022	2021	2020	2019	2018
Total financial assets	88,939	86,546	75,491	68,956	63,663
Total liabilities	38,281	41,453	38,529	33,584	28,339
Net financial assets	50,658	45,093	36,962	35,372	35,324
Total non-financial assets	405,200	402,332	388,706	375,794	371,410
Accumulated surplus	455,858	447,425	425,668	411,166	406,734

Acquisition of Tangible Capital Assets	2022	2021	2020	2019	2018
Land and improvements	21	1,385	309	1,499	68
Buildings	228	0	16	642	345
Engineered structures	26	2,029	2,284	1,100	245
Machinery and equipment	569	1,160	395	685	323
Vehicles	745	427	751	317	435
	1,590	5,001	3,755	4,243	1,416
Construction in progress	13,569	21,618	20,282	13,791	11,044
Total	15,158	26,619	24,037	18,034	12,460

Demographics	2022	2021	2020	2019	2018
Population**	30,405	30,405	30,405	29,002	29,002

Miscellaneous - Statistics	2022	2021	2020	2019	2018
Length of all Open Roads Maintained (KMs) *	163.4	163.5	163	161.6	160
Total area of Municipality (Hectares) *	3904	3904	3904	3904	3904
Water Mains Length (KMs) *	164.7	151.5	150	149.4	147
Wastewater Mains Length (KMs) *	153.9	133.6	132	131.2	129.2
Storm Drainage Mains Length (KMs)*	135.3	133.3	129	128	126.8

* Town of Okotoks ESRI Arc GIS system

**Stats Canada

Tax Levies and Collection (includes annexed properties)	2022	2021	2020	2019	2018
Total tax levy	47,674	45,963	45,320	44,889	43,134
Alberta School Foundation Fund	13,166	12,941	12,184	12,033	11,613
Christ the Redeemer Catholic Separate	1,586	1,542	2,253	2,229	2,142
Seniors Lodge	645	642	639	634	645
Okotoks Library Board	1,016	882	843	837	819
Provincial DIP	2	2	2		
Net municipal taxes	31,259	29,954	29,399	29,156	27,915
Municipal Tax levy as a % of revenue	45.7%	46.0%	47.3%	46.4%	42.8%
Tax levy per capita - Municipal (\$ Dollars)	1028	985	967	1005	963
Tax levy per capita - School (\$ Dollars)	485	476	475	492	474
Tax levy per capita - Seniors Lodge (\$ Dollars)	21	21	21	22	22
Total tax levy per capita (\$ Dollars)	1,534	1,483	1,463	1,519	1,459
Tax arrears, end of year (prior to allowance for doubtful accounts)	143	350	539	560	619
Arrears as a % of total tax levy	0.3%	0.8%	1.2%	1.2%	1.4%
Total taxes collected	47,443	46,711	45,349	44,755	43,216
Total taxes receivable	1,827	1,596	2,344	2,373	2,239
% taxes receivable	3.8%	3.5%	5.2%	5.3%	5.2%

Tax Rate (per \$ Dollar)	2022	2021	2020	2019	2018
Municipal - Residential/Farmland	0.005524	0.005554	0.005399	0.005331	0.005229
Municipal - Non-Residential	0.008194	0.008246	0.008018	0.007917	0.007764
Education - Residential & Farmland	0.002529	0.002606	0.002569	0.002560	0.002484
Education - Non-Residential	0.003720	0.003280	0.003772	0.003789	0.003789
Seniors - Residential & Farmland	0.000118	0.000124	0.000122	0.000122	0.000125
Seniors - Non-Residential	0.000118	0.000124	0.000122	0.000122	0.000125

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