

**Wheatland County
Consolidated
Financial Statements**

December 31, 2021

Management's Responsibility

To the Reeve and Councillors of Wheatland County:

The accompanying consolidated financial statements of Wheatland County are the responsibility of management and have been approved by Council.

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded, and financial records are properly maintained to provide reliable information for the preparation of financial statements.

Council is composed entirely of individuals who are neither management nor employees of the County. Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. Council fulfills these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. Council is also responsible for recommending the appointment of the County's external auditors.

MNP LLP is appointed by Council to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both Council and management to discuss their audit findings.

April 5, 2022



Chief Administrative Officer

Independent Auditor's Report

To the Reeve and Councillors of Wheatland County:

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Wheatland County (the "County"), which comprise the consolidated statement of financial position at December 31, 2021, the consolidated statements of operations, change in net financial assets, cash flows and schedules 1 through 3 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 Wheatland County as at December 31, 2021, and the results of its operations, change in 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 Consolidated Financial Statements section of our report. We are independent of the County in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our 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 Consolidated Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated 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 consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risk of material misstatement of the consolidated 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 County'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 County'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 consolidated 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 County to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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 municipality is in compliance with the Debt Limit Regulation. A detailed account of the Entity's debt limit can be found in note 17.
- **Supplementary Accounting Principles and Standards Regulation:**
In accordance with Alberta Regulation 313/2000, we confirm that the municipality is in compliance with the Supplementary Accounting Principles and Standards Regulation and note the information required can be found in note 22.

WHEATLAND COUNTY

Consolidated Statement of Financial Position

December 31, 2021, with comparative information for 2020

	2021	2020
Financial Assets		
Cash and cash equivalents (note 2)	\$ 21,132,415	\$ 59,117,888
Portfolio investments (note 3)	45,196,251	—
Taxes and grants in place of taxes receivable (note 4)	4,234,020	6,092,319
Trade and other receivables	2,111,593	2,240,451
Inventory held for resale (note 5)	7,225,472	9,124,098
Loan receivable (note 6)	54,173	64,937
Debt charges recoverable (note 7)	3,044,100	3,447,687
	82,998,024	80,087,380
Liabilities		
Accounts payable and accrued liabilities	7,032,723	7,992,822
Employee benefit obligations (note 8)	584,291	787,887
Deferred revenue (note 9)	2,481,184	1,256,116
Long-term debt (note 10)	3,518,740	3,991,616
Provision for reclamation (note 24)	2,110,758	2,014,082
	15,727,696	16,042,523
Net financial assets	67,270,328	64,044,857
Non-Financial Assets		
Tangible capital assets (Schedule 2)	230,196,712	235,682,928
Inventory for consumption	14,115,713	14,796,203
Prepaid expenses	465,002	427,082
	244,777,427	250,906,213
Commitments and contingencies (note 20)		
Significant event (note 26)		
Accumulated surplus (note 11, Schedule 1)	\$ 312,047,755	\$ 314,951,070

See accompanying notes to financial statements.

Approved on behalf of the Council


Reeve


Councilor

WHEATLAND COUNTY

Consolidated Statement of Operations

Year ended December 31, 2021, with comparative information for 2020

	Budget (note 25)	2021	2020
Revenue (Schedule 3):			
Net property taxes (note 14)	\$ 28,450,427	\$ 28,543,728	\$ 29,172,024
User fees and sales of goods	2,328,099	4,582,599	2,258,932
Investment income	639,133	808,243	979,497
Licenses and permits	293,900	441,742	312,952
Government transfers for operating (note 15)	448,090	719,945	1,278,404
Other revenue	146,467	187,441	529,394
Penalties and costs of taxes	393,414	602,400	743,616
Development levies	46,000	46,933	45,587
Rentals	87,540	31,877	62,985
	32,833,070	35,964,908	35,383,391
Expenses (note 16, Schedule 3):			
Legislative	627,617	497,283	488,214
Administrative	5,547,309	4,728,527	5,929,357
Police, fire, disaster, ambulance, and bylaw enforcement	3,251,213	2,606,732	2,292,143
Roads, streets, walks and lighting	24,775,348	25,298,160	23,854,285
Water supply and distribution	2,110,050	3,083,201	2,346,637
Wastewater treatment and disposal	924,379	788,063	498,507
Waste management	1,344,711	1,394,293	1,588,866
Recreation and culture	997,940	1,180,946	874,437
Subdivision land and development	1,376,892	3,179,780	1,561,310
Economic and agricultural development	1,577,232	1,499,718	1,291,148
Public health and welfare services	1,445,217	199,025	229,443
	43,977,908	44,455,728	40,954,347
Deficiency of revenue over expenses before the undernoted items	(11,144,838)	(8,490,820)	(5,570,956)
Government transfers for capital (note 15)	9,077,300	5,587,505	4,952,196
Contributed assets	-	-	11,559,945
Contributed inventory	-	-	9,471,717
	9,077,300	5,587,505	25,983,858
(Deficiency) excess of revenue over expenses	(2,067,538)	(2,903,315)	20,412,902
Accumulated surplus, beginning of year	314,951,070	314,951,070	294,538,168
Accumulated surplus, end of year	\$ 312,883,532	\$ 312,047,755	\$ 314,951,070

See accompanying notes to financial statements.

WHEATLAND COUNTY

Consolidated Statement of Change in Net Financial Assets

Year ended December 31, 2021, with comparative information for 2020

	Budget (note 25)	2021	2020
(Deficiency) excess of revenue over expenses	\$ (2,067,538)	\$ (2,903,315)	\$ 20,412,902
Acquisition of tangible capital assets	(21,478,044)	(13,270,473)	(10,701,256)
Amortization of tangible capital assets	15,736,342	16,027,801	16,865,851
Proceeds on disposal of tangible capital assets	78,412	3,784,208	635,583
Contributed assets	-	-	(11,559,945)
Gain on disposal of tangible capital assets	-	(1,055,321)	(148,921)
	(7,730,828)	2,582,900	15,504,214
Net change in inventory for consumption	-	680,490	(123,969)
Net change in prepaid expenses	-	(37,919)	(38,598)
(Decrease) increase in net financial assets	(7,730,828)	3,225,471	15,341,647
Net financial assets, beginning of year	64,044,857	64,044,857	48,703,210
Net financial assets, end of year	\$ 56,314,029	\$ 67,270,328	\$ 64,044,857

See accompanying notes to financial statements.

WHEATLAND COUNTY

Consolidated Statement of Cash Flows

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
Cash provided by (used in):		
Operating activities:		
(Deficiency) Excess of revenue over expenses	\$ (2,903,315)	\$ 20,412,902
Change in non-cash items:		
Amortization of tangible capital assets	16,027,801	16,865,851
Gain on disposal of tangible capital assets	(1,055,321)	(148,921)
Contributed assets	-	(11,559,945)
(Increase) decrease in inventory held for resale	1,898,626	(9,124,098)
(Increase) decrease in taxes and grants in place of taxes receivable	1,858,299	(4,910,387)
(Increase) decrease in trade and other receivables	128,857	(138,765)
Decrease in land held for resale	-	244,568
Decrease in loans receivable	10,764	10,552
Increase in inventory for consumption	680,490	(123,969)
Increase in prepaid expenses	(37,919)	(38,598)
(Decrease) increase in accounts payable and accrued liabilities adjusted for the acquisition of tangible capital assets (Schedule 2)	(1,613,896)	(1,589,993)
Increase (decrease) in deferred revenue and deposits	1,225,069	148,058
(Decrease) increase in provision for reclamation	96,676	(56,768)
Decrease in employee benefit obligations	(203,595)	(480,635)
	16,112,537	9,509,852
Capital activities:		
Acquisition of tangible capital assets	(12,616,676)	(12,343,518)
Proceeds on disposal of tangible capital assets	3,784,208	635,583
	(8,832,468)	(11,707,935)
Financing activities:		
Recovery of debt charges recoverable	403,588	394,135
Proceeds of long-term debt	-	267,401
Repayment of long-term debt	(472,877)	(444,319)
	(69,289)	217,217
Investing activities:		
Purchase of portfolio investments	(45,196,251)	-
Decrease in cash and short-term investments	(37,985,472)	(1,980,866)
Cash and cash equivalents, beginning of year	59,117,888	61,098,754
Cash and cash equivalents, end of year	\$ 21,132,415	\$ 59,117,888

See accompanying notes to financial statements.

WHEATLAND COUNTY

Notes to Consolidated Financial Statements, page 1

Year ended December 31, 2021, with comparative information for 2020

1. Significant accounting policies:

The consolidated financial statements of Wheatland County (the "County") are the representations of management prepared in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board of CPA Canada. Significant accounting policies adopted by the County 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 accounts for the departments that are included in the County's operations 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 consolidated financial statements exclude trust assets that are administered for the benefit of external parties. Interdepartmental and organization transactions and balances are eliminated.

(b) Basis of accounting:

The consolidated financial statements are prepared using the accrual basis of accounting. Revenue is recorded when it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or a legal obligation to pay is established.

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, to complete 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) Cash and cash equivalents:

Cash is comprised of cash deposits held with Canadian chartered banking institutions and short-term investments with maturities of three months or less.

WHEATLAND COUNTY

Notes to Consolidated Financial Statements, page 2

Year ended December 31, 2021, with comparative information for 2020

1. Significant accounting policies (continued):

(d) Portfolio investments:

Investments are recorded at amortized cost. 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. Investment premiums or discounts are amortized over the life of the respective investment.

(e) 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.

(f) Land held 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. Retained development costs incurred to provide infrastructure such as water and wastewater services, roads, sidewalks, and street lighting are recorded as physical assets under their respective junction.

(g) Requisition over-levy and under-levy:

Over-levies and under-levies arise from the difference between the actual property tax levy made to cover each requisition and the actual amount requisitioned.

If the actual levy exceeds the requisition, the over-levy is accrued as a liability and property tax revenue is reduced. Where the actual levy is less than the requisition amount, the under-levy is accrued as a receivable and as property tax revenue.

Requisition tax rates in the subsequent year are adjusted for any over-levies or under-levies of the prior year.

(h) 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.

WHEATLAND COUNTY

Notes to Consolidated Financial Statements, page 3

Year ended December 31, 2021, with comparative information for 2020

1. Significant accounting policies (continued):

(i) Tax revenue:

Tax revenues are recognized when the tax has been authorized by bylaw and the taxable event has occurred.

Requisitions operate as a flow through and are excluded from municipal revenue.

(j) Revenue recognition:

Revenue from transactions with no performance obligation is recognized at realizable value when the town has the authority to claim or retain an inflow of economic resources and identifies a past transaction or event giving rise to an asset

Revenue from transactions with performance obligations is recognized as the performance obligations are satisfied by providing the promise goods or services to the payor. User fees are recognized over the period of use, sales of goods are recognized when goods are delivered. Licenses and permits with a single performance obligation at a point in time are recognized as revenue on issuance, those which result in a continued performance obligation over time are recognized over the period of the license or permit as the performance obligation is satisfied.

Offsite levies are recognized as the performance obligation is satisfied.

(k) Use of estimates:

The preparation of financial statements in conformity with Canadian public sector accounting standards 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 expenses during the period. Significant items subject to such estimates and assumptions include the estimated useful lives of tangible capital assets, provision for reclamation, valuation of inventory, and the allowance for doubtful taxes. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

(l) Deferred revenue:

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 tangible capital assets acquired.

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Notes to Consolidated Financial Statements, page 4

Year ended December 31, 2021, with comparative information for 2020

1. Significant accounting policies (continued):

(m) Provision for reclamation:

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 the maximum acceptable concentrations under an environmental standard. This standard relates to sites that are not in productive use and sites in productive use where an unexpected event resulted in contamination. A liability for remediation of contaminated sites is recognized when all of the following criteria are met:

- an environmental standard exists;
- contamination exceeds the environmental standard;
- the County is directly responsible or accepts responsibility;
- the County expects the future economic benefits will be given up; and
- a reasonable estimate of the amount can be made.

(n) 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 revenue over expenses, provides the change in net financial assets for the year.

(i) Tangible capital assets:

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development, or betterment of the assets. 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	15-30
Buildings	25-50
Engineered structures	20-55
Machinery and equipment	3-20
Vehicles	5-15

One-half of the annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

WHEATLAND COUNTY

Notes to Consolidated Financial Statements, page 5

Year ended December 31, 2021, with comparative information for 2020

1. Significant accounting policies (continued):

(n) Non-financial assets (continued):

(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 benefit and risks incidental to ownership are accounted for as capital lease. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

(iv) Inventory for consumption:

Inventories held for consumption are recorded at the lower of cost and replacement cost, with cost determined by the average cost method.

(v) Cultural and historical tangible capital assets:

Works of art and cultural and historical assets are not recorded as assets in these financial statements.

2. Cash and cash equivalents:

	2021	2020
Cash	\$ 21,126,722	\$ 27,922,585
Short-term investments, including accrued interest	9,184	31,213,045
Cash and short-term investments held in trust (note 18)	(3,491)	(17,742)
Total	\$ 21,132,415	\$ 59,117,888

Short-term investments were moved to longer term Portfolio investments in 2021 (note 3).

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Notes to Consolidated Financial Statements, page 6

Year ended December 31, 2021, with comparative information for 2020

3. Portfolio investments:

			2021		2020	
			Cost	Market	Cost	Market
Long-term investments	\$ 45,196,251		\$ 44,203,110		-	-

The County invests in securities authorized through sections 250(1) and 250(2) of the Municipal Government Act. Prior to 2021, investment funds were held in a highly liquid demand deposit account and were therefore treated as cash on the financial statements.

The current investment portfolio includes bonds and deposit notes of Chartered Banks. Effective interest rates for securities held are 1.51% to 2.35% with maturity dates ranging from June 2022 through January 2033.

As the principal amount of the investments are guaranteed, the reduced market value is considered to be a temporary decline in value, and the investments are carried at cost on the statement of financial position.

4. Taxes and grants in place of taxes receivables:

	2021	2020
Current	\$ 3,447,278	\$ 5,991,517
Arrears	1,811,131	1,346,478
	5,258,409	7,337,995
Allowance for doubtful taxes	(1,024,389)	(1,245,676)
Total	\$ 4,234,020	\$ 6,092,319

WHEATLAND COUNTY

Notes to Consolidated Financial Statements, page 7

Year ended December 31, 2021, with comparative information for 2020

5. Inventory held for resale:

	2021	2020
Actively selling	\$ 6,698,499	\$ 7,467,076
Available for sale	-	1,130,049
Unserviced	526,973	526,973
Total	\$ 7,225,472	\$ 9,124,098

Inventory held for resale represents the Lakes of Muirfield lot inventory that the County owns and is in the process of selling.

6. Loan receivable:

The County has issued an unsecured loan in the amount of \$108,360 (2020 – \$108,360) to the Dalum Fire Association that accrues interest at a rate of 2% per annum (2020 – 2% per annum). As at December 31, 2021, the balance on the loan is \$54,173 (2020 – \$64,937). Blended payments of \$997 are due monthly over ten years, and the loan has a maturity date of September 30, 2026.

7. Debt charges recoverable:

	2021	2020
Current debt charges recoverable	\$ 413,269	\$ 403,588
Non-current debt charges recoverable	2,630,831	3,044,099
Total (note 10)	\$ 3,044,100	\$ 3,447,687

The County has secured long-term financing on behalf of several community organizations for joint projects within the County. This debt is recoverable from the organizations at interest rates from 2.208% to 2.627%. The debts mature and will be fully recovered starting in the year 2027 and ending in 2029.

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Notes to Consolidated Financial Statements, page 8

Year ended December 31, 2021, with comparative information for 2020

7. Debt charges recoverable (continued):

	Principal	Interest	Total
2022	413,269	69,451	482,720
2023	423,184	59,536	482,720
2024	433,339	49,381	482,720
2025	443,740	38,981	482,721
2026	454,392	28,329	482,721
Thereafter	876,176	26,524	902,700
Total	\$ 3,044,100	\$ 272,202	\$ 3,316,302

8. Employee benefit obligations:

	2021	2020
Early retirement incentive	\$ 40,112	\$ 295,895
Accrued salaries, vacation, and overtime	544,179	491,992
Total	\$ 584,291	\$ 787,887

(a) Vacation and overtime:

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

8. Employee benefit obligations (continued):

(b) Early retirement incentive:

The County provides an early retirement incentive plan. Employees who have at least five years of service and are over the age of 55 are eligible to be paid 3% of their annual salary for every year of service, up to a maximum of 50% of their annual salary.

Council passed a motion restricting participation in the program for new employees of Wheatland County. Employees hired on or after January 2, 2013 are not eligible for this program.

Additionally, Council passed a motion whereby this policy will no longer be in effect after December 31, 2021. All eligible employees must apply for the Retirement Incentive, in writing, by December 31, 2020. Final payment of applicants will occur during the 2022 fiscal year.

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Notes to Consolidated Financial Statements, page 9

Year ended December 31, 2021, with comparative information for 2020

9. Deferred revenue:

	2021	2020
Offsite levies	\$ 602,144	\$ 602,144
Other operating	455,814	653,972
Capital	1,423,226	-
Total	\$ 2,481,184	\$ 1,256,116

10. Long term debt:

	2021	2020
Special levy and utility supported debentures (note 13)	\$ 232,459	\$ 276,526
Self-supported debentures – operating (note 7)	3,044,100	3,447,687
Other debentures	242,181	267,403
	3,518,740	3,991,616
Less: current portion	485,135	472,877
Total	\$ 3,033,605	\$ 3,518,739

Principal and interest repayments are due as follows:

	Principal	Interest	Total
2022	485,135	81,910	567,045
2023	497,751	69,294	567,045
2024	477,080	56,307	533,387
2025	488,473	44,914	533,387
2026	500,147	33,241	533,388
Thereafter	1,070,154	39,509	1,109,663
Total	\$ 3,518,740	\$ 325,175	\$ 3,843,915

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Notes to Consolidated Financial Statements, page 10

Year ended December 31, 2021, with comparative information for 2020

10. Long term debt (continued):

Debenture debt is repayable to Alberta Capital Finance Authority and bears interest at rates ranging from 1.288% to 5.875% per annum (2020 – 1.288% to 5.875% per annum) and matures in periods 2023 to 2033. Debenture debt is issued on the credit and security of the County at large.

Wheatland County's total cash payments for interest on long-term debt is \$94,168 (2020 - \$101,884).

The County has an operating loan facility of up to \$1,700,000, repayable on demand with interest at the bank's prime minus 0.5% per annum. The facility was not used at December 31, 2021 or 2020.

11. Accumulated surplus:

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

	2021	2020
Unrestricted surplus	\$ 34,755,359	\$ 32,925,763
Internally restricted surplus (reserves) (note 12)	47,328,143	46,618,905
Equity in tangible capital assets (note 13)	229,964,253	235,406,402
	<u>\$ 312,047,755</u>	<u>\$ 314,951,070</u>

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Notes to Consolidated Financial Statements, page 11

Year ended December 31, 2021, with comparative information for 2020

12. Reserves:

Council has set up reserves for various purposes. These reserves are either required by legislation or set up at the discretion of Council to provide funding for future expenditures.

	2021	2020
Transportation – paved roadways	\$ 10,430,687	\$ 11,081,962
Transportation – unpaved roadways	8,362,141	6,595,142
Municipal equipment	8,295,489	8,536,452
Fire capital	4,281,796	4,810,899
Transportation – bridges/culverts	2,419,424	3,223,192
Lakes of Muirfield	2,125,537	287,764
Gravel reclamation	1,672,291	1,652,792
Brownfields	1,248,761	1,234,200
Municipal reserve	1,118,602	1,071,669
Operating continuity	953,436	942,319
Capital continuity	819,185	1,645,347
Utilities – Gleichen	606,673	556,851
Recreation	514,382	508,384
Facility infrastructure	484,948	479,293
Agriculture Service Board	443,381	477,745
Land development	447,464	442,246
Tax stabilization	418,027	413,153
Utilities – Speargrass	276,131	248,258
Cluny community infrastructure	275,142	271,934
Wheatland West Fire	259,377	256,353
Professional development	253,267	250,314
Utilities - Carseland	246,017	192,397
Emergency preparedness	244,277	241,429
Storm drainage	201,676	199,324
Community aggregate payment levy	201,620	199,269
Waste	166,395	164,455
Safety	109,311	108,036
Utilities – Rosebud	102,556	84,130
Community enhancement	96,120	46,784
Utilities – Cluny	95,055	91,730
Standard site	79,382	78,456
Rosebud water and wastewater	39,072	38,617
Gleichen community infrastructure	37,562	37,124
Library	2,339	2,312
Cenotaph	620	613
Information services	-	131,378
Carseland Fire Capital	-	16,582
Total	\$ 47,328,143	\$ 46,618,905

WHEATLAND COUNTY

Notes to Consolidated Financial Statements, page 12

Year ended December 31, 2021, with comparative information for 2020

13. Equity in tangible capital assets:

	2021	2020
Tangible capital assets (Schedule 2)	\$ 656,969,811	\$ 650,742,168
Accumulated amortization (Schedule 2)	(426,773,099)	(415,059,240)
Capital long term debt (note 10)	(232,459)	(276,526)
	<u>\$ 229,964,253</u>	<u>\$ 235,406,402</u>

14. Net municipal property taxes:

	Budget (note 25)	2021	2020
Taxation:			
Real property taxes	\$ 24,155,694	\$ 24,371,560	\$ 24,694,392
Linear property taxes	15,700,337	15,116,055	15,819,238
Government grants in place of property taxes	46,522	47,207	45,646
Special assessments and local improvement taxes	28,585	-	9,625
Total	<u>\$ 39,931,138</u>	<u>\$ 39,534,822</u>	<u>40,568,901</u>
Requisitions:			
Alberta School Foundation Fund	10,663,489	10,183,820	10,581,633
Designated Industrial Properties	154,522	144,619	151,492
Drumheller Solid Waste Management Association	364,350	364,350	363,647
Wheatland Foundation and Housing Management Body	298,350	298,305	300,105
Total	<u>11,480,711</u>	<u>10,991,094</u>	<u>11,396,877</u>
Total	<u>\$ 28,450,427</u>	<u>\$ 28,543,728</u>	<u>\$ 29,172,024</u>

WHEATLAND COUNTY

Notes to Consolidated Financial Statements, page 13

Year ended December 31, 2021, with comparative information for 2020

15. Government transfers:

	Budget (note 25)	2021	2020
Transfers for operating:			
Provincial Government	\$ 448,090	\$ 719,945	\$ 1,278,404
Federal Government	-	-	-
Total	\$ 448,090	\$ 719,945	\$ 1,278,404
Transfers for capital:			
Provincial Government	8,752,300	4,963,467	4,449,108
Federal Government	325,000	624,038	503,088
Total	\$ 9,077,300	\$ 5,587,505	4,952,196
Total	\$ 9,525,390	\$ 6,307,450	\$ 6,230,600

16. Expenses by object:

	Budget	2021	2020
Salaries, wages, and benefits	\$ 12,177,552	\$12,212,224	\$ 9,915,514
Contracted and general services	6,586,008	8,967,800	6,884,846
Materials, goods, supplies and utilities	5,152,162	5,867,970	3,990,924
Bank charges and short-term interest	14,280	18,864	(2,260)
Interest on long term debt, net of interest on debt charges recoverable	15,035	13,597	13,798
Transfers to organizations and others	4,082,248	2,596,064	2,790,938
Provision for allowances	214,280	(196,229)	367,524
Amortization of tangible capital assets	15,736,342	16,027,801	16,865,851
Loss (gain) on disposal of tangible capital assets	-	(1,055,321)	(148,921)
Loss (gain) on disposal of other assets	-	2,958	276,133
Total	\$ 43,977,908	\$ 44,455,728	\$ 40,954,347

WHEATLAND COUNTY

Notes to Consolidated Financial Statements, page 14

Year ended December 31, 2021, with comparative information for 2020

17. 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 County be disclosed as follows:

	2021	2020
Total debt limits	\$ 53,947,361	\$ 53,075,087
Less: Total debt (note 10)	3,518,740	3,991,616
Total	\$ 50,428,621	\$ 49,083,471

	2021	2020
Debt servicing limit	\$ 8,991,227	\$ 8,845,848
Less: Debt servicing (note 10)	567,045	567,045
Total	\$ 8,424,182	\$ 8,278,803

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

18. Trust funds:

Trust funds administered by the County on behalf of others consist of the following:

	2021	2020
Reg Thurston Memorial Scholarship	\$ -	\$ 8,257
Western District Historical Society	-	6,027
Seniors and Physically Challenged	2,849	2,822
Wheatland West Fire	642	636
Madsen Charity	-	-
Madsen Scholarship	-	-
Wheatland Society of the Arts	-	-
Total	\$ 3,491	\$ 17,742

WHEATLAND COUNTY

Notes to Consolidated Financial Statements, page 15

Year ended December 31, 2021, with comparative information for 2020

19. Local authorities pension plan:

Employees of the County 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 approximately 275,000 people and 420 employers. The LAPP is financed by the employer and employee contributions and by investment earnings of the LAPP fund.

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

The County is required to make current service contributions to the LAPP of 9.39% of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 13.84% on pensionable earnings above this amount. Employees of the County are required to make current service contributions of 8.39% of pensionable salary up to the year's maximum pensionable salary and 12.84% on pensionable salary above this amount.

Total contributions by the County to the LAPP in 2021 were \$915,060 (2020 - \$938,040). Total contributions by the employees of the County to the LAPP in 2021 were \$832,126 (2020 - \$854,615).

20. Commitments and contingencies:

Wheatland County is a member of the Jubilee Reciprocal Insurance Exchange (JRIE) and the Genesis Reciprocal Insurance Exchange (GRIE) which provide liability insurance. The investment in these programs is not reflected as an asset in the accompanying financial statements. Under the terms of membership, the County could become liable for its proportionate share of any claim losses in excess of the funds held by either exchange. Any liability incurred would be accounted for as a current transaction in the year the losses are determined.

From time to time, the County is subject to claims and other lawsuits that arise in the ordinary course of business, some of which may seek damages in substantial amounts. Liability for these claims and lawsuits are recorded to the extent that the probability of a loss is likely and it is estimable. At the time of the financial statement preparation, there has been no resolution or indication that the settlement of these actions will result in any material liabilities.

21. Financial instruments:

It is management's opinion that the County is not exposed to significant liquidity risk or interest or currency risk arising from its financial instruments. The County 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 County provides services may experience financial difficulty and be unable to fulfill 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.

WHEATLAND COUNTY

Notes to Consolidated Financial Statements, page 16

Year ended December 31, 2021, with comparative information for 2020

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:

	Salary (1)	Benefits & allowances (2)	2021	2020
Council:				
Division 1 –Wilson	21,464	51,628	73,092	16,672
Division 1 - Laprise	2,683	5,695	8,378	-
Division 2 - Link	38,512	37,368	75,880	81,335
Division 3 - Biggar	31,197	39,776	70,973	64,312
Division 4 - Ikert	32,197	37,292	69,489	64,487
Division 5 - Klassen	32,263	32,954	65,217	61,380
Division 6 - Koester	32,197	39,483	71,680	69,358
Division 7 - Armstrong	29,513	20,092	49,605	57,383
Division 7 - Laursen	2,683	4,625	7,308	-
Total	222,709	268,913	491,622	414,927
CAO	215,040	37,365	252,405	238,561
Designated Officer	137,271	29,393	166,664	172,193
Total	352,311	66,758	419,069	410,754

- (1) Salary includes regular base pay, bonuses, overtime, lump sum payments, gross honoraria 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. Benefit and allowance figures also include the employer's share of the costs of retirement planning services, concessionary loans, travel allowances, car allowances, and club memberships.

23. Works of Art and Historical Treasures:

The County manages and controls works of art and non-operational historical cultural assets including the Gleichen Water Tower. These assets are not recorded as tangible capital assets and are not amortized, which is consistent with Canadian public sector accounting standards. As at December 31, 2021, the County has incurred cumulative costs of \$509,641 (2020 - \$509,641) to maintain these assets.

WHEATLAND COUNTY

Notes to Consolidated Financial Statements, page 17

Year ended December 31, 2021, with comparative information for 2020

24. Provision for reclamation:

	2021	2020
Balance, beginning of year	\$2,014,082	\$ 2,070,850
Inflation and other adjustments	(96,676)	(56,768)
Balance, end of year	\$2,110,758	\$2,014,082

Management considers that the requirements to record a liability for remediation of contaminated sites is required for a specific site location, as well as its gravel pits.

25. Budget data:

The final 2021 budget for the County was approved by Council on April 6, 2021. Below is a reconciliation of the original bylaw to the Consolidated Statement of Operations.

Deficiency of revenue over expenses:

as per Budget Bylaw	\$	(15,736,342)
Add:		
Transfers to reserves		5,871,950
Payment of debt principal		1,763,933
Less:		
Transfers from reserves		(2,561,659)
Receipt of debt principal payments		(482,720)
as per Consolidated Statement of Operations	\$	(11,144,838)

26. Significant event

During the year, COVID-19 (coronavirus) continued to have a significant impact on organizations and governments through the restrictions put in place by the Canadian, provincial, and municipal governments regarding travel, business operations and isolation/quarantine orders.

The impact of COVID-19 on the County has been limited during 2021. The County received stimulus funding from the provincial government to offset incremental costs and reduced revenue associated with COVID-19.

27. Comparative information:

Certain comparative figures have been reclassified to be consistent with current year presentation.

WHEATLAND COUNTY

Notes to Consolidated Financial Statements, page 18

Year ended December 31, 2021, with comparative information for 2020

28. Segmented disclosure:

The County provides a range of services to its ratepayers. For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in note 1. Refer to the schedule of segmented disclosure (Schedule 3).

The segments have been selected based on the Financial Information Return segmentation reported annually to Alberta Municipal Affairs. Segments include:

- General Government is comprised of Legislative and Administrative services
- Protective Services is comprised of Police, Fire, Disaster, Ambulance, and Bylaw services
- Transportation Services is comprised of Roads, Streets, Walks, and Lighting services
- Environmental Services is comprised of Water Supply and Distribution, Wastewater Treatment and Disposal, and Waste Management services , and Economic and Agricultural Development services
- Public Health Services is comprised of Public Health and Welfare services
- Planning and Development is comprised of Subdivision Land and Development
- Recreation and Culture is comprised of Library, and Parks and Recreation services

WHEATLAND COUNTY

Schedule of Changes in Accumulated Surplus

Schedule 1

Year ended December 31, 2021, with comparative information for 2020

	Unrestricted	Restricted	Equity in Tangible Capital Assets	2021	2020
Balance, beginning of year	\$32,925,763	\$46,618,905	\$ 235,406,402	\$ 314,951,070	\$ 294,538,168
Excess (deficiency), revenue over expenses	(2,903,315)	-	-	(2,903,315)	20,412,902
Net restricted funds used for operations	(709,238)	709,238	-	-	-
Current year funds used for tangible capital assets	(13,270,473)	-	13,270,473	-	-
Disposal of tangible capital assets	2,728,887	-	(2,728,887)	-	-
Amortization of tangible capital assets	16,027,801	-	(16,027,801)	-	-
Long-term debt repaid related to tangible capital assets	(44,066)	-	44,066	-	-
Change in accumulated surplus	1,829,596	709,238	(5,442,149)	(2,903,315)	20,412,902
Balance, end of year	\$ 34,755,359	\$ 47,328,143	\$ 229,964,253	\$ 312,047,755	\$ 314,951,070

WHEATLAND COUNTY

Schedule of Tangible Capital Assets

Schedule 2

Year ended December 31, 2021, with comparative information for 2020

	Land	Land improvements	Buildings	Engineered structures	Machinery and equipment	Vehicles	Construction in progress	2021	2020
Costs:									
Balance, beginning of year	\$ 17,779,187	\$ 4,708,007	\$ 18,070,231	\$ 550,203,908	\$ 333,690,602	\$ 13,502,792	\$ 12,787,441	\$ 650,742,168	\$ 631,027,655
Acquisitions	109,500	-	3,355,392	5,360,242	2,156,531	897,703	1,391,105	13,270,473	22,261,201
Disposals	-	-	-	-	(6,649,304)	(379,706)	(13,821)	(7,042,831)	(2,546,688)
Transfers	-	-	1,393,294	10,880,948	85,118	-	(12,359,360)	-	-
Balance, end of year	17,888,687	4,708,007	22,818,916	566,445,099	29,282,947	14,020,790	1,805,365	656,969,811	650,742,168
Accumulated amortization:									
Balance, beginning of year	-	1,969,143	4,161,419	386,181,816	15,909,106	6,837,756	-	415,059,240	400,253,415
Annual amortization	-	217,288	476,104	11,182,359	3,177,874	974,177	-	16,027,801	16,865,851
Disposals	-	-	-	-	(3,934,237)	(379,706)	-	(4,313,943)	(2,060,026)
Balance, end of year	-	2,186,431	4,637,523	397,364,175	15,152,743	7,432,227	-	426,773,099	415,059,240
2021 Net book value	\$ 17,888,687	\$ 2,521,576	\$ 18,181,393	\$ 169,080,924	\$ 14,130,204	\$ 6,588,563	\$ 1,805,365	\$ 230,196,712	\$ 235,682,928
2020 net book value	\$ 17,779,187	\$ 2,738,864	\$ 13,908,812	\$ 164,022,092	\$ 17,781,496	\$ 6,665,036	\$ 12,787,442	\$ 235,682,928	-

During the year, tangible capital assets were acquired at an aggregate cost of \$13,270,473 (2020 - \$22,261,201), less contributed assets of \$nil (2020 - \$11,559,945). Of the \$13,270,473 acquired (2020 - \$10,701,256), \$653,797 (2020 - \$699,764) remains in accounts payable at year end, therefore, \$12,616,676 (2020 - \$12,343,518) was acquired with cash during the year.

During the year, assets having a net book value of \$2,728,887 (2020 - \$486,662) were sold for proceeds of \$3,784,208 (2020 - \$635,583), resulting in a gain on disposal of capital assets of \$1,055,321 (2020 - \$148,921).

The net change in accounts payable as stated on the statement of cash flows has been adjusted for the amount remaining in accounts payable related to tangible capital assets.

WHEATLAND COUNTY

Schedule of Segmented Disclosure

Schedule 3

Year ended December 31, 2021

	General government	Protective services	Transportation services	Environmental services	Public health services	Planning and development	Recreation and culture	Total
Revenue								
Net property taxes	\$28,543,728	-	-	-	-	-	-	\$28,543,728
User fees and sales of goods	483,331	376,768	167,573	1,590,358	2,700	1,949,028	12,841	4,582,599
Investment income	729,110	-	-	79,133	-	-	-	808,243
Licenses and permits	-	6,670	-	-	-	435,072	-	441,742
Government transfers for operating	181,284	157,250	-	381,411	-	-	-	719,945
Other	176,359	20,000	2,011	(47,917)	-	-	36,988	187,441
Penalties and costs of taxes	602,400	-	-	-	-	-	-	602,400
Development levies	-	-	-	-	-	46,933	-	46,933
Rentals	28,157	-	-	3,720	-	-	-	31,877
	30,744,369	560,688	169,584	2,006,705	2,700	2,431,033	49,829	35,964,908
Expenses:								
Salaries, wages, and benefits	\$2,988,087	\$952,652	\$5,483,910	\$1,882,562	-	\$739,668	\$165,345	\$12,212,224
Contracted and general services	1,356,948	436,257	2,067,552	2,669,193	2,927	2,392,160	42,763	8,967,800
Materials, goods, supplies and utilities	561,705	192,106	4,495,288	607,614	1,794	-	9,463	5,867,970
Bank charges and short-term interest	18,864	-	-	-	-	-	-	18,864
Interest on long term debt	-	-	-	13,597	-	-	-	13,597
Transfers to organization and others	29,200	916,497	120,487	417,015	193,333	-	919,532	2,596,064
Provision for allowances	(196,234)	-	-	5	-	-	-	(196,229)
Amortization of tangible capital assets	464,282	109,220	14,199,831	1,161,702	971	47,952	43,843	16,027,801
Loss (gain) on disposal of tangible capital assets	-	-	(1,068,908)	13,587	-	-	-	(1,055,321)
Loss (gain) on disposal of other assets	2,958	-	-	-	-	-	-	2,958
	5,225,810	2,606,732	25,298,160	6,765,275	199,025	3,179,780	1,180,946	44,455,728
Excess (deficiency) of revenue over expenses before other items	\$25,518,559	\$(2,046,044)	\$(25,128,576)	\$(4,758,570)	\$(196,325)	\$(748,747)	\$(1,131,117)	\$(8,490,820)
Other								
Government transfers for capital	-	684,227	2,379,069	2,524,209	-	-	-	5,587,505
Contributed assets	-	-	-	-	-	-	-	-
Contributed inventory	-	-	-	-	-	-	-	-
	-	684,227	2,379,069	2,524,209	-	-	-	5,587,505
Excess (deficiency) of revenue over expenses	\$25,518,559	\$(1,361,817)	\$(22,749,507)	\$(2,234,361)	\$(196,325)	\$(748,747)	\$(1,131,117)	\$(2,903,315)