

Wheatland County
Consolidated Financial Statements
December 31, 2023

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 2, 2024



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, 2023, 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, 2023, 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 County is in compliance with the Debt Limit Regulation. A detailed account of the County debt limit can be found in note 18.
- **Supplementary Accounting Principles and Standards Regulation:**
In accordance with Alberta Regulation 313/2000, we confirm that the County is in compliance with the Supplementary Accounting Principles and Standards Regulation and note the information required can be found in note 23.

Calgary, Alberta
April 2, 2024

MNP LLP

Chartered Professional Accountants

MNP

WHEATLAND COUNTY

Consolidated Statement of Financial Position

December 31, 2023, with comparative information for 2022

	2023	2022
Financial Assets		
Cash and cash equivalents (note 2)	\$2,769,362	\$8,599,774
Portfolio investments (note 3)	56,859,767	56,158,015
Taxes and grants in place of taxes receivable (note 4)	1,203,305	1,573,020
Trade and other receivables	3,720,628	5,587,628
Inventory held for resale (note 5)	526,972	1,178,995
Loan receivable (note 6)	32,904	43,192
Debt charges recoverable (note 7)	2,376,152	2,817,842
	<u>67,489,090</u>	<u>75,958,466</u>

Liabilities

Accounts payable and accrued liabilities	6,003,396	5,197,942
Employee benefit obligations (note 8)	486,105	576,429
Asset retirement obligations (note 9)	403,567	-
Deferred revenue (note 10)	1,163,690	923,216
Long-term debt (note 11)	2,704,358	3,220,615
Liability for contaminated site (note 25)	2,319,995	2,246,479
	<u>13,081,111</u>	<u>12,164,681</u>
Net financial assets	<u>54,407,979</u>	<u>63,793,785</u>

Non-Financial Assets

Tangible capital assets (Schedule 2)	227,883,684	228,899,758
Inventory for consumption	13,796,488	13,858,139
Prepaid expenses	550,331	426,205
	<u>242,230,503</u>	<u>243,184,102</u>

Commitments and contingencies (note 21)

Accumulated surplus (note 12, Schedule 1)	<u>\$296,638,482</u>	<u>\$306,977,887</u>
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See accompanying notes to financial statements.

Approved on behalf of the Council

Reeve

Councilor

WHEATLAND COUNTY

Consolidated Statement of Operations

Year ended December 31, 2023, with comparative information for 2022

	Budget (note 26)	2023	2022
Revenue (Schedule 3):			
Net property taxes (note 15)	\$28,976,142	\$29,010,330	\$28,405,014
User fees and sales of goods	2,216,479	3,694,387	8,751,355
Investment income	1,559,536	1,605,295	1,442,461
Licenses and permits	329,285	464,436	564,175
Government transfers for operating (note 16)	336,766	532,460	591,043
Other revenue	231,070	285,444	257,247
Penalties and costs of taxes	201,500	413,341	350,932
Development levies	46,920	102,178	39,415
Rentals	49,219	44,940	80,578
	<u>33,946,917</u>	<u>36,152,811</u>	<u>40,482,220</u>
Expenses (note 17, Schedule 3):			
Legislative	571,773	525,575	565,957
Administrative	10,088,200	6,441,907	5,995,126
Police, fire, disaster, ambulance, and bylaw enforcement	4,238,241	4,019,194	3,495,138
Roads, streets, walks and lighting	26,595,673	28,826,917	25,427,921
Water supply and distribution	2,198,682	2,173,787	2,125,184
Wastewater treatment and disposal	869,589	888,210	800,627
Waste management	1,639,037	1,652,968	1,399,990
Recreation and culture	1,505,814	1,484,829	1,608,605
Subdivision land and development	1,563,723	2,002,410	7,838,425
Economic and agricultural development	1,529,605	1,345,027	1,622,079
Public health and welfare services	220,184	208,716	202,735
	<u>51,020,521</u>	<u>49,569,540</u>	<u>51,081,787</u>
Deficiency of revenue over expenses before the undernoted items	<u>(17,073,604)</u>	<u>(13,416,729)</u>	<u>(10,599,567)</u>
Government transfers for capital (note 16)	2,599,029	3,077,324	4,935,249
Contributed assets	-	-	594,450
Contributed inventory	-	-	-
	<u>2,599,029</u>	<u>3,077,324</u>	<u>5,529,699</u>
(Deficiency) excess of revenue over expenses	<u>(14,474,575)</u>	<u>(10,339,405)</u>	<u>(5,069,868)</u>
Accumulated surplus, beginning of year	306,977,887	306,977,887	312,047,755
Accumulated surplus, end of year	<u>\$292,503,312</u>	<u>\$296,638,482</u>	<u>\$306,977,887</u>

See accompanying notes to financial statements.

WHEATLAND COUNTY

Consolidated Statement of Change in Net Financial Assets

Year ended December 31, 2023, with comparative information for 2022

	Budget (note 26)	2023	2022
(Deficiency) excess of revenue over expenses	\$(14,474,575)	\$(10,339,405)	\$(5,069,868)
Acquisition of tangible capital assets	(25,351,448)	(14,961,490)	(12,694,914)
Amortization of tangible capital assets	15,548,676	15,805,856	14,206,054
Proceeds on disposal of tangible capital assets	700,000	349,670	443,262
Contributed assets	-	-	(594,450)
Gain on disposal of tangible capital assets	-	(177,961)	(62,998)
	(23,577,347)	(9,323,330)	(3,772,914)
Net change in inventory for consumption	-	61,651	257,574
Net change in prepaid expenses	-	(124,127)	38,797
(Decrease) increase in net financial assets	(23,577,347)	(9,385,806)	(3,476,543)
Net financial assets, beginning of year	63,793,785	63,793,785	67,270,328
Net financial assets, end of year	\$40,216,438	\$54,407,979	\$63,793,785

See accompanying notes to financial statements.

WHEATLAND COUNTY

Consolidated Statement of Cash Flows

Year ended December 31, 2023, with comparative information for 2022

	2023	2022
Cash provided by (used in):		
Operating activities:		
Deficiency of revenue over expenses	\$(10,339,405)	\$(5,069,868)
Change in non-cash items:		
Amortization of tangible capital assets	15,805,856	14,206,054
Gain on disposal of tangible capital assets	(177,961)	(62,998)
Accretion expense	671	-
Contributed assets	-	(594,450)
Decrease in inventory held for resale	652,023	6,046,477
Decrease in taxes and grants in place of taxes receivable	369,716	2,661,000
(Increase) decrease in trade and other receivables	1,867,000	(3,476,035)
Decrease in loans receivable	10,288	10,981
Increase in inventory for consumption	61,651	257,574
(Increase) decrease in prepaid expenses	(124,126)	38,797
Decrease in accounts payable and accrued liabilities adjusted for the acquisition of tangible capital assets (Schedule 2)	(811,730)	(523,400)
Increase (decrease) in deferred revenue and deposits	240,475	(1,557,968)
Increase in provision for reclamation	73,516	135,721
Decrease in employee benefit obligations	(90,323)	(7,862)
	<u>7,537,651</u>	<u>12,064,023</u>
Capital activities:		
Acquisition of tangible capital assets	(12,941,414)	(13,801,296)
Proceeds on disposal of tangible capital assets	349,670	443,262
	<u>(12,591,744)</u>	<u>(13,358,034)</u>
Financing activities:		
Advance of debt charges recoverable	-	(205,000)
Recovery of debt charges recoverable	441,690	431,258
Proceeds of long-term debt	-	-
Repayment of long-term debt	(516,257)	(503,124)
	<u>(74,567)</u>	<u>(276,866)</u>
Investing activities:		
Purchase of portfolio investments	(701,752)	(10,961,764)
	<u>(5,830,412)</u>	<u>(12,532,641)</u>
Decrease in cash and short-term investments		
Cash and cash equivalents, beginning of year	8,599,774	21,132,415
Cash and cash equivalents, end of year	<u>\$2,769,362</u>	<u>\$8,599,774</u>

See accompanying notes to financial statements.

WHEATLAND COUNTY

Notes to Consolidated Financial Statements, page 1

Year ended December 31, 2023, with comparative information for 2022

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, 2023, with comparative information for 2022

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, 2023, with comparative information for 2022

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, asset retirement obligations, 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.

WHEATLAND COUNTY

Notes to Consolidated Financial Statements, page 4

Year ended December 31, 2023, with comparative information for 2022

1. Significant accounting policies (continued):

(m) Liability for contaminated site:

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, 2023, with comparative information for 2022

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.

(o) Asset retirement:

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset at the financial statement date when there is a legal obligation for the County to incur retirement costs, the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at year-end. The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle an asset retirement obligation are expected to occur over extended future periods.

When a liability for an asset retirement obligation is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related tangible capital asset. The asset retirement cost is amortized over the useful life of the related asset. Asset retirement obligations which are incurred incrementally with use of the asset are recognized in the period incurred with a corresponding asset retirement cost expensed in the period.

WHEATLAND COUNTY

Notes to Consolidated Financial Statements, page 6

Year ended December 31, 2023, with comparative information for 2022

1. Significant accounting policies (continued):

(o) Asset retirement (continued):

At each financial reporting date, the County reviews the carrying amount of the liability. Period-to-period changes to the liability due to the passage of time are recorded as an accretion expense.

Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset. The County continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

2. Cash and cash equivalents:

	2023	2022
Cash	\$ 2,760,713	\$ 8,594,060
Short-term investments, including accrued interest	9,346	9,346
Cash and short-term investments held in trust (note 19)	(697)	(3,632)
Total	\$ 2,769,362	\$ 8,599,774

3. Portfolio investments:

	2023		2022	
	Cost	Market	Cost	Market
Long-term investments	\$56,859,767	\$53,207,831	\$56,158,015	\$51,642,796

The County invests in securities authorized through sections 250(1) and 250(2) of the Municipal Government Act.

The current investment portfolio includes bonds and deposit notes of Chartered Banks. Effective interest rates for securities held are 1.51% to 3.16% with maturity dates ranging from January 2024 through January 2033.

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

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Notes to Consolidated Financial Statements, page 7

Year ended December 31, 2023, with comparative information for 2022

4. Taxes and grants in place of taxes receivables:

	2023	2022
Current	\$ 983,745	\$ 1,171,569
Arrears	1,502,895	1,462,720
	2,486,640	2,634,289
Allowance for doubtful taxes	(1,283,335)	(1,061,269)
Total	\$ 1,203,305	\$ 1,573,020

5. Inventory held for resale:

	2023	2022
Actively selling	\$ -	\$ 652,022
Unserviced	526,972	526,973
Total	\$ 526,972	\$ 1,178,995

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 (2022 – \$108,360) to the Dalum Fire Association that accrues interest at a rate of 2% per annum (2022 – 2% per annum). As at December 31, 2023, the balance on the loan is \$32,904 (2022 – \$43,192). 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:

	2023	2022
Current debt charges recoverable	\$ 452,376	\$ 441,690
Non-current debt charges recoverable	1,923,776	2,376,152
Total (note 11)	\$ 2,376,152	\$ 2,817,842

WHEATLAND COUNTY

Notes to Consolidated Financial Statements, page 8

Year ended December 31, 2023, with comparative information for 2022

7. Debt charges recoverable (continued):

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 2.850%. The debts mature and will be fully recovered starting in the year 2027 and ending in 2031.

	Principal	Interest	Total
2024	452,376	54,049	506,425
2025	463,323	43,102	506,425
2026	474,537	31,888	506,425
2027	486,025	20,400	506,425
2028	293,729	9,963	303,692
Thereafter	206,162	7,952	214,114
Total	\$ 2,376,152	\$ 167,354	\$ 2,543,506

8. Employee benefit obligations:

	2023	2022
Accrued salaries, vacation, and overtime	486,105	576,429
Total	\$ 486,105	\$ 576,429

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.

9. Asset retirement obligations:

The County owns buildings which contain asbestos and is legally required to perform abatement activities upon renovation or demolition. Abatement activities include handling and disposing of the asbestos in a prescribed manner when it is disturbed. The estimated total liability of \$382,375 upon adoption of the asset retirement obligation is based on a costing model assuming the entire square footage of the structure. The buildings are fully amortized but still in full use with no current plans for decommissioning and therefore the full liability is recognized immediately. The County has not designated assets for settling these abatement activities.

The County also has obligations where it owns affixed structures or equipment on leased land and is contractually required to restore the land to its prior condition upon termination or the end of the lease. Future expected abatement cost in the year 2039 is estimated to be \$33,250. The estimated liability upon adoption of the asset retirement obligation is \$20,521. This based on an annual inflation rate of 3.27%. The County has not designated assets for settling these abatement activities.

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Notes to Consolidated Financial Statements, page 9

Year ended December 31, 2023, with comparative information for 2022

9. Asset retirement obligations (continued):

	2023	2022
Balance, beginning of year	\$ -	\$ -
Liabilities incurred	402,896	-
Liabilities settled	-	-
Change in estimated cash flows	-	-
Accretion expense	671	-
Total	\$ 403,567	\$ -

10. Deferred revenue:

	2023	2022
Offsite levies	\$ 602,144	\$ 602,144
Other operating Capital	561,546	321,072
	-	-
Total	\$ 1,163,690	\$ 923,216

11. Long term debt:

	2023	2022
Special levy and utility supported debentures (note 14)	\$ 137,453	\$ 186,140
Self-supported debentures – operating (note 7)	2,376,152	2,817,842
Other debentures	190,753	216,633
	2,704,358	3,220,615
Less: current portion	496,117	516,257
Total	\$ 2,208,241	\$ 2,704,358

WHEATLAND COUNTY

Notes to Consolidated Financial Statements, page 10

Year ended December 31, 2023, with comparative information for 2022

11. Long term debt (continued):

Principal and interest repayments are due as follows:

	Principal	Interest	Total
2024	496,117	60,975	557,092
2025	508,056	49,036	557,092
2026	520,292	36,800	557,092
2027	524,914	24,345	549,259
2028	333,351	13,174	346,525
Thereafter	321,628	10,772	332,400
Total	\$ 2,704,358	\$ 195,102	\$ 2,899,460

Debenture debt is repayable to Alberta Capital Finance Authority and bears interest at rates ranging from 1.288% to 4.365% per annum (2022 – 1.288% to 5.875% per annum) and matures in periods 2024 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 \$72,333 (2022 - \$85,818).

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, 2023 or 2022.

12. Accumulated surplus:

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

	2023	2022
Unrestricted surplus	\$ 24,623,304	\$ 27,910,014
Internally restricted surplus (reserves) (note 13)	44,672,514	50,354,255
Equity in tangible capital assets (note 14)	227,342,664	228,713,618
	\$ 296,638,482	\$ 306,977,887

WHEATLAND COUNTY

Notes to Consolidated Financial Statements, page 11

Year ended December 31, 2023, with comparative information for 2022

13. 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.

	2023	2022
Municipal equipment	\$ 9,608,389	\$ 9,164,481
Lakes of Muirfield	8,774,716	8,057,200
Transportation – unpaved roadways	5,784,459	8,384,759
Fire capital	4,471,312	4,515,323
Transportation – paved roadways	2,409,422	6,810,917
Gravel reclamation	1,762,166	1,714,670
Brownfields	1,410,455	1,327,530
Municipal reserve	1,264,788	1,162,610
Operating continuity	1,220,436	957,475
Agriculture Service Board	986,771	554,466
Capital continuity	933,340	896,252
Community aggregate payment levy	812,084	648,636
Land development	807,650	522,839
Utilities – Gleichen	707,343	653,227
Facility infrastructure	454,312	536,287
Tax stabilization	422,785	419,798
Recreation	406,834	501,401
Utilities - Carseland	361,152	299,696
Utilities – Speargrass	334,568	302,945
Cluny community infrastructure	278,274	276,308
Wheatland West Fire	262,329	260,476
Emergency preparedness	247,057	245,312
Storm drainage	183,124	202,530
Waste	168,289	167,100
Utilities – Rosebud	124,721	112,874
Utilities – Cluny	117,820	105,595
Safety	110,555	109,774
Standard site	80,285	79,718
Utilities – Muirfield	56,287	7,733
Rosebud water and wastewater	39,517	39,237
Gleichen community infrastructure	37,989	37,721
Community enhancement	24,919	18,379
Information services	5,373	82,860
Library	2,366	2,349
Cenotaph	627	623
Transportation – bridges/culverts	-	920,743
Professional development	-	254,340
Carseland Fire Capital	-	71
Total	\$ 44,672,514	\$ 50,354,255

WHEATLAND COUNTY

Notes to Consolidated Financial Statements, page 12

Year ended December 31, 2023, with comparative information for 2022

14. Equity in tangible capital assets:

	2023	2022
Tangible capital assets (Schedule 2)	\$ 682,761,811	\$ 668,382,386
Accumulated amortization (Schedule 2)	(454,878,127)	(439,482,628)
Capital long term debt (note 11)	(137,453)	(186,140)
Asset retirement obligations (note 9)	(403,567)	-
	<u>\$ 227,342,664</u>	<u>\$ 228,713,618</u>

15. Net municipal property taxes:

	Budget (note 26)	2023	2022
Taxation:			
Real property taxes	\$ 25,082,910	\$ 25,411,053	\$ 24,544,896
Linear property taxes	14,930,665	14,617,337	14,841,936
Government grants in place of property taxes	43,850	43,852	44,968
Special assessments and local improvement taxes	28,585	-	-
Total	<u>\$ 40,086,010</u>	<u>\$ 40,072,242</u>	<u>\$ 39,431,800</u>
Requisitions:			
Alberta School Foundation Fund	9,987,892	9,987,892	10,182,196
Designated Industrial Properties	153,438	152,996	144,607
Drumheller Solid Waste Management Association	371,185	371,185	364,350
Wheatland Foundation and Housing Management Body	412,353	373,448	335,633
Tax Incentive Refund	185,000	176,391	-
Total	<u>11,109,868</u>	<u>11,061,912</u>	<u>11,026,786</u>
Total	<u>\$ 28,976,142</u>	<u>\$ 29,010,330</u>	<u>\$ 28,405,014</u>

WHEATLAND COUNTY

Notes to Consolidated Financial Statements, page 13

Year ended December 31, 2023, with comparative information for 2022

16. Government transfers:

	Budget (note 26)	2023	2022
Transfers for operating:			
Provincial Government	\$ 336,766	\$ 532,460	\$ 591,043
Federal Government	-	-	-
Total	\$ 336,766	\$ 532,460	\$ 591,043
Transfers for capital:			
Provincial Government	2,599,029	3,077,324	4,935,249
Federal Government	-	-	-
Total	\$ 2,599,029	\$ 3,077,324	\$ 4,935,249
Total	\$ 2,935,795	\$ 3,609,784	\$ 5,526,292

17. Expenses by object:

	Budget (note 26)	2023	2022
Salaries, wages, and benefits	\$12,725,350	\$14,061,632	\$13,178,250
Contracted and general services	11,692,317	9,758,379	13,885,265
Materials, goods, supplies and utilities	6,206,611	6,376,189	6,413,706
Bank charges and short-term interest	19,000	21,980	24,988
Interest on long term debt, net of interest on debt charges recoverable	69,294	72,333	85,818
Transfers to organizations and others	4,554,273	3,426,452	3,300,909
Provision for allowances	205,000	226,734	47,385
Amortization of tangible capital assets	15,548,676	15,805,856	14,206,054
Accretion of asset retirement obligation	-	671	-
Loss (gain) on disposal of tangible capital assets	-	(177,961)	(62,998)
Loss (gain) on disposal of other assets	-	(2,725)	2,410
Total	\$ 51,020,521	\$ 49,569,540	\$ 51,081,787

WHEATLAND COUNTY

Notes to Consolidated Financial Statements, page 14

Year ended December 31, 2023, with comparative information for 2022

18. 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:

	2023	2022
Total debt limits	\$ 54,229,217	\$ 60,723,329
Less: Total debt (note 11)	2,704,358	3,220,615
Total	\$ 51,524,859	\$ 57,502,714

	2023	2022
Debt servicing limit	\$ 9,038,203	\$ 10,120,555
Less: Debt servicing (note 11)	557,092	590,749
Total	\$ 8,481,111	\$ 9,529,806

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.

19. Trust funds:

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

	2023	2022
Seniors and Physically Challenged	\$ -	\$ 2,964
Wheatland West Fire	697	668
Total	\$ 697	\$ 3,632

WHEATLAND COUNTY

Notes to Consolidated Financial Statements, page 15

Year ended December 31, 2023, with comparative information for 2022

20. 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 290,000 people and 437 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 8.45% of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 12.23% on pensionable earnings above this amount. Employees of the County are required to make current service contributions of 7.45% of pensionable salary up to the year's maximum pensionable salary and 11.23% on pensionable salary above this amount.

Total contributions by the County to the LAPP in 2023 were \$899,776 (2022 - \$873,368). Total contributions by the employees of the County to the LAPP in 2023 were \$800,476 (2022 - \$783,207). At December 31, 2022, the LAPP disclosed an actuarial surplus of \$12.67 billion. This amount is not specifically allocated to the participating government organizations. The 2023 actuarial balance was not available at the date these financial statements were released.

21. 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.

22. 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

WHEATLAND COUNTY

Notes to Consolidated Financial Statements, page 16

Year ended December 31, 2023, with comparative information for 2022

22. Financial instruments (continued):

diversity of taxpayers and customers minimizes the credit risk. Unless otherwise noted, the carrying value of the financial instrument approximates fair value.

23. 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)	2023	2022
Council:				
Division 1 - Laprise	32,197	40,932	73,129	73,579
Division 2 - Link	38,512	31,166	69,678	75,323
Division 3 - Biggar	32,197	30,403	62,600	64,695
Division 4 - Ikert	32,197	39,413	71,610	67,146
Division 5 - Klassen	32,263	38,664	70,927	66,972
Division 6 - Koester	32,197	25,002	57,199	68,266
Division 7 - Laursen	32,197	33,789	65,986	74,271
Total	231,760	239,369	471,129	490,252
CAO	246,072	35,319	281,391	271,489
Designated Officer	145,207	32,147	177,354	163,447
Total	391,279	67,466	458,745	434,936

(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.

24. 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.

WHEATLAND COUNTY

Notes to Consolidated Financial Statements, page 17

Year ended December 31, 2023, with comparative information for 2022

24. Works of Art and Historical Treasures (continued):

At December 31, 2023, the County has incurred cumulative costs of \$509,641 (2022 - \$509,641) to maintain these assets.

25. Liability for contaminated site:

	2023	2022
Balance, beginning of year	\$ 2,246,479	\$ 2,110,758
Inflation and other adjustments	73,516	135,721
Balance, end of year	\$ 2,319,995	\$ 2,246,479

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.

26. Budget data:

The final 2023 budget for the County was approved by Council on April 4, 2023. Below is a reconciliation of the original bylaw to the Consolidated Statement of Operations.

Deficiency of revenue over expenses:

as per Budget Bylaw	\$	(15,548,676)
Add:		
Transfers to reserves		4,253,719
Payment of debt principal		1,709,674
Less:		
Transfers from reserves		7,065,137
Receipt of debt principal payments		423,184
as per Consolidated Statement of Operations	\$	(17,073,604)

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, 2023, with comparative information for 2022

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, 2023, with comparative information for 2022

	Unrestricted	Restricted	Equity in Tangible Capital Assets	2023	2022
Balance, beginning of year	\$27,910,014	\$50,354,255	\$ 228,713,618	\$306,977,887	\$312,047,755
Excess (deficiency), revenue over expenses	(10,339,405)	-	-	(10,339,405)	(5,069,868)
Net restricted funds used for operations	5,681,741	(5,681,741)	-	-	-
Current year funds used for tangible capital assets	(14,961,490)	-	14,961,490	-	-
Asset retirement obligations	402,896	-	(402,896)	-	-
Disposal of tangible capital assets	171,709	-	(171,709)	-	-
Amortization of tangible capital assets	15,805,856	-	(15,805,856)	-	-
Asset retirement obligation accretion expense	671	-	(671)	-	-
Long-term debt repaid related to tangible capital assets	(48,688)	-	48,688	-	-
Change in accumulated surplus	(3,286,710)	(5,681,741)	(1,370,954)	(10,339,405)	(5,069,868)
Balance, end of year	\$24,623,304	\$44,672,514	\$227,342,664	\$296,638,482	\$306,977,887

WHEATLAND COUNTY

Schedule of Tangible Capital Assets

Schedule 2

Year ended December 31, 2023, with comparative information for 2022

	Land	Land improvements	Buildings	Engineered structures	Machinery and equipment	Vehicles	Construction in progress	2023	2022
Costs:									
Balance, beginning of year	\$17,888,687	\$ 4,723,167	\$22,945,759	\$569,361,722	\$30,762,877	\$14,225,948	\$8,474,226	\$668,382,386	\$656,969,811
Acquisitions	32,224	47,519	497,996	4,130,672	656,305	1,627,517	7,969,257	14,961,490	13,289,364
Disposals	(95,055)	-	(22,294)	-	(29,465)	(404,854)	(30,397)	(582,065)	(1,876,789)
Transfers	-	-	-	2,351,297	-	-	(2,351,297)	-	-
Balance, end of year	17,825,856	4,770,686	23,421,461	575,843,691	31,389,717	15,448,611	14,061,789	682,761,811	668,382,386
Accumulated amortization:									
Balance, beginning of year	-	2,394,755	5,181,124	407,058,863	17,851,622	6,996,264	-	439,482,628	426,773,099
Annual amortization	-	181,228	547,587	10,936,624	2,963,805	1,176,612	-	15,805,856	14,206,054
Disposals	-	-	(3,567)	-	(24,079)	(382,711)	-	(410,357)	(1,496,525)
Balance, end of year	-	2,575,983	5,725,144	417,995,487	20,791,348	7,790,165	-	454,878,127	439,482,628
2023 Net book value	\$17,825,856	\$2,194,703	\$17,696,317	\$157,848,204	\$10,598,369	\$7,658,446	\$14,061,789	\$227,883,684	\$228,899,758
2022 net book value	\$17,888,687	\$2,328,412	\$17,764,635	\$162,302,859	\$12,911,255	\$7,229,684	\$8,474,226	\$228,899,758	-

During the year, tangible capital assets were acquired at an aggregate cost of \$14,961,490 (2022 - \$13,289,364), with no contributed assets in 2023 (2022 - \$594,450). Of the \$14,961,490 acquired (2022 - \$13,289,364), \$402,896 from the recognition of additional costs related to asset retirement obligations, while \$1,864,358 (2022 - \$247,178) remains in accounts payable at year end, therefore, \$12,941,414 (2022 - \$13,801,296) was paid in cash during the year.

During the year, assets having a net book value of \$171,709 (2022 - \$380,264) were sold for proceeds of \$349,670 (2022 - \$443,262), resulting in a gain on disposal of capital assets of \$177,961 (2022 - \$62,998).

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, 2023

	General government	Protective services	Transportation services	Environmental services	Public health services	Planning and development	Recreation and culture	Total
Revenue								
Net property taxes (note 15)	\$29,010,330	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$29,010,330
User fees and sales of goods	506,497	717,809	232,244	1,467,762	6,440	761,311	2,324	3,694,387
Investment income	1,541,294	-	-	64,001	-	-	-	1,605,295
Licenses and permits	-	6,500	-	-	-	457,936	-	464,436
Government transfers for operating	277,718	-	-	254,742	-	-	-	532,460
Other	217,207	16,503	-	26,013	-	-	25,721	285,444
Penalties and costs of taxes	413,341	-	-	-	-	-	-	413,341
Development levies	-	-	-	-	-	102,178	-	102,178
Rentals	41,162	-	-	3,778	-	-	-	44,940
	32,007,549	740,812	232,244	1,816,296	6,440	1,321,425	28,045	36,152,811
Expenses:								
Salaries, wages, and benefits	3,238,510	1,201,702	6,717,243	1,954,581	-	802,940	146,656	14,061,632
Contracted and general services	2,149,923	471,546	3,738,775	2,204,194	-	1,153,795	40,146	9,758,379
Materials, goods, supplies and utilities	898,295	286,503	4,660,174	515,050	14	171	15,982	6,376,189
Bank charges and short-term interest	21,980	-	-	-	-	-	-	21,980
Interest on long term debt	-	-	-	72,333	-	-	-	72,333
Transfers to organization and others	25,905	1,878,600	-	76,619	207,125	-	1,238,203	3,426,452
Provision for allowances	226,734	-	-	-	-	-	-	226,734
Amortization of tangible capital assets	406,134	180,843	13,890,740	1,237,214	1,578	45,504	43,843	15,805,856
Accretion of asset retirement	-	-	671	-	-	-	-	671
Loss (gain) on disposal of tangible capital assets	-	-	(177,961)	-	-	-	-	(177,961)
Loss (gain) on disposal of other assets	-	-	(2,725)	-	-	-	-	(2,725)
	6,967,481	4,019,194	28,826,917	6,059,991	208,717	2,002,410	1,484,830	49,569,540
Excess (deficiency) of revenue over expenses before the undernoted items	25,040,068	(3,278,382)	(28,594,673)	(4,243,695)	(202,277)	(680,985)	(1,456,785)	(13,416,729)
Government transfers for capital	-	76,623	2,628,790	371,911	-	-	-	3,077,324
Contributed assets	-	-	-	-	-	-	-	-
Contributed inventory	-	-	-	-	-	-	-	-
	-	76,623	2,628,790	371,911	-	-	-	3,077,324
Excess (deficiency) of revenue over expenses	\$25,040,068	\$(3,201,759)	\$(25,965,883)	\$(3,871,784)	\$(202,277)	\$(680,985)	\$(1,456,785)	\$(10,339,405)