2017 ANNUAL REPORT

Wheatland County

PROVINCE OF ALBERTA

For the year ending December 31, 2017

wheatlandcounty.ca

WHEATLAND COUNTY
Where There's Room to Grow

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S. Schumacher

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INDEPENDENT AUDITORS' REPORT

To the Members of Council of Wheatland County

We have audited the accompanying financial statements of Wheatland County, which comprise the statement of financial position as at December 31, 2017, the statements of operations, change in net financial assets, and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information, including Schedules 1 to 3.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Wheatland County as at December 31, 2017, and its results of operations, its change in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Professional Accountants

April 3, 2018
Calgary, Canada

MANAGEMENT REPORT

The financial statements are the responsibility of the management of Wheatland County (the "County").

These financial statements have been prepared from information provided by management. Financial statements are not precise since they include certain amounts based on estimates and judgments. Management has determined such amounts on a reasonable basis in order to ensure that the financial statements are presented fairly, in all material respects.

The County maintains systems of internal accounting and administrative controls that are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and that the County's assets are properly accounted for and adequately safeguarded.

The elected Council of Wheatland County is responsible for ensuring that management fulfils its responsibilities for financial statements. Council carries out its responsibility principally through the Council as a whole.

The Council meets annually with management and the external auditors to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, and to satisfy itself that each party is properly discharging its responsibilities. Council also considers the engagement or reappointment of the external auditors. Council reviews the monthly financial reports.

The financial statements have been audited by KPMG LLP, Chartered Professional Accountants, external auditors, in accordance with Canadian generally accepted auditing standards on behalf of the Council, residents and ratepayers of the County. KPMG LLP has full and free access to the Council.

Chief Administrative Officer

S. Schumacher

Statement of Financial Position

WHEATLAND COUNTY

Statement of Financial Position

December 31, 2017, with comparative information for 2016

	2017	2016
Financial Assets		
Cash and short-term investments (note 3)	$ 60,465,398	$ 74,658,556
Taxes and grants in place of taxes receivable (note 4)	1,381,069	1,443,006
Trade and other receivables	10,233,737	2,196,841
Land held for resale	244,568	244,568
Loan receivable (note 5)	96,805	105,906
Debt charges recoverable (note 6)	1,772,750	1,925,889
	74,194,327	80,574,766
Liabilities		
Accounts payable and accrued liabilities	4,436,522	2,803,186
Deferred revenue (note 8)	1,015,691	5,411,281
Long-term debt (note 9)	2,194,709	2,391,198
Provision for reclamation (note 23)	1,650,372	1,539,193
Deposits	–	1,255,357
Employee benefit obligations (note 7)	1,311,485	1,223,515
	10,608,779	14,623,730
Net financial assets	63,585,548	65,951,036
Non-Financial Assets		
Tangible capital assets (Schedule 2)	219,902,470	218,375,814
Inventory for consumption	9,616,706	10,484,842
Prepaid expenses	313,008	345,881
	229,832,184	229,206,537
Commitments and contingencies (note 19)		
Accumulated surplus (note 10)	$293,417,732	$295,157,573

See accompanying notes to financial statements.

Approved on behalf of the Council

Reeve

Councilor

Statement of Operations

WHEATLAND COUNTY

Statement of Operations

Year ended December 31, 2017, with comparative information for 2016

	Budget (note 24)	2017	2016
Revenue:			
Net property taxes (note 13)	$ 30,267,712	$ 30,666,853	$ 32,072,417
Government transfers for operating (note 14)	3,626,013	3,495,120	652,080
User fees and sales of goods	1,757,592	1,708,910	1,524,292
Investment income	642,150	1,264,588	1,226,581
Licenses and permits	466,300	497,349	478,650
Penalties and costs of taxes	108,000	269,762	207,637
Development levies	150,000	120,786	124,026
Rentals	55,528	51,019	58,309
Other revenue	27,400	43,679	365,361
	37,100,695	38,118,066	36,709,353
Expenses (note 15):			
Legislative	562,200	500,321	496,787
Administrative	4,557,943	4,272,222	5,037,211
Police, fire, disaster, ambulance and bylaw enforcement	2,905,694	3,253,354	1,720,410
Roads, streets, walks and lighting	24,144,490	27,829,616	22,653,384
Water supply and distribution	2,322,766	2,372,215	2,739,505
Wastewater treatment and disposal	748,669	549,279	487,171
Waste management	1,014,200	1,088,044	1,076,448
Recreation and culture	4,104,192	3,730,232	600,701
Subdivision land and development	1,552,421	1,272,375	1,185,380
Economic and agricultural development	1,176,421	1,199,000	994,600
Public health and welfare services	131,544	105,335	129,437
	43,220,540	46,171,993	37,121,034
(Deficiency) of revenue over expenses before the undernoted items	(6,119,845)	(8,053,927)	(411,681)
Government transfers for capital (note 14)	7,417,000	6,199,906	5,416,103
Contributed assets	-	114,180	62,510
	7,417,000	6,314,086	5,478,613
Excess (deficiency) of revenue over expenses	1,297,155	(1,739,841)	5,066,932
Accumulated surplus, beginning of year	295,157,573	295,157,573	290,090,641
Accumulated surplus, end of year	$ 296,454,728	$ 293,417,732	$ 295,157,573

See accompanying notes to financial statements.

Statement of Change in Net Financial Assets

WHEATLAND COUNTY

Statement of Change in Net Financial Assets

Year ended December 31, 2017, with comparative information for 2016

	Budget (note 24)	2017	2016
Excess (deficiency) of revenue over expenses	$ 1,297,155	$(1,739,841)	$ 5,066,932
Acquisition of tangible capital assets	(40,814,828)	(18,620,661)	(14,959,803)
Amortization of tangible capital assets	12,677,800	16,430,275	13,942,377
Proceeds on disposal of tangible capital assets	–	687,547	–
Contributed assets	–	(114,180)	(62,510)
Loss on disposal of tangible capital assets	–	90,363	137,261
Proceeds on disposal of tangible capital assets	715,000	–	781,960
	(26,124,873)	(3,266,497)	4,906,217
Net change in inventory for consumption	–	868,136	(225,599)
Net change in prepaid expenses	–	32,873	(35,691)
(Decrease) increase in net financial assets	(26,124,873)	(2,365,488)	4,644,927
Net financial assets, beginning of year	65,951,036	65,951,036	61,306,109
Net financial assets, end of year	$ 39,826,163	$63,585,548	$65,951,036

See accompanying notes to financial statements.

Statement of Cash Flows

WHEATLAND COUNTY

Statement of Cash Flows

Year ended December 31, 2017, with comparative information for 2016

	2017	2016
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenses	$ (1,739,841)	$ 5,066,932
Change in non-cash items:		
Amortization of tangible capital assets	16,430,275	13,942,376
Loss on disposal of tangible capital assets	90,363	137,261
Contributed assets	(114,180)	(62,510)
Decrease (increase) in taxes and grants in place of taxes receivable	61,937	(530,862)
(Increase) in trade and other receivables	(8,036,896)	(1,381,426)
Decrease (increase) in loans receivable	9,101	(105,906)
Decrease (increase) in inventory for consumption	868,136	(225,598)
Decrease (increase) in prepaid expenses	32,873	(35,691)
Increase (decrease) in accounts payable and accrued liabilities	1,633,336	(1,247,543)
(Decrease) increase in deferred revenue and deposits	(5,650,947)	3,387,124
Increase in provision for reclamation	111,179	655
Increase (decrease) in employee benefit obligations	87,970	(86,142)
	3,783,306	18,858,670
Capital activities:		
Acquisition of tangible capital assets	(18,620,661)	(14,959,803)
Proceeds on disposal of tangible capital assets	687,547	781,960
	(17,933,114)	(14,177,843)
Financing activities:		
Debt charges recovered	153,139	149,195
Long-term debt repaid	(196,489)	(190,639)
	(43,350)	(41,444)
(Decrease) increase in cash and short-term investments	(14,193,158)	4,639,383
Cash and short-term investments, beginning of year	74,658,556	70,019,173
Cash and short-term investments, end of year	$ 60,465,398	$ 74,658,556

See accompanying notes to financial statements.

S. Schumacher

WHEATLAND COUNTY

Notes to Financial Statements

Year ended December 31, 2017, with comparative information for 2016

1. Significant accounting policies:

The 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 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 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 financial statements are prepared using the accrual basis of accounting. Revenue is recorded when it is earned and measureable. Expenses are recognized as they are incurred and measureable 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, in the complete of specific work, or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred, services performed or the tangible capital assets are acquired.

(c) Cash and short-term investments:

Cash is comprised of cash deposits held with Canadian chartered banking institutions.

Short-term 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. Interest is accrued on the book value of the investments at a rate equivalent to the effective yield of each investment.

1. Significant accounting policies (continued):

(d) 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.

(e) 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 waste water services, roads, sidewalks, and street lighting are recorded as physical assets under their respective junction.

(f) 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.

(g) 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.

(h) 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.

1. Significant accounting policies (continued):

(i) 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 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.

(j) 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.

(k) 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	5-40
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.

1. Significant accounting policies (continued):

(k) 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.

(l) Liability for Contaminated Sites:

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.

The adoption of this standard has not resulted in any changes to the measurement and recognition of liabilities in the County's financial statements.

1. **Significant accounting policies (continued):**

(m) Change in accounting estimate:

Effective January 1, 2017, the County changed its estimate in the useful lives of certain machinery and equipment to align with the amortization rates and useful lives as recommended by the County's Council. The changes have been applied prospectively. The change in the basis of amortization has had the effect of increasing amortization expense by $877,812 for the year ended December 31, 2017. Future periods are impacted but estimating the amount is impractical and will be incorporated in future budgets commencing January 1, 2018.

2. **Future accounting pronouncements:**

The Public Sector Accounting Board recently announced the following accounting pronouncements:

(a) Financial instruments:

This accounting pronouncement establishes standards on how to account for and report all types of financial instruments including derivatives. Financial instruments include primary instruments and derivative instruments. It is effective for fiscal years beginning on or after April 1, 2019 for governments, with early adoption encouraged.

(b) Foreign currency translation:

This accounting pronouncement establishes standards on how to account for and report transactions that are denominated in a foreign currency in government financial statements. It is effective for fiscal years beginning on or after April 1, 2019 for governments, with early adoption encouraged.

Management is assessing the impact of the adoption of these standards which is not known or reasonably estimable at this time.

3. Cash and short-term investments:

	2017	2016
Cash	$ 1,397,467	$ 180,083
Short-term investments, including accrued interest	59,171,881	74,582,358
Cash and short-term investments held in trust (note 17)	(103,950)	(103,885)
	$60,465,398	$ 74,658,556

Short-term investments are guaranteed investment certificates with maturities of one year or less with interest rates of 1.71% to 1.90% (2016 – 1.40% to 1.99%).

4. Taxes and grants in place of taxes receivables:

	2017	2016
Current	$ 776,660	$ 1,024,390
Arrears	1,017,286	831,493
	1,793,946	1,855,883
Allowance for doubtful taxes	(412,877)	(412,877)
	$ 1,381,069	$ 1,443,006

5. Loan receivable:

The County has issued an unsecured loan in the amount of $108,360 (2016 – $108,360) to the Dalum Fire Association that accrues interest at a rate of 2% per annum (2016 – 2% per annum). As at December 31, 2017, the balance on the loan is $96,805 (2016 - $105,906). Blended payments of $997 are due monthly over ten years, and the loan has a maturity date of September 30, 2026.

6. Debt charges recoverable:

	2017	2016
Current debt charges recoverable	$ 157,189	$ 153,139
Non-current debt charges recoverable	1,615,561	1,772,750
	$ 1,772,750	$ 1,925,889

The principal balance plus interest at 2.658% per annum (2016 – 2.658% per annum), is recoverable from Strathmore Seed Cleaning Plant in semi-annual installments of $101,367 including interest until maturity on December 17, 2027.

	Principal	Interest	Total
2018	157,189	45,544	202,733
2019	161,345	41,388	202,733
2020	165,612	37,121	202,733
2021	169,991	32,742	202,733
2022	174,486	28,247	202,733
Thereafter	944,127	69,543	1,013,670
	$ 1,772,750	$ 254,585	$ 2,027,335

7. Employee benefit obligations:

	2017	2016
Accrued salaries, vacation, and overtime	$ 658,633	$ 586,183
Early retirement incentive	652,852	637,332
	$ 1,311,485	$ 1,223,515

(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.

7. 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.

8. Deferred revenue:

	2017	2016
Offsite levies	$ 602,144	$ 596,183
Other operating	411,928	198,049
Basic Municipal Transportation grant – capital	1,619	1,619
Municipal Sustainability Initiative – capital	–	4,034,690
Federal Gas Tax Fund – capital	–	498,886
Other capital	–	81,854
	$ 1,015,691	$ 5,411,281

9. Long term debt:

	2017	2016
Special levy and utility supported debentures	$ 421,959	$ 465,309
Self-supported debentures – operating	1,772,750	1,925,889
	2,194,709	2,391,198
Less current portion	203,164	196,788
	1,991,545	$ 2,194,410

9. Long term debt (continued):

Principal and interest repayments are due as follows:

	Principal	Interest	Total
2018	203,164	65,006	268,170
2019	209,777	58,393	268,170
2020	216,637	51,533	268,170
2021	214,059	44,414	258,473
2022	220,804	37,669	258,473
Thereafter	1,130,268	98,006	1,228,274
	$ 2,194,709	$ 355,021	$ 2,549,730

Debenture debt is repayable to Alberta Capital Finance Authority and bears interest at rates ranging from 2.63% to 6.63% per annum (2016 – 2.63% to 6.63% per annum) and matures in periods 2020 to 2027. Debenture debt is issued on the credit and security of the County at large.

The County has an operating loan facility of up to $2,000,000, repayable on demand with interest at the bank's prime minus 0.5% per annum. The facility was not used at December 31, 2017 or 2016.

10. Accumulated surplus:

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

	2017	2016
Unrestricted surplus	$ 23,323,839	$ 18,327,423
Internally restricted surplus (reserves) (note 11)	50,613,382	58,919,645
Equity in tangible capital assets (note 12)	219,480,511	217,910,505
	$ 293,417,732	$ 295,157,573

11. 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.

	2017	2016
Transportation – unpaved roads	$13,674,614	$21,245,643
Transportation – paved roadways	12,021,146	13,823,889
Municipal equipment	6,764,477	4,114,065
Transportation – bridges/culverts	4,214,541	3,448,742
Fire capital	4,094,011	2,062,875
Gravel reclamation	1,411,316	1,112,303
Brownfields	1,010,000	1,000,000
Municipal reserve	831,826	1,587,633
Recreation	755,000	500,000
Agriculture Service Board	648,628	691,882
Operating continuity	624,780	390,353
Utilities – Gleichen	618,094	1,150,052
Tax stabilization	404,938	153,404
Facility infrastructure	346,061	667,325
Carseland Fire Capital	280,896	268,800
Cluny community infrastructure	265,986	263,352
Utilities - Carseland	254,800	175,850
Wheatland West Fire	250,745	218,157
Professional development	244,838	242,414
Emergency preparedness	236,149	248,662
Land development	235,370	233,040
Storm drainage	194,964	359,063
Community aggregate payment levy	194,573	192,646
Capital continuity	189,364	508,298
Utilities – Speargrass	173,621	118,380
Information services	115,856	110,448
Perpetual Care Fund – Gleichen	103,805	102,805
Safety	80,840	134,495
Standard site	76,740	75,981
Waste	68,721	160,971
Utilities – Cluny	60,796	46,448
Utilities – Rosebud	58,461	47,740
Rosebud water and wastewater	37,558	30,282
Gleichen community infrastructure	36,312	36,254
Community enhancement	30,456	18,131
Library	2,262	49,720
Cenotaph	599	593
Perpetual Care Fund – Gleichen Catholic	238	236
Regional water and wastewater	-	3,328,713
	$50,613,382	$ 58,919,645

12. Equity in tangible capital assets:

	2017	2016
Tangible capital assets (Schedule 2)	$ 591,453,650	$ 574,670,396
Accumulated amortization (Schedule 2)	(371,551,180)	(356,294,582)
Capital long term debt	(421,959)	(465,309)
	$ 219,480,511	$ 217,910,505

13. Net municipal property taxes:

	Budget (note 24)	2017	2016
Taxation:			
Real property taxes	$ 22,751,454	$ 24,623,574	$ 23,890,378
Linear property taxes	18,449,163	16,952,749	18,916,012
Government grants in place of property taxes	43,700	42,293	42,399
Community aggregate levy	25,000	49,839	52,999
	41,269,317	41,668,455	42,901,788
Requisitions:			
Alberta School Foundation Fund	10,412,994	10,412,991	10,254,302
Wheatland Foundation and Housing Management Body	269,804	269,804	263,139
Drumheller Solid Waste Management Association	318,807	318,807	311,930
	11,001,605	11,001,602	10,829,371
	$ 30,267,712	$ 30,666,853	$ 32,072,417

14. Government transfers:

	Budget (note 24)	2017	2016
Transfers for operating:			
Provincial unconditional grants	$ 3,596,013	$ 3,471,120	$ 582,466
Other local government transfers	30,000	24,000	69,614
	3,626,013	3,495,120	652,080
Transfers for capital:			
Provincial unconditional grants	7,417,000	6,199,906	5,416,103
	$ 11,043,013	$ 9,695,026	$ 6,068,183

15. Expenses by object:

	2017	2016
Salaries, wages and benefits	$ 12,920,178	$ 11,686,378
Contracted and general services	3,789,708	3,836,484
Materials, goods, supplies and utilities	5,347,079	3,717,157
Bank charges and short term interest	4,651	14,735
Interest on long term debt	20,447	34,313
Transfers to organizations and others	6,831,278	3,553,861
Provision for allowances	738,014	223,654
Amortization of tangible capital assets	16,430,275	13,942,376
Loss on disposal of tangible capital assets	90,363	112,076
	$ 46,171,993	$ 37,121,034

16. 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:

	2017	2016
Total debt limits	$ 57,177,099	$ 55,059,529
Total debt (note 9)	2,194,709	2,391,198
	$ 54,982,390	$ 52,668,331

	2017	2016
Debt servicing limit	$ 9,529,517	$ 9,176,588
Debt servicing (note 9)	268,170	268,170
	$ 9,261,347	$ 8,908,418

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

17. Trust funds:

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

	2017	2016
Madsen charity	$ 53,041	$52,309
Madsen scholarship	40,447	40,459
Thurston School	7,797	7,689
Seniors and physically challenged	2,665	2,628
Wheatland Society Arts	-	800
	$ 103,950	$ 103,885

The above trust funds are not recorded in the financial statements.

18. 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 244,000 people and 426 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 11.39% of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 15.84% on pensionable earnings above this amount. Employees of the County are required to make current service contributions of 10.39% of pensionable salary up to the year's maximum pensionable salary and 14.84% on pensionable salary above this amount.

Total current service contributions by the County to the LAPP in 2017 were $932,784 (2016 - $872,177). Total current service contributions by the employees of the County to the LAPP in 2017 were $840,647 (2016 - $805,875).

19. 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.

20. Financial instruments:

It is management's opinion that the County is not exposed to significant 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.

21. 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)	2017	2016
Council:				
Armstrong	$ 30,265	$ 33,216	$ 63,481	$ 60,726
Bland	26,529	16,729	43,258	49,991
Booth	26,529	20,542	47,071	56,383
Harwood	26,529	17,601	44,130	46,251
Knight	26,529	25,392	51,921	60,828
Koester	33,117	35,460	68,577	70,382
Vander Velde	26,529	13,362	39,891	45,834
Klassen	3,598	3,876	7,474	–
Biggar	3,428	2,661	6,089	–
Wilson	3,428	3,608	7,036	–
Ikert	3,428	3,725	7,153	–
Link	3,428	4,398	7,826	–
Chief Administrative Officer Parkin	177,760	34,556	212,316	203,673

(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, heath care, dental coverage, vision coverage, group life insurance, accidental disability and dismemberment insurance, long and short term disability plans, professional memberships, and tuition. Benefits and allowances figures also include the employer's share of the costs of additional taxable benefits including special leave with pay, financial planning services, retirement planning services, concessionary loans, travel allowances, car allowances, and club memberships.

22. 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, 2017, the County has incurred cumulative costs of $509,641 (2016 - $509,641) to maintain these assets.

23. Provision for reclamation:

	2017	2016
Balance, beginning of year	$ 1,539,193	$ 1,538,538
Inflation and other adjustments	111,179	655
Balance, end of year	$ 1,650,372	$ 1,539,193

24. Budget data:

The 2017 budget for the County was approved by Council on April 4, 2017.

25. Comparative information:

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

26. 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
- Public Health Services is comprised of Public Health and Welfare services
- Planning and Development is comprised of Subdivision Land and Development, and Economic and Agricultural Development services
- Recreation and Culture is comprised of Library, and Parks and Recreation services

Schedule of Changes in Accumulated Surplus

WHEATLAND COUNTY

Schedule of Changes in Accumulated Surplus

Schedule 1

Year ended December 31, 2017, with comparative information for 2016

	Unrestricted	Restricted	Equity in Tangible Capital Assets	2017	2016
Balance, beginning of year	$18,327,423	$58,919,645	$217,910,505	$295,157,573	$290,090,641
(Deficiency) excess of revenue over expenses	(1,739,841)	–	–	(1,739,841)	5,066,932
Net restricted funds used for operations	8,306,263	(8,306,263)	–	–	–
Current year funds used for tangible capital assets	(18,620,661)	–	18,620,661	–	–
Contributed tangible capital assets	(114,180)	–	114,180	–	–
Disposal of tangible capital assets	777,910	–	(777,910)	–	–
Amortization of tangible capital assets	16,430,275	–	(16,430,275)	–	–
Long-term debt repaid	(43,350)	–	43,350	–	–
Change in accumulated surplus	4,996,416	(8,306,263)	1,570,006	(1,739,841)	5,066,932
Balance, end of year	$23,323,839	$50,613,382	$219,480,511	$293,417,732	$295,157,573

WHEATLAND COUNTY

Schedule of Tangible Capital Assets

Schedule 2

Year ended December 31, 2017, with comparative information for 2016

	Land	Land improvements	Buildings	Engineered structures	Machinery and equipment	Vehicles	Construction progress	2017	2016
Costs:									
Balance, beginning of year	$13,124,348	$ 3,297,731	$10,778,783	$506,344,799	$26,804,319	$10,299,283	$ 4,021,133	$574,670,396	$561,887,160
Acquisitions	22,110	561,793	4,471,011	11,421,940	2,030,868	1,286,669	557,873	20,352,264	14,959,803
Disposals	–	–	–	–	(1,577,873)	(373,716)	(1,617,423)	(3,569,012)	(2,176,567)
Balance, end of year	13,146,458	3,859,524	15,249,794	517,766,739	27,257,314	11,212,236	2,961,583	591,453,648	574,670,396
Accumulated amortization:									
Balance, beginning of year	–	1,217,103	2,875,969	337,726,078	10,353,195	4,122,237	–	356,294,582	343,672,061
Annual amortization	–	167,291	260,237	11,758,237	2,751,765	1,492,745	–	16,430,275	13,943,374
Disposals	–	–	–	–	(904,000)	(269,679)	–	(1,173,679)	(1,320,853)
Balance, end of year	–	1,384,394	3,136,206	349,484,315	12,200,960	5,345,303	–	371,551,178	356,294,582
Net book value	$13,146,458	$ 2,475,130	$12,113,588	$168,282,424	$15,056,354	$ 5,866,933	$ 2,961,583	$219,902,470	$218,375,814
2016 net book value	$13,124,348	$ 2,080,628	$ 7,902,814	$168,618,721	$16,451,124	$6,177,046	$4,021,133	$218,375,814	–

WHEATLAND COUNTY

Schedule of Segmented Disclosure

Schedule 3

Year ended December 31, 2017

	General government	Protective services	Transportation services	Environmental services	Public health services	Planning and development	Recreation and culture	Total
Revenue								
Net property taxes	$30,666,853	$ -	$ -	$ -	$ -	$ -	$ -	$30,666,853
User fees and sales of goods	93,433	351,756	215,718	841,512	10,920	145,970	49,601	1,708,910
Investment income	1,264,588	-	-	-	-	-	-	1,264,588
Government transfers for operating	82,076	4,116	2,077	50,837	-	356,014	3,000,000	3,495,120
Licenses and permits	194,282	5,850	-	-	-	297,217	-	497,349
Penalties and costs of taxes	269,762	-	-	-	-	-	-	269,762
Development levies	-	-	-	-	-	120,786	-	120,786
Rentals	49,869	-	-	-	-	1,150	-	51,019
Other	11,839	73,742	(4,397)	18,891	-	(48,874)	(7,522)	43,679
	32,632,702	435,464	213,398	911,240	10,920	872,263	3,042,079	38,118,066
Expenses:								
Salaries, wages and benefits	1,935,649	953,108	6,970,581	981,252	-	2,071,165	8,423	12,920,178
Contracted and general services	877,384	296,516	1,013,357	907,220	850	649,100	45,281	3,789,708
Materials, goods, supplies and utilities	268,642	137,087	4,523,845	276,411	18	141,048	28	5,347,079
Bank charges and short term interest	4,651	-	-	-	-	-	-	4,651
Interest on long term debt	-	-	-	20,447	-	-	-	20,447
Transfers to organization and others	122,665	1,858,492	-	1,070,128	55,538	-	3,724,455	6,831,278
Provision for allowances	724,015	1,220	-	7,952	-	4,827	-	738,014
Amortization of tangible capital assets	430,361	6,932	15,233,358	746,129	971	12,524	-	16,430,275
Loss on disposal of tangible capital assets	1,436	-	88,927	-	-	-	-	90,363
	4,364,803	3,253,355	27,830,068	4,009,539	57,377	2,878,664	3,778,187	46,171,993
Excess (deficiency) of revenue over expenses before other items	28,267,899	(2,817,891)	(27,616,670)	(3,098,299)	(46,457)	(2,006,401)	(736,108)	(8,053,927)
Other								
Government transfers for capital	60,179	-	5,268,454	532,970	-	-	338,303	6,199,906
Contributed assets	-	-	114,180	-	-	-	-	114,180
	60,179	-	5,382,634	532,970	-	-	338,303	6,314,086
Excess of expenses over revenue	$28,328,078	$ (2,817,891)	$ (22,234,036)	$ (2,565,329)	$ (46,457)	$ (2,006,401)	$ (397,805)	$ (1,739,841)

WHEATLAND COUNTY

Where There's Room to Grow

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