



# 2020

## ANNUAL REPORT



**Wheatland County**  
PROVINCE OF ALBERTA

For the year ended December 31, 2020

Wheatland County  
2020 Annual Report, for the year ended December 31, 2020

The annual report is produced by the Communications, and Corporate and Financial Services departments of Wheatland County in cooperation with all departments.

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On behalf of Council, it is my pleasure to present Wheatland County's 2020 Annual Report.

With the intersection of the global pandemic, the economic downturn, and the oil and gas crisis, the challenges faced in 2020 were significant. We are grateful for our Chief Administrative Officer, our strong senior leadership team, and our entire staff who proactively planned, analyzed, and implemented a business continuity plan, focused on the safety of our staff and residents, while also ensuring all essential services were maintained.

Operating during a pandemic posed unique challenges, however, safety for residents and Wheatland County employees has always been the greatest importance. Safety measures were implemented at all Wheatland County facilities to ensure employees, visitors, and residents were kept safe and

healthy. To conduct meetings and connect with residents, Wheatland County heavily relied upon online tools and technology.

In 2021, we will be focused on economic recovery, strategic investment in infrastructure, continued focus on fiscal efficiency, investment attraction, and sustainability. Two significant initiatives, the Municipal Development Plan review and the creation of the Open Space, Recreation, and Cultural Master Plan, are both projected to be completed in 2021.

Regional work with municipal partners continues to lay the foundation for future growth through responsible and sustainable planning to ensure programs and services are delivered efficiently and effectively to all residents.

Wheatland County will continue to deploy innovative processes across the organization to further improve customer service efficiencies and face any new challenges with ingenuity and resourcefulness. Wheatland County will continue to work with the community to ensure we remain a true partner with our businesses, industries, community organizations, our neighbouring municipalities, and other levels of government, sharing our expertise and resources for the betterment of the community.

Sincerely,  
Reeve Amber Link  
Wheatland County



# Chief Administrative Officer's Message



Despite the pandemic, 2020 was a busy year for Wheatland County Council and Administration, with several new programs and initiatives being introduced.

In order to maintain fiscal stability, some capital projects were deferred due to financial uncertainty. Nevertheless, several projects were still completed and came in under budget.

Wheatland County Administration oversaw the completion of the Gleichen arena upgrades, the commencement of the Rosebud sewage lagoon, and the replacements of various culverts in the County to ensure that infrastructure is being replaced and maintained in accordance with their lifespan. Additionally, two new playgrounds were built in Cluny and Speargrass, which was made possible by donations and community partnerships. Another project that began construction in the fall of 2020 was the new 8,000 square foot Carseland Fire Hall.



Innovation and collaboration from County staff led to several, new initiatives in 2020. A new website launched in June to help support the increased demand for online resources. A Budget Engagement Survey was conducted, with 64 percent of survey respondents supporting the forecasted 2021 budget. Utility eBilling, a way for residents to receive their municipal utility bills via email, was also introduced. Finally, the County began offering virtual events, such as the business development workshops, intended to inspire economic development opportunities.

One major challenge that occurred across the province was the legislated changes to the assessment of existing oil and gas wells within the County. While the changes lowered the existing total assessment base by 3%, it provided an opportunity for Administration to review other financial efficiencies.

Looking ahead to 2021, Wheatland County Administration will continue to implement innovative programs to enhance customer service while maintaining fiscal responsibility.

Sincerely,  
Brian Henderson, CPA, CA  
Wheatland County



# Wheatland County Council



(L-R): Councillor S. Klassen, Councillor G. Koester, Councillor J. Wilson, Reeve A. Link, Councillor T. Ikert, Councillor D. Biggar, and Councillor B. Armstrong.

Wheatland County is governed by an elected Council comprised of a seven Councillors. Each October, during their organizational meeting, Council nominates and elects a Reeve to act as the head of Council.

Through the Chief Administrative Officer, Council provides governance and leadership to County Administration. The Reeve and all Councillors are members in a number of internal and external Boards and Committees that address specific topics.

Only one Councillor can be elected from each of Wheatland County's divisions. Each Councillor is available to any citizen who wishes to discuss an issue. Council meetings are held in Council Chambers one to two times a month, in addition to other Board and Committee meetings. These meetings are open to the public.

**These principles are essential to how Council members interact with each other, with administration and with the community.**

## VISION

We provide consistent, accountable, and innovative governance.

## MISSION

Wheatland County is committed to serving the needs of our diverse rural community.

## VALUES

Values are the enduring principles or beliefs that guide individual and collective behaviour and relationships. These are the norms that guide the actions of Council.

Ethical  
Transparent  
Honest  
Innovative  
Professional  
Consistent

# Government Structure



Wheatland County is committed to providing all residents, businesses, and visitors with the finest quality of services available. With a unique blend of urban and rural lifestyles, the County aims to balance the natural environment with economic prosperity.

## Residents

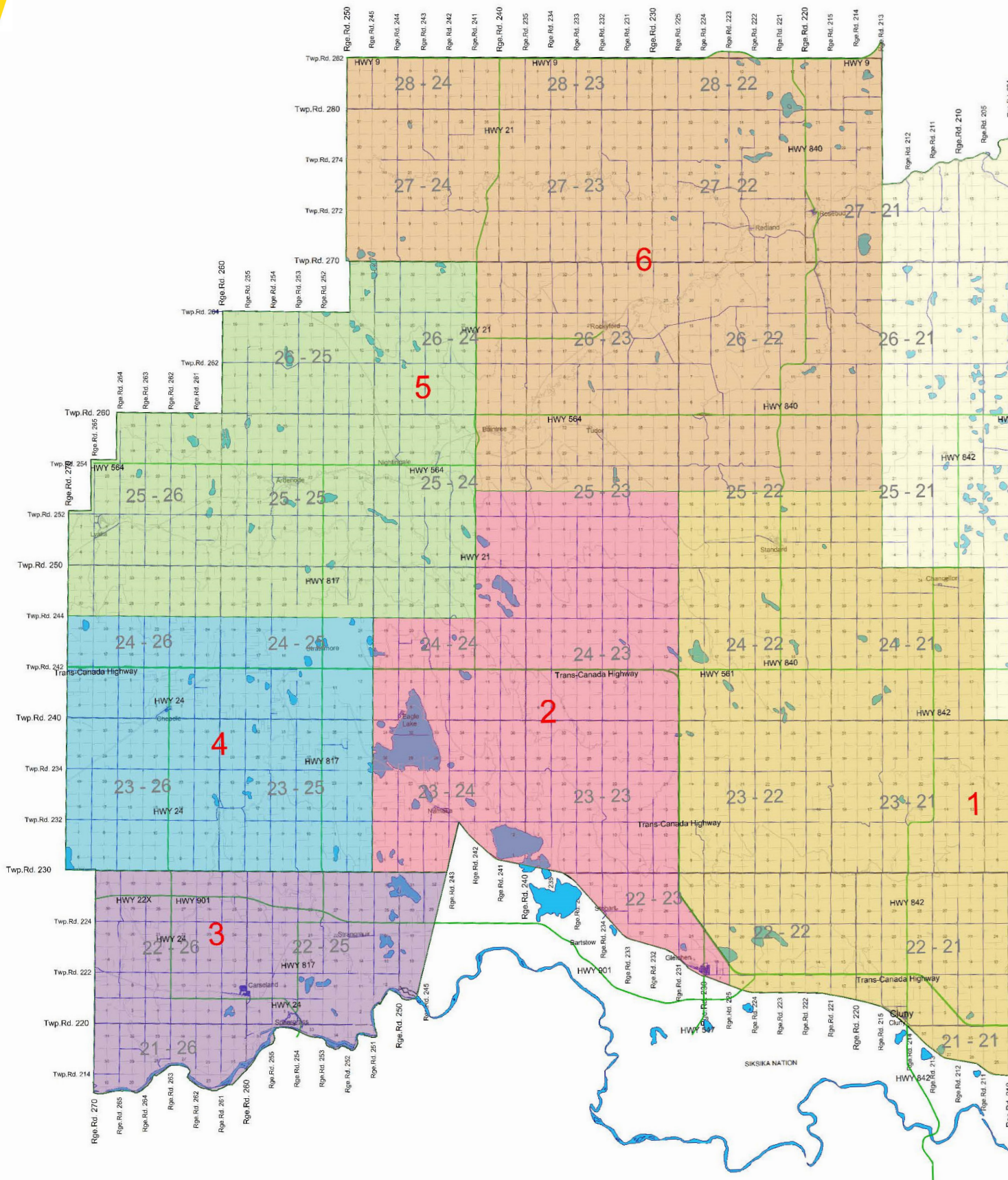
### Council

#### Chief Administrative Officer

Executive Assistant

| General Manager of Corporate and Financial Services | General Manager of Transportation and Agriculture | Manager of People Services | General Manager of Community and Development Services |
|---|---|----------------------------|---|
| Accounts Payable and Accounts Receivable            | Agriculture and Environment                       | Communications             | Community Services                                    |
| GIS   | Gravel Pits                                       | Health and Safety          | Development   |
| Asset Management                                    | Hamlet Operations                                 | Payroll and Benefits       | Economic Development                                  |
| IT Services   | Land Services                                     |                            | Fire and Emergency Services                           |
| Financial Analyst                                   | Public Works Operations                           |                            | Planning  |
| Property Tax and Assessment                         | Utilities   |                            | Safety Codes Services                                 |
| Records Management                                  |   |                            | Protective Services                                   |



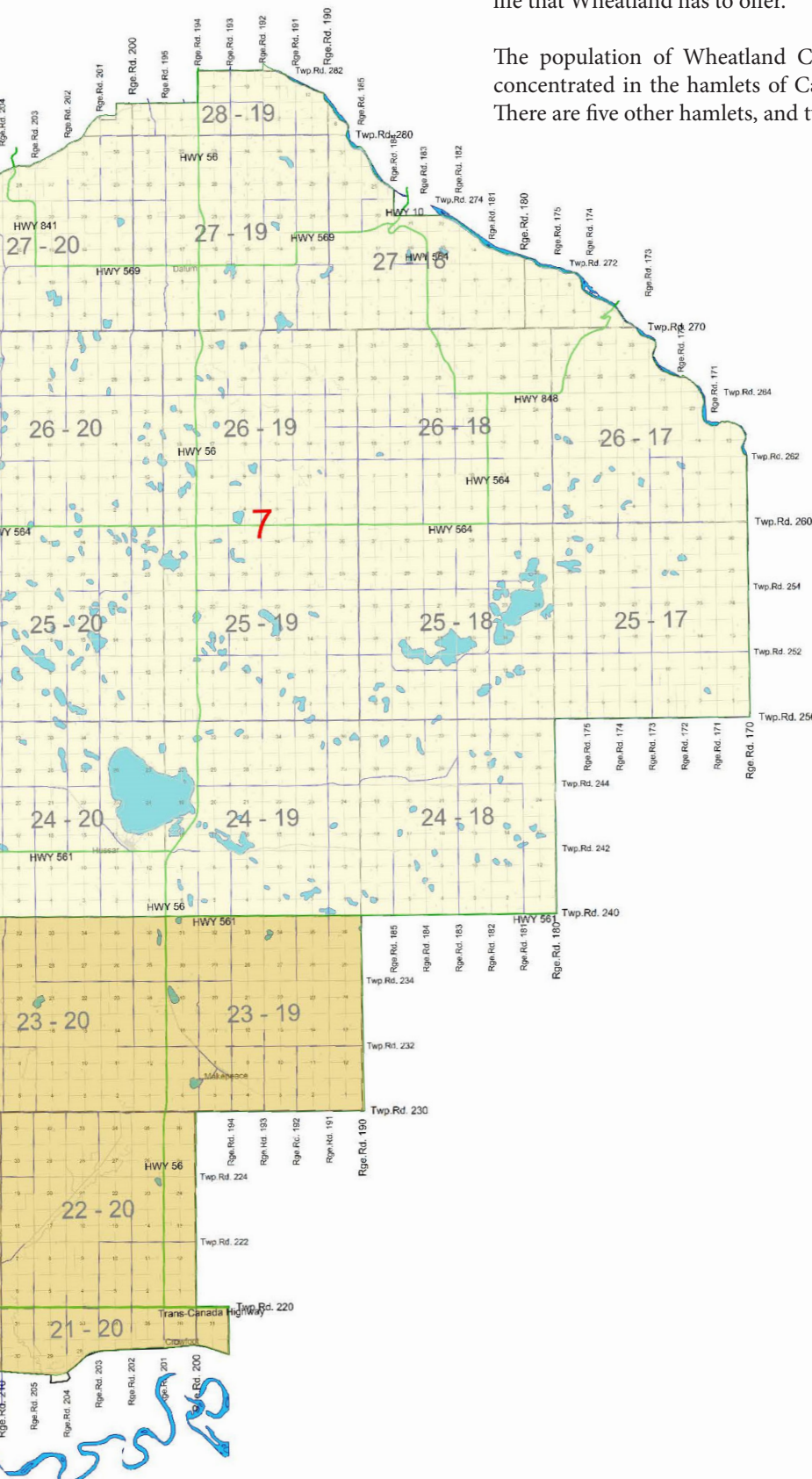






Home to some of Canada's best farmland and beautiful countryside, with quick market access, both businesses and residents enjoy the great quality of life that Wheatland has to offer.

The population of Wheatland County is over 8,700 with the population concentrated in the hamlets of Carseland, Gleichen, Speargrass, and Lyalta. There are five other hamlets, and two designated industrial areas.



## Contact Information

### **Councillor Jason Wilson**

#### **Division 1**

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### **Reeve Amber Link**

#### **Division 2**

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### **Councillor Donna Biggar**

#### **Division 3**

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### **Councillor Tom Ikert**

#### **Division 4**

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### **Deputy Reeve Scott Klassen**

#### **Division 5**

403-901-4991

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### **Councillor Glenn Koester**

#### **Division 6**

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[Glenn.Koester@wheatlandcounty.ca](mailto:Glenn.Koester@wheatlandcounty.ca)

### **Councillor Ben Armstrong**

#### **Division 7**

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# Audited Financial Statements





## Management's Responsibility

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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 20, 2021

Chief Administrative Officer





## **Independent Auditor's Report**

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To the Reeve and Councillors of Wheatland County:

### ***Opinion***

We have audited the consolidated financial statements of Wheatland County (the "County"), which comprise the consolidated statement of financial position at December 31, 2020, the consolidated statements of operations, change in net financial assets, cash flows and schedules 1 through 3 for the year then ended, and a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Wheatland County as at December 31, 2020, and the results of its operations, change in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### ***Basis for Opinion***

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the County in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### ***Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements***

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

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

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



### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risk of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the County's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the County to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **Report on Other Legal and Regulatory Requirements**

- **Debt Limit Regulation:**  
In accordance with Alberta Regulation 255/2000, we confirm that the municipality is in compliance with the Debt Limit Regulation. A detailed account of the Entity's debt limit can be found in note 16.
- **Supplementary Accounting Principles and Standards Regulation:**  
In accordance with Alberta Regulation 313/2000, we confirm that the municipality is in compliance with the Supplementary Accounting Principles and Standards Regulation and note the information required can be found in note 21.

Calgary, Alberta  
April 20, 2021

*MNP LLP*  
Chartered Professional Accountants

**MNP**



# WHEATLAND COUNTY

## Consolidated Statement of Financial Position

December 31, 2020, with comparative information for 2019

|  | 2020              | 2019              |
|--|-------------------|-------------------|
| <b>Financial Assets</b>                                |                   |                   |
| Cash and short-term investments (note 2)               | \$ 59,117,888     | \$ 61,098,754     |
| Taxes and grants in place of taxes receivable (note 3) | 6,092,319         | 1,181,932         |
| Trade and other receivables                            | 2,240,451         | 2,101,686         |
| Land held for resale                                   | —                 | 244,568           |
| Inventory held for resale (note 4)                     | 9,124,098         | —                 |
| Loan receivable (note 5)                               | 64,937            | 75,489            |
| Debt charges recoverable (note 6)                      | 3,447,687         | 3,841,822         |
|  | <b>80,087,380</b> | <b>68,544,251</b> |

## Liabilities

|  |                   |                   |
|--|-------------------|-------------------|
| Accounts payable and accrued liabilities | 7,992,822         | 11,225,077        |
| Deferred revenue (note 8)                | 1,256,116         | 1,108,058         |
| Long-term debt (note 9)                  | 3,991,616         | 4,168,534         |
| Employee benefit obligations (note 7)    | 787,887           | 1,268,522         |
| Provision for reclamation (note 23)      | 2,014,082         | 2,070,850         |
|  | <b>16,042,523</b> | <b>19,841,041</b> |
| Net financial assets                     | <b>64,044,857</b> | <b>48,703,210</b> |

## Non-Financial Assets

|                                      |                    |                    |
|--------------------------------------|--------------------|--------------------|
| Tangible capital assets (Schedule 2) | 235,682,928        | 230,774,240        |
| Inventory for consumption            | 14,796,203         | 14,672,234         |
| Prepaid expenses                     | 427,082            | 388,484            |
|                                      | <b>250,906,213</b> | <b>245,834,958</b> |

Commitments and contingencies (note 19)

Significant event (note 25)

|   |                |                |
|---|----------------|----------------|
| Accumulated surplus (note 10, Schedule 1) | \$ 314,951,070 | \$ 294,538,168 |
|---|----------------|----------------|

See accompanying notes to financial statements.

Approved on behalf of the Council

Reeve

Councilor





# WHEATLAND COUNTY

## Consolidated Statement of Operations

Year ended December 31, 2020, with comparative information for 2019

|   | Budget<br>(note 24) | 2020           | 2019           |
|---|---------------------|----------------|----------------|
| Revenue (Schedule 3):   |                     |                |                |
| Net property taxes (note 13)                                    | \$ 29,462,417       | \$ 29,172,024  | \$ 33,011,063  |
| User fees and sales of goods                                    | 1,880,424           | 2,258,932      | 1,862,318      |
| Investment income   | 1,332,720           | 979,497        | 1,547,467      |
| Licenses and permits  | 416,500             | 312,952        | 793,047        |
| Government transfers for operating (note 14)                    | 567,159             | 1,278,404      | 585,043        |
| Other revenue   | 135,968             | 529,394        | 622,234        |
| Penalties and costs of taxes                                    | 120,724             | 743,616        | 295,959        |
| Development levies  | 40,000              | 45,587         | 118,928        |
| Rentals   | 45,340              | 62,985         | 65,139         |
|   | 34,001,252          | 35,383,391     | 38,901,198     |
| Expenses (note 15, Schedule 3):                                 |                     |                |                |
| Legislative   | 627,720             | 488,214        | 594,057        |
| Administrative  | 5,605,877           | 5,929,357      | 7,637,871      |
| Police, fire, disaster, ambulance and bylaw enforcement         | 2,648,296           | 2,292,143      | 2,234,359      |
| Roads, streets, walks and lighting                              | 26,218,697          | 23,854,285     | 25,258,838     |
| Water supply and distribution                                   | 2,321,268           | 2,346,637      | 2,442,465      |
| Wastewater treatment and disposal                               | 564,584             | 498,507        | 496,755        |
| Waste management  | 1,206,027           | 1,588,866      | 1,204,494      |
| Recreation and culture  | 914,492             | 874,437        | 907,967        |
| Subdivision land and development                                | 2,001,957           | 1,561,310      | 1,457,374      |
| Economic and agricultural development                           | 1,500,574           | 1,291,148      | 1,633,178      |
| Public health and welfare services                              | 252,746             | 229,443        | 243,575        |
|   | 43,862,238          | 40,954,347     | 44,110,932     |
| Deficiency of revenue over expenses before the undernoted items | (9,860,986)         | (5,570,956)    | (5,209,734)    |
| Government transfers for capital (note 14)                      | 3,156,250           | 4,952,196      | 8,587,732      |
| Contributed assets  | —                   | 11,559,945     | 87,568         |
| Contributed inventory   | —                   | 9,471,717      | —              |
|   | 3,156,250           | 25,983,858     | 8,675,300      |
| (Deficiency) excess of revenue over expenses                    | (6,704,736)         | 20,412,902     | 3,465,566      |
| Accumulated surplus, beginning of year                          | 294,538,168         | 294,538,168    | 291,072,602    |
| Accumulated surplus, end of year                                | \$ 287,833,432      | \$ 314,951,070 | \$ 294,538,168 |

See accompanying notes to financial statements.



# WHEATLAND COUNTY

## Consolidated Statement of Change in Net Financial Assets

Year ended December 31, 2020, with comparative information for 2019

|   | Budget<br>(note 24) | 2020          | 2019          |
|---|---------------------|---------------|---------------|
| (Deficiency) excess of revenue over expenses    | \$ (6,704,736)      | \$ 20,412,902 | \$ 3,465,566  |
| Acquisition of tangible capital assets          | (14,945,321)        | (10,701,256)  | (22,146,554)  |
| Amortization of tangible capital assets         | 17,459,000          | 16,865,851    | 17,116,829    |
| Proceeds on disposal of tangible capital assets | 865,000             | 635,583       | 945,224       |
| Contributed assets                              | —                   | (11,559,945)  | (87,568)      |
| Gain on disposal of tangible capital assets     | —                   | (148,921)     | (764,447)     |
|   | (3,326,057)         | 15,504,214    | (1,470,950)   |
| Net change in inventory for consumption         | —                   | (123,969)     | (320,382)     |
| Net change in prepaid expenses                  | —                   | (38,598)      | (60,958)      |
| (Decrease) increase in net financial assets     | (3,326,057)         | 15,341,647    | (1,852,290)   |
| Net financial assets, beginning of year         | 48,703,210          | 48,703,210    | 50,555,500    |
| Net financial assets, end of year               | \$ 45,377,153       | \$ 64,044,857 | \$ 48,703,210 |

See accompanying notes to financial statements.



# WHEATLAND COUNTY

## Consolidated Statement of Cash Flows

Year ended December 31, 2020, with comparative information for 2019

|  | 2020          | 2019          |
|--|---------------|---------------|
| Cash provided by (used in):  |               |               |
| Operating activities:  |               |               |
| Excess of revenue over expenses  | \$ 20,412,902 | \$ 3,465,566  |
| Change in non-cash items:  |               |               |
| Amortization of tangible capital assets  | 16,865,851    | 17,116,829    |
| Gain on disposal of tangible capital assets  | (148,921)     | (764,447)     |
| Contributed assets   | (11,559,945)  | (87,568)      |
| Contributed inventory  | (9,124,098)   | —             |
| (Increase) decrease in taxes and grants in place of taxes receivable   | (4,910,387)   | 169,383       |
| (Increase) decrease in trade and other receivables   | (138,765)     | 3,739,968     |
| Decrease in land held for resale   | 244,568       | —             |
| Decrease in loans receivable   | 10,552        | 10,342        |
| Increase in inventory for consumption  | (123,969)     | (320,382)     |
| Increase in prepaid expenses   | (38,598)      | (60,958)      |
| (Decrease) increase in accounts payable and accrued liabilities adjusted for the acquisition of tangible capital assets (Schedule 2) | (1,589,993)   | 1,727,485     |
| Increase (decrease) in deferred revenue and deposits   | 148,058       | (5,113,283)   |
| (Decrease) increase in provision for reclamation   | (56,768)      | 44,513        |
| Decrease in employee benefit obligations   | (480,635)     | (96,025)      |
|  | 9,509,852     | 19,831,423    |
| Capital activities:  |               |               |
| Acquisition of tangible capital assets   | (12,343,518)  | (24,434,511)  |
| Proceeds on disposal of tangible capital assets  | 635,583       | 945,224       |
|  | (11,707,935)  | (23,489,287)  |
| Financing activities:  |               |               |
| Advance of debt charges recoverable  | —             | (2,500,000)   |
| Recovery of debt charges recoverable   | 394,135       | 273,739       |
| Proceeds of long-term debt   | 267,401       | 2,500,000     |
| Repayment of long-term debt  | (444,319)     | (321,381)     |
|  | 217,217       | (47,642)      |
| (Decrease) in cash and short-term investments  | (1,980,866)   | (3,705,506)   |
| Cash and short-term investments, beginning of year   | 61,098,754    | 64,804,260    |
| Cash and short-term investments, end of year   | \$ 59,117,888 | \$ 61,098,754 |

See accompanying notes to financial statements.





# WHEATLAND COUNTY

Notes to Consolidated Financial Statements, page 1

Year ended December 31, 2020, with comparative information for 2019

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## 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 short-term investments:

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, 2020, with comparative information for 2019

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## 1. Significant accounting policies (continued):

### (d) Short-term investments:

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.

### (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, 2020, with comparative information for 2019

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## 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) Use of estimates:

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

### (k) 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.

### (l) Provision for reclamation:

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds the maximum acceptable concentrations under an environmental standard. This standard relates to sites that are not in productive use and sites in productive use where an unexpected event resulted in contamination. A liability for remediation of contaminated sites is recognized when all of the following criteria are met:

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





# WHEATLAND COUNTY

Notes to Consolidated Financial Statements, page 4

Year ended December 31, 2020, with comparative information for 2019

## 1. Significant accounting policies (continued):

### (m) 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.

### (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.



# WHEATLAND COUNTY

Notes to Consolidated Financial Statements, page 5

Year ended December 31, 2020, with comparative information for 2019

## 1. Significant accounting policies (continued):

(m) Non-financial assets (continued):

(v) Cultural and historical tangible capital assets:

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

## 2. Cash and short-term investments:

|   | 2020                 | 2019                 |
|---|----------------------|----------------------|
| Cash  | \$ 27,922,585        | \$ 5,595,715         |
| Short-term investments, including accrued interest      | 31,213,045           | 55,621,386           |
| Cash and short-term investments held in trust (note 17) | (17,742)             | (118,347)            |
|   | <u>\$ 59,117,888</u> | <u>\$ 61,098,754</u> |

Short-term investments are short-term deposits with original maturities of three months or less with an interest rate of 1.10% to 2.65% (2019 – 2.65%).

## 3. Taxes and grants in place of taxes receivables:

|                              | 2020                | 2019                |
|------------------------------|---------------------|---------------------|
| Current                      | \$ 5,991,517        | \$ 903,966          |
| Arrears                      | 1,346,478           | 1,153,880           |
|                              | <u>7,337,995</u>    | <u>1,654,964</u>    |
| Allowance for doubtful taxes | (1,245,676)         | (875,914)           |
|                              | <u>\$ 6,092,319</u> | <u>\$ 1,181,932</u> |



# WHEATLAND COUNTY

Notes to Consolidated Financial Statements, page 6

Year ended December 31, 2020, with comparative information for 2019

## 4. Inventory held for resale:

|                    | 2020                | 2019        |
|--------------------|---------------------|-------------|
| Actively selling   | \$ 7,467,076        | \$ -        |
| Available for sale | 1,130,049           | -           |
| Unserviced         | 526,973             | -           |
|                    | <u>\$ 9,124,098</u> | <u>\$ -</u> |

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

## 5. Loan receivable:

The County has issued an unsecured loan in the amount of \$108,360 (2019 – \$108,360) to the Dalum Fire Association that accrues interest at a rate of 2% per annum (2019 – 2% per annum). As at December 31, 2020, the balance on the loan is \$64,937 (2019 – \$74,489). 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:

|   | 2020                | 2019                |
|---|---------------------|---------------------|
| Current debt charges recoverable              | \$ 403,588          | \$ 394,135          |
| Non-current debt charges recoverable (note 9) | 3,044,099           | 3,447,687           |
|   | <u>\$ 3,447,687</u> | <u>\$ 3,841,822</u> |

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



# WHEATLAND COUNTY

Notes to Consolidated Financial Statements, page 7

Year ended December 31, 2020, with comparative information for 2019

## 6. Debt charges recoverable (continued):

|            | Principal    | Interest   | Total        |
|------------|--------------|------------|--------------|
| 2021       | 403,588      | 79,133     | 482,721      |
| 2022       | 413,269      | 69,451     | 482,720      |
| 2023       | 423,184      | 59,536     | 482,720      |
| 2024       | 433,339      | 49,381     | 482,720      |
| 2025       | 443,740      | 38,981     | 482,721      |
| Thereafter | 1,330,567    | 54,853     | 1,385,420    |
|            | \$ 3,447,687 | \$ 351,335 | \$ 3,799,022 |

## 7. Employee benefit obligations:

|  | 2020       | 2019         |
|--|------------|--------------|
| Early retirement incentive               | \$ 295,895 | \$ 689,321   |
| Accrued salaries, vacation, and overtime | 491,992    | 579,201      |
|  | \$ 787,887 | \$ 1,268,522 |

### (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.

### (b) Early retirement incentive:

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

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

Additionally, Council passed a motion whereby this policy will no longer be in effect after December 31, 2021. All eligible employees must apply for the Retirement Incentive, in writing, by December 31, 2020.





# WHEATLAND COUNTY

Notes to Consolidated Financial Statements, page 8

Year ended December 31, 2020, with comparative information for 2019

## 8. Deferred revenue:

|                 | 2020                | 2019                |
|-----------------|---------------------|---------------------|
| Offsite levies  | \$ 602,144          | \$ 602,144          |
| Other operating | 653,972             | 505,914             |
|                 | <u>\$ 1,256,116</u> | <u>\$ 1,108,058</u> |

## 9. Long term debt:

|   | 2020                | 2019                |
|---|---------------------|---------------------|
| Special levy and utility supported debentures (note 12) | \$ 276,526          | \$ 326,712          |
| Self-supported debentures – operating (note 6)          | 3,447,687           | 3,841,822           |
| Other debentures  | 267,403             | -                   |
|   | <u>3,991,616</u>    | <u>4,168,534</u>    |
| Less: current portion                                   | 472,877             | 444,319             |
|   | <u>\$ 3,518,739</u> | <u>\$ 3,724,215</u> |

Principal and interest repayments are due as follows:

|            | Principal           | Interest          | Total               |
|------------|---------------------|-------------------|---------------------|
| 2021       | 472,877             | 94,168            | 567,045             |
| 2022       | 485,135             | 81,910            | 567,045             |
| 2023       | 497,751             | 69,294            | 567,045             |
| 2024       | 477,080             | 56,307            | 533,387             |
| 2025       | 488,473             | 44,914            | 533,387             |
| Thereafter | 1,570,300           | 72,749            | 1,643,049           |
|            | <u>\$ 3,991,616</u> | <u>\$ 419,342</u> | <u>\$ 4,410,958</u> |

Debenture debt is repayable to Alberta Capital Finance Authority and bears interest at rates ranging from 1.288% to 5.875% per annum (2019 – 2.208% to 6.625% per annum) and matures in periods 2023 to 2033. Debenture debt is issued on the credit and security of the County at large.



# WHEATLAND COUNTY

Notes to Consolidated Financial Statements, page 9

Year ended December 31, 2020, with comparative information for 2019

## 9. Long term debt (continued from previous page)

Wheatland County's total cash payments for interest on long-term debt is \$101,884 (2019 - \$87,962).

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, 2020 or 2019.

## 10. Accumulated surplus:

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

|  | 2020                  | 2019                  |
|--|-----------------------|-----------------------|
| Unrestricted surplus                               | \$ 32,925,763         | \$ 19,160,261         |
| Internally restricted surplus (reserves) (note 11) | 46,618,905            | 44,930,379            |
| Equity in tangible capital assets (note 12)        | 235,406,402           | 230,447,528           |
|  | <u>\$ 314,951,070</u> | <u>\$ 294,538,168</u> |



# WHEATLAND COUNTY

Notes to Consolidated Financial Statements, page 10

Year ended December 31, 2020, with comparative information for 2019

## 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.

|                                   | 2020          | 2019          |
|-----------------------------------|---------------|---------------|
| Transportation – paved roadways   | \$ 11,081,962 | \$ 10,398,199 |
| Municipal equipment               | 8,536,452     | 6,704,090     |
| Transportation – unpaved roadways | 6,595,142     | 7,898,977     |
| Fire capital                      | 4,810,899     | 4,980,244     |
| Transportation – bridges/culverts | 3,223,192     | 3,217,522     |
| Gravel reclamation                | 1,652,792     | 1,604,135     |
| Capital continuity                | 1,645,347     | 1,303,925     |
| Brownfields                       | 1,234,200     | 1,149,718     |
| Municipal reserve                 | 1,071,669     | 1,018,864     |
| Operating continuity              | 942,319       | 935,138       |
| Utilities – Gleichen              | 556,851       | 506,559       |
| Recreation                        | 508,384       | 688,806       |
| Facility infrastructure           | 479,293       | 423,276       |
| Agriculture Service Board         | 477,745       | 500,402       |
| Land development                  | 442,246       | 363,800       |
| Tax stabilization                 | 413,153       | 410,004       |
| Lakes of Muirfield                | 287,764       | –             |
| Cluny community infrastructure    | 271,934       | 269,862       |
| Wheatland West Fire               | 256,353       | 254,399       |
| Professional development          | 250,314       | 248,406       |
| Utilities – Speargrass            | 248,258       | 224,906       |
| Emergency preparedness            | 241,429       | 239,590       |
| Storm drainage                    | 199,324       | 197,805       |
| Community aggregate payment levy  | 199,269       | 197,751       |
| Utilities - Carseland             | 192,397       | 146,820       |
| Waste                             | 164,455       | 181,317       |
| Information services              | 131,378       | 154,049       |
| Safety                            | 108,036       | 107,212       |
| Utilities – Cluny                 | 91,730        | 82,554        |
| Utilities – Rosebud               | 84,130        | 75,001        |
| Standard site                     | 78,456        | 77,858        |
| Community enhancement             | 46,784        | 3,111         |
| Rosebud water and wastewater      | 38,617        | 38,322        |
| Gleichen community infrastructure | 37,124        | 36,841        |
| Carseland Fire Capital            | 16,582        | 288,013       |
| Library                           | 2,312         | 2,295         |
| Cenotaph                          | 613           | 608           |
|                                   | \$ 46,618,905 | \$ 44,930,379 |



# WHEATLAND COUNTY

Notes to Consolidated Financial Statements, page 11

Year ended December 31, 2020, with comparative information for 2019

## 12. Equity in tangible capital assets:

|                                       | 2020                  | 2019                  |
|---------------------------------------|-----------------------|-----------------------|
| Tangible capital assets (Schedule 2)  | \$ 650,742,168        | \$ 631,027,656        |
| Accumulated amortization (Schedule 2) | (415,059,240)         | (400,253,416)         |
| Capital long term debt (note 9)       | (276,526)             | (326,712)             |
|                                       | <u>\$ 235,406,402</u> | <u>\$ 230,447,528</u> |

## 13. Net municipal property taxes:

|  | Budget<br>(note 24)  | 2020                 | 2019                 |
|--|----------------------|----------------------|----------------------|
| Taxation:  |                      |                      |                      |
| Real property taxes                              | \$ 24,526,552        | \$ 24,694,392        | \$ 24,760,455        |
| Linear property taxes                            | 16,199,014           | 15,819,238           | 17,632,871           |
| Government grants in place of property taxes     | 45,000               | 45,646               | 45,542               |
| Special assessments and local improvement taxes  | 9,697                | 9,625                | 9,624                |
|  | <u>40,780,263</u>    | <u>40,568,901</u>    | <u>42,448,492</u>    |
| Requisitions:                                    |                      |                      |                      |
| Alberta School Foundation Fund                   | 10,491,959           | 10,581,633           | 8,615,002            |
| Designated Industrial Properties                 | 151,492              | 151,492              | 172,425              |
| Drumheller Solid Waste Management Association    | 363,647              | 363,647              | 349,762              |
| Wheatland Foundation and Housing Management Body | 310,748              | 300,105              | 300,240              |
|  | <u>11,317,846</u>    | <u>11,396,877</u>    | <u>9,437,429</u>     |
|  | <u>\$ 29,462,417</u> | <u>\$ 29,172,024</u> | <u>\$ 33,011,063</u> |





# WHEATLAND COUNTY

Notes to Consolidated Financial Statements, page 12

Year ended December 31, 2020, with comparative information for 2019

## 14. Government transfers:

|                          | Budget<br>(note 24) | 2020         | 2019         |
|--------------------------|---------------------|--------------|--------------|
| Transfers for operating: |                     |              |              |
| Provincial Government    | \$ 567,159          | \$ 1,278,404 | \$ 585,043   |
| Federal Government       | —                   | —            | —            |
|                          | 567,159             | 1,278,404    | 585,043      |
| Transfers for capital:   |                     |              |              |
| Provincial Government    | 2,681,250           | 4,449,108    | 7,069,044    |
| Federal Government       | 475,000             | 503,088      | 1,518,688    |
|                          | 3,156,250           | 4,952,196    | 8,587,732    |
|                          | \$ 3,723,409        | \$ 6,230,600 | \$ 9,172,775 |

## 15. Expenses by object:

|  | Budget        | 2020          | 2019          |
|--|---------------|---------------|---------------|
| Salaries, wages and benefits                       | \$ 9,484,313  | \$ 9,915,514  | \$ 9,152,931  |
| Contracted and general services                    | 7,616,315     | 6,884,846     | 7,419,129     |
| Materials, goods, supplies and utilities           | 6,144,446     | 3,990,924     | 5,716,234     |
| Bank charges and short-term interest               | 14,000        | (2,260)       | 16,847        |
| Interest on long term debt                         | 14,356        | 13,798        | 15,671        |
| Transfers to organizations and others              | 3,115,748     | 2,790,938     | 3,081,047     |
| Provision for allowances                           | 14,060        | 367,524       | 2,356,691     |
| Amortization of tangible capital assets            | 17,459,000    | 16,865,851    | 17,116,829    |
| Loss (gain) on disposal of tangible capital assets | —             | (148,921)     | (764,447)     |
| Loss (gain) on disposal of other assets            | —             | 276,133       | —             |
|  | \$ 43,862,238 | \$ 40,954,347 | \$ 44,110,932 |



# WHEATLAND COUNTY

Notes to Consolidated Financial Statements, page 13

Year ended December 31, 2020, with comparative information for 2019

## 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:

|                           | 2020                 | 2019                 |
|---------------------------|----------------------|----------------------|
| Total debt limits         | \$ 53,075,087        | \$ 58,351,797        |
| Less: Total debt (note 9) | 3,991,616            | 4,168,534            |
|                           | <u>\$ 49,083,471</u> | <u>\$ 54,183,263</u> |

|                               | 2020                | 2019                |
|-------------------------------|---------------------|---------------------|
| Debt servicing limit          | \$ 8,845,848        | \$ 9,725,300        |
| Less: Debt servicing (note 9) | 567,045             | 547,260             |
|                               | <u>\$ 8,278,803</u> | <u>\$ 9,178,040</u> |

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.

## 17. Trust funds:

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

|                                     | 2020             | 2019              |
|-------------------------------------|------------------|-------------------|
| Reg Thurston Memorial Scholarship   | \$ 8,257         | \$ 8,115          |
| Western District Historical Society | 6,027            | 5,924             |
| Seniors and Physically Challenged   | 2,822            | 2,774             |
| Wheatland West Fire                 | 636              | 624               |
| Madsen Charity                      | —                | 55,209            |
| Madsen Scholarship                  | —                | 42,101            |
| Wheatland Society of the Arts       | —                | 3,600             |
|                                     | <u>\$ 17,742</u> | <u>\$ 118,347</u> |



# WHEATLAND COUNTY

Notes to Consolidated Financial Statements, page 14

Year ended December 31, 2020, with comparative information for 2019

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## 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 274,151 people and 421 employers. The LAPP is financed by the employer and employee contributions and by investment earnings of the LAPP fund.

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

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

Total contributions by the County to the LAPP in 2020 were \$938,040 (2019 - \$839,901). Total contributions by the employees of the County to the LAPP in 2020 were \$854,615 (2019 - \$765,001).

## 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 liquidity risk or interest or currency risk arising from its financial instruments. The County is subject to credit risk with respect to taxes and grants in place of taxes receivables and trade and other receivables. Credit risk arises from the possibility that taxpayers and entities to which the County provides services may experience financial difficulty and be unable to fulfill their obligations. The large number and diversity of taxpayers and customers minimizes the credit risk. Unless otherwise noted, the carrying value of the financial instrument approximates fair value.



# WHEATLAND COUNTY

Notes to Consolidated Financial Statements, page 15

Year ended December 31, 2020, with comparative information for 2019

## 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:

|                        | Number of<br>Persons | Salary (1) | Benefits &<br>allowances (2) | 2020    | 2019    |
|------------------------|----------------------|------------|------------------------------|---------|---------|
| Councillors:           |                      |            |                              |         |         |
| Division 1             | 1                    | 10,732     | 5,940                        | 16,672  | 56,505  |
| Division 2             | 1                    | 38,512     | 42,822                       | 81,335  | 85,221  |
| Division 3             | 1                    | 32,197     | 32,116                       | 64,312  | 64,662  |
| Division 4             | 1                    | 32,197     | 32,291                       | 64,487  | 67,278  |
| Division 5             | 1                    | 32,263     | 29,117                       | 61,380  | 65,468  |
| Division 6             | 1                    | 32,197     | 37,161                       | 69,358  | 69,245  |
| Division 7             | 1                    | 32,197     | 25,186                       | 57,383  | 65,746  |
| Designated<br>Officers | 2                    | 350,275    | 66,155                       | 416,429 | 500,205 |

(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. 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, 2020, the County has incurred cumulative costs of \$509,641 (2019 - \$509,641) to maintain these assets.



# WHEATLAND COUNTY

Notes to Consolidated Financial Statements, page 16

Year ended December 31, 2020, with comparative information for 2019

## 23. Provision for reclamation:

|                                 | 2020         | 2019         |
|---------------------------------|--------------|--------------|
| Balance, beginning of year      | \$ 2,070,850 | \$ 2,026,337 |
| Inflation and other adjustments | (56,768)     | 44,513       |
| Balance, end of year            | \$ 2,014,082 | \$ 2,070,850 |

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.

## 24. Budget data:

The 2020 budget for the County was approved by Council on April 21, 2020.

## 25. Significant event

During the year, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses and governments through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders.

The impact of COVID-19 on the County has been limited during 2020. The County received stimulus funding from the provincial government to offset incremental costs and reduced revenue associated with COVID-19. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the County going forward as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

## 26. Comparative information:

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





# WHEATLAND COUNTY

Notes to Consolidated Financial Statements, page 17

Year ended December 31, 2020, with comparative information for 2019

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## 27. 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



# WHEATLAND COUNTY

## Schedule of Changes in Accumulated Surplus

## Schedule 1

Year ended December 31, 2020, with comparative information for 2019

|   | Unrestricted | Restricted   | Equity in Tangible<br>Capital Assets | 2020          | 2019           |
|---|--------------|--------------|--------------------------------------|---------------|----------------|
| Balance, beginning of year                          | \$19,160,261 | \$44,930,379 | \$230,447,528                        | \$294,538,168 | \$ 291,072,602 |
| Excess of revenue over expenses                     | 20,412,902   | —            | —                                    | 20,412,902    | 3,465,566      |
| Net restricted funds used for operations            | (1,688,526)  | 1,688,526    | —                                    | —             | —              |
| Current year funds used for tangible capital assets | (10,701,256) | —            | 10,701,256                           | —             | —              |
| Contributed tangible capital assets                 | (11,559,945) | —            | 11,559,945                           | —             | —              |
| Disposal of tangible capital assets                 | 486,662      | —            | (486,662)                            | —             | —              |
| Amortization of tangible capital assets             | 16,865,851   | —            | (16,865,851)                         | —             | —              |
| Long-term debt repaid                               | (50,186)     | —            | 50,186                               | —             | —              |
| Change in accumulated surplus                       | 13,765,502   | 1,688,526    | 4,958,874                            | 20,412,902    | 3,465,566      |
| Balance, end of year                                | \$32,925,763 | \$46,618,905 | \$235,406,402                        | \$314,951,070 | \$ 294,538,168 |



# WHEATLAND COUNTY

## Schedule of Tangible Capital Assets

Schedule 2

Year ended December 31, 2020, with comparative information for 2019

|                                  | Land                 | Land improvements   | Buildings            | Engineered structures | Machinery and equipment | Vehicles            | Construction in progress | 2020                  | 2019                  |
|----------------------------------|----------------------|---------------------|----------------------|-----------------------|-------------------------|---------------------|--------------------------|-----------------------|-----------------------|
| <b>Costs:</b>                    |                      |                     |                      |                       |                         |                     |                          |                       |                       |
| Balance, beginning of year       | \$ 14,253,305        | \$ 4,443,904        | \$ 16,490,746        | \$ 541,113,470        | \$ 31,693,760           | \$ 12,981,499       | \$ 10,050,971            | \$ 631,027,655        | \$ 611,777,861        |
| Acquisitions                     | 3,698,257            | 264,103             | 1,486,191            | 7,318,768             | 3,886,035               | 775,977             | 4,831,870                | 22,261,201            | 22,234,122            |
| Disposals                        | (172,375)            | —                   | —                    | —                     | (2,068,984)             | (305,329)           | —                        | (2,546,688)           | (2,984,327)           |
| Transfers                        | —                    | —                   | 93,294               | 1,771,670             | 179,791                 | 50,645              | (2,095,400)              | —                     | —                     |
| Balance, end of year             | 17,779,187           | 4,708,007           | 18,070,231           | 550,203,908           | 33,690,602              | 13,502,792          | 12,787,441               | 650,742,168           | 631,027,656           |
| <b>Accumulated amortization:</b> |                      |                     |                      |                       |                         |                     |                          |                       |                       |
| Balance, beginning of year       | —                    | 1,759,328           | 3,803,457            | 374,080,003           | 14,445,317              | 6,165,310           | —                        | 400,253,415           | 385,940,137           |
| Annual amortization              | —                    | 209,815             | 357,962              | 12,101,813            | 3,236,155               | 960,105             | —                        | 16,865,851            | 17,116,829            |
| Disposals                        | —                    | —                   | —                    | —                     | (1,772,366)             | (287,659)           | —                        | (2,060,026)           | (2,803,550)           |
| Balance, end of year             | —                    | 1,969,143           | 4,161,419            | 386,181,816           | 15,909,106              | 6,837,756           | —                        | 415,059,240           | 400,253,416           |
| <b>Net book value</b>            | <b>\$ 17,779,187</b> | <b>\$ 2,738,864</b> | <b>\$ 13,908,812</b> | <b>\$ 164,022,092</b> | <b>\$ 17,781,496</b>    | <b>\$ 6,665,036</b> | <b>\$ 12,787,442</b>     | <b>\$ 235,682,928</b> | <b>\$ 230,774,240</b> |
| <b>2019 net book value</b>       | <b>\$ 14,253,305</b> | <b>\$ 2,684,576</b> | <b>\$ 12,687,289</b> | <b>\$ 167,033,467</b> | <b>\$ 17,248,443</b>    | <b>\$ 6,816,189</b> | <b>\$ 10,050,971</b>     | <b>\$ 230,774,240</b> | <b>—</b>              |

During the year, tangible capital assets were acquired at an aggregate cost of \$22,261,201 (2019 - \$22,234,122), less contributed assets of \$11,559,945 (2019 - \$87,568). Of the \$10,701,256 acquired (2019 - \$22,146,554), \$699,764 (2019 - \$2,342,026) remains in accounts payable at year end, therefore, \$12,343,518 (2019 - \$24,434,512) was acquired with cash during the year.

During the year, assets having a net book value of \$486,662 (2019 - \$180,777) were sold for proceeds of \$635,583 (2019 - \$945,224), resulting in a gain on disposal of capital assets of \$148,921 (2019 - \$764,447).

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, 2020

|  | General government | Protective services | Transportation services | Environmental services | Public health services | Planning and development | Recreation and culture | Total         |
|--|--------------------|---------------------|-------------------------|------------------------|------------------------|--------------------------|------------------------|---------------|
| <b>Revenue</b>   |                    |                     |                         |                        |                        |                          |                        |               |
| Net property taxes   | \$29,172,024       | \$                  | \$                      | \$                     | \$                     | \$                       | \$                     | \$29,172,024  |
| User fees and sales of goods   | 335,169            | 176,804             | 207,461                 | 1,137,446              | 4,960                  | 375,390                  | 21,702                 | 2,258,932     |
| Investment income  | 886,478            | —                   | —                       | 93,019                 | —                      | —                        | —                      | 979,497       |
| Licenses and permits   | 51,169             | 5,520               | —                       | —                      | —                      | 256,263                  | —                      | 312,952       |
| Government transfers for operating                                     | 1,031,639          | 51,720              | —                       | 195,045                | —                      | —                        | —                      | 1,278,404     |
| Other  | 299,799            | 6,001               | 6,623                   | 166,040                | 1,000                  | —                        | 49,932                 | 529,394       |
| Penalties and costs of taxes   | 743,616            | —                   | —                       | —                      | —                      | —                        | —                      | 743,616       |
| Development levies   | —                  | —                   | —                       | —                      | —                      | 45,587                   | —                      | 45,587        |
| Rentals  | 44,146             | —                   | —                       | 5,439                  | —                      | —                        | 13,400                 | 62,985        |
|  | 32,564,040         | 240,045             | 214,084                 | 1,596,989              | 5,960                  | 677,240                  | 85,034                 | 35,383,391    |
| <b>Expenses:</b>   |                    |                     |                         |                        |                        |                          |                        |               |
| Salaries, wages and benefits   | 2,693,381          | 832,621             | 3,865,375               | 1,525,657              | —                      | 804,621                  | 193,859                | 9,915,514     |
| Contracted and general services  | 1,251,333          | 584,980             | 2,089,283               | 2,190,544              | —                      | 714,935                  | 53,771                 | 6,884,846     |
| Materials, goods, supplies and utilities                               | 504,113            | 126,141             | 2,944,952               | 399,404                | 556                    | 209                      | 15,549                 | 3,990,924     |
| Bank charges and short-term interest                                   | (2,260)            | —                   | —                       | —                      | —                      | —                        | —                      | (2,260)       |
| Interest on long term debt   | —                  | —                   | —                       | 13,798                 | —                      | —                        | —                      | 13,798        |
| Transfers to organization and others                                   | 691,445            | 686,265             | —                       | 606,786                | 227,916                | —                        | 578,526                | 2,790,938     |
| Provision for allowances   | 365,547            | —                   | —                       | 6                      | —                      | 1,971                    | —                      | 367,524       |
| Amortization of tangible capital assets                                | 464,409            | 65,194              | 15,272,912              | 988,963                | 971                    | 40,670                   | 32,732                 | 16,865,851    |
| Loss (gain) on disposal of tangible capital assets                     | 172,374            | (3,058)             | (318,237)               | —                      | —                      | —                        | —                      | (148,921)     |
| Loss (gain) on disposal of other assets                                | 277,229            | —                   | —                       | —                      | —                      | (1,096)                  | —                      | 276,133       |
|  | 6,417,571          | 2,292,143           | 23,854,285              | 5,725,158              | 229,443                | 1,561,310                | 874,437                | 40,954,347    |
| <b>Excess (deficiency) of revenue over expenses before other items</b> | 26,146,469         | (2,052,099)         | (23,640,201)            | (4,128,169)            | (223,483)              | (884,070)                | (789,403)              | (5,570,956)   |
| <b>Other</b>   |                    |                     |                         |                        |                        |                          |                        |               |
| Government transfers for capital                                       | —                  | 360,395             | 3,424,676               | 664,037                | —                      | —                        | 503,088                | 4,952,196     |
| Contributed assets   | —                  | —                   | 2,021,153               | 6,952,022              | —                      | —                        | 2,586,770              | 11,559,945    |
| Contributed inventory  | —                  | —                   | —                       | —                      | —                      | 9,471,717                | —                      | 9,471,717     |
|  | —                  | 360,395             | 5,445,829               | 7,616,059              | —                      | 9,471,717                | 3,089,858              | 25,983,858    |
| <b>Excess (deficiency) of revenue over expenses</b>                    | \$ 26,146,469      | \$ (1,691,704)      | \$ (18,194,372)         | \$ (3,487,890)         | \$ (223,483)           | \$ 8,587,647             | \$ 2,300,455           | \$ 20,412,902 |





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