

**County of Wetaskiwin No. 10  
Consolidated Financial Statements  
For the year ended December 31, 2019**

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## Independent Auditor's Report

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To the Reeve and Council of the County of Wetaskiwin

### Opinion

We have audited the consolidated financial statements of County of Wetaskiwin and its controlled or owned organizations (the Group), which comprise the consolidated statement of financial position as at December 31, 2019, and the consolidated statement of operations, consolidated statement of changes in net financial debt, and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2019 and its consolidated financial performance and its cash flows for the year then ended in accordance with Public Sector Accounting Standards.

### Basis for Opinion

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

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

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

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

Those charged with governance are responsible for overseeing the Group'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 financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and

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## Independent Auditor's Report, continued

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- 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 Group'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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

*BDO Canada LLP*  
Chartered Professional Accountants,  
Lacombe, Alberta  
May 26, 2020

**County of Wetaskiwin No. 10**  
**Consolidated Statement of Financial Position**

December 31	2019	2018
<b>Financial assets</b>		
Cash and cash equivalents (Note 1)	\$ 31,897,728	\$ 30,109,558
Taxes receivable (net of allowance of \$820,039)	2,228,193	1,687,727
Accounts receivable (Note 2)	6,473,593	8,111,241
Patronage reserves	13,495	13,362
Debt recoverable (Note 3)	6,335,559	6,592,663
	<b>46,948,568</b>	<b>46,514,551</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	1,859,602	3,344,072
Deposit liabilities	1,047,238	1,074,238
Employee benefits plan liability (Note 4)	1,182,359	1,096,743
Deferred revenue (Note 6)	12,583,555	10,519,783
Long-term debt (Notes 7 & 8)	7,257,977	7,864,949
	<b>23,930,731</b>	<b>23,899,785</b>
<b>Net financial assets</b>	<b>23,017,837</b>	<b>22,614,766</b>
<b>Non-financial assets</b>		
Tangible capital assets (Note 9)	92,252,588	98,532,747
Prepaid expenses and inventories of supplies (Note 10)	9,707,101	9,402,795
Membership fee (Note 11)	400,000	400,000
	<b>102,359,689</b>	<b>108,335,542</b>
<b>Accumulated surplus (Note 12)</b>	<b>\$ 125,377,526</b>	<b>\$ 130,950,308</b>

Commitments and contingencies (Note 18)  
 Liability for contaminated sites (Note 19)  
 Funds held in trust (Note 20)

**County of Wetaskiwin No. 10**  
**Consolidated Statement of Operations**

For the year ended December 31	Budget 2019	2019	2018
	(Note 21)		
<b>Revenue</b>			
Taxation (Note 14)	\$ 19,599,066	\$ 19,435,477	\$ 18,808,219
Government transfers (Note 15)	13,430,492	4,557,535	9,639,972
User fees and service charges	2,765,721	3,336,987	2,792,337
Permits, licenses and fines	576,000	610,586	641,010
Investment income	706,561	681,888	702,763
Sales to other governments	287,198	27,510	916,747
Rentals	256,008	234,958	272,615
Other	975,898	803,445	1,583,176
Gain on disposal of tangible capital assets	-	332,793	58,983
	38,596,944	30,021,179	35,415,822
<b>Expenses</b>			
General Government	5,117,402	4,974,177	5,003,143
Protective Services	1,933,816	2,004,315	1,580,879
Public Works	13,562,653	12,574,358	14,763,769
Utilities (Note 16)	2,431,574	2,640,711	2,289,108
Cemetery	53,304	63,807	47,762
Family and Community Support Services	491,103	483,352	508,773
Recreation and Cultural Services	1,739,159	1,549,112	1,330,128
Planning and Development	986,588	872,571	919,419
Agriculture Service Board	985,006	1,013,263	902,368
Restructuring transaction (Note 16)	-	9,418,295	-
	27,300,605	35,593,961	27,345,349
<b>Annual surplus (deficit)</b>	11,296,339	(5,572,782)	8,070,473
<b>Accumulated surplus, beginning of year</b>	130,950,308	130,950,308	122,879,835
<b>Accumulated surplus, end of year</b>	\$ 142,246,647	\$ 125,377,526	\$ 130,950,308

The accompanying summary of significant accounting policies and notes are an integral part of these consolidated financial statements

**County of Wetaskiwin No. 10**  
**Consolidated Statement of Change in Net Financial Assets**

<b>For the year ended December 31</b>	<b>Budget 2019</b>	<b>2019</b>	<b>2018</b>
	(Note 21)		
<b>Annual surplus (deficit)</b>	\$ 11,296,339	\$ (5,572,782)	\$ 8,070,473
Acquisition of tangible capital assets	(18,717,395)	(7,864,695)	(12,372,283)
Amortization of tangible capital assets	4,382,971	4,382,971	4,700,565
Gain on sale of tangible capital assets	-	(332,793)	(58,983)
Restructuring transaction	-	9,418,295	-
Proceeds on sale of tangible capital assets	567,340	676,381	454,221
	<u>(2,470,745)</u>	<u>707,377</u>	<u>793,993</u>
Change in prepaid expenses and inventory of supplies	-	(304,306)	615,414
<b>Net change in net financial assets</b>	(2,470,745)	403,071	1,409,407
<b>Net financial assets, beginning of year</b>	<u>22,614,766</u>	<u>22,614,766</u>	<u>21,205,359</u>
<b>Net financial assets, end of year</b>	<u>\$ 20,144,021</u>	<u>\$ 23,017,837</u>	<u>\$ 22,614,766</u>

**County of Wetaskiwin No. 10**  
**Consolidated Statement of Cash Flows**

For the year ended December 31	2019	2018
<b>Operating transactions</b>		
Annual surplus (deficit)	\$ (5,572,782)	\$ 8,070,473
Items not involving cash		
Amortization	4,382,971	4,700,565
Gain on disposal of tangible capital assets	(332,793)	(58,983)
Restructuring transaction	9,418,295	-
Changes in non-cash operating balances		
Taxes receivable	(540,466)	(202,419)
Accounts receivable	1,637,648	(2,635,056)
Prepaid expenses and inventories of supplies	(304,306)	615,414
Accounts payable and accrued liabilities	(1,484,469)	100,858
Employee benefits plan liability	85,616	145,424
Deposit liabilities	(27,000)	(890)
	<b>7,262,714</b>	<b>10,735,386</b>
<b>Capital transactions</b>		
Acquisition of tangible capital assets	(7,864,695)	(12,372,283)
Proceeds on sale of tangible capital assets	676,381	454,221
	<b>(7,188,314)</b>	<b>(11,918,062)</b>
<b>Investing transactions</b>		
Deferred revenue	2,063,772	3,346,419
Debt recoverable payments received	257,103	246,179
Change in patronage reserves	(133)	(125)
Change in restricted amounts	(1,915,108)	(3,228,103)
	<b>405,634</b>	<b>364,370</b>
<b>Financing transactions</b>		
Repayment of long-term debt	(606,972)	(590,121)
<b>Net change in cash and cash equivalents</b>	<b>(126,938)</b>	<b>(1,408,427)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>20,849,805</b>	<b>22,258,232</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 20,722,867</b>	<b>\$ 20,849,805</b>
<b>Consists of:</b>		
Cash and cash equivalents	31,897,728	30,109,558
Less: restricted portion of cash and cash equivalents (Note 1)	(11,174,861)	(9,259,753)
	<b>\$ 20,722,867</b>	<b>\$ 20,849,805</b>

The accompanying summary of significant accounting policies and notes are an integral part of these consolidated financial statements



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**County of Wetaskiwin No. 10**  
**Summary of Significant Accounting Policies**

**December 31, 2019**

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**Management's  
Responsibility for the  
Financial Statements**

The financial statements of the County of Wetaskiwin No. 10 (the Municipality) are the responsibility of management. They have been prepared in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. The Municipality is a municipality in the Province of Alberta and operates under the provisions of the Municipal Government Act of the Province of Alberta. The Municipality provides municipal services such as fire, public works, planning, parks, recreation and other general government services.

**Basis of Consolidation**

The financial statements reflect the assets, liabilities, revenues, expenditures and accumulated surplus of the Municipality. The Municipality is comprised of the municipal operations plus any organizations that are owned or controlled by the Municipality and are, therefore, accountable to Council for the administration of their financial affairs and resources.

Funds held in trust by the Municipality, and their related operations, are not included in these financial statements. The financial activity and position of the trust funds are reported separately in Note 20.

Interdepartmental and organizational transactions and balances are eliminated.

**Cash and Cash  
Equivalents**

Management considers all highly liquid investments with maturity of three months or less at acquisition to be cash equivalents.

**Debt Recoverable**

Debt recoverable consists of amounts that are recoverable under a loan made to the Wetaskiwin and Area Lodge Authority. These debt recoverable amounts are recorded at a value equivalent to the offsetting outstanding long-term debt balances as at December 31.

**Inventories**

Inventories of materials and supplies for consumption are valued at specific cost.

Inventories of gravel are valued at the lower of cost or net realizable value with cost determined by the average cost method.

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**County of Wetaskiwin No. 10**  
**Summary of Significant Accounting Policies**

**December 31, 2019**

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**Tangible Capital Assets**

Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as revenue. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset commencing once the asset is available for productive use as follows:

Buildings and land improvements	15 to 50 years
Equipment	5 to 40 years
Vehicles	10 to 25 years
Water and other utility systems	45 to 75 years
Roads and bridges	5 to 40 years

**Leased Assets**

Leases entered into that transfer substantially all the benefits and risks associated with ownership are recorded as the acquisition of a tangible capital asset and the incurrence of an obligation. The asset is amortized in a manner consistent with tangible capital assets owned by the Municipality, and the obligation, including interest thereon, is liquidated over the term of the lease. All other leases are accounted for as operating leases, and the rental costs are expensed as incurred.

**Collection of Taxes on Behalf of Other Taxation Authorities**

The Municipality collects taxation revenue on behalf of other entities. Such levies, other revenues, expenses, assets and liabilities with respect to the operations of entities are not reflected in these financial statements.

The entities the Municipality collects taxation revenue on behalf of are as follows:

- Alberta School Foundation Fund
- Wetaskiwin and Area Lodge Authority
- Province of Alberta - Designated Industrial Property Levy

**Over and Under Levies**

Over and under levies arise from the difference between the actual levy made to cover each requisition and the actual amount requisitioned or receivable. The excess or under collection is accrued as a liability and property tax revenue is reduced or increased accordingly. Requisition tax rates in the subsequent year are adjusted for any over or under levies of the prior year.

**Retirement Benefits and Other Employee Benefit Plans**

The Municipality's contributions to its multi-employer defined benefit plan are expensed as incurred on an accrual basis.

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**County of Wetaskiwin No. 10**  
**Summary of Significant Accounting Policies**

**December 31, 2019**

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**Government Transfers** Government transfers, which include legislative grants, are recognized in the financial statements in the period in which events giving rise to the transfers occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amount(s) can be made.

**Revenue Recognition** Charges for sewer and water usage are recorded as user fees and are recognized when the service has been provided. Connection fee revenues are recognized when the connection has been established.

Funds received for specific purposes which are externally restricted by legislation, regulation or agreement and are not available for general municipal purposes are accounted for as deferred revenue on the consolidated statement of financial position. The revenue is recognized in the consolidated statement of operations in the year in which it is used for the specified purpose.

Grants for the acquisition of tangible capital assets are recognized as revenue in the period in which eligible expenditures are made.

Sales of service and other revenue is recognized on an accrual basis.

**Taxation Revenue** Taxes are recorded at estimated amounts when they meet the definition of an asset, have been authorized and the taxable event occurs. For property taxes, the taxable event is the period for which the tax is levied. As taxes recorded are initially based on management's best estimate of the taxes that will be received, it is possible that changes in future conditions, such as reassessments due to audits, appeals and court decisions, could result in a change in the amount of tax revenue recognized. Taxes receivable are recognized net of an allowance for anticipated uncollectable amounts.

**Liability for Contaminated Sites** A contaminated site is a site at which substances occur in concentrations that exceed the maximum acceptable amounts under an environmental standard. Sites that are currently in productive use are only considered a contaminated site if an unexpected event results in contamination. A liability for remediation of contaminated sites is recognized when the organization is directly responsible or accepts responsibility; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made. The liability includes all costs directly attributable to remediation activities including post remediation operations, maintenance and monitoring. The liability is recorded net of any expected recoveries.

**Use of Estimates** The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

**County of Wetaskiwin No. 10**  
**Notes to Consolidated Financial Statements**

**December 31, 2019**

**1. Cash and Cash Equivalents**

	2019	2018
Cash balances	\$ 940	\$ 756
Cash balances yielding prime less 1.75% on a monthly basis	31,896,788	30,108,802
	<b>\$ 31,897,728</b>	<b>\$ 30,109,558</b>

The Municipality has an undrawn line of credit with a limit of \$5 million that carries an interest rate of prime. The line of credit is secured by borrowing bylaws pledging grants under the particular projects or tax revenues of the Municipality.

The Municipality has an undrawn capital loan with a limit of \$5.3 million that carries an interest rate of prime. The capital loan is secured by borrowing bylaws pledging grants under the particular projects or tax revenues of the Municipality.

Included in the above amounts are the following amounts received from the Province of Alberta and Government of Canada as conditional grants held exclusively for future projects.

	2019	2018
Internship	\$ 22,000	\$ 14,333
Federal Gas Tax (FGT)	2,068,792	902,771
Agriculture Services	143,095	146,151
Municipal Sustainability Initiative (MSI)	8,940,974	8,196,498
	<b>\$ 11,174,861</b>	<b>\$ 9,259,753</b>

**County of Wetaskiwin No. 10**  
**Notes to Consolidated Financial Statements**

**December 31, 2019**

**2. Accounts Receivable**

	2019	2018
Trade accounts receivable	\$ 1,004,995	\$ 1,922,113
Grants receivable	5,628,598	6,271,128
Allowance for uncollectible	(160,000)	(82,000)
	\$ 6,473,593	\$ 8,111,241

**3. Debt Recoverable**

Debt recoverable relates to amounts borrowed by the Municipality and loaned to the Wetaskiwin and Area Lodge Authority (WALA) in accordance with section 264 of the MGA.

The debt recoverable is repayable in semi-annual payments \$271,832 of principal and interest on March 15 and September 15 of each year. The debt recoverable bears interest at 4.389% compounded semi-annually. The mortgage is due March 15, 2036.

The debt recoverable is secured by an assignment of insurance proceeds, an assignment of rents and leases, a general security agreement, land and buildings.

WALA has the right to requisition its members, consisting of the County of Wetaskiwin, the City of Wetaskiwin and the Town of Millet for their annual shares of budgeted operating deficits and for their annual shares of the semi-annual debt recovery payments. The annual share is calculated annually based on the equalized assessment for that year. As of December 31, 2019, the Municipality's annual contribution is 61% of the total requisition.

Estimated principal and interest repayments on debt recoverable over the next five and subsequent years are as follows:

	Principal	Interest	Total
2020	\$ 268,511	\$ 275,153	\$ 543,664
2021	280,425	263,239	543,664
2022	292,868	250,796	543,664
2023	305,863	237,801	543,664
2024	319,435	224,229	543,664
Thereafter	4,868,457	1,056,135	5,924,592
	\$ 6,335,559	\$ 2,307,353	\$ 8,642,912

The gross interest received relating to the above debt recoverable was \$291,399 (2018 - \$307,944).

**County of Wetaskiwin No. 10**  
**Notes to Consolidated Financial Statements**

**December 31, 2019**

**4. Employee Benefits Plan Liability**

	2019	2018
Sick leave benefits - accrued liability	\$ 842,000	\$ 733,989
Vacation	302,198	336,643
Overtime	38,161	26,111
	\$ 1,182,359	\$ 1,096,743

The employee benefits plan liability includes accrued vacation and overtime that employees are deferring to future years. Employees have either earned the benefits (and are vested) or are entitled to these benefits within the next budgetary year.

The employee benefits plan liability also includes paid sick leave that can accumulate to a maximum of 90 days. Sick leave will only be paid out if employees meet the conditions outlined in the policy for utilization of sick leave and will not be paid out upon the termination or retirement of an employee. The amount above has been estimated by using past utilization of sick leave in excess of the annual entitlement and projecting the past utilization to the future using an estimated average age to retirement of 12 years, an inflation factor of 2.50% and a discount rate of 2.164%.

**5. Local Authorities Pension Plan**

Certain employees of the Municipality are eligible to be members of the Local Authorities Pension Plan (LAPP), a multi-employer pension plan which is covered by the Public Sector Pension Plans Act. The plan provides defined pension benefits to employees based on their length of service and rates of pay. Contributions for the year were:

	2019	2018
Employer contributions	622,628	690,378
Employee contributions	565,004	626,511
	\$ 1,187,632	\$ 1,316,889

As this is a multi-employer pension plan, these contributions are the Municipality's pension benefit expense. No pension liability for this type of plan is included in the Municipality's financial statements. The most recent valuation as at December 31, 2018 indicates a surplus of \$3.47 billion (2017 surplus - \$4.835 million) for basic pension benefits. The actuary does not attribute portions of the unfunded liability to individual employers.

**County of Wetaskiwin No. 10**  
**Notes to Consolidated Financial Statements**

**December 31, 2019**

**6. Deferred Revenue**

	Opening balance	Contributions received	Externally restricted investment income	Revenue recognized	Ending balance
Internship	\$ 14,333	\$ 66,000	\$ -	(58,333)	\$ 22,000
FGT	902,771	1,880,137	23,486	(737,602)	2,068,792
Agriculture Services	146,151	233,359	-	(236,415)	143,095
MSI	8,196,498	2,092,028	192,800	(1,540,352)	8,940,974
Water Rescue Donations	113,146	28,729	-	(12,129)	129,746
Prepaid Local Improvement Property Owners Contributions	27,730	10,463	-	(4,051)	34,142
	1,119,154	139,229	-	(13,577)	1,244,806
	<u>\$ 10,519,783</u>	<u>\$ 4,449,945</u>	<u>\$ 216,286</u>	<u>\$ (2,602,459)</u>	<u>\$ 12,583,555</u>

**Grants**

Under various grant agreements with the Government of Canada and the Province of Alberta, the Municipality is required to account for grants provided and to complete the projects or programs in accordance with standards detailed in the various agreements. If these requirements are not adhered to, grants provided will become repayable to the source government. Unexpended funds are repayable to the source government upon final accounting. Funds are deferred until related expenditures under the specific grant agreements have been incurred.

**Prepaid Local Improvements**

Under development agreements related to the Mulhurst sewer and Winfield water, various landowners have prepaid their local improvement levy. The levy is amortized into revenues straight-line over 25 years.

**Property Owner Contributions**

Under development agreements for developments in the Pigeon Lake Watershed, developers are required to contribute funds for the purpose of future expansion of the existing sewer system. These funds will be used to finance future capital expansions and recognized as revenue at that time.

**County of Wetaskiwin No. 10**  
**Notes to Consolidated Financial Statements**

**December 31, 2019**

**7. Long-term Debt**

Long-term debt reported on the statement of financial position is comprised of the following:

	2019	2018
Self supported debentures, due 2020 to 2035.	\$ 922,418	\$ 1,272,287
Wetaskiwin and Area Lodge Authority Debenture, 4.389% due March 15, 2036, blended semi-annual payments of \$271,832. Secured by a note receivable. See Note 3.	6,335,559	6,592,662
	7,257,977	7,864,949

Debenture debt is repayable to the Alberta Municipal Financing Corporation and bears interest at rates ranging from 1.088% to 8.625%. The weighted average interest rate, excluding the WALA debenture, for 2019 is 5.44%. Debenture debt is issued on the security of the Municipality at large.

Estimated principal and interest repayments on debenture debt over the next five and subsequent years are as follows:

	Principal	Interest	Total
2020	\$ 624,522	\$ 304,767	\$ 929,289
2021	312,411	287,325	599,736
2022	326,328	273,408	599,736
2023	335,403	258,871	594,274
2024	350,249	244,025	594,274
Thereafter	5,309,064	1,499,781	6,808,845
	\$ 7,257,977	\$ 2,868,177	\$ 10,126,154

The gross interest paid relating to the above long-term debt was \$324,691 (2018 - \$330,084).



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**County of Wetaskiwin No. 10**  
**Notes to Consolidated Financial Statements**

**December 31, 2019**

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**8. Debt Limits**

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

	<u>2019</u>	<u>2018</u>
Total debt limit	<b>\$ 39,370,779</b>	\$ 41,278,562
Total debt	<b>922,418</b>	1,272,287
Total debt limit available	<b><u>\$ 38,448,361</u></b>	<u>\$ 40,006,275</u>
Debt servicing limit	<b>\$ 6,561,796</b>	\$ 6,879,760
Debt servicing	<b>385,625</b>	385,625
Total debt servicing limit available	<b><u>\$ 6,176,171</u></b>	<u>\$ 6,494,135</u>

The debt limit is calculated at 1.5 times revenue of the Municipality (as defined in Alberta Regulation 255/2000) 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.

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**County of Wetaskiwin No. 10**  
**Notes to Consolidated Financial Statements**

December 31, 2019

**9. Tangible Capital Assets**

	For the year ended December 31, 2019							
	Land	Buildings	Equipment	Vehicles	Utility systems	Roads & bridges	Work in progress	Total
Cost, beginning of year	\$ 4,100,676	\$ 10,397,104	\$ 14,219,582	\$ 9,142,076	\$ 31,401,427	\$ 133,426,688	\$ 12,373,135	\$ 215,060,688
Additions	-	-	2,255,525	921,827	-	811,845	3,875,498	7,864,695
Disposals	(280,006)	-	(1,442,302)	(300,606)	(10,337,549)	-	-	(12,360,463)
Change in work in progress	-	-	-	-	2,828,372	1,785,737	(4,614,109)	-
Write downs	-	-	-	-	-	-	-	-
Cost, end of year	<u>3,820,670</u>	<u>10,397,104</u>	<u>15,032,805</u>	<u>9,763,297</u>	<u>23,892,250</u>	<u>136,024,270</u>	<u>11,634,524</u>	<u>210,564,920</u>
Accumulated amortization, beginning of year	-	3,705,257	8,353,777	4,114,436	5,441,521	94,912,950	-	116,527,941
Amortization	-	160,907	1,100,522	484,641	653,930	1,982,971	-	4,382,971
Disposals	-	-	(1,104,622)	(294,698)	(1,199,260)	-	-	(2,598,580)
Write-downs	-	-	-	-	-	-	-	-
Accumulated amortization, end of year	-	<u>3,866,164</u>	<u>8,349,677</u>	<u>4,304,379</u>	<u>4,896,191</u>	<u>96,895,921</u>	-	<u>118,312,332</u>
Net carrying amount, end of year	<u>\$ 3,820,670</u>	<u>\$ 6,530,940</u>	<u>\$ 6,683,128</u>	<u>\$ 5,458,918</u>	<u>\$ 18,996,059</u>	<u>\$ 39,128,349</u>	<u>\$ 11,634,524</u>	<u>\$ 92,252,588</u>

**County of Wetaskiwin No. 10**  
**Notes to Consolidated Financial Statements**

December 31, 2019

9. Tangible Capital Assets (continued)

	For the year ended December 31, 2018							Total
	Land	Buildings	Equipment	Vehicles	Utility systems	Roads & bridges	Work in progress	
Cost, beginning of year	\$ 4,100,676	\$ 10,397,104	\$ 13,880,937	\$ 8,230,142	\$ 30,974,741	\$ 127,881,244	\$ 8,341,748	\$ 203,806,592
Additions	-	-	1,115,645	864,236	-	1,313,950	9,078,452	12,372,283
Disposals	-	-	(777,000)	(256,701)	-	-	-	(1,033,701)
Change in work in progress	-	-	-	304,399	426,686	4,315,980	(5,047,065)	-
Write downs	-	-	-	-	-	(84,486)	-	(84,486)
Cost, end of year	<u>4,100,676</u>	<u>10,397,104</u>	<u>14,219,582</u>	<u>9,142,076</u>	<u>31,401,427</u>	<u>133,426,688</u>	<u>12,373,135</u>	<u>215,060,688</u>
Accumulated amortization, beginning of year	-	3,483,983	7,497,876	3,724,306	4,787,451	93,056,709	-	112,550,325
Amortization	-	221,274	1,239,962	644,532	654,070	1,940,727	-	4,700,565
Disposals	-	-	(384,061)	(254,402)	-	-	-	(638,463)
Write-downs	-	-	-	-	-	(84,486)	-	(84,486)
Accumulated amortization, end of year	-	<u>3,705,257</u>	<u>8,353,777</u>	<u>4,114,436</u>	<u>5,441,521</u>	<u>94,912,950</u>	-	<u>116,527,941</u>
Net carrying amount, end of year	<u>\$ 4,100,676</u>	<u>\$ 6,691,847</u>	<u>\$ 5,865,805</u>	<u>\$ 5,027,640</u>	<u>\$ 25,959,906</u>	<u>\$ 38,513,738</u>	<u>\$ 12,373,135</u>	<u>\$ 98,532,747</u>

There were assets under construction at year end totalling \$11,634,524 (2018 - \$12,373,135) that will not be amortized until they are ready for use. There were no assets under capital lease at year end (2018 - \$nil).

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**County of Wetaskiwin No. 10**  
**Notes to Consolidated Financial Statements**

**December 31, 2019**

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**10. Prepaid Expenses and Inventories of Supplies**

	<u>2019</u>	<u>2018</u>
Crushed gravel	\$ 4,713,348	\$ 4,576,410
Undeveloped gravel pits	4,321,615	4,321,615
Materials and supplies	459,336	389,428
Prepaid expenses	<u>212,802</u>	<u>115,342</u>
	<u>\$ 9,707,101</u>	<u>\$ 9,402,795</u>

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**11. Membership Fee**

The Municipality acquired a non-controlling interest in West Dried Meat Lake Regional Solid Waste Authority July 2, 1996. The purpose of the Authority is to administer and maintain a solid waste landfill. The non-controlling interest entitles the Municipality to one vote in the operations of the Authority and the requirement to pay an annual requisition to deliver solid waste. There are currently five members, including the Municipality. In case of dissolution, members are entitled to 20% of the remaining net assets of the Authority. The remaining net assets would be determined after settling all remaining environmental liability. The membership agreement has no expiry date.

The membership fee has been accounted for at historical cost.

The estimated value of the Municipality's interest in the Authority is \$4 million.

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**County of Wetaskiwin No. 10**  
**Notes to Consolidated Financial Statements**

**December 31, 2019**

**12. Accumulated Surplus**

	<u>2019</u>	<u>2018</u>
Investment in tangible capital assets	\$ 92,252,588	\$ 98,532,747
Operating and capital deficit	(4,039,799)	(4,488,363)
Membership fee	400,000	400,000
Perry Pit purchase	2,539,000	2,539,000
Debenture debt	(7,257,977)	(7,864,949)
Debt recoverable (Note 3)	6,335,559	6,592,663
	<u>90,229,371</u>	<u>95,711,098</u>
 Operating Reserve Funds		
Administration	2,468,851	2,486,780
Enforcement	83,522	83,522
Fire	1,344,717	1,192,764
Public Works	13,905,146	13,679,532
Water	46,013	293,164
Sewer	1,340,843	1,230,325
Solid Waste Services	332,167	357,167
Planning and Development	72,025	72,025
Agricultural Service Board	124,013	124,013
Recreation	269,914	280,113
Parks	25,000	25,000
	<u>20,012,211</u>	<u>19,824,405</u>
 Capital Reserve Funds		
Administration	183,289	163,289
Fire	1,380,878	1,163,063
Public Works	12,957,038	13,473,714
Water	8,500	8,500
Sewer	67,661	67,661
Solid Waste Services	363,223	363,223
Recreation	175,355	175,355
	<u>15,135,944</u>	<u>15,414,805</u>
	<u>35,148,155</u>	<u>35,239,210</u>
	<u>\$ 125,377,526</u>	<u>\$ 130,950,308</u>

**County of Wetaskiwin No. 10**  
**Notes to Consolidated Financial Statements**

December 31, 2019

**13. Change in Accumulated Surplus**

	Unrestricted surplus (deficit)	Membership Fee and Perry Pit Purchase	Reserve funds	Equity in tangible capital assets	2019	2018
Balance, beginning of year	\$ (4,488,363)	\$ 2,939,000	\$ 35,239,210	\$ 97,260,461	\$ 130,950,308	\$ 122,879,835
Excess of revenue over expenses	(5,572,782)	-	-	-	(5,572,782)	8,070,473
Net operating transfers to restricted surplus	(3,504,175)	-	3,504,175	-	-	-
Debenture principal payments	(606,972)	-	-	606,972	-	-
Debenture principal paid on WALA loan	257,104	-	-	(257,104)	-	-
Capital transfers from restricted surplus	3,595,230	-	(3,595,230)	-	-	-
Acquisition of capital	(7,864,695)	-	-	7,864,695	-	-
Debenture proceeds	-	-	-	-	-	-
Disposals and write-down of assets	9,761,883	-	-	(9,761,883)	-	-
Amortization	4,382,971	-	-	(4,382,971)	-	-
Change in accumulated surplus	\$ 448,564	\$ -	\$ (91,055)	\$ (5,930,291)	\$ (5,572,782)	\$ 8,070,473
Balance, end of year	\$ (4,039,799)	\$ 2,939,000	\$ 35,148,155	\$ 91,330,170	\$ 125,377,526	\$ 130,950,308

**County of Wetaskiwin No. 10**  
**Notes to Consolidated Financial Statements**

**December 31, 2019**

**14. Taxation - Net**

	Budget 2019 (Note 21)	2019	2018
Real property taxes	\$ 14,581,959	\$ 14,322,425	\$ 14,624,241
Machinery and equipment	2,686,407	2,686,408	2,648,166
Linear property taxes	10,500,485	10,500,485	9,680,948
Government grants in lieu of property taxes	44,267	44,267	42,271
	<u>27,813,118</u>	<u>27,553,585</u>	<u>26,995,626</u>
Requisitions			
Alberta School Foundation Fund	7,595,768	7,499,824	7,602,595
Wetaskiwin and Area Lodge Authority	557,025	557,025	558,312
Designated Industrial Property	61,259	61,259	26,500
	<u>8,214,052</u>	<u>8,118,108</u>	<u>8,187,407</u>
Available for general municipal purposes	<u>\$ 19,599,066</u>	<u>\$ 19,435,477</u>	<u>\$ 18,808,219</u>

**15. Government Transfers**

	Budget 2019 (Note 21)	2019	2018
General Government	\$ 336,000	\$ 170,616	\$ 198,853
Protective Services	4,900	-	4,200
Public Works	10,338,470	2,715,701	3,602,750
Utilities	1,645,679	724,052	5,152,665
Family and Community Support Services	351,815	329,815	351,815
Agriculture Service	251,315	256,765	220,005
Recreation and Cultural Services	502,313	360,586	109,684
	<u>\$ 13,430,492</u>	<u>\$ 4,557,535</u>	<u>\$ 9,639,972</u>

**County of Wetaskiwin No. 10**  
**Notes to Consolidated Financial Statements**

**December 31, 2019**

**16. Restructuring Transaction**

The Municipality disposed of tangible capital assets including engineered structures that were part of the South Pigeon Lake Regional Wastewater sewer system, with a cost of \$10,337,549 and accumulated amortization of \$1,199,260, a net book value of \$9,138,289, and land with a cost of \$280,006 to the South Pigeon Lake Regional Wastewater Commission ("the commission") for consideration of \$1. The Municipality made a grant to the commission of \$81,510 of operational reserves accumulated during the time the Municipality operated the sewer system. The grant is accounted for as an expense to the Utilities department. The Municipality is a member of the commission.

The Municipality was the main contractor during the construction phase of the South Pigeon Lake Regional Wastewater sewer system and had accounted for the grant revenues and capital costs in the accounting records of the Municipality. Upon completion of construction, the Municipality operated the sewer system and accounted for operational revenues and costs of the sewer system in the accounting records of the Municipality.

The commission was formed by Alberta Regulation 44/2018 under the Municipal Government Act on April 4, 2018. Legal title of the sewer assets were transferred to the South Pigeon Lake Regional Wastewater Commission effective December 30, 2019 upon completion of the land transfer.

**17. Expenses by Object**

	Budget 2019 (Note 21)	2019	2018
Salaries and wages	\$ 9,720,172	\$ 10,059,348	\$ 10,018,159
Contracted and general services	5,787,422	5,527,222	5,506,625
Goods, materials and supplies	5,330,942	4,110,369	5,390,470
Transfers to other organizations	1,731,230	1,611,065	1,391,026
Interest	344,868	324,691	338,503
Cancellations and uncollectible	3,000	160,000	1
Amortization	4,382,971	4,382,971	4,700,565
Restructuring transaction	-	9,418,295	-
	<b>\$ 27,300,605</b>	<b>\$ 35,593,961</b>	<b>\$ 27,345,349</b>



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**County of Wetaskiwin No. 10**  
**Notes to Consolidated Financial Statements**

**December 31, 2019**

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**18. Commitments and Contingencies**

The Municipality has been named as a defendant in various actions seeking damages from the Municipality and other unrelated parties. These claims have been forwarded to the Municipality's insurers who are defending the claims. No liability to the Municipality is foreseen in any of these claims.

The Municipality has entered into a number of agreements and contracts to be completed in 2020 and future years. All amounts payable to vendors related to these contracts are accounted for in the budget process and have been approved by Council.

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**19. Liability for Contaminated Sites**

Municipalities and other public sector entities are required to account for and report liabilities related to the remediation of contaminated sites (Section PS 3260).

Management had completed a comprehensive review of all properties owned and controlled by the Municipality and has concluded that they own no properties that would require disclosure under this standard as at December 31, 2019.

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**20. Funds Held in Trust**

The Municipality held \$115,503 (2018 - \$115,445) in trust which is proceeds from tax sale surplus. These funds are not included in these financial statements.

The Municipality performs administrative functions and held \$425,716 (2018 - \$414,281) in trust for the Joint Economic Development Initiative (JEDI), a society. These funds are not included in these financial statements.

The Municipality held \$1,730,505 in trust for a developer to be used to meet the requirements of the existing development agreement.

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**County of Wetaskiwin No. 10**  
**Notes to Consolidated Financial Statements**

**December 31, 2019**

**21. Budget**

The Budget adopted by Council on May 17, 2019 was not prepared on a basis consistent with that used to report actual results (Public Sector Accounting Standards). The budget was prepared on a modified accrual basis while Public Sector Accounting Standards now require a full accrual basis. The budget figures anticipated use of surpluses accumulated in previous years to reduce current year expenditures in excess of current year revenues for a budgeted surplus of \$1. In addition, the budget did not include an amortization expense. As a result, the budget figures presented in the statements of operations and change in net financial assets represent the Budget adopted by Council on May 17, 2019 with adjustments as follows:

	2019
Budget surplus for the year	\$ 1
Add:	
Capital expenditures	18,717,395
Debenture principal payments	590,122
Budgeted transfers to accumulated surplus	1,499,078
Budgeted transfers to capital	2,271,306
Less:	
Budgeted transfers from accumulated surplus	(6,539,989)
Debenture principal payments received	(257,103)
Proceeds of disposition	(601,500)
Amortization	(4,382,971)
<b>Budget surplus per statement of operations</b>	<b>\$ 11,296,339</b>

	Budget	Amortization Allocation	Budget per Financial Statements	Actual per Financial Statements
Total Revenues	\$ 38,596,944	\$ -	\$ 38,596,944	\$ 30,021,179
General Government	4,937,474	179,928	5,117,402	4,974,177
Protective Services	1,714,548	219,268	1,933,816	2,004,315
Public Works	10,230,100	3,332,553	13,562,653	12,574,358
Utilities	1,796,062	635,512	2,431,574	2,640,711
Cemetery	53,304	-	53,304	63,807
Family and Community Support Services	491,103	-	491,103	483,352
Recreation and Cultural Services	1,723,449	15,710	1,739,159	1,549,112
Planning and Development	986,588	-	986,588	872,571
Agriculture Service Board	985,006	-	985,006	1,013,263
Restructuring transaction	-	-	-	9,418,295
Total Expenditures	22,917,634	4,382,971	27,300,605	35,593,961
Excess of revenues over expenditures	15,679,310		11,296,339	(5,572,782)

**December 31, 2019**

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**22. Segmented Information**

The Municipality is a diversified municipal government institution that provides a wide range of services to its citizens. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and the activities they encompass are as follows:

**General Government**

Provides legislative and administrative oversight.

**Protective Services**

Provides police, fire, ambulance, and bylaw services.

**Public Works**

Manages the Municipality's fleet of equipment as well as maintains and improves the Municipality's infrastructure.

**Utilities**

Provides water, wastewater and solid waste services.

**Cemetery**

Provides support and funding for various cemetery groups in the Municipality.

**Family and Community Support Services**

Provides family and community support services.

**Recreation and Cultural Services**

Provides funding to recreation groups including other local municipalities within the Municipality.

**Planning and Development**

Provides services related to all property development plans through its application process.

**Agriculture Service**

Provides services for weed and pest control as well as horticulture and soil conservation.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. In measuring and reporting segment revenue from transactions with other segments, inter-segment transfers have been eliminated. The revenues and expenses and equity in government business enterprises and government business partnerships that are directly attributable to a particular segment are allocated to that segment. Amounts that are directly attributable to a number of segments have been allocated on a reasonable basis.

Taxation has been allocated to general government.

**County of Wetaskiwin No. 10**  
**Notes to Consolidated Financial Statements**

**December 31, 2019**

**22. Segmented Information (continued)**

For the year ended December 31	General Government	Protective Services	Public Works	Utilities	Family and Community Support Services	Recreation and Cultural Services	Planning and Development	Agriculture Service	2019 Total
<b>Revenue</b>									
Taxation	\$ 19,435,477	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,435,477
Government grants	170,616	-	2,715,701	724,052	329,815	360,586	-	256,765	4,557,535
User fees and service charges	107,443	456,247	1,517,209	1,062,872	23,878	36,124	-	133,214	3,336,987
Permits, licenses and fines	355,000	194,398	-	-	-	-	61,188	-	610,586
Investment income	681,888	-	-	-	-	-	-	-	681,888
Sales to other governments	171,705	21,033	-	(165,228)	-	-	-	-	27,510
Rentals	54,359	-	-	-	-	180,599	-	-	234,958
Gains and contributed assets	332,793	-	-	-	-	-	-	-	332,793
Other	357,819	11,452	-	186,874	-	-	247,300	-	803,445
	<u>21,667,100</u>	<u>683,130</u>	<u>4,232,910</u>	<u>1,808,570</u>	<u>353,693</u>	<u>577,309</u>	<u>308,488</u>	<u>389,979</u>	<u>30,021,179</u>
<b>Expenses</b>									
Salaries and wages	2,817,026	942,948	3,497,136	1,011,638	330,255	258,504	525,088	676,753	10,059,348
Contracted and general services	1,254,826	636,232	2,548,413	650,257	50,802	182,924	89,147	114,621	5,527,222
Goods, materials and supplies	215,075	61,536	3,196,256	261,794	21,143	155,753	96	198,716	4,110,369
Transfers to other organizations	22,631	144,331	-	81,510	144,959	936,221	258,240	23,173	1,611,065
Interest	324,691	-	-	-	-	-	-	-	324,691
Cancellations and uncollectible	160,000	-	-	-	-	-	-	-	160,000
Amortization	179,928	219,268	3,332,553	635,512	-	15,710	-	-	4,382,971
Restructuring transaction	-	-	-	9,418,295	-	-	-	-	9,418,295
	<u>4,974,177</u>	<u>2,004,315</u>	<u>12,574,358</u>	<u>12,059,006</u>	<u>547,159</u>	<u>1,549,112</u>	<u>872,571</u>	<u>1,013,263</u>	<u>35,593,961</u>
<b>Net surplus (deficit)</b>	<u>\$ 16,692,923</u>	<u>\$ (1,321,185)</u>	<u>\$ (8,341,448)</u>	<u>\$ (10,250,436)</u>	<u>\$ (193,466)</u>	<u>\$ (971,803)</u>	<u>\$ (564,083)</u>	<u>\$ (623,284)</u>	<u>\$ (5,572,782)</u>

**County of Wetaskiwin No. 10**  
**Notes to Consolidated Financial Statements**

**December 31, 2019**

**22. Segmented Information (continued)**

For the year ended December 31	General Government	Protective Services	Public Works	Utilities	Family and Community Support Services	Recreation and Cultural Service	Planning and Development	Agriculture Service	2018 Total
<b>Revenue</b>									
Taxation	\$ 18,808,219	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,808,219
Government grants	198,853	4,200	3,602,750	5,152,665	351,815	109,684	-	220,005	9,639,972
User fees and service charges	150,822	155,236	1,379,176	992,007	30,305	9,181	-	75,610	2,792,337
Permits, licenses and fines	404,851	178,359	-	-	-	-	57,800	-	641,010
Investment income	702,763	-	-	-	-	-	-	-	702,763
Sales to other governments	175,983	-	-	740,764	-	-	-	-	916,747
Rentals	40,076	-	-	-	-	232,539	-	-	272,615
Gains and contributed assets	58,983	-	-	-	-	-	-	-	58,983
Other	405,155	24,544	-	1,008,351	-	-	145,126	-	1,583,176
	<u>20,945,705</u>	<u>362,339</u>	<u>4,981,926</u>	<u>7,893,787</u>	<u>382,120</u>	<u>351,404</u>	<u>202,926</u>	<u>295,615</u>	<u>35,415,822</u>
<b>Expenses</b>									
Salaries and wages	3,006,978	905,219	3,453,184	900,119	334,645	275,684	519,999	622,331	10,018,159
Contracted and general services	1,171,213	156,903	3,347,617	475,531	38,021	158,893	84,986	73,461	5,506,625
Goods, materials and supplies	216,470	127,009	4,418,948	248,963	1,875	203,803	328	173,074	5,390,470
Transfers to other organizations	21,688	163,697	-	-	181,994	676,038	314,106	33,503	1,391,026
Interest on long-term debt	338,503	-	-	-	-	-	-	-	338,503
Cancellations and uncollectible	1	-	-	-	-	-	-	-	1
Amortization	248,289	228,052	3,544,018	664,496	-	15,710	-	-	4,700,565
	<u>5,003,142</u>	<u>1,580,880</u>	<u>14,763,767</u>	<u>2,289,109</u>	<u>556,535</u>	<u>1,330,128</u>	<u>919,419</u>	<u>902,369</u>	<u>27,345,349</u>
<b>Net surplus (deficit)</b>	<u>\$ 15,942,563</u>	<u>\$ (1,218,541)</u>	<u>\$ (9,781,841)</u>	<u>\$ 5,604,678</u>	<u>\$ (174,415)</u>	<u>\$ (978,724)</u>	<u>\$ (716,493)</u>	<u>\$ (606,754)</u>	<u>\$ 8,070,473</u>

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**County of Wetaskiwin No. 10**  
**Notes to Consolidated Financial Statements**

**December 31, 2019**

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**23. Salary and Benefits Disclosure**

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

	Salary	Benefits & Allowances	Total 2019	Total 2018
Councillors:				
Division 1	\$ 54,066	\$ 13,854	\$ 67,920	\$ 59,338
Division 2 (Reeve)	62,098	14,462	76,560	61,170
Division 3	54,066	10,640	64,706	54,706
Division 4	54,066	9,673	63,739	55,342
Division 5	54,066	13,854	67,920	59,338
Division 6 (Reeve - 2018)	54,066	14,495	68,561	66,888
Division 7	54,066	14,495	68,561	59,974
Chief Administrative Officer	211,454	33,487	244,941	239,351
Designated Officers (3)	377,283	75,636	452,919	462,397

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

Benefits and allowances figures include the employer's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, group life insurance, accidental disability and dismemberment insurance, long and short term disability plans, and professional memberships, as well as the employer's share of the costs of additional taxable benefits.

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**24. Subsequent Events**

Subsequent to year end, the impact of COVID-19 in Canada and on the global economy increased significantly.

If the impacts of COVID-19 continue there could be further impact on the Municipality and its major customers, suppliers and other third party business associates that could impact the timing and amounts realized on the Municipality's assets and future profitability. At this time, the full potential impact of COVID-19 on the entity is not known.

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**25. Comparative Figures**

Comparative figures have been adjusted for current period presentation.

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**26. Approval of Financial Statements**

Council and Management have approved these financial statements.

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