

COUNTY OF WETASKIWIN NO.10
Consolidated Financial Statements
For the Year Ended December 31, 2023

COUNTY OF WETASKIWIN NO.10
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Year Ended December 31, 2023

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

To the Reeve and Councillor of the County of Wetaskiwin No.10:

The accompanying consolidated financial statements of the County of Wetaskiwin No.10 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 the consolidated 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.

Seniuk and Company 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.

Original Signed

Chief Administrative Officer

April 23, 2024

INDEPENDENT AUDITOR'S REPORT

To the Members of Council of County of Wetaskiwin

Opinion

We have audited the consolidated financial statements of County of Wetaskiwin (the "County"), which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statement of operations and accumulated surplus 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 County as at December 31, 2023, and the consolidated results of its operations and consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAS).

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 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.

Other Matters

The consolidated financial statements for the year ended December 31, 2022 were audited by another auditor who expressed an unmodified opinion on those financial statements on April 25, 2023.

As part of our audit of the financial statements for the year ended December 31, 2023, we also audited the adjustments described in Note 25, that were applied to restate certain comparative information for the year ended December 31, 2022, which are used to derive the January 1, 2023, statement of financial position. In our opinion, such adjustments are appropriate and have been properly applied.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PSAS, 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 related to going concern and using the going concern basis of accounting unless management either intends to liquidate the County or 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.

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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 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 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.

Edmonton, Alberta
April 23, 2024

Seniuk & Company
**Seniuk and Company,
Chartered Professional Accountants**

COUNTY OF WETASKIWIN NO.10
Consolidated Statement of Financial Position
December 31, 2023

	2023	2022 Restated
ASSETS		
Cash and equivalents (Note 2)	\$ 22,149,191	\$ 14,887,576
Investments (Note 3)	18,497,398	18,203,865
Property taxes receivable (Note 4)	2,005,598	1,936,124
Trade and other accounts receivable (Note 5)	6,183,091	5,171,591
Tax sales proceeds (Note 6)	77,725	13,148
Patronage reserves	13,820	13,572
Debt charges recoverable (Note 7)	9,497,427	10,238,343
	58,424,250	50,464,219
LIABILITIES		
Accounts payable and accrued liabilities (Note 9)	2,873,984	3,186,137
Deposit liabilities	183,602	246,611
Deferred revenue (Note 10)	13,701,283	11,535,066
Employee benefit obligations (Note 11)	401,747	380,894
Tax sales proceeds liability (Note 6)	77,725	13,148
Long term debt (Note 12)	9,575,552	10,238,342
Contaminated sites	750,000	750,000
Asset retirement obligation (Note 13)	4,352,596	4,147,471
	31,916,489	30,497,669
NET FINANCIAL ASSETS	26,507,761	19,966,550
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule II)	104,117,356	107,735,791
Inventory for consumption (Note 14)	9,194,993	9,240,207
Membership fee (Note 16)	400,000	400,000
Prepaid expenses	341,808	180,115
	114,054,157	117,556,113
ACCUMULATED SURPLUS (Schedule I)	\$ 140,561,918	\$ 137,522,656

COMMITMENTS AND CONTINGENCIES (Note 21)

Approved on behalf of Council

_____ Reeve

_____ Deputy Reeve

COUNTY OF WETASKIWIN NO.10**Consolidated Statement of Operations and Accumulated Surplus****Year Ended December 31, 2023**

	Budget 2023 Note 23	Total 2023	Total 2022 Restated
REVENUE			
Net municipal property taxes(Schedule III)	\$ 23,370,487	\$ 24,060,691	\$ 24,403,154
User fees and service charges	3,094,391	3,685,768	3,697,179
Investment income	853,050	1,986,879	693,595
Government transfers for operating(Schedule IV)	1,460,626	1,665,408	1,391,569
Other	603,130	395,507	689,391
Sales to other governments	692,098	546,412	637,115
Permits, licenses, and fines	260,000	291,054	218,920
Rental	274,409	291,789	234,367
	30,608,191	32,923,508	31,965,290
EXPENSES			
Public works	9,482,908	13,762,581	13,743,210
General Government	5,197,326	5,818,372	5,358,873
Utilities	1,797,818	3,165,138	2,773,249
Protective services	2,694,550	2,853,106	2,550,015
Recreation and cultural services	1,803,528	1,762,897	1,770,762
Planning and development	1,471,006	1,184,412	898,116
Agriculture Service Board	1,110,361	878,758	848,261
Family and Community Support Services	483,766	456,889	480,237
Cemetery	33,654	33,615	24,820
	24,074,917	29,915,768	28,447,543
	6,533,274	3,007,740	3,517,747
OTHER INCOME (EXPENSES)			
Government transfers for capital(Schedule IV)	5,050,752	179,693	3,598,167
(Loss) Gain on sale of tangible capital assets	123,500	(148,171)	134,677
	5,174,252	31,522	3,732,844
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	11,707,526	3,039,262	7,250,591
ACCUMULATED SURPLUS - BEGINNING OF YEAR	137,522,656	137,522,656	130,272,065
ACCUMULATED SURPLUS - END OF YEAR	\$149,230,182	\$140,561,918	\$137,522,656

COUNTY OF WETASKIWIN NO.10
Consolidated Statement of Changes in Net Financial Assets
Year Ended December 31, 2023

	2023 Budget	2023	2022 Restated
Excess (deficiency) of revenue over expenses	\$ 11,707,526	\$ 3,039,262	\$ 7,250,591
Purchase of tangible capital assets	(8,814,501)	(3,864,704)	(13,603,569)
Proceeds on disposal of tangible capital assets	-	347,157	434,450
Loss (Gain) on disposal of tangible capital assets	-	148,171	(134,677)
Write-down of tangible capital assets	-	409,920	-
Use (acquisition) of prepaid expenses	-	(161,698)	(13,722)
Use (acquisition) of inventory for consumption	-	45,214	1,101,518
Amortization of tangible capital assets	-	6,577,889	6,445,069
	(8,814,501)	3,501,949	(5,770,931)
Increase in net financial assets	2,893,025	6,541,211	1,479,660
Net financial assets - beginning of year as previously stated	19,966,550	19,966,550	16,944,480
Prior period adjustments	-	-	1,542,410
Net financial assets, beginning of year, as restated	19,966,550	19,966,550	18,486,890
Net financial assets - end of year	\$ 22,859,575	\$ 26,507,761	\$ 19,966,550

COUNTY OF WETASKIWIN NO.10
Consolidated Statement of Cash Flows
Year Ended December 31, 2023

	2023	2022 Restated
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 3,039,262	\$ 7,250,591
Items not affecting cash:		
Amortization of tangible capital assets	6,577,889	6,445,069
Loss (Gain) on disposal of tangible capital assets	148,171	(134,677)
Write-down of tangible capital assets	409,920	-
ARO accretion expense	205,125	195,306
	10,380,367	13,756,289
Changes in non-cash working capital:		
Decrease in trade and other accounts receivable	(1,011,500)	1,375,457
(Increase) property taxes receivable	(69,474)	(23,147)
Decrease in inventory for consumption	45,214	1,101,519
(Increase) in prepaid expenses	(161,697)	(13,722)
(Decrease) accounts payable and accrued liabilities	(317,405)	(455,326)
Increase (decrease) in payroll payables	5,252	(16,983)
Increase (decrease) in deferred revenue	2,166,217	(2,187,387)
(Decrease) in deposit liabilities	(63,009)	(419,428)
Increase in employee benefit obligations	20,853	8,333
	614,451	(630,684)
Cash flow from operating activities	10,994,818	13,125,605
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(3,864,704)	(13,603,569)
Proceeds on disposal of tangible capital assets	347,157	434,450
Cash flow used by capital activities	(3,517,547)	(13,169,119)
INVESTING ACTIVITIES		
Acquisition of investments	-	(18,000,000)
(Increase) in investments	(293,533)	(203,865)
(Increase) in patronage reserves	(248)	-
(Increase) in restricted amounts	(1,033,372)	(6,689,383)
	(1,327,153)	(24,893,248)
FINANCING ACTIVITIES		
Net change in debt charge recoverable	740,916	(2,253,366)
Proceeds from long term financing	-	2,626,150
Repayment of long term debt	(662,791)	(372,784)
Cash flow from financing activities	78,125	-
INCREASE (DECREASE) IN CASH FLOW	6,228,243	(24,936,762)
Cash - beginning of year	8,198,193	33,134,955
CASH - END OF YEAR	\$ 14,426,436	\$ 8,198,193

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COUNTY OF WETASKIWIN NO.10
Consolidated Statement of Cash Flows *(continued)*
Year Ended December 31, 2023

	2023	2022 Restated
CASH AND CASH EQUIVALENTS CONSIST OF:		
Cash and equivalents	\$ 22,148,691	\$ 14,887,076
Petty cash	500	500
Less: restricted portion of cash and cash equivalents	(7,722,755)	(6,689,383)
	\$ 14,426,436	\$ 8,198,193

COUNTY OF WETASKIWIN NO.10

Schedule I - Schedule of Changes in Accumulated Surplus

(Schedule 1)

Year Ended December 31, 2023

	Unrestricted Surplus (Deficit)	Restricted Operating Reserve	Restricted Capital Reserve	Equity in Tangible Capital Assets (Note 17)	2023	2022 Restated
Balance, beginning of year, as previously stated	\$ (5,866,947)	\$ 17,691,104	\$ 13,319,459	\$ 109,745,002	\$ 134,888,618	\$ 127,769,687
Prior period adjustments (Note 25)	1,704,249	-	-	929,789	2,634,038	2,502,378
Balance, beginning of year, as restated	(4,162,698)	17,691,104	13,319,459	110,674,791	137,522,656	130,272,065
Excess of revenue over expenses	3,039,262	-	-	-	3,039,262	7,250,591
Unrestricted funds designated for future use	(6,928,724)	5,040,983	1,887,741	-	-	-
Restricted funds for operations	556,964	(556,964)	-	-	-	-
Restricted funds used for tangible capital assets	-	-	(2,578,864)	2,578,864	-	-
Current year funds used for tangible capital assets	(1,285,840)	-	-	1,285,840	-	-
Disposal of tangible capital assets	905,248	-	-	(905,248)	-	-
Annual amortization expense	6,577,889	-	-	(6,577,889)	-	-
Capital long-term debt repaid	(356,926)	-	-	356,926	-	-
Debenture principal paid	435,053	-	-	(435,053)	-	-
Change in accumulated surplus	2,942,926	4,484,019	(691,123)	(3,696,560)	3,039,262	7,250,591
Balance, end of year	\$ (1,219,772)	\$ 22,175,123	\$ 12,628,336	\$ 106,978,231	\$ 140,561,918	\$ 137,522,656

COUNTY OF WETASKIWIN NO.10

Schedule II - Schedule of Tangible Capital Assets

(Schedule 2)

Year Ended December 31, 2023

	Construction In Progress	Land	Land Improvement	Buildings	Engineered Structures	Equipment	Vehicles	2023	2022 Restated
Cost:									
Balance, beginning of year	\$ 10,012,605	\$ 3,822,848	\$ 1,021,493	\$ 10,382,641	\$ 193,833,607	\$ 14,331,466	\$ 11,418,121	\$ 244,822,781	\$ 231,140,010
Acquisition of tangible capital assets	898,239	320,000	-	-	-	2,385,338	261,125	3,864,702	13,603,572
Construction in progress	(9,523,291)	-	-	-	9,523,291	-	-	-	-
Disposal of tangible capital assets	-	(63,820)	-	(44,656)	-	(682,841)	-	(791,317)	(1,381,176)
ARO adjustment	-	-	-	-	-	-	-	-	1,460,379
Write-down of tangible capital asset	(409,920)	-	-	-	-	-	-	(409,920)	-
Balance, end of year	977,633	4,079,028	1,021,493	10,337,985	203,356,898	16,033,963	11,679,246	247,486,246	244,822,785
Accumulated amortization:									
Balance, beginning of year	-	-	459,918	4,362,537	117,950,408	8,757,578	5,556,548	137,086,989	131,222,920
Amortization	-	-	20,428	207,373	4,432,154	1,258,833	659,101	6,577,889	6,414,887
Accumulated amortization on disposals	-	-	-	(23,244)	-	(272,744)	-	(295,988)	(1,081,404)
ARO adjustment	-	-	-	-	-	-	-	-	530,591
Balance, end of year	-	-	480,346	4,546,666	122,382,562	9,743,667	6,215,649	143,368,890	137,086,994
Net book value	\$ 977,633	\$ 4,079,028	\$ 541,147	\$ 5,791,319	\$ 80,974,336	\$ 6,290,296	\$ 5,463,597	\$ 104,117,356	\$ 107,735,791
2022 net book value	\$ 10,012,605	\$ 3,822,848	\$ 561,575	\$ 6,020,104	\$ 75,883,198	\$ 5,573,888	\$ 5,861,573	\$ 107,735,791	\$ -

On January 1, 2022, the County recognized asset retirement obligation relating to land reclamation and lagoon decommissioning. In accordance with the provisions of this new standards, the balances of the following tangible capital assets were restated:

Land reclamation - An increase of \$1,021,493 to the land improvement and an increase of \$459,918 to accumulated amortization.

Lagoon decommissioning - An increase of \$438,885 to engineered structures and an increase of \$70,671 to accumulated amortization.

During the year, tangible capital assets were acquired at an aggregate cost of \$3,864,704 (2022 - \$13,603,572), of which there was \$146,534 (2022 - \$1,118,438) in accounts payable at year end, \$NIL (2022 - \$174,000) was acquired through a non-cash trade-in of equipment, \$NIL (2022 - \$6,775) was donated and the remaining \$3,718,170 (2022 - \$13,716,848) was acquired with cash. Proceeds on disposal of tangible capital assets is made up of \$347,157 (2022 - \$434,450) of cash and \$NIL (2022 - \$174,000) of direct trade-in of equipment.

COUNTY OF WETASKIWIN NO.10

Schedule III - Schedule of Property Taxes Levied

(Schedule 3)

Year Ended December 31, 2023

	Budget 2023 (Note 23)	Total 2023	Total 2022 Reclassified
Taxation			
Real property taxes	\$ 20,732,910	\$ 21,028,358	\$ 19,798,257
Linear property taxes	10,959,373	11,193,429	10,259,244
Local improvement levies	55,205	179,856	2,740,823
	31,747,488	32,401,643	32,798,324
Requisitions			
Alberta Schools Foundation Fund	7,700,423	7,660,875	7,721,519
Wetaskiwin and Area Lodge Authority	625,464	625,464	622,537
Designated Industrial Property	51,114	54,613	51,114
	8,377,001	8,340,952	8,395,170
Net municipal property	\$ 23,370,487	\$ 24,060,691	\$ 24,403,154

COUNTY OF WETASKIWIN NO.10

Schedule IV - Schedule of Government Transfers

(Schedule 4)

Year Ended December 31, 2023

	Budget 2023 (Note 23)	2023	2022 Reclassified
Operating			
Provincial	\$ 1,390,398	\$ 1,598,408	\$ 1,324,569
Local	70,228	67,000	67,000
Operating total	1,460,626	1,665,408	1,391,569
Capital			
Provincial	5,050,752	179,693	3,598,167
Total government transfers	\$ 6,511,378	\$ 1,845,101	\$ 4,989,736

COUNTY OF WETASKIWIN NO.10**Schedule V - Schedule of Expenses by Object****(Schedule 5)****Year Ended December 31, 2023**

	2023	2022 Restated
EXPENSES		
Salaries, wages and benefits	\$ 10,236,274	\$ 9,365,678
Contracted and general services	7,278,636	5,588,037
Amortization	6,577,889	6,445,069
Materials, goods and utilities	3,025,561	4,300,228
Transfers to individuals and organizations	2,062,910	1,859,729
Interest on long-term debt	434,040	319,401
Accretion	205,125	195,306
Provision for allowances	95,332	374,095
	\$ 29,915,767	\$ 28,447,543

COUNTY OF WETASKIWIN NO.10

Schedule VI - Schedule of Segmented Disclosure

(Schedule 6)

Year Ended December 31, 2023

	<i>General Government</i>	<i>Protective Services</i>	<i>Public Works</i>	<i>Utilities</i>	<i>Family & Community Support Services</i>	<i>Recreation & Cultural Services</i>	<i>Planning & Development</i>	<i>Agriculture Services</i>	<i>Total</i>
Revenue									
Net municipal property taxes	\$ 24,060,691	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,060,691
Government transfers	98,278	283,454	584,620	108,674	340,946	174,206	-	254,923	1,845,101
User fees and service charges	113,753	872,384	1,161,080	1,281,300	22,592	39,719	72,892	122,048	3,685,768
Other	266,763	75,548	-	47,890	-	-	5,306	-	395,507
Investment income	1,986,879	-	-	-	-	-	-	-	1,986,879
Sales to other governments	75,165	4,977	6,474	451,296	8,500	-	-	-	546,412
Rental	60,213	-	-	-	-	231,576	-	-	291,789
Permits, licenses, and fines	-	199,049	-	-	-	-	92,005	-	291,054
	26,661,742	1,435,412	1,752,174	1,889,160	372,038	445,501	170,203	376,971	33,103,201
Expenses									
Salaries, wages and benefits	3,148,168	940,470	3,453,594	951,405	306,814	202,848	642,770	590,205	10,236,274
Contracted and general services	1,635,976	1,384,497	2,615,358	1,297,841	25,447	170,104	81,076	68,337	7,278,636
Materials, goods and utilities	265,607	114,018	2,082,595	223,459	5,007	169,884	76	164,916	3,025,562
Transfers to individuals and organizations	28,067	163,697	-	-	153,236	1,202,120	460,490	55,300	2,062,910
Provision for allowances	95,332	-	-	-	-	-	-	-	95,332
Interest on long-term debt	434,040	-	-	-	-	-	-	-	434,040
Accretion	-	-	172,179	32,946	-	-	-	-	205,125
Amortization	211,184	250,424	5,438,854	659,487	-	17,940	-	-	6,577,889
Loss on sale of tangible capital assets	80,228	-	67,943	-	-	-	-	-	148,171
	5,898,602	2,853,106	13,830,523	3,165,138	490,504	1,762,896	1,184,412	878,758	30,063,939
Net surplus (deficit)	\$ 20,763,140	\$ (1,417,694)	\$ (12,078,349)	\$ (1,275,978)	\$ (118,466)	\$ (1,317,395)	\$ (1,014,209)	\$ (501,787)	\$ 3,039,262

COUNTY OF WETASKIWIN NO.10
Notes to Consolidated Financial Statements
Year Ended December 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Management's responsibility for the financial statements

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

Reporting entity

The consolidated financial statements reflect the assets, liabilities, revenue, expenses, and changes in financial position of the reporting entity. This entity is comprised of the municipal operations plus all of the organizations that are owned or controlled by the County and are, therefore, accountable to County Council for the administration of their financial affairs and resources, including Family and Community Support Services and the Wetaskiwin County Library Board.

The schedule of property taxes levied also includes requisitions for education 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.

Basis of accounting

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

Measurement uncertainty

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, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Property taxes receivable and trade and other accounts receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of tangible capital assets. Gravel inventory and contaminated sites are valued using calculations which have some estimation involved. Accrued sick time for employees is based on historical utilization applied to total sick bank.

Pursuant to the Environmental Protection and Enhancement Act (Alberta), the County is required to fund the future reclamation of gravel pits. Closure activities include the final top soil cover, landscaping, and visual inspection. The requirement is being provided for based on the estimated costs and length of time until the site is expected to be inactive. Reclamation liability is valued using calculations which have significant estimates for future reclamation costs, inflation rate and the risk-free rate. The reclamation liability is an estimated cost to bring the gravel pit sites back to their original condition.

(continues)

COUNTY OF WETASKIWIN NO.10
Notes to Consolidated Financial Statements
Year Ended December 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Cash and cash equivalents

Cash and cash equivalents is defined as cash on hand, cash on deposit, and short term deposits with maturity dates of less than ninety days, net of cheques issued and outstanding at the reporting date.

Investment

Investments are recorded at cost. Investment premiums and discounts are amortized over the term of the respective investments. 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.

Tax sale proceeds

Tax sale proceeds and the associated liabilities consist of the excess funds collected on the sale of seized properties put up for tax auction after outstanding property taxes were recovered. Under the Municipal Government Act, the County is required to hold these funds for up to 10 years and attempt to disperse them to the former property owners.

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 un-matured long-term debt, less actuarial requirements for the retirement of any sinking fund debentures.

Local improvement levies

Construction and borrowing costs associated with local improvement projects are recovered through annual special property assessments during the period of the related borrowing. These levies are collectible from the property owners for work performed by the County. Under the accrual basis of accounting, revenue to be received from local improvement assessments are recognized in full in the period the local improvement project costs are incurred and the passing of the related imposition bylaw.

Property tax requisition over-levy and under-levy

Over-levies and under-levies arise from the difference between the actual 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.

(continues)

COUNTY OF WETASKIWIN NO.10
Notes to Consolidated Financial Statements
Year Ended December 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Liability for contaminated sites

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the County is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at December 31, 2023.

At each financial reporting date, the County reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The County continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

During the year total contaminated site reclamation had an estimated value of \$750,000 (2022 - \$750,000).

Asset retirement obligation

Asset Retirement Obligations ("ARO") represent the legal obligations associated with the retirement of a tangible capital asset that result from its acquisition, construction, development, or normal use. The tangible capital assets ("TCA") include but are not limited to assets in productive use, assets no longer in productive use, and leased tangible capital assets.

The liability associated with an asset retirement obligation is measured with reference to the best estimate of the amount required to ultimately remediate the liability at the financial statement date to the extent that all recognition criteria are met. Asset retirement obligations are only recognized when there is a legal obligation for the County to incur costs in relation to a specific TCA, when the past transaction or event causing the liability has already occurred, when economic benefits will need to be given up in order to remediate the liability and when a reasonable estimate of such amount can be made. The best estimate of the liability includes all costs directly attributable to the remediation of the asset retirement obligation, based on the most reliable information that is available as at the applicable reporting date. Where cash flows are expected over future periods, the liability is recognized using a present value technique.

When a liability for an asset retirement obligation is initially recognized, a corresponding adjustment to the related TCA is also recognized for underlying assets that have been recorded and reported within the TCA values presented in the financial statements. Through the passage of time in subsequent reporting periods, the carrying value of the liability is adjusted to reflect accretion expenses incurred in the current period. This expense ensures that the time value of money is considered when recognizing outstanding liabilities at each reporting date. The capitalized asset retirement cost within tangible capital assets is also simultaneously depreciated on the same basis as the underlying asset to which it relates. In circumstances when the underlying asset is fully depreciated, the ARO will be amortized over the estimated future life until the cash disbursement is made in the future to settle the obligation.

At remediation, the County derecognizes the liability that was established. In some circumstances, gains or losses may be incurred upon settlement related to the ongoing measurement of the liability and corresponding estimates that were made and are recognized in the statement of operations.

(continues)

COUNTY OF WETASKIWIN NO.10
Notes to Consolidated Financial Statements
Year Ended December 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

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.

The County recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the County recognizes revenue as the liability is settled.

Tax revenue

The County recognizes taxes as assets and revenue when they meet the definition of an asset, are authorized by Council, and the taxable event has occurred. Tax revenue is initially measured at management's best estimate of the amount resulting from the original taxable event in accordance with legislation. The related tax receivable is initially recognized at its realizable value at the date of acquisition. At each financial statement date, the County evaluates the tax receivable for collectibility and records a valuation allowance to reflect the tax receivable at its net recoverable amount, if necessary.

Utility service revenue

The County recognizes the provision of utility services as assets and revenue when they meet the definition of an asset and in the period the utility services are provided to the consumer.

Fines and penalties

Traffic fine revenue is recorded as cash is received, which is not materially different than recording such revenue on an accrual basis.

Other revenue

Other sources of revenue are recorded when received or receivable.

Non-financial assets

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not normally provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale in the normal course of operations.

Tangible capital assets

Tangible capital assets are stated at cost or deemed cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital assets including transportation costs, installation costs, design and engineering fees, legal fee and site preparation costs. Tangible capital assets are amortized over their estimated useful lives on a straight-line basis at the following rates:

Land improvements	50 years
Buildings and land improvements	25 to 50 years
Equipment	1 to 30 years
Vehicles	5 to 25 years
Water and other utility systems	22 to 75 years
Roads and Bridges	15 to 80 years

(continues)

COUNTY OF WETASKIWIN NO.10
Notes to Consolidated Financial Statements
Year Ended December 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

The County regularly reviews its tangible capital assets to eliminate obsolete items.

Half year rule is applied in the year of acquisition and no amortization is taken in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

Tangible capital assets are written down when conditions indicate that they no longer contribute to the County's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the statement of operations.

Contributions of tangible capital assets

Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as revenue.

Leases

Leases are classified as either capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

Inventory for consumption

Inventories held for consumption are recorded at the lower of cost and replacement cost.

Prepaid expenses

Prepaid expenses include prepaid insurance premiums and service agreements which are expensed in the periods expected to benefit from them.

Segments

The County conducts its business through a number of reportable segments. These operating segments are established by senior management to facilitate the achievement of the County's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

Pensions

The County participates in a multi-employer defined benefit pension plan. The plan is accounted for as a defined contribution plan as the plan is administered independently from the County.

(continues)

COUNTY OF WETASKIWIN NO.10
Notes to Consolidated Financial Statements
Year Ended December 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

New accounting policies adopted during the year:

PS 3280 Asset Retirement Obligations, a new standard establishing guidance on the accounting and reporting of legal obligations associated with the retirement of tangible capital assets controlled by a government or government organization. A liability for a retirement obligation can apply to tangible capital assets either in productive use or no longer in productive use. As this standard includes solid waste landfill sites active and post-closing obligations, upon adoption of this new standard, existing Solid Waste Landfill Closure and Post-Closure Liability section PS 3270 will be withdrawn.

Information presented for comparative purposes is restated unless the necessary financial data is not reasonably determinable.

Modified Retroactive application: During the year, the County adopted a new accounting policy with respect to future obligations to retire an asset or to restore a site including dismantling, and remediation. The County now accounts for such transactions by initially recognizing and recording as an obligation based on estimated future cash flows discounted at a credit-adjusted risk-free rate. These asset retirement obligations are adjusted at each reporting period for changes to factors including the expected amount of cash flows required to discharge the liability, the timing of such cash flows and the discount rate.

The asset retirement obligations are also accreted to full value over time through periodic charges to statement of operations. This unwinding of the discount is charged to accretion expense in the statement of operations.

The amount of asset retirement obligation initially recognized is capitalized as part of the related asset's carrying value. The straight line method of depreciation is followed to amortize these.

Prior to this, the County did not account for these transactions. The County believes the new policy provides a fair presentation of the results and the financial position of the County.

This adoption of policy has been applied on a modified retroactive basis with restatement of prior period comparative amounts. The December 31, 2022, balance sheets are adjusted in providing comparative figures in the December 31, 2023, financial statements. Previously reported December 31, 2022, operating surplus is reduced by \$195,306 of accretion expense and \$30,181 of additional amortization expense for a net reduction of \$225,487 in operating surplus. The opening balance of accumulated surplus as at January 1, 2022 is decreased by \$2,992,196.

Future Accounting Standards

Effective for years beginning on or after April 1, 2023:

PS 3400 Revenue, a new standard establishing guidance on the recognition, measurement, presentation of revenues that are common in public sector.

2. CASH AND EQUIVALENTS

	2023	2022
Cash balances	\$ 22,148,691	\$ 14,887,076
Petty cash	500	500
	\$ 22,149,191	\$ 14,887,576

Included in cash is a restricted amount of \$7,722,754 (2022 - \$6,689,383) comprised of deferred revenue received from the Province of Alberta and Government of Canada as conditional grants and not expended.

COUNTY OF WETASKIWIN NO.10
Notes to Consolidated Financial Statements
Year Ended December 31, 2023

3. INVESTMENTS

	2023		2022	
	Book Value	Fair Value	Book Value	Fair Value
Cash and cash equivalents	\$ 94,558	\$ 94,558	\$ 203,865	\$ 203,866
Fixed income securities	12,581,740	12,072,988	12,600,000	11,686,256
Principal protected notes	5,821,100	5,779,134	5,400,000	5,003,928
	\$ 18,497,398	\$ 17,946,680	\$ 18,203,865	\$ 16,894,050

The fixed income securities have yields from 1.67% to 2.88% and mature in periods 2029 through 2033. The principal protected notes have yields from 3.5% to 8.0% and mature in periods 2029 through 2032.

4. PROPERTY TAXES RECEIVABLE

	2023	2022
Current taxes	\$ 1,314,269	\$ 1,506,314
Arrears taxes	1,010,830	838,936
Subtotal	2,325,099	2,345,250
Allowance for doubtful accounts	(319,501)	(409,126)
	\$ 2,005,598	\$ 1,936,124

5. TRADE AND OTHER ACCOUNTS RECEIVABLE

	2023	2022
Due from governments	\$ 4,546,130	\$ 3,931,057
Trade and other receivables	1,636,961	1,400,534
Subtotal	6,183,091	5,331,591
Allowance for doubtful accounts	-	(160,000)
	\$ 6,183,091	\$ 5,171,591

6. FUNDS HELD IN TRUST

The County held \$77,725 (2022 - \$13,148) in trust which is proceeds from tax sale surplus. Tax sale proceeds and the associated liabilities consist of the excess funds collected on the sale of seized properties put up for tax auction after outstanding property taxes were recovered. Under the Municipal Government Act, the County is required to hold these funds for up to 10 years and attempt to disperse them to the former property owners. These funds are not included in these financial statements.

COUNTY OF WETASKIWIN NO.10
Notes to Consolidated Financial Statements
Year Ended December 31, 2023

7. DEBT CHARGES RECOVERABLE

The County has borrowed and loaned funds to the Wetaskiwin and Area Lodge Authority ("WALA") in accordance with section 264 of the Municipal Government Act.

The debentures, totaling \$5,187,892 (2022 - \$5,493,755) plus interest at a rate of 4.39% (2022 - 4.39%), are recoverable in semi-annual blended instalments and mature in 2045.

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.

The County has also passed a bylaw to impose speciality tax on residents to provide local improvements in the County. For local improvement levies, construction and borrowing costs associated with local improvement projects are recovered through annual special property assessments during the period of the related borrowing. Levies are collected from property owners for work performed by the County.

The debentures, totaling \$4,309,535 (2022 - \$4,744,588) plus interest at rates between 2.29% to 5.05% (2022 - 2.29% to 5.05%), are recoverable in semi-annual blended instalments and mature between 2035 and 2047.

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

	Principal	Interest	Total
2024	\$ 448,750	\$ 403,641	\$ 852,391
2025	468,190	384,201	852,391
2026	488,485	363,906	852,391
2027	509,671	342,720	852,391
2028	531,791	320,600	852,391
To maturity	7,050,540	2,212,937	9,263,477
	\$ 9,497,427	\$ 4,028,005	\$ 13,525,432

The gross interest received relating to the debt charges recoverable was \$412,149 (2022 - \$322,858).

8. BANK INDEBTEDNESS

The County has a revolving line of credit with a maximum limit of \$5,000,000 and letter of credit for additional \$50,000. Interest accrues monthly on the outstanding balance at a rate of prime. The line of credit arrangement is reviewed annually by the bank with the most recent review date being August 31, 2023. As at December 31, 2023, the prime rate was 7.20% (2022 - 6.45%).

As at December 31, 2023, the County had not drawn any funds (2022 - \$NIL) on the line of credit.

The line of credit is secured by borrowing bylaws pledging grants under the particular projects or tax revenues of the County.

COUNTY OF WETASKIWIN NO.10
Notes to Consolidated Financial Statements
Year Ended December 31, 2023

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2023	2022
Accounts payable and accrued liabilities	\$ 2,816,573	\$ 3,133,978
Payroll payables	57,411	52,159
	\$ 2,873,984	\$ 3,186,137

10. DEFERRED REVENUE

	2023	2022
Municipal Sustainability Initiative	\$ 5,709,503	\$ 4,453,236
Canada Community Building Fund	2,550,707	1,796,999
Offsite levies and other	1,891,340	1,695,768
Alberta Community Resilience Program	1,743,923	1,743,923
Subdivision gravel deposits	820,536	769,201
Other	756,693	789,273
Agricultural services	186,070	192,077
Taste of Summer	23,289	-
Water rescue donations	19,222	38,181
Prepaid local improvement	-	56,408
	\$ 13,701,283	\$ 11,535,066

Included in the County's deferred revenue are government transfers and grant revenue which are restricted to eligible projects as approved under the funding agreements.

11. EMPLOYEE BENEFITS OBLIGATIONS

	2023	2022
Vacation accrual and other payroll accruals	\$ 342,368	\$ 339,459
Accrued sick leave	32,673	26,818
Overtime accrual	26,706	14,617
	\$ 401,747	\$ 380,894

COUNTY OF WETASKIWIN NO.10
Notes to Consolidated Financial Statements
Year Ended December 31, 2023

12. LONG TERM DEBT

	2023	2022
Self-supported debentures, due 2035 to 2047	\$ 4,387,660	\$ 4,744,587
Wetaskiwin and Area Lodge Authority	5,187,892	5,493,755
	\$ 9,575,552	\$ 10,238,342

Payments of interest and principal are due as follows:

	Principal	Interest	Total
2024	\$ 451,992	\$ 406,465	\$ 858,457
2025	471,608	386,849	858,457
2026	492,088	366,369	858,457
2027	513,470	344,987	858,457
2028	535,794	322,663	858,457
To maturity	7,110,600	2,470,947	9,581,547
	\$ 9,575,552	\$ 4,298,280	\$ 13,873,832

Debenture debt is repayable to the Province of Alberta and bears interest at rates ranging from 2.29% to 5.05% (2022 - 2.29% to 5.05%) per annum and mature in periods 2035 through 2047. The average annual interest rate is 3.86% (2022 - 3.86%). Debenture debt is issued on the credit and security of the County at large.

The County's cash payments for interest in 2023 were \$434,040 (2022 - \$319,401).

13. ASSET RETIREMENT OBLIGATION

	2023	2022 Restated
Balance, beginning of the year	\$ 4,147,471	\$ 3,952,165
Accretion	205,125	195,306
Estimated total liability	\$ 4,352,596	\$ 4,147,471

Lagoons

The County has a license to operate lagoons. The County is legally required to decommission and reclaim these lagoons at the end of their useful life. In accordance with PS 3280, Asset Retirement Obligations, the County estimated the ARO using the undiscounted future expenditures expected to be incurred within an 11 - 43 years period. The County applied the discount rates of 4.83% and 5.08% to estimate the present value of the associated AROs. The total estimated ARO is \$683,931 (2022 - \$650,985).

Aggregate extraction sites

Under Provincial legislation, the County is required to reclaim certain land used for the extraction of aggregate material. Reclamation requirements have been defined in accordance with industry standards and include re-vegetation of sites upon closure. The County owns and operates aggregate extraction sites. The aggregate is used for road maintenance and construction projects within the County. An amount of \$3,668,504 (2022 - \$3,498,486) has been recorded. The reported liabilities are based on estimates and assumptions using the best information available at the end of the reporting period. The County estimated the ARO for these sites using the undiscounted future expenditures expected to be incurred within 1 - 35 years period. The County applied the discount rates of 4.83%-5.08% to estimate the present value of the associated AROs. Future events, such as changes to regulatory requirements, may result in significant changes to the estimated total liabilities and will be recognized prospectively, as a change in estimate, when applicable.

COUNTY OF WETASKIWIN NO.10
Notes to Consolidated Financial Statements
Year Ended December 31, 2023

14. INVENTORY FOR CONSUMPTION

	2023	2022
Crushed gravel	\$ 4,552,192	\$ 4,528,501
Undeveloped gravel pits	4,200,735	4,200,735
Shop inventory	442,066	510,971
	\$ 9,194,993	\$ 9,240,207

15. DEBT LIMITS

Section 276(2) of the Municipal Government Act requires that debt and debt limits as defined by Alberta Regulation 255/2000 for the County be disclosed as follows:

	2023	2022 Reclassified
Total debt limit	\$ 49,385,262	\$ 47,947,935
Total debt	9,575,552	10,238,343
Amount of debt limit unused	\$ 39,809,710	\$ 37,709,592
Service on debt limit	\$ 8,230,877	\$ 7,991,323
Service on debt	858,457	873,805
Amount of debt servicing limit unused	\$ 7,372,420	\$ 7,117,518

The debt limit is calculated at 1.5 times revenue of the municipality (as defined in Alberta Regulation 255/2000) and the debt servicing limit is calculated at 0.25 times such revenue. Incurring debt beyond these limitations requires approval by the Minister of Municipal Affairs. These thresholds are guidelines used by Alberta Municipal Affairs to identify municipalities which could be a 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.

16. MEMBERSHIP FEE

The County acquired a non-controlling interest in West Dried Meat Lake Regional Solid Waste Authority on July 2, 1996. The purpose of the Authority is to administer and maintain a solid waste landfill. The non-controlling interest entitles the County 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 County. 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.

COUNTY OF WETASKIWIN NO.10
Notes to Consolidated Financial Statements
Year Ended December 31, 2023

17. EQUITY IN TANGIBLE CAPITAL ASSETS AND OTHER NON-FINANCIAL ASSETS

	2023	2022 Restated
Tangible capital assets	\$247,486,246	\$244,822,783
Accumulated amortization	(143,368,890)	(137,086,992)
Capital long-term debt	(4,387,660)	(4,744,588)
Debt charges recoverable	4,309,535	4,744,588
Other non-financial assets	2,939,000	2,939,000
	\$106,978,231	\$110,674,791

18. SALARY AND BENEFITS DISCLOSURE

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

	Salary/ remuneration	Benefits & allowances	Severance	2023	2022
Division 4 (Reeve)	\$ 78,750	\$ 12,268	\$ -	\$ 91,018	\$ 70,413
Division 6 (Duputy Reeve)	59,990	15,696	-	75,686	65,843
Councillors:					
Division 1	54,877	14,381	-	69,258	65,203
Division 2	54,877	14,381	-	69,258	65,843
Division 3	54,877	15,025	-	69,902	65,203
Division 5	54,877	14,381	-	69,258	65,203
Division 7	54,877	15,025	-	69,902	65,843
	-	-	-	-	-
Retired CAO	204,574	12,260	-	216,834	317,692
CAO	67,039	14,672	-	81,711	-
Designated Officers (5)	603,970	114,203	-	718,173	701,615

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

Benefits and allowances includes 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, professional memberships and employer's share of the costs of additional taxable benefits.

COUNTY OF WETASKIWIN NO.10
Notes to Consolidated Financial Statements
Year Ended December 31, 2023

19. LOCAL AUTHORITIES PENSION PLAN

Employees of the County participate in the Local Authorities Pension Plan ("LAPP"), which is one of the plans covered by the Alberta Public Sector Pension Plans Act. The LAPP serves approximately 291,259 people and 437 employers. The LAPP is financed by employer and employee contributions and by investment earnings of the LAPP Fund. Contributions for current services are recorded as expenses in the year in which they become due.

The County is required to make current service contributions to the LAPP of 8.45% pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 12.23% on pensionable earnings above this amount. Employees of the County are required to make current service contributions of 7.45% of pensionable salary up to the year's maximum pensionable salary and 11.23% on pensionable salary above this amount.

Total current service contributions by the County to the LAPP in 2023 were \$571,460 (2022 - \$549,370). Total current service contributions by the employees of the County to the Local Authorities Pension Plan in 2023 were \$509,536 (2022 - \$495,371).

At December 31, 2022, the date of the most recent actuarial valuation, the LAPP disclosed an actuarial surplus of \$12,671,000,000 (2021 - \$11,922,000,000).

20. SEGMENTS

The Schedule of Segment Disclosures - Schedule 5 has been prepared in accordance with PS2700 Segment Disclosures. Segment disclosures are intended to enable users to better understand the government reporting entity as well as the major expense and revenue activities of the Municipality. For each reported segment, revenues and expenses represent amounts directly or reasonably attributable to the segment.

The segments have been selected based on a presentation similar to that adopted for the municipal financial planning and budget processes.

Segments include:

- a) General Government - provides legislative and administrative oversight.
- b) Protective Services - provides police, fire, ambulance, and bylaw services.
- c) Public Works - manages the Municipality's fleet of equipment as well as maintains and improves the Municipality's infrastructure.
- d) Utilities - provides support and funding for various cemetery groups in the Municipality.
- e) Family and Community Support Services - provides family and community support services.
- f) Recreation and Cultural Services - Provides funding to recreation groups including other local municipalities within the Municipality.
- g) Planning and Development - provides services related to all property development plans through its application process.
- h) Agriculture Service - provides services for weed and pest control as well as horticulture and soil conservation.

COUNTY OF WETASKIWIN NO.10
Notes to Consolidated Financial Statements
Year Ended December 31, 2023

21. COMMITMENTS AND CONTINGENCIES

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

Capital commitments are not reflected in the financial statements. These capital commitments were included in the County's capital budget and will be funded from government transfers for capital, reserves, and debt in future years.

The County has entered into agreements related to cost shares and other contracts. The commitments over the next six years are as follows:

2024	\$ 2,380,604
2025	490,244
2026	309,274
2027	169,201
2028	2,117
	<hr/>
	<u>\$ 3,351,440</u>

22. BUDGET INFORMATION

The disclosed budget information was approved by Council on December 12, 2023. Budget amounts are included for information purposes only and are not audited.

23. APPROVAL OF FINANCIAL STATEMENTS

Council and management have approved these financial statements.

24. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

COUNTY OF WETASKIWIN NO.10
Notes to Consolidated Financial Statements
Year Ended December 31, 2023

25. PRIOR PERIOD ADJUSTMENT

PS 3280 - Asset Retirement Obligations:

In accordance with the provision of this new standard, the County reflected the following adjustments at January 1, 2022:

Tangible Capital Assets

An increase of \$1,021,493 to the land improvement and an accompanying increase of \$459,918 to accumulated amortization.

An increase of \$438,885 to the engineered structures and an accompanying increase of \$70,671 to accumulated amortization.

An increase of \$929,787 to equity in tangible capital asset.

Asset Retirement Obligation

Due to the implementation of the new standards, the reclamation liability was derecognized and was merged into the asset retirement obligation. As a result, an increase of opening unrestricted surplus (deficit) of \$1,704,252, as a result of the recognition of the ARO by an increase of \$4,147,471 to the asset retirement obligation and decrease of \$5,851,723 from the reclamation liabilities.

In addition, with the provision of this new standard, the following adjustments are reflected at December 31, 2022:

Expenses

An increase of \$195,306 to the accretion expense, an increase of \$30,181 to the amortization expense and a decrease of \$357,148 of the materials, goods and utilities expense, resulting an increase of \$131,661 of the excess revenue over expenses.