

**WOODLANDS COUNTY**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

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## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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Management is responsible for the preparation and presentation of the accompanying 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 responsibility for the integrity and fairness of the 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 financial statements.

The elected Reeve and Council of Woodlands County are composed entirely of individuals who are neither management nor employees of the County. The Reeve and Council have the responsibility of meeting with management and the external auditors to discuss the internal controls over the financial reporting process, auditing matters, and financial reporting issues. The Reeve and Council are also responsible for the appointment of the County's external auditors.

Metrix Group LLP, an independent firm of Chartered Professional Accountants, is appointed by Council to audit the financial statements and to report directly to them. The external auditors have full and free access to and meet periodically and separately with both the Reeve and Council and management to discuss their audit findings.



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Andre Bachand, Acting Chief Administrative Officer



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Andrew World, Director, Corporate Services

Whitecourt, Alberta  
April 24, 2024

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## INDEPENDENT AUDITORS' REPORT

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To the Reeve and Council of Woodlands County

### *Opinion*

We have audited the accompanying financial statements of Woodlands County (the County), which comprise the statement of financial position as at December 31, 2023, and the statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the County as at December 31, 2023, and the results of its operations, changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the County in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those 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 Financial Statements*

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

In preparing the 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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*Auditors' Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but it 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 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 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 auditors' 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 auditors' 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 financial statements, including the disclosures, and whether the 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.

**METRIX GROUP LLP**

Chartered Professional Accountants

Edmonton, Alberta

April 24, 2024

**WOODLANDS COUNTY**  
**Statement of Financial Position**  
**As at December 31, 2023**

	<u>2023</u>	<u>2022</u> (Restated) (Note 24)
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents (Note 2)	\$ 25,696,239	\$ 19,545,517
Taxes and grants in place of taxes receivable (Note 3)	733,966	1,030,025
Trade and other receivables (Note 4)	2,525,570	2,265,573
Loans receivable (Note 5)	<u>2,116,811</u>	<u>2,296,477</u>
	<u>31,072,586</u>	<u>25,137,592</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 7)	7,172,686	7,975,598
Deposit liabilities	169,630	274,846
Employee benefit obligations (Note 8)	385,924	357,472
Deferred revenue (Note 9)	138,862	668,646
Asset retirement obligations (Note 11)	8,028,140	7,761,156
Long-term debt (Note 10)	<u>9,476,585</u>	<u>6,796,445</u>
	<u>25,371,827</u>	<u>23,834,163</u>
<b>NET FINANCIAL ASSETS</b>	<u>5,700,759</u>	<u>1,303,429</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 5)	79,213,277	80,069,040
Inventory for consumption (Note 12)	2,100,714	1,487,338
Prepaid expenses	<u>392,448</u>	<u>496,353</u>
	<u>81,706,439</u>	<u>82,052,731</u>
<b>ACCUMULATED SURPLUS (Schedule 1, Note 15)</b>	<u>\$ 87,407,198</u>	<u>\$ 83,356,160</u>
<b>CONTINGENCIES AND COMMITMENTS (Note 17)</b>		

**APPROVED ON BEHALF OF COUNCIL:**

  
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The accompanying notes are an integral part of the financial statements.

**WOODLANDS COUNTY**  
**Statement of Operations and Accumulated Surplus**  
**For The Year Ended December 31, 2023**

	<u>2023</u> (Budget) (Note 21)	<u>2023</u> (Actual)	<u>2022</u> (Restated) (Note 24)
<b>REVENUES</b>			
Net municipal property taxes <i>(Schedule 2)</i>	\$ 21,748,432	\$ <b>24,116,361</b>	\$ 21,035,936
Other	1,049,200	<b>1,514,221</b>	1,531,414
Investment income	749,367	<b>1,467,781</b>	614,967
Government transfers for operating <i>(Schedule 3)</i>	1,595,171	<b>791,766</b>	706,794
User fees and sale of goods and services	260,400	<b>386,703</b>	368,123
Penalties and costs on taxes	210,000	<b>211,054</b>	355,875
Rentals	<u>182,828</u>	<u><b>200,912</b></u>	<u>190,126</u>
	<u>25,795,398</u>	<u><b>28,688,798</b></u>	<u>24,803,235</u>
<b>EXPENSES</b>			
Transportation	13,778,778	<b>13,007,018</b>	13,386,749
Administration	6,758,959	<b>5,872,650</b>	6,513,776
Utilities and waste management	1,857,163	<b>1,993,155</b>	1,737,466
Protective services	1,282,707	<b>1,490,346</b>	1,166,094
Recreation and culture	1,265,919	<b>1,174,170</b>	1,195,034
Legislative	843,599	<b>803,304</b>	613,873
Planning and development	889,391	<b>761,563</b>	673,978
Agriculture services	708,593	<b>705,785</b>	768,528
Community services	<u>283,228</u>	<u><b>312,301</b></u>	<u>355,850</u>
	<u>27,668,337</u>	<u><b>26,120,292</b></u>	<u>26,411,348</u>
<b>ANNUAL SURPLUS (DEFICIT) BEFORE OTHER INCOME</b>	<u>(1,872,939)</u>	<u><b>2,568,506</b></u>	<u>(1,608,113)</u>
<b>OTHER INCOME</b>			
Government transfers for capital <i>(Schedule 3)</i>	-	<b>1,495,144</b>	1,727,575
Gain (Loss) on disposal of tangible capital assets	<u>-</u>	<u><b>(12,612)</b></u>	<u>131,744</u>
	<u>-</u>	<u><b>1,482,532</b></u>	<u>1,859,319</u>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<u>(1,872,939)</u>	<u><b>4,051,038</b></u>	<u>251,206</u>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR, AS PREVIOUSLY STATED</b>			
	-	<b>89,445,587</b>	88,877,588
Restatement <i>(Note 24)</i>	<u>-</u>	<u><b>(6,089,427)</b></u>	<u>(5,772,634)</u>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR, AS RESTATED</b>	<u>83,356,160</u>	<u><b>83,356,160</b></u>	<u>83,104,954</u>
<b>ACCUMULATED SURPLUS, END OF YEAR (SCHEDULE 1, NOTE 15)</b>	<u>\$ 81,483,221</u>	<u>\$ <b>87,407,198</b></u>	<u>\$ 83,356,160</u>

**WOODLANDS COUNTY**  
**Statement of Change in Net Financial Assets**  
**For The Year Ended December 31, 2023**

	<u>2023</u> (Budget) (Note 21)	<u>2023</u> (Actual)	<u>2022</u> (Restated) (Note 24)
<b>ANNUAL SURPLUS (DEFICIT)</b>	\$ <u>(1,872,939)</u>	\$ <u>4,051,038</u>	\$ <u>251,206</u>
Acquisition of tangible capital assets	(11,043,066)	<b>(6,315,444)</b>	(1,266,273)
Proceeds on disposal of tangible capital assets	-	-	240,669
Amortization of tangible capital assets	7,099,937	<b>7,158,595</b>	7,168,349
Loss (gain) on disposal of tangible capital assets	<u>-</u>	<u>12,612</u>	<u>(131,744)</u>
	<u>(3,943,129)</u>	<u>855,763</u>	<u>6,011,001</u>
Net change in inventory for consumption	-	<b>(613,376)</b>	(691,190)
Net change in prepaid expenses	<u>-</u>	<u>103,905</u>	<u>(3,793)</u>
	<u>-</u>	<u>(509,471)</u>	<u>(694,983)</u>
<b>INCREASE (DECREASE) IN NET FINANCIAL ASSETS</b>	(5,816,068)	<b>4,397,330</b>	5,567,224
<b>NET FINANCIAL ASSETS (DEBT), BEGINNING OF YEAR</b>	<u>1,303,429</u>	<u>1,303,429</u>	<u>(4,263,795)</u>
<b>NET FINANCIAL ASSET, END OF YEAR</b>	\$ <u>(4,512,639)</u>	\$ <u>5,700,759</u>	\$ <u>1,303,429</u>

**WOODLANDS COUNTY**  
**Statement of Cash Flows**  
**For The Year Ended December 31, 2023**

	<u>2023</u>	<u>2022</u>
<b>OPERATING ACTIVITIES</b>		
Annual surplus	\$ 4,051,038	\$ 251,206
Non-cash items included in annual surplus		
Loss (gain) on disposal of tangible capital assets	12,612	(131,744)
Amortization of tangible capital assets	7,158,595	7,168,349
Accretion of asset retirement obligations	266,984	258,105
Change in non-cash working capital balances:		
Taxes and grants in place of taxes receivable	296,059	157,830
Trade and other receivables	(259,997)	125,969
Deposit liabilities	(105,216)	(16,759)
Prepaid expenses	103,905	(3,793)
Inventory for consumption	(613,376)	(691,190)
Accounts payable and accrued liabilities	(802,912)	(929,624)
Loans receivable	179,666	178,430
Employee benefit obligations	28,452	55,054
Deferred revenue	<u>(529,784)</u>	<u>(662,821)</u>
	<u>9,786,026</u>	<u>5,759,012</u>
<b>CAPITAL ACTIVITIES</b>		
Purchase of tangible capital assets	(6,315,444)	(1,266,273)
Proceeds on disposal of tangible capital assets	<u>-</u>	<u>240,669</u>
	<u>(6,315,444)</u>	<u>(1,025,604)</u>
<b>FINANCING ACTIVITIES</b>		
Long-term debt repayments	(787,009)	(960,809)
Long-term debt issued	<u>3,467,149</u>	<u>-</u>
	<u>2,680,140</u>	<u>(960,809)</u>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>6,150,722</b>	<b>3,772,599</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>19,545,517</u>	<u>15,772,918</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ <u>25,696,239</u></b>	<b>\$ <u>19,545,517</u></b>



**WOODLANDS COUNTY**  
**Schedule of Changes in Accumulated Surplus**  
**For The Year Ended December 31, 2023**

**SCHEDULE 1**

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Equity in Tangible Capital Assets</u>	<u>2023</u>	<u>2022</u> (Restated) (Note 24)
<b>BALANCE, BEGINNING OF YEAR</b>	\$ 1,419,056	\$ 14,649,691	\$ 73,376,840	<b>\$ 89,445,587</b>	\$ 88,877,588
Restatement (Note 24)	<u>-</u>	<u>-</u>	<u>(6,089,427)</u>	<b><u>(6,089,427)</u></b>	<u>(5,772,634)</u>
Balance, Beginning of Year	1,419,056	14,649,691	67,287,413	<b>83,356,160</b>	83,104,954
Annual surplus	4,051,038	-	-	<b>4,051,038</b>	251,206
Purchase of tangible capital assets	(6,315,444)	-	6,315,444	-	-
Annual amortization expense	7,158,595	-	(7,158,595)	-	-
Disposal of tangible capital assets	12,612	-	(12,612)	-	-
Accretion of asset retirement obligations	266,984	-	(266,984)	-	-
Restricted funds designated for current year use	(2,484,005)	2,484,005	-	-	-
Long-term debt issued	3,467,149	-	(3,467,149)	-	-
Long-term debt repaid	(787,009)	-	787,009	-	-
Debt recoverable payments	<u>141,529</u>	<u>-</u>	<u>(141,529)</u>	<u>-</u>	<u>-</u>
<b>BALANCE, END OF YEAR</b>	<b><u>\$ 6,930,505</u></b>	<b><u>\$ 17,133,696</u></b>	<b><u>\$ 63,342,997</u></b>	<b><u>\$ 87,407,198</u></b>	<b><u>\$ 83,356,160</u></b>

Schedule of Property Taxes Levied  
For The Year Ended December 31, 2023

	<u>2023</u> (Budget) (Note 21)	<u>2023</u> (Actual)	<u>2022</u> (Actual)
<b>TAXATION</b>			
Linear property taxes	\$ 11,775,695	\$ <b>13,114,864</b>	\$ 11,432,713
Commercial and industrial taxes	11,491,288	<b>11,818,797</b>	11,156,591
Residential and farmland property	4,344,234	<b>4,704,083</b>	4,136,231
Government grants in place of property taxes	11,000	<b>16,946</b>	14,010
Property tax incentive	<u>-</u>	<u>(7)</u>	<u>(210,879)</u>
	<u>27,622,217</u>	<u><b>29,654,683</b></u>	<u>26,528,666</u>
<b>REQUISITIONS</b>			
Alberta School Foundation Fund	(5,282,109)	<b>(4,951,709)</b>	(4,938,400)
Seniors Foundation	(481,638)	<b>(471,466)</b>	(472,200)
Designated Industrial Property	<u>(110,038)</u>	<u><b>(115,147)</b></u>	<u>(82,130)</u>
	<u>(5,873,785)</u>	<u><b>(5,538,322)</b></u>	<u>(5,492,730)</u>
<b>NET MUNICIPAL TAXES</b>	<u>\$ 21,748,432</u>	<u>\$ <b>24,116,361</b></u>	<u>\$ 21,035,936</u>

Schedule of Government Transfers  
For The Year Ended December 31, 2023

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	<u>2023</u> (Budget) (Note 21)	<u>2023</u> (Actual)	<u>2022</u> (Actual)
<b>TRANSFERS FOR OPERATING</b>			
Provincial government	\$ 1,526,844	\$ 789,966	\$ 645,994
Federal government	-	1,800	10,800
Local government	<u>68,327</u>	<u>-</u>	<u>50,000</u>
	<u>1,595,171</u>	<u>791,766</u>	<u>706,794</u>
<b>TRANSFERS FOR CAPITAL</b>			
Provincial government	<u>-</u>	<u>1,495,144</u>	<u>1,727,575</u>
<b>TOTAL GOVERNMENT TRANSFERS</b>	<u>\$ 1,595,171</u>	<u>\$ 2,286,910</u>	<u>\$ 2,434,369</u>

**WOODLANDS COUNTY**  
**Schedule of Segmented Disclosure**  
**For The Year Ended December 31, 2023**

**SCHEDULE 4**

	<u>Administration</u>	<u>Legislative</u>	<u>Agriculture Services</u>	<u>Community Services</u>	<u>Planning and Development</u>	<u>Protective Services</u>	<u>Recreation and Culture</u>	<u>Transportation</u>	<u>Utilities and Waste Management</u>	<b>2023</b>	<b>2022</b> (Restated) (Note 24)
<b>REVENUE</b>											
Net municipal property taxes	\$ 24,116,361	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ <b>24,116,361</b>	\$ 21,035,936
Other	764,314	1,538	-	-	376,517	121,493	-	245,043	5,316	<b>1,514,221</b>	1,531,414
Investment income	1,456,574	-	-	-	-	-	-	-	11,207	<b>1,467,781</b>	614,967
Government transfers operating	145,198	-	225,534	125,329	-	142,561	-	153,144	-	<b>791,766</b>	706,794
User fees and sales of goods	18,319	-	7,707	375	18,855	3,261	6,542	18,114	313,530	<b>386,703</b>	368,123
Penalties and costs on taxes	211,054	-	-	-	-	-	-	-	-	<b>211,054</b>	355,875
Rentals	<u>1,807</u>	<u>-</u>	<u>5,645</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>193,460</u>	<u>-</u>	<b><u>200,912</u></b>	<u>190,126</u>
	<u>26,713,627</u>	<u>1,538</u>	<u>238,886</u>	<u>125,704</u>	<u>395,372</u>	<u>267,315</u>	<u>6,542</u>	<u>609,761</u>	<u>330,053</u>	<b><u>28,688,798</u></b>	<u>24,803,235</u>
<b>EXPENSES</b>											
Amortization	74,296	-	43,217	-	1,778	246,330	87,734	6,281,111	424,129	<b>7,158,595</b>	7,168,349
Salaries, wages and benefits	1,347,546	475,787	285,360	41,618	436,007	542,217	266,395	2,924,389	598,060	<b>6,917,379</b>	6,608,327
Contracted and general services	1,127,939	225,167	262,989	29,659	282,560	487,122	139,754	1,646,928	458,461	<b>4,660,579</b>	4,731,703
Transfers to local governments	2,768,560	-	-	81,000	-	10,563	114,172	-	211,526	<b>3,185,821</b>	3,315,375
Materials, goods, supplies and utilities	145,087	24,350	48,019	1,485	41,218	182,364	54,233	2,003,242	236,056	<b>2,736,054</b>	2,903,590
Transfers to other organizations	15,000	78,000	66,200	158,539	-	21,750	511,882	-	-	<b>851,371</b>	674,017
Interest on long-term debt	83,406	-	-	-	-	-	-	151,348	64,923	<b>299,677</b>	227,932
Accretion on asset retirement obligations	266,984	-	-	-	-	-	-	-	-	<b>266,984</b>	258,105
Provision for allowances	25,980	-	-	-	-	-	-	-	-	<b>25,980</b>	489,673
Bank charges	<u>17,852</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<b><u>17,852</u></b>	<u>34,277</u>
	<u>5,872,650</u>	<u>803,304</u>	<u>705,785</u>	<u>312,301</u>	<u>761,563</u>	<u>1,490,346</u>	<u>1,174,170</u>	<u>13,007,018</u>	<u>1,993,155</u>	<b><u>26,120,292</u></b>	<u>26,411,348</u>
<b>ANNUAL SURPLUS BEFORE OTHER INCOME</b>	20,840,977	(801,766)	(466,899)	(186,597)	(366,191)	(1,223,031)	(1,167,628)	(12,397,257)	(1,663,102)	<b>2,568,506</b>	(1,608,113)
<b>OTHER INCOME</b>											
Government transfers for capital	40,000	-	-	-	-	22,000	-	1,433,144	-	<b>1,495,144</b>	1,727,575
Gain (loss) on disposal of tangible capital assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(12,612)</u>	<u>-</u>	<b><u>(12,612)</u></b>	<u>131,744</u>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b><u>\$ 20,880,977</u></b>	<b><u>\$ (801,766)</u></b>	<b><u>\$ (466,899)</u></b>	<b><u>\$ (186,597)</u></b>	<b><u>\$ (366,191)</u></b>	<b><u>\$ (1,201,031)</u></b>	<b><u>\$ (1,167,628)</u></b>	<b><u>\$ (10,976,725)</u></b>	<b><u>\$ (1,663,102)</u></b>	<b><u>\$ 4,051,038</u></b>	<b><u>\$ 251,206</u></b>

The accompanying notes are an integral part of the financial statements.

WOODLANDS COUNTY

SCHEDULE 5

Schedule of Tangible Capital Assets

For The Year Ended December 31, 2023

	<u>Land</u>	<u>Land Improvements</u>	<u>Buildings</u>	<u>Engineered Structures</u>	<u>Machinery and Equipment</u>	<u>Vehicles</u>	<u>2023</u>	<u>2022 (Restated) (Note 24)</u>
<b>COST:</b>								
Balance, Beginning of Year	\$ 2,912,470	\$ 4,638,500	\$ 13,040,250	\$261,237,167	\$ 7,572,534	\$ 6,491,147	\$295,892,068	\$295,132,526
Restatement (Note 23)	<u>-</u>	<u>-</u>	<u>91,567</u>	<u>2,826,347</u>	<u>7,891</u>	<u>-</u>	<u>2,925,805</u>	<u>2,925,805</u>
Balance, Beginning of Year, As Restated	2,912,470	4,638,500	13,131,817	264,063,514	7,580,425	6,491,147	298,817,873	298,058,331
Additions	-	-	1,033,456	4,225,594	47,116	1,009,278	6,315,444	1,266,273
Disposals	<u>-</u>	<u>-</u>	<u>(46,771)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(46,771)</u>	<u>(506,731)</u>
Balance, End of Year	<u>2,912,470</u>	<u>4,638,500</u>	<u>14,118,502</u>	<u>268,289,108</u>	<u>7,627,541</u>	<u>7,500,425</u>	<u>305,086,546</u>	<u>298,817,873</u>
<b>ACCUMULATED AMORTIZATION:</b>								
Balance, Beginning of Year	-	1,620,017	3,674,397	204,029,929	4,421,037	3,749,377	217,494,757	210,782,902
Restatement (Note 23)	<u>-</u>	<u>-</u>	<u>43,131</u>	<u>1,204,438</u>	<u>6,507</u>	<u>-</u>	<u>1,254,076</u>	<u>1,195,388</u>
Balance, Beginning of Year, As Restated	-	1,620,017	3,717,528	205,234,367	4,427,544	3,749,377	218,748,833	211,978,290
Amortization	-	151,714	268,616	6,141,442	215,780	381,043	7,158,595	7,168,349
Disposals	<u>-</u>	<u>-</u>	<u>(34,159)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(34,159)</u>	<u>(397,806)</u>
Balance, End of Year	<u>-</u>	<u>1,771,731</u>	<u>3,951,985</u>	<u>211,375,809</u>	<u>4,643,324</u>	<u>4,130,420</u>	<u>225,873,269</u>	<u>218,748,833</u>
<b>2023 NET BOOK VALUE</b>	<b>\$ <u>2,912,470</u></b>	<b>\$ <u>2,866,769</u></b>	<b>\$ <u>10,166,517</u></b>	<b>\$ <u>56,913,299</u></b>	<b>\$ <u>2,984,217</u></b>	<b>\$ <u>3,370,005</u></b>	<b>\$ <u>79,213,277</u></b>	<b>\$ <u>-</u></b>
<b>2022 NET BOOK VALUE</b>	<b>\$ <u>2,912,470</u></b>	<b>\$ <u>3,018,483</u></b>	<b>\$ <u>9,414,289</u></b>	<b>\$ <u>58,829,147</u></b>	<b>\$ <u>3,152,881</u></b>	<b>\$ <u>2,741,770</u></b>	<b>\$ <u>-</u></b>	<b>\$ <u>80,069,040</u></b>

\*Construction in progress is comprised of

	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>34,875</u>	\$ <u>-</u>	\$ <u>34,875</u>	\$ <u>157,605</u>
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**WOODLANDS COUNTY**

**Notes to Financial Statements**

**Year Ended December 31, 2023**

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**1. SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of Woodlands County (the "County") are the representations of management prepared in accordance with Canadian public sector accounting standards. Significant aspects of the accounting policies adopted by the County are as follows:

**(a) Reporting entity**

The financial statements reflect the assets, liabilities, revenues, and expenses, changes in net financial position and cash flows of the reporting entity. This entity is comprised of County operations plus all of the organizations that are owned or controlled by the County and are, therefore, accountable to Council for the administration of their financial affairs and resources.

The schedule of taxes levied also includes requisitions for education, health, social and other external organizations that are not part of the government reporting entity.

The statements exclude trust assets that are administered by the County for the benefit of external parties. Interdepartmental and organizational transactions and balances are eliminated.

**(b) Basis of accounting**

The 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.

Revenues are accounted for in the period in which the transactions or events occurred that gave rise to the revenues and are reliably measured and reasonably estimated. Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

Expenses are recognized in the period the goods or services are acquired and a liability is incurred or transfers are due.

**(c) Cash and cash equivalents**

Cash and cash equivalents include items that are readily convertible to known amounts of cash, are subject to an insignificant risk of change in value, and have a maturity of three months or less at acquisition.

**(d) Investments**

Investments are recorded at amortized cost. When there has been a loss in value that is other than a temporary decline, the investment is written down to recognize the loss.

**(e) Government transfers**

Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return.

Government transfers are recognized in the financial statements as revenue in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be determined.

(CONT'D)

**1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(f) Use of estimates**

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditure during the period. Where uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

Accounts receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary. The amounts recorded for valuation of tangible capital assets and the useful lives and related amortization of tangible capital assets, cash flows associated with asset retirement obligations, inventory valuation, and accrued liabilities are areas where management makes significant estimates and assumptions in determining the amounts to be recorded in the financial statements.

**(g) Asset retirement obligations**

Asset retirement obligations are legal obligations associated with the retirement tangible capital assets. Asset retirement activities include all activities related to an asset retirement obligation. These may include, but are not limited to:

- Decommissioning or dismantling a tangible capital asset that was acquired, constructed or developed;
- Remediation of contamination of a tangible capital asset created by its normal use;
- Post-retirement activities such as monitoring; and
- Constructing other tangible capital assets to perform post-retirement activities.

Asset retirement obligations are initially measured at the later of the date of acquisition or legislative obligation. When a liability for an asset retirement obligation is recognized, the asset retirement costs are added to the carrying amount of the related tangible capital asset in productive use and are amortized over the estimated useful life of the related tangible capital asset. Asset retirement costs related to unrecognized tangible capital assets or for tangible capital assets no longer in productive use are expensed in the consolidated statement of operations.

When the future retirement date is unknown, the asset retirement obligation is measured at the current estimated cost to settle or otherwise extinguish the liability. When the future retirement date is known, a present value technique is used to measure the liability. Subsequent to the initial measurement, the asset retirement obligation is adjusted to reflect the passage of time and changes in the estimated future cash flows underlying the obligation and is recognized as an accretion expense in the consolidated statement of operations.

**(h) Tax revenue**

Property tax revenue is based on assessments determined in accordance with the *Municipal Government Act*. Tax rates are established annually. Taxation revenues are recorded at the time tax billings are issued. Assessments are subject to appeal.

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 property owners for work performed by the County. Under the accrual basis of accounting, revenues 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 by-law.

(CONT'D)

**1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(i) Pension expenses**

Contributions for current and past service pension benefits are recorded as expenses in the year in which they become due.

**(j) Loans receivable**

Loans receivable are recorded at cost. Interest revenue is recognized as revenue in the year it is earned.

**(k) Requisition over-levy and under-levy**

Over-levies and under-levies arise from the difference between the actual property tax levy made to cover each requisition and the actual amount requisitioned.

If the actual levy exceeds the requisition, the over-levy is accrued as a liability and property tax revenue is reduced. Where the actual levy is less than the requisition amount, the under-levy is accrued as a receivable and as property tax revenue.

Requisition tax rates in the subsequent year are adjusted for any over-levies or under-levies of the prior year.

**(l) Non-financial assets**

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the change in net financial assets for the year.

*Tangible Capital Assets*

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. Contributed assets are capitalized and are recorded at their estimated fair value upon acquisition and are also recorded as revenue. Construction in progress represents assets which are not available for productive use and therefore are not subject to amortization. The cost, less residual value, of tangible capital assets is amortized on a straight-line basis over the estimated useful life as follows:

	<u>Years</u>
Land improvements	15 - 40
Buildings	25 - 50
Engineered structures	
Roadway system	0 - 50
Water and wastewater system	30 - 75
Machinery and equipment	5 - 20
Vehicles	10 - 25

No amortization is charged in the year of acquisition and a full year amortization is charged in the year of disposal.

Historical artifacts owned by the County are not recorded in tangible capital assets, but are disclosed.

(CONT'D)



1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Non-financial assets (cont'd)

*Inventory*

Inventory held for consumption is valued at the lower of cost or replacement cost, with cost determined by the average cost method.

(m) Future Accounting Standard Pronouncements

The following summarizes upcoming changes to *Public Sector Accounting Standards*. The County will continue to assess the impact and prepare for the adoption of these standards.

*i) Public Private Partnerships*

PS 3160, Public Private Partnerships, establishes standards on how to account for public private partnership arrangements (recognition of infrastructure assets and the corresponding liability to the private partnership) along with the disclosure and presentation requirements. This standard is applicable to fiscal years beginning on or after April 1, 2023.

*ii) Revenue*

PS 3400, Revenue, establishes standards on how to account for and report revenue differentiating between revenue arising from transactions that include performance obligations and transactions that do not. This standard is applicable to fiscal years beginning on or after April 1, 2023.

*iii) Purchased Intangible Assets*

PSG-8, Purchased Intangible Assets, provides guidance regarding the recognition, measurement, and disclosure of purchased intangible assets in relation to the conceptual framework for financial reporting. This guideline is applicable to fiscal years beginning on or after April 1, 2023.

*iv) Financial Statement Presentation*

PS 1202, Financial Statement Presentation, sets out general and specific requirements for the presentation of information in general purpose financial statements. The financial statement principles are based on the concepts in the Conceptual Framework for Financial Reporting in the Public Sector. This standard is applicable to fiscal years beginning on or after April 1, 2026.

**WOODLANDS COUNTY**  
**Notes to Financial Statements**  
**Year Ended December 31, 2023**

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**2. CASH AND CASH EQUIVALENTS**

	<u>2023</u>	<u>2022</u>
Cash	\$ 24,571,830	\$ 18,480,006
Cash equivalents	<u>1,124,409</u>	<u>1,065,511</u>
	<u>\$ 25,696,239</u>	<u>\$ 19,545,517</u>

Cash equivalents are short-term deposits with original maturities of three months or less, bearing interest at rates ranging from prime less 1.55% to prime less 1.65% (2022 - 4.90%).

**3. TAXES AND GRANTS IN PLACE OF TAXES RECEIVABLES**

	<u>2023</u>	<u>2022</u>
Current taxes and grants in place of taxes	\$ 766,745	\$ 1,306,692
Arrears taxes	<u>232,188</u>	<u>1,146,883</u>
	998,933	2,453,575
Less: Allowance for doubtful accounts	<u>(264,967)</u>	<u>(1,423,550)</u>
	<u>\$ 733,966</u>	<u>\$ 1,030,025</u>

**4. TRADE AND OTHER RECEIVABLES**

	<u>2023</u>	<u>2022</u>
Trade accounts receivable	\$ 1,150,203	\$ 1,306,520
Receivables from other governments	1,300,727	939,255
Goods and Services Tax recoverable	<u>113,897</u>	<u>68,426</u>
	2,564,827	2,314,201
Less: Allowance for doubtful accounts	<u>(39,257)</u>	<u>(48,628)</u>
	<u>\$ 2,525,570</u>	<u>\$ 2,265,573</u>

**WOODLANDS COUNTY**  
**Notes to Financial Statements**  
**Year Ended December 31, 2023**

**5. LOANS RECEIVABLE**

	<u>2023</u>	<u>2022</u>
Lac Ste. Anne Foundation	\$ 1,657,500	\$ 1,801,164
Airport Subdivision Connections	260,978	299,896
Whitecourt Woodlands Winter Recreation Park Society	140,000	160,000
Friends of Whitecourt Society	<u>58,333</u>	<u>35,417</u>
	<u>\$ 2,116,811</u>	<u>\$ 2,296,477</u>

The loan receivable from Lac Ste. Anne Foundation includes accrued interest of \$23,055 (2022 - \$25,190).

The County passed Bylaw 2016/06 on July 4, 2006 authorizing Council to lend \$3,250,000 to the Lac Ste. Anne Foundation for the purpose of assisting the Foundation to undertake and complete the construction of the Seniors' Lodge in Onoway, Alberta. The loan was advanced during 2007 and is repayable in 50 semi-annual installments of \$113,333; including interest of 4.89% per annum, commencing March 15, 2008. The loan was financed by an equivalent borrowing from the Alberta Capital Finance Authority (Note 10).

The County passed motion C-15-648-15 on October 20, 2015 authorizing Council to lend \$280,000 to the Whitecourt Woodlands Winter Recreation Park Society for the purpose of assisting this community group. The loan is non-interest bearing and repayable in 14 annual installments of \$20,000 commencing November 1, 2016.

The promissory note from the Friend's of Whitecourt Society is non-interest bearing and repayable in 12 quarterly payments of \$2,083 commencing July 1, 2021. A second promissory note was issued in 2022. The note is non-interest bearing and repayable in 12 quarterly payments of \$2,083 commencing February 2, 2022. Two additional promissory notes were issued in 2023. Both are non-interest bearing and repayable in 12 quarterly payments of \$2,083 each, commencing May 15, 2023 and Aug 1, 2023.

**6. LINE OF CREDIT**

The County has a revolving demand credit facility of \$10,000,000. The demand loan bears interest at the bank's prime rate plus 1.00% per annum, and was not drawn on at December 31, 2023 (2022 - \$NIL) and is unsecured.

The County additionally has secured three standby letters of credit for a total of \$22,600 (2022 - \$NIL). The letters of credit bear interest at the bank's prime rate plus 3.00% per annum, and were not drawn on at December 31, 2023 (2022 - \$NIL). If required, this balance will be drawn upon the County's demand credit facility.

**7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<u>2023</u>	<u>2022</u>
Payables to other governments	\$ 5,840,068	\$ 6,353,992
Trade payables	1,031,483	1,090,724
Salaries and wages payable	301,135	303,795
Requisition over levies	<u>-</u>	<u>227,087</u>
	<u>\$ 7,172,686</u>	<u>\$ 7,975,598</u>

**WOODLANDS COUNTY**  
**Notes to Financial Statements**  
**Year Ended December 31, 2023**

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**8. EMPLOYEE BENEFITS OBLIGATION**

	<u>2023</u>	<u>2022</u>
Vacation	\$ 302,772	\$ 282,442
Sick leave	52,262	46,409
Overtime	<u>30,890</u>	<u>28,621</u>
	<u>\$ 385,924</u>	<u>\$ 357,472</u>

Employee benefits obligation is comprised of the vacation, sick leave, 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 County does not provide post-employment benefits to employees.

**9. DEFERRED REVENUE**

Deferred revenue is comprised of the following amounts, which have been received from various third parties and are restricted to the eligible operating and capital projects as approved in the funding agreements for a specified purpose. These amounts are recognized as revenue in the period in which the related expenditures are incurred.

	<u>2022</u>	<u>Additions</u>	<u>Revenue Recognized</u>	<u>2023</u>
Other	\$ 408,785	\$ 122,091	\$ (392,014)	\$ 138,862
Municipal Sustainability Initiative	<u>259,861</u>	<u>845,390</u>	<u>(1,105,251)</u>	<u>-</u>
	<u>\$ 668,646</u>	<u>\$ 967,481</u>	<u>\$ (1,497,265)</u>	<u>\$ 138,862</u>

**WOODLANDS COUNTY**  
**Notes to Financial Statements**  
**Year Ended December 31, 2023**

**10. LONG-TERM DEBT**

	<u>2023</u>	<u>2022</u>
<b>Water and sewer extension</b>		
Province of Alberta		
Interest rate 2.35%, due June 2031	\$ 815,568	\$ 913,904
Interest rate 3.84%, due September 2030	790,103	886,746
Interest rate 2.15%, due September 2031	532,931	593,360
<b>County administration and workshop expansions</b>		
Province of Alberta		
Interest rate 2.35%, due June 2031	1,087,425	1,218,539
Interest rate 2.15%, due September 2031	1,264,536	1,407,922
<b>Lac Ste. Anne Foundation</b>		
Province of Alberta		
Interest rate 4.89%, due September 2032	1,634,445	1,775,974
<b>Transportation</b>		
Province of Alberta		
Interest rate 5.00%, due June 2038	1,901,183	-
Interest rate 5.00%, due June 2038	<u>1,450,394</u>	<u>-</u>
	<u>\$ 9,476,585</u>	<u>\$ 6,796,445</u>

The current portion of the long-term debt amounts to \$923,172 (2022 - \$671,438).

Principal and interest repayments:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 923,172	\$ 353,159	\$ 1,276,331
2025	944,478	320,295	1,264,773
2026	966,529	286,687	1,253,216
2027	989,352	252,307	1,241,659
2028	1,012,979	217,123	1,230,102
Thereafter	<u>4,640,075</u>	<u>703,971</u>	<u>5,344,046</u>
	<u>\$ 9,476,585</u>	<u>\$ 2,133,542</u>	<u>\$ 11,610,127</u>

Debenture debt is issued on the credit and security of the County at large.

Interest on long-term debt paid amounted to \$299,677 (2022 - \$227,932)

The County's total cash payments for interest is \$295,739 (2022 - \$234,237).

**WOODLANDS COUNTY**  
**Notes to Financial Statements**  
**Year Ended December 31, 2023**

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**11. ASSET RETIREMENT OBLIGATIONS**

Tangible capital assets with associated retirement obligations include land, land improvements, buildings, engineered structures, and machinery and equipment.

The County has asset retirement obligations to remove various hazardous materials, including asbestos from various buildings under its control. Regulations require the County to handle and dispose of these materials in a prescribed manner when it is disturbed, such as when the building undergoes renovations or is demolished. Although the timing of the removal is conditional on the building undergoing renovations or being demolished, regulations create an existing obligation for the County to remove the materials when the asset retirement activities occur.

The County has asset retirement obligations pursuant to the *Environmental Enhancement and Protection Act* (Alberta) to fund the future reclamation of various operational facilities and work sites. Reclamation activities involved the restoration of properties to their original condition, include the final soil cover, landscaping, and visual inspection. Although, the timing of the reclamation is conditional on the length of time until the facilities and site are expected to be inactive, regulations create an existing obligation for the County to reclaim the properties at the end of life.

	<u>2023</u>	<u>2022</u>
Balance, Beginning of Year	\$ 7,761,156	\$ 7,503,051
Net Change for the Year		
Accretion expense	<u>266,984</u>	<u>258,105</u>
Balance, End of Year	<u>\$ 8,028,140</u>	<u>\$ 7,761,156</u>

Asset retirement obligations of \$8,028,140 (2022 - \$7,761,156) measured using a present value technique. The present value was calculated using estimated total undiscounted cash flow amounting to \$10,914,468 (2022 - \$10,914,468), a discount rate of 3.44% (2022 - 3.44%), with retirement and reclamation activities expected to be settled between 2024 and 2062.

**WOODLANDS COUNTY**  
**Notes to Financial Statements**  
**Year Ended December 31, 2023**

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**12. INVENTORY FOR CONSUMPTION**

	<u>2023</u>	<u>2022</u>
Gravel	\$ 1,716,637	\$ 1,100,037
Material and supplies	<u>384,077</u>	<u>387,301</u>
	<u>\$ 2,100,714</u>	<u>\$ 1,487,338</u>

**13. 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:

	<u>2023</u>	<u>2022</u>
Total debt limit	\$ 43,033,197	\$ 37,204,853
Total debt	<u>(9,476,585)</u>	<u>(6,796,445)</u>
Amount of debt limit unused	<u>\$ 33,556,612</u>	<u>\$ 30,408,408</u>
Service on debt limit	\$ 7,172,200	\$ 6,200,809
Service on debt	<u>(1,276,331)</u>	<u>(880,498)</u>
Amount of service on debt limit unused	<u>\$ 5,895,869</u>	<u>\$ 5,320,311</u>

The debt limit is calculated at 1.5 times revenue of the County (as defined in *Alberta Regulation 255/2000*) and the debt service limit is calculated at 0.25 times such revenue. Incurring debt beyond these limits requires approval by the Minister of Municipal Affairs. These thresholds are guidelines used by Alberta Municipal Affairs to identify municipalities which could be at financial risk if further debt is acquired. The calculation taken alone does not represent the financial stability of the County. Rather, the financial statements must be interpreted as a whole.

**14. EQUITY IN TANGIBLE CAPITAL ASSETS**

	<u>2023</u>	<u>2022</u>
Net book value of tangible capital assets	\$ 79,213,277	\$ 80,069,040
Asset retirement obligations	<u>(8,028,140)</u>	<u>(7,761,156)</u>
Long-term debt	<u>(9,476,585)</u>	<u>(6,796,445)</u>
Debt recoverable	<u>1,634,445</u>	<u>1,775,974</u>
	<u>\$ 63,342,997</u>	<u>\$ 67,287,413</u>

**WOODLANDS COUNTY**  
**Notes to Financial Statements**  
**Year Ended December 31, 2023**

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**15. ACCUMULATED SURPLUS**

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

	<u>2023</u>	<u>2022</u> (Restated) (Note 24)
Unrestricted surplus (deficit)	\$ <u>6,930,505</u>	\$ <u>1,419,056</u>
Restricted surplus		
Infrastructure services	6,757,563	5,106,268
General operating	2,774,220	2,903,016
Working capital	2,747,333	2,747,333
Fire protection	1,328,073	1,441,482
Tax appeals contingency	904,888	-
Property tax stabilization	633,622	633,622
Sewer	545,691	504,182
General capital	503,727	402,136
Family and community support services	344,845	344,845
Recreation boards, parks and facilities	311,755	249,375
Planning/land use	215,719	207,922
Economic/agricultural	<u>66,260</u>	<u>109,510</u>
	<u>17,133,696</u>	<u>14,649,691</u>
Equity in tangible capital assets	<u>63,342,997</u>	<u>67,287,413</u>
	<u>\$ 87,407,198</u>	<u>\$ 83,356,160</u>

**16. TRUST FUNDS**

The County administers the following trust funds:

	<u>2023</u>	<u>2022</u>
Golden triangle	\$ 119,328	\$ 134,146
Proceeds from tax forfeitures held in trust	50,064	36,423
Huestis demo forest trust	25,987	24,736
Fort Assiniboine fire club social trust	<u>8,127</u>	<u>7,118</u>
	<u>\$ 203,506</u>	<u>\$ 202,423</u>

Trust funds administered by the County have not been included in the Statement of Financial Position nor have their operations have been included in the Statement of Operations.



**WOODLANDS COUNTY**

**Notes to Financial Statements**

**Year Ended December 31, 2023**

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**17. CONTINGENCIES AND COMMITMENTS**

- a) The County is committed to sharing the capital and operating costs of the Whitecourt Regional Waste Management Authority (the "Authority") with the Town of Whitecourt (the "Town"). The Authority is responsible for the management of a regional landfill site serving the County and the Town. Capital and operating costs for the Authority are shared by the County and the Town on a pro-rated per capita basis, calculated on the current population of the Town and the County. The County's share of the Authority's capital and operating costs for the year ended December 31, 2023 was \$211,526 (2022 - \$191,246) which was 31.47% (2022 - 31.47%) of the total operating deficit of the Authority.
- b) Costs for the provision of certain services provided by The County and the Town of Whitecourt (the "Town") are shared between both municipalities. Historically, these costs were pro-rated on a per capita basis under an established cost sharing agreement. In 2019, the cost sharing agreement was terminated. No new agreement has been established. The provision of certain services continues to be offered by both municipalities. The County remains in negotiations with the Town for a new cost sharing agreement.

The County has accrued a liability based on its best estimate of prior year costs. The County's cost sharing payments to the Town for the year ended December 31, 2023 was \$2,480,710 (2022 - \$2,552,706).

- c) The County is a member of the Alberta Municipal Insurance Exchange ("MUNIX"). Under the terms of the membership, the County could become liable for its proportionate share of any claim losses in excess of the funds held by MUNIX. Any liability incurred would be accounted for as a current transaction in the year the losses are determined.
- d) In the normal conduct of operations, various legal claims are pending against the County in connection with road maintenance and construction and other matters. The County carries liability insurance, subject to certain deductibles and policy limits, against such claims. Administration believes that the County has recognized adequate provisions for probable and reasonably estimable liabilities associated with these claims, and that their ultimate resolutions will not materially exceed insurance coverage nor have a material adverse effect on the financial position of the County or its financial activities.

**18. LOCAL AUTHORITIES PENSION PLAN**

Employees of the County participate in the *Local Authorities Pension Plan* ("LAPP"), which is one of the plans covered by the *Alberta Public Sector Pension Plans Act*. The LAPP is financed by employer and employee contributions and by investment earnings of the LAPP Fund. Contributions for current service are recorded as expenditures in the year in which they become due.

The County is required to make current service contributions to the Plan of 8.45% (2022 - 8.45%) of pensionable earnings up to the Canada Pension Plan year's maximum pensionable earnings and 12.23% (2022 - 12.80%) for the excess. Employees of the County are required to make current service contributions of 7.45% (2022 - 7.45%) of pensionable earnings up to the year's maximum pensionable earnings and 11.23% (2022 - 11.80%) on pensionable earnings above this amount.

Total current service contributions made by the County to the LAPP in 2023 were \$365,451 (2022 - \$341,556). Total current service contributions made by the employees of the County to the LAPP in 2023 were \$326,283 (2022 - \$305,579).

At December 31, 2022, the LAPP disclosed an actuarial surplus of \$12.67 billion (2021 - \$11.92 billion).

**WOODLANDS COUNTY**

**Notes to Financial Statements**

**Year Ended December 31, 2023**

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**19. SEGMENTED INFORMATION**

Segmented information has been identified based upon lines of service provided by the County. County services are provided by departments and their activities are reported by functional area in the body of the financial statements. Certain lines of service that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

*(a) Transportation*

Transportation provides and maintains a safe and reliable road network for the travelling public. Transportation is responsible for winter and summer road maintenance as well as bridge maintenance. The County's road construction program operates through the summer months.

*(b) Administration*

Administration is responsible for the administration of the County as a whole. Administration includes assessment services, financial services, records management and general administration.

*(c) Recreation and culture*

Recreation and culture provides recreational and cultural services, activities that promote the health and well-being of its citizens, and activities related to parks and cemetery maintenance and operation.

*(d) Protective services*

Protective services comprises of enhanced policing, enforcement services, fire, disaster and emergency management. The purpose of enhanced policing is to provide additional manpower targeted towards specific enforcement initiatives. Enforcement services provides enforcement in the areas of Provincial Acts and Municipal Bylaws. Fire is responsible to provide fire suppression services, fire prevention programs, training and education related to prevention, and detection or extinguishments of fires. The mandate of emergency management is to help maintain safe communities and manage risk.

*(e) Utilities and waste management*

The County is responsible for environmental programs such as the engineering and operation of water and wastewater systems and waste management. This includes water conservation, efficiency, and protection and promoting green construction, energy and technology, identifying natural areas for preservation, restoration and rehabilitation, and promoting awareness regarding environmental protection, conservancy, recycling and other initiatives.

*(f) Planning and development*

Planning and development manages current and long-term planning, and subdivision development permits.

*(g) Agriculture services*

Agriculture services develops and promotes agricultural policies that will control vegetation growth on County land, control pests that have a detrimental effect on the agricultural industry and work towards preservation of the County's agricultural environment. The department also provides information on agricultural concerns.

*(h) Legislative*

County Council makes decisions regarding service delivery and service levels on behalf of the County in order to balance the needs and wants of County residents in a financially responsible manner.

(CONT'D)

**WOODLANDS COUNTY**  
**Notes to Financial Statements**  
**Year Ended December 31, 2023**

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**19. SEGMENTED INFORMATION (CONT'D)**

Certain allocation methodologies are employed in the preparation of segmented financial information. Net municipal taxes are unallocated to segments and are presented under General Revenue. Sales and user charges have been allocated to the segment based upon the segment that generated the revenue. Government transfers have been allocated to the segment based upon the purpose for which the transfer was made.

**20. FINANCIAL INSTRUMENTS**

The County's financial instruments include cash and cash equivalents, taxes and grants in place of taxes, trade and other accounts receivable, investments, accounts payable and accrued liabilities, and long-term debt. It is management's opinion that the County is not exposed to significant liquidity, market, interest or currency risk arising from these financial instruments.

**Credit Risk**

The County is subject to credit risk with respect to taxes and grants in lieu of taxes receivables and trade and other receivables. Credit risk arises from the possibility that taxpayers and entities to which the County provides services may experience financial difficulty and be unable to fulfil their obligations.

The County's exposure to credit risk is concentrated in the following taxpayers:

	<u>2023</u>	<u>2022</u>
Taxpayer 1	19 %	1 %
Taxpayer 2	15 %	28 %
Taxpayer 3	7 %	1 %
Taxpayer 4	5 %	6 %
Taxpayer 5	5 %	1 %

Unless otherwise noted, the carrying values of the financial instruments approximates fair values.

**WOODLANDS COUNTY**  
**Notes to Financial Statements**  
**Year Ended December 31, 2023**

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**21. BUDGET**

The budget presented in these financial statements are based on the budget approved by Council on December 21, 2022. Amortization was included in the budget but was removed for the calculation on the taxation requirement.

	<u>2023</u> (Budget)	<u>2023</u> (Actual)	<u>2022</u> (Restated) (Note 24)
Annual surplus	\$ <u>(1,872,939)</u>	\$ <u>4,051,038</u>	\$ <u>251,206</u>
Add:			
Amortization expense	-	<b>7,158,595</b>	7,168,349
Net transfers (to) from reserves	13,533,461	<b>(2,484,005)</b>	1,049,163
Proceeds on disposals of tangible capital assets	-	-	240,669
Write down of tangible capital assets	<u>-</u>	<u>-</u>	<u>-</u>
	<u>13,533,461</u>	<u>4,674,590</u>	<u>8,458,181</u>
Deduct:			
Principal debt repayments	617,456	<b>787,009</b>	960,809
Tangible capital asset purchases	<u>11,043,066</u>	<u>6,315,444</u>	<u>1,266,273</u>
	<u>11,660,522</u>	<u>7,102,453</u>	<u>2,227,082</u>
Results of Operations as Budgeted	\$ <u>-</u>	\$ <u>1,623,175</u>	\$ <u>6,482,305</u>

**22. APPROVAL OF FINANCIAL STATEMENTS**

These financial statements were approved by Council and management on April 24, 2024.

**23. COMPARATIVE FIGURES**

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

**WOODLANDS COUNTY**  
**Notes to Financial Statements**  
**Year Ended December 31, 2023**

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**24. RESTATEMENT**

Effective January 1, 2023, the County adopted Canadian public sector accounting standard 3280, *Asset Retirement Obligations*, and applied the standard using the modified retroactive approach with restatement of prior year comparative information.

On January 1, 2022, the County recognized the following to conform to the new standard:

- Asset retirement obligation, adjusted for accumulated accretion to the effective date;
- Asset retirement cost capitalized as an increase to the carrying amount of the related tangible capital assets in productive use;
- Accumulated amortization on the capitalized cost; and
- Adjustment to the opening balance of accumulated surplus.

	<u>As Previously Stated</u>	<u>Restatement</u>	<u>As Restated</u>
<b>Statement of financial position</b>			
Financial assets	\$ 25,137,592	\$ -	\$ <b>25,137,592</b>
Liabilities	<u>16,073,007</u>	<u>7,761,156</u>	<u><b>23,834,163</b></u>
Net financial assets	9,064,585	(7,761,156)	<b>1,303,429</b>
Non-financial assets	<u>80,381,002</u>	<u>1,671,729</u>	<u><b>82,052,731</b></u>
Accumulated surplus	\$ <u>89,445,587</u>	\$ <u>(6,089,427)</u>	\$ <u><b>83,356,160</b></u>

**Statement of operations and accumulated surplus**

Revenues	\$ 24,803,235	\$ -	\$ <b>24,803,235</b>
Expenses	<u>26,094,555</u>	<u>316,793</u>	<u><b>26,411,348</b></u>
Annual surplus	\$ <u>567,999</u>	\$ <u>(316,793)</u>	\$ <u><b>251,206</b></u>
Accumulated surplus - Beginning of year	88,877,588	(5,772,634)	<b>83,104,954</b>
Accumulated surplus - End of year	\$ <u>89,445,587</u>	\$ <u>(6,089,427)</u>	\$ <u><b>83,356,160</b></u>

**Statement of changes in net financial assets (debt)**

Annual surplus	\$ <u>567,999</u>	\$ <u>(316,793)</u>	\$ <u><b>251,206</b></u>
Change in net financial assets	<u>5,825,329</u>	<u>(258,105)</u>	<u><b>5,567,224</b></u>
Net financial assets (debt), beginning of year	3,239,256	(7,503,051)	<b>(4,263,795)</b>
Net financial assets, end of year	\$ <u>9,064,585</u>	\$ <u>(7,761,156)</u>	\$ <u><b>1,303,429</b></u>

**WOODLANDS COUNTY**  
**Notes to Financial Statements**  
**Year Ended December 31, 2023**

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**25. SALARY AND BENEFITS DISCLOSURE**

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

	<u>Salary<sup>(1)</sup></u>	<u>Benefits<sup>(2)</sup></u>	<b>Total 2023</b>	Total <u>2022</u>
David Kusch, Reeve	\$ 77,701	\$ 12,504	<b>\$ 90,205</b>	\$ 68,198
Alan Deane, Whitecourt Central	74,095	11,662	<b>85,757</b>	71,414
John Burrows, Whitecourt West	71,869	12,496	<b>84,365</b>	78,834
Peter Kuelken, Goose Lake/Freeman River	67,747	12,399	<b>80,146</b>	65,888
Bruce Prestidge, Blue Ridge	65,390	12,341	<b>77,731</b>	69,856
Devin Williams, Fort Assiniboine/Timeu	58,142	11,966	<b>70,108</b>	58,765
Jeremy Wilhelm, Whitecourt East	58,500	7,777	<b>66,277</b>	59,673
	<u>\$ 473,444</u>	<u>\$ 81,145</u>	<b><u>\$ 554,589</u></b>	<u>\$ 472,628</u>
Designated officer	<u>\$ 108,656</u>	<u>\$ 21,200</u>	<b><u>\$ 129,856</u></b>	<u>\$ 127,308</u>
Chief Administrative Officer:	<u>\$ 233,360</u>	<u>\$ 43,014</u>	<b><u>\$ 276,374</u></b>	<u>\$ 272,912</u>

(1) - Salary includes regular base pay, bonuses, lump sum payments, honoraria, and any other direct cash remuneration.

(2) - Benefits include the employer's share of all employee benefits and contributions or payments including pension, health care, dental coverage, vision coverage, group life insurance, accidental disability and dismemberment insurance, long-term and short-term disability plans, professional membership dues, and tuition.