



# Agenda

Council Meeting | Thursday, April 25, 2024 | 9:00 AM | Council Chambers

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**A. CALL TO ORDER**

**B. ADOPTION OF AGENDA**

**C. DELEGATIONS**

**1. 9:00 a.m. - KPMG - 2023 Audited Financial Statements**

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**2023 Audited Financial Statements**

[2023 Audited Financial Statements](#)

**D. ADJOURN**

# AGENDA ITEM REPORT



**Title:** 2023 Audited Financial Statements  
**Meeting:** Special Council Meeting - 25 Apr 2024  
**Department:** Corporate Services  
**Report Author:** Jennifer Place

## APPROVAL(S):

Candice Robison, Executive Assistant

Approved - 23 Apr 2024

## STRATEGIC ALIGNMENT:



**Governance**



**Relationships**



**Region**



**Prosperity**

## EXECUTIVE SUMMARY:

The 2023 Audited Financial Statements have been reviewed and presented to the Audit Committee and Council as a whole, by the Auditors, KPMG LLP and is being recommended for approval.

## RECOMMENDATION:

That Council approves the transfer of \$64,382 from the Tax Equalization Reserve to public works operations to offset the unrestricted surplus deficit.

That Council approved the Audited Financial Statements for the fiscal year ended December 31, 2023 as presented by KPMG LLP.

## REASON(S) FOR RECOMMENDATION(S):

The Municipal Government Act Section 276 (1) States:

Each municipality must prepare annual financial statements of the municipality for the immediately preceding year in accordance with

(a) Canadian generally accepted accounting principles for municipal governments, which are the standards approved by the Public Sector Accounting Board included in the CPA Canada Public Sector Accounting Handbook published by the Chartered Professional Accountants of Canada, as amended from time to time, and

(b) any modification of the principles or any supplementary accounting standards or principles established by the Minister by regulation.

## PREVIOUS COUNCIL DIRECTION / POLICY:

Annual Approval of the Financial Statements is a requirement of the Municipal Government Act (MGA).

## BACKGROUND INFORMATION:

The County's auditors, KPMG LLP have audited and prepared the financial statements and have provided an unqualified opinion. The statements meet the requirements of Section 276 of the Municipal Government Act and are consistent with Canadian generally accepted accounting principals as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

**ALTERNATIVES / PROS / CONS:**

Audited Annual Financial Statements must be approved by Council and submitted to the Province no later than May 1st of each year.

**FINANCIAL IMPACT:**

None

**LEVEL OF PUBLIC PARTICIPATION:**

Inform       Consult       Involve       Collaborate       Empower

**ATTACHMENTS:**

[Draft 2023 Audited Financial Statement](#)

Financial Statements of

**Lethbridge County**

And Independent Auditor's Report thereon

Year ended December 31, 2023

DRAFT

## **Management's Responsibility for Financial Reporting**

Lethbridge County's management is responsible for the preparation, accuracy, objectivity, and integrity of the accompanying financial statements and the notes thereto. Management believes that the financial statements present fairly the County's financial position as at December 31, 2023 and the results of its operations for the year then ended.

The financial statements have been prepared in accordance with Canadian public sector accounting standards. Financial statements are not precise, since they include certain amounts based on estimates and judgments. Such amounts have been determined on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, management has designed and maintained a system of internal controls to produce reliable information to meet reporting requirements. The system is designed to provide management with reasonable assurance that transactions are properly authorized, reliable financial records are maintained, and assets are properly accounted for and safeguarded.

The County Council carries out its responsibilities for review of the financial statements principally through its Audit Committee. This committee meets regularly with management and external auditors to discuss the results of audit examinations and financial reporting matters. The external auditors have full access to the Audit Committee with and without the presence of management. The County Council has approved the financial statements.

The financial statements have been audited by the independent firm of KPMG LLP, Chartered Professional Accountants. Their report to the Members of Council of Lethbridge County, stating the scope of their examination and opinion on the financial statements, follows.

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Cole Beck  
Chief Administrative Officer

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Jennifer Place  
Director, Corporate Services

## INDEPENDENT AUDITOR'S REPORT

To the Reeve and Members of Council of Lethbridge County

### **Opinion**

We have audited the accompanying financial statements of Lethbridge County (the "County"), which comprise:

- the statement of financial position as at December 31, 2023
- the statement of operations for the year then ended
- the statement of changes in net financial assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the County as at December 31, 2023, and its results of operations, its 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 auditors' 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 these requirements.

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

### ***Other Information***

Management is responsible for the other information. Other information comprises:

the information, other than the financial statements and the auditor's report thereon, included in the *Annual Financial Report*. The *Annual Financial Report* is expected to be made available to us after the date of the auditor's report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

When we read the *Annual Financial Report*, if we conclude that there is a material misstatement of this other information, we are required to report the matter to those charged with governance.

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

Management is responsible for the preparation and fair presentation of the 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.

### ***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 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 the 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 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 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.
- 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.

Chartered Professional Accountants

Lethbridge, Canada



# LETHBRIDGE COUNTY

## Statement of Financial Position

December 31, 2023, with comparative information for 2022

	2023	2022 Restated (note 3)
<b>Financial Assets:</b>		
Cash	\$ 10,025,815	\$ 4,837,573
Taxes and grants in place of taxes (note 4)	339,019	827,373
Trade and other receivables	5,008,767	4,374,971
Investments (note 5)	25,552,388	27,691,098
Restricted cash (note 6)	5,574,453	6,993,010
	<u>46,500,442</u>	<u>44,724,025</u>
<b>Financial Liabilities:</b>		
Accounts payable and accrued liabilities	2,180,366	1,637,686
Deposit liabilities	467,664	127,044
Deferred lease payments (note 7)	2,391,943	2,690,937
Deferred revenue (note 8)	4,468,669	6,142,823
Employee future benefits (note 9)	288,801	322,688
Long-term debt (note 10)	13,458,990	14,330,744
Other liabilities	1,105,784	850,188
Asset Retirement Obligations (note 11)	1,472,769	1,563,258
	<u>25,834,986</u>	<u>27,665,368</u>
Net financial assets	20,665,456	17,058,657
<b>Non-Financial Assets:</b>		
Tangible capital assets (schedule 6)	122,679,745	120,150,651
Prepaid expenses and deposits	333,097	297,567
Inventories for consumption	1,754,229	1,145,195
	<u>124,767,071</u>	<u>121,593,413</u>
Contingent liabilities (note 19)		
Subsequent event (note 21)		
Accumulated surplus (note 13 and schedule 3)	<u>\$145,432,527</u>	<u>\$138,652,070</u>

See accompanying notes to financial statements.

On behalf of the Council:

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# LETHBRIDGE COUNTY

## Statement of Operations

Year ended December 31, 2023, with comparative information for 2022

	Budget (note 20)	2023	2022 Restated (note 3)
<b>Revenues:</b>			
Net municipal property taxes (Schedule 4)	\$ 17,298,935	\$ 17,035,166	\$ 16,390,019
Sales and user charges	4,128,665	4,762,195	4,327,863
Government transfers (Schedule 1)	683,855	2,311,079	1,076,648
Fines	95,000	79,457	127,970
Penalties and cost of taxes	231,000	851,704	444,274
Licenses and permits	50,000	67,628	63,672
Rentals	224,190	228,112	216,136
Return on investments	300,125	853,748	814,011
Gain on sale of tangible capital assets	-	548,260	543,144
Other	3,294,985	4,355,722	4,052,847
<b>Total revenue</b>	<b>26,306,755</b>	<b>31,093,071</b>	<b>28,056,584</b>
<b>Expenses (Schedule 5):</b>			
Council and other legislative	492,905	496,054	2,587,852
General administration	4,479,675	5,489,941	6,724,697
Protective services	2,035,790	1,870,721	2,594,412
Roads, streets, walks and lighting	6,803,045	11,390,626	10,949,216
Fleet services	2,654,045	4,571,451	4,395,658
Water, wastewater, and waste management	3,272,075	4,760,665	7,083,149
Parks and recreation	126,220	98,682	48,483
Family and community support	81,045	80,960	81,168
Agricultural development	1,122,420	1,157,542	861,958
	21,067,220	29,916,642	35,326,593
<b>Excess (deficiency) of revenues over expenses before the undernoted</b>	<b>5,239,535</b>	<b>1,176,429</b>	<b>(7,270,009)</b>
<b>Other:</b>			
Deferred lease payments	-	298,994	298,994
Government transfers for capital (Schedule 1)	2,740,000	5,305,034	1,354,549
	2,740,000	5,604,028	1,653,543
<b>Excess (deficiency) of revenue over expenses</b>	<b>7,979,535</b>	<b>6,780,457</b>	<b>(5,616,466)</b>
<b>Accumulated surplus, beginning of year</b>	<b>138,652,070</b>	<b>138,652,070</b>	<b>144,268,536</b>
<b>Accumulated surplus, end of year</b>	<b>\$146,631,605</b>	<b>\$145,432,527</b>	<b>\$138,652,070</b>

See accompanying notes to financial statements.

# LETHBRIDGE COUNTY

## Statement of Changes in Net Financial Assets

Year ended December 31, 2023, with comparative information for 2022

	Budget (note 20)	2023	2022 Restated (note 3)
Excess (deficiency) of revenue over expenses	\$ 7,979,535	\$ 6,780,457	\$ (5,616,466)
Acquisition of tangible capital assets	(14,170,000)	(10,908,164)	(5,107,225)
Amortization of tangible capital assets	-	6,838,362	6,640,614
Proceeds on sale of tangible capital assets	-	2,088,968	1,395,320
Gain on sale of disposal of capital assets	-	(548,260)	(543,144)
	(6,190,465)	4,251,363	(3,230,901)
Acquisition inventories for consumption	-	(1,827,175)	(1,634,834)
Acquisition of prepaid expenses	-	(329,089)	(303,158)
Use of inventories for consumption	-	1,218,141	1,810,292
Use of prepaid expenses	-	293,559	243,867
Change in net financial assets	(6,190,465)	3,606,799	(3,114,734)
Net financial assets, beginning of year	17,058,657	17,058,657	20,173,391
Net financial assets, end of year	\$ 10,868,192	\$ 20,665,456	\$ 17,058,657

See accompanying notes to financial statements.

# LETHBRIDGE COUNTY

## Statement of Cash Flows

Year ended December 31, 2023, with comparative information for 2022

	2023	2022 Restated (note 3)
Net inflow (outflow) of cash related to the following activities:		
Operating activities:		
Excess (deficiency) of revenues over expenses	\$ 6,780,457	\$ (5,616,466)
Non-cash items included in excess (deficiency) of revenue over expenses:		
Amortization of tangible capital assets	6,838,362	6,640,614
Gain on disposal of tangible capital assets	(548,260)	(543,144)
Deferred lease payments	(298,994)	(298,994)
	<u>12,771,565</u>	<u>182,010</u>
Changes in non-cash assets and liabilities:		
Taxes and grants in place of taxes	488,354	387,391
Trade and other receivables	(633,796)	2,619,222
Restricted cash	1,418,557	(3,766,294)
Accounts payable and accrued liabilities	542,680	138,725
Deposit liabilities	340,620	26,500
Deferred revenue	(1,674,154)	3,843,458
Employee future benefits	(33,887)	19,502
Other liabilities	255,596	(77,164)
Asset retirement obligations	(90,489)	37,655
Prepaid expenses	(35,530)	(59,291)
Inventory for consumption	(609,034)	175,459
	<u>12,740,482</u>	<u>3,527,173</u>
Capital activities:		
Acquisition of tangible capital assets	(10,908,164)	(5,107,225)
Proceeds on disposal of tangible capital assets	2,088,968	1,395,320
	<u>(8,819,196)</u>	<u>(3,711,905)</u>
Investing activities:		
Decrease (increase) in investments	2,138,710	(5,790,018)
Financing activities:		
Payments on long-term debt	(871,754)	(831,640)
Increase (decrease) in cash	5,188,242	(6,806,390)
Cash position, beginning of year	4,837,573	11,643,963
Cash position, end of year	<u>\$ 10,025,815</u>	<u>\$ 4,837,573</u>

See accompanying notes to financial statements.

# LETHBRIDGE COUNTY

Notes to Financial Statements

Year ended December 31, 2023

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## 1. Significant accounting policies:

The financial statements of the Lethbridge 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, revenue and expenses, of the reporting entity which comprises all of the organizations that are owned or controlled by the County are are, therefore, accountable to the 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 municipal reporting entity.

The statements exclude trust assets that are administered 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.

Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

Government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used for certain programs, in the completion of specific work, or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred, services performed, or the tangible capital assets are acquired.

### (c) Cash and cash equivalents:

Cash and cash equivalents includes cash on hand and short-term deposits, which are highly liquid with original maturities of less than three months from the date of acquisition.

# LETHBRIDGE COUNTY

Notes to Financial Statements (continued)

Year ended December 31, 2023

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## 1. Significant accounting policies (continued):

### (d) 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 as at the date of the financial statements, and the reported amounts of revenue and expenses during the year. Significant items subject to such estimates and assumptions include the carrying amount of tangible capital assets, provisions for impairment of taxes and grants in place of taxes and trade and other receivables, provision for impairment in valuation of investments, employee future benefits, recognition of deferred lease payments and deferred revenues, and asset retirement obligations.

### (e) Investments:

Investments are recorded at amortized 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. As all investments are recorded at amortized cost, there are no, other than temporary significant, fair value adjustments which are not recognized through the Statement of Operations and as such, no Statement of Remeasurement Gains and Losses is presented.

### (f) Revenue recognition:

Net municipal property taxes are recognized as revenue as levied.

Sales and user charges are recognized as revenue as goods are transferred or services are rendered.

Contributed assets are recognized as revenue at fair market value of the assets at the date of receipt.

Investment income is reported as revenue in the period earned. When required by the funding government or related Act, investment income earned on deferred revenue is added to the investment and forms part of the deferred revenue balance.

All other income is recognized as earned.

# LETHBRIDGE COUNTY

Notes to Financial Statements (continued)

Year ended December 31, 2023

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## 1. Significant accounting policies (continued):

### (g) Requisition over-levy and under-levy:

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

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

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

### (h) Government transfers:

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

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

### (i) Employee future benefits:

(i) The County and its employees make contributions to the Local Authority Pension Plan. These contributions are expensed as incurred. The costs of multi-employer defined contribution pension plan benefits, such as the Local Authority Pension Plan, are the employer's contributions due to the plan in the period.

(ii) Sick leave and other retirement benefits are also available to the County's employees. These costs of these benefits are actuarially determined based on service and best estimates of retirement ages and expected future salary and wage increases. The obligations under these benefit plans are accrued based on projected benefits as the employees render services necessary to earn the future benefits.

# LETHBRIDGE COUNTY

Notes to Financial Statements (continued)

Year ended December 31, 2023

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## 1. Significant accounting policies (continued):

### (j) Contaminated sites liability:

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries.

A liability for remediation of a contaminated site is recognized, net of any expected recoveries, when all of the following criteria are met:

- i) an environmental standard exists
- ii) contamination exceeds the environmental standard
- iii) the organization is directly responsible or accepts responsibility for the liability
- iv) future economic benefits will be given up, and
- v) a reasonable estimate of the liability can be made.

### (k) Asset Retirement Obligations:

Asset retirement obligations (ARO) are legal obligations associated with the retirement of a tangible capital assets (TCA). Asset retirement activities include all activities relating 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.

A liability for an asset retirement obligation is recognized when, as at the financial reporting date:

- (a) there is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- (b) the past transaction or event giving rise to the liability has occurred;
- (c) it is expected that future economic benefits will be given up; and
- (d) a reasonable estimate of the amount can be made.

When a liability for asset retirement obligation is recognized, asset retirement costs related to recognized tangible capital assets in productive use are capitalized by increasing the carrying amount of the related asset and are amortized over the estimated useful life of the underlying tangible capital asset. Asset retirement costs related to unrecognized tangible capital assets and those not in productive use are expensed.



# LETHBRIDGE COUNTY

Notes to Financial Statements (continued)

Year ended December 31, 2023

## 1. Significant accounting policies (continued):

### (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.

#### i. Tangible capital assets:

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. When conditions indicate that they no longer contribute to the County's ability to provide goods and services, or when the value of the future economic benefits associated with the tangible capital asset are less than their book value, the assets are written down. The net write downs are accounted for as an expense. The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over the estimated useful life as follows:

Assets	Useful life - years
Land improvements	15-40
Buildings	15-50
Engineered structures	
Roads	5-100
Water systems	45-75
Wastewater systems	45-75
Storm systems	45-75
Machinery and equipment	3-40
Vehicles	5-25

Assets under construction are not amortized until the asset is available for productive use.

#### ii. Contribution of tangible capital assets:

Tangible capital assets received as contributions are recorded at fair value at the date of receipt and also are recorded as revenue.

# LETHBRIDGE COUNTY

Notes to Financial Statements (continued)

Year ended December 31, 2023

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## 1. Significant accounting policies (continued):

### (l) Non-financial assets (continued):

#### iii. Leases:

Leases are classified as 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.

#### iv. Works of art and cultural and historical assets:

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

#### v. Interest capitalization:

The County does not capitalize interest costs associated with the acquisition or construction of a tangible capital asset.

#### vi. Inventories for consumption:

Inventories of materials and supplies for consumption are valued at the lower of cost or net realizable value with cost determined by the average cost method.

# LETHBRIDGE COUNTY

Notes to Financial Statements (continued)

Year ended December 31, 2023

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## 2. New and proposed accounting pronouncements:

The following summarizes the upcoming changes to the Public Sector Accounting Standards by the Public Sector Accounting Standards Board (PSAB). In 2024, the Municipal District will continue to assess the impact and prepare for the adoption of these standards. While the timing of standard adoption can vary, certain standards must be adopted concurrently.

(a) PS 3400 - Revenue:

This section provides guidance on how to account for and report on revenue, specifically addressing revenue arising from exchange transactions and unilateral transactions. This standard is effective for fiscal years beginning on or after April 1, 2023.

(b) PS 3160 - Public Private Partnerships:

The Canadian Public Sector Accounting Board issued a new standard, PS 3160, Public Private Partnerships in April 2021. This section establishes standards for the recognition, measurement, presentation, and disclosure of infrastructure procured through certain types of public private partnership arrangements.

This section is effective for fiscal years beginning on or after April 1, 2023 and may be applied retroactively with or without prior period restatement. Early adoption is permitted.

(c) PSG 8 - Purchased Intangibles:

This new guideline allows for recognition of intangibles purchased through an exchange transaction. Narrow-scope amendments were made to PS 1000 Financial Statement Concepts to remove prohibition on recognition of intangibles purchased through exchange transactions and PS1201 Financial Statement Presentation to remove the requirement to disclose that purchased intangibles are not recognized. This is effective for fiscal years beginning on or after April 1, 2023.

(d) The Conceptual Framework for Financial Reporting in the Public Sector:

The Conceptual Framework is the foundation for public sector financial reporting standards. It replaces the conceptual aspects of Section PS 1000 - Financial Statement Concepts, and Section PS 1100 - Financial Statement Objectives. The conceptual framework highlights considerations fundamental for the consistent application of accounting issues in the absence of specific standards. This is effective for fiscal years beginning on or after April 1, 2026. Early adoption is permitted.

# LETHBRIDGE COUNTY

Notes to Financial Statements (continued)

Year ended December 31, 2023

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## 2. New and proposed accounting pronouncements (continued):

### (e) PS 1202 - Financial Statement Presentation:

Section PS 1202 sets out general and specific requirements for the presentation of information in general purpose financial statements. The financial statement presentation principles are based on the concepts within the Conceptual Framework. This is effective for fiscal years beginning on or after April 1, 2026. Early adoption is permitted only if the Conceptual Framework for Financial Reporting in the Public Sector is also adopted at the same time.

## 3. Change in accounting policies:

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

On the effective date of the PS 3280 standard, the County recognized the following to conform to the new standard;

- asset retirement obligations, 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 the accumulated surplus/deficit.

Amounts are measured using information, assumptions and discount rates where applicable that are current on the effective date of the standard. The amount recognized as an asset retirement cost is measured as of the date the asset retirement obligation was incurred. Accumulated accretion and amortization are measured for the period from the date the liability would have been recognized had the provisions of this standard been in effect to the date as of which this standard is first applied.

# LETHBRIDGE COUNTY

Notes to Financial Statements (continued)

Year ended December 31, 2023

### 3. Change in accounting policies (continued):

Impact on the prior year's financial statements as a result of the change in accounting policy is as follows:

	2022		
	As previously reported	Adjustment recognized	As restated
<b>Statement of Operations</b>			
Revenue	\$ 29,710,127	\$ -	\$ 29,710,127
Expense	35,276,423	50,170	35,326,593
Deficiency of revenue over expenses	(5,566,296)	(50,170)	(5,616,466)
Accumulated surplus, beginning of year	145,353,628	(1,085,092)	144,268,536
Accumulated surplus, end of year	139,787,332	(1,135,262)	138,652,070
<b>Statement of Financial Position</b>			
Financial assets	44,724,025	-	44,724,025
Financial liabilities	26,329,265	1,336,103	27,665,368
Net financial assets	18,394,760	(1,336,103)	17,058,657
Non-financial assets	121,392,572	200,841	121,593,413
<b>Statement of Cash flows</b>			
Deficiency of revenue over expenses	(5,566,296)	(50,170)	(5,616,466)
Amortization of tangible capital assets	6,628,099	12,515	6,640,614
Net financial assets	18,394,760	(1,336,103)	17,058,657
<b>Statement of Change in Net Financial Assets</b>			
Deficiency of revenue over expenses	(5,566,296)	(50,170)	(5,616,466)
Amortization of tangible capital assets	6,628,099	12,515	6,640,614
Net financial assets, beginning of year	21,471,839	(1,298,448)	20,173,391
Net financial assets, end of year	18,394,760	(1,336,103)	17,058,657

The County also adopted the new accounting standards PS 1201 Financial Statement Presentation, PS 3450 Financial Instruments, PS 2601 Foreign Currency Translation, and PS 3041 Portfolio Investments effective January 1, 2023.

The adoption of these standards did not impact the current year or prior year financial statements or presentation of the County's financial position, operations, or cash flows.

# LETHBRIDGE COUNTY

Notes to Financial Statements (continued)

Year ended December 31, 2023

## 4. Taxes and grants in place of taxes receivable:

	2023	2022
Current taxes and grants in place of taxes	\$ 3,578,357	\$ 1,978,501
Arrears taxes	573,878	1,994,890
	4,152,235	3,973,391
Less: allowance for doubtful accounts	(3,813,216)	(3,146,018)
	\$ 339,019	\$ 827,373

## 5. Investments:

	2023	2022
Guaranteed investment certificates	\$ 10,766,121	\$ 12,846,131
Fixed income securities	14,786,267	14,844,967
	\$ 25,552,388	\$ 27,691,098

The guaranteed investment certificates have interest rates ranging from 4.55% to 5.70% (2022 – 1.30% to 5.10%) with maturity dates from February 2024 to January 2025 (2022 – February 2023 to September 2024).

The fixed income securities have interest rates ranging from 2.01% to 3.06% (2022 - 2.01% to 3.06%) with maturity dates from June 2024 to March 2032 (2022 - June 2023 to March 2032).

## 6. Restricted cash:

Restricted cash is comprised of funds set aside in the Municipal Land Reserve account and funding contributions received for restricted purposes not spent. Municipal reserve funds may be used only for the purposes specified in the Municipal Government Act, section 671(4). Accordingly, these amounts are not available for current operations.

# LETHBRIDGE COUNTY

Notes to Financial Statements (continued)

Year ended December 31, 2023

**7. Deferred lease payments:**

	2023	2022 Restated (note 3)
Balance, beginning of year	\$ 2,690,937	\$ 2,989,931
Amortization	(298,994)	(298,994)
	<u>\$ 2,391,943</u>	<u>\$ 2,690,937</u>

The County received \$8,969,812 as a prepaid lease payment from McCain Foods Limited for the use of a water treatment plant. The lease is for the useful operating life of the plant. The minimum term was for an initial period of ten years ending December 31, 2011 with four subsequent renewal terms of five years each. The deferred lease payments will be recognized as revenue as the payments are being used to fund the acquisition of the water treatment plant. The revenue will be recognized evenly over the thirty year minimum term of the lease, including the four renewal terms.

# LETHBRIDGE COUNTY

Notes to Financial Statements (continued)

Year ended December 31, 2023

## 8. Deferred revenue:

The deferred revenue reported on the statement of financial position is made of the following:

	December 31, 2022	Externally restricted inflows (repayments)	Revenue recognized	December 31, 2023
Municipal Sustainability Initiative - Capital (MSI)	\$ 3,954,270	\$ 1,550,099	\$ (3,769,780)	\$ 1,734,589
Federal Gas Tax Fund Grant (FGTF)	1,954,484	127,758	(1,429,100)	653,142
Municipal Sustainability Initiative - Operating (MSI)	102,058	213,580	(278,015)	37,623
Strategic Transportation Infrastructure Grant (STIP)	-	1,274,411	(1,274,411)	-
Transportation & Economic Corridors Grant (TEC)	-	630,000	(386,979)	243,021
Alberta Community Partnership Grant (ACP)	-	200,000	(171,011)	28,989
McCain Foods Ltd. - Eastern Transmission Pipeline	-	1,629,000	-	1,629,000
Other	91,493	176,948	(126,136)	142,305
Other - Provincial	40,518	261,747	(302,265)	-
Other - Federal	-	4,552	(4,552)	-
	6,142,823	6,068,095	(7,742,249)	4,468,669

Funding allocations have been made available to the County from the Municipal Sustainability Initiative ("MSI") – Capital Component for 2023 and the Federal Gas Tax Fund ("FGTF") for 2022 and 2023. These allocations are only receivable from the funding source upon approval of project submissions made by the County. As at December 31, 2023, the County did not have any approved projects submitted towards these allocations. As a result these allocations have not been included in these financial statements.



# LETHBRIDGE COUNTY

Notes to Financial Statements (continued)

Year ended December 31, 2023

## 9. Employee future benefits:

	2023	2022
Vacation	\$ 172,914	\$ 182,843
Post-employment benefits	115,887	139,845
	\$ 288,801	\$ 322,688

### Vacation:

The vacation liability is comprised of the vacation that employees are deferring to future years. Employees have earned these benefits and are expected to use them within the next budgetary year.

### Post-employment benefits:

The County provides a retirement allowance for its employees. Employees with over 10 years of service to the County are eligible for the allowance at a rate of \$450 per year for each year of service over 10 years, plus \$1,500, up to a maximum of \$15,000. The benefit is paid out when the employee ceases to be an employee of the County.

# LETHBRIDGE COUNTY

Notes to Financial Statements (continued)

Year ended December 31, 2023

## 10. Long-term debt:

	2023	2022
Tax supported debentures	\$ 13,458,990	\$ 14,330,744

The current portion of long-term debt amounts to \$913,973 (2022 - \$871,754).

Principal and interest repayments are as follows:

	Principal	Interest	Total
2024	\$ 913,973	\$ 459,062	\$ 1,373,035
2025	548,359	415,277	963,636
2026	538,248	394,526	932,774
2027	559,172	373,602	932,774
2028	460,767	351,806	812,573
Thereafter	10,438,471	3,681,954	14,120,425
	\$ 13,458,990	\$ 5,676,227	\$ 19,135,217

Debenture debt is repayable to the Province of Alberta and bears interest at the rate of 2.726% to 6.500% per annum, before Provincial subsidy, and matures in periods 2024 to 2049. For qualifying debentures, the Province of Alberta rebates 60% of interest in excess of 8%, 9%, and 11% to a maximum annual rate of 12.5%, depending on the date borrowed. Debenture debt is issued on the credit and security of the Lethbridge County at large. Interest payments on long-term debt amounted to \$477,381 (2022 - \$531,712).

# LETHBRIDGE COUNTY

Notes to Financial Statements (continued)

Year ended December 31, 2023

## 11. Asset retirement obligations:

	2023	2022 Restated (note 3)
Asset retirement obligations, beginning of year	\$ 1,563,258	\$ 1,525,603
Accretion expense	38,747	37,655
Disposal of asset retirement obligations	(129,236)	-
	<u>\$ 1,472,769</u>	<u>\$ 1,563,258</u>

Tangible capital assets with associated retirement obligations include buildings, underground utilities, fuel tanks and gravel pits. The County has asset retirement obligations to remove hazardous asbestos fiber containing materials from various buildings and other assets under its control. Regulations require the County to handle and dispose of the asbestos in a prescribed manner when it is disturbed, such as when the building undergoes renovations or is demolished. Although timing of the asbestos removal is conditional on the building undergoing renovations or being demolished, regulations create an existing obligation for the County to remove the asbestos when asset retirement activities occur.

The County also has an obligation to remediate and restore the land associated with the gravel pits to their original condition, including replacement of top soil and vegetation.

Asset retirement obligations are initially measured as of the date the legal obligation was incurred, based on management's best estimate of the amount required to retire tangible capital assets and subsequently remeasured taking into account any new information and the appropriateness of assumptions used.

Asset retirement obligations are expected to be settled over the next 5 to 150 years.

# LETHBRIDGE COUNTY

Notes to Financial Statements (continued)

Year ended December 31, 2023

## 12. Budget and statement of operation reconciliation:

Operations to the Budget Balance as shown in the 2023-2025 Budget and demonstrates how the legislative requirement for a balanced budget (where planned revenue sources equal planned expenditures) has been met.

The reconciliation below to encompass these items is provided for information purposes only to provide users with supplementary comparative information. It should not be used as a replacement for the statement of financial activities and accumulated surplus and users should note that this information may not be appropriate for their purposes.

	Budget	2023	2022 Restated (note 3)
Excess (deficit) of revenue over expenses	\$ 7,979,535	\$ 6,780,457	\$ (5,616,466)
Equipment rental revenue, internal	3,951,900	4,233,864	4,460,374
Transfers from reserves	8,226,280	5,654,197	9,947,771
Gain on sale of tangible capital assets	-	(548,260)	(543,144)
Deferred lease payment	-	(298,994)	(298,994)
Services recovered, internal	984,620	984,628	945,377
Provision for allowances	15,000	-	-
Equipment rental costs, internal	(3,951,900)	(4,233,864)	(4,460,374)
Transfer to reserves	(3,314,050)	(9,337,792)	(7,090,175)
Capital purchase as per budget	(12,020,000)	(2,465,925)	(5,026,122)
Debt principal payments	(871,765)	(885,468)	(831,640)
Services performed, internal	(984,620)	(984,628)	(944,208)
Provision for allowances	(15,000)	-	-
Amortization expense	-	6,825,847	6,640,614
Accretion	-	38,747	37,655
<b>Budget balance, excess (deficit)</b>	<b>\$ -</b>	<b>\$ 5,762,809</b>	<b>\$ (2,779,332)</b>

# LETHBRIDGE COUNTY

Notes to Financial Statements (continued)

Year ended December 31, 2023

## 13. Accumulated surplus:

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

	2023	2022 Restated (note 3)
Unrestricted surplus	\$ -	\$ 1,626,543
Restricted surplus:		
Administration Building Reserve	865,420	750,952
ASB Reserve Future Projects	268,150	268,150
Donation Reserve	23,015	23,015
Community Grant Reserve	34,588	34,588
IT Capital Reserve	142,802	226,229
Council Discretionary Reserve	158,169	151,919
Drainage Reserve	622,940	496,606
Emergency Services Reserve	2,778,599	2,174,797
Utilities Capital Reserve	5,710,972	5,295,027
Fleet Equipment Replacement	4,640,914	5,166,654
Commercial and Industrial Land Reserve	2,483,283	1,806,219
Gravel Pit Reclamation Reserve	58,860	56,515
Kedon Road Reserve	803,291	701,292
Safety Program Reserve	131,459	124,120
Municipal Debt Reduction Proceeds Reserve	2,940,836	2,616,426
Public Works Reserve	4,759,828	3,844,814
Market Access Network Reserve	10,219,743	9,127,848
43rd Street Intersection Reserve	418,512	-
Provincial Policing Reserve	474,794	474,794
Tax Recovery Reserve	17,406	17,406
Recreation Reserve	115,775	115,775
Snow Removal Reserve	924,842	924,842
Other Designated Reserves	1,482,286	1,061,827
	40,076,484	35,459,815
Equity in tangible capital assets	105,356,043	101,565,712
	<b>\$145,432,527</b>	<b>\$138,652,070</b>

# LETHBRIDGE COUNTY

Notes to Financial Statements (continued)

Year ended December 31, 2023

## 13. Accumulated surplus (continued):

	2023	2022 Restated (note 3)
Equity in tangible capital assets:		
Tangible capital assets (Schedule 6)	\$413,658,631	\$404,983,196
Accumulated amortization (Schedule 6)	(290,978,886)	(284,832,545)
Loans related to capital assets	(13,458,990)	(14,330,744)
Asset retirement obligations	(1,472,769)	(1,563,258)
Deferred lease	(2,391,943)	(2,690,937)
	<u>\$105,356,043</u>	<u>\$101,565,712</u>

## 14. 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 Municipal District be disclosed as follows:

	2023	2022
Total debt limit	\$ 51,579,030	\$ 42,533,367
Total long-term debt	(13,458,990)	(14,330,744)
Debt limit unused	<u>38,120,040</u>	<u>28,202,623</u>
Debt servicing limit	8,596,505	7,088,895
Debt servicing	(1,373,035)	(1,373,035)
Amount of debt servicing unused	<u>\$ 7,223,470</u>	<u>\$ 5,715,860</u>

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

# LETHBRIDGE COUNTY

Notes to Financial Statements (continued)

Year ended December 31, 2023

## 15. Salary and benefits disclosure:

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

	Salaries (1)	Benefits and Allowances (2)	Total 2023	Total 2022
Division 1	\$ 44,600	\$ 11,087	\$ 55,687	\$ 52,475
Division 2	69,852	10,795	80,647	81,423
Division 3	41,690	11,582	53,272	49,297
Division 4	47,352	18,914	66,266	54,920
Division 5	42,048	10,215	52,263	50,954
Division 6	44,076	12,494	56,570	59,981
Division 7	43,452	12,009	55,461	53,270
	333,070	87,096	420,166	402,320
Chief Administrative Officer	161,410	34,037	195,447	283,673
Designated Officers (2 positions)	\$ 207,721	\$ 42,256	\$ 249,977	\$ 244,511

1) Salary includes regular base pay. For Councilors, salary includes a monthly allowance to attend special events and per diem reimbursements for authorized meetings attended.

2) Benefits and allowances include the employer's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, vision coverage, group life insurance, accidental disability and dismemberment insurance, long- and short-term disability plans, professional memberships, and tuition. Benefits and allowances also include the employer's share of the costs of additional taxable benefits including special leave with pay, financial planning services, retirement services, concessionary loans, travel allowances, car allowances, and club memberships.

# LETHBRIDGE COUNTY

Notes to Financial Statements (continued)

Year ended December 31, 2023

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## 16. Local Authorities Pension Plan:

The County participates in a multi-employer defined pension plan. The plan is accounted for as a defined contribution 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 plan serves about 291,259 people and about 435 employers. It is financed by employer and employee contributions and 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 LAPP of 8.45% (2022 - 8.45%) of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 12.23% (2022 - 12.80%) on pensionable earnings above this amount. Employees of the County are required to make current service contributions of 7.45% (2022 - 7.45%) of pensionable salary up to the year's maximum pensionable salary and 11.23% (2022 - 11.80%) on pensionable salary above this amount.

Total current service contributions by the County to the LAPP in 2023 were \$448,462 (2022 - \$454,240). Total current service contributions by the employees of the County to the LAPP in 2023 were \$401,946 (2022 - \$408,147).

At December 31, 2022 the LAPP reported an actuarial surplus of \$12.7 billion (2021 - \$11.9 billion). The 2023 LAPP actuarial balance was not available at the date of this report.



# LETHBRIDGE COUNTY

Notes to Financial Statements (continued)

Year ended December 31, 2023

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## 17. Segmented information:

(a) Protective Services:

The mandate of Protective Services is to provide for the rescue and protection of people and property within Lethbridge County through effective and efficient management and coordination of emergency service systems and resources.

(b) Public Works:

The Public Works department is responsible for the delivery of municipal public works services related to the planning, development and maintenance of roadway systems, streets, walks and lighting.

(c) Utility Services:

The Utility department is responsible for water supply and distribution services within Lethbridge County, as well as wastewater treatment and disposal activities and waste management functions.

(d) Community Services:

Community Services provides for programs that support individuals, families and communities. Programs and services are delivered through Family and Community Support Services.

(e) Parks and Recreation:

The Parks and Recreation department is responsible for clean, safe and attractive parks within Lethbridge County.

(f) Agricultural Development:

The County is responsible for agricultural development activities including pest control, soil, weed and crop services, agricultural field services and roadside mowing programs.

Certain allocation methodologies are employed in the preparation of segmented financial information. Taxation and payments-in-lieu of taxes are allocated to the segments based on the segment's budgeted net expenditure. User charges and other revenue have been allocated to the segments 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.

The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in Note 1.

# LETHBRIDGE COUNTY

Notes to Financial Statements (continued)

Year ended December 31, 2023

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## 18. Financial instruments:

The County, as part of its operations, carries a number of financial instruments, such as cash and cash equivalents, trade receivable, investments, accounts payable and accrued liabilities and long-term debt. It is management's opinion that the County is not exposed to significant interest, or currency risks arising from these financial instruments except as otherwise disclosed.

i. Interest rate risk:

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the County manages exposure through its normal operating and financing activities.

ii. Credit concentration:

The County is subject to credit risk with respect to taxes and grants in place of taxes receivable 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 large number and diversity of taxpayers and customers minimizes the credit risk. Unless otherwise noted, the fair value of these financial instruments approximates their carrying values.

iii. Liquidity risk:

Liquidity risk is the risk that the County will not be able to meet its financial obligations as they become due. The County manages liquidity risk by continually monitoring actual and forecasted cash flows from operations and anticipated investing activities to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions.

# LETHBRIDGE COUNTY

Notes to Financial Statements (continued)

Year ended December 31, 2023

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## 19. Contingent liabilities:

- (a) Lethbridge County is a member of Genesis which provides liability insurance. The investment in this program is not reflected as an asset in the accompanying financial statements. Under the terms of membership, the County could become liable for its proportionate share of any claim losses in excess of the funds held by the exchange. Any liability incurred would be accounted for as a current transaction in the year the losses are determined.
- (b) The County has been named as a defendant in a legal action. The County believes this claim is without merit and as such, the County is disputing the claim. As the outcome is not determinable at this time, no amount has been accrued in the financial statements.

## 20. Budget:

The budget information was approved by council on April 25, 2022.

## 21. Subsequent event:

On January 2, 2024, the County entered into an agreement with a vendor for the expansion of the Eastern Industrial Transmission Pipeline in the amount of approximately \$14,700,000. The project is to be funded with a grant from the Province of Alberta in the amount of \$6,300,000 as well as a contribution from McCain Foods Ltd. of \$1,629,000. The remaining costs will be funded through debt and internal reserves.

## 22. Comparative information:

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.

## 23. Approval of financial statements:

These financial statements were approved by Council and Management.

# LETHBRIDGE COUNTY

## Schedule 1 - Schedule of Government Transfers

Year ended December 31, 2023, with comparative information for 2022

	Budget	2023	2022
Operating	\$ 683,855	\$ 2,311,079	\$ 1,076,648
Capital	2,740,000	5,305,034	1,354,549
	3,423,855	7,616,113	2,431,197

Government transfers are comprised of:

	Budget	2023	2022
Federal transfers:			
Shared-cost agreement and grants-operating	-	1,433,652	669,301
Capital	2,000,000	-	-
Total federal transfers	2,000,000	1,433,652	669,301
Provincial transfers:			
Shared-cost agreement and grants-operating	683,855	877,427	407,347
Capital	740,000	5,305,034	1,354,549
Total provincial transfers	1,423,855	6,182,461	1,761,896
<b>Total government transfers</b>	<b>\$ 3,423,855</b>	<b>\$ 7,616,113</b>	<b>\$ 2,431,197</b>

# LETHBRIDGE COUNTY

Schedule 2 - Schedule of Segmented Disclosures

Year ended December 31, 2023, with comparative information for 2022

	Protective Services	Public Works	Utility Services	Community Services	Parks and Recreation	Agricultural Development	Other and unallocated	Total 2023	Total 2022 Restated (note 3)
<b>Revenue:</b>									
Net municipal property taxes	\$ -	\$ -	\$ 613,579	\$ -	\$ -	\$ -	\$ 16,421,587	\$ 17,035,166	\$ 16,390,019
Sales and user charges	-	815,967	3,809,201	-	-	51,075	85,952	4,762,195	4,327,863
Government transfers	-	6,527,165	567,116	-	-	261,747	260,085	7,616,113	2,431,197
Fines	79,457	-	-	-	-	-	-	79,457	127,970
Penalties and cost of taxes	-	-	8,259	-	-	-	843,445	851,704	444,274
Licenses and permits	-	-	-	-	-	-	67,628	67,628	63,672
Rentals	-	-	35,091	-	-	4,830	188,191	228,112	216,136
Return on investments	-	-	-	-	-	-	853,748	853,748	814,011
Gain (loss) on sale of tangible capital assets	-	165,710	(28,526)	-	-	-	411,076	548,260	543,144
Other	784,717	2,729,089	30,518	-	276,482	1,615	832,295	4,654,716	4,351,841
<b>Total revenue</b>	<b>864,174</b>	<b>10,237,931</b>	<b>5,035,238</b>	<b>-</b>	<b>276,482</b>	<b>319,267</b>	<b>19,964,007</b>	<b>36,697,099</b>	<b>29,710,127</b>
<b>Expenses:</b>									
Salaries, wages and benefits	315,642	3,804,609	742,471	-	52,796	750,264	2,655,087	8,320,869	8,109,042
Contracted and general services	1,881,271	1,954,195	1,918,712	-	11,725	40,008	1,666,184	7,472,095	9,861,543
Materials, goods and utilities	43,213	3,539,811	247,852	-	29,772	114,120	401,211	4,375,979	4,580,405
Provisions for allowances	-	-	-	-	-	-	667,198	667,198	2,265,228
Transfers to local boards and agencies	-	-	613,579	80,960	-	-	74,877	769,416	753,183
Transfers to individuals and organizations	20,240	-	320,000	-	-	-	616,355	956,595	2,547,211
Interest on long-term debt	-	382,919	94,462	-	-	-	-	477,381	531,712
Accretion	-	14,060	9,610	-	1,437	-	13,640	38,747	37,655
Amortization	7,706	5,862,989	813,978	-	2,951	32,224	118,514	6,838,362	6,640,614
<b>Total expenses</b>	<b>2,268,072</b>	<b>15,558,583</b>	<b>4,760,664</b>	<b>80,960</b>	<b>98,681</b>	<b>936,616</b>	<b>6,213,066</b>	<b>29,916,642</b>	<b>35,326,593</b>
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (1,403,898)</b>	<b>(5,320,652)</b>	<b>274,574</b>	<b>\$ (80,960)</b>	<b>\$ 177,801</b>	<b>\$ (617,349)</b>	<b>13,750,941</b>	<b>6,780,457</b>	<b>\$ (5,616,466)</b>

# LETHBRIDGE COUNTY

## Schedule 3 - Schedule of Changes in Accumulated Surplus

Year ended December 31, 2023, with comparative information for 2022

	Unrestricted Surplus	Restricted surplus	Equity in		2022 Restated (note 3)
			tangible capital assets	2023	
Beginning balance, beginning of year	\$ 1,626,543	\$ 35,459,815	\$ 101,565,712	\$ 138,652,070	\$ 145,353,628
Opening ARO adjustment	-	-	-	-	(1,085,092)
Excess (deficiency) of revenue over expenses	6,780,457	-	-	-	(5,616,466)
Transferred to restricted surplus	(10,335,248)	10,335,248	-	6,780,457	-
Transferred from restricted surplus	1,611,984	(1,611,984)	-	-	-
Restricted funds used for tangible capital assets	-	(4,106,595)	4,106,595	-	-
Current year funds used for tangible capital assets	(6,801,569)	-	6,801,569	-	-
Net book value of tangible capital assets disposed	1,540,708	-	(1,540,708)	-	-
Disposal of asset retirement obligations	(129,236)	-	129,236	-	-
Amortization of capital assets	6,838,362	-	(6,838,362)	-	-
Accretion expense	38,747	-	(38,747)	-	-
Deferred lease payments	(298,994)	-	298,994	-	-
Debt principal paid	(871,754)	-	871,754	-	-
Change in accumulated surplus	(1,626,543)	4,616,669	3,790,331	6,780,457	(6,701,558)
Balance, end of year	\$ -	\$ 40,076,484	\$ 105,356,043	\$ 145,432,527	\$ 138,652,070

# LETHBRIDGE COUNTY

## Schedule 4 - Schedule of Net Municipal Taxes

Year ended December 31, 2023, with comparative information for 2022

	Budget	2023	2022
<b>Taxation:</b>			
Real property taxes	\$ 19,453,293	\$ 19,139,697	\$ 18,475,346
Linear property taxes	2,963,533	3,045,202	2,939,501
Government grants in place of property taxes	1,137,785	1,105,943	1,138,141
	23,554,611	23,290,842	22,552,988
<b>Requisitions:</b>			
School Authorities	411,067	411,067	400,024
Alberta School Foundation Fund	5,518,986	5,518,986	5,448,054
Green Acres Foundation	325,623	325,623	314,891
	6,255,676	6,255,676	6,162,969
<b>Net municipal taxes</b>	<b>\$ 17,298,935</b>	<b>\$ 17,035,166</b>	<b>\$ 16,390,019</b>

# LETHBRIDGE COUNTY

## Schedule 5 - Schedule of Expenses by Object

Year ended December 31, 2023, with comparative information for 2022

	Budget	2023	2022 Restated (note 3)
Expenses by object:			
Salaries, wages and benefits	\$ 8,357,245	\$ 8,320,869	\$ 8,109,042
Contracted and general services	5,919,235	7,472,095	9,861,543
Materials, good and utilities	4,878,000	4,375,979	4,580,405
Provision for allowances	-	667,198	2,265,228
Transfer to local boards and agencies	788,930	769,416	753,183
Transfer to individuals and organizations	622,540	956,595	2,547,211
Interest on long-term debt	501,270	477,381	531,712
Accretion	-	38,747	37,655
Amortization	-	6,838,362	6,640,614
	<u>\$ 21,067,220</u>	<u>\$ 29,916,642</u>	<u>\$ 35,326,593</u>



# LETHBRIDGE COUNTY

## Schedule 6 - Schedule of Tangible Capital Assets

Year ended December 31, 2023, with comparative information for 2022

	Land improvements	Land	Buildings	Road systems	Water systems	Wastewater systems	Storm systems	Machinery and equipment	Vehicles	2023	2022 Restated (note 3)
<b>Cost:</b>											
Balance, beginning of year	\$ 4,613,940	\$ 153,986	\$ 5,211,252	\$ 325,244,934	\$ 20,378,380	\$ 24,402,736	\$ 3,048,792	\$ 17,277,148	\$ 4,204,469	\$ 404,535,637	\$ 401,357,619
Prior period adjustments	-	77,491	246,746	-	32,757	-	-	90,565	-	447,559	447,559
Acquisition of tangible capital assets	-	-	65,691	3,295,203	4,026,779	-	77,813	2,300,157	1,142,521	10,908,164	5,107,225
Disposal of tangible capital assets	(1,149)	-	-	(788,372)	(67,776)	-	(256,577)	(604,456)	(514,399)	(2,232,729)	(1,929,207)
Balance, end of year	4,612,791	231,477	5,523,689	327,751,765	24,370,140	24,402,736	2,870,028	19,063,414	4,832,591	413,658,631	404,983,196
<b>Accumulated amortization:</b>											
Balance, beginning of year	-	85,891	3,389,485	254,547,747	5,830,971	10,568,712	418,285	7,960,136	1,784,600	284,585,827	279,034,760
Prior period adjustments	-	4,199	169,823	-	13,221	-	-	59,475	-	246,718	234,202
Annual amortization	-	8,606	123,904	4,061,451	279,211	499,563	25,109	1,302,646	537,872	6,838,362	6,640,614
Accumulated amortization on disposals	-	-	-	(82,168)	(39,252)	-	-	(406,488)	(164,113)	(692,021)	(1,077,031)
Balance, end of year	-	98,696	3,683,212	258,527,030	6,084,151	11,068,275	443,394	8,915,769	2,158,359	290,978,886	284,832,545
<b>Net book value of tangible capital assets</b>											
	4,612,791	132,781	1,840,477	69,224,735	18,285,989	13,334,461	2,426,634	10,147,645	2,674,232	122,679,745	120,150,651
<b>2022 Net book value of tangible capital assets</b>											
	\$ 4,613,940	\$ 141,387	\$ 1,898,690	\$ 70,697,187	\$ 14,566,945	\$ 13,834,024	\$ 2,630,507	\$ 9,348,102	\$ 2,419,869	\$ 120,150,651	