

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2023



**MUNICIPAL DISTRICT OF
WAINWRIGHT NO. 61**



MUNICIPAL DISTRICT OF WAINWRIGHT NO. 61

717 – 14 Avenue, Wainwright, Alberta T9W 1B3 (780) 842-4454

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

Management of the Municipal District of Wainwright No. 61 (MD) is responsible for the preparation, accuracy, objectivity and integrity of the accompanying consolidated financial statements and all other information contained within this Financial Report. Management believes that the consolidated financial statements present fairly the MD's financial position as at December 31, 2023 and the results of its operations for the year then ended.

The consolidated financial statements have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards (PSAS).

The consolidated financial statements include certain amounts based on estimates and judgements. Such amounts have been determined on a reasonable basis in order to ensure the consolidated 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 maintains a system of internal controls to produce reliable information and to meet reporting requirements on a timely basis. The system is designed to provide management with reasonable assurance that transactions are properly authorized, and assets are properly accounted for and safeguarded.

These systems are monitored and evaluated by management and reliable financial information is available for preparation of the consolidated financial statements.

The MD Council carries out its responsibilities for review of the consolidated financial statements principally through its Finance 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 Finance Committee with and without the presence of management. The MD Council has approved the consolidated financial statements.

The consolidated financial statements have been audited by Isaman Chopek LLP, Chartered Professional Accountants, independent external auditors appointed by the MD. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the MD's consolidated financial statements.

Kelly Buchinski
Municipal Administrator
March 21, 2024

Tyson Boomhower, CPA, CA
Director of Finance
March 21, 2024

INDEPENDENT AUDITORS' REPORT

To the Reeve and Members of Council of the Municipal District of Wainwright No. 61:

Opinion

We have audited the consolidated financial statements of the Municipal District of Wainwright No. 61 (the Entity), which comprise:

- the consolidated statement of financial position as at December 31, 2023;
- the consolidated statement of operations and accumulated surplus for the year then ended;
- the consolidated statement of changes in net financial assets for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- supporting schedules for the year then ended; and
- notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Municipal District of Wainwright No. 61 as at December 31, 2023, and its consolidated results of operations, its consolidated changes in net financial assets and its consolidated cash flows and supporting schedules 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 Entity 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.

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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibility for the Audit of the Financial Statements

Our objective is 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 these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional scepticism 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 Entity'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 Entity'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 Entity 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.

Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group Entity to express an opinion of the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Wainwright, Alberta
March 21, 2024

Isamand Chopel LLP


Chartered Professional Accountants



MUNICIPAL DISTRICT OF WAINWRIGHT NO. 61
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2023

| | 2023 | 2022 |
|--|-----------------------|-----------------------|
| FINANCIAL ASSETS | | |
| Cash and temporary investments (Note 2) | \$ 35,789,945 | \$ 16,042,452 |
| Receivables | | |
| Taxes and grants in lieu of taxes (Note 3) | 2,135,395 | 3,443,759 |
| Trade and other receivables (Note 4) | 2,080,990 | 535,413 |
| Inventory for resale (Note 5) | 3,251 | 442 |
| Investments (Note 6) | 25,013,824 | 37,513,522 |
| | 65,023,405 | 57,535,588 |
| LIABILITIES | | |
| Accounts payable and accrued liabilities | 1,676,147 | 1,285,890 |
| Accrued wages and benefits | 80,424 | 83,018 |
| Deferred revenue (Note 7) | 22,002 | 182,794 |
| Employee benefit obligations (Note 8) | 588,921 | 571,947 |
| Reclamation liabilities (Note 9) | 2,373,506 | - |
| Trust funds (Note 10) | 114,219 | 105,476 |
| | 4,855,219 | 2,229,125 |
| NET FINANCIAL ASSETS | 60,168,186 | 55,306,463 |
| NON-FINANCIAL ASSETS | | |
| Tangible capital assets (Schedule 2) | 255,936,345 | 251,775,670 |
| Inventory for consumption (Note 11) | 11,421,841 | 8,389,413 |
| Prepaid expenses | 124,089 | 143,459 |
| | 267,482,275 | 260,308,542 |
| ACCUMULATED SURPLUS (Schedule 1, Note 14) | \$ 327,650,461 | \$ 315,615,005 |

APPROVED ON BEHALF OF COUNCIL:


 _____ Reeve


 _____ Deputy Reeve



The accompanying notes are an integral part of these financial statements

MUNICIPAL DISTRICT OF WAINWRIGHT NO. 61
CONSOLIDATED STATEMENT OF OPERATIONS
For the Year Ended December 31, 2023

| | Budget | 2023 | 2022 (Restated) |
|--|-----------------------|-----------------------|-----------------------|
| REVENUE | | | |
| Net municipal property taxes <i>(Schedule 3)</i> | \$ 27,691,883 | \$ 27,715,270 | \$ 24,882,874 |
| User fees and sales of goods | 832,072 | 1,285,753 | 1,051,821 |
| Government transfers for operating <i>(Schedule 4)</i> | 536,199 | 601,290 | 649,173 |
| Investment income | 1,750,000 | 2,413,330 | 1,071,275 |
| Penalties on taxes and utilities | 50,000 | 618,135 | 328,450 |
| Licenses, permits and fees | - | - | 100 |
| Other | 40,641 | 698,011 | 69,303 |
| Total Revenue | 30,900,795 | 33,331,789 | 28,052,996 |
| EXPENSES | | | |
| Council and administration | | | |
| Council and other legislative | 583,685 | 517,141 | 522,877 |
| General Administration | 5,484,909 | 3,457,399 | 2,371,594 |
| Protective services | | | |
| Fire & other emergency management | 382,315 | 581,238 | 324,007 |
| Police | 496,591 | 479,844 | 373,844 |
| Transportation services | 29,383,103 | 20,358,768 | 26,928,038 |
| Planning and development | 165,000 | 162,207 | 114,325 |
| Recreation, parks and culture | 1,006,326 | 969,919 | 928,057 |
| Environmental Use and Protection | | | |
| Water supply and distribution | 154,713.00 | 130,985 | 196,824 |
| Wastewater treatment and disposal | 84,287 | 90,928 | 62,564 |
| Waste management | 388,527 | 400,466 | 275,336 |
| Other | | | |
| Agricultural services board | 1,179,343 | 1,057,546 | 861,094 |
| Community services | 54,429 | 54,429 | 44,429 |
| Safety | 156,155 | 148,646 | 135,192 |
| Total Expenses | 39,519,383 | 28,409,516 | 33,138,181 |
| SHORTFALL OF REVENUE OVER EXPENSES - BEFORE CAPITAL REVENUE | (8,618,588) | 4,922,273 | (5,085,185) |
| CAPITAL REVENUE | | | |
| Cost recovery of roads | - | 4,980,246 | 4,101,084 |
| Government transfers for capital <i>(Schedule 4)</i> | 2,133,225 | 2,132,937 | 1,211,442 |
| TOTAL CAPITAL REVENUE | 2,133,225 | 7,113,183 | 5,312,526 |
| EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES | (6,485,363) | 12,035,456 | 227,341 |
| ACCUMULATED SURPLUS, BEGINNING OF YEAR | 315,615,005 | 315,615,005 | 315,387,664 |
| ACCUMULATED SURPLUS, END OF YEAR | \$ 309,129,642 | \$ 327,650,461 | \$ 315,615,005 |

The accompanying notes are an integral part of these financial statements



MUNICIPAL DISTRICT OF WAINWRIGHT NO. 61
CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
For the Year Ended December 31, 2023

| | Budget | 2023 | 2022 |
|--|----------------------|-----------------------------|----------------------|
| EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES | \$ (6,485,363) | \$ 12,035,456 | \$ 227,341 |
| Acquisition of tangible capital assets | (10,309,773) | (14,652,992) | (9,556,833) |
| Proceeds on disposal of tangible capital assets | 694,500 | 798,660 | 373,423 |
| Amortization of tangible capital assets | 16,642,045 | 9,692,872 | 16,625,684 |
| Net loss on disposal of tangible capital assets | - | 784 | 67,689 |
| | <u>7,026,772</u> | <u>(4,160,676)</u> | <u>7,509,963</u> |
| Acquisition of supplies inventories | - | (4,246,166) | (1,319,490) |
| Acquisition of prepaid assets | - | (124,089) | (137,759) |
| Use of supplies inventories | - | 1,213,739 | 799,766 |
| Use of prepaid assets | - | 143,459 | 221,500 |
| | <u>-</u> | <u>(3,013,057)</u> | <u>(435,983)</u> |
| INCREASE IN NET FINANCIAL ASSETS | 541,409 | 4,861,723 | 7,301,321 |
| NET FINANCIAL ASSETS, BEGINNING OF YEAR | <u>55,306,463</u> | <u>55,306,463</u> | <u>48,005,142</u> |
| NET FINANCIAL ASSETS, END OF YEAR | <u>\$ 55,847,872</u> | <u>\$ 60,168,186</u> | <u>\$ 55,306,463</u> |



The accompanying notes are an integral part of these financial statements

MUNICIPAL DISTRICT OF WAINWRIGHT NO. 61
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2023

| | 2023 | 2022 |
|--|------------------|---------------------|
| NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING TRANSACTIONS: | | |
| OPERATING | | |
| Excess of revenue over expenses | 12,035,456 | \$ 227,341 |
| Non-cash items included in excess of revenue over expenses: | | |
| Amortization of tangible capital assets | 9,692,872 | 16,625,684 |
| Net loss on disposal of tangible capital assets | 784 | 67,689 |
| Non-cash charges to operations (net change): | | |
| Decrease in taxes and grants in lieu of taxes receivable | 1,308,364 | 377,450 |
| Increase in trade and other receivables | (1,545,577) | (226,525) |
| Increase in inventory for resale | (2,809) | (123) |
| Increase in inventory for consumption | (3,032,428) | (519,724) |
| Decrease in prepaid expenses | 19,370 | 83,741 |
| Increase in accounts payable and accrued liabilities | 390,258 | 413,171 |
| (Decrease) increase in accrued wages and benefits | (2,594) | 4,852 |
| Increase in reclamation liabilities | 2,373,506 | - |
| (Decrease) increase in deferred revenue | (160,792) | 114,391 |
| Increase in employee benefit obligations | 16,974 | 29,327 |
| Increase in trust funds | 8,743 | 3,400 |
| Cash provided by operating transactions | 21,102,127 | 17,200,674 |
| CAPITAL | | |
| Acquisition of tangible capital assets | (14,652,992) | (9,556,833) |
| Proceeds on disposal of tangible capital assets | 798,660 | 373,423 |
| Cash applied to capital transactions | (13,854,332) | (9,183,410) |
| INVESTING | | |
| (Increase) decrease in restricted cash or cash equivalents | (19,817,235) | 30,584,799 |
| Decrease (increase) in investments | 12,499,698 | (37,500,059) |
| Cash applied to investing transactions | (7,317,537) | (6,915,260) |
| CHANGE IN CASH AND CASH EQUIVALENTS DURING THE YEAR | (69,742) | 1,102,004 |
| CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR | 2,857,644 | 1,755,640 |
| CASH AND CASH EQUIVALENTS, END OF YEAR | 2,787,902 | 2,857,644 |
| Cash and cash equivalents is made up of: | | |
| Cash and temporary investments (Note 2) | 35,789,945 | 16,042,452 |
| Less: restricted portion of cash and temporary investments (Note 2) | (33,002,043) | (13,184,808) |
| | 2,787,902 | \$ 2,857,644 |

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MUNICIPAL DISTRICT OF WAINWRIGHT NO. 61
CONSOLIDATED SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS
For the Year Ended December 31, 2023

| | Unrestricted Surplus | Restricted Reserves | Equity in Tangible Capital Assets | 2023 | 2022 |
|---|-------------------------|------------------------|--------------------------------------|-----------------------|----------------|
| BALANCE, BEGINNING OF YEAR | \$ 13,442,797 | \$ 50,396,538 | \$ 251,775,670 | \$ 315,615,005 | \$ 315,387,664 |
| Excess of revenue over expenses | 12,035,456 | - | - | 12,035,456 | 227,341 |
| Unrestricted funds designated for future use | (9,081,943) | 9,081,943 | - | - | - |
| Restricted funds used for operations | 1,330,624 | (1,330,624) | - | - | - |
| Restricted funds used for tangible capital assets | - | (282,035) | 282,035 | - | - |
| Current year funds used for tangible capital assets | (14,370,957) | - | 14,370,957 | - | - |
| Disposal of tangible capital assets | 799,445 | - | (799,445) | - | - |
| Annual amortization expense | 9,692,872 | - | (9,692,872) | - | - |
| Change in accumulated surplus | 405,497 | 7,469,284 | 4,160,675 | 12,035,456 | 227,341 |
| BALANCE, END OF YEAR | \$ 13,848,294 | \$ 57,865,822 | \$ 255,936,345 | \$ 327,650,461 | \$ 315,615,005 |



MUNICIPAL DISTRICT OF WAINWRIGHT NO. 61
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

For the Year Ended December 31, 2023

| | Land | Land Improvements | Buildings | Engineered Structures | Machinery & Equipment | Vehicles | 2023 | 2022 |
|--|------------------|----------------------|------------------|--------------------------|--------------------------|------------------|-----------------------|----------------|
| COST | | | | | | | | |
| BALANCE, BEGINNING OF YEAR | \$ 3,294,747 | \$ 1,923,664 | \$ 3,359,612 | \$ 531,123,010 | \$ 19,745,180 | \$ 6,676,131 | \$ 566,122,344 | \$ 558,793,261 |
| Acquisition of tangible capital assets | - | 140,397 | - | 11,086,223 | 1,920,808 | 828,882 | 13,976,310 | 9,093,963 |
| Construction-in-progress | - | - | - | 676,682 | - | - | 676,682 | 462,870 |
| Disposal of tangible capital assets | - | - | - | (2,231,428) | (1,447,820) | (131,628) | (3,810,876) | (2,227,750) |
| BALANCE, END OF YEAR | 3,294,747 | 2,064,061 | 3,359,612 | 540,654,487 | 20,218,168 | 7,373,385 | 576,964,460 | 566,122,344 |
| ACCUMULATED AMORTIZATION | | | | | | | | |
| BALANCE, BEGINNING OF YEAR | - | 1,033,642 | 1,455,245 | 300,495,603 | 7,713,148 | 3,649,036 | 314,346,674 | 299,507,628 |
| Annual amortization | - | 84,059 | 67,192 | 7,387,263 | 1,740,380 | 413,978 | 9,692,872 | 16,625,684 |
| Accumulated amortization on disposals | - | - | - | (2,148,073) | (740,942) | (122,416) | (3,011,431) | (1,786,638) |
| BALANCE, END OF YEAR | - | 1,117,701 | 1,522,437 | 305,734,793 | 8,712,586 | 3,940,598 | 321,028,115 | 314,346,674 |
| TOTAL NET BOOK VALUE | 3,294,747 | 946,360 | 1,837,175 | 234,919,694 | 11,505,582 | 3,432,787 | 255,936,345 | 251,775,670 |
| 2022 NET BOOK VALUE | \$ 3,294,747 | \$ 890,022 | \$ 1,904,367 | \$ 230,627,407 | \$ 12,032,032 | \$ 3,027,095 | \$ 251,775,670 | |

The accompanying notes are an integral part of these financial statements



MUNICIPAL DISTRICT OF WAINWRIGHT NO. 61
CONSOLIDATED SCHEDULE OF PROPERTY TAXES
For the Year Ended December 31, 2023

| | Budget | 2023 | 2022 |
|--|----------------------|-----------------------------|----------------------|
| TAXATION | | | |
| Real property taxes | \$ 10,229,169 | \$ 10,233,889 | \$ 9,938,629 |
| Linear property taxes | 19,600,191 | 19,600,191 | 19,326,915 |
| Government grants in place of property taxes | 5,527,738 | 5,527,738 | 2,889,668 |
| | <u>35,357,098</u> | <u>35,361,818</u> | <u>32,155,212</u> |
| REQUISITIONS AND TRANSFERS | | | |
| Alberta School Foundation Fund | 5,867,172 | 5,867,583 | 5,577,812 |
| East Central Alberta Catholic Separate Schools | 183,071 | 183,055 | 182,894 |
| Battle River Foundation | 353,768 | 353,768 | 298,527 |
| Designated Industrial Properties | 86,507 | 85,507 | 78,408 |
| East Central 911 | 22,335 | 22,335 | 22,395 |
| Rural fire | 493,657 | 475,595 | 442,106 |
| Rural recreation | 658,705 | 658,705 | 670,196 |
| | <u>7,665,215</u> | <u>7,646,548</u> | <u>7,272,338</u> |
| NET MUNICIPAL TAXES | <u>\$ 27,691,883</u> | <u>\$ 27,715,270</u> | <u>\$ 24,882,874</u> |



The accompanying notes are an integral part of these financial statements

MUNICIPAL DISTRICT OF WAINWRIGHT NO. 61
CONSOLIDATED SCHEDULE OF GOVERNMENT TRANSFERS
For the Year Ended December 31, 2023

| | Budget | 2023 | 2022 |
|-----------------------------------|---------------------|---------------------|---------------------|
| TRANSFERS FOR OPERATING | | | |
| Provincial government | \$ 526,735 | \$ 521,284 | \$ 358,821 |
| Federal government | 9,464 | 80,006 | 290,352 |
| | <u>536,199</u> | <u>601,290</u> | <u>649,173</u> |
| TRANSFERS FOR CAPITAL | | | |
| Provincial government | 1,467,093 | 1,467,093 | 1,190,294 |
| Federal government | 666,132 | 665,844 | 21,148 |
| | <u>2,133,225</u> | <u>2,132,937</u> | <u>1,211,442</u> |
| TOTAL GOVERNMENT TRANSFERS | <u>\$ 2,669,424</u> | <u>\$ 2,734,227</u> | <u>\$ 1,860,615</u> |

The accompanying notes are an integral part of these financial statements



MUNICIPAL DISTRICT OF WAINWRIGHT NO. 61
CONSOLIDATED SCHEDULE OF EXPENSES BY OBJECT
For the Year Ended December 31, 2023

| | Budget | 2023 | 2022 |
|---|----------------------|----------------------|----------------------|
| CONSOLIDATED EXPENSES BY OBJECT | | | |
| Salaries, wages and benefits | \$ 6,869,387 | 7,037,564 | \$ 6,346,703 |
| Contracted and general services | 6,997,235 | 5,555,724 | 5,020,102 |
| Materials, goods and utilities | 5,072,991 | 3,958,303 | 4,083,400 |
| Provision for allowances | 3,095,991 | 1,305,534 | 297,488 |
| Transfers to local boards and agencies | 840,234 | 855,899 | 695,932 |
| Bank charges and short-term interest | 1,500 | 1,181 | 1,183 |
| Amortization of tangible capital assets | 16,642,045 | 9,692,872 | 16,625,684 |
| Loss on disposal of tangible capital assets | - | 2,439 | 67,689 |
| | \$ 39,519,383 | \$ 28,409,516 | \$ 33,138,181 |



The accompanying notes are an integral part of these financial statements

MUNICIPAL DISTRICT OF WAINWRIGHT NO. 61
CONSOLIDATED SCHEDULE OF SEGMENTED DISCLOSURE

For the Year Ended December 31, 2023

| | General Government | Protective Services | Transportation Services | Planning & Development | Recreation & Culture | Environmental Services | Other | 2023 Total |
|---|-----------------------|------------------------|----------------------------|---------------------------|-------------------------|---------------------------|--------------------|--------------------|
| REVENUE | | | | | | | | |
| Net municipal taxes | 27,715,270 | - | - | - | - | - | - | 27,715,270 |
| Operating government transfers | 45,006 | 146,615 | 35,000 | - | 141,160 | - | 233,509 | 601,290 |
| User fees and sales of goods | 220,258 | 12,445 | 506,828 | 28,949 | 443,443 | 68,461 | 5,369 | 1,285,753 |
| Investment income | 2,413,330 | - | - | - | - | - | - | 2,413,330 |
| Penalties on taxes and utilities | 618,135 | - | - | - | - | - | - | 618,135 |
| Other revenue | 4,660 | 678,394 | 4,980,246 | - | - | - | 14,957 | 5,678,257 |
| | 31,016,659 | 837,454 | 5,522,074 | 28,949 | 584,603 | 68,461 | 253,835 | 38,312,035 |
| EXPENSES | | | | | | | | |
| Contracted and general services | 727,041 | 624,531 | 3,430,569 | 59,022 | 92,045 | 424,471 | 198,045 | 5,555,724 |
| Salaries, wages and benefits | 1,446,492 | 241,568 | 4,508,825 | 102,239 | 190,832 | 41,134 | 506,474 | 7,037,564 |
| Materials, goods and utilities | 121,145 | 9,923 | 3,232,565 | 946 | 205,605 | 35,094 | 353,025 | 3,958,303 |
| Transfers to local boards and agencies | 340,370 | - | - | - | 371,100 | - | 144,429 | 855,899 |
| Other expenses | 1,306,715 | - | 4 | - | - | 2,435 | - | 1,309,154 |
| | 3,941,763 | 876,022 | 11,171,963 | 162,207 | 859,582 | 503,134 | 1,201,973 | 18,716,644 |
| NET REVENUE (EXPENSE), BEFORE AMORTIZATION AND OTHER | 27,074,896 | (38,568) | (5,649,889) | (133,258) | (274,979) | (434,673) | (948,138) | 19,595,391 |
| Capital government transfers | - | - | 1,426,313 | - | - | 706,624 | - | 2,132,937 |
| Amortization expense | (32,777) | (185,060) | (9,186,805) | - | (110,337) | (119,245) | (58,648) | (9,692,872) |
| NET REVENUE (EXPENSE) | 27,042,119 | (223,628) | (13,410,381) | (133,258) | (385,316) | 152,706 | (1,006,786) | 12,035,456 |

The accompanying notes are an integral part of these financial statements



MUNICIPAL DISTRICT OF WAINWRIGHT NO. 61
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Municipal District of Wainwright No. 61 (the Municipality) are the representations of management prepared in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Significant aspects of the accounting policies adopted by the Municipality are as follows:

a) Reporting Entity

The consolidated financial statements reflect the assets, liabilities, revenue and expenditures, changes in fund balances and change in financial position of the reporting entity.

The schedule of property taxes 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

c) Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles 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 measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from these estimates.

d) Investments

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



1. SIGNIFICANT ACCOUNTING POLICIES - continued

e) 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.

f) Tax Revenue

Tax revenues are recognized when the tax has been authorized by bylaw and the taxable event has occurred. Requisitions operate as a flow through and are excluded from municipal revenue.

g) Asset Retirement and Reclamation Liabilities

A liability for an asset retirement obligation or reclamation liability is recognized at the best estimate of the amount required to retire a tangible capital asset or reclaim mining activity at the financial statement date when there is a legal obligation for the Municipality to incur retirement costs, the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to asset retirement or reclamation activities, based on information available at year-end. The best estimate of an asset retirement obligation or reclamation liability incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation or reclamation liability are expected to occur over extended future periods.

When a liability for an asset retirement obligation or reclamation liability is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related tangible capital asset or inventory. The asset retirement cost is amortized over the useful life of the related asset. Asset retirement obligations and reclamation liabilities which are incurred incrementally with use of the asset or inventory are recognized in the period incurred with a corresponding asset retirement or reclamation cost expensed in the period.

At each financial reporting date, the Municipality reviews the carrying amount of the liability. The Municipality recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset. The Municipality continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.



h) Revenue Recognition

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) 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.

j) Non-Financial Assets

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



MUNICIPAL DISTRICT OF WAINWRIGHT NO. 61
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES - continued

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. The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over the estimated useful life as follows:

| | <u>Years</u> |
|-------------------------|--------------|
| Land improvements | 10-45 |
| Buildings | 25-50 |
| Engineered structures | |
| Water systems | 30-75 |
| Wastewater systems | 30-75 |
| Roadway systems | 10-75 |
| Machinery and equipment | 5-20 |
| Vehicles | 10-20 |

One-half of the annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

After this year's budget, the estimated useful life for some road bases and surfaces were adjusted to better reflect their actual useful life.

ii. Contributions of Tangible Capital Assets

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

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. Inventories

Inventories held for consumption or resale are recorded at the lower of cost and net realizable value.

k) Financial Instruments

The Municipality initially measures all its financial assets and liabilities at fair value.

The Municipality subsequently measures all its financial assets and liabilities at amortized cost.

Financial assets measured at amortized cost include receivables.

Financial liabilities measured at amortized cost include bank indebtedness, accounts payable and accrued liabilities.



MUNICIPAL DISTRICT OF WAINWRIGHT NO. 61
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES - continued

k) Financial Instruments - continued

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in the excess of revenue over expenses. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of reversal is recognized in the excess of revenue over expenses.

2. CASH AND TEMPORARY INVESTMENTS

| | 2023 | 2022 |
|------|-------------------|------------|
| Cash | 35,789,945 | 16,042,452 |

Cash includes cash on hand and balances with financial institutions.

Included in cash and temporary investments is \$33,002,043 (2022 - \$13,184,808) of funds internally restricted in use.

3. TAXES AND GRANTS IN LIEU OF TAXES RECEIVABLES

| | 2023 | 2022 |
|---|--------------------|-------------|
| Current taxes and grants in lieu of taxes | 1,393,629 | 1,397,785 |
| Arrears taxes and grants in lieu of taxes | 3,298,288 | 4,285,402 |
| | 4,691,917 | 5,683,187 |
| Less: Allowance for doubtful accounts | (2,556,522) | (2,239,428) |
| | 2,135,395 | 3,443,759 |

4. TRADE AND OTHER RECEIVABLES

| | 2023 | 2022 |
|--------------------------------|------------------|---------|
| Due from federal government | 277,760 | 96,755 |
| Due from provincial government | 1,651,785 | 354,036 |
| Due from local government | 15,565 | 46,228 |
| All other receivables | 135,880 | 38,394 |
| | 2,080,990 | 535,413 |

5. INVENTORY FOR RESALE

| | 2023 | 2022 |
|---------------------|--------------|------|
| Bundles of firewood | 3,251 | 442 |



MUNICIPAL DISTRICT OF WAINWRIGHT NO. 61
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

6. INVESTMENTS

| | 2023 Cost | 2023 Market Value | 2022 Cost | 2022 Market Value |
|--|-------------------|-------------------|------------|-------------------|
| Short-term | | | | |
| ATB Guaranteed Investment Certificates | 5,000,000 | 5,000,000 | 12,500,000 | 12,500,000 |
| Long-term | | | | |
| ATB Guaranteed Investment Certificates | 20,000,000 | 20,000,000 | 25,000,000 | 25,000,000 |
| Equity in Cornerstone Co-operative | 8,802 | 8,802 | 8,500 | 8,500 |
| Equity in Irma Co-op Association Ltd. | 5,000 | 5,000 | 5,000 | 5,000 |
| Vision Credit Union common shares | 22 | 22 | 22 | 22 |
| Total long-term investments | 20,013,824 | 20,013,824 | 25,013,522 | 25,013,522 |
| Total investments | 25,013,824 | 25,013,824 | 37,513,522 | 37,513,522 |

Investments mature at various dates between November 29, 2024 and November 29, 2027 and have an average effective annual yield of 5.39% (2022 - 5.38%).

Included in investments is \$25,000,000 (2022 - \$37,500,000) of funds internally restricted in use.

7. DEFERRED REVENUE

| | 2023 | 2022 |
|--|---------------|---------|
| Alberta Community Partnership | 9,713 | 15,168 |
| Alberta Municipal Wastewater Partnership Program | - | 155,626 |
| Subdivision Road Construction and Oiling | 12,000 | 12,000 |
| Education Requisition Over-Levy | 289 | - |
| | 22,002 | 182,794 |

Alberta Community Partnership

Funding in the amount of \$50,000 was received in 2021 from the Alberta Community Partnership to deliver a regional service emergency management plan in conjunction with the Villages of Chauvin, Edgerton and Irma and the Town of Wainwright. \$40,287 (2022 - \$34,832) has been spent up to December 31, 2023. The project is to be completed in 2024.

Alberta Municipal Wastewater Partnership Program

This project was substantially completed in 2023 with all remaining grant revenue recognized in 2023.

Subdivision Road Construction and Oiling

This funding has been collected for the future construction and oiling of roads within rural subdivisions. The road construction and oiling will take place once residences are first built in each subdivision.

Education Requisition Over-Levy

Due to residential and non-residential assessment changes subsequent to the release of the 2023 tax notices, the 2023 total over-levy of education taxes was \$289 and will be adjusted for during the calculation of the 2024 education mill rates.



MUNICIPAL DISTRICT OF WAINWRIGHT NO. 61
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

8. EMPLOYEE BENEFIT OBLIGATIONS

| | 2023 | 2022 |
|-----------|----------------|-------------|
| Vacation | 102,572 | 130,897 |
| Sick time | 486,349 | 441,050 |
| | 588,921 | 571,947 |

The vacation liability is comprised of the vacation that employees have earned and are deferring to the following year, in accordance with Municipal District of Wainwright No. 61 Policy 1.1.8. The sick time liability is a grant to eligible employees for accumulated sick time upon leaving employment, in accordance with Municipal District of Wainwright No. 61 Policy 1.1.7.

9. RECLAMATION LIABILITIES

The Municipality is responsible for reclamation costs, under the Alberta Environmental Protection and Enhancement Act, RSA 2000, c.E-12, related to gravel pits it mines within and outside of Municipal boundaries. These costs are accrued over the life of the pit and recognized as the gravel is utilized.

Significant estimates and assumptions were made to determine the total amount of the reclamation liability, including, but not limited to, gravel remaining to be crushed, gravel utilization, size of disturbed area and overburden volume. Third party engineering estimates were used for a number of these estimates.

| | 2023 | 2022 |
|--------------------------------|------------------|-------------|
| Balance, beginning of year | - | - |
| Liabilities incurred | 2,173,710 | - |
| Liabilities settled | - | - |
| Change in estimated cash flows | - | - |
| Accretion expense | 199,796 | - |
| Estimated total liability | 2,373,506 | - |

10. TRUST FUNDS

A summary of trust fund activities by the Municipality is as follows:

| | 2023 | | | 2022 |
|------------------------|------------------|------------------|----------------|----------------|
| | Increases | Decreases | Balance | Balance |
| Tax sale surplus trust | - | - | 329 | 329 |
| Reserve trust | 8,866 | 123 | 113,890 | 105,147 |
| | 8,866 | 123 | 114,219 | 105,476 |



MUNICIPAL DISTRICT OF WAINWRIGHT NO. 61
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2023

11. INVENTORY FOR CONSUMPTION

| | 2023 | 2022 |
|-------------------------------|-------------------|------------------|
| Blades, bits and ripper teeth | 117,610 | 141,925 |
| Culverts and couplers | 205,912 | 138,122 |
| Gravel and sand | 11,013,419 | 8,002,417 |
| Fence posts and wire | 51,968 | 74,017 |
| Tires | 32,932 | 32,932 |
| | 11,421,841 | 8,389,413 |

12. BANK INDEBTEDNESS

The Municipality has arranged \$15,000,000 in bank credit facilities bearing interest at prime rate plus 1.00%. The effective rate at year end 2023 was 8.20% (2022 - 7.45%). The credit facilities are secured by the taxes levied by the Municipality and Borrowing Bylaw No. 1690. The credit facilities were not used during 2023 or 2022.

13. EQUITY IN TANGIBLE CAPITAL ASSETS

| | 2023 | 2022 |
|--|--------------------|--------------------|
| Tangible capital assets (<i>Schedule 2</i>) | 576,964,460 | 566,122,344 |
| Accumulated amortization (<i>Schedule 2</i>) | (321,028,115) | (314,346,674) |
| | 255,936,345 | 251,775,670 |

14. ACCUMULATED SURPLUS

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

| | 2023 | 2022 |
|--|--------------------|--------------------|
| Unrestricted surplus | 13,848,294 | 13,442,797 |
| Restricted surplus (<i>Note 14</i>) | 57,865,822 | 50,396,538 |
| Equity in tangible capital assets (<i>Note 12</i>) | 255,936,345 | 251,775,670 |
| | 327,650,461 | 315,615,005 |



MUNICIPAL DISTRICT OF WAINWRIGHT NO. 61
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2023

15. RESTRICTED SURPLUS

Restricted surplus activities changed as follows:

| | 2023 | | | 2022 |
|----------------------------|------------------|------------------|-------------------|-------------------|
| | Increases | Decreases | Balance | Balance |
| General | - | - | 998,438 | 998,438 |
| Fire – Edgerton | 185,958 | 81,933 | 529,359 | 425,334 |
| Fire – Irma | 230,037 | 109,771 | 491,136 | 370,870 |
| Fire – Chauvin | 151,069 | 101,135 | 345,572 | 295,638 |
| Fire – Wainwright | 1,151,383 | 994,742 | 450,602 | 293,961 |
| Transportation | 7,000,000 | - | 51,172,718 | 44,172,718 |
| Water well | - | - | 192,678 | 192,678 |
| Wastewater | - | - | 2,000,000 | 2,000,000 |
| Recreation | 363,496 | 325,078 | 372,816 | 334,398 |
| Debt reduction | - | - | 1,000,000 | 1,000,000 |
| Agricultural Service Board | - | - | 207,599 | 207,599 |
| Development | - | - | 104,904 | 104,904 |
| | 9,081,943 | 1,612,659 | 57,865,822 | 50,396,538 |

16. DEBT LIMITS

Section 276(2) of the Municipal Government Act requires that debt and debt limits as defined by Alberta Regulation 255/00 for the Municipality be disclosed as follows:

| | 2023 | 2022 |
|---------------------------------------|-------------------|------------|
| Total debt limit | 49,997,684 | 42,079,494 |
| Total debt | - | - |
| Amount of debt limit unused | 49,997,684 | 42,079,494 |
| Debt servicing limit | 8,332,947 | 7,013,249 |
| Debt servicing | - | - |
| Amount of debt servicing limit unused | 8,332,947 | 7,013,249 |

The debt limit is calculated at 1.5 times revenue of the Municipality (as defined in Alberta Regulation 255/00) and the debt service limit is calculated as 0.25 times such revenue. Incurring debt beyond these limitations requires approval by the Minister of Municipal Affairs. These thresholds are guidelines used by Alberta Municipal Affairs to identify municipalities that could be at financial risk if further debt is acquired. The calculation taken alone does not represent the financial stability of the municipality. Rather, the financial statements must be interpreted as a whole.



MUNICIPAL DISTRICT OF WAINWRIGHT NO. 61
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2023

17. LOCAL AUTHORITIES PENSION PLAN

Employees of the Municipality participate in the Local Authorities Pension Plan (LAPP), which is one of the plans covered by the 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 Municipality 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 Municipality are required to make current service contributions of 7.45% (2022 – 7.45%) of pensionable salary up to the year's maximum pensionable earnings and 11.23% (2022 – 11.80%) on pensionable earnings above this amount.

Total current service contributions by the Municipality to the LAPP in 2023 were \$306,840 (2022 - \$278,079). Total current service contributions by the employees of the Municipality to the LAPP in 2023 were \$274,167 (2022 - \$248,685).

At December 31, 2022, the LAPP disclosed an actuarial surplus of \$12.67 billion.

For further information of the amount of LAPP surplus see: www.lapp.ca/page/annual-reports

18. SALARY AND BENEFITS DISCLOSURE

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

| | 2023 | | | 2022 |
|-------------------------|-----------------------------------|---------------------------------------|---------|---------|
| | Salary ¹ / Contract | Benefits & Allowances ² | Total | Total |
| Reeve | | | | |
| Bob Barss | 82,137 | 12,786 | 94,923 | 98,669 |
| Councillors | | | | |
| Oscar Buck | 53,972 | 10,768 | 64,740 | 67,447 |
| Bruce Cummins | 52,671 | 5,878 | 58,549 | 60,947 |
| William Lawson | 50,954 | 10,465 | 61,419 | 65,768 |
| Robin Leighton | 55,415 | 10,996 | 66,411 | 65,730 |
| Richard Waddell | 45,841 | 9,802 | 55,643 | 54,826 |
| Michael Wildeboer | 47,731 | 9,985 | 57,716 | 57,636 |
| Municipal Administrator | | | | |
| Kelly Buchinski | 234,078 | 32,666 | 266,744 | 255,858 |
| Designated Officers (3) | 367,200 | 42,279 ³ | 409,479 | 388,704 |

¹ Salary includes regular pay, gross honoraria, and any other direct cash remuneration.

² 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, and long-term disability plans.

³ An automobile is provided and a taxable benefit has been included in the benefits and allowances figure.



MUNICIPAL DISTRICT OF WAINWRIGHT NO. 61
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

19. SEGMENTED DISCLOSURE

The Municipality provides a range of services to its ratepayers. For each reported segment, revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in *Note 1*.

20. CONTINGENCIES

The Municipality is a member of the Genesis Reciprocal Insurance Exchange. Under the terms of the membership, the Municipality 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.

21. COMMITMENTS

As at December 31, 2023 the Municipality has committed funds on various operating and capital projects in progress and capital assets. The funds committed by contract and the estimated costs to complete those projects are as follows:

| | Funds Committed | Estimated Cost to Complete |
|--|----------------------------|---|
| Operating | | |
| Federation of Canadian Municipalities Oil Sands Tour Sponsorship | 5,000 | 5,000 |
| SE 13-46-4 W4M Gravel Pit Erosion Control & Activities Plan | 23,843 | 13,602 |
| Wainwright Airport Extension Feasibility Study (50% Sh | 19,384 | 13,516 |
| Arm Lake & Riverdale Mini-Park Security Systems | 6,881 | 6,881 |
| | 55,108 | 38,999 |
| Infrastructure | | |
| Riverdale Mini-Park Multi-Use Recreation Court | 69,540 | 40,940 |
| | 69,540 | 40,940 |
| Equipment & Vehicles | | |
| Protective Services - Rapid Response Unit | 100,000 | 100,000 |
| Protective Services - Command Unit SUV (50% Share) | 43,000 | 43,000 |
| Transportation Services - 627K Scrapers (2) | 3,650,000 | 3,650,000 |
| Transportation Services - 772GP Grader | 659,000 | 659,000 |
| Transportation Services - 3500 HD Trucks (2) | 173,490 | 173,490 |
| Transportation Services - HV608 SBA | 429,530 | 429,530 |
| | 5,055,020 | 5,055,020 |
| | 5,179,668 | 5,134,959 |



MUNICIPAL DISTRICT OF WAINWRIGHT NO. 61
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2023

22. FINANCIAL INSTRUMENTS

The Municipality's financial instruments consist of cash and temporary investments, accounts receivable, investments, bank indebtedness, and accounts payable and accrued liabilities. It is management's opinion that the Municipality is not exposed to significant interest or currency risks arising from these financial instruments.

The Municipality is subject to credit risk with respect to the 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 Municipality provides services may experience financial difficulty and be unable to fulfill their obligations. The large number and diversity of taxpayers and customers minimizes the credit risk.

Unless otherwise noted, the carrying value of the financial instrument approximates fair value.

23. COMPARATIVE FIGURES

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

24. APPROVAL OF FINANCIAL STATEMENTS

Council and Management have approved these financial statements.

