

**TOWN OF WEMBLEY**  
**Consolidated Financial Statements**  
**December 31, 2022**



**TOWN OF WEMBLEY**  
**Index to Consolidated Financial Statements**  
**Year Ended December 31, 2022**

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## INDEPENDENT AUDITORS' REPORT

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To the Mayor and Members of Council of the Town of Wembley

### *Opinion*

We have audited the consolidated financial statements of the Town of Wembley (the Town), which comprise the consolidated statement of financial position as at December 31, 2022, and the consolidated statements of financial activities and accumulated surplus, changes in net financial assets and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Town as at December 31, 2022, and the results of its operations, change in net financial assets and cash flow 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 *Independent Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Town in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated 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 Town'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 cease operations, or has no realistic alternative but to do so.

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

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*Independent Auditors' Responsibilities for the Audit of the Consolidated Financial Statements*

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 consolidated financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town'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 Town'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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Town to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Fletcher Moody & LLP*

Grande Prairie, Alberta  
April 24, 2023

Chartered Professional Accountants



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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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Management of the Town of Wembley 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 Town's financial position as at December 31, 2022 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 judgments. Such amounts have been determined on a reasonable basis in order to ensure that 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 Town Council carries out its responsibilities for review of the consolidated 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 Town Council has approved the consolidated financial statements.

The consolidated financial statements have been audited by Fletcher Mudryk LLP, independent external auditors appointed by the Town. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the Town's consolidated financial statements.

Grande Prairie, Alberta



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**Noreen Zhang**  
**Chief Administrative Officer**  
**Town of Wembley**

**TOWN OF WEMBLEY**  
**Consolidated Statement of Financial Position**  
**December 31, 2022**

	<b>2022</b>	<b>2021</b>
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents <i>(Note 2)</i>	\$ 4,158,199	\$ 3,836,560
Taxes and grants in lieu of taxes receivable <i>(Note 3)</i>	216,531	316,275
Trade and other receivables <i>(Note 4)</i>	1,006,718	1,692,397
Due from County of Grande Prairie No. 1	199,773	125,114
Land held for resale	-	20,000
Investments <i>(Note 5)</i>	735,590	694,516
	<b>6,316,811</b>	<b>6,684,862</b>
<b>FINANCIAL LIABILITIES</b>		
Accounts payable and accrued liabilities <i>(Note 7)</i>	2,701,570	2,587,589
Deferred revenue <i>(Note 8)</i>	633,140	1,162,956
Deferred sales and user charges	19,605	31,549
Provision for landfill closure and post-closure costs <i>(Note 9)</i>	18,737	21,120
Long-term debt <i>(Note 10)</i>	650,743	772,191
	<b>4,023,795</b>	<b>4,575,405</b>
<b>NET FINANCIAL ASSETS</b>	<b>2,293,016</b>	<b>2,109,457</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets <i>(Note 12)</i>	34,904,024	34,697,678
	<b>34,904,024</b>	<b>34,697,678</b>
<b>NET ASSETS</b>	<b>\$ 37,197,040</b>	<b>\$ 36,807,135</b>
<b>CONTINGENT LIABILITIES</b> <i>(Note 19)</i>		
<b>ACCUMULATED SURPLUS</b> <i>(Schedule 1, Note 14)</i>	<b>\$ 37,197,040</b>	<b>\$ 36,807,135</b>

**ON BEHALF OF TOWN COUNCIL**

\_\_\_\_\_ *[Signature]* Councillor  
 \_\_\_\_\_ *[Signature]* Councillor

*Please see accompanying notes to financial statements*



**TOWN OF WEMBLEY**  
**Consolidated Statement of Financial Activities and Accumulated Surplus**  
**Year Ended December 31, 2022**

	<i>Budget</i> 2022 <i>(Unaudited)</i>	2022	2021
<b>REVENUE</b>			
Net municipal property taxes <i>(Schedule 2)</i>	\$ 1,963,229	\$ 1,958,311	\$ 1,940,042
User fees and sales of goods	418,298	477,611	454,537
Franchise and concession contracts	259,138	263,083	217,516
Government transfers for operating <i>(Schedule 3)</i>	190,974	167,432	197,407
Penalties and costs of taxes	70,000	81,789	43,336
Fines, rentals, licences and permits	37,219	35,573	32,951
Interest and investment income	48,758	86,127	25,558
	<u>2,987,616</u>	<u>3,069,926</u>	<u>2,911,347</u>
<b>EXPENDITURES</b>			
Council and other legislative services	107,075	107,419	109,106
Administrative services	721,147	679,191	599,754
Protective services	548,407	570,919	598,536
Transportation services	1,414,104	1,204,374	898,701
Water and wastewater services	373,904	377,502	385,000
Garbage collection and disposal services	368,195	225,298	180,718
Family and community support services	96,025	114,297	107,764
Planning and development services	43,500	30,767	28,866
Recreation and cultural services	274,221	230,116	210,309
	<u>3,946,578</u>	<u>3,539,883</u>	<u>3,118,754</u>
<b>DEFICIENCY OF REVENUE OVER EXPENDITURES BEFORE THE FOLLOWING</b>	<u>(958,962)</u>	<u>(469,957)</u>	<u>(207,407)</u>
<b>OTHER ITEMS</b>			
Gain on disposal of tangible capital assets	-	18,469	18,660
Impairment loss - land held for resale	-	(3,604)	(29,189)
Government transfers for capital <i>(Schedule 3)</i>	782,797	803,923	367,066
Share of subsidiary income - Aquatera Utilities Inc.	-	41,074	60,536
	<u>782,797</u>	<u>859,862</u>	<u>417,073</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	<u>(176,165)</u>	<u>389,905</u>	<u>209,666</u>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<u>36,807,135</u>	<u>36,807,135</u>	<u>36,597,469</u>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<u>\$ 29,026,643</u>	<u>\$ 37,197,040</u>	<u>\$ 36,807,135</u>

*Please see accompanying notes to financial statements*



**TOWN OF WEMBLEY**  
**Consolidated Statement of Changes in Net Financial Assets**  
**Year Ended December 31, 2022**

	<i>Budget 2022 (Unaudited)</i>	<b>2022</b>	2021
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	\$ (176,165)	\$ <b>389,905</b>	\$ 209,666
Acquisition of tangible capital assets	(1,249,796)	<b>(1,115,080)</b>	(572,140)
Proceeds on disposal of tangible capital assets	-	<b>173,502</b>	225,332
Amortization of tangible capital assets	754,404	<b>753,701</b>	750,798
Gain on disposal of tangible capital assets	-	<b>(18,469)</b>	(18,660)
	<u>(495,392)</u>	<u><b>(206,346)</b></u>	<u>385,330</u>
Use of prepaid assets	-	-	52,961
<b>INCREASE (DECREASE) IN NET FINANCIAL ASSETS</b>	(671,557)	<b>183,559</b>	647,957
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>	<u>2,109,457</u>	<u><b>2,109,457</b></u>	<u>1,461,500</u>
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	<u>\$ 1,437,900</u>	<u>\$ <b>2,293,016</b></u>	<u>\$ 2,109,457</u>

*Please see accompanying notes to financial statements*





**TOWN OF WEMBLEY**  
**Consolidated Statement of Cash Flow**  
**Year Ended December 31, 2022**

	2022	2021
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenditures	\$ 389,905	\$ 209,666
Items not affecting cash:		
Amortization of tangible capital assets	753,701	750,798
Gain on disposal of tangible capital assets	(18,469)	(18,660)
Provision for landfill closure and post-closure	(2,383)	(33,283)
	<u>1,122,754</u>	<u>908,521</u>
Changes in non-cash working capital:		
Taxes and grants in lieu of taxes receivable	99,744	(69,669)
Trade and other receivables	685,679	(1,492,258)
Due from County of Grande Prairie No. 1	(74,659)	(26,966)
Land held for resale	20,000	27,973
Accounts payable and accrued liabilities	113,981	2,411,425
Deferred revenue	(529,816)	(684,606)
Deferred sales and user charges	(11,944)	(79,738)
Prepaid expenses	-	52,400
	<u>302,985</u>	<u>138,561</u>
Cash from (used by) operating activities	<u>1,425,739</u>	<u>1,047,082</u>
<b>CAPITAL ACTIVITIES</b>		
Acquisition of tangible capital assets	(1,115,080)	(572,140)
Proceeds on disposal of tangible capital assets	173,502	225,332
Investment in Aquatera Utilities Inc.	(41,074)	(60,536)
Cash used by capital activities	<u>(982,652)</u>	<u>(407,344)</u>
<b>FINANCING ACTIVITIES</b>		
Repayment of County of Grande Prairie No. 1 loan	(80,000)	(80,000)
Repayment of long-term debt	(41,448)	(40,410)
Cash used by financing activities	<u>(121,448)</u>	<u>(120,410)</u>
<b>INCREASE IN CASH</b>	<b>321,639</b>	<b>519,328</b>
<b>CASH - BEGINNING OF YEAR</b>	<b><u>3,836,560</u></b>	<b><u>3,317,232</u></b>
<b>CASH - END OF YEAR</b>	<b><u>\$ 4,158,199</u></b>	<b><u>\$ 3,836,560</u></b>

*Please see accompanying notes to financial statements*



**TOWN OF WEMBLEY**

**Consolidated Changes in Accumulated Surplus**

*(Schedule 1)*

**Year Ended December 31, 2022**

	Unrestricted Surplus (Deficit)	Restricted Surplus (Deficit)	Equity in Aquatera Utilities Inc.	Equity in Tangible Capital Assets	<b>2022</b>	2021
<b>BALANCE, BEGINNING OF YEAR</b>	<b>\$ -</b>	<b>\$ 2,188,190</b>	<b>\$ 693,458</b>	<b>\$ 33,925,487</b>	<b>\$ 36,807,135</b>	<b>\$ 36,597,469</b>
Excess of revenue over expenditures	389,905	-	-	-	<b>389,905</b>	209,666
Unrestricted funds designated for future use	(89,130)	89,130	-	-	-	-
Restricted funds used for operations	61,668	(61,668)	-	-	-	-
Restricted funds used for tangible capital assets	-	(6,425)	-	6,425	-	-
Current year funds used for tangible capital assets	(304,732)	-	-	304,732	-	-
Accrued share of subsidiary income	(41,074)	-	41,074	-	-	-
Government transfers for tangible capital assets	(803,923)	-	-	803,923	-	-
Disposal of tangible capital assets	173,502	-	-	(173,502)	-	-
Gain (loss) on disposal of tangible capital assets	(18,469)	-	-	18,469	-	-
Amortization of tangible capital assets	753,701	-	-	(753,701)	-	-
Long-term debt used to purchase capital assets	(121,448)	-	-	121,448	-	-
Change in accumulated surplus	-	21,037	41,074	327,794	<b>389,905</b>	209,666
<b>BALANCE, END OF YEAR</b>	<b>\$ -</b>	<b>\$ 2,209,227</b>	<b>\$ 734,532</b>	<b>\$ 34,253,281</b>	<b>\$ 37,197,040</b>	<b>\$ 36,807,135</b>

*Please see accompanying notes to financial statements*



**TOWN OF WEMBLEY**  
**Consolidated Property and Other Taxes**  
**Year Ended December 31, 2022**

*(Schedule 2)*

	<i>Budget</i> 2022 <i>(Unaudited)</i>	<b>2022</b>	2021
<b>Taxation</b>			
Real property taxes	\$ 2,499,590	\$ <b>2,425,695</b>	\$ 2,405,699
Linear property taxes	-	<b>75,287</b>	72,425
	<u>2,499,590</u>	<u><b>2,500,982</b></u>	<u>2,478,124</u>
<b>Deduct: requisitions</b>			
Alberta School Foundation Fund	527,405	<b>533,715</b>	529,471
Senior Foundation	8,956	<b>8,956</b>	8,611
	<u>536,361</u>	<u><b>542,671</b></u>	<u>538,082</u>
<b>Net municipal property taxes</b>	<u>\$ 1,963,229</u>	<u>\$ <b>1,958,311</b></u>	<u>\$ 1,940,042</u>

*Please see accompanying notes to financial statements*



**TOWN OF WEMBLEY**  
**Consolidated Government Transfers**  
**Year Ended December 31, 2022**

*(Schedule 3)*

	<i>Budget</i> 2022 <i>(Unaudited)</i>	<b>2022</b>	2021
<b>Government transfers for operating</b>			
Provincial government	\$ 80,854	\$ 84,437	\$ 137,990
Other local governments	110,120	<b>82,995</b>	59,417
	<u>190,974</u>	<b>167,432</b>	<u>197,407</u>
<b>Government transfers for capital</b>			
Provincial government	<u>782,797</u>	<b>803,923</b>	<u>367,066</u>
	<u>\$ 973,771</u>	<b>\$ 971,355</b>	<u>\$ 564,473</u>

*Please see accompanying notes to financial statements*



**TOWN OF WEMBLEY**  
**Consolidated Expenditures by Object**  
**Year Ended December 31, 2022**

*(Schedule 4)*

	<i>Budget</i> 2022 <i>(Unaudited)</i>	<b>2022</b>	2021
<b>EXPENDITURES</b>			
Salaries, wages and benefits	\$ 1,436,077	\$ <b>1,350,390</b>	\$ 1,055,624
Contracted and general services	1,196,620	<b>950,632</b>	844,329
Materials, goods, supplies and utilities	467,737	<b>397,720</b>	378,784
Transfers to individuals and organizations	49,287	<b>48,147</b>	46,294
Purchases from other governments	20,335	<b>19,762</b>	19,180
Interest on long-term debt	18,118	<b>15,819</b>	16,857
Bank charges and short-term interest	4,000	<b>3,712</b>	6,888
Amortization of tangible capital assets	754,404	<b>753,701</b>	780,798
	<b>\$ 3,946,578</b>	<b>\$ 3,539,883</b>	<b>\$ 3,148,754</b>

*Please see accompanying notes to financial statements*



**TOWN OF WEMBLEY**  
**Consolidated Schedule of Segment Disclosure**  
**Year Ended December 31, 2022**

*(Schedule 5)*

	General Government	Protective Services	Transportation Services	Planning and Development	Community Development	Recreation and Culture	<b>Total</b>
<b>REVENUE</b>							
Net municipal property taxes	\$ 1,958,311	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,958,311
User fees and sales of goods	245,270	192,048	4,003	-	3,425	32,865	477,611
Franchise and concession contracts	263,083	-	-	-	-	-	263,083
Government transfers for operating	34,434	-	-	-	96,479	36,519	167,432
Penalties and cost of taxes	81,789	-	-	-	-	-	81,789
Fines, rentals, licences and permits	9,482	14,332	-	-	11,759	-	35,573
Interest and other investment income	86,127	-	-	-	-	-	86,127
	<u>2,678,496</u>	<u>206,380</u>	<u>4,003</u>	<u>-</u>	<u>111,663</u>	<u>69,384</u>	<u>3,069,926</u>
<b>EXPENDITURES</b>							
Salaries, wages and benefits	449,392	213,303	562,604	-	46,256	78,835	1,350,390
Contracted and general services	420,791	222,574	233,976	13,420	10,930	48,941	950,632
Materials, goods, supplies and utilities	100,122	33,867	175,506	17,347	57,111	13,767	397,720
Transfers to individuals and organizations	-	14,287	-	-	-	33,860	48,147
Purchases from other governments	19,762	-	-	-	-	-	19,762
Interest on long-term debt	-	15,819	-	-	-	-	15,819
Bank charges and short-term interest	3,712	-	-	-	-	-	3,712
Amortization of tangible capital assets	395,631	71,069	232,288	-	-	54,713	753,701
	<u>1,389,410</u>	<u>570,919</u>	<u>1,204,374</u>	<u>30,767</u>	<u>114,297</u>	<u>230,116</u>	<u>3,539,883</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	<u>\$ 1,289,086</u>	<u>\$ (364,539)</u>	<u>\$ (1,200,371)</u>	<u>\$ (30,767)</u>	<u>\$ (2,634)</u>	<u>\$ (160,732)</u>	<u>\$ (469,957)</u>

*Please see accompanying notes to financial statements*



**TOWN OF WEMBLEY**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2022**

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1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The consolidated financial statements of the Town of Wembley are the representations of management prepared in accordance with local government accounting standards established by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Significant aspects of the accounting policies adopted by the Town are as follows:

Reporting entity

The consolidated financial statements reflect the assets, liabilities, revenues and expenditures, changes in net financial assets and changes in financial position of the reporting entity. This entity is comprised of the municipal operations plus all of the organizations that are owned or controlled by the Town and are, therefore, accountable to the Town for the administration of their financial affairs and resources. Included in the Town's consolidated financial statements is the Town's 15% share of the financial activities of the West Grande Prairie County Solid Waste Management Authority.

The Town's investment in Aquatera Utilities Inc. is accounted for on a modified equity basis, consistent with the Canadian Public Sector Accounting Standards for government business enterprises. Under the modified equity basis, the business enterprise is not consolidated, its accounting policies are not adjusted to conform with those of the Town and inter-organizational transactions and balances are not eliminated.

The schedule of taxes levied includes operating requisitions for education and senior foundations that are not part of the Town's reporting entity.

Interdepartmental and organizational transactions and balances have been eliminated.

Basis of accounting

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

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

Cash and cash equivalents

Cash and cash equivalents consist of cash on deposit.

Government transfers

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. Revenue is recognized in the period when the related expenses are incurred, services performed or the tangible capital assets are acquired.

Land held for resale

Land held for resale is recorded at the lower of cost and net realizable value. The balance includes properties acquired through tax recovery which are recorded equal to the tax owing at the time of municipal acquisition.

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**TOWN OF WEMBLEY**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2022**

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

Investments

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

Tangible capital assets

Tangible capital 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.

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 of the tangible capital assets are amortized on a straight-line basis over the estimated useful life as follows:

Land improvements	15 - 25 years
Buildings	25 - 50 years
Engineered structures	10 - 75 years
Equipment	3 - 20 years
Motor vehicles	10 - 20 years

In the year of acquisition, amortization is applied at half of normal rates. Assets under construction are not amortized until the asset is available for productive use.

The Town regularly reviews its tangible capital assets for sold or scrapped assets, at which time the cost and the related accumulated amortization are removed from the accounts and any resulting gain or loss on disposal is reflected in income. No amortization is recorded in the year of disposition.

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

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.

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.

Long-term debt

Long-term debt is initially recognized net of any premiums, discounts, fees and transactions costs, with interest expense recognized using the effective interest method. Long-term debt is subsequently measured at amortized cost.

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**TOWN OF WEMBLEY**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2022**

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

Equity in tangible capital assets

Equity in tangible capital assets represents the Town's net investment in tangible capital assets, after deducting the portion financed by third parties through debenture, bond and mortgage debts, long-term capital borrowing, capital lease or other capital liabilities.

Employee future benefits

Selected employees of the Town are members of the Local Authority Pension Plan (LAPP), a multi-employer defined benefit pension plan. The President of the Alberta Treasury Board and the Minister of Finance are the legal trustees and administrators of the Plan, which is governed by a Board of Trustees. Since the plan is a multi-employer plan, it is accounted for as a defined contribution plan and, accordingly, the Town does not recognize its share of any plan surplus or deficit.

Contaminated sites liability

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material 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 when a site is not in productive use and is management's estimate of the cost of post-remediation including operation, maintenance and monitoring. At this time, no contaminated sites liabilities have been identified and, thus, no liability has been recorded.

Landfill closure and post-closure liability

Pursuant to the Alberta Environment Protection and Enhancement Act, the Town is required to fund its proportionate share of the closure of its landfill site and provide for post-closure care of the facility. Closure and post-closure activities include the final clay cover and landscaping, as well as surface and ground water monitoring, leachate control and visual inspection. The requirement is being provided for over the estimated remaining life of the landfill site based on usage.

Reserves for future expenditures

Reserves are established at the discretion of Council to set aside funds for future expenditures and capital projects.

Budget

The budget amounts are presented for information purposes and have not been audited. The Town's 15% share of the West Grande Prairie County Solid Waste Management Authority's budget has been consolidated.

*(continues)*



**TOWN OF WEMBLEY**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2022**

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

Measurement uncertainty

The preparation of consolidated financial statements in conformity with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the period. Significant estimates used in the preparation of the consolidated financial statements includes the provision for amortization of tangible capital assets. Where measurement uncertainty exists, the consolidated financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

Future accounting standard pronouncements

The following Canadian Public Sector Accounting Standards have been updated, but are not yet effective for the Town. The Town is currently evaluating the effect of adopting each standard.

PS 3280 Asset Retirement Obligations (effective January 1, 2023)

This standard provides guidance on how to account for and report liabilities for retirement of tangible capital assets.

PS 3400 Revenue (effective January 1, 2023)

This standard provides guidance on how to account for and report on revenue and, specifically, it addresses revenue arising from exchange transactions and unilateral transactions.

Management is currently assessing the impact of these standards on the audited consolidated financial statements.

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2. CASH AND CASH EQUIVALENTS

	2022	2021
Cash on hand and in banks	\$ 522,761	\$ 283,105
Savings accounts	3,230,503	3,157,135
West Grande Prairie County Solid Waste Management Authority temporary investments	404,935	396,320
	\$ 4,158,199	\$ 3,836,560

Savings accounts bear interest at 4.55% per annum.

Included in cash are restricted amounts aggregating \$633,140 (2021 - \$1,162,956) to be used for specific capital and other projects as disclosed in Note 8 and \$18,737 (2021 - \$21,120) to be used for the West Grande Prairie County Solid Waste Management Authority landfill closure and post-closure liabilities as disclosed in Note 9.

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**TOWN OF WEMBLEY**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2022**

3. TAXES AND GRANTS IN LIEU OF TAXES RECEIVABLE

	2022	2021
Current taxes and grants in lieu	\$ 145,333	\$ 208,734
Tax arrears	71,198	107,541
	<b>\$ 216,531</b>	<b>\$ 316,275</b>

4. TRADE AND OTHER RECEIVABLES

	2022	2021
Grants receivable	\$ 727,614	\$ 1,485,945
Trade and other receivables	164,751	111,985
GST receivable	91,067	72,814
Receivable from other governments	23,286	21,653
	<b>\$ 1,006,718</b>	<b>\$ 1,692,397</b>

5. INVESTMENTS

	2022	2021
Aquatera Utilities Inc. - 0.40% ownership		
555 Class B common shares (2021 - 555 shares)	\$ 6	\$ 6
125 Class C common shares (2021 - 64 shares)	1	1
555 Class E preferred shares (2021 - 555 shares)	554,473	554,473
125 Class I preferred shares (2021 - 64 shares)	165,888	124,814
Cumulative share of net earnings	93,917	165,389
Cumulative share of dividends received/receivable	(79,753)	(151,225)
	<b>734,532</b>	<b>693,458</b>
Alberta Capital Finance Authority shares	10	10
United Farmers of Alberta patronage reserves	876	876
Alberta Association of Municipal Districts and Counties patronage reserves	172	172
	<b>\$ 735,590</b>	<b>\$ 694,516</b>

6. BANK INDEBTEDNESS

The ATB Financial credit facility encompasses a revolving demand loan to a maximum of \$550,000. The loan bears interest at the bank prime rate plus 1.00% and is secured by a general security agreement. At December 31, 2022, all of the revolving demand loan was unused.



**TOWN OF WEMBLEY**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2022**

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2022	2021
Trade payables	\$ 318,264	\$ 253,412
Capital project payables	2,383,306	2,334,177
	\$ 2,701,570	\$ 2,587,589

8. DEFERRED REVENUE

	2022	2021
Municipal Sustainability Initiative grant	\$ 471,094	\$ 697,585
Canada Community Building Fund	137,916	412,806
Federation of Canadian Municipalities grant	24,130	45,065
Family Community and Support Services funding	-	7,500
	\$ 633,140	\$ 1,162,956

Unexpended funds for specific projects are restricted as disclosed in Note 2. 633,140

9. LANDFILL CLOSURE AND POST-CLOSURE LIABILITY

Alberta environmental law requires closure and post-closure care of landfill sites, which includes final covering and landscaping, pumping of ground water and leachates from the site, and ongoing environmental monitoring, site inspections and maintenance. A liability has been recorded based on the Town's 15% share of ownership of West Grande Prairie County Solid Waste Management Authority.

The estimated liability is based on the sum of the discounted future cash flows for closure and post-closure activities for 25 years after closure using a discount rate of 4.90% and assuming annual inflation of 3.0%.

The accrued liability portion is based on the cumulative capacity used at year end compared to the estimated total landfill capacity. The total capacity of the site is estimated at 1,143,000 cubic meters. The estimated remaining capacity of the landfill site is 907,296 (2021 - 1,106,023) cubic meters. The existing landfill site is expected to reach capacity in approximately 95 years.

The Town has implemented a restricted cash fund which is not less than the closure and post-closure liability and is adjusted annually to ensure the fund is sufficient to settle closure and post-closure liabilities as disclosed in Note 2.

The following summarizes the estimated costs of closure and post-closure care:

Estimated closure costs	\$ 58,611
Estimated post-closure costs	32,257
Estimated post-closure costs	90,868
Amount accrued to December 31, 2022	(18,737)
Balance of estimated costs to accrue	\$ 72,131



**TOWN OF WEMBLEY**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2022**

10. LONG-TERM DEBT

	2022	2021
County of Grande Prairie No. 1 is non-interest bearing, secured by a general security agreement and is repayable in annual payments of \$61,999.	\$ 61,999	\$ 141,999
Alberta Capital Finance Authority bears interest at 2.55%, is secured by a general security agreement and is repayable in blended semi-annual payments of \$57,267.	<u>588,744</u>	<u>630,192</u>
	<b>650,743</b>	772,191
Amounts payable within one year	<u>(104,511)</u>	<u>(121,448)</u>
	<b>\$ 546,232</b>	<b>\$ 650,743</b>
Principal repayment terms are approximately:		
2023	\$ 104,511	
2024	43,604	
2025	44,724	
2026	45,827	
2027	47,051	
Thereafter	<u>365,026</u>	
	<b>\$ 650,743</b>	

11. DEBT LIMIT

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

	2022	2021
Total debt limit	\$ 4,604,889	\$ 4,367,021
Loan payable to County of Grande Prairie No. 1	(61,999)	(141,999)
Loan payable to Alberta Capital Finance Authority	<u>(588,744)</u>	<u>(630,192)</u>
Amount of debt limit unused	<b>\$ 3,954,146</b>	<b>\$ 3,594,830</b>
Debt servicing limit	\$ 767,482	\$ 727,837
Debt servicing - loan payable to County of Grande Prairie No. 1	(61,999)	(80,000)
Debt servicing - loan payable to Alberta Capital Finance Authority	<u>(42,512)</u>	<u>(41,448)</u>
Amount of debt servicing limit unused	<b>\$ 662,971</b>	<b>\$ 606,389</b>

*(continues)*



**TOWN OF WEMBLEY**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2022**

11. DEBT LIMIT *(continued)*

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

12. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Land	\$ 2,404,317	\$ -	\$ 2,404,317	\$ 2,404,317
Land improvements	1,184,156	489,038	695,118	537,693
Buildings	884,604	470,545	414,059	425,275
Engineered structures	33,982,756	4,334,756	29,648,000	29,834,705
Equipment	2,099,375	1,116,264	983,111	586,596
Motor vehicles	1,402,216	642,797	759,419	792,360
Construction in progress	-	-	-	116,732
	<b>\$ 41,957,424</b>	<b>\$ 7,053,400</b>	<b>\$ 34,904,024</b>	<b>\$ 34,697,678</b>

13. EQUITY IN TANGIBLE CAPITAL ASSETS

	2022	2021
Tangible capital assets <i>(Note 12)</i>	\$ 41,957,424	\$ 41,056,874
Accumulated amortization <i>(Note 12)</i>	(7,053,400)	(6,359,196)
Long-term debt used to acquire tangible capital assets <i>(Note 10)</i>	(650,743)	(772,191)
	<b>\$ 34,253,281</b>	<b>\$ 33,925,487</b>

14. ACCUMULATED SURPLUS

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

	2022	2021
Unrestricted surplus (deficit)	\$ -	\$ -
Restricted surplus		
Operating reserves <i>(Note 15)</i>	1,174,111	1,221,665
Capital reserves <i>(Note 15)</i>	1,035,116	966,525
Equity in Aquatera Utilities Inc. <i>(Note 5)</i>	734,532	693,458
Equity in tangible capital assets <i>(Note 13)</i>	34,253,281	33,925,487
	<b>\$ 37,197,040</b>	<b>\$ 36,807,135</b>



**TOWN OF WEMBLEY**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2022**

15. RESERVES

Council has set aside funds as an internal allocation of accumulated surplus as follows:

	Balance Beginning	Additions	Reductions	Ending balance
Operating reserves:				
General administration	\$ 948,468	\$ -	\$ (61,668)	\$ 886,800
Fire department	72,705	-	(6,425)	66,280
Water and wastewater	75,000	-	-	75,000
West Grande Prairie County Solid Waste Management Authority	125,492	20,539	-	146,031
	<u>1,221,665</u>	<u>20,539</u>	<u>(68,093)</u>	<u>1,174,111</u>
Capital reserves:				
Roads	100,000	-	-	100,000
Subdivisions	426,814	-	-	426,814
Recreation and cultural services	7,924	-	-	7,924
Parks	48,939	-	-	48,939
West Grande Prairie County Solid Waste Management Authority	382,848	68,591	-	451,439
	<u>966,525</u>	<u>68,591</u>	<u>-</u>	<u>1,035,116</u>
	<u>\$ 2,188,190</u>	<u>\$ 89,130</u>	<u>\$ (68,093)</u>	<u>\$ 2,209,227</u>



**TOWN OF WEMBLEY**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2022**

16. 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 313/00 is as follows:

	Salary (1)	Benefits and Allowances (2)	<b>2022</b>	2021
<u>Mayor:</u>				
K. Peterson	\$ 24,700	\$ 431	<b>\$ 25,131</b>	\$ 16,800
<u>Councillors:</u>				
T. Johnson	5,700	52	<b>5,752</b>	5,750
S. McCallum	8,550	-	<b>8,550</b>	9,250
S. Baker	9,050	-	<b>9,050</b>	2,755
T. Skinner	11,100	169	<b>11,269</b>	3,595
A. Underwood	11,400	487	<b>11,887</b>	15,261
R. Ketchum	13,000	234	<b>13,234</b>	-
 Chief Administrative Officer				
Noreen Zhang	121,686	18,425	<b>140,111</b>	132,768
Designated officers (3)	242,985	22,079	<b>265,064</b>	176,017
	<b>\$ 448,171</b>	<b>\$ 41,877</b>	<b>\$ 490,048</b>	<b>\$ 362,196</b>

- (1) Salary includes regular base pay, bonuses, overtime, lump sum payments, gross honorarium and any other direct cash remuneration.
- (2) Benefits and allowances include the employer's shares 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, registered retirement savings plan contributions, professional memberships fees and tuition fee reimbursements.
- (3) Designated officers include the Chief of the Fire Department, Property Tax Assessor, and Bylaw Officers.

Benefits and allowances figures also include the employer's share of the costs of additional taxable benefits including special leave with pay, financial planning services, retirement planning services, concessionary loans, car allowances, and club memberships.





**TOWN OF WEMBLEY**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2022**

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17. GOVERNMENT PARTNERSHIPS

The consolidated financial statements include the accounts of the Town and its proportionate share of its government partnerships. The Town entered into a government partnership to provide landfill disposal services to the Town and surrounding area.

The Town has a 15% interest in the West Grande Prairie County Solid Waste Management Authority, which is accounted for using the proportionate consolidation method in accordance with Section 3060 of the Public Sector Accounting Handbook.

The following provides condensed supplementary information for the Town's proportionate share of the West Grande Prairie County Solid Waste Management Authority:

	<b>2022</b>	2021
Financial assets	\$ <b>627,994</b>	\$ 543,087
Tangible capital assets	<b>275,003</b>	292,487
	<b>\$ 902,997</b>	\$ 835,574
Financial liabilities	\$ <b>6,687</b>	\$ 8,525
Landfill closure and post-closure liability	<b>18,737</b>	21,120
Accumulated surplus	<b>877,573</b>	805,929
	<b>\$ 902,997</b>	\$ 835,574
Revenue	\$ <b>155,627</b>	\$ 127,837
Expenditures	<b>(83,982)</b>	(63,305)
Excess of revenue over expenditures	<b>\$ 71,645</b>	\$ 64,532

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**TOWN OF WEMBLEY**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2022**

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18. LOCAL AUTHORITIES PENSION PLAN

Employees of the Town of Wembley participate in the Local Authorities Pension Plan (LAPP), which is covered by the Alberta Public Sector Pension Plans Act. The Plan serves more than 275,000 people and over 420 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 Town of Wembley is required to make current service contributions to the Plan of 8.45% of pensionable earnings up to the year's maximum pensionable earnings under the Canadian Pension Plan and 12.80% on the excess.

Employees of the Town of Wembley are required to make current service contributions of 7.45% of pensionable payroll up to the year's maximum pensionable earnings under the Canada Pension Plan and 11.80% on the excess.

Total current service contributions by the Town of Wembley to the Local Authorities Pension Plan in 2022 were \$71,780 (2021 - \$76,391). Total current service contributions by the employees of the Town of Wembley to the Local Authorities Pension Plan in 2022 were \$63,992 (2021 - \$68,899).

At December 31, 2021, the Plan disclosed an actuarial surplus of \$11.92 billion (2020 - \$4.96 billion actuarial surplus).

Effective January 1, 2023, member contribution rates will be 8.45% of pensionable earnings up to the year's maximum pensionable earnings and 12.23% thereafter for employers and 7.45% of pensionable earnings up to the year's maximum pensionable earnings and 11.23% thereafter for employees.

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19. CONTINGENT LIABILITIES

The Town of Wembley is a member of the Alberta Municipal Insurance Exchange (MUNIX). Under the terms of the membership, the Town of Wembley could become liable for its proportionate share of any claim losses in excess of the funds held by the program. Any liability incurred would be accounted for as a current transaction in the year the losses are determined.

The Town of Wembley has agreed to guarantee a loan on behalf of the Wembley and District Agricultural Society in the amount of \$430,000 to assist in the Society's renovations to the Rec-Plex situated in Wembley. The terms of repayment are not to exceed 20 years with equal payments made at least annually at an interest rate not to exceed 10% per annum. Any loan principal and interest that may be required to be paid by the Town of Wembley is to be funded from reserves, surplus or general taxation.

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**TOWN OF WEMBLEY**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2022**

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20. FINANCIAL INSTRUMENTS

Credit Risk

Credit risk arises from the potential that a customer will fail to perform its obligations. The Town is exposed to credit risk from customers. In order to reduce its credit risk, the Town conducts regular reviews of its existing customers' credit performance. An allowance for doubtful accounts is established based on factors surrounding the credit risk of specific accounts, historical trends and other information.

The two most significant sources of revenue for the Town are property taxes and government transfers. The Town has a significant number of taxpayers which minimizes concentration of credit risk. No one taxpayer makes up a significant portion of such revenue. The majority of government transfers are received from the provincial and federal government agencies. Due to the nature of these payers, the Town is not exposed to significant credit risk on such transactions.

Fair Value

The Town's carrying values of cash and temporary investments, taxes and grants in lieu of taxes receivable, trade and other receivables, amounts due from the County of Grande Prairie No. 1, investments and accounts payable and accrued liabilities approximate their fair values due to the immediate or short-term maturity and the nature of these instruments.

Interest Rate

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 Town manages exposure through its normal operating and financing activities. The Town is exposed to interest rate risk primarily through its floating interest rate bank indebtedness, bank operating loan and credit facilities as disclosed in Note 6.

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**TOWN OF WEMBLEY**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2022**

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21. RECONCILIATION OF OPERATING RESULTS TO FINANCIAL RESULTS

Previous to 2011, the Town's financial statements were prepared based on a previous accounting standard which tracked all municipal activities including capital projects and reserves for future use. 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 consolidated statement of financial activities and accumulated surplus and users should note that this information may not be appropriate for their purposes.

	<b>2022</b>		<b>2021</b>
Excess of revenue over expenditures, per consolidated financial statements	<b>389,905</b>	\$	209,666
Add back:			
Amortization of tangible capital assets	<b>753,701</b>		750,798
Disposal of tangible capital assets	<b>155,033</b>		206,672
Deduct:			
Increase in equity in Aquatera Utilities Inc.	<b>(41,074)</b>		(60,536)
Net transfers to operating reserves	<b>(27,462)</b>		(465,159)
Repayment of long-term debt used to purchase capital assets	<b>(121,448)</b>		(120,410)
Current year funds used for tangible capital assets	<b>(304,732)</b>		(153,965)
Government transfers for capital	<b>(803,923)</b>		(367,066)
Results of operations - previous method	<b>\$ -</b>	\$	<b>-</b>

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**TOWN OF WEMBLEY**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2022**

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22. SEGMENTED DISCLOSURE

The Town of Wembley is a diversified municipal government that provides a wide range of services to its citizens. The schedule of Segmented Disclosure (Schedule 5) has been prepared in accordance with PS 2700 Segmented Disclosures and is intended to help users of the consolidated financial statements identify the resources allocated to support major activities of the Town and allow users to make more informed judgments regarding the government reporting entity.

Segmented information has been identified based on functional activities provided by the Town. For each reported segment, revenues and expenses represent amounts that are directly attributable to the segments and amounts that are allocated on a reasonable basis. The functional areas that have been separately disclosed in the segmented information, along with services they provide are as follows:

General Government

General Government is comprised of Council, Town Manager, Corporate Communications, Information Technology, Financial Services, Assessment and Taxation, Procurement, Human Resources, Legislative Services, Insurance and Risk Management, Organizational Efficiency and other corporate functions that provide for the overall operation of the Town.

Protective Services

Protective Services is comprised of Fire, Police, Emergency Management, Bylaw Enforcement, Business Licenses, Animal Control and Building Inspections.

Transportation Services

Transportation Services is comprised of Engineering Services, Roads, Signs, Grass and Fuel.

Planning and Development

Planning and Development is comprised of Economic Development, Municipal Planning and Land Development.

Community Development

Community Development is comprised of Family and Community Support Services, Cemetery and other community supports.

Recreation and Culture

Recreation and Culture is comprised of Parks Operations, Arenas, Training and Schools, Hall and other activities related to providing recreational and cultural opportunities in the Town.

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