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# **CONSOLIDATED FINANCIAL STATEMENTS**

**Year Ended December 31, 2023**

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## TABLE OF CONTENTS

Consolidated Financial Statements

Year ended December 31, 2023

	<b>Page</b>
<b>Management's Responsibility for Financial Reporting</b>	2
<b>Independent Auditor's Report</b>	3-4
<b>Statements</b>	
Consolidated Statement of Financial Position	5
Consolidated Statement of Operations and Accumulated Surplus	6
Consolidated Statement of Cash Flows	7
Consolidated Statement of Change in Net Financial Assets	8
<b>Schedules</b>	
Schedule 1 - Consolidated Schedule of Changes in Accumulated Surplus	9
Schedule 2 - Consolidated Schedule of Tangible Capital Assets	10
Schedule 3 - Consolidated Schedule of Property and Other Taxes	11
Schedule 4 - Consolidated Schedule of Government Transfers	12
Schedule 5 - Consolidated Schedule of Segmented Disclosures	13
<b>Notes to the Consolidated Financial Statements</b>	
1. Significant Accounting Policies	14
2. Cash and Temporary Investments	18
3. Taxes Receivable	18
4. Trade and Other Receivable	19
5. Land and Inventories for Resale	19
6. Investments	20
7. Accounts Payable	20
8. Deposit Liabilities	21
9. Deferred Revenue	21
10. Employee Benefit Obligations	22
11. Salary and Benefits Disclosure	23
12. Defined Contribution Plan	24
13. Registered Retirement Savings Plan	25
14. Asset Retirement Obligation	26
15. Liability for Contaminated Sites	27
16. Long Term Debt	28
17. Debt Limits	29
18. Accumulated Surplus	30
19. Offsites	31
20. Commitments	32
21. Contingent Liabilities	33
22. Contractual Obligations Under Operating Lease	33
23. Contractual Rights	33
24. Franchise Fees	34
25. Budget	34
26. Segmented Disclosures	35
27. Financial Instruments	36
28. Comparative Amounts	36
29. Approval of the Financial Statements	37

## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

Management of the City of Lloydminster 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 City of Lloydminster'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 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 City of Lloydminster council carries out its responsibilities for review of the consolidated financial statements principally through its council as a whole. Council meets annually with management and external auditors to discuss the results of audit examinations and financial reporting matters.

The external auditors have full access to council with and without the presence of management. The City of Lloydminster council has approved the consolidated financial statements.

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



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**Dion Pollard, BSPE, CLGM**  
City Manager

**April 29, 2024**



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**Denise MacDonald, BBA, CLGM**  
Chief Financial Officer

**April 29, 2024**

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## INDEPENDENT AUDITOR'S REPORT

**To the Mayor and Councillors of the City of Lloydminster**

### Opinion

We have audited the consolidated financial statements of the City of Lloydminster, which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statement of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies.

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

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of Financial Statements* section of our report. We are independent of the City of Lloydminster 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 Consolidated Financial Statements

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

Those charged with governance are responsible for overseeing the City of Lloydminster's financial reporting process.

## Auditor's Responsibility for the Audit of Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 skepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Lloydminster'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 City of Lloydminster's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the City of Lloydminster to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

April 29, 2024  
Lloydminster, Alberta



Chartered Professional Accountants

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2023

		2023	(restated) 2022
<b>Financial Assets</b>			
Cash and Temporary Investments	Note 2	\$ 78,315,217	\$ 100,092,388
Receivables			
Taxes and Grants in Place of Taxes	Note 3	3,972,283	3,168,547
Trade and Other Receivables	Note 4	16,224,845	16,078,646
Land and Inventory for Resale	Note 5	17,265,213	18,085,340
Investments	Note 6	18,147,342	7,270,916
<b>Total Financial Assets</b>		<b>\$ 133,924,900</b>	<b>\$ 144,695,837</b>
<b>Liabilities</b>			
Accounts Payable and Accrued Liabilities	Note 7	\$ 14,609,551	\$ 20,234,357
Deposit Liabilities	Note 8	938,910	945,261
Deferred Revenue	Note 9	8,136,341	8,777,822
Employee Benefit Obligations	Note 10	3,309,598	3,016,679
Asset Retirement Obligations	Note 14	4,658,230	4,077,619
Liability for Contaminated Sites	Note 15	269,587	269,587
Long-Term Debt	Note 16	55,893,041	54,750,062
<b>Total Liabilities</b>		<b>\$ 87,815,258</b>	<b>\$ 92,071,387</b>
<b>Net Financial Assets</b>		<b>\$ 46,109,642</b>	<b>\$ 52,624,450</b>
<b>Non-Financial Assets</b>			
Inventory for Consumption		\$ 1,147,651	\$ 1,120,624
Prepaid Expenses		435,582	407,860
Tangible Capital Assets	Schedule 2	572,952,031	549,059,750
<b>Total Non-Financial Assets</b>		<b>\$ 574,535,264</b>	<b>\$ 550,588,234</b>
<b>Accumulated Surplus</b>	Schedule 1	<b>\$ 620,644,906</b>	<b>\$ 603,212,684</b>
<i>Contingent Liabilities</i>	Note 21		
<i>Contractual Obligations</i>	Note 22		
<i>Contractual Rights</i>	Note 23		

Approved on Behalf of Council

Gerald Aalbers  
Mayor  
April 29, 2024



Jason Whiting  
Deputy Mayor  
April 29, 2024



## CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

Year Ended December 31, 2023

		(unaudited)		(restated)
		Budget	2023	2022
<b>Revenue</b>				
Net Municipal Taxes	Schedule 3	\$ 42,406,264	\$ 42,154,719	\$ 38,778,225
User Fees and Sale of Goods		34,324,295	38,638,502	32,546,324
Government Transfers for Operating	Schedule 4	4,733,696	5,132,178	4,528,580
Investment Income		2,004,000	5,496,877	2,481,285
Penalties and Costs of Taxes		757,900	815,750	796,720
Fine Revenue		577,400	620,382	539,905
Development Levies		-	173,444	256,894
Licenses and Permits		1,077,084	1,061,152	1,110,675
Franchise and Concession Contracts		7,159,324	6,673,851	7,091,729
Gain or (Loss) on Asset Disposal		-	42,107	809,371
Other Income		68,000	526,834	152,575
<b>Total Revenue</b>		<b>\$ 93,107,963</b>	<b>\$ 101,335,796</b>	<b>\$ 89,092,283</b>
<b>Expenditures</b>				
Council and Other Legislative Administration		\$ 1,288,952	\$ 1,189,465	\$ 1,168,081
Police		14,407,169	13,542,725	12,648,603
Fire		12,469,599	12,980,335	13,591,125
Disaster and Emergency Measures		4,297,443	4,692,797	4,235,353
Bylaw Enforcement		199,738	260,241	134,661
Road Services		1,569,146	1,682,314	1,069,329
Fleet Services		8,163,154	7,335,944	8,869,790
Airport		2,407,651	2,167,479	2,393,683
Storm Drainage		1,072,282	1,284,281	1,098,680
Water Supply and Distribution		468,973	593,577	202,159
Wastewater Treatment and Disposal		4,755,877	5,453,444	5,283,014
Waste Management		3,347,751	4,101,182	2,265,223
Family and Community Support		3,151,768	3,000,649	2,884,370
Cemetery and Crematoriums		1,193,228	1,461,548	1,148,766
Land Use Planning, Zoning, and Development		147,155	120,988	134,200
Economic Development		1,270,800	1,434,269	1,118,934
Subdivision Land and Development		945,036	532,564	474,872
Parks and Recreation		838,654	1,229,333	391,155
Cultural, Libraries, Museums, and Halls		14,127,830	14,194,563	13,364,674
Amortization		4,858,830	3,368,766	3,424,146
<b>Total Expenditures</b>		<b>\$ 102,787,998</b>	<b>\$ 102,363,430</b>	<b>\$ 97,426,826</b>
<b>Surplus (Deficit) of Revenues over Expenditures</b>		<b>\$ (9,680,035)</b>	<b>\$ (1,027,634)</b>	<b>\$ (8,334,543)</b>
<b>Other</b>				
Contributed Assets		\$ -	\$ 278,525	\$ 1,215,486
Government Transfers for Capital	Schedule 4	39,314,818	18,181,331	25,011,223
<b>Total Other</b>		<b>\$ 39,314,818</b>	<b>\$ 18,459,856</b>	<b>\$ 26,226,709</b>
<b>Surplus (Deficit) of Revenues over Expenditures</b>		<b>\$ 29,634,783</b>	<b>\$ 17,432,222</b>	<b>\$ 17,892,166</b>
Accumulated Surplus - Beginning of Year (restated)		\$ 603,212,684	\$ 603,212,684	\$ 585,320,518
<b>Accumulated Surplus - End of Year</b>		<b>\$ 632,847,467</b>	<b>\$ 620,644,906</b>	<b>\$ 603,212,684</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS

Year Ended December 31, 2023

	<b>2023</b>	<i>(restated)</i> <b>2022</b>
<b>Net Inflow (Outflow) of Cash Related to the Following Activities:</b>		
<b>Operating Activities</b>		
Surplus (Deficit) of Revenues over Expenditures	\$ 17,432,222	\$ 17,892,166
Non-cash Items		
Amortization of Tangible Capital Assets	21,736,966	21,526,008
Loss (Gain) on Disposal of Tangible Capital Assets	(42,107)	(809,371)
Contributed Tangible Capital Assets	(278,525)	(1,215,486)
Adjustment to Accumulated Surplus (Note 28)	-	156,731
Changes to Financial Assets		
Decrease (Increase) in Taxes and Grants in Place of Taxes Receivable	(803,736)	118,572
Decrease (Increase) in Trade and Other Receivables	(146,199)	10,238,908
Decrease (Increase) in Land and Inventory Held for Resale	820,127	96,469
Changes to Non-Financial Assets		
Decrease (Increase) in Inventory for Consumption	(27,029)	(340,284)
Decrease (Increase) in Prepaid Expenses	(27,722)	34,223
Changes to Liabilities		
Increase (Decrease) in Accounts Payable and Accrued Liabilities	(5,624,806)	4,845,911
Increase (Decrease) in Deposit Liabilities	(6,351)	(13,443)
Increase (Decrease) in Deferred Revenue	(641,481)	(587,090)
Increase (Decrease) in Employee Benefit Obligations	292,919	593,636
Increase (Decrease) in Asset Retirement Obligations	580,611	4,077,619
Increase (Decrease) in Provision for Landfill Closure	-	(1,778,366)
Increase (Decrease) in Liability for Contaminated Sites	-	(73,694)
<b>Total Cash Provided by Operating</b>	<b>\$ 33,264,889</b>	<b>\$ 54,762,509</b>
<b>Capital Activities</b>		
Acquisition of Tangible Capital Assets	\$ (45,618,474)	\$ (58,308,537)
Proceeds on Disposal of Tangible Capital Assets	309,861	2,184,379
Adjustment to Construction in Progress	-	614,362
Opening Balance Adjustment to Accumulated Amortization	-	1,778,366
<b>Total Cash Applied to Capital</b>	<b>\$ (45,308,613)</b>	<b>\$ (53,731,430)</b>
<b>Investing Activities</b>		
Decrease (Increase) in Restricted Cash or Cash Equivalents	\$ 2,457,418	\$ 1,244,914
Decrease (Increase) in Investments	(10,876,426)	338,374
<b>Total Cash (Applied To)/Provided by Investing</b>	<b>\$ (8,419,008)</b>	<b>\$ 1,583,288</b>
<b>Financing Activities</b>		
Long-Term Debt Repaid	\$ (2,857,021)	\$ (2,783,024)
Long-Term Debt Issued	4,000,000	24,000,000
<b>Total Cash Applied to Financing</b>	<b>\$ 1,142,979</b>	<b>\$ 21,216,976</b>
<b>Change in Cash and Cash Equivalents During the Year</b>	<b>\$ (19,319,753)</b>	<b>\$ 23,831,343</b>
<b>Cash and Cash Equivalents - Beginning of Year</b>	<b>\$ 94,963,571</b>	<b>\$ 71,132,228</b>
<b>Cash and Cash Equivalents - End of Year</b>	<b>\$ 75,643,818</b>	<b>\$ 94,963,571</b>
<b>Cash and Cash Equivalents - Comprised Of</b>		
Cash and Cash Equivalents	\$ 78,315,217	\$ 100,092,388
Less: Restricted Portion of Cash	Note 2 (2,671,399)	Note 2 (5,128,817)
	<b>\$ 75,643,818</b>	<b>\$ 94,963,571</b>



## CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

Year Ended December 31, 2023

	2023	(restated) 2022
<b>Surplus (Deficit) of Revenues over Expenditures</b>	\$ 17,432,222	\$ 17,892,166
<b>Changes Related to Tangible Capital Assets</b>		
Acquisition of Tangible Capital Assets	\$ (45,618,474)	\$ (58,308,537)
Contributed Tangible Capital Assets	(278,525)	(1,215,486)
Proceeds on Disposal of Tangible Capital Assets	309,861	2,184,379
Amortization of Tangible Capital Assets	21,736,966	21,526,008
Loss (Gain) on Disposal of Tangible Capital Assets	(42,107)	(809,371)
Adjustment to Construction in Progress Opening Balance	-	614,362
Adjustment to Accumulated Amortization	-	1,778,366
<b>Total Changes in Tangible Capital Assets</b>	<b>\$ (23,892,279)</b>	<b>\$ (34,230,279)</b>
<b>Change Related to Other Non-Financial Assets</b>		
Use (Acquisition) of Inventories	\$ (27,029)	\$ (340,284)
Use (Acquisition) of Prepaid Expenses	(27,722)	34,223
Adjustment to Accumulated Surplus (Note 28)	-	156,731
<b>Total Changes in Other Non-Financial Assets</b>	<b>\$ (54,751)</b>	<b>\$ (149,330)</b>
<b>Increase in Net Financial Assets</b>	<b>\$ (6,514,808)</b>	<b>\$ (16,487,443)</b>
<b>Net Financial Assets - Beginning of Year (restated)</b>	<b>\$ 52,624,450</b>	<b>\$ 69,111,893</b>
<b>Net Financial Assets - End of Year</b>	<b>\$ 46,109,642</b>	<b>\$ 52,624,450</b>

## CONSOLIDATED SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS

Year Ended December 31, 2023

Schedule 1

	Unrestricted Surplus	Restricted Reserves	Unrestricted Reserves	Equity in TCA	2023	(restated) 2022
<b>Balance - Beginning of Year (restated)</b>	\$ 43,602,536	\$ 12,292,981	\$ 57,085,098	\$ 490,232,069	\$ 603,212,684	\$ 585,320,518
Surplus (Deficit) of Revenues over Expenditures	17,432,222	-	-	-	17,432,222	17,892,166
Unrestricted Funds Designated for Future Use	(25,263,710)	552,690	24,711,020	-	-	-
Reserve Funds Used for Operations	3,312,980	(10,000)	(3,302,980)	-	-	-
Reserve Funds Used for Tangible Capital Assets	-	(492,146)	(18,929,292)	19,421,438	-	-
Current Year Funds Used for Tangible Capital Assets	(26,197,036)	-	-	26,197,036	-	-
Contributed Tangible Capital Assets	(278,525)	-	-	278,525	-	-
Disposal of Tangible Capital Assets	267,752	-	-	(267,752)	-	-
Annual Amortization Expense	21,736,966	-	-	(21,736,966)	-	-
Asset Retirement Obligations Recorded in Current Year	576,474	-	-	(576,474)	-	-
Asset Retirement Obligation Settled	(206,533)	-	-	206,533	-	-
Asset Retirement Obligation Accretion Expense	210,670	-	-	(210,670)	-	-
Long-Term Debt Repaid	(2,857,021)	-	-	2,857,021	-	-
Long-Term Debt Issued	4,000,000	-	-	(4,000,000)	-	-
<b>Balance - End of Year</b>	<b>\$ 36,336,775</b>	<b>\$ 12,343,525</b>	<b>\$ 59,563,846</b>	<b>\$ 512,400,760</b>	<b>\$ 620,644,906</b>	<b>\$ 603,212,684</b>

## SCHEDULE OF TANGIBLE CAPITAL ASSETS

Period Ended December 31, 2023

Schedule 2

								<i>(restated)</i>
	Land	Land Improvements	Buildings	Machinery & Equipment	Engineering Structures	Construction in Progress	Total 2023	Total 2022
<b>Cost</b>								
Balance - Beginning of Year <i>(restated)</i>	\$ 31,439,149	\$ 29,462,836	\$ 146,731,166	\$ 59,824,856	\$ 571,151,404	\$ 65,615,613	\$ 904,225,024	\$ 848,568,896
Additions	-	965,797	864,853	2,015,041	22,187,402	20,543,287	46,576,380	59,657,918
Transfers	-	385,656	3,032	18,838	61,557,432	(61,964,958)	-	-
Adjustments to Construction in Progress	-	-	-	-	-	(679,381)	(679,381)	(133,895)
Disposals	-	(196,929)	(1,258,937)	(13,267,024)	(3,675,400)	-	(18,398,290)	(3,867,895)
<b>Balance - End of Year</b>	<b>\$ 31,439,149</b>	<b>\$ 30,617,360</b>	<b>\$ 146,340,114</b>	<b>\$ 48,591,711</b>	<b>\$ 651,220,838</b>	<b>\$ 23,514,561</b>	<b>\$ 931,723,733</b>	<b>\$ 904,225,024</b>
<b>Accumulated Amortization</b>								
Balance - Beginning of Year <i>(restated)</i>	\$ -	\$ 11,044,005	\$ 50,216,411	\$ 42,682,236	\$ 251,222,622	\$ -	\$ 355,165,274	\$ 334,353,792
Amortization	-	1,890,239	3,703,963	2,726,459	13,416,305	-	21,736,966	21,526,008
Adjustment for ARO	-	-	-	-	-	-	-	1,778,366
Disposals	-	(196,929)	(1,208,429)	(13,049,783)	(3,675,397)	-	(18,130,538)	(2,492,892)
<b>Balance - End of Year</b>	<b>\$ -</b>	<b>\$ 12,737,315</b>	<b>\$ 52,711,945</b>	<b>\$ 32,358,912</b>	<b>\$ 260,963,530</b>	<b>\$ -</b>	<b>\$ 358,771,702</b>	<b>\$ 355,165,274</b>
<b>Net Book Value of Tangible Capital Assets</b>	<b>\$ 31,439,149</b>	<b>\$ 17,880,045</b>	<b>\$ 93,628,169</b>	<b>\$ 16,232,799</b>	<b>\$ 390,257,308</b>	<b>\$ 23,514,561</b>	<b>\$ 572,952,031</b>	<b>\$ 549,059,750</b>

## CONSOLIDATED SCHEDULE OF PROPERTY AND OTHER TAXES

Year Ended December 31, 2023

Schedule 3

	(unaudited)		
	Budget	2023	2022
<b>Taxation</b>			
Real Property Taxes			
Residential Land and Improvements	\$ 31,216,067	\$ 31,242,641	\$ 30,854,104
Non-Residential Land and Improvements	20,772,990	20,697,209	19,461,610
Machinery and Equipment	666,299	715,952	2,206,036
Farmland	11,589	11,576	34,040
Railway	-	-	239,900
Linear Property	1,135,585	1,144,015	1,019,610
Designated Industrial Property	2,622,258	2,399,775	15,469
<b>Total Real Property Taxes</b>	<b>\$ 56,424,788</b>	<b>\$ 56,211,168</b>	<b>\$ 53,830,769</b>
Government Grants in Place of Taxes			
Federal	\$ 16,134	\$ 16,134	\$ 13,534
Provincial - Alberta	33,283	16,642	12,635
Provincial - Saskatchewan	80,886	80,886	80,350
<b>Total Government Grants in Place of Taxes</b>	<b>\$ 130,303</b>	<b>\$ 113,662</b>	<b>\$ 106,519</b>
Local Improvement Taxes			
Local Improvement	\$ 28,730	\$ 28,730	\$ 28,730
<b>Total Local Improvement Taxes</b>	<b>\$ 28,730</b>	<b>\$ 28,730</b>	<b>\$ 28,730</b>
<b>Total Taxation</b>	<b>\$ 56,583,821</b>	<b>\$ 56,353,560</b>	<b>\$ 53,966,018</b>
<b>Requisitions</b>			
Education			
Lloydminster Public School Division	\$ 11,094,522	\$ 11,109,357	\$ 10,632,682
Lloydminster Roman Catholic Separate School Division	1,353,759	1,354,362	2,207,738
<b>Total Education</b>	<b>\$ 12,448,281</b>	<b>\$ 12,463,719</b>	<b>\$ 12,840,420</b>
Seamless			
Lloydminster Public School Division	\$ 1,018,185	\$ 1,029,599	\$ 1,386,790
Lloydminster Roman Catholic Separate School Division	692,107	682,753	904,522
<b>Total Seamless</b>	<b>\$ 1,710,292</b>	<b>\$ 1,712,352</b>	<b>\$ 2,291,312</b>
Other			
Designated Industrial Property	\$ 18,984	\$ 18,984	\$ -
Education Requisition - County of Vermilion River	-	3,786	56,061
<b>Total Other</b>	<b>\$ 18,984</b>	<b>\$ 22,770</b>	<b>\$ 56,061</b>
<b>Total Requisitions</b>	<b>\$ 14,177,557</b>	<b>\$ 14,198,841</b>	<b>\$ 15,187,793</b>
<b>Net Municipal Taxes</b>	<b>\$ 42,406,264</b>	<b>\$ 42,154,719</b>	<b>\$ 38,778,225</b>

## CONSOLIDATED SCHEDULE OF GOVERNMENT TRANSFERS

Year Ended December 31, 2023

Schedule 4

	<i>(unaudited)</i>		
	<b>Budget</b>	<b>2023</b>	<b>2022</b>
<b>Transfers for Operating Conditional Grants</b>			
Federal Government	\$ 108,000	\$ 293,879	\$ 185,113
Alberta Government	1,746,078	1,828,210	1,661,749
Saskatchewan Government	2,622,756	2,719,755	2,425,883
Local Government	35,149	33,122	33,122
Other	221,713	257,212	222,713
<b>Total Transfers for Operating Conditional Grants</b>	<b>\$ 4,733,696</b>	<b>\$ 5,132,178</b>	<b>\$ 4,528,580</b>
<b>Transfers for Capital Conditional Grants</b>			
Federal Government	\$ 15,642,202	\$ 7,415,129	\$ 12,583,794
Alberta Government	8,461,215	5,792,158	7,654,866
Saskatchewan Government	14,266,401	4,974,044	4,772,563
Other	945,000	-	-
<b>Total Transfers for Capital Conditional Grants</b>	<b>\$ 39,314,818</b>	<b>\$ 18,181,331</b>	<b>\$ 25,011,223</b>
<b>Total Government Transfers</b>	<b>\$ 44,048,514</b>	<b>\$ 23,313,509</b>	<b>\$ 29,539,803</b>

## CONSOLIDATED SCHEDULE OF SEGMENTED DISCLOSURES

Year Ended December 31, 2023

Schedule 5

								<i>(restated)</i>	
	General	Protective		Environmental	Social	Planning &	Recreation	Total	Total
	Government	Services	Transportation	Services	Services	Development	& Culture	2023	2022
<b>Revenue</b>									
Net Municipal Taxes	\$ 42,154,719	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 42,154,719	\$ 38,778,225
User Fees and Sale of Goods	40,904	632,137	1,035,051	27,300,654	295,543	2,558,800	6,775,413	38,638,502	32,546,324
Government Transfers for Operating	2,473,306	1,029,530	63,422	-	710,329	-	855,591	5,132,178	4,528,580
Investment Income	5,466,056	-	-	-	-	-	30,821	5,496,877	2,481,285
Penalties and Costs of Taxes	731,153	-	-	84,572	-	-	25	815,750	796,720
Fine Revenue	15,192	605,190	-	-	-	-	-	620,382	539,905
Development Levies	-	-	111,249	62,195	-	-	-	173,444	256,894
Licenses and Permits	504,518	38,806	79,746	-	27,125	410,957	-	1,061,152	1,110,675
Franchise & Concession Contracts	6,673,851	-	-	-	-	-	-	6,673,851	7,091,729
Gain or (Loss) on Asset Disposal	(14,085)	-	189,267	(99,932)	-	-	(33,143)	42,107	809,371
Other Income	191,966	170,161	38,060	20,319	1,899	1,023	103,406	526,834	152,575
<b>Total Revenue</b>	<b>\$ 58,237,580</b>	<b>\$ 2,475,824</b>	<b>\$ 1,516,795</b>	<b>\$ 27,367,808</b>	<b>\$ 1,034,896</b>	<b>\$ 2,970,780</b>	<b>\$ 7,732,113</b>	<b>\$ 101,335,796</b>	<b>\$ 89,092,283</b>
<b>Expenditures</b>									
Salaries, Wages and Benefits	\$ 10,905,583	\$ 7,735,141	\$ 3,386,163	\$ 4,070,151	\$ 428,229	\$ 1,108,019	\$ 10,317,356	\$ 37,950,642	\$ 36,095,936
Contracted and General Services	2,086,669	10,760,829	3,364,154	4,784,568	509,650	1,206,841	3,739,832	26,452,543	24,559,909
Cost of Sales	-	-	578,180	462	-	743,727	30,986	1,353,355	561,960
Materials and Goods	544,409	446,337	1,388,188	728,228	36,055	14,476	1,075,789	4,233,482	4,133,514
Transfer to Local Boards or Agencies	169,915	430,631	-	-	603,889	109,205	543,137	1,856,777	1,509,309
Utilities	549,481	117,405	1,949,194	2,186,015	4,519	6,102	1,761,711	6,574,427	6,250,611
Bank Charges	11,836	2,322	12,783	60,694	194	6,882	70,973	165,684	181,567
Interest on Long Term Debt	464,297	123,024	106,498	1,116,814	-	-	10,703	1,821,336	1,149,308
Accretion Expense	-	-	-	199,141	-	-	11,529	210,670	1,453,531
Bad Debts	-	-	2,543	2,780	-	914	1,311	7,548	5,173
Amortization	1,791,487	999,379	8,894,841	7,345,842	23,820	93,948	2,587,649	21,736,966	21,526,008
<b>Total Expenditures</b>	<b>\$ 16,523,677</b>	<b>\$ 20,615,068</b>	<b>\$ 19,682,544</b>	<b>\$ 20,494,695</b>	<b>\$ 1,606,356</b>	<b>\$ 3,290,114</b>	<b>\$ 20,150,976</b>	<b>\$ 102,363,430</b>	<b>\$ 97,426,826</b>
<b>Surplus/(Deficit)</b>	<b>\$ 41,713,903</b>	<b>\$ (18,139,244)</b>	<b>\$ (18,165,749)</b>	<b>\$ 6,873,113</b>	<b>\$ (571,460)</b>	<b>\$ (319,334)</b>	<b>\$ (12,418,863)</b>	<b>\$ (1,027,634)</b>	<b>\$ (8,334,543)</b>
<b>Other</b>									
Contributed Assets	\$ -	\$ -	\$ 108,299	\$ 170,226	\$ -	\$ -	\$ -	\$ 278,525	\$ 1,215,486
Government Transfers for Capital	-	-	3,805,231	7,229,639	-	-	7,146,461	18,181,331	25,011,223
<b>Total Other</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,913,530</b>	<b>\$ 7,399,865</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,146,461</b>	<b>\$ 18,459,856</b>	<b>\$ 26,226,709</b>
<b>Surplus/(Deficit)</b>	<b>\$ 41,713,903</b>	<b>\$ (18,139,244)</b>	<b>\$ (14,252,219)</b>	<b>\$ 14,272,978</b>	<b>\$ (571,460)</b>	<b>\$ (319,334)</b>	<b>\$ (5,272,402)</b>	<b>\$ 17,432,222</b>	<b>\$ 17,892,166</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2023

### 1. Significant Accounting Policies

The consolidated financial statements of the City of Lloydminster (the “City”) are the representations of management prepared in accordance with the Canadian public sector accounting standards (PSAS) as recommended by the Chartered Professional Accountants of Canada (CPA Canada). Significant aspects of the accounting policies adopted by the City are as follows:

#### a) Reporting Entity

The consolidated financial statements include the assets, liabilities, revenues, expenses, changes in accumulated surplus, change in net financial assets (debt) and cash flows of the reporting entity. This entity is comprised of the municipal operations plus all the organizations that are owned or controlled by the City and are, therefore, accountable to the City council for the administration of their financial affairs and resources. Included with the municipality are the following:

Lloydminster Public Library  
Lloydminster Family and Community Support Services

The schedule of taxes levied includes requisitions for education that are not part of the municipal reporting entity. Interdepartmental and organization transactions and balances are eliminated.

#### b) Basis of Accounting

The consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they are earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or legal obligation to pay, except for pension and retirement expenditures as disclosed in 1(i) and (j).

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

#### c) Use of Estimates

In accordance with Canadian generally accepted accounting principles, the preparation of financial statements 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 those estimates.

#### d) Government Transfers

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

## 1. Significant Accounting Policies (continued)

### e) External Contributions

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

### f) Tax Revenue

Property tax revenue is based on market value assessments determined in accordance with The Lloydminster Charter and tax rates established annually by City Council. Tax revenues are recognized when the tax has been authorized by bylaw and the taxable event has occurred. Assessments may change due to appeal or as a result of adjustments made by assessors to correct errors or omissions. Gains or losses on assessment changes or appeals are recorded as adjustments to tax revenue and tax receivables when a written decision is received from the authorized board, or a change is generated by authorized assessment staff.

### g) Requisition Over-Levy and Under-Levy

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

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

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

### h) Developers' Levies

Developers' levies, also known as offsite levies, are calculated using the rates established by bylaw at the time of the agreement execution. Offsite levy revenue from external developers is recognized as revenue in the period the levies are collectible, and the funds are transferred to the appropriate restricted offsite reserve. The funds are used disbursed/drawn upon in accordance with legislated requirements as the City constructs the related offsite infrastructure. See **Note 19** for details on the offsite reserves.

### i) Defined Contribution Plan

The City participates in a multi-employer defined contribution pension plan for certain employees. Under the plan, the City's obligations are limited to their contributions. These contributions are recorded as expenditures in the year in which they become due.

### j) Registered Retirement Savings Plan

The City participates in a registered retirement savings plan for certain employees. Under the plan, the City's obligations are limited to their contributions. These contributions are recorded as expenditures in the year in which they become due.

### k) Investments

Investments are recorded at cost. Investment income is recognized as revenue in the period earned. When required by government funding agreement, investment income earned on deferred revenue is allocated to the deferred revenue balance.



## 1. Significant Accounting Policies (continued)

### l) Land and Inventory Held for Resale

Land and Inventory held for resale is recorded at the lower of cost or net realizable value.

Land held for resale includes costs for land acquisition and improvements required to prepare the land for servicing such as clearing, stripping, and leveling charges. Related development costs incurred to provide infrastructure such as water services, wastewater services, roads and sidewalks are recorded as tangible capital assets under their respective function.

### m) Asset Retirement Obligations

A liability for an asset retirement obligation is recognized at the reasonable estimate of the amount required to retire a tangible capital asset at the financial statement date when there is a legal obligation for the City 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. A reasonable estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at year-end.

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

### n) 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.

## 1. Significant Accounting Policies (continued)

### o) Non-Financial Assets

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

#### 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 their estimated useful lives as follows:

Land Improvements	15-25 years
Buildings	20-50 years
Engineering Structures	
Road systems	10-40 years
Storm systems	45-75 years
Water systems	25-75 years
Wastewater systems	30-75 years
Machinery and Equipment	10-25 years
Leasehold Improvements	Term of Lease

Amortization is not charged in the year of acquisitions. Assets under construction are not amortized until the asset is available for productive use.

Works of art for display are not recorded as tangible capital assets.

#### ii) Contributions of Tangible Capital Assets

Tangible capital assets received as contributions are recorded at their 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 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) Inventory for Consumption

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

## 2. Cash and Temporary Investments

	2023	2022
Cash	\$18,081,234	\$29,568,173
Temporary Investments	\$60,233,983	70,524,215
	<u><b>\$78,315,217</b></u>	<u><b>\$100,092,388</b></u>

Cash consists of cash on hand and balances with banks and brokers available for operations. Temporary investments are short-term deposits with maturities of one year or less.

Included in temporary investments are restricted monies totalling \$2,671,399 (2022 - \$5,128,817). All restricted funds are received through government transfers to be used exclusively for operating and capital projects, amounts have been recorded through deferred revenue.

The City has been approved for a demand operating credit facility with a maximum borrowing limit of \$5,000,000 that bears interest at the prime rate minus 0.75% per annum. The balance drawn on the revolving loan at December 31, 2023 was \$0 (2022 - \$0). This credit facility is secured by a letter of guarantee.

## 3. Taxes Receivable

	2023	2022
<b>Municipal Taxes</b>		
Current Taxes and Grants in Place	\$2,322,031	\$1,836,096
Arrears Taxes Receivable	767,828	587,409
	<u><b>\$3,089,859</b></u>	<u><b>\$2,423,505</b></u>
<b>Education Taxes</b>		
Current Taxes and Grants in Place	\$500,427	\$480,164
(Over)/Under Levy	104,004	21,493
Arrears Taxes Receivable	165,687	126,642
	<u><b>\$770,118</b></u>	<u><b>\$628,299</b></u>
<b>Seamless Taxes</b>		
Current Taxes and Grants in Place	\$71,071	\$90,370
(Over)/Under Levy	9,605	2,305
Arrears Taxes Receivable	31,585	24,068
	<u><b>\$112,261</b></u>	<u><b>\$116,743</b></u>
<b>Designated Industrial Property</b>		
Current Taxes Receivable	\$45	-
Arrears Taxes Receivable	-	-
	<u><b>\$45</b></u>	<u><b>-</b></u>
<b>Taxes and Grants in Place of Taxes</b>	<u><b>\$3,972,283</b></u>	<u><b>\$3,168,547</b></u>

**4. Trade and Other Receivable**

	<i>(restated)</i>	
	<b>2023</b>	<b>2022</b>
<b>Trade Accounts Receivable</b>	\$2,195,740	\$1,919,192
Less: Allowance for Doubtful Accounts	(7,367)	(5,231)
	<u><b>\$2,188,373</b></u>	<u><b>\$1,913,961</b></u>
<b>Utility Receivable</b>	\$2,085,985	\$1,948,261
Less: Allowance for Doubtful Accounts	(1,789)	-
	<u><b>\$2,084,196</b></u>	<u><b>\$1,948,261</b></u>
<b>Other Receivables</b>		
Grant Funds Receivable	\$9,127,577	\$10,551,064
Accrued Interest Receivable	1,607,231	600,993
Sales Tax Receivable	1,012,205	914,367
Other Receivable	205,263	150,000
	<u><b>\$11,952,276</b></u>	<u><b>\$12,216,424</b></u>
<b>Trade and Other Receivable</b>	<u><b>\$16,224,845</b></u>	<u><b>\$16,078,646</b></u>

**5. Land and Inventories for Resale**

	<b>2023</b>	<b>2022</b>
<b>Residential Land</b>		
Land to be Developed	\$1,641,012	\$1,641,012
Available for Sale	2,071,901	2,328,121
	<u><b>\$3,712,913</b></u>	<u><b>\$3,969,133</b></u>
<b>Industrial Land</b>		
Land to Be Developed	\$62,418	\$62,418
Available for Sale	5,342,445	5,342,445
	<u><b>\$5,404,863</b></u>	<u><b>\$5,404,863</b></u>
<b>Commercial Land</b>		
Available for Sale	<b>\$1,249,020</b>	<b>\$694,227</b>
<b>Raw Land</b>		
Held for Future Development	<b>\$6,811,987</b>	<b>\$7,955,115</b>
<b>Other Inventory for Resale</b>	<b>\$86,430</b>	<b>\$62,002</b>
	<u><b>\$17,265,213</b></u>	<u><b>\$18,085,340</b></u>

## 6. Investments

	<b>2023</b>	<b>2022</b>
Equity Shares	\$67,342	\$66,583
Notes and Deposits	18,080,000	7,204,333
	<u><b>\$18,147,342</b></u>	<u><b>\$7,270,916</b></u>

Notes and deposits have effective interest rates ranging from 1.00% to 6.06%, the maturity dates between February 7, 2025, and November 23, 2028. Investment book values are equal to fair market values as at December 31, 2023.

## 7. Accounts Payable

	<b>2023</b>	<b>2022</b>
<b>Trade</b>		
Accounts Payable	\$6,667,056	\$11,833,857
Contract Holdbacks	3,219,263	3,770,968
	<u><b>\$9,886,319</b></u>	<u><b>\$15,604,825</b></u>
<b>RCMP Contract<sup>1</sup></b>		
Retro Pay April 1, 2017 - March 31, 2021	\$1,742,867	\$1,742,867
2023 Quarter 4	2,306,749	2,167,480
	<u><b>\$4,049,616</b></u>	<u><b>\$3,910,347</b></u>
<b>Accrued Debenture Interest</b>	<b>\$453,760</b>	<b>\$335,597</b>
<b>Payroll</b>	<b>158,686</b>	<b>96,232</b>
<b>Other</b>	<b>61,170</b>	<b>287,356</b>
	<u><u><b>\$14,609,551</b></u></u>	<u><u><b>\$20,234,357</b></u></u>

1. The Government of Canada signed the first collective agreement with the National Police Federation (NPF) on August 6, 2021. The NPF is the sole certified bargaining agent for regular members and reservists of the Royal Canadian Mounted Police (RCMP) below the rank of Inspector.

Retroactive pay was included as part of the new collective agreement. The City has been invoiced for the applicable cost-sharing ratio of the retroactive pay as per the Municipal Police Service Agreement with the Government of Canada. The amount is payable as follows: \$871,433.50 in March 2024, and \$871,433.50 in March 2025.

## 8. Deposit Liabilities

	2023	2022
Security Deposits	\$260,224	\$290,560
Utility Account Deposits	614,119	621,438
Land Sale Deposits	61,067	26,413
Facility Rental Deposits	3,500	6,850
	<u>\$938,910</u>	<u>\$945,261</u>

## 9. Deferred Revenue

Deferred revenue consists of funds received which relate to expenditures to be incurred in future periods, as follows:

	2023	2022
Operating Grants <sup>1</sup>	\$90,354	\$82,158
Capital Grants <sup>1</sup>	2,581,045	5,046,659
Customer Prepaid Taxes, Utilities and User Fees	3,325,257	3,043,921
Leases and Sponsorships	1,948,087	416,519
Gift Cards	120,216	111,227
Deferred on Behalf of Other Organizations	71,382	77,338
	<u>\$8,136,341</u>	<u>\$8,777,822</u>

1. Government contributions in deferred revenue consist of the following:

	2022 Ending Balance	Contributions Received	Revenue Recognized	2023 Ending Balance
<b>Operating Grants</b>				
Federal Government	-	\$336,219	(\$293,879)	\$42,340
Alberta Government	28,400	1,824,429	(1,828,210)	24,619
Sask. Government	50,717	2,689,392	(2,719,755)	20,354
Local Government	-	33,122	(33,122)	-
Other	3,041	257,212	(257,212)	3,041
	<u>\$82,158</u>	<u>\$5,140,374</u>	<u>(\$5,132,178)</u>	<u>\$90,354</u>
<b>Capital Grants</b>				
Federal Government	\$45,554	\$7,373,951	(\$7,415,129)	\$4,376
Alberta Government	4,041,972	4,326,689	(5,792,158)	2,576,503
Sask. Government	938,887	4,015,077	(4,974,044)	(20,080)
Other	20,246	-	-	20,246
	<u>\$5,046,659</u>	<u>\$15,715,717</u>	<u>(\$18,181,331)</u>	<u>\$2,581,045</u>

## 10. Employee Benefit Obligations

	2023	2022
Regular Payroll	\$1,292,886	\$1,255,058
Vacation	625,309	538,776
Sick Leave	715,904	676,329
Post-employment benefits	675,499	546,516
	<u>\$3,309,598</u>	<u>\$3,016,679</u>

### Regular payroll

The regular payroll liability is comprised of payroll owed to employees for days worked that will not be paid until the next fiscal year.

### Vacation

The vacation liability is comprised of the vacation time that employees are deferring to future years. Employees have either earned the benefits or are entitled to these benefits within the next budgetary years.

### Sick leave

The City provides a sick leave benefit plan. This plan is based on the accumulation of sick leave credits to a maximum of 120 days.

The City has not obtained an actuarial accounting valuation for the sick leave benefit plan. The maximum accumulated sick leave liability is \$4,920,170 (2022 - \$4,900,246). The City does not expect to have to pay the full amount and has accrued only a portion of the total liability.

### Post-employment benefits

If not fully utilized during the term of their employment, the employee is entitled to a cash payment upon retirement based on one-half of the accumulated sick leave, subject to being a minimum of 55 years of age and 10 years of employment with the City.

The City accrues the full liability for employees that meet the criteria.

## 11. Salary and Benefits Disclosure

Disclosure of salaries and benefits for elected Lloydminster officials, the City Manager, and designated officers as required by the Lloydminster Charter which follows Alberta Regulation 313/2000 and is as follows:

	Salaries <sup>1</sup>	Benefits & Allowances <sup>2</sup>	2023	(restated) 2022
<b>Mayor</b>				
Gerald Aalbers	\$101,591	\$25,008	<b>\$126,599</b>	\$123,819
<b>Councillors</b>				
Aaron Buckingham <sup>3</sup>	39,206	6,850	<b>46,056</b>	54,800
Michael Diachuk	49,822	8,097	<b>57,919</b>	54,220
Glenn Fagnan	42,222	6,956	<b>49,178</b>	50,056
Lorelee Marin	46,322	3,237	<b>49,559</b>	53,584
Jonathan Torresan	45,422	7,835	<b>53,257</b>	52,677
Jason Whiting	43,922	5,961	<b>49,883</b>	50,556
<b>City Manager</b>				
Dion Pollard	241,013	40,537	<b>281,550</b>	276,021
<b>Designated Officers<sup>4</sup></b>				
	842,971	134,505	<b>977,476</b>	943,961 <sup>5</sup>
	<b>\$1,452,491</b>	<b>\$238,986</b>	<b>\$1,691,477</b>	<b>\$1,659,694</b>

- Salaries above includes regular base pay, bonuses, overtime, lump sum payments, gross honoraria, and any other direct cash remuneration. Differences among Councillors is due to committee meeting requirements and portfolio.
- Employer's share of all employee benefits and contributions or payments made on behalf of councillors and employees including pension, health care, dental coverage, group life insurance, accidental disability and dismemberment insurance, long term disability, and travel allowances.
- Councillor Buckingham resigned as City Councillor effective October 23, 2023. A byelection was held on February 13, 2024 to fill the vacant council seat.
- Designated officers include the City Assessor, City Clerk, Chief Financial Officer, Manager, Planning, and Senior Manager, Public Safety as described in Bylaw 11-2023.
- Designated officers 2022 comparative has been adjusted to include the amounts for the Manager, Planning and the Senior Manager, Public Safety who are now reported as designated officers per Bylaw 11-2023. The 2022 designated officers total has been increased from \$653,920 to \$943,961 to reflect this addition.



## 12. Defined Contribution Plan

Employees of the City who are members of CUPE 1015 Union participate in the Manulife Financial Pension Plan. The plan is funded by employee contributions at a rate of 7% and employers' contributions at a rate of 8% of the member's earnings. Pension benefits are based on accumulated contributions and investment earnings. Under the defined contribution plan, the City's obligations are limited to its contributions.

The Manulife Financial Pension Plan details are below. The amounts reported represent mandatory contributions. Members can make voluntary contributions that are unmatched by the City.

	<b>2023</b>	<b>2022</b>
Number of Active City Members	230	240
Member Contributions for the Year	\$954,320	\$895,620
City Contributions for the Year	\$1,090,654	\$1,023,550

### 13. Registered Retirement Savings Plan

#### International Association of Fire Fighters (IAFF) Local 5182 Employees

Employees of the City who are members of the IAFF Local 5182 Union participate in an employee Registered Retirement Savings Plan (RRSP) defined by the City and administered by Manulife. For these members, the plan is funded by member and employer contributions at a rate of 8% of the member's earnings. Benefits are based on accumulated contributions and investment earnings. Under the RRSP plan, the City's obligations are limited to its contributions.

#### Out of Scope Employees

Out of Scope employees of the City (are not members of either the IAFF Local 5182 Union or CUPE Local 1015 Union) participate in an employee Registered Retirement Savings Plan (RRSP) defined by the City and administered by Manulife. For these members, the plan is funded by member contributions at rates ranging from 7-9% of member's earnings, and employer contributions at rates ranging from 8-10% of member's earnings. Benefits are based on accumulated contributions and investment earnings. Under the RRSP plan, the City's obligations are limited to its contributions.

If an employee has reached their maximum annual or cumulative RRSP contribution limit set out by CRA, contributions will be deposited to a Tax-Free Savings Account (TFSA) administered by Manulife.

#### Plan Contributions

Details of the Manulife Financial RRSP are detailed below for both the IAFF 5182 and Out of Scope Employees. The amounts reported are only representative of mandatory contributions. Members can make voluntary contributions that are unmatched by the City.

	<b>2023</b>	<b>2022</b>
<b>Registered Retirement Savings Plan</b>		
Number of Active City Members	110	119
Member Contributions for the Year	\$747,136	\$744,212
City Contributions for the Year	\$855,939	\$834,529
<b>Tax-Free Savings Plan</b>		
Number of Active City Members	3	2
Member Contributions for the Year	\$13,819	\$11,146
City Contributions for the Year	\$15,354	\$12,384

#### 14. Asset Retirement Obligation

	Liability					Tangible Capital Asset		
	(restated) Opening Value	Additions	Accretion Expense	Amount Settled	Ending Value	Cost	Accumulated Amortization	Net Book Value
Landfills	\$3,420,018	-	\$199,140	-	\$3,619,158	\$3,191,487	(\$1,821,829)	\$1,369,658
Building & Engineered Structure Retirements	\$657,601	345,407	6,908	(206,524)	\$803,392	\$345,407	-	\$345,407
Asbestos Remediation	-	231,058	4,622	-	\$235,680	\$231,058	-	\$231,058
	<b>\$4,077,619</b>	<b>\$576,465</b>	<b>\$210,670</b>	<b>(\$206,524)</b>	<b>\$4,658,230</b>	<b>\$3,767,952</b>	<b>(\$1,821,829)</b>	<b>\$1,946,123</b>

The associated capital assets are amortized using the straight-line method over the estimated useful life.

##### Landfills

The City operates a landfill site and is required to perform closure and post-closure activities upon retirement, in accordance with the Environmental Management and Protections Act of Saskatchewan. Closure and post-closure activities include the final covering and landscaping of the landfill, pumping of ground water, methane gas and leachate management, and ongoing environmental monitoring, site inspections and maintenance. The City is currently performing post-closure activities including site inspections and maintenance on a historic landfill.

	Estimated Period of Expenditures	Estimated Undiscounted Expenditures	Discount Rate
Landfill – Current	2061-2085	\$14,717,615	3.43%
Landfill – Historic	2022-2048	340,043	2.96%

##### Building & Engineered Structure Retirements

The City is responsible for the retirement of buildings and engineered structures that are at the end of their useful life. Retirement activities include demolition of structures, abandonment of utility connections, and rehabilitation of the site.

	Estimated Period of Expenditures	Estimated Undiscounted Expenditures	Discount Rate
Lloydminster Cultural & Science Centre	2022-2024	\$400,000	0.00%
Historic Water Treatment Plant & Reservoir	2022-2024	805,000	0.00%
Lloydminster Golf & Curling Centre – Shop	2025	38,137	2.00%
Centennial Civic Centre	2026	334,980	2.00%

The City is actively retiring assets. For this reason, the estimated expenditures for these assets have not been discounted.

**14. Asset Retirement Obligation (continued)**

**Asbestos Remediation**

The City is responsible for buildings which contain asbestos and is required to perform abatement activities upon renovation or demolition of the buildings. Abatement activities include handling and disposing of the asbestos in a prescribed manner when it is disturbed.

	<b>Estimated Period of Expenditures</b>	<b>Estimated Undiscounted Expenditures</b>	<b>Discount Rate</b>
Lloydminster Golf & Curling Centre – Shop	2025	\$25,356	2.00%
Lloydminster Golf & Curling Centre – Communiplex	2030	158,604	2.00%
Centennial Civic Centre	2026	60,855	2.00%
Archie Miller Arena	2026	15,734	2.00%
Bud Miller All Seasons Park – Park Centre	2026	1,126	2.00%

**Other**

The City has identified other assets as potentially requiring an asset retirement obligation for which a reasonable estimate cannot be made of the amount at this time. For this reason, no obligation has been recognized. These assets include City buildings and infrastructure that may have asbestos due to their age and building materials, however no formal testing has been conducted.

**15. Liability for Contaminated Sites**

The City has recognized a Liability for Contaminated Sites for the following:

	<i>(restated)</i> <b>Opening Value</b>	<b>Additions</b>	<b>Accretion Expense</b>	<b>Amount Settled</b>	<b>Ending Value</b>
Historic City Shop	<b>\$269,587</b>	-	-	-	<b>\$269,587</b>

The nature of the contamination includes hydrocarbons, chlorides, nitrates, and asbestos. The sources of contamination include fuel handling, vehicle storage and maintenance, salt storage, and construction materials.

The liability is based on environmental site assessments. The expected period of expenditures is 2021-2024.

The City is actively remediating the contaminated site. For this reason, the estimated expenditures have not been discounted.

**Recovery**

Due to contractual obligation of a third party, the City expects a recovery of \$150,000. The full amount of the recovery has been recorded and is reported in Trade and Other Receivables (**Note 4**).

**16. Long Term Debt**

	<b>2023</b>	<b>2022</b>
Tax Supported Debentures	\$23,118,659	\$25,281,304
Utility Supported Debentures	32,774,382	29,468,758
	<b><u>\$55,893,041</u></b>	<b><u>\$54,750,062</u></b>

The current portion of long-term debt amounts to \$3,487,972 (2022 - \$2,857,020).

Principal and interest repayments are as follows:

	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2024	3,487,872	1,842,657	5,330,529
2025	3,587,525	1,743,004	5,330,529
2026	3,438,015	1,640,530	5,078,545
2027	3,113,969	1,542,926	4,656,895
2028	3,208,893	1,448,002	4,656,895
Thereafter	39,056,767	14,649,311	53,706,078
	<b><u>\$55,893,041</u></b>	<b><u>\$22,866,430</u></b>	<b><u>\$78,759,471</u></b>

Debenture debt is repayable to Alberta Loans to Local Authorities and bears interest at rates ranging from 1.67% to 3.84% per annum and matures in periods September 2025 through March 2052.

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

Principal repaid on long term debt amounts to \$2,857,021 (2022 - \$2,783,024). Interest paid on long term debt amounts to \$1,821,336 (2022 - \$1,149,308).

## 17. Debt Limits

Section 185(1) of the Lloydminster Charter requires that debt and debt limits follow the regulations of the Alberta Municipal Government Act. Alberta Regulation 255/2000 required the City's debt and debt limit be disclosed as follows:

	<b>2023</b>	<b>2022</b>
Total Debt Limit	\$151,391,466	\$133,096,359
Total Debt	(55,893,041)	(54,750,063)
<b>Debt Limit Unused</b>	<b><u>\$95,498,425</u></b>	<b><u>\$78,346,296</u></b>
Debt Servicing Limit	\$25,231,911	\$22,182,727
Debt Servicing	(5,330,529)	(4,560,193)
<b>Debt Servicing Unused</b>	<b><u>\$19,901,382</u></b>	<b><u>\$17,622,534</u></b>

The debt limit is calculated at 1.5 times revenue of the City (as defined in Alberta Regulation 255/2000) 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 City, rather the financial statements must be interpreted as a whole.

## 18. Accumulated Surplus

	<i>(restated)</i>			
	<b>2022</b>	<b>Additions</b>	<b>Reductions</b>	<b>2023</b>
<b>Unrestricted Surplus</b>	<b>\$43,602,536</b>	<b>\$47,537,064</b>	<b>(\$54,802,825)</b>	<b>\$36,336,775</b>
<b>Unrestricted Reserves</b>				
General Government	\$10,172,555	\$1,405,010	(\$3,005,521)	\$8,572,044
Protective Services	1,867,364	1,244,511	(386,593)	2,725,282
Transportation Services	11,063,695	3,332,479	(2,251,672)	12,144,502
Environmental Services	16,190,825	9,848,040	(8,981,953)	17,056,912
Social Services	824,907	82,787	(359,515)	548,179
Planning & Development	6,665,067	2,924,816	(1,197,721)	8,392,162
Recreation & Culture	10,300,685	5,873,377	(6,049,297)	10,124,765
	<b>\$57,085,098</b>	<b>\$24,711,020</b>	<b>(\$22,232,272)</b>	<b>\$59,563,846</b>
<b>Restricted Reserves</b>				
Public Municipal Reserve	\$169,186	-	-	\$169,186
Offsites Reserve	9,002,000	552,690	(492,146)	9,062,544
Subdivision Prepaid Improvements	2,065,381	-	-	2,065,381
BID (Business Improvement District)	1,056,414	-	(10,000)	1,046,414
	<b>\$12,292,981</b>	<b>\$552,690</b>	<b>(\$502,146)</b>	<b>\$12,343,525</b>
<b>Equity in Tangible Capital Assets</b>				
Tangible Capital Assets (Schedule 2)	\$904,225,024	\$46,576,380	(\$19,077,671)	\$931,723,733
Accumulated Amortization (Schedule 2)	(355,165,274)	(21,736,966)	18,130,538	(358,771,702)
Asset Retirement Obligation (Note 14)	(4,077,619)	(787,144)	206,533	(4,658,230)
Long-Term Debt (Note 13)	(54,750,062)	(4,000,000)	2,857,021	(55,893,041)
	<b>\$490,232,069</b>	<b>\$20,052,270</b>	<b>\$2,116,421</b>	<b>\$512,400,760</b>
<b>Accumulated Surplus</b>	<b>\$603,212,684</b>			<b>\$620,644,906</b>

Accumulated surplus represents the equity of an organization. In determining accumulated surplus, revenues and expenses are recognized as they are earned and incurred, according to PSAS. Council, through its annual budget process and other policies and bylaws, may fund certain amounts on a basis that differs from the expense recognition basis of PSAS.

### Unrestricted Surplus

The unrestricted surplus represents accumulated surpluses from operations, which have not been designated by City Council for any specific use.

### Reserves

The City follows the Reserves Policy 134-04, which was approved by Council December 2022. The purpose of this policy is to provide a safeguard and assist with long term financial stability and financial planning, which ensures financial resources are available to maintain a viable and sustainable community.

Restricted Reserve Funds are established by provincial or municipal legislation and can only be used for their prescribed purposes. Unrestricted Reserves Funds are established, based on Council's direction to fund current or future expenditures for which the City has the authority to spend money or to provide for a specific purpose. Unrestricted Reserve Funds can be further established to assist in funding operational requirements or capital replacements/long term capital programs or for other special purposes.

**19. Offsites**

	<b>Opening Value</b>	<b>Additions</b>	<b>Funds Used</b>	<b>Ending Value</b>
Water	\$1,704,535	\$39,855	(\$492,146)	\$1,252,244
Sanitary	1,461,916	110,821	-	1,572,737
Stormwater	(2,928,241)	47,511	-	(2,880,730)
Transportation	8,763,790	354,503	-	9,118,293
	<b>\$9,002,000</b>	<b>\$552,690</b>	<b>(\$492,146)</b>	<b>\$9,062,544</b>

Council approved Bylaw 25-2021, Offsite Levy Bylaw, on October 2, 2023. Offsite levies help fund the cost of infrastructure that is required to be constructed due to the need to service new development. The levies received support infrastructure on a City-wide basis for all infrastructure types. The types of offsites collected and the related eligible infrastructure projects are listed below:

**Water**

Infrastructure included under the Water offsite includes upgrades to water treatment & supply infrastructure, as well as distribution and storage infrastructure.

In 2023, Offsite levy funds were used for the following projects:  
67 Street Water Line Extension (Capital Budget Project No.: 2113626)

**Sanitary**

Infrastructure included under the Sanitary offsite includes infrastructure for major offsite sanitary trunk mains which support sanitary collection, and infrastructure for sanitary treatment and disposal.

**Stormwater**

Infrastructure included under the Stormwater offsite includes upgrades to the existing storm sewer mains, culverts, drainage channels, and capacity improvements for stormwater management facilities or lakes.

The current balance of the Stormwater offsite levy reserve is negative due to previously constructed City-wide projects where off-site levies have not been fully collected and are brought forward to the new off-site levy calculation.

**Transportation**

Infrastructure included under the Transportation offsite includes the extensions, twinning, and urbanization of major arterial roadways and associated intersection upgrades.



## 20. Commitments

### **Water Supply**

On May 16, 2003, the City entered into an agreement to supply raw water to Husky Oil Operations Limited which has since been amalgamated with Cenovus Energy Inc. The first option term of the agreement is set to expire on December 3, 2029.

On February 27, 2017, Council approved that the City enter into an agreement to supply potable water to the Alberta Central East Water Corporation until January 1, 2038.

On February 16, 2021, Council approved that the City enter into an agreement to supply potable water to the Saskatchewan Water Corporation until December 31, 2041.

### **Annexation**

On January 26, 2022, the Provincial Government of Alberta, through an Order in Council, approved the City's application to annex 23.5 quarter sections of land from the County of Vermilion River. The City is required to pay the County of Vermilion River a percentage of tax revenue from these annexed lands. The City has paid \$151,200 in 2023 and will pay \$226,800 over the period of 2024-2026.

### **Vendor Agreement**

On September 25, 2023, Council approved that the City enter into a 15-year agreement with Veolia Water Technologies & Solutions to provide a quantity of replacement membrane modules for use at the wastewater treatment facility. The City is required to pay \$404,960 plus GST annually.

As of December 31, 2023, the City has commitments with various contractors for capital projects.

### **Funding & Grants**

As approved by Council in various motions, the City supports local non-profit organizations that provide services to the community by providing annual operating funding. Through various multi-year agreements, the City is committed to providing funding to these organizations. The organizations supported include, but are not limited to, the following:

- Border Paws Animal Shelter
- Start Up Lloydminster
- Vic Juba Community Theatre

In July 2022, the City entered into an agreement with the 2024 Saskatchewan Summer Games Lloydminster Inc. (non-profit) and the Saskatchewan Games Council Inc. to host the 2024 Saskatchewan Summer Games. The City is responsible for any deficit in capital and operating expenditures incurred by the non-profit in respect of hosting the Games.

The City partners with Family and Community Support Services (FCSS) to administer an annual grant to allocate FCSS funds to non-profit organizations for programs that fall within the scope of the FCSS Act and Regulation. The current agreement expires December 31, 2025. The City is required to provide a financial contribution of no less than twenty percent of the FCSS Services' total cost.

**21. Contingent Liabilities**

The collective agreement between the City and the Lloydminster Fire Fighter’s Association Local 5182 of the International Association of Fire Fighter’s expired on December 31, 2021. Negotiations are on-going which may result in retroactive compensation from January 1, 2022.

**22. Contractual Obligations Under Operating Lease**

The City has entered into a number of operating lease agreements with the last agreement expiring in 2031. Future minimum lease payments under operating leases are as follows:

	<b>2023</b>
2024	\$466,060
2025	470,191
2026	474,405
2027	478,701
Thereafter	1,670,393
	<u><b>\$3,559,750</b></u>

**23. Contractual Rights**

As approved by Council on July 17, 2023, the City entered into a 15-year sponsorship agreement with Cenovus Energy Inc. for the naming rights of the new event facility (Cenovus Energy Hub). Per the contracted payment plan, City will receive \$1,500,000 in 2024, and \$2,000,000 in total over 2025-2040.

As approved by Council on February 5, 2024, the City entered into a 10-year sponsorship agreement with Lloydminster & District Co-op Ltd. for the naming rights of the community arena within the Cenovus Energy Hub event facility. Per the contracted payment plan, the City will receive \$250,000 in 2024, and \$50,000 in total over 2025-2035.

As approved by Council on December 11, 2023, the City entered into an agreement with Richard Larsen Barr Colony Foundation to partner on the restoration of the Old Minster Log Church. The City will receive \$92,474 of funding from the Foundation in 2024.

## 24. Franchise Fees

Disclosure of franchise fees under each utility franchise agreement entered by the City as required by Alberta Regulation 313/2000 is as follows:

	<i>(unaudited)</i>		
	<b>Budget</b>	<b>2023</b>	<b>2022</b>
<b>Power Utility</b>			
ATCO Electric	\$3,741,444	\$3,540,725	\$3,708,059
SaskPower	610,740	657,061	597,802
	<u><b>\$4,352,184</b></u>	<u><b>\$4,197,786</b></u>	<u><b>\$4,305,861</b></u>
<b>Gas Utility</b>			
ATCO Gas	<b>\$2,807,140</b>	<b>\$2,476,065</b>	<b>\$2,785,868</b>
	<u><b>\$7,159,324</b></u>	<u><b>\$6,673,851</b></u>	<u><b>\$7,091,729</b></u>

## 25. Budget

Budget data presented in these consolidated financial statements is based upon the 2023 operating and capital budgets as approved by Council. Council approved budgets are prepared in accordance with the Lloydminster Charter, which in some cases is different from budget amounts prepared in accordance with PSAS and reported on the consolidated statement of operations and accumulated surplus. The table below reconciles the Council approved budget to the PSAS budget figures reported in these consolidated financial statements.

	<b>Revenues</b>	<b>Expenses</b>	<b>Surplus</b>
<b>Operating Budget<sup>1</sup></b>	\$109,908,230	\$109,810,465	\$97,765
<b>Adjustments</b>			
Lloydminster Public Library Budget	349,974	1,525,044	(1,175,070)
Property Tax Requisitions ( <b>Schedule 3</b> )	(14,177,557)	(14,177,557)	-
Amortization	-	21,769,922	(21,769,922)
Government Transfers for Capital	39,314,818	-	39,314,818
Transfers to Reserves	-	(13,169,318)	13,169,318
Transfers from Reserves	(2,972,684)	-	(2,972,684)
Principal Debt Payments	-	(2,970,558)	2,970,558
<b>Statement of Operations Budget</b>	<u><b>\$132,422,781</b></u>	<u><b>\$102,787,998</b></u>	<u><b>\$29,634,783</b></u>

1. The operating budget is inclusive of the budget approved by Council on November 21, 2022, and all subsequent approved amendments.

## 26. Segmented Disclosures

The Consolidated Schedule of Segmented Disclosures (Schedule 5) has been prepared in accordance with PS 2700 Segmented Disclosures. Segmented disclosures are intended to help users of the financial statements identify the resources allocated to support major governments activities and allow the user to make more informed judgments regarding the government reporting entity.

The segments are identified based on the functional activities and services provided by the City. For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis.

Segments are comprised as follows:

- a) **General Government**  
General Government includes services provided by Council and all other legislative activities such as property taxes. Also included are services that support City functions, such as information technology, finance and accounting, employee relations, marketing, communications and building maintenance.
- b) **Protective Services**  
Protective Services are those that safeguard residents, such as RCMP, bylaw services, fire department services, 911 dispatch, and all other disaster and emergency measures.
- c) **Transportation**  
Transportation includes transit services such as the Airport and the maintenance of the road infrastructure. Transportation also includes the operation of the City's internal fleet assets.
- d) **Environmental Services**  
Environmental services include the provision of utility services to residents, including water, wastewater, stormwater, and waste; the latter of which encompasses landfill, recycling, and curbside pickup.
- e) **Social Services**  
Social Services include community and family support services, cemetery, and other public health support.
- f) **Planning & Development**  
Planning & Development includes land planning and development, and other economic development services.
- g) **Recreation & Culture**  
Recreation & Culture includes the maintenance and operation of all City parks and ball diamonds, indoor and outdoor pools, splash parks, arenas, museums, libraries, cultural centers, and public art.

## 27. Financial Instruments

The City's financial instruments consist of cash and temporary investments, accounts receivable, investments, accounts payable and accrued liabilities, deposit liabilities, employee benefit liabilities and long-term debt. It is management's opinion that the City is not exposed to significant interest or currency risks arising from these financial instruments.

The City is subject to credit risk with respect to taxes and grants in place of taxes receivables and trade and other receivables. Credit risk arises from the possibility that taxpayers and entities to which the City 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.

## 28. Comparative Amounts

	2022 – As Presented	2022 – Restated	Change	Impact to Accumulated Surplus
Trade and Other Receivables	\$15,928,646	\$16,078,646	\$150,000 increase	-
Asset Retirement Obligation	3,429,937	4,077,619	\$647,682 increase	-
Liability for Contaminated Sites	350,147	269,587	\$80,560 decrease	-
Tangible Capital Assets	549,912,562	549,059,750	\$852,812 decrease	-
Expenditures	96,000,156	97,426,822	\$1,426,666 increase	(1,426,666)
Accumulated Surplus – Opening	585,163,785	585,320,516	\$156,731 increase	156,731
				<b>(\$1,269,935)</b>

As a result of these adjustments, the ending accumulated surplus for 2022 has decreased by \$1,269,935.

### Trade and Other Receivables

An amount receivable was recorded to reflect an expected recovery of the liability for contaminated sites. See **Note 15**.

### Asset Retirement Obligation

Additional Asset Retirement Obligations were recorded for the following:

- Landfill - Historic
- Lloydminster Cultural & Science Centre
- Historic Water Treatment Plant & Reservoir

The methodology to calculate the Asset Retirement Obligation for the Landfill - Current was updated, resulting in a decrease to the Asset Retirement Obligation. See **Note 14**.

### Liability for Contaminated Sites

The Liability for Contaminated Sites was decreased by the amount of work performed in prior years to discharge the liability. As well, accretion recorded after work had begun to discharge the liability was reversed.

## 28. Comparative Amounts (continued)

### **Tangible Capital Assets**

The methodology to calculate the Asset Retirement Obligation for the Landfill - Current was updated, this resulted in a decrease to the cost of the related Tangible Capital Asset.

Balances in Construction in Progress that related to work done to discharge liabilities were applied against the related liabilities (Asset Retirement Obligation and Liability for Contaminated Sites).

### **Expenditures**

Expenditures were adjusted as a result of the adjustments to Asset Retirement Obligations and Liability for Contaminated Sites.

### **Accumulated Surplus - Opening**

The 2022 Opening Accumulated Surplus was adjusted to reflect the impact of entries made in the prior year.

## 29. Approval of the Financial Statements

Council and Management have approved these consolidated financial statements.