Beaver County
Consolidated Financial Statements
December 31, 2023

BEAVER COUNTY
Box 140
Ryley, Alberta T0B 4A0

Management's Responsibility

To the Reeve and Councillors of Beaver County:

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

Council is composed entirely of individuals who are neither management nor employees of the County. Council is responsible for overseeing management in the performance of its financial reporting responsibilities.Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. Council is also responsible for recommending the appointment of the County's external auditors.

MNP LLP is appointed by Council to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both Council and management to discuss their audit findings.

April 17, 2024

Chief Administrative Officer

To the Reeve and Councillors of Beaver County:

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of Beaver County (the "County"), which comprise the statement of consolidated financial position as at December 31, 2023, and the consolidated statements of operations, change in net financial assets, cash flows and the related schedules for the year then ended, and notes to the consolidated financial statements, including 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 County as at December 31, 2023, and the results of its consolidated operations, changes in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the County in accordance with the ethical requirements that are relevant to our audit of the consolidated 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 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 consolidated financial statements, management is responsible for assessing the County's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to cease operations, or has no realistic alternative but to do so.

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

Auditor's 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 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 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 theconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the County’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the County to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the County to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Report on Other Legal and Regulatory Requirements

Debt Limit Regulation
In accordance with Alberta regulation 255/2000, we confirm that the County is in compliance with the Debt Limit Regulation. A detailed account of the County's debt limit can be found in Note 14.

Supplementary Accounting Principles and Standards Regulation
In accordance with Alberta regulation 313/2000, we confirm that the County is in compliance with the Supplementary Accounting Principles and Standards Regulation and note the information required can be found in Note 15.

Leduc, Alberta

MNP LLP

April 17, 2024

Chartered Professional Accountants

MNP LLP

Beaver County
Statement of Consolidated Financial Position
As at December 31, 2023

	2023	2022
Financial assets		
Cash and temporary investments *(Note 2)*	**39,074,969**	33,839,087
Property taxes receivable *(Note 3)*	**520,591**	1,212,670
Accounts receivable *(Note 4)*	**517,961**	593,177
Due from Beaver Foundation *(Note 7)*	**2,435,096**	2,587,681
Investment in Claystone Waste Limited Partnership *(Note 17)*	**5,344,590**	2,936,952
Total of financial assets	**47,893,207**	41,169,567
Liabilities		
Accounts payable and accruals *(Note 9)*	**3,693,504**	2,833,194
Deferred revenue *(Note 10)*	**484,948**	844,599
Reclamation liability *(Note 11)*	**588,874**	588,874
Asset retirement obligations *(Note 12)*	**283,771**	-
Long-term debt *(Note 13)*	**2,435,096**	2,587,681
Deposit liabilities	**400**	400
Total of financial liabilities	**7,486,593**	6,854,748
Net financial assets	**40,406,614**	34,314,819
Contingencies *(Note 19)*		
Commitments *(Note 20)*		
Non-financial assets		
Land inventory *(Note 6)*	**2,812,001**	2,812,001
Tangible capital assets *(Schedule 2)*	**46,356,021**	45,930,992
Inventory for consumption *(Note 5)*	**5,556,861**	4,379,121
Prepaid expenses	**218,568**	245,889
Total non-financial assets	**54,943,451**	53,368,003
Accumulated surplus *(Schedule 1)*	**95,350,065**	87,682,822

Approved on behalf of the Council

Reeve **Deputy Reeve**

The accompanying notes are an integral part of these financial statements

Beaver County
Statement of Consolidated Operations
For the year ended December 31, 2023

	2023 Budget (Note 22)	**2023**	*2022*
Revenue			
Net municipal property taxes *(Schedule 3)*	14,905,809	**15,697,961**	14,467,864
Subsidiary operations - Claystone Waste Limited Partnership *(Note 17)*	-	**3,814,745**	2,723,095
Interest income	477,000	**1,751,709**	881,168
Government transfers *(Schedule 4)*	888,554	**1,077,228**	518,214
Sales, user charges and costs recovered	882,136	**751,316**	664,294
Grants revenue	716,700	**378,679**	65,461
Penalties and interest on taxes	110,000	**101,414**	104,489
Other revenue	699,584	**48,986**	163,458
Rental income	32,673	**40,462**	40,879
Fines	40,000	**4,631**	18,781
	18,752,456	**23,667,131**	19,647,703
Program expenses			
Public works	7,968,579	**10,476,093**	9,835,104
Administrative and legislative	3,325,615	**3,554,577**	2,472,521
Protective services	1,817,784	**1,491,525**	1,329,086
Culture, parks and recreation	1,257,560	**1,056,741**	1,211,919
Agriculture services	1,185,288	**806,408**	741,915
Planning and development	338,847	**302,248**	250,561
Family and community	285,582	**292,814**	277,197
Wastewater and waste	83,818	**122,866**	127,955
Total expenditures	16,263,073	**18,103,272**	16,246,258
Excess of revenue over expense before other	2,489,383	**5,563,859**	3,401,445
Other			
Government transfers for capital *(Schedule 4)*	1,864,033	**2,098,848**	2,289,693
Other capital contributions	888,770	**4,536**	4,536
	2,752,803	**2,103,384**	2,294,229
Excess of revenue over expenses	5,242,186	**7,667,243**	5,695,674
Accumulated surplus, beginning of year	87,682,822	**87,682,822**	81,987,148
Accumulated surplus, end of year	92,925,008	**95,350,065**	87,682,822

Beaver County
Statement of Consolidated Change in Net Financial Assets
For the year ended December 31, 2023

	2023 Budget (Note 22)	***2023***	*2022*
Excess of revenue over expenses	5,242,186	**7,667,243**	5,695,674
Acquisition of tangible capital assets	(5,916,581)	**(4,934,777)**	(5,181,804)
Amortization of tangible capital assets	-	**4,186,233**	3,613,488
Proceeds on sale of tangible capital assets	361,000	**388,365**	598,888
Gain on sale of tangible capital assets	-	**(64,850)**	(81,112)
Increase in land inventory	-	**-**	(75,775)
Decrease (increase) in prepaid expenses	-	**27,321**	(57,234)
Acquisition of inventory for consumption	-	**(1,177,740)**	(785,078)
Increase (decrease) in net financial assets	(313,395)	**6,091,795**	3,727,047
Net financial assets, beginning of year	34,314,819	**34,314,819**	30,587,772
Net financial assets, end of year	34,001,424	**40,406,614**	34,314,819

Beaver County
Statement of Consolidated Cash Flows
For the year ended December 31, 2023

	2023	2022
Operating activities		
Excess of revenue over expenses	**7,667,243**	5,695,674
Non-cash items:		
Amortization	**4,186,233**	3,613,488
Gain on disposal of tangible capital assets	**(64,850)**	(81,112)
Subsidy operations - Claystone Waste Limited Partnership	**(3,814,745)**	(2,723,095)
Net change in non-cash operating working capital accounts:		
Decrease in deferred revenue	**(359,652)**	(714,043)
Decrease (increase) in prepaid expenses	**27,320**	(57,234)
Increase (decrease) in accounts payable and accrued liabilities	**550,635**	(864,119)
Decrease in trade and other accounts receivable	**75,216**	108,821
Decrease in property tax receivable	**692,078**	72,145
Acquisition of inventory for consumption	**(1,177,739)**	(785,078)
	7,781,739	4,265,447
Financing activities		
Repayment of long-term debt	**(152,585)**	(146,275)
Capital activities		
Purchases of tangible capital assets	**(4,041,331)**	(4,729,346)
Cash proceeds from disposal of tangible capital assets	**88,366**	2,320
	(3,952,965)	(4,727,026)
Investing activities		
Decrease in due from Beaver Foundation	**152,586**	146,275
Distribution from Claystone Waste Limited Partnership	**1,407,107**	1,392,507
Increase in land inventory	**-**	(47,180)
	1,559,693	1,491,602
Increase in cash resources	**5,235,882**	883,748
Cash resources, beginning of year	**33,839,087**	32,955,339
Cash resources, end of year	**39,074,969**	33,839,087

The accompanying notes are an integral part of these financial statements

Beaver County
Schedule 1 - Schedule of Consolidated Changes in Accumulated Surplus
For the year ended December 31, 2023

	Unrestricted Surplus	***Restricted Surplus (Note 21)***	***Equity in Tangible Capital Assets***	***2023***	*2022*
Balance, beginning of year	**5,223,781**	36,528,049	45,930,992	87,682,822	81,987,148
Excess of revenue over expenses	**7,667,243**	-	-	7,667,243	5,695,674
Unrestricted funds designated for future use	**(12,954,524)**	12,954,524	-	-	-
Restricted funds for operations	**3,322,853**	(3,322,853)	-	-	-
Restricted funds used for tangible capital assets`	**-**	(2,095,904)	2,095,904	-	-
Current year funds used for tangible capital assets	**(2,838,873)**	-	2,838,873	-	-
Disposal of tangible capital assets	**323,515**	-	(323,515)	-	-
Annual amortization expense	**4,186,233**	-	(4,186,233)	-	-
Asset retirement obligation	**283,771**	-	(283,771)	-	-
Change in accumulated surplus	**(9,782)**	7,535,767	141,258	7,667,243	5,695,674
Balance, end of year	**5,213,999**	**44,063,816**	**46,072,250**	**95,350,065**	87,682,822

	Land	*Land Improvements*	*Buildings*	*Engineered Structures*	*Machinery & Equipment*	*Vehicles*	*2023*	*2022*
Cost								
Balance, beginning of year	668,741	603,260	5,660,956	96,399,507	12,528,376	5,088,454	120,949,294	116,984,252
Acquisition of tangible capital assets	-	290,962	327,796	2,567,519	1,482,576	265,924	4,934,777	5,181,804
Disposal of tangible capital assets	(3,453)	-	-	-	(696,500)	(84,761)	(784,714)	(1,126,762)
Write down of tangible capital assets	-	(31,863)	-	-	(144,251)	-	(176,114)	(90,000)
Balance, end of year	665,288	862,359	5,988,752	98,967,026	13,170,201	5,269,617	124,923,243	120,949,294
Accumulated amortization								
Balance, beginning of year	-	370,050	1,923,064	64,449,840	5,696,723	2,578,625	75,018,302	72,103,801
Annual amortization	-	25,915	246,282	2,475,821	1,066,387	371,828	4,186,233	3,613,488
Accumulated amortization on disposals	-	(31,863)	-	-	(588,720)	(16,730)	(637,313)	(698,987)
Balance, end of year	-	364,102	2,169,346	66,925,661	6,174,390	2,933,723	78,567,222	75,018,302
Net book value of tangible capital assets	665,288	498,257	3,819,406	32,041,365	6,995,811	2,335,894	46,356,021	45,930,992
2022 Net book value of tangible capital assets	668,741	233,210	3,737,892	31,949,667	6,831,653	2,509,829	45,933,014	

During the year, tangible capital assets were acquired at an aggregate cost of $4,934,777 (2022 - $5,181,804) of which $300,000 (2022 - $568,000) was a non-cash trade-in and transfer of equipment, $309,675 (2022 - $nil) in accounts payable and accrued liabilities, $283,771 (2022 - $nil) in asset retirement obligations identified and the remaining $4,041,331 (2022 - $4,729,346) was acquired by cash. Proceeds on disposal of tangible capital assets is made up of $88,366 (2022 - $2,320) of cash, $nil (2022 - $28,594) transfer to land inventory, and $300,000 (2022 - $568,000) of direct trade-in and transfer of assets.

Beaver County
Schedule 3 - Schedule of Consolidated Property Taxes Levied
For the year ended December 31, 2023

	2023 Budget (Note 22)	***2023***	*2022*
Taxation			
Real property taxes	17,088,283	**10,858,597**	10,062,446
Designated industrial property	1,905,809	**8,858,026**	8,438,918
Special assessments	5,995	**5,303**	5,303
	19,000,087	**19,721,926**	18,506,667
Requisitions			
Alberta School Foundation Fund	3,715,828	**3,646,617**	3,713,734
Beaver Foundation Management Agency	348,905	**348,905**	297,576
Designated industrial property	29,545	**28,443**	27,493
	4,094,278	**4,023,965**	4,038,803
Net municipal property taxes	14,905,809	**15,697,961**	14,467,864

Beaver County
Schedule 4 - Schedule of Consolidated Government Transfers
For the year ended December 31, 2023

	2023 Budget (Note 22)	***2023***	*2022*
Operating			
Provincial	888,554	**1,077,228**	518,214
Capital			
Provincial	1,529,033	**1,680,462**	1,764,275
Federal	335,000	**418,386**	525,418
	1,864,033	**2,098,848**	2,289,693
Total government transfers	2,752,587	**3,176,076**	2,807,907

Beaver County
Schedule 5 - Schedule of Consolidated Expenses by Object
For the year ended December 31, 2023

	2023 Budget	***2023***	*2022*
Salaries, wages and benefits	5,872,718	**5,459,861**	5,087,916
Contracted and general services	5,364,576	**4,290,655**	3,804,230
Amortization	-	**4,186,233**	3,613,488
Materials, goods and utilities	2,503,244	**2,160,502**	2,378,552
Grant to other governments	2,276,035	**1,929,259**	2,160,422
Interest on long-term debt	127,000	**108,834**	115,144
Bank charges	19,500	**16,061**	11,098
Provision (recovery) for allowances	100,000	**16,717**	(843,480)
Gain on sale of tangible capital assets	-	**(64,850)**	(81,112)
	16,263,073	**18,103,272**	16,246,258

	General government	Administrative and legislative	Public works	Wastewater and waste	Protective services	Agriculture services	Family and community	Planning and development	Culture, parks and recreation	Claystone Waste LP	2023
Revenue											
Net municipal property taxes	15,697,961	-	-	-	-	-	-	-	-	-	15,697,961
Subsidy operations - Claystone Waste LP.	-	-	-	-	-	-	-	-	-	3,814,745	3,814,745
Capital government transfers	-	-	2,098,848	-	-	-	-	-	-	-	2,098,848
Interest income	-	1,751,709	-	-	-	-	-	-	-	-	1,751,709
Operating government transfers	-	415,658	288,110	-	-	215,309	158,151	-	-	-	1,077,228
Sales, user charges and sales of goods	-	21,866	180,171	136,334	5,220	2,242	2,861	101,416	301,206	-	751,316
Grants revenue	-	361,679	17,000	-	-	-	-	-	-	-	378,679
Penalties and interest on taxes	101,414	-	-	-	-	-	-	-	-	-	101,414
Other revenue	-	48,986	-	-	-	-	-	-	-	-	48,986
Rental income	-	3,120	5,900	-	-	-	-	31,442	-	-	40,462
Fines	-	-	-	-	4,631	-	-	-	-	-	4,631
Other capital contributions	-	4,536	-	-	-	-	-	-	-	-	4,536
	15,799,375	2,607,554	2,590,029	136,334	9,851	217,551	161,012	132,858	301,206	3,814,745	25,770,515
Expenses											
Salaries, wages and benefits	-	1,819,170	2,765,824	34,585	107,776	376,455	113,250	97,506	145,295	-	5,459,861
Contracted and general services	-	895,621	2,441,790	31,416	414,249	113,698	33,249	200,164	160,468	-	4,290,655
Materials, goods and utilities	-	110,555	1,793,610	9,225	2,489	170,004	10,539	4,578	59,502	-	2,160,502
Grant to other governments	-	142,568	-	-	942,859	54,716	135,776	-	653,340	-	1,929,259
Interest on long-term debt	-	108,834	-	-	-	-	-	-	-	-	108,834
Bank charges	-	5,685	-	-	-	-	-	-	10,376	-	16,061
Recovery of allowances	-	16,717	-	-	-	-	-	-	-	-	16,717
Gain on sale of fixed assets	-	-	(64,850)	-	-	-	-	-	-	-	(64,850)
	-	3,099,150	6,936,374	75,226	1,467,373	714,873	292,814	302,248	1,028,981	-	13,917,039
Net revenue, before amortization	15,799,375	(491,596)	(4,346,345)	61,108	(1,457,522)	(497,322)	(131,802)	(169,390)	(727,775)	3,814,745	11,853,476
Amortization	-	455,427	3,539,719	47,640	24,152	91,535	-	-	27,760	-	4,186,233
Excess (deficiency) of revenue over expenses	15,799,375	(947,023)	(7,886,064)	13,468	(1,481,674)	(588,857)	(131,802)	(169,390)	(755,535)	3,814,745	7,667,243

1. Significant accounting policies

The consolidated financial statements of Beaver County (the "County") are the representations of management prepared in accordance with generally accepted accounting principles established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. Significant aspects of the accounting policies adopted by the County are as follows:

Reporting entity

The consolidated financial statements reflect the financial activities of the reporting entity. This entity is comprised of the municipal operations plus all organizations that are owned or controlled by the County and are, therefore, accountable to Council for the administration of their financial affairs and resource, including the Beaver Regional Industrial Services Corporation and Community Adult Learning.

Claystone Waste Limited Partnership, a subsidiary partnership of the County, is accounted for on a modified equity basis, consistent with the public sector accounting treatment for a government business partnership. Under the modified equity basis, the government business partnership's accounting principles are not adjusted to conform with those of the County, and inter-organizational transactions and balances are not eliminated. Other comprehensive income (loss) due to fair value adjustments is reported on the consolidated statement of operations and accumulated surplus as an adjustment to accumulated surplus.

The schedule of property taxes levied also includes requisitions for education and other external organizations that are not part of the County reporting entity.

The consolidated financial statements exclude trust assets that are administered for the benefit of external parties. Inter-departmental and organizational transactions and balances are eliminated.

Basis of presentation

Sources of revenue and expenses are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes available and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

Measurement uncertainty (use of estimates)

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period.

Accounts receivable, and amounts due from related County entities and departments, are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Provisions are made for slow moving and obsolete inventory. Amortization is based on the estimated useful lives of tangible capital assets. Accrued sick time for employees is based on historical utilization applied to the total sick bank.

Gravel inventory includes estimated rates for internal hauling.

Tax revenue is initially measured at management’s best estimate of the amount resulting from the original taxable event in accordance with tax legislation. Tax receivables are reduced by an allowance for doubtful accounts of $638,319 (2022 - $587,790). Management’s estimate of the allowance is based upon their assessment of the ultimate collectability of tax receivables.

Pursuant to the *Environmental Enhancement and Protection Act (Alberta)*, the County is required to fund the future reclamation of a gravel pit. Closure activities include the final top soil cover, landscaping, and visual inspection. The requirement is being provided for based on the estimated costs and length of time until the site is expected to be inactive. Reclamation liability is valued using calculations which have significant estimates for future reclamation costs, inflation rate and the risk-free rate. The reclamation liability is an estimated cost to bring the gravel pit site back to its original condition.

1. Significant accounting policies *(Continued from previous page)*

Measurement uncertainty (use of estimates) *(Continued from previous page)*

A liability for asset retirement obligations reflects management's best estimate of the amount required to retire the related tangible capital asset (or component thereof). The best estimate of the liability is based upon assumptions and estimates related to the amount and timing of costs for future asset retirement.

Changes to the underlying assumptions and estimates or legislative changes in the near term could have a material impact on the provision recognized.

By their nature, these judgments are subject to measurement uncertainty, and the effect on the consolidated financial statements of changes in such estimates and assumptions in future years could be material. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in earnings in the year in which they become known.

Financial instruments

The County recognizes its financial instruments when the County becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

At initial recognition, the County may irrevocably elect to subsequently measure any financial instrument at fair value. The County has not made such an election during the year.

The County subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Transactions to purchase or sell these items are recorded on the trade date. Net gains and losses arising from changes in fair value are recognized in the consolidated statement of remeasurement gains and losses. The County has not presented a consolidated statement of remeasurement gains and losses as it does not have any items giving rise to remeasurement gains (losses). Interest income is recognized in the consolidated statement of operations. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost. With the exception of those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost using the effective interest rate method.

Transaction costs directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in excess (deficiency) of revenue over expenses. Conversely, transaction costs are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

All financial assets except derivatives are tested annually for impairment. Management considers whether the investee has experienced continued losses for a period of years, recent collection experience for the loan, such as a default or delinquency in interest or principal payments, in determining whether objective evidence of impairment exists. Any impairment, which is not considered temporary, is recorded in the statement of operations. Write-downs of financial assets measured at cost and/or amortized cost to reflect losses in value are not reversed for subsequent increases in value. Reversals of any net remeasurements of financial assets measured at fair value are reported in the consolidated statement of remeasurement gains and losses.

Asset classification

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not normally provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale in the normal course of operations. Non-financial assets include tangible capital assets, prepaid expenses, land inventory and inventories of supplies.

1. Significant accounting policies *(Continued from previous page)*

Cash and cash equivalents

Cash and cash equivalent include balances with banks and short-term investments with maturities of three months or less.

Debt charges recoverable

Debt charges recoverable consist of amounts that are recoverable from municipal agencies or other local governments with respect to outstanding debentures or other long-term debt pursuant to annexation orders or joint capital undertakings. These recoveries are recorded at a value that equals the offsetting portion of the unmatured long-term debt, less actuarial requirements for the retirement of any sinking fund debentures.

Property tax requisition over-levy and under-levy

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

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

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

Liability for contaminated site

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the County is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at December 31, 2023.

At each financial reporting date, the County reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The County continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

Asset retirement obligations

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset (or a component thereof) at the financial reporting date when there is a legal obligation for the County to incur retirement costs in relation to a tangible capital asset (or component thereof), the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at December 31, 2023. The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods.

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 (or component thereof). The asset retirement cost is amortized over the useful life of the related asset.

At each financial reporting date, the County reviews the carrying amount of the liability. The County recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset.

The County continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

1. Significant accounting policies *(Continued from previous page)*

Revenue recognition

Government transfers

The County recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the County recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

Interest income, rental and other revenue

Other sources of revenue are recorded when received or receivable.

Tax revenue

The County recognizes taxes as assets and revenue when they meet the definition of an asset; are authorized by a legislature, council, or legislative convention; and the taxable event has occurred.

Tax revenue is initially measured at management's best estimate of the amount resulting from the original taxable event in accordance with tax legislation. The related tax receivable is initially recognized at its realizable value at the date of acquisition. At each financial statement date, the County evaluates the tax receivable for collectability and records a valuation allowance to reflect the tax receivable at its net recoverable amount, if necessary.

Fines and penalties

Traffic fine revenue is recorded as cash is received, which is not materially different than recording revenue on an accrual basis.

Tangible capital assets

Tangible capital assets are initially recorded at cost based which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Contributed tangible assets are recorded at their fair value at the date of contribution.

When conditions indicate that a tangible capital asset no longer contributes to the County's ability to provide goods and services, or that the value of future economic benefits associated with a tangible capital asset is less than its net book value, the County reduces the cost of the asset to reflect the decline in it's value. Write-downs of tangible capital assets are not reversed.

Amortization

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

The cost, less residual value, of the tangible capital assets are amortized annually using the following methods at rates intended to amortize the cost of the assets over their estimated useful lives.

	Method	***Years***
Land improvements	straight-line	10 - 30 years
Buildings	straight-line	10 - 50 years
Engineered structures, roads and bridges	straight-line	5 - 75 years
Machinery and equipment	straight-line	5 - 40 years
Vehicles	straight-line	5 - 25 years

1. Significant accounting policies *(Continued from previous page)*

Long-lived assets

Long-lived assets consist of tangible capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The County performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying amount of an asset, or group of assets, may not be recoverable. The carrying amount of a long-lived asset is not recoverable if the carrying amount exceeds the sum of the undiscounted future cash flows from its use and disposal. Impairment is measured as the amount by which the asset's carrying amount exceeds its fair value. Fair value is measured using prices for similar items. Any impairment is included in excess (deficiency) of revenue over expense for the year.

Inventory for consumption

Inventory for consumption is valued at the lower of cost and net realizable value. Cost of inventories of items that are segregated for specific projects is assigned by using specific identification of their individual costs.

Land inventory is recorded at the lower of cost or net realizable value. Cost includes costs for land acquisitions 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 and wastewater services, roads, sidewalks, and street lighting are recorded as tangible capital assets under their respective function.

Land inventory held for resale is classified as a financial asset when all of the following criteria are met:

- Prior to December 31, 2023, the County has committed to sell the asset;
- The asset is in a condition to be sold;
- The asset is publicly seen to be for sale;
- There is an active market for the asset;
- A plan exists for selling the asset; and
- A sale to a party external to the County can reasonably be expected within one year.

Prepaid expenses

Prepaid expenses include pre-payments on goods and services which will be utilized in the following fiscal year.

Segments

The County conducts its business through a number of reportable segments. These operating segments are established by senior management to facilitate the achievement of the County's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

For each reported segment, revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information.

Pensions

The County participates in a multi-employer defined benefit pension plan. The plan is accounted for as a defined contribution plan as the plan is administered independently from the County.

Future accounting pronouncements

PS 3400 Revenue, is a new standard, effective for years beginning on or after April 1, 2023, that sets out general guidance for how public sector entities recognize, measure, present and disclose in-scope exchange and non-exchange revenue transaction

The extent of the impact on adoption of this future standard is not known at this time.

2. Cash and temporary investments

	2023	2022
Cash	**328,291**	307,741
Guaranteed investment certificates	**38,746,678**	33,531,346
	39,074,969	33,839,087

3. Property tax receivable

	2023	2022
Current taxes	**447,475**	687,001
Arrears taxes	**711,435**	1,113,459
	1,158,910	1,800,460
Less: allowance for doubtful accounts	**(638,319)**	(587,790)
	520,591	1,212,670

4. Accounts receivable

	2023	2022
Trade and other recievables	**422,486**	333,616
Due from governments	**95,475**	259,561
	517,961	593,177

5. Inventory for consumption

	2023	2022
Gravel inventory	**5,108,757**	3,944,272
Shop inventory	**448,104**	434,849
	5,556,861	4,379,121

6. Land inventory

Land inventory includes acquisition costs of the land and the improvements to prepare the land for sale or servicing. Related development costs incurred to provide infrastructure are recorded as tangible capital assets under their respective function.

	2023	*2022*
Viking Beaver Business Park	**199,994**	199,994
Equity Industrial Park	**2,612,007**	2,612,007
	2,812,001	2,812,001

7. Due from Beaver Foundation

	2023	*2022*
Debt charges recoverable	**159,167**	152,585
Non-current debt charges recoverable	**2,275,929**	2,435,096
	2,435,096	2,587,681

The County had undertaken a joint project to assist the Beaver Foundation to build a new senior's lodge in Tofield. As at December 31, 2023, $2,435,096 (2022 - $2,587,681) plus interest at 4.268% is recoverable from the Beaver Foundation with respect to this financing. Amounts are recoverable in semi-annual blended instalments of $130,710, and mature December 15, 2035:

	Principal	Interest	Total
2024	159,167	102,253	261,420
2025	166,033	95,387	261,420
2026	173,195	88,225	261,420
2027	180,666	80,754	261,420
2028	188,460	72,960	261,420
To maturity	1,567,575	262,358	1,829,933
	2,435,096	701,937	3,137,033

8. Bank indebtedness

At December 31, 2023, the County had a line of credit totaling $590,000 (2022 – $590,000), none of which was drawn. Interest accrues monthly on the outstanding balance at a rate of prime. The line of credit arrangement is reviewed annually by the bank with the most recent review date being September 12, 2019. As at December 31, 2023, the prime rate was 7.20% (2022 - 6.45%).

9. Accounts payable and accruals

	2023	*2022*
Accounts payable and accrued liabilities	**2,612,373**	1,875,554
Payables to governments	**669,990**	513,891
Vacation and overtime accruals	**308,894**	333,005
Holdbacks payable	**10,247**	16,243
Retirement allowance	**92,000**	94,500
	3,693,504	2,833,193

10. Deferred revenue

The following table represents changes in the deferred revenue balance attributable to each major category of external restrictions:

	Balance, beginning of year	***Contributions received***	***Recognized as revenue***	***Balance, end of year***
Municipal Sustainability Initiative - Capital	**595,307**	**1,085,155**	**1,680,462**	**-**
Community Adult Learning Program	**119,437**	**151,171**	**158,150**	**112,458**
Safety code inspection permits	**67,443**	**6,446**	**-**	**73,889**
Watershed Resiliency and Restoration Program	**46,450**	**-**	**46,450**	**-**
MSC Net	**10,962**	**-**	**4,536**	**6,426**
Alberta Community Partnership	**5,000**	**-**	**5,000**	**-**
Canada Community-Building Fund	**-**	**594,561**	**418,386**	**176,175**
Holden road upgrades	**-**	**116,000**	**-**	**116,000**
	844,599	**1,953,333**	**2,312,984**	**484,948**

Included in the County's deferred revenue are government transfers and grant revenue which are restricted to eligible projects as approved under the funding agreements. Also included are amounts received in advance for safety code inspection permits and non-government funded capital projects.

11. Reclamation liability

Under Provincial legislation, the County is required to reclaim certain land used for the extraction of aggregate material. Reclamation requirements have been defined in accordance with industry standards and include re-vegetation of sites upon closure. The County owns and operates an aggregate extraction site. The aggregate is used for road maintenance and construction projects within the County. An amount of $588,874 (2022 - $588,874) has been accrued. During the year, the County incurred costs to reclaim the aggregate extraction site and a recovery of reclamation expense in the amount of $nil (2022 - $nil) and $nil (2022 - $nil), respectively.

The reported liabilities are based on estimates and assumptions using the best information available at the end of the reporting period. Future events, such as changes to regulatory requirements, may result in significant changes to the estimated total liabilities and will be recognized prospectively, as a change in estimate, when applicable.

12. Asset retirement obligations

The County recognized a liability for asset retirement obligations of $283,771 (2022 - $nil) and a corresponding amount has been capitalized as an asset retirement cost and added to the carrying value of County buildings. The asset retirement cost is amortized on a straight-line basis over the useful life of the related tangible capital assets.

13. Long-term debt

	2023	2022
Self-supported debentures	**2,435,096**	2,587,681

Principal repayments on long-term debt in each of the next five years, assuming long-term debt subject to refinancing is renewed, are estimated as follows:

	Principal	Interest	Total
2024	159,167	102,253	261,420
2025	166,033	95,387	261,420
2026	173,195	88,225	261,420
2027	180,666	80,754	261,420
2028	188,460	72,960	261,420
To maturity	1,567,575	262,358	1,829,933
	2,435,096	701,937	3,137,033

Debenture debt is repayable to the Province of Alberta and bears interest at 4.268% per annum and matures on December 15, 2035. Debenture debt is issued on the credit and security of the County at large.

The County had undertaken a joint project to assist the Beaver Foundation to build a new senior's lodge in Tofield. As at December 31, 2023, $2,435,096 (2022 - $2,587,681) plus interest at 4.268% is recoverable from the Beaver Foundation (Note 7) with respect to this financing. Amounts are recoverable in semi-annual blended instalments of $130,710.

14. Debt limits

Section 276(2) of the Municipal Government Act requires that debt and debt limits defined by Alberta Regulation 255/2000 for the County be disclosed as follows:

	2023	2022
Total debt limit	**35,507,501**	29,478,359
Total debt	**2,435,096**	2,587,681
Amount of debt limit unused	**33,072,405**	26,890,678
Service on debt limit	**5,917,917**	4,913,060
Service on debt	**261,420**	261,420
Amount of debt servicing limit unused	**5,656,497**	4,651,640

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

15. Salaries and benefits disclosure

Disclosure of salaries and benefits for elected municipal officials, the Chief Administrative Officer ("CAO") and designated officers as required by Alberta Regulation 313/2000 is as follows:

	Salary/ remuneration	***Benefits & allowances***	***2023***	*2022*
K. Smook, Reeve - Division 1	**55,173**	**8,352**	**63,525**	56,109
L. Williams - Division 2	**36,955**	**9,760**	**46,715**	46,999
G. Hrabec, Deputy Reeve - Division 3	**46,472**	**10,681**	**57,153**	54,158
B. Bruce, Councilor - Division 4	**32,629**	**8,705**	**41,334**	40,759
D. Pederson, Councilor - Division 5	**29,809**	**5,612**	**35,421**	36,657
K. Spiess, CAO	**169,029**	**29,390**	**198,419**	134,232
J.R. McDonald & Associates - Interim CAO	**-**	**-**	**-**	82,244

Salary/remuneration includes regular base pay, overtime, lump sum payments, gross honoraria and any other direct cash remuneration.

Benefits and allowances includes employer's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, vision coverage, group life insurance, accidental disability, dismemberment insurance, long and short-term disability plans, professional memberships and tuition.

16. Local Authorities Pension Plan

Employees of the County participate in the Local Authorities Pension Plan ("LAPP"), which is one of the plans covered by the Alberta Public Sector Pension Plans Act. The LAPP serves about 291,259 members and 437 employers. The LAPP is financed by employer and employee contributions and by investment earnings of the LAPP Fund.

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

The County is required to make current service contributions to the LAPP of 8.45% of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 12.80% on pensionable earnings above this amount. Employees of the County are required to make current service contributions of 7.45% of pensionable salary up to the year's maximum pensionable salary and 11.80% on pensionable salary above this amount.

Total current service contributions by the County to the LAPP in 2023 were $290,564 (2022 - $269,532). Total current service contributions by the employees of the County to the LAPP in 2023 were $259,704 (2022 - $241,249).

At December 31, 2022, the date of the most recent actuarial valuation, the LAPP disclosed an actuarial surplus of $12,671,000,000 (2021 - $11,922,000,000).

17. Subsidiary operations - Claystone Waste Limited Partnership

Claystone Waste Limited Partnership was formed on August 20, 2020 under the laws of Alberta. The Limited Partnership was formed for the purpose of providing waste management services to partner municipalities and others. The General Partner of the Limited Partnership is Claystone Waste Ltd. and the Limited Partners are Beaver County, Village of Holden, Village of Ryley, Town of Tofield and Town of Viking.

	2023	*2022*
Investment in limited partnership		
Investment, beginning of year	**2,936,952**	1,606,364
Distribution received	**(1,407,107)**	(1,392,507)
Share of net income from partnership operations	**3,814,745**	2,723,095
	5,344,590	2,936,952

Beaver County owns 46.56% of the partnership interest of Claystone Waste Limited Partnership.

Summary financial information of Claystone Waste Limited Partnership, accounted for using the modified equity method, for the year ended December 31, 2023, is as follows:

	2023	*2022*
Financial Position:		
Current assets	**31,048,039**	32,178,650
Property and equipment	**38,032,513**	34,618,381
Landfill closure and post closure fund	**11,511,330**	10,569,427
Total assets	**80,591,882**	77,366,458
Current liabilities	**1,177,536**	1,844,109
Non-current liabilities	**15,026,446**	16,327,280
Total liabilities	**16,203,982**	18,171,389
Partnership equity	**64,387,900**	59,195,069
Total liabilities and partnership equity	**80,591,882**	77,366,458
Results of operations:		
Revenue	**29,689,486**	25,500,328
Expenses	**(21,632,431)**	(19,663,008)
Gain on disposal of property and equipment	**135,576**	11,249
Net and comprehensive income	**8,192,631**	5,848,569
Changes in partnership equity		
Partnership equity - opening	**59,195,069**	56,346,300
Distributions	**(2,999,800)**	(2,999,800)
Net income for the period	**8,192,631**	5,848,569
Partnership equity - ending	**64,387,900**	59,195,069

During the year, Beaver County incurred $24,407 (2022 - $23,197) in waste collection and disposal fees payable to Claystone Waste Limited Partnership. During the year, Claystone Waste Limited Partnership incurred $613,611 (2022 - $556,148) in property taxes and grants payable to Beaver County. All transactions are in the normal course of operations and are recorded at the exchange value based on normal commercial rates.

18. Segments

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

Refer to Schedule 6 - Schedule of Segmented Disclosure.

19. Contingencies

The County is a member of the Genesis Reciprocal Insurance Exchange ("GENESIS"). Under the terms of membership, the County could become liable for its proportionate share of any claim losses in excess of the funds held by GENESIS. Any liability incurred would be accounted for as a current transaction in the years the losses are determined.

In the normal course of business there may be pending claims by and against the County. Litigation is subject to many uncertainties, and the outcome of individual matters is not predictable with assurance. In the opinion of management, based on the advice and information provided by its legal counsel, final determination of these litigations will not materially affect the County's financial position or results of operations.

Within Claystone Waste Limited Partnership, there are contingencies disclosed as follows:

Under the Technology Innovation and Emissions Reduction Regulation, a landfill site can become a registered and regulated facility when the estimated equivalent carbon dioxide emissions exceed 100,000 tonnes based on the regulation’s prescribed method. The prescribed method calculated that the landfill site had emissions in excess of the threshold. Field tests completed using emission detection equipment measured carbon dioxide below the 100,000 tonne threshold and therefore a request was submitted to have the landfill site removed from the registry of regulated facilities and to have payments made returned. The request was successful. The landfill site will continue to be monitored to ensure the threshold is not reached.

Should the partnership be added to the registry in the future, annual payments would be required based partially on emissions for waste accepted at the landfill site up to December 31, 2023. An estimate of the total of these annual payments or the likelihood of becoming registered in the future cannot be made and therefore an estimate of its financial effect cannot be measured.

20. Commitments

The County has entered into gravel crushing and reclamation other general operating agreements. The commitments over the next four years are as follows:

2024	4,406,352
2025	178,830
2026	170,750
2027	30,000

21. Restricted surplus

The County has restricted certain amounts of the accumulated surplus in order to fund future operations. This restricted surplus is not fully funded in cash as this would tie up too much of the operational cash needed to run the day to day operations of the County. The restricted surplus total is available over time and on an as needed basis. Surplus restricted for operating and capital activities changed as follows:

	2022	*Increases*	*Decreases*	***2023***
Contingency	17,186,098	3,039,584	-	**20,225,682**
Public works	11,356,524	6,137,583	(3,889,628)	**13,604,479**
Administration	4,543,920	2,150,457	(1,220,189)	**5,474,188**
Planning and economic development	1,273,916	582,173	(32,789)	**1,823,300**
Water and sewer system	1,120,996	488,659	(15,070)	**1,594,585**
Parks and recreation	441,939	480,568	(260,166)	**662,341**
Agriculture	379,283	75,500	(915)	**453,868**
Legislated	225,373	-	-	**225,373**
	36,528,049	12,954,524	(5,418,757)	**44,063,816**

22. Budget information

The disclosed budget information has been approved by Council. The following is a reconciliation between the budget approved and that showing in the consolidated financial statements:

	Budget 2023
Approved budgeted operating surplus	**1**
Property tax revenue used for capital	**1,474,306**
Operating draw from reserve	**(4,767,570)**
Operating transfer to reserve	**5,782,646**
Excess of revenue over expenses before other (Statement of Operations)	**2,489,383**
Capital reserve transfer	**(1,787,701)**
Property tax revenue, budgeted for in operating	**1,474,306**
Decrease in net financial assets (Statement of change in Net Financial Assets)	**(313,395)**

23. Financial Instruments

The County as part of its operations carries a number of financial instruments. It is management's opinion that the County is not exposed to significant interest, currency or credit risks arising from these financial instruments except as otherwise disclosed.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk.

The County is exposed to interest rate risk with respect to cash and temporary investments, which are subject to floating interest rates based on prime. The County is not exposed to significant interest rate risk on it’s investment in Claystone Waste Limited Partnership or long-term debt, as the debt is fully recoverable from the Beaver Foundation (Note 7).

Credit risk

Credit risk is the risk of financial loss because a counter party to a financial instrument fails to discharge its contractual obligations.

Risk management

The County manages its credit risk by performing regular assessments of its ratepayers and provides allowances for potentially uncollectible accounts and property taxes receivable.

24. Change in accounting policies

Effective January 1, 2023, the County adopted the recommendations relating to the following new accounting standards, as set out in the Canadian public sector accounting standards.

Asset retirement obligations

Effective January 1, 2023, the County adopted the Public Sector Accounting Board’s (PSAB) new standard for the recognition, measurement and disclosure of a liability for asset retirement obligations under PS 3280 *Asset Retirement Obligations*. The new standard establishes when to recognize and how to measure a liability for an asset retirement obligation, and provides the related consolidated financial statement presentation and disclosure requirements.

The change was applied prospectively and prior periods have not been restated. As such, the County recognized asset retirement obligations for those arising on or after January 1, 2023, but for which an obligation was not previously recognized. Refer to Note 12 for the impact on the consolidated financial statements from the prospective application of the new accounting recommendations.

Financial instruments

Effective January 1, 2023, the County adopted the Public Sector Accounting Board’s (PSAB) new recommendations for the recognition, measurement, presentation and disclosure of financial assets, financial liabilities and derivatives under Section PS 3450 *Financial Instruments*. The new Section is applied prospectively, and prior periods have not been restated. There was no material impact on the financial statements from the prospective application of the new accounting recommendations.