

CITY OF WETASKIWIN
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025



MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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 responsibility 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 the consolidated financial statements.

The elected Mayor and Council of the City of Wetaskiwin are composed entirely of individuals who are neither management nor employees of the City. The Mayor and Council have the responsibility of meeting with management and the external auditors to discuss the internal controls over the financial reporting process, auditing matters, and financial reporting issues. The Mayor and Council are also responsible for the appointment of the City's external auditors.

Metrix Group LLP, an independent firm of Chartered Professional Accountants, is appointed by Council to audit the consolidated financial statements and to report directly to them. The external auditors have full and free access to and meet periodically and separately with both the Mayor and Council and management to discuss their audit findings.

Kevin Bamber (Deputy CAO) on behalf of:

Sue Howard, CLGM, PL. Eng, PMP,
City Manager

Tolulope Majaiyesa, CPA, CGA, CLGM
Chief Financial Officer

Wetaskiwin, Alberta
April 28, 2026

INDEPENDENT AUDITORS' REPORT

To the Mayor and Council of the City of Wetaskiwin

Opinion

We have audited the accompanying consolidated financial statements of the City of Wetaskiwin (the "City"), which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statements of operations and accumulated surplus, remeasurement gains and losses, changes in net financial assets (debt), and cash flows 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 City as at December 31, 2025, and the results of its consolidated operations, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the City in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

METRIX GROUP LLP

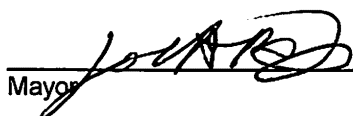
Chartered Professional Accountants

Edmonton, Alberta
April 28, 2026

CITY OF WETASKIWIN
Consolidated Statement of Financial Position
As at December 31, 2025

		<u>2025</u>	<u>2024</u>
FINANCIAL ASSETS			
Cash		\$ 17,567,269	\$ 16,893,475
Taxes and grants in place of taxes receivable	(Note 2)	2,132,387	1,991,396
Trade and other receivables	(Note 3)	6,580,979	6,416,484
Investments	(Note 4)	13,750,618	18,909,448
Land held for resale		78,437	78,437
Investment in Peace Hills Utilities Inc.	(Note 5)	<u>15,855,063</u>	<u>14,840,355</u>
		<u>55,964,753</u>	<u>59,129,595</u>
LIABILITIES			
Accounts payable and accrued liabilities	(Note 7, 10)	4,687,364	12,027,743
Employee benefit obligation	(Note 8)	312,250	189,239
Deposit liabilities		553,572	538,286
Deferred revenue	(Note 9)	6,647,016	6,523,462
Long-term debt	(Note 11)	9,739,474	10,219,261
Concession liability	(Note 13)	48,654,987	49,786,498
Asset retirement obligations	(Note 14)	<u>9,526,419</u>	<u>10,707,651</u>
		<u>80,121,082</u>	<u>89,992,140</u>
NET FINANCIAL DEBT		<u>(24,156,329)</u>	<u>(30,862,545)</u>
NON-FINANCIAL ASSETS			
Tangible capital assets	(Schedule 6)	202,105,167	205,058,280
Prepaid expenses		424,173	455,901
Inventory for consumption		<u>171,619</u>	<u>185,594</u>
		<u>202,700,959</u>	<u>205,699,775</u>
ACCUMULATED SURPLUS		<u>\$178,544,630</u>	<u>\$174,837,230</u>
Accumulated Surplus consists of:			
Accumulated surplus from operations	(Schedule 1, Note 15)	\$178,501,245	\$174,777,878
Accumulated remeasurement gains (losses)		<u>43,385</u>	<u>59,352</u>
		<u>\$178,544,630</u>	<u>\$174,837,230</u>
CONTINGENT LIABILITIES	(Note 19)		
CONTRACTUAL OBLIGATIONS	(Note 20)		

APPROVED ON BEHALF OF COUNCIL:



 Mayor



 Councillor

CITY OF WETASKIWIN

Consolidated Statement of Operations and Accumulated Surplus

For The Year Ended December 31, 2025

		<u>2025</u> (Budget) (Note 23)	<u>2025</u> (Actual)	<u>2024</u> (Actual)
REVENUE				
Net municipal property taxes	(Schedule 2)	\$ 20,631,060	\$ 20,907,960	\$ 18,970,839
Franchise and concession contracts	(Note 17)	3,372,200	3,108,006	3,202,998
Other revenues		379,050	2,935,340	1,940,695
Sales and user charges		3,195,890	2,895,557	3,167,080
Government transfers for operating	(Schedule 3)	1,280,240	2,192,691	2,789,029
Earnings of Peace Hills Utilities Inc.	(Note 5)	-	2,028,646	1,993,343
Investment income		813,000	1,206,348	1,483,451
Rentals		566,340	712,984	762,439
Penalties and costs on taxes		553,730	429,196	509,866
Licenses and permits		337,250	285,286	360,943
Fines		<u>286,000</u>	<u>243,488</u>	<u>204,403</u>
		<u>31,414,760</u>	<u>36,945,502</u>	<u>35,385,086</u>
EXPENSES				
Protective services		10,502,200	8,382,062	8,399,494
Transportation		7,837,330	8,301,390	8,145,079
Administration		7,022,070	6,694,124	6,162,443
Parks and recreation		6,773,590	5,672,747	5,914,311
Water supply and distribution		1,257,030	2,124,795	1,850,916
Wastewater treatment and disposal		491,000	1,977,168	1,226,961
Planning and development		2,035,340	1,690,532	1,726,359
Waste management		1,413,300	1,549,375	1,416,159
Culture		278,430	1,105,853	1,252,775
Family and community support		65,550	534,944	486,122
Legislative - general		<u>489,340</u>	<u>457,888</u>	<u>506,149</u>
		<u>38,165,180</u>	<u>38,490,878</u>	<u>37,086,768</u>
ANNUAL DEFICIT BEFORE OTHER INCOME		<u>(6,750,420)</u>	<u>(1,545,376)</u>	<u>(1,701,682)</u>
OTHER INCOME				
Government transfers for capital	(Schedule 3)	-	2,902,073	2,644,923
Gain on remeasurement of asset retirement obligations		-	1,240,371	-
Amortization of concession liability	(Note 13)	-	1,131,511	1,131,511
Loss on disposal of tangible capital assets		<u>-</u>	<u>(5,212)</u>	<u>(128,258)</u>
		<u>-</u>	<u>5,268,743</u>	<u>3,648,176</u>
ANNUAL SURPLUS (DEFICIT)		(6,750,420)	3,723,367	1,946,494
ACCUMULATED SURPLUS, BEGINNING OF YEAR		<u>174,777,878</u>	<u>174,777,878</u>	<u>172,831,384</u>
ACCUMULATED SURPLUS, END OF YEAR		<u>\$168,027,458</u>	<u>\$178,501,245</u>	<u>\$174,777,878</u>

CITY OF WETASKIWIN

Consolidated Statement of Change in Net Financial Assets (Debt)

For The Year Ended December 31, 2025

	<u>2025</u> (Budget) (Note 23)	<u>2025</u> (Actual)	<u>2024</u> (Actual)
ANNUAL SURPLUS (DEFICIT)	\$ <u>(6,750,420)</u>	\$ <u>3,723,367</u>	\$ <u>1,946,494</u>
Acquisition of tangible capital asset	-	(4,490,691)	(55,472,844)
Contributed tangible capital asset	-	-	-
Proceeds on disposal of tangible capital assets	-	49,508	96,267
Amortization of tangible capital assets	-	7,259,351	6,592,127
Loss on disposal of tangible capital assets	-	5,212	128,258
Recovery on remeasurement of asset retirement obligations	-	129,733	-
	-	<u>2,953,113</u>	<u>(48,656,192)</u>
Change in accumulated remeasurement gains (losses)	-	(15,967)	104,130
Net change in prepaid expenses	-	31,728	(162,352)
Net change in inventory for consumption	-	13,975	(32,465)
	-	<u>29,736</u>	<u>(90,687)</u>
CHANGE IN NET FINANCIAL ASSETS (DEBT)	(6,750,420)	6,706,216	(46,800,385)
NET FINANCIAL ASSETS (DEBT), BEGINNING OF YEAR	<u>(30,862,545)</u>	<u>(30,862,545)</u>	<u>15,937,840</u>
NET FINANCIAL ASSETS (DEBT), END OF YEAR	<u>\$ (37,612,965)</u>	<u>\$ (24,156,329)</u>	<u>\$ (30,862,545)</u>

CITY OF WETASKIWIN
Consolidated Statement of Remeasurement Gains and Losses
For The Year Ended December 31, 2025

	<u>2025</u>	<u>2024</u>
ACCUMULATED REMEASUREMENT GAINS (LOSSES), BEGINNING OF YEAR	\$ 59,352	\$ (44,778)
Amounts reclassified to statement of operations:		
Investments designated at fair value	(59,352)	36,095
Unrealized gain (loss) attributable to:		
Investments designated at fair value	<u>43,385</u>	<u>68,035</u>
NET CHANGE FOR THE YEAR	<u>(15,967)</u>	<u>104,130</u>
ACCUMULATED REMEASUREMENT GAINS (LOSSES), END OF YEAR	\$ <u>43,385</u>	\$ <u>59,352</u>

CITY OF WETASKIWIN
Consolidated Statement of Cash Flows
For The Year Ended December 31, 2025

	<u>2025</u>	<u>2024</u>
OPERATING ACTIVITIES		
Annual surplus	\$ 3,723,367	\$ 1,946,494
Non-cash items included in excess of revenue over expenses:		
Amortization of tangible capital assets	7,259,351	6,592,127
Accretion of asset retirement obligations	188,872	161,038
Loss on disposal of tangible capital assets	5,212	128,258
Amortization of bond premium	(48,835)	(32,353)
Amortization of concession liability	(1,131,511)	-
Recovery on remeasurement of asset retirement obligations	(1,240,371)	-
Earnings of Peace Hills Utilities Inc.	(2,028,646)	(1,993,343)
Changes in non-cash working capital balances:		
Taxes and grants in place of taxes receivable	(140,991)	354,886
Trade and other receivables	(164,495)	1,628,378
Land held for resale	-	164,848
Prepaid expenses	31,728	(162,352)
Inventory for consumption	13,975	(32,465)
Accounts payable and accrued liabilities	(7,340,379)	4,077,876
Employee benefit obligation	123,011	(87,707)
Deposit liabilities	15,286	(22,952)
Deferred revenue	123,554	(2,722,468)
Concession liability	-	49,786,498
	<u>(610,872)</u>	<u>59,786,763</u>
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(4,490,691)	(55,472,844)
Proceeds on disposal of tangible capital assets	49,508	96,267
Addition of asset retirement obligations	-	783,243
	<u>(4,441,183)</u>	<u>(54,593,334)</u>
INVESTING ACTIVITIES		
Proceeds from sale of investments	14,661,003	1,528,080
Purchase of investments	(9,469,305)	(10,800,880)
Dividends from Peace Hills Utilities Inc.	1,013,938	940,461
Capital contributions to Peace Hills Utilities Inc.	-	(1,251,751)
	<u>6,205,636</u>	<u>(9,584,090)</u>
FINANCING ACTIVITIES		
Long-term debt issued	438,578	-
Long-term debt repayments	(918,365)	(1,063,485)
	<u>(479,787)</u>	<u>(1,063,485)</u>
INCREASE (DECREASE) IN CASH	673,794	(5,454,146)
CASH, BEGINNING OF YEAR	<u>16,893,475</u>	<u>22,347,621</u>
CASH, END OF YEAR	<u>\$ 17,567,269</u>	<u>\$ 16,893,475</u>

CITY OF WETASKIWIN

SCHEDULE 1

Schedule of Changes in Accumulated Surplus
For The Year Ended December 31, 2025

	<u>Unrestricted</u>	<u>Restricted Surplus</u>	<u>Equity in Tangible Capital Assets</u>	<u>2025</u>	<u>2024</u>
BALANCE, BEGINNING OF YEAR	\$ 2,969,886	\$ 36,425,489	\$ 135,382,503	\$ 174,777,878	\$ 172,831,384
Annual surplus	3,723,367	-	-	3,723,367	1,946,494
Earnings of Peace Hills Utilities Inc.	(2,028,646)	2,028,646	-	-	-
Purchase of tangible capital assets	(4,490,691)	-	4,490,691	-	-
Disposal of tangible capital assets	54,720	-	(54,720)	-	-
Annual amortization expense	7,259,351	-	(7,259,351)	-	-
Loss (gain) on remeasurement of asset retirement obligation	(1,240,371)	-	1,240,371	-	-
Accretion of asset retirement obligation	188,872	-	(188,872)	-	-
Unrestricted funds designated for future use	(4,176,673)	4,176,673	-	-	-
Restricted funds utilized	609,274	(609,274)	-	-	-
Long-term debt repaid	(918,365)	-	918,365	-	-
Levied portion of debt recoverable	257,431	-	(257,431)	-	-
Amortization of concession liability	<u>(1,131,511)</u>	<u>-</u>	<u>1,131,511</u>	<u>-</u>	<u>-</u>
BALANCE, END OF YEAR	<u>\$ 1,076,644</u>	<u>\$ 42,021,534</u>	<u>\$ 135,403,067</u>	<u>\$ 178,501,245</u>	<u>\$ 174,777,878</u>

Schedule of Property Taxes Levied

For The Year Ended December 31, 2025

	<u>2025</u> (Budget) (Note 23)	<u>2025</u> (Actual)	<u>2024</u> (Actual)
TAXATION			
Real property taxes	\$ 24,379,780	\$ 25,028,839	\$ 22,846,085
Linear property taxes	378,010	475,783	407,388
Special assessments and local improvement plans	113,610	37,222	(25,806)
Government grants-in-lieu of property taxes	<u>23,500</u>	<u>22,651</u>	<u>23,744</u>
	<u>24,894,900</u>	<u>25,564,495</u>	<u>23,251,411</u>
REQUISITIONS			
Alberta School Foundation Fund	3,642,550	3,982,567	3,633,420
St. Thomas Aquinas Roman Catholic Board	326,240	380,424	348,966
Wetaskiwin and area lodge authority	293,350	291,720	296,302
DIP Requisition	<u>1,700</u>	<u>1,824</u>	<u>1,884</u>
	<u>4,263,840</u>	<u>4,656,535</u>	<u>4,280,572</u>
NET MUNICIPAL PROPERTY TAXES	<u>\$ 20,631,060</u>	<u>\$ 20,907,960</u>	<u>\$ 18,970,839</u>

CITY OF WETASKIWIN
Schedule of Government Transfers
For The Year Ended December 31, 2025

SCHEDULE 3

	<u>2025</u> (Budget) (Note 23)	<u>2025</u> (Actual)	<u>2024</u> (Actual)
TRANSFERS FOR OPERATING			
Provincial government	\$ 679,240	\$ 1,319,912	\$ 1,822,530
Local government	601,000	868,520	951,553
Federal government	<u>-</u>	<u>4,259</u>	<u>14,946</u>
	<u>1,280,240</u>	<u>2,192,691</u>	<u>2,789,029</u>
TRANSFERS FOR CAPITAL			
Provincial government	<u>-</u>	<u>2,902,073</u>	<u>2,644,923</u>
	<u>-</u>	<u>2,902,073</u>	<u>2,644,923</u>
TOTAL GOVERNMENT TRANSFERS	<u>\$ 1,280,240</u>	<u>\$ 5,094,764</u>	<u>\$ 5,433,952</u>

CITY OF WETASKIWIN
Schedule of Segmented Disclosure
For The Year Ended December 31, 2025

SCHEDULE 4

	<u>Legislative</u>	<u>Administration</u>	<u>Protective Services</u>	<u>Transportation Services</u>	<u>Environmental Services</u>	<u>Family and Community Support</u>	<u>Planning and Development</u>	<u>Parks and Recreation</u>	<u>Culture</u>	<u>Peace Hills Utilities Inc.</u>	<u>2025</u>
REVENUE											
Net municipal property taxes	\$ -	\$ 20,907,960	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,907,960
Franchise and concession contracts	-	3,107,022	-	-	-	-	-	984	-	-	3,108,006
Other revenues	200	87,747	185,733	(1,449)	1,493,782	30,327	580,428	549,047	9,525	-	2,935,340
Sales and user charges	-	107,019	66,856	207,137	1,949,680	65,147	1,680	470,068	27,970	-	2,895,557
Government transfers for operating	-	213,417	659,071	-	4,161	345,580	-	838,537	131,925	-	2,192,691
Government business earnings	-	-	-	-	-	-	-	-	-	2,028,646	2,028,646
Investment income	-	1,175,755	-	-	-	-	-	-	30,593	-	1,206,348
Rentals	-	-	150,000	1,820	-	-	9,500	551,664	-	-	712,984
Fines, licenses and permits	-	(3,505)	212,568	-	29,636	4,977	274,238	-	10,860	-	528,774
Penalties and cost of taxes	-	429,196	-	-	-	-	-	-	-	-	429,196
	<u>200</u>	<u>26,024,611</u>	<u>1,274,228</u>	<u>207,508</u>	<u>3,477,259</u>	<u>446,031</u>	<u>865,846</u>	<u>2,410,300</u>	<u>210,873</u>	<u>2,028,646</u>	<u>36,945,502</u>
EXPENSES											
Salaries, wages and benefits	373,212	3,657,502	1,954,576	2,702,488	862,363	256,550	1,207,423	2,565,635	581,995	-	14,161,744
Amortization	-	132,729	264,336	2,821,703	3,147,167	14,427	-	870,402	8,587	-	7,259,351
Contracted and general service	84,676	1,758,667	643,299	1,067,738	736,101	256,238	427,439	886,838	199,480	-	6,060,476
Purchase from other governments	-	-	5,298,837	-	-	-	-	-	-	-	5,298,837
Materials, goods, and utilities	-	356,173	178,039	1,676,623	842,459	7,729	14,403	915,101	98,544	-	4,089,071
Provision for allowances	-	388,210	-	-	12,559	-	-	3,234	-	-	404,003
Transfers to individuals and organizations	-	105,491	-	-	-	-	41,267	-	215,831	-	362,589
Interest on long-term debt	-	25,049	42,975	54	-	-	-	288,007	-	-	356,085
Other expenses	-	249,843	-	-	-	-	-	-	-	-	249,843
Accretion	-	-	-	32,060	44,967	-	-	111,845	-	-	188,872
Bank charges and interest	-	20,460	-	724	5,722	-	-	31,685	1,416	-	60,007
	<u>457,888</u>	<u>6,694,124</u>	<u>8,382,062</u>	<u>8,301,390</u>	<u>5,651,338</u>	<u>534,944</u>	<u>1,690,532</u>	<u>5,672,747</u>	<u>1,105,853</u>	<u>-</u>	<u>38,490,878</u>
ANNUAL SURPLUS (DEFICIT) BEFORE OTHER INCOME	<u>(457,688)</u>	<u>19,330,487</u>	<u>(7,107,834)</u>	<u>(8,093,882)</u>	<u>(2,174,079)</u>	<u>(88,913)</u>	<u>(824,686)</u>	<u>(3,262,447)</u>	<u>(894,980)</u>	<u>2,028,646</u>	<u>(1,545,376)</u>

The accompanying notes are an integral part of the consolidated financial statements.

CITY OF WETASKIWIN
Schedule of Segmented Disclosure
For The Year Ended December 31, 2025

SCHEDULE 4

	<u>Legislative</u>	<u>Administration</u>	<u>Protective Services</u>	<u>Transportation Services</u>	<u>Environmental Services</u>	<u>Family and Community Support</u>	<u>Planning and Development</u>	<u>Parks and Recreation</u>	<u>Culture</u>	<u>Peace Hills Utilities Inc.</u>	<u>2025</u>
OTHER INCOME											
Government transfers for capital	\$ -	\$ 41,869	\$ 27,903	\$ 77,159	\$ 125,649	\$ -	\$ 2,012,800	\$ 616,693	\$ -	\$ -	\$ 2,902,073
Gain (loss) on remeasurement of asset retirement obligations	-	-	-	1,019,488	229,873	-	-	(8,990)	-	-	1,240,371
Amortization of concession liability	-	-	-	-	1,131,511	-	-	-	-	-	1,131,511
Gain (loss) on disposal of tangible capital assets	-	(7,422)	-	3,406	-	-	-	(1,196)	-	-	(5,212)
	-	34,447	27,903	1,100,053	1,487,033	-	2,012,800	606,507	-	-	5,268,743
ANNUAL SURPLUS (DEFICIT)	\$ (457,688)	\$ 19,364,934	\$ (7,079,931)	\$ (6,993,829)	\$ (687,046)	\$ (88,913)	\$ 1,188,114	\$ (2,655,940)	\$ (894,980)	\$ 2,028,646	\$ 3,723,367

CITY OF WETASKIWIN
Schedule of Segmented Disclosure
For The Year Ended December 31, 2024

SCHEDULE 5

	<u>Legislative</u>	<u>Administration</u>	<u>Protective Services</u>	<u>Transportation Services</u>	<u>Environmental Services</u>	<u>Family and Community Support</u>	<u>Planning and Development</u>	<u>Parks and Recreation</u>	<u>Culture</u>	<u>Peace Hills Utilities Inc.</u>	<u>2024</u>
REVENUE											
Net municipal property taxes	\$ -	\$ 18,970,839	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,970,839
Franchise and concession contracts	-	3,195,029	-	-	-	-	-	7,969	-	-	3,202,998
Sales and user charges	-	130,672	41,433	206,981	1,844,885	68,235	5,775	829,444	39,655	-	3,167,080
Government transfers for operating	-	192,506	1,254,422	-	19,639	376,828	-	814,325	131,309	-	2,789,029
Government business earnings	-	-	-	-	-	-	-	-	-	1,993,343	1,993,343
Other revenues	700	80,092	147,155	466	1,261,432	16,013	44,996	365,988	23,853	-	1,940,695
Investment income	-	1,452,269	-	-	-	-	-	-	31,182	-	1,483,451
Rentals	-	-	154,330	-	-	-	-	608,109	-	-	762,439
Fines, licenses and permits	-	-	131,623	-	69,663	3,873	348,712	-	11,475	-	565,346
Penalties and cost of taxes	-	509,866	-	-	-	-	-	-	-	-	509,866
	<u>700</u>	<u>24,531,273</u>	<u>1,728,963</u>	<u>207,447</u>	<u>3,195,619</u>	<u>464,949</u>	<u>399,483</u>	<u>2,625,835</u>	<u>237,474</u>	<u>1,993,343</u>	<u>35,385,086</u>
EXPENSES											
Salaries, wages and benefits	396,732	3,233,599	1,622,626	2,236,727	786,683	220,244	1,166,958	2,390,338	522,258	-	12,576,165
Contracted and general service	109,342	1,598,714	741,706	1,258,738	681,715	226,410	514,547	1,246,183	389,987	-	6,767,342
Amortization	-	134,557	269,739	2,844,373	2,401,736	15,696	17,512	896,066	12,448	-	6,592,127
Purchase from other governments	-	-	5,514,000	-	-	-	-	-	-	-	5,514,000
Materials, goods, and utilities	-	133,188	160,258	1,701,202	597,037	8,811	10,758	1,010,381	99,367	-	3,721,002
Provision for allowances	-	918,320	30,697	-	2,041	-	-	-	-	-	951,058
Interest on long-term debt	-	32,113	59,370	297	31	-	-	302,694	-	-	394,505
Transfers to individuals and organizations	-	3,545	-	-	-	14,961	16,359	-	227,317	-	262,182
Accretion	-	-	-	103,024	19,471	-	-	38,543	-	-	161,038
Other expenses	-	87,915	-	-	-	-	-	-	-	-	87,915
Bank charges and interest	<u>75</u>	<u>20,492</u>	<u>1,098</u>	<u>718</u>	<u>5,322</u>	<u>-</u>	<u>225</u>	<u>30,106</u>	<u>1,398</u>	<u>-</u>	<u>59,434</u>
	<u>506,149</u>	<u>6,162,443</u>	<u>8,399,494</u>	<u>8,145,079</u>	<u>4,494,036</u>	<u>486,122</u>	<u>1,726,359</u>	<u>5,914,311</u>	<u>1,252,775</u>	<u>-</u>	<u>37,086,768</u>
ANNUAL SURPLUS (DEFICIT) BEFORE OTHER INCOME											
	<u>(505,449)</u>	<u>18,368,830</u>	<u>(6,670,531)</u>	<u>(7,937,632)</u>	<u>(1,298,417)</u>	<u>(21,173)</u>	<u>(1,326,876)</u>	<u>(3,288,476)</u>	<u>(1,015,301)</u>	<u>1,993,343</u>	<u>(1,701,682)</u>

The accompanying notes are an integral part of the consolidated financial statements.

CITY OF WETASKIWIN
Schedule of Segmented Disclosure
For The Year Ended December 31, 2024

SCHEDULE 5

	<u>Legislative</u>	<u>Administration</u>	<u>Protective Services</u>	<u>Transportation Services</u>	<u>Environmental Services</u>	<u>Family and Community Support</u>	<u>Planning and Development</u>	<u>Parks and Recreation</u>	<u>Culture</u>	<u>Peace Hills Utilities Inc.</u>	<u>2024</u>
OTHER INCOME											
Government transfers for capital	\$ -	\$ -	\$ 64,999	\$ 488,174	\$ 921,715	\$ -	\$ 952,986	\$ 217,049	\$ -	\$ -	\$ 2,644,923
Amortization of concession liability	-	-	-	-	1,131,511	-	-	-	-	-	1,131,511
Gain (loss) on disposal of tangible capital assets	-	-	-	(14,107)	(635)	-	(42,281)	(71,235)	-	-	(128,258)
	-	-	64,999	474,067	2,052,591	-	910,705	145,814	-	-	3,648,176
ANNUAL SURPLUS (DEFICIT)	\$ <u>(505,449)</u>	\$ <u>19,330,487</u>	\$ <u>(6,605,532)</u>	\$ <u>(7,463,565)</u>	\$ <u>754,174</u>	\$ <u>(21,173)</u>	\$ <u>(416,171)</u>	\$ <u>(3,142,662)</u>	\$ <u>(1,015,301)</u>	\$ <u>1,993,343</u>	\$ <u>2,908,151</u>

Schedule of Tangible Capital Assets
For The Year Ended December 31, 2025

	<u>Land</u>	<u>Land Improvements</u>	<u>Buildings</u>	<u>Engineered Structures</u>	<u>Machinery and Equipment</u>	<u>Vehicles</u>	<u>Construction in Progress¹</u>	<u>2025</u>	<u>2024</u>
COST:									
Balance, Beginning of Year	\$ 2,713,069	\$ 19,405,525	\$ 43,162,071	\$ 237,534,876	\$ 13,553,302	\$ 5,030,556	\$ 703,489	\$ 322,102,888	\$ 266,867,230
Additions	398,615	-	394,279	1,638,333	85,704	-	1,973,760	4,490,691	55,472,844
Disposals	-	-	-	-	(242,357)	(87,393)	-	(329,750)	(227,579)
Transfers	-	-	168,515	330,462	-	-	(498,977)	-	-
Adjustments to tangible capital assets	-	-	-	-	-	-	-	-	(9,607)
Remeasurement of asset retirement obligations	-	(1,247,093)	(920,334)	(768,308)	(6,805)	-	-	(2,942,540)	-
Balance, End of Year	<u>3,111,684</u>	<u>18,158,432</u>	<u>42,804,531</u>	<u>238,735,363</u>	<u>13,389,844</u>	<u>4,943,163</u>	<u>2,178,272</u>	323,321,289	<u>322,102,888</u>
ACCUMULATED AMORTIZATION:									
Balance, Beginning of Year	-	14,733,062	14,412,993	76,253,937	8,198,322	3,446,294	-	117,044,608	110,465,142
Amortization	-	493,512	924,230	5,238,045	503,306	100,258	-	7,259,351	6,592,127
Disposals	-	-	-	-	(196,376)	(78,654)	-	(275,030)	(1,129)
Adjustments to tangible capital assets	-	-	-	-	-	-	-	-	(11,532)
Remeasurement of asset retirement obligations	-	(1,314,465)	(825,116)	(666,397)	(6,829)	-	-	(2,812,807)	-
Balance, End of Year	-	<u>13,912,109</u>	<u>14,512,107</u>	<u>80,825,585</u>	<u>8,498,423</u>	<u>3,467,898</u>	-	121,216,122	<u>117,044,608</u>
2025 NET BOOK VALUE	<u>\$ 3,111,684</u>	<u>\$ 4,246,323</u>	<u>\$ 28,292,424</u>	<u>\$ 157,909,778</u>	<u>\$ 4,891,421</u>	<u>\$ 1,475,265</u>	<u>\$ 2,178,272</u>	\$ 202,105,167	<u>\$ -</u>
2024 NET BOOK VALUE	<u>\$ 2,713,069</u>	<u>\$ 4,672,463</u>	<u>\$ 28,749,078</u>	<u>\$ 161,280,939</u>	<u>\$ 5,354,980</u>	<u>\$ 1,584,262</u>	<u>\$ 703,489</u>	\$ -	<u>\$ 205,058,280</u>

¹Construction in progress is comprised of

	<u>\$ -</u>	<u>\$ 1,130,829</u>	<u>\$ 144,394</u>	<u>\$ 846,868</u>	<u>\$ 56,181</u>	<u>\$ -</u>	<u>\$ -</u>	\$ 2,178,272	<u>\$ 16,159,601</u>
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CITY OF WETASKIWIN

Notes to Consolidated Financial Statements

For The Year Ended December 31, 2025

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the City of Wetaskiwin (the "City") are the representations of management prepared in accordance with Canadian public sector accounting standards. Significant aspects of the accounting policies adopted by the City are as follows:

(a) Reporting Entity

The consolidated financial statements reflect the assets, liabilities, revenue, and expenses, changes in net financial position and cash flows of the reporting entity. This entity is comprised of the municipal operations plus all of the organizations that are owned or controlled by the City and are, therefore, accountable to Council for the administration of their financial affairs and resources.

Peace Hills Utilities Inc. ("PHUI"), a subsidiary corporation of the City, is accounted for on a modified equity basis, consistent with the public sector accounting treatment for a government business enterprise. Under the modified equity basis, the government business enterprise's accounting principles are not adjusted to conform with those of the City, and inter-organizational transactions and balances are not eliminated. PHUI's other comprehensive income (loss) is recognized in the City's Consolidated Statement of Operations and Accumulated Surplus as an adjustment to accumulated surplus with a corresponding increase (decrease) in the investment in PHUI. PHUI's net income and capital contributions to PHUI from the City are recorded as an increase to the investment in PHUI. Any dividends that the City receives from PHUI are recorded as a decrease to the investment in PHUI.

The schedule of taxes levied also includes requisitions for education, health, social, and other external organizations that are not part of the municipal reporting entity.

The consolidated statements exclude trust assets that are administered by the City for the benefit of external parties. Interdepartmental and organizational 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 records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or the legal obligation to pay.

Revenues are accounted for in the period in which the transactions or events occurred that gave rise to the revenues and are reliably measured and reasonably estimated. Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

Expenses are recognized in the period the goods or services are acquired and a liability is incurred or transfers are due.

(c) Tax Revenue

Property tax revenue is based on assessments determined in accordance with the *Municipal Government Act*. Tax rates are established annually. Taxation revenues are recorded at the time tax billings are issued. Assessments are subject to appeal.

(CONT'D)

CITY OF WETASKIWIN
Notes to Consolidated Financial Statements
For The Year Ended December 31, 2025

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Tax Revenue (continued)

Construction and borrowing costs associated with local improvement projects are recovered through annual special property assessments during the period of the related borrowing. These levies are collectible from property owners for work performed by the City. Under the accrual basis of accounting, revenues to be received from local improvement assessments are recognized in full in the period the local improvement project costs are incurred and the passing of the related imposition by-law.

(d) Requisition Over-Levies and Under-Levies

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

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

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

(e) Government Transfers

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

Government transfers are recognized in the consolidated 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.

(f) Pension Expenses

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

(g) Valuation of Financial Instruments

The City's financial assets and liabilities are measured as follows:

Financial Statement Component	Measurement
Cash and cash equivalents	Cost
Accounts receivable	Lower of cost and net recoverable value
Inventories for consumption	Lower of cost and replacement cost
Investments	Fair value and amortized cost
Land held for resale	Lower of cost and net realizable value
Accounts payable and accrued liabilities	Cost
Long-term debt	Amortized cost
Contaminated sites	Cost or present value
Asset retirement obligations	Cost or present value

CITY OF WETASKIWIN
Notes to Consolidated Financial Statements
For The Year Ended December 31, 2025

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Valuation of Financial Instruments (continued)

Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the consolidated statement of remeasurement gains and losses. Upon settlement, the cumulative gains or losses are reclassified from the consolidated statement of remeasurement gains and losses and recognized in the consolidated statement of operations and accumulated surplus. Interest and dividends attributable to financial instruments are reported in the consolidated statement of operations and accumulated surplus. When the restricted nature of a financial instrument and any related changes in fair value create a liability, unrealized gains and losses are recognized as deferred revenue.

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the consolidated statement of operations and accumulated surplus. A write-down of an investment to reflect a loss in value that is other than temporary is not reversed for a subsequent increase in value.

For financial assets and liabilities measured using amortized cost, the effective interest method is used to determine interest revenue or expense.

Transaction costs are a component of cost for financial instruments measured using cost or amortized cost. Transaction costs are expensed for financial instruments measured at fair value.

Management evaluates contractual obligations for the existence of embedded derivatives and elects to either designate the entire contract for fair value measurement or separately measure the value of the derivative component when characteristics of the derivative are not closely related to the economic characteristics and risks of the contract itself.

For financial instruments in the fair value measurement category, financial instruments are classified as level 1, 2, or 3 for the purposes of describing the basis of the inputs used to measure the fair value of the financial instrument, as described below:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Market-based inputs other than quoted prices that are observable for the asset or liability either directly or indirectly.
- Level 3: Inputs for the asset or liability that are not based on observable market data; assumptions are based on the best internal and external information available and are most suitable and appropriate based on the type of financial instrument being valued in order to establish what the transaction price would have been on the measurement date in an arm's length transaction.

(h) Investments

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

Investments in derivatives and equity instruments quoted in an active market are carried at fair value with transaction costs expensed upon initial recognition. Unrealized changes in fair value are recognized in the statement of remeasurement gains and losses. When the investment is disposed of the accumulated gains or losses are reclassified to the statement of operations.

CITY OF WETASKIWIN
Notes to Consolidated Financial Statements
For The Year Ended December 31, 2025

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Land Held For Resale

Land held for resale is recorded at the lower of cost or net realizable value. Costs include cost 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 and wastewater services, roads, sidewalks and street lighting are recorded as physical assets under their respective functions.

(j) Contaminated Sites

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 the post-remediation including operation, maintenance, and monitoring.

(k) Asset Retirement Obligations

Asset retirement obligations are legal obligations associated with the retirement of tangible capital assets. Asset retirement activities include all activities related to an asset retirement obligation. These may include, but are not limited to:

- Decommissioning or dismantling a tangible capital asset that was acquired, constructed or developed;
- Remediation of contamination of a tangible capital asset created by its normal use;
- Post-retirement activities such as monitoring; and
- Constructing other tangible capital assets to perform post-retirement activities.

Asset retirement obligations are initially measured at the later of the date of acquisition or legislative obligation. When a liability for an asset retirement obligation is recognized, the asset retirement costs are added to the carrying amount of the related tangible capital asset in productive use and are amortized over the estimated useful life of the related tangible capital asset. Asset retirement costs related to unrecognized tangible capital assets or for tangible capital assets no longer in productive use are expensed in the consolidated statement of operations.

When the future retirement date is unknown, the asset retirement obligation is measured at the current estimated cost to settle or otherwise extinguish the liability. When the future retirement date is known, a present value technique is used to measure the liability. Subsequent to the initial measurement, the asset retirement obligation is adjusted to reflect the passage of time and changes in the estimated future cash flows underlying the obligation and is recognized as an accretion expense in the consolidated statement of operations.

(l) Public-Private Partnerships

A public-private partnership ("P3") is a contractual agreement between a public authority and a private entity for the provision of infrastructure and / or services. The City has entered into a P3 arrangement with Peace Hills Utilities Inc. ("PHUI") for the design, construction, operation, and maintenance of the City's water and wastewater treatment facility (the "Facility"). In exchange for the infrastructure asset developed, PHUI has received the right to operate the Facility and charge user fees to City residents.

CITY OF WETASKIWIN
Notes to Consolidated Financial Statements
For The Year Ended December 31, 2025

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Public-Private Partnerships (continued)

Infrastructure assets include development and financing fees estimated at fair value less previous City contributions, are recognized once in service, are recorded within the City's tangible capital assets and are amortized over their useful life. The City maintains ownership of the assets and will continue to operate the asset at the end of the arrangement.

A corresponding liability is initially recognized and is amortized over the period which PHUI has access to the Facility.

(m) 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 change in net financial assets for the year.

Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. Contributed assets are capitalized and are recorded at their estimated fair value upon acquisition and are also recorded as revenue. Construction in progress represents assets which are not available for productive use and therefore are not subject to amortization.

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

Asset	Years
Land improvements	2-5
Buildings	10 - 50
Engineered structures	
Water system	45 - 75
Wastewater system	45 - 75
Other engineered structures	15 - 60
Machinery and equipment	3 - 38
Vehicles	3 - 25

In the year of acquisition and disposal, amortization is taken at one half of the annual rate. Assets under construction are not amortized until the asset is available for productive use.

Cultural and Historical Tangible Capital Assets

Historical artifacts owned by the City are not recorded in tangible capital assets, but are disclosed.

CITY OF WETASKIWIN
Notes to Consolidated Financial Statements
For The Year Ended December 31, 2025

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Non-Financial Assets (continued)

Leases

Leases are classified as capital or operating leases. Leases that transfer substantially all benefits and risks to the City incidental to ownership of property are accounted for as capital leases. Assets under a capital lease are included within the respective tangible capital asset classification. All other leases are accounted for as operating leases and the related lease payments are charged as incurred.

Inventory for consumption

Inventory held for consumption is valued at the lower of cost or replacement cost.

(n) Use of Estimates

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenditures during the period. Where management uncertainty exists, the consolidated financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

Accounts receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary. The amounts recorded for valuation of tangible capital assets, the useful lives and related amortization of tangible capital assets, future cash flows associated with asset retirement obligations, and contingent liabilities are areas where management makes significant estimates and assumptions in determining the amounts to be recorded in the consolidated financial statements.

(o) Future Accounting Standard Pronouncements

The following summarizes upcoming changes to *Canadian Public Sector Accounting Standards*. The City will continue to assess the impact and prepare for the adoption of these standards.

i) PS 1202 - Financial Statement Presentation

This standard sets out general and specific requirements for the presentation of information in general purpose financial statements. The financial statement principles are based on the concepts in the Conceptual Framework for Financial Reporting in the Public Sector. This standard is applicable to fiscal years beginning on or after April 1, 2026.

ii) The Conceptual Framework for Financial Reporting

The PSAB's framework replaces the conceptual aspects of PS 1000 – Financial Statement Concepts, and PS 1100 – Financial Statement Objectives. This standard is applicable to fiscal years beginning on or after April 1, 2026

CITY OF WETASKIWIN
Notes to Consolidated Financial Statements
For The Year Ended December 31, 2025

2. TAXES AND GRANTS IN PLACE OF TAXES RECEIVABLES

	<u>2025</u>	<u>2024</u>
Current taxes and grants in place of taxes	\$ 1,015,385	\$ 789,683
Arrears taxes	<u>1,412,536</u>	<u>1,488,852</u>
	2,427,921	2,278,535
Less: Allowance for doubtful accounts	<u>(295,534)</u>	<u>(287,139)</u>
	<u>\$ 2,132,387</u>	<u>\$ 1,991,396</u>

3. TRADE AND OTHER RECEIVABLES

	<u>2025</u>	<u>2024</u>
Receivable from other governments	\$ 3,822,780	\$ 4,306,009
Trade and other receivables	1,691,747	1,814,699
Debt recoverable - local improvements	780,202	1,037,633
Advances to agent ¹	438,593	-
Goods and Services Tax recoverable	<u>145,840</u>	<u>126,994</u>
	6,879,162	7,285,335
Less: Allowance for doubtful accounts	<u>(298,183)</u>	<u>(868,851)</u>
	<u>\$ 6,580,979</u>	<u>\$ 6,416,484</u>

¹The City participates in the Clean Energy Improvement Program ("CEIP") funded and financed by the Federation of Canadian Municipalities ("FCM") (Note 11) and administered by Alberta Municipalities (the "Agent"). Under this program, the City provides financing to eligible property owners to assist with the upfront costs of energy efficiency and renewable energy upgrades with repayment collected through property tax billings.

The City has entered into an agreement with the Agent to administer the CEIP including project intake, contractor payments, and program reporting.

As at December 31, 2025, the City has advances of \$438,593 to the Agent to fund eligible program costs and program delivery. The balance of unspent funds held by the Agent at year-end amounts to \$438,593 (2024 - \$NIL) and is included in accounts receivable.

Amounts advanced to property owners under the CEIP are recorded as loans receivable and are secured on a lien on the participating properties. As at December 31, 2025, loans receivable issued under the CEIP amounts to \$NIL (2024 - \$NIL).

CITY OF WETASKIWIN
Notes to Consolidated Financial Statements
For The Year Ended December 31, 2025

4. INVESTMENTS

	<u>2025</u>	<u>2024</u>
Investments - amortized cost	\$ 8,108,933	\$ 15,048,096
Investments - fair value	<u>5,641,685</u>	<u>3,861,352</u>
	<u>\$ 13,750,618</u>	<u>\$ 18,909,448</u>

The composition of portfolio investments measured at amortized cost is as follows:

	<u>2025</u>		<u>2024</u>	
	<u>Carrying value</u>	<u>Market value</u>	<u>Carrying value</u>	<u>Market value</u>
Fixed income securities	\$ 8,097,116	\$ 8,013,938	\$ 15,036,279	\$ 14,970,016
Wetaskiwin Co-op shares	<u>11,817</u>	<u>11,817</u>	<u>11,817</u>	<u>11,817</u>
	<u>\$ 8,108,933</u>	<u>\$ 8,025,755</u>	<u>\$ 15,048,096</u>	<u>\$ 14,981,833</u>

The fixed income securities have effective interest rates ranging from 1.67% to 4.99% per annum (2024 - 1.67% to 3.93%), maturing between May 2025 and September 2034.

The composition of portfolio investments measured at fair value is as follows:

	<u>2025</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Interest bearing securities				
Principal protected notes	\$ -	\$ 5,641,685	\$ -	\$ 5,641,685
	<u>2024</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Interest bearing securities				
Principal protected notes	\$ -	\$ 3,861,352	\$ -	\$ 3,861,352

The fair value measurements are those derived from:

Level 1 - Quoted prices in active markets for identical assets.

Level 2 - Fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the assets, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Fair value measurements are those derived from valuation techniques that include inputs for the assets that are not based on observable market data (i.e. unobservable inputs).

CITY OF WETASKIWIN
Notes to Consolidated Financial Statements
For The Year Ended December 31, 2025

5. INVESTMENT IN PEACE HILLS UTILITIES INC.

Peace Hills Utilities Inc. ("PHUI") is wholly owned subsidiary and a municipally controlled corporation of the City. PHUI provides water and wastewater services to the City of Wetaskiwin. The financial statements of PHUI are prepared in accordance with International Financial Reporting Standards.

The following table provides a condensed supplementary financial information for PHUI.

	<u>2025</u>	<u>2024</u>
Financial Position		
Current assets	\$ 21,768,379	\$ 13,529,583
Non-current assets	<u>67,249,867</u>	<u>69,110,915</u>
Total assets	<u>89,018,246</u>	<u>82,640,498</u>
Current liabilities	15,637,173	13,658,531
Non-current liabilities	<u>57,526,010</u>	<u>54,141,612</u>
Total liabilities	<u>73,163,183</u>	<u>67,800,143</u>
Investment in PHUI	<u>\$ 15,855,063</u>	<u>\$ 14,840,355</u>
Results of Operations		
Revenues	\$ 11,073,405	\$ 11,378,543
Expenses	(7,771,456)	(6,267,952)
Other income	<u>(1,273,303)</u>	<u>(3,117,248)</u>
Net income	<u>\$ 2,028,646</u>	<u>\$ 1,993,343</u>
Changes in Shareholder's Equity		
Shareholder's equity, Opening	\$ 14,840,355	\$ 12,535,722
Net income	2,028,646	1,993,343
Dividends declared	(1,013,938)	(940,461)
Capital contributions	<u>-</u>	<u>1,251,751</u>
Shareholder's equity, Closing	<u>\$ 15,855,063</u>	<u>\$ 14,840,355</u>

The following summarizes PHUI's related party transactions with the City for the year.

	<u>2025</u>	<u>2024</u>
Administrative services provided by the City	\$ 506,400	\$ 506,400
Sale of repair and maintenance services from the City	145,909	194,617
Utility consumption purchased by the City	<u>(339,107)</u>	<u>(340,355)</u>
	<u>\$ (193,198)</u>	<u>\$ (145,738)</u>

All transactions are in the normal course of operation, and are recorded at the exchange value based on normal commercial rates.

CITY OF WETASKIWIN
Notes to Consolidated Financial Statements
For The Year Ended December 31, 2025

5. INVESTMENT IN PEACE HILLS UTILITIES INC. (CONTINUED)

The following summarizes PHUI's related party balances with the City.

	<u>2025</u>	<u>2024</u>
Trade and other receivables	\$ 5,811,965	\$ 10,122,437
Accounts payable and accrued liabilities	<u>(7,054,906)</u>	<u>(16,183,675)</u>
	<u>\$ (1,242,941)</u>	<u>\$ (6,061,238)</u>

The City's consolidated financial statements includes the net balance payable to PHUI within Accounts payable and accrued liabilities - Trade payables and other accrued liabilities (*Note 7*).

6. LINE OF CREDIT

The City has a revolving demand credit facility of \$8,000,000 with Scotiabank. The credit facility bears interest at the bank's prime rate plus 1.00%, was not drawn on at December 31, 2025 (2024 - \$NIL) and is unsecured.

The City has a revolving demand credit facility of \$8,000,000 with Canadian Imperial Bank of Commerce ("CIBC"). The credit facility bears interest at the bank's prime rate plus 0.70%, was not drawn on at December 31, 2025 (2024 - \$NIL) and is unsecured.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2025</u>	<u>2024</u>
Trade payables and accrued liabilities	\$ 2,886,944	\$ 9,530,291
Payable to other governments	1,434,554	2,283,053
Holdbacks payable	156,418	53,238
Salaries and wages	134,685	79,042
Interest on long-term debt	<u>74,763</u>	<u>82,119</u>
	<u>\$ 4,687,364</u>	<u>\$ 12,027,743</u>

8. EMPLOYEE BENEFITS OBLIGATION

	<u>2025</u>	<u>2024</u>
Vacation and overtime accrual	<u>\$ 312,250</u>	<u>\$ 189,239</u>

Employee benefits obligation is comprised of the vacation and overtime that employees are deferring to future years. Employees have either earned the benefits (and are vested) or are entitled to these benefits within the next budgetary year.

The City sponsors life insurance benefits to qualifying retirees from the date of retirement. The City pays 100% of the cost of the life insurance. The cost of these benefits is recognized as a program expenditure each year.

CITY OF WETASKIWIN
Notes to Consolidated Financial Statements
For The Year Ended December 31, 2025

9. DEFERRED REVENUE

Deferred revenue is comprised of the following amounts, which have been received from various third parties and are restricted to the eligible operating and capital projects as approved in the funding agreements for a specified purpose. These amounts are recognized as revenue in the period in which the related expenditures are incurred.

	<u>2024</u>	<u>Additions</u>	<u>Revenue Recognized</u>	<u>2025</u>
<u>Capital</u>				
Canada Community Building Fund	\$ 3,617,794	\$ 881,283	\$ (1,697,743)	\$ 2,801,334
Local Government Fiscal Framework	408,927	1,903,750	(853,366)	1,459,311
Municipal Sustainability Initiative	<u>1,548,739</u>	<u>34,910</u>	<u>(334,741)</u>	<u>1,248,908</u>
	<u>5,575,460</u>	<u>2,819,943</u>	<u>(2,885,850)</u>	<u>5,509,553</u>
<u>Operating</u>				
Other	532,306	882,632	(603,380)	811,558
Recreation	316,224	458,765	(522,109)	252,880
Family and Community Support Services	<u>99,472</u>	<u>73,026</u>	<u>(99,473)</u>	<u>73,025</u>
	<u>948,002</u>	<u>1,414,423</u>	<u>(1,224,962)</u>	<u>1,137,463</u>
	<u>\$ 6,523,462</u>	<u>\$ 4,234,366</u>	<u>\$ (4,110,812)</u>	<u>\$ 6,647,016</u>

10. CONTAMINATED SITES

	<u>2025</u>	<u>2024</u>
Remediation activities	<u>\$ 120,000</u>	<u>\$ 120,000</u>

The liability for contaminated sites includes sites associated with former City operations and waste disposal sites. The nature of the contamination includes organic and other inorganic contaminants resulting from maintenance operations. Liabilities estimates are based on environmental site assessments. The City has recognized a net increase in the liability of \$NIL over the prior year, representing a total liability for the remediation of contaminated sites of \$120,000 (2024 - \$120,000). The liability is reported in Accounts payable and accrued liabilities (*Note 7*) of the Consolidated Statement of Financial Position.

The reported liability is 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 a significant change to the estimated total liability and will be recognized prospectively, as a change in estimate, when applicable.

CITY OF WETASKIWIN
Notes to Consolidated Financial Statements
For The Year Ended December 31, 2025

11. LONG-TERM DEBT

	<u>2025</u>	<u>2024</u>
Tax supported debentures	\$ 9,300,333	\$ 10,217,246
Federation of Canadian Municipalities	438,578	-
Local improvements debentures	<u>563</u>	<u>2,015</u>
	<u>\$ 9,739,474</u>	<u>\$ 10,219,261</u>

The current portion of the long-term debt amounts to \$958,238 (2024 - \$1,063,485).

Principal and interest repayments on debt in the next five years are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 958,238	\$ 333,583	\$ 1,291,821
2027	792,907	291,962	1,084,869
2028	473,547	260,632	734,179
2029	465,041	239,560	704,601
2030	492,681	227,052	719,733
Thereafter	<u>6,557,060</u>	<u>1,441,127</u>	<u>7,998,187</u>
	<u>\$ 9,739,474</u>	<u>\$ 2,793,916</u>	<u>\$ 12,533,390</u>

Debenture debt is predominately held by the Province of Alberta, bears interest at rates ranging from 3.19% to 6.38% per annum and matures between 2026 and 2043. Debenture debt is issued on the credit and security of the City at large.

Debt repayable to the Federation of Canadian Municipalities has a fixed term of 25 years, effective interest rate of 2.50%, and maturing in 2050.

Interest on long-term debt paid amounts to \$356,085 (2024 - \$394,505). The City's total cash payments for interest is \$363,441 (2024 - \$405,441).

CITY OF WETASKIWIN
Notes to Consolidated Financial Statements
For The Year Ended December 31, 2025

12. DEBT LIMITS

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

	<u>2025</u>	<u>2024</u>
Total debt limit	\$ 55,418,253	\$ 53,077,629
Total debt	<u>(9,739,474)</u>	<u>(10,219,261)</u>
Amount of debt limit unused	<u>\$ 45,678,779</u>	<u>\$ 42,858,368</u>
Service on debt limit	\$ 9,236,376	\$ 8,846,272
Service on debt	<u>(1,291,821)</u>	<u>(1,281,805)</u>
Amount of service on debt limit unused	<u>\$ 7,944,555</u>	<u>\$ 7,564,467</u>

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 limits 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 taken alone does not represent the financial stability of the City. Rather, the consolidated financial statements must be interpreted as a whole.

13. CONCESSION LIABILITY

The City has entered into a public-private partnership ("P3") agreement with Peace Hills Utilities Inc. ("PHUI") for the design, construction, operation, and maintenance of the City's water and wastewater treatment facility. Under the agreement, the City has devolved the grantor responsibilities to PHUI in exchange for PHUI receiving the right to operate the Facility and charge utility user fees to City residents. The concession term is for a period of 45 years ending in 2069.

	<u>2024</u>	<u>Additions</u>	<u>Revenue Recognized</u>	<u>2025</u>
Wastewater Infrastructure	\$ <u>49,786,498</u>	\$ <u>-</u>	\$ <u>(1,131,511)</u>	\$ <u>48,654,987</u>

CITY OF WETASKIWIN

Notes to Consolidated Financial Statements

For The Year Ended December 31, 2025

14. ASSET RETIREMENT OBLIGATION

Tangible capital assets with associated retirement obligations include land improvements and buildings.

The City has asset retirement obligations to remove various hazardous materials including, asbestos, from various buildings under its control. Regulations require the City to handle and dispose of these materials in a prescribed manner when it is disturbed, such as when the building undergoes renovations or is demolished. Although the timing of the removal is conditional on the building undergoing renovations or being demolished, regulations create an existing obligation for the City to remove the materials when the asset retirement activities occur.

The City has asset retirement obligations pursuant to the *Environmental Enhancement and Protection Act (Alberta)* to fund the closure of its landfill sites and provide for the post-closure care of the facilities. Closure and post-closure activities include the final covering and landscaping, surface and ground water monitoring, leachate control, site inspection, and maintenance. The Authority is required to provide closure care upon closure of the landfill and to provide post-closure care for 25 years subsequent to closure.

	<u>2025</u>	<u>2024</u>
Balance, Beginning of Year	\$ 10,707,651	\$ 9,763,370
Net Change for the Year		
Revision in estimates	(1,370,104)	-
Additions	-	783,243
Accretion expense	<u>188,872</u>	<u>161,038</u>
	<u>(1,181,232)</u>	<u>944,281</u>
Balance, End of Year	<u>\$ 9,526,419</u>	<u>\$ 10,707,651</u>

Asset retirement obligations of \$9,526,419 (2024 - \$10,707,651) includes \$9,526,419 (2024 - \$10,707,651) measured using a present value technique. The present value was calculated using estimated total undiscounted cash flow amounting to \$9,287,027 (2024 - \$9,265,477), using a discount rate of 3.34% (2024 - discount rates ranging from 1.65% - 3.21%), with retirement and reclamation activities expected to be settled between 2030 and 2069.

CITY OF WETASKIWIN
Notes to Consolidated Financial Statements
For The Year Ended December 31, 2025

15. ACCUMULATED SURPLUS

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

		<u>2025</u>	<u>2024</u>
Unrestricted		\$ 1,076,644	\$ 2,969,886
Restricted Surplus			
Peace Hills Utilities Inc.	(Note 5)	15,855,063	14,840,354
Infrastructure tax		6,810,763	5,227,052
Equipment pool		4,630,780	4,179,630
Land development		2,178,934	2,525,234
Fire equipment		1,901,595	1,580,939
RCMP		1,782,383	-
Stabilization		1,751,317	1,458,982
General contingency		1,443,232	1,067,332
Landfill reclamation		1,380,676	1,347,527
Facility life cycle asset management		1,121,122	975,846
Carry forward - operating		705,008	583,241
Solid waste		605,513	558,153
Storm water		551,784	585,099
Information technology		371,102	545,521
Snow removal stabilization		303,592	359,000
Public art		195,655	198,655
Memorial fund		157,630	123,955
Community safety		113,112	19,269
Cemetery care fund		65,570	63,996
Community land		50,086	50,086
Elections and census		39,094	80,000
Airport		5,858	769
Public transit		1,665	1,665
Carry forward - capital		-	53,184
		<u>42,021,534</u>	<u>36,425,489</u>
Equity in tangible capital assets	(Note 16)	<u>135,403,067</u>	<u>135,382,503</u>
Accumulated surplus from operations		<u>178,501,245</u>	<u>174,777,878</u>
Accumulated remeasurement gains		<u>43,385</u>	<u>59,352</u>
		<u>\$ 178,544,630</u>	<u>\$ 174,837,230</u>

CITY OF WETASKIWIN
Notes to Consolidated Financial Statements
For The Year Ended December 31, 2025

16. EQUITY IN TANGIBLE CAPITAL ASSETS

		<u>2025</u>	<u>2024</u>
Net book value of tangible capital assets	(Schedule 6)	\$202,105,167	\$205,058,280
Debt recoverable - local improvements	(Note 3)	780,202	1,037,633
Long-term debt related to tangible capital assets	(Note 11)	(9,300,896)	(10,219,261)
Concession liability	(Note 13)	(48,654,987)	(49,786,498)
Asset retirement obligations	(Note 14)	<u>(9,526,419)</u>	<u>(10,707,651)</u>
		<u>\$135,403,067</u>	<u>\$135,382,503</u>

17. FRANCHISE AND CONCESSION CONTRACTS

Disclosure of utility franchise agreement annual revenues as required by *Alberta Regulation 313/2000* is as follows:

	<u>2025</u>	<u>2024</u>
Fortis Alberta	\$ 1,807,115	\$ 1,894,721
ATCO Gas	<u>1,299,907</u>	<u>1,300,307</u>
	<u>\$ 3,107,022</u>	<u>\$ 3,195,028</u>

18. FUNDS IN TRUST

	<u>2025</u>	<u>2024</u>
Volunteer fire department	\$ 199,325	\$ 193,196
Christmas hamper	37,326	36,178
Ashoro trust	16,195	15,697
Archives	11,291	10,944
Beautification program	<u>1,956</u>	<u>1,896</u>
	<u>\$ 266,093</u>	<u>\$ 257,911</u>

Trust funds administered by the City have not been included in the consolidated statement of financial position nor have their operations been included in the consolidated statement of operations.

CITY OF WETASKIWIN
Notes to Consolidated Financial Statements
For The Year Ended December 31, 2025

19. CONTINGENT LIABILITIES

- a) The City is a member of the Alberta Municipal Insurance Exchange ("MUNIX"). Under the terms of membership, the City could become liable for its proportionate share of any claim losses in excess of the funds held by the exchange. Any liability incurred would be accounted for as a current transaction in the year the losses are determined.
- b) The City is a defendant in lawsuits arising in the normal course of operations and involving various amounts. Management is of the opinion that the results of these actions should not have any material effect on the financial position of the City. No amounts have been accrued in these consolidated financial statements relating to any of these activities. Any awards or settlements will be reflected in the consolidated statement of operations as the matters are resolved or when sufficient information on amounts and likelihood is known.

20. CONTRACTUAL OBLIGATIONS

The City has entered into the following agreements:

- To lease office space to be used to house the City of Wetaskiwin Public Library until December 2035. The minimum lease payments for the building is \$99,600 annually.
- To have maintenance and support services for the City's budgeting software until February 2028. Annual payment starts at \$24,680, increasing 5% annually over the span of the contract.
- To provide operational and contracted services funding to Wetaskiwin & District Museum Society until December 2027. The annual funding is \$170,000.

2026	\$ 295,513
2027	296,809
2028	99,600
2029	99,600
2030	99,600
Thereafter	<u>498,000</u>
	<u>\$ 1,389,122</u>

21. LOCAL AUTHORITIES PENSION PLAN

Employees of the City 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 is financed by employer and employee contributions and by investment earnings of the LAPP Fund. Contributions for current service are recorded as expenditures in the year in which they become due.

The City is required to make current service contributions to the LAPP consisting of 8.45% (2024 - 8.45%) of pensionable earnings up to the year's maximum pensionable earnings ("YMPE") under the Canada Pension Plan ("CPP") and 11.65% (2024 - 11.65%) of the excess. Employees are required to make current service contributions of 7.45% (2024 - 7.45%) of pensionable salary up to the YMPE and 10.65% (2024 - 10.65%) of the excess. Contributions for current service are recorded as expenses in the year in which they become due.

CITY OF WETASKIWIN

Notes to Consolidated Financial Statements

For The Year Ended December 31, 2025

21. LOCAL AUTHORITIES PENSION PLAN (CONTINUED)

Total current service contributions made by the City to the LAPP in 2025 were \$710,048 (2024 - \$613,909). Total current service contributions made by the employees of the City to the LAPP in 2025 were \$632,510 (2024 - \$545,681).

At December 31, 2024, the LAPP disclosed an actuarial surplus of \$19.56 billion (2023 - \$15.06 billion).

22. SEGMENTED INFORMATION

Segmented information has been identified based upon lines of service provided by the City. Municipal services are provided by departments and their activities are reported by functional area in the body of the consolidated financial statements. Certain lines of service that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

(a) Legislative

Legislative is comprised of City Council. Council makes decisions regarding service delivery and service levels on behalf of the City in order to balance the needs and wants of residents in a financially responsible manner.

(b) Administration

Administration is comprised of the Office of the Chief Administrative Officer, Financial Services, Human Resources, Information Technology, Communications, and Other General Administration.

(c) Protective Services

Protective Services is comprised of Fire, Emergency Management, and Municipal Enforcement Services. Fire Services is responsible to provide fire suppression services; fire prevention programs; training and education related to fire prevention; and detection or extinguishments of fires. The mandate of Emergency Management is to help maintain safe communities and public safety in disaster situations. The Municipal Enforcement Services provide bylaw enforcement that ranges from community standards, to traffic safety, to animal control as well as provincial statute enforcement with authorities granted by the Solicitor General of Alberta.

(d) Transportation

Transportation is comprised of Common Services and the Public Works areas. They are responsible for the maintenance of the roadway, airport and storm systems of the City.

(e) Environmental Services

Environmental Services is comprised of water supply and distribution, wastewater treatment and disposal, and waste management. The City is responsible for environmental programs such as weekly garbage pick-up and promoting recycling and other related initiatives.

(f) Family and Community Support

The Family and Community Services area provides services mandated by Family and Community Support Services Alberta through a shared funding model between the Province of Alberta and the City.

(CONT'D)

CITY OF WETASKIWIN
Notes to Consolidated Financial Statements
For The Year Ended December 31, 2025

22. SEGMENTED INFORMATION (CONTINUED)

(g) Planning and Development

Planning and Development is comprised of Planning and Infrastructure, Engineering and Economic Development. These areas are responsible for the planning and development of the City's infrastructure system and work with developers in planning the growth of the City in a sustainable manner. Engineering is responsible for major capital infrastructure projects. Economic Development works with businesses in the City to encourage economic sustainability.

(h) Parks and Recreation

Parks and Recreation is comprised of Recreation, Culture and Cultural Facilities. Parks and Recreation provide recreational and cultural services and activities which promote the well-being of its citizens. These areas are responsible for the parks, playgrounds, facilities, and green spaces of the City. This area also acts as a liaison between community groups.

(i) Culture

Culture provides cultural services and activities which promote the well-being of the City's citizens.

(j) Peace Hills Utilities Inc.

PHUI is a wholly owned subsidiary of the City, accounted for on a modified equity basis as a government business enterprise. Note 5 to these consolidated financial statements provides condensed financial information for PHUI.

Certain allocation methodologies are employed in the preparation of segmented financial information. Net municipal taxes are unallocated to segments and are presented under Administration. Sales and user charges have been allocated to the segment based upon the segment that generated the revenue. Government transfers have been allocated to the segment based upon the purpose for which the transfer was made.

23. BUDGET DATA

The budget presented in these consolidated financial statements is based on the 2025 operating budget approved by Council on January 22, 2024. The City compiles a budget on an accrual basis consistent with principles applied in the consolidated financial statements. The reconciliation below adjusts annual surplus to align with the budget process. Included in the reconciliation below are presentation and elimination adjustments required to comply with Canadian public sector accounting standards. It should not be used as a replacement for the consolidated statement of operations and accumulated surplus. Users should note that this information may not be appropriate for their purposes.

	<u>2025</u> (Budget)	<u>2025</u> (Actual)	<u>2024</u> (Actual)
Annual surplus	\$ (6,750,420)	\$ 3,723,367	\$ 1,946,494
Transfers from reserves	10,330,420	9,491,204	9,468,671
Transfers to reserves	(3,496,720)	(5,850,561)	(4,251,031)
Net internal cost recoveries	835,080	-	-
Principal debt repayments	<u>(918,360)</u>	<u>(918,365)</u>	<u>(1,063,485)</u>
	<u>6,750,420</u>	<u>2,722,278</u>	<u>4,154,155</u>
Results of Operations as Budgeted	\$ <u>-</u>	\$ <u>6,445,645</u>	\$ <u>6,100,649</u>

CITY OF WETASKIWIN
Notes to Consolidated Financial Statements
For The Year Ended December 31, 2025

24. FINANCIAL RISK MANAGEMENT

The City's financial instruments include cash, taxes and grants in place of taxes, trade and other accounts receivable, investments, accounts payable and accrued liabilities, and long-term debt. It is management's opinion that the City is not exposed to significant liquidity, market, interest or currency risk arising from these financial instruments.

The City is subject to credit risk with respect to taxes and grants in lieu of taxes receivable 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 fulfil their obligations. The large number and diversity of taxpayers and customers minimizes the credit risk.

Unless otherwise noted, the carrying values of the financial instruments approximates fair values.

25. SALARY AND BENEFITS DISCLOSURE

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

	Salary ¹	Benefits ²	<u>2025</u>	<u>2024</u>
Mayor T. Gandam	\$ 64,606	\$ 7,806	\$ 72,412	\$ 87,552
Mayor / Councillor J. Branco	44,221	9,569	53,790	47,246
Councillor K. Aberle	36,706	9,480	46,186	50,680
Councillor D. Billingsley	38,754	9,194	47,948	51,628
Councillor G. Blatz-Morgan	29,061	3,936	32,997	45,460
Councillor M. Elder	5,740	1,486	7,226	-
Councillor B. Elliot	30,230	5,729	35,959	50,485
Councillor W. Hoyle	6,837	1,220	8,057	-
Councillor W. Nelson	33,993	6,320	40,313	49,517
Councillor L. White	<u>8,525</u>	<u>1,611</u>	<u>10,136</u>	<u>-</u>
	<u>\$ 298,673</u>	<u>\$ 56,351</u>	<u>\$ 355,024</u>	<u>\$ 382,568</u>
City Manager	<u>\$ 231,675</u>	<u>\$ 39,174</u>	<u>\$ 270,849</u>	<u>\$ 275,278</u>
Designated Officer ³ (contract)	<u>\$ 99,689</u>	<u>\$ -</u>	<u>\$ 99,689</u>	<u>\$ 97,664</u>

¹ Salary includes regular base pay, bonuses, lump sum payments, honoraria, and any other direct cash remuneration, including vacation and severance payments.

² Benefits include the employer's share of all employee benefits and contributions or payments including pension, health care, dental coverage, vision coverage, group life insurance, accidental disability and dismemberment insurance, long-term and short-term disability plans, professional membership dues, and tuition.

³ The City's designated officers include the City's assessor.

CITY OF WETASKIWIN
Notes to Consolidated Financial Statements
For The Year Ended December 31, 2025

26. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

Council and Management have approved these consolidated financial statements on April 28, 2026.

27. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the presentation used in the current year.