

COUNTY OF MINBURN NO. 27
Financial Statements
For The Year Ended December 31, 2024

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

Management of the County of Minburn is responsible for the preparation, accuracy, objectivity and integrity of the accompanying consolidated financial statements and all other information contained within this Financial Report. Management believes that the consolidated financial statements present fairly the County's financial position as of December 31, 2024, and the results of its operations for the year then ended.

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

The consolidated financial statements include certain amounts based on estimates and judgements. Such amounts have been determined on a reasonable basis in order to ensure the consolidated financial statements are presented fairly in all material respects.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, management has designed and maintains a system of internal controls to produce reliable information and to meet reporting requirements on a timely basis. The system is designed to provide management with reasonable assurance that transactions are properly authorized, and assets are properly accounted for and safeguarded.

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

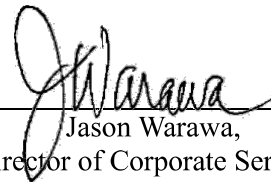
The County Council carries out the primary responsibilities for reviewing the consolidated financial statements. County Council meets regularly with management and where required, with its external auditors, to discuss the results of audit examinations and financial reporting matters.

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

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



Pat Podoborzny,
Chief Administrative Officer



Jason Warawa,
Director of Corporate Services

INDEPENDENT AUDITOR'S REPORT

To the Reeve and Council of County of Minburn No. 27

Opinion

We have audited the consolidated financial statements of County of Minburn No. 27 (the "municipality"), which comprise the consolidated statement of financial position as at December 31, 2024, and the statements of operations, change in net financial assets 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 municipality as at December 31, 2024, and the consolidated results of its operations and consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAS).

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 municipality in accordance with 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 PSAS, 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 municipality'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 municipality or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the municipality'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:

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Independent Auditor's Report to the Reeve and Council of County of Minburn No. 27 (continued)

- 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 municipality'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 municipality'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 municipality to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Wilde & Company

Vegreville, AB
April 22, 2025

Chartered Professional Accountants

COUNTY OF MINBURN NO. 27
Consolidated Statement of Financial Position
As at December 31, 2024

	2024	2023
	\$	\$
Financial Assets		
Cash and temporary investments <i>(Note 1)</i>	15,671,211	9,914,663
Receivables		
Taxes and grants in place of taxes receivable <i>(Note 2)</i>	417,495	352,324
Due from governments	639,799	346,541
Trade and other receivables	1,404,598	1,381,088
Long term receivable <i>(Note 3)</i>	130,623	431,852
Investments <i>(Note 4)</i>	12,795,645	12,997,642
Land held for resale	171,949	169,407
	31,231,320	25,593,517
Liabilities		
Accounts payable and accrued liabilities	12,300,512	13,682,943
Asset retirement obligation <i>(Note 5)</i>	3,388,544	3,211,917
Deferred revenue <i>(Note 6)</i>	729,290	90,250
Employee benefit obligations <i>(Note 7)</i>	330,460	204,678
	16,748,806	17,189,788
Net Financial Assets	14,482,514	8,403,729
Non-Financial Assets		
Tangible capital assets <i>(Schedule 2)</i>	36,404,609	34,398,310
Inventory for consumption <i>(Note 8)</i>	21,935,517	22,405,824
Prepaid expenses	285,476	277,705
	58,625,602	57,081,839
Accumulated Surplus <i>(Schedule 1, Note 9)</i>	73,108,116	65,485,568

Approved on behalf of County Council


 Reeve, Roger Koniczny


 Deputy Reeve, Kevin Bentley

COUNTY OF MINBURN NO. 27
Consolidated Statement of Operations
Year Ended December 31, 2024

	Budget \$ (Unaudited)	2024 \$	2023 \$
Revenue			
Net municipal taxes <i>(Schedule 3)</i>	18,099,043	18,140,537	13,554,938
User fees and sales of goods	283,300	378,056	326,631
Government transfers for operating <i>(Schedule 4)</i>	802,352	758,395	1,940,406
Investment income	529,500	867,167	961,095
Penalties and costs on taxes	122,000	150,150	121,531
Gain on the disposal of tangible capital assets	29,400	185,098	142,630
Other	1,467,388	1,527,798	1,879,152
Total revenue	21,332,983	22,007,201	18,926,383
Expenses			
Administration and legislative	3,221,742	2,930,635	2,797,660
Fire protection and safety services	909,762	876,422	751,493
Emergency Dispatch	11,000	14,177	9,060
Policing Services	245,569	235,878	214,078
Health & Safety	38,350	29,693	25,671
Roads, streets, walks, lighting	11,232,813	8,860,337	8,375,515
Water supply and distribution	268,816	309,554	236,416
Wastewater treatment and disposal	83,761	106,900	90,762
Waste management	369,032	351,551	533,089
Family and community support	168,409	168,409	167,121
Cemetery	144,034	52,473	5,995
Planning and economic services	476,636	347,179	404,754
Agricultural Service Board	619,148	553,636	516,859
Recreation and library services	836,574	834,945	832,401
Total expenses	18,625,646	15,671,789	14,960,874
Excess of revenue over expenses - before other	2,707,337	6,335,412	3,965,509
Other			
Government transfers for capital <i>(Schedule 4)</i>	2,909,732	1,287,136	201,757
Excess of revenues over expenses	5,617,069	7,622,548	4,167,266
Accumulated surplus - beginning of the year	65,485,568	65,485,568	61,318,302
Accumulated surplus - end of the year	71,102,637	73,108,116	65,485,568

COUNTY OF MINBURN NO. 27
Consolidated Statement of Change in Net Financial Assets
Year Ended December 31, 2024

	Budget \$ (Unaudited)	2024 \$	2023 \$
Excess of revenues over expenses	5,617,069	7,622,548	4,167,266
Acquisition of tangible capital assets	(6,123,330)	(4,197,379)	(9,405,136)
Proceeds on disposal of tangible capital assets	-	549,560	578,889
Amortization of tangible capital assets	1,922,199	1,821,541	1,741,302
Gain on sale of tangible capital assets	(29,400)	(185,098)	(142,630)
Loss on sale of tangible capital assets	-	5,077	-
	(4,230,531)	(2,006,299)	(7,227,575)
Use of supplies inventories	1,182,648	470,307	(15,310,447)
Acquisition of prepaid assets	-	(7,771)	(48,245)
	1,182,648	462,536	(15,358,692)
Increase in net assets	2,569,186	6,078,785	(18,419,001)
Net Financial Assets, beginning of year	8,403,729	8,403,729	26,822,730
Net Financial Assets, end of year	10,972,915	14,482,514	8,403,729

COUNTY OF MINBURN NO. 27
Consolidated Statement of Cash Flows
Year Ended December 31, 2024

	2024	2023
	\$	\$
OPERATING		
Excess of revenue over expenses	7,622,548	4,167,266
Net changes in non-cash items included in excess of revenue over expenses		
Amortization of tangible capital assets	1,821,541	1,741,302
Gain on disposal of tangible capital assets	(180,021)	(142,630)
Net changes in non-cash charges to operations		
Increase (decrease) in taxes and grants in place of taxes receivable	(65,171)	8,944
Increase in government receivables	(293,258)	(130,363)
Increase in trade and other receivables	(23,510)	(898,372)
Decrease in long term receivables	301,229	279,017
Increase in land held for resale	(2,542)	-
Increase in prepaid expenses	(7,771)	(48,245)
Decrease (increase) in inventory for consumption	470,307	(15,310,447)
Increase (decrease) in accounts payable and accrued liabilities	(1,382,430)	12,375,368
Increase in asset retirement obligation	176,627	2,813,909
Increase in deferred revenue	639,040	125,296
Increase (decrease) in employee benefit obligations	125,781	(19,785)
<i>Net cash provided by operating transactions</i>	9,202,370	4,961,259
Capital		
Acquisition of tangible capital assets	(4,197,379)	(9,405,136)
Proceeds on disposal of tangible capital assets	549,560	578,889
<i>Net cash used in capital transactions</i>	(3,647,819)	(8,826,247)
Investing		
Increase in restricted cash or cash equivalents	(639,040)	(88,912)
Decrease in investments	201,997	4,966,438
<i>Net cash used in investing transactions</i>	(437,043)	4,877,526
Change in cash and cash equivalents during the year	5,117,508	1,012,538
Cash and cash equivalents, beginning of year	9,824,413	8,811,875
Cash and cash equivalents, end of year	14,941,921	9,824,413
Cash and cash equivalents is made up of:		
Cash and temporary investments <i>(Note 2)</i>	15,671,211	9,914,663
Less: restricted portion of cash and temporary investments <i>(Note 2)</i>	729,290	90,250
	14,941,921	9,824,413
Cash flows supplementary information:		
Interest received	888,050	777,804

COUNTY OF MINBURN NO. 27
Schedule of Changes in Accumulated Surplus
Year Ended December 31, 2024

(Schedule 1)

	Unrestricted Surplus	Restricted Capital Reserves	Equity in Capital Assets	2024 \$	2023 \$
Balance, beginning of year	16,315,157	17,493,209	31,677,202	65,485,568	61,318,302
Excess of revenues over expenses	7,622,548	-	-	7,622,548	4,167,266
Unrestricted funds designated for future use	(5,494,109)	5,494,109	-	-	-
Restricted funds used for operations	33,458	(33,458)	-	-	-
Restricted funds used for tangible capital assets	(2,244,799)	(1,952,582)	1,952,582	-	-
Current year funds used for tangible capital assets	369,540	-	2,244,799	-	-
Disposal of tangible capital assets	1,821,541	-	(369,540)	-	-
Annual amortization	51,426	-	(1,821,541)	-	-
Asset retirement obligation	131,824	-	(51,426)	-	-
Asset retirement obligation accretion expenses	-	-	(131,824)	-	-
Change in accumulated surplus	2,291,429	3,508,069	1,823,050	7,622,548	4,167,266
Balance, end of year	18,606,586	21,001,278	33,500,252	73,108,116	65,485,568

COUNTY OF MINBURN NO.
 Schedule of Tangible Capital Assets
 Year Ended December 31, 2024

Cost	Land		Land Improvements	Buildings	Engineered Structures	Machinery and Equipment	Vehicles	2024	2023
	Land	Improvements						\$	\$
Balance, beginning of year	3,643,204	1,044,351	6,548,148	112,275,851	13,925,443	4,887,935	142,324,932	134,427,331	
Acquisition of tangible capital assets	-	-	147,127	450,166	2,103,864	128,711	2,829,868	8,468,117	
Construction in progress	-	-	-	889,012	478,500	-	1,367,512	937,017	
Disposal of tangible capital assets	-	-	-	(213,990)	(1,086,265)	(76,671)	(1,376,926)	(1,507,533)	
Balance, end of year	3,643,204	1,044,351	6,695,275	113,401,040	15,421,542	4,939,975	145,145,386	142,324,932	
Accumulated amortization									
Balance, beginning of year	-	523,819	1,647,165	94,252,687	7,940,898	3,562,053	107,926,622	107,256,596	
Annual amortization	-	38,769	239,769	520,091	798,414	224,498	1,821,542	1,741,300	
Accumulated amortization on disposals	-	-	-	(213,990)	(720,454)	(72,943)	(1,007,386)	(1,071,274)	
Balance, end of year	-	562,588	1,886,934	94,558,788	8,018,858	3,713,609	108,740,777	107,926,622	
2024 net book value of tangible capital assets	3,643,204	481,763	4,808,341	18,842,252	7,402,684	1,226,366	36,404,609	34,398,310	
2023 net book value of tangible capital assets	3,643,204	520,532	4,900,983	18,023,164	5,984,545	1,325,882	34,398,310	34,398,310	

COUNTY OF MINBURN NO. 27
Schedule of Property and Other Taxes
Year Ended December 31, 2024

(Schedule 3)

	Budget \$ (Unaudited)	2024 \$	2023 \$
Taxation			
Real property taxes	8,994,562	9,006,571	8,936,263
Linear property	11,834,361	11,841,723	7,184,124
Government grants in place of property taxes	24,083	24,083	24,626
	20,853,006	20,872,377	16,145,013
Requisitions			
Alberta School Foundation Fund	2,424,478	2,403,350	2,305,420
Minburn Foundation	283,096	283,096	256,343
Designated Industrial Property	46,389	45,394	28,312
	2,753,963	2,731,840	2,590,075
Net Municipal Taxes	18,099,043	18,140,537	13,554,938

COUNTY OF MINBURN NO. 27
Schedule of Government Transfers
Year Ended December 31, 2024

(Schedule 4)

	Budget (Unaudited)	2024 \$	2023 \$
Transfers for operating			
Local Government	22,000	27,858	171,312
Provincial Government	780,352	730,537	1,769,094
	802,352	758,395	1,940,406
Transfers for capital			
Provincial Government	2,909,732	1,287,136	201,757
Total Government Transfers	3,712,084	2,045,531	2,142,163

COUNTY OF MINBURN NO. 27
Schedule of Consolidated Expenses by Object
Year Ended December 31, 2024

(Schedule 5)

	Budget	2024	2023
	\$	\$	\$
	(Unaudited)		
Consolidated expenses by object			
Salaries, wages and benefits	5,849,360	5,612,094	5,215,816
Contracted and general services	3,408,725	2,166,381	2,322,234
Materials, goods, supplies and utilities	5,477,915	4,127,007	3,833,940
Transfers to local boards and agencies	1,437,379	1,385,873	1,308,456
Bank charges and short term interest	4,000	4,825	3,978
Amortization of tangible capital assets	1,922,199	1,821,541	1,741,302
Other	526,068	554,068	535,148
	18,625,646	15,671,789	14,960,874

COUNTY OF MINBURN NO. 27
Schedule of Segmented Disclosure
Year Ended December 31, 2024

(Schedule 6)

	General Government	Protective Services	Transportation Services	Environmental Services	Planning & Development	Public Health	Recreation & Culture	Other	Total \$
Revenue									
Net municipal taxes	-	-	-	-	-	-	-	18,140,537	18,140,537
Government transfers	-	165,433	1,319,356	87,777	286,004	119,661	67,000	300	2,045,531
User fees and sales of goods	9,891	-	71,357	258,237	38,220	350	-	-	378,056
Investment income	-	-	-	-	-	-	-	867,167	867,167
Gain on disposal of tangible capital assets	-	-	185,098	-	-	-	-	-	185,098
Other revenues	22,784	420,002	894,153	122,614	55,068	-	1,700	161,626	1,677,948
	32,675	585,435	2,469,964	468,628	379,292	120,011	68,700	19,169,630	23,294,337
Expenses									
Salaries, wages & benefits	1,600,791	351,565	3,174,164	86,581	398,994	-	-	-	5,612,094
Contracted and general services	744,924	91,518	523,958	368,520	382,236	51,439	3,786	-	2,166,381
Materials, goods, supplies and utilities	47,957	172,991	3,651,961	128,378	88,999	-	36,721	-	4,127,007
Transfers to local boards and agencies	20,881	332,068	-	79,602	-	168,409	784,913	-	1,385,873
Other expenses	38,297	16,419	71,359	10,940	4,712	-	-	417,167	558,893
	2,452,850	964,561	7,421,442	674,021	874,941	219,848	825,420	417,167	13,850,248
Net revenue (expense) before amortization	(2,420,175)	(379,126)	(4,951,478)	(205,393)	(495,649)	(99,837)	(756,720)	18,752,463	9,444,089
Amortization of tangible capital assets	60,618	191,608	1,438,895	93,985	25,875	1,034	9,526	-	1,821,541
2024 net revenue (expense)	(2,480,793)	(570,734)	(6,390,373)	(299,378)	(521,524)	(100,871)	(766,246)	18,752,463	7,622,548
2023 net revenue (expense)	(2,347,865)	(271,709)	(6,064,719)	(69,180)	(498,841)	(53,709)	(765,401)	14,238,690	4,167,266

COUNTY OF MINBURN NO. 27
Notes to Consolidated Financial Statements
Year Ended December 31, 2024

Significant accounting policies

Basis of presentation

The consolidated financial statements of the municipality are the representations of management prepared in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. Significant aspects of the accounting policies adopted by the municipality are as follows:

Reporting entity

The consolidated financial statements reflect the assets, liabilities, revenues and expenditures, changes in fund balances and change in financial position of the reporting entity. This entity is comprised of the municipal operations plus all the organizations that are owned or controlled by the municipality and are, therefore, accountable to Council for the administration of their financial affairs and resources.

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 statements exclude trust assets that are administered for the benefit of external parties. Interdepartmental and organizational transactions and balances are eliminated.

Basis of accounting

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

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

Government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used for certain programs, in the completion of specific work, or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred, services performed or the tangible capital assets are acquired.

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COUNTY OF MINBURN NO. 27
Notes to Consolidated Financial Statements
Year Ended December 31, 2024

Significant accounting policies *(continued)*

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 amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditure during the period. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

Significant estimates include:

- Amortization of tangible capital assets
- Estimated useful life of tangible capital assets
- Allowance for doubtful accounts
- Valuation of inventory for consumption
- Valuation of asset retirement obligation

Cash and temporary investments

Cash includes cash and cash equivalents. Cash equivalents are investments in notice accounts and guaranteed investment certificates valued at cost plus accrued interest. The carrying amounts approximate fair value because they have maturities at the date of purchase of less than ninety days.

Investments

Investments are recorded at amortized cost. Investment premiums and discounts are amortized on the net present value basis over the term of the respective investments. 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.

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.

Long term receivable

Long term receivables are initially recognized at cost, net of any transaction costs, with interest income recognized using the effective interest method. Long term receivables are subsequently measured at amortized cost net of any valuation allowances.

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COUNTY OF MINBURN NO. 27
Notes to Consolidated Financial Statements
Year Ended December 31, 2024

Significant accounting policies *(continued)*

Requisition over-levy and under-levy

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

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

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

Inventories for resale

Land held for resale is recorded at the lower of cost or net realizable value. Cost includes costs for land acquisition and improvements required to prepare the land for servicing such as clearing, stripping and leveling charges. Related development costs incurred to provide infrastructure such as water and wastewater services, roads, sidewalks and street lighting are recorded as physical assets under the respective function.

Tax revenue

Tax revenues are recognized when the tax has been authorized by bylaw and the taxable event has occurred.

Requisitions operate as a flow through and are excluded from municipal revenue.

Asset retirement obligation

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

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COUNTY OF MINBURN NO. 27
Notes to Consolidated Financial Statements
Year Ended December 31, 2024

Significant accounting policies *(continued)*

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

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

Contaminated sites liability

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic, 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 the Municipality is either directly responsible or accept responsibility and is management's estimate of the cost of post-remediation including operation, maintenance and monitoring.

Government transfers

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

Government transfers are recognized in the financial statements as revenue in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be determined.

(continues)

COUNTY OF MINBURN NO. 27
Notes to Consolidated Financial Statements
Year Ended December 31, 2024

Significant accounting policies *(continued)*

Non-financial assets

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

a) Tangible capital assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over the estimated useful life as follows:

	YEARS
Land improvements	20-25
Buildings	25-50
Engineered structures	
Water system	45-75
Wastewater system	45-75
Other engineered structures	30-50
Machinery and equipment	4-45
Vehicles	10-20

A full year of amortization is charged in the year of acquisition and none in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

b) Contributions of tangible capital assets

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

c) Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

d) Inventories

Inventories held for consumption are recorded at the lower of cost and net realizable value utilizing a weighted average costing system.

e) Cultural and historical tangible capital assets

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

COUNTY OF MINBURN NO. 27
Notes to Consolidated Financial Statements
Year Ended December 31, 2024

1. Cash and temporary investments

	2024	2023
Cash	\$ 453,015	\$ 1,007,167
Temporary investments	15,218,196	8,907,496
	\$ 15,671,211	\$ 9,914,663

Temporary investments are short-term deposits with original maturities of three months or less which are an integral part of the County's cash management.

Included in cash and temporary investments is a restricted amount of \$729,290 (2023 - \$90,250) comprised of deferred revenue not expended (Note 6).

2. Taxes and grants in place of taxes receivable

	2024	2023
Current taxes and grants in place of taxes	\$ 560,252	\$ 557,797
Arrears taxes	1,365,092	919,560
	1,925,344	1,477,357
Less: allowance for doubtful accounts	(1,507,849)	(1,125,033)
	\$ 417,495	\$ 352,324

3. Long term receivable

	2024	2023
Grainsconnect Canada Operations Inc.	\$ 257,182	\$ 378,291
Vegreville Seed Cleaning Plant Ltd,	30,220	135,892
	287,402	514,159
Less: current portion included in trade and other receivables	(156,779)	(82,307)
	\$ 130,623	\$ 431,852

The amount due from Grainsconnect Canada Operations Inc. bears interest at 3.2% per annum, is repayable in annual blended payments of \$134,825 and matures April 30, 2026. The amount due from Vegreville Seed Cleaning Plant Ltd. bears interest at 4.85% per annum, is repayable in monthly blended payments of \$7,257 and matures April 30, 2025.

COUNTY OF MINBURN NO. 27
Notes to Consolidated Financial Statements
Year Ended December 31, 2024

4. Investments

	2024	2023
Alberta Treasury Branch - GICs	\$ 2,500,000	\$ 3,750,000
Canadian Western Bank - GICs	10,295,332	9,247,329
Share Certificates	313	313
	\$ 12,795,645	\$ 12,997,642

Council has designated funds of \$21,001,278 (2023 - \$17,493,209) included in cash and investments for future infrastructure and equipment replacement. Alberta Treasury Branch and Canadian Western Bank held Guaranteed Investment Certificates at interest rates ranging from 2.75% to 6.12% with maturity dates between 2025 and 2029.

5. Asset retirement obligation

Landfill

The County currently has three (3) retired landfill sites within its municipal boundary and is legally required to perform post-closure activities after each site was reclaimed. The Ranfurly landfill site was closed in 2012 with reclamation being completed in 2016. The Lavoy site was reclaimed in 2003. The Mannville site was closed in 2013 with reclamation being completed in 2023. It is estimated that post-closure care for each site will be required for a period of 25 years after the respective year of reclamation. Post-closure activities include the surface and ground water monitoring, leachate control, and site inspections. A liability for the total obligation at each site has been accrued using net present value using a discount rate of 3.4% and will be reduced as post-closure costs are incurred. The County has designated assets for settling the remaining post-closure liabilities.

Asbestos abatement

The County owns a number of infrastructure assets containing asbestos, therefore, the County is legally required to perform abatement activities upon renovation, rehabilitation or demolition of these assets. Obligations are initially measured at the date the legal obligation was incurred, based on management's best estimate of the amount required to retire tangible capital assets and subsequently remeasured considering any new information and appropriateness of assumptions used. Abatement activities include handling and disposing of the asbestos in a prescribed manner when it is disturbed. Undiscounted future cash flows expected to be incurred for abatement costs when the assets are retired at the end of their useful life is estimated to be \$3,684,000. The estimated total liability of \$2,904,175 in 2024 is based on the sum of discounted future cash flows for abatement activities using discount rates ranging from 4.065% to 4.995% and assuming annual inflation of 3.4%. The County has not designated assets for settling the abatement activities.

COUNTY OF MINBURN NO. 27
Notes to Consolidated Financial Statements
Year Ended December 31, 2024

Gravel Pits

The County currently operates two Class I aggregate pits and upon completion of aggregate extraction activities the County is required to reclaim these sites to meet reclamation certification requirements. Reclamation activities include dewatering, placement of overburden and topsoil as well as the vegetation establishment and environmental monitoring. A liability for the total obligation is recorded and adjusted annually by an annual inflation factor which considers any subsequent changes to the disturbed areas at each site. The County has designated assets for settling gravel pit reclamation obligations.

The following summarizes the current value of the reclamation activities required:

	2024	2023
Asset retirement obligation, beginning of year	\$ 3,211,917	\$ 398,008
Liabilities incurred	58,394	2,881,039
Liabilities settled	(13,591)	(193,199)
Accretion expense	131,824	126,069
Asset retirement obligation, end of year	\$ 3,388,544	\$ 3,211,917

6. Deferred revenue

	2024	2023
Alberta Community Partnership – Regional Ec. Dev.	\$ 25,250	\$ 90,250
SCOP Grant – Government of Alberta	90,000	-
SCOP Grant - Municipal Partner contributions	7,500	-
Fire Services Training Grant	7,236	-
Strategic Transportation Infrastructure Program	103,494	-
Canada Community Building Fund	212,295	-
Local Government Fiscal Framework	283,515	-
	\$ 729,290	\$ 90,250

Funding in the amount of \$2,045,531 (2023 - \$2,142,163) was received in the current year from various federal and provincial government programs and local governments. The use of these funds is restricted to eligible projects as approved under the funding agreements. Unexpended funds related to these advances are supported by cash and temporary investments of \$729,290 held exclusively for these projects (Note 1).

COUNTY OF MINBURN NO. 27
Notes to Consolidated Financial Statements
Year Ended December 31, 2024

7. Employee benefit obligations

	2024	2023
Vacation and overtime	\$ 330,460	\$ 204,678

The vacation and overtime liability 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 municipality has accumulating non-vesting sick leave benefits.

8. Inventory for consumption

Municipal inventories consist of the following:

	2024	2023
Gravel and road materials	\$ 21,592,673	\$ 22,045,334
Public Works	315,848	331,750
Agricultural Service Board	26,996	28,920
	\$ 21,935,517	\$ 22,405,824

COUNTY OF MINBURN NO. 27
Notes to Consolidated Financial Statements
Year Ended December 31, 2024

9. Accumulated surplus

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

	2024	2023
Unrestricted Surplus	\$ 18,606,586	\$ 16,315,157
Restricted Surplus		
Future expenditures	-	1,554,472
Fire - Consolidated	1,564,108	1,375,027
Equipment	3,678,636	3,335,261
Bridges	3,106,389	2,789,694
Surfaced Roads	964,551	1,005,467
Facilities	3,770,273	1,606,010
Hamlet Infrastructure	1,968,024	994,600
Peace Park	59,320	54,335
Rate Stabilization	3,600,000	3,000,000
Municipal Reserve	17,471	13,285
Aerial Imagery	35,310	15,310
Utility Contingency	100,000	100,000
Inclement Weather contingency	100,000	100,000
Gravel Reclamation	300,000	300,000
Landfill liability	796,387	809,978
Ace Water Corporation	171,931	171,931
County – industry partnership	74,412	74,412
Carryover	694,468	193,427
Equity in tangible capital assets	33,500,252	31,677,202
	\$ 73,108,116	\$ 65,485,568

COUNTY OF MINBURN NO. 27
Notes to Consolidated Financial Statements
Year Ended December 31, 2024

10. 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:

	2024	2023
Total debt limit	\$ 33,010,802	\$28,389,575
Debt servicing limit	\$ 5,501,800	\$ 4,731,596

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

11. Equity in tangible capital assets

	2024	2023
Tangible capital assets (Schedule 2)	\$ 145,145,386	\$ 142,324,932
Less: accumulated amortization (Schedule 2)	108,740,777	107,926,622
Less: asset retirement obligation (Note 5)	2,772,533	2,595,039
Less: asset retirement obligation accretion expense (Note 5)	131,824	126,069
	\$ 33,500,252	\$ 31,677,202

12. Segmented disclosure

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

Refer to the Schedule of Segmented Disclosure (Schedule 6).

COUNTY OF MINBURN NO. 27
Notes to Consolidated Financial Statements
Year Ended December 31, 2024

13. Salary and benefits disclosure

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

	Salary (1)	Benefits & allowances (2)	2024	2023
Roger Konieczny - Reeve	\$ 65,900	\$ 22,608	\$ 88,508	\$ 86,683
Kevin Bentley – Deputy Reeve	57,242	20,749	77,991	75,367
Joseph Nafziger	56,300	20,518	76,818	75,367
Eric Anderson	56,300	20,518	76,818	75,367
Clifford Wowdzia	56,300	20,518	76,818	75,367
Tara Kuzio	60,159	21,448	81,607	81,070
Carl Ogrodnick	56,300	20,518	76,818	75,367
Chief Administrative Officer	175,875	44,269 (3)	220,144	185,475
Interim Chief Administrative Officer	-	-	-	26,867
Designated Officer 1	86,775	19,512	105,927	142,731
Designated Officer 2	60,392	16,893	77,285	-

1. Salary includes regular base pay, bonuses, overtime, lump sum payments, gross honoraria and any other direct cash remuneration.
2. Employer’s share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, vision coverage, group life insurance, accidental disability and dismemberment insurance, long and short term disability plans, professional memberships and tuition.
3. Benefits and allowances figures also include the employer’s share of the costs of additional taxable benefits including special leave with pay, financial and retirement planning services, concessionary loans, travel allowances, car allowances and club memberships.

COUNTY OF MINBURN NO. 27
Notes to Consolidated Financial Statements
Year Ended December 31, 2024

14. Local Authorities Pension Plan

Employees of the municipality participate in the Local Authorities Pension Plan (LAPP), which is one of the plans covered by the Public Sector Pension Plans Act. The LAPP is financed by employer and employee contributions and by investment earnings of the LAPP Fund.

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

The municipality is required to make current service contributions to the LAPP of 8.45% of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 11.65% on pensionable earnings above this amount.

Total current service contributions by the municipality to the LAPP in 2024 were \$269,855 (2023- \$265,067). Total current service contributions by the employees of the municipality to the Local Authorities Pension Plan in 2024 were \$241,046 (2023 - \$237,034).

At December 31, 2023, the LAPP disclosed an accounting surplus of \$15.057 billion.

15. Financial instruments

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

The municipality is subject to credit risk with respect to taxes and grants in place of taxes receivable and trade and other receivables. Credit risk arises from the possibility that taxpayers and entities to which the municipality provides services may experience financial difficulty and be unable to fulfill their obligations. The large number and diversity of taxpayers and customers minimizes the credit risk.

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

16. Recent accounting pronouncements published but not yet adopted

The following summarizes the upcoming changes to the Public Sector Accounting Standards by the Public Sector Accounting Standards Board (PSAB). In 2025, the County will continue to assess the impact and prepare for the adoption of these standards. While the timing of standard adoption can vary, certain standards must be adopted concurrently.

The Conceptual Framework for Financial Reporting in the Public Sector

The Conceptual Framework for Financial Reporting in the Public Sector, is the foundation for public sector financial reporting standards. It replaces the conceptual aspects of Section PS 1000, Financial Statement Concepts, and Section PS 1100, Financial Statement Objectives. The conceptual framework highlights considerations fundamental for the consistent application of accounting issues in the absence of specific standards.

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COUNTY OF MINBURN NO. 27
Notes to Consolidated Financial Statements
Year Ended December 31, 2024

This revised framework is effective for fiscal years beginning on or after April 1, 2026. Early adoption is permitted. The conceptual framework is to be applied prospectively.

PS 1202 - Financial Statement Presentation

The Canadian Public Sector Accounting Board issued a new guideline, PS 1202 Financial Statement Presentation. The new reporting model builds upon existing section PS 1201 of the same name, to better respond to the need for understandable financial statements. The key aspects of this guideline are:

- Statement of financial position - statement has been restructured to present total assets, then total liabilities to arrive at net assets/liabilities.
- Statement of Net Financial Assets (Liabilities) - new statement that will display a revised calculation of net debt. Option to present the net financial assets/liabilities indicator at the bottom of statement of financial position.
- Statement of Changes in Net Assets (Liabilities) - new statement that will show a reconciliation between opening and closing balances of each component of net assets or net liabilities.
- Statement of Cashflow - restructured such that financing activities will be separated from other items on the statement. Allowing the statement to highlight net cash before financing activities.
- Budget - requirement for presentation of budget figures using the same basis of accounting, accounting principles, scope of activities and classifications as the actual amounts.

The new standard, along with related consequential amendments, will be effective for fiscal years beginning on or after April 1, 2026, with earlier adoption permitted if the corporation adopts the revised conceptual framework at the same time.

17. Change in accounting policies

Effective January 1, 2024, the County adopted PS 3160 Public Private Partnerships (P3), PS 3400 Revenue and PSG-8 Purchased Intangibles prospectively.

These new accounting policies have no current or historical impact on the presentation of these statements.

18. Budget amounts

Budget amounts are included for information purposes only and are not audited.

19. Approval of financial statements

Council and Management have approved these financial statements.