

# **APPENDIX B**

## **MUNICIPAL DISTRICT OF BONNYVILLE NO. 87**

**CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

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## INDEPENDENT AUDITORS' REPORT

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To the Reeve and Council of the Municipal District of Bonnyville No. 87

### *Opinion*

We have audited the accompanying consolidated financial statements of the Municipal District of Bonnyville No. 87 (the Municipality), which comprise the consolidated statement of financial position as at December 31, 2024 and the consolidated statements of operations, change in net financial assets, remeasurement gains and losses, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Municipality as at December 31, 2024, the results of its operations, changes in net financial assets, remeasurement gains and losses, 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 Municipality 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 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.

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*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 Municipality'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 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 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 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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.

Chartered Professional Accountants

Edmonton, Alberta  
April 8, 2025

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## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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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. The 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 Reeve and Council of the Municipal District of Bonnyville No. 87 are composed entirely of individuals who are neither management nor employees of the Municipality. The Reeve 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 Reeve and Council are also responsible for the appointment of the Municipality'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 Reeve and Council and management to discuss their audit findings.

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Ben Berlinguette  
Chief Administrative Officer

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Susan Walker  
General Manager of Corporate Services

April 8, 2025  
Bonnyville, Alberta

**MUNICIPAL DISTRICT OF BONNYVILLE NO. 87**  
**Consolidated Statement of Financial Position**  
**As at December 31, 2024**

	<u>2024</u>	<u>2023</u>
<b>FINANCIAL ASSETS</b>		
Cash and temporary investments (Note 2)	\$ 8,483,519	\$ 27,444,807
Taxes and grants in place of taxes receivable (Note 3)	1,640,549	1,949,196
Trade and other receivables (Note 4)	1,255,001	2,429,358
Debt recoverable - local improvements (Note 5)	157,686	229,515
Loan receivable (Note 6)	2,061,475	2,149,159
Land held for resale	344,395	344,395
Portfolio Investments (Note 7)	<u>134,551,463</u>	<u>106,175,232</u>
	<u>148,494,088</u>	<u>140,721,662</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 8)	5,255,797	16,371,469
Deposit liabilities (Note 9)	1,891,259	1,482,116
Deferred revenue (Note 10)	4,939,873	3,974,350
Employee benefit obligations (Note 11)	1,165,182	1,060,914
Asset retirement obligations (Note 12)	4,481,064	4,356,873
Long-term debt (Note 13)	<u>8,652,657</u>	<u>9,533,286</u>
	<u>26,385,832</u>	<u>36,779,008</u>
<b>NET FINANCIAL ASSETS</b>	<u>122,108,256</u>	<u>103,942,654</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 1)	268,744,931	275,850,406
Inventory for consumption (Note 14)	39,971,585	44,608,005
Prepaid expenses	<u>929,435</u>	<u>842,883</u>
	<u>309,645,951</u>	<u>321,301,294</u>
<b>ACCUMULATED SURPLUS (NOTE 15)</b>	<u>\$431,754,207</u>	<u>\$425,243,948</u>
<b>Accumulated Surplus is comprised of:</b>		
Accumulated surplus from operations (Schedule 2)	432,373,325	425,476,550
Accumulated remeasurement gains and (losses)	<u>(619,118)</u>	<u>(232,602)</u>
	<u>\$431,754,207</u>	<u>\$425,243,948</u>

Guarantee (Note 16)  
Commitment (Note 21)

**ON BEHALF OF COUNCIL:**

**MUNICIPAL DISTRICT OF BONNYVILLE NO. 87**  
**Consolidated Statement of Operations and Accumulated Surplus**  
**For the Year Ended December 31, 2024**

	<u>2024</u> (Budget) (Note 24)	<u>2024</u> (Actual)	<u>2023</u> (Actual)
<b>REVENUE</b>			
Net municipal taxes (Schedule 3)	\$ 86,086,544	\$ 86,469,201	\$ 85,901,634
Investment income	3,600,000	7,780,517	4,667,519
User fees and sales of goods (Schedule 5)	2,947,300	5,599,137	6,589,215
Government transfers for operating (Schedule 4)	889,925	1,850,281	1,564,795
Sales to other governments	447,294	402,297	380,061
Penalties on taxes	357,000	382,934	352,872
Licenses and permits	148,000	254,076	154,602
Fines	126,000	211,206	211,506
Development levies	-	5,433	5,731
Other	927,800	1,478,684	2,032,173
	<u>95,529,863</u>	<u>104,433,766</u>	<u>101,860,108</u>
<b>EXPENSES</b>			
Council	926,617	757,825	611,689
Administration	5,814,080	5,155,309	5,454,994
General government services	32,116,841	29,394,052	38,610,973
Firefighting services	1,251,320	2,255,889	2,429,297
Ambulance	15,000	2,277,002	1,992,352
Disaster and emergency measures	425,368	790,828	822,006
Bylaws enforcement	3,860,420	3,470,113	3,285,878
Roads, streets, walks and lighting	16,551,728	33,813,334	32,560,762
Water supply and distribution	806,135	1,152,904	1,046,918
Wastewater treatment and disposal	619,254	705,319	407,429
Waste management	2,634,875	2,931,727	4,168,461
Family and Community Support Services	512,208	515,325	499,124
Community services	972,386	1,699,083	689,587
Land use planning, zoning and development	1,579,815	1,431,590	1,586,520
Agricultural services	2,293,272	2,262,169	2,135,764
Economic development and other planning	370,024	394,514	282,877
Recreation boards	271,956	692,251	659,731
Parks and recreation	8,343,208	6,735,561	7,248,413
Library	421,227	434,153	417,053
	<u>79,785,734</u>	<u>96,868,948</u>	<u>104,909,828</u>
<b>ANNUAL SURPLUS (DEFICIT) BEFORE OTHER INCOME</b>	<u>15,744,129</u>	<u>7,564,818</u>	<u>(3,049,720)</u>
<b>OTHER INCOME</b>			
Government transfers for capital (Schedule 4)	3,330,000	1,845,011	6,214,870
Contributed assets (Schedule 1)	-	895,667	13,700
Asset retirement obligation adoption (Note 12)	-	-	3,105,871
Gain (loss) on disposal of tangible capital assets	-	(3,408,721)	93,009
	<u>3,330,000</u>	<u>(668,043)</u>	<u>9,427,450</u>
<b>ANNUAL SURPLUS</b>	<u>19,074,129</u>	<u>6,896,775</u>	<u>6,377,730</u>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<u>425,476,550</u>	<u>425,476,550</u>	<u>419,098,820</u>
<b>ACCUMULATED SURPLUS, END OF YEAR</b> <b>(SCHEDULE 2, NOTE 15)</b>	<u>\$ 444,550,679</u>	<u>\$ 432,373,325</u>	<u>\$ 425,476,550</u>

**MUNICIPAL DISTRICT OF BONNYVILLE NO. 87**  
**Consolidated Statement of Remeasurement Gains and Losses**  
**For the Year Ended December 31, 2024**

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	<u><b>2024</b></u> <b>(Actual)</b>	<u><b>2023</b></u> <b>(Actual)</b>
<b>ACCUMULATED REMEASUREMENT GAIN (LOSS) - BEGINNING OF YEAR</b>	\$ <u><b>(232,602)</b></u>	\$ <u><b>-</b></u>
Unrealized loss from adoption of PS 3450: Designated at fair value	-	(268,827)
Amounts reclassified to consolidated statement of operations Designated at fair value	<b>232,602</b>	-
Unrealized gain attributed (loss) to: Designated at fair value	<u><b>(619,118)</b></u>	<u>36,225</u>
Net remeasurement gain (loss) for the year	<u><b>(386,516)</b></u>	<u><b>(232,602)</b></u>
<b>ACCUMULATED REMEASUREMENT GAIN (LOSS) - END OF YEAR</b>	\$ <u><u><b>(619,118)</b></u></u>	\$ <u><u><b>(232,602)</b></u></u>

**MUNICIPAL DISTRICT OF BONNYVILLE NO. 87**  
**Consolidated Statement of Change in Net Financial Assets**  
**For the Year Ended December 31, 2024**

	<u>2024</u> (Budget) (Note 24)	<u>2024</u> (Actual)	<u>2023</u> (Actual)
<b>ANNUAL SURPLUS</b>	<u>\$ 19,074,129</u>	<u>\$ 6,896,775</u>	<u>\$ 6,377,730</u>
Acquisition of tangible capital assets	(19,115,700)	(16,755,188)	(21,577,318)
Contributed tangible capital assets	-	(895,667)	(13,700)
Decrease in accumulated remeasurement gain (loss)	-	(386,516)	(232,602)
Proceeds on disposal of tangible capital assets	-	1,185,209	203,368
Amortization of tangible capital assets	-	20,162,402	20,235,570
Loss (gain) on disposal of tangible capital assets	-	3,408,721	(93,009)
	<u>(19,115,700)</u>	<u>6,718,961</u>	<u>(1,477,691)</u>
Net change in prepaid expenses	-	(86,552)	(138,666)
Net change in inventory for consumption	-	4,636,418	2,697,346
	-	<u>4,549,866</u>	<u>2,558,680</u>
<b>INCREASE (DECREASE) IN NET FINANCIAL ASSETS</b>	(41,571)	<b>18,165,602</b>	7,458,719
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>	<u>103,942,654</u>	<u>103,942,654</u>	<u>96,483,935</u>
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	<u>\$103,901,083</u>	<u>\$122,108,256</u>	<u>\$103,942,654</u>



**MUNICIPAL DISTRICT OF BONNYVILLE NO. 87**  
**Consolidated Statement of Cash Flows**  
**For the Year Ended December 31, 2024**

	<u>2024</u>	<u>2023</u>
<b>OPERATING ACTIVITIES</b>		
Cash from operations:		
Annual surplus	\$ 6,896,775	\$ 6,377,730
Non-cash items included in annual surplus:		
Amortization of tangible capital assets	20,162,402	20,235,570
Accretion of asset retirement obligation	213,361	1,979,151
Acquisition of contributed capital assets	(895,667)	(13,700)
Loss (gain) on disposal of tangible capital assets	3,408,721	(93,009)
Amortization of investment premium/discount	(571,760)	(704,063)
	<u>29,213,832</u>	<u>27,781,679</u>
Change in non-cash working capital balances:		
Accounts receivable	1,483,004	2,043,466
Inventory for consumption	4,636,420	2,697,348
Prepaid expenses	(86,552)	(138,666)
Local improvements - recoverable	71,828	67,524
Loan receivable	87,684	(1,219,300)
Provision for landfill closure and post-closure	-	(3,105,871)
Asset retirement obligation	(89,170)	2,377,722
Land held for resale	-	695
Accounts payable and accrued liabilities	(11,115,672)	11,544,997
Deposit liabilities	409,143	(1,945,056)
Deferred revenue	965,523	(3,794,840)
Employee benefit obligations	104,268	3,432
	<u>(3,533,524)</u>	<u>8,531,451</u>
	<u>25,680,308</u>	<u>36,313,130</u>
<b>FINANCING ACTIVITIES</b>		
Repayment of long-term debt	(880,629)	(852,201)
<b>CAPITAL ACTIVITIES</b>		
Acquisition of tangible capital assets	(16,755,188)	(21,577,318)
Proceeds on disposal of tangible capital assets	1,185,209	203,368
	<u>(15,569,979)</u>	<u>(21,373,950)</u>
<b>INVESTING ACTIVITIES</b>		
Proceeds on sale of investments	82,430,994	39,151,086
Purchase of investments	(110,621,982)	(45,661,469)
	<u>(28,190,988)</u>	<u>(6,510,383)</u>
<b>CHANGE IN CASH AND TEMPORARY INVESTMENTS, DURING THE YEAR</b>	<u>(18,961,288)</u>	<u>7,576,596</u>
<b>CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR</b>	<u>27,444,807</u>	<u>19,868,211</u>
<b>CASH AND TEMPORARY INVESTMENTS, END OF YEAR (NOTE 2)</b>	<u>\$ 8,483,519</u>	<u>\$ 27,444,807</u>

**MUNICIPAL DISTRICT OF BONNYVILLE NO. 87**  
**Consolidated Schedule of Tangible Capital Assets**  
**For the Year Ended December 31, 2024**

**Schedule 1**

	<u>Land</u>	<u>Buildings</u>	<u>Engineered Structures</u>	<u>Machinery and Equipment</u>	<u>Vehicles</u>	<u>Construction in Progress*</u>	<u>2024</u>	<u>2023</u>
<b>COST:</b>								
Balance, Beginning of Year	\$ 14,102,655	\$ 57,432,693	\$ 706,485,888	\$ 31,396,397	\$ 19,826,526	\$ 13,153,194	<b>\$ 842,397,353</b>	\$ 822,397,885
Additions	734,586	2,730,833	1,204,124	3,277,894	4,225,148	4,582,603	<b>16,755,188</b>	21,577,318
Contributed assets	186,865	-	708,802	-	-	-	<b>895,667</b>	13,700
Disposals	(311,250)	(99,169)	(1,724,331)	(1,168,427)	(1,914,826)	(2,647,794)	<b>(7,865,797)</b>	(1,591,550)
Transfers	-	100,341	7,141,865	214,074	-	(7,456,280)	-	-
Balance, End of Year	<u>14,712,856</u>	<u>60,164,698</u>	<u>713,816,348</u>	<u>33,719,938</u>	<u>22,136,848</u>	<u>7,631,723</u>	<b><u>852,182,411</u></b>	<u>842,397,353</u>
<b>ACCUMULATED AMORTIZATION:</b>								
Balance, Beginning of Year	-	11,959,189	525,048,302	17,513,974	12,025,482	-	<b>566,546,947</b>	547,792,570
Amortization expense	-	1,283,226	15,753,325	1,899,686	1,226,165	-	<b>20,162,402</b>	20,235,570
Disposals	-	(39,723)	(431,083)	(927,390)	(1,873,673)	-	<b>(3,271,869)</b>	(1,481,193)
Balance, End of Year	-	<u>13,202,692</u>	<u>540,370,544</u>	<u>18,486,270</u>	<u>11,377,974</u>	-	<b><u>583,437,480</u></b>	<u>566,546,947</u>
<b>NET BOOK VALUE, END OF YEAR</b>	<b><u>\$ 14,712,856</u></b>	<b><u>\$ 46,962,006</u></b>	<b><u>\$ 173,445,804</u></b>	<b><u>\$ 15,233,668</u></b>	<b><u>\$ 10,758,874</u></b>	<b><u>\$ 7,631,723</u></b>	<b><u>\$ 268,744,931</u></b>	<b><u>\$ 275,850,406</u></b>
<b>NET BOOK VALUE, BEGINNING OF YEAR</b>	<b><u>\$ 14,102,655</u></b>	<b><u>\$ 45,473,504</u></b>	<b><u>\$ 181,437,586</u></b>	<b><u>\$ 13,882,423</u></b>	<b><u>\$ 7,801,044</u></b>	<b><u>\$ 13,153,194</u></b>	<b><u>\$ 275,850,406</u></b>	<b><u>\$ -</u></b>
*Construction in progress is comprised of	<u>\$ -</u>	<u>\$ 5,863,682</u>	<u>\$ 1,182,309</u>	<u>\$ 585,732</u>	<u>\$ -</u>	<u>\$ -</u>	<b><u>\$ 7,631,723</u></b>	<b><u>\$ 13,153,194</u></b>

Consolidated Schedule of Changes in Accumulated Surplus  
For the Year Ended December 31, 2024

	Unrestricted Surplus	Restricted Cash Flow	Restricted Equipment Pool	Restricted Other	Equity in Tangible Capital Assets	2024	2023
<b>BALANCE, BEGINNING OF YEAR</b>	<u>\$ 76,113,618</u>	<u>\$ 21,543,696</u>	<u>\$ 31,330,464</u>	<u>\$ 34,299,010</u>	<u>\$262,189,762</u>	<b><u>\$425,476,550</u></b>	<u>\$419,098,820</u>
Annual surplus	6,896,775	-	-	-	-	<b>6,896,775</b>	6,377,730
Current year funds designated for future equipment - net	(10,813,364)	(514,768)	3,396,823	7,931,309	-	-	-
Current year funds used for tangible capital assets	(16,755,188)	-	-	-	16,755,188	-	-
Contributed tangible capital assets	(895,667)	-	-	-	895,667	-	-
Disposal of tangible capital assets (net of amortization)	4,593,926	-	-	-	(4,593,926)	-	-
Annual amortization expense	20,162,402	-	-	-	(20,162,402)	-	-
Accretion of asset retirement obligation	213,361	-	-	-	(213,361)	-	-
Asset retirement obligations disposal	(89,170)	-	-	-	89,170	-	-
Levied portion of debt recoverable - local improvements	71,828	-	-	-	(71,828)	-	-
Long term debt repaid	<u>(880,629)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>880,629</u>	<u>-</u>	<u>-</u>
Change in accumulated surplus	<u>2,504,274</u>	<u>(514,768)</u>	<u>3,396,823</u>	<u>7,931,309</u>	<u>(6,420,863)</u>	<b><u>6,896,775</u></b>	<u>6,377,730</u>
<b>BALANCE, END OF YEAR (NOTE 15)</b>	<b><u>\$ 78,617,892</u></b>	<b><u>\$ 21,028,928</u></b>	<b><u>\$ 34,727,287</u></b>	<b><u>\$ 42,230,319</u></b>	<b><u>\$255,768,899</u></b>	<b><u>\$432,373,325</u></b>	<b><u>\$425,476,550</u></b>

**MUNICIPAL DISTRICT OF BONNYVILLE NO. 87**  
**Consolidated Schedule of Property and Other Taxes**  
**For the Year Ended December 31, 2024**

**Schedule 3**

	<u>2024</u> (Budget) (Note 24)	<u>2024</u> (Actual)	<u>2023</u> (Actual)
<b>TAXATION</b>			
Real property taxes	\$ 58,492,229	<b>\$ 59,249,122</b>	\$ 59,710,920
Linear property taxes	45,016,992	<b>45,597,208</b>	43,617,454
Government grants in lieu of property taxes	77,271	<b>75,271</b>	77,271
Local improvement taxes (Note 5)	<u>23,000</u>	<u><b>14,633</b></u>	<u>18,937</u>
	<u>103,609,492</u>	<u><b>104,936,234</b></u>	<u>103,424,582</u>
<b>REQUISITIONS</b>			
Alberta School Foundation Fund	15,722,679	<b>16,692,932</b>	15,722,679
Lakeland Lodge and Housing Foundation	573,533	<b>573,258</b>	573,533
Lakeland Roman Catholic Separate School District #150	473,922	<b>488,658</b>	473,922
Designated Industrial Property	442,774	<b>417,030</b>	442,774
Greater North Foundation	<u>310,040</u>	<u><b>295,155</b></u>	<u>310,040</u>
	<u>17,522,948</u>	<u><b>18,467,033</b></u>	<u>17,522,948</u>
<b>NET MUNICIPAL TAXES</b>	<u><b>\$ 86,086,544</b></u>	<u><b>\$ 86,469,201</b></u>	<u><b>\$ 85,901,634</b></u>

**MUNICIPAL DISTRICT OF BONNYVILLE NO. 87**  
**Consolidated Schedule of Government Transfers**  
**For the Year Ended December 31, 2024**

**Schedule 4**

	<u>2024</u> (Budget) (Note 24)	<u>2024</u> (Actual)	<u>2023</u> (Actual)
<b>TRANSFERS FOR OPERATING</b>			
Provincial government	\$ <u>889,925</u>	\$ <u>1,850,281</u>	\$ <u>1,564,795</u>
<b>TRANSFERS FOR CAPITAL</b>			
Provincial government	3,330,000	<b>1,845,011</b>	6,181,472
Federal government	<u>-</u>	<u>-</u>	<u>33,398</u>
	<u>3,330,000</u>	<u><b>1,845,011</b></u>	<u>6,214,870</u>
<b>TOTAL GOVERNMENT TRANSFERS</b>	\$ <u><u>4,219,925</u></u>	\$ <u><u><b>3,695,292</b></u></u>	\$ <u><u>7,779,665</u></u>

**MUNICIPAL DISTRICT OF BONNYVILLE NO. 87**  
**Consolidated Schedule of Segmented Information**  
**For the Year Ended December 31, 2024**

**Schedule 5**

	Council Administration and General Government	Protective Services	Municipal Planning, Agricultural Services and Economic Development	FCSS and Community Services	Roads Streets, Walks and Lighting	Water, Sewer and Waste Management	Parks, Recreation and Library	Total
<b>REVENUE</b>								
Taxation	\$ 86,469,201	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 86,469,201
Investment income	7,598,309	173,014	-	-	-	-	9,194	7,780,517
User fees and sales of goods	14,774	2,378,010	111,015	-	-	682,921	2,412,417	5,599,137
All other	837,090	474,213	111,119	-	827,391	178,199	52,542	2,480,554
Government transfers	-	701,174	344,117	407,366	-	-	397,624	1,850,281
Licenses and permits	-	2,035	209,219	-	42,822	-	-	254,076
	<u>94,919,374</u>	<u>3,728,446</u>	<u>775,470</u>	<u>407,366</u>	<u>870,213</u>	<u>861,120</u>	<u>2,871,777</u>	<u>104,433,766</u>
<b>EXPENSES</b>								
Salaries, wages, and benefits	6,553,537	4,509,948	2,489,628	137,685	6,955,989	1,585,783	3,432,467	25,665,037
Contracted and general services	1,667,737	481,640	656,069	1,627	1,556,038	657,745	849,468	5,870,324
Transfers to other governments	26,207,908	1,695,557	-	513,375	-	743,931	-	29,160,771
Transfers to local boards and organizations	-	-	156,140	1,544,074	-	-	434,153	2,134,367
Materials, goods, supplies and utilities	402,548	984,274	497,959	17,647	8,971,050	777,725	1,301,026	12,952,229
Other	252,988	93,270	5,550	-	23,146	-	51,204	426,158
Interest on long term debt	-	-	-	-	269,667	14,632	-	284,299
	<u>35,084,718</u>	<u>7,764,689</u>	<u>3,805,346</u>	<u>2,214,408</u>	<u>17,775,890</u>	<u>3,779,816</u>	<u>6,068,318</u>	<u>76,493,185</u>
<b>ANNUAL SURPLUS BEFORE AMORTIZATION AND ACCRETION</b>	59,834,656	(4,036,243)	(3,029,876)	(1,807,042)	(16,905,677)	(2,918,696)	(3,196,541)	27,940,581
Amortization of tangible capital assets	222,468	1,029,061	282,927	-	16,003,291	848,866	1,775,789	20,162,402
Accretion expense	-	82	-	-	34,153	161,268	17,858	213,361
<b>ANNUAL SURPLUS (DEFICIT) BEFORE OTHER INCOME</b>	<u>59,612,188</u>	<u>(5,065,386)</u>	<u>(3,312,803)</u>	<u>(1,807,042)</u>	<u>(32,943,121)</u>	<u>(3,928,830)</u>	<u>(4,990,188)</u>	<u>7,564,818</u>
Government transfers for capital	-	-	-	-	1,845,011	-	-	1,845,011
Contributed assets	-	-	-	-	726,797	-	168,870	895,667
Gain (loss) on disposal of tangible capital assets	-	104,794	40,966	-	199,593	(2,489,954)	(1,264,120)	(3,408,721)
<b>ANNUAL SURPLUS</b>	<u>\$ 59,612,188</u>	<u>\$ (4,960,592)</u>	<u>\$ (3,271,837)</u>	<u>\$ (1,807,042)</u>	<u>\$ (30,171,720)</u>	<u>\$ (6,418,784)</u>	<u>\$ (6,085,438)</u>	<u>\$ 6,896,775</u>

**MUNICIPAL DISTRICT OF BONNYVILLE NO. 87**  
**Consolidated Schedule of Segmented Information**  
**For the Year Ended December 31, 2023**

**Schedule 5**

	Council Administration and General Government	Protective Services	Municipal Planning, Agricultural Services and Economic Development	FCSS and Community Services	Roads Streets, Walks and Lighting	Water, Sewer and Waste Management	Parks, Recreation and Library	Total
<b>REVENUE</b>								
Taxation	\$ 85,901,634	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 85,901,634
User fees and sales of goods	13,175	3,404,113	77,393	-	105	572,230	2,522,201	6,589,217
All other	826,585	472,620	175,507	-	1,200,535	107,391	199,703	2,982,341
Investment income	4,503,656	145,820	-	-	-	-	18,043	4,667,519
Government transfers	-	428,582	268,747	452,981	1,800	-	412,685	1,564,795
Licenses and permits	-	1,725	110,042	-	42,835	-	-	154,602
	<u>91,245,050</u>	<u>4,452,860</u>	<u>631,689</u>	<u>452,981</u>	<u>1,245,275</u>	<u>679,621</u>	<u>3,152,632</u>	<u>101,860,108</u>
<b>EXPENSES</b>								
Salaries, wages, and benefits	5,700,564	4,517,456	2,631,482	53,601	7,257,550	1,470,700	3,616,738	25,248,091
Contracted and general services	1,664,112	640,758	468,517	360	1,104,375	423,674	1,130,845	5,432,641
Transfers to other governments	26,412,998	1,214,035	-	496,269	-	624,722	-	28,748,024
Transfers to local boards and organizations	-	-	133,629	628,264	-	-	417,053	1,178,946
Materials, goods, supplies and utilities	359,624	1,193,029	514,088	10,217	7,174,531	542,627	1,556,409	11,350,525
Other (recovery)	10,297,251	85,912	-	-	17,771	-	22,945	10,423,879
Interest on long term debt	-	-	-	-	294,972	18,029	-	313,001
	<u>44,434,549</u>	<u>7,651,190</u>	<u>3,747,716</u>	<u>1,188,711</u>	<u>15,849,199</u>	<u>3,079,752</u>	<u>6,743,990</u>	<u>82,695,107</u>
<b>ANNUAL SURPLUS BEFORE AMORTIZATION</b>	46,810,501	(3,198,330)	(3,116,027)	(735,730)	(14,603,924)	(2,400,131)	(3,591,358)	19,165,001
Amortization of tangible capital assets	243,107	878,343	257,445	-	16,635,263	808,298	1,413,114	20,235,570
Accretion expense	-	-	-	-	76,301	1,734,757	168,093	1,979,151
<b>ANNUAL SURPLUS BEFORE OTHER INCOME</b>	<u>46,567,394</u>	<u>(4,076,673)</u>	<u>(3,373,472)</u>	<u>(735,730)</u>	<u>(31,315,488)</u>	<u>(4,943,186)</u>	<u>(5,172,565)</u>	<u>(3,049,720)</u>
Government transfers for capital	-	-	-	-	6,214,870	-	-	6,214,870
Asset retirement obligation adoption	-	-	-	-	-	3,105,871	-	3,105,871
Gain (loss) on disposal of tangible capital assets	(695)	13,000	106,809	-	(15,267)	-	(10,838)	93,009
Contributed assets	-	-	-	-	13,700	-	-	13,700
<b>ANNUAL SURPLUS</b>	<u>\$ 46,566,699</u>	<u>\$ (4,063,673)</u>	<u>\$ (3,266,663)</u>	<u>\$ (735,730)</u>	<u>\$ (25,102,185)</u>	<u>\$ (1,837,315)</u>	<u>\$ (5,183,403)</u>	<u>\$ 6,377,730</u>

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

**1. SIGNIFICANT ACCOUNTING POLICIES**

The consolidated financial statements of the Municipal District of Bonnyville No. 87 (the "Municipality") are the representations of management prepared in accordance with Canadian public sector accounting standards. Significant aspects of the accounting policies adopted by the Municipality are as follows:

**(a) Reporting Entity**

The consolidated financial statements reflect the assets, liabilities, revenues, expenses, and change in net financial assets and cash flows of the reporting entity. The entity is comprised of all the organizations that are owned or controlled by the Municipality and are, therefore, accountable to the Council for the administration of their financial affairs and resources. They include the Municipal District of Bonnyville No. 87 Library Board and the Municipality's proportionate share of the Bonnyville Regional Fire Authority 71%.

Interdepartmental and inter-organizational transactions and balances between these entities and organizations are eliminated.

The schedule of taxes levied also includes requisitions for education and seniors foundations 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.

**(b) Basis of Accounting**

The consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipt of goods and 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.

**(c) Land Held 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 their respective function.

**(d) Investment Income**

Investment income includes dividends, interest income, and realized gains or losses on the sale of portfolio investments and term deposits.

Realized gains and losses on disposal of portfolio investments are recorded in the Municipality's accounts and are included in income on the consolidated statement of operations and accumulated surplus. Realized gains and losses on disposal of portfolio investments are determined on an average cost basis.

Investment income is reported as revenue in the period earned. When required by the funding government or related act, investment income earned on deferred revenue is added to the investment, and forms part of the deferred revenue balance.



1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Asset retirement obligations

Asset retirement obligations are legal obligations associated with the retirement 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.

(f) Valuation of financial assets and liabilities

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

Financial Statement Component	Measurement
Cash and temporary investments	Cost
Receivables	Lower of cost and net realizable value
Debt recoverable - local improvements	Amortized cost
Investments	Fair value or amortized cost
Accounts payable and accrued liabilities	Cost
Employee benefit obligations	Cost
Long-term debt	Amortized cost

All financial assets are annually assessed for impairment. If an impairment deemed other-than-temporary is identified, the cost of the financial asset is written down to its realizable value. Any impairment losses are included in the consolidated statement of operations and accumulated surplus. A write-down of a financial asset to reflect a loss in value is not reversed for a subsequent increase in value.

For financial assets and liabilities measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense. Transaction costs are expensed as they are incurred.

(CONT'D)

**1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(g) Cash and Temporary Investments**

Cash and temporary investments include items that are readily convertible to known amounts of cash, are subject to an insignificant risk of change in value, and have a maturity of three months or less at acquisition.

**(h) Tax Revenue**

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

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 Municipality. 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.

**(i) 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 expenditure 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 accrued liabilities are areas where management makes significant estimates and assumptions in determining the amounts to be recorded in the consolidated financial statements.

**(j) Government Transfers**

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

Government transfers are recognized in the consolidated financial statements as revenue in the period that the events giving rise to the transfer occurred, providing the transfers are authorized, any eligibility criteria have been met by the Municipality, and reasonable estimates of the amounts can be made.

**(k) 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. In situations 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.

(CONT'D)

**1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(l) Pension Expenses**

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

**(m) Allowances for Operating and Physical Assets**

Allowances for asset valuations are netted against the related asset. Increases in allowances are recorded as expenditures, while decreases in allowances are recorded as revenues.

**(n) Non-Financial Assets**

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

**i) Tangible Capital Assets**

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis or 10% declining balance over the estimated useful life as follows:

Buildings	50 years
Engineered Structures	
Bridges	40-95 years
Sidewalks	30 years
Water system	40 years
Wastewater system	40 years
Roadways	10-40 years
Machinery and Equipment	5-20 years
Heavy Machinery and Equipment	10% declining balance
Vehicles	4-15 years

One-half of the annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

**ii) 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.

**iii) 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.

**iv) Inventory for Consumption**

Inventory held for consumption is recorded at the lower of cost and replacement cost with cost determined using the average cost method.

**v) Cultural and Historical Tangible Capital Assets**

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

**1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(o) Remeasurement gains and losses**

Accumulated remeasurement gains and losses primarily represent the excess or shortfall of the fair value of the portfolio investments at period end over the cost of the portfolio investments. Changes in accumulated remeasurement gains and losses are recognized in the consolidated statement of remeasurement gains and losses. Changes in accumulated remeasurement gains and losses during the period include unrealized increases and decreases in fair value of the portfolio investments and realized gains and losses on the sale of the portfolio investments. When the portfolio investments are sold (derecognized), any accumulated unrealized gain or loss associated with the investment becomes realized and is included in the annual surplus (deficit) on the consolidated statement of operations and accumulated surplus.

**(p) Changes in Accounting Policies**

Effective January 1, 2024, the Municipality adopted Canadian public sector accounting standards PS 3400 Revenue, PS 3160 Public Private Partnerships and PSG-8 Purchased Intangible Assets. Adoption of these standards had no effect on the Municipality's financial statements.

**(q) Future Accounting Standard Pronouncements**

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

**i) Financial Statement Presentation**

PS 1202, Financial Statement Presentation, 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.

**2. CASH AND TEMPORARY INVESTMENTS**

	<u>2024</u>	<u>2023</u>
Cash	\$ 7,065,450	\$ 26,099,794
Temporary investments	<u>1,418,069</u>	<u>1,345,013</u>
	<u>\$ 8,483,519</u>	<u>\$ 27,444,807</u>

Temporary investments are short-term deposits with original maturities of three months or less bearing interest at rates ranging from 3.55% to 4.00% (2023 - 5.50% to 5.75%) maturing in 2025.

Included in term deposits is a restricted amount of \$180,402 (2023 - \$171,208) received from money-in-place of municipal reserves and held exclusively for municipal and public recreation purposes.

**3. TAXES AND GRANTS IN PLACE OF TAXES RECEIVABLE**

	<u>2024</u>	<u>2023</u>
Taxes and grants in place of taxes		
Current taxes	\$ 815,655	\$ 1,382,323
Arrears taxes	<u>1,163,610</u>	<u>873,369</u>
	1,979,265	2,255,692
Less: Allowance for doubtful accounts	<u>(338,716)</u>	<u>(306,496)</u>
	<u>\$ 1,640,549</u>	<u>\$ 1,949,196</u>

**MUNICIPAL DISTRICT OF BONNYVILLE NO. 87**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2024**

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**4. TRADE AND OTHER RECEIVABLES**

	<u>2024</u>	<u>2023</u>
Trade and other	<b>\$ 1,040,355</b>	\$ 1,128,517
Receivable from other governments - GST	<b>391,366</b>	711,503
Receivable from other governments	<u>-</u>	<u>847,937</u>
	<b>1,431,721</b>	2,687,957
Less: Allowance for doubtful accounts	<u>(176,720)</u>	<u>(258,599)</u>
	<b><u>\$ 1,255,001</u></b>	<b><u>\$ 2,429,358</u></b>

**5. DEBT RECOVERABLE - LOCAL IMPROVEMENTS**

The Municipality passed Bylaw No. 1253 authorizing Council to provide for a local improvement to install a water supply pipeline to the Hamlet of Ardmore and the construction of water storage and pumping facilities for each of the Hamlets of Ardmore and Fort Kent. The total cost of the local improvement was \$1,126,681, and is repayable in 25 annual installments of \$86,460 including interest at a fixed rate of 6.375% per annum maturing October 15, 2026.

**6. LOAN RECEIVABLE**

Principal repayments are due as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 87,684	\$ 62,782	\$ 150,466
2026	89,770	60,696	150,466
2027	91,961	58,505	150,466
2028	94,262	56,204	150,466
2029	96,681	53,785	150,466
Thereafter	<u>1,601,117</u>	<u>417,716</u>	<u>2,018,833</u>
	<b><u>\$ 2,061,475</u></b>	<b><u>\$ 709,688</u></b>	<b><u>\$ 2,771,163</u></b>

In 2023, the Municipality entered into an agreement to provide renovation funds to the Bonnyville Regional Fire Authority (the "Fire Authority") for the building purchased in 2022. The loan bears interest at 5% per annum and is repayable in semi-annual payments of \$103,973 until December 31, 2042.

In 2022, The Municipality entered into an agreement to sell land and building to the Fire Authority. The loan is interest free and is repayable in annual payments of \$46,493 until June 30, 2042.

**MUNICIPAL DISTRICT OF BONNYVILLE NO. 87**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2024**

**7. INVESTMENTS**

	<u>2024</u>	<u>2023</u>
Investments - fair value	<b>\$103,600,382</b>	\$ 59,245,498
Investments - amortized cost	<b><u>30,951,081</u></b>	<u>46,929,734</u>
	<b><u>\$134,551,463</u></b>	<b><u>\$106,175,232</u></b>

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

	<u>2024</u>		<u>2023</u>	
	<u>Carrying value</u>	<u>Market value</u>	<u>Carrying value</u>	<u>Market value</u>
Fixed income securities	\$ 28,949,688	\$ 27,988,297	\$ 43,177,315	\$ 42,217,036
Term deposits	1,975,058	1,975,058	3,716,092	3,716,092
Other	14,025	14,025	14,017	14,017
Landfill reclamation security deposits	<u>12,310</u>	<u>12,310</u>	<u>22,310</u>	<u>22,310</u>
	<b><u>\$ 30,951,081</u></b>	<b><u>\$ 29,989,690</u></b>	<b><u>\$ 46,929,734</u></b>	<b><u>\$ 45,969,455</u></b>

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

	<u>2024</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Interest bearing securities</b>				
Other instruments	\$ -	\$103,600,382	\$ -	<b><u>\$103,600,382</u></b>
	<u>2023</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Interest bearing securities</b>				
Other instruments	\$ -	\$ 59,245,498	\$ -	<b><u>\$ 59,245,498</u></b>

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)

The fixed income securities have effective interest rates ranging from 1.67% to 3.75% (2023 - 2.22% to 6.07%) with maturity dates from April 22, 2025 to August 15, 2033 (2023 - June 19, 2024 to September 21, 2033).

Included in term deposits are the Fire Authority's term deposits totaling \$1,975,058 (2023 - \$3,716,092). Term deposits have interest rates ranging from 4.53% to 4.93% (2023 - 4.25% to 5.03%) with maturity dates ranging from April to August 2025 (2023 - April to August 2024).

**MUNICIPAL DISTRICT OF BONNYVILLE NO. 87**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2024**

**8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<u>2024</u>	<u>2023</u>
Trade	\$ 4,549,219	\$ 5,793,122
Other governments	629,905	311,011
Accrued interest payable	76,673	84,742
Taxation reassessment payable	<u>-</u>	<u>10,182,594</u>
	<u>\$ 5,255,797</u>	<u>\$ 16,371,469</u>

Taxation reassessment payable consists of property tax valuation reassessments from 2018 to 2023. The Land and Property Rights Tribunal (the "Tribunal") ruled on this matter January 18 & 19, 2024. The result was that the Municipality will pay the complainant funds as a result of the over taxation based off of the property tax assessments initially being higher than the Tribunal assessed property tax assessment values.

**9. DEPOSIT LIABILITIES**

	<u>2024</u>	<u>2023</u>
Subdivision deposits	\$ 1,714,657	\$ 1,271,877
Other deposits	115,056	152,276
Water meter deposits	<u>61,546</u>	<u>57,963</u>
	<u>\$ 1,891,259</u>	<u>\$ 1,482,116</u>

**10. DEFERRED REVENUE**

Deferred revenue consists of the following amounts, which have been restricted by third parties for a specified purpose. These amounts are recognized as revenue in the period in which the related expenditures are incurred.

	<u>2023</u>	<u>Additions</u>	<u>Revenue Recognized</u>	<u>2024</u>
Canada Community Building Fund	\$ 2,819,351	\$ -	\$ -	\$ 2,819,351
Bonnyville Regional Fire Authority	354,993	1,034,740	-	1,389,733
Alberta Watercourse Remediation Grant	800,000	137,500	(206,716)	730,784
Willow Prairie Agricultural Society lease agreement	<u>6</u>	<u>-</u>	<u>(1)</u>	<u>5</u>
	<u>\$ 3,974,350</u>	<u>\$ 1,172,240</u>	<u>\$ (206,717)</u>	<u>\$ 4,939,873</u>

**11. EMPLOYEE BENEFIT OBLIGATIONS**

	<u>2024</u>	<u>2023</u>
Vacation and overtime	\$ 1,165,182	\$ 1,060,914

The vacation and overtime liability is comprised of the vacation and overtime that employees are deferring. Employees have either earned the benefits (and are vested) or are entitled to these benefits within the next budgetary year. The Municipality does not provide post-employment benefits to their employees.

## **12. ASSET RETIREMENT OBLIGATIONS**

Tangible capital assets with associated retirement obligations include land, land improvements, buildings, engineered structures, and machinery and equipment.

The Municipality has asset retirement obligations to remove various hazardous materials including, asbestos, lead, mercury, and mold from various buildings under its control. Regulations require the Municipality 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 Municipality to remove the materials when the asset retirement activities occur.

The Municipality 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 Municipality is required to provide closure care upon closure of the landfill and to provide post-closure care for 25 years subsequent to closure.

The Municipality has asset retirement obligations pursuant to the *Environmental Enhancement and Protection Act* (Alberta) to fund the future reclamation of its work sites. Reclamation activities include the final soil cover, landscaping, and visual inspection. Although, the timing of the work site reclamation is conditional on the length of time until the site is expected to be inactive, regulations create an existing obligation for the Municipality to reclaim the work site when the asset retirement activity occur.

	<u><b>2024</b></u>	<u><b>2023</b></u>
Balance, Beginning of Year	\$ <b>4,356,873</b>	\$ -
Net Change for the Year		
Accretion expense	<b>213,361</b>	1,979,151
Initial adoption	-	2,377,722
Liabilities settled	<u><b>(89,170)</b></u>	<u>-</u>
	<u><b>124,191</b></u>	<u>4,356,873</u>
Balance, End of Year	<u><b>\$ 4,481,064</b></u>	<u><b>\$ 4,356,873</b></u>

Asset retirement obligations of \$4,481,064 (2023 - \$4,356,873) includes \$4,481,064 (2023 - \$4,356,873) measured using a present value technique. The present value was calculated using estimated total undiscounted cash flows amounting to \$4,989,691 (2023 - \$4,989,691), discount rates ranging from 2.223% to 6.625% (2023 - 2.223% to 6.625%), an annual inflation of 3.90% (2023 - 3.90%), with retirement and reclamation activities expected to be settled between 2025 and 2097.



**MUNICIPAL DISTRICT OF BONNYVILLE NO. 87**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2024**

**13. LONG-TERM DEBT**

	<u>2024</u>	<u>2023</u>
Tax supported debentures	<u>\$ 8,652,657</u>	<u>\$ 9,533,286</u>

The current portion of the long-term debt amounts to \$910,073 (2023 - \$880,629).

Principal and interest repayments:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 910,073	\$ 262,923	\$ 1,172,996
2026	940,573	232,423	1,172,996
2027	885,712	200,825	1,086,537
2028	912,941	173,596	1,086,537
2029	941,008	145,529	1,086,537
Thereafter	<u>4,062,350</u>	<u>283,795</u>	<u>4,346,145</u>
	<u>\$ 8,652,657</u>	<u>\$ 1,299,091</u>	<u>\$ 9,951,748</u>

Debenture debt is repayable to the Province of Alberta and consists of two amounts, bearing interest at rates ranging from 3.051% - 6.375% per annum maturing in the year 2026 and 2033 respectively.

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

Interest on long-term debt amounted to \$284,298 (2023 - \$313,001). The Municipality's total cash payments for interest is \$292,367 (2023 - \$320,795).

**14. INVENTORY FOR CONSUMPTION**

	<u>2024</u>	<u>2023</u>
Gravel	<u>\$ 38,518,308</u>	\$ 43,075,201
Parts, culverts and other	<u>1,453,277</u>	<u>1,532,804</u>
	<u>\$ 39,971,585</u>	<u>\$ 44,608,005</u>

**15. ACCUMULATED SURPLUS**

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

	<u>2024</u>	<u>2023</u>
Unrestricted surplus	<u>\$ 78,617,892</u>	<u>\$ 76,113,618</u>
Accumulated remeasurement gains (losses)	<u>(619,118)</u>	<u>(232,602)</u>
Restricted surplus		
Cash flow	<u>21,028,928</u>	21,543,696
General equipment replacement	<u>34,727,287</u>	31,330,464
Other	<u>42,230,319</u>	<u>34,299,010</u>
	<u>97,986,534</u>	<u>87,173,170</u>
Equity in tangible capital assets	<u>255,768,899</u>	<u>262,189,762</u>
	<u>\$ 431,754,207</u>	<u>\$ 425,243,948</u>

**MUNICIPAL DISTRICT OF BONNYVILLE NO. 87****Notes to Consolidated Financial Statements****Year Ended December 31, 2024****16. 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>2024</u>	<u>2023</u>
Total debt limit	<b>\$156,650,649</b>	\$152,790,162
Total debt	<u><b>8,652,657</b></u>	<u>9,533,286</u>
Amount of total debt limit unused	<u><b>\$147,997,992</b></u>	<u>\$143,256,876</u>
Debt servicing limit	<b>\$ 26,108,442</b>	\$ 25,465,027
Debt servicing	<u><b>1,172,996</b></u>	<u>1,172,996</u>
Amount of debt servicing limit unused	<u><b>\$ 24,935,446</b></u>	<u>\$ 24,292,031</u>

The debt limit is calculated at 1.50 times revenue of the Municipality (as defined in the Alberta Regulation 255/2000) and the debt service limit is calculated as 0.25 times such revenue. Incurring debt beyond these limitations requires approval by the Minister of Municipal Affairs. These thresholds are a conservative guideline used by Alberta Municipal Affairs to identify municipalities that could be at a financial risk if further debt is acquired. The calculation taken alone does not represent the financial stability of the Municipality. Rather, the consolidated financial statements must be interpreted as a whole.

**17. SALARIES AND BENEFITS DISCLOSURE**

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

	<u>Salary (1)</u>	<u>Benefits, Travel and Allowances (2)</u>	<u>2024 Total</u>	<u>2023 Total</u>
Elected Officials:				
Reeve	\$ 84,272	\$ 27,016	<b>\$ 111,288</b>	\$ 107,639
Ward #1	59,303	30,492	<b>89,795</b>	83,090
Ward #2	59,303	17,333	<b>76,636</b>	73,378
Ward #3	59,303	22,504	<b>81,807</b>	84,118
Ward #4	59,303	26,247	<b>85,550</b>	84,605
Ward #5	59,303	23,831	<b>83,134</b>	82,444
Ward #6	<u>59,303</u>	<u>25,698</u>	<u><b>85,001</b></u>	<u>92,531</u>
	<u><b>\$ 440,090</b></u>	<u><b>\$ 173,121</b></u>	<u><b>\$ 613,211</b></u>	<u><b>\$ 607,805</b></u>
Chief Administrative Officer (3)	<u><b>\$ 704,023</b></u>	<u><b>\$ 93,009</b></u>	<u><b>\$ 797,032</b></u>	<u><b>\$ 391,489</b></u>

(1) Salary includes gross honoraria, regular base pay, bonuses, overtime, lump sum payments, and any other direct cash remuneration.

(2) Employer's share of all employee benefits, travel and allowances or payments made on behalf of employees including, pension, health care, dental coverage, vision coverage, group life disability plans, professional memberships and tuition.

(3) Current year Chief Administrative Officer salary includes termination pay for the former Chief Administrative Officer.

## MUNICIPAL DISTRICT OF BONNYVILLE NO. 87

### Notes to Consolidated Financial Statements

Year Ended December 31, 2024

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#### 18. GUARANTEE

The Municipality has guaranteed up to \$500,000 of an overdraft protection for the Bonnyville and District Leisure Facility Corporation. As at December 31, 2024, no amounts had been drawn on the bank overdraft (2023 - \$NIL).

#### 19. COMMITMENT

The Municipality has committed \$14,000 per year to the Bonnyville and District Chamber of Commerce for the Shaw House Centre under a cost-sharing arrangement with the Town of Bonnyville. This commitment remains in effect until the mortgage is paid out.

#### 20. LOCAL AUTHORITIES PENSION PLAN

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

The Municipality is required to make current service contributions to the Plan of 8.45% (2023 - 8.45%) of pensionable earnings up to the Canada Pension Plan year's maximum pensionable earnings and 11.65% (2023 - 12.23%) for the excess. Employees of the Municipality are required to make current service contributions of 7.45% (2023 - 7.45%) of pensionable earnings up to the year's maximum pensionable earnings and 10.65% (2023 - 11.23%) on pensionable earnings above this amount.

Total current and past service contributions made by the Municipality to the LAPP in 2024 were \$1,531,503 (2023 - \$1,553,519). Total current and past service contributions made by the employees of the Municipality to the LAPP in 2024 were \$1,356,132 (2023 - \$1,390,507).

At December 31, 2023, the LAPP disclosed an actuarial surplus of \$15.06 billion (2022 - \$12.67 billion).

#### 21. FINANCIAL INSTRUMENTS

The Municipality's financial instruments consist of cash and temporary investments, accounts receivable, investments, accounts payable and accrued liabilities, deposit liabilities, debt recoverable local improvements and long-term debt. The Municipality is exposed to the following risks:

##### **Credit risk**

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

#### 22. SEGMENTED INFORMATION

The Municipality provides a range of services to its residents. 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 consolidated financial statements as disclosed in Note 1. For additional information see the Consolidated Schedules of Segmented Information.

**MUNICIPAL DISTRICT OF BONNYVILLE NO. 87**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2024**

**23. GOVERNMENT PARTNERSHIP**

In accordance with the Canadian public sector accounting standards *PS 3060 Government Partnerships*, the financial position of the Municipality has been consolidated with the Municipality's proportionate 71% share of the Bonnyville Regional Fire Authority.

The following is a summary of the Municipality's share in this government partnership:

	<u>2024</u>	<u>2023</u>
<b>FINANCIAL ASSETS</b>		
Cash and temporary investments	\$ 1,214,498	\$ 2,013,595
Investments	1,975,058	3,716,092
Accounts receivable	<u>385,870</u>	<u>435,871</u>
	<u>3,575,426</u>	<u>6,165,558</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	437,814	1,032,842
Employee benefit obligation	22,194	-
Deferred revenue	1,389,740	355,000
Long term debt	<u>5,047,059</u>	<u>5,261,735</u>
	<u>6,896,807</u>	<u>6,649,577</u>
<b>NET FINANCIAL DEBT</b>	<u>(3,321,381)</u>	<u>(484,019)</u>
<b>NON-FINANCIAL ASSETS</b>		
Prepaid expenses	166,026	140,278
Tangible capital assets	<u>5,056,685</u>	<u>3,502,168</u>
	<u>5,222,711</u>	<u>3,642,446</u>
<b>ACCUMULATED SURPLUS</b>	\$ 1,901,330	\$ 3,158,427
<b>REVENUE</b>		
User fees and sales of goods	\$ 2,378,010	\$ 3,404,112
Government transfers for operating	516,850	409,051
Investment income	<u>173,014</u>	<u>145,820</u>
	<u>3,067,874</u>	<u>3,958,983</u>
<b>EXPENSES</b>		
Salaries, wages and benefits	3,196,109	2,882,779
Materials, goods, supplies and utilities	643,562	527,157
Contracted and general services	328,939	312,128
Amortization of tangible capital assets	234,496	192,874
All other	<u>88,269</u>	<u>85,912</u>
	<u>4,491,375</u>	<u>4,000,850</u>
<b>ANNUAL DEFICIT BEFORE OTHER INCOME</b>	<u>(1,423,501)</u>	<u>(41,867)</u>
<b>OTHER INCOME</b>		
Loss on disposal of tangible capital assets	<u>(6,827)</u>	<u>-</u>
<b>ANNUAL DEFICIT</b>	<u>\$ (1,430,328)</u>	<u>\$ (41,867)</u>

**MUNICIPAL DISTRICT OF BONNYVILLE NO. 87****Notes to Consolidated Financial Statements****Year Ended December 31, 2024**

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**24. BUDGET**

The budget figures presented in these consolidated financial statements are based on the budget approved by the Municipality's council on December 12, 2023 and include the Municipality's proportionate share of the Bonnyville Regional Fire Authority's budget. The Municipality compiles a budget on a modified accrual basis. The reconciliation below adjusts excess revenue over expenses to align with the budget process. It should not be used as a replacement for the statement of operations and accumulated surplus. Users should note that this information may not be appropriate for their purposes.

	<u>2024</u> (Budget)	<u>2024</u> (Actual)	<u>2023</u> (Actual)
Annual surplus	19,074,129	<b>6,896,775</b>	6,377,730
Add back (deduct):			
Amortization expense	\$ -	<b>\$ 20,162,402</b>	\$ 20,235,570
Net transfers (to) from reserves	922,200	<b>(10,813,364)</b>	1,474,324
Acquisition of tangible capital assets	(19,115,700)	<b>(16,755,188)</b>	(21,577,318)
Loss (gain) on disposal of tangible capital assets	-	<b>3,408,721</b>	(93,009)
Proceeds on tangible capital assets	-	<b>1,185,209</b>	203,368
Contributed assets	-	<b>(895,667)</b>	(13,700)
Principal debt repayments	(880,629)	<b>(880,629)</b>	(852,201)
Levied portion of debt recoverable - local improvements	-	<b>71,828</b>	67,519
Accretion expense	-	<b>213,361</b>	1,979,151
Operating surplus	<u>\$ -</u>	<u><b>\$ 2,593,448</b></u>	<u>\$ 7,801,434</u>

**25. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS**

These consolidated financial statements were approved by Council and Management.