

TOWN OF BON ACCORD
Financial Statements
For the Year Ended December 31, 2024

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

To the Members of Council of Town of Bon Accord

The integrity, relevance and comparability of the data in the accompanying financial statements are the responsibility of management.

The financial statements are prepared by management in accordance with Canadian public sector accounting standards. They necessarily include some amounts that are based on the best estimates and judgements of management.

To assist in its responsibility, management maintains accounting, budget and other controls to provide reasonable assurance that transactions are appropriately authorized, that assets are properly accounted for and safeguarded, and that financial records are reliable for preparation of financial statements.

JDP Wasserman LLP have been appointed by the Members of Council of Town of Bon Accord to express an opinion on the financial statements.


Jodi Brown
CAO/Town Manager


Falon Fayant
Corporate Services Manager

Bon Accord, AB
April 15, 2025

INDEPENDENT AUDITORS' REPORT

To the Members of Council of Town of Bon Accord

Opinion

We have audited the financial statements of Town of Bon Accord (the "Town"), which comprise the statement of financial position as at December 31, 2024, and the statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Town as at December 31, 2024, and the results of its operations, changes in net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Town in accordance with ethical requirements that are relevant to our audit of 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 Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Town'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 Town or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (Members of Council) are responsible for overseeing the Town's financial reporting process.

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Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 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 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 Town'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 Town'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 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 Town to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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.

Edmonton, Alberta
April 15, 2025

**JDP Wasserman
LLP**
Chartered Professional Accountants

TOWN OF BON ACCORD
Statement of Financial Position
As at December 31, 2024

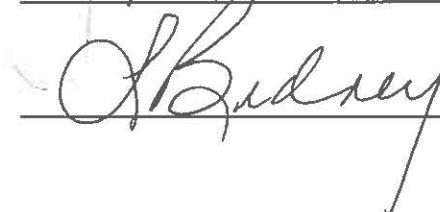
	2024	2023
FINANCIAL ASSETS		
Cash and cash equivalents (Note 2)	\$ 5,363,523	\$ 3,512,332
Accounts receivable (Note 3)	363,764	453,716
Land held for resale	114,498	114,498
	<u>5,841,785</u>	<u>4,080,546</u>
LIABILITIES		
Accounts payable and accrued liabilities	445,428	671,152
Deposit liabilities	218,593	103,713
Deferred revenue (Note 4)	951,401	103,674
Long-term debt (Note 5)	1,705,799	1,869,709
Asset retirement obligations (Note 7)	1,359,998	1,307,690
	<u>4,681,219</u>	<u>4,055,938</u>
NET FINANCIAL ASSETS	<u>1,160,566</u>	<u>24,608</u>
NON-FINANCIAL ASSETS		
Prepaid expenses	5,012	33,309
Tangible capital assets (Schedule 1)	17,118,011	17,431,439
	<u>17,123,023</u>	<u>17,464,748</u>
ACCUMULATED SURPLUS (Note 8)	<u>\$ 18,283,589</u>	<u>\$ 17,489,356</u>

CONTINGENCY (Note 15)

CONTRACTUAL OBLIGATIONS (Note 16)

ON BEHALF OF COUNCIL:


 _____ Mayor


 _____ Councillor

TOWN OF BON ACCORD
Statement of Operations and Accumulated Surplus
For the Year Ended December 31, 2024

	2024 (Budget) (Note 12)	2024 (Actual)	2023 (Actual)
REVENUES			
Net municipal property taxes (Schedule 3)	\$ 1,731,172	\$ 1,746,465	\$ 1,688,093
User fees and sales of goods	1,016,934	1,050,368	961,585
Government transfers for operating (Schedule 4)	440,112	530,635	496,894
Franchise and concession contracts (Note 10)	233,630	238,950	218,392
Investment income	121,000	214,720	209,872
Rentals	184,549	183,211	157,568
Penalties and costs on taxes	31,200	48,763	28,290
Fines	3,050	6,520	12,294
Licenses and permits	6,500	4,650	5,694
Other revenues	-	-	3,767
	3,768,147	4,024,282	3,782,449
EXPENSES			
Parks and recreation	608,693	727,083	633,537
General administration	596,155	702,767	698,519
Roads, streets, walks, lighting	400,808	613,818	548,530
Water supply and distribution	453,083	595,352	578,876
Wastewater treatment and disposal	361,424	414,590	372,719
Land use planning, zoning and development	125,648	189,022	210,694
Waste management	135,771	140,047	122,260
Bylaw enforcement	142,173	130,449	126,765
Council and legislative	128,225	125,493	111,471
Family and community support services	141,140	113,496	108,819
Economic development	106,141	97,930	92,587
Culture	59,189	61,007	62,522
Fire fighting and protective services	37,817	42,515	37,275
Storm sewers and drainage	21,566	31,449	53,610
Disaster and emergency services	23,877	23,798	7,939
Cemetery	15,865	13,037	9,089
	3,357,575	4,021,853	3,775,212
ANNUAL SURPLUS (DEFICIT) BEFORE OTHER	410,572	2,429	7,237
OTHER REVENUES (EXPENSES)			
Government transfers for capital (Schedule 4)	496,864	791,804	343,850
Other contributions for capital	-	-	12,800
Gain (loss) on disposal of tangible capital assets	-	-	(89,127)
	496,864	791,804	267,523
ANNUAL SURPLUS	907,436	794,233	274,760
ACCUMULATED SURPLUS - TO BEGIN YEAR	17,489,356	17,489,356	17,214,596
ACCUMULATED SURPLUS - END OF YEAR	\$ 18,396,792	\$ 18,283,589	\$ 17,489,356

TOWN OF BON ACCORD

Statement of Changes in Net Financial Assets

For the Year Ended December 31, 2024

	2024 (Budget) (Note 12)	2024 (Actual)	2023 (Actual)
ANNUAL SURPLUS	\$ 907,436	\$ 794,233	\$ 274,760
Amortization of tangible capital assets	-	749,861	725,442
Purchase of tangible capital assets	(593,518)	(436,433)	(1,582,969)
Proceeds on disposal of tangible capital assets	-	-	3,000
Loss (gain) on disposal of tangible capital assets	-	-	89,127
Use (acquisition) of prepaid expenses	-	28,297	(16,794)
	(593,518)	341,725	(782,194)
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	313,918	1,135,958	(507,434)
NET FINANCIAL ASSETS - BEGINNING OF YEAR	24,608	24,608	532,042
NET FINANCIAL ASSETS - END OF YEAR	\$ 338,526	\$ 1,160,566	\$ 24,608

TOWN OF BON ACCORD
Statement of Cash Flows
For the Year Ended December 31, 2024

	2024	2023
OPERATING ACTIVITIES		
Annual surplus	\$ 794,233	\$ 274,760
Item not affecting cash and cash equivalents:		
Amortization of tangible capital assets	749,861	725,442
Loss (gain) on disposal of tangible capital assets	-	89,127
Asset retirement obligations accretion (Note 7)	52,308	50,296
	<u>1,596,402</u>	<u>1,139,625</u>
Changes in non-cash working capital:		
Accounts receivable	89,952	(171,149)
Accounts payable and accrued liabilities	(225,724)	312,097
Deposit liabilities	114,880	11,335
Deferred revenue	847,727	(47,534)
Prepaid expenses	28,297	(16,794)
	<u>855,132</u>	<u>87,955</u>
Cash flow from operating activities	<u>2,451,534</u>	<u>1,227,580</u>
INVESTING ACTIVITIES		
Purchase of tangible capital assets	(436,433)	(1,582,969)
Proceeds on disposal of tangible capital assets	-	3,000
Cash flow used by investing activities	<u>(436,433)</u>	<u>(1,579,969)</u>
FINANCING ACTIVITIES		
Repayment of long-term debt	(163,910)	(150,715)
Issuance of long-term debt	-	633,700
Cash flow from (used by) financing activities	<u>(163,910)</u>	<u>482,985</u>
CHANGE IN CASH AND CASH EQUIVALENTS	<u>1,851,191</u>	<u>130,596</u>
Cash and cash equivalents - beginning of year	<u>3,512,332</u>	<u>3,381,736</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 5,363,523</u>	<u>\$ 3,512,332</u>

TOWN OF BON ACCORD
Schedule of Tangible Capital Assets
For the Year Ended December 31, 2024

(Schedule 1)

	Land	Land Improvements	Buildings	Engineered Structures	Machinery and Equipment	Vehicles	2024	2023
COST								
BALANCE, BEGINNING OF YEAR	\$ 175,611	\$ 1,144,723	\$ 3,555,340	\$ 23,171,698	\$ 1,575,600	\$ 498,512	\$ 30,121,484	\$ 28,708,593
Purchase of tangible capital assets	-	85,473	16,340	292,708	31,013	10,899	436,433	1,582,969
Disposal of tangible capital assets	-	-	-	-	-	-	-	(170,078)
BALANCE, END OF YEAR	\$ 175,611	\$ 1,230,196	\$ 3,571,680	\$ 23,464,406	\$ 1,606,613	\$ 509,411	\$ 30,557,917	\$ 30,121,484
ACCUMULATED AMORTIZATION								
BALANCE, BEGINNING OF YEAR	\$ -	\$ 578,111	\$ 885,666	\$ 10,038,873	\$ 878,730	\$ 308,665	\$ 12,690,045	\$ 12,042,554
Amortization of tangible capital assets	-	79,591	110,036	439,573	88,931	31,730	749,861	725,442
Disposal of tangible capital assets	-	-	-	-	-	-	-	(77,951)
BALANCE, END OF YEAR	\$ -	\$ 657,702	\$ 995,702	\$ 10,478,446	\$ 967,661	\$ 340,395	\$ 13,439,906	\$ 12,690,045
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	\$ 175,611	\$ 572,494	\$ 2,575,978	\$ 12,985,960	\$ 638,952	\$ 169,016	\$ 17,118,011	\$ 17,431,439
 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS, 2023	 \$ 175,611	 \$ 566,612	 \$ 2,669,674	 \$ 13,132,825	 \$ 696,870	 \$ 189,847		 \$ 17,431,439

Included in the net book value of tangible capital assets is work-in-progress of \$Nil (2023 - \$Nil).

TOWN OF BON ACCORD
Schedule of Equity in Tangible Capital Assets **(Schedule 2)**
For the Year Ended December 31, 2024

	2024	2023
BALANCE, BEGINNING OF YEAR	\$ 14,254,040	\$ 14,021,927
Purchase of tangible capital assets	436,433	1,582,969
Amortization of tangible capital assets	(749,861)	(725,442)
Repayment of capital long-term debt	163,910	150,715
Proceeds on issuance of capital long-term debt	-	(633,700)
Cost of tangible capital assets disposed of	-	(170,078)
Accumulated amortization of tangible capital assets disposed	-	77,951
Asset retirement obligations accretion <i>(Note 7)</i>	(52,308)	(50,302)
BALANCE, END OF YEAR	\$ 14,052,214	\$ 14,254,040
Equity in tangible capital assets is comprised of:		
Net book value of tangible capital assets <i>(Schedule 1)</i>	\$ 17,118,011	\$ 17,431,439
Capital portion of long-term debt <i>(Note 5)</i>	(1,705,799)	(1,869,709)
Asset retirement obligations <i>(Note 7)</i>	(1,359,998)	(1,307,690)
	\$ 14,052,214	\$ 14,254,040

TOWN OF BON ACCORD
Schedule of Property Taxes
For the Year Ended December 31, 2024

(Schedule 3)

	2024 (Budget) (Note 12)	2024 (Actual)	2023 (Actual)
TAXATION			
Real property taxes	\$ 2,136,941	\$ 2,174,779	\$ 2,094,521
REQUISITIONS			
Alberta School Foundation Fund	\$ 392,775	\$ 414,300	\$ 392,775
Homeland Housing	12,994	14,014	13,653
	\$ 405,769	\$ 428,314	\$ 406,428
NET MUNICIPAL PROPERTY TAXES	\$ 1,731,172	\$ 1,746,465	\$ 1,688,093

TOWN OF BON ACCORD
Schedule of Government Transfers
For the Year Ended December 31, 2024

(Schedule 4)

	2024 (Budget) (Note 12)	2024 (Actual)	2023 (Actual)
TRANSFERS FOR OPERATING			
Local government	\$ 331,577	\$ 339,408	\$ 325,882
Provincial government	107,035	187,027	155,252
Federal government	1,500	4,200	15,760
	<u>\$ 440,112</u>	<u>\$ 530,635</u>	<u>\$ 496,894</u>
TRANSFERS FOR CAPITAL			
Provincial government	\$ 496,864	\$ 756,804	\$ 343,850
Federal government	-	35,000	-
	<u>\$ 496,864</u>	<u>\$ 791,804</u>	<u>\$ 343,850</u>
TOTAL GOVERNMENT TRANSFERS	<u>\$ 936,976</u>	<u>\$ 1,322,439</u>	<u>\$ 840,744</u>

TOWN OF BON ACCORD
Schedule of Expenses by Object
For the Year Ended December 31, 2024

(Schedule 5)

	2024 (Budget) (Note 12)	2024 (Actual)	2023 (Actual)
Salaries, wages and benefits	\$ 1,460,199	\$ 1,389,712	\$ 1,283,888
Contracted and general services	1,109,338	987,139	1,043,152
Amortization of tangible capital assets	-	749,861	725,442
Materials, goods and utilities	666,003	724,637	558,825
Interest on long-term debt	62,857	61,834	59,370
Transfers to local boards and agencies	54,998	52,374	51,099
Provision for allowances	1,000	52,308	50,287
Bank charges and short-term interest	3,180	3,988	3,149
	\$ 3,357,575	\$ 4,021,853	\$ 3,775,212

TOWN OF BON ACCORD
Schedule of Segmented Disclosure
For the Year Ended December 31, 2024

(Schedule 6)

	General government	Protective services	Transportation services	Environmental services	Health and welfare	Planning and development	Recreation and culture	2024
REVENUES								
Net municipal property taxes	\$ 845,903	\$ 130,397	\$ 398,331	\$ -	\$ 38,768	\$ 210,533	\$ 122,533	\$ 1,746,465
User fees and sales of goods	6,818	-	754	1,000,120	35,518	110	7,048	1,050,368
Government transfers for operating	21,469	48,772	11,175	21,400	51,993	26,719	349,107	530,635
Franchise and concession contracts	238,950	-	-	-	-	-	-	238,950
Investment income	214,720	-	-	-	-	-	-	214,720
Rentals	14,400	10,709	-	-	-	-	158,102	183,211
Penalties and costs on taxes	40,738	-	-	8,025	-	-	-	48,763
Fines	-	6,520	-	-	-	-	-	6,520
Licenses and permits	-	-	-	-	-	4,650	-	4,650
	\$ 1,382,998	\$ 196,398	\$ 410,260	\$ 1,029,545	\$ 126,279	\$ 242,012	\$ 636,790	\$ 4,024,282
EXPENSES								
Salaries, wages and benefits	\$ 455,306	\$ 12,272	\$ 180,360	\$ 262,925	\$ 80,355	\$ 85,998	\$ 312,496	\$ 1,389,712
Contracted and general services	197,864	177,234	86,008	211,053	16,747	147,855	150,378	987,139
Materials, goods and utilities	28,915	6,892	142,129	422,527	28,554	6,981	88,639	724,637
Interest on long-term debt	588	-	1,763	24,779	-	1,178	33,526	61,834
Transfers to local boards and agencies	-	-	-	-	623	-	51,751	52,374
Provision for allowances	52,308	-	-	-	-	-	-	52,308
Bank charges and short-term interest	3,988	-	-	-	-	-	-	3,988
	738,969	196,398	410,260	921,284	126,279	242,012	636,790	3,271,992
NET REVENUE (DEFICIT) BEFORE AMORTIZATION OF TANGIBLE CAPITAL ASSETS								
	\$ 644,029	\$ -	\$ -	\$ 108,261	\$ -	\$ -	\$ -	\$ 752,290
Amortization of tangible capital assets	\$ 89,290	\$ 363	\$ 235,007	\$ 228,707	\$ 255	\$ 44,940	\$ 151,299	\$ 749,861
NET REVENUE (DEFICIT)	\$ 554,739	\$ (363)	\$ (235,007)	\$ (120,446)	\$ (255)	\$ (44,940)	\$ (151,299)	\$ 2,429

The accompanying notes form an integral part of these financial statements.
JDP Wasserman LLP /// Chartered Professional Accountants

TOWN OF BON ACCORD
Schedule of Segmented Disclosure
For the Year Ended December 31, 2023

(Schedule 7)

	General government	Protective services	Transportation services	Environmental services	Health and welfare	Planning and development	Recreation and culture	2023
REVENUES								
Net municipal property taxes	\$ 863,081	\$ 106,748	\$ 328,392	\$ -	\$ 48,247	\$ 246,597	\$ 95,028	\$ 1,688,093
User fees and sales of goods	11,560	-	-	921,293	20,488	6,050	2,194	961,585
Government transfers for operating	2,800	42,042	43,800	18,692	47,918	-	341,642	496,894
Franchise and concession contracts	218,392	-	-	-	-	-	-	218,392
Investment income	209,872	-	-	-	-	-	-	209,872
Rentals	-	10,531	-	-	-	-	147,037	157,568
Penalties and costs on taxes	21,758	-	-	6,532	-	-	-	28,290
Fines	-	12,294	-	-	-	-	-	12,294
Licenses and permits	-	-	-	-	-	5,694	-	5,694
Other revenues	25	-	-	-	1,000	-	2,742	3,767
	<u>\$ 1,327,488</u>	<u>\$ 171,615</u>	<u>\$ 372,192</u>	<u>\$ 946,517</u>	<u>\$ 117,653</u>	<u>\$ 258,341</u>	<u>\$ 588,643</u>	<u>\$ 3,782,449</u>
EXPENSES								
Salaries, wages and benefits	\$ 404,562	\$ 595	\$ 166,391	\$ 220,982	\$ 82,801	\$ 103,248	\$ 305,309	\$ 1,283,888
Contracted and general services	225,674	166,921	101,974	227,527	14,514	148,039	158,503	1,043,152
Materials, goods and utilities	20,598	4,099	101,786	359,873	19,588	5,694	47,187	558,825
Interest on long-term debt	680	-	2,041	27,609	-	1,360	27,680	59,370
Transfers to local boards and agencies	385	-	-	-	750	-	49,964	51,099
Provision for allowances	50,296	-	-	(9)	-	-	-	50,287
Bank charges and short-term interest	3,149	-	-	-	-	-	-	3,149
	<u>705,344</u>	<u>171,615</u>	<u>372,192</u>	<u>835,982</u>	<u>117,653</u>	<u>258,341</u>	<u>588,643</u>	<u>3,049,770</u>
NET REVENUE (DEFICIT) BEFORE AMORTIZATION OF TANGIBLE CAPITAL ASSETS								
	<u>\$ 622,144</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 110,535</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 732,679</u>
Amortization of tangible capital assets	<u>\$ 104,647</u>	<u>\$ 363</u>	<u>\$ 229,949</u>	<u>\$ 237,872</u>	<u>\$ 255</u>	<u>\$ 44,940</u>	<u>\$ 107,416</u>	<u>\$ 725,442</u>
NET REVENUE (DEFICIT)	<u>\$ 517,497</u>	<u>\$ (363)</u>	<u>\$ (229,949)</u>	<u>\$ (127,337)</u>	<u>\$ (255)</u>	<u>\$ (44,940)</u>	<u>\$ (107,416)</u>	<u>\$ 7,237</u>

The accompanying notes form an integral part of these financial statements.
JDP Wasserman LLP /// Chartered Professional Accountants

TOWN OF BON ACCORD
Notes to Financial Statements
For the Year Ended December 31, 2024

1. ACCOUNTING POLICIES

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

(a) Reporting Entity

The financial statements reflect the assets, liabilities, revenues and expenses, and cash flows of the reporting entity. The entity is comprised of all the organizations that are owned or controlled by the Town and are, therefore, accountable to Town Council for the administration of their financial affairs and resources.

The schedule of property taxes also includes requisitions that are not part of the reporting entity.

The financial statements exclude trust assets that are administered for the benefit of external parties.

(b) Basis of Accounting

The Town follows the accrual basis of accounting. Revenues are accounted for in the period in which the transactions or events occurred that gave rise to the revenues. Expenses are recognized in the period the goods and services are acquired and a liability is incurred or transfers are due.

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 are recognized in the financial statements as revenues in the period that the events giving rise to the transfer occurred, providing the transfers are authorized, the Town has met any eligibility criteria, and reasonable estimates of the amounts can be made.

(c) Cash and Cash Equivalents

Cash and cash equivalents includes 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 90 days or less at acquisition.

(d) Investments

Investments are recorded at cost. When there has been a loss in value that is other than a temporary decline, the respective investment is written-down to recognize the loss. Gains on principal protected notes are recognized as income when sold.

(e) 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 the respective function.

(continues)

TOWN OF BON ACCORD
Notes to Financial Statements
For the Year Ended December 31, 2024

1. ACCOUNTING POLICIES (continued)

(f) 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 annual surplus, provides the Statement of Changes in Net Financial Assets for the year (page 7).

(g) Inventories for Consumption

Inventories of materials and supplies for consumption are recorded at the lower of cost or net realizable value with cost determined using the average cost method.

(h) 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:

Buildings	50 years
Engineered structures:	
Water system	45 - 75 years
Wastewater	45 - 75 years
Storm sewer	45 - 75 years
Roads	10 - 40 years
Electrical systems	25 years
Machinery and equipment	10 - 25 years
Vehicles	10 - 25 years
Land improvements	15 years

Tangible capital assets received as contributions are recorded at fair value at the date of receipt and also are recorded as revenue. Tangible capital assets received or purchased as part of a restructuring transaction are recorded at carrying value at the date of receipt and also are recorded as revenue.

Tangible capital assets under construction are not amortized until the asset is substantially complete and available for productive use. Those tangible capital assets not meeting this criteria are categorized as work-in-progress as of year-end.

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

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.

(continues)

TOWN OF BON ACCORD
Notes to Financial Statements
For the Year Ended December 31, 2024

1. ACCOUNTING POLICIES *(continued)*

(i) Asset Retirement Obligations

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset at the financial statement date when there is a legal obligation for the Town 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 activities, based on information available at year-end. The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods.

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

At each financial reporting date, the Town reviews the carrying amount of the liability. The Town 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 Town 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.

(j) Contaminated Sites

Contaminated sites are defined as a result of contamination being introduced in air, soil, water or sediment of a chemical, organic, or radioactive material or live organism that exceeds an environmental standard. A liability for remediation on contaminated sites is recognized, net of any recoveries, when an environmental standard exists, contamination exceeds the environmental standard, the Town is directly responsible for or accepts responsibility for the liability, future economic benefits will be given up, and a reasonable estimate of the liability can be made.

(k) Tax Revenue

Property taxes are recognized as revenue in the year they are levied.

Construction and borrowing costs associated with local improvement projects are recovered through annual special assessments during the period of the related borrowings. These levies are collectable from property owners for work performed by the Town and are recognized as revenue in the year in which the local improvement project is completed.

(continues)

TOWN OF BON ACCORD
Notes to Financial Statements
For the Year Ended December 31, 2024

1. ACCOUNTING POLICIES *(continued)*

(l) Requisition Over-levies and Under-levies

Requisition 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. If 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.

(m) 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 revenues and expenses 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.

The Town has used estimates to determine accrued liabilities including asset retirement obligations, tangible capital asset useful lives and well as provisions made for allowances for amounts receivable or any provision for impairment.

TOWN OF BON ACCORD
Notes to Financial Statements
For the Year Ended December 31, 2024

2. CASH AND CASH EQUIVALENTS

	2024	2023
Operating accounts	\$ 5,363,341	\$ 2,509,717
Cash on hand	182	182
High interest savings account	-	1,002,433
	\$ 5,363,523	\$ 3,512,332

The Town has access to a revolving line of credit with a maximum limit of \$230,000. No amounts were drawn on the line of credit as at December 31, 2024 or 2023.

3. ACCOUNTS RECEIVABLE

	2024	2023
Receivable from other governments	\$ 135,114	\$ 182,309
Utility accounts	76,201	60,894
Trade and other	74,978	110,097
Taxes and grants in place of taxes	60,893	25,262
Goods and Services Tax recoverable	16,578	75,154
	\$ 363,764	\$ 453,716

4. DEFERRED REVENUE

Deferred revenue represents unspent externally restricted funds that are related to expenses that will be incurred in a future period.

	2024	2023
Drought and Flood Protection Program	\$ 630,000	\$ -
Local Government Fiscal Framework - Capital	193,451	-
Canada Community Building Fund	73,267	28,153
Prepaid bulk water	39,869	38,508
Offsite levies	10,084	10,084
Other	4,730	4,730
Municipal Sustainability Initiative - Capital	-	7,449
Municipal Sustainability Initiative - Operating	-	14,750
	\$ 951,401	\$ 103,674

TOWN OF BON ACCORD
Notes to Financial Statements
For the Year Ended December 31, 2024

5. LONG-TERM DEBT

	<u>2024</u>	<u>2023</u>
Alberta Capital Finance Authority debenture repayable in semi-annual installments of \$50,048 including interest at 3.023% maturing June 2032.	\$ 706,593	\$ 783,580
Alberta Capital Finance Authority debenture repayable in semi-annual installments of \$25,822 including interest at 5.270% maturing March 2043.	605,602	624,577
Alberta Capital Finance Authority debenture repayable in semi-annual installments of \$37,514 including interest at 1.592% maturing June 2030.	<u>393,604</u>	<u>461,552</u>
	<u>\$ 1,705,799</u>	<u>\$ 1,869,709</u>

Principal and interest payments are due as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 168,354	\$ 58,413	\$ 226,767
2026	172,941	53,826	226,767
2027	177,676	49,091	226,767
2028	182,565	44,202	226,767
2029	187,614	39,153	226,767
Thereafter	<u>816,649</u>	<u>378,454</u>	<u>1,195,103</u>
	<u>\$ 1,705,799</u>	<u>\$ 623,139</u>	<u>\$ 2,328,938</u>

6. DEBT LIMITS

Section 276(2) of the *Municipal Government Act* requires that debt and debt limits as defined by Alberta Regulation 255/00 for the Town be disclosed as follows:

	<u>2024</u>	<u>2023</u>
Total debt limit	\$ 6,036,423	\$ 5,673,674
Total debt	<u>(1,705,799)</u>	<u>(1,869,709)</u>
Total debt limit remaining	<u>\$ 4,330,624</u>	<u>\$ 3,803,965</u>
Service on debt limit	\$ 1,006,071	\$ 945,612
Service on debt	<u>(226,767)</u>	<u>(226,767)</u>
Total service on debt limit remaining	<u>\$ 779,304</u>	<u>\$ 718,845</u>

The debt limit is calculated at 1.5 times revenues of the Town (as defined by Regulation 255/00) and the debt service limit is calculated at 0.25 times such revenues. Incurring debt beyond these limits requires approval by the Minister of Municipal Affairs. These thresholds are guidelines used by Alberta Municipal Affairs to identify municipalities which could be at financial risk if further debt is acquired. The calculation taken alone does not represent the stability of the Town. Rather, the financial statements must be interpreted as a whole.

TOWN OF BON ACCORD
Notes to Financial Statements
For the Year Ended December 31, 2024

7. ASSET RETIREMENT OBLIGATIONS

The Town owns various buildings and engineered structures which contain asbestos or are presumed to contain asbestos and, therefore, the Town is legally required to perform abatement activities upon renovation, demolition, or otherwise disturbing the related assets.

Abatement activities include handling and disposing of the asbestos in a prescribed manner when it is disturbed.

Undiscounted future cash flows expected are approximately \$1,700,000 over many years.

The estimated total liability is based on the sum of discounted future cash flows for abatement activities using a discount rate of 4% (2023 - 4%) and assuming annual inflation of 3% (2023 - 3%).

The estimated liability as at December 31, 2024 is \$1,359,998 (2023 - \$1,307,690); with accretion expense increasing the estimated liability of \$52,308 (2023 - \$50,302).

TOWN OF BON ACCORD
Notes to Financial Statements
For the Year Ended December 31, 2024

8. ACCUMULATED SURPLUS

	<u>2024</u>	<u>2023</u>
Unrestricted surplus	\$ 1,878,507	\$ 1,072,807
Restricted surplus		
Operating reserves (Note 9)	873,021	878,952
Capital reserves (Note 9)	1,479,847	1,283,557
Equity in tangible capital assets (Schedule 2)	<u>14,052,214</u>	<u>14,254,040</u>
	<u>\$ 18,283,589</u>	<u>\$ 17,489,356</u>

9. RESTRICTED SURPLUS

	<u>2024</u>	<u>2023</u>
Operating Reserves		
General operating	\$ 847,920	\$ 852,920
Recreation	<u>25,101</u>	<u>26,032</u>
	<u>\$ 873,021</u>	<u>\$ 878,952</u>
 Capital Reserves		
Road improvement	\$ 509,765	\$ 488,215
Water system	345,156	310,612
Sanitary sewer system	225,273	199,990
Stormwater	101,456	81,173
Parks & recreation	100,000	-
Fire	86,506	101,506
Facility infrastructure	59,618	19,946
Snow removal	15,000	15,000
Cemetery	14,471	-
Veterans park reserve	11,853	11,853
Roots of empathy reserve	6,917	4,417
Protective services - COPS	2,255	2,255
Equipment	1,577	10,552
Community development	-	3,853
Administration building	-	782
Economic & community development	-	10,618
Range road 240	<u>-</u>	<u>22,785</u>
	<u>\$ 1,479,847</u>	<u>\$ 1,283,557</u>

TOWN OF BON ACCORD
Notes to Financial Statements
For the Year Ended December 31, 2024

10. FRANCHISE AND CONCESSION CONTRACTS

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

	2024 (Budget) (Note 12)	2024 (Actual)	2023 (Actual)
Fortis Alberta Inc.	\$ 150,014	\$ 153,430	\$ 140,877
ATCO Gas	83,616	85,520	77,515
	<u>\$ 233,630</u>	<u>\$ 238,950</u>	<u>\$ 218,392</u>

11. SALARIES AND BENEFITS DISCLOSURE

Disclosure of salaries and benefits for Town officials, the Town Chief Administrative Officer and designated officers are required by Alberta Regulation 313/200 is as follows:

	Salary (1)	Benefits (2)	2024	2023
Mayor Holden	\$ 22,947	\$ -	\$ 22,947	\$ 22,616
Councillors				
Larson	13,918	845	14,763	13,640
May	13,617	829	14,446	14,435
Bidney	13,102	797	13,899	12,210
Laing	12,618	766	13,384	13,482
Chief Administrative Officer				
Brown	126,718	22,463	149,181	146,669
Designated Officers				
Assessor	28,390	-	28,390	26,553
	<u>\$ 231,310</u>	<u>\$ 25,700</u>	<u>\$ 257,010</u>	<u>\$ 249,605</u>

(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. Benefits also include the employer's share of the costs of additional taxable benefits including special leave with pay, financial planning services, retirement planning services, concessionary loans, travel allowances, car allowances and club memberships.

TOWN OF BON ACCORD
Notes to Financial Statements
For the Year Ended December 31, 2024

12. BUDGET FIGURES

	2024 (Budget)	2024 (Actual)
Annual surplus	\$ 907,436	\$ 794,233
Amortization of tangible capital assets	-	749,861
Acquisition of tangible capital assets	(593,518)	(436,433)
Repayment of long-term debt	(163,911)	(157,057)
Net transfers (to) from reserves:	-	(190,359)
Other net transfers to reserves	(246,661)	-
To fund tangible capital asset acquisitions	96,654	-
Results of operations	\$ -	\$ 760,245

The budget data presented in these consolidated financial statements is based on the operating and capital budgets approved by Town Council on December 5, 2023. The chart above reconciles the approved financial plan to the figures reported in these consolidated financial statements.

13. FINANCIAL INSTRUMENTS

The Town's financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities including asset retirement obligations, and long-term debt. It is management's opinion that the Town is not exposed to significant currency, other price or liquidity risk arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values.

The Town is exposed to credit risk with respect to its accounts receivable. Credit risk arises from the possibility that customers, tax and rate-payers may experience financial difficulty and be unable to fulfill their obligations. The large number and diversity of customers, tax and rate-payers minimizes the Town's credit risk.

The Town is exposed to interest rate risk with respect to its high interest savings account. Interest rate risk is the risk that the value of financial instruments might be adversely affected by a change in interest rates. The Town manages exposure through its normal operating and financing activities, and holding short-term investments that are approximately equal to any significant specific liabilities as they become due.

14. SEGMENTED INFORMATION

The Town provides a range of services to its citizens. 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 as disclosed in *Note 1*. For additional information see the Schedules of Segmented Disclosure (*Schedule 6 & Schedule 7*).

15. CONTINGENCY

The Town is a member of the Alberta Municipal Insurance Exchange (MUNIX). Under the terms of membership, the Town could become liable for its proportionate share of any claim losses in excess of the funds held by the exchange. Any liability incurred would be accounted for as a current transaction in the year the losses are determined.

TOWN OF BON ACCORD
Notes to Financial Statements
For the Year Ended December 31, 2024

16. CONTRACTUAL OBLIGATIONS

Waste Services

The Town has entered into an agreement for waste hauling services for the period December 2021 - November 2026. The estimated cost of these services is approximately \$110,000 annually. Future requirements will be adjusted based on the Consumer Price Index as calculated by Statistics Canada each year with the increase to take effect on January 1 of each year.

Peace Officer and Fire Services

The Town has entered into agreements with Sturgeon County for the provision of Peace Officer and fire services for the period January 1, 2022 - December 31, 2026. The estimated cost of these services is approximately \$70,000 annually increased by 2% or Consumer Price Index as whichever is greater.

17. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by Town Council and management.
