

VILLAGE OF EDGERTON
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

Brian King Professional Corporation

Box 560, Hardisty, Alberta T0B 1V0

INDEPENDENT AUDITOR'S REPORT

To the Mayor and Council of the Village of Edgerton:

Report on the Consolidated Financial Statements

Opinion

I have audited the consolidated financial statements of the Village of Edgerton (the Entity), which comprise the consolidated statement of financial position as at December 31, 2024, and the results of its operations, changes in its net financial assets (debt) and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Village of Edgerton as at December 31, 2024, the results of its operations, change in its net financial assets (debt) and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of my report. I am independent of the Entity in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

My 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 auditor's report that includes my 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, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

Brian King Professional Corporation

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- 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 my 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 Entity'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 Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I 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 I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

- **Debt Limit Regulation:**
In accordance with Alberta Regulation 255/2000, I confirm that the municipality is in compliance with the Debt Limit Regulation. A detailed account of the Entity's debt limit can be found in note 7.
- **Supplementary Accounting Principles and Standards Regulation:**
In accordance with Alberta Regulation 313/2000, I confirm that the municipality is in compliance with the Supplementary Accounting Principles and Standards Regulation and note the information required can be found in note 11.

M.D. of Wainwright

April 30, 2025



Brian King Professional Corporation
Chartered Professional Accountant

VILLAGE OF EDGERTON

CONSOLIDATED STATEMENT OF FINANCIAL POSITION DECEMBER 31, 2024

	<u>2024</u>	<u>2023</u>
FINANCIAL ASSETS		
Cash (Note 2)	919,055	383,601
Term deposits (Note 2)	782,265	656,148
Taxes and grants in place of taxes (Note 3)	115,809	114,910
Trade and other receivables	60,910	17,259
Receivable from other governments	450,811	359,686
Other financial assets	1,728	1,523
	<u>2,330,578</u>	<u>1,533,127</u>
LIABILITIES		
Accounts payable and accrued liabilities	72,534	59,993
Deposits held in trust	1,285	1,285
Waste transfer site closure	75,000	75,000
Deferred revenue (Note 5)	1,485,919	541,945
Long term debt (Note 6)	10,000	20,000
	<u>1,644,738</u>	<u>698,223</u>
NET FINANCIAL ASSETS	<u>685,840</u>	<u>834,904</u>
NON-FINANCIAL ASSETS		
Tangible capital assets	5,731,923	5,837,331
Inventory held for resale	284,950	284,950
Prepaid expenses	114,863	83,774
	<u>6,131,736</u>	<u>6,206,055</u>
ACCUMULATED SURPLUS (NOTE 8)	<u>6,817,576</u>	<u>7,040,959</u>

VILLAGE OF EDGERTON

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2024

	Budget (unaudited)	2024	2023
REVENUE			
Net municipal property taxes (Schedule 3)	405,902	405,078	391,732
User fees and sales of goods	262,414	296,905	265,130
Penalties and costs on taxes	3,000	5,354	4,424
Licenses and permits	650	1,034	771
Fines	-	197	687
Franchise and concession contracts	70,000	78,082	76,460
Investment income	30,000	53,408	45,927
Rentals	8,300	9,096	3,924
Government transfers for operating	238,915	428,454	405,719
Other	39,785	29,813	42,452
	<u>1,058,966</u>	<u>1,307,421</u>	<u>1,237,226</u>
EXPENSES			
Legislative	37,100	27,454	36,168
Administration	299,717	390,628	194,887
Protective services	150,350	154,484	119,573
Transportation	168,600	150,196	143,630
Water supply and distribution	125,600	115,222	129,179
Wastewater treatment and disposal	101,200	115,122	80,628
Waste management	203,551	108,729	191,564
Public health and welfare	23,595	5,920	20,508
Recreation	108,390	262,423	94,935
Culture	36,202	66,970	50,260
Amortization	-	269,779	269,643
	<u>1,254,305</u>	<u>1,680,011</u>	<u>1,330,975</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES BEFORE OTHER	(195,339)	(372,590)	(93,749)
OTHER			
Government transfers for capital (Schedule 4)	<u>2,899,518</u>	<u>149,207</u>	<u>102,340</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	2,704,179	(223,383)	8,591
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>7,040,959</u>	<u>7,040,959</u>	<u>7,032,368</u>
ACCUMULATED SURPLUS, END OF YEAR	<u><u>9,745,138</u></u>	<u><u>6,817,576</u></u>	<u><u>7,040,959</u></u>

VILLAGE OF EDGERTON

CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS FOR THE YEAR ENDED DECEMBER 31, 2024

	Budget (unaudited)	2024	2023
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	2,704,179	(223,383)	8,591
Acquisition of tangible capital assets	-	(164,371)	(121,019)
Amortization of tangible capital assets	-	269,779	269,643
Net (increase) decrease of prepaid assets	-	(31,089)	(9,672)
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	2,704,179	(149,064)	147,543
NET FINANCIAL ASSETS, BEGINNING OF YEAR	834,904	834,904	687,361
NET FINANCIAL ASSETS, END OF YEAR	<u>3,539,083</u>	<u>685,840</u>	<u>834,904</u>

VILLAGE OF EDGERTON

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>2024</u>	<u>2023</u>
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Excess of revenues over expenses	(223,383)	8,591
Non-cash items included in excess of revenue over expenses:		
Amortization of tangible capital assets	269,779	269,643
Non-cash charges to operations (net change):		
Decrease (increase) in taxes and grants in place of taxes	(899)	(14,287)
Decrease (increase) in trade and other receivables	(43,651)	(3,935)
Decrease (increase) in receivable from other governments	(91,125)	149,821
Decrease (increase) in prepaid expenses	(31,089)	(9,672)
Decrease (increase) in other financial assets	(205)	(271)
Increase (decrease) in accounts payable and accrued liabilities	12,541	(172,673)
Increase (decrease) in waste transfer site closure	-	75,000
Increase (decrease) in deferred revenue	943,974	104,902
	<u>835,942</u>	<u>407,119</u>
CAPITAL		
Acquisition of tangible capital assets	(164,371)	(121,019)
INVESTING		
Decrease (increase) in restricted cash or cash equivalents	(833,511)	(71,711)
FINANCING		
Long-term debt repaid	(10,000)	(10,000)
CHANGE IN CASH AND EQUIVALENTS DURING THE YEAR	(171,940)	204,389
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	806,127	601,738
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>634,187</u>	<u>806,127</u>
CASH AND CASH EQUIVALENTS IS MADE UP OF:		
Cash on hand	100	100
Cash in bank	918,955	383,501
Term deposits	782,265	656,148
Less: restricted portion of cash and term deposits (Note 2)	(1,067,133)	(233,622)
	<u>634,187</u>	<u>806,127</u>

VILLAGE OF EDGERTON

SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS FOR THE YEAR ENDED DECEMBER 31, 2024 (Schedule 1)

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2024	2023
BALANCE, BEGINNING OF YEAR	<u>624,874</u>	<u>598,754</u>	<u>5,817,331</u>	<u>7,040,959</u>	<u>7,032,368</u>
Excess (deficiency) of revenues over expenses	(223,383)	-	-	(223,383)	8,591
Unrestricted funds designated for future use	(50,102)	50,102	-	-	-
Restricted funds used for operations	96,741	(96,741)	-	-	-
Current year funds used for tangible capital assets	(164,371)	-	164,371	-	-
Annual amortization expense	269,779	-	(269,779)	-	-
Long term debt repaid	<u>(10,000)</u>	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>-</u>
Change in accumulated surplus	<u>(81,336)</u>	<u>(46,639)</u>	<u>(95,408)</u>	<u>(223,383)</u>	<u>8,591</u>
BALANCE, END OF YEAR	<u><u>543,538</u></u>	<u><u>552,115</u></u>	<u><u>5,721,923</u></u>	<u><u>6,817,576</u></u>	<u><u>7,040,959</u></u>

VILLAGE OF EDGERTON

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS FOR THE YEAR ENDED DECEMBER 31, 2024 (Schedule 2)

	LAND	LAND IMPROVEMENTS	BUILDINGS	ENGINEERED STRUCTURES	MACHINERY AND EQUIPMENT	VEHICLES	2024	2023
COST:								
Balance - beginning of year	140,000	170,697	2,769,599	5,518,381	1,137,929	364,225	10,100,831	9,986,962
Acquisition of tangible capital assets	-	-	-	-	7,500	-	7,500	121,019
Construction in progress	-	-	-	156,871	-	-	156,871	-
Disposal of tangible capital assets	-	-	-	-	-	-	-	(7,150)
Balance - end of year	140,000	170,697	2,769,599	5,675,252	1,145,429	364,225	10,265,202	10,100,831
ACCUMULATED AMORTIZATION								
Balance - beginning of year		128,453	699,079	2,698,384	517,815	219,769	4,263,500	4,001,007
Annual amortization	-	7,328	57,772	136,494	49,185	19,000	269,779	269,643
Accumulated amortization on disposals	-	-	-	-	-	-	-	(7,150)
Balance - end of year	-	135,781	756,851	2,834,878	567,000	238,769	4,533,279	4,263,500
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	140,000	34,916	2,012,748	2,840,374	578,429	125,456	5,731,923	5,837,331
PRIOR YEAR NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	140,000	42,244	2,070,520	2,819,997	620,114	144,456	5,837,331	

VILLAGE OF EDGERTON

CONSOLIDATED SCHEDULE OF PROPERTY TAXES LEVIED FOR THE YEAR ENDED DECEMBER 31, 2024 (Schedule 3)

	Budget (Unaudited)	2024	2023
TAXATION			
Real property taxes	456,649	455,750	450,211
Linear property taxes	31,097	31,097	20,690
Government grants in place of property taxes	922	922	917
	<u>488,668</u>	<u>487,769</u>	<u>471,818</u>
REQUISITIONS			
Alberta School Foundation	77,766	77,766	75,161
Battle River Foundation	5,000	4,925	4,925
	<u>82,766</u>	<u>82,691</u>	<u>80,086</u>
NET MUNICIPAL TAXES	<u>405,902</u>	<u>405,078</u>	<u>391,732</u>

VILLAGE OF EDGERTON

CONSOLIDATED SCHEDULE OF GOVERNMENT TRANSFERS FOR THE YEAR ENDED DECEMBER 31, 2024 (Schedule 4)

	Budget (Unaudited)	2024	2023
TRANSFERS FOR OPERATING			
Federal Government	-	-	9,450
Provincial Government	114,982	170,652	132,434
Local Governments	123,933	257,802	263,835
	<u>238,915</u>	<u>428,454</u>	<u>405,719</u>
TRANSFERS FOR CAPITAL			
Provincial Government	2,499,518	116,151	27,340
Local Governments	200,000	33,056	75,000
	<u>2,899,518</u>	<u>149,207</u>	<u>102,340</u>
TOTAL GOVERNMENT TRANSFERS	<u>3,138,433</u>	<u>577,661</u>	<u>508,059</u>

VILLAGE OF EDGERTON

CONSOLIDATED SCHEDULE OF EXPENDITURE BY OBJECT FOR THE YEAR ENDED DECEMBER 31, 2024 (Schedule 5)

	Budget (Unaudited)	2024	2023
Expenditures			
Salaries, wages and benefits	528,700	416,873	372,662
Contracted and general services	416,064	484,351	361,764
Materials, goods and utilities	232,586	254,028	204,020
Transfers to other governments	20,000	19,180	12,970
Transfers to local boards and agencies	43,000	227,785	86,584
Transfers to individuals and agencies	-	750	-
Bank charges and short term interest	2,217	3,394	898
Other expenditures	10,738	3,871	22,434
Amortization of tangible capital assets	-	269,779	269,643
	<u>1,254,305</u>	<u>1,680,011</u>	<u>1,330,975</u>

VILLAGE OF EDGERTON

SCHEDULE OF SEGMENTED DISCLOSURE FOR THE YEAR ENDED DECEMBER 31, 2024 (Schedule 6)

	General Government	Protective Services	Transportation services	Environmental Services	Public Health & Welfare	Planning & Development	Recreation & Culture	Total
REVENUE								
Net municipal property taxes (Schedule 2)	405,078	-	-	-	-	-	-	405,078
User fees and sales of goods	873	24,883	-	256,139	8,095	-	6,915	296,905
Penalties and costs on taxes	5,354	-	-	-	-	-	-	5,354
Licenses and permits	1,034	-	-	-	-	-	-	1,034
Fines	197	-	-	-	-	-	-	197
Franchise and concession contracts	78,082	-	-	-	-	-	-	78,082
Investment income	43,628	1,805	-	-	2,672	-	5,303	53,408
Rentals	9,096	-	-	-	-	-	-	9,096
Government transfers	170,652	82,823	-	-	-	-	174,979	428,454
Other	27,281	500	-	260	1,547	-	225	29,813
	<u>741,275</u>	<u>110,011</u>	<u>-</u>	<u>256,399</u>	<u>12,314</u>	<u>-</u>	<u>187,422</u>	<u>1,307,421</u>
EXPENSES								
Salaries, wages and benefits	181,308	43,073	46,077	146,415	-	-	-	416,873
Contracted and general services	196,110	28,022	37,347	109,320	1,230	11,944	100,378	484,351
Materials, goods and utilities	34,220	61,559	66,772	83,338	1,205	390	6,544	254,028
Transfers to other governments	-	19,180	-	-	-	-	-	19,180
Transfers to local boards and agencies	-	2,129	-	-	3,485	-	222,171	227,785
Transfers to individuals and agencies	-	-	-	-	-	750	-	750
Bank charges and short term interest	3,394	-	-	-	-	-	-	3,394
Other expenditures	3,050	521	-	-	-	-	300	3,871
	<u>418,082</u>	<u>154,484</u>	<u>150,196</u>	<u>339,073</u>	<u>5,920</u>	<u>13,084</u>	<u>329,393</u>	<u>1,410,232</u>
NET REVENUE, BEFORE AMORTIZATION	<u>323,193</u>	<u>(44,473)</u>	<u>(150,196)</u>	<u>(82,674)</u>	<u>6,394</u>	<u>(13,084)</u>	<u>(141,971)</u>	<u>(102,811)</u>
AMORTIZATION AND DISPOSAL OF ASSETS								
Amortization of tangible capital assets	<u>10,893</u>	<u>39,272</u>	<u>105,859</u>	<u>58,350</u>	<u>740</u>	<u>-</u>	<u>54,665</u>	<u>269,779</u>
NET REVENUE	<u>312,300</u>	<u>(83,745)</u>	<u>(256,055)</u>	<u>(141,024)</u>	<u>5,654</u>	<u>(13,084)</u>	<u>(196,636)</u>	<u>(372,590)</u>

VILLAGE OF EDGERTON

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Village of Edgerton are the representations of management prepared in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board of the Canadian association of Chartered Professional Accountants.

Significant aspects of the accounting policies adopted by the village are as follows:

a) Reporting Entity

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

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

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

b) Basis of Accounting

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

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

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

VILLAGE OF EDGERTON

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Use of Estimates

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

d) Investments

Investments are recorded at amortized cost. Investment premiums and discounts are amortized on the net present value basis over the term of the respective investments. When there has been a loss in value that is other than a temporary decline, the respective investment is written down to recognize the loss.

e) Requisition Over-levy and Under-levy

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

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

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

f) Inventories for Resale

Land held for resale is recorded at the lower of cost or net realizable value. Cost includes costs for land acquisition and improvements required to prepare the land for servicing such as clearing, stripping and levelling 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.

g) Government Transfers

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

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

VILLAGE OF EDGERTON

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Tax revenue

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

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

i) Landfill Closure and Post-Closure Liability

Pursuant to the Alberta Environmental Protection and Enhancement Act, the town is required to fund the closure of its landfill site and provide for post-closure care of the facility. Closure and post-closure activities include the final clay cover, landscaping, as well as surface and ground water monitoring, leachate control, and visual inspection. The requirement is being provided for over the estimated remaining life of the landfill site based on usage.

j) Contaminated Sites Liability

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of a contaminated site is recognized when a site is not in productive use and is management's estimate of the cost of post-remediation including operation, maintenance and monitoring.

k) 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 over the estimated useful life as follows:

	YEARS
Buildings	20-50
Engineered structures - other	20-75
Engineered structures - water system	45-75
Engineered structures - wastewater system	45-75
Land improvements	20
Machinery and equipment	10-25
Vehicles	10-25

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.

VILLAGE OF EDGERTON

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

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. Inventories

Inventories held for consumption are recorded at the lower of cost and replacement cost.

v. Cultural and Historical Tangible Capital Assets

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

2. CASH AND TERM DEPOSITS

Term deposits are held at Vision Credit Union bearing interest at 2.0% to 4.75% with maturities in 2025.

	<u>2024</u>	<u>2023</u>
Included in cash and term deposits are amounts received from various grant funding programs that are held for use in accordance with the funding agreements. (Note 5)		
Alberta Community Partnership	-	36,920
Alberta Municipal Water Wastewater Program	483,849	-
Canada Community Building Fund	204,039	-
Donations	12,690	-
Municipal District of Wainwright	274,698	107,754
Municipal Sustainability Initiative - Capital	90,572	87,663
	<u>1,065,848</u>	<u>232,337</u>
Included in cash and term deposits are amounts held in trust	<u>1,285</u>	<u>1,285</u>
Total restricted cash and term deposits	<u><u>1,067,133</u></u>	<u><u>233,622</u></u>

VILLAGE OF EDGERTON

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

3. TAXES AND GRANTS IN PLACE OF TAXES RECEIVABLES

	2024	2023
Current taxes and grants in place of taxes	73,482	81,127
Arrears taxes	23,192	14,648
Property held by the village as a result of tax forfeiture	19,135	19,135
	<u>115,809</u>	<u>114,910</u>

5. DEFERRED INCOME

Deferred income consists of the following:	2024	2023
Alberta Community Partnership	-	36,920
Alberta Municipal Water Wastewater Program	483,849	-
Canada Community Building Fund	276,468	200,000
Donations	12,690	-
Local Government Fiscal Framework	249,518	-
Municipal District of Wainwright	274,698	107,754
Municipal Sustainability Initiative - Capital	170,305	167,396
Prepaid property taxes	18,391	29,875
	<u>1,485,919</u>	<u>541,945</u>

6. LONG TERM DEBT

		<u>2024</u>	<u>2023</u>
Municipal District of Wainwright		<u>10,000</u>	<u>20,000</u>
Principal and interest payments are as follows:			
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	<u>10,000</u>	<u>-</u>	<u>10,000</u>

Debenture debt repayable to the Municipal District of Wainwright without interest and matures in 2025 and is secured by the credit and security of the village at large.

The village's total cash payments for interest on long term debt in 2024 were \$Nil (2023 - \$Nil).

VILLAGE OF EDGERTON

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

7. 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 Village of Edgerton be disclosed as follows:

	2024	2023
Total debt limit	<u>1,961,132</u>	<u>1,855,839</u>
Total debt	<u>10,000</u>	<u>20,000</u>
Surplus debt limit	<u>1,951,132</u>	<u>1,835,839</u>
Debt servicing limit	<u>326,855</u>	<u>309,307</u>
Debt servicing	<u>10,000</u>	<u>10,000</u>
Surplus debt servicing	<u>316,855</u>	<u>299,307</u>

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

8. EQUITY IN TANGIBLE CAPITAL ASSETS

	2024	2023
Tangible capital assets (Schedule 2)	<u>10,265,202</u>	<u>10,100,831</u>
Accumulated amortization (Schedule 2)	<u>(4,533,279)</u>	<u>(4,263,500)</u>
Long-term debt (Note 6)	<u>(10,000)</u>	<u>(20,000)</u>
	<u>5,721,923</u>	<u>5,817,331</u>

VILLAGE OF EDGERTON

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

9. 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>543,538</u>	<u>624,874</u>
Restricted surplus		
General	14,165	14,165
Fire department	116,414	95,054
Water system	127,000	113,869
Sewer system	203,868	190,737
Cemetery	51,029	48,549
Recreation	<u>39,639</u>	<u>136,380</u>
	<u>552,115</u>	<u>598,754</u>
Equity in tangible capital assets	<u>5,721,923</u>	<u>5,817,331</u>
	<u>6,817,576</u>	<u>7,040,959</u>

10. SEGMENTED DISCLOSURE

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

Refer to the Schedule of Segmented Disclosure (schedule 6)

VILLAGE OF EDGERTON

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

11. SALARY AND BENEFITS DISCLOSURE

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

	2024			2023
	Salary	Benefits & Allowances	Total	Total
Beattie	3,429	-	3,429	4,230
Hughes	2,555	-	2,555	2,750
Jackson	2,995	-	2,995	3,265
Waddell	3,860	-	3,860	3,300
White	8,615	-	8,615	8,475
CAO	83,146	18,000	101,146	69,642
Designated Officer (1)	8,664	-	8,664	8,412

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.

12. TRUST FUNDS

The Village of Edgerton administers the following trust:

	2024	2023
Murdoch trust fund	7,592	7,592

The trust allows for the revenue generated from the funds to be used for the maintenance and upkeep of the cemetery.

13. CONTINGENCIES

The village is a member of the Genesis Reciprocal Insurance Exchange (GRIE). Under the terms of the membership, the village 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.

VILLAGE OF EDGERTON

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

14. FINANCIAL INSTRUMENTS

The Village's financial instruments consist of cash and temporary investments, accounts receivable, investments, bank indebtedness, accounts payable and accrued liabilities, deposit liabilities and long-term debt. It is management's opinion that the village is not exposed to significant interest or currency risks arising from these financial instruments.

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

Unless otherwise noted, the fair value of these financial instruments approximates their fair value.

15. COMPARITIVE FIGURES

Certain comparative figures have been restated to conform to the current year's presentation.

16. APPROVAL OF FINANCIAL STATEMENTS

Council and Management have approved these financial statements.