

TOWN OF TOFIELD
Financial Statements
Year Ended December 31, 2024

TOWN OF TOFIELD

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Year Ended December 31, 2024

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

Management of the Town of Tofield (the "Town") is responsible for the preparation, accuracy, objectivity and integrity of the accompanying financial statements and all other information contained within this Financial Report. Management believes that the financial statements present fairly the Town's financial position as at December 31, 2024, and the results of its operation for the year then ended.

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

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

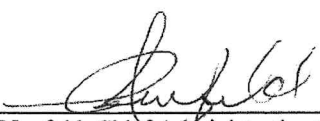
In fulfilling its responsibilities and recognizing the limits inherent in all systems, management has designed and maintains a system of internal controls to produce reliable information and to meet reporting requirements on a timely basis. The system is designed to provide management with reasonable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

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

The Town Council carries out its responsibilities for review of the financial statements principally through its Audit Committee. This committee meets regularly with management and external auditors to discuss the results of audit examination and financial reporting matters.

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

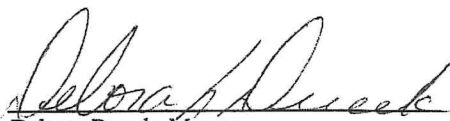
The financial statements have been audited by Becher Munro & Company Chartered Professional Accountants, independent external auditors appointed by the Town. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Town's financial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



Cindy Neufeld, Chief Administrative Officer
Town of Tofield, Alberta

APRIL 14 / 25

Date



Debora Dueck, Mayor
Town of Tofield, Alberta

APRIL 14 / 25

Date

INDEPENDENT AUDITOR'S REPORT

To the Mayor and Members of Council of the Town of Tofield

Opinion

We have audited the financial statements of Town of Tofield (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 (hereinafter referred to as the "financial statements").

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 its cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Town in accordance with ethical requirements that are relevant to our audit of the 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 PSAS, 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 are responsible for overseeing the Town's financial reporting process.

Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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:

(continues)

Independent Auditor's Report to the Mayor and Members of Council of the Town of Tofield (*continued*)

- 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 auditor's 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 auditor's 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.

Report on Other Legal and Regulatory Requirements

- Debt Limit Regulation:

In accordance with Alberta Regulation 255/2000, we confirm that the municipality is in compliance with the Debt Limit Regulation. A detailed account of the Town's debt limit can be found in (*Note 14*).

- Supplementary Accounting Principle and Standards Regulation:

In accordance with Alberta Regulation 313/2000, we 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 18*).

The engagement partner on the audit resulting in the independent auditor's report is Rita Munro.



Sherwood Park, Alberta
April 24, 2025

Chartered Professional Accountants

TOWN OF TOFIELD

Statement of Financial Position

December 31, 2024

	2024	2023
FINANCIAL ASSETS		
Cash (Note 3)	\$ 2,572,495	\$ 2,039,611
Short term investments (Note 4)	1,824,309	1,988,059
Taxes and grants in place of taxes receivable		
- Current	153,258	150,091
- Arrears (Note 5)	174,497	127,411
Receivables from Other Governments	196,957	187,951
Trade and Other Receivables	250,157	253,345
Land held for resale	217,900	255,000
Long term investments (Note 6)	3,538,493	2,376,143
	8,928,066	7,377,611
LIABILITIES		
Accounts payable and accrued liabilities (Note 8)	371,868	394,869
Due to related parties (Note 9)	-	17,846
Deposit liabilities	120,800	120,700
Prepaid local improvements	6,737	7,557
Deferred grant revenue (Note 12)	186,127	137,237
Long term debt (Note 13)	3,564,982	3,946,889
	4,250,514	4,625,098
NET FINANCIAL ASSETS	4,677,552	2,752,513
NON-FINANCIAL ASSETS		
Tangible capital assets - Schedule 2	20,807,773	21,556,331
Prepaid expenses	20,251	7,201
	20,828,024	21,563,532
ACCUMULATED SURPLUS - Schedule 1 (Note 16)	\$ 25,505,575	\$ 24,316,045

COMMITMENTS (Note 20)

CONTINGENCIES (Note 21)

ON BEHALF OF COUNCIL

 Mayor
 Councillor

TOWN OF TOFIELD

Statement of Operations and Accumulated Surplus

Year Ended December 31, 2024

	Budget 2024	2024	2023
REVENUES			
Taxation and grants in place of taxes - Schedule 3	\$ 2,857,492	\$ 2,847,083	\$ 2,772,423
Sales and user charges	1,694,670	1,757,308	1,651,471
Penalties and cost on taxes	75,000	64,494	61,839
Licences and permits	15,500	22,763	10,318
Fines	2,000	9,879	2,198
Franchise and concession contracts	150,000	154,923	145,353
Interest income	175,000	206,068	178,923
Rentals	56,308	62,688	55,359
Federal government transfer - operating (Note 12)	234,457	104,675	3,233
Provincial government transfers - operating (Note 12)	320,602	330,567	356,951
Local government transfers - operating	312,144	301,486	293,175
Other revenue	10,000	10,798	11,386
Gain (loss) on disposal of assets	-	9,313	37,687
Partnership income allocation (Note 6)	-	1,814,146	1,695,215
	5,903,173	7,696,191	7,275,531
EXPENSES			
Council and other legislative	97,200	92,111	95,335
General administration	1,220,643	1,127,971	1,968,056
Fire	328,657	328,657	358,329
Disaster management	2,400	2,234	41,820
By-laws enforcement	196,281	199,312	171,395
Roads, streets, walks, lighting	837,564	860,716	806,664
Airport	18,900	30,374	20,678
Water supply and distribution	1,127,441	1,160,423	1,161,535
Wastewater treatment and disposal	170,000	129,645	122,498
Waste management	108,048	108,048	114,966
Family and community support (FCSS)	554,978	425,128	307,508
Cemeteries and crematoriums	32,150	31,957	26,301
Land use planning, zoning and development	63,000	45,000	-
Community development	1,018,502	987,887	903,933
Amortization	-	1,411,488	1,400,291
	5,775,764	6,940,951	7,499,309
(DEFICIT) SURPLUS OF REVENUES OVER EXPENSES BEFORE OTHER INCOME	127,409	755,240	(223,778)
OTHER INCOME			
Unrealized (loss) on inventory of land	-	(55,100)	-
Provincial Government transfers - capital (Note 12)	451,000	489,390	399,815
Federal Government transfers - capital (Note 12)	-	-	811,054
	451,000	434,290	1,210,869
EXCESS OF REVENUE OVER EXPENSES	578,409	1,189,530	987,091
ACCUMULATED SURPLUS (DEFICIT) - BEGINNING OF YEAR	(196,500)	24,316,045	23,328,954
ACCUMULATED SURPLUS - END OF YEAR	\$ 381,909	\$ 25,505,575	\$ 24,316,045

TOWN OF TOFIELD

Statement of Changes in Net Financial Assets

Year Ended December 31, 2024

	Budget 2024	2024	2023
ANNUAL SURPLUS	\$ 578,409	\$ 1,189,530	\$ 987,091
Purchase of tangible capital assets	740,200	(664,137)	(868,751)
Proceeds on disposal of tangible capital assets	3,000	10,521	653,670
Amortization of tangible capital assets	-	1,411,488	1,400,291
(Gain) loss on disposal of assets	-	(9,313)	(37,687)
	743,200	748,559	1,147,523
Decrease (increase) in prepaid expenses	-	(13,050)	16,135
	743,200	735,509	1,163,658
INCREASE IN NET FINANCIAL ASSETS	1,321,609	1,925,039	2,150,749
NET FINANCIAL ASSETS - BEGINNING OF YEAR	-	2,752,513	601,764
NET FINANCIAL ASSETS - END OF YEAR	\$ 1,321,609	\$ 4,677,552	\$ 2,752,513

TOWN OF TOFIELD

Statement of Cash Flows Year Ended December 31, 2024

	2024	2023
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 1,189,530	\$ 987,091
Items not affecting cash:		
Amortization of tangible capital assets	1,411,488	1,400,291
(Gain) loss on disposal of tangible capital assets	(9,313)	(37,687)
Partnership income allocation	(1,814,146)	(1,695,215)
	777,559	654,480
Changes in non-cash working capital:		
Short term investments	163,750	(317,302)
Land held for resale	37,100	-
Taxes & grants in place of taxes receivable	(50,252)	(7,991)
Receivables from Other Governments	(9,006)	5,131
Trade and Other Receivables	3,188	(51,688)
Accounts payable and accrued liabilities	(40,848)	24,542
Deposit liabilities	100	(319,200)
Prepaid local improvements	(820)	(819)
Deferred grant revenue	48,890	97,164
Prepaid expenses	(13,050)	16,135
	139,052	(554,028)
Cash flow from operating activities	916,611	100,452
INVESTING ACTIVITIES		
Purchase of tangible capital assets	(664,137)	(868,751)
Proceeds on disposal of tangible capital assets	10,521	653,670
Claystone dividends received	651,796	620,758
Cash flow from (used by) investing activities	(1,820)	405,677
FINANCING ACTIVITY		
Repayment of long term debt	(381,907)	(369,724)
Cash flow used by financing activity	(381,907)	(369,724)
INCREASE IN CASH FLOW	532,884	136,405
Cash - beginning of year	2,039,611	1,903,206
CASH - END OF YEAR	\$ 2,572,495	\$ 2,039,611

TOWN OF TOFIELD

SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS (Schedule 1)

Year Ended December 31, 2024

	Unrestricted surplus	Restricted surplus	Equity in Tangible Capital Assets	2024	2023
BALANCE, BEGINNING OF YEAR	\$ 849,088	\$ 5,857,515	\$ 17,609,442	\$ 24,316,045	\$ 23,333,977
Prior period adjustment	-	-	-	-	(5,023)
ADJUSTED BALANCE, BEGINNING OF YEAR	849,088	5,857,515	17,609,442	24,316,045	23,328,954
Excess of revenues over expenses	1,189,530	-	-	1,189,530	987,091
Unrestricted funds designated for future use	(2,161,955)	2,161,955	-	-	-
Restricted funds used for operations	96,900	(96,900)	-	-	-
Restricted funds used for tangible capital assets	-	(794,224)	794,224	-	-
Current year funds used for tangible capital assets	130,087	-	(130,087)	-	-
Disposal of tangible capital assets	1,207	-	(1,207)	-	-
Amortization of tangible capital assets	1,411,488	-	(1,411,488)	-	-
Long term debt repaid	(381,907)	-	381,907	-	-
Change in accumulated surplus	285,350	1,270,831	(366,651)	1,189,530	987,091
BALANCE, END OF YEAR	\$ 1,134,438	\$ 7,128,346	\$ 17,242,791	\$ 25,505,575	\$ 24,316,045

TOWN OF TOFIELD

SCHEDULE OF TANGIBLE CAPITAL ASSETS (Schedule 2)

Year Ended December 31, 2024

	Land	Land Improvements	Buildings	Engineered Structures	Machinery, Equipment & Furnishings	Vehicles	2024 Total	2023 Total
COST								
BALANCE, BEGINNING OF YEAR	\$ 1,004,124	\$ 3,051,695	\$ 2,584,832	\$ 28,441,792	\$ 2,590,017	\$ 975,072	\$ 38,647,532	\$ 38,553,604
Acquisition of tangible capital assets	-	32,197	144,970	150,977	146,411	189,582	664,137	868,751
Disposal of tangible capital assets	-	-	-	-	(12,079)	(63,046)	(75,125)	(774,823)
BALANCE, END OF YEAR	1,004,124	3,083,892	2,729,802	28,592,769	2,724,349	1,101,608	39,236,544	38,647,532
ACCUMULATED AMORTIZATION								
BALANCE, BEGINNING OF YEAR	-	1,412,871	1,228,951	12,159,738	1,549,864	739,777	17,091,201	15,849,750
Amortization of tangible capital assets	-	124,312	69,716	973,805	181,518	62,137	1,411,488	1,400,291
Accumulated amortization on disposals of tangible capital assets	-	-	-	-	(10,872)	(63,046)	(73,918)	(158,840)
BALANCE, END OF YEAR	-	1,537,183	1,298,667	13,133,543	1,720,510	738,868	18,428,771	17,091,201
2024 NET BOOK VALUE	\$ 1,004,124	\$ 1,546,709	\$ 1,431,135	\$ 15,459,226	\$ 1,003,839	\$ 362,740	\$ 20,807,773	\$ 21,556,331
2023 NET BOOK VALUE	\$ 1,004,124	\$ 1,638,824	\$ 1,355,881	\$ 16,282,054	\$ 1,040,153	\$ 235,295	\$ -	\$ 21,556,331

Tangible capital assets under construction (Note 11)

TOWN OF TOFIELD

SCHEDULE OF TAXES LEVIED AND GRANTS IN PLACE OF TAXES (Schedule 3)

Year Ended December 31, 2024

	Budget 2024	2024	2023
Taxation			
Real property			
- Residential taxes	\$ 2,444,524	\$ 2,443,984	\$ 2,360,247
- Commercial taxes	694,272	686,788	658,762
- Industrial taxes	404,377	400,717	383,680
- Farmland taxes	5,233	5,234	5,131
Total real property	3,548,406	3,536,723	3,407,820
Linear property taxes	103,264	103,264	97,524
Federal grants in place of taxes	15,842	15,842	14,842
Provincial grants in place of taxes	7,795	7,795	7,809
Local improvements	25,239	26,059	26,059
	3,700,546	3,689,683	3,554,054
Less: Requisitions			
Alberta School Foundation	707,560	707,560	660,038
Beaver Foundation	135,040	135,040	121,593
Designated Industrial Property	454	-	-
	843,054	842,600	781,631
Net Taxes Available for Municipal Purposes	\$ 2,857,492	\$ 2,847,083	\$ 2,772,423

TOWN OF TOFIELD

SCHEDULE OF EXPENSES BY OBJECT *(Schedule 4)*

Year Ended December 31, 2024

	Budget 2024	2024	2023
Expenses			
Salaries, wages and benefits	\$ 1,924,581	\$ 1,857,625	\$ 1,790,358
Contracted and general services	1,532,303	1,202,877	1,173,253
Material, goods, supplies and utilities	1,428,998	1,530,314	1,417,629
Transfers to local boards and agencies	168,452	163,605	140,456
Transfers to individuals and organization	529,118	538,271	1,324,565
Bank charges	2,500	2,576	2,584
Interest on capital long term debt	116,750	116,750	128,933
Gross recoveries	71,562	72,236	70,620
Other expenditures	1,500	209	50,620
Cost of sales - land inventory	-	45,000	-
Amortization of tangible capital assets	-	1,411,488	1,400,291
Total Expenses	\$ 5,775,764	\$ 6,940,951	\$ 7,499,309

TOWN OF TOFIELD

SCHEDULE OF SEGMENTED DISCLOSURES (Schedule 5)

Year Ended December 31, 2024

	General Government	Protective Services	Transportation Services	Community Development	Environmental Services	Other	2024
REVENUE							
Net municipal taxes	\$ 2,847,083	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,847,083
Operating government transfers	58,000	2,235	-	641,492	35,000	-	736,727
User fees and sales of goods	269,268	3,235	30,856	173,883	1,561,181	33,631	2,072,054
Investment income	206,068	-	-	-	-	-	206,068
Other revenue	1,824,945	-	4,286	5,028	-	-	1,834,259
	5,205,364	5,470	35,142	820,403	1,596,181	33,631	7,696,191
EXPENSES							
Salaries and wages	591,411	-	382,949	657,256	203,408	22,601	1,857,625
Contracted and general services	454,912	78,044	27,807	523,230	109,527	9,357	1,202,877
Goods and supplies	42,826	-	383,747	42,014	1,061,727	-	1,530,314
Transfer to local boards	86,111	452,160	-	163,605	-	-	701,876
Long term debt interest	-	-	93,334	-	23,416	-	116,750
Other expenses	44,821	-	3,253	71,909	38	-	120,021
	1,220,081	530,204	891,090	1,458,014	1,398,116	31,958	5,529,463
NET REVENUES, BEFORE AMORTIZATION AND OTHER	3,985,283	(524,734)	(855,948)	(637,611)	198,065	1,673	2,166,728
Capital government transfers	-	-	489,390	-	-	-	489,390
Amortization of tangible capital assets	(11,912)	-	(947,644)	(253,707)	(191,608)	(6,617)	(1,411,488)
Unrealized loss	-	-	-	(55,100)	-	-	(55,100)
NET REVENUE	\$ 3,973,371	\$ (524,734)	\$ (1,314,202)	\$ (946,418)	\$ 6,457	\$ (4,944)	\$ 1,189,530

TOWN OF TOFIELD

Notes to Financial Statements Year Ended December 31, 2024

The Town of Tofield (the Town) is a municipality in the Province of Alberta and operates under the provisions of the the *Municipal Government Act*, R.S.A., 2000, c. M-26, as amended (MGA).

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

The financial statements reflect the assets, liabilities, revenues and expenditures, changes in fund balances and change in financial position of the reporting entity. The entity is comprised only of the municipal operations of the Town. The Town contributes to, but does not control, the Tofield Agricultural Society and the Town of Tofield Library Board. Reporting for these entities is limited to the Town's contribution to them.

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

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

Basis of Accounting

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

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

Government transfers, contributions and other amounts are received from 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 or goods have yet to be provided. Revenue is recognized in the period when the related expenses are incurred, services performed, goods provided or tangible capital assets are acquired.

Interest on long term debt and pension expenditures are recorded as payment is made.

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, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from these estimates.

Significant estimates include accounts receivable collectibility, net realizable value of land inventory, and book value of tangible capital assets.

Cash and restricted cash

Cash includes restricted and unrestricted cash on hand in a chartered bank plus outstanding deposits less cheques issued and outstanding.

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TOWN OF TOFIELD

Notes to Financial Statements

Year Ended December 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Investments

Investments in guaranteed investment certificates are recorded at cost plus accrued interest which approximates fair market value.

Long Term Investments

The Town's significant influence investment in Claystone Waste Limited Partnership (CWLP) (a government business partnership) is accounted for on a modified equity basis, consistent with the public sector accounting standards treatment for government business partnerships. Under the modified equity basis, the business enterprise's accounting policies are not adjusted to conform with those of the Town and inter-organizational transactions and balances are not eliminated. Income is allocated yearly from CWLP which increases the carrying value of the investment. Dividends received reduce the carrying value of the investment as they are received.

The investment in Claystone Waste Ltd is reported at amortized cost.

Land Held for Resale

Land held for resale is valued at the lower of cost and 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 waste water services, roads, sidewalks and street lighting are recorded as physical assets under the respective function.

Prepaid Local Improvement Charges

Construction and borrowing costs associated with the local improvement projects are recovered through annual special property assessments during the period of the related borrowings. These levies are collectable from property owners for work performed by the municipality.

Where a taxpayer has elected to prepay the outstanding local improvement charges, such amounts are recorded as deferred revenue. The deferred revenue is amortized to revenue on a straight-line basis over the remaining term of the related borrowings.

Included in local improvements revenue is \$820 (2023 - \$820) which represents the annual amortization of prepaid local improvement charges.

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.

Revenue Recognition

Revenue from transactions with no performance obligation is recognized at realizable value when the Town has the authority to claim or retain an inflow of economic resources and identifies a past transaction or event giving rise to an asset.

Revenue from transactions with performance obligations is recognized as the performance obligations are satisfied by providing the promised goods or services to the payor. User fees are recognized when received, sales of goods are recognized when goods are delivered. Licenses and permits with a single performance obligation at a point in time are recognized as revenue on issuance, those which result in a continued performance obligation over time are recognized over the period of the license or permit as the performance obligation is satisfied.

(continues)

TOWN OF TOFIELD

Notes to Financial Statements Year Ended December 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Deferred Revenue

Deferred revenues represent government transfers, donations, and other amounts which have been collected, but for which the related services have yet to be performed or agreement stipulations have not been met. These amounts will be recognized as revenues when revenue recognition criteria have been met.

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.

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Financial instruments recorded at fair value in subsequent periods include cash and investments.

Financial instruments recorded at amortized cost in subsequent periods include certain trade and other receivables, long term investments, accounts payable, deposit liabilities, and long term debt.

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 sales in the normal course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the Change in Net Financial Assets (Debt) for the year.

1. 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:

Land Improvements	20 years
Buildings	50 years
Engineered structures:	
Roadway system	20 years
Airport	20 years
Cemetery	125 years
Water system	50 - 75 years
Wastewater/storm sewer system	50 - 75 years
Machinery and equipment	5 - 20 years
Vehicles	10 years

The full annual amortization is charged in the year of acquisition and no amortization is charged in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

2. Contributions of Tangible Capital Assets

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

(continues)

TOWN OF TOFIELD

Notes to Financial Statements Year Ended December 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3. 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.

Equity in Tangible Capital Assets

Equity in tangible capital assets represents the Town's net investment in tangible capital assets, after deducting the portion financed by third parties through debenture.

Reserves for Future Expenditures

Reserves for future expenditures are established at the discretion of Council to set aside funds for future expenditures and capital projects.

Budget

The budget amounts are presented for information purposes and have not been audited or reviewed.

2. FINANCIAL INSTRUMENTS

The Town's financial instruments consist of cash, investments, certain long term investments, trade and other receivables, accounts payable, deposit liabilities and long-term debt. It is management's opinion that the Town is not exposed to significant interest, liquidity, price, or current risk arising from these financial instruments.

Credit risk

The maximum exposure to credit risk is the carrying value of cash, investments, and accounts receivable on the balance sheet.

The Town has a concentration of credit risk due to the entire cash amount being on deposit with one institution. Risk is mitigated on cash by being deposited with a federally regulated, credit worthy financial institution.

Credit risk on investments arises from the potential that a counter party to a contract fails to perform according to the terms and conditions of that contract. The Town is subject to credit risk in that the investments are on deposit with a single financial institution. Risk is mitigated on the investment by being invested in guaranteed investment certificates issued by a range of banks and trust companies.

The Town is subject to credit risk with respect to taxes and grants in place of taxes receivable, receivables from other governments and trade and other receivables. This credit risk arises from the possibility that taxpayers and entities to which the Town provides services may experience financial difficulty and be unable to fulfil their obligations. The Town has a geographical concentration of credit risk for accounts receivable due to its operations being primarily in a municipality in Alberta. Risk is mitigated by the large number and diversity of taxpayers and customers.

Credit risk has increased from prior year in that the carrying values of cash, accounts receivable, and investments have increased.

TOWN OF TOFIELD

Notes to Financial Statements Year Ended December 31, 2024

3. CASH

	2024	2023
<u>Restricted cash consists of:</u>		
Deposit liabilities	\$ 120,800	\$ 120,700
Prepaid local improvements	6,737	7,557
Deferred grant revenue	186,127	137,237
Subtotal	313,664	265,494
Unrestricted cash	2,258,831	1,774,117
	\$ 2,572,495	\$ 2,039,611

4. SHORT TERM INVESTMENTS

	2024 Cost	2024 Market value	2023 Cost	2023 Market value
Guaranteed Investment Certificates (GIC)				
Short Term Investment Certificate - 5.6% per annum, maturing November 1, 2024	\$ -	\$ -	\$ 252,225	\$ 252,225
Nesbitt Burns Investment Account	1,824,309	1,824,309	1,735,834	1,735,834
	\$ 1,824,309	\$ 1,824,309	\$ 1,988,059	\$ 1,988,059

5. ARREARS OF PROPERTY TAX RECEIVABLE

	2024	2023
Property tax arrears	\$ 224,743	\$ 177,657
Allowance for doubtful accounts	(50,246)	(50,246)
	\$ 174,497	\$ 127,411

TOWN OF TOFIELD

Notes to Financial Statements
Year Ended December 31, 2024

6. LONG TERM INVESTMENTS

	2024	2023
<u>Claystone Waste Ltd.</u>		
Class A Common Voting Shares (2359 @ 0.01/each - 23.59%)	\$ 24	\$ 24
Class D Common Non-Voting Shares (3104 @ \$0.10/each - 20.69%)	310	310
	334	334
<u>Claystone Waste Limited Partnership</u>		
Voting Units (2359 @ \$0.01/each - 23.59%)	24	24
Dividend Units (3104 @ \$0.10/each - 20.69%)	310	310
Total units	334	334
Equity within partnership		
Opening balance	2,375,475	1,301,017
Dividends received	(651,796)	(620,757)
Income allocation	1,814,146	1,695,215
Total equity within partnership	3,537,825	2,375,475
Ending balance	3,538,159	2,375,809
Grand total	\$ 3,538,493	\$ 2,376,143

TOWN OF TOFIELD

Notes to Financial Statements Year Ended December 31, 2024

7. GOVERNMENT BUSINESS PARTNERSHIP

Claystone Waste Limited Partnership (CWLP) was established in 2020 by the Town of Tofield, Beaver County, Village of Holden, Village of Ryley, Town of Viking, and Claystone Waste Ltd. to provide waste management services to the partner communities and other users.

The following is a summary of condensed financial information related to the Town's proportionate share based on dividend units (20.69%) in CWLP for the year ended December 31, 2023. Dividend units are being used because the income allocation on the audited CWLP financial statements is based on dividend units.

	2024	2023
<u>Financial position</u>		
Financial assets	\$ 8,851,543	\$ 8,806,365
Physical assets	9,150,897	7,869,670
Total Assets	18,002,440	16,676,035
Current liabilities	(676,836)	(243,655)
Landfill closure and post-closure liability	(2,840,096)	(3,109,265)
Total Liabilities	(3,516,932)	(3,352,920)
	\$ 14,485,508	\$ 13,323,115

	2024	2023
<u>Results of Operations</u>		
Revenues	\$ 6,307,419	\$ 6,096,398
Amortization expense	(1,094,794)	(1,046,832)
Operating expenses	(3,475,806)	(3,390,850)
Finance expenses	(42,313)	(38,491)
Other income	119,640	74,990
	\$ 1,814,146	\$ 1,695,215

CWLP has recognized a decommissioning liability for the estimated expected costs for closure and post-closure activities for a landfill site. The estimated costs are based on estimates and assumptions related to future events and using information currently available to management. Future events may result in significant changes to the estimated total costs and the estimated liability.

8. ACCOUNTS PAYABLE

	2024	2023
General accounts payable	\$ 340,980	\$ 366,775
Employee deductions payable	30,888	28,094
	\$ 371,868	\$ 394,869

TOWN OF TOFIELD

Notes to Financial Statements Year Ended December 31, 2024

9. DUE TO RELATED PARTIES

The following is a summary of the Town's related party transactions:

	2024	2023
<u>Related party transactions</u>		
Claystone Waste Limited Partnership		
<i>Significant influence subsidiary</i>		
Expense - Waste management, contracted and general services	\$ 108,993	\$ 107,570

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related party.

	2024	2023
Due to related party		
Claystone Waste	\$ -	\$ 17,846

Advances from related parties are unsecured, non-interest bearing and have no set repayment terms.

10. UNUSED CREDIT FACILITY

The Town has an authorized overdraft limit with its bankers to a maximum limit of \$2,000,000. The lending rate is at prime. The balance outstanding on the credit facility as at December 31, 2024 is \$NIL (2023 - \$NIL).

11. TANGIBLE CAPITAL ASSETS UNDER CONSTRUCTION

Included in ending cost of tangible capital assets are costs of assets under construction, which are therefore not being amortized, as follows:

	2024	2023
Machines and Equipment	\$ -	\$ 50,000

TOWN OF TOFIELD

Notes to Financial Statements
Year Ended December 31, 2024

12. DEFERRED GRANT REVENUE

	BALANCE 2023	Received in the Year	Recognized as Revenue	BALANCE 2024
PROVINCIAL CAPITAL				
Canada Community Building Fund (CCBF)	\$ -	\$ 243,662	\$ 243,662	\$ -
Municipal Sustainability Initiative (MSI)	-	245,728	245,728	-
Total Capital	-	489,390	489,390	-
PROVINCIAL OPERATING				
Arise (AHS)	3,393	5,000	7,205	1,188
Family & Community Support Services	-	155,720	155,720	-
Local Government Fiscal Framework (LGFF)	-	154,482	154,482	-
Rural Mental Health	2,137	-	2,137	-
Reducing the Impact of Financial Strain - ("RIF") (AHS)	1,500	-	1,500	-
Soaring (AHS)	2,288	-	2,288	-
Alberta Day Grant	-	5,000	5,000	-
Alberta Conservation Association	10,000	10,000	-	20,000
ACP - Intermunicipal Collaboration	-	2,235	2,235	-
Total Operating	19,318	332,437	330,567	21,188
FEDERAL OPERATING				
Community Volunteer Income Tax Program (CVITP)	1,404	3,165	3,165	1,404
Age Well at Home	116,515	148,530	101,510	163,535
	117,919	151,695	104,675	164,939
	\$ 137,237	\$ 973,522	\$ 924,632	\$ 186,127

(continues)

TOWN OF TOFIELD

Notes to Financial Statements
Year Ended December 31, 2024

12. DEFERRED GRANT REVENUE (continued)

	BALANCE 2022	Received in the Year	Recognized as Revenue	BALANCE 2023
PROVINCIAL CAPITAL				
Federal Gas Fund	\$ 35,050	\$ -	\$ 35,050	\$ -
Canada Community Building Fund (CCBF)	-	119,037	119,037	-
Municipal Sustainability Initiative (MSI)	-	245,728	245,728	-
Total Capital	35,050	364,765	399,815	-
PROVINCIAL OPERATING				
Arise (AHS)	1,386	5,000	2,993	3,393
Family & Community Support Services	-	154,044	154,044	-
Municipal Sustainability Initiative	-	154,482	154,482	-
Rural Mental Health	2,137	-	-	2,137
Reducing the Impact of Financial Strain - ("RIF") (AHS)	1,500	-	-	1,500
Soaring (AHS)	-	3,400	1,112	2,288
Anti-Racism Grant	-	2,500	2,500	-
Alberta Conservation Association	-	10,000	-	10,000
ACP - Intermunicipal Collaboration	-	41,820	41,820	-
Total Operating	5,023	371,246	356,951	19,318
FEDERAL CAPITAL				
Green Inclusive Community Buildings Program (GICB)	-	811,054	811,054	-
FEDERAL OPERATING				
Community Volunteer Income Tax Program (CVITP)	-	3,924	2,520	1,404
Age Well at Home	-	117,228	713	116,515
	\$ 40,073	\$ 1,668,217	\$ 1,571,053	\$ 137,237

Municipality Sustainability Initiative ("MSI") - Capital

Funding in the amount of \$245,728 (2023 - \$245,728) was received in the current year from the MSI capital program. This amount is restricted to eligible capital projects, as approved under the funding agreement. Spent in 2024 was \$245,728 (2023 - \$245,728).

TOWN OF TOFIELD

Notes to Financial Statements
Year Ended December 31, 2024

13. LONG TERM DEBT

	2024	2023
Long Term Debt Support		
Supported by General Tax Levies	\$ 3,375,174	\$ 3,735,738
Supported by Special Levies	189,808	211,151
	\$ 3,564,982	\$ 3,946,889

Principal and interest repayments are due as follows:

	Principal	Interest	Total
2025	\$ 394,517	\$ 104,140	\$ 498,657
2026	407,569	91,088	498,657
2027	421,080	77,578	498,658
2028	435,067	64,191	499,258
2029	275,519	50,161	325,680
Thereafter	1,631,230	181,838	1,813,068
	\$ 3,564,982	\$ 568,996	\$ 4,133,978

14. 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 Town, be disclosed as follows:

	2024	2023
Total Debt Limit	\$ 11,461,637	\$ 10,913,297
Total Debt	(3,564,982)	(3,946,889)
Amount of Total Debt Limit Unused	\$ 7,896,655	\$ 6,966,408
Service on Debt Limit	\$ 1,910,273	\$ 1,818,883
Service on Debt	(498,657)	(498,657)
Amount of Service on Debt Limit Unused	\$ 1,411,616	\$ 1,320,226

The debt limit is calculated at 1.5 times revenue of the municipality excluding transfers from the governments of Alberta and Canada for the purposes of capital property (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 that could be at financial risk if further debt is acquired. The calculation taken alone does not represent the financial stability of the municipality. Rather, the financial statements must be interpreted as a whole.

Total debt includes long-term debt. Debt servicing includes principal and interest payments due on long-term debt in the 12 months subsequent to year-end.

TOWN OF TOFIELD

Notes to Financial Statements
Year Ended December 31, 2024

15. EQUITY IN TANGIBLE ASSETS

	2024	2023
Tangible capital assets - Schedule 2	\$ 39,236,544	\$ 38,647,532
Accumulated amortization - Schedule 2	(18,428,771)	(17,091,201)
Long term debt (Note 13)	(3,564,982)	(3,946,889)
	\$ 17,242,791	\$ 17,609,442

16. ACCUMULATED SURPLUS

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

	2024	2023
Unrestricted Surplus	\$ 1,134,438	\$ 849,088
Restricted Surplus		
FCSS Reserve	148,533	146,749
Sewer Reserve	24,500	24,500
Water Reserve	131,500	131,500
General Administration Reserve	1,928,396	1,839,597
General Capital Reserves	4,784,116	3,603,868
Developers Offsite Levy Reserve	111,301	111,301
	7,128,346	5,857,515
Equity in tangible capital assets (Note 15)	17,242,791	17,609,442
	\$ 25,505,575	\$ 24,316,045

17. SEGMENTED DISCLOSURES

The Town 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 Schedule of Segmented Disclosure (schedule 5)

General government includes council, and other legislative, and general administration. Protective services include bylaw enforcement, police, and fire. Transportation includes roads, streets, walks and lighting. Community development includes parks and recreation, libraries and halls. Environmental services includes water supply and distribution, sewage, and garbage fees. Other includes cemetery.

TOWN OF TOFIELD

Notes to Financial Statements Year Ended December 31, 2024

18. SALARY AND BENEFITS DISCLOSURE

Disclosure of salaries and benefits for municipal officials, the Chief Administrative Officer (CAO), and designated officers as required by Alberta Regulation 313/2000 as follows:

	Salaries/Fees (1)	Benefits (2)	2024	2023
MAYOR				
Debora Dueck	\$ 20,590	\$ -	\$ 20,590	\$ 22,540
	20,590	-	20,590	22,540
COUNCILORS				
Brenda Chehade	17,940	-	17,940	19,585
Harold Conquest	13,150	-	13,150	11,500
Larry Tiedeman	13,685	-	13,685	15,928
Norman Martineau	11,618	-	11,618	10,950
	56,393	-	56,393	57,963
DESIGNATED OFFICERS				
CAO	162,437	22,505	184,942	179,940
Designated officers (2)	151,616	18,204	169,820	164,819
	\$ 391,036	\$ 40,709	\$ 431,745	\$ 425,262

(1) Salary includes regular base pay, gross honoraria and any other direct cash remuneration.

(2) Benefits include the employer's share of all employee benefits and contributions or payments made on behalf of employees including pension, pension enhancement, health care, dental coverage, vision coverage and professional memberships.

19. LOCAL AUTHORITIES PENSION PLAN

Employees of the Town participate in the Local Authorities Pension Plan (LAPP), which is one of the plans covered by the Alberta Public Sector Pensions Plans Act. The LAPP is financed by employer and employee contributions and by investment earnings of the LAPP Fund. Contributions for current service are recorded as expenditures in the year in which they become due.

	2024	2023
Current service contributions by Employer	\$ 122,419	\$ 112,970
Current service contributions by Employee	108,880	100,653
	\$ 231,299	\$ 213,623

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

At December 31, 2023, the LAPP disclosed an actuarial surplus of \$15,057 million.

For further information of the amount of LAPP deficiency/surplus information see:
www.lapp.ca/page/annual-reports

TOWN OF TOFIELD

Notes to Financial Statements Year Ended December 31, 2024

20. COMMITMENTS

The Town has entered into operating lease agreements for certain office equipment expiring in August 2025, February 2026, and December 2029. The annual lease amounts due until the expiration of these leases are as follows:

2025	\$ 14,442
2026	12,101
2027	11,966
2028	11,966
2029	<u>11,966</u>
	<u>\$ 62,441</u>

21. CONTINGENCIES

The Town is a member of the Alberta Local Municipal Insurance Exchange (MUNIX). Under the terms of the 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.

22. SUBSEQUENT EVENTS

On March 11, 2025 Claystone Waste Ltd declared a dividend of \$3.3M to its partners. The Town's share of this is \$682,834, based on dividend units.

23. APPROVAL OF FINANCIAL STATEMENTS

Council and Management have approved these financial statements.

24. COMPARATIVE FIGURES

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