

## INDEPENDENT AUDITOR'S REPORT

To the Mayor and Council of Town of Bonnyville

### *Opinion*

We have audited the consolidated financial statements of Town of Bonnyville and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at December 31, 2024, and the statements of changes in net assets, revenues and expenditures for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements*

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

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

### *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements*

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

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

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group'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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Vegreville, AB  
April 22, 2025

Chartered Professional Accountants

**TOWN OF BONNYVILLE**  
**Consolidated Statement of Financial Position**  
**As at December 31, 2024**

	2024	2023
<b>Financial assets</b>		
Cash (Note 3)	\$ 27,492,078	\$ 27,344,749
Receivables		
Taxes and grants in place of taxes receivable (Note 4)	1,492,844	1,306,890
Due from governments	2,367,941	1,588,261
Trade and other receivables	2,402,079	2,288,381
Local improvement receivable (Note 5)	9,191,928	10,212,307
Investments	255	11,075
	<b>42,947,125</b>	<b>42,751,663</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities (Note 6)	4,712,200	2,446,966
Asset retirement obligation (Note 7)	3,186,283	2,871,965
Deposit liabilities	503,782	511,698
Deferred revenue (Note 8)	2,177,303	2,492,803
Long term debt (Note 9)	11,270,989	12,280,622
	<b>21,850,557</b>	<b>20,604,054</b>
<b>Net financial assets</b>	<b>21,096,568</b>	<b>22,147,609</b>
<b>Non-financial assets</b>		
Tangible capital assets (Schedule 2)	143,619,730	140,637,662
Inventory	439,309	467,255
Prepaid expenses	236,163	99,350
	<b>144,295,202</b>	<b>141,204,267</b>
<b>Accumulated surplus (Schedule 1)</b>	<b>\$ 165,391,770</b>	<b>\$ 163,351,876</b>

Commitment (Note 15)

**TOWN OF BONNYVILLE**  
**Consolidated Statement of Operations**  
**As at December 31, 2024**

	<b>Budget (Unaudited)</b>	<b>2024</b>	<b>2023</b>
<b>Revenues</b>			
Net municipal taxes <i>(Schedule 3)</i>	\$ 8,476,508	\$ 8,447,169	\$ 8,270,011
Local improvements	-	-	-
User fees and sales of goods	4,891,347	5,350,202	4,862,814
Government transfers for operating <i>(Schedule 4)</i>	9,437,399	9,493,387	9,802,966
Investment income	900,000	1,320,681	1,220,174
Penalties and costs on taxes	225,000	329,059	218,449
Gain (loss) on disposal of tangible capital assets	-	6,548	(22,323)
Other	2,199,961	2,374,325	2,107,549
	26,130,215	27,321,371	26,459,640
<b>Expenses</b>			
Administration and legislative	4,024,861	4,263,360	3,801,642
Protective services	3,234,203	3,429,400	3,359,473
Bylaw enforcement	438,738	404,817	298,155
Roads, streets, walks, lighting	7,682,126	7,760,860	7,164,876
Water supply and distribution	2,760,385	2,559,235	2,686,659
Wastewater treatment and disposal	1,456,988	1,403,367	1,467,841
Waste management	1,265,499	1,423,150	1,258,361
Family and community support	1,111,356	957,977	904,968
Land use planning, zoning and development	317,504	381,994	269,351
Parks and recreation	3,968,467	4,210,804	3,594,144
Culture	603,295	303,419	357,531
	26,863,422	27,098,383	25,163,001
<b>Excess of revenue over expenses - before other</b>	(733,207)	222,988	1,296,639
<b>Other</b>			
Government transfers for capital <i>(Schedule 4)</i>	5,698,826	1,732,094	2,017,928
Contribution of capital received	-	61,393	137,426
Transfer of capital assets	-	-	-
Donations and funding for capital	130,429	23,419	5,332
<b>Excess of revenues over expenses</b>	5,096,048	2,039,894	3,457,325
<b>Accumulated surplus - beginning of the year</b>	163,351,876	163,351,876	159,894,551
<b>Accumulated surplus - end of the year</b>	\$ 168,447,924	\$ 165,391,770	\$ 163,351,876

**TOWN OF BONNYVILLE****Consolidated Statement of Change in Net Financial Assets****As at December 31, 2024**

	<b>Budget (Unaudited)</b>	<b>2024</b>	<b>2023</b>
<b>Excess of revenues over expenses</b>	\$ 5,096,048	\$ 2,039,894	\$ 3,457,325
Acquisition of tangible capital assets	(20,445,458)	(9,677,821)	(5,870,460)
Contributed tangible capital assets	-	(61,393)	(137,426)
Proceeds on disposal of tangible capital assets	-	242,758	40,602
Amortization of tangible capital assets	6,550,767	6,520,936	6,293,656
Loss (gain) on sale of tangible capital assets	-	(6,548)	22,323
	(13,894,691)	(2,982,068)	348,695
Acquisition of supplies inventories	-	27,946	(24,164)
Acquisition of prepaid assets	-	(136,813)	(577)
	-	(108,867)	(24,741)
<b>Decrease (increase) in net financial assets</b>	(8,798,643)	(1,051,041)	3,781,279
<b>Net financial assets, beginning of year</b>	22,147,609	22,147,609	18,366,330
<b>Net financial assets, end of year</b>	\$ 13,348,966	\$ 21,096,568	\$ 22,147,609

**TOWN OF BONNYVILLE**  
**Consolidated Statement of Cash Flows**  
**As at December 31, 2024**

	2024	2023
<b>Operating</b>		
Excess of revenues over expenses	\$ 2,039,894	\$ 3,457,325
Net changes in non-cash items included in excess of revenues over expenses:		
Amortization of tangible capital assets	6,520,936	6,293,656
Contributed tangible capital assets	(61,393)	(137,426)
Loss on disposal of tangible capital assets	(6,548)	22,323
Net changes in non-cash charges to operation:		
Decrease (increase) in taxes and grants in lieu receivable	(185,954)	48,347
Decrease (increase) in government receivables	(779,680)	272,469
Increase in trade and other receivables	(113,698)	(36,868)
Decrease in local improvements receivable	1,020,379	1,014,215
Decrease (increase) in inventory	27,946	(24,163)
Increase in prepaid expenses	(136,813)	(577)
Increase (decrease) in accounts payable and accrued liabilities	2,265,234	(510,095)
Increase in asset retirement obligation	314,318	312,869
Increase (decrease) in deposit liabilities	(7,916)	69,912
Decrease in deferred revenues	(315,500)	(655,938)
<i>Cash provided by operating transactions</i>	<b>10,581,205</b>	<b>10,126,049</b>
<b>Capital</b>		
Acquisition of tangible capital assets	(9,677,821)	(5,870,460)
Proceeds from sale of tangible capital assets	242,758	40,602
<i>Cash applied to capital transactions</i>	<b>(9,435,063)</b>	<b>(5,829,858)</b>
<b>Investing</b>		
Decrease in restricted cash or cash equivalents	277,186	422,905
Decrease (increase) in investments	10,820	(317)
<i>Cash provided by investing transactions</i>	<b>288,006</b>	<b>422,588</b>
<b>Financing</b>		
Long term debt repaid	(1,009,633)	(978,286)
<i>Cash applied to financing transactions</i>	<b>(1,009,633)</b>	<b>(978,286)</b>
<b>Change in cash and cash equivalents during the year</b>	<b>424,515</b>	<b>3,740,493</b>
Cash and cash equivalents, beginning of year	25,247,136	21,506,643
<b>Cash and cash equivalents, end of year</b>	<b>\$ 25,671,651</b>	<b>\$ 25,247,136</b>
Cash and cash equivalents is made up of:		
Cash (Note 3)	\$ 27,492,078	\$ 27,344,749
Less: restricted portion of cash (Note 3)	(1,820,427)	(2,097,613)
	<b>\$ 25,671,651</b>	<b>\$ 25,247,136</b>

**TOWN OF BONNYVILLE**  
**Schedule of Changes in Accumulated Surplus**  
**As at December 31, 2024**

**(Schedule 1)**

	<b>Unrestricted Surplus</b>	<b>Restricted Operating Reserves</b>	<b>Restricted Capital Reserves</b>	<b>Equity in Tangible Capital Assets</b>	<b>2024 \$</b>	<b>2023 \$</b>
Balance, beginning of year	814,303	15,016,398	21,600,745	125,920,430	<b>163,351,876</b>	159,894,551
Excess of revenues over expenses	2,039,894			-	<b>2,039,894</b>	3,457,325
Unrestricted funds designated for future use	387,830	(773,745)	385,915	-	-	-
Capital debt repayment	(1,009,633)	-	-	1,009,633	-	-
Current year funds used for tangible capital assets	(9,677,821)	-	-	9,677,821	-	-
Contributed asset received	(61,393)	-	-	61,393	-	-
Disposal of tangible capital assets	236,210	-	-	(236,210)	-	-
Annual amortization expense	6,520,936	-	-	(6,520,936)	-	-
Asset retirement obligation	353,776	-	-	(353,776)	-	-
Asset retirement obligation accretion expenses	395,898	-	-	(395,898)	-	-
	(814,303)	(773,745)	385,915	3,242,027	<b>2,039,894</b>	3,457,325
Balance, end of year	-	14,242,653	21,986,660	129,162,457	<b>165,391,770</b>	163,351,876

**TOWN OF BONNYVILLE**  
**Schedule of Tangible Capital Assets**  
**As at December 31, 2024**

**(Schedule 2)**

							2024	2023
	Land	Land Improvements	Buildings	Engineered Structures	Machinery and Equipment	Vehicles	\$	\$
<b>Cost:</b>								
Balance, beginning of year	11,971,852	8,229,855	44,554,333	162,952,630	8,363,827	4,286,115	<b>240,358,612</b>	234,799,680
Acquisition of tangible capital assets	1,772,500	160,117	1,027,495	4,140,351	1,688,366	719,439	<b>9,508,268</b>	5,686,227
Contributed tangible capital assets	-	-	61,393	-	-	-	<b>61,393</b>	137,426
Asset retirement obligation rate change	2,009	-	153,329	13,339	876	-	<b>169,553</b>	184,233
Disposal of tangible capital assets	-	-	-	(206,881)	(222,493)	(203,243)	<b>(632,617)</b>	(448,954)
Balance, end of year	13,746,361	8,389,972	45,796,550	166,899,439	9,830,576	4,802,311	<b>249,465,209</b>	240,358,612
<b>Accumulated amortization:</b>								
Balance, beginning of year	167,722	4,338,674	17,357,050	71,005,204	4,453,789	2,398,511	<b>99,720,950</b>	93,813,324
Annual amortization	24,627	362,909	976,856	4,437,221	466,840	252,483	<b>6,520,936</b>	6,293,656
Accumulated amortization on disposals	-	-	-	(192,636)	(36,928)	(166,843)	<b>(396,407)</b>	(386,030)
Balance, end of year	192,349	4,701,583	18,333,906	75,249,789	4,883,701	2,484,151	<b>105,845,479</b>	99,720,950
<b>Net Book Value of tangible capital assets</b>	<b>13,554,012</b>	<b>3,688,389</b>	<b>27,462,644</b>	<b>91,649,650</b>	<b>4,946,875</b>	<b>2,318,160</b>	<b>143,619,730</b>	<b>140,637,662</b>
2023 Net Book Value of tangible capital assets	11,804,130	3,891,181	27,197,283	91,947,426	3,910,038	1,887,604		140,637,662



**TOWN OF BONNYVILLE**  
**Schedule of Property and Other Taxes**  
**As at December 31, 2024**

*(Schedule 3)*

	<b>Budget</b> (Unaudited)	<b>2024</b>	<b>2023</b>
<b>Taxation</b>			
Real property taxes	\$ 11,333,381	\$ 11,294,188	\$ 11,139,906
Government grants in place of property taxes	75,176	74,838	71,778
	11,408,557	11,369,026	11,211,684
<b>Requisitions</b>			
Alberta School Foundation Fund	2,840,209	2,830,305	2,847,159
Lakeland Seniors Foundation	91,840	91,552	94,514
	2,932,049	2,921,857	2,941,673
<b>Net municipal taxes</b>	\$ 8,476,508	\$ 8,447,169	\$ 8,270,011

**TOWN OF BONNYVILLE**  
**Schedule of Government Transfers**  
**As at December 31, 2024**

**(Schedule 4)**

	<b>Budget</b> (Unaudited)	<b>2024</b>	<b>2023</b>
<b>Transfers for operating</b>			
Provincial Government	\$ 1,213,666	\$ 1,187,516	\$ 1,029,789
Other Local Governments	8,223,733	8,305,871	8,773,177
	9,437,399	9,493,387	9,802,966
<b>Transfers for Capital</b>			
Provincial Government	5,518,996	1,701,017	1,485,039
Other Local Governments	179,830	31,077	532,889
	5,698,826	1,732,094	2,017,928
<b>Total government transfers</b>	\$ 15,136,225	\$ 11,225,481	\$ 11,820,894

**TOWN OF BONNYVILLE****(Schedule 5)****Schedule of Consolidated Expenses by Object****As at December 31, 2024**

	<b>Budget (Unaudited)</b>	<b>2024</b>	<b>2023</b>
<b>Consolidated expenses by object</b>			
Salaries, wages and benefits	\$ 7,524,755	\$ 7,045,756	\$ 6,708,363
Contracted and general services	7,900,726	8,032,565	7,678,846
Materials, goods, supplies and utilities	3,037,241	3,320,877	2,301,363
Transfers to individuals and organizations	1,462,717	1,795,045	1,766,262
Bank charges and short term interest	5,000	4,302	4,147
Amortization of tangible capital assets	6,550,767	6,520,936	6,293,656
Interest on long term debt	382,216	378,912	410,364
	\$ 26,863,422	\$ 27,098,393	\$ 25,163,001

**TOWN OF BONNYVILLE**  
**Schedule of Segmented Disclosure**  
**As at December 31, 2024**

(Schedule 6)

	General Government	Protective Services	Transportation Services	Planning & Development	Recreation & Culture	Environmental Services	Other	Total \$
<b>Revenue</b>								
Net municipal taxes	8,447,169	-	-	-	-	-	-	<b>8,447,169</b>
Government transfers	6,381,397	639,756	1,438,184	-	789,453	1,113,567	863,124	<b>11,225,481</b>
User fees and sales of goods	64,113	570	51,792	10,450	159,155	5,051,378	12,744	<b>5,350,202</b>
Investment income	1,320,681	-	-	-	-	-	-	<b>1,320,681</b>
Other revenues	1,782,959	355,973	97,185	203,893	199,450	116,808	87,318	<b>2,843,586</b>
	<b>17,996,319</b>	<b>996,299</b>	<b>1,587,161</b>	<b>214,343</b>	<b>1,148,058</b>	<b>6,281,753</b>	<b>963,186</b>	<b>29,187,119</b>
<b>Expenses</b>								
Contracted and general services	1,286,422	2,882,650	837,193	188,088	556,005	2,083,406	198,801	<b>8,032,565</b>
Salaries, wages and benefits	2,213,100	410,899	1,318,526	192,346	1,052,777	1,240,199	617,909	<b>7,045,756</b>
Materials, goods, supplies and utilities	399,739	122,990	1,548,183	75	759,907	397,004	92,979	<b>3,320,877</b>
Transfers to local boards and agencies	136,402	50,000	-	-	1,318,188	280,135	10,311	<b>1,795,036</b>
Interest on long term debt	-	100,683	259,671	-	-	18,558	-	<b>378,912</b>
Other expenses	4,301	-	25,325	-	16,340	7,177	-	<b>53,143</b>
	<b>4,039,964</b>	<b>3,567,222</b>	<b>3,988,898</b>	<b>380,509</b>	<b>3,703,217</b>	<b>4,026,479</b>	<b>920,000</b>	<b>20,626,289</b>
<b>Net revenue before amortization</b>	<b>13,956,355</b>	<b>(2,570,923)</b>	<b>(2,401,737)</b>	<b>(166,166)</b>	<b>(2,555,159)</b>	<b>2,255,274</b>	<b>43,186</b>	<b>8,560,830</b>
Amortization of tangible capital assets	223,396	266,995	3,797,287	1,485	827,346	1,366,450	37,977	<b>6,520,936</b>
<b>Net revenue</b>	<b>13,732,959</b>	<b>(2,837,918)</b>	<b>(6,199,024)</b>	<b>(167,651)</b>	<b>(3,382,505)</b>	<b>888,824</b>	<b>5,209</b>	<b>2,039,894</b>
Net revenue - 2023	14,204,616	(2,742,256)	(5,496,257)	(136,732)	(2,623,432)	349,073	(97,687)	3,457,325

## TOWN OF BONNYVILLE

### Notes to Consolidated Financial Statements

Year Ended December 31, 2024

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#### 1. Significant accounting policies

##### Basis of presentation

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

##### Reporting entity

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

- Bonnyville Sports & Leisure Society
- Bonnyville & District Leisure Facility Corporation (C2)

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

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

##### Basis of accounting

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

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

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

##### Use of estimates

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

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## TOWN OF BONNYVILLE

### Notes to Consolidated Financial Statements

Year Ended December 31, 2024

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1. Significant accounting policies (*continued*)

Significant estimates include:

- Amortization of tangible capital assets
- Estimated useful life of tangible capital assets
- Allowance for doubtful accounts
- Local improvements receivable
- Valuation of asset retirement obligation
- Recoverability of long lived assets

Cash and cash equivalents

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

Investments

Investments are recorded at amortized cost.

Debt charges recoverable

Debt charges recoverable consist of amounts that are recoverable from municipal agencies or other local governments with respect to outstanding debentures or other long term debt pursuant to annexation orders or joint capital undertakings. These recoveries are recorded at a value that equals the offsetting portion of the unmatured long term debt, less actuarial requirements for the retirement of any sinking fund debentures.

Requisition over-levy and under-levy

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

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

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

Inventories for resale

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

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.

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## TOWN OF BONNYVILLE

### Notes to Consolidated Financial Statements

Year Ended December 31, 2024

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1. Significant accounting policies (*continued*)

Asset retirement obligation

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

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

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.

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.

(*continues*)

## TOWN OF BONNYVILLE

### Notes to Consolidated Financial Statements

Year Ended December 31, 2024

1. Significant accounting policies (*continued*)

a) Tangible capital assets

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

	YEARS
Land improvements	15-40
Buildings	25-50
Engineered structures	
Water system	45-75
Wastewater system	45-75
Other engineered structures	5-75
Machinery and equipment	5-40
Vehicles	10-15

b) Contributions of tangible capital assets

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

c) Leases

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

d) Inventories

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

2. Recent accounting pronouncements published but not yet adopted

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

The Conceptual Framework for Financial Reporting in the Public Sector

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

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

(continues)



## TOWN OF BONNYVILLE

### Notes to Consolidated Financial Statements

Year Ended December 31, 2024

2. Recent accounting pronouncements published but not yet adopted (*continued*)

PS 1202 - Financial Statement Presentation

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

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

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

3. Cash

	2024	2023
Cash	\$ 27,492,078	\$ 27,344,749

Included in cash is a restricted amount of \$1,820,427 (2023 - \$2,097,613) received from grants which are held exclusively for restrictive purposes (Note 8).

Council has designated funds of \$21,359,659 (2023 - \$21,600,745) included in the above amounts for capital replacement.

The bank account has an overdraft authorized to \$2,500,000 and bears interest at prime less 1%. Prime rate was 5.45% at December 31, 2024.

4. Taxes and grants in place of taxes receivable

	2024	2023
Current taxes and grants in place of taxes	\$ 687,173	\$ 505,290
Arrears taxes	805,671	801,600
	\$ 1,492,844	\$ 1,306,890

**TOWN OF BONNYVILLE**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2024**

5. Local improvement receivable

	2024	2023
Local improvements	\$ 9,191,928	\$ 10,212,307

Local improvement receivables relate to construction and borrowing costs associated with local improvement projects which are recovered through annual special assessments during the period of the related borrowings. These amounts will be collected from the ratepayers over a period of 20 years.

6. Accounts payable and accrued liabilities

	2024	2023
Trade accounts payable and accrued liabilities	\$ 4,051,746	\$ 1,927,331
Accrued wages	660,454	519,635
	\$ 4,712,200	\$ 2,446,966

7. Asset retirement obligation

In 2023, the Town of Bonnyville adopted PS 3280 Asset Retirement Obligations using the modified retroactive approach.

**Asbestos**

The Town owns facilities which contains asbestos, and therefore, the Town is legally required to perform abatement activities upon renovation or demolition of this asset. Abatement activities include handling and disposing of the asbestos in a prescribed manner when it is disturbed. Undiscounted future cash flows expected are an abatement costs as follows for affected facilities in various years of varying values. Undiscounted future cash flows expected to be incurred for abatement costs when the assets are retired at the end of their useful life is estimated to be \$1,176,156. The estimated total liability of \$1,200,941 in 2024 (2023 - \$995,951) is based on the sum of discounted future cash flows for abatement activities using a discount rate of 4-5% and assuming annual inflation of 2%. The Town of Bonnyville has not designated funds for settling the abatement activities.

**Tanks**

The Town owns an above ground tank which contains hazardous material, and therefore, the Town is legally required to perform abatement activities upon removal of this asset. Abatement activities include the removal of the tank, as well as testing and sampling the area where the tank was located. Undiscounted future cash flows expected are removal costs in 2034 at a value of \$20,150. The estimated total liability of \$17,504 in 2024 (2023 - \$15,888) is based on the sum of discounted future cash flows for removal activities using a discount rate of 4.07% and assuming annual inflation of 2%. The Town has not designated funds for settling the abatement activities.

(continues)

**TOWN OF BONNYVILLE**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2024**

7. Asset retirement obligation *(continued)*

	2024	2023
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**Landfill**

Landfill closure and post-closure care requirements have been defined in accordance with The Environmental Management and Protection Act and include final covering and landscaping of the landfill, pumping of ground water, methane gas and leachate management, and ongoing environmental monitoring, site inspection and maintenance. The reported liability is based on estimates and assumptions with respect to events extending over a 40-year period using the best information available to management. Future events may result in significant changes to the estimated total expense, capacity used or total capacity and the estimated liability, and would be recognized prospectively, as a change in estimate, when applicable. Undiscontinued future cash flows for reclamation is estimated at \$3,223,529. The estimated total liability of \$1,407,597 in 2024 (2023 - \$1,338,655) is based on the sum of discontinued future cash flows for reclamation using a discount rate of 5.0% and assuming annual inflation of 2%.

The estimated remaining capacity of the landfill is 88.61% – 753,185 cubic metres (2023 - 89.9% - 764,170 cubic metres) of its total estimated capacity of 850,000 cubic metres and its estimated remaining life is 30 years (2023 – 31 years). The period for post-closure care is estimated to be 30 years (2023 – 31).

Any unfunded liability for the landfill will be paid for using future reserve or grant funding.

**Lagoon**

The Town owns a lagoon which contains hazardous material, and therefore, the Town is legally required to perform abatement activities upon removal of this asset. Abatement activities include handling and disposing of the hazardous materials in a prescribed manner when it is disturbed. Undiscounted future cash flows expected are removal costs in 2106 at a value of \$550,000. The estimated total liability of \$534,239 in 2024 (2023 - \$496,776) is based on the sum of discounted future cash flows for remediation activities using a discount rate of 4.07% and assuming annual inflation of 2%. The Town of Bonnyville has not designated funds for settling the abatement activities.

**Glycol**

The Town owns facilities which contains glycol, and therefore, the Town is legally required to perform abatement activities upon renovation or demolition of this asset. Abatement activities include handling and disposing of the glycol in a prescribed manner when it is disturbed. Undiscounted future cash flows expected are an abatement costs is estimated at \$61,394. The estimated total liability of \$26,001 (2023 - \$24,696) is based on the sum of discounted future cash flows for abatement activities using a discount rate of 4-5% and assuming annual inflation of 2%. The Town has not designated funds for settling the abatement activities.

*(continues)*

**TOWN OF BONNYVILLE****Notes to Consolidated Financial Statements****Year Ended December 31, 2024****7. Asset retirement obligation (continued)**

	<b>2024</b>	<b>2023</b>
	<b>2024</b>	<b>2023</b>
Asset retirement obligations, beginning of year	<b>\$ 2,871,965</b>	<b>\$ 2,559,096</b>
Liabilities incurred	<b>169,553</b>	<b>184,222</b>
Accretion expense	<b>144,765</b>	<b>128,647</b>
Asset retirement obligations, end of year	<b>\$ 3,186,283</b>	<b>\$ 2,871,965</b>

**8. Deferred revenue**

	<b>2024</b>	<b>2023</b>
Improvement District No. 349 Grant	<b>\$ 1,807,469</b>	<b>\$ 2,031,266</b>
Other deferred revenue	<b>356,876</b>	<b>395,190</b>
First Nations Water Tie-In Program Grant	<b>12,958</b>	<b>27,936</b>
Social Housing Grant	<b>-</b>	<b>38,411</b>
	<b>\$ 2,177,303</b>	<b>\$ 2,492,803</b>

Funding received from the various grant programs noted above are restricted to the eligible operating and capital projects as approved in the funding agreements. Unexpended funds related to the funding advances are supported by restricted cash of \$1,820,427 (2023 - \$2,097,613) held exclusively for these projects (Note 3).

# TOWN OF BONNYVILLE

## Notes to Consolidated Financial Statements

Year Ended December 31, 2024

### 9. Long-term debt

	2024	2023
Tax supported debentures	\$ 11,270,989	\$ 12,280,622

Principal and interest repayments are as follows:

	Principal	Interest	Total
2025	\$ 1,041,995	\$ 349,854	\$ 1,391,849
2026	1,075,405	316,444	1,391,849
2027	1,109,898	281,951	1,391,849
2028	1,145,509	246,340	1,391,849
2029	1,182,275	209,574	1,391,849
Thereafter	5,715,907	527,142	6,243,049
	\$ 11,270,989	\$ 1,931,305	\$ 13,202,294

Debenture debt is repayable to the Government of Alberta and bears interest at rates ranging from 2.831% to 4.124% per annum and matures in periods 2030 through 2036. The average annual interest rate is 3.18% for 2024. For qualifying debentures, the Province of Alberta rebates 60% of interest in excess of 8%, 9% and 11% to a maximum annual rate of 12.5%, depending on the date borrowed.

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

Interest on long-term debt amounted to \$382,216 (2023 - \$413,562).

### 10. Debt limits

Section 276(2) of the Municipal Government Act requires that debt and debt limits as defined by Alberta Regulation 255/2000 for the Town be disclosed as follows:

	2024	2023
Total debt limit	\$ 41,018,850	\$ 40,522,278
Total debt	11,270,989	12,280,622
Amount of debt limit unused	\$ 29,747,861	\$ 28,241,656
Debt servicing limit	\$ 6,836,475	\$ 6,753,713
Debt servicing	1,391,848	1,391,849
Amount of debt servicing limit unused	\$ 5,444,627	\$ 5,361,864

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

**TOWN OF BONNYVILLE****Notes to Consolidated Financial Statements****Year Ended December 31, 2024****11. Equity in tangible capital assets**

	<b>2024</b>	<b>2023</b>
Tangible capital assets (Schedule 2)	<b>\$ 249,465,208</b>	\$ 240,358,612
Accumulated amortization (Schedule 2)	<b>105,845,479)</b>	(99,720,950)
Long-term debt (Note 10)	<b>(11,270,989)</b>	(12,280,622)
Asset retirement obligation (Note 7)	<b>(3,186,283)</b>	(2,436,610)
	<b>\$ 129,162,457</b>	\$ 125,920,430

**12. Accumulated surplus**

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

	<b>2024</b>	<b>2023</b>
Unrestricted surplus (deficit)	<b>\$ -</b>	\$ 814,303
Restricted surplus		
Restricted operating surplus	<b>14,242,653</b>	15,016,398
Restricted capital surplus	<b>21,986,660</b>	21,600,745
Equity in tangible capital assets	<b>129,162,457</b>	125,920,430
	<b>\$ 165,391,770</b>	\$ 163,351,876

**13. Segmented disclosure**

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

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

## TOWN OF BONNYVILLE

### Notes to Consolidated Financial Statements

Year Ended December 31, 2024

#### 14. Salary and benefits disclosure

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

			2024		2023
	Salary	Benefits & allowances	Total	Total	Total
	(1)	(2) (3)			
Elisa Brosseau (Mayor)	\$ 70,060	\$ 4,468	\$ 74,528	\$	71,537
Kayla Blanchette	52,288	3,237	55,525		54,797
Byron Johnson	53,312	3,307	56,619		45,180
Philip Kushnir	46,310	2,823	49,133		47,885
Neil Langridge	38,595	2,288	40,883		41,770
Brian McEvoy	45,061	995	46,056		43,708
David Sharun	40,514	2,421	42,935		43,835
Former Chief Administrative Officer	199,323	33,336	232,659		227,075
Interim Chief Administrative Officer	13,019	5,416	18,435		-
	\$ 558,482	\$ 58,291	\$ 616,773	\$	575,787

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

#### 15. Commitments

The Town is responsible for cost overruns related to the water line asset in the Bonnyville Regional Water Services Commission at 80.2% of the total costs with the remainder the responsibility of the MD of Bonnyville. In 2024, this totalled \$280,135 (2023 - \$224,865).

#### 16. 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 Public Sector Pension Plans Act. The LAPP is financed by employer and employee contributions and by investment earnings of the LAPP Fund.

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

The 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 12.23% on pensionable earnings above this amount.

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## TOWN OF BONNYVILLE

### Notes to Consolidated Financial Statements

Year Ended December 31, 2024

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#### 16. Local Authorities Pension Plan (*continued*)

Total current service contributions by the Town to the LAPP in 2024 were \$399,529 (2023 - \$400,986). Total current service contributions by the employees of the Town to the Local Authorities Pension Plan in 2024 were \$355,718 (2023 - \$357,276).

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

#### 17. Financial instruments

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

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

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

#### 18. Related party transactions

The Bonnyville & District Leisure Facility Corporation is a not-for-profit corporation established under the Business Corporations Act. The Town of Bonnyville owns 50% of the corporation with the remaining ownership held by the MD of Bonnyville. The total cost of the building to date is \$28,208,987 of which one-half is recorded as a capital asset for the Town of Bonnyville while the other one-half is held by the MD of Bonnyville.

There is an outstanding receivable of \$nil (2023 - \$25,766) from the Centennial Centre. During the year, the Town contributed \$1,047,789 (2023 - \$1,005,598) to the Bonnyville & District Leisure Facility Corporation for the 2024 requisition. There is a payable of \$42,191 included in 2024 for under funding (2023 - \$nil).

#### 19. Subsequent events

On March 25, 2025, Council passed Bylaw 1591-25, a bylaw to authorize the Town of Bonnyville to lend funds to the Clayton Bellamy Foundation for the Arts to complete the construction of the Strathcona Performing Arts Center. This bylaw authorizes a loan of up to \$800,000 from the General Capital Reserve bearing interest at 5% per annum with principal to be repaid over 4 years with interest being repaid in equal monthly instalments. Funds will be advanced upon request with supporting invoicing and documentation.

#### 20. Approval of financial statements

Council and Management have approved these financial statements.



## **TOWN OF BONNYVILLE**

### **Notes to Consolidated Financial Statements**

**Year Ended December 31, 2024**

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21. Change in accounting policies

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

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

22. Budget amounts

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

Draft for discussion purposes only