

AGENDA
COUNCIL COMMITTEE MEETING
MUNICIPAL DISTRICT OF PINCHER CREEK
April 22, 2025
11:00 am
Council Chambers

- 1) Approval of Agenda
- 2) Delegations
 - a) 11:00 am – AVAIL LLP.
- 3) Closed Session
 - a) Public Works Call Log – FOIP Sec. 24.1
 - b) Draft Bylaw 1358-25 – FOIP Sec. 24.1
- 4) Understanding What an Audit Opinion Means
- 5) Round Table
- 6) Adjournment

April 16, 2024

Reeve and Council
Municipal District of Pincher Creek No. 9
PO Box 279
Pincher Creek, Alberta T0K 1W0

Ladies and Gentlemen:

RE: 2024 ANNUAL AUDIT OF MUNICIPAL DISTRICT OF PINCHER CREEK NO. 9

We are pleased to provide the following report relating to our audit of the financial statements of Municipal District of Pincher Creek No. 9 for the year ending December 31, 2024.

During the course of our audit we identified matters which may be of interest to the Council. The objective of an audit is to obtain reasonable assurance whether the financial statements are free of material misstatement and it is not designed to identify matters that may be of interest to the Council in discharging its responsibilities. Accordingly an audit would not usually identify all such matters.

The matters identified are included in this report which has been prepared solely for the information of the Council and is not intended for any other purpose. As such, we accept no responsibility to a third party who uses this report. Should any member of the audit committee or equivalent wish to discuss or review any matter addressed in this letter or any other matters related to financial reporting, please do not hesitate to contact us at any time.

Our report is intended to assist the Council in fulfilling its obligation with respect to the 2024 financial statements. We have also attached a separate communication regarding the role of the Council and our recommendations for the Council of the Municipal District of Pincher Creek No. 9.

We would be pleased to further discuss any of the issues addressed in the report or any other issue which may be of interest or concern to the Council.

Yours truly,

AVAIL LLP

Darren Adamson, CPA, CA
Enclosure

I. Purpose and Scope of Examination

We refer you to our communication dated March 13, 2024, which outlines the purpose and scope of our examination.

II. Results of Examination

As a result of our examination, we report that, in our opinion, the financial statements as at December 31, 2024 present fairly, in all material respects, the financial position of the Municipal District of Pincher Creek No. 9 in accordance with Canadian public sector accounting standards.

Throughout the course of our examination, we received full co-operation from Municipal District of Pincher Creek No. 9 officials and employees. No restrictions were imposed on the method or extent of our examination. We were given access to all records, documents and other supporting data and were furnished all information and explanations we required. In addition, we had the opportunity to discuss accounting matters with Municipal District of Pincher Creek No. 9 officials.

III. Communication with Council

In accordance with the auditing standard "communications with those having oversight responsibility for the financial reporting process", the following matters are recommended to be communicated to the Council.

Matters to be Communicated	Reference/Comment
1. Significant Deficiencies in Internal Controls	During our audit, we did not encounter any significant deficiencies in internal controls.
2. Illegal Acts and Fraud	<p>An audit conducted in accordance with generally accepted auditing standards does not provide assurance about an entity's compliance with the laws and regulations that may affect it. These standards include, however, a requirement that the nature, extent and timing of the auditors' procedures should be designed so that, in the auditors' professional judgment, the risk of not detecting a material misstatement in the financial statements is reduced to an appropriately low level.</p> <p>However, due to the nature of illegal acts, an auditor conducting an audit in accordance with generally accepted auditing standards may not detect an illegal act, or recognize an act as being illegal, even if the effect of its consequences on the financial statements is material.</p> <p>Based on the results of our testing, we did not identify any illegal, improper or questionable payments or acts nor any acts committed with the intent to deceive, involving either misappropriation of assets or misrepresentation of financial information.</p>

3. Significant Accounting Principles and Policies	We refer you to note 2 to the financial statements for a summary of significant accounting policies adopted by the Municipal District of Pincher Creek No. 9.
4. Management's Judgments and Accounting Estimates	<p>There were no disagreements between management and ourselves regarding management's judgments and accounting estimates.</p> <p>Going Concern Assumption - It is now a requirement that management make an assessment each year regarding the Municipal District of Pincher Creek No. 9's ability to continue as a going concern. This assessment requires management to make certain judgments about the Municipal District of Pincher Creek No. 9's ability to meet its obligations in the foreseeable future.</p> <p>Management has advised that they are aware of no events or conditions that cast doubt upon the Municipal District of Pincher Creek No. 9's ability to continue as a going concern in the foreseeable future, and there is no intention to liquidate the Municipal District of Pincher Creek No. 9's assets or otherwise cease operations.</p>
5. Written Representation from Management	As requested, management has provided us written representations that it has fulfilled its responsibility for the preparation of the financial statements and that it has provided us with the required information for us to complete our audit.
6. Other Information in Documents Containing Audited Financial Statements	Should the Municipal District of Pincher Creek No. 9 issue any report during the year that includes the audited financial statements, we will be required to read the unaudited information in the report prior to its release to ensure consistency with the information presented in the financial statements.
7. Disagreements with Management	There were no disagreements between management and ourselves with respect to the Municipal District of Pincher Creek No. 9's accounting policies or presentation and disclosure in the financial statements.
8. Difficulties Encountered in Performing the Audit	The full co-operation of management and other personnel was received during our examination.
9. Financial Statement Disclosure	There were no contentious financial statement disclosure issues.
10. Other Matters	No other matters were noted.
11. Emerging Issues	None noted

Municipal District of Pincher Creek No. 9
 Unadjusted Financial Statement Misstatements
 For the year ended December 31, 2024

	Proposed Adjustments Dr (Cr)				
			Balance Sheet		
Unadjusted Financial Statement Misstatements	Opening Equity	Income Statement	Assets	Liabilities	Closing Equity
Carryforwards					
ARO	\$ 165,901	\$ (165,901)	\$ -	\$ -	\$ -
Subtotal	165,901	(165,901)	-	-	-
Income taxes	-	-	-	-	-
Total	\$ 165,901	\$ (165,901)	\$ -	\$ -	\$ -

April 16, 2024

Reeve and Council
Municipal District of Pincher Creek No. 9
PO Box 279
Pincher Creek, Alberta T0K 1W0

Ladies and Gentlemen:

We have completed our audit of the financial statements of the Municipal District of Pincher Creek No. 9 for the year ended December 31, 2024. Our audit included consideration of internal control relevant to the preparation of the financial statements to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control. Accordingly, our review of any given control was limited and would not disclose all weaknesses in the system or all matters which an in-depth study might indicate. As you know, the maintenance of an adequate system of internal controls is the responsibility of the Reeve and Council.

During the course of our audit for the year ended December 31, 2024, we identified no significant matters which may be of interest to the Council.

This communication is prepared solely for the information of the Council members and management of the Municipal District of Pincher Creek No. 9 and is not intended for any other purpose. We accept no responsibility to a third party who uses this communication.

We would like to thank Meghan, Brendan and the finance team for their assistance during our audit. Thank you for the continuing opportunity to be of service to your organization and we look forward to serving you in the future. If you have any questions or concerns regarding our audit or any other issues with which you may require our assistance, please do not hesitate to contact us.

Thank you.

Yours truly,

AVAIL LLP

Darren Adamson, CPA, CA

MUNICIPAL DISTRICT OF PINCHER CREEK NO. 9

Consolidated Financial Statements

For the year ended December 31, 2024

MUNICIPAL DISTRICT OF PINCHER CREEK NO. 9
TABLE OF CONTENTS
For the year ended December 31, 2024

INDEPENDENT AUDITOR'S REPORT	1 - 2
MANAGEMENT REPORT	3
FINANCIAL STATEMENTS	
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	4
CONSOLIDATED STATEMENT OF OPERATIONS	5
CONSOLIDATED STATEMENT OF REMEASUREMENT GAINS AND LOSSES	6
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS	7
CONSOLIDATED STATEMENT OF CASH FLOW	8
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	9 - 23
SCHEDULES TO THE CONSOLIDATED FINANCIAL STATEMENTS	24 - 26



INDEPENDENT AUDITOR'S REPORT

To: The Reeve and Members of Council of
the Municipal District of Pincher Creek No. 9

Opinion

We have audited the consolidated financial statements of the Municipal District of Pincher Creek No. 9 which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statements of operations, remeasurement gains and losses, change in net financial assets and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Municipal District of Pincher Creek No. 9 as at December 31, 2024, the results of its operations, remeasurement gains and losses, change in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Municipal District of Pincher Creek No. 9 in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with 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 consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of 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 Municipal District of Pincher Creek No. 9'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 Municipal District of Pincher Creek No. 9 or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Municipal District of Pincher Creek No. 9's financial reporting process.

INDEPENDENT AUDITOR'S REPORT, continued

Auditor's Responsibilities for the Audit of the 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 financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Municipal District of Pincher Creek No. 9'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 Municipal District of Pincher Creek No. 9'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 company 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.

Lethbridge, Alberta

Can't Show Availlpsig.png

Tuesday, April 22, 2025

Chartered Professional Accountants

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

Management of the Municipal District of Pincher Creek No. 9 is responsible for the preparation, accuracy, objectivity and integrity of the accompanying consolidated financial statements. Management believes that the consolidated financial statements present fairly the Municipal District's financial position as at December 31, 2024 and the results of its operations for the year then ended.

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

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

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 consolidated financial statements.

The Municipal District Council carries out its responsibilities for review of the consolidated financial statements. The Council meets with management and external auditors to discuss the results of audit examinations and financial reporting matters.

The external auditors have full access to the Council with and without the presence of management. The Municipal District Council has approved the consolidated financial statements.

The consolidated financial statements have been audited by Avail LLP Chartered Professional Accountants, the independent external auditors appointed by the Municipal District. The accompanying independent Auditor's Report outlines their responsibilities, the scope of the examination and their opinion on the Municipal District's consolidated financial statements.

Chief Administrative Officer

Chief Financial Officer

MUNICIPAL DISTRICT OF PINCHER CREEK NO. 9
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2024

	2024	2023
Financial assets		
Cash and temporary investments (note 2)	\$ 15,007,516	\$ 11,279,471
Taxes and grants in place of taxes receivable (note 3)	300,509	232,958
Trade and other receivables (note 4)	4,715,697	5,444,250
Debt charges recoverable (note 5)	1,274,897	1,414,320
Investments (note 6)	9,850,951	10,219,716
	31,149,570	28,590,715
Liabilities		
Accounts payable and accrued liabilities	1,249,110	2,110,620
Employee benefit obligations (note 8)	121,282	170,534
Provision for reclamation (note 9)	1,357,185	1,345,394
Deferred revenue (note 10)	6,046,759	4,858,092
Long-term debt (note 11)	2,985,439	2,688,284
Asset retirement obligations (note 12)	1,528,760	503,099
	13,288,535	11,676,023
Net financial assets	17,861,035	16,914,692
Non-financial assets		
Prepaid expenses	208,443	310,026
Inventory for consumption	1,759,856	2,154,508
Tangible capital assets (schedule 2)	81,032,373	81,050,321
	83,000,672	83,514,855
Accumulated surplus		
Accumulated operating surplus (note 13 and schedule 1)	101,202,754	100,429,547
Accumulated remeasurement losses	(341,046)	-
	\$ 100,861,707	\$ 100,429,547

Commitments and contingencies (note 21)

Approved on behalf of Council:

Councillor _____

Councillor _____

MUNICIPAL DISTRICT OF PINCHER CREEK NO. 9
CONSOLIDATED STATEMENT OF OPERATIONS
For the year ended December 31, 2024

	Budget (Unaudited)	2024	2023
Revenue			
Net municipal property taxes (note 16)	\$ 13,847,980	\$ 14,057,047	\$ 13,520,374
User fees and sales of goods	469,300	538,917	496,939
Government transfers for operating (note 17)	427,865	690,863	643,691
Investment income	266,000	631,859	698,921
Penalties and costs of taxes	70,900	62,946	62,889
Licenses and permits	64,300	128,436	112,887
Gain on disposal of tangible capital assets	-	46,880	17,079
Rental	125,370	67,731	81,373
Other	111,600	122,890	123,194
	15,383,315	16,347,569	15,757,347
Expenses (note 18)			
General government			
Legislative	259,115	208,879	237,098
Administration	2,510,414	2,424,406	2,427,954
Protective services			
Police, fire, disaster, ambulance and bylaw enforcement	1,205,180	2,366,557	1,078,895
Transportation services			
Roads, streets, walks and lighting	7,600,649	7,308,846	6,994,982
Airport	859,918	964,272	825,866
Environmental use and protection			
Water supply and distribution	1,553,459	2,157,151	2,478,101
Wastewater treatment and disposal	169,915	179,445	133,959
Waste management	335,246	383,047	339,597
Public health and welfare			
Family and community support services	139,525	139,522	138,020
Cemeteries and crematoriums	55,140	67,020	60,788
Planning and development			
Land use planning, zoning and development	323,950	333,404	260,753
Agricultural and environmental services	713,437	616,545	581,197
Recreation and culture			
Parks and recreation	536,261	527,205	494,338
Culture - libraries, museums, halls	502,025	478,848	434,724
	16,764,234	18,155,147	16,486,272
Deficiency of revenue over expenses before capital revenue	(1,380,919)	(1,807,578)	(728,925)
Capital revenue			
Government transfers for capital (note 17)	2,145,000	2,580,785	8,984,878
Contributed assets	-	-	31,000
	2,145,000	2,580,785	9,015,878
Excess of revenue over expenses	764,081	773,207	8,286,953
Accumulated operating surplus, beginning of year	100,429,547	100,429,547	92,142,594
Accumulated operating surplus, end of year	\$ 101,193,628	\$ 101,202,754	\$ 100,429,547

MUNICIPAL DISTRICT OF PINCHER CREEK NO. 9
CONSOLIDATED STATEMENT OF REMEASUREMENT GAINS AND LOSSES
For the year ended December 31, 2024

	2024	2023
Accumulated remeasurement losses, beginning of year	\$ -	\$ -
Unrealized losses attributable to: Equity investments	(341,046)	-
Amounts reclassified to statements of operations: Equity investments realized gains	-	-
Net remeasurement losses for the year	(341,046)	-
Accumulated remeasurement losses, end of year	\$ (341,046)	\$ -

MUNICIPAL DISTRICT OF PINCHER CREEK NO. 9
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
For the year ended December 31, 2024

	Budget (Unaudited)	2024	2023
Excess of revenue over expenses	\$ 764,081	\$ 773,207	\$ 8,286,953
Acquisition of tangible capital assets	(3,874,000)	(3,812,748)	(11,317,021)
Amortization of tangible capital assets	3,762,699	3,774,085	3,699,183
Contributed tangible capital assets	-	-	(31,000)
Net loss (gain) on disposal of tangible capital assets	-	5,564	(2,663)
Proceeds on disposal of tangible capital assets	-	51,048	17,079
	(111,301)	17,949	(7,634,422)
Net change in inventory for consumption	-	394,650	316,405
Net change in prepaid expense	-	101,583	(124,074)
Unrealized remeasurement losses	-	(341,046)	-
	-	155,187	192,331
Increase in net financial assets	652,780	946,343	844,862
Net financial assets, beginning of year	16,914,692	16,914,692	16,069,830
Net financial assets, end of year	\$ 17,567,472	\$ 17,861,035	\$ 16,914,692

MUNICIPAL DISTRICT OF PINCHER CREEK NO. 9
CONSOLIDATED STATEMENT OF CASH FLOW
For the year ended December 31, 2024

	2024	2023
Operating transactions		
Excess of revenue over expenses	\$ 773,207	\$ 8,286,953
Adjustments for items which do not affect cash		
Net loss (gain) on disposal of tangible capital assets	5,564	(2,663)
Amortization of tangible capital assets	3,774,085	3,699,183
Contributed tangible capital assets	-	(31,000)
Accretion of asset retirement obligation	494,487	19,350
	5,047,343	11,971,823
Net change in non-cash working capital items		
Taxes and grants in place of taxes receivable	(67,551)	35,735
Trade and other receivables	728,554	(959,909)
Investments	368,765	(312,376)
Debt charges recoverable	139,423	135,411
Inventory for consumption	394,650	316,405
Prepaid expenses	101,583	(124,074)
Accounts payable and accrued liabilities	(861,510)	(1,391,428)
Employee benefit obligations	(49,252)	(270,832)
Deferred revenue	1,188,667	(3,406,554)
Provision for reclamation	11,791	15,190
Cash provided by operating transactions	7,002,463	6,009,391
Capital transactions		
Proceeds on disposal of tangible capital assets	51,048	17,079
Acquisition of tangible capital assets	(3,812,748)	(11,317,021)
Asset retirement obligation incurred	531,174	-
Cash applied to capital transactions	(3,230,526)	(11,299,942)
Investing transactions		
Unrealized remeasurement loss	(341,046)	-
Financing transactions		
Proceeds of long-term debt	562,165	-
Repayment of long-term debt	(265,011)	(383,383)
Cash provided by (applied to) financing transactions	297,154	(383,383)
Increase (decrease) in cash and temporary investments	3,728,045	(5,673,934)
Cash and temporary investments, beginning of year	11,279,471	16,953,405
Cash and temporary investments, end of year	\$ 15,007,516	\$ 11,279,471

MUNICIPAL DISTRICT OF PINCHER CREEK NO. 9
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2024

1. Significant accounting policies

The consolidated financial statements of the Municipal District of Pincher Creek No. 9 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 Municipal District of Pincher Creek No. 9 are as follows:

(a) Reporting entity

The consolidated financial statements reflect the assets, liabilities, revenue and expenses, changes in fund balances and change in financial position of the reporting entity which comprises all of the organizations that are owned or controlled by the Municipal District and are, therefore, accountable to the Council for the administration of their financial affairs and resources.

Taxes levied also includes requisitions for educational, health care, social and other external organizations that are not part of the municipal reporting entity.

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

(b) Basis of accounting

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

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

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

(c) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expense 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.

There is measurement uncertainty related to asset retirement obligations as it involves estimates in determining settlement amount, discount rates and timing of settlement. Changes to any of these estimates and assumptions may result in change to the obligation.

MUNICIPAL DISTRICT OF PINCHER CREEK NO. 9
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2024

1. Significant accounting policies, continued

(d) Valuation of financial assets and liabilities

The Municipal District of Pincher Creek No. 9's financial assets and financial liabilities are measured as follows:

Financial statement component	Measurement
Cash	Cost and amortized cost
Short-term investments	Amortized cost
Trade and other receivables	Lower of cost or net recoverable value
Investments	Fair value and amortized cost
Loans receivable and debt charges recoverable	Amortized cost
Accounts payable and accrued liabilities	Cost
Deposit liabilities	Cost
Bank indebtedness and long-term debt	Amortized cost

(e) Investments

Investments in derivatives and equity instruments quoted in an active market are carried at fair value with transactions costs expensed upon initial recognition. Unrealized changes in fair value are recognized in the statement of remeasurement gains and losses. When the investment is disposed of the accumulated gains or losses are reclassified to the statement of operations. Investments in interest bearing securities are recorded at amortized cost. Investment premiums and discounts are amortized on the net present value basis over the term of the respective investments. When there has been a loss in value that is other than a temporary decline, the respective investment is written down to recognize the loss.

(f) Inventories for resale

Land held for resale is recorded 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 their respective function.

(g) 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.

(h) Gravel pit closure

Pursuant to the gravel pit contracts, the Municipal District is required to fund the reclamation work for gravel pits. Closure activities include the final clay cover landscaping, and reclamation monitoring. The requirement is being provided for over the estimated remaining life of the gravel pits based on usage.

MUNICIPAL DISTRICT OF PINCHER CREEK NO. 9
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2024

1. Significant accounting policies, continued

(i) Contaminated sites liability

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

(j) 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.

(k) Asset retirement obligation

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

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

At each financial reporting date, the Municipal District reviews the carrying amount of the liability. The Municipal District recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset. The Municipal District 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.

(l) Reserves for future expenses

Reserves are established at the discretion of Council to set aside funds for future operating and capital expenses. Transfers to and/or from reserves are reflected as an adjustment to the respective fund.

MUNICIPAL DISTRICT OF PINCHER CREEK NO. 9
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2024

1. Significant accounting policies, continued

(m) 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.

(n) 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 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.

(o) Non-financial assets

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

(i) Tangible capital assets

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

	Years
Land improvements	10-40
Buildings	25-50
Engineered structures	10-75
Machinery and equipment	5-15
Vehicles	15

Assets under construction are not amortized until available for productive use.

(ii) Contributions of tangible capital assets

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

MUNICIPAL DISTRICT OF PINCHER CREEK NO. 9
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2024

1. Significant accounting policies, continued

(iii) Leases

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

(iv) Inventories

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

(v) Cultural and historical tangible capital assets

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

(p) Future accounting standards pronouncements

The following summarizes upcoming changes to Canadian public sector accounting standards. In 2025, the Municipal District will continue to assess the impact and prepare for the adoption of these standards. While the timing of standard adoption may vary, certain standards must be adopted concurrently.

a) The Conceptual Framework of Financial Reporting in the Public Sector

The Conceptual Framework is the foundation for public sector financial reporting standard setting. 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 the specific standards. The standard is applicable for the fiscal years beginning on or after April 1, 2026.

b) PS 1202 Financial Statement Presentation

Section PS 1202 sets out general and specific requirements for the presentation of information in general purpose financial statements. The financial statement presentation principles are based on the concepts within the Conceptual Framework. The standard is applicable for the fiscal years beginning on or after April 1, 2026.

2. Cash and temporary investments

	2024	2023
Savings accounts	\$ 13,142,735	\$ 10,504,237
Operating accounts	1,864,781	775,234
	<u>\$ 15,007,516</u>	<u>\$ 11,279,471</u>

3. Taxes and grants in place of taxes receivables

	2024	2023
Taxes and grants in place of taxes receivable	\$ 191,052	\$ 110,546
Arrears	109,457	122,412
	<u>\$ 300,509</u>	<u>\$ 232,958</u>

MUNICIPAL DISTRICT OF PINCHER CREEK NO. 9
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2024

4. Trade and other receivables

	2024	2023
Grants	\$ 4,242,346	\$ 4,894,397
Goods and Services Tax	102,720	237,556
Trade receivables	370,631	312,297
	\$ 4,715,697	\$ 5,444,250

5. Debt charges recoverable

	2024	2023
Current debt charges recoverable	\$ 143,555	\$ 139,424
Non-current debt charges recoverable	1,131,342	1,274,896
	\$ 1,274,897	\$ 1,414,320

The Municipal District has undertaken a joint landfill road development project with the Crowsnest/Pincher Creek Landfill Association. The Municipal District assumed long-term financing totaling \$3,607,273 in 2012; however, \$2,053,502 plus interest at 2.94% is recoverable from the Landfill Association with respect to this financing. Amounts are recoverable in bi-annual principal and interest payments of \$90,007 until September 1, 2032.

	Principal	Interest	Total
2025	\$ 143,555	\$ 36,460	\$ 180,015
2026	147,810	32,205	180,015
2027	152,191	27,824	180,015
2028	156,701	23,314	180,015
2029	161,345	18,670	180,015
Thereafter	513,295	26,749	540,044
	\$ 1,274,897	\$ 165,222	\$ 1,440,119

6. Investments

	2024		2023	
	Carrying value	Market value	Carrying value	Market value
Fixed income investments	\$ 9,797,651	\$ 9,262,697	\$ 10,166,416	\$ 9,840,659
Castle Mountain Resort	50,000	58,820	50,000	58,820
Other	3,300	3,340	3,300	3,340
	\$ 9,850,951	\$ 9,324,857	\$ 10,219,716	\$ 9,902,819

Fixed income investments quoted in an active market are carried at fair value, otherwise are carried at amortized cost, have interest rates of 1.67% to 4.86% (2023 - 1.67% to 4.86%) and maturity dates from 2026 to 2033. The other long-term investments are not traded in an organized financial market. Unrealized losses on equity instruments carried at fair value of \$341,046 (2023 - \$0) have been recognized in the statement of remeasurement gains and losses.

MUNICIPAL DISTRICT OF PINCHER CREEK NO. 9
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2024

7. Authorized overdraft

The Municipal District has an authorized overdraft with the CIBC up to \$5,000,000. As of December 31, 2024 the overdraft un-drawn (2023 - \$0)

8. Employee benefit obligations

	2024	2023
Vacation and time in lieu	\$ 41,431	\$ 35,763
Sick time	79,851	134,771
	<u>\$ 121,282</u>	<u>\$ 170,534</u>

Vacation and time in lieu

The vacation and time in lieu liability is comprised of the vacation and overtime that employees are deferring to future years. Employees have either earned the benefits (and they are vested) or are entitled to these benefits within the next budgetary year.

9. Provision for gravel pit closure

The Municipal District is required under contract to perform post-closure costs of several gravel pits. The accrued liability portion for the gravel pits is based on an estimate of future costs. The estimated closure costs for the gravel pits are \$1,357,185 (2023 - \$1,345,394), all costs have been accrued in the financial statements.

10. Deferred revenue

	2024	2023
Municipal Sustainability Initiative	\$ 2,318,230	\$ 2,806,806
Watercourse Crossing Remediation Grant Program	1,225,546	1,257,364
Local Government Fiscal Framework	1,021,407	-
Canada Community-Building Fund	850,833	589,058
Clean Energy Improvement Program	259,625	-
Drought and Flood Protection Program	96,087	-
Alberta Community Partnership - road study	89,173	-
Watershed Resiliency and Restoration Grant Program	75,842	140,131
Watercourse Crossing Remediation Grant Program	67,544	7,148
Livingstone Range Planning	42,472	50,000
Alberta Community Partnership - wastewater	-	7,585
	<u>\$ 6,046,759</u>	<u>\$ 4,858,092</u>

The use of the deferred revenue, together with any earnings thereon, is restricted by agreement. These funds are recognized as revenue in the period they are used for the purpose specified.

MUNICIPAL DISTRICT OF PINCHER CREEK NO. 9
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2024

11. Long-term debt

	2024	2023
Capital		
Tax supported debentures - capital	\$ 2,423,274	\$ 2,688,284
Self supported debentures - clean energy improvement program	562,165	-
	<u>\$ 2,985,439</u>	<u>\$ 2,688,284</u>
 Current portion	 \$ 272,864	 \$ 265,011

Principal and interest repayments are due as follows:

	Principal	Interest	Total
2025	\$ 272,864	\$ 80,544	\$ 353,408
2026	280,951	72,457	353,408
2027	289,278	64,130	353,408
2028	311,257	67,993	379,250
2029	333,490	46,314	379,804
Thereafter	1,497,599	418,290	1,915,889
	<u>\$ 2,985,439</u>	<u>\$ 749,728</u>	<u>\$ 3,735,167</u>

Debenture debt is repayable to the Treasury Board and Finance and bears interest at 2.94% per annum with a maturity date of 2032. Debenture debt is issued on the credit and security of the Municipal District at large.

Interest on long-term debt amounted to \$82,807 (2023 - \$88,489). The Municipal District's cash payments for interest in 2024 were \$82,807 (2023 - \$88,489).

Federation of Canadian Municipalities operating loan is for the Clean Energy Improvement program. This loan bears interest at 2.00%, principal payments are not repayable until 2028. This loan matures in 2049.

MUNICIPAL DISTRICT OF PINCHER CREEK NO. 9
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2024

12. Asset retirement obligations

Asbestos abatement

The Municipal District owns buildings which contain asbestos and lagoons that will eventually need to be decommissioned. Therefore, the Municipal District is legally required to perform abatement activities upon renovation or demolition of the assets. Abatement activities include handling and disposal of the asbestos in a prescribed manner when it is disturbed and decommissioning the lagoons. The estimated total liability is based on the sum of discounted future cash flows for abatement activities using a discount rate of 4% and assuming annual inflation of 2%. The Municipal District has not designated assets for settling the abatement activities.

Asset retirement obligations are expected to be settled over the next 50 to 75 years.

	2024	2023
Balance, beginning of year	\$ 503,099	\$ 483,749
Liabilities incurred	531,174	-
Liabilities settled	-	-
Change in estimated cash flows	-	-
Accretion expense	494,487	19,350
Balance, end of year	\$ 1,528,760	\$ 503,099

13. Accumulated operating surplus

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

	2024	2023
Unrestricted surplus	\$ 5,146,195	\$ 5,555,006
Internally restricted reserves (note 14)	17,701,323	15,601,283
Equity in tangible capital assets (note 15)	78,355,236	79,273,258
	\$ 101,202,754	\$ 100,429,547

MUNICIPAL DISTRICT OF PINCHER CREEK NO. 9
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2024

14. Reserves

Council has set up reserves for various purposes. These reserves are either required by legislation or set up at the discretion of Council to provide funding for future expenses.

	2024	2023
Operating		
Tax rate stabilization	\$ 2,061,347	\$ 1,936,424
Emergency management	61,001	61,001
Next year completions	32,223	59,983
	2,154,571	2,057,408
Capital		
Road infrastructure	3,262,095	3,102,468
Seniors housing	300,000	250,000
Bridge infrastructure	3,595,857	3,461,916
Airport	329,771	329,771
Regional community initiatives	591,434	545,634
Recycle equipment	104,966	104,966
Equipment	4,442,571	3,957,240
Buildings	440,908	265,943
Water and wastewater infrastructure	1,794,780	1,091,568
Emergency services	209,370	359,369
Dam (Water Storage)	475,000	75,000
	15,546,752	13,543,875
	\$ 17,701,323	\$ 15,601,283

15. Equity in tangible capital assets

	2024	2023
Tangible capital assets (schedule 2)	\$ 254,013,496	\$ 250,362,390
Accumulated amortization (schedule 2)	(172,981,123)	(169,312,069)
Asset retirement obligation	(1,528,760)	(503,099)
Long-term debt (note 11)	(2,423,274)	(2,688,284)
Debt charges recoverable (note 7)	1,274,897	1,414,320
	\$ 78,355,236	\$ 79,273,258

MUNICIPAL DISTRICT OF PINCHER CREEK NO. 9
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2024

16. Net municipal property taxes

	Budget (Unaudited)	2024	2023
Net municipal taxes (after requisitions)			
Real property taxes	\$ 11,023,820	\$ 11,259,424	\$ 10,860,773
Linear property taxes	2,824,160	2,797,623	2,659,601
	13,847,980	14,057,047	13,520,374
Requisitions			
Alberta School Foundation Fund - basic levy	2,803,855	3,012,643	2,809,866
Alberta School Foundation Fund - opted out jurisdiction	150,000	157,522	146,495
Pincher Creek Foundation	357,585	357,585	315,823
Designated Industrial Property	72,390	74,600	71,994
	\$ 3,383,830	\$ 3,602,350	\$ 3,344,178

17. Government transfers

	Budget (Unaudited)	2024	2023
Transfers for operating:			
Provincial government	\$ 427,865	\$ 690,863	\$ 643,691
Transfers for capital:			
Provincial government	1,895,000	2,020,040	4,000,024
Federal government	250,000	560,745	4,984,854
	2,145,000	2,580,785	8,984,878
	\$ 2,572,865	\$ 3,271,648	\$ 9,628,569

MUNICIPAL DISTRICT OF PINCHER CREEK NO. 9
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2024

18. Expenses by object

	Budget (Unaudited)	2024	2023
Salaries, wages, and benefits	\$ 5,064,820	\$ 4,408,736	\$ 4,419,217
Contracted and general services	3,352,935	3,757,386	3,870,010
Materials, goods, supplies and utilities	2,329,930	2,383,923	2,378,288
Bank charges and short term interest	10,000	9,758	8,195
Interest on long term debt	143,230	82,807	88,489
Other expenditures	12,800	248	50,352
Transfers to local boards and agencies	2,087,820	3,243,717	1,938,772
Amortization of tangible capital assets	3,762,699	3,774,085	3,699,183
Accretion of asset retirement obligation	-	494,487	19,350
Loss on disposal of tangible capital assets	-	-	14,416
	\$ 16,764,234	\$ 18,155,147	\$ 16,486,272

19. Debt limits and debt servicing limit

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

	2024	2023
Total debt limit	\$ 24,009,783	\$ 23,610,402
Total debt	2,423,274	2,688,284
	\$ 21,586,509	\$ 20,922,118
Debt servicing limit	\$ 4,001,631	\$ 3,935,067
Debt servicing	342,165	342,165
	\$ 3,659,466	\$ 3,592,902

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

20. Segmented disclosure

The Municipal District 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 3).

MUNICIPAL DISTRICT OF PINCHER CREEK NO. 9
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2024

21. Commitments and contingencies

The Municipal District has entered into an agreement with the Town of Pincher Creek to help fund the Early Childhood Learning Centres. The Municipal District has contributed \$900,000 towards the project as of December 31, 2024 and will contribute an additional \$100,000 in 2025.

The Municipal District is a member of the Alberta Local Authorities Reciprocal Insurance Exchange. Under the terms of membership, the Municipal District 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.

The Municipal District has agreed to fund half of the Pincher Creek Emergency Services Commission capital renovation of the fire hall with the Town of Pincher Creek funding the other half. The Municipal District approved a maximum of \$2,000,000 split equally with the Town of Pincher Creek.

The Municipal District has agreed to donate up to a maximum of \$868,637 to the Pincher Creek Curling Club for a new curling rink.

22. Local authorities pension plan

Employees of the Municipal District of Pincher Creek No. 9 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 the 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 Municipal District of Pincher Creek No. 9 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.

Total current service contributions by the Municipal District of Pincher Creek No. 9 to the LAPP in 2024 were \$237,756 (2023 - \$246,346). Total current service contributions by the employees of the Municipal District of Pincher Creek No. 9 to the LAPP in 2024 were \$212,429 (2023 - \$219,816).

At December 31, 2023, the LAPP disclosed an actuarial surplus of \$15.06 billion.

MUNICIPAL DISTRICT OF PINCHER CREEK NO. 9
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2024

23. Financial instruments

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

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

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

24. Salary and benefits disclosure

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

	(1)	(2)		
	Salary	Benefits & allowances	2024	2023
Council				
Bruder, Tony	\$ 27,913	\$ 5,193	\$ 33,106	\$ 33,232
Cox, Dave	40,275	7,608	47,883	35,181
Hollingshead, Harold	1,688	401	2,089	34,789
Lemire, Rick	27,113	3,292	30,405	31,358
MacGarva, John	32,750	7,438	40,188	42,603
Welsch, Jim	15,175	1,889	17,064	-
CAO - Milligan	163,432	23,241	186,673	155,341
Designated officer	\$ 106,545	\$ 2,941	\$ 109,486	\$ 107,502

(1) Salary includes regular base pay, bonuses, overtime, lump sum payments, gross honoraria and any other direct cash remuneration. For Councilors, salary includes a monthly allowance and per diem reimbursement for authorized meetings attended.

(2) For non-elected officials, employers 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, and long and short-term plans as well as travel allowances. For elected officials, employers share of a technology allowance and mileage.

MUNICIPAL DISTRICT OF PINCHER CREEK NO. 9
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2024

25. Budget amounts

The 2024 budget for the Municipal District was approved by Council on December 12, 2023 and has been reported in the consolidated financial statements for information purposes only. These budget amounts have not been audited, reviewed, or otherwise verified. The approved budget contained reserve transfers, capital additions and principal payments on debt as expenditures. Since these items are not included in the amounts reported in the consolidated financial statements, they have been excluded from the budget amounts presented in these financial statements.

Budgeted surplus per financial statements	\$ 764,081
Less: Capital expenditures	(3,874,000)
Long-term debt repayments	(394,620)
Transfers to operating reserves	(96,853)
Add: Amortization	3,762,699
Transfers from capital reserves	(161,307)
<hr/>	
Equals: Balanced budget	\$ -
<hr/>	

26. Approval of financial statements

These financial statements were approved by Council and Management.

MUNICIPAL DISTRICT OF PINCHER CREEK NO. 9
SCHEDULES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2024

Schedule of changes in accumulated operating surplus
Schedule 1

	Unrestricted	Restricted reserves	Equity in tangible capital assets	2024	2023
Balance, beginning of year	\$ 5,555,006	\$ 15,601,283	\$ 79,273,258	\$ 100,429,547	\$ 92,142,594
Excess of revenue over expenses	773,207	-	-	773,207	8,286,953
Unrestricted funds designated for future use	(4,228,351)	4,228,351	-	-	-
Restricted funds used for operations	1,427,522	(1,427,522)	-	-	-
Restricted funds used for tangible capital assets	-	(700,789)	700,789	-	-
Current year funds used for tangible capital assets	(3,111,959)	-	3,111,959	-	-
Disposal of tangible capital assets	56,611	-	(56,611)	-	-
Amortization of tangible capital assets	3,774,085	-	(3,774,085)	-	-
Asset retirement obligation accretion expense	494,487	-	(494,487)	-	-
Asset retirement obligation incurred	531,174	-	(531,174)	-	-
Debt charges recovered	139,423	-	(139,423)	-	-
Long-term debt related to tangible capital assets repaid	(265,010)	-	265,010	-	-
Change in accumulated surplus	(408,811)	2,100,040	(918,022)	773,207	8,286,953
Balance, end of year	\$ 5,146,195	\$ 17,701,323	\$ 78,355,236	\$ 101,202,754	\$ 100,429,547

MUNICIPAL DISTRICT OF PINCHER CREEK NO. 9
SCHEDULES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2024

Schedule of tangible capital assets

Schedule 2

	Land	Land improvements	Buildings	Engineered structures	Machinery and equipment	Vehicles	Construction in progress	2024	2023
Cost:									
Balance, beginning of year	\$ 4,053,148	\$ 506,868	\$ 8,019,401	\$ 207,674,330	\$ 11,840,625	\$ 2,317,492	\$ 15,950,525	\$ 250,362,389	\$ 239,274,533
Acquisitions	-	9,739	-	584,587	142,843	59,122	3,016,457	3,812,748	11,348,021
Transfers	-	-	-	15,646,199	-	-	(15,646,199)	-	-
Disposals	-	-	-	-	(81,000)	(28,198)	(52,443)	(161,641)	(260,164)
Balance, end of year	4,053,148	516,607	8,019,401	223,905,116	11,902,468	2,348,416	3,268,340	254,013,496	250,362,390
Accumulated amortization:									
Balance, beginning of year	-	135,602	2,549,760	157,122,117	7,855,683	1,648,907	-	169,312,069	165,858,636
Annual amortization	-	23,595	172,997	2,861,698	592,849	122,946	-	3,774,085	3,699,183
Disposals	-	-	-	-	(76,833)	(28,198)	-	(105,031)	(245,750)
Balance, end of year	-	159,197	2,722,757	159,983,815	8,371,699	1,743,655	-	172,981,123	169,312,069
Net book value	\$ 4,053,148	\$ 357,410	\$ 5,296,644	\$ 63,921,301	\$ 3,530,769	\$ 604,761	\$ 3,268,340	\$ 81,032,373	\$ 81,050,321
2023 net book value	\$ 4,053,148	\$ 371,266	\$ 5,469,643	\$ 50,552,212	\$ 3,984,942	\$ 668,585	\$ 15,950,525	\$ 81,050,321	

Land improvements of \$0 (2023 - \$31,000) were acquired as contributed tangible capital assets.

MUNICIPAL DISTRICT OF PINCHER CREEK NO. 9
SCHEDULE TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2024

Schedule of segmented disclosure								Schedule 3
	General government	Protective services	Transportation services	Environmental services	Public health services	Planning and development	Recreation and culture	Total
Revenue								
Net municipal property taxes	\$ 14,057,047	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,057,047
User fees and sales of goods	12,422	14,784	175,992	237,100	-	98,619	-	538,917
Government transfers for operating	52,833	-	168,850	35,335	111,618	322,227	-	690,863
Investment income	631,859	-	-	-	-	-	-	631,859
Penalties and costs of taxes	62,946	-	-	-	-	-	-	62,946
Licenses and permits	-	-	-	-	-	128,436	-	128,436
Gain on disposal of capital assets	-	-	46,880	-	-	-	-	46,880
Rental	20,779	-	45,520	-	-	1,432	-	67,731
Other	1,910	-	77,171	-	-	43,809	-	122,890
	14,839,796	14,784	514,413	272,435	111,618	594,523	-	16,347,569
Expenses								
Salaries, wages and benefits	1,453,750	-	2,336,171	203,567	-	415,248	-	4,408,736
Contracted and general services	596,356	336,019	934,500	1,503,818	-	372,525	14,168	3,757,386
Materials, goods, supplies and utilities	335,661	-	1,812,460	140,620	-	91,606	3,576	2,383,923
Bank charges and short term interest	9,758	-	-	-	-	-	-	9,758
Interest on long term debt	5,652	-	54,122	23,033	-	-	-	82,807
Other expenditures	(1,338)	-	1,532	-	-	54	-	248
Transfers to local boards and agencies	-	2,025,888	-	-	206,542	35,040	976,247	3,243,717
Amortization of tangible capital assets	233,444	4,650	2,639,846	848,607	-	35,477	12,061	3,774,085
Accretion of asset retirement obligation	-	-	494,487	-	-	-	-	494,487
	2,633,283	2,366,557	8,273,118	2,719,645	206,542	949,950	1,006,052	18,155,147
Excess (deficiency) of revenue over expenses before capital revenue	12,206,513	(2,351,773)	(7,758,705)	(2,447,210)	(94,924)	(355,427)	(1,006,052)	(1,807,578)
Other								
Government transfers for capital	-	-	485,570	2,095,215	-	-	-	2,580,785
Excess (deficiency) of revenue over expenses	\$ 12,206,513	\$ (2,351,773)	\$ (7,273,135)	\$ (351,995)	\$ (94,924)	\$ (355,427)	\$ (1,006,052)	\$ 773,207