

COUNTY OF ST. PAUL NO. 19
Consolidated Financial Statements
Year Ended December 31, 2024

COUNTY OF ST. PAUL NO. 19
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Year Ended December 31, 2024

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

Management of the County of St. Paul No. 19 (the Municipality) is responsible for the preparation, accuracy, objectivity and integrity of the accompanying consolidated financial statements and all other information contained within this Financial Report. Management believes that the consolidated financial statements present fairly the Municipality'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 reasonable basis in order to ensure that 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 Municipality's Council is responsible for review of the consolidated financial statements. Council meets regularly with management and annually with the external auditors to discuss the results of audit examinations and financial reporting matters.

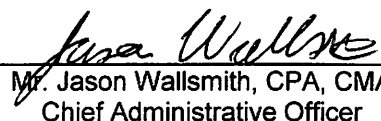
The external auditors have access to Council with and without the presence of management. Council has approved the consolidated financial statements.

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



Mr. Glen Ockerman,
Reeve

St. Paul, Alberta
April 8, 2025



Mr. Jason Wallsmith, CPA, CMA
Chief Administrative Officer

St. Paul, Alberta
April 8, 2025



Ph: 1.780.632.6788 Fax: 1.780.632.6785 Toll Free: 1.888.515.6788
Box 157, 4909 51 Avenue, Vegreville, Alberta T9C 1R2

INDEPENDENT AUDITOR'S REPORT

To the Members of County of St. Paul No. 19

Opinion

We have audited the consolidated financial statements of County of St. Paul No. 19 (the Municipality), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statements of operations and accumulated surplus, changes in net financial assets and cash flows 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 Municipality 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 Municipality 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 Municipality'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 Municipality or to cease operations, or has no realistic alternative but to do so.

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

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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.

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 Municipality'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 Municipality'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 Municipality 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.

COUNTY OF ST. PAUL NO. 19
Consolidated Statement of Financial Position
December 31, 2024

	2024	2023
FINANCIAL ASSETS		
Cash and cash equivalents <i>(Note 2)</i>	\$ 19,002,212	\$ 17,217,829
Taxes and grants in place of taxes receivable <i>(Note 3)</i>	793,628	725,932
Receivable from other governments	603,771	547,672
Trade and other receivables	1,199,278	2,044,338
Debt charges recoverable <i>(Note 4)</i>	685,671	754,633
Notes receivable <i>(Note 5)</i>	34,600	53,672
Inventory of land held for resale	33,364	33,364
	22,352,524	21,377,440
LIABILITIES		
Accounts payable and accrued liabilities	2,176,294	2,306,925
Employee benefit obligations <i>(Note 6)</i>	91,206	82,197
Deferred revenue <i>(Note 7)</i>	456,825	399,082
Deposit liabilities <i>(Note 8)</i>	21,348	42,339
Provision for gravel pit reclamation <i>(Note 9)</i>	1,268,790	471,055
Asset retirement obligations <i>(Note 10)</i>	423,830	409,651
Long term debt <i>(Note 11)</i>	5,517,204	6,291,481
	9,955,497	10,002,730
NET FINANCIAL ASSETS	12,397,027	11,374,710
NON-FINANCIAL ASSETS		
Tangible capital assets <i>(Schedule 1)</i>	114,753,508	114,473,397
Inventory for consumption <i>(Note 12)</i>	6,413,747	3,902,975
Prepaid expenses	494,065	579,163
	121,661,320	118,955,535
ACCUMULATED SURPLUS <i>(Note 13)(Schedule 2)</i>	\$ 134,058,347	\$ 130,330,245
COMMITMENTS <i>(Note 14)</i>		
CONTINGENCIES <i>(Note 15)</i>		

See notes to financial statements

COUNTY OF ST. PAUL NO. 19

Consolidated Statement of Operations and Accumulated Surplus

Year Ended December 31, 2024

	Budget (Unaudited)	2024	2023
REVENUE			
Net municipal taxes (Schedule 3)	\$ 23,047,384	\$ 23,052,227	\$ 22,043,972
User fees and sales of goods	2,431,069	3,447,897	2,927,028
Government transfers for operating (Schedule 4)	827,093	570,561	901,744
Investment income	769,258	1,018,090	1,076,830
Penalties and costs of taxes	119,430	168,381	165,142
Licenses and permits	69,498	162,640	101,112
Rentals and leases	85,283	121,125	99,771
Other	555,090	318,529	830,482
	27,904,105	28,859,450	28,146,081
EXPENSES			
Legislative	556,382	480,551	488,907
Administration	4,142,981	3,517,089	3,373,638
Bylaws enforcement	2,008,867	2,090,740	1,727,861
Roads, streets, walks, lighting	18,475,377	16,019,383	19,525,336
Water supply and distribution	1,014,467	805,015	956,648
Wastewater treatment and disposal	326,687	319,413	494,747
Waste management	1,464,232	1,327,042	1,361,807
Family and community support	83,124	83,941	82,969
Agriculture services	1,028,430	901,484	914,234
Subdivision land development	347,165	285,570	234,392
Economic Development	272,906	265,391	272,341
Parks and recreation	1,505,979	1,594,902	1,441,926
Library	254,809	234,647	235,663
	31,481,406	27,925,168	31,110,469
EXCESS (SHORTFALL) OF REVENUES OVER EXPENSES BEFORE TRANSFERS FOR CAPITAL			
	(3,577,301)	934,282	(2,964,388)
OTHER INCOME			
Contributed assets (Note 16)	-	257,600	-
Government transfers for capital (Schedule 5)	2,999,580	2,536,220	4,027,476
	2,999,580	2,793,820	4,027,476
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES			
	(577,721)	3,728,102	1,063,088
ACCUMULATED SURPLUS - BEGINNING OF YEAR			
	130,330,245	130,330,245	129,267,157
ACCUMULATED SURPLUS - END OF YEAR			
	\$ 129,752,524	\$ 134,058,347	\$ 130,330,245

See notes to financial statements

COUNTY OF ST. PAUL NO. 19

Consolidated Statement of Changes in Net Financial Assets

Year Ended December 31, 2024

	Budget (Unaudited)	2024	2023
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES	\$ (577,721)	\$ 3,728,102	\$ 1,063,088
Acquisition of tangible capital assets	(9,988,997)	(7,056,783)	(6,046,964)
Contributed tangible capital assets	-	(257,600)	-
Proceeds on disposal of tangible capital assets	-	735,260	878,743
Loss on disposal of tangible capital assets	439,615	208,544	469,413
Amortization of tangible capital assets	5,857,020	5,757,081	5,928,502
Amortization added to tangible capital assets	419,101	313,662	211,332
Construction in progress writedown from prior year	-	19,726	-
	(3,273,261)	(280,108)	1,441,026
Use (acquisition) in prepaid expenses	-	85,096	(52,065)
Use (acquisition) in inventory for consumption	-	(2,510,771)	273,920
	-	(2,425,675)	221,855
	(3,273,261)	(2,705,785)	1,662,881
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	(3,850,982)	1,022,317	2,725,969
NET FINANCIAL ASSETS - BEGINNING OF YEAR	11,374,710	11,374,710	8,648,741
NET FINANCIAL ASSETS - END OF YEAR	\$ 7,523,728	\$ 12,397,027	\$ 11,374,710

See notes to financial statements

COUNTY OF ST. PAUL NO. 19
Consolidated Statement of Cash Flows
Year Ended December 31, 2024

	2024	2023
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Excess of revenue over expenses	\$ 3,728,102	\$ 1,063,088
Non-cash items included in excess of revenue over expenses:		
Amortization of tangible capital assets	5,757,081	5,928,502
Amortization added to tangible capital assets	313,661	211,332
Loss on disposal of tangible capital assets	208,544	469,413
Contributed tangible capital assets	(257,600)	-
	9,749,788	7,672,335
Non-cash charges to operations (net change):		
Decrease (increase) in taxes and grants in place of taxes receivable	(67,696)	(9,503)
Decrease (increase) in receivable from other governments	(56,099)	(26,602)
Decrease (increase) in trade and other receivables	845,060	(1,064,404)
Increase (decrease) in accounts payable and accrued liabilities	(130,631)	232,413
Increase (decrease) in employee benefit obligations	9,009	(15,020)
Increase (decrease) in deferred revenue	57,743	(1,074,218)
Increase (decrease) in deposit liabilities	(20,991)	(968)
Increase (decrease) in gravel reclamation liability	797,735	21,448
Increase (decrease) in asset retirement obligation	14,179	409,651
Decrease (increase) in inventory for consumption	(2,510,772)	273,920
Decrease (increase) in prepaid expenses	85,098	(52,065)
	(977,365)	(1,305,348)
Cash provided by operating transactions	8,772,423	6,366,987
CAPITAL		
Acquisition of tangible capital assets	(7,056,783)	(6,046,964)
Proceeds on disposal of tangible capital assets	735,260	878,743
Construction in progress writedown from prior year	19,726	-
Cash applied to capital transactions	(6,301,797)	(5,168,221)
FINANCING		
Repayment of long term debt	(774,277)	(844,372)
Debt charges recoverable	68,962	162,835
Notes receivable	19,072	9,239
Cash applied to financing transactions	(686,243)	(672,298)
INVESTING		
Decrease (increase) in restricted cash or cash equivalents	(36,752)	1,075,186
CHANGE IN CASH AND CASH EQUIVALENTS DURING THE YEAR	1,747,631	1,601,654
Cash and cash equivalents - beginning of year	16,776,408	15,174,754
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 18,524,039	\$ 16,776,408

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COUNTY OF ST. PAUL NO. 19
Consolidated Statement of Cash Flows *(continued)*
Year Ended December 31, 2024

	2024	2023
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CASH FLOWS SUPPLEMENTARY INFORMATION

Interest received	\$ 1,016,730	\$ 1,076,207
Interest paid	\$ 224,921	\$ 256,362

CASH CONSISTS OF:

Cash and cash equivalents <i>(Note 2)</i>	\$ 19,002,212	\$ 17,217,829
Less restricted portion of cash and cash equivalents <i>(Note 2)</i>	(478,173)	(441,421)
	\$ 18,524,039	\$ 16,776,408

COUNTY OF ST. PAUL NO. 19
Consolidated Schedule of Tangible Capital Assets
Year Ended December 31, 2024

(Schedule 1)

	Land	Land Improvements	Buildings	Engineered Structures	Machinery & Equipment	Vehicles	2024	2023
COST								
BALANCE, BEGINNING OF YEAR	\$ 8,823,981	\$ 878,081	\$ 9,352,856	\$ 154,796,345	\$ 28,719,740	\$ 10,603,274	\$ 213,174,277	\$ 209,912,396
Acquisition of tangible capital assets	-	-	116,960	1,760,423	1,839,635	1,006,079	4,723,097	5,198,488
Contributed tangible capital assets	210,850		46,750	-	-	-	257,600	-
Construction-in-progress additions	-	-	-	1,749,646	-	584,040	2,333,686	848,476
Disposal of tangible capital assets	(36,770)	-	-	(101,751)	(738,032)	(769,811)	(1,646,364)	(2,785,083)
Construction in progress writedown from prior year	-	-	-	(19,726)	-	-	(19,726)	-
BALANCE, END OF YEAR	\$ 8,998,061	\$ 878,081	\$ 9,516,566	\$ 158,184,937	\$ 29,821,343	\$ 11,423,582	\$ 218,822,570	\$ 213,174,277
ACCUMULATED AMORTIZATION								
BALANCE, BEGINNING OF YEAR	\$ -	\$ 438,785	\$ 2,609,969	\$ 75,790,509	\$ 13,972,992	\$ 5,888,625	\$ 98,700,880	\$ 93,997,973
Annual amortization	-	43,875	208,158	3,696,815	1,570,336	551,558	6,070,742	6,139,833
Accumulated amortization on disposals	-	-	-	(101,171)	(350,549)	(250,840)	(702,560)	(1,436,926)
BALANCE, END OF YEAR	\$ -	\$ 482,660	\$ 2,818,127	\$ 79,386,153	\$ 15,192,779	\$ 6,189,343	\$ 104,069,062	\$ 98,700,880
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	\$ 8,998,061	\$ 395,421	\$ 6,698,439	\$ 78,798,784	\$ 14,628,564	\$ 5,234,239	\$ 114,753,508	\$ 114,473,397
2023 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	\$ 8,823,981	\$ 439,296	\$ 6,742,887	\$ 79,005,836	\$ 14,746,748	\$ 4,714,649	\$ 114,473,397	

See notes to financial statements

COUNTY OF ST. PAUL NO. 19

Condensed Schedule of Changes in Accumulated Operating Surplus

(Schedule 2)

Year Ended December 31, 2024

	Unrestricted Surplus	Internally Restricted Surplus	Equity in Tangible Capital Assets	2024	2023
BALANCE BEGINNING OF YEAR	\$ 6,945,483	\$ 14,857,864	\$ 108,526,898	\$ 130,330,245	\$ 129,267,157
Excess of revenue over expenses	3,728,102	-	-	3,728,102	1,063,088
Unrestricted funds designated for future use	(7,488,493)	7,488,493	-	-	-
Restricted funds used for operations	1,529,342	(1,529,342)	-	-	-
Restricted funds used for tangible capital assets	-	(3,254,731)	3,254,731	-	-
Current year funds used for tangible capital assets	(3,802,052)	-	3,802,052	-	-
Contributed tangible capital assets	(257,600)	-	257,600	-	-
Disposal of tangible capital assets	943,804	-	(943,804)	-	-
Construction in progress writedown from prior year	19,726	-	(19,726)	-	-
Annual amortization expense	6,070,742	-	(6,070,742)	-	-
Asset retirement obligation accretion expense	14,179	-	(14,179)	-	-
Long term debt related to tangible capital assets repaid	(705,315)	-	705,315	-	-
CHANGE IN ACCUMULATED SURPLUS	52,435	2,704,420	971,247	3,728,102	1,063,088
BALANCE END OF YEAR (Note 13)	\$ 6,997,918	\$ 17,562,284	\$ 109,498,145	\$ 134,058,347	\$ 130,330,245

See notes to financial statements

COUNTY OF ST. PAUL NO. 19

Consolidated Schedule of Property and Other Taxes

(Schedule 3)

Year Ended December 31, 2024

	Budget (Unaudited)	2024	2023
TAXATION			
Residential land and improvements	\$ 7,699,966	\$ 7,716,646	\$ 7,195,283
Farmland	1,374,151	1,374,326	1,331,194
Non-residential land and improvements	2,559,626	2,559,786	2,462,006
Machinery and equipment	7,384,219	7,381,585	7,277,873
Linear property	9,420,411	9,403,052	8,786,022
	28,438,373	28,435,395	27,052,378
REQUISITIONS			
Alberta School Foundation	4,397,415	4,390,587	4,271,623
M.D. of St. Paul Foundation	934,157	933,164	679,981
Designated Industrial Property	59,417	59,417	56,802
	5,390,989	5,383,168	5,008,406
NET MUNICIPAL TAXES	\$ 23,047,384	\$ 23,052,227	\$ 22,043,972

COUNTY OF ST. PAUL NO. 19**Consolidated Schedule of Government Transfers for Operating
Year Ended December 31, 2024****(Schedule 4)**

	Budget (Unaudited)	2024	2023
TRANSFERS FOR OPERATING			
Provincial grants	\$ 555,815	\$ 547,760	\$ 630,377
Local government grants	271,278	22,801	271,367
	\$ 827,093	\$ 570,561	\$ 901,744

**Consolidated Schedule of Government Transfers for Capital
Year Ended December 31, 2024****(Schedule 5)**

	Budget (Unaudited)	2024	2023
TRANSFERS FOR CAPITAL			
Provincial grants	\$ 2,365,360	\$ 2,261,531	\$ 3,510,711
Federal grants	404,907	274,689	434,907
Local government grants	229,313	-	81,858
	\$ 2,999,580	\$ 2,536,220	\$ 4,027,476

**Consolidated Schedule of Expenses by Object
Year Ended December 31, 2024****(Schedule 6)**

	Budget (Unaudited)	2024	2023
EXPENSES			
Salaries, wages and benefits	\$ 9,910,385	\$ 9,508,024	\$ 9,666,729
Contract and general services	5,021,229	4,025,152	4,469,044
Materials, goods and utilities	7,074,050	5,530,765	7,865,469
Provision for allowances	59,472	79,087	83,300
Transfers to other governments	1,688,103	1,488,658	1,336,744
Transfers to local boards and agencies	1,046,301	1,095,775	1,033,668
Bank charges and short term interest	11,000	14,958	15,377
Interest on capital long term debt	174,732	167,714	191,732
Interest on operating long term debt	199,499	35,231	40,340
Amortization of tangible capital assets	5,857,020	5,757,081	5,928,502
Loss on sale of tangible capital assets	439,615	208,544	469,413
Accretion of asset retirement obligation	-	14,179	10,151
	\$ 31,481,406	\$ 27,925,168	\$ 31,110,469

COUNTY OF ST. PAUL NO. 19
Consolidated Schedule of Segmented Disclosures
Year Ended December 31, 2024

(Schedule 7)

	General Government	Protective Services	Transportation Services	Planning, Development & ASB	Recreation, Culture & Family	Environmental Services	2024
REVENUE							
Net municipal taxes	\$ 23,052,227	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,052,227
User fees and sales of goods	23,299	103,766	2,061,572	4,760	319,564	934,936	3,447,897
Government transfers	138,995	13,221	2,568,282	215,112	158,557	12,614	3,106,781
Investment income	1,018,090	-	-	-	-	-	1,018,090
Other revenues	257,827	40,694	233,173	238,981	-	-	770,675
Contributed assets	257,600	-	-	-	-	-	257,600
	24,748,038	157,681	4,863,027	458,853	478,121	947,550	31,653,270
EXPENSES							
Salaries and wages	1,647,825	285,489	5,906,699	589,458	263,636	814,917	9,508,024
Contract and general services	1,978,727	338,577	610,875	505,955	267,910	323,108	4,025,152
Materials, goods and utilities	95,388	443,704	4,130,405	262,766	160,070	438,432	5,530,765
Transfers to local boards/other governments	76,448	796,912	285,863	-	1,125,052	300,158	2,584,433
Long-term debt interest	-	27,015	77,376	-	-	63,323	167,714
Other expenses	151,150	3,745	159,192	33,592	-	4,320	351,999
	3,949,538	1,895,442	11,170,410	1,391,771	1,816,668	1,944,258	22,168,087
NET REVENUE BEFORE AMORTIZATION	20,798,500	(1,737,761)	(6,307,383)	(932,918)	(1,338,547)	(996,708)	9,485,183
Amortization expense	48,102	195,298	4,848,973	60,674	96,822	507,212	5,757,081
EXCESS (SHORTFALL) OF REVENUES OVER EXPENSES	\$ 20,750,398	\$ (1,933,059)	\$ (11,156,356)	\$ (993,592)	\$ (1,435,369)	\$ (1,503,920)	\$ 3,728,102

See notes to financial statements

COUNTY OF ST. PAUL NO. 19
Notes to Consolidated Financial Statements
Year Ended December 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

The consolidated financial statements of the County of St. Paul No. 19 (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:

(b) Reporting entity

The consolidated financial statements reflect the assets, liabilities, revenues and expenses, 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 and are, therefore, accountable to Council for the administration of their financial affairs and resources.

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.

(c) Revenue recognition

- Tax revenues

Tax revenues are recognized at the time tax notices are issued. Property tax revenue is based on market value of assessments determined in accordance with the Municipal Government Act. Tax rates are established annually. Assessments are subject to appeal and may change as a result of adjustments made by assessors to correct errors or omissions. Gains or losses on assessment changes or appeals are recorded as adjustments to tax revenue and tax receivables when a written decision is received from the authorized board, or a change is generated by authorized assessment staff.

Requisitions operate as a flow through and are excluded from municipal revenue. 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. This difference is reflected in property tax revenue. Requisition tax rates in the subsequent year are adjusted for any over-levies or under-levies of the prior year.

- 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. The Municipality recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances the Municipality recognizes revenue as the liability is settled.

(continues)

COUNTY OF ST. PAUL NO. 19
Notes to Consolidated Financial Statements
Year Ended December 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

- Sales of goods and services

Sales of goods and services revenue is recognized in the period when the related expenses are incurred, services are performed or goods are acquired.

- Penalties, investment income, licenses and permits

Penalties and costs of taxes, investment income and licenses and permits revenue is recognized as it is earned, measurable and receivable.

- Other revenues

Other revenue sources, such as land rent, lease revenue, donations and other miscellaneous revenue is recognized as it is earned, measurable and receivable.

(d) 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 consolidated financial statements, and the reported amounts of revenue and expenditures during the period. Where measurement uncertainty exists, the consolidated financial statements have been prepared within reasonable limits of materiality. The main estimates relate to:

- Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.
- The amounts recorded for valuation of tangible capital assets, the useful lives and related amortization of tangible capital assets are areas where management makes significant estimates and assumptions in determining the amount to be recorded in the consolidated financial statements.
- Internally constructed tangible capital assets, mainly consisting of roads, are costed by using internal documents to determine the costs of the various components of the construction. Such documents include costing reports for projects, machines, timesheets etc.
- Gravel inventory is costed by a similar method using internal documents to determine the cost of crushing. As uncertainty inherently exists in the accurateness of these documents, actual results could differ from the accumulated costs.
- Gravel reclamation liabilities are based on estimates and assumptions using the information available at the end of the reporting period. Future events, such as changes to regulatory requirements, may result in significant changes to the estimated total liabilities and will be recognized prospectively, as a change in estimate, when applicable.
- Asset retirement obligations are based on estimates as noted below. As uncertainty inherently exists in the accurateness of this information, actual results could differ from the accumulated costs.

Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

(continues)

COUNTY OF ST. PAUL NO. 19
Notes to Consolidated Financial Statements
Year Ended December 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(e) Valuation of financial assets and liabilities

The Municipality's financial assets and liabilities are measured as follows:

<u>Financial statement component</u>	<u>Measurement</u>
Cash	Cost and amortized cost
Trade and other receivables	Lower of cost or net recoverable value
Notes receivable and debt charges recoverable	Amortized cost
Accounts payable and accrued liabilities	Cost
Deposit liabilities	Cost
Bank indebtedness and long term debt	Amortized cost

(f) Cash and cash equivalents

Cash includes cash and cash equivalents. Cash equivalents include term deposits, if applicable, with an original maturity at date of purchase of three months or less. Because of the short term maturity of these investments, their carrying amount approximates fair value. There were no term deposits meeting this criteria in 2024.

(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. These recoveries are recorded at a value that equals the offsetting portion of the un-matured long term debt.

(h) 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.

- **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	15-25
Buildings	10-50
Engineered structures	
Roads	20-40
Bridges	24-129
Water system	30-75
Wastewater system	45-75
Machinery and equipment	2-15
Vehicles	10-25

One-half of the annual amortization is recorded in the year of acquisition, or in the year the asset is put into service or constructed. No amortization is calculated in the year of disposal.

(continues)

COUNTY OF ST. PAUL NO. 19
Notes to Consolidated Financial Statements
Year Ended December 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES (*continued*)

- 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.
- 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.
- Inventories
Inventories of materials and supplies for consumption are valued at the lower of cost or net realizable value with the cost being determined by the average cost method. Gravel inventory is valued at the amount of royalty plus crushing costs.

(i) Inventory of land held for resale

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

(j) Impairment of long lived assets

The Municipality tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent the carrying value exceeds its fair value.

(k) Asset retirement obligations

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset at the financial statement date when there is a legal obligation for the Municipality 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 is 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.

(*continues*)

COUNTY OF ST. PAUL NO. 19
Notes to Consolidated Financial Statements
Year Ended December 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

At each financial reporting date, the Municipality reviews the carrying amount of the liability. The Municipality 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 Municipality 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) Budget figures

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

2. CASH AND CASH EQUIVALENTS

	2024	2023
Cash	\$ 19,002,212	\$ 17,217,829

The Municipality has an authorized revolving loan with a limit of \$7,000,000, bearing interest at prime minus 1.70% (2023 - 1.70%). The balance outstanding at December 31, 2024 was NIL (2023 - NIL).

Council has designated funds of \$17,562,284 (2023 - \$14,857,864) included in the above amounts for restricted surplus.

Included in cash is a restricted amount of \$478,173 (2023 - \$441,421) comprised of \$456,825 (2023 - \$399,082) of deferred revenue received from various sources and held exclusively for approved projects, \$21,348 (2023 - \$42,339) of deposit liabilities (*Note 7*) and (*Note 8*) respectively.

3. TAXES AND GRANTS IN PLACE OF TAXES RECEIVABLE

	2024	2023
Current	\$ 546,771	\$ 478,482
Arrears	454,256	430,229
	1,001,027	908,711
Less: allowance for doubtful accounts	(207,399)	(182,779)
	\$ 793,628	\$ 725,932

4. DEBT CHARGES RECOVERABLE

	2024	2023
Current debt charges recoverable	\$ 72,282	\$ 68,962
Non-current debt charges recoverable	613,389	685,671
	\$ 685,671	\$ 754,633

(continues)

COUNTY OF ST. PAUL NO. 19
Notes to Consolidated Financial Statements
Year Ended December 31, 2024

4. DEBT CHARGES RECOVERABLE (*continued*)

Principal and interest repayments are as follows:

	Principal	Interest	Total
2025	\$ 72,282	\$ 31,775	\$ 104,057
2026	75,762	28,295	104,057
2027	79,410	24,647	104,057
2028	83,233	20,824	104,057
2029	87,241	16,816	104,057
Thereafter	287,743	24,426	312,169
	\$ 685,671	\$ 146,783	\$ 832,454

In prior years, the Municipality has assumed debenture financing on behalf of the M.D. of St. Paul Foundation totaling \$1,511,989. However, \$1,511,989 plus interest is recoverable from the M.D. of St. Paul Foundation with respect to this financing. Amounts are recoverable in annual blended instalments maturing December 17, 2032.

5. NOTES RECEIVABLE

	2024	2023
St. Paul Quarterback Club - site renovations	\$ 22,000	\$ 27,500
Mallaig & District Agricultural Society - equipment	-	11,472
Mallaig & District Agricultural Society - renovations	12,600	14,700
	\$ 34,600	\$ 53,672

Repayment terms are approximately:

2025	\$ 7,600
2026	7,600
2027	7,600
2028	7,600
2029	2,100
Thereafter	2,100
	\$ 34,600

The Municipality has provided funding to local not-for-profit organizations, to assist with equipment purchases and site renovations. The notes receivable are non-interest bearing and receivable in equal annual instalments. The notes will be fully repaid in 2028 and 2030.

COUNTY OF ST. PAUL NO. 19
Notes to Consolidated Financial Statements
Year Ended December 31, 2024
6. EMPLOYEE BENEFIT OBLIGATIONS

	2024		2023	
Vacation	\$	35,104	\$	36,186
Overtime		56,102		46,011
	\$	91,206	\$	82,197

The vacation and overtime liability is comprised of the vacation and overtime that employees are deferring to future years. Employees have either earned the benefits (and are vested) or are entitled to these benefits within the next budgetary year. The Municipality has accumulating non-vesting sick leave benefits.

7. DEFERRED REVENUE

	Opening balance	Received	Recognized as revenue	2024	2023
<u>Capital Grants</u>					
CCBF Grant	\$ -	\$ 417,369	\$ (274,689)	\$ 142,680	\$ -
LGFF Capital	-	1,372,756	(1,372,756)	-	-
STIP- Bridge collapse	105,778	-	(105,778)	-	105,778
STIP-Moosehills Slide	57,682	184,711	(242,393)	-	57,682
Bridge Upgrades	3,514	-	(3,514)	-	3,514
	166,974	1,974,836	(1,999,130)	142,680	166,974
<u>Operating Grants</u>					
ACP- Rec Facilities and Aquatics	-	150,000	-	150,000	-
SCOP- STEP AG& Web	-	72,000	(23,857)	48,143	-
Tourism Planning	70,000	45,000	(76,007)	38,993	70,000
Service Canada- Investor Readiness	24,000	6,000	(24,000)	6,000	24,000
ACP-Regional Trails	72,360	28,781	(101,141)	-	72,360
LGFF Operating	-	226,672	(226,672)	-	-
ACP-Regional Rec Feasibility	-	350	(350)	-	-
	166,360	528,803	(452,027)	243,136	166,360
<u>Other Deferred Revenue</u>					
Subdivision approach deposits	54,248	2,000	-	56,248	54,248
Subdivision warranty	10,000	-	-	10,000	10,000
Road, gravel, utility & land deposits	1,500	4,761	(1,500)	4,761	1,500
	65,748	6,761	(1,500)	71,009	65,748
	\$ 399,082	\$ 2,510,400	\$ (2,452,657)	\$ 456,825	\$ 399,082

COUNTY OF ST. PAUL NO. 19
Notes to Consolidated Financial Statements
Year Ended December 31, 2024

8. DEPOSIT LIABILITIES

	2024	2023
Tax sale surplus	\$ 21,348	\$ 42,339

Tax sale surplus consists of surplus funds received from land sold at public auction. These funds are payable to the previous ratepayer under the the guidelines set out in the Municipal Government Act.

9. PROVISION FOR GRAVEL PIT RECLAMATION

Pursuant to the Alberta Environmental Protection and Enhancement Act, the Municipality is required to fund the reclamation of certain land used for the extraction of aggregate material. Reclamation requirements have been defined in accordance with industry standards and includes re-vegetation of sites and backsloping required upon closure. The Municipality owns and operates aggregate extraction sites. The aggregate is used for road maintenance and construction projects within the Municipality. An amount of \$1,268,790 (2023 - \$471,055) has been accrued.

Gravel reclamation liabilities are based on pits which are ready for reclamation and do not take into account undisturbed sites. Liabilities are based on estimates and assumptions by management using information available at the end of the reporting period and actual results may vary.

10. ASSET RETIREMENT OBLIGATIONS

The Municipality owns several buildings which contain asbestos and, therefore, the Municipality is legally required to perform abatement activities upon renovation or demolition of these buildings. 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 cost in year 2028 through 2063 of \$641,080. The estimated total liability of \$423,830 (2023 - \$409,651) is based on the sum of discounted abatement activities using a discount rate of 3%.

The Municipality has not designated assets for settling the abatement activities.

	2024
<u>Total asset retirement obligation</u>	
	\$ 409,651
Balance, beginning of year	-
Liabilities incurred	-
Liabilities settled	-
Change in estimated cash flows	-
Accretion expense	14,179
Estimated total liability	\$ 423,830

COUNTY OF ST. PAUL NO. 19
Notes to Consolidated Financial Statements
Year Ended December 31, 2024

11. LONG TERM DEBT

	2024	2023
Self supported debentures	\$ 4,831,533	\$ 5,536,848
Debentures recoverable (Note 4)	685,671	754,633
	\$ 5,517,204	\$ 6,291,481

Principal and interest repayments are as follows:

	Principal	Interest	Total
2025	\$ 802,214	\$ 181,891	\$ 984,105
2026	831,177	152,928	984,105
2027	861,205	122,900	984,105
2028	892,339	91,766	984,105
2029	205,345	65,877	271,222
Thereafter	1,924,924	396,331	2,321,255
	\$ 5,517,204	\$ 1,011,693	\$ 6,528,897

Debenture debt is repayable to the Alberta Capital Finance Authority and bears interest at rates ranging from 2.446% to 4.758% per annum, matures in periods 2028 through 2048. The average annual interest rate is 3.354% (2023 - 3.354%).

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

Interest on long term debt amounted to \$202,945 (2023 - \$232,072).

The Municipality's total cash payments for interest were \$217,903 (2023 - \$247,450)

DEBT LIMITS

Section 276(2) of the Municipal Government Act requires that debt and debt limits as defined by Alberta Regulation 255/00 for the County of St. Paul No. 19 be disclosed as follows:

	2024	2023
Total debt limit	\$ 43,289,175	\$ 42,219,122
Total debt (including loan guarantees)	(4,848,862)	(5,567,449)
Amount of debt limit unused	\$ 38,440,313	\$ 36,651,673
Debt servicing limit	\$ 7,214,863	\$ 7,036,520
Debt servicing	(880,048)	(880,048)
Amount of debt servicing limit unused	\$ 6,334,815	\$ 6,156,472

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 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.

COUNTY OF ST. PAUL NO. 19
Notes to Consolidated Financial Statements
Year Ended December 31, 2024

12. INVENTORY FOR CONSUMPTION

Municipal inventories consist of the following:

	2024	2023
Public Works gravel	\$ 5,379,342	\$ 2,881,182
Public Works miscellaneous	893,285	809,347
Public Works sand and salt	60,928	168,517
Agricultural services	49,131	12,868
Public Works coldmix	31,061	31,061
	\$ 6,413,747	\$ 3,902,975

13. ACCUMULATED SURPLUS

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

	2024	2023
Unrestricted surplus	\$ 6,997,918	\$ 6,945,483
Internally restricted surplus		
Reserve for future expenditures	13,304,410	11,145,215
Operating reserve	-	121,842
Debt reduction	96,034	96,034
Transportation	26,747	28,947
Community reserve	432,018	649,890
Fire	174,195	229,918
Fire capital replacement	1,423,502	1,615,108
Waste management	1,012,461	842,461
Water capital replacement	961,002	-
Public reserve trust	22,773	19,792
Gravel levy	109,142	108,657
Internally restricted surplus	17,562,284	14,857,864
Equity in tangible capital assets		
Tangible capital assets (<i>Schedule 1</i>)	218,822,570	213,174,277
Accumulated amortization (<i>Schedule 1</i>)	(104,069,062)	(98,700,880)
Asset retirement obligation (<i>Note 10</i>)	(423,830)	(409,651)
Long term debt (<i>Note 11</i>)	(4,831,533)	(5,536,848)
Equity in tangible capital assets	109,498,145	108,526,898
	\$ 134,058,347	\$ 130,330,245

COUNTY OF ST. PAUL NO. 19
Notes to Consolidated Financial Statements
Year Ended December 31, 2024

14. COMMITMENTS

The Municipality has committed to three five year gravel leases where the County shall crush/payout a total minimum Aggregate volume of 124,800 tonne and pay a minimum fee of \$302,016.

The Municipality has committed to a five year lease agreement for financial, digital, and process software, with annual costs estimated at \$55,202 and \$56,406 respectively.

The Municipality has a five year contract, effective March 15, 2021, for the provision of managed information technology services at a minimum of \$69,120 annually.

The Municipality has long term leases with respect to its office equipment and vehicles. The leases contain renewal options and provides maintenance service and minor maintenance. Future minimum lease payments as at December 31, 2024, are as follows:

2025	\$	74,189
2026		44,167
2027		14,709
2028		13,868
2029		<u>2,307</u>
	\$	<u>149,240</u>

15. CONTINGENCIES

The Municipality has guaranteed one half of a prime plus 2.0% Servus Credit Union line of credit for the Elk Point Regional Allied Arts Society. As at December 31, 2024, the line of credit balance was NIL (2023 - NIL), therefore the Municipality's guarantee would be limited to NIL (2023 - NIL).

The Municipality has guaranteed one half of a prime plus 2.0% Servus Credit Union term loan for the Elk Point Regional Allied Arts Society. As at December 31, 2024, the loan balance was \$34,658 (2023 - \$61,202), therefore the Municipality's guarantee would be limited to \$17,329 (2023 - \$30,601).

16. CONTRIBUTED ASSETS

During the year, the Municipality acquired the tangible capital assets of the Town of Elk Point Airport, equal to their fair value. These funds were acquired upon the independent decision of the Society's Board to proceed with dissolution. Total contributed assets of \$257,600 have been recorded as income and are reflected in the Statement of Operations and Accumulated Surplus.

COUNTY OF ST. PAUL NO. 19

Notes to Consolidated Financial Statements

Year Ended December 31, 2024

17. SALARY, CONTRACTS AND BENEFITS DISCLOSURE

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

		Salary	Benefits & Allowances	2024	2023
Reeve	Ockerman	\$ 48,323	\$ 8,427	\$ 56,750	\$ 61,325
Deputy Reeve	Fodness	60,581	9,015	69,596	75,093
Councilors	Dechaine	45,436	8,144	53,580	55,274
	Hedrick	60,716	9,068	69,784	76,693
	Krekoski	44,917	8,496	53,413	61,115
	Wirsta	45,335	8,975	54,310	76,555
	Younghans	46,948	8,269	55,217	59,526
CAO	Wallsmith	175,202	31,788	206,990	-
	Kitz	-	-	-	238,241
Designated Officers	6 positions	375,385	40,090	415,475	473,938

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. If an automobile is provided, no amount is included in the benefits and allowances figure.
4. 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.

18. LOCAL AUTHORITIES PENSION PLAN

Employees of the Municipality 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.

	2024	2023
Current service contributions by Employer	\$ 653,382	\$ 657,410
Current service contributions by Employee	584,258	594,262
	\$ 1,237,640	\$ 1,251,672

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

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

COUNTY OF ST. PAUL NO. 19
Notes to Consolidated Financial Statements
Year Ended December 31, 2024

19. 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 consolidated financial statements as disclosed in Note 1.

Refer to the Schedule of Segmented Disclosure (Schedule 7).

General government includes council and other legislative, and general administration. Protective services includes fire. Transportation services includes roads, streets, walks and lighting. Planning, development and ASB includes land use planning, zoning and subdivision land and development and Agricultural Service Board. Recreation, culture and family includes parks and recreation, libraries, and Family and Community Support Services. Environmental services includes water supply and distribution, wastewater treatment and disposal, and waste management.

20. FINANCIAL INSTRUMENTS

The Municipality initially measures its financial assets and financial liabilities at fair value. It subsequently measures all its financial assets and financial liabilities at amortized cost.

The Municipality's financial instruments consist of all financial assets and liabilities. It is management's opinion that the Municipality is not exposed to significant interest or currency risks arising from these financial instruments.

The Municipality 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 Municipality provides services may experience financial difficulty and be unable to fulfil their obligations. An allowance for doubtful accounts is established, if required, based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The large number and diversity of taxpayers and customers minimizes the credit risk. The Municipality's provision for allowances is as follows:

- Taxes and grants in place of taxes receivable is \$207,399 (2023 - \$182,779)
- Trade and other receivables - municipal is \$42,242 (2023 - \$149,187)

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

21. APPROVAL OF FINANCIAL STATEMENTS

Council and Management have approved these consolidated financial statements.