

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

**VILLAGE OF DELBURNE**  
**FINANCIAL STATEMENTS**  
**AS AT DECEMBER 31, 2024**

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## **MANAGEMENTS' RESPONSIBILITY FOR FINANCIAL REPORTING**

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

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

The financial statements include certain amounts based on estimates and judgements. Such amounts have been determined on a reasonable basis in order to ensure that the 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 financial statements.

The Village Council carries out its responsibilities for review of the financial statements principally through council meetings. They meet with management and the external auditors to discuss the results of audit examinations and financial reporting matters.

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

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

  
\_\_\_\_\_  
Chief Administrative Officer

  
\_\_\_\_\_  
Date



\*Scott St. Arnaud, CPA, CA \*Jolene P. Kobi, CPA, CA \*Justin J. Tanner, CPA, CA

\*Peggy Weinzierl, CPA, CA (Associate)

## INDEPENDENT AUDITORS' REPORT

TO: The Mayor and Council  
Village of Delburne

### Qualified Opinion

We have audited the financial statements of Village of Delburne, which comprise the statement of financial position as at December 31, 2024 and the statements of operations, changes in net financial assets (debt) and cash flows for the year then ended, and notes and schedules to the financial statements, including a summary of significant accounting policies.

Asset retirement obligations cannot be reliably determined at this time, so an adequate provision for these costs could not be recorded.

In our opinion, except for the effect of the adjustments which might have been determined to be necessary related to asset retirement obligations as described in the proceeding paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of the village as at December 31, 2024, the results of its operations, change in its net financial assets (debt) and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### Basis for Qualified Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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 financial statements, management is responsible for assessing the ability of the village to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to cease operations, or has no realistic alternative but to do so.

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

## Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 controls.
- 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 purposes of expressing an opinion on the effectiveness of the village'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 village's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 the auditors' report. However, future events or conditions may cause the village 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.

Stettler, Alberta  
August 18, 2025

  
CHARTERED PROFESSIONAL ACCOUNTANTS

# VILLAGE OF DELBURNE

## STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2024

	2024	2023
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents (Note 3)	\$ 1,072,717	\$ 1,802,494
Taxes and grants in place of taxes receivable (Note 4)	127,890	116,797
Trade and other receivables	58,669	55,769
Due from other Government	301,608	9,601
Long-term investments (Note 5)	<u>1,811</u>	<u>1,811</u>
	<u>1,562,695</u>	<u>1,986,472</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	175,043	142,422
Deferred revenue (Note 6)	286,966	393,769
Long term debt (Note 7)	161,750	322,113
Tax surplus liability	<u>31,892</u>	<u>33,422</u>
	<u>655,651</u>	<u>891,726</u>
<b>NET FINANCIAL ASSETS (DEBT)</b>	<u>907,044</u>	<u>1,094,746</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 2)	8,199,393	8,458,069
Inventory for consumption	23,274	22,966
Prepaid expenses	25,407	28,753
Land held for resale	<u>317,886</u>	<u>140,474</u>
	<u>8,565,960</u>	<u>8,650,262</u>
<b>ACCUMULATED SURPLUS (Schedule 1)</b>	\$ <u>9,473,004</u>	\$ <u>9,745,008</u>
<b>CONTINGENCIES – Note 12</b>		

APPROVED ON BEHALF OF THE VILLAGE COUNCIL:

  
\_\_\_\_\_  
Mayor

  
\_\_\_\_\_  
Councillor

# VILLAGE OF DELBURNE

## STATEMENT OF OPERATIONS

**FOR THE YEAR ENDED DECEMBER 31, 2024**

	Budget (Unaudited)	2024	2023
<b>REVENUES</b>			
Net taxes (Schedule 3)	\$ 843,832	\$ 851,847	\$ 812,332
Sales and user fees	494,595	436,171	480,539
Government transfers for operating (Schedule 4)	512,962	318,650	296,237
Investment income	75,000	67,707	79,819
Rentals	40,000	45,638	45,891
Penalties and costs of taxes	35,000	3,974	16,329
Fines and costs	9,838	9,211	9,600
Licenses and permits	7,000	5,415	5,425
Franchise agreement	70,000	92,379	57,910
Other	120,084	79,907	83,993
Gain on disposal of tangible capital assets	<u>58,000</u>	<u>1,985</u>	<u>-</u>
Total Revenue	<u>2,266,311</u>	<u>1,912,884</u>	<u>1,888,075</u>
<b>EXPENSES (Schedule 5)</b>			
Legislative	135,723	109,860	78,070
Administration	516,368	552,078	520,638
Protective services	107,171	86,949	84,610
Transportation services	630,087	669,390	554,887
Water and wastewater	280,545	542,647	281,521
Waste management and recycling	146,637	142,987	136,862
Recreation and parks	376,133	357,741	350,575
Family and community support	139,450	119,247	124,366
Land use planning, zoning and development	60,067	43,924	145,538
Other	<u>3,810</u>	<u>34,895</u>	<u>36,273</u>
Total Expenses	<u>2,395,991</u>	<u>2,659,718</u>	<u>2,313,340</u>
<b>EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES – BEFORE CAPITAL REVENUE</b>	(129,680)	(746,834)	(425,265)
<b>CAPITAL REVENUE</b>			
Government transfers for capital (Schedule 4)	<u>640,363</u>	<u>474,830</u>	<u>199,015</u>
<b>EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES</b>	\$ <u>510,683</u>	(272,004)	(226,250)
<b>ACCUMULATED SURPLUS – BEGINNING OF YEAR</b>		<u>9,745,008</u>	<u>9,971,258</u>
<b>ACCUMULATED SURPLUS – END OF YEAR</b>		\$ <u>9,473,004</u>	\$ <u>9,745,008</u>

# VILLAGE OF DELBURNE

## STATEMENT OF CHANGES IN NET FINANCIAL ASSETS (DEBT)

FOR THE YEAR ENDED DECEMBER 31, 2024

	2024	2023
<b>EXCESS (SHORTFALL) OF REVENUES OVER EXPENSES</b>	\$ <u>(272,004)</u>	\$ <u>(226,250)</u>
Acquisition of tangible capital assets	(250,440)	(98,646)
Proceeds on disposal of tangible capital assets	100,300	74,000
Amortization of tangible capital assets	399,933	428,225
(Gain) loss on disposal of tangible capital assets	<u>8,883</u>	<u>2,015</u>
	<u>258,676</u>	<u>405,594</u>
Net use (acquisition) of supplies inventories	(308)	(4,013)
Net use (acquisition) of prepaid assets	3,346	(3,595)
Net use (acquisition) of land held for resale	<u>(177,412)</u>	<u>(34,245)</u>
	<u>(174,374)</u>	<u>(41,853)</u>
<b>INCREASE (DECREASE) IN NET FINANCIAL ASSETS</b>	(187,702)	137,491
<b>NET FINANCIAL ASSETS (DEBT) - BEGINNING OF YEAR</b>	<u>1,094,746</u>	<u>957,255</u>
<b>NET FINANCIAL ASSETS (DEBT) - END OF YEAR</b>	\$ <u>907,044</u>	\$ <u>1,094,746</u>



# VILLAGE OF DELBURNE

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2024

	2024	2023
<b>OPERATING ACTIVITIES</b>		
Excess (shortfall) of revenues over expenses	\$ (272,004)	\$ (226,250)
Non-cash items included in excess (shortfall) of revenues over expenses:		
Amortization of tangible capital assets	399,933	428,225
(Gain) loss on disposal of tangible capital assets	8,883	2,015
Non-cash changes to operations (net change)		
Taxes and grants in place of taxes receivables	(11,093)	94,008
Trade and other receivables	(2,900)	(683)
Local improvement taxes receivable	-	5,047
Due from other Government	(292,007)	159,644
Decrease (Increase) in inventory for consumption	(308)	(4,013)
Prepaid expenses	3,346	(3,595)
Land held for resale	(177,412)	(34,245)
Accounts payable and accrued liabilities	32,621	(25,007)
Long-term investments	-	(48)
Deferred revenue	(106,803)	143,170
Tax surplus liability	(1,530)	33,422
Net cash provided by (used in) operating activities	<u>(419,274)</u>	<u>571,690</u>
<b>CAPITAL ACTIVITIES</b>		
Acquisition of tangible capital assets	(250,440)	(98,646)
Proceeds from disposal of tangible capital assets	<u>100,300</u>	<u>74,000</u>
Net cash provided by (used in) capital activities	<u>(150,140)</u>	<u>(24,646)</u>
<b>FINANCING ACTIVITIES</b>		
Repayment of long term debt	<u>(160,363)</u>	<u>(158,988)</u>
Net cash provided by (used in) financing activities	<u>(160,363)</u>	<u>(158,988)</u>
<b>CHANGE IN CASH AND EQUIVALENTS DURING THE YEAR</b>	<u>(729,777)</u>	<u>388,056</u>
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<u>1,802,494</u>	<u>1,414,438</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR (Note 3)</b>	<u>1,072,717</u>	<u>1,802,494</u>
<b>CASH AND CASH EQUIVALENTS IS MADE UP OF:</b>		
Cash	\$ <u>1,072,717</u>	\$ <u>1,802,494</u>

**VILLAGE OF DELBURNE**  
**SCHEDULE 1 - CHANGES IN ACCUMULATED SURPLUS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2024	2023
<b>BALANCE - BEGINNING OF YEAR</b>	\$ <u>959,427</u>	\$ <u>649,625</u>	\$ <u>8,135,956</u>	\$ <u>9,745,008</u>	\$ <u>9,971,258</u>
Excess (deficiency) of revenues over expenses	(272,004)	-	-	(272,004)	(226,250)
Unrestricted funds designated for future use	(38,576)	38,576	-	-	-
Restricted funds used for operations	314,027	(314,027)	-	-	-
Restricted funds used for tangible capital assets	-	-	-	-	-
Current year funds used for tangible capital assets	(250,440)	-	250,440	-	-
Disposal of tangible capital assets	109,183	-	(109,183)	-	-
Annual amortization expense	399,933	-	(399,933)	-	-
Long term debt repaid	<u>(160,363)</u>	<u>-</u>	<u>160,363</u>	<u>-</u>	<u>-</u>
Change in accumulated surplus	<u>101,760</u>	<u>(275,451)</u>	<u>(98,313)</u>	<u>(272,004)</u>	<u>(226,250)</u>
<b>BALANCE - END OF YEAR</b>	\$ <u><u>1,061,187</u></u>	\$ <u><u>374,174</u></u>	\$ <u><u>8,037,643</u></u>	\$ <u><u>9,473,004</u></u>	\$ <u><u>9,745,008</u></u>

# VILLAGE OF DELBURNE

## SCHEDULE 2 – SCHEDULE OF TANGIBLE CAPITAL ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2024

	Land	Land Improvements	Buildings	Engineered Structures	Machinery and Equipment	Vehicles	2024	2023
<b>COST:</b>								
BALANCE – BEGINNING OF YEAR	\$ 321,512	\$ 1,300,165	\$ 1,585,347	\$ 11,449,903	\$ 1,100,845	\$ 137,594	\$ 15,895,366	\$ 15,876,736
Acquisition of tangible capital assets	100,854	-	-	-	149,586	-	250,440	96,761
Construction in progress	-	-	-	-	-	-	-	1,885
Disposal of tangible capital assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(127,634)</u>	<u>-</u>	<u>(127,634)</u>	<u>(80,016)</u>
BALANCE - END OF YEAR	<u>422,366</u>	<u>1,300,165</u>	<u>1,585,347</u>	<u>11,449,903</u>	<u>1,122,797</u>	<u>137,594</u>	<u>16,018,172</u>	<u>15,895,366</u>
<b>ACCUMULATED AMORTIZATION:</b>								
BALANCE - BEGINNING OF YEAR	-	946,252	621,990	5,142,806	613,177	113,072	7,437,297	7,013,073
Annual amortization	-	78,953	31,684	229,914	55,456	3,926	399,933	428,225
Accumulated amortization on disposals	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(18,451)</u>	<u>-</u>	<u>(18,451)</u>	<u>(4,001)</u>
BALANCE - END OF YEAR	<u>-</u>	<u>1,025,205</u>	<u>653,674</u>	<u>5,372,720</u>	<u>650,182</u>	<u>116,998</u>	<u>7,818,779</u>	<u>7,437,297</u>
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<u>422,366</u>	<u>274,960</u>	<u>931,673</u>	<u>6,077,183</u>	<u>472,615</u>	<u>20,596</u>	<u>8,199,393</u>	<u>\$ 8,458,069</u>
<b>2023 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	\$ <u>321,512</u>	\$ <u>353,913</u>	\$ <u>963,357</u>	\$ <u>6,307,097</u>	\$ <u>487,668</u>	\$ <u>24,522</u>	\$ <u>8,458,069</u>	

# VILLAGE OF DELBURNE

## SCHEDULE 3 – PROPERTY AND OTHER TAXES

**FOR THE YEAR ENDED DECEMBER 31, 2024**

	Budget (Unaudited)	2024	2023
<b>TAXATION</b>			
Real property taxes	\$ 1,056,471	\$ 1,064,485	\$ 1,008,712
Linear property taxes	38,306	38,306	34,127
Government grants in place of property taxes	<u>2,193</u>	<u>2,193</u>	<u>2,007</u>
	<u>1,096,970</u>	<u>1,104,984</u>	<u>1,044,846</u>
<b>REQUISITIONS</b>			
Alberta School Foundation Fund	250,463	250,462	230,884
Autumn Glen Lodge	<u>2,675</u>	<u>2,675</u>	<u>1,630</u>
	<u>253,138</u>	<u>253,137</u>	<u>232,514</u>
<b>NET MUNICIPAL TAXES</b>	\$ <u>843,832</u>	\$ <u>851,847</u>	\$ <u>812,332</u>

## SCHEDULE 4 – GOVERNMENT TRANSFERS

**FOR THE YEAR ENDED DECEMBER 31, 2024**

	Budget (Unaudited)	2024	2023
<b>TRANSFER FOR OPERATING</b>			
Provincial government	\$ 287,950	\$ 155,000	\$ 109,650
Federal government	60,000	2,100	2,023
Other local government	<u>165,012</u>	<u>161,550</u>	<u>184,564</u>
	<u>512,962</u>	<u>318,650</u>	<u>296,237</u>
<b>TRANSFERS FOR CAPITAL</b>			
Provincial government	<u>640,363</u>	<u>474,830</u>	<u>199,015</u>
<b>TOTAL GOVERNMENT TRANSFERS</b>	\$ <u>1,153,325</u>	\$ <u>793,480</u>	\$ <u>495,252</u>

# VILLAGE OF DELBURNE

## SCHEDULE 5 –EXPENSES BY OBJECT

FOR THE YEAR ENDED DECEMBER 31, 2024

	Budget (Unaudited)	2024	2023
<b>EXPENSES BY OBJECT</b>			
Salaries, wages, and benefits	\$ 878,927	\$ 819,789	\$ 758,771
Contracted and general services	729,641	972,761	574,192
Materials, goods, supplies and utilities	295,107	267,869	253,579
Provision for allowance for doubtful accounts	-	273	-
Transfer to local agencies	123,435	99,814	192,720
Transfer to other governments	73,964	74,857	80,286
Bank charges and short-term interest	699	825	881
Interest on long term debt	3,810	2,025	3,404
Amortization of tangible capital assets	284,108	399,933	428,225
Loss on sale of tangible capital assets	-	10,868	2,015
Other expenses	6,300	10,704	19,267
	<u>\$ 2,395,991</u>	<u>\$ 2,659,718</u>	<u>\$ 2,313,340</u>

# VILLAGE OF DELBURNE

## SCHEDULE 6 - SEGMENTED DISCLOSURE

FOR THE YEAR ENDED DECEMBER 31, 2024

	General Government	Protective Services	Transportation Services	Environmental Services	Planning & Development	Recreation & Culture	Other	Total
<b>REVENUE</b>								
Government transfers	\$ 112,215	\$ -	\$ 238,460	\$ 226,368	\$ 76,762	\$ 139,675	\$ -	\$ 793,480
Net municipal taxes	851,847	-	-	-	-	-	-	851,847
User fees and sales of goods	124	-	-	435,090	957	-	-	436,171
Franchise agreements	92,379	-	-	-	-	-	-	92,379
Rentals	-	-	-	-	32,800	12,838	-	45,638
Penalties and costs	3,974	-	-	-	-	-	-	3,974
Investment income	67,707	-	-	-	-	-	-	67,707
License and permits	1,350	4,065	-	-	-	-	-	5,415
Fines	7,114	500	-	1,597	-	-	-	9,211
Gain on sale of tangible capital assets	-	-	1,985	-	-	-	-	1,985
Other revenues	8,306	-	-	530	41,286	29,785	-	79,907
	<u>1,145,016</u>	<u>4,565</u>	<u>240,445</u>	<u>663,585</u>	<u>151,805</u>	<u>182,298</u>	<u>-</u>	<u>2,387,714</u>
<b>EXPENSES</b>								
Salaries and wages	393,067	1,288	147,536	145,730	57,557	74,611	-	819,789
Contract and general services	205,590	15,935	249,586	386,045	63,471	52,134	-	972,761
Materials, goods and supplies	41,542	6,025	103,998	51,630	25,990	38,684	-	267,869
Provision for allowance for doubtful accounts	-	-	273	-	-	-	-	273
Transfers to local agencies	-	-	-	-	-	99,814	-	99,814
Transfer to other governments	-	58,565	-	839	15,453	-	-	74,857
Bank charges and short term interest	825	-	-	-	-	-	-	825
Interest on long term debt	-	-	-	-	-	-	2,025	2,025
Loss on sale of tangible capital assets	-	-	10,680	188	-	-	-	10,868
Other expenses	10,224	-	-	450	-	30	-	10,704
	<u>651,248</u>	<u>81,813</u>	<u>512,073</u>	<u>584,882</u>	<u>162,471</u>	<u>265,273</u>	<u>2,025</u>	<u>2,259,785</u>
<b>NET REVENUE, BEFORE AMORT AND ACCRETION</b>	<u>493,768</u>	<u>(77,248)</u>	<u>(271,628)</u>	<u>78,703</u>	<u>(10,666)</u>	<u>(82,975)</u>	<u>(2,025)</u>	<u>127,929</u>
Amortization expense	<u>10,690</u>	<u>5,137</u>	<u>157,591</u>	<u>100,480</u>	<u>700</u>	<u>92,466</u>	<u>32,869</u>	<u>399,933</u>
<b>NET REVENUE (Note 14)</b>	<u>\$ 483,078</u>	<u>\$ (82,385)</u>	<u>\$ (429,219)</u>	<u>\$ (21,777)</u>	<u>\$ (11,366)</u>	<u>\$ (175,441)</u>	<u>\$ (34,894)</u>	<u>\$ (272,004)</u>

**VILLAGE OF DELBURNE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

**1. SIGNIFICANT ACCOUNTING POLICIES**

The financial statements are the representations of management prepared in accordance with local government accounting standards established by the Public Sector Accounting and Auditing Board of the Chartered Professional Accountants of Canada. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements for a period necessarily involves the use of estimates which have been made using careful judgment. Actual results could differ from those estimates. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of significant accounting policies adopted as follows:

(a) Reporting Entity

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

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

(b) Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognizes 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.

Realized and unrealized gains and losses are reported in the statement of operations.

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

**VILLAGE OF DELBURNE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

**1. SIGNIFICANT ACCOUNTING POLICIES - Continued**

(c) Use of Estimates - Continued

Amortization is based on the estimated useful lives of property and equipment. These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the periods in which they become known.

There is measurement uncertainty related to asset retirement obligations. Determining settlement amounts, discount rates and timing of settlement involves estimation. Changes to any of these estimates and assumptions may result in a change to the obligation.

(d) 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.

(e) Revenue Recognition

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

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

(f) 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.

(g) Government Transfers

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



**VILLAGE OF DELBURNE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

**1. SIGNIFICANT ACCOUNTING POLICIES – Continued**

(g) Government Transfers - Continued

Government transfers are recognized in the financial statements as revenues in the period that the events giving rise to the transfer occurred, providing the transfers are authorized, any eligibility criteria have been met by the municipality, and reasonable estimates of the amounts can be made.

(h) Taxes and Grants in Place of Taxes Receivable

Current and arrears taxes and grants in place of taxes receivable consist of current tax levies and tax levies of prior years which remain outstanding at December 31st.

(i) Held-to-Maturity Financial assets

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturity that an entity has the positive intention and ability to hold to maturity. They are measured at amortized cost using the effective interest rate method less any impairment loss. A gain or loss is recognized in net income when the financial asset or financial liability is derecognized or impaired, and through the amortization process.

(j) Land Held 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 levelling charges. Related development costs incurred to provide infrastructure such as water and waste water services, roads, sidewalks and street lighting are recorded as property and equipment under their respective function.

(k) Interest on Long-Term Debt

Interest on long-term debt is recorded as an expenditure as payment is made and is accrued for as long-term debt interest payable at the end of the year.

(l) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one party and a financial liability or equity instrument of another party. The Village's financial instruments consist of cash, receivables, long-term investments, accounts payable and accrued liabilities, deferred revenue, long-term debt and capital lease obligations. It is management's opinion that the Village is not exposed to significant interest or currency risks arising from these financial statements. Unless otherwise noted, the fair value of these financial instruments approximates their carrying values. Cash, short-term investments and long-term investments have been classified as held-to-maturity.

**VILLAGE OF DELBURNE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

**1. SIGNIFICANT ACCOUNTING POLICIES – Continued**

(m) Allowances for Operating Assets

Allowances for asset valuations are netted against the related asset. Increases in allowances are recorded as an expenditure while decreases in allowances are recorded as a revenue in the operating fund.

(n) Over-levies and Under-levies

Over-levies and under-levies arise from the difference between the actual 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. When the actual levy is less than the requisition amount, the under-levy is accrued as a receivable and as property taxes.

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

(o) Asset retirement obligations

Asset retirement obligations are legal obligations associated with the retirement of a tangible capital asset. A liability for an asset retirement obligation is recognized at an estimate of the amount required to retire a tangible capital asset at the financial statement date when there is a legal obligation for the village 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 estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at year-end. These may include, but are not limited to, decommissioning or dismantling a tangible capital asset that was acquired, constructed or developed; remediation of contamination of a tangible capital asset created by its normal use; post-retirement activities such as monitoring; and constructing other tangible capital assets to perform post-retirement activities.

The 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.

**VILLAGE OF DELBURNE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

**1. SIGNIFICANT ACCOUNTING POLICIES – Continued**

(o) Asset retirement obligation - Continued

At each financial reporting date, the village reviews the carrying amount of the liability. The village 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 village 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.

(p) Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, accounts with banks and short-term liquid investments.

(q) 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 Change in Net Financial Assets (Debt) 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, improvement, betterment or retirement 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:

	<b>YEARS</b>
Land improvements	15 - 45
Buildings	25 - 50
Engineered structures	
Roadway system	5 - 40
Water system	45 - 60
Wastewater system	45 - 60
Storm system	45 - 75
Machinery and equipment	5 - 40
Vehicles	10 - 25

The annual amortization charge in the year of acquisition and in the year of disposal is pro-rated based on the number of days that the asset was owned during the year. Assets under construction are not amortized until the asset is available for productive use.

**VILLAGE OF DELBURNE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

**1. SIGNIFICANT ACCOUNTING POLICIES – Continued**

(q) Non-Financial Assets - Continued

(ii) Contributions of Tangible Capital Assets

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

(iii) Inventories

Inventories held for consumption are recorded at the lower of cost and replacement cost. Cost is determined by using the FIFO inventory costing method.

(iv) 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.

**2. ACCOUNTING PRONOUNCEMENTS PUBLISHED BUT NOT YET ADOPTED**

The following accounting standards have been issued by the Chartered Professional Accountants of Canada but are not yet effective. Management is currently evaluating the effect of adopting these standards on the financial statements.

(a) The Conceptual Framework for Financial Reporting in the Public Sector

The Conceptual Framework is a coherent set of interrelated concepts underlying accounting and financial reporting standards, prescribes the nature, function and limits of financial accounting and reporting, and is the foundation on which standards are developed and professional judgement is applied. Effective for the fiscal years beginning on or after April 1, 2026.

(b) Section PS 1202 – Financial Statement Presentation

This section sets out general and specific requirements for the presentation of information in general purpose financial statements. This new standard will effectively replace PS 1201 – Financial Statement Presentation. Effective for the fiscal years beginning on or after April 1, 2026.

# VILLAGE OF DELBURNE

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2024

#### 3. CASH AND CASH EQUIVALENTS

	2024	2023
Cash	\$ <u>1,072,717</u>	\$ <u>1,802,494</u>

Council has designated funds of \$374,174 (2023 - \$649,625) included in the above amounts as restricted surplus.

Included in cash is a restricted balance of \$99,853 (2023 - \$237,475) related to various deferred grant revenues (Note 6) as well as a balance of \$31,892 (2023 - \$33,422) related to net proceeds from a tax sale surplus.

#### 4. TAXES AND GRANTS IN PLACE OF TAXES RECEIVABLE

	2024	2023
Current taxes and grants in place of taxes	\$ 87,440	\$ 65,648
Arrears taxes	<u>40,450</u>	<u>51,149</u>
	127,890	116,797
Less: Allowance for uncollectible taxes	<u>-</u>	<u>-</u>
	\$ <u>127,890</u>	\$ <u>116,797</u>

#### 5. LONG TERM INVESTMENTS

	2024	2023
UFA patronage account	\$ <u>1,811</u>	\$ <u>1,811</u>

#### 6. DEFERRED REVENUE

	2024	2023
Alberta Communities Partnership Grant	\$ -	\$ 97,784
Federal Gas Tax Fund (CCBF)	99,853	92,453
FCSS programs	58,456	68,848
Red Deer County	65,761	54,013
Municipal Sustainability Initiatives - operating	-	30,238
City of Red Deer - FCSS	16,691	16,691
Prepaid property taxes	19,732	13,126
Deposits	10,000	10,000
Prepaid utilities	9,866	8,606
Food bank donations	4,577	-
Other grants and programs	1,740	1,740
Prepaid licenses	<u>290</u>	<u>270</u>
	\$ <u>286,966</u>	\$ <u>393,769</u>

# VILLAGE OF DELBURNE

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

### 7. LONG TERM DEBT

	2024	2023
Alberta Capital Finance Authority, due \$81,399 semi-annually Including interest at 0.863%, maturing September 2025	\$ <u>161,750</u>	\$ <u>322,113</u>

Principal and interest repayments are as follows:

	Principal	Interest	Total
2025	\$ 161,750	\$ 1,048	\$ 162,798

Alberta Capital Finance Authority debt is issued on the credit and security of the Village at large.

### 8. 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 municipality be disclosed as follows:

	2024	2023
Total debt limit	\$ 2,869,326	\$ 2,832,113
Total debt	<u>161,750</u>	<u>322,113</u>
Amount of debt limit (exceeded) available	<u>2,707,576</u>	<u>2,510,000</u>
Debt servicing limit	478,221	472,019
Debt servicing	<u>162,798</u>	<u>162,798</u>
Amount of debt servicing limit (exceeded) available	\$ <u>315,423</u>	\$ <u>309,221</u>

The debt limit is calculated at 1.5 times revenue of the municipality (as defined in Alberta Regulation 255/00) and the debt service limit is calculated at 0.25 times such revenue. Incurring debt beyond these limitations requires approval by the Minister of Municipal Affairs. These thresholds are guidelines used by Alberta Municipal Affairs to identify municipalities 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.

### 9. EQUITY IN TANGIBLE CAPITAL ASSETS

	2024	2023
Tangible capital assets (Schedule 2)	\$ 16,018,172	\$ 15,895,366
Accumulated amortization (Schedule 2)	(7,818,779)	(7,437,297)
Long Term Debt (Note 7)	<u>(161,750)</u>	<u>(322,113)</u>
	\$ <u>8,037,643</u>	\$ <u>8,135,956</u>

# VILLAGE OF DELBURNE

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

### 10. RESTRICTED SURPLUS

	2023	Increases	Decreases	2024
Administration - capital	\$ 22,212	\$ 1,076	\$ -	\$ 23,288
Cemetery	19,920	-	-	19,920
Community enhancement	4,733	-	664	4,069
Council	2,110	-	-	2,110
Emergency services	15,564	-	-	15,564
Family and community support	8,566	-	-	8,566
Fire department	20,000	-	-	20,000
General capital	2,625	11,517	-	14,142
General contingency	4,698	-	-	4,698
Infrastructure	504,049	25,000	310,363	218,686
Lifeline	9,585	983	-	10,568
Subdivision	35,563	-	3,000	32,563
Total	\$ 649,625	\$ 38,576	\$ 314,027	\$ 374,174

### 11. SALARY & 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:

	2024			2023
	Salary(1)	Benefits & Allowances(2)	Total	Total
Mayor Wilson	\$ 18,805	\$ 92	\$ 18,897	\$ 14,885
Councillor Bourne	16,150	753	16,903	13,179
Councillor Faulk	12,415	530	12,945	9,837
Councillor Folks	12,775	552	13,327	9,560
Councillor Reckseidler	12,925	-	12,925	8,345
Karen Fegan, CAO	105,130	14,782	119,912	111,919
Other Designated Officers (1 position)	\$ 13,500	-	\$ 13,500	\$ 13,847

- (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.

**VILLAGE OF DELBURNE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

**12. CONTINGENCIES**

The Village of Delburne is a member of the Alberta Municipal Insurance Exchange (MUNIX). Under the terms of the membership, the Village of Delburne 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 Village of Delburne is a member municipality of the Central Alberta Waste Management Authority and provides funds for operations on an annual basis. The Authority is accumulating reserves to fund any future site cleanup obligations. The member municipalities may be liable for future costs in excess of the restricted surplus.

The Village of Delburne and the City of Red Deer through a joint agreement provide funds for the operation of the Delburne Family and Community Support Services. The amounts presented in this financial statement represent only the Village of Delburne portion of contributions made to F.C.S.S.

**13. FINANCIAL INSTRUMENTS**

The Village is exposed to various risks through its financial instruments. The following analysis provides a measure of the Village's risk exposure and concentrations at the balance sheet date.

**Market Risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

**Interest Rate Risk**

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Village is exposed to interest rate risk on bank indebtedness and fixed rate investments as the interest rates vary with changes in the prime lending rate.

**Operating Lines of Credit**

At December 31, 2024, the Village had short-term bank lines of credit aggregating \$50,000 (2023 - \$50,000) of which \$NIL (2023 - \$NIL) had been drawn down. Lines of credit are revolving operating and term facilities that bear interest at prime. They are reviewed annually and secured by a general security agreement.



**VILLAGE OF DELBURNE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

**13. FINANCIAL INSTRUMENTS - Continued**

**Credit Risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

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

**14. SEGMENTED DISCLOSURE**

The Village of Delburne 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.

General government includes council and other legislative, and general administration. Protective services includes bylaw enforcement, police and fire. Transportation includes roads, streets, walks, lighting and airport. Environmental use and protection includes water supply and distribution, wastewater treatment and disposal, and waste management. Planning and development includes land use planning, zoning and subdivision land and development. Public health and welfare includes family and community support. Recreation and culture includes parks and recreation, libraries, museums and halls.

Refer to the Schedule 6 – Segmented Disclosure.

**15. APPROVAL OF FINANCIAL STATEMENTS**

Council and Management have approved these financial statements.