

**TOWN OF BASHAW**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

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**MANAGEMENTS' RESPONSIBILITY FOR  
FINANCIAL REPORTING**

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

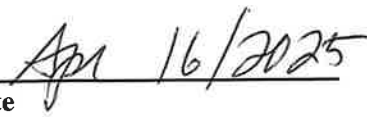
These systems are monitored and evaluated by management and reliable financial information is available for preparation of the financial statements.

The town 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 Town Council has approved the financial statements.

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

### Opinion

We have audited the financial statements of the Town of Bashaw, 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the town 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 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 Municipal Financial Statements* section of our report. We are independent of the town 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 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 town 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 town'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 town's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the town's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 town to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

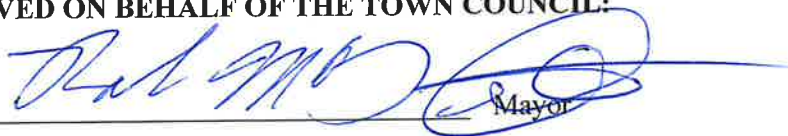
Stettler, Alberta  
April 16, 2025

  
CHARTERED PROFESSIONAL ACCOUNTANTS

**TOWN OF BASHAW**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2024**

	<b>2024</b>	<b>2023</b>
<b>FINANCIAL ASSETS</b>		
Cash and short term investments (Note 3)	\$ 1,610,336	\$ 1,678,030
Taxes and grants in place of taxes receivables (Note 4)	180,504	175,257
Trade and other receivables (Note 5)	582,280	204,966
Long-term investments (Note 6)	<u>373,995</u>	<u>373,995</u>
	<u>2,747,115</u>	<u>2,432,248</u>
 <b>LIABILITIES</b>		
Accounts payable and accrued liabilities	211,644	176,967
Tax sale surplus (Note 7)	33,226	20,915
Deposit liabilities	1,625	1,997
Deferred revenue (Note 8)	415,102	67,555
Due to Highway 12/21 Regional Water Services Commission (Note 9)	230,354	245,085
Reclamation liability (Note 10)	12,800	12,800
Asset retirement obligation (Note 11)	<u>413,493</u>	<u>387,254</u>
	<u>1,318,244</u>	<u>912,573</u>
 <b>NET FINANCIAL ASSETS (DEBT)</b>	 <u>1,428,871</u>	 <u>1,519,675</u>
 <b>NON-FINANCIAL ASSETS</b>		
Land held for resale	244,516	250,062
Prepaid expenses	25,367	17,500
Inventory for consumption	4,378	4,378
Tangible capital assets (Schedule 2)	<u>10,549,624</u>	<u>10,946,084</u>
	<u>10,823,885</u>	<u>11,218,024</u>
 <b>ACCUMULATED SURPLUS (Schedule 1, Note 12)</b>	 \$ <u>12,252,756</u>	 \$ <u>12,737,699</u>
Commitments (Note 19)		
Contingencies (Note 20)		

**APPROVED ON BEHALF OF THE TOWN COUNCIL:**

  
 \_\_\_\_\_  
 Mayor

# TOWN OF BASHAW

## STATEMENT OF OPERATIONS

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

	Budget (Unaudited)	2024	2023
<b>REVENUES</b>			
Net municipal property taxes (Schedule 3)	\$ 869,893	\$ 867,227	\$ 839,887
Government transfers for operating (Schedule 4)	365,906	346,525	230,079
Sales of goods and user fees	773,025	861,022	805,050
Investment income	51,000	81,038	86,944
Rentals	28,520	30,409	29,303
Franchise and concession contracts	63,636	64,544	61,160
Penalties and costs of taxes	34,000	38,320	34,154
Other	26,255	27,336	36,647
Gain on disposal of tangible capital assets	<u>-</u>	<u>-</u>	<u>4,973</u>
<b>Total Revenue</b>	<u>2,212,235</u>	<u>2,316,421</u>	<u>2,128,197</u>
<b>EXPENSES (Schedule 5)</b>			
Legislative	32,945	30,817	31,604
Administration	422,175	405,750	390,335
Fire, ambulance and bylaws enforcement	187,664	192,278	250,560
Roads, streets, walk, lighting	385,597	415,407	451,831
Water and wastewater	589,948	702,596	617,921
Waste management	85,034	76,133	76,398
Family and community support	63,700	63,700	59,873
Subdivision land and development	103,816	67,078	24,426
Public health and welfare	18,879	12,427	18,167
Recreation and parks	320,492	321,147	322,027
Culture	60,984	77,814	54,677
Amortization (Note 21)	-	454,067	455,344
Accretion (Note 11)	-	19,746	18,879
Loss on disposal of tangible capital assets	<u>-</u>	<u>17,644</u>	<u>-</u>
<b>Total Expenses</b>	<u>2,271,234</u>	<u>2,856,604</u>	<u>2,772,042</u>
<b>EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES – BEFORE CAPITAL REVENUE</b>	(58,999)	(540,183)	(643,845)
<b>CAPITAL REVENUE</b>			
Government transfers for capital (Schedule 4)	<u>78,443</u>	<u>55,240</u>	<u>249,238</u>
<b>EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES</b>	\$ <u>19,444</u>	<u>(484,943)</u>	<u>(394,607)</u>
<b>ACCUMULATED SURPLUS – BEGINNING OF YEAR</b>		<u>12,737,699</u>	<u>13,132,306</u>
<b>ACCUMULATED SURPLUS – END OF YEAR</b>		\$ <u>12,252,756</u>	\$ <u>12,737,699</u>

## TOWN OF BASHAW

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

FOR THE YEAR ENDED DECEMBER 31, 2024

	Budget (Unaudited)	2024	2023
<b>EXCESS (SHORTFALL) OF REVENUES OVER EXPENSES</b>	\$ <u>19,444</u>	\$ <u>(484,943)</u>	\$ <u>(394,607)</u>
Acquisition of tangible capital assets	(108,000)	(94,099)	(15,695)
Change in discount rate for asset retirement obligation	-	(6,493)	7,531
Proceeds on disposal of tangible capital assets	-	25,341	4,973
Amortization of tangible capital assets	-	454,067	455,344
(Gain) loss on disposal of tangible capital assets	-	17,644	(4,973)
	<u>(108,000)</u>	<u>396,460</u>	<u>447,180</u>
Use of prepaid assets	-	17,500	13,993
Acquisition of prepaid assets	-	(25,367)	(17,500)
Cost of land held for resale (addition)	-	-	(6,956)
Cost of land held for resale sold	-	5,546	-
	<u>-</u>	<u>(2,321)</u>	<u>(10,463)</u>
<b>INCREASE (DECREASE) IN NET FINANCIAL ASSETS (DEBT)</b>	\$ <u>(88,556)</u>	(90,804)	42,110
<b>NET FINANCIAL ASSETS (DEBT) - BEGINNING OF YEAR</b>		<u>1,519,675</u>	<u>1,477,565</u>
<b>NET FINANCIAL ASSETS (DEBT) - END OF YEAR</b>		\$ <u>1,428,871</u>	\$ <u>1,519,675</u>

# TOWN OF BASHAW

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2024

	2024	2023
<b>OPERATING ACTIVITIES</b>		
Excess (shortfall) of revenues over expenses	\$ (484,943)	\$ (394,607)
Non-cash items included in excess (shortfall) of revenues over expenses:		
Amortization of tangible capital assets	454,067	455,344
Gain/Loss on disposal of tangible capital assets	17,644	(4,973)
Accretion	19,746	18,879
Non-cash changes to operations (net change):		
Taxes and grants in place of taxes receivables	(5,247)	(39,392)
Trade and other receivables	(377,314)	127,526
Prepaid expenses	(7,867)	(3,507)
Cost of land held for resale	5,546	(6,956)
Accounts payable and accrued liabilities	34,677	42,688
Tax sale surplus	12,311	13,988
Deposit liabilities	(372)	(796)
Deferred revenue	347,547	(35,697)
Net cash provided by (used in) operating activities	<u>15,795</u>	<u>172,497</u>
<b>CAPITAL ACTIVITIES</b>		
Acquisition of tangible capital assets	(94,099)	(15,695)
Proceeds on disposal of tangible capital assets	25,341	4,973
Net cash provided by (used in) capital activities	<u>(68,758)</u>	<u>(10,722)</u>
<b>INVESTING ACTIVITIES</b>		
Decrease (increase) in restricted cash and short-term investments	37,316	(77,288)
Net cash provided by (used in) investing activities	<u>37,316</u>	<u>(77,288)</u>
<b>FINANCING ACTIVITIES</b>		
Due to Highway 12/21 Regional Water Services		
Commission - Payments	(14,731)	(14,088)
Net cash provided by (used in) financing activities	<u>(14,731)</u>	<u>(14,088)</u>
<b>CHANGE IN CASH AND EQUIVALENTS DURING THE YEAR</b>	<b>(30,378)</b>	<b>70,399</b>
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<b><u>1,589,560</u></b>	<b><u>1,519,161</u></b>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b><u>1,559,182</u></b>	<b><u>1,589,560</u></b>
<b>CASH AND CASH EQUIVALENTS IS MADE UP OF:</b>		
Cash and short term investments (Note 3)	1,610,336	1,678,030
Less: Restricted portion of cash and short term investments (Note 3)	(51,154)	(88,470)
	<u>\$ 1,559,182</u>	<u>\$ 1,589,560</u>

**TOWN OF BASHAW**

**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>1,665,841</u>	\$ <u>513,028</u>	\$ <u>10,558,830</u>	\$ <u>12,737,699</u>	\$ <u>13,132,306</u>
Excess (deficiency) of revenues over expenses	(484,943)	-	-	(484,943)	(394,607)
Funds designated for future use	(91,522)	91,522	-	-	-
Current year funds used for tangible capital assets	(68,758)	-	68,758	-	-
Restricted funds used for tangible capital assets	-	(25,341)	25,341	-	-
Disposal of tangible capital assets	17,644	25,341	(42,985)	-	-
Annual accretion expense	19,746	-	(19,746)	-	-
Annual amortization expense	<u>454,067</u>	-	<u>(454,067)</u>	-	-
Change in accumulated surplus	<u>(153,766)</u>	<u>91,522</u>	<u>(422,699)</u>	<u>(484,943)</u>	<u>(394,607)</u>
<b>BALANCE - END OF YEAR</b>	<u>\$ 1,512,075</u>	<u>\$ 604,550</u>	<u>\$ 10,136,131</u>	<u>\$ 12,252,756</u>	<u>\$ 12,737,699</u>

**TOWN OF BASHAW**

**SCHEDULE 2 – SCHEDULE OF TANGIBLE CAPITAL ASSETS**

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

		Land	Land Improvements	Buildings	Engineered Structures	Machinery and Equipment	Vehicles	
		231,357	114,510	4,254,079	15,415,525	1,125,862	192,537	\$ 21,333,870
		-	-	-	-	15,986	78,113	94,099
Acquisition of tangible capital assets		-	-	6,493	-	-	-	6,493
Change in discount rate for asset retirement obligation		-	-	-	-	(65,900)	(63,900)	(129,800)
Disposal of tangible capital assets		-	-	-	-	-	-	-
<b>BALANCE - END OF YEAR</b>		<u>231,357</u>	<u>114,510</u>	<u>4,260,572</u>	<u>15,415,525</u>	<u>1,075,948</u>	<u>206,750</u>	<u>21,304,662</u>
		-	58,378	1,533,815	7,889,871	791,622	114,100	10,387,786
<b>ACCUMULATED AMORTIZATION</b>		-	6,637	83,953	293,932	58,079	11,466	454,067
BALANCE - BEGINNING OF YEAR		-	-	-	-	(43,341)	(43,474)	(86,815)
Annual amortization		-	-	-	-	-	-	-
Accumulated amortization on disposals		-	-	-	-	-	-	-
<b>BALANCE - END OF YEAR</b>		<u>-</u>	<u>65,015</u>	<u>1,617,768</u>	<u>8,183,803</u>	<u>806,360</u>	<u>82,092</u>	<u>10,755,038</u>
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>		<u>\$ 231,357</u>	<u>\$ 49,495</u>	<u>\$ 2,642,804</u>	<u>\$ 7,231,722</u>	<u>\$ 269,588</u>	<u>\$ 124,658</u>	<u>\$ 10,549,624</u>
<b>2023 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>		<u>\$ 231,357</u>	<u>\$ 56,132</u>	<u>\$ 2,720,264</u>	<u>\$ 7,525,654</u>	<u>\$ 334,240</u>	<u>\$ 78,437</u>	<u>\$ 10,946,084</u>

# TOWN OF BASHAW

## SCHEDULE 3 – PROPERTY AND OTHER TAXES

FOR THE YEAR ENDED DECEMBER 31, 2024

	<b>Budget (Unaudited)</b>	<b>2024</b>	<b>2023</b>
<b>TAXATION</b>			
Real property taxes	\$ 1,033,283	\$ 1,030,782	\$ 1,002,391
Linear property taxes	43,749	45,578	44,504
Government grants in lieu of property taxes	<u>20,412</u>	<u>18,418</u>	<u>20,618</u>
	<u>1,097,444</u>	<u>1,094,778</u>	<u>1,067,513</u>
 <b>REQUISITIONS</b>			
Alberta School Foundation Fund	224,856	224,856	226,016
Camrose Seniors' Foundation	<u>2,695</u>	<u>2,695</u>	<u>1,610</u>
	<u>227,551</u>	<u>227,551</u>	<u>227,626</u>
 <b>NET MUNICIPAL TAXES</b>			
	\$ <u>869,893</u>	\$ <u>867,227</u>	\$ <u>839,887</u>

## TOWN OF BASHAW

### SCHEDULE 4 – GOVERNMENT TRANSFERS

FOR THE YEAR ENDED DECEMBER 31, 2024

	Budget (Unaudited)	2024	2023
<b>TRANSFERS FOR OPERATING</b>			
Provincial government	\$ 246,768	\$ 222,609	\$ 117,501
Local government	<u>119,138</u>	<u>123,916</u>	<u>112,578</u>
	<u>365,906</u>	<u>346,525</u>	<u>230,079</u>
<b>TRANSFERS FOR CAPITAL</b>			
Federal government	78,443	32,240	124,473
Provincial government	<u>-</u>	<u>23,000</u>	<u>124,765</u>
	<u>78,443</u>	<u>55,240</u>	<u>249,238</u>
<b>TOTAL GOVERNMENT TRANSFERS</b>	<b>\$ <u>444,349</u></b>	<b>\$ <u>401,765</u></b>	<b>\$ <u>479,317</u></b>

### 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	\$ 718,928	\$ 691,574	\$ 622,068
Contracted and general services	713,567	860,746	938,334
Materials, goods, supplies and utilities	736,701	703,131	630,501
Transfers to individuals, organizations and boards	91,337	89,699	86,466
Loss on disposal of tangible capital assets	-	17,644	-
Bank charges and interest	600	10,703	11,295
Amortization of tangible capital assets (Note 21)	-	454,067	455,344
Accretion expense	-	19,746	18,879
Other expenditures	<u>10,101</u>	<u>9,294</u>	<u>9,155</u>
	<u>\$ 2,271,234</u>	<u>\$ 2,856,604</u>	<u>\$ 2,772,042</u>

**TOWN OF BASHAW**

**SCHEDULE 6 - SEGMENTED DISCLOSURE**

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

	<b>General Government</b>	<b>Protective Services</b>	<b>Transportation Services</b>	<b>Environmental use &amp; Protection</b>	<b>Public Health &amp; Welfare</b>	<b>Planning &amp; Development</b>	<b>Recreation &amp; Culture</b>	<b>Total</b>
<b>REVENUE</b>								
Net municipal taxes	\$ 867,227	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 867,227
Government transfers	144,262	65,175	-	-	57,285	41,521	38,282	346,525
Sales of goods and user fees	3,017	40,487	-	711,671	4,660	29,053	72,134	861,022
Investment income	81,038	-	-	-	-	-	-	81,038
Penalties and costs on taxes	38,320	-	-	-	-	-	-	38,320
Franchise agreement	64,544	-	-	-	-	-	-	64,544
Rentals	20,845	-	2,280	-	-	7,284	-	30,409
Other revenues	4,789	9,199	398	8,760	-	1,480	2,710	27,336
	<u>1,224,042</u>	<u>114,861</u>	<u>2,678</u>	<u>720,431</u>	<u>61,945</u>	<u>79,338</u>	<u>113,126</u>	<u>2,316,421</u>
<b>EXPENSES</b>								
Contracted and general services	153,965	84,127	67,019	329,567	11,309	57,329	157,430	860,746
Salaries, wages and benefits	264,082	55,601	150,260	80,188	1,118	-	140,325	691,574
Materials, goods, supplies and utilities	8,229	52,550	198,129	354,457	-	4,203	85,563	703,131
Transfers - individuals, organizations, boards	5,968	-	-	4,389	63,700	-	15,642	89,699
Other expenditures	4,323	-	-	10,128	-	5,546	-	19,997
	<u>436,567</u>	<u>192,278</u>	<u>415,408</u>	<u>778,729</u>	<u>76,127</u>	<u>67,078</u>	<u>398,960</u>	<u>2,365,147</u>
<b>NET REVENUE - BEFORE AMORTIZATION AND ACCRETION</b>	787,475	(77,417)	(412,730)	(58,298)	(14,182)	12,260	(285,834)	(48,726)
Capital government transfers	-	-	-	32,240	-	-	23,000	55,240
Amortization of tangible capital assets	(14,485)	(4,017)	(198,359)	(137,457)	-	(935)	(98,814)	(454,067)
Gain (loss) on disposal of tangible capital assets	-	-	(17,644)	-	-	-	-	(17,644)
Accretion of asset retirement obligations	(4,861)	(803)	(501)	(952)	-	(671)	(11,958)	(19,746)
	<u>768,129</u>	<u>(82,237)</u>	<u>(629,234)</u>	<u>(164,467)</u>	<u>(14,182)</u>	<u>10,654</u>	<u>(373,606)</u>	<u>(484,943)</u>
<b>NET REVENUE</b>	\$ 707,701	\$ (98,865)	\$ (539,849)	\$ (135,714)	\$ (20,049)	\$ (17,579)	\$ (290,252)	\$ (394,607)

# TOWN OF BASHAW

## 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 generally accepted accounting principles for local government established by the Public Sector Accounting Board of Chartered Professional Accountants of Canada.

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 town and are, therefore, accountable to the 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.

#### (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.

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.

# TOWN OF BASHAW

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

### 1. SIGNIFICANT ACCOUNTING POLICIES - Continued

#### (c) Use of Estimates - Continued

The value of long-term investments is subject to measurement uncertainty. To estimate the amount of allowance for impairment, the cost of the investment was compared to the amount reasonably possible to be received upon disposal.

An area requiring the use of management's estimates was the reclamation liability. The liability is in relation to costs associated with reclaiming a gravel pit. The amount of the liability was determined by estimating the cost to the town of hiring third party contractors to perform the reclamation. Any changes in assumptions or value of services could result in the understatement of the liability.

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) Revenue Recognition

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

Revenue from transactions with performance obligations is recognized as the performance obligations are satisfied by providing the promised goods or services to the payor. User fees are recognized 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.

#### (e) 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.

# TOWN OF BASHAW

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

### 1. SIGNIFICANT ACCOUNTING POLICIES - Continued

(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.

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) Pension Expenditure

The town participates in a multi-employer defined benefit pension plan. The plan is accounted for as a defined contribution plan.

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

(i) Taxes and Grants in Place of Taxes Receivables

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

(j) Investments

Investments are recorded at cost. When there has been a loss in value that is other than a temporary decline, the respective investment is written down to recognize the loss.

(k) Land for Resale

Land held for resale is recorded at the lower of cost and net realizable value. Cost includes costs for land acquisition and improvements required to prepare the land for servicing such as clearing, stripping, and leveling charges. Related development costs incurred to provide infrastructure such as water and wastewater services, roads, sidewalks and street lighting are recorded as physical assets under the respective function.

# TOWN OF BASHAW

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

### 1. SIGNIFICANT ACCOUNTING POLICIES - Continued

(l) Cash and Cash Equivalents

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

(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) Requisition 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. Where the actual levy is less than the requisition amount, the under-levy is accrued as a receivable and as property tax revenue.

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

(o) 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 town initially measures its financial assets and financial liabilities at fair value, except for certain related party transactions that are measured at the carrying amount or exchange amount, as appropriate.

The town subsequently measures all of its financial assets and financial liabilities at cost or amortized cost, except for cash which is measured at fair value.

Amortized cost is the amount at which a financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortization of any difference between that initial amount and the maturity amount, and minus any reduction for impairment.

The town's financial instruments consist of cash and short term investments, receivables, long-term investments, accounts payable and accrued liabilities. It is management's opinion that the town 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.

# TOWN OF BASHAW

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

### 1. SIGNIFICANT ACCOUNTING POLICIES - Continued

#### (p) 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 as 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 town 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.

At each financial reporting date, the town reviews the carrying amount of the liability. The town recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount 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 town continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

#### (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.

# TOWN OF BASHAW

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

### 1. SIGNIFICANT ACCOUNTING POLICIES - Continued

#### (q) Non-Financial Assets - Continued

##### (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:

	YEARS
Buildings	25-50
Engineered structures	
Roadway system	20-30
Water system	45-75
Wastewater system	45-75
Other engineered structures	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.

##### (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.

### 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.

# TOWN OF BASHAW

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2024

#### 3. CASH AND SHORT TERM INVESTMENTS

	2024	2023
Cash, interest at prime less 2.30%	\$ 1,063,775	\$ 1,170,002
Short term investments	<u>546,561</u>	<u>508,028</u>
	<u>\$ 1,610,336</u>	<u>\$ 1,678,030</u>

Short term investments are valued at cost and are deposits maturing January 2025. The interest rates are at 3.45%.

Council has designated funds of \$604,550 (2023 - \$513,028) included in the above amounts for restricted surplus.

Included in the above are the restricted amounts of \$51,154 (2023 - \$67,555) of deferred grant funding and \$33,226 (2023 - \$20,915) of tax recovery funds.

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

	2024	2023
Current taxes and grants in place of taxes	\$ 129,991	\$ 123,122
Arrears taxes and grants in place of taxes	<u>50,513</u>	<u>52,135</u>
	<u>\$ 180,504</u>	<u>\$ 175,257</u>

An allowance for doubtful accounts in the amount of \$3,755 (2023 - \$11,801) has been recorded and offset against the current and arrears taxes receivable balances at December 31<sup>st</sup>.

#### 5. TRADE AND OTHER RECEIVABLES

	2024	2023
Canada Community-Building fund	\$ 99,402	\$ -
GST	15,219	20,907
Local Government Fiscal Framework – capital	287,914	-
Other	40,441	33,866
Receivable from other government	58,070	58,288
Utilities	<u>81,234</u>	<u>91,905</u>
	<u>\$ 582,280</u>	<u>\$ 204,966</u>

#### 6. LONG-TERM INVESTMENTS

	2024	2023
Highway 12/21 Regional Water Services Commission	\$ <u>373,995</u>	\$ <u>373,995</u>

The town is a member of the Highway 12/21 Regional Water Services Commission. The investment represents the cost of their investment in the commission.

# TOWN OF BASHAW

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2024

#### 7. TRUST FUNDS

A summary of trust fund activities by the town is as follows:

	2024	2023
Tax sale surplus		
Balance – beginning of year	\$ 20,915	\$ 6,927
Tax recovery sale – net	<u>12,311</u>	<u>13,988</u>
Balance – end of year	\$ <u>33,226</u>	\$ <u>20,915</u>

#### 8. DEFERRED REVENUE

	2024	2023
FCC AgriSpirit grant	\$ 963	\$ 15,000
Canada Community - Building Fund	93,645	26,483
Local Government Fiscal Framework – capital	264,914	-
Municipal Sustainability Initiative – operating	-	26,072
MFR grant	1,713	-
Other	5,388	-
SCOP grant	<u>48,479</u>	<u>-</u>
	\$ <u>415,102</u>	\$ <u>67,555</u>

#### 9. DUE TO HIGHWAY 12/21 REGIONAL WATER SERVICES COMMISSION

	2024	2023
Payable to Highway 12/21 Regional Water Services Commission, due \$7,189 semi-annually including interest at 5.24%, maturing Dec. 2033	\$ 102,122	\$ 110,805
Payable to Highway 12/21 Regional Water Services Commission, due \$1,387 semi-annually including interest at 4.59% maturing Dec 2034	22,050	23,754
Payable to Highway 12/21 Regional Water Services Commission, due \$1,326 semi-annually including interest at 2.94%, maturing June 2040	32,805	34,454
Payable to Highway 12/21 Regional Water Services Commission, due \$2,528 semi-annually including interest at 3.132%, maturing March 2044	<u>73,377</u>	<u>76,072</u>
	\$ <u>230,354</u>	\$ <u>245,085</u>

Principal and interest repayments are as follows:

	Principal	Interest	Total
2025	\$ 15,405	\$ 9,454	\$ 24,859
2026	16,111	8,748	24,859
2027	16,852	8,007	24,859
2028	17,627	7,232	24,859
2029	18,441	6,418	24,859
Thereafter	<u>145,918</u>	<u>26,602</u>	<u>172,520</u>
	\$ <u>230,354</u>	\$ <u>66,461</u>	\$ <u>296,815</u>

# TOWN OF BASHAW

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

### 10. RECLAMATION LIABILITY

The town has an obligation to reclaim a gravel pit. The amount recorded is an estimate made by management of the costs associated with reclamation.

### 11. ASSET RETIREMENT OBLIGATION

The town owns buildings which contain asbestos and, therefore, the town 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 of \$1,619,562 between the years 2030 and 2059. The estimated total liability of \$413,493 (2023 - \$387,254) is based on the sum of discounted future cash flows for abatement activities using an average discount rate of between 4.60% to 5.14% and assuming annual inflation of 3%. The town has not designated assets for settling the abatement activities.

	2024	2023
Balance, beginning of year	\$ 387,254	\$ 375,905
Change in estimated cash flows	6,493	(7,530)
Accretion expense	<u>19,746</u>	<u>18,879</u>
	\$ <u>413,493</u>	\$ <u>387,254</u>

### 12. ACCUMULATED SURPLUS

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

	2024	2023
Unrestricted surplus (deficit)	\$ 1,512,075	\$ 1,665,841
Equity in tangible capital assets (Note 14)	10,136,131	10,558,830
Restricted surplus (Note 13)	<u>604,550</u>	<u>513,028</u>
	\$ <u>12,252,756</u>	\$ <u>12,737,699</u>

# TOWN OF BASHAW

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

### 13. RESTRICTED SURPLUS

	2023	Increases	Decreases	2024
Restricted for Operating:				
Administration	\$ 22,278	\$ -	\$ -	\$ 22,278
Cemetery	22,102	-	-	22,102
Culture	3,644	-	-	3,644
Fire	19,656	13,600	-	33,256
Parks	26,976	-	-	26,976
Roads and streets	17,290	-	-	17,290
Water	8,440	15,357	-	23,797
Waste water	15,645	-	-	15,645
	<u>136,031</u>	<u>28,957</u>	<u>-</u>	<u>164,988</u>
Restricted for Capital:				
Administration	35,802	-	-	35,802
Airport	5,706	-	-	5,706
Cemetery	10,544	-	-	10,544
Culture	31,738	-	-	31,738
Emergency services	4,684	-	-	4,684
Parks	30,795	-	-	30,795
Recreation	3,295	-	-	3,295
Roads, streets and equipment	10,707	43,517	-	54,224
Subdivision, land and development	26,054	19,048	-	45,102
Tourism	3,659	-	-	3,659
Water infrastructure	111,692	-	-	111,692
Wastewater infrastructure	102,321	-	-	102,321
	<u>376,997</u>	<u>62,565</u>	<u>-</u>	<u>439,562</u>
Total	\$ <u>513,028</u>	\$ <u>91,522</u>	\$ <u>-</u>	\$ <u>604,550</u>

### 14. EQUITY IN TANGIBLE CAPITAL ASSETS

	2024	2023
Tangible capital assets (Schedule 2)	\$ 21,304,662	\$ 21,333,870
Accumulated amortization (Schedule 2)	(10,755,038)	(10,387,786)
Asset retirement obligation (Note 12)	(413,493)	(387,254)
	<u>\$ 10,136,131</u>	<u>\$ 10,558,830</u>

# TOWN OF BASHAW

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2024

#### 15. 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	
Rob McDonald, Mayor	\$ 5,700	\$ 115	\$ 5,815	\$	6,131
Cindy Orom, Councillor	4,200	115	4,315		4,542
Bryan Gust, Councillor	4,200	115	4,315		4,542
Jackie Northey, Councillor	4,200	115	4,315		4,542
Kyle McIntosh, Councillor	4,200	115	4,315		4,542
Theresa Fuller, CAO	103,694	23,940	127,634		125,236
Designated Officers ( 1 position)	\$ 13,547	\$ -	\$ 13,547	\$	13,423

(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.

#### 16. LOCAL AUTHORITIES PENSION PLAN

Employees of the Town of Bashaw participate in the Local Authorities Pension Plan (LAPP), which is covered by the Public Sector Pension Plans Act. The Plan serves about 304,451 people and about 444 employers. It is financed by employer and employee contributions and investment earnings of the LAPP Fund.

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

The Town of Bashaw is required to make current service contributions to the Plan of 8.45% of pensionable earnings up to the Canada Pension Plan Year's Maximum Pensionable Earnings and 12.23% for the excess. Employees of the Town of Bashaw are required to make current service contributions of 7.45% of pensionable salary up to the year's maximum pensionable salary and 11.23% on pensionable salary above this amount.

Total current and past service contributions by the Town of Bashaw to the Local Authorities Pension Plan in 2024 were \$34,326 (2023 - \$32,577). Total current and past service contributions by the employees of the Town of Bashaw to the Local Authorities Pension Plan in 2024 were \$30,477 (2023 - \$28,951).

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

# TOWN OF BASHAW

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

### 17. 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	\$ 3,474,632	\$ 3,192,296
Total debt	-	-
Total debt limit available	<u>3,474,632</u>	<u>3,192,296</u>
Debt service limit	579,105	532,049
Debt service	-	-
Debt service limit available	<u>\$ 579,105</u>	<u>\$ 532,049</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.

### 18. FINANCIAL INSTRUMENTS

The town is exposed to various risks through its financial instruments. The following analysis provides a measure of the town'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. It is management's opinion that the town is not exposed to significant currency or other price risk, which is consistent with the prior year.

#### 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 town 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 town provides services may experience financial difficulty and be unable to fulfill their obligations. The large number and diversity of taxpayers and customers minimizes the credit risk. The carrying value of accounts receivable reflects management's assessment of credit risk.

# TOWN OF BASHAW

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

### 18. FINANCIAL INSTRUMENTS - Continued

#### Interest Rate Risk

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

The town has fixed rate investments and long-term debt which are subject to fair value risk, as the value will fluctuate as a result of changes in market rates.

#### Operating Lines of Credit

At December 31, 2024 the town had short-term credit card lines of credit aggregating \$10,000 (2023 - \$10,000) of which \$NIL (2023 - \$NIL) had been drawn down. The credit cards bear interest at 16.99%.

#### Liquidity Risk

Liquidity risk is the risk that the town will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The town has sufficient cash available from its operations to meet its obligations. Management is of the opinion that liquidity risk is not a significant risk and there has been no change to the risk exposures from the prior year.

### 19. COMMITMENTS

The town is a member of the Highway 12/21 Regional Water Services Commission which is a related party. The town has entered into a 25 year agreement to receive water, expiring September 2042. The town purchased water from the commission during the year in the amount of \$314,511 (2023 - \$317,452). Included in accounts payable is \$32,390 (2023 - \$41,551) due to the commission.

Amounts are recorded at exchange amount which is the amount agreed to by the parties.

The town is a member of a waste management authority. As such, they could be subject to additional requisitions for future site and post-closure care obligations of the landfill. The town is a party to a waste disposal agreement with Camrose County, which expires December 2027. The town has agreed to pay \$20 per tonne.

The town is party to a shared fire protection services funding agreement with three other municipalities. Under the agreement they are responsible for their share of the costs of fire protection.

The town has an agreement in place, effective July 1, 2023, for guaranteed professional maintenance for the Bashaw Arena and Curling Rink. The town has agreed to pay \$25,892 per year (\$2,158 per month) and the agreement shall continue in effect from year to year unless either party gives written notice of intention not to renew at least 30 days prior to anniversary date.

# TOWN OF BASHAW

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

### 20. CONTINGENCIES

The Town of Bashaw is a member of the Alberta Municipal Insurance Exchange (MUNIX). Under the terms of the membership, the Town of Bashaw 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 town is a defendant in a lawsuit for \$4,200,000 plus interest, costs and other damages. To the date of the Independent Auditors' Report this action has yet to be settled and the outcome is not determinable. No provision for any loss has been recorded in the financial statements. A reliable estimate of any loss cannot be made at the time. The amount of any future settlement would be accounted for as a current transaction in the year of settlement.

### 21. AMORTIZATION

Amortization is a non-cash expense and is allocated to the different functions as follows:

	2024	2023
Administration	\$ 14,485	\$ 14,481
Fire, ambulance and bylaws enforcement	4,017	4,868
Roads, streets, walk, lighting	198,359	198,812
Water and wastewater	137,457	137,907
Recreation and parks	26,778	25,621
Culture	72,037	72,043
Other	934	1,612
	<u>\$ 454,067</u>	<u>\$ 455,344</u>

### 22. SEGMENTED DISCLOSURE

The Town of Bashaw 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.

# **TOWN OF BASHAW**

## **NOTES TO THE FINANCIAL STATEMENTS**

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

#### **23. BUDGET AMOUNTS**

Budget figures for the year ended December 31, 2024 are for information purposes only and have not been audited.

#### **24. APPROVAL OF FINANCIAL STATEMENTS**

Council and Management approved these financial statements.