

COUNTY OF WARNER NO. 5

Consolidated Financial Statements

For the year ended December 31, 2024

COUNTY OF WARNER NO. 5
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For the year ended December 31, 2024

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INDEPENDENT AUDITOR'S REPORT

To: The Reeve and Members of Council of
the County of Warner No. 5

Opinion

We have audited the consolidated financial statements of the County of Warner No. 5 which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statements of operations, remeasurement gains and losses, change in net financial assets and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the County of Warner No. 5 as at December 31, 2024, the results of its operations, remeasurement gains and losses, change in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

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

In preparing the consolidated financial statements, management is responsible for assessing the County's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the County or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

INDEPENDENT AUDITOR'S REPORT, continued

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

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

Lethbridge, Alberta

April 15, 2025



Chartered Professional Accountants

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

Management of the County of Warner No. 5 is responsible for the preparation, accuracy, objectivity and integrity of the accompanying consolidated financial statements and all other information contained within this Financial Report. Management believes that the consolidated financial statements present fairly the County's financial position as at December 31, 2024 and the results of its operations for the yearend then ended.

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

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

In fulfilling its responsibilities and recognizing the limits inherent in all systems, management has designed and maintains a system of internal controls to produce reliable information and to meet reporting requirements on a timely basis. The system is designed to provide management with reasonable assurance that transactions are properly authorized and assets are properly accounted for and safeguarded.

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

The County Council carries out its responsibilities for review of the consolidated financial statements principally through its Audit Committee. This committee meets regularly with management and external auditors to discuss the results of audit examinations and financial reporting matters.

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

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



Chief Administrative Officer

COUNTY OF WARNER NO. 5
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2024

	2024	2023
Financial assets		
Cash and temporary investments (note 2)	\$ 5,655,900	\$ 6,635,279
Taxes and grants in place of taxes receivable (note 3)	1,926,307	1,541,825
Trade and other receivables (note 4)	586,801	336,537
Land held for resale	17,783	17,783
	8,186,791	8,531,424
Liabilities		
Accounts payable and accrued liabilities	567,645	730,551
Employee benefit obligations (note 5)	449,572	420,219
Provision for reclamation (note 6)	1,677,500	1,493,500
Deferred revenue (note 7)	-	102,316
Long-term debt	-	350,000
	2,694,717	3,096,586
Net financial assets	5,492,074	5,434,838
Non-financial assets		
Prepaid expenses	179,596	181,348
Inventory for consumption (note 8)	2,752,554	3,266,221
Tangible capital assets (schedule 2)	35,308,751	34,225,530
	38,240,901	37,673,099
Accumulated surplus (note 9 and schedule 1)		
Accumulated operating surplus	43,732,975	43,107,937
Accumulated remeasurement gains (losses)	-	-
	\$ 43,732,975	\$ 43,107,937

Contingency (note 16)

Approved on behalf of Council:

Councillor

 _____

Councillor

 _____

COUNTY OF WARNER NO. 5
CONSOLIDATED STATEMENT OF OPERATIONS
For the year ended December 31, 2024

	Budget (Unaudited)	2024	2023
Revenue			
Net municipal taxes (note 12)	\$ 9,658,604	\$ 9,716,726	\$ 8,096,888
User fees and sales of goods	636,250	710,177	786,654
Government transfers for operating (note 13)	696,251	710,001	627,441
Investment income	178,000	201,668	255,108
Penalties and costs of taxes	128,000	266,199	201,662
Licenses and permits	10,500	7,141	11,315
Gain on disposal of tangible capital assets	6,000	173,989	263,123
Rental	73,100	75,111	83,788
Other	12,500	47,314	10,434
	11,399,205	11,908,326	10,336,413
Expenses (note 14)			
Legislative	352,500	340,698	304,739
Administration	1,334,142	1,931,125	1,295,111
Other protective services	802,475	779,932	829,994
Transportation services	6,984,917	7,373,075	7,488,495
Environmental use and protection	400,794	385,557	400,372
Public health and welfare services	34,320	34,320	34,320
Planning and development	1,840,661	1,746,897	1,633,454
Recreation and culture	417,034	449,447	439,424
	12,166,843	13,041,051	12,425,909
Deficiency of revenue over expenses before capital revenue	(767,638)	(1,132,725)	(2,089,496)
Capital revenue			
Government transfers for capital (note 13)	1,621,073	1,699,363	2,116,007
Contributed assets	-	58,400	-
	1,621,073	1,757,763	2,116,007
Excess of revenue over expenses	853,435	625,038	26,511
Accumulated operating surplus, beginning of year	43,107,937	43,107,937	43,081,426
Accumulated operating surplus, end of year	\$ 43,961,372	\$ 43,732,975	\$ 43,107,937

COUNTY OF WARNER NO. 5
CONSOLIDATED STATEMENT OF REMEASUREMENT GAINS AND LOSSES
For the year ended December 31, 2024

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

COUNTY OF WARNER NO. 5
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
For the year ended December 31, 2024

	Budget (Unaudited)	2024	2023
Excess of revenue over expenses	\$ 853,435	\$ 625,038	\$ 26,511
Acquisition of tangible capital assets	(2,128,454)	(3,559,575)	(3,163,137)
Amortization of tangible capital assets	2,128,454	2,367,143	2,387,970
Contributed tangible capital assets	-	(58,400)	-
Net gain on disposal of tangible capital assets	-	(173,989)	(255,977)
Proceeds on disposal of tangible capital assets	-	341,596	297,649
	-	(1,083,225)	(733,495)
Net change in inventory for consumption	-	513,671	10,819
Net change in prepaid expense	-	1,752	(21,797)
	-	515,423	(10,978)
Increase (decrease) in net financial assets	853,435	57,236	(717,962)
Net financial assets, beginning of year	5,434,838	5,434,838	6,152,800
Net financial assets, end of year	\$ 6,288,273	\$ 5,492,074	\$ 5,434,838

COUNTY OF WARNER NO. 5
CONSOLIDATED STATEMENT OF CASH FLOW
For the year ended December 31, 2024

	2024	2023
Operating transactions		
Excess of revenue over expenses	\$ 625,038	\$ 26,511
Adjustments for items which do not affect cash		
Net gain on disposal of tangible capital assets	(173,989)	(255,977)
Amortization of tangible capital assets	2,367,143	2,387,970
Contributed tangible capital assets	(58,400)	-
	2,759,792	2,158,504
Net change in non-cash working capital items		
Taxes and grants in place of taxes receivable	(384,482)	(360,776)
Trade and other receivables	(250,264)	731,544
Inventory for consumption	513,671	10,819
Prepaid expenses	1,752	(21,797)
Accounts payable and accrued liabilities	(162,906)	366,760
Employee benefit obligations	29,353	2,205
Deposits	-	(34,400)
Deferred revenue	(102,316)	80,866
Provision for reclamation	184,000	(75,000)
	2,588,600	2,858,725
Capital transactions		
Proceeds on disposal of tangible capital assets	341,596	297,649
Acquisition of tangible capital assets	(3,559,575)	(3,163,137)
	(3,217,979)	(2,865,488)
Financing transactions		
Repayment of long-term debt	(350,000)	(150,000)
Decrease in cash and temporary investments	(979,379)	(156,763)
Cash and temporary investments, beginning of year	6,635,279	6,792,042
Cash and temporary investments, end of year	\$ 5,655,900	\$ 6,635,279

COUNTY OF WARNER NO. 5
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2024

1. Significant accounting policies

The consolidated financial statements of the County of Warner No. 5 are the representations of management prepared in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. Significant aspects of the accounting policies adopted by the County are as follows:

(a) Reporting entity

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

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

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

(b) Basis of accounting

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

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

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

(c) Use of estimates

The preparation of financial statements in conformity with Canadian 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 expense during the period. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

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

COUNTY OF WARNER NO. 5
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2024

1. Significant accounting policies, continued

(d) Valuation of financial assets and liabilities

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

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

(e) Investments

Investments in derivatives and equity instruments quoted in an active market are carried at fair value with transactions costs expensed upon initial recognition. Unrealized changes in fair value are recognized in the statement of remeasurement gains and losses. When the investment is disposed of the accumulated gains or losses are reclassified to the statement of operations.

Investments in interest bearing securities are recorded at amortized cost. Investment premiums and discounts are amortized on the net present value basis over the term of the respective investments. When there has been a loss in value that is other than a temporary decline, the respective investment is written down to recognize the loss.

(f) Requisition over-levy and under-levy

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

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

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

(g) Inventories for resale

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

(h) 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.

COUNTY OF WARNER NO. 5
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2024

1. Significant accounting policies, continued

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

(j) Revenue recognition
Revenue from transactions with no performance obligation is recognized at realizable value when the County 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.

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

Government transfers are recognized in the financial statements as revenue in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be determined.

(l) Deferred revenue
Deferred revenue represent government transfers, donations, and other amounts which have been collected, but for which the related services have yet to be performed or agreement stipulations have not been met. These amounts will be recognized as revenues when revenue recognition criteria have been met. Interest earned on deferred revenues, reserves, and offsite levies are calculated using an average investment earnings monthly.

(m) Provision for gravel pit reclamation
The County is required to fund the stripping and reclamation of various gravel pits. Reclamation activities include the final covering and landscaping.

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

COUNTY OF WARNER NO. 5
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2024

1. Significant accounting policies, continued

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

	Years
Land improvements	10-45 straight line
Buildings	25-50 straight line
Engineered structures	5-75 straight line
Machinery and equipment	5-25 declining balance/straight line
Vehicles	10-40 declining balance/straight line

Amortization is charged in the month following the month of acquisition and in the year of disposal. 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) **Intangible asset**
Intangible assets with an indefinite life are not amortized and are monitored annually for impairment.
- (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.
- (v) **Inventories**
Inventories held for consumption are recorded at the lower of cost and net realizable value with cost determined by the average cost method.
- (vi) **Cultural and historical tangible capital assets**
Works of art for display are not recorded as tangible capital assets but are disclosed.

COUNTY OF WARNER NO. 5
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2024

1. Significant accounting policies, continued

(o) Future change in accounting policy

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

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

The Conceptual Framework is the foundation for public sector financial reporting standard setting. It replaces the conceptual aspects of Section PS 1000 Financial Statement Concepts and Section PS 1100 Financial Statement Objectives. The conceptual framework highlights considerations fundamental for the consistent application of accounting issues in the absence of the specific standards. The standard is applicable for the fiscal years beginning on or after April 1, 2026.

b) PS 1202 Financial Statement Presentation

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

2. Cash and temporary investments

Under its credit facility with the Bank of Montreal, the County holds a line of credit to a maximum of \$5,000,000 and bears interest at the bank's prime lending rate. At December 31, 2024 the line of credit was undrawn.

3. Taxes and grants in place of taxes receivables

	2024	2023
Current taxes and grants in place of taxes receivable	\$ 959,174	\$ 435,311
Arrears	1,505,132	1,106,514
Allowance for doubtful accounts	2,464,306 (537,999)	1,541,825 -
	\$ 1,926,307	\$ 1,541,825

COUNTY OF WARNER NO. 5
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2024

4. Trade and other receivables

	2024	2023
Provincial government receivables	\$ 299,923	\$ 153,815
Trade receivables	169,578	62,284
Goods and Services Tax (GST)	117,300	50,232
Local government receivables	-	70,206
	\$ 586,801	\$ 336,537

5. Employee benefit obligations

	2024	2023
Vacation and overtime	\$ 285,072	\$ 264,619
Post-employment benefits	164,500	155,600
	\$ 449,572	\$ 420,219

Vacation and overtime

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

Post-employment benefits

Effective in 2006 the County provides a service recognition benefit for its employees. Retiring employees with over 10 years of service to the County are eligible for the allowance at a rate of \$200 per year for the first 10 years of employment and \$500 per year for each year of service over 10 years up to 40 years. These benefits are prorated for permanent part time staff.

Employees terminating their employment with over 10 years of service to the County are eligible for the allowance at a rate of \$50 per year for the first 10 years of employment and \$100 per year for each year of service over 10 years up to 40 years. These benefits are prorated for permanent part time staff. The benefit is paid out when the individual ceases to be an employee of the County.

The benefit payments on behalf of employees during the current year was \$1,400 (2023 - \$5,050).

The post-employment benefit expense includes current period benefit costs of \$8,900 (2023 - \$14,800).

COUNTY OF WARNER NO. 5
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2024

6. Provision for gravel pit reclamation

The estimated total liability related to reclamation work on various gravel pits including final coverage and landscaping is \$1,677,500 (2023 - \$1,493,500).

The County has not designated assets for settling reclamation liabilities.

7. Deferred revenue

Deferred revenue is comprised of the funds noted below, the use of which, together with any earnings thereon, is restricted by agreement. These funds are recognized as revenue in the period in which they are used for the purpose specified.

	2024	2023
Canada Community Building Fund (CCBF)	\$ -	\$ 55,666
Environment and Climate Change Canada (ECCC)	-	46,650
	\$ -	\$ 102,316

8. Inventory for consumption

	2024	2023
Gravel	\$ 2,103,195	\$ 2,568,023
Parts and other	389,763	465,947
Blades and culverts	45,261	57,992
Chemicals and grass seed	85,759	78,095
Fuel and oil	128,576	96,164
	\$ 2,752,554	\$ 3,266,221

9. Accumulated operating surplus

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

	2024	2023
Unrestricted surplus	\$ 1,129,626	\$ 1,407,890
Internally restricted reserves (note 11)	7,294,598	7,824,517
Equity in tangible capital assets (note 10)	35,308,751	33,875,530
	\$ 43,732,975	\$ 43,107,937

COUNTY OF WARNER NO. 5
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2024

10. Equity in tangible capital assets

	2024	2023
Tangible capital assets (schedule 2)	\$ 88,617,336	\$ 85,523,333
Accumulated amortization (schedule 2)	(53,308,585)	(51,297,803)
Long-term debt	-	(350,000)
	\$ 35,308,751	\$ 33,875,530

11. Reserves

Reserves for operating and capital activities changed as follows:

	2024	2023
Operating		
Mill rate stabilization	\$ 3,698,809	\$ 3,698,809
Stirling drain	486,950	486,950
General recreation	122,597	121,397
South Warner drain	50,607	50,607
Further Education - basic	45,952	45,952
	4,404,915	4,403,715
Capital		
Fire department - trucks	1,203,918	1,735,037
Public works - light trucks	696,900	696,900
A.S.B. - light trucks	366,427	366,427
General administration - office equipment/computer	250,369	250,369
Fire department - building	150,000	150,000
Public works - building	83,831	83,831
Bylaw - trucks	84,945	84,945
General administration - building	46,581	46,581
Parks - land Improvement	6,712	6,712
	2,889,683	3,420,802
	\$ 7,294,598	\$ 7,824,517

COUNTY OF WARNER NO. 5
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2024

12. Net municipal property taxes

	Budget (Unaudited)	2024	2023
Net municipal taxes (after requisitions)			
Real property taxes	\$ 9,658,604	\$ 5,296,463	\$ 5,121,147
Linear property taxes	-	4,408,022	2,964,185
Government grants in place of property taxes	-	12,241	11,556
	9,658,604	9,716,726	8,096,888
Requisitions			
Alberta School Foundation Fund	1,972,606	2,069,063	1,939,588
Seniors Lodge	213,516	215,863	213,525
School Boards	36,823	38,327	35,572
	\$ 2,222,945	\$ 2,323,253	\$ 2,188,685

13. Government transfers

	Budget (Unaudited)	2024	2023
Transfers for operating:			
Provincial government	\$ 601,351	\$ 608,001	\$ 611,978
Local government	-	2,000	14,000
Federal government	94,900	100,000	1,463
	696,251	710,001	627,441
Transfers for capital:			
Provincial government	1,321,073	1,343,774	1,486,935
Federal government	300,000	355,589	629,072
	1,621,073	1,699,363	2,116,007
	\$ 2,317,324	\$ 2,409,364	\$ 2,743,448

COUNTY OF WARNER NO. 5
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2024

14. Expenses by object

	Budget (Unaudited)	2024	2023
Salaries, wages and benefits	\$ 4,617,091	\$ 4,723,788	\$ 4,422,795
Contracted and general services	1,679,992	1,603,955	1,768,109
Materials, goods and utilities	2,799,482	2,911,476	2,955,040
Bank charges and short term interest	20,400	15,520	4,182
Interest on long term debt	-	11,375	14,007
Other expenditures	14,250	-	13,321
Transfers to local boards and agencies	905,174	865,032	843,390
Provision for allowances	2,000	542,762	9,039
Amortization of tangible capital assets	2,128,454	2,367,143	2,387,970
Loss on disposal of tangible capital assets	-	-	8,056
	\$ 12,166,843	\$ 13,041,051	\$ 12,425,909

15. Budget amounts

The 2024 budget for the County was approved by Council on May 7, 2024 and has been reported in the consolidated financial statements for information purposes only. These budget amounts have not been audited, reviewed, or otherwise verified.

The approved budget contained reserve transfers as revenues and expenditures. Since these items are not included in the amounts reported in the consolidated financial statements, they have been excluded from the budget amounts presented in these financial statements.

Budgeted surplus per financial statements	\$ 853,435
Less: Capital expenditures	(2,128,454)
Transfers to reserves	(853,435)
Add: Amortization	2,128,454
Equals: Balanced budget	\$ -

16. Contingency

The County is a member of GENESIS which provides liability insurance. The investment in this program is not reflected as an asset in the accompanying financial statements. Under the terms of membership, the County 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.

COUNTY OF WARNER NO. 5
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2024

17. Segmented disclosure

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

Refer to the schedule of segmented disclosure (schedule 3).

18. Debt limits and debt servicing limit

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

	2024	2023
Total debt limit	\$ 17,862,488	\$ 15,504,620
Total debt	-	350,000
	\$ 17,862,488	\$ 15,154,620
Debt servicing limit	\$ 2,977,081	\$ 2,584,103
Debt servicing	-	361,375
	\$ 2,977,081	\$ 2,222,728

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

COUNTY OF WARNER NO. 5
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2024

19. Salary and benefits disclosure

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

	(1)	(2)	2024	2023
	Salary	Benefits & allowances		
Councillors				
Reeve - Division 4	\$ 49,384	\$ 8,303	\$ 57,687	\$ 47,220
Division 1	43,080	7,879	50,959	49,431
Division 2	34,392	3,376	37,768	36,651
Division 3	33,267	3,044	36,311	28,787
Division 5	32,564	7,589	40,153	31,356
Division 6	34,252	6,058	40,310	34,814
Division 7	40,148	6,059	46,207	39,070
Chief Administrative Officer	200,000	42,616	242,616	226,172
Designated Officers	\$ 181,342	\$ 30,199	\$ 211,541	\$ 215,185

(1) Salary includes regular base pay, bonuses, overtime, lump sum payments, gross honoraria and any other direct cash remuneration.

(2) Benefits and allowances include the 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.

Benefits and allowances figures also include the employer's share of the costs of additional taxable benefits including special leave with pay, financial planning services, retirement planning services, concessionary loans, travel allowances, car allowances, and club memberships.

COUNTY OF WARNER NO. 5
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2024

20. Local authorities pension plan

Employees of the County participate in the Local Authorities Pension Plan (LAPP), which is one of the plans covered by the Alberta Public Sector Pensions Plans Act. The LAPP is financed by the employer and employee contributions and by investment earnings of the LAPP Fund.

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

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

Total current service contributions by the County to the LAPP in 2024 were \$255,889 (2023 - \$255,293). Total current service contributions by the employees of the County to the LAPP in 2024 were \$227,859 (2023 - \$227,802).

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

21. Contaminated sites liability

The County has adopted PS3260 liability for contaminated sites. The County did not identify any financial liabilities in 2024 (2023 - nil) as a result of this standard.

22. Financial instruments

The County's financial instruments consist of cash, investments, accounts receivable, accounts payable and accrued liabilities and deposits. It is management's opinion that the County is not exposed to significant interest or risk arising from these financial instruments.

The County 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 County provides services may experience financial difficulty and be unable to fulfil their obligations. The large number and diversity of taxpayers and customers minimizes the credit risk.

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

23. Approval of financial statements

These financial statements were approved by Council and Management.

COUNTY OF WARNER NO. 5
SCHEDULES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2024

	Schedule of changes in accumulated operating surplus			Schedule 1	
	Unrestricted	Restricted reserves	Equity in tangible capital assets	2024	2023
Balance, beginning of year	\$ 1,407,890	\$ 7,824,517	\$ 33,875,530	\$ 43,107,937	\$ 43,081,426
Excess of revenue over expenses	625,038	-	-	625,038	26,511
Restricted funds used for operations	(1,200)	1,200	-	-	-
Restricted funds used for tangible capital assets	-	(531,119)	531,119	-	-
Current year funds used for tangible capital assets	(3,028,456)	-	3,028,456	-	-
Contributed tangible capital assets	(58,400)	-	58,400	-	-
Disposal of tangible capital assets	167,611	-	(167,611)	-	-
Amortization of tangible capital assets	2,367,143	-	(2,367,143)	-	-
Long-term debt related to tangible capital assets repaid	(350,000)	-	350,000	-	-
Change in accumulated surplus	(278,264)	(529,919)	1,433,221	625,038	26,511
Balance, end of year	\$ 1,129,626	\$ 7,294,598	\$ 35,308,751	\$ 43,732,975	\$ 43,107,937

COUNTY OF WARNER NO. 5
SCHEDULES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2024

Schedule of tangible capital assets

Schedule 2

	Land	Land improvements	Buildings	Engineered structures	Machinery and equipment	Vehicles	Construction in progress	2024	2023
Cost:									
Balance, beginning of year	\$ 3,740,312	\$ 1,923,960	\$ 4,698,782	\$ 57,749,116	\$ 12,059,168	\$ 4,735,137	\$ 616,859	\$ 85,523,333	\$ 83,326,030
Acquisitions	-	45,776	-	1,728,762	1,185,011	127,307	531,119	3,617,975	3,163,137
Transfers	-	-	-	265,925	-	-	(265,925)	-	-
Disposals	-	-	-	-	(523,972)	-	-	(523,972)	(965,834)
Balance, end of year	3,740,312	1,969,736	4,698,782	59,743,803	12,720,207	4,862,444	882,053	88,617,336	85,523,333
Accumulated amortization:									
Balance, beginning of year	-	875,105	1,568,379	38,167,887	6,851,684	3,834,748	-	51,297,803	49,833,995
Annual amortization	-	66,862	83,128	1,345,562	661,898	209,693	-	2,367,143	2,387,970
Disposals	-	-	-	-	(356,361)	-	-	(356,361)	(924,162)
Balance, end of year	-	941,967	1,651,507	39,513,449	7,157,221	4,044,441	-	53,308,585	51,297,803
Net book value	\$ 3,740,312	\$ 1,027,769	\$ 3,047,275	\$ 20,230,354	\$ 5,562,986	\$ 818,003	\$ 882,053	\$ 35,308,751	\$ 34,225,530
2023 net book value	\$ 3,740,312	\$ 1,048,855	\$ 3,130,402	\$ 19,581,229	\$ 5,207,484	\$ 900,389	\$ 616,859	\$ 34,225,530	

Vehicles of \$58,400 (2023 - nil) were acquired as contributed tangible capital assets.

COUNTY OF WARNER NO. 5
SCHEDULE TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2024

Schedule of segmented disclosure

Schedule 3

	General government	Protective services	Transportation services	Environmental services	Public health services	Planning and development	Recreation and culture	Total
Revenue								
Net municipal taxes	\$ 9,716,726	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,716,726
User fees and sales of goods	16,223	5,320	472,244	77,695	-	138,695	-	710,177
Government transfers for operating	312,204	2,000	-	-	-	395,797	-	710,001
Investment income	201,668	-	-	-	-	-	-	201,668
Penalties and costs of taxes	266,199	-	-	-	-	-	-	266,199
Licenses and permits	5,941	-	-	-	-	-	1,200	7,141
Gain on disposal of capital assets	-	-	131,335	-	-	42,654	-	173,989
Rental	6,513	-	-	-	-	19,260	49,338	75,111
Other	22,516	-	24,728	70	-	-	-	47,314
	10,547,990	7,320	628,307	77,765	-	596,406	50,538	11,908,326
Expenses								
Salaries, wages and benefits	1,117,037	22,318	2,755,615	25,045	-	803,773	-	4,723,788
Contracted and general services	515,954	218,651	506,487	75,779	-	264,517	22,567	1,603,955
Materials, goods and utilities	43,375	181,791	2,098,265	44,370	-	492,448	51,227	2,911,476
Bank charges and short term interest	15,520	-	-	-	-	-	-	15,520
Interest on long term debt	11,375	-	-	-	-	-	-	11,375
Transfers to local boards and agencies	7,357	295,439	6,490	157,446	34,320	45,615	318,365	865,032
Provision for allowances	542,762	-	-	-	-	-	-	542,762
Amortization of tangible capital assets	18,444	61,733	2,006,218	82,916	-	140,544	57,288	2,367,143
	2,271,824	779,932	7,373,075	385,556	34,320	1,746,897	449,447	13,041,051
Excess (deficiency) of revenue over expenses before capital revenue	8,276,166	(772,612)	(6,744,768)	(307,791)	(34,320)	(1,150,491)	(398,909)	(1,132,725)
Other								
Government transfers for capital	-	-	1,699,363	-	-	-	-	1,699,363
Contributed assets	-	58,400	-	-	-	-	-	58,400
	-	58,400	1,699,363	-	-	-	-	1,757,763
Excess (deficiency) of revenue over expenses	\$ 8,276,166	\$ (714,212)	\$ (5,045,405)	\$ (307,791)	\$ (34,320)	\$ (1,150,491)	\$ (398,909)	\$ 625,038