Beaver County

Consolidated Financial Statements

December 31, 2024

To the Reeve and Councillors of Beaver County:

Report on the Audit of the Consolidated Financial Statements

Opinion

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

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the County as at December 31, 2024, and the results of its consolidated operations, changes 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 Consolidated 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 Consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the 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 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 Consolidated Financial Statements

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

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the County to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the County to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Report on Other Legal and Regulatory Requirements

Debt Limit Regulation
In accordance with Alberta regulation 255/2000, we confirm that the County is in compliance with the Debt Limit Regulation. A detailed account of the County's debt limit can be found in Note 14.

Supplementary Accounting Principles and Standards Regulation
In accordance with Alberta regulation 313/2000, we confirm that the County is in compliance with the Supplementary Accounting Principles and Standards Regulation and note the information required can be found in Note 15.

Leduc, Alberta

MNP LLP

April 16, 2025

Chartered Professional Accountants

MNP

Beaver County
Statement of Consolidated Financial Position
As at December 31, 2024

	2024	2023
Financial assets		
Cash and temporary investments *(Note 2)*	**37,390,140**	39,074,969
Property taxes receivable *(Note 3)*	**1,642,876**	520,591
Accounts receivable *(Note 4)*	**411,487**	517,961
Land held for resale *(Note 5)*	**449,958**	-
Due from Beaver Foundation *(Note 6)*	**2,275,928**	2,435,096
Investment in Claystone Waste Limited Partnership *(Note 17)*	**7,949,330**	5,344,590
Total of financial assets	**50,119,719**	47,893,207
Liabilities		
Accounts payable and accruals *(Note 9)*	**1,792,874**	3,693,504
Deferred revenue *(Note 10)*	**533,210**	484,948
Reclamation liability *(Note 11)*	**588,874**	588,874
Asset retirement obligations *(Note 12)*	**20,314**	283,771
Long-term debt *(Note 13)*	**2,275,928**	2,435,096
Deposit liabilities	**400**	400
Total of financial liabilities	**5,211,600**	7,486,593
Net financial assets	**44,908,119**	40,406,614

Contingencies *(Note 19)*

Commitments *(Note 20)*

	2024	2023
Non-financial assets		
Land inventory *(Note 5)*	**2,362,043**	2,812,001
Tangible capital assets *(Schedule 2)*	**49,148,595**	46,356,021
Inventory for consumption *(Note 7)*	**5,112,285**	5,556,861
Prepaid expenses	**237,341**	218,568
Total non-financial assets	**56,860,264**	54,943,451
Accumulated surplus *(Schedule 1)*	**101,768,383**	95,350,065

Approved on behalf of the Council

Reeve

Deputy Reeve

The accompanying notes are an integral part of these financial statements

Beaver County
Statement of Consolidated Operations
For the year ended December 31, 2024

	2024 Budget (Note 22)	***2024***	*2023*
Revenue			
Net municipal property taxes *(Schedule 3)*	**16,449,665**	**16,138,511**	15,697,961
Subsidiary operations - Claystone Waste Limited Partnership *(Note 17)*	**-**	**4,082,101**	3,814,745
Interest income	**1,367,253**	**1,743,478**	1,751,709
Sales, user charges and costs recovered	**492,849**	**747,960**	751,316
Government transfers *(Schedule 4)*	**539,019**	**731,771**	1,077,228
Grants revenue	**305,600**	**315,313**	378,679
Penalties and interest on taxes	**112,000**	**167,274**	101,414
Other revenue	**27,960**	**152,864**	48,986
Rental income	**22,620**	**54,239**	40,462
Fines	**8,000**	**1,826**	4,631
	19,324,966	**24,135,337**	23,667,131
Program expenses			
Public works	**7,745,856**	**10,888,119**	10,476,093
Administrative and legislative	**4,191,302**	**4,198,025**	3,554,577
Protective services	**1,522,981**	**1,559,395**	1,491,525
Culture, parks and recreation	**1,321,184**	**1,339,998**	1,056,741
Agriculture services	**1,102,136**	**823,776**	806,408
Planning and development	**236,459**	**334,442**	302,248
Family and community	**286,214**	**298,027**	292,814
Wastewater and waste	**81,562**	**144,986**	122,866
Total expenditures	**16,487,694**	**19,586,768**	18,103,272
Excess (deficiency) of revenue over expense before other	**2,837,272**	**4,548,569**	5,563,859
Other			
Government transfers for capital *(Schedule 4)*	**1,895,000**	**1,863,323**	2,098,848
Other capital contributions	**1,480,000**	**6,426**	4,536
	3,375,000	**1,869,749**	2,103,384
Excess of revenue over expenses	**6,212,272**	**6,418,318**	7,667,243
Accumulated surplus, beginning of year	**95,350,065**	**95,350,065**	87,682,822
Accumulated surplus, end of year	**101,562,337**	**101,768,383**	95,350,065

The accompanying notes are an integral part of these financial statements

Beaver County
Statement of Consolidated Change in Net Financial Assets
For the year ended December 31, 2024

	2024 Budget (Note 22)	***2024***	*2023*
Excess of revenue over expenses	**6,212,272**	**6,418,318**	7,667,243
Acquisition of tangible capital assets *(Schedule 2)*	**(11,460,987)**	**(7,898,146)**	(4,934,777)
Amortization of tangible capital assets *(Schedule 2)*	**-**	**4,338,002**	4,186,233
Proceeds on sale of tangible capital assets	**580,000**	**777,256**	388,365
Gain on sale of tangible capital assets	**-**	**(9,686)**	(64,850)
Decrease in land inventory *(Note 5)*	**-**	**449,958**	-
Decrease (increase) in prepaid expenses	**-**	**(18,773)**	27,321
Use (acquisition) of inventory for consumption	**-**	**444,576**	(1,177,740)
Increase (decrease) in net financial assets	**(4,668,715)**	**4,501,505**	6,091,795
Net financial assets, beginning of year	**40,406,614**	**40,406,614**	34,314,819
Net financial assets, end of year	**35,737,899**	**44,908,119**	40,406,614

The accompanying notes are an integral part of these financial statements

Beaver County
Statement of Consolidated Cash Flows
For the year ended December 31, 2024

	2024	*2023*
Operating activities		
Excess of revenue over expenses	**6,418,318**	7,667,243
Non-cash items:		
Amortization	**4,338,002**	4,186,233
Gain on disposal of tangible capital assets	**(9,686)**	(64,850)
Subsidy operations - Claystone Waste Limited Partnership	**(4,082,101)**	(3,814,745)
Extinguishment of asset retirement obligation	**(133,269)**	-
Net change in non-cash operating working capital accounts:		
Decrease (increase) in deferred revenue	**48,261**	(359,652)
Decrease (increase) in prepaid expenses	**(18,773)**	27,320
Increase (decrease) in accounts payable and accrued liabilities	**(1,648,141)**	550,635
Decrease in trade and other accounts receivable	**106,574**	75,216
Decrease (increase) in property tax receivable	**(1,122,284)**	692,078
Use (acquisition) of inventory for consumption	**444,576**	(1,177,739)
Decrease in asset retirement obligation	**(130,780)**	-
	4,210,697	7,781,739
Financing activities		
Repayment of long-term debt	**(159,167)**	(152,585)
Capital activities		
Purchases of tangible capital assets *(Schedule 2)*	**(7,443,143)**	(4,041,331)
Cash proceeds from disposal of tangible capital assets *(Schedule 2)*	**70,256**	88,366
	(7,372,887)	(3,952,965)
Investing activities		
Decrease in due from Beaver Foundation	**159,167**	152,586
Distribution from Claystone Waste Limited Partnership	**1,477,361**	1,407,107
	1,636,528	1,559,693
Increase (decrease) in cash resources	**(1,684,829)**	5,235,882
Cash resources, beginning of year	**39,074,969**	33,839,087
Cash resources, end of year	**37,390,140**	39,074,969

The accompanying notes are an integral part of these financial statements

Beaver County

Schedule 1 - Schedule of Changes in Consolidated Accumulated Surplus

For the year ended December 31, 2024

	Unrestricted Surplus	*Restricted Surplus (Note 21)*	*Equity in Tangible Capital Assets*	*2024*	*2023*
Balance, beginning of year	**5,213,999**	**44,063,816**	**46,072,250**	**95,350,065**	87,682,822
Excess of revenue over expenses	**6,418,318**	**-**	**-**	**6,418,318**	7,667,243
Unrestricted funds designated for future use	**(11,102,477)**	**11,102,477**	**-**	**-**	-
Restricted funds for operations	**4,649,035**	**(4,649,035)**	**-**	**-**	-
Restricted funds used for tangible capital assets`	**-**	**(3,091,155)**	**3,091,155**	**-**	-
Current year funds used for tangible capital assets	**(4,806,991)**	**-**	**4,806,991**	**-**	-
Disposal of tangible capital assets	**767,570**	**-**	**(767,570)**	**-**	-
Annual amortization expense	**4,338,002**	**-**	**(4,338,002)**	**-**	-
Asset retirement obligation	**(263,457)**	**-**	**263,457**	**-**	-
Change in accumulated surplus	**-**	**3,362,287**	**3,056,031**	**6,418,318**	7,667,243
Balance, end of year	**5,213,999**	**47,426,103**	**49,128,281**	**101,768,383**	95,350,065

	Land	*Land Improvements*	*Buildings*	*Engineered Structures*	*Machinery & Equipment*	*Vehicles*	*2024*	*2023*
Cost								
Balance, beginning of year	**665,288**	**862,359**	**5,988,752**	**98,967,026**	**13,170,201**	**5,269,617**	**124,923,243**	120,949,294
Acquisition of tangible capital assets	**-**	**37,800**	**133,593**	**3,460,744**	**3,696,546**	**569,463**	**7,898,146**	4,934,777
Disposal of tangible capital assets	**-**	**-**	**(264,050)**	**-**	**(1,539,197)**	**(309,228)**	**(2,112,475)**	(784,714)
Write down of tangible capital assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	(176,114)
Balance, end of year	**665,288**	**900,159**	**5,858,295**	**102,427,770**	**15,327,550**	**5,529,852**	**130,708,914**	124,923,243
Accumulated amortization								
Balance, beginning of year	**-**	**364,102**	**2,169,346**	**66,925,661**	**6,174,390**	**2,933,723**	**78,567,222**	75,018,302
Annual amortization	**-**	**35,980**	**126,772**	**2,541,851**	**1,239,479**	**393,920**	**4,338,002**	4,186,233
Accumulated amortization on disposals	**-**	**-**	**(123,217)**	**-**	**(965,924)**	**(255,764)**	**(1,344,905)**	(637,313)
Balance, end of year	**-**	**400,082**	**2,172,901**	**69,467,512**	**6,447,945**	**3,071,879**	**81,560,319**	78,567,222
Net book value of tangible capital assets	**665,288**	**500,077**	**3,685,394**	**32,960,258**	**8,879,605**	**2,457,973**	**49,148,595**	46,356,021
2023 Net book value of tangible capital assets	665,288	498,257	3,819,406	32,041,365	6,995,811	2,335,894	46,356,021	

During the year, tangible capital assets were acquired at an aggregate cost of $7,898,146 (2023 - $4,934,777) of which $707,000 (2023 - $300,000) was a non-cash trade-in and transfer of equipment, $57,086 (2023 - $309,675) is included in accounts payable and accrued liabilities, $592 (2023 - $283,771) in asset retirement obligations identified and the remaining $7,443,143 (2023 - $4,041,331) was acquired by cash. Proceeds on sale of tangible capital assets is made up of $70,256 (2023 - $88,366) of cash and $707,000 (2023 - $300,000) of direct trade-in and transfer of assets.

Schedule 3 - Schedule of Consolidated Property Taxes Levied

For the year ended December 31, 2024

	2024 Budget (Note 22)	***2024***	*2023*
Taxation			
Real property taxes	**11,430,524**	**11,385,994**	10,858,597
Designated industrial property	**9,037,706**	**9,000,185**	8,858,026
Special assessments	**5,995**	**5,303**	5,303
	20,474,225	**20,391,482**	19,721,926
Requisitions			
Alberta School Foundation Fund	**3,646,110**	**3,835,475**	3,646,617
Beaver Foundation Management Agency	**348,905**	**387,490**	348,905
Designated industrial property	**29,545**	**30,006**	28,443
	4,024,560	**4,252,971**	4,023,965
Net municipal property taxes	**16,449,665**	**16,138,511**	15,697,961

Beaver County
Schedule 4 - Schedule of Consolidated Government Transfers
For the year ended December 31, 2024

	2024 Budget (Note 22)	***2024***	*2023*
Operating			
Provincial	**539,019**	**731,771**	1,077,228
Capital			
Provincial	**1,545,000**	**1,299,000**	1,680,462
Federal	**350,000**	**564,323**	418,386
	1,895,000	**1,863,323**	2,098,848
Total government transfers	**2,434,019**	**2,595,094**	3,176,076

Beaver County
Schedule 5 - Schedule of Consolidated Expenses by Object
For the year ended December 31, 2024

	2024 Budget (Note 22)	**2024**	*2023*
Salaries, wages and benefits	**6,104,261**	**6,013,245**	5,459,861
Contracted and general services	**2,442,722**	**4,598,098**	4,290,655
Amortization	**-**	**4,338,002**	4,186,233
Grant to other governments	**2,286,399**	**2,096,749**	1,929,259
Materials, goods and utilities	**5,429,560**	**2,012,312**	2,160,502
Provision for allowances	**100,000**	**420,161**	16,717
Interest on long-term debt	**102,252**	**102,252**	108,834
Bank charges	**22,500**	**15,635**	16,061
Gain on sale of tangible capital assets	**-**	**(9,686)**	(64,850)
	16,487,694	**19,586,768**	18,103,272

	General government	Administrative and legislative	Public works	Wastewater and waste	Protective services	Agriculture services	Family and community	Planning and development	Culture, parks and recreation	Claystone Waste LP	2024
Revenue											
Net municipal property taxes	16,138,511	-	-	-	-	-	-	-	-	-	16,138,511
Subsidy operations - Claystone Waste LP.	-	-	-	-	-	-	-	-	-	4,082,101	4,082,101
Capital government transfers	-	-	1,863,323	-	-	-	-	-	-	-	1,863,323
Interest income	-	1,743,478	-	-	-	-	-	-	-	-	1,743,478
Sales, user charges and sales of goods	50	37,244	187,198	142,895	7,009	4,166	35	97,754	271,609	-	747,960
Operating government transfers	-	410,658	-	-	-	186,247	134,866	-	-	-	731,771
Grants revenue	-	307,563	-	-	-	-	7,750	-	-	-	315,313
Penalties and interest on taxes	167,274	-	-	-	-	-	-	-	-	-	167,274
Other revenue	-	152,864	-	-	-	-	-	-	-	-	152,864
Rental income	-	21,230	5,790	-	-	-	-	27,219	-	-	54,239
Other capital contributions	-	6,426	-	-	-	-	-	-	-	-	6,426
Fines	-	-	-	-	1,826	-	-	-	-	-	1,826
	16,305,835	2,679,463	2,056,311	142,895	8,835	190,413	142,651	124,973	271,609	4,082,101	26,005,086
Expenses											
Salaries, wages and benefits	-	2,358,792	3,052,073	35,479	17,738	346,690	108,364	30,750	63,358	-	6,013,244
Contracted and general services	-	982,840	2,577,628	50,958	438,519	131,425	28,129	300,581	88,018	-	4,598,098
Grant to other governments	-	10,840	-	-	1,078,331	52,737	145,489	-	809,352	-	2,096,749
Materials, goods and utilities	-	117,676	1,614,152	9,730	4,267	195,171	16,045	3,111	52,161	-	2,012,313
Provision for allowances	-	420,161	-	-	-	-	-	-	-	-	420,161
Interest on long-term debt	-	102,252	-	-	-	-	-	-	-	-	102,252
Bank charges	-	5,772	-	-	-	-	-	-	9,863	-	15,635
Gain on sale of fixed assets	-	-	(9,686)	-	-	-	-	-	-	-	(9,686)
	-	3,998,333	7,234,167	96,167	1,538,855	726,023	298,027	334,442	1,022,752	-	15,248,766
Net revenue, before amortization	16,305,835	(1,318,870)	(5,177,856)	46,728	(1,530,020)	(535,610)	(155,376)	(209,469)	(751,143)	4,082,101	10,756,320
Amortization	-	322,907	3,794,785	48,819	20,540	97,753	-	-	53,198	-	4,338,002
Excess (deficiency) of revenue over expenses	16,305,835	(1,641,777)	(8,972,641)	(2,091)	(1,550,560)	(633,363)	(155,376)	(209,469)	(804,341)	4,082,101	6,418,318

1. Significant accounting policies

The consolidated financial statements of Beaver County (the "County") are the representations of management prepared in accordance with generally accepted accounting principles 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:

Reporting entity

The consolidated financial statements reflect the financial activities of the reporting entity. This entity is comprised of the municipal operations plus all organizations that are owned or controlled by the County and are, therefore, accountable to Council for the administration of their financial affairs and resource, including the Beaver Regional Industrial Services Corporation and Community Adult Learning.

Claystone Waste Limited Partnership, a subsidiary partnership of the County, is accounted for on a modified equity basis, consistent with the public sector accounting treatment for a government business partnership. Under the modified equity basis, the government business partnership's accounting principles are not adjusted to conform with those of the County, and inter-organizational transactions and balances are not eliminated. Other comprehensive income (loss) due to fair value adjustments is reported on the consolidated statement of operations and accumulated surplus as an adjustment to accumulated surplus.

The schedule of property taxes levied also includes requisitions for education and other external organizations that are not part of the County reporting entity.

The consolidated financial statements exclude trust assets that are administered for the benefit of external parties. Inter-departmental and organizational transactions and balances are eliminated.

Basis of presentation

Sources of revenue and expenses are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes available and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

Measurement uncertainty (use of estimates)

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period.

Accounts receivable, and amounts due from related County entities and departments, are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Provisions are made for slow moving and obsolete inventory. Amortization is based on the estimated useful lives of tangible capital assets. Accrued sick time for employees is based on historical utilization applied to the total sick bank.

Gravel inventory includes estimated rates for internal hauling.

Tax revenue is initially measured at management’s best estimate of the amount resulting from the original taxable event in accordance with tax legislation. Tax receivables are reduced by an allowance for doubtful accounts of $1,068,896 (2023 - $638,319). Management’s estimate of the allowance is based upon their assessment of the ultimate collectability of tax receivables.

Pursuant to the *Environmental Enhancement and Protection Act (Alberta)*, the County is required to fund the future reclamation of a gravel pit. Closure activities include the final top soil cover, landscaping, and visual inspection. The requirement is being provided for based on the estimated costs and length of time until the site is expected to be inactive. Reclamation liability is valued using calculations which have significant estimates for future reclamation costs, inflation rate and the risk-free rate. The reclamation liability is an estimated cost to bring the gravel pit site back to its original condition.

1. Significant accounting policies *(Continued from previous page)*

Measurement uncertainty (use of estimates) *(Continued from previous page)*

By their nature, these judgments are subject to measurement uncertainty, and the effect on the consolidated financial statements of changes in such estimates and assumptions in future years could be material. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in earnings in the year in which they become known.

Financial instruments

The County recognizes its financial instruments when the County becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

At initial recognition, the County may irrevocably elect to subsequently measure any financial instrument at fair value. The County has not made such an election during the year.

The County subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Transactions to purchase or sell these items are recorded on the trade date. Net gains and losses arising from changes in fair value are recognized in the consolidated statement of remeasurement gains and losses. The County has not presented a consolidated statement of remeasurement gains and losses as it does not have any items giving rise to remeasurement gains (losses). Interest income is recognized in the consolidated statement of operations. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost. With the exception of those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost using the effective interest rate method.

Transaction costs directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in excess (deficiency) of revenue over expenses. Conversely, transaction costs are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

All financial assets except derivatives are tested annually for impairment. Management considers whether the investee has experienced continued losses for a period of years, recent collection experience for the loan, such as a default or delinquency in interest or principal payments, in determining whether objective evidence of impairment exists. Any impairment, which is not considered temporary, is recorded in the consolidated statement of operations. Write-downs of financial assets measured at cost and/or amortized cost to reflect losses in value are not reversed for subsequent increases in value. Reversals of any net remeasurements of financial assets measured at fair value are reported in the consolidated statement of remeasurement gains and losses.

Asset classification

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not normally provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale in the normal course of operations. Non-financial assets include tangible capital assets, prepaid expenses, land inventory and inventory for consumption.

1. Significant accounting policies *(Continued from previous page)*

Cash and cash equivalents

Cash and cash equivalents include balances with banks and short-term investments with maturities of three months or less.

Debt charges recoverable

Debt charges recoverable consist of amounts that are recoverable from municipal agencies or other local governments with respect to outstanding debentures or other long-term debt pursuant to annexation orders or joint capital undertakings. These recoveries are recorded at a value that equals the offsetting portion of the unmatured long-term debt, less actuarial requirements for the retirement of any sinking fund debentures.

Property tax requisition over-levy and under-levy

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.

Liability for contaminated site

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the County is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at December 31, 2024.

At each financial reporting date, the County reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The County 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. The County has not identified any contaminated sites at December 31, 2024.

Asset retirement obligations

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset (or a component thereof) at the financial reporting date when there is a legal obligation for the County to incur retirement costs in relation to a tangible capital asset (or component thereof), the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at December 31, 2024. The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods.

When a liability for an asset retirement obligation is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related tangible capital asset (or component thereof). The asset retirement cost is amortized over the useful life of the related asset.

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

1. Significant accounting policies *(Continued from previous page)*

Revenue recognition

Government transfers

The County recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the County recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

Interest income, rental and other revenue

Other sources of revenue are recorded when received or receivable.

Tax revenue

The County recognizes taxes as assets and revenue when they meet the definition of an asset; are authorized by a legislature, council, or legislative convention; and the taxable event has occurred.

Tax revenue is initially measured at management's best estimate of the amount resulting from the original taxable event in accordance with tax legislation. The related tax receivable is initially recognized at its realizable value at the date of acquisition. At each financial statement date, the County evaluates the tax receivable for collectability and records a valuation allowance to reflect the tax receivable at its net recoverable amount, if necessary.

Fines and penalties

Traffic fine revenue is recorded as cash is received, which is not materially different than recording revenue on an accrual basis.

Tangible capital assets

Tangible capital assets are initially recorded at cost based which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Contributed tangible assets are recorded at their fair value at the date of contribution.

When conditions indicate that a tangible capital asset no longer contributes to the County's ability to provide goods and services, or that the value of future economic benefits associated with a tangible capital asset is less than its net book value, the County reduces the cost of the asset to reflect the decline in it's value. Write-downs of tangible capital assets are not reversed.

Amortization

Amortization is charged in the year of disposition and disposal. Assets under construction are not amortized until the asset is available for productive use.

The cost, less residual value, of the tangible capital assets are amortized annually using the following methods at rates intended to amortize the cost of the assets over their estimated useful lives.

	Method	***Years***
Land improvements	straight-line	10 - 30 years
Buildings	straight-line	10 - 50 years
Engineered structures, roads and bridges	straight-line	5 - 75 years
Machinery and equipment	straight-line	5 - 40 years
Vehicles	straight-line	5 - 25 years

1. Significant accounting policies *(Continued from previous page)*

Long-lived assets

Long-lived assets consist of tangible capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The County performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying amount of an asset, or group of assets, may not be recoverable. The carrying amount of a long-lived asset is not recoverable if the carrying amount exceeds the sum of the undiscounted future cash flows from its use and disposal. Impairment is measured as the amount by which the asset's carrying amount exceeds its fair value. Fair value is measured using prices for similar items. Any impairment is included in excess (deficiency) of revenue over expense for the year.

Inventory for consumption

Inventory for consumption is valued at the lower of cost and replacement cost. Cost of inventories of items that are segregated for specific projects is assigned by using specific identification of their individual costs.

Land inventory is recorded at the lower of cost or net realizable value. Cost includes costs for land acquisitions 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 tangible capital assets under their respective function.

Land held for resale is classified as a financial asset when all of the following criteria are met:

- Prior to December 31, 2024, the County has committed to sell the asset;
- The asset is in a condition to be sold;
- The asset is publicly seen to be for sale;
- There is an active market for the asset;
- A plan exists for selling the asset; and
- A sale to a party external to the County can reasonably be expected within one year.

Prepaid expenses

Prepaid expenses include pre-payments on goods and services which will be utilized in the following fiscal year.

Segments

The County conducts its business through a number of reportable segments. These operating segments are established by senior management to facilitate the achievement of the County's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

For each reported segment, revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information.

Pensions

The County participates in a multi-employer defined benefit pension plan. The plan is accounted for as a defined contribution plan as the plan is administered independently from the County.

2. Cash and temporary investments

	2024	*2023*
Cash	**554,067**	328,291
Guaranteed investment certificates	**36,836,073**	38,746,678
	37,390,140	39,074,969

3. Property taxes receivable

	2024	*2023*
Current taxes	**1,827,753**	447,475
Arrears taxes	**884,019**	711,435
	2,711,772	1,158,910
Less: allowance for doubtful accounts	**(1,068,896)**	(638,319)
	1,642,876	520,591

4. Accounts receivable

	2024	*2023*
Trade and other recievables	**270,403**	422,486
Due from governments	**141,084**	95,475
	411,487	517,961

5. Land inventory

Land inventory includes acquisition costs of the land and the improvements to prepare the land for sale or servicing. Related development costs incurred to provide infrastructure are recorded as tangible capital assets under their respective function.

	2024	*2023*
Viking Beaver Business Park	**199,994**	199,994
Equity Industrial Park	**2,162,049**	2,612,007
	2,362,043	2,812,001

Land held for resale includes $449,958 (2023 - $nil) of land transferred from land inventory that meets the criteria of a financial asset in the Equity Industrial Park.

6. Due from Beaver Foundation

	2024	2023
Debt charges recoverable	**166,033**	159,167
Non-current debt charges recoverable	**2,109,895**	2,275,929
	2,275,928	2,435,096

The County had undertaken a joint project to assist the Beaver Foundation to build a new senior's lodge in Tofield. As at December 31, 2024, $2,275,928 (2023 - $2,435,096) plus interest at 4.268% is recoverable from the Beaver Foundation with respect to this financing. Amounts are recoverable in semi-annual blended instalments of $130,710, and mature December 15, 2035:

	Principal	Interest	Total
2025	166,033	95,387	261,420
2026	173,195	88,225	261,420
2027	180,666	80,754	261,420
2028	188,459	72,961	261,420
2029	196,589	64,831	261,420
To maturity	1,370,986	197,534	1,568,520
	2,275,928	599,692	2,875,620

7. Inventory for consumption

	2024	2023
Gravel inventory	**4,715,342**	5,108,757
Shop inventory	**396,943**	448,104
	5,112,285	5,556,861

8. Bank indebtedness

At December 31, 2024, the County had a line of credit totaling $590,000 (2023 – $590,000), none of which was drawn. Interest accrues monthly on the outstanding balance at a rate of prime. As at December 31, 2024, the prime rate was 5.45% (2023 - 7.20%).

9. Accounts payable and accruals

	2024	2023
Accounts payable and accrued liabilities	**427,897**	2,612,373
Payables to governments	**889,129**	669,990
Vacation and overtime accruals	**327,820**	308,894
Holdbacks payable	**42,528**	10,247
Retirement allowance	**105,500**	92,000
	1,792,874	3,693,504

10. Deferred revenue

The following table represents changes in the deferred revenue balance attributable to each major category of external restrictions:

	Balance, beginning of year	*Contributions received*	*Recognized as revenue*	*Balance, end of year*
Local Government Fiscal Framework-Capital	**-**	**1,566,913**	**1,299,000**	**267,913**
Community Adult Learning Program	**112,458**	**158,652**	**142,617**	**128,493**
Safety code inspection permits	**73,889**	**96,863**	**77,654**	**93,098**
Strategic Transportation Infrastructure Program	**-**	**40,000**	**16,122**	**23,878**
Canada Community-Building Fund	**176,175**	**391,853**	**548,200**	**19,828**
MCS Net	**6,426**	**-**	**6,426**	**-**
Agriculture Service Boards Program	**-**	**186,247**	**186,247**	**-**
Holden road upgrades	**116,000**	**-**	**116,000**	**-**
	484,948	**2,440,528**	**2,392,266**	**533,210**

Included in the County's deferred revenue are government transfers and grant revenue which are restricted to eligible projects as approved under the funding agreements. Also included are amounts received in advance for safety code inspection permits and non-government funded capital projects.

11. Reclamation liability

Under Provincial legislation, the County is required to reclaim certain land used for the extraction of aggregate material. Reclamation requirements have been defined in accordance with industry standards and include re-vegetation of sites upon closure. The County owns and operates an aggregate extraction site. The aggregate is used for road maintenance and construction projects within the County. An amount of $588,874 (2023 - $588,874) has been accrued. During the year, the County incurred costs to reclaim the aggregate extraction site and a recovery of reclamation expense in the amount of $nil (2023 - $nil) and $nil (2023 - $nil), respectively.

The reported liabilities are based on estimates and assumptions using the best information available at the end of the reporting period. Future events, such as changes to regulatory requirements, may result in significant changes to the estimated total liabilities and will be recognized prospectively, as a change in estimate, when applicable.

12. Asset retirement obligations

The County has recognized a liability for asset retirement obligations of $20,314 (2023 - $283,771) and a corresponding amount has been capitalized as an asset retirement cost and added to the carrying value of County buildings. The asset retirement cost is amortized on a straight-line basis over the useful life of the related tangible capital assets.

13. Long-term debt

	2024	2023
Self-supported debentures	**2,275,928**	2,435,096

Principal repayments on long-term debt in each of the next five years, assuming long-term debt subject to refinancing is renewed, are estimated as follows:

	Principal	Interest	Total
2025	166,033	95,387	261,420
2026	173,195	88,225	261,420
2027	180,666	80,754	261,420
2028	188,459	72,961	261,420
2029	196,589	64,831	261,420
To maturity	1,370,986	197,534	1,568,520
	2,275,928	599,692	2,875,620

Debenture debt is repayable to the Province of Alberta and bears interest at 4.268% per annum and matures on December 15, 2035. Debenture debt is issued on the credit and security of the County at large.

The County had undertaken a joint project to assist the Beaver Foundation to build a new senior's lodge in Tofield. As at December 31, 2024, $2,275,928 (2023 - $2,435,096) plus interest at 4.268% is recoverable from the Beaver Foundation (Note 6) with respect to this financing. Amounts are recoverable in semi-annual blended instalments of $130,710.

14. Debt limits

Section 276(2) of the *Municipal Government Act* requires that debt and debt limits defined by Alberta Regulation 255/2000 for the County be disclosed as follows:

	2024	2023
Total debt limit	**36,212,645**	35,507,501
Total debt	**2,275,928**	2,435,096
Amount of debt limit unused	**33,936,717**	33,072,405
Service on debt limit	**6,035,441**	5,917,917
Service on debt	**261,420**	261,420
Amount of debt servicing limit unused	**5,774,021**	5,656,497

The debt limit is calculated as 1.5 times revenue of the County (as defined in Alberta Regulation 255/2000) and the debt service limit is calculated as 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 alone does not represent the financial stability of the County. Rather, the consolidated financial statements must be interpreted as a whole.

15. Salaries and benefits disclosure

Disclosure of salaries and benefits for elected municipal officials and the Chief Administrative Officer (“CAO”) as required by Alberta Regulation 313/2000 is as follows:

	Salary/ remuneration	*Benefits & allowances*	*2024*	*2023*
K. Smook, Reeve - Division 1	**51,152**	**6,973**	**58,125**	63,525
L. Williams - Division 2	**38,332**	**11,872**	**50,204**	46,715
G. Hrabec, Deputy Reeve - Division 3	**45,225**	**12,953**	**58,178**	57,153
B. Bruce, Councilor - Division 4	**34,468**	**9,057**	**43,525**	41,334
D. Pederson, Councilor - Division 5	**28,542**	**7,689**	**36,231**	35,421
K. Spiess, CAO	**176,295**	**28,112**	**204,407**	198,419

Salary/remuneration includes regular base pay, overtime, lump sum payments, gross honoraria and any other direct cash remuneration.

Benefits and allowances includes 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, dismemberment insurance, long and short-term disability plans, professional memberships and tuition.

16. 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 Pension Plans Act. The LAPP serves about 304,451 members and 444 employers. The LAPP is financed by employer and employee contributions and by investment earnings of the LAPP Fund.

Contributions for current service are recorded as expenses 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. Employees of the County are required to make current service contributions of 7.45% of pensionable salary up to the year's maximum pensionable salary and 10.65% on pensionable salary above this amount.

Total current service contributions by the County to the LAPP in 2024 were $318,108 (2023 - $290,564). Total current service contributions by the employees of the County to the LAPP in 2024 were $283,861 (2023 - $259,704).

At December 31, 2023, the date of the most recent actuarial valuation, the LAPP disclosed an actuarial surplus of $15,057,000,000 (2022 - $12,671,000,000).

17. Subsidiary operations - Claystone Waste Limited Partnership

Claystone Waste Limited Partnership was formed on August 20, 2020 under the laws of Alberta. The Limited Partnership was formed for the purpose of providing waste management services to partner municipalities and others. The General Partner of the Limited Partnership is Claystone Waste Ltd. and the Limited Partners are Beaver County, Village of Holden, Village of Ryley, Town of Tofield and Town of Viking.

	2024	*2023*
Investment in Limited Partnership		
Investment, beginning of year	**5,344,590**	2,936,952
Distribution received	**(1,477,361)**	(1,407,107)
Share of net income from partnership operations	**4,082,101**	3,814,745
	7,949,330	5,344,590

Beaver County owns 46.56% of the partnership interest of Claystone Waste Limited Partnership.

Summary financial information of Claystone Waste Limited Partnership, accounted for using the modified equity method, for the year ended December 31, 2024, is as follows:

	2024	*2023*
Financial Position:		
Current assets	**30,684,304**	31,048,039
Property and equipment	**44,224,422**	38,032,513
Landfill closure and post closure fund	**12,093,399**	11,511,330
Total assets	**87,002,125**	80,591,882
Current liabilities	**3,271,011**	1,177,536
Non-current liabilities	**13,725,604**	15,026,446
Total liabilities	**16,996,615**	16,203,982
Partnership equity	**70,005,510**	64,387,900
Total liabilities and partnership equity	**87,002,125**	80,591,882
Results of operations:		
Revenue	**30,628,310**	29,689,486
Expenses	**(22,293,270)**	(21,632,431)
Gain on disposal of property and equipment	**432,360**	135,576
Net and comprehensive income	**8,767,400**	8,192,631
Changes in partnership equity		
Partnership equity - opening	**64,387,900**	59,195,069
Distributions	**(3,149,790)**	(2,999,800)
Net income for the period	**8,767,400**	8,192,631
Partnership equity - ending	**70,005,510**	64,387,900

During the year, Beaver County incurred $25,624 (2023 - $24,407) in waste collection and disposal fees payable to Claystone Waste Limited Partnership. During the year, Claystone Waste Limited Partnership incurred $630,205 (2023 - $613,611) in property taxes and grants payable to Beaver County. All transactions are in the normal course of operations and are recorded at the exchange value based on normal commercial rates.

18. Segments

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

Refer to Schedule 6 - Schedule of Segmented Disclosure.

19. Contingencies

The County is a member of the Genesis Reciprocal Insurance Exchange ("GENESIS"). 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 GENESIS. Any liability incurred would be accounted for as a current transaction in the years the losses are determined.

In the normal course of business there may be pending claims by and against the County. Litigation is subject to many uncertainties, and the outcome of individual matters is not predictable with assurance. In the opinion of management, based on the advice and information provided by its legal counsel, final determination of these litigations will not materially affect the County's consolidated financial position or results of operations.

Within Claystone Waste Limited Partnership, there are contingencies disclosed as follows:

Under the Technology Innovation and Emissions Reduction Regulation, a landfill site can become a registered and regulated facility when the estimated equivalent carbon dioxide emissions exceed 100,000 tonnes based on the regulation’s prescribed method. The prescribed method calculated that the landfill site had emissions in excess of the threshold. Field tests completed using emission detection equipment measured carbon dioxide below the 100,000 tonne threshold and therefore a request was submitted to have the landfill site removed from the registry of regulated facilities and to have payments made returned. The request was successful. The landfill site will continue to be monitored to ensure the threshold is not reached.

Should the partnership be added to the registry in the future, annual payments would be required based partially on emissions for waste accepted at the landfill site up to December 31, 2024. An estimate of the total of these annual payments or the likelihood of becoming registered in the future cannot be made and therefore an estimate of its financial effect cannot be measured.

20. Commitments

The County has entered into gravel crushing and reclamation and other general operating agreements. The commitments over the next five years are as follows:

2025	6,494,048
2026	2,420,257
2027	51,092
2028	21,092
2029	15,895

21. Restricted Surplus

The County has restricted certain amounts of the accumulated surplus in order to fund future operations. This restricted surplus is not fully funded in cash as this would tie up too much of the operational cash needed to run the day to day operations of the County. The restricted surplus total is available over time and on an as needed basis. Surplus restricted for operating and capital activities changed as follows:

	2024	2023
Public Works	**21,968,583**	13,604,479
Contingency	**17,739,056**	20,225,682
Administration	**5,384,173**	5,474,188
Planning and economic development	**2,135,069**	1,823,300
Legislated	**199,222**	225,373
Water and sewer system	**-**	1,594,585
Parks and recreation	**-**	662,341
Agriculture	**-**	453,868
	47,426,103	44,063,816

22. Budget information

The disclosed budget information had been approved by the Council of Beaver County on December 13, 2023. The original approved budget included reserve transfers as revenue and expenses. These have been excluded from the Consolidated Statement of Operations and the Schedule of Changes in Net Financial Assets to correspond with actual expenses.

23. Financial Instruments

The County as part of its operations carries a number of financial instruments. It is management's opinion that the County is not exposed to significant interest, currency or credit risks arising from these financial instruments except as otherwise disclosed.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk.

The County is exposed to interest rate risk with respect to cash and temporary investments, which are subject to floating interest rates based on prime. The County is not exposed to significant interest rate risk on it’s investment in Claystone Waste Limited Partnership or long-term debt, as the debt is fully recoverable from the Beaver Foundation (Note 6).

Interest rate risk sensitivity analysis

A 1% change in interest rates relating to investments could change interest income by approximately $79,493.

A 1% change in interest rates relating to long-term debt could change interest income and expense by approximately $22,759.

Credit risk

Credit risk is the risk of financial loss because a counter party to a financial instrument fails to discharge its contractual obligations.

Risk management

The County manages its credit risk by performing regular assessments of its ratepayers and provides allowances for potentially uncollectible accounts and property taxes receivable.

24. Change in accounting policies

Effective January 1, 2024, the County adopted the recommendations relating to the following new accounting standard, as set out in the Canadian public sector accounting standards.

Revenue

Effective January 1, 2024, the County adopted the Public Sector Accounting Board's (PSAB) new standard for the recognition, measurement and disclosure of revenue under PS 3400 *Revenue*. The new standard establishes when to recognize and how to measure revenue, and provides the related financial statement presentation and disclosure requirements. Pursuant to these recommendations, the change was applied prospectively, and prior periods have not been restated.

Under the new standard, revenue is differentiated between revenue arising from transactions that include performance obligations, referred to as "exchange transactions", and transactions that do not have performance obligations, referred to as "non-exchange transactions".

There was no material impact on the consolidated financial statements from the prospective application of the new accounting recommendations.