

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

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## INDEPENDENT AUDITORS' REPORT

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To the Mayor and Council of the Town of Olds

### *Opinion*

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

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Town as at December 31, 2024, the results of consolidated operations, changes in net financial debt, 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 *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Town in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those 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 these 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 Town'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 Town or to cease operations, or has no realistic alternative but to do so.

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

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*Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the 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 Town's internal control.
- Evaluate the appropriateness of accounting policies and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Town's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the 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 auditors' report. However, future events or conditions may cause the Town to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the 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 with the Town or business activities within the group 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.

**METRIX GROUP LLP**

Chartered Professional Accountants

Edmonton, Alberta

April 28, 2025

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## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. The responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibility for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded, and financial records are properly maintained to provide reliable information for the preparation of the consolidated financial statements.

The elected Mayor and Council of the Town of Olds are composed entirely of individuals who are neither management nor employees of the Town. The Mayor and Council have the responsibility of meeting with management and the external auditors to discuss the internal controls over the financial reporting process, auditing matters, and financial reporting issues. The Mayor and Council are also responsible for the appointment of the Town's external auditors.

Metrix Group LLP, an independent firm of Chartered Professional Accountants, is appointed by Council to audit the consolidated financial statements and to report directly to them. The external auditors have full and free access to and meet periodically and separately with both the Mayor and Council and management to discuss their audit findings.



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Brent Williams  
Chief Administrative Officer



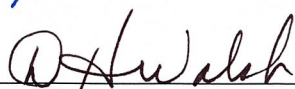
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Sheena Linderman  
Director of Finance

April 28, 2025  
Olds, Alberta

**TOWN OF OLDS****Consolidated Statement of Financial Position****As at December 31, 2024**

	<u>2024</u>	<u>2023</u> (Note 28)
<b>FINANCIAL ASSETS</b>		
Cash	\$ 7,858,943	\$ 6,344,099
Taxes and grants in place of taxes receivable (Note 2)	720,902	660,031
Trade and other receivables (Note 3)	9,665,134	7,526,121
Loans receivable (Note 4, 25)	-	14,085,556
Inventory held for resale	53,520	64,964
Investments (Note 5)	300,000	680,000
Investment in Olds Fibre Ltd. (Note 25)	-	1
	<u>18,598,499</u>	<u>29,360,772</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 7)	2,927,871	4,133,460
Employee benefit obligations (Note 8)	334,542	293,232
Deposit liabilities (Note 9)	699,355	537,655
Deferred revenue (Note 10)	968,066	1,466,601
Asset retirement obligations (Note 11)	128,582	124,390
Long-term debt (Note 12)	<u>26,887,405</u>	<u>28,043,801</u>
	<u>31,945,821</u>	<u>34,599,139</u>
<b>NET FINANCIAL DEBT</b>	<u>(13,347,322)</u>	<u>(5,238,367)</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 1)	100,978,834	99,567,203
Prepaid expenses	<u>109,958</u>	<u>47,902</u>
	<u>101,088,792</u>	<u>99,615,105</u>
<b>ACCUMULATED SURPLUS (SCHEDULE 2, NOTE 14)</b>	<u>\$ 87,741,470</u>	<u>\$ 94,376,738</u>

**CONTRACTUAL RIGHTS** (Note 18)**CONTRACTUAL OBLIGATIONS** (Note 19)**CONTINGENCIES** (Note 20)**ON BEHALF OF COUNCIL:**  
\_\_\_\_\_  
Mayor  
\_\_\_\_\_  
Councillor

**TOWN OF OLDS**
**Consolidated Statement of Operations and Accumulated Surplus**
**For the Year Ended December 31, 2024**

	<u>2024</u> (Budget) (Note 26)	<u>2024</u> (Actual)	<u>2023</u> (Actual) (Note 28)
<b>REVENUE</b>			
Net municipal taxes ( <i>Schedule 3</i> )	\$ 11,097,336	\$ 11,075,566	\$ 10,565,008
User fees and sales of goods ( <i>Schedule 5</i> )	10,740,142	10,531,351	10,688,903
Franchise fees and concession contracts ( <i>Note 13</i> )	2,705,280	2,332,770	2,414,740
Government transfers for operating ( <i>Schedule 4</i> )	1,876,301	1,767,695	1,557,271
Investment income	333,500	803,523	1,053,225
Licenses and permits	321,700	345,130	309,980
Sales to other governments	321,246	335,200	269,745
Rentals	216,900	229,921	242,421
Penalties on taxes	190,000	175,730	189,170
Fines	68,500	85,660	72,593
Development levies	-	37,180	-
Other	5,000	-	258,627
	<u>27,875,905</u>	<u>27,719,726</u>	<u>27,621,683</u>
<b>EXPENSES</b>			
Parks and recreation	5,018,888	6,194,233	5,773,108
Transportation	3,366,368	4,949,280	4,766,577
Wastewater treatment and disposal	4,216,308	4,380,597	4,712,634
Water supply and distribution	3,239,214	3,659,844	3,799,444
Administration	2,707,031	3,384,188	2,855,592
Policing services	2,265,942	2,135,991	1,820,589
Firefighting services	1,261,286	1,637,492	1,681,473
Economic development and other planning	1,280,070	1,285,416	1,028,687
Waste management	1,041,655	1,063,183	1,066,270
Culture	657,531	741,886	711,482
Bylaws enforcement	455,277	476,844	455,521
Legislative	439,854	412,206	391,371
Family and Community Support Services	367,431	371,630	395,101
Community services	169,726	210,151	232,014
Other utilities	211,000	185,300	183,814
Disaster and emergency measures	100,223	84,473	48,075
	<u>26,797,804</u>	<u>31,172,714</u>	<u>29,921,752</u>
<b>ANNUAL SURPLUS (DEFICIT) BEFORE OTHER INCOME</b>	<u>1,078,101</u>	<u>(3,452,988)</u>	<u>(2,300,069)</u>
<b>OTHER INCOME</b>			
Government transfers for capital ( <i>Schedule 4</i> )	3,483,121	2,981,962	4,485,296
Contributed assets ( <i>Schedule 1</i> )	75,000	1,412,795	-
Gain (loss) on disposal of tangible capital assets	165,000	227,229	(80,952)
Net loss on sale of Olds Fibre Ltd. ( <i>Note 25</i> )	-	(7,804,266)	-
	<u>3,723,121</u>	<u>(3,182,280)</u>	<u>4,404,344</u>
<b>ANNUAL SURPLUS (DEFICIT)</b>	4,801,222	(6,635,268)	2,104,275
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<u>94,376,738</u>	<u>94,376,738</u>	<u>92,272,463</u>
<b>ACCUMULATED SURPLUS, END OF YEAR (SCHEDULE 2, NOTE 14)</b>	<u>\$ 99,177,960</u>	<u>\$ 87,741,470</u>	<u>\$ 94,376,738</u>

**TOWN OF OLDS**

**Consolidated Statement of Change in Net Financial Debt**

**For the Year Ended December 31, 2024**

	<u>2024</u> (Budget) (Note 26)	<u>2024</u> (Actual)	<u>2023</u> (Actual)
<b>ANNUAL SURPLUS (DEFICIT)</b>	\$ <u>4,801,222</u>	\$ <u>(6,635,268)</u>	\$ <u>2,104,275</u>
Acquisition of tangible capital assets	(5,047,331)	<b>(4,683,433)</b>	(6,383,223)
Contributed tangible capital assets	(75,000)	<b>(1,412,795)</b>	-
Proceeds on disposal of tangible capital assets	-	<b>280,170</b>	51,042
Amortization of tangible capital assets	483,840	<b>4,631,656</b>	4,417,910
Loss (gain) on disposal of tangible capital assets	<u>(165,000)</u>	<u><b>(227,229)</b></u>	<u>80,953</u>
	<u>(4,803,491)</u>	<u><b>(1,411,631)</b></u>	<u>(1,833,318)</u>
Net change in prepaid expenses	<u>-</u>	<u><b>(62,056)</b></u>	<u>(10,301)</u>
<b>DECREASE (INCREASE) IN NET FINANCIAL DEBT</b>	(2,269)	<b>(8,108,955)</b>	260,656
<b>NET FINANCIAL DEBT, BEGINNING OF YEAR</b>	<u>(5,238,367)</u>	<u><b>(5,238,367)</b></u>	<u>(5,499,023)</u>
<b>NET FINANCIAL DEBT, END OF YEAR</b>	\$ <u><u>(5,240,636)</u></u>	\$ <u><u><b>(13,347,322)</b></u></u>	\$ <u><u>(5,238,367)</u></u>

**TOWN OF OLDS****Consolidated Statement of Cash Flows****For the Year Ended December 31, 2024**

	<u>2024</u>	<u>2023</u>
<b>OPERATING ACTIVITIES</b>		
Cash from operations:		
Annual surplus (deficit)	\$ (6,635,268)	\$ 2,104,275
Non-cash items included in annual surplus:		
Amortization of tangible capital assets	4,631,656	4,417,910
Contributed capital assets	(1,412,795)	-
Loss (gain) on disposal of tangible capital assets	(227,229)	80,953
Accretion expense of asset retirement obligations	4,192	4,055
Net loss on sale of Olds Fibre Ltd.	<u>7,804,266</u>	<u>-</u>
	<u>4,164,822</u>	<u>6,607,193</u>
Change in non-cash working capital balances:		
Taxes and grants in place of taxes receivable	(60,871)	532,991
Trade and other receivables	(2,139,013)	376,357
Inventory held for resale	11,444	(55,903)
Prepaid expenses	(62,056)	(10,300)
Loan receivable	3,281,291	400,610
Accounts payable and accrued liabilities	(1,205,589)	830,132
Employee benefit obligations	41,310	18,334
Deposit liabilities	161,700	(279,120)
Deferred revenue	<u>(498,535)</u>	<u>(1,202,027)</u>
	<u>(470,319)</u>	<u>611,074</u>
	<u>3,694,503</u>	<u>7,218,267</u>
<b>FINANCING ACTIVITIES</b>		
Repayment of long-term debt	<u>(1,156,396)</u>	<u>(1,301,127)</u>
<b>CAPITAL ACTIVITIES</b>		
Acquisition of tangible capital assets	(4,683,433)	(6,383,223)
Proceeds on disposal of tangible capital assets	<u>280,170</u>	<u>51,042</u>
	<u>(4,403,263)</u>	<u>(6,332,181)</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of investments	(300,000)	-
Proceeds from investment redemption	680,000	5,400,000
Proceeds from sale of Olds Fibre Ltd.	<u>3,000,000</u>	<u>-</u>
	<u>3,380,000</u>	<u>5,400,000</u>
<b>CHANGE IN CASH DURING THE YEAR</b>	<b>1,514,844</b>	<b>4,984,959</b>
<b>CASH, BEGINNING OF YEAR</b>	<u><b>6,344,099</b></u>	<u><b>1,359,140</b></u>
<b>CASH, END OF YEAR</b>	<u><b>\$ 7,858,943</b></u>	<u><b>\$ 6,344,099</b></u>



## TOWN OF OLDS

## Schedule 1

## Schedule of Tangible Capital Assets

For the Year Ended December 31, 2024

	Land and Land Improvements	Buildings	Engineered Structures	Machinery and Equipment	Vehicles	Construction in Progress*	2024	2023
<b>COST:</b>								
Balance, Beginning of Year	18,486,577	33,807,118	109,361,139	8,747,612	5,304,999	2,546,013	178,253,458	172,183,764
Additions	47,246	30,473	1,202,172	1,475,696	44,343	1,883,503	4,683,433	6,383,223
Contributed assets	-	-	1,412,795	-	-	-	1,412,795	-
Disposals	-	-	(317,660)	(860,910)	(159,286)	-	(1,337,856)	(313,529)
Transfers	32,788	1,043,184	1,593,221	57,912	-	(2,727,105)	-	-
Balance, End of Year	18,566,611	34,880,775	113,251,667	9,420,310	5,190,056	1,702,411	183,011,830	178,253,458
<b>ACCUMULATED AMORTIZATION:</b>								
Balance, Beginning of Year	4,827,936	12,343,702	54,778,909	4,167,699	2,568,009	-	78,686,255	74,449,879
Amortization	708,252	711,636	2,400,501	530,968	280,299	-	4,631,656	4,417,910
Disposals	-	-	(306,857)	(836,962)	(141,096)	-	(1,284,915)	(181,534)
Balance, End of Year	5,536,188	13,055,338	56,872,553	3,861,705	2,707,212	-	82,032,996	78,686,255
<b>NET BOOK VALUE, END OF YEAR</b>	<b>\$ 13,030,423</b>	<b>\$ 21,825,437</b>	<b>\$ 56,379,114</b>	<b>\$ 5,558,605</b>	<b>\$ 2,482,844</b>	<b>\$ 1,702,411</b>	<b>\$ 100,978,834</b>	<b>\$ 99,567,203</b>
<b>NET BOOK VALUE, BEGINNING OF YEAR</b>	<b>\$ 13,658,641</b>	<b>\$ 21,463,416</b>	<b>\$ 54,582,230</b>	<b>\$ 4,579,913</b>	<b>\$ 2,736,990</b>	<b>\$ 2,546,013</b>	<b>\$ 99,567,203</b>	<b>\$ -</b>
*Construction in progress is comprised of	\$ 41,553	\$ 227,861	\$ 1,203,285	\$ 229,712	\$ -	\$ -	\$ 1,702,411	\$ 2,546,013

Schedule of Changes in Accumulated Surplus  
For the Year Ended December 31, 2024

	Unrestricted Surplus (Deficit)	Operating Reserve	Capital Reserve	Equity in Tangible Capital Assets	2024	2023
<b>BALANCE, BEGINNING OF YEAR</b>	<u>\$ 5,682,768</u>	<u>\$ 2,006,553</u>	<u>\$ 5,991,447</u>	<u>\$ 80,695,970</u>	<u>\$ 94,376,738</u>	<u>\$ 92,272,463</u>
Annual surplus (deficit)	(6,635,268)	-	-	-	(6,635,268)	2,104,275
Unrestricted funds designated for future use	629,183	(509,346)	(119,837)	-	-	-
Restricted funds used for operations	(621,737)	621,737	-	-	-	-
Restricted funds used for tangible capital assets	557,618	-	(557,618)	-	-	-
Current year funds used for tangible capital assets	(4,683,433)	-	-	4,683,433	-	-
Contributed tangible capital assets	(1,412,795)	-	-	1,412,795	-	-
Disposal of tangible capital assets (net of amortization)	52,941	-	-	(52,941)	-	-
Amortization	4,631,656	-	-	(4,631,656)	-	-
Accretion of asset retirement obligation	4,192	-	-	(4,192)	-	-
Long term debt repaid	<u>(812,230)</u>	<u>-</u>	<u>-</u>	<u>812,230</u>	<u>-</u>	<u>-</u>
Change in accumulated surplus	<u>(8,289,873)</u>	<u>112,391</u>	<u>(677,455)</u>	<u>2,219,669</u>	<u>(6,635,268)</u>	<u>2,104,275</u>
<b>BALANCE, END OF YEAR (NOTE 14)</b>	<u>\$ (2,607,105)</u>	<u>\$ 2,118,944</u>	<u>\$ 5,313,992</u>	<u>\$ 82,915,639</u>	<u>\$ 87,741,470</u>	<u>\$ 94,376,738</u>

## Schedule of Property and Other Taxes

For the Year Ended December 31, 2024

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	<u>2024</u> (Budget) (Note 26)	<u>2024</u> (Actual)	<u>2023</u> (Actual)
<b>TAXATION</b>			
Real property taxes	\$ 16,405,204	<b>\$ 16,253,684</b>	\$ 15,306,960
Linear property taxes	<u>-</u>	<u><b>129,892</b></u>	<u>118,688</u>
	<u>16,405,204</u>	<u><b>16,383,576</b></u>	<u>15,425,648</u>
<b>REQUISITIONS</b>			
Alberta School Foundation Fund	4,650,363	<b>4,650,364</b>	4,237,189
Mountain View Senior Housing	656,275	<b>656,275</b>	622,180
Designated Industrial Property	<u>1,230</u>	<u><b>1,371</b></u>	<u>1,271</u>
	<u>5,307,868</u>	<u><b>5,308,010</b></u>	<u>4,860,640</u>
<b>NET MUNICIPAL TAXES</b>	<u><b>\$ 11,097,336</b></u>	<u><b>\$ 11,075,566</b></u>	<u><b>\$ 10,565,008</b></u>

## Schedule of Government Transfers

For the Year Ended December 31, 2024

	<u>2024</u> (Budget) (Note 26)	<u>2024</u> (Actual)	<u>2023</u> (Actual)
<b>TRANSFERS FOR OPERATING</b>			
Provincial government	\$ 1,180,603	\$ <b>1,090,292</b>	\$ 853,619
Local governments	665,698	<b>659,803</b>	692,352
Federal government	<u>30,000</u>	<u><b>17,600</b></u>	<u>11,300</u>
	<u>1,876,301</u>	<u><b>1,767,695</b></u>	<u>1,557,271</u>
<b>TRANSFERS FOR CAPITAL</b>			
Provincial government	1,638,427	<b>1,245,922</b>	2,440,969
Federal government	1,844,694	<b>1,736,040</b>	1,916,977
Local governments	<u>-</u>	<u>-</u>	<u>127,350</u>
	<u>3,483,121</u>	<u><b>2,981,962</b></u>	<u>4,485,296</u>
<b>TOTAL GOVERNMENT TRANSFERS</b>	<u>\$ 5,359,422</u>	<u>\$ <b>4,749,657</b></u>	<u>\$ 6,042,567</u>

**TOWN OF OLDS**  
**Schedule of Segmented Information**  
**For the Year Ended December 31, 2024**

**Schedule 5**

	<u>Council and Administration</u>	<u>Protective Services</u>	<u>Economic Development and Planning</u>	<u>Public Health Services</u>	<u>Transportation Services</u>	<u>Utility Services</u>	<u>Recreation and Culture</u>	<u>2024</u>
<b>REVENUE</b>								
Taxation	\$ 11,075,566	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	<b>\$ 11,075,566</b>
User fees and sales of goods	371,200	238,660	13,052	93,384	7,402	8,959,350	848,303	<b>10,531,351</b>
Franchise and concession contracts	2,332,770	-	-	-	-	-	-	<b>2,332,770</b>
Government transfers for operating	126,135	383,737	237,982	291,669	25,520	-	702,652	<b>1,767,695</b>
All other	157,660	645,780	-	-	20,368	34,882	5,001	<b>863,691</b>
Investment income	803,523	-	-	-	-	-	-	<b>803,523</b>
Licenses and permits	-	23,068	320,988	-	1,074	-	-	<b>345,130</b>
	<u>14,866,854</u>	<u>1,291,245</u>	<u>572,022</u>	<u>385,053</u>	<u>54,364</u>	<u>8,994,232</u>	<u>1,555,956</u>	<b><u>27,719,726</u></b>
<b>EXPENSES</b>								
Salaries, wages, and benefits	1,974,506	1,332,089	692,272	279,516	859,663	995,403	2,930,216	<b>9,063,665</b>
Transfers to other governments	-	1,913,658	-	136,463	-	5,479,676	-	<b>7,529,797</b>
Contracted and general services	1,006,736	443,771	540,993	131,588	1,001,743	1,301,257	1,296,643	<b>5,722,731</b>
Amortization of tangible capital assets	90,119	330,711	1,604	26,433	2,049,848	889,583	1,243,358	<b>4,631,656</b>
Materials, goods, supplies and utilities	246,902	235,551	7,109	7,781	837,203	153,808	794,430	<b>2,282,784</b>
Interest on long term debt	309,695	75,855	-	-	198,562	173,143	88,964	<b>846,219</b>
Transfers to local boards and organizations	134,981	-	-	-	-	110,411	576,731	<b>822,123</b>
Other	218,755	3,165	43,438	-	-	-	4,189	<b>269,547</b>
Accretion of asset retirement obligations	-	-	-	-	2,261	343	1,588	<b>4,192</b>
	<u>3,981,694</u>	<u>4,334,800</u>	<u>1,285,416</u>	<u>581,781</u>	<u>4,949,280</u>	<u>9,103,624</u>	<u>6,936,119</u>	<b><u>31,172,714</u></b>
<b>ANNUAL SURPLUS BEFORE OTHER INCOME</b>	<u>10,885,160</u>	<u>(3,043,555)</u>	<u>(713,394)</u>	<u>(196,728)</u>	<u>(4,894,916)</u>	<u>(109,392)</u>	<u>(5,380,163)</u>	<b><u>(3,452,988)</u></b>
Government transfers for capital	-	-	-	-	636,120	1,546,844	798,998	<b>2,981,962</b>
Contributed assets	-	-	-	-	817,171	580,459	15,165	<b>1,412,795</b>
Gain (loss) on disposal of tangible capital assets	(1,181)	(1,954)	-	-	2,569	194,285	33,510	<b>227,229</b>
Net loss on sale of Olds Fibre Ltd.	<u>(7,804,266)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<b><u>(7,804,266)</u></b>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b><u>\$ 3,079,713</u></b>	<b><u>\$ (3,045,509)</u></b>	<b><u>\$ (713,394)</u></b>	<b><u>\$ (196,728)</u></b>	<b><u>\$ (3,439,056)</u></b>	<b><u>\$ 2,212,196</u></b>	<b><u>\$ (4,532,490)</u></b>	<b><u>\$ (6,635,268)</u></b>

**TOWN OF OLDS**  
**Schedule of Segmented Information**  
**For the Year Ended December 31, 2023**

**Schedule 5**

	<u>Council and Administration</u>	<u>Protective Services</u>	<u>Economic Development and Planning</u>	<u>Public Health Services</u>	<u>Transportation Services</u>	<u>Utility Services</u>	<u>Recreation and Culture</u>	<u>2023</u>
<b>REVENUE</b>								
User fees and sales of goods	\$ 607,456	\$ 255,666	\$ 12,190	\$ 95,490	\$ 1,858	\$ 8,966,329	\$ 749,914	<b>\$ 10,688,903</b>
Taxation	10,565,008	-	-	-	-	-	-	<b>10,565,008</b>
Franchise and concession contracts	2,414,740	-	-	-	-	-	-	<b>2,414,740</b>
Government transfers for operating	83,347	431,465	47,130	292,200	18,900	-	684,229	<b>1,557,271</b>
Investment income	1,053,225	-	-	-	-	-	-	<b>1,053,225</b>
All other	177,294	647,239	26,500	-	-	17,916	163,607	<b>1,032,556</b>
Licenses and permits	-	23,660	285,292	-	1,028	-	-	<b>309,980</b>
	<u>14,901,070</u>	<u>1,358,030</u>	<u>371,112</u>	<u>387,690</u>	<u>21,786</u>	<u>8,984,245</u>	<u>1,597,750</u>	<b><u>27,621,683</u></b>
<b>EXPENSES</b>								
Salaries, wages, and benefits	1,678,567	1,296,914	606,957	282,188	861,437	1,127,669	2,744,627	<b>8,598,359</b>
Transfers to other governments	-	1,628,724	98,105	215,098	-	5,792,025	-	<b>7,733,952</b>
Contracted and general services	986,889	441,092	288,511	80,662	917,681	1,347,230	1,265,519	<b>5,327,584</b>
Amortization of tangible capital assets	118,737	326,490	1,604	26,705	2,011,573	783,260	1,149,542	<b>4,417,911</b>
Materials, goods, supplies and utilities	136,411	227,268	6,110	17,690	767,991	142,512	675,823	<b>1,973,805</b>
Transfers to local boards and organizations	143,080	-	-	4,772	-	197,279	550,381	<b>895,512</b>
Interest on long term debt	317,700	85,170	-	-	205,708	188,041	94,527	<b>891,146</b>
Other	49,393	-	27,400	-	-	-	2,635	<b>79,428</b>
Accretion of asset retirement obligations	-	-	-	-	2,187	332	1,536	<b>4,055</b>
	<u>3,430,777</u>	<u>4,005,658</u>	<u>1,028,687</u>	<u>627,115</u>	<u>4,766,577</u>	<u>9,578,348</u>	<u>6,484,590</u>	<b><u>29,921,752</u></b>
<b>ANNUAL SURPLUS BEFORE OTHER INCOME</b>	<u>11,470,293</u>	<u>(2,647,628)</u>	<u>(657,575)</u>	<u>(239,425)</u>	<u>(4,744,791)</u>	<u>(594,103)</u>	<u>(4,886,840)</u>	<b><u>(2,300,069)</u></b>
Government transfers for capital	-	-	-	-	1,868,499	79,378	2,537,419	<b>4,485,296</b>
Gain (loss) on disposal of tangible capital assets	-	20,000	-	-	(64,122)	(36,830)	-	<b>(80,952)</b>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b><u>\$ 11,470,293</u></b>	<b><u>\$ (2,627,628)</u></b>	<b><u>\$ (657,575)</u></b>	<b><u>\$ (239,425)</u></b>	<b><u>\$ (2,940,414)</u></b>	<b><u>\$ (551,555)</u></b>	<b><u>\$ (2,349,421)</u></b>	<b><u>\$ 2,104,275</u></b>

## **1. SIGNIFICANT ACCOUNTING POLICIES**

The consolidated financial statements of the Town of Olds (the "Town") are the representations of management prepared in accordance with Canadian public sector accounting standards. Significant aspects of the accounting policies adopted by the Town are as follows:

### **(a) Reporting Entity**

The consolidated financial statements reflect the assets, liabilities, revenues, expenses, and change in net financial assets and cash flows of the reporting entity. The entity is comprised of all the organizations that are owned or controlled by the Town and are, therefore, accountable to the Council for the administration of their financial affairs and resources. Included with the municipality are the following:

Family and Community Support Services  
Mountain View Power

Interdepartmental and inter-organizational transactions and balances between these entities and organizations are eliminated.

The schedule of taxes levied also includes requisitions for education and seniors foundations 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 consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipt of goods and 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.

### **(c) Investments**

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

### **(d) Investment in Government Business Enterprise**

The investment in Olds Fibre Ltd. is accounted for using the modified equity basis consistent with the Canadian public sector accounting standards for government business enterprises. Under the modified equity basis, entire business enterprise is not consolidated, its accounting policies are not adjusted to conform with those of the Town and the inter-organizational transactions and balances are not eliminated.

*(Continues)*

## 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (e) *Asset retirement obligations*

Asset retirement obligations are legal obligations associated with the retirement tangible capital assets. Asset retirement activities include all activities related to an asset retirement obligation. These may include, but are not limited to:

- Decommissioning or dismantling a tangible capital asset that was acquired, constructed or developed;
- Remediation of contamination of a tangible capital asset created by its normal use;
- Post-retirement activities such as monitoring; and
- Constructing other tangible capital assets to perform post-retirement activities.

Asset retirement obligations are initially measured at the later of the date of acquisition or legislative obligation. When a liability for an asset retirement obligation is recognized, the asset retirement costs are added to the carrying amount of the related tangible capital asset in productive use and are amortized over the estimated useful life of the related tangible capital asset. Asset retirement costs related to unrecognized tangible capital assets or for tangible capital assets no longer in productive use are expensed in the statement of operations.

When the future retirement date is unknown, the asset retirement obligation is measured at the current estimated cost to settle or otherwise extinguish the liability. When the future retirement date is known, a present value technique is used to measure the liability. Subsequent to the initial measurement, the asset retirement obligation is adjusted to reflect the passage of time and changes in the estimated future cash flows underlying the obligation and is recognized as an accretion expense in the statement of operations.

### (f) *Tax Revenue*

Property tax revenue is based on assessments determined in accordance with the *Municipal Government Act*. Tax mill rates are established annually. Taxation revenues are recorded at the time tax billings are issued. Assessments are subject to appeal.

Construction and borrowing costs associated with local improvement projects are recovered through annual special property assessments during the period of the related borrowing. These levies are collectible from property owners for work performed by the Town. Under the accrual basis of accounting, revenues to be received from local improvement assessments are recognized in full in the period the local improvement project costs are incurred and the passing of the related imposition by-law.

### (g) *Use of Estimates*

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

Accounts receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary. The amounts recorded for valuation of tangible capital assets, the useful lives and related amortization of tangible capital assets, future cash flows associated with asset retirement obligations, and accrued liabilities are areas where management makes significant estimates and assumptions in determining the amounts to be recorded in the financial statements.

(Continues)



**1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(h) Government Transfers**

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

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

**(i) Requisition Over-Levies and Under-Levies**

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. In situations 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.

**(j) Pension Expenses**

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

**(k) Valuation of financial assets and liabilities**

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

<u>Financial Statement Component</u>	<u>Measurement</u>
Cash	Cost
Receivables	Lower of cost and net realizable value
Inventory for resale	Lower of cost and net realizable value
Investments	Amortized cost
Accounts payable and accrued liabilities	Cost
Employee benefit obligations	Cost
Long-term debt	Amortized cost
Asset retirement obligations	Amortized cost

All financial assets are annually assessed for impairment. If an impairment deemed other-than-temporary is identified, the cost of the financial asset is written down to its realizable value. Any impairment losses are included in the statement of operations and accumulated surplus. A write-down of a financial asset to reflect a loss in value is not reversed for a subsequent increase in value.

For financial assets and liabilities measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense. Transaction costs are expensed as they are incurred.

(Continues)

**1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(l) 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.

**i) Tangible Capital Assets**

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. Contributed assets are capitalized and are recorded at their estimated fair value upon acquisition and are also recorded as revenue. Construction in progress represents assets which are not available for productive use and therefore are not subject to amortization. The cost, less residual value, of tangible capital assets is amortized on a straight-line basis over the estimated useful life as follows:

Land Improvements	15 - 25 years
Buildings	25 - 50 years
Engineered Structures	15 - 75 years
Machinery and Equipment	5 - 20 years
Vehicles	10 - 25 years

One-half of the annual amortization is charged in the year 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) 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.

**iv) Inventory for Consumption**

Inventory held for consumption is recorded at the lower of cost and replacement cost with cost determined using the average cost method.

**v) Cultural and Historical Tangible Capital Assets**

Works of art for display are not recorded as tangible capital assets but are disclosed.

**(m) Adoption of Accounting Standards**

Effective January 1, 2024, the Town has adopted Canadian public sector accounting standards PS 3400 Revenue, PS 3160 Public Private Partnerships, and PSG-8 Portfolio Purchased Intangible Assets. The new standards have been applied prospectively. Comparative results have not been restated. Adoption of these standards had no effect on the Town's consolidated financial statements from previous years.

(Continues)

**TOWN OF OLDS****Notes to Consolidated Financial Statements****Year Ended December 31, 2024****1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(n) Future Accounting Standard Pronouncements**

The following summarizes upcoming changes to the Canadian public sector accounting standards. The Town will continue to assess the impact and prepare for the adoption of these standards.

**i) Financial Statement Presentations**

PS 1202, Financial Statement Presentation, sets out general and specific requirements for the presentation of information in general purpose financial statements. The financial statement principles are based on the concepts in the Conceptual Framework for Financial Reporting in the Public Sector. This standard is applicable to fiscal years beginning on or after April 1, 2026.

**ii) The Conceptual Framework for Financial Reporting**

The PSAB's framework replaces the conceptual aspects of PS 1000 – Financial Statement Concepts, and PS 1100 – Financial Statement Objectives. This standard is applicable to fiscal years beginning on or after April 1, 2026.

**2. TAXES AND GRANTS IN PLACE OF TAXES RECEIVABLE**

	<u>2024</u>	<u>2023</u>
Current taxes	\$ 418,381	\$ 186,674
Arrears taxes	<u>302,521</u>	<u>473,357</u>
	<u>\$ 720,902</u>	<u>\$ 660,031</u>

**3. TRADE AND OTHER RECEIVABLES**

	<u>2024</u>	<u>2023</u>
Receivable from developers	\$ 3,232,609	\$ 3,139,735
Trade and other (Note 25)	2,600,424	2,693,651
Receivable from other governments	1,896,569	1,444,597
Holdback receivable (Note 25)	1,850,000	-
Goods and Services Tax recoverable	<u>225,984</u>	<u>257,334</u>
	9,805,586	7,535,317
Less: Allowance for doubtful accounts	<u>(140,452)</u>	<u>(9,196)</u>
	<u>\$ 9,665,134</u>	<u>\$ 7,526,121</u>

**TOWN OF OLDS**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2024**

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**4. LOAN RECEIVABLE**

	<u>2024</u>	<u>2023</u>
Olds Fibre Ltd.	\$ <u>          </u> -	\$ <u>14,085,556</u>

In prior years, Olds Institute for Community and Regional Development ("OICRD") was granted a loan to fund the installation of fibre optics with the Town boundaries in order to provide high speed internet service for residents and businesses.

During 2020, the Town issued demand for payment and unlimited guarantee on the loan with OICRD. As a result of the demand for payment, the Town entered into a forbearance agreement with OICRD and Olds Fibre Ltd. (guarantor of the loan).

During 2021, the Court granted an order approving the credit bid of the Town of Olds to purchase all of the assets of OICRD, which included the share of Olds Fibre Ltd. Council approved a motion to structure the transfer of assets of Olds Fibre Ltd. as a loan. The resulting Promissory Note due from Olds Fibre Ltd. was repayable in semi annual payments of \$442,148 including interest at 3.362% over a 25 year amortization period ending in 2046.

During the year, the Town completed the sale of Olds Fibre Ltd. to Telus Communications. \$10,804,265 was forgiven as part of the Town's sale of shares in Olds Fibre Ltd. A loss has been recognized in the consolidated statement of operations (Note 25).

**5. INVESTMENTS**

	<u>2024</u>	<u>2023</u>
Guaranteed investment certificates	\$ <u>300,000</u>	\$ <u>680,000</u>

The guaranteed investment certificate bears interest at 3.25% (2023 - 2.40% to 5.11%) maturing in February 2025 (2023 - January 2024 to February 2024).

**6. CREDIT FACILITIES**

The Town has a revolving operating credit facility with Alberta Treasury Branch, which includes an authorized overdraft that can be drawn upon to a maximum of \$500,000; which bear interest at prime plus 1% per annum. As at December 31, 2024, no amount has been drawn on this facility (2023 - \$NIL).

The Town has a credit card with a credit limit of \$200,000. The credit facility bears interest at 1.5% per month (19.56% per annum). There was \$56,886 (2023 - \$47,798) drawn under this facility as at December 31, 2024 and is included in accounts payable and accrued liabilities in Note 7. This facility is unsecured.

**7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<u>2024</u>	<u>2023</u>
Accounts payable and accrued liabilities	\$ <u>2,489,255</u>	\$ 3,467,581
Holdbacks payable	<u>265,148</u>	480,135
Accrued interest payable	<u>173,468</u>	<u>185,744</u>
	\$ <u><u>2,927,871</u></u>	\$ <u><u>4,133,460</u></u>

**TOWN OF OLDS****Notes to Consolidated Financial Statements****Year Ended December 31, 2024****8. EMPLOYEE BENEFIT OBLIGATIONS**

	<u>2024</u>	<u>2023</u>
Vacation payable	\$ 314,689	\$ 267,037
Overtime payable	<u>19,853</u>	<u>26,195</u>
	<u>\$ 334,542</u>	<u>\$ 293,232</u>

The vacation and overtime liability is comprised of the vacation and overtime that employees are deferring. Employees have either earned the benefits (and are vested) or are entitled to these benefits within the next budgetary year. The Town does not provide post-employment benefits to their employees.

**9. DEPOSIT LIABILITIES**

	<u>2024</u>	<u>2023</u>
Development deposits	\$ 540,650	\$ 396,650
Utility deposits	<u>151,000</u>	<u>133,500</u>
Water deposits	<u>7,705</u>	<u>7,505</u>
	<u>\$ 699,355</u>	<u>\$ 537,655</u>

**10. DEFERRED REVENUE**

Deferred revenue consists of the following amounts, which have been restricted by third parties for a specified purpose. These amounts are recognized as revenue in the period in which the related expenditures are incurred.

	<u>2023</u>	<u>Additions</u>	<u>Revenue Recognized</u>	<u>2024</u>
Local Government Funding				
Framework	\$ -	\$ 1,242,219	\$ (636,978)	\$ 605,241
Other	107,821	292,314	(214,155)	185,980
Green and Inclusive Community				
Buildings Program	-	629,429	(556,841)	72,588
Association of Alberta				
Municipalities	-	50,000	-	50,000
Canada Community Building Fund	621,967	586,489	(1,179,199)	29,257
New Police Officers Grant	25,000	-	-	25,000
Municipal Sustainability Initiative	608,943	-	(608,943)	-
Alberta Community Partnership	<u>102,870</u>	<u>50,000</u>	<u>(152,870)</u>	<u>-</u>
	<u>\$ 1,466,601</u>	<u>\$ 2,850,451</u>	<u>\$ (3,348,986)</u>	<u>\$ 968,066</u>

## TOWN OF OLDS

### Notes to Consolidated Financial Statements

Year Ended December 31, 2024

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#### 11. ASSET RETIREMENT OBLIGATIONS

Tangible capital assets with associated retirement obligations include land, land improvements, buildings, engineered structures, and machinery and equipment.

The Town has asset retirement obligations to remove various hazardous materials including, asbestos, lead, mercury, and mold from various buildings under its control. Regulations require the Town to handle and dispose of these materials in a prescribed manner when it is disturbed, such as when the building undergoes renovations or is demolished. Although the timing of the removal is conditional on the building undergoing renovations or being demolished, regulations create an existing obligation for the Town to remove the materials when the asset retirement activities occur.

The Town has asset retirement obligations pursuant to the *Environmental Enhancement and Protection Act* (Alberta) to fund the future reclamation of its work sites. Reclamation activities include the final soil cover, landscaping, and visual inspection. Although, the timing of the work site reclamation is conditional on the length of time until the site is expected to be inactive, regulations create an existing obligation for the Town to reclaim the work site when the asset retirement activity occur.

	<u>2024</u>	<u>2023</u>
Balance, Beginning of Year	\$ 124,390	\$ 120,335
Net Change for the Year		
Accretion expense	<u>4,192</u>	<u>4,055</u>
Balance, End of Year	<u>\$ 128,582</u>	<u>\$ 124,390</u>

Asset retirement obligations of \$128,582 (2023 - \$124,390) measured using a present value technique. The present value was calculated using estimated total undiscounted cash flow amounting to \$259,085 (2023 - \$259,085), and a discount rate of 3.37% (2022 - 3.37%), with retirement and reclamation activities expected to be settled between 2030 and 2054.

The above asset retirement obligations relate to buildings. These obligations were estimated based on the potential for hazardous materials in the identified buildings and calculated by applying an average rate per square footage to remove, remediate, or appropriately dispose of the hazardous materials.

In addition, the Town has identified land and sewage lagoons which contain legal obligations for remediation. The Town is unable to reasonably estimate when these assets will be retired and what costs will be incurred to retire these assets at this time.

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

**TOWN OF OLDS****Notes to Consolidated Financial Statements****Year Ended December 31, 2024****12. LONG-TERM DEBT**

	<u>2024</u>	<u>2023</u>
Tax supported debentures	\$ 12,023,839	\$ 12,548,469
Loan repayment debenture - OFL	8,952,792	9,296,958
Utility supported debentures	<u>5,910,774</u>	<u>6,198,374</u>
	<u>\$ 26,887,405</u>	<u>\$ 28,043,801</u>

The current portion of the long-term debt amounts to \$1,195,749 (2023 - \$1,156,396).

Principal and interest repayments:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 1,195,749	\$ 815,753	\$ 2,011,502
2026	1,236,532	774,967	2,011,499
2027	1,152,527	732,688	1,885,215
2028	1,188,721	696,494	1,885,215
2029	1,226,068	659,146	1,885,214
Thereafter	<u>20,887,808</u>	<u>5,230,000</u>	<u>26,117,808</u>
	<u>\$ 26,887,405</u>	<u>\$ 8,909,048</u>	<u>\$ 35,796,453</u>

Debenture debt is repayable to the Province of Alberta bearing interest at rates ranging from 2.60% - 6.25% per annum maturing in the year 2026 through 2050.

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

Interest on long-term debt amounted to \$846,218 (2023 - \$891,146). The Town's total cash payments for interest is \$855,102 (2023 - \$893,071).

**13. FRANCHISE FEES AND CONCESSION CONTRACTS**

Disclosure of utility franchise agreement annual revenues as required by *Alberta Regulation 313/2000* is as follows:

	<u>2024</u>	<u>2023</u>
ATCO Gas Ltd.	\$ 1,460,570	\$ 1,563,195
Fortis Alberta	<u>872,200</u>	<u>851,545</u>
	<u>\$ 2,332,770</u>	<u>\$ 2,414,740</u>

**TOWN OF OLDS****Notes to Consolidated Financial Statements****Year Ended December 31, 2024**

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**14. ACCUMULATED SURPLUS**

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

	<u>2024</u>	<u>2023</u>
Unrestricted surplus (deficit)	\$ (2,607,105)	\$ 5,682,768
Reserves (Note 15)	7,432,936	7,998,000
Equity in tangible capital assets (Note 16)	<u>82,915,639</u>	<u>80,695,970</u>
	<u>\$ 87,741,470</u>	<u>\$ 94,376,738</u>

**15. RESERVES**

Council has recorded reserves for various purposes. These reserves are either required by legislation or was recorded at the discretion of Council to provide funding for future expenses.

	<u>2024</u>	<u>2023</u>
Operating		
General	\$ 1,421,786	\$ 1,443,095
Legacy and memorial	200	-
Cemetery	9,400	-
Tax stabilization fund	331,992	316,245
Utilities	63,491	5,141
Mountain view power	208,513	162,473
Fire reserve	59,793	56,957
NU2U	-	-
Olds fashioned Christmas	<u>23,769</u>	<u>22,642</u>
	<u>2,118,944</u>	<u>2,006,553</u>
Capital		
Building reserve	1,824,818	1,966,136
Utility reserve	481,242	1,054,456
Offsite levies - transportation	1,012,195	1,011,967
Offsite levies - water	649,956	610,922
Offsite levies - wastewater	488,087	456,731
Offsite levies - storm water	394,540	370,146
Municipal reserve	348,526	331,996
Restricted reserves for specific purposes	79,576	75,802
General	14,899	94,095
Fire - small equipment	<u>20,153</u>	<u>19,196</u>
	<u>5,313,992</u>	<u>5,991,447</u>
	<u>\$ 7,432,936</u>	<u>\$ 7,998,000</u>



**TOWN OF OLDS****Notes to Consolidated Financial Statements****Year Ended December 31, 2024**

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**16. EQUITY IN TANGIBLE CAPITAL ASSETS**

	<u>2024</u>	<u>2023</u>
Tangible capital assets ( <i>Schedule 1</i> )	\$183,011,830	\$178,253,458
Accumulated amortization ( <i>Schedule 1</i> )	(82,032,996)	(78,686,255)
Asset retirement obligation ( <i>Note 11</i> )	(128,582)	(124,390)
Long-term debt ( <i>Note 12</i> )	<u>(17,934,613)</u>	<u>(18,746,843)</u>
	<u>\$ 82,915,639</u>	<u>\$ 80,695,970</u>

**17. DEBT LIMITS**

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

	<u>2024</u>	<u>2023</u>
Total debt limit	\$ 41,579,589	\$ 41,432,525
Total debt	<u>26,887,405</u>	<u>31,723,099</u>
Amount of total debt limit unused	<u>\$ 14,692,184</u>	<u>\$ 9,709,426</u>
Debt servicing limit	\$ 6,929,932	\$ 6,905,421
Debt servicing	<u>2,011,502</u>	<u>2,011,499</u>
Amount of debt servicing limit unused	<u>\$ 4,918,430</u>	<u>\$ 4,893,922</u>

The debt limit is calculated at 1.50 times revenue of the Town (as defined in the 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 a conservative guideline used by Alberta Municipal Affairs to identify municipalities that could be at a financial risk if further debt is acquired. The calculation taken alone does not represent the financial stability of the Town. Rather, the consolidated financial statements must be interpreted as a whole.

Total debt of 31,723,099 (2023 - \$32,723,099) related to tangible capital assets, includes the principal balance of loans held by Olds Institute for Community and Regional Development guaranteed by the Town. The guarantee provided by the Town terminated upon the sale of Olds Fibre Limited.

## TOWN OF OLDS

### Notes to Consolidated Financial Statements

Year Ended December 31, 2024

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#### 18. CONTRACTUAL RIGHTS

Contractual rights are the rights of the Town to economic resources from contracts or agreements that will result in both assets and revenues in the future when the terms of these contracts or agreements are met.

The Town's ongoing leases and contracts that will be received or receivable for each of the next five years are as follows:

2025	\$ 209,290
2026	211,779
2027	214,317
2028	106,498
2029	<u>84,850</u>
Total	\$ <u>826,734</u>

#### 19. CONTRACTUAL OBLIGATIONS

The Town has entered into operating leases for vehicles and equipment. The payments over the next two years are as follows:

2025	<u>33,627</u>
Total	\$ <u>33,627</u>

#### 20. CONTINGENCIES

The Town is a member of the Alberta Municipal Insurance Exchange (the "Exchange"). Under the terms of membership, the Town 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.

From time to time, the Town may become involved in various legal disputes. It is not possible to estimate the outcome of these disputes; however, management believes that there will be no significant adverse effects on the financial position of the Town related to ongoing matters.

## TOWN OF OLDS

### Notes to Consolidated Financial Statements

Year Ended December 31, 2024

## 21. SALARIES AND BENEFITS DISCLOSURE

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

	<u>Salary</u> <sup>(1)</sup>	<u>Benefits and Allowances</u> <sup>(2)</sup>	<b><u>2024 Total</u></b>	<b><u>2023 Total</u></b>
Elected Officials:				
Mayor Dahl	\$ 60,038	\$ 5,831	\$ <b>65,869</b>	\$ 64,583
Councillor Blatz	35,123	7,732	<b>42,855</b>	45,164
Councillor Cummings	38,324	7,913	<b>46,237</b>	44,052
Councillor Daley	35,248	4,579	<b>39,827</b>	42,495
Councillor Ryan	36,398	7,805	<b>44,203</b>	42,904
Councillor Walsh	32,374	5,722	<b>38,096</b>	36,049
Councillor Wilson	<u>36,523</u>	<u>7,824</u>	<u><b>44,347</b></u>	<u>42,825</u>
	<u>\$ 274,028</u>	<u>\$ 47,406</u>	<u>\$ <b>321,434</b></u>	<u>\$ 318,072</u>
Chief Administrative Officer				
	\$ 217,277	\$ 63,419	\$ <b>280,696</b>	\$ 268,603
Designated Officer <sup>(3)</sup>	<u>\$ 88,829</u>	<u>-</u>	<u><b>88,829</b></u>	<u>85,590</u>
	<u>\$ 306,106</u>	<u>\$ 63,419</u>	<u>\$ <b>369,525</b></u>	<u>\$ 354,193</u>

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

(2) Employer's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, vision coverage, group life insurance, accidental disability and dismemberment insurance, long and short-term disability plans, professional memberships, and tuition. 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.

(3) Designated officers include the Town's third party assessor.

## 22. LOCAL AUTHORITIES PENSION PLAN

Employees of the Town participate in the Local Authorities Pension Plan (LAPP), which is covered by the *Public Sector Pension Plans Act*. LAPP is financed by employer and employee contributions and investment earnings of the LAPP Fund.

The Town is required to make current service contributions to the Plan of 8.45% (2023 - 8.45%) of pensionable earnings up to the Canada Pension Plan year's maximum pensionable earnings and 11.65% (2023 - 12.23%) for the excess. Employees of the Town are required to make current service contributions of 7.45% (2023 - 7.45%) of pensionable earnings up to the year's maximum pensionable earnings and 10.65% (2023 - 11.23%) on pensionable earnings above this amount.

Total current and past service contributions made by the Town to the LAPP in 2024 were \$486,947 (2023 - \$481,991). Total current and past service contributions made by the employees of the Town to the LAPP in 2024 were \$434,145 (2023 - \$426,588).

At December 31, 2023, the LAPP disclosed an actuarial surplus of \$15.06 billion (2022 - \$12.67 billion).

## **23. FINANCIAL RISK MANAGEMENT**

The Town's financial instruments consist of cash, receivables from developers, trade receivables, receivables from other governments, holdbacks receivable, and goods and services tax recoverable, investments, accounts payable and accrued liabilities, deposit liabilities and long-term debt. It is management's opinion that the Town is not exposed to significant interest, currency or credit risk arising from these financial instruments.

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

Unless otherwise noted, the carrying value of these financial instruments approximates their fair value.

## **24. SEGMENTED INFORMATION**

The Town provides a range of services to its residents. For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 1. Certain lines of service that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

*a) Council and Administration*

This service includes council, administrative, and other general services which provide support to all other service areas and cannot be directly attributed to a specific segment.

*b) Protective Services*

Protective services is comprised of police, bylaw enforcement, firefighting, and disaster and emergency measures. This service area is responsible for the overall safety of the public through various prevention and enforcement activities.

*c) Economic development and other planning*

Planning and development provides a number of services including Town planning, enforcement of building and construction codes, and review of all property development plans through its application.

*d) Public Health Services*

This service area provides and administers community support programs and general community services. This includes Family and Community Support Services and other community services.

*e) Transportation Services*

Transportation services is responsible for delivery of municipal public works services related to planning, development, and maintenance of roadways, parks and open spaces, and street lighting.

*f) Utility Services*

Utility services provides drinking water, wastewater treatment, and solid waste disposal services to the Town's citizens.

*g) Recreation and Culture*

Recreation and culture maintains recreational and cultural infrastructure including, parks, arenas, aquatic centres, community centres, libraries, as well as provides recreational and cultural programs at those locations.

**TOWN OF OLDS**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2024**

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**25. INVESTMENT IN OLDS FIBRE LTD.**

	<u>2024</u>	<u>2023</u>
Investment in Olds Fibre Ltd.	<u>-</u>	<u>1</u>

On November 5, 2024, the Town finalized the sale of its interest in Olds Fibre Limited (OFL) to Telus Communications (Telus).

The implications of this sale are as follows:

	<u>2024</u>
<b>Total proceeds</b>	<b>\$ 11,000,000</b>
Less:	
Other OFL indebtedness	<b>(4,643,140)</b>
Transaction costs and other adjustments	<b><u>(23,167)</u></b>
<b>Net proceeds</b>	<b><u>\$ 6,333,693</u></b>

The net proceeds have been allocated as follows:

Proceeds for the purchase of shares in OFL	<b>\$ 3,000,000</b>
Investment in OFL	<b><u>(1)</u></b>
Gain on sale of Olds Fibre Ltd. investment	<b><u>2,999,999</u></b>
Proceeds for the repayment of loans receivable	<b>3,333,693</b>
Olds Fibre Ltd. debt	<b><u>(14,137,958)</u></b>
Loans receivable forgiven	<b><u>(10,804,265)</u></b>
<b>Net loss on sale of Olds Fibre Ltd.</b>	<b><u>\$ (7,804,266)</u></b>

Remaining proceeds of \$368,967 in deferred payments and \$1,850,000 in holdbacks receivable, are receivable from Telus and are included in balances described in Note 3. Payment of the remaining balances are contingent on the settlement of remaining obligations within OFL and is expected at the earlier of the settlement of outstanding liabilities and November 5, 2026.

Any changes in the receivable amounts are considered as transaction costs and are accounted for in the year revised.

## TOWN OF OLDS

### Notes to Consolidated Financial Statements

Year Ended December 31, 2024

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#### 26. BUDGET

The budget figures presented in these consolidated financial statements are based on the budget approved by the Town's council on December 11, 2023. The Town compiles a budget on a modified accrual basis. The reconciliation below adjusts excess revenue over expenses to align with the budget process. It should not be used as a replacement for the statement of operations and accumulated surplus. Users should note that this information may not be appropriate for their purposes.

	<u>2024</u> (Budget)	<u>2024</u> (Actual)	<u>2023</u> (Actual)
Annual surplus	4,801,222	(6,635,268)	2,104,275
Add back (deduct):			
Amortization expense	\$ 483,840	\$ 4,631,656	\$ 4,417,910
Net transfers (to) from reserves	2,269	(565,064)	(803,797)
Acquisition of tangible capital assets	(5,047,331)	(4,683,433)	(6,383,223)
Loss (gain) on disposal of tangible capital assets	(165,000)	(227,229)	80,953
Proceeds on tangible capital assets	-	280,170	51,042
Contributed assets	<u>(75,000)</u>	<u>(1,412,795)</u>	<u>-</u>
Operating deficit	\$ <u>-</u>	\$ <u>(8,611,963)</u>	\$ <u>(532,840)</u>

#### 27. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements were approved by Council and Management.

#### 28. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current year's financial statement presentation.