



Town of Crossfield
AGENDA
Special Council Meeting
Tuesday, April 22, 2025 07:00 PM

1. CALL TO ORDER

Council having so requested, and with the concurrence of Mayor Harris, a special meeting of the Council of the Town of Crossfield is hereby called and convened by Mayor Harris as per section 194(3) of the Municipal Government Act. (MGA)

We would like to take this opportunity to acknowledge the traditional territories of the Indigenous peoples of the Treaty 7 territory and the Otipemisiwak (o-tey-pe-mi-si-wak) Metis Government, District 4. We respect the histories, languages, and cultures of First Nations, Metis, Inuit, and all First Peoples of Canada, whose presence continues to enrich our community.

2. AGENDA

3. MINUTES

3.1 April 15, 2025 regular council meeting Page 2

4. DELEGATION

4.1 2024 Audited Financial Statements & Auditor Presentation Page 7
Lorraine Walker & Morgan Govett from BDO Canada LLP

5. ADJORN



**Regular Council Meeting
Minutes**

Tuesday, April 15, 2025

**Council Chambers
900 Mountain Avenue,
Crossfield, Alberta, T0M 0S0**

PRESENT: Mayor Harris
Deputy Mayor Fox
Councillor Brennan
Councillor Gustafson
Councillor Knight
Councillor Vang

REGRETS: Councillor Lambert

STAFF: Kinza Barney, CAO
Lindsey Nash, Administrative and Legislative Services Manager (Recording Secretary)
Russ Nash, Director of Community & Protective Services
Amber Ouellette, Chief Finance Officer
Steve Altena, Director of Infrastructure and Community Growth

1. CALL TO ORDER

Mayor Harris called the council meeting to order at 7:03 p.m.

We would like to take this opportunity to acknowledge the traditional territories of the Indigenous peoples of the Treaty 7 territory and the Otipemisiwak (o-tey-pe-mi-si-wak) Metis Government, District 4. We respect the histories, languages, and cultures of First Nations, Metis, Inuit, and all First Peoples of Canada, whose presence continues to enrich our community.

2. AGENDA

2.1 April 15, 2025 Agenda

076-2025

MOVED by Councillor Vang that the April 15, 2025, agenda be amended to remove item 5.1 - 2024 Audited Financial Statements & Auditor Presentation and that a Special Council meeting be held on Tuesday April 22, 2025.

CARRIED

3. MINUTES

3.1 April 1, 2025 Minutes

077-2025

MOVED by Councillor Knight that the minutes of the April 1, 2025 regular council meeting be accepted as presented. CARRIED

4. DELEGATION

4.1 Crossfield Municipal Library Appointment Request

078-2025

MOVED by Councillor Brennan that Council appoint Kenneth LeBlanc and Ian Kennedy as Library Board Trustees for a three- year term effective April 1, 2025, expiring April 1, 2028. CARRIED

5. AUDITOR UPDATE

5.1 2024 Audited Financial Statements & Auditor Presentation

ITEM REMOVED FROM AGENDA

6. 2025 BUDGET

6.1 2025 Operating and Capital Budget Approval

079-2025

MOVED by Councillor Knight that Council approve the 2025 Operating Budget in the amount of \$10,877,281, inclusive of transfers to reserves totaling \$1,340,662 as presented. CARRIED

080-2025

MOVED by Deputy Mayor Fox that Council approve the 2025 Capital Budget in the amount of \$3,895,800 as presented. CARRIED

7. BYLAWS

7.1 Bylaw 2025-03 - Fees and Rates Bylaw

081-2025

MOVED by Councillor Knight that Bylaw 2025-03 Fees and Rates Bylaw be given first reading. CARRIED

082-2025

MOVED by Councillor Brennan that Bylaw 2025-03 Fees and Rates Bylaw be given second reading. CARRIED

083-2025

MOVED by Deputy Mayor Fox that Bylaw 2025-03 Fees and Rates Bylaw be brought forward for third and final reading with unanimous consent. CARRIED

084-2025

MOVED by Councillor Knight that 2025-03 Fees & Rates Bylaw be given third and final reading. CARRIED

7.2 Bylaw 2025-04 - 2025 Taxation Bylaw

085-2025

MOVED by Councillor Brennan that Bylaw 2025-04 - 2025 Taxation Bylaw be given first reading. CARRIED

086-2025

MOVED by Councillor Knight that Bylaw 2025-04 - 2025 Taxation Bylaw be given second reading. CARRIED

087-2025

MOVED by Deputy Mayor Fox that Bylaw 2025-04 - 2025 Taxation Bylaw be brought forward for third and final reading with unanimous consent. CARRIED

088-2025

MOVED by Councillor Brennan that Bylaw 2025-04 - 2025 Taxation Bylaw be given third and final reading. CARRIED

7.3 Bylaw 2025-05 - Vista Crossing Phase 5 Redesignation

089-2025

MOVED by Deputy Mayor Fox that Bylaw 2025-05 - Vista Crossing Phase 5 Redesignation be given first reading and that Council direct Administration to schedule a public hearing for the bylaw.

For (5): Mayor Harris, Councillor Brennan, Deputy Mayor Fox, Councillor Knight, and Councillor Vang

Against (1): Councillor Gustafson

Absent (1): Councillor Lambert

MOTION CARRIED (5 to 1)

7.4 Bylaw 2025-06 - Council Procedural Bylaw

090-2025

MOVED by Deputy Mayor Fox That Bylaw 2025-06 Council Procedural Bylaw be given first reading with amendments under section 12.10. CARRIED

091-2025

MOVED by Councillor Knight That Bylaw 2025-06 Council Procedural Bylaw be given second reading with amendments under section 12.10. CARRIED

092-2025

MOVED by Deputy Mayor Fox That Bylaw 2025-06 Council Procedural Bylaw be brought forward for third and final reading with amendments under section 12.10 with unanimous consent. CARRIED

093-2025

MOVED by Councillor Brennan That 2025-06 Council Procedural Bylaw be given third and final reading with amendments under section 12.10. CARRIED

8. ACTIONS AND DECISIONS

8.1 Crossfield & District Recreation Board Spring Funding Recommendations

094-2025

MOVED by Councillor Gustafson that Council accept the 2025 Spring Funding requests as recommended by the Crossfield and District Recreation Board.

For (5): Mayor Harris, Councillor Brennan, Councillor Gustafson, Councillor Knight, and Councillor Vang

Conflict (1): Deputy Mayor Fox

Absent (1): Councillor Lambert

CARRIED (5 to 0)

9. COUNCILLOR'S BUSINESS

Mayor Harris:

- March 31 – Mayor Harris along with CAO Barney and Director Altena met with Minister Schulz, Minister of Environment and Protected Areas to discuss Crossfield Wastewater.
- April 5 - Attended the Crossfield Farmers Market
- April 5 Attended and participated in Kraft Hockeyville - Thank you to all Town staff for their participation and support in Kraft Hockeyville. Deputy Mayor
- April 7 – Mid Sized Town's Mayors Caucus meeting - accepting 8-10 new mid-sized towns

Deputy Mayor Fox:

- April 5 - Attended and participated in Kraft Hockeyville

Councillor Brennan:

- April 5 - Attended and participated in Kraft Hockeyville
- April 12 - Marigold Library Meeting

Councillor Gustafson:

- April 5 - Attended and participated in Kraft Hockeyville
- April 9 – Attended a Rocky View Foundation Meeting

Councillor Knight:

- April 5 - Attended and participated in Kraft Hockeyville
- April 9 – Attended the Mountain View Regional Water Services Commission AGM

Councillor Vang:

- April 5 - Attended and participated in Kraft Hockeyville

095-2025

MOVED by Councillor Brennan that the Councillor's Business be accepted as presented.

CARRIED

10. ADMINISTRATIVE UPDATE

10.1 Outstanding Items List

096-2025

MOVED by Councillor Knight that items 048, 058 & 059 be removed from the Outstanding Action List and item 007 be moved to Q2-2025.

CARRIED

11. ADJORN

097-2025

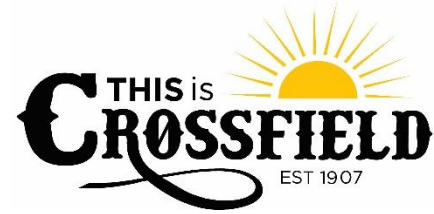
MOVED by Councillor Vang that the Council meeting adjourn at 8:20 p.m.

CARRIED

Mayor Harris

Kinza Barney, Chief Administrative Officer

Report to Council



Meeting Date: 2025-04-22
Meeting Type: Special Council Meeting
Prepared By: Amber Ouellette, CFO
Presented By: Amber Ouellette, CFO
Subject: 2024 Audited Financial Statements & Auditor Presentation
Department: Finance

REPORT PURPOSE:

The Town of Crossfield's financial period runs on a calendar year from January 1 to December 31. The purpose of this report is to have Council approve the December 31, 2024, Financial Statements.

RECOMMENDATION:

That Council approve the Audited Financial Statements for the year ended December 31, 2024.

PREVIOUS COUNCIL DIRECTIONS:

Lorraine Walker and Morgan Govett, representing BDO Canada LLP, presented Council with the audit planning report on February 4, 2025.

BACKGROUND:

Common financial practice requires that the audit is considered active until the results are presented to Council. It is not anticipated that there will be any changes, but if any were to occur the changes would be identified to Council on the day of the presentation by BDO Canada LLP (BDO).

The preparation of the 2024 financial statements has been completed by BDO based on an audit of the 2024 yearend financial results. BDO will present to Council an explanation of the Auditor's Report, their Audit Findings Report and answer any questions about their audit.

The Town is required under sections 276-281 of the *Municipal Government Act* to prepare financial statements in accordance with generally accepted accounting principles for municipal governments, which are the standards approved by the Public Sector Accounting Board.

Administration must make these statements and the auditor's report of the statements available to the public by May 1, 2025. Administration must also prepare a financial information return (FIR) for 2024. Both the audited statements and the FIR must be submitted to the Minister of Municipal Affairs by May 1, 2025.

ANALYSIS:

Strategic Alignment

- Sustainable Community Growth
- Town Infrastructure
- Parks, Recreation & Beautification
- Social Development & Emergency Services
- Communications & Public Relations

COMMUNICATIONS AND ENGAGEMENT:

The 2024 audited financial statements, once approved, will be posted on the Town's website and sent to Municipal Affairs prior to May 1, 2025.

ATTACHMENTS:

Draft Town of Crossfield December 31, 2024, Financial Statements.

**Town of Crossfield
Financial Statements
For the year ended December 31, 2024**

**Town of Crossfield
Financial Statements
For the year ended December 31, 2024**

Contents

Auditor's Report

Financial Statements

Statement of Financial Position	3
Statement of Operations	4
Statement of Change in Net Debt	5
Statement of Cash Flows	6
Schedule 1 - Changes in Accumulated Surplus	7
Summary of Significant Accounting Policies	8
Notes to the Financial Statements	13

Town of Crossfield
Statement of Financial Position

December 31	2024	2023
Financial assets		
Cash and cash equivalents (Note 2)	\$ 9,911,531	\$ 7,783,742
Taxes and grants in place of taxes (Note 3)	396,557	565,843
Trade and other receivables	1,918,025	1,418,990
Receivables from other governments	101,906	68,234
	12,328,019	9,836,809
Liabilities		
Accounts payable and accrued liabilities (Note 4)	636,500	810,828
Deposit liabilities (Note 5)	233,418	191,990
Deferred revenue (Note 6)	2,665,907	1,664,133
Long-term debt (Note 7)	6,733,100	7,044,139
Asset retirement obligation (Note 13)	2,518,282	2,445,142
	12,787,207	12,156,232
Net debt	(459,188)	(2,319,423)
Non-financial assets		
Tangible capital assets (Note 10)	53,633,398	54,706,124
Prepaid expenses and deposits (Note 25)	938,614	113,120
	54,572,012	54,819,244
Accumulated surplus (Note 12)	\$ 54,112,824	\$ 52,499,821
Contaminated Sites Liability (Note 14)		
Commitments (Note 22)		
Contingencies (Note 23)		

Mayor, Town of Crossfield

Town of Crossfield
Statement of Operations

For the year ended December 31	Budget (Unaudited)	2024	2023
Revenue			
Net municipal taxes (Note 15)	\$ 4,431,135	\$ 4,650,530	\$ 4,192,135
Government transfers for operating (Note 16)	464,735	484,866	416,190
Sales and user fees	3,474,157	3,649,985	3,536,270
Franchises and concessions	826,466	831,364	713,040
Investment income	125,000	368,157	230,793
Penalties and costs on taxes	166,744	161,977	162,591
Other	164,848	306,634	96,563
Licenses and permits	219,350	240,127	335,559
	9,872,435	10,693,640	9,683,141
Expenditures (Note 17)			
General Government	1,685,193	1,621,195	1,704,075
Protective services	1,027,555	975,594	1,014,241
Transportation services	1,405,947	1,814,053	1,953,705
Water and wastewater	2,171,551	2,471,933	2,660,801
Waste management	478,000	489,001	479,795
Development and planning	359,652	315,061	326,842
Recreation and culture	1,542,289	1,779,955	1,656,971
Public health and welfare	121,044	111,909	116,913
	8,791,231	9,578,701	9,913,343
Deficiency of revenue over expenditures - before other	1,081,204	1,114,939	(230,202)
Other			
Government transfers for capital (Note 16)	-	498,064	997,245
Contributed and donated assets	-	-	1,087,694
Developers' agreements and levies	240,885	-	422,319
Excess of revenue over expenditures	1,322,089	1,613,003	2,277,056
Accumulated surplus, beginning of the year	52,499,821	52,499,821	50,222,765
Accumulated surplus, end of year	\$ 53,821,910	\$ 54,112,824	\$ 52,499,821

Town of Crossfield
Statement of Changes in Net Debt

For the year ended December 31	Budget (Unaudited)	2024	2023
Excess of revenue over expenditures	\$ 1,322,089	\$ 1,613,003	\$ 2,277,056
Acquisition of tangible capital assets	-	(904,524)	(1,022,759)
Contributed and donated assets	-	-	(1,087,694)
Amortization of tangible capital assets	-	1,950,866	1,896,339
Proceeds on disposal of tangible capital assets	-	36,161	411,077
Loss (gain) on disposal of tangible capital assets	-	(9,777)	405,423
	1,322,089	2,685,729	2,879,442
Change in prepaid expenses	-	(825,494)	(13,788)
Net change in net debt	1,322,089	1,860,235	2,865,654
Net debt, beginning of year	(2,319,423)	(2,319,423)	(5,185,077)
Net debt, end of year	\$ (997,334)	\$ (459,188)	\$ (2,319,423)

Town of Crossfield
Statement of Cash Flows

For the year ended December 31	2024	2023
Operating transactions		
Excess of revenue over expenditures	\$ 1,613,003	\$ 2,277,056
Items not involving cash		
Amortization	1,950,866	1,896,339
Net loss on disposal of tangible capital assets	(9,777)	405,423
Tangible capital assets received as contributions	-	(1,087,694)
Changes in non-cash operating balances		
Taxes and grants in place of taxes	169,286	(14,378)
Trade and other receivables	(499,035)	(392,400)
Receivables from other governments	(33,672)	(152)
Prepaid expenses	(825,494)	(13,788)
Accounts payable and accrued liabilities	(174,328)	92,928
Deposit liabilities	41,428	52,895
Deferred revenue	1,001,774	318,717
Asset retirement obligation	73,140	71,067
	<u>3,307,191</u>	<u>3,606,013</u>
Capital transactions		
Acquisition of tangible capital assets	(904,524)	(1,022,759)
Proceeds on disposal of tangible capital assets	36,161	411,077
	<u>(868,363)</u>	<u>(611,682)</u>
Financing transactions		
Repayment of long-term debt	(559,822)	(517,904)
Proceeds from long-term debt	248,783	45,673
	<u>2,127,789</u>	<u>2,522,100</u>
Net change in cash and cash equivalents	2,127,789	2,522,100
Cash and cash equivalents, beginning of year	<u>7,783,742</u>	<u>5,261,642</u>
Cash and cash equivalents, end of year	\$ 9,911,531	\$ 7,783,742

Town of Crossfield
Schedule 1 of Changes in Accumulated Surplus

For the year ended December 31

	Unrestricted surplus	Restricted surplus	Equity in tangible capital assets	2024	2023
Balance, beginning of year	\$ 2,591,127	\$ 4,691,851	\$ 45,216,843	\$ 52,499,821	\$ 50,222,765
Excess of revenue over expenses	1,613,003	-	-	1,613,003	2,277,056
Unrestricted funds designated for future use	(2,946,087)	2,946,087	-	-	-
Restricted funds used for operations	410,178	(410,178)	-	-	-
Restricted funds used for tangible capital assets	-	(456,901)	456,901	-	-
Current year funds used for tangible capital assets	(447,623)	-	447,623	-	-
Accretion expense	73,140	-	(73,140)	-	-
Net book value of disposed tangible capital assets	26,384	-	(26,384)	-	-
Annual amortization expense	1,950,866	-	(1,950,866)	-	-
Long-term debt proceeds	248,783	-	(248,783)	-	-
Long-term debt repaid	(559,822)	-	559,822	-	-
Change in accumulated surplus	368,822	2,079,008	(834,827)	1,613,003	2,277,056
Balance, end of year	\$ 2,959,949	\$ 6,770,859	\$ 44,382,016	\$ 54,112,824	\$ 52,499,821

Town of Crossfield
Summary of Significant Accounting Policies

December 31, 2024

1. Summary of Significant Accounting Policies

The financial statements of the Town of Crossfield (the "Town") are the responsibility of management. They have been prepared in accordance with Canadian generally accepted accounting principles established by the Public Sector Accounting Board of the Chartered Professional Accountants Canada.

Reporting Entity The financial statement reflect the assets, liabilities, revenue and expenses of all municipal organizations, committees and Boards which are owned or controlled by the Town and are, therefore, accountable to the Town Council for the administration of their financial affairs and resources.

The schedule of taxes levied (Note 15) also includes operational requisitions for educational, health, social and other external organizations that are not part of the municipal reporting entity.

Cash and Cash Equivalents

Management considers all highly liquid investments with maturity of three months or less at acquisition to be cash equivalents.

Tangible Capital Assets

Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset commencing once the asset is available for productive use as follows:

Land improvements	10 to 25 years
Buildings	25 to 50 years
Engineered Structures	
Water system	45 to 75 years
Wastewater system	45 to 75 years
Other engineered structures	10 to 75 years
Machinery and equipment	5 to 20 years
Vehicles	10 to 25 years

Contributions of Tangible Capital Assets

Tangible capital assets received as contributions such as privately developed subdivisions including water systems, sanitary systems, storm systems, and roads are recorded at fair value at the date of receipt. Equivalent amounts are recorded as revenue for the year on the Statement of Operations.

Town of Crossfield
Summary of Significant Accounting Policies

December 31, 2024

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.
Long-term Debt	Long-term debt is initially recognized at fair value net of any premiums, discounts, fees and transactions costs, with interest expense recognized using the effective interest method. Long-term debt is subsequently measured at amortized cost.
Excess Collections and Under-levies	Excess collections 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 excess collection is accrued as a liability and as a reduction in property tax revenue. Requisition tax rates in the subsequent year are adjusted for any excess collections.
Deferred Revenue	Funds received for specific purposes which are externally restricted by legislation, regulation or agreement and are not available for general municipal purposes are accounted for as deferred revenue on the consolidated statement of financial position. The revenue is recognized in the statement of operations in the year in which it is used for the specified purpose.
Government Transfers	Government transfers, which include legislative grants, are recognized in the financial statements in the period in which events giving rise to the transfers occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amount can be made.
Revenue Recognition	<p>Revenue from transactions with no performance obligation is recognized at realizable value when the Town has the authority to claim or retain an inflow of economic resources and identifies a past transaction or event giving rise to an asset.</p> <p>Revenue from transactions with performance obligations is recognized as the performance obligations are satisfied by providing the promised goods or services to the payer. Sales of goods are recognized when goods are delivered. Licenses and permits with a single performance obligation at a point in time are recognized as revenue on issuance over the period of the license or permit as the performance obligation is satisfied.</p> <p>Where funds are received in advance of services or with specific restrictions, they are recorded as deferred revenue and recognized in the period when the performance obligation is satisfied.</p> <p>Taxes are recognized as revenue in the year they are levied.</p> <p>Charges for sewer and water usage are recorded as user fees. Connection fee revenues are recognized when the connection has been established.</p>

Town of Crossfield
Summary of Significant Accounting Policies

December 31, 2024

1. Summary of Significant Accounting Policies (continued)

Conditional grant revenue is recognized to the extent the conditions imposed on it have been fulfilled. Unconditional grant revenue is recognized when monies are receivable.

Grants for the acquisition of tangible capital assets are recognized in the period in which eligible expenditures are made.

Sales of service and other revenue is recognized on an accrual basis.

Investment income is recorded on the accrual basis and recognized when earned.

Franchise and concession revenue is recognized when earned and when the establishment has been used.

**Liability for
Contaminated Sites**

A contaminated site is a site at which substances occur in concentrations that exceed the maximum acceptable amounts under an environmental standard. Sites that are currently in productive use are only considered a contaminated site if an unexpected event results in contamination. A liability for remediation of contaminated sites is recognized when the organization is directly responsible or accepts responsibility; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made. The liability includes all costs directly attributable to the remediation activities including post remediation operations, maintenance and monitoring. The liability is recorded at net of any expected recoveries.

Town of Crossfield
Summary of Significant Accounting Policies

December 31, 2024

1. Summary of Significant Accounting Policies (continued)

Use of Estimates The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

Financial Instruments The Town recognizes and measures financial assets and financial liabilities on the statement of financial position when it becomes a party to the contractual provisions of a financial instrument. All transactions related to financial instruments are recorded on a trade or settlement date basis. Cash and equity instruments quoted in an active market are measured at fair value. All other financial instruments are measured at cost or amortized cost. Since no financial instruments are measured at fair value after initial recognition, a Statement of Remeasurement Gains and Losses has not been presented in these financial statements.

Asset Retirement Obligation A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset at the financial statement date when there is a legal obligation for the Town to incur retirement costs, the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at year-end. 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. The asset retirement cost is amortized over the useful life of the related asset. Asset retirement obligations which are incurred incrementally with use of the asset are recognized in the period with a corresponding asset retirement cost expensed in the period.

At each financial reporting date, the Town reviews the carrying amount of the liability. The Town recognizes period-to-period changes to the liability due to the passage of time as an accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset. The Town continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

December 31, 2024

1. Summary of Significant Accounting Policies (continued)

Public Private Partnerships

The Town accounts for public private partnerships in accordance with PS 3160. Infrastructure procured through a P3 arrangement is recognized as a tangible capital asset when the Town controls the asset. A liability is recognized for any amounts owing to the private sector partner under the agreement. As at year-end, the Town had not entered into any public private partnership arrangements.

New Accounting Policies Adopting During the Year

PS 3400 Revenue, Effective January 1, 2024, the Town adopted PS 3400 Revenue. This standard establishes standards on how to recognize revenue and requires deferral of revenue with performance obligations until those obligations are satisfied. The adoption of PS 3400 has no impact on the previously reported revenue.

PS 3160 Public Private Partnerships, the Town has adopted Public Sector Accounting Standard (PS) 3160 - Public Private Partnerships as part of its accounting policies. At the reporting date, the Town does not have any Public-Private Partnership arrangements, and therefore, this standard does not impact the financial statements for the current period. If the entity enters into a P3 arrangement in the future, it will be accounted for in accordance with PS 3160.

Future Accounting Standard Pronouncements

The Conceptual Frameworks for Financial Reporting - The conceptual framework is the foundation for principles-based standards. It is a coherent set of interrelated objectives and fundamentals leading to consistent standards or application of consistent concepts in the absence of specific standards. The Town is expected to adopt this standard beginning December 31, 2027.

PS 1202 Financial Statement Presentation - PS 1202 will replace PS 1201 and sets out the general and specific requirements of the presentation of financial information and is based on the concepts in the conceptual framework. The Town is expected to adopt this standard beginning December 31, 2027.

Town of Crossfield
Notes to Financial Statements

December 31, 2024

2. Cash and Cash Equivalents

	2024	2023
Total cash	\$ 9,911,531	\$ 7,783,742

The Town earns interest on its account deposits at rates between prime rate less 1.9% and prime rate less 1.65%. All deposits are highly liquid and redeemable within 90 days or less.

The Town received Alberta government grants, local municipal grants and donations that are restricted in their use and are to be utilized as funding for certain projects. Since certain projects have not yet been completed for which this restricted funding has been received, \$1,596,684 (2023: \$1,031,563) of the cash is not available for general use by the Town (Note 6).

Of the remaining balance of cash an additional \$233,418 (2023: \$191,990) is considered restricted cash and not available for general use as it relates to deposits received.

3. Taxes and Grants in Place of Taxes Receivable

	2024	2023
Current taxes and grants in place of taxes	\$ 249,956	\$ 409,614
Arrears taxes	146,601	156,229
	\$ 396,557	\$ 565,843

Town of Crossfield
Notes to Financial Statements

December 31, 2024

4. Accounts Payable and Accrued Liabilities

	2024		2023
Trade accounts payable	\$ 491,608	\$	677,947
Accrued liabilities	144,892		39,125
Holdbacks payable	-		93,756
	<u>\$ 636,500</u>	<u>\$</u>	<u>810,828</u>

5. Deposit Liabilities

In addition to utility deposits of \$950 (2023: \$1,100) and damage deposits of \$15,890 (2023: \$36,890), the Town receives water servicing deposits, grade slip deposits and other deposits from developers which are refunded once the water service and/or the development has been inspected and approved. The amount of the developer deposits on hand at the end of the year is \$216,578 (2023: \$154,000).

Town of Crossfield
Notes to Financial Statements

December 31, 2024

6. Deferred Revenue

	2024	2023
Canada Community-Building Fund	\$ 1,708,486	\$ 1,387,542
Alberta Community Partnership	300,257	176,074
Active Transportation Fund	6,513	9,813
Alberta Healthy Communities Initiative	4,164	1,987
Water for Life Program	43,532	35,659
Municipal Sustainability Initiative	152,150	43,866
Canadian Mental Health Association	4,494	3,806
New Horizons for Seniors	6,203	5,386
Northern Regional Economic Development Grant	25,350	-
FCC AgriSpirit Grant	2,388	-
Fire Services Training Program Grant	5,604	-
Other Deferred Revenue	406,766	-
	\$ 2,665,907	\$ 1,664,133

Of total deferred revenue, \$1,069,223 (2023 - \$632,570) is recorded to accounts receivable as the Town must spend the allocated funds before the funds are released. The remaining \$1,596,684 (\$1,031,563) is considered restricted cash (Note 2).

Canada Community-Building Fund

Federal and provincial government funding was considered receivable in the current year to undertake certain eligible environmentally sustainable projects within the Town that have not yet been expended.

Alberta Community Partnership

Provincial government funding was received to undertake a certain intermunicipal collaboration project for a watershed scoping study and the development of a watershed modelling tool.

Active Transportation Fund

Active Transportation Fund is the first federal grant to target active transportation. Funding is available over five years to support a model shift away from cars and toward active transportation in support of Canada's National Active Transportation Strategy.

Alberta Healthy Communities Initiative

Funding was received from Alberta Health Services to create supports in the community to create healthy environments.

Water for Life Program

Funding was received from Alberta Transportation for a Wastewater Treatment and Disposal Feasibility Study.

Municipal Sustainability Initiative

Funding was received from Alberta Municipal Affairs for capital relating to the building and rehabilitation of infrastructure such as roadways, water and waste water systems, and recreation and sport facilities.

Town of Crossfield
Notes to Financial Statements

December 31, 2024

Canadian Mental Health Association

Funding was received from Canadian Mental Health Association to be used for the purpose of promoting community-driven strategies to improve mental health and wellbeing in the community of the Town of Crossfield.

New Horizons for Seniors

Funding was received from Employment and Social Development Canada to create and host programs that encourage healthy lifestyles for seniors.

Northern Regional Economic Development Grant

Provincial funding was received to invest in local business retention and expansion strategies and attract new industrial businesses to support the existing industry.

FCC AgriSpirit Grant

Funding was received from Farm Credit Canada to assist in a food bank service for the purpose of community enhancement.

Fire Services Training Program Grant

Funding was received from Alberta Municipal Affairs in order to carry out a Fire Services Training Program.

Other Deferred Revenue

Includes other developer contributions for shared municipal operating and capital projects.

7. Long-term Debt

	<u>2024</u>		<u>2023</u>
Tax supported debentures	\$ 6,733,100		\$ 7,044,139
	Principle	Interest	Total
2025	\$ 591,186	\$ 189,382	\$ 780,568
2026	592,050	172,181	764,231
2027	708,521	154,773	863,294
2028	581,079	137,503	718,582
2029	594,643	120,372	715,015
Thereafter	3,665,621	459,378	4,124,999
	\$ 6,733,100	\$ 1,233,589	\$ 7,966,689

Debenture debt is repayable to the Alberta Capital Finance Authority and bears interest at 2.92% and 2.93% per annum and matures in 2032 and 2039.

The current portion of the long-term debt amounts to \$591,186 (2023: \$536,442). Principal and interest repayments are shown above.

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

Interest on long-term debt amounted to \$199,210 (2023: \$213,650).

December 31, 2024

8. Credit Facility

The Town has a credit facility with ATB Financial, which includes an approved operating line that can be drawn upon to a maximum of \$1,500,000 (2023: \$1,500,000), which bears interest at prime plus 1.00% and is secured by a General Security Agreement. At the balance sheet date, the amount drawn, which is due on demand, was \$nil (2023: \$nil).

Subsequent to year end, the credit facility was renewed for another year.

9. 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	\$ 16,050,934	\$ 14,524,711
Total debt	<u>6,733,100</u>	<u>7,044,139</u>
Total debt limit available	<u>9,317,834</u>	<u>7,480,572</u>
Debt servicing limit	2,674,019	2,420,785
Debt servicing	<u>780,568</u>	<u>740,384</u>
Total debt servicing limit available	<u>1,893,451</u>	<u>1,680,401</u>

The debt limit is calculated at 1.5 times revenue of the Town (as defined in Alberta Regulation 255/2000) and the debt service limit is calculated at 0.25 times such revenue. Incurring debt beyond these limitations requires approval by the Minister of Municipal Affairs. These thresholds are guidelines used by Alberta Municipal Affairs to identify municipalities which could be at financial risk if further debt is acquired. The calculation taken alone does not represent the financial stability of the municipality. Rather, the financial statements must be interpreted as a whole.

Town of Crossfield
Notes to Financial Statements

December 31, 2024

10. Tangible Capital Assets

For the year ended December 31

	Construction in Progress	Land	Land Improvements	Buildings	Engineered Structures	Machinery and Equipment	Vehicles	Total 2024
Cost, beginning of year	\$ 114,011	\$ 3,593,592	\$ 4,769,660	\$ 8,333,536	\$ 57,202,755	\$ 6,290,071	\$ 1,596,190	\$ 81,899,815
Acquisition of Tangible Capital Assets	110,763	-	57,411	80,558	209,663	548,932	-	1,007,327
Change in work in progress	(102,803)	-	-	-	-	-	-	(102,803)
Disposal of Tangible Capital Assets	-	-	-	-	(14,400)	(59,102)	-	(73,502)
Cost, end of year	\$ 121,971	\$ 3,593,592	\$ 4,827,071	\$ 8,414,094	\$ 57,398,018	\$ 6,779,901	\$ 1,596,190	\$ 82,730,837
Accumulated amortization, beginning of year	\$ -	\$ -	\$ 1,842,929	\$ 2,552,536	\$ 18,593,100	\$ 3,095,001	\$ 1,110,125	\$ 27,193,691
Amortization	-	-	210,361	218,082	1,146,307	301,945	74,171	1,950,866
Disposals	-	-	-	-	(3,960)	(43,158)	-	(47,118)
Accumulated amortization, end of year	\$ -	\$ -	\$ 2,053,290	\$ 2,770,618	\$ 19,735,447	\$ 3,353,788	\$ 1,184,296	\$ 29,097,439
Net book amount of Tangible Capital Assets	\$ 121,971	\$ 3,593,592	\$ 2,773,781	\$ 5,643,476	\$ 37,662,571	\$ 3,426,113	\$ 411,894	\$ 53,633,398

Town of Crossfield
Notes to Financial Statements

December 31, 2024

10. Tangible Capital Assets (continued)

For the year ended December 31

	Construction in Progress	Land	Land Improvements	Buildings	Engineered Structures	Machinery and Equipment	Vehicles	Total 2023
Cost, beginning of year	\$ 217,426	\$ 3,035,592	\$ 4,774,314	\$ 8,247,246	\$ 56,989,509	\$ 6,545,225	\$ 1,649,909	\$ 81,459,221
Acquisition of Tangible Capital Assets	69,939	558,000	19,936	680,549	657,214	298,169	-	2,283,807
Construction-in-progress	(173,354)	-	-	-	-	-	-	(173,354)
Disposal of Tangible Capital Assets	-	-	(24,590)	(594,259)	(443,968)	(553,323)	(53,719)	(1,669,859)
Cost, end of year	\$ 114,011	\$ 3,593,592	\$ 4,769,660	\$ 8,333,536	\$ 57,202,755	\$ 6,290,071	\$ 1,596,190	\$ 81,899,815
Accumulated amortization, beginning of year	\$ -	\$ -	\$ 1,655,664	\$ 2,384,683	\$ 17,667,012	\$ 3,359,000	\$ 1,084,352	\$ 26,150,711
Amortization	-	-	210,029	191,623	1,134,449	283,596	76,642	1,896,339
Disposals	-	-	(22,764)	(23,770)	(208,361)	(547,595)	(50,869)	(853,359)
Accumulated amortization, end of year	\$ -	\$ -	\$ 1,842,929	\$ 2,552,536	\$ 18,593,100	\$ 3,095,001	\$ 1,110,125	\$ 27,193,691
Net book amount of Tangible Capital Assets	\$ 114,011	\$ 3,593,592	\$ 2,926,731	\$ 5,781,000	\$ 38,609,655	\$ 3,195,070	\$ 486,065	\$ 54,706,124

Town of Crossfield
Notes to Financial Statements

December 31, 2024

11. Equity in Tangible Capital Assets

	2024	2023
Tangible capital assets	\$ 82,730,837	\$ 81,899,815
Accumulated amortization	(29,097,439)	(27,193,691)
Long-term debt	(6,733,100)	(7,044,139)
Asset retirement obligation	(2,518,282)	(2,445,142)
	\$ 44,382,016	\$ 45,216,843

12. Accumulated Surplus

	2024	2023
Equity in tangible capital assets	\$ 44,382,016	\$ 45,216,843
Unrestricted surplus (deficit)	2,959,949	2,591,127
	47,341,965	47,807,970
Restricted surplus		
Public works	716,207	163,524
Fire	130,319	95,000
Police	45,000	30,000
Roadways	525,000	500,000
Water	120,365	40,000
Wastewater treatment and disposal	243,741	3,741
Cemetery	77,000	60,000
Subdivision	2,662,676	2,633,234
Parks and recreation	425,606	247,912
General	1,413,869	507,364
General - Admin building	411,076	411,076
	6,770,859	4,691,851
	\$ 54,112,824	\$ 52,499,821

December 31, 2024

13. Asset Retirement Obligations

Asbestos abatement

The Town owns buildings which contain asbestos and, therefore, is legally required to perform abatement activities upon renovation or demolition of the buildings. Abatement activities include handling and disposing of the asbestos in a prescribed manner when it is disturbed. See table below for breakdown of estimated total liability.

Lagoon reclamation

The Town owns wastewater lagoons which it has a legal requirement to perform reclamation as required upon permanently ceasing operations. Reclamation activities include management and surveying of sludge buildup. See table below for breakdown of estimated total liability.

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Town of Crossfield
Notes to Financial Statements

December 31, 2024

13. Asset Retirement Obligations (continued)

	Asbestos	Lagoon	2024 Total
Balance, beginning of year	\$ 158,000	\$ 2,287,142	\$ 2,445,142
Liabilities incurred	-	-	-
Liabilities settled	-	-	-
Change in estimated cash flows	-	-	-
Accretion expense	4,605	68,535	73,140
Estimated total liability	\$ 162,605	\$ 2,355,677	\$ 2,518,282

	Asbestos	Lagoon	2023 Total
Balance, beginning of year	\$ 153,526	\$ 2,220,549	\$ 2,374,075
Liabilities incurred	-	-	-
Liabilities settled	-	-	-
Change in estimated cash flows	-	-	-
Accretion expense	4,474	66,593	71,067
Estimated total liability	\$ 158,000	\$ 2,287,142	\$ 2,445,142

14. Contaminated Sites Liability

During the year, the Town did not identify any financial liabilities (2023: \$nil) as a result of contaminated sites.

Town of Crossfield
Notes to Financial Statements

December 31, 2024

15. Property and Other Taxes

	Budget (Unaudited)	2024	2023
Real property taxes	\$ 6,381,840	\$ 6,822,158	\$ 6,123,400
	6,381,840	6,822,158	6,123,400
Requisitions			
Alberta School Foundation Fund	1,885,593	2,106,516	1,896,156
Rocky View Foundation	65,112	65,112	35,109
	1,950,705	2,171,628	1,931,265
Net Municipal Taxes	\$ 4,431,135	\$ 4,650,530	\$ 4,192,135

16. Government Transfers

	Budget (Unaudited)	2024	2023
Transfers for Operating			
Federal government	\$ 60,400	\$ 94,327	\$ 53,668
Provincial government	194,335	180,539	152,522
Local government	210,000	210,000	210,000
	464,735	484,866	416,190
Transfers for Capital			
Provincial government	-	490,014	827,034
Federal government	-	7,612	-
Local government	-	438	170,211
	-	498,064	997,245
Total government transfers	\$ 464,735	\$ 982,930	\$ 1,413,435

Town of Crossfield
Notes to Financial Statements

December 31, 2024

17. Expenses by Object

	Budget (Unaudited)	2024	2023
Salaries and wages	\$ 2,963,321	\$ 2,627,006	\$ 2,536,104
Contracted and general services	2,311,017	2,136,198	2,378,845
Materials, goods, supplies and utilities	2,558,600	2,282,603	2,047,819
Transfers to local boards and agencies	223,600	212,242	239,789
Bank charges and short-term interest	11,010	92,085	14,874
Interest on capital long-term debt	719,183	199,210	213,650
Loss on disposal of tangible capital assets	-	(9,777)	405,423
Amortization	-	1,950,866	1,896,339
Accretion expense	-	73,140	71,067
Provision for allowances	4,500	15,128	109,433
	\$ 8,791,231	\$ 9,578,701	\$ 9,913,343

December 31, 2024

18. Segmented Information

The Town is a diversified municipal government institution that provides a wide range of services to its citizens. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and the activities they encompass are as follows:

General Government

This service area includes legislative and administrative support to all other service areas and also relates to the revenues and expenses that relate to the operations of the Town itself and cannot be directly attributed to a specific segment.

Protective Services

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

Transportation Services

Transportation services is responsible for the delivery of municipal public works services related to the planning, development and maintenance of roadway systems, the maintenance of park and open space, and street lighting.

Water and Wastewater Services

Water and wastewater provides drinking water to the Town's citizens and collects and treats wastewater through regional commissions. The Town processes and cleans sewage and ensures the water system meets all Provincial standards.

Waste Management Services

Waste management provides collection disposal and recycling programs.

Public Health and Welfare

This service area provides and administers community support programs.

Development and Planning

The planning department provides a number of services including town planning and enforcement of building and construction codes and review of all property development plans through its application process.

Recreation and Culture

This service area maintains recreation infrastructure such as parks, arenas, aquatic centres and community centres as well as provides recreational programs and cultural programs at those locations.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. In measuring and reporting segment revenue from transactions with other segments, inter-segment transfers have been eliminated. The revenues and expenses that are directly attributable to a particular segment are allocated to that segment. Taxation revenue has been allocated to general government except where specific tax revenues can be directly allocated to a service area.

Town of Crossfield
Notes to Financial Statements

December 31, 2024

18. Segmented Information (continued)

	General Government	Protective Services	Transportation Services	Water and Wastewater	Waste Management	Public Health and Welfare	Development and Planning	Recreation and Culture	2024 Total
Revenue									
Net municipal taxes	\$ 4,650,530	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,650,530
User fees and sales of goods	54,863	176,318	236	2,596,661	468,241	-	-	353,666	3,649,985
Government transfers for operating	15,650	203,673	42,757	-	58,599	76,097	-	88,090	484,866
Investment Income	368,157	-	-	-	-	-	-	-	368,157
Penalties and costs on taxes	136,975	-	-	25,002	-	-	-	-	161,977
Licenses and permits	27,518	240	-	-	-	-	212,369	-	240,127
Franchise and concession contracts	831,364	-	-	-	-	-	-	-	831,364
Other	31,605	10,000	42,609	31,085	-	1,020	55,760	134,555	306,634
	<u>\$ 6,116,662</u>	<u>\$ 390,231</u>	<u>\$ 85,602</u>	<u>\$ 2,652,748</u>	<u>\$ 526,840</u>	<u>\$ 77,117</u>	<u>\$ 268,129</u>	<u>\$ 576,311</u>	<u>\$ 10,693,640</u>
Expenses									
Salaries, wages and benefits	\$ 876,477	\$ 389,445	\$ 409,150	\$ 193,859	\$ -	\$ 45,073	\$ 59,577	\$ 653,425	\$ 2,627,006
Contracted and general services	496,618	284,417	102,074	307,196	478,476	3,291	255,484	208,642	2,136,198
Materials, goods, supplies and utilities	73,695	167,460	424,386	1,173,020	-	63,095	-	380,947	2,282,603
Transfer to local boards and agencies	-	-	-	-	-	450	-	211,792	212,242
Bank charges and short-term interest	90,530	-	-	-	-	-	-	1,555	92,085
Interest on capital long-term debt	-	-	117,339	81,871	-	-	-	-	199,210
Loss (gain) on disposal of tangible capital assets	(12,015)	-	10,294	-	-	-	-	(8,056)	(9,777)
Provision for allowances	11,552	294	-	3,282	-	-	-	-	15,128
	<u>\$ 1,536,857</u>	<u>\$ 841,616</u>	<u>\$ 1,063,243</u>	<u>\$ 1,759,228</u>	<u>\$ 478,476</u>	<u>\$ 111,909</u>	<u>\$ 315,061</u>	<u>\$ 1,448,305</u>	<u>\$ 7,554,695</u>
Excess (Shortfall) of revenue over expense before amortization and other expenses	\$ 4,579,805	\$ (451,385)	\$ (977,641)	\$ 893,520	\$ 48,364	\$ (34,792)	\$ (46,932)	\$ (871,994)	\$ 3,138,945
Government transfers for capital	-	-	421,016	37,127	-	-	-	39,921	498,064
Contributed and donated assets	-	-	-	-	-	-	-	-	-
Developer agreement and levies	-	-	-	-	-	-	-	-	-
Other Capital	-	-	-	-	-	-	-	-	-
Accretion expense	(2,186)	-	-	(68,534)	-	-	-	(2,420)	(73,140)
Amortization expense	(82,152)	(133,978)	(750,810)	(644,171)	(10,525)	-	-	(329,230)	(1,950,866)
Net surplus (deficit)	<u>\$ 4,495,467</u>	<u>\$ (585,363)</u>	<u>\$ (1,728,451)</u>	<u>\$ 249,349</u>	<u>\$ 37,839</u>	<u>\$ (34,792)</u>	<u>\$ (46,932)</u>	<u>\$ (1,201,224)</u>	<u>\$ 1,613,003</u>

Town of Crossfield
Notes to Financial Statements

December 31, 2024

18. Segmented Information (continued)

	General Government	Protective Services	Transportation Services	Water and Wastewater	Waste Management	Public Health and Welfare	Development and Planning	Recreation and Culture	2023 Total
Revenue									
Net municipal taxes	\$ 4,192,135	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,192,135
User fees and sales of goods	81,713	230,686	130	2,485,458	454,207	-	-	284,076	3,536,270
Government transfers for operating	-	191,575	40,174	-	58,599	75,324	-	50,518	416,190
Investment Income	230,793	-	-	-	-	-	-	-	230,793
Penalties and costs on taxes	142,644	-	-	19,947	-	-	-	-	162,591
Licenses and permits	25,617	320	-	-	-	-	309,622	-	335,559
Franchise and concession contracts	713,040	-	-	-	-	-	-	-	713,040
Other	4,649	-	65,150	3,689	-	995	21,600	480	96,563
	<u>\$ 5,390,591</u>	<u>\$ 422,581</u>	<u>\$ 105,454</u>	<u>\$ 2,509,094</u>	<u>\$ 512,806</u>	<u>\$ 76,319</u>	<u>\$ 331,222</u>	<u>\$ 335,074</u>	<u>\$ 9,683,141</u>
Expenses									
Salaries, wages and benefits	\$ 796,760	\$ 438,670	\$ 412,920	\$ 197,334	\$ -	\$ 43,880	\$ 22,429	\$ 624,111	\$ 2,536,104
Contracted and general services	501,962	262,784	295,544	329,902	470,393	3,273	304,413	210,574	2,378,845
Materials, goods, supplies and utilities	44,874	167,658	385,950	1,098,686	-	12,711	-	337,940	2,047,819
Transfer to local boards and agencies	-	-	-	-	-	57,049	-	182,740	239,789
Bank charges and short-term interest	14,874	-	-	-	-	-	-	-	14,874
Interest on capital long-term debt	-	-	123,111	90,539	-	-	-	-	213,650
Loss on disposal of tangible capital assets	159,412	8,068	-	235,607	-	-	-	2,336	405,423
Provision for allowances	103,978	137	-	5,318	-	-	-	-	109,433
	<u>\$ 1,621,860</u>	<u>\$ 877,317</u>	<u>\$ 1,217,525</u>	<u>\$ 1,957,386</u>	<u>\$ 470,393</u>	<u>\$ 116,913</u>	<u>\$ 326,842</u>	<u>\$ 1,357,701</u>	<u>\$ 7,945,937</u>
Excess (Shortfall) of revenue over expense before amortization and other expenses	\$ 3,768,731	\$ (454,736)	\$ (1,112,071)	\$ 551,708	\$ 42,413	\$ (40,594)	\$ 4,380	\$ (1,022,627)	\$ 1,737,204
Government transfers for capital	-	-	997,245	-	-	-	-	-	997,245
Contributed and donated assets	-	-	894,200	193,494	-	-	-	-	1,087,694
Developer agreement and levies	-	-	-	-	-	-	422,319	-	422,319
Accretion expense	(2,124)	-	-	(66,593)	-	-	-	(2,350)	(71,067)
Amortization expense	(80,091)	(136,924)	(736,180)	(636,822)	(9,402)	-	-	(296,920)	(1,896,339)
Net surplus (deficit)	<u>\$ 3,686,516</u>	<u>\$ (591,660)</u>	<u>\$ 43,194</u>	<u>\$ 41,787</u>	<u>\$ 33,011</u>	<u>\$ (40,594)</u>	<u>\$ 426,699</u>	<u>\$ (1,321,897)</u>	<u>\$ 2,277,056</u>

Town of Crossfield
Notes to Financial Statements

December 31, 2024

19. Budget Data

The unaudited budget data presented in these financial statements is based upon the 2024 operating and capital budgets approved by the Council. The chart below reconciles the approved budget to the budget figures reported in these financial statements.

	2024
Budgeted surplus for the year	\$ -
Add:	
Budgeted transfers to reserves	1,322,089
Less:	
Budgeted surplus per statement of operations	\$ 1,322,089

20. Salary and Benefits

Disclosure of salaries and benefits for municipal officials and designated officers as required by Alberta Regulation 313/2000 is as follows:

	Salary	Benefits & Allowances	Total 2024	Total 2023
Mayor Harris	\$ 20,525	\$ 1,008	\$ 21,533	\$ 20,433
Councillor Brennan	14,075	1,008	15,083	14,208
Councillor Fox	12,450	1,008	13,458	13,158
Councillor Gustafson	12,000	1,008	13,008	13,008
Councillor Knight	12,000	1,008	13,008	13,008
Councillor Lambert	12,525	900	13,425	13,087
Councillor Vang	13,200	1,008	14,208	13,008
Chief Administration Officer (1)	180,775	25,907	206,682	103,492
Designated Officers (5)	\$ 308,329	\$ 43,249	\$ 351,578	\$ 369,574

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

Benefits and allowances includes the employer's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, group life insurance, accidental disability and dismemberment, dental coverage, vision coverage, long and short term disability plans, professional memberships, and tuition.

December 31, 2024

21. Local Authorities Pension Plan

Employees of the Town participate in the Local Authorities Pension Plan (LAPP) which is one of the plans covered by the Public Sector Pension Plans Act. The LAPP is financed by employer and employee contributions and by investment earnings of the LAPP Fund. Contributions for current service are recorded as expenditures in the year in which they become due.

The Town 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 12.23% on pensionable earnings above this amount.

Contributions for the year were:

	2024	2023
Employer contributions	\$ 130,728	\$ 128,214
Employee contributions	116,351	114,102
	\$ 247,079	\$ 242,316

At December 31, 2023, the LAPP disclosed an actuarial surplus of \$15.06 billion (2022 - \$12.67 billion surplus). This amount is not specifically allocated to the participating government organizations. The 2024 actuarial balance was not available at the date these financial statements were released.

22. Commitments

The Town is a member of the The Mountain View Regional Water Services Commission which was constituted under the Municipal Government Act in 1992.

In 2024, the Town entered into a regional fire services agreement with the Municipal District of Rocky View No. 44 to provide such services in a certain specified area. The agreement will remain in force until December 31, 2029 or may be terminated by either party with six months notice. The Municipal District of Rocky View No. 44 will pay the Town a flat fee as outlined in the agreement.

During the year, the Town extended the lease agreement with the Crossfield United Church to lease property, which is owned by the Church and where the Town Administration office is situated, for an additional 3 years. The lease can be terminated by either party with 6 months notice. The aggregate future minimum lease payments are \$64,600 (2023: 110,200).

Town of Crossfield
Notes to Financial Statements

December 31, 2024

22. Commitments (continued)

The town has entered into various lease agreements to rent equipment assets for use in the Town. The aggregate future minimum lease payments for the following years are as follows:

2025	\$ 58,589
2026	43,760
2027	<u>144,074</u>
Total	<u>\$ 246,423</u>

23. Contingencies

A former employee has initiated proceedings against the Town in relation to a former employment contract. Neither the possible outcome nor the amount, if any, of possible settlement can be foreseen. Therefore, no provision has been made in these financial statements.

The Town is a member of the Alberta Local Authorities Reciprocal Insurance 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.

December 31, 2024

24. Financial Instruments

The Town holds various forms of financial instruments. The nature of these instruments and the Town's operations expose the Town to credit and liquidity risks. The Town manages its exposure to these risks by operating in a manner that minimizes its exposure to the extent practical.

(a) **Credit Risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation. The Town is exposed to credit risk resulting from the possibility that a counterparty to a financial instrument defaults on their financial obligations.

Management believes that the risk of default and the risk of concentration of credit risk is minimized by the fact that the majority of its accounts receivable are from government agencies. Receivables comprise amounts receivable from the Government of Alberta for grants, property taxes, and trade receivables, which are subject to normal trade credit risk which is not significant as the Town manages and analyzes the outstanding accounts receivable balances. There have been no changes from the previous year of policies, procedures and methods to measure this risk.

(b) **Liquidity Risk**

Liquidity risk is the risk that the Town encounters difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that the Town will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value which is less than they are worth; or may be unable to settle or recover a financial asset. Liquidity risk arises from accounts payable and accrued liabilities, deposit liabilities and long-term debt. The Town manages its liquidity risk by maintaining sufficient cash and cash equivalents and securing an operating line of credit (Note 8).

25. Subsequent Events

Subsequent to year-end, the Town entered into an agreement with the Province of Alberta to assist in financing a capital asset through a debenture. The debenture term begins on August 8, 2025 and matures February 28, 2033. The principal payments total \$678,630, with the outstanding principal bearing a fixed interest rate of 3.97% per annum. The Town will receive the capital asset in May 2025. At December 31, 2024, the Town has paid a cash deposit of \$788,697 equal to 90% of the asset cost to secure ownership.

26. Approval of Financial Statements

Council and management approved these financial statements.



Town of Crossfield

Audit final communication to the Members
of Council for the year ended December
31, 2024

START



To the Members of Council of Town of Crossfield

We are pleased to provide you with the results of our audit of Town of Crossfield (the “Municipality”) financial statements for the year ended December 31, 2024.

The enclosed final communication includes our approach to your audit, including: significant risks identified and the nature, extent, and results of our audit work. We will also communicate any significant internal control deficiencies identified during our audit and reconfirm our independence.

During the course of our audit, management made certain representations to us - in discussions and in writing. We documented these representations in the audit working papers.

We look forward to discussing our audit conclusions with you. In the meantime, please feel free to contact us if you have any questions or concerns.

Yours truly,

BDO Canada LLP

Table of contents

1	Audit at a glance	4
2	Status of the audit	5
3	Audit findings	6
4	Internal control matters	8
5	Adjusted and unadjusted differences	9
6	Other required communications	10
7	How we audit financial statements	11
8	Your audit: Responsiveness in action	14
9	BDO's digital audit suite	15
10	Recommended resources	17
11	Appendices	19



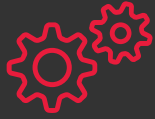
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Audit at a glance

Preliminary materiality was \$445,000. Final materiality remained unchanged from our preliminary assessment. Additionally, a specific materiality was applied against accumulated surplus and deferred revenue of \$2,700,000.

We are not aware of any fraud affecting the Municipality. If you have become aware of changes to processes or are aware of any instances of actual, suspected, or alleged fraud since our discussions held at planning, please let us know.

We have complied with relevant ethical requirements and are not aware of any relationships between Town of Crossfield and our Firm that may reasonably be thought to bear on our independence.



Lorraine Walker

Email: lwalker@bdo.ca

Direct: 403-213-2592



November 2024



April 2025



Status of the audit

We have substantially completed our audit of the year ended December 31, 2024 financial statements.

We conducted our audit in accordance with Canadian generally accepted auditing standards. The objective of our audit was to obtain reasonable, not absolute, assurance about whether the financial statements are free from material misstatement. See [Appendix A](#) for our final independent auditor's report.

The scope of the work performed was substantially the same as that described in our Planning Communication to the Members of Council dated March 24, 2025.



Audit findings

As part of our ongoing communications with you, we are required to have a discussion on our views about significant qualitative aspects of the Municipality's accounting practices, including accounting policies, accounting estimates and financial statements disclosures. We look forward to exploring these topics in depth and answering your questions. A summary of the key discussion points are below:

Financial statement areas	Risks noted	Audit findings
Revenue Recognition	There is an inherent risk related to revenue recognition and ensuring it is recorded in the correct period as there may be bias to overstate revenue.	<p>During the year, the Town reported revenue of \$11.5M. The Town represented that services have been performed, and that reasonable assurance exists regarding the measurement and collectability of consideration received.</p> <p>We conducted audit testing over revenues to ensure recognition criteria was appropriately met and no issues were noted.</p>
Management Override of Controls	Management is in a unique position to override or circumvent the controls in place.	<p>Management has represented that the risk of fraud in the entity is considered low. We conducted testing over journal entries to ensure appropriate in the circumstances, we reviewed significant estimates to ensure there is no bias towards changing financial results and we reviewed Council minutes to ensure that there was nothing of a financial impact from Council discussions that have not been appropriately recorded in the financial statements.</p> <p>No issues were identified.</p>



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Audit findings (cont'd)

Financial statement areas	Risks noted	Audit findings
Deferred Revenue	There is a risk that deferred revenue does not align with funding agreements and revenue recognized and/or deferred has not been valued correctly, resulting in misstatements.	BDO performed testing over grant revenue and agreed the amounts received to bank statements and invoices. No issues were identified.
Revenue	PSAB's updated PS 3400 represents changes in the accounting standards applied by the Town. Application of this new standard requires identification of the revenue streams, as PS 3400 clearly outlines revenue streams that are outside the scope of PS 3400. This new standard creates a risk that revenue is not correctly identified in accordance with generally accepted accounting principles.	BDO obtained an understanding of management's revenue recognition policy and noted revenue recognition is in accordance with PS 3400. No issues were identified.
Public Private Partnerships	PSAB's new PS 3160 represents changes in the accounting standards applied by the Town. Application of this new standard requires identification whether arrangement/contract may be within the scope of this standard. This new standard creates a risk that infrastructure projects are not correctly identified in accordance with generally accepted accounting principles.	BDO reviewed the public private partnership (P3) projects in Alberta and none of the projects were related to the Town of Crossfield. BDO also inquired with management to confirm that the Town is not part of the P3 projects. No issues were identified.



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Internal control matters

- ▶ During the audit, we performed the following procedures regarding the Municipality's internal control environment:
- ▶ Documented operating systems to assess the design and implementation of control activities that were relevant to the audit.
- ▶ Discussed and considered potential audit risks with management.
- ▶ We considered the results of these procedures in determining the extent and nature of audit testing required.



We are required to communicate to you in writing about any significant deficiencies in internal control that we have identified during the audit.

A significant deficiency is defined as a deficiency or combination of deficiencies in internal control that merits the attention of those charged with governance.

The audit expresses an opinion on the Municipality's financial statements. As a result, it does not cover every aspect of internal controls—only those relevant to preparing the financial statements and designing appropriate audit procedures. This work was not for the purpose of expressing an opinion on the effectiveness of internal control.

No control deficiencies were noted that, in our opinion, are of significant importance to discuss.



Adjusted and unadjusted differences

Summary of unadjusted differences

See attached for summary of unadjusted differences.

Summary of adjusted differences

See attached for summary of adjusted differences.

Town of Crossfield
 Summary of Unadjusted Misstatements
 December 31, 2024

Description of Misstatement	Identified Misstatements	Projections of Identified Misstatements	Estimates	Proposed Adjustments			
				Assets Dr(Cr)	Liabilities Dr(Cr)	Opening R/E Dr(Cr)	Income Dr(Cr)
Previous offsite levies that should have been deferred	1,827,710				(1,827,710)	1,827,710	
Likely Aggregate Misstatements Before Effect of Previous Year's Errors and Estimates	1,827,710	-	-	-	(1,827,710)	1,827,710	-
Effect of Previous Year's Errors				-	-	-	-
Likely Aggregate Misstatements				-	(1,827,710)	1,827,710	-

Details of why no adjustment has been made to the financial statements for the above items:

Town of Crossfield

0.10

Year End: December 31, 2024

Journal Entries

Date: 1999-01-12 To 2024-12-31

Prepared by	Detail Rev	Gen Rev	Quality Rev
4th Level Rev	Tax Rev	IS Audit Rev	Other Rev

Number	Date	Name	Account No	Reference	Debit	Credit	Recurrence	Misstatement	
1	2024-12-31	GMR:RETURNS ON INVESTMENTS	1-00-00-550-00		129,734.00				
1	2024-12-31	FD:TRANSFER FROM RESERVE	1-23-00-920-00			370,619.14			
1	2024-12-31	PLN:DEVELOPERS LEVIES	1-61-00-970-00		240,885.14				
1	2024-12-31	DEFERRED REVENUE	4-23-00-490-00			370,619.14			
1	2024-12-31	WATER SYSTEM LEVIES	4-66-00-760-00		146,393.27				
1	2024-12-31	WASTEWATER SYSTEM LEVIES	4-66-00-761-00			46,883.95			
1	2024-12-31	STORM SYSTEM LEVIES	4-66-00-762-00		27,715.04				
1	2024-12-31	TRANSPORTATION SYSTEM LEVIES	4-66-00-763-00		243,394.78				
		To move offsite levies to deferred revenue							Factual
PBC1	2024-12-31	OPR:CONDITIONAL GRANTS PROV	5-31-00-840-00	FS.02		55,625.05			
PBC1	2024-12-31	OPR:WITHDRAWN FROM CAP RESERVE	5-31-00-920-00	FS.02	55,625.05				
		To recognize CCBF funding applied to landscape rake and manfit (PBC)							
PBC2	2024-12-31	EQUITY IN FIXED ASSETS	4-00-00-800-00			590,967.12			
PBC2	2024-12-31	FD:FIRE TRUCK DEBT FINANCING	5-23-00-630-00		590,967.12				
		To reverse equity in FA transaction (PBC - Fire truck)							
PBC3	2024-12-31	FD:RECEIVABLE DEBT FUNDING	3-23-00-280-00			590,967.12			
PBC3	2024-12-31	DEBENTURE DEBT:FIRE ENGINE 155	4-23-00-330-00		590,967.12				
		To reverse receivable debt funding for fire trucks, no need to recognize debt aa vehicle has no been received (PBC - Fire truck)							
PBC4	2024-12-31	MACHINERY & EQUIPMENT:WIP	3-00-00-630-00			788,967.12			
PBC4	2024-12-31	Fire Engine 155 replacement - deposit	3-23-00-416-00		788,967.12				
		To reclass from WIP to prepayment/deposit (PBC - Fire truck)							
PBC5	2024-12-31	F.D.:CONDITIONAL GRANT-PROV.	5-23-00-840-00	FS.04	39,681.00				
PBC5	2024-12-31	FD:WITHDRAWN FROM CAP RESERVES	5-23-00-920-00	FS.04		39,681.00			
PBC5	2024-12-31	WTR:CONDITIONAL GRANT	5-41-00-840-00	FS.04	51,234.51				
PBC5	2024-12-31	WTR:WITHDRAWN FROM CAP RESERVE	5-41-00-920-00	FS.04		51,234.51			
		To reclassify grant funding to reserve funding							
PBC6	2024-12-31	ADM:MISC. REVENUE	1-12-00-420-00			25,000.00			
PBC6	2024-12-31	ADM:CONTRIBUTIONS - RESERVES	2-12-00-764-00		25,000.00				
		To reclassify equity transfers							
PBC7	2024-12-31	ADM: INTEREST EARNED ON GRANT FU	2-12-00-811-00		63,213.98				
PBC7	2024-12-31	GMR:TRANSFER TO RESERVE	2-81-00-764-00			63,213.98			
		To reclassify equity transfers							

Town of Crossfield

0.10-1

Year End: December 31, 2024

Journal Entries

Date: 1999-01-12 To 2024-12-31

Prepared by	Detail Rev	Gen Rev	Quality Rev
4th Level Rev	Tax Rev	IS Audit Rev	Other Rev

Number	Date	Name	Account No	Reference	Debit	Credit	Recurrence	Misstatement
PBC8	2024-12-31	P&F:MISC. REVENUE	1-73-00-590-00			102,301.24		
PBC8	2024-12-31	REC:TRANSFERS RECREATION BOARD	2-71-00-765-00			7,466.82		
PBC8	2024-12-31	P&F:CONTRIBUTIONS - RESERVES	2-73-00-764-00		102,301.24			
PBC8	2024-12-31	P&F:CONTRIBUTIONS - RESERVES	2-73-00-764-00		7,466.82			
To reclassify equity transfers								
					3,103,546.19	3,103,546.19		
Net Income (Loss)					1,613,002.82			



Other required communications

Professional standards require independent auditors to communicate with those charged with governance certain matters in relation to an audit. In addition to the points communicated within this letter, the attached table summarizes these additional required communications.

Issue	BDO response
Potential effect on the financial statements of any material risks and exposures, such as pending litigation, that are required to be disclosed in the financial statements.	No material risks or exposures were identified requiring disclosure in the financial statements.
Material uncertainties related to events and conditions that may cast significant doubt on the entity's ability to continue as a going concern.	No material uncertainties that cast doubt on the ability to continue as a going concern.
Disagreements with management about matters that, individually or in the aggregate, could be significant to the Town's financial statements or our audit report.	No disagreements with management occurred during the audit.
Matters involving non-compliance with laws and regulations.	No non-compliance with laws or regulations was noted.
Significant related party transactions that are not in the normal course of operations and which involve significant judgments made by management concerning measurement or disclosure.	All related party transactions during the current year were found to be in the normal course of operations.
Management consultation with other accountants about significant auditing and accounting matters.	We are not aware of any such consultations.
Other Matters	BDO noted there was an error identified regarding historical recognition of offsite levies. This error has been added to our schedule of unadjusted differences and will be adjusted in 2025 after a full analysis of ongoing projects and costs incurred to date has been completed.



How we audit financial statements: Our audit process

IDENTIFY AND ASSESS RISK

Focus on those areas of financial statements that contain potential material misstatements as a consequence of the risks you face

OBTAIN AUDIT EVIDENCE

Perform audit procedures while maintaining appropriate degree of professional skepticism, to conclude whether or not the financial statements are presented fairly

COMMUNICATION

Communicate our opinion and details of matters on which we are required to communicate





How the firm's system of quality management (SoQM) supports the consistent performance of quality audit engagements

The firm is committed to maintaining high standards of audit quality that meet stakeholders' expectations and serve the public interest. We foster a culture where audit quality is at the center of our strategy and priorities. All partners and staff are accountable for performing quality engagements and upholding professional ethics, values, and attitudes.

The firm invested significant time and resources to establish and operate a SoQM that complies with the requirements set out in Canadian Standard on Quality Management 1 - Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements (CSQM 1) as issued by the Auditing and Assurance Standards Board (AASB). The SoQM ensures the firm and its personnel meet professional standards, legal and regulatory requirements, and conduct engagements accordingly, with reports issued appropriately for the circumstances.

Taken together our system of quality management supports consistent performance of audit engagements by focusing on eight components that operate in an iterative and integrated manner. These include:



Standard for Audit Quality



CSQM 1

The quality of an audit depends not only on the people conducting it—but also on the systems underpinning it. These new rules up the ante for your audit quality.



Establishing and improving the firm's SoQM

In establishing and continuously improving our firm's SoQM, we carried out the following for each of the SoQM components:

OBJECTIVES

We established the quality objectives required by CSQM1 in the core components of our SoQM and any additional quality objectives as appropriate.

QUALITY RISKS

We identified the quality risks that may adversely affect achieving these objectives. These consider the nature and circumstances of the firm and the engagements it performs and the conditions, events or circumstances that may impact its SoQM.

RESPONSES

We designed and implemented appropriate responses (policies, procedures and controls) to mitigate the assessed quality risks to an acceptable level.

MONITORING

We monitor the design, implementation and operating effectiveness of the firm's SoQM to identify areas for improvement. Root cause analysis is performed on deficiencies identified and remedial actions are implemented on a timely basis. This robust monitoring and remediation process is important for continuous improvement in quality processes.

On at least an annual basis the firm evaluates whether these deficiencies have a severe and/or pervasive impact on the achievement of the quality objectives in the SoQM.

We identify emerging developments and changes in the circumstances of the firm or its engagements and adapt the SoQM to respond to such changes.

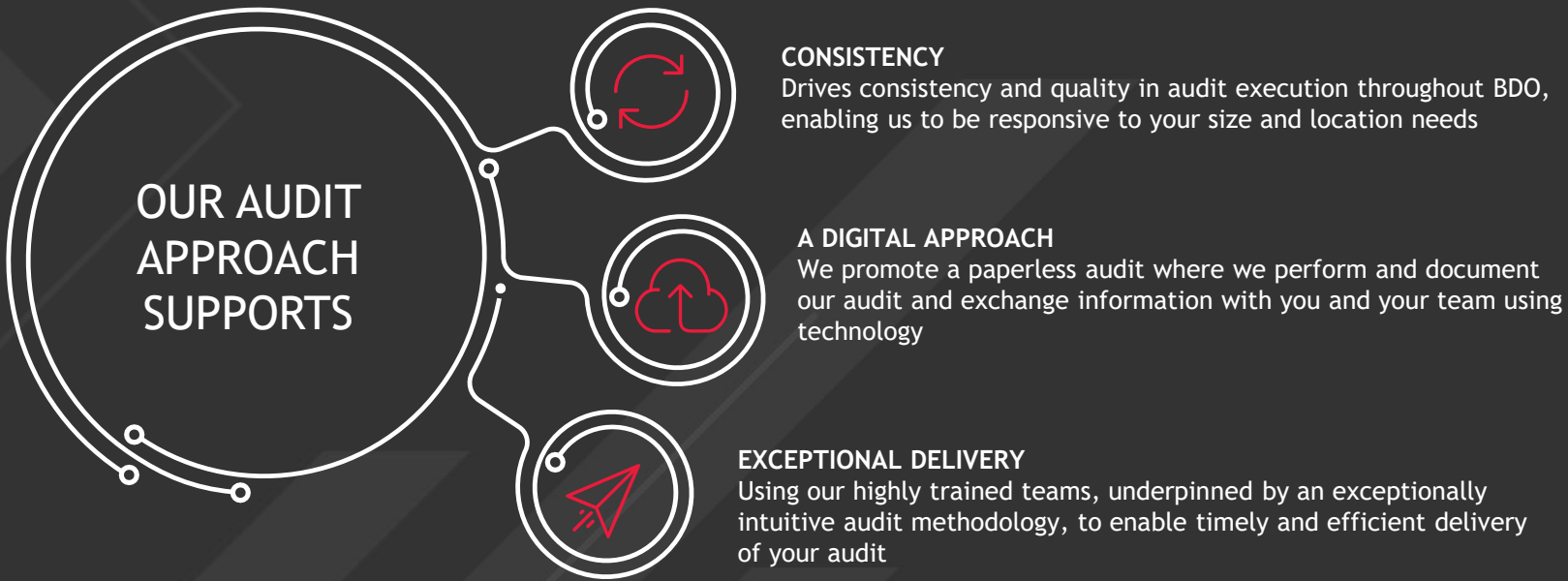
Evaluating SoQM:

Our annual SoQM evaluation involves reviewing information about the system's design, implementation, and operation through monitoring activities. It includes testing response effectiveness, reviewing findings from inspections, and other relevant SoQM information. Using professional judgment, we assess whether identified findings represent deficiencies in the SoQM, investigating their root causes and evaluating their severity and pervasiveness.



Our audit approach: Responsiveness in action

Our firm is deliberately structured to allow one partner to every six staff members. This means easy access to senior staff and the lead partner throughout your audit. It also helps our team gain a better understanding of your organization. Our audit process differs from the typical audit in our use of in-field reviews. The benefit of these in-field reviews is that final decision-makers are on site ensuring issues are resolved and files closed quickly. We offer clients the full-service expertise of a national firm. Yet we maintain a local community focus. The comprehensive range of services we deliver is complemented by a deep industry knowledge gained from over 100 years of working within local communities.



Discover how we're accelerating audit quality



Audit Quality Report

We collected our core beliefs around audit quality, the very practical steps we take to sustain it, and the progress we have made to accelerate its quest.

[Follow our progress](#)



BDO's digital audit suite

Our digital audit suite of technologies enables our engagement teams to conduct consistent risk-based audits, both domestically and internationally, with maximum efficiency and minimal disruption to our clients' operations and people.

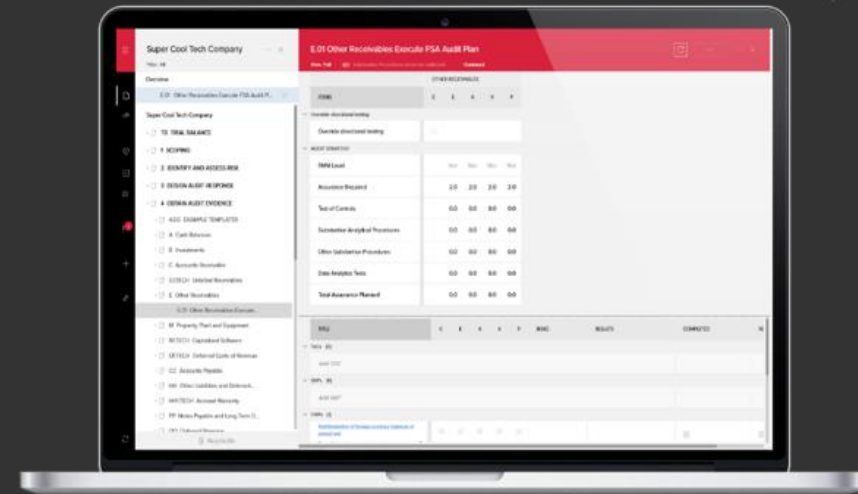
APT Next Gen

Our audit software and documentation tool, APT, is an integral part of our audit methodology. Our professionals engage APT to devise and perform appropriate, risk-based audit procedures and testing based on applicable Canadian Auditing Standards (CASs), as well as to factor in engagement and industry-specific objectives and circumstances.

APT enables us to deliver an audit that fits your organization—whether large or small; complex or basic.

This sophisticated tool also amplifies two key attributes of our audits: consistency and quality. The quality framework that we developed measures our audit performance with hard quality indicators and reflects our indispensable culture for quality. To see our audit quality and consistency in action, look no further than how our teams share best audit practices for continuous improvement.

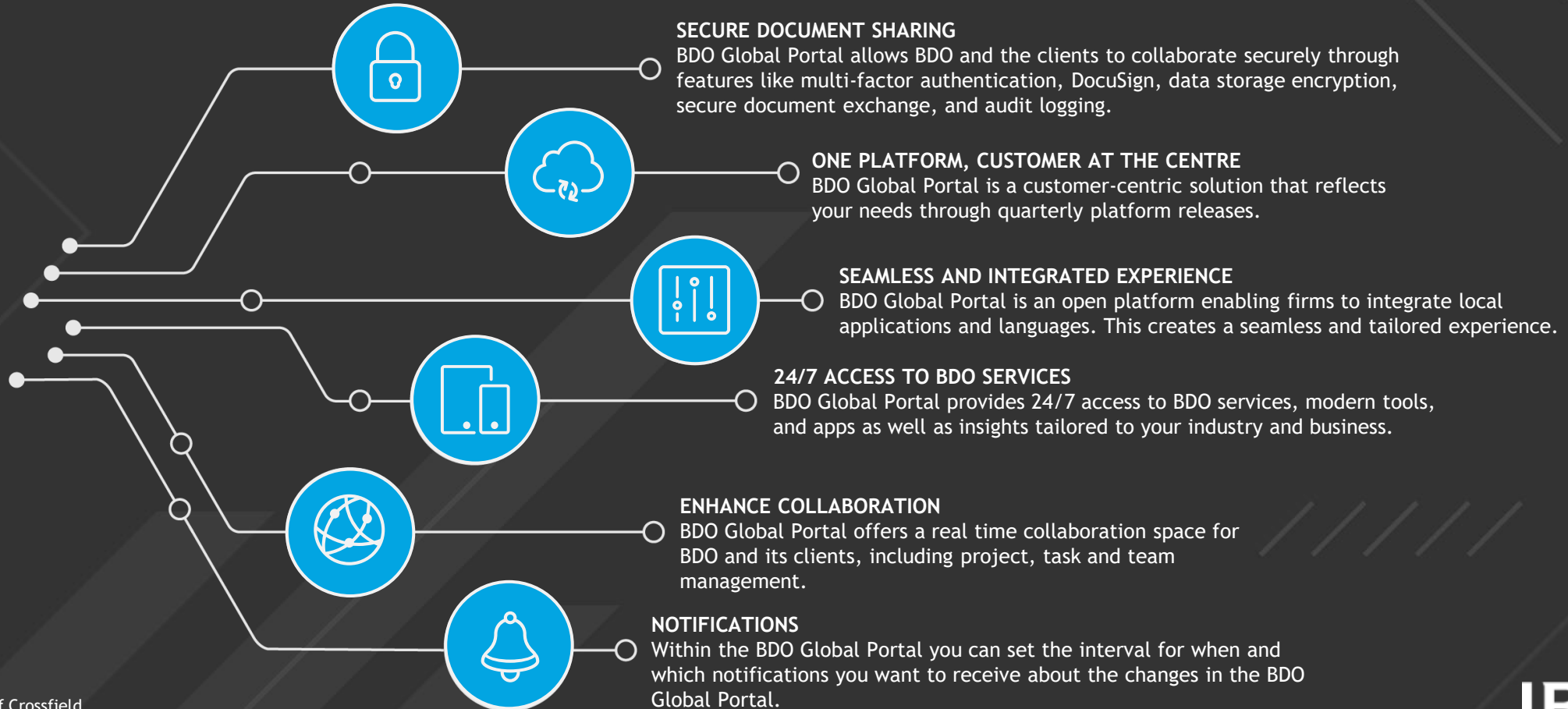
Through a strategic alliance with Microsoft and the introduction of new technology, this global, cloud-based application can now streamline and focus the audit process in even more ways for BDO professionals and their clients.





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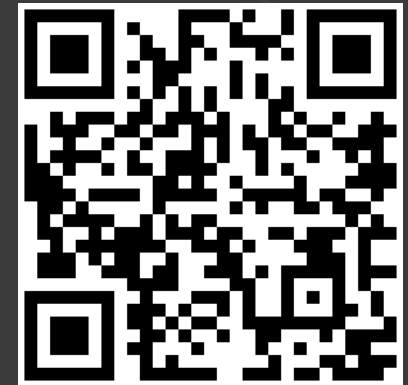
Spotlight on ESG



Transformative world events—an international health crisis, social movements, shareholder and investor values, global supply chains, energy transition, smart cities, and sustainable finance—are transforming Canadian business.

Standards and regulations are rapidly changing to reflect the goals of all of your stakeholders. Organizations, investors, and customers are embracing environmental, social, and governance (ESG) considerations as important measures of success. Non-financial and financial information is becoming more interconnected.

ESG Insights



Sector insights at your convenience

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Spotlight on public sector



Industry insights to shape your business

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Public sector Insights



Resources to support your business

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Appendices

- ▶ Appendix A: Independent auditor's report
- ▶ Appendix B: Representation letter
- ▶ Appendix C: Independence update

Independent Auditor's Report

To the Mayor and Council for Town of Crossfield

Opinion

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Town as at December 31, 2024, and results of operations, its measurement gains and losses, its change in net debt, and its cash flows for the year then ended in accordance with Public Sector Accounting Standards.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Public Sector Accounting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the 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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting

a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Town's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Town to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Chartered Professional Accountants,

Calgary, Alberta
To be updated

Town of Crossfield
PO Box 500
Crossfield, AB
T0M 0S0

April 22, 2025

BDO Canada LLP
Chartered Professional Accountants
903 - 8th Avenue SW
Suite 620
Calgary Alberta
T2P 0P7

This representation letter is provided in connection with your audit of the financial statements of Town of Crossfield for the year ended December 31, 2024, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with Canadian Public Sector Accounting Standards.

We confirm that to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

Financial Statements

We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated September 25, 2024, for the preparation of the financial statements in accordance with Canadian Public Sector Accounting Standards; in particular, the financial statements are fairly presented in accordance therewith.

- The methods, significant assumptions, and data used in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement and/or disclosure that are reasonable in accordance with Canadian Public Sector Accounting Standards.
- Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of Canadian Public Sector Accounting Standards.
- All events subsequent to the date of the financial statements and for which Canadian Public Sector Accounting Standards require adjustment or disclosure have been adjusted or disclosed.
- The financial statements of the entity use appropriate accounting policies that have been properly disclosed and consistently applied.
- The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. No material unadjusted misstatements were identified.
- We have reviewed and approved all journal entries recommended by the practitioners during the audit. A list of the journal entries is attached to the representation letter.

Information Provided

- We have provided you with:
 - access to all information of which we are aware that is relevant to the preparation of the financial statements, such as records, documentation and other matters;
 - additional information that you have requested from us for the purpose of the audit; and
 - unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

- We are responsible for the design, implementation and maintenance of internal controls to prevent, detect and correct fraud and error, and have communicated to you all deficiencies in internal control of which we are aware.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.
- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.

Fraud and Error

- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements.
- We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators, or others.

General Representations

- Where the value of any asset has been impaired, an appropriate provision has been made in the financial statements or has otherwise been disclosed to you.
- We have provided you with significant assumptions that in our opinion are reasonable and appropriately reflect our intent and ability to carry out specific courses of action on behalf of the entity when relevant to the use of fair value measurements or disclosures in the financial statements.
- We confirm that there are no derivatives or off-balance sheet financial instruments held at year end that have not been properly recorded or disclosed in the financial statements.
- The entity has complied with all provisions in its agreements related to debt and there were no defaults in principal or interest, or in the covenants and conditions contained in such agreements.
- There have been no plans or intentions that may materially affect the recognition, measurement, presentation or disclosure of assets and liabilities (actual and contingent).
- The nature of all material uncertainties have been appropriately measured and disclosed in the financial statements, including all estimates where it is reasonably possible that the estimate will change in the near term and the effect of the change could be material to the financial statements.

- There were no direct contingencies or provisions (including those associated with guarantees or indemnification provisions), unusual contractual obligations nor any substantial commitments, whether oral or written, other than in the ordinary course of business, which would materially affect the financial statements or financial position of the entity, except as disclosed in the financial statements.

Other Representations Where the Situation Exists

- We have informed you of all known actual or possible litigation and claims, whether or not they have been discussed with legal counsel. Since there are no actual, outstanding or possible litigation and claims, no disclosure is required in the financial statements.
- Management represents that the process of identifying and scoping in of Asset Retirement Obligations was completed in accordance with PS 3280, and that the amounts recorded represent management’s best estimate of the outstanding liabilities based on the information available to them at the time of preparation of the financial statements.
- Management represents that the process of identifying Contaminated Sites was completed in accordance with PS 3260, and that the criteria for recognition has not been met for any of the potential sites identified, resulting in no Contaminated Sites being recorded at year end. Management represents that there is a building acquired through tax forfeiture that may contain contamination. Management represents that no formal environmental study has been done at this time and that the contamination, if any, would be the responsibility of the original contaminator and the Town does not accept responsibility.
- Management represents contributed assets in the year are completed and any donated or contributed assets during the year are reflected in the financial statements.
- Management represents that the Town has not entered into any Public Private Partnerships in the current year or in any prior years.
- Management represents that none of the work outlined in the 2023 offsite levy bylaw has been completed to date.

Yours truly,

Signature

Date

Signature

Date



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BDO Canada LLP
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Suite 620
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April 22, 2025

Members of Council of the Town of Crossfield

We have been engaged to audit the financial statements of Members of Council of the Town of Crossfield (the "Town") for the year ended December 31, 2024.

Canadian generally accepted auditing standards require that we communicate at least annually with you regarding all relationships between the Town and our Firm that, in our professional judgment, may reasonably be thought to bear on our independence.

In determining which relationships to report, the standards require us to consider independence rules and interpretations of the CPA profession and relevant legislation.

We have prepared the following comments to facilitate our discussion with you regarding independence matters arising since April 24, 2024, the date of our last letter.

We are aware of the following relationships between the Other (please specify) and us that, in our professional judgment, may reasonably be thought to have influenced our independence. The following relationships represent matters that have occurred from April 24, 2024 to April 22, 2025.

- We have provided assistance in the preparation of the financial statements, including adjusting journal entries. These services created a self-review threat to our independence since we subsequently expressed an opinion on whether the financial statements presented fairly, in all material respects, the financial position, results of operations and cash flows in accordance with Canadian Public Sector Accounting Standards.
- We, therefore, required that the following safeguards be put in place related to the above:
 - Management provided us with a trial balance and draft financial statements, including notes, prior to completion of our audit.
 - Management created the source data for all the accounting entries.
 - Management developed any underlying assumptions required with respect to the accounting treatment and measurement of the entries.
 - Management reviewed advice and comments provided and undertook their own analysis considering the Town's circumstances and generally accepted accounting principles.
 - Management reviewed and approved all journal entries prepared by us, as well as changes to financial statement presentation and disclosure.
 - Someone other than the preparer reviewed the proposed journal entries and financial statements.
 - Management reviewed and approved all journal entries prepared by us, as well as changes to financial statement presentation and disclosure.
 - Someone other than the preparer reviewed the proposed journal entries and financial statements.



This letter is intended solely for the use of the Council of the Town of Crossfield, management and those charged with governance of the Town and should not be used for any other purpose.

Yours truly,

Chartered Professional Accountants