



**LEDUC
COUNTY**

Financial Statements

Year ended Dec. 31, 2024

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements and other information contained in this financial report of Leduc County (the "County") are the responsibility of the County's management and have been approved by Council.

These financial statements have been prepared by management using the accounting principles disclosed in the notes to these statements. Financial statements are not precise since they include certain amounts based on estimates and judgments. Management has determined such amounts on a reasonable basis in order to ensure that the statements are presented fairly, in all material aspects. To assist in its responsibility, management maintains accounting, budget and other controls to provide reasonable assurance that transactions are appropriately authorized, that assets are properly accounted for and safeguarded and that financial records are reliable for preparation of the financial statements.

The financial statements have been audited by Metrix Group LLP, the external auditors, in accordance with Canadian generally accepted auditing standards on behalf of council, residents and ratepayers of the County.



Duane Coleman, CLGM
County Manager



Renee Klimosko, CPA, CGA
Deputy County Manager

Nisku, Alberta
April 8, 2025

INDEPENDENT AUDITORS' REPORT

To the Mayor and Council of Leduc County

Opinion

We have audited the financial statements of Leduc County (the "County"), which comprise the statement of financial position as at December 31, 2024, and the statements of operations, remeasurement gains and losses, change in net financial assets (debt) and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the County as at December 31, 2024, and the results of its operations, remeasurement gains and losses, change in its net financial assets (debt) and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such 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 County's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the County or to cease operations, or has no realistic alternative but to do so.

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

(continues)



Auditors' Responsibility for the Audit of the Financial Statements

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

As part of 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 County's internal control.
- Evaluate the appropriateness of accounting policies and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the County's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the County to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the 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 significant deficiencies in internal control that we identify during our audit.

METRIX GROUP LLP

Chartered Professional Accountants

Edmonton, Alberta
April 8, 2025

Table of Contents

Statement of Financial Position. 5

Statement of Operations and Accumulated Surplus 6-7

Statement of Remeasurement Gains and Losses. 8

Statement of Changes in Net Financial Assets. 9

Statement of Cash Flows..... 10

Notes to Financial Statements. 11-24

Schedule 1 - Schedule of Tangible Capital Assets 25

Schedule 2 - Schedule of Taxes Levied 26

Schedule 3 - Schedule of Expenses by Object..... 27

Schedule 4 - Schedule of Government Transfers.....28

Schedule 5 - Schedule of Segmented Information. 29



LEDUC COUNTY

Statement of Financial Position

As at December 31, 2024

	2024	2023
FINANCIAL ASSETS		
Cash	\$ 55,891,208	\$ 41,825,324
Taxes and grants-in-lieu receivable (Note 2)	1,540,611	1,712,372
Accounts receivable (Note 3)	6,995,504	5,634,959
Local improvement taxes receivable (Note 4)	3,699,394	3,093,229
Annexation proceeds receivable (Note 5)	2,120,000	2,650,000
Investments (Note 6)	42,013,404	41,297,718
Debt charges recoverable (Note 7)	1,177,258	1,383,530
Other assets	150,613	150,571
	113,587,992	97,747,703
LIABILITIES		
Accounts payable and accrued liabilities	11,010,621	10,101,518
Deposits	3,760,018	3,012,841
Contaminated sites (Note 8)	383,424	357,641
Deferred revenue (Note 9)	29,592,638	25,359,686
Asset retirement obligation (Note 10)	3,823,389	3,566,292
Long-term debt (Note 11)	39,424,045	40,808,639
	87,994,135	83,206,617
NET FINANCIAL ASSETS (DEBT)	25,593,857	14,541,086
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	358,127,428	358,889,368
Consumable inventories	223,056	193,994
Prepaid expenses	466,634	487,632
	358,817,118	359,570,994
ACCUMULATED SURPLUS (Note 13)	\$ 384,410,975	\$ 374,112,080
ACCUMULATED SURPLUS IS COMPRISED OF:		
Accumulated surplus from operations	384,589,446	374,493,163
Accumulated remeasurement losses	(178,471)	(381,083)
	384,410,975	374,112,080

Contingencies (Note 20)

APPROVED ON BEHALF OF COUNCIL:



Tanni Doblanko, Mayor

LEDUC COUNTY

Statement of Operations and Accumulated Surplus

Year ended December 31, 2024

	2024 (Budget) (Note 21)	2024 (Actual)	2023 (Actual)
REVENUE			
Net municipal taxes (Schedule 2)	\$ 54,637,389	\$ 55,865,094	\$ 51,114,556
Sales and user fees	8,150,894	9,026,091	7,915,760
Developers' agreements levies	1,729,799	4,170,588	2,665,655
Investment income	1,830,368	3,609,322	2,832,492
Government transfers for operating (Schedule 4)	3,288,719	3,402,974	4,646,569
Licenses and permits	1,395,728	1,985,954	1,597,218
Other	641,503	1,552,530	2,020,931
Penalties and costs on taxes	485,000	559,984	519,138
Sales to other governments	553,505	537,745	552,783
Rentals	187,244	260,581	265,012
Fines	279,010	212,927	183,615
Insurance proceeds	-	-	54,773
	73,179,159	81,183,790	74,368,502
EXPENSES			
Transportation services			
Public works	31,643,858	28,642,142	30,485,679
Transit	1,612,098	1,263,176	1,296,160
Drainage	9,262	1,011	2,284
General government services			
General administration	13,492,419	11,850,504	10,239,428
Legislative services	930,482	848,951	792,072
Protective services			
Fire	8,803,732	8,736,298	9,460,043
Enforcement	2,617,414	2,768,086	2,523,900
Disaster	316,365	306,477	292,160
Bylaw enforcement	138,566	128,374	42,730
Environmental treatment services			
Water supply and distribution	3,635,457	3,770,240	4,467,189
Wastewater treatment and disposal	3,858,735	4,337,259	3,502,374
Solid waste management	1,515,997	1,712,327	4,534,507
Recreation, parks and cultural services			
Recreation	4,418,111	4,211,183	3,091,902
Parks	1,075,032	1,148,278	986,379
Library board	281,300	258,538	224,695
Recreation board	2,450	1,409	1,881
Environmental development services			
Planning and development	3,989,571	3,650,685	5,070,216
Agricultural services	1,706,133	1,539,679	1,521,336
Family and community support services	2,053,775	1,885,601	2,028,574
Other - tax share agreement	3,312,100	3,312,100	3,312,100
	85,412,857	80,372,318	83,875,609
ANNUAL SURPLUS (DEFICIT)			
BEFORE OTHER REVENUE (EXPENSES)	(12,233,698)	811,472	(9,507,107)

LEDUC COUNTY

Statement of Operations and Accumulated Surplus

Year ended December 31, 2024

	2024 (Budget) (Note 21)	2024 (Actual)	2023 (Actual)
ANNUAL SURPLUS (DEFICIT) BEFORE OTHER REVENUE (EXPENSES)	(12,233,698)	811,472	(9,507,107)
OTHER REVENUE (EXPENSES)			
Government transfers for capital (Schedule 4)	8,215,119	5,761,733	2,752,626
Contributed tangible capital assets	32,927	3,616,070	7,311,278
Gain (loss) on disposal of tangible capital assets	-	(92,992)	(36,865)
	8,248,046	9,284,811	10,027,039
ANNUAL SURPLUS (DEFICIT)	(3,985,652)	10,096,283	519,932
ACCUMULATED SURPLUS, BEGINNING OF YEAR	374,493,163	374,493,163	373,973,231
ACCUMULATED SURPLUS, END OF YEAR	\$ 370,507,511	\$ 384,589,446	\$ 374,493,163

LEDUC COUNTY

Statement of Remeasurement Gains and Losses

Year ended December 31, 2024

	2024 (Actual)	2023 (Actual)
Accumulated Remeasurement Gains (Losses), Beginning of Year	\$ (381,083)	\$ (878,548)
Unrealized gains (losses) attributable to: Derivative investments (Note 6)	202,612	497,465
Accumulated Remeasurement Gains (Losses), End of Year	\$ (178,471)	\$ (381,083)

LEDUC COUNTY**Statement of Changes in Net Financial Assets (Debt)****Year ended December 31, 2024**

	2024 (Budget) (Note 21)	2024 (Actual)	2023 (Actual)
ANNUAL SURPLUS (DEFICIT)	\$ (3,985,652)	\$ 10,096,283	\$ 519,932
Acquisition of tangible capital assets	-	(12,949,298)	(21,353,006)
Contributed tangible capital assets	(32,927)	(3,616,070)	(7,311,278)
Proceeds on disposal of tangible capital assets	-	354,498	346,442
Amortization of tangible capital assets	17,257,432	16,879,818	17,585,675
Loss (gain) on disposal of tangible capital assets	-	92,992	36,865
Increase (decrease) in accumulated remeasurement gains and losses	-	202,612	497,465
	17,224,505	964,552	(10,197,837)
Use (acquisition) of supplies inventory	-	(29,062)	227,037
Use (acquisition) of prepaid expenses	-	20,998	83,549
	-	(8,064)	310,586
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	13,238,853	11,052,771	(9,367,319)
NET FINANCIAL ASSETS (DEBT), BEGINNING OF YEAR	14,541,086	14,541,086	23,908,405
NET FINANCIAL ASSETS (DEBT), END OF YEAR	\$ 27,779,939	\$ 25,593,857	\$ 14,541,086

LEDUC COUNTY
Statement of Cash Flows
Year ended December 31,
2024

	2024	2023
OPERATING ACTIVITIES		
Annual surplus	\$ 10,096,283	\$ 519,932
Non-cash items included in annual surplus		
Amortization of tangible capital assets	16,879,818	17,585,675
Tangible capital assets received as contributions	(3,616,070)	(7,311,278)
(Gain) Loss on disposal of tangible capital assets	92,992	36,865
	23,710,120	14,397,486
Change in non-cash working capital balances:		
Taxes and grants-in-lieu receivable	171,761	(84,069)
Accounts receivable	(1,360,545)	7,041,103
Local improvement taxes receivable	(606,165)	949,135
Annexation proceeds receivable	530,000	530,000
Debt charges recoverable	206,272	197,496
Other assets	(42)	(69,378)
Accounts payable and accrued liabilities	909,103	1,239,961
Deposits	747,177	556,574
Deferred revenue	4,232,952	2,034,387
Contaminated sites	25,783	(401,130)
Asset retirement obligations	257,097	3,566,292
Consumable inventory	(29,062)	227,037
Prepaid expenses	20,998	83,549
	28,558,352	26,702,151
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(12,949,298)	(21,353,006)
Proceeds on disposal of tangible capital assets	354,498	346,442
	(12,594,800)	(21,006,564)
FINANCING ACTIVITIES		
Long-term debt issued	2,175,000	6,435,000
Long-term debt principal repayments	(3,353,322)	(2,970,311)
Repayment of long-term operating debt recoverable	(206,272)	(197,496)
	(1,384,594)	3,267,193
INVESTMENT ACTIVITIES		
Change in investments	(513,074)	(257,514)
INCREASE (DECREASE) IN CASH DURING THE YEAR	14,065,884	8,705,266
CASH BALANCE, BEGINNING OF YEAR	41,825,324	33,120,058
CASH BALANCE, END OF YEAR	\$ 55,891,208	\$ 41,825,324

Leduc County (the "County") is a local government authority providing municipal services. The County is empowered through bylaws and policies approved by County council and pursuant to the provisions of the Municipal Government Act.

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian public sector accounting standards. Significant aspects of the accounting policies are as follows:

(a) Reporting Entity

The financial statements reflect the assets, liabilities, revenues and expenses of the County.

The schedule of taxes levied (Schedule 2) also includes operating requisitions for education, seniors foundation and designated industrial properties that are not controlled by the County.

(b) Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. Revenues are recognized in the period in which the transactions or events occur and are measurable. Expenses are recognized in the period the goods and services are acquired and/or there is a legal obligation to pay.

(c) Valuation of financial assets and liabilities

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

<u>Financial statement component</u>	<u>Measurement</u>
Cash	Cost and amortized cost
Accounts receivables	Lower of cost or net recoverable value
Investments	Fair value and amortized cost
Accounts payable and accrued liabilities	Cost
Deposit liabilities	Cost
Asset retirement obligations	Cost or present value
Long-term debt	Amortized cost
Derivatives	Fair value

For financial assets and liabilities measured at amortized cost, the effective interest rate method is used to determine interest revenue or expense. Transaction costs are a component of cost for financial assets and liabilities that are measured at cost or amortized cost and expensed when measured at fair value.

(d) Cash

Cash includes general, public reserves trust and cash-on-hand amounts that are readily converted into known amounts of cash and are subject to an insignificant change in value.

(continued)

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Investments

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

The County holds derivatives in the form of principal protected notes which are recorded at fair value in the statement of financial position. Unrealized gains and losses from changes in the fair value of derivatives are recognized in the statement of remeasurement gains and losses. Upon settlement, the realized gains and losses are reclassified as revenue or expense in the statement of operations.

(f) Government transfers

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

(g) Pension

The County participates in a multi-employer defined benefit pension plan. Contributions for current service pension benefits are recorded as expenses in the year in which they become due.

(h) Inventory

Inventory of gravel is valued at the lower of cost or net realizable value, with cost determined by the first in, first out method.

(i) Reserves

Reserves are established at the discretion of Council to set aside funds for future operating and capital expenditures for internal reporting purposes. These balances are included in accumulated surplus.

(j) Requisition over-levy and under-levy

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

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

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

(k) Debt charges recoverable

Debt charges recoverable consist of amounts that are recoverable from other local foundations with respect to outstanding debentures incurred on their behalf for projects unrelated to the County. These recoveries are recorded at a value that equals the offsetting portion of the un-matured long-term debt.

(continued)

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Non-financial assets

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

i) Tangible capital assets

Tangible capital assets are recorded at cost, which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Government contributions for the acquisition of assets are reported as revenue and do not reduce the related physical asset costs. The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over the estimated useful life as follows:

Land improvements	10 - 40 years
Buildings	10 - 50 years
Engineered structures	
Roadway system	5 - 60 years
Water system	45 - 75 years
Wastewater system	45 - 75 years
Storm water system	45 - 75 years
Other engineered structures	10 - 60 years
Machinery and equipment	5 - 40 years
Vehicles	2 - 25 years

One-half of the annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

ii) Contributions of tangible capital assets

Tangible capital assets received as contributions are recorded at fair value at the date of receipt and also are recorded as revenue.

iii) Cultural and historical tangible capital assets

Cultural and historic tangible capital assets are not recorded as assets in these financial statements, but are disclosed. The County does not currently have any to disclose.

(m) Use of estimates

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

The County has used estimates to determine useful lives of tangible capital assets, liability for contaminated sites, asset retirement obligations, fair values of contributed tangible capital assets and provisions made for allowances for doubtful accounts.

(continued)

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(n) Contaminated sites

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

(o) Tax revenue

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

Construction and borrowing costs associated with local improvement projects are recovered through annual special property tax assessments during the period of the related borrowing. These levies are collectible from property owners for work performed by the County and are recognized as revenue in the year they are levied.

(p) Asset retirement obligations

Asset retirement obligations are legal obligations associated with the retirement of tangible capital assets. Asset retirement activities include all activities relating to an asset retirement obligation including, but not limited to, decommissioning or dismantling, remediation of contamination, post-retirement activities such as monitoring, and constructing other tangible capital assets to perform post-retirement activities.

A liability for asset retirement obligation is recognized when there is a legal obligation 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.

When a liability for asset retirement obligation is recognized, asset retirement costs related to recognized tangible capital assets in productive use are capitalized by increasing the carrying value of the related asset and are amortized over the estimated useful life of the underlying tangible capital asset. Asset retirement costs related to unrecognized tangible capital assets and those not in productive use are expensed.

LEDUC COUNTY**Notes to Financial Statements****Year ended December 31, 2024****2. TAXES AND GRANTS-IN-LIEU RECEIVABLE**

	2024	2023
Current	\$ 1,106,179	\$ 1,263,708
Arrears	1,116,096	1,118,852
	2,222,275	2,382,560
Less allowance for doubtful accounts	(681,664)	(670,188)
	\$ 1,540,611	\$ 1,712,372

3. ACCOUNTS RECEIVABLE

	2024	2023
Trade accounts	\$ 3,911,763	\$ 3,186,680
Government grants	2,298,129	1,672,841
Goods and services tax	549,231	654,126
Local government	403,049	262,814
	7,162,172	5,776,461
Less allowance for doubtful accounts	(166,668)	(141,502)
	\$ 6,995,504	\$ 5,634,959

4. LOCAL IMPROVEMENT TAXES RECEIVABLE

	2024	2023
Nisku Business Park wastewater line	\$ 2,089,331	\$ 3,068,177
Wildland Meadows wastewater treatment system	1,597,254	-
Hamlet of Looma wastewater line	12,809	25,052
	\$ 3,699,394	\$ 3,093,229

The County passed Bylaw 07-24 authorizing Council to provide for a local improvement to construct the Wildland Meadows wastewater treatment system. The total cost of the local improvement was \$1,681,320 and is repayable in 20 annual installments of \$84,066 including interest at a fixed rate of 5.23 per cent per annum maturing December 2043.

The County passed Bylaw 19-06 (amended by Bylaw 28-06) authorizing Council to provide for a local improvement to install a wastewater line in the Nisku Business Park. The total cost of the local improvement was \$14,599,797 and is repayable in 40 bi-annual installments of \$551,174 including interest at a fixed rate of 4.37 per cent per annum maturing December 2026.

The County passed Bylaw 30-02 (amended by Bylaw 28-04) authorizing Council to provide for a local improvement to install a wastewater line in the Hamlet of Looma. The total cost of the local improvement was \$172,500 and is repayable in 40 bi-annual installments of \$6,625 including interest at a fixed rate of 4.569 per cent per annum maturing December 2025.

LEDUC COUNTY

Notes to Financial Statements

Year ended December 31, 2024

5. ANNEXATION PROCEEDS RECEIVABLE

	2024	2023
City of Edmonton annexation proceeds receivable	\$ 2,120,000	\$ 2,650,000

On January 1, 2019, the City of Edmonton annexed 8,250 hectares (20,387 acres) of land from Leduc County. Leduc County transferred tangible capital assets with a net book value of \$4,655,375 to the City of Edmonton. As per the Province of Alberta provincial order the total compensation amounted to \$8,500,000 of which \$3,200,000 was due upon execution of the agreement and the remaining \$5,300,000 is set to be paid in equal installments of \$530,000 per year until 2028.

6. INVESTMENTS

	2024		2023	
	Carrying Value	Market Value	Carrying Value	Market Value
Fixed income securities - amortized cost	\$ 26,304,975	\$ 24,838,706	\$ 26,177,301	\$ 24,225,307
Derivatives - Principal protected notes (b)	15,708,429	15,708,429	15,120,417	15,120,417
	\$ 42,013,404	\$ 40,547,135	\$ 41,297,718	\$ 39,345,724

The fixed income securities have effective interest rates ranging from 1.49 per cent to 5.01 per cent with maturity dates from 2025-2034.

Derivative investments are carried at fair market value in which the measurements are derived from:

- Level 1 - Quoted prices in active markets for identical assets.
- Level 2 - Inputs other than quoted prices included within level 1 that are observable for the assets, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Unrealized gains (losses) on derivative investments carried at fair value of \$202,612 (2023 - loss \$497,465) have been recognized in the statement of remeasurement gains and losses.

LEDUC COUNTY

Notes to Financial Statements

Year ended December 31, 2024

7. DEBT CHARGES RECOVERABLE

	2024	2023
Current debt charges recoverable	\$ 215,437	\$ 206,272
Long-term debt charges recoverable	961,821	1,177,258
	\$ 1,177,258	\$ 1,383,530

The County assumed a debenture on behalf of the Leduc Regional Housing Foundation. The County is not in a partnership with the Leduc Regional Housing Foundation on the capital project, but agreed to obtain the funding they required and is reimbursed 100 per cent for both the principal and interest payments.

The debenture was borrowed in the amount of \$3,500,000 at an interest rate of 4.395 per cent in 2009 and is repayable in bi-annual payments expiring December 2029. Debenture principal and interest payments are due as follows:

These payments are not disclosed as revenues and expenses by Leduc County, as this loan is 100 per cent recoverable from Leduc Regional Housing Foundation.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 215,437	\$ 49,399	\$ 264,836
2026	225,009	39,827	264,836
2027	235,007	29,829	264,836
2028	245,449	19,387	264,836
2029	256,356	8,480	264,836
	\$ 1,177,258	\$ 146,922	\$ 1,324,180

8. CONTAMINATED SITES

The County has ascertained liabilities for contaminated sites as follows:

	2024	2023
Site clean up, remediation and monitoring	\$ 383,424	\$ 357,641

The County has accepted responsibility for remediation work on three individual sites within the County's boundaries for soil contamination. The estimated remediation activities include general site clean-up, additional site investigation, risk assessment and monitoring. This estimated liability is based on current contractor and engineering costs with no estimated recoveries.

LEDUC COUNTY**Notes to Financial Statements****Year ended December 31, 2024****9. DEFERRED REVENUE**

Deferred revenue is comprised of the following amounts, which have been received from third parties for a specified purpose. Additions are comprised of both contributions and interest earned during the year. These amounts are recognized as revenue in the period in which the related costs are incurred.

	2023	Additions	Revenue Recognized	2024
AMWWP	\$ 300,920	\$ 1,277,133	\$ (1,573,845)	\$ 4,208
BMTG	634	18	-	652
CARES	85,226	2,473	-	87,699
CCBF	1,010,190	1,767,565	(1,856,375)	921,380
FCSS	22,005	36,945	(6,340)	52,610
LGFF	-	3,747,352	(2,897,021)	850,331
MSI Capital	1,015,815	17,650	(878,043)	155,422
MSI Operating	218,486	3,160	(221,646)	-
NRED	-	200,000	(104,556)	95,444
Offsite Levy - Roads	5,838,583	5,401,377	(1,977,022)	9,262,938
Offsite Levy - Water	15,938,717	1,586,152	(399,159)	17,125,710
Offsite Levy - Wastewater	221,659	105,335	-	326,994
Other	707,451	11,526	(9,727)	709,250
	\$ 25,359,686	\$ 14,156,686	\$ (9,923,734)	\$ 29,592,638

AMWWP	Alberta Municipal Water/Wastewater Partnership
BMTG	Basic Municipal Transportation Grant
CARES	Community and Regional Economic Support Program
CCBF	Canada Community-Building Fund
FCSS	Family and Community Support Services
LGFF	Local Government Funding Framework
MSI	Municipal Sustainability Initiative
NRED	Northern and Regional Economic Development Program

LEDUC COUNTY

Notes to Financial Statements

Year ended December 31, 2024

10. ASSET RETIREMENT OBLIGATION

The County has asset retirement obligations pursuant to the *Environmental Enhancement and Protection Act* (Alberta) to fund the clean up and monitoring of all active and existing transfer station sites. Clean up and monitoring activities include the final covering and landscaping, surface and ground water monitoring, leachate control, site inspection, and maintenance.

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

	2024	2023
Balance, beginning of year	\$ 3,566,292	\$ -
Net change for the year:		
Initial adoption	-	3,566,292
Accretion expense	257,097	-
Balance, end of year	\$ 3,823,389	\$ 3,566,292

The obligations of \$3,823,389 (2023 - \$3,566,292) are measured at the current cost due to the uncertainty about when the retirement and reclamation activities are expected to occur.

LEDUC COUNTY

Notes to Financial Statements

Year ended December 31, 2024

11. LONG-TERM DEBT

	2024	2023
General tax levy supported	\$ 12,523,565	\$ 18,868,681
Special levy supported - local improvement (Note 4)	3,106,813	4,128,229
Offsite levy supported	22,616,409	16,428,199
Other - Leduc Regional Housing Foundation borrowing/loan (Note 7)	1,177,258	1,383,530
	\$ 39,424,045	\$ 40,808,639

Debenture debt has been issued on the credit and security of the County-at-large. Debenture debt is repayable to the Government of Alberta and bears interest at rates ranging from 1.882 per cent to 5.230 per cent and matures in periods 2025 through 2043.

The County's cash payments for interest in 2024 was \$1,412,162 (2023 - \$1,198,710).

Principal and interest payments are due as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 3,796,973	\$ 1,377,386	\$ 5,174,359
2026	3,927,783	1,233,327	5,161,110
2027	2,672,808	1,099,162	3,771,970
2028	2,766,077	1,006,893	3,772,970
2029	2,862,810	909,160	3,771,970
Thereafter	23,397,594	3,923,220	27,320,814
	\$ 39,424,045	\$ 9,549,148	\$ 48,973,193

LONG-TERM DEBT SUMMARY

	2024	2023
Long-term debt for capital purposes	31,334,005	32,112,346
Long-term debt for operating purposes	6,912,782	7,312,763
Recoverable long-term debt (Note 7)	1,177,258	1,383,530
	\$ 39,424,045	\$ 40,808,639

LEDUC COUNTY

Notes to Financial Statements

Year ended December 31, 2024

12. EQUITY IN TANGIBLE CAPITAL ASSETS

	2024	2023
Tangible capital assets (Schedule 1)	\$ 1,253,994,717	\$ 1,240,061,692
Accumulated amortization (Schedule 1)	(895,867,289)	(881,172,324)
Long-term debt for capital purposes (Note 11)	(31,334,005)	(32,112,346)
Local improvements (Note 4)	3,699,394	3,093,229
	\$ 330,492,817	\$ 329,870,251

13. ACCUMULATED SURPLUS

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

	2024	2023
Unrestricted surplus (deficit)	\$ (3,235,886)	\$ (3,379,374)
Operating reserves (Note 14)	26,116,909	23,566,363
Capital reserves (Note 15)	30,834,523	23,557,375
Equity in tangible capital assets (Note 12)	330,492,817	329,870,251
Change in accumulated remeasurements gains (losses) (Note 6)	202,612	497,465
	\$ 384,410,975	\$ 374,112,080

14. OPERATING RESERVES

	2023	Additions	Applied	2024
Special purpose	\$ 11,011,996	\$ 1,871,492	\$ (2,184,185)	\$ 10,699,303
Stabilization and contingency	5,995,077	2,017,192	-	8,012,269
Legacy fund	4,466,914	530,000	-	4,996,914
Utilities	2,092,376	426,597	(110,550)	2,408,423
	\$ 23,566,363	\$ 4,845,281	\$ (2,294,735)	\$ 26,116,909

15. CAPITAL RESERVES

	2023	Additions	Applied	2024
Asset lifecycle management	\$ 14,560,757	\$ 7,998,030	\$ (2,584,173)	\$ 19,974,614
Utilities	5,064,760	1,861,283	(1,114,969)	5,811,074
Statutory	3,704,568	1,133,962	(1,173,776)	3,664,754
Special purpose	227,290	1,309,696	(152,905)	1,384,081
	\$ 23,557,375	\$ 12,302,971	\$ (5,025,823)	\$ 30,834,523

LEDUC COUNTY
Notes to Financial Statements
Year ended December 31, 2024

16. SALARY AND BENEFITS DISCLOSURE

Disclosure of salaries and benefits for elected municipal officials and the County Manager as required by Alberta Regulation 313/2000 is as follows:

	Fees	Benefits*	2024 Total	2023 Total
Mayor				
T. Doblanko (Division 5)	\$ 102,354	\$ 13,173	\$ 115,527	\$ 111,384
Councillors				
R. Smith (Division 1)	85,295	8,985	94,280	93,934
K. Lewis (Division 2)	85,295	15,540	100,835	93,292
D. Virdi (Division 3)	85,295	13,040	98,335	87,935
L. Wanchuk (Division 4)	87,778	8,985	96,763	91,359
G. Belozer (Division 6)	87,077	10,922	97,999	88,515
R. Scobie (Division 7)	85,295	13,040	98,335	94,769
	\$ 618,389	\$ 83,685	\$ 702,074	\$ 661,188
County Manager	\$ 271,980	\$ 36,746	\$ 308,726	\$ 290,091

*Employer's share of all employee benefits and contributions made on behalf of employees including retirement pension, Canada Pension Plan, Employment Insurance, dental coverage, group life insurance, accidental death and dismemberment insurance, long and short-term disability plans and extended health care, vision care and employee assistance program coverage.

17. PENSION PLAN

Employees of Leduc County participate in the Local Authorities Pension Plan (LAPP), which is covered by the Public Sector Pension Plans Act. It is financed by employer and employee contributions and investment earnings of the LAPP Fund. The Plan disclosed an actuarial surplus of \$15.06 billion at December 31, 2023 (2022 - \$12.67 billion).

Leduc County is required to make current service contributions to the Plan at 8.45 per cent of pensionable payroll below the year's maximum pensionable earnings (YMPE) and 11.65 per cent of pensionable payroll above YMPE.

Total current service contributions by Leduc County to the Local Authorities Pension Plan in 2024 were \$1,631,863 (2023 - \$1,421,357). Total current service contributions by the employees of Leduc County to the Local Authorities Pension Plan in 2024 were \$1,395,580 (2023 - \$1,272,220).

18. FINANCIAL INSTRUMENTS

Leduc County's financial instruments consist of cash and cash equivalents, investments, accounts receivable, accounts payable and accrued liabilities, and long-term debt. It is management's opinion that the County is not exposed to significant currency, liquidity, market or other price risk arising from these financial instruments.

Credit risk

The County is exposed to credit risk with respect to receivables. Credit risk arises from the possibility that customers may experience financial difficulty and be unable to fulfil their obligations. The large number and diversity of customers minimizes the County's credit risk.

Interest rate risk

Interest rate risk is the risk that the County's annual surplus will be affected by the fluctuation and degree of volatility in interest rates. Interest rate risk on the County's long-term debt is managed through fixed rate debentures with the Province of Alberta (Note 11).

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

19. 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 County be disclosed as follows:

	2024	2023
Total debt limit	\$ 121,775,685	\$ 111,552,753
Total debt	(39,424,045)	(40,808,639)
Amount of debt limit unused	\$ 82,351,640	\$ 70,744,114
Service on debt limit	\$ 20,295,948	\$ 18,592,126
Service on debt	(5,174,359)	(4,971,756)
Amount of debt servicing limit unused	\$ 15,121,589	\$ 13,620,370

The debt limit is calculated at 1.5 times revenue of the County (as defined in Alberta Regulation 255/2000) and the debt service limit is calculated at 0.25 times such revenue. Incurring debt beyond these limits 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 County. Rather, the financial statements must be interpreted as a whole.

20. CONTINGENCIES

As at December 31, 2024, the County was involved in various legal disputes. While it is not possible to estimate the outcome of these disputes at year-end, it is believed that there will be no adverse effect on the financial position of the County.

LEDUC COUNTY

Notes to Financial Statements

Year ended December 31, 2024

21. BUDGET FIGURES

The 2024 budget figures which appear in these statements were approved by Council on April 23, 2024. Leduc County budgets on a cash, not an accrual basis. The below table reconciles the annual surplus to the County's operating surplus based on the methods used in preparing its annual budget.

	Budget 2024
Annual surplus (deficit)	\$ (3,985,652)
Deduct:	
Transfer to own municipal function - operating	(4,196,068)
Principal repayment of long-term debt	(2,320,678)
Transfer to capital reserves	(10,838,171)
Purchase of tangible capital assets	(21,322,570)
Add back:	
Amortization	17,257,432
Transfer from operating reserves	3,833,538
Transfer from capital reserves	10,057,178
Transfer to own municipal function - capital	7,708,177
Long-term debt proceeds	3,599,691
Proceeds on sale of tangible capital assets	207,123
	\$ -

22. SEGMENTED INFORMATION

The County provides a range of services to its residents. For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in Note 1. For additional information see the Schedule of Segmented Information (Schedule 5).

23. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by Council.

LEDUC COUNTY

Schedule of Tangible Capital Assets

Schedule 1

Year ended December 31, 2024

	<u>Land</u>	<u>Land Improvements</u>	<u>Buildings</u>	<u>Engineered Structures</u>	<u>Machinery & Equipment</u>	<u>Vehicles</u>	<u>Construction in Progress</u>	<u>2024</u>	<u>2023</u>
COST:									
Balance, Beginning of Year	\$ 112,049,613	\$ 8,369,204	\$ 33,423,704	\$ 1,049,511,656	\$ 16,526,084	\$ 17,784,088	\$ 2,397,343	\$ 1,240,061,692	\$ 1,214,069,882
Acquisition of tangible capital assets	1,436,680	646,813	201,405	660,613	2,054,378	1,611,872	9,953,607	16,565,368	28,664,284
Disposal of tangible capital assets	-	-	(38,750)	(792,640)	(1,231,139)	(528,068)	(41,746)	(2,632,343)	(2,672,474)
Transfers in/(out)	-	-	-	3,718,530	-	-	(3,718,530)	-	-
Balance, End of Year	113,486,293	9,016,017	33,586,359	1,053,098,159	17,349,323	18,867,892	8,590,674	1,253,994,717	1,240,061,692
ACCUMULATED AMORTIZATION:									
Balance, Beginning of Year	-	4,123,267	10,073,693	847,026,374	10,750,212	9,198,778	-	881,172,324	865,875,816
Annual amortization	-	346,804	765,371	14,067,322	761,275	939,046	-	16,879,818	17,585,675
Accumulated amortization of disposals	-	-	(25,833)	(792,640)	(915,529)	(450,851)	-	(2,184,853)	(2,289,167)
Balance, End of Year	-	4,470,071	10,813,231	860,301,056	10,595,958	9,686,973	-	895,867,289	881,172,324
NET BOOK VALUE, END OF YEAR	\$ 113,486,293	\$ 4,545,946	\$ 22,773,128	\$ 192,797,103	\$ 6,753,365	\$ 9,180,919	\$ 8,590,674	\$ 358,127,428	\$ 358,889,368

LEDUC COUNTY**Schedule of Taxes Levied****Schedule 2****Year ended December 31, 2024**

	2024 (Budget) (Note 21)	2024 (Actual)	2023 (Actual)
TAXATION			
Land and improvements	\$ 71,478,400	\$ 70,955,332	\$ 65,836,593
Electrical, power and pipeline	11,752,307	11,724,236	11,854,865
Local improvements	178,247	1,805,828	166,462
Federal and provincial grants in lieu	126,244	122,899	120,274
	83,535,198	84,608,295	77,978,194
REQUISITIONS			
Alberta School Foundation Fund	26,241,424	26,241,425	24,353,208
Separate School	2,238,526	2,238,525	2,183,869
Leduc Regional Housing Foundation	252,726	252,726	232,664
Designated Industrial Property requisition	130,000	130,729	125,257
(Over)/Under levy	35,133	(120,204)	(31,360)
	28,897,809	28,743,201	26,863,638
NET MUNICIPAL TAXES	\$ 54,637,389	\$ 55,865,094	\$ 51,114,556

LEDUC COUNTY**Schedule of Expenses By Object****Schedule 3****Year ended December 31, 2024**

	2024 (Budget) (Note 21)	2024 (Actual)	2023 (Actual)
Salaries, wages and benefits	\$ 27,288,854	\$ 26,056,273	\$ 23,632,350
Amortization on tangible capital assets	17,257,432	16,879,823	17,585,675
Contracted and general services	15,552,692	12,328,748	16,780,964
Materials, goods, supplies and utilities	8,910,822	8,448,267	7,561,715
Purchases from other governments	7,530,957	7,672,716	6,964,698
Transfers to other governments	3,853,377	3,636,731	2,970,173
Other expenditures	3,312,100	3,312,100	3,312,100
Interest on long-term debt	1,385,798	1,350,095	1,140,453
Transfers to individuals and organizations	274,865	403,939	3,609,335
Provision for allowances	-	191,324	253,622
Bank charges and short-term interest	45,960	92,302	64,524
	\$ 85,412,857	\$ 80,372,318	\$ 83,875,609

LEDUC COUNTY
Schedule of Government Transfers
Year ended December 31, 2024

Schedule 4

	2024 (Budget) (Note 21)	2024 (Actual)	2023 (Actual)
TRANSFERS FOR OPERATING			
Provincial government conditional	\$ 3,231,819	\$ 3,305,596	\$ 3,943,891
Provincial government unconditional	14,000	13,565	44,211
Federal government conditional	-	41,479	611,040
Other local governments	42,900	42,334	47,427
	3,288,719	3,402,974	4,646,569
TRANSFERS FOR CAPITAL			
Provincial government	8,215,119	5,651,343	2,752,626
Federal government	-	110,390	-
	8,215,119	5,761,733	2,752,626
TOTAL GOVERNMENT TRANSFERS	\$ 11,503,838	\$ 9,164,707	\$ 7,399,195

LEDUC COUNTY

Schedule of Segmented Information

Year ended December 31, 2024

Schedule 5

	General Government Services	Protective Services	Transportation Services	Family and Community Support Services	Environmental Development Services	Recreation, Parks and Cultural Services	Environmental Treatment Services	Other	2024 Total	2023 Total
REVENUE										
Net municipal taxes	\$ 55,865,094	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 55,865,094	\$ 51,114,556
User fees and sales of goods	55,563	482,363	435,416	1,450	251,198	367,136	7,432,965	-	9,026,091	7,915,760
Government transfers for capital	-	-	4,187,888	-	-	-	1,573,845	-	5,761,733	2,752,626
Developers' agreements and levies	-	-	1,977,022	-	-	1,794,407	399,159	-	4,170,588	2,665,655
Contributed assets	-	-	1,847,984	-	-	333,190	1,434,896	-	3,616,070	7,311,278
Investment income	3,209,189	-	-	-	-	192,569	207,564	-	3,609,322	2,832,492
Government transfers for operating	618,600	7,852	691,292	1,448,362	390,414	305	246,149	-	3,402,974	4,646,569
Other revenues	570,095	169,070	98,091	-	7,062	56,272	1,211,924	-	2,112,514	2,594,842
Licenses and permits	-	142,286	-	-	1,843,668	-	-	-	1,985,954	1,597,218
Sales to other governments	21,071	296,968	199,611	-	13,095	-	7,000	-	537,745	552,783
Rental revenue	106,165	104,690	-	-	657	12,803	36,266	-	260,581	265,012
Fines	-	210,217	-	-	-	2,710	-	-	212,927	183,615
	60,445,777	1,413,446	9,437,304	1,449,812	2,506,094	2,426,202	12,549,768	-	90,561,593	84,432,406
EXPENSES										
Salaries, wages and benefits	7,767,649	5,442,612	4,839,074	1,515,515	4,095,403	1,055,336	1,340,684	-	26,056,273	23,624,419
Amortization of tangible capital assets	251,634	1,226,029	13,637,734	-	33,311	269,873	1,461,242	-	16,879,823	17,585,675
Contracted and general services	3,670,503	935,456	5,023,713	157,718	457,176	344,023	1,740,159	-	12,328,748	16,788,895
Materials, goods, supplies and utilities	630,421	2,295,954	4,623,084	16,741	326,203	178,667	377,197	-	8,448,267	7,561,715
Purchases from other governments	-	1,911,861	1,083,608	-	49,994	-	4,627,253	-	7,672,716	6,964,698
Transfers to other governments	-	-	-	72,877	-	3,563,854	-	-	3,636,731	2,970,173
Other - tax share agreement	-	-	-	-	-	-	-	3,312,100	3,312,100	3,312,100
Interest on long-term debt	106,471	117,823	698,159	-	-	178,103	249,539	-	1,350,095	1,140,453
Transfers to individuals & organizations	84,517	9,500	-	122,750	171,999	15,173	-	-	403,939	3,609,335
Provision for allowances	169,350	-	-	-	-	-	21,974	-	191,324	253,622
Bank charges and short-term interest	18,910	-	957	-	56,278	14,379	1,778	-	92,302	64,524
	12,699,455	11,939,235	29,906,329	1,885,601	5,190,364	5,619,408	9,819,826	3,312,100	80,372,318	83,875,609
OTHER										
Gain (loss) on sale of fixed assets	-	-	(81,080)	-	1,005	(12,917)	-	-	(92,992)	(36,865)
NET REVENUE (DEFICIT)	\$ 47,746,322	\$ (10,525,789)	\$ (20,387,945)	\$ (435,789)	\$ (2,685,275)	\$ (3,180,289)	\$ 2,729,942	\$ (3,312,100)	\$ 10,096,283	\$ 519,932

The accompanying notes are an integral part of the financial statements