

**TOWN OF HINTON**  
**Consolidated Financial Statements**  
**Year Ended December 31, 2024**

**TOWN OF HINTON**  
**Index to Consolidated Financial Statements**  
**Year Ended December 31, 2024**

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## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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To the Members of Council of the Town of Hinton

The integrity, relevance and comparability of the data in the accompanying financial statements are the responsibility of management. Management believes that the financial statements present fairly the Town's financial position as at December 31, 2024 and the results of its operations for the year then ended.

The financial statements are prepared by management in accordance with Canadian public sector accounting standards. They necessarily include some amounts that are based on the best estimates and judgments of management.

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 consolidated financial statements.

The Town's Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial statement. Council fulfills these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. Council is also responsible for recommending the appointment of the Town's external auditors.

JDP Wasserman LLP have been appointed by the Members of Council of the Town of Hinton to express an opinion on the consolidated financial statements.

  
Jordan Panasiuk  
Chief Administrative Officer

Hinton, AB  
April 15, 2025



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## INDEPENDENT AUDITOR'S REPORT

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To the Members of Town of Hinton

*Opinion*

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

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Town as at December 31, 2024, and the consolidated results of its operations and consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAS).

*Basis for Opinion*

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

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

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

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

*(continues)*



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Independent Auditor's Report to the Members of Town of Hinton *(continued)*

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

*Auditor's Responsibilities for the Audit of the Consolidated Financial Statements*

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

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

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

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.

*JDP Wasserman LLP*

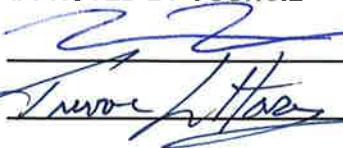
Wetaskiwin, Alberta  
April 15, 2025

JDP Wasserman LLP  
Chartered Professional Accountants

**TOWN OF HINTON**  
**Consolidated Statement of Financial Position**  
**December 31, 2024**

	<b>2024</b>	<b>2023</b>
<b>ASSETS</b>		
Cash	\$ 9,322,703	\$ 4,850,749
Taxes receivable (Note 2)	1,005,464	750,300
Trade and other receivable (Note 2)	3,235,466	2,718,798
Due from other governments (Note 3)	2,643,302	6,141,500
Notes receivable (Note 4)	-	51,892
Investments (Note 5)	17,947,286	17,034,376
Land held for resale	-	2,960
	<b>34,154,221</b>	<b>31,550,575</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 6)	3,387,552	3,929,484
Deposit liabilities	755,285	591,042
Deferred revenue (Note 7)	7,606,383	5,608,932
Long-term debt (Note 8)	3,723,927	4,307,746
Asset retirement obligations (Note 10)	1,119,166	954,099
	<b>16,592,313</b>	<b>15,391,303</b>
<b>NET FINANCIAL ASSETS</b>	<b>17,561,908</b>	<b>16,159,272</b>
<b>NON-FINANCIAL ASSETS</b>		
Inventory for consumption	316,502	336,628
Prepaid expenses	125,507	156,299
Tangible capital assets (Schedule 1)	154,615,958	155,566,169
	<b>155,057,967</b>	<b>156,059,096</b>
<b>ACCUMULATED SURPLUS (Note 11, Note 12)</b>	<b>\$172,619,875</b>	<b>\$172,218,368</b>

**APPROVED BY COUNCIL**

 Mayor Nicholas Nissen  
 Councillor Trevor Haas .

**TOWN OF HINTON**

**Consolidated Statement of Operations and Accumulated Surplus**

**Year Ended December 31, 2024**

	2024 (Budget) (Note 15)	2024 (Actual)	2023 (Actual)
<b>REVENUES</b>			
Net municipal property taxes	\$ 13,934,074	\$ 13,919,680	\$ 13,550,723
User fees and sale of goods	7,757,301	7,993,524	8,359,665
Penalties and costs on taxes	187,706	251,776	206,667
Franchise and concession contracts	1,771,468	1,804,378	1,724,510
Licenses and permits	204,998	272,280	273,719
Other revenues	81,733	1,164,365	1,001,082
Investment income	531,550	1,429,379	1,242,485
Rentals	528,398	645,243	565,428
Fines	479,998	127,473	571,639
Government transfers for operating	4,703,321	4,745,177	4,950,879
	<u>30,180,547</u>	<u>32,353,275</u>	<u>32,446,797</u>
<b>EXPENSES</b>			
Legislative	847,308	1,082,078	843,559
General administration	4,266,709	3,829,386	3,578,510
Protective services	4,647,447	5,839,664	6,238,999
Transportation	6,636,689	8,741,319	8,511,488
Environmental	3,874,782	5,303,588	5,721,079
Community services	1,751,729	1,818,016	1,803,637
Planning and development	968,993	1,038,796	943,480
Recreation and culture	4,122,094	5,096,115	4,907,485
	<u>27,115,751</u>	<u>32,748,962</u>	<u>32,548,237</u>
<b>SURPLUS (DEFICIT) FROM OPERATIONS</b>			
	<u>3,064,796</u>	<u>(395,687)</u>	<u>(101,440)</u>
<b>OTHER ITEMS</b>			
Government transfers for capital	-	994,375	4,910,533
Other transfers for capital	-	9,754	79,022
Gain (loss) on disposal of tangible capital assets	-	(217,248)	(85,785)
Developer offsite levies	10,000	10,313	27,066
	<u>10,000</u>	<u>797,194</u>	<u>4,930,836</u>
<b>ANNUAL SURPLUS</b>			
ACCUMULATED SURPLUS - BEGINNING		401,507	4,829,396
ACCUMULATED SURPLUS - END	\$ 3,074,796	\$ 172,619,875	\$ 172,218,368

The accompanying notes form an integral part of these financial statements

**TOWN OF HINTON**  
**Consolidated Statement of Changes in Net Financial Assets**  
**Year Ended December 31, 2024**

	Budget 2024	2024	2023
<b>ANNUAL SURPLUS</b>	<b>\$ 3,074,796</b>	<b>\$ 401,507</b>	<b>\$ 4,829,396</b>
Amortization of tangible capital assets	-	<b>5,443,391</b>	5,385,552
Acquisition of tangible capital assets	-	<b>(5,032,341)</b>	(7,924,814)
Proceeds on disposal of tangible capital assets	-	<b>89,854</b>	107,928
Loss on disposal of assets	-	<b>217,248</b>	85,785
Impairment of tangible capital assets	-	<b>232,058</b>	-
Net change in prepaid expenses	-	<b>30,793</b>	15,075
Net change in inventory for consumption	-	<b>20,126</b>	(2,163)
		<b>- 1,001,129</b>	<b>(2,332,637)</b>
<b>INCREASE IN NET FINANCIAL ASSETS</b>	<b>3,074,796</b>	<b>1,402,636</b>	<b>2,496,759</b>
<b>NET FINANCIAL ASSETS - BEGINNING OF YEAR</b>		<b>- 16,159,272</b>	<b>13,662,513</b>
<b>NET FINANCIAL ASSETS - END OF YEAR</b>	<b>\$ 3,074,796</b>	<b>\$ 17,561,908</b>	<b>\$ 16,159,272</b>

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

	<b>2024</b>	<b>2023</b>
<b>OPERATING ACTIVITIES</b>		
Annual surplus	\$ 401,507	\$ 4,829,396
Item not affecting cash and cash equivalents:		
Amortization of tangible capital assets	5,443,391	5,385,552
Loss on disposal of tangible capital assets	217,248	85,785
Accretion	139,283	46,145
	<b>6,201,429</b>	<b>10,346,878</b>
Changes in non-cash working capital:		
Accounts receivable	(516,667)	(952,011)
Taxes and grants in place of taxes	(255,165)	159,772
Due from other governments	3,498,198	(5,728,032)
Loan receivable	51,892	50,000
Land held for resale	2,960	-
Accounts payable and accrued liabilities	(541,930)	(221,594)
Deposit liabilities	164,243	(988)
Deferred revenue	1,997,450	3,453,470
Prepaid expenses	30,792	15,075
Inventory for consumption	20,126	(2,163)
	<b>4,451,899</b>	<b>(3,226,471)</b>
Cash flow from operating activities	<b>10,653,328</b>	<b>7,120,407</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of tangible capital assets	(5,032,341)	(7,924,814)
Proceeds on disposal of tangible capital assets	89,854	107,928
Remeasurement of asset retirement obligation	25,783	-
Impairment of tangible capital assets	232,058	-
Net change in investments	(912,910)	(18,751)
Cash flow used by investing activities	<b>(5,597,556)</b>	<b>(7,835,637)</b>
<b>FINANCING ACTIVITY</b>		
Repayment of long-term debt	<b>(583,818)</b>	<b>(549,116)</b>
Cash flow used by financing activity	<b>(583,818)</b>	<b>(549,116)</b>
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>4,471,954</b>	<b>(1,264,346)</b>
Cash and cash equivalents - beginning of year	<b>4,850,749</b>	<b>6,115,095</b>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$ 9,322,703</b>	<b>\$ 4,850,749</b>

The accompanying notes form an integral part of these financial statements

**TOWN OF HINTON**  
**Schedule of Tangible Capital Assets**  
**For the Year Ended December 31, 2024**

**(Schedule 1)**

	Land	Land Improvements	Buildings	Engineered Structures	Machinery and Equipment	Vehicles	2024	2023
<b>Cost:</b>								
Balance, beginning of year	\$ 19,530,890	\$ 18,780,809	\$ 50,444,641	\$ 160,689,355	\$ 11,567,095	\$ 6,335,502	\$ 267,348,292	\$ 260,841,780
Acquisition of tangible capital assets	392,694	636,012	497,703	2,376,081	485,332	644,519	5,032,341	7,924,814
Asset value remeasurement <i>(Note 13)</i>	-	-	15,394	-	-	-	15,394	(1,418,302)
Disposals, impairments, and transfers	(213,032)	-	183,293	-	40,520	686	(497,630)	(299,152)
<b>Balance, end of year</b>	<b>19,710,552</b>	<b>19,233,528</b>	<b>50,886,430</b>	<b>163,066,122</b>	<b>11,554,797</b>	<b>6,680,869</b>	<b>271,132,298</b>	<b>267,348,292</b>
<b>Accumulated Amortization</b>								
Balance, beginning of year	-	11,644,268	22,632,076	68,656,345	6,572,117	2,277,317	111,782,123	107,621,161
Add:								
Amortization	-	510,841	1,305,640	2,560,937	644,171	421,801	5,443,390	5,385,552
Asset value remeasurement <i>(Note 9)</i>	-	-	7,230	-	-	-	7,230	-
Less:								
Accumulated amortization on disposals	-	(186,693)	8,315	180,634	(462,860)	(241,339)	(701,943)	-
<b>Balance, end of year</b>	<b>-</b>	<b>11,968,416</b>	<b>23,938,801</b>	<b>71,397,916</b>	<b>6,753,428</b>	<b>2,457,779</b>	<b>116,516,340</b>	<b>111,782,123</b>
<b>Net book value of tangible capital assets</b>	<b>\$ 19,710,552</b>	<b>\$ 7,265,112</b>	<b>\$ 26,947,629</b>	<b>\$ 91,668,206</b>	<b>\$ 4,801,369</b>	<b>\$ 4,223,090</b>	<b>\$ 154,615,958</b>	<b>\$ 155,566,169</b>
<b>2023 Net book value of tangible capital assets</b>	<b>\$ 19,530,890</b>	<b>\$ 7,136,541</b>	<b>\$ 27,812,565</b>	<b>\$ 92,033,010</b>	<b>\$ 4,994,978</b>	<b>\$ 4,058,185</b>	<b>\$ 155,566,169</b>	

**TOWN OF HINTON**  
**Schedule of Property Taxes**  
**For the Year Ended December 31, 2024**

**(Schedule 2)**

	<b>2024 (Budget)</b>	<b>2024 (Actual)</b>	<b>2023 (Actual)</b>
<b>TAXATION</b>			
Real property taxes	\$ 18,997,413	\$ 19,055,302	\$ 18,633,661
Designated industrial property taxes	464,427	485,222	497,793
Government grants in lieu of property taxes	43,962	56,903	58,358
	<u>19,505,802</u>	<u>19,597,427</u>	<u>19,189,812</u>
<b>REQUISITIONS</b>			
Alberta School Foundation Fund	4,559,542	4,634,213	4,559,542
The Evergreens Foundation	1,012,186	1,012,187	1,049,604
Designated Industrial Property	-	31,347	29,943
	<u>5,571,728</u>	<u>5,677,747</u>	<u>5,639,089</u>
<b>NET MUNICIPAL PROPERTY TAXES</b>	<b><u>\$ 13,934,074</u></b>	<b><u>\$ 13,919,680</u></b>	<b><u>\$ 13,550,723</u></b>

**TOWN OF HINTON**  
**Schedule of Government Transfers**  
**For the Year Ended December 31, 2024**

**(Schedule 3)**

	<b>2024 (Budget)</b>	<b>2024 (Actual)</b>	<b>2023 (Actual)</b>
<b>TRANSFERS FOR OPERATING</b>			
Local government	\$ 3,406,487	\$ 3,279,187	\$ 3,153,425
Provincial government	1,291,834	1,465,990	1,797,454
Federal government	5,000	-	-
	<b>4,703,321</b>	<b>4,745,177</b>	<b>4,950,879</b>
<b>TRANSFERS FOR CAPITAL</b>			
Provincial government	-	994,375	4,860,533
Federal government	-	-	50,000
	<b>-</b>	<b>994,375</b>	<b>4,910,533</b>
<b>TOTAL GOVERNMENT TRANSFERS</b>	<b>\$ 4,703,321</b>	<b>\$ 5,739,552</b>	<b>\$ 9,861,412</b>

**TOWN OF HINTON**

**Schedule of Segmented Disclosure**

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

**(Schedule 4)**

	General government	Protective services	Transportation services	Environmental services	Community services	Planning and development	Recreation and culture	2024
<b>REVENUES</b>								
Net municipal taxes	\$ 13,919,680	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,919,680
User fees and sales of goods	16,431	110,198	-	62,365	7,001,146	298,370	9,262	620,482
Penalties and costs on taxes	231,078	-	-	-	20,698	-	-	-
Franchise and concession contracts	1,804,378	-	-	-	-	-	-	1,804,378
Licenses and permits	-	7,960	-	-	-	264,320	-	272,280
Other revenues	49,418	1,020,052	3,367	-	21,750	14,594	55,184	1,164,365
Investment income	1,378,729	-	-	46,731	-	2,141	1,778	1,429,379
Rentals	349,319	111,220	13,425	-	65,190	48,537	57,552	645,243
Fines	-	127,473	-	-	-	-	-	127,473
Government transfers for operating	2,679,887	804,370	-	-	700,946	203,796	356,178	4,745,177
	20,428,920	2,181,273	-	45,573	7,068,575	1,086,256	542,650	1,091,174
								<b>32,353,275</b>
<b>EXPENSES</b>								
Contracted and general services	968,770	3,372,121	888,851	2,494,036	241,430	217,515	286,148	8,468,871
Materials, goods and utilities	381,747	212,731	2,371,896	723,584	88,853	124,298	389,467	4,292,576
Provisions for allowances	9,111	152,797	40,082	-	-	-	-	201,990
Salaries, wages and benefits	2,778,833	1,488,294	3,024,171	759,654	1,475,520	515,606	3,330,091	13,372,169
Transfers to local boards and agencies	744,420	1,858	-	-	-	-	-	746,278
Bank charges and short-term interest	7,051	1,192	-	175	6,253	-	24,693	39,364
Interest on long-term debt	-	-	118,994	-	-	59,428	5,901	184,323
Amortization of tangible capital assets	21,535	610,671	2,297,324	1,326,138	5,960	121,949	1,059,814	5,443,391
	4,911,467	5,839,664	8,741,318	5,303,587	1,818,016	1,038,796	5,096,114	<b>32,748,962</b>
<b>OTHER ITEMS</b>								
Government transfers for capital	-	-	200,829	544,539	-	-	249,007	994,375
Other transfers for capital	-	-	-	-	-	-	9,754	9,754
Gain (loss) on disposal of tangible capital assets	( 217,248)	-	-	-	-	-	-	( 217,248)
Offsite levies	-	-	-	-	-	10,313	-	10,313
<b>ANNUAL SURPLUS (DEFICIT)</b>								
	\$ 15,300,205	\$ (3,658,391)	\$ (8,586,062)	\$ 2,309,527	\$ (731,760)	\$ (485,833)	\$ (3,746,179)	\$ 401,507

The accompanying notes are an integral part of these consolidated financial statements

JDP Wasserman LLP

**TOWN OF HINTON**  
**Schedule of Segmented Disclosure**  
**For the Year Ended December 31, 2023**

**(Schedule 5)**

	General government	Protective services	Transportation services	Environmental services	Community services	Planning and development	Recreation and culture	2023
<b>REVENUES</b>								
Net municipal taxes	\$ 13,550,723	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,550,723
User fees and sales of goods	23,093	175,138	83,398	7,126,770	330,865	8,723	611,678	8,359,665
Penalties and costs on taxes	185,940	-	-	20,727	-	-	-	206,667
Franchise and concession contracts	1,724,510	-	-	-	-	-	-	1,724,510
Licenses and permits	-	5,938	-	-	-	267,781	-	273,719
Other revenues	8,622	879,236	-	2,750	37,771	2,796	69,907	1,001,082
Investment income	1,241,084	-	-	-	-	-	1,401	1,242,485
Rentals	271,491	106,380	13,180	-	60,600	51,367	62,410	565,428
Fines	-	571,639	-	-	-	-	-	571,639
Government transfers for operating	2,552,145	1,272,819	-	-	632,860	153,234	339,821	4,950,879
	<b>19,557,608</b>	<b>3,011,150</b>	<b>96,578</b>	<b>7,150,247</b>	<b>1,062,096</b>	<b>483,901</b>	<b>1,085,217</b>	<b>32,446,797</b>
<b>EXPENSES</b>								
Contracted and general services	902,402	3,378,375	932,301	2,394,552	247,470	296,969	197,160	8,349,229
Materials, goods and utilities	330,781	825,370	2,312,175	725,025	166,878	11,763	365,887	4,737,879
Provisions for allowances	6,287	-	5,275	-	-	-	-	11,562
Salaries, wages and benefits	2,633,207	1,382,566	2,901,785	592,561	1,378,453	522,097	3,184,498	12,595,167
Transfers to local boards and agencies	523,210	1,187	-	695,069	-	-	-	1,219,466
Bank charges and short-term interest	7,335	500	-	-	5,913	-	22,408	36,156
Interest on long-term debt	-	-	139,702	-	-	64,926	8,598	213,226
Amortization of tangible capital assets	18,847	651,001	2,220,250	1,313,872	4,923	47,725	1,128,934	5,385,552
	<b>4,422,069</b>	<b>6,238,999</b>	<b>8,511,488</b>	<b>5,721,079</b>	<b>1,803,637</b>	<b>943,480</b>	<b>4,907,485</b>	<b>32,548,237</b>
<b>OTHER ITEMS</b>								
Government transfers for capital	-	11,006	2,625,340	1,561,548	-	182,814	529,825	4,910,533
Other transfers for capital	-	-	45,469	33,553	-	-	-	79,022
Gain (loss) on disposal of tangible capital assets	( 85,785)	-	-	-	-	-	-	( 85,785)
Offsite levies	-	-	-	-	-	27,066	-	27,066
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ 15,049,754</b>	<b>\$ (3,216,843)</b>	<b>\$ (5,744,101)</b>	<b>\$ 3,024,269</b>	<b>\$ (741,541)</b>	<b>\$ (249,699)</b>	<b>\$ (3,292,443)</b>	<b>\$ 4,829,396</b>

**TOWN OF HINTON**  
**Schedule of Expenses by Object**  
**For the Year Ended December 31, 2024**

**(Schedule 6)**

	2024 (Budget)	2024 (Actual)	2023 (Actual)
Contracted and general services	\$ 8,779,817	\$ 8,468,871	\$ 8,349,229
Materials, goods and utilities	4,589,910	4,292,576	4,737,879
Provision for allowances	21,404	201,990	11,562
Salaries, wages and benefits	13,055,868	13,372,169	12,595,167
Transfers to local boards and agencies	437,503	746,278	1,219,466
Bank charges and short-term interest	27,636	39,364	36,156
Interest on long-term debt	203,613	184,323	213,226
Amortization of tangible capital assets	-	5,443,391	5,385,552
	<b>\$ 27,115,751</b>	<b>\$ 32,748,962</b>	<b>\$ 32,548,237</b>

**TOWN OF HINTON**

**Schedule of Equity in Tangible Capital Assets**  
**For the Year Ended December 31, 2024**

**(Schedule 7)**

	<b>2024</b>	<b>2023</b>
<b>BALANCE, BEGINNING OF YEAR</b>	<b>\$151,291,798</b>	<b>\$148,522,437</b>
Purchase of tangible capital assets	5,032,341	7,924,814
Net disposal of tangible capital assets	(307,104)	(193,714)
Impairment of tangible capital assets	(232,058)	-
Amortization of tangible capital assets	(5,443,391)	(5,385,552)
Repayment of long-term debt	492,817	469,958
Remeasurement of asset retirement obligation	(25,783)	-
Accretion expense on asset retirement obligations	(139,283)	(46,145)
<b>BALANCE, END OF YEAR</b>	<b>\$150,669,337</b>	<b>\$151,291,798</b>
Equity in tangible capital assets is comprised of:		
Net book value of tangible capital assets ( <i>Schedule 1</i> )	\$154,615,958	\$155,566,169
Long-term debt used for capital ( <i>Note 8</i> )	(2,827,455)	(3,320,272)
Asset retirement obligations	(1,119,166)	(954,099)
	<b>\$150,669,337</b>	<b>\$151,291,798</b>

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

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**1. ACCOUNTING POLICIES**

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

*(a) Reporting Entity*

The consolidated financial statements reflect the assets, liabilities, revenues and expenses, and cash flows of the reporting entity. The entity is comprised of all the organizations that are owned or controlled by the Town and are, therefore, accountable to Town Council for the administration of their financial affairs and resources. The reporting entity is comprised of the municipal operations of the Town and the Town of Hinton Municipal Library. Interdepartmental and organizational transactions and balances are eliminated.

The Town is a member of the West Yellowhead Regional Waste Management Authority (the "Authority"). The Town accounts for the Authority as a government partnership using the proportionate consolidation method. Under this method, the Town's proportionate share of assets, liabilities, revenues and expenses are included in the consolidated financial statements.

The schedule of property taxes also includes requisitions that are not part of the reporting entity.

The consolidated financial statements exclude trust assets that are administered for the benefit of external parties.

*(b) Basis of Accounting*

The Town follows the accrual basis of accounting. Revenues are accounted for in the period in which the transactions or events occurred that gave rise to the revenues. Expenses are recognized in the period the goods and services are acquired and a liability is incurred or transfers are due.

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

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

Investment income is reported as revenue in the year earned. When required by the funding government or by legislation, investment income earned on deferred revenue is added to the investment and forms part of the deferred revenue balance.

*(c) Cash and Cash Equivalents*

Cash and cash equivalents includes items that are readily convertible to known amounts of cash, are subject to an insignificant risk of change in value, and are held for the purposes of operations rather than for investing.

*(continues)*

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

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**1. ACCOUNTING POLICIES (continued)**

*(d) 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. Gains on principal protected notes are recognized as income when sold.

*(e) Land Held for Resale*

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

*(f) 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 annual surplus (deficit), provides the Consolidated Statement of Changes in Net Financial Assets for the year (page 7).

*(g) Inventories for Consumption*

Inventories of materials and supplies for consumption are recorded at the lower of cost or net realizable value with cost determined using the average cost method.

*(continues)*

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**TOWN OF HINTON****Notes to Consolidated Financial Statements****Year Ended December 31, 2024****1. ACCOUNTING POLICIES (continued)****(h) Tangible Capital Assets**

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

Land improvements	15 - 50 years
Buildings	50 years
Engineered structures	10 - 100 years
Machinery and equipment	5 - 25 years
Vehicles	5 - 25 years

Tangible capital assets received as contributions are recorded at fair value at the date of receipt and also are recorded as revenue. Tangible capital assets received or purchased as part of a restructuring transaction are recorded at carrying value at the date of receipt and also are recorded as revenue.

Tangible capital assets under construction are not amortized until the asset is substantially complete and available for productive use. Those tangible capital assets not meeting this criteria are categorized as work-in-progress as of year-end.

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

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.

**(i) Landfill Closure and Post-Closure Liability**

Pursuant to the *Alberta Environmental Protection and Enhancement Act*, the Town may be required to fund its share of the closure of the landfill site and provide for its share of the post-closure costs of the facility. By statute, the Authority must provide for these costs and it is the opinion of the Town's management that the Authority has sufficient reserves to cover the future closure and post-closure.

**(j) Contaminated Sites**

Contaminated sites are defined as a result of contamination being introduced in air, soil, water or sediment of a chemical, organic, or radioactive material or live organism that exceeds an environmental standard. A liability for remediation on contaminated sites is recognized, net of any recoveries, when an environmental standard exists, contamination exceeds the environmental standard, the Town is directly responsible for or accepts responsibility for the liability, future economic benefits will be given up, and a reasonable estimate of the liability can be made.

**Asset Retirement Obligation**

A liability is recognized when, as at the financial reporting date:

- a) there is a legal obligation to incur retirement costs in relation to a tangible capital asset;

*(continues)*

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

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**1. ACCOUNTING POLICIES (continued)**

- b) the past transaction or event giving rise to the liability has occurred;
- c) it is expected that future economic benefits will be given up; and
- d) a reasonable estimate of the amount can be made.

The liability for the removal of asbestos and other hazardous material in several of the buildings owned by the Town has been initially recognized using the modified retrospective method. The liability has been measured at the present value of the estimated future costs. The resulting costs have been capitalized into the carrying amount of tangible capital assets and are being amortized on the same basis as the related tangible capital asset (Note 1(h)). The asset retirement obligation is adjusted for the passage of time, which is recognized as accretion expense, and for revisions to the timing or the amount of the estimated liability. Actual costs incurred are charged against the asset retirement obligation to the extent of the liability recorded. Differences between the actual costs incurred and the liability are recognized in the excess of revenues over expenses when remediation is completed. Assumptions used in the calculations are reviewed annually.

*(k) Tax Revenue*

Property taxes are recognized as revenue in the year they are levied.

Construction and borrowing costs associated with local improvement projects are recovered through annual special assessments during the period of the related borrowings. These levies are collectable from property owners for work performed by the Town and are recognized as revenue in the year in which the local improvement project is completed.

*(l) Requisition Over-levies and Under-levies*

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

If the actual levy exceeds the requisition, the over-levy is accrued as a liability and property tax revenue is reduced. If 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.

*(m) Use of Estimates*

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

The Town has used estimates to determine accrued liabilities, tangible capital asset useful lives, the fair value of contributed tangible capital assets, as well as provisions made for allowances for amounts receivable or any provision for impairment.

*(continues)*

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

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**1. ACCOUNTING POLICIES (continued)**

*(n) New Accounting Standards Adopted in the Year*

Effective for fiscal years beginning on or after April 1, 2023, PS3400 Revenue provides guidance on how to account for and report revenue, and specifically, it addresses revenue arising from exchange transactions and unilateral transactions.

Effective for fiscal years beginning on or after April 1, 2023, PSG-8 This new guideline allows for recognition of intangibles purchased through an exchange transaction.

Effective for fiscal years beginning on or after April 1, 2023, PS3160 establishes standards on how to account for public private partnership arrangements.

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**2. RECEIVABLES**

	<b>2024</b>	<b>2023</b>
<b><u>Trade and other receivable</u></b>		
Current taxes and grants in place of taxes	\$ 882,699	\$ 628,416
Arrears taxes	122,765	121,884
	<u>1,005,464</u>	<u>750,300</u>
Utilities receivable	1,021,822	964,197
Trade and accrued receivables	2,213,644	1,754,601
	<u>3,235,466</u>	<u>2,718,798</u>
	<u><u>\$ 4,240,930</u></u>	<u><u>\$ 3,469,098</u></u>

The Town follows the methods of recovering taxes in arrears as prescribed in section 411 of the Municipal Government Act, which includes the right of the Town to offer up for sale at a public auction those properties with taxes in arrears.

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**3. DUE FROM OTHER GOVERNMENTS**

	<b>2024</b>	<b>2023</b>
Due from provincial governments	\$ 2,425,342	\$ 6,129,453
Due from (to) other governments	57,948	(162,103)
Goods and services tax recoverable	<u>160,012</u>	<u>174,150</u>
	<u><u>\$ 2,643,302</u></u>	<u><u>\$ 6,141,500</u></u>

**4. NOTE RECEIVABLE**

In 2020, the Town loaned the Hinton Golfing Society \$250,000, repayable in annual installments of \$50,000. Principal balance receivable as at December 31, 2024 was \$0 (2023 - \$51,892)

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**TOWN OF HINTON****Notes to Consolidated Financial Statements****Year Ended December 31, 2024****5. INVESTMENTS**

	<b>2024</b>	<b>2023</b>
Notice on amounts - bank accounts	<b>\$ 17,947,286</b>	<b>\$ 17,034,376</b>

Notice on amounts have effective interest rates ranging from prime minus 1.25% to 1.65% (2023 - prime minus 1.25% to 1.65%) and requires 31 to 90 days (2023 - 31 to 90 days) notice prior to withdrawal.

**6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<b>2024</b>	<b>2023</b>
Trade and other	\$ 2,057,523	\$ 2,626,953
Employee earned vacation, sick and overtime liability	1,241,109	978,483
Construction holdbacks	88,920	324,048
	<b>\$ 3,387,552</b>	<b>\$ 3,929,484</b>

**7. DEFERRED REVENUE**

Deferred revenue represents unspent externally restricted funds that are related to expenses that will be incurred in a future period.

	<b>2024</b>	<b>2023</b>
Municipal Sustainability Initiative - Capital	\$ 4,635,823	\$ 5,079,101
Local Government Fiscal Framework - Capital	1,019,414	-
Canada Community Building Fund	838,517	326,114
CMHC Rapid Housing Initiative	-	-
Forest Resource Improvement Association of Alberta	251,144	-
Alberta Community Partnership	150,000	-
Alberta Transportation	499,000	-
Other	212,485	203,717
	<b>\$ 7,606,383</b>	<b>\$ 5,608,932</b>

**TOWN OF HINTON****Notes to Consolidated Financial Statements****Year Ended December 31, 2024****8. LONG-TERM DEBT**

	<b>2024</b>	<b>2023</b>
Alberta Capital Finance Authority debentures repayable in semi-annual installments including interest at 2.332% - 6.625% maturing between 2025 and 2032.	<b>\$ 2,815,447</b>	\$ 3,302,461
Alberta Treasury Branches loan bearing interest at prime minus 0.25% and matures on June 30, 2032. Interest is payable monthly, and principal payments of \$16,667 are payable seasonally for 6 months of each year.	<b>896,471</b>	987,473
Canada Mortgage and Housing Corporation loans bearing interest at rates of 1.43% to 8.25%, maturing between January 2023 and December 2026. Repayable in annual installments of \$13,203 and monthly installments of \$503, respectively.	<b>12,009</b>	17,812
	<b><u>\$ 3,723,927</u></b>	<b><u>\$ 4,307,746</u></b>

Long-term debt is comprised of \$2,827,455 (2023 - \$3,320,273) of capital debt and \$896,472 (2023 - \$987,473) of non-capital debt. The Town has access to an operating revolving line of credit of \$1,900,000 not to exceed the prime lending rate from time to time, no funds were advanced as of December 31, 2024.

Principal and interest payments are due as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 626,199	\$ 142,010	\$ 768,209
2026	361,933	110,501	472,434
2027	370,450	95,770	466,220
2028	385,546	80,673	466,219
2029	401,504	64,715	466,219
Thereafter	<u>1,578,295</u>	<u>116,737</u>	<u>1,695,032</u>
	<b><u>\$ 3,723,927</u></b>	<b><u>\$ 610,406</u></b>	<b><u>\$ 4,334,333</u></b>

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

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**9. DEBT LIMITS**

Section 276(2) of the Municipal Government Act requires that debt and debt limits as defined by Alberta Regulation 294/2020 for the Town of Hinton be disclosed as follows:

	<b>2024</b>	<b>2023</b>
Total debt limit	<b>\$ 48,529,913</b>	\$ 48,670,196
Total debt	<u>(3,723,927)</u>	(4,307,746)
<b>Total debt limit remaining</b>	<b><u>\$ 44,805,986</u></b>	<b><u>\$ 44,362,450</u></b>
Service on debt limit	<b>\$ 8,088,319</b>	\$ 8,111,699
Service on debt	<u>(768,209)</u>	(749,123)
<b>Total service on debt limit remaining</b>	<b><u>\$ 7,320,110</u></b>	<b><u>\$ 7,362,576</u></b>

The debt limit is calculated at 1.5 times revenues of the Town (as defined by Regulation 255/00) and the debt service limit is calculated at 0.25 times such revenues. 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 stability of the Town. Rather, the consolidated financial statements must be interpreted as a whole.

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

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**10. ASSET RETIREMENT OBLIGATION**

The Town owns several buildings which consisted of or are presumed to consist of asbestos due to the age of the building and, therefore, the Town is legally required to perform abatement activities upon renovation or demolition of these buildings. Abatement activities include handling and disposing of the asbestos in a prescribed manner when it is disturbed. The estimated total liability of \$1,119,166 is based on the sum of discounted future cash flows for abatement activities using 1.8% inflation and a discount rate of 4.34% and 4.88%, useful life ranging from 30 - 61 years. The Town has not designated assets for settling the abatement activities.

The Town is a member of the West Yellowhead Regional Waste Management Authority (the "Authority"). The Town accounts for the Authority as a government partnership using the proportionate consolidation method. Under this method, the Town's proportionate share of assets, liabilities, revenues and expenses are included in the consolidated financial statements.

The Authority has asset retirement obligations pursuant to the Environmental Enhancement and Protection Act (Alberta) to fund the closure and reclamation of its landfill sites and provide for the post-closure care of the sites. Closure and post-closure activities include the final covering and landscaping, surface and ground water monitoring, leachate control, site inspection, and maintenance. The Authority is required to provide closure care upon closure of the landfill and to provide post-closure care for 25 years subsequent to closure. The Town of Hinton includes 20% of the Authorities asset retirement obligation in its consolidated financial statements.

	<b>2024</b>	<b>2023</b>
Balance, Beginning of Year	\$ 954,099	\$ 907,954
Remeasurement	25,783	-
Accretion expense	<u>139,284</u>	46,145
Balance, End of Year	<u>\$ 1,119,166</u>	\$ 954,099

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**11. ACCUMULATED SURPLUS**

	<b>2024</b>	<b>2023</b>
Unrestricted surplus (deficit)	\$ (212,993)	\$ 493,470
Restricted surplus		
Operating reserves (Note 12)	4,702,915	4,175,396
Capital reserves (Note 12)	<u>17,460,616</u>	16,257,705
Equity in tangible capital assets (Schedule 7)	<u>150,669,337</u>	151,291,797
	<u><b>\$172,619,875</b></u>	<b>\$172,218,368</b>

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

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**12. RESTRICTED SURPLUS**

	<b>2024</b>	<b>2023</b>
<b>Operating Reserves</b>		
Municipal reserve	\$ 1,318,719	\$ 1,048,269
Emergency response	965,403	972,403
Automated traffic enforcement	779,404	839,404
Library	34,241	418,418
RCMP retroactive pay raise	-	270,396
F.C.S.S.	43,183	43,183
Operating - other	39,586	35,586
Operating - project requests	632,703	23,529
West Yellowhead Regional Waste Management Authority	889,676	524,207
Housing	-	1
	<b>\$ 4,702,915</b>	<b>\$ 4,175,396</b>
<b>Capital Reserves</b>		
Water and sewer	\$ 4,799,234	\$ 5,212,034
Offsite levy fund	2,073,511	2,063,198
Roads and sidewalks	2,423,085	1,744,557
Facilities and components	1,122,698	1,290,077
Recreation centre construction	2,010,484	1,248,467
Equipment and fleet	1,159,456	1,050,425
West Yellowhead Regional Waste Management Authority	913,911	913,911
Parks and trails infrastructure	747,292	760,174
Fire department	784,749	697,742
New infrastructure	838,380	651,363
Other capital	356,179	357,179
Information technology	231,637	268,578
	<b>\$ 17,460,616</b>	<b>\$ 16,257,705</b>

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**13. FRANCHISE AND CONCESSION CONTRACTS**

Disclosure of franchise fees under each utility franchise agreement entered into by the Town as required by Alberta Regulation 313/2000 is as follows:

	<b>2024</b>	<b>2024</b>	<b>2023</b>
	<b>(Budget)</b>	<b>(Actual)</b>	<b>(Actual)</b>
Fortis Alberta Inc.	\$ 1,330,665	\$ 1,407,105	\$ 1,350,831
ATCO natural gas	513,858	397,273	373,679
	<b>\$ 1,844,523</b>	<b>\$ 1,804,378</b>	<b>\$ 1,724,510</b>

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**TOWN OF HINTON****Notes to Consolidated Financial Statements****Year Ended December 31, 2024****14. SALARIES AND BENEFITS DISCLOSURE**

Disclosure of salaries and benefits for Town officials, the Town Chief Administrative Officer and designated officers are required by Alberta Regulation 313/200 as follows:

	Salary (1)	Benefits (2)	2023	2022
<b>Mayor Nissen</b>	\$ 63,650	\$ 4,502	\$ -	\$ 4,669
<b>Mayor Michaels</b>	-	-	-	60,971
<b>Councilors</b>				
Haas	32,475	2,195	34,670	33,879
LaBerge	-	-	-	25,828
Ostashek	29,000	1,938	30,938	32,128
Taylor	30,650	2,060	32,710	30,324
Race	30,875	448	31,323	33,155
Maguhn	26,625	1,762	28,387	29,004
Chambers	30,250	2,030	32,280	3,565
<b>Chief Administrative Officer</b>				
Panasiuk	227,013	42,340	269,353	260,286
	<b>\$ 470,538</b>	<b>\$ 57,275</b>	<b>\$ 527,813</b>	<b>\$ 513,809</b>

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

(2) Employer's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, vision coverage, group life insurance, accidental disability and dismemberment insurance, long and short-term disability plans, professional memberships and tuition. Benefits also include the employer's share of the costs of additional taxable benefits including special leave with pay, financial planning services, retirement planning services, concessionary loans, travel allowances, car allowances and club memberships.

**15. BUDGET FIGURES**

	2024 Budget	2024 Actual
Annual surplus (deficit)	\$ 3,074,796	\$ 401,507
West Yellowhead Regional Waste Management Authority surplus	-	(648,633)
Government transfers for capital	-	(994,375)
Other transfers for capital	-	(9,754)
Loss on disposal of tangible capital assets	-	217,248
Transfers to reserves	(5,238,094)	(5,616,764)
Transfers from reserves	2,163,298	4,251,804
<b>Results of operations</b>	<b>\$ -</b>	<b>\$ (2,398,967)</b>

The budget data presented in these consolidated financial statements is based on the operating and capital budgets approved by Town Council on December 7, 2023. The chart above reconciles the approved financial plan to the figures reported in these consolidated financial statements.

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

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**16. FINANCIAL INSTRUMENTS**

The Town'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 Town is not exposed to significant market or liquidity risk arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values.

The Town is exposed to credit risk with respect to its accounts receivable. Credit risk arises from the possibility that customers, tax and rate-payers may experience financial difficulty and be unable to fulfill their obligations. The large number and diversity of customers, tax and rate-payers minimizes the Town's credit risk.

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**17. SEGMENTED INFORMATION**

The Town provides a range of services to its citizens. Segmented information has been identified based upon lines of service provided by the Town. Services are provided by departments and their activities are reported by functional area in the body of the financial statements. Certain lines of service that have been separately disclosed in the segments information, along with the services they provide, are as follows:

- a) **General government:**  
The mandate of general government includes all taxation, Council and administrative functional activities.
- b) **Protective services:**  
The mandate of protective services is to provide for the rescue and protection of people and property within the Town through effective and efficient management and coordination of emergency service systems and resources.
- c) **Transportation services:**  
Roads, streets, walks, and lighting services is responsible for the delivery of municipal public works services related to the planning, development and maintenance of roadway systems, streets, walks, lighting and drainage.
- d) **Environmental services:**  
Environmental services is responsible for water supply and distribution services within the Town, as well as wastewater treatment and disposal activities, and waste management and recycling functions.
- e) **Planning and development:**  
Planning and development is responsible for the administration of residential, commercial, industrial and agricultural development services within the Town.
- f) **Recreation and culture:**  
The parks and recreation department is responsible for operation and maintenance of parks, sports fields, recreation, community and cultural facilities within the Town.
- g) **Community services:**  
Community services provides funding for programs that support individuals, families, and communities. Programs and services are delivered through Family and Community Support Services. Other public health services are also included in community services.

For additional information see the Schedules of Segmented Disclosure (*Schedule 4 & Schedule 5*).

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

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**18. CONTINGENCIES AND GUARANTEES**

The Town is a member of the Alberta Municipal Insurance Exchange (MUNIX). 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.

The Town is involved in various legal disputes at December 31, 2024, the outcomes of which are not currently determinable. Any related settlements not covered by insurance will be recorded as an expense in the year incurred.

In prior years, the Town provided a refundable grant to a developer for the construction of an affordable housing development, Happy Creek Estates Ltd ("Happy Creek"). The developer agreed to operate Happy Creek for a period of 20 years (2009 to 2029). At the end of the 20 year period, if the Town determines that Happy Creek is no longer required as an affordable housing development, the Town will be entitled to a refund of the original grant of \$1,619,646 or 19.6% of Happy Creek's fair value, whichever is greater.

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**19. 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 *Alberta Public Sector Pension Plans Act*.

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

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

Total current and past service contributions by the Town to the LAPP in 2023 totaled \$790,156 (2023 - \$753,513). Total current and past service contributions by the employees of the Town to the LAPP in 2023 totaled \$703,783 (2023 - \$675,005).

As at December 31, 2023, the LAPP disclosed an actuarial surplus of \$15.057 billion (2022 - \$12.67 billion). This amount was not specifically allocated to the participating government organizations. The actuarial surplus or deficit is determined by an actuarial funding valuation performed, at a minimum, every three years.

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

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**20. GOVERNMENT PARTNERSHIP**

The Town of Hinton, Yellowhead County, Town of Edson, Municipal District of Greenview No. 16 and Municipality of Jasper (the "members") jointly own and operate the West Yellowhead Regional Waste Management Authority to construct, maintain, control and manage a regional solid waste disposal system.

The members have agreed to proportionately share costs associated with expenditures arising from the operation of the Authority. The proportions are based on each member's volume of municipal solid waste hauled and deposited to the system for disposal, relative to the total tonnage of solid waste hauled and deposited by all members.

The following is 100% of the financial position and results of operations of the Authority partnership, of which 20% has been proportionately consolidated in the financial statements of the Town.

	<b>2024 Actual</b>	<b>2023 Actual</b>
Financial assets	\$ 9,278,904	\$ 7,340,790
Non-financial assets	9,238,214	7,156,647
Asset retirement obligations	(4,896,690)	(4,230,950)
Accounts payable and accrued liabilities	<u>(260,965)</u>	<u>(150,191)</u>
<b>Accumulated surplus</b>	<b>\$ 13,359,463</b>	<b>\$ 10,116,296</b>
Total revenues	\$ 5,277,006	\$ 5,815,994
Total expenses	<u>(2,033,839)</u>	<u>(1,791,269)</u>
<b>Annual surplus</b>	<b>\$ 3,243,167</b>	<b>\$ 4,024,725</b>

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**21. COMPARATIVE FIGURES**

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

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**22. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS**

These consolidated financial statements were approved by Town Council and management on April 15, 2025.

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