

TOWN OF FOX CREEK
Financial Statements
Year Ended December 31, 2024

TOWN OF FOX CREEK
Contents
Year Ended December 31, 2024

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

Management of the Town of Fox Creek (the "Town") is responsible for the preparation, accuracy, objectivity, and integrity of the accompanying financial statements and the notes thereto. 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 have been prepared in compliance with legislation, and in accordance with Canadian Public Sector Accounting Standards (PSAS).

The financial statements include certain amounts based on estimates and judgments. Such amounts have been determined on a reasonable basis in order to ensure the financial statements are presented fairly in all material respects.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, management has designed and maintains a system of internal controls to produce reliable information and to meet reporting requirements on a timely basis. The system is designed to provide management with reasonable assurance that transactions are properly authorized and assets are properly accounted for and safeguarded.

These systems are monitored and evaluated by management and reliable financial information is available for preparation of the financial statements.

The Town Council carries out its responsibilities for review of the financial statements primarily through Council meetings. Council meets annually with management and external auditors to discuss the results of audit examinations and financial reporting matters.

The external auditors have full access to Council with and without the presence of management. The Town Council has approved the financial statements.

The financial statements have been audited by Ascend LLP, Chartered Professional Accountants, independent external auditors appointed by the Town. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination, and their opinion on the Town's financial statements.



Kristen Milne
Chief Administrative Officer



Lori Conkin
Director of Corporate Services

INDEPENDENT AUDITOR'S REPORT

To the Members of Council of the Town of Fox Creek

Qualified Opinion

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

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Town as at December 31, 2024, and the results of its operations and cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards (PSAS).

Basis for Qualified Opinion

The Town operates a landfill and has not recognized any liability for asset retirement obligations associated with its operations. Additionally, management has not provided an assessment of all asset retirement obligations that may exist, nor has it determined a reasonable estimate of such obligations. This constitutes a departure from Canadian public sector accounting standards under *Section PS 3280 - Asset Retirement Obligations* (Note 1).

The Town's tangible capital asset balance may be incomplete, as it is uncertain whether all tangible capital assets have been properly capitalized. Furthermore, the Town's accounting policy for amortization of tangible capital assets utilizes half-year amortization on year of acquisition, rather than recognizing the in-service date of new tangible capital assets. Tangible capital assets are recorded as a non-financial asset and represents \$93,373,785 (2023 - \$89,566,846) of the Town's total non-financial assets.

As a result of these matters, we were unable to determine whether any adjustments might be necessary to these financial statements.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Town in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit 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 internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Town's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Town or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

(*continues*)

Independent Auditor's Report to the Members of Council of the Town of Fox Creek (*continued*)

Report on Other Legal and Regulatory Requirements

Debt Limit Regulation: In accordance with Alberta Regulation 255/2000, we confirm that the Town is in compliance with the Debt Limit Regulation. A detailed account of the Town's debt limit can be found in Note 9.

Supplementary Accounting Principles and Standards Regulation: In accordance with Alberta Regulation 313/2000, we confirm that the Town is in compliance with the Supplementary Accounting Principles and Standards Regulation and note the information required can be found in Note 1.

A handwritten signature in black ink that reads "Ascend". The letter "A" is large and stylized, with a long horizontal stroke extending to the right and curving upwards. The word "scend" is written in a simpler, cursive-like font.

Ascend LLP
Chartered Professional Accountant
Canmore, Alberta
June 24, 2025

TOWN OF FOX CREEK
Statement of Financial Position
As at December 31, 2024


	2024	2023
FINANCIAL ASSETS		
Cash (Note 2)	\$ 17,872,377	\$ 20,900,244
Investments (Note 3)	483,895	469,281
Receivables		
Current taxes and grants in place receivables (Note 4)	649,190	295,837
Trade and other receivables (Note 4)	10,100,773	14,676,752
Land inventory held for resale	2,841,511	2,894,071
Loans and notes receivable (Note 5)	53,500	-
	<u>32,001,246</u>	<u>39,236,185</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 6)	1,905,881	3,256,403
Deposit liabilities	312,123	431,071
Deferred revenue (Note 7)	7,372,622	12,761,656
Long-term debt (Note 8)	10,748,599	12,500,063
	<u>20,339,225</u>	<u>28,949,193</u>
NET FINANCIAL ASSETS	<u>11,662,021</u>	<u>10,286,992</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 2)	96,373,785	89,566,846
Inventory for consumption	7,101	7,101
Prepaid expenses	58,889	54,178
	<u>96,439,775</u>	<u>89,628,125</u>
ACCUMULATED SURPLUS (Schedule 1, Note 11)	<u>\$108,101,796</u>	<u>\$ 99,915,117</u>

CONTAMINATED SITES LIABILITY (Note 12)


COMMITMENTS (Note 18)

CONTINGENCY (Note 19)

Approved on behalf of Town Council:



 Mayor



 Councillor

The accompanying notes are an integral part of these financial statements

TOWN OF FOX CREEK
Statement of Operations
Year Ended December 31, 2024

	Budget (Unaudited)	2024	2023
REVENUE			
Net municipal taxes (Schedule 3)	\$ 4,490,834	\$ 4,480,269	\$ 4,035,948
User fees and sale of goods	2,828,711	2,941,515	2,732,456
Government transfers for operating (Schedule 4)	2,523,086	2,715,645	5,071,227
Investment income	600,000	1,075,597	1,085,570
Penalties and costs on taxes	325,450	398,386	370,781
Franchise and concession contracts (Note 15)	303,748	293,091	286,698
Licenses and permits	115,750	98,324	90,621
Fines	28,000	18,743	50,930
Rentals	290,465	304,670	295,236
Gain on disposal of tangible capital assets	-	19,932	-
Other	191,686	299,866	303,164
Total Revenue	11,697,730	12,646,038	14,322,631
EXPENSES			
General government			
Council and other legislative	308,960	286,863	204,937
General administrative	1,863,728	1,855,164	2,264,921
Protective services			
Police	106,000	118,703	173,998
Fire protection	445,203	631,939	673,813
Emergency measures and disaster services	61,230	95,019	2,666,982
Ambulance services and first aid	23,218	18,660	17,926
Bylaw enforcement	151,887	20,450	116,973
Transportation services			
Common and equipment pool	836,429	771,480	722,694
Roads, streets, walks, and lighting	594,581	876,819	786,899
Airport	12,741	8,980	15,721
Environmental use and protection			
Water supply and distribution	946,987	1,253,865	1,161,638
Wastewater treatment and disposal	221,348	324,728	333,049
Waste management	553,928	539,646	487,976
Public health and welfare			
Family and community support services	721,486	746,053	593,718
Cemeteries and crematoriums	4,000	668	959
Other public health and welfare	289,500	265,916	241,135
Planning and development			
Land use planning, zoning and development	206,157	191,344	183,349
Subdivision land and development	13,500	46,885	165,834
Economic development	64,401	50,873	14,616
Recreation and culture			
Parks and recreation	3,235,284	4,232,600	3,708,840
Libraries, museums, and halls	174,993	134,527	135,922
Total Expenses	10,835,561	12,471,182	14,671,900
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES - BEFORE CAPITAL REVENUE			
Government transfers for capital (Schedule 4)	862,169	174,856	(349,269)
Other capital revenue	3,309,706	7,920,098	2,655,230
	-	91,725	28,742
EXCESS OF REVENUE OVER EXPENSES	4,171,875	8,186,679	2,334,703
ACCUMULATED SURPLUS, BEGINNING OF YEAR			
	99,915,117	99,915,117	97,580,414
ACCUMULATED SURPLUS, END OF YEAR	\$ 104,086,992	\$ 108,101,796	\$ 99,915,117

The accompanying notes are an integral part of these financial statements

TOWN OF FOX CREEK

Statement of Changes in Net Financial Assets

Year Ended December 31, 2024

	Budget (Unaudited)	2024	2023
EXCESS OF REVENUE OVER EXPENSES	\$ 4,171,875	\$ 8,186,679	\$ 2,334,703
Acquisition of tangible capital assets	(4,323,674)	(9,511,871)	(4,917,240)
Amortization of tangible capital assets	-	2,651,477	2,550,544
Proceeds on disposal of tangible capital assets	-	73,387	-
Gain on disposal of tangible capital assets	-	(19,932)	-
	(4,323,674)	(6,806,939)	(2,366,696)
Change in inventory for consumption	-	-	(7,101)
Change in prepaids expenses	-	(4,711)	(2,846)
	(4,323,674)	(6,811,650)	(2,376,643)
INCREASE IN NET FINANCIAL ASSETS	(151,799)	1,375,029	(41,940)
NET FINANCIAL ASSETS, BEGINNING OF YEAR	10,286,992	10,286,992	10,328,932
NET FINANCIAL ASSETS, END OF YEAR	\$ 10,135,193	\$ 11,662,021	\$ 10,286,992

The accompanying notes are an integral part of these financial statements

TOWN OF FOX CREEK
Statement of Cash Flows
Year Ended December 31, 2024

	2024	2023
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Excess of Revenue Over Expenses	\$ 8,186,679	\$ 2,334,703
Items not affecting cash:		
Amortization of tangible capital assets	2,651,477	2,550,544
Gain on disposal of tangible capital assets	(19,932)	-
	<u>10,818,224</u>	<u>4,885,247</u>
Non-cash changes to operations (net change):		
Taxes and grants in place of taxes receivable	(353,353)	882,996
Trade and other receivables	4,575,979	(9,502,837)
Land inventory held for resale	52,560	135,173
Loan and notes receivable	(53,500)	-
Accounts payable and accrued liabilities	(1,350,522)	2,028,358
Deposit liabilities	(118,948)	(105,789)
Deferred revenue	(5,389,034)	5,363,266
Inventory for consumption	-	(7,101)
Prepaid expenses	(4,711)	(2,846)
	<u>(2,641,529)</u>	<u>(1,208,780)</u>
	<u>8,176,695</u>	<u>3,676,467</u>
CAPITAL		
Proceeds on disposal of tangible capital assets	73,387	-
Acquisition of tangible capital assets (Schedule 2)	(9,511,871)	(4,917,240)
	<u>(9,438,484)</u>	<u>(4,917,240)</u>
INVESTING		
Purchase of investments	(14,614)	(17,543)
Decrease (increase) in restricted cash	4,224,303	(633,801)
	<u>4,209,689</u>	<u>(651,344)</u>
FINANCING		
Repayment of long-term debt	(1,751,464)	(673,107)
CHANGE IN CASH DURING THE YEAR	<u>1,196,436</u>	<u>(2,565,224)</u>
CASH, BEGINNING OF YEAR	<u>13,043,413</u>	<u>15,608,637</u>
CASH, END OF YEAR	<u>\$ 14,239,849</u>	<u>\$ 13,043,413</u>
CASH CONSISTS OF:		
Cash	\$ 17,872,377	\$ 20,900,244
Less: restricted portion of cash (Note 2)	(3,632,528)	(7,856,831)
	<u>\$ 14,239,849</u>	<u>\$ 13,043,413</u>

The accompanying notes are an integral part of these financial statements

TOWN OF FOX CREEK

Schedule of Changes in Accumulated Surplus

Year Ended December 31, 2024

(Schedule 1)

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2024	2023
BALANCE, BEGINNING OF YEAR	\$ 7,330,644	\$ 15,517,690	\$ 77,066,783	\$ 99,915,117	\$ 97,580,414
Excess of revenues over expenses	8,186,679	-	-	8,186,679	2,334,703
Unrestricted funds designated for future use	(1,612,378)	1,612,378	-	-	-
Restricted funds used for tangible capital assets	-	(1,136,134)	1,136,134	-	-
Current year funds used for tangible capital assets	(8,375,737)	-	8,375,737	-	-
Net book value of disposed tangible capital assets	53,455	-	(53,455)	-	-
Annual amortization expense	2,651,477	-	(2,651,477)	-	-
Long-term debt repaid	(1,751,464)	-	1,751,464	-	-
Change in accumulated surplus	(847,968)	476,244	8,558,403	8,186,679	2,334,703
BALANCE, END OF YEAR	\$ 6,482,676	\$ 15,993,934	\$ 85,625,186	\$ 108,101,796	\$ 99,915,117

The accompanying notes are an integral part of these financial statements

TOWN OF FOX CREEK
Schedule of Tangible Capital Assets
Year Ended December 31, 2024

(Schedule 2)

	Construction In progress	Land	Land Improvements	Buildings	Engineered Structures	Machinery and Equipment	Vehicles	2024	2023
COST									
BALANCE, BEGINNING OF YEAR	\$ 3,300,782	\$ 418,149	\$ 2,470,307	\$ 55,345,587	\$ 49,605,049	\$ 6,403,868	\$ 1,666,879	\$119,210,621	\$114,293,381
Acquisition of tangible capital assets	(826,281)	-	-	1,739,146	3,363,575	900,589	277,668	5,454,697	2,285,808
Construction-in-progress	4,057,174	-	-	-	-	-	-	4,057,174	2,631,432
Disposals of tangible capital assets	-	-	-	-	-	(78,260)	-	(78,260)	-
BALANCE, END OF YEAR	6,531,675	418,149	2,470,307	57,084,733	52,968,624	7,226,197	1,944,547	128,644,232	119,210,621
ACCUMULATED AMORTIZATION									
BALANCE, BEGINNING OF YEAR	-	-	616,306	9,536,822	13,822,739	4,205,683	1,462,225	29,643,775	27,093,231
Amortization	-	-	37,080	1,400,350	749,282	396,067	68,698	2,651,477	2,550,544
Disposals	-	-	-	-	-	(24,805)	-	(24,805)	-
BALANCE, END OF YEAR	-	-	653,386	10,937,172	14,572,021	4,576,945	1,530,923	32,270,447	29,643,775
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	\$ 6,531,675	\$ 418,149	\$ 1,816,921	\$ 46,147,561	\$ 38,396,603	\$ 2,649,252	\$ 413,624	\$ 96,373,785	\$ 89,566,846
2023 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	\$ 3,300,782	\$ 418,149	\$ 1,854,001	\$ 45,808,765	\$ 35,782,310	\$ 2,198,185	\$ 204,654	\$ 89,566,846	

The accompanying notes are an integral part of these financial statements

TOWN OF FOX CREEK
Schedule of Property and Other Taxes
Year Ended December 31, 2024

(Schedule 3)

	Budget (Unaudited)	2024	2023
TAXATION			
Real property taxes	\$ 5,429,818	\$ 5,418,759	\$ 4,924,332
Linear property taxes	183,798	184,274	152,216
Government grants in place of property taxes	69,656	69,674	60,693
Local improvement taxes	15,903	15,903	15,903
	<u>\$ 5,699,175</u>	<u>\$ 5,688,610</u>	<u>\$ 5,153,144</u>
REQUISITIONS			
Alberta School Foundation Fund	\$ 1,081,177	\$ 1,081,177	\$ 1,010,190
Heart River Foundation	127,164	127,164	107,006
	<u>\$ 1,208,341</u>	<u>\$ 1,208,341</u>	<u>\$ 1,117,196</u>
NET MUNICIPAL TAXES	<u>\$ 4,490,834</u>	<u>\$ 4,480,269</u>	<u>\$ 4,035,948</u>

Schedule of Government Transfers
Year Ended December 31, 2024

(Schedule 4)

	Budget (Unaudited)	2024	2023
TRANSFERS FOR OPERATING			
Provincial government	\$ 374,344	\$ 571,552	\$ 2,708,463
Federal government	17,892	12,872	20,409
Local governments	2,130,850	2,131,221	2,342,355
	<u>\$ 2,523,086</u>	<u>\$ 2,715,645</u>	<u>\$ 5,071,227</u>
TRANSFERS FOR CAPITAL			
Provincial government	\$ 806,049	\$ 1,879,024	\$ 1,523,321
Federal government	169,004	324,152	155,148
Local governments	2,334,653	5,716,922	976,761
	<u>\$ 3,309,706</u>	<u>\$ 7,920,098</u>	<u>\$ 2,655,230</u>
TOTAL GOVERNMENT TRANSFERS	<u>\$ 5,832,792</u>	<u>\$ 10,635,743</u>	<u>\$ 7,726,457</u>

The accompanying notes are an integral part of these financial statements

TOWN OF FOX CREEK

Schedule of Expenses by Object

(Schedule 5)

Year Ended December 31, 2024

	Budget (Unaudited)	2024	2023
EXPENSES BY OBJECT			
Salaries, wages and benefits	\$ 5,791,080	\$ 5,425,466	\$ 5,463,614
Contracted and general services	2,438,335	1,997,399	3,334,553
Purchases from other governments	106,000	115,090	169,980
Materials, goods, supplies and utilities	1,704,508	1,467,432	1,820,814
Provision for allowances	106,855	99,705	760,597
Transfers to individuals and organizations	176,698	163,402	135,631
Bank charges and short-term interest	43,800	53,680	45,262
Interest on capital long-term debt (Note 8)	368,285	497,531	389,905
Amortization of tangible capital assets (Schedule 2)	-	2,651,477	2,550,544
Other expenses	100,000	-	1,000
	<u>\$ 10,835,561</u>	<u>\$ 12,471,182</u>	<u>\$ 14,671,900</u>

The accompanying notes are an integral part of these financial statements

TOWN OF FOX CREEK
Schedule of Segmented Disclosure
Year Ended December 31, 2024

(Schedule 6)

	General Government	Protective Services	Transportation Services	Environmental use and protection	Public Health and Welfare	Planning and Development	Recreation and Culture	Total
Revenue								
Net municipal taxes	\$ 4,464,366	\$ -	\$ 3,025	\$ 12,878	\$ -	\$ -	\$ -	\$ 4,480,269
User fees and sales of goods	2,347	84,755	-	2,202,284	41,605	272,589	337,935	2,941,515
Government transfers for operating	1,062,648	168,299	-	-	465,126	-	1,019,572	2,715,645
Investment income	1,074,002	-	-	-	965	-	630	1,075,597
Penalties and costs on taxes	385,667	-	-	12,719	-	-	-	398,386
Franchise and concession contracts	293,091	-	-	-	-	-	-	293,091
Licenses and permits	20,649	45,269	-	-	-	32,406	-	98,324
Fines	-	18,743	-	-	-	-	-	18,743
Rentals	160,445	38,362	8,839	-	47,287	17,562	32,175	304,670
Gain on disposal of tangible capital assets	-	-	19,932	-	-	-	-	19,932
Other	1,350	14,704	-	-	198,319	-	85,493	299,866
	<u>7,464,565</u>	<u>370,132</u>	<u>31,796</u>	<u>2,227,881</u>	<u>753,302</u>	<u>322,557</u>	<u>1,475,805</u>	<u>12,646,038</u>
Expenses								
Salaries, wages and benefits	1,269,387	172,643	640,458	758,237	754,497	194,053	1,636,191	5,425,466
Contract and general services	415,605	168,659	208,617	478,479	178,340	52,243	495,456	1,997,399
Purchases from other governments	-	115,090	-	-	-	-	-	115,090
Materials, goods, supplies and utilities	86,002	96,950	297,816	266,158	41,658	57,806	621,042	1,467,432
Provision for allowance (recoveries)	117,129	(14,868)	-	14,566	-	(15,000)	(2,122)	99,705
Transfers to individuals and organizations	95,776	-	-	-	-	-	67,626	163,402
Bank charges and short-term interest	41,135	-	-	-	-	-	12,545	53,680
Interest on capital long-term debt	-	57,618	1,693	19,522	-	-	418,698	497,531
	<u>2,025,034</u>	<u>596,092</u>	<u>1,148,584</u>	<u>1,536,962</u>	<u>974,495</u>	<u>289,102</u>	<u>3,249,436</u>	<u>9,819,705</u>
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES, BEFORE AMORTIZATION AND OTHER	<u>5,439,531</u>	<u>(225,960)</u>	<u>(1,116,788)</u>	<u>690,919</u>	<u>(221,193)</u>	<u>33,455</u>	<u>(1,773,631)</u>	<u>2,826,333</u>
Government transfers for capital	2,959,821	737,249	2,349,535	104,896	-	-	1,768,597	7,920,098
Other capital revenue	-	20,467	71,258	-	-	-	-	91,725
Amortization of tangible capital assets	(116,993)	(288,679)	(508,695)	(581,277)	(38,142)	-	(1,117,691)	(2,651,477)
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES	<u>\$ 8,282,359</u>	<u>\$ 243,077</u>	<u>\$ 795,310</u>	<u>\$ 214,538</u>	<u>\$ (259,335)</u>	<u>\$ 33,455</u>	<u>\$ (1,122,725)</u>	<u>\$ 8,186,679</u>

The accompanying notes are an integral part of these financial statements

TOWN OF FOX CREEK
Notes to Financial Statements
Year Ended December 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town of Fox Creek (the "Town") are the representations of management prepared in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. Significant aspects of the accounting policies adopted by the Town are as follows:

(a) Reporting Entity

The financial statements reflect the assets, liabilities, revenues and expenditures, changes in net financial assets and change in financial position of the reporting entity. This entity is comprised of the municipal operations plus all of the organizations that are owned or controlled by the Town and are, therefore, accountable to the Town Council for the administration of their financial affairs and resources.

The schedule of taxes levied also includes requisitions for education, health, social and other external organizations that are not part of the municipal reporting entity.

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

Interdepartmental and organizational transactions and balances are eliminated.

(b) Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or the legal obligation to pay.

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

Government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used for certain programs, in the completion of specific work, or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed or goods have yet to be provided.

Revenue is recognized in the period when the related expenses are incurred, services performed or the tangible capital assets are acquired.

(c) Use of Estimates

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

Significant financial statement areas requiring the use of management estimates include:

- Allowance for doubtful accounts;
- Useful life of tangible capital assets;
- Accrued liabilities; and
- Fair value of contributed tangible capital assets.

(continues)

TOWN OF FOX CREEK
Notes to Financial Statements
Year Ended December 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(d) Valuation of Financial Assets and Liabilities

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

<u>Financial statement component</u>	<u>Measurement</u>
Cash	Cost and amortized cost
Investments	Amortized cost
Trade and other receivables	Lower of cost or net recoverable value
Land inventory held for resale	Lower of cost or net realizable value
Loans and notes receivable	Amortized cost
Accounts payable and accrued liabilities	Cost
Deposit liabilities	Cost
Long-term debt	Amortized cost

(e) Cash and Cash Equivalents

Cash and cash equivalents are comprised of cash on deposits with financial institutions and highly liquid investments with maturities of three months or less.

(f) Investments

Investments in interest bearing securities are recorded at amortized cost. Investment premiums and discounts are amortized on the net present value basis 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.

(g) Loans and Notes Receivable

Loans receivable are initially recognized at cost, net of any transaction costs, with interest income recognized using the effective interest method. Loans and notes receivable are subsequently measured at amortized cost net of any valuation allowances

(h) Long-term debt

Long-term debt is initially recognized net of any premiums, discounts, fees and transactions costs, with interest expense recognized using the effective interest method. Long-term debt is subsequently measured at amortized cost.

(i) Requisition Over-levy and Under-levy

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. 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.

(continues)

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(j) Land Inventories 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 levelling charges. Related development costs incurred to provide infrastructure such as water and wastewater services, roads, sidewalks and street lighting are recorded as tangible capital assets under the respective function.

(k) Tax Revenue

Tax revenues are recognized when the tax has been authorized by bylaw and the taxable event has occurred. Requisitions operate as a flow through and are excluded from municipal revenue.

In the event that the prepaid amounts are applied against the related borrowings, the deferred revenue is amortized to revenue by an amount equal to the debt repayment.

(l) Asset Retirement

Asset retirement obligations are legal obligations associated with the retirement of a tangible capital asset (TCA). Asset retirement activities include all activities relating to an asset retirement obligation. These may include, but are not limited to:

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

A liability for an asset retirement obligation 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;
- 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 Town has not completed its assessment of the tangible capital assets for potential asset retirement obligations and, as a result, is not following the required standard for *PS 3280 Asset Retirement Obligations*.

(m) Contaminated Sites Liability

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 the Town is either directly responsible or accepts responsibility and is management's estimate of the cost of post-remediation including operation, maintenance and monitoring.

(continues)

TOWN OF FOX CREEK
Notes to Financial Statements
Year Ended December 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(n) Revenue recognition

Revenue from transactions with no performance obligation is recognized at realizable value when the Town has the authority to claim or retain an inflow of economic resources and identifies a past transaction or event giving rise to an asset.

Revenue from transactions with performance obligations are recognized as the performance obligations are satisfied by providing the promised goods or services to the payor. User fees are recognized over the period of use, sales of goods are recognized when goods are delivered. Licenses and permits with a single performance obligation at a point in time are recognized as revenue on issuance, those which result in a continued performance obligation over time are recognized over the period of the license or permit as the performance obligation is satisfied.

(o) Government Transfers

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

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

(p) Deferred Revenues

Deferred revenues represent government transfers, donations, and other amounts which have been collected, but for which the related services have yet to be performed or agreement stipulations have not been met. These amounts will be recognized as revenues when revenue recognition criteria have been met. Interest earned on deferred revenues, reserves, and offsite levies are calculated using average investment earnings monthly.

(continues)

TOWN OF FOX CREEK
Notes to Financial Statements
Year Ended December 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) 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. The cost, less residual value, of the tangible capital assets are amortized on a declining balance method at rates designed to amortize the cost of the tangible capital assets over their estimated useful lives. The annual amortization rates are as follows:

	<u>RATE</u>
Land improvements	2%
Buildings	3%
Engineered structures	
Water system	2%
Wastewater system	2%
Other engineered structures	2%
Machinery and equipment	15%
Vehicles	20%

ii. Contributions of Tangible Capital Assets

Tangible capital assets received as contributions are recorded at fair value at the date of receipt and are also recorded as revenue. Where the estimate of fair value cannot be made or where there is no future benefit related to the assets, the tangible capital asset is recognized at a nominal value.

iii. Inventories

Inventories held for consumption are recorded at the lower of cost and replacement cost.

2. CASH

Cash includes various business chequing and savings accounts that earn interest between prime rate less 1.90% and prime rate less 1.55%.

The Town received certain Alberta government grants, local municipal grants and other donations and contributions, that are restricted in their use and are to be utilized as funding for certain projects. Since certain projects have not been completed for which this restricted funding has been received, \$3,320,405 (2023 - \$7,425,760) of the cash on hand is not available for general use by the Town.

Of the cash, \$312,123, (2023 - \$431,071) is considered restricted cash and not available for general use as it relates to deposits received.

The Town has a revolving line of credit with Canadian Imperial Bank of Commerce, with a maximum authorized limit of \$1,000,000, which bears interest at prime rate less 0.25%. As of year end, \$0 was outstanding on this revolving line of credit.

3. INVESTMENTS

Investments include guaranteed investment certificates maturing between April 2025 and May 2028, bearing interest at rates between 2.5% and 3.65%.

TOWN OF FOX CREEK
Notes to Financial Statements
Year Ended December 31, 2024

4. RECEIVABLES

	<u>2024</u>	<u>2023</u>
Property taxes		
Taxes and grants in place of taxes	\$ 818,983	\$ 549,548
Arrears taxes	<u>1,373,514</u>	<u>1,055,281</u>
	2,192,497	1,604,829
Less: allowance for doubtful accounts	<u>(1,543,307)</u>	<u>(1,308,992)</u>
	<u>\$ 649,190</u>	<u>\$ 295,837</u>
Other		
Provincial grants receivable	\$ 6,797,950	\$ 8,742,182
Trade receivables	595,669	726,921
Due from the Municipal District of Greenview	2,765,000	3,856,683
Goods and services tax	<u>132,548</u>	<u>1,681,059</u>
	10,291,167	15,006,845
Less: allowance for doubtful accounts	<u>(190,394)</u>	<u>(330,093)</u>
	<u>\$ 10,100,773</u>	<u>\$ 14,676,752</u>

The Provincial grants receivable of \$6,797,950 relates to the Canada Community-Building Fund (CCBF) allocations of \$177,700 from the 2024 allocation, Small Communities Fund capital allocation of \$2,175,710, Alberta Community Partnership Program allocation of \$1,013 from the 2023 allocation, Alberta Forestry and Parks Emergency Fireguard Program of \$2,311,917 from the 2023 allocation, Alberta Disaster Recovery Program allocation of \$1,526,344 from the 2023 program, Alberta Municipal Water/Wastewater Partnership allocation of 104,896 from the 2024 allocation, and Local Government Fiscal Framework (LGFF) allocation of \$500,370 from the 2024 allocation. These allocations are receivable as the Town has submitted eligible capital expenditures that were sufficient for the release of these funding. The previous allocation of the Canada Community-Building Fund (CCBF), Alberta Forestry and Parks Emergency Fireguard Program, Alberta Community Partnership Program, and Municipal Sustainability Initiative (MSI) Capital funding amounts were received during the year.

5. LOANS AND NOTES RECEIVABLE

The Town advanced funds to Fox Creek CHIPs for renovation and capital purchases on the new daycare facility. The advances are non-interest and are to be repaid in semi-annual installments.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2024</u>	<u>2023</u>
Trade payables	\$ 1,076,698	\$ 2,493,091
Holdback payables	443,913	380,750
Accrued liabilities	265,093	268,526
Employee benefits obligations	<u>120,177</u>	<u>114,036</u>
	<u>\$ 1,905,881</u>	<u>\$ 3,256,403</u>

TOWN OF FOX CREEK
Notes to Financial Statements
Year Ended December 31, 2024

7. DEFERRED REVENUE

	2023	Additions	Recognized	2024
Municipal District of Greenview Alberta Forestry and Parks Emergency Fireguard Program	\$ 6,651,944	\$ 1,893,679	\$ (5,716,922)	\$ 2,828,701
Shell Canada Energy Waste Water Supply Agreement	3,007,830	-	(737,249)	2,270,581
Prepaid sponsorship	1,799,590	-	(354,018)	1,445,572
Alberta Settlement, Integration and Language Projects	35,621	235,210	(54,551)	216,280
Enhancing Alberta's Resilience with Mycological Research Project	-	237,500	(66,081)	171,419
Alberta Environment and Parks Community Adult Learning Program	-	114,286	-	114,286
Donations	94,500	-	-	94,500
License and permits	172,552	164,000	(248,780)	87,772
United Way of Calgary and Area Non Medical Home Supports Program	39,008	10,500	(14,990)	34,518
Canada Community - Building Fund	30,707	25,637	(25,577)	30,767
Career and Employment Resource Centre	-	34,584	(5,490)	29,094
Unearned revenue	162,076	177,700	(324,152)	15,624
Canadian Mental Health Association	5,278	54,000	(49,617)	9,661
Emergency Community Support Fund	7,102	-	-	7,102
Alberta Jobs, Economy and Northern Development Program	13,460	22,685	(30,023)	6,122
Alberta Community Partnership	8,489	-	(3,389)	5,100
Shell In the Community Grant	16,532	-	(13,723)	2,809
Alberta Municipal Sustainability Initiative	16,726	915	(15,713)	1,928
United Way of Calgary and Area Employment and Social Development Canada	1,623	-	(837)	786
Early Child Development Mapping Project Program	507,073	-	(507,073)	-
	182,293	-	(182,293)	-
	6,422	-	(6,422)	-
	2,830	-	(2,830)	-
	<u>\$ 12,761,656</u>	<u>\$ 2,970,696</u>	<u>\$ (8,359,730)</u>	<u>\$ 7,372,622</u>

Deferred revenue is comprised of the funds noted above, the use of which, together with earnings thereon, is restricted by agreement. These funds are recognized as revenue in the period they are used for the purpose specified.

Unexpended funds related to the advance are supported by restricted cash of \$3,320,405 held exclusively for these projects (Note 2).

(continues)

7. DEFERRED REVENUE *(continued)*

Municipal District of Greenview

The Municipal District of Greenview provided funding for certain operating and capital expenditures within the Town. The balance as at year end represents the unspent portion of the funding received or receivable.

Alberta Forestry and Parks Emergency Fireguard Program

The Alberta Forestry and Parks Emergency Fireguard Program funding is to undertake certain eligible firebreak expenditures within the Town. The balance as at year end represents the unspent portion of the funding received or receivable.

Shell Canada Energy Waste Water Supply Agreement

The Town has received funding from Shell Canada Energy for the exclusive supply and use of all of the Town's treated waste water. The balance as at year end represents the unearned portion of the funding received.

Alberta Settlement, Integration and Language Projects (SILP)

The Alberta SILP program provides funding to municipalities and other organizations to undertake certain projects to support the needs of newcomers to the community through social inclusion and access to navigation supports. The balance as at year end represents the unspent portion of the funding received.

Enhancing Alberta's Resilience with Mycological Research Project

The Town received funding from Keyera Corp. and the Pembina Pipeline Corporation to study the decomposition of forest debris and biomass to mitigate wildfire risks and create a more resilient forest ecosystem. The balance as at year end represents the unspent portion of the funding received.

Alberta Environment and Parks

Provincial government funding was received to undertake certain sewage lagoon desludging project expenses that have not yet been expended.

Community Adult Learning Program (CALP)

The CALP provides funding to municipalities and other organizations to undertake certain expenditures under the community adult learning program within the community. The balance as at year end represents the unspent portion of the funding received.

United Way of Calgary and Area

The Town has received funding from the United Way of Calgary and Area to undertake certain non medical home supports program within the Town. The balance as at year end represents the unspent portion of the funding received.

Canada Community-Building Fund (CCBF)

The CCBF provides long-term funding to municipalities to help build and revitalize local public infrastructure within the Town. The balance as at year end represents the unspent portion of the funding received or receivable.

Career and Employment Resource Centre

The Career and Employment Resource Centre funding is provided to municipalities to support individuals to reach certain career, occupational, learning, and work search goals. The balance as at year end represents the unspent portion of the funding received.

(continues)

TOWN OF FOX CREEK
Notes to Financial Statements
Year Ended December 31, 2024

7. DEFERRED REVENUE (continued)

Canadian Mental Health Association

The Canadian Mental Health Association, Alberta division funding is provided to organizations to support mental health initiatives in the community. The balance as at year end represents the unspent portion of the funding received.

Emergency Community Support Fund

The Federal government funding is provided to municipalities to operate certain programs that are serving vulnerable populations impacted by the COVID-19 pandemic within the Town. The balance as at year end represents the unspent portion of the funding received.

Alberta Jobs, Economy and Northern Development Program

The Provincial government funding is provided to undertake certain signage infrastructure expenditures within the Town. The balance as at year end represents the unspent portion of the funding received.

Alberta Community Partnership

The Provincial government funding is provided to undertake certain regional transportation system infrastructure master planning in conjunction with the Municipal District of Greenview. The balance as at year end represents the unspent portion of the funding received.

8. LONG-TERM DEBT

	<u>2024</u>	<u>2023</u>
Tax supported debentures	\$ 312,744	\$ 365,162
Special levy supported debentures	66,076	81,979
Tax supported loans	<u>10,369,779</u>	<u>12,052,922</u>
	<u>\$ 10,748,599</u>	<u>\$ 12,500,063</u>

The current portion of the long-term debt amounts to \$569,973 (2023 - \$694,669)

	Principal	Interest	Total
2025	\$ 569,973	\$ 540,571	\$ 1,110,544
2026	599,906	510,638	1,110,544
2027	631,412	479,132	1,110,544
2028	663,296	447,248	1,110,544
2029	<u>680,638</u>	<u>411,137</u>	<u>1,091,775</u>
	<u>\$ 3,145,225</u>	<u>\$ 2,388,726</u>	<u>\$ 5,533,950</u>

Debenture debt is repayable to the Alberta Treasury Board and Finance, and bears interest at 4.96% and 5.10% per annum and matures in March 2029 and December 2029.

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

The Canadian Imperial Bank of Commerce loans bear interest at 5.15%, and are repayable in blended monthly payments of \$8,358 and \$76,686.

Interest on long-term debt amounted to \$497,531 (2023 - \$389,905).

The Town's total cash payments for interest in 2024 were \$485,408 (2023 - \$391,570).

TOWN OF FOX CREEK
Notes to Financial Statements
Year Ended December 31, 2024

9. DEBT LIMITS

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

	<u>2024</u>	<u>2023</u>
Total debt limit	\$ 18,969,057	\$ 21,483,947
Total debt	<u>10,748,599</u>	<u>12,500,063</u>
Amount of debt limit unused	<u>\$ 8,220,458</u>	<u>\$ 8,983,884</u>
Debt servicing limit	\$ 3,161,510	\$ 3,580,658
Debt servicing	<u>1,110,544</u>	<u>1,064,677</u>
Amount of debt servicing limit unused	<u>\$ 2,050,966</u>	<u>\$ 2,515,981</u>

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

Total debt includes long-term debt less debt charges recoverable. Debt servicing includes principal and interest payments due on long-term debt in the 12 months subsequent to year-end less amounts that are recoverable.

10. EQUITY IN TANGIBLE CAPITAL ASSET

	<u>2024</u>	<u>2023</u>
Tangible capital assets (<i>Schedule 2</i>)	\$128,644,232	\$119,210,621
Accumulated amortization (<i>Schedule 2</i>)	(32,270,447)	(29,643,775)
Long-term debt (<i>Note 8</i>)	<u>(10,748,599)</u>	<u>(12,500,063)</u>
	<u>\$ 85,625,186</u>	<u>\$ 77,066,783</u>

TOWN OF FOX CREEK
Notes to Financial Statements
Year Ended December 31, 2024

11. ACCUMULATED SURPLUS

	2024	2023
Unrestricted Surplus	\$ 6,482,676	\$ 7,330,644
Operating restricted surplus:		
General administration	-	12,855
Waste management	41,955	41,955
Airport	14,052	14,052
Landfill closure and post-closure care	799,669	769,669
Community enhancement	50,000	50,000
Subdivision land and development	10,668	10,668
Recreation	1,363,484	1,223,376
Mill rate stabilization fund	2,355,500	2,355,500
Capital restricted surplus:		
General administration	130,065	330,065
Fire protection	118,045	292,934
Roads, streets, walks, lighting	-	111,267
Water supply and distribution	1,997,067	2,003,253
Wastewater treatment and disposal	3,414,858	3,156,657
Waste management	20,033	20,033
Family and community support services	-	1,402
Community enhancement	980,109	1,385,952
Subdivision land and development	502,942	502,942
Recreation	8,229	8,229
Libraries, museums, halls	12,815	22,293
General	4,174,443	3,204,588
Equity in Tangible Capital Assets (Note 10)	85,625,186	77,066,783
	\$108,101,796	\$ 99,915,117

12. CONTAMINATED SITES LIABILITY

The Town owns properties that may contain environmental contamination and may require site reclamation. The financial liability relating to these sites cannot be reasonably estimated and no accrual has been made in these financial statements.

13. SEGMENTED DISCLOSURE

The Town of Fox Creek provides a range of services to its ratepayers. 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 the following in the preparation of the financial statements as disclosed in Note 1.

Refer to Schedule of Segmented Disclosure (Schedule 6).

(continues)

TOWN OF FOX CREEK
Notes to Financial Statements
Year Ended December 31, 2024

13. SEGMENTED DISCLOSURE (continued)

General government includes council and other legislative and general administrative. Protective services includes police, fire protection, emergency measures and disaster services, ambulance services and first aid, and bylaw enforcement. Transportation services includes common and equipment pool, roads, streets, walks, and lighting, and airport. Environmental use and protection includes water supply and distribution, wastewater treatment and disposal, and waste management. Public health and welfare includes family and community support services, cemeteries and crematoriums, and other public health and welfare. Planning and development includes land use planning, zoning and development, subdivision land and development, and economic development. Recreation and culture includes parks and recreation, and libraries, museums and halls.

14. BUDGET DATA

The unaudited budget data presented in these financial statements is based upon the 2024 operating and capital budgets approved by Council. Amortization was not contemplated on development of the budget and, as such, has not been included. These budget amounts have not been audited, reviewed, or otherwise verified.

The chart below reconciles the approved budget to the budget figures reported in these financial statements.

	<u>Budget Amount</u>
Revenue	
Operating budget	\$ 13,901,180
Capital budget	4,323,674
Transfer to other funds	<u>(3,217,418)</u>
Total revenues	<u>15,007,436</u>
Expenses	
Operating budget	13,901,180
Capital budget	4,323,674
Transfer to other funds	(2,382,706)
Capital expenses	(4,323,674)
Debt principal payments	<u>(682,913)</u>
Total expenses	<u>10,835,561</u>
Excess of revenue over expenses	<u>\$ 4,171,875</u>

15. UTILITY FRANCHISE AGREEMENTS

The following franchise fees are disclosed as required under Supplementary Accounting Principles and Standards Regulation required by Alberta Regulation 313/2000.

	<u>2024</u>	<u>2023</u>
ATCO Electric Ltd. - Power	\$ 173,408	\$ 178,253
ATCO Electric Ltd. - Gas	119,683	108,445
	<u>\$ 293,091</u>	<u>\$ 286,698</u>

TOWN OF FOX CREEK
Notes to Financial Statements
Year Ended December 31, 2024

16. SALARY AND BENEFITS

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

	Salary	Benefits and allowances	2024	2023 <i>Restated</i>
Councillors				
Mayor Gilmour	\$ 20,108	\$ 1,788	\$ 21,896	\$ 20,474
Councillor Bainton	12,830	1,191	14,021	12,784
Councillor BurrIDGE	15,482	1,513	16,995	13,419
Councillor Doran	14,714	1,479	16,193	12,059
Councillor Hailes	14,661	694	15,355	13,674
Councillor Hudson	14,017	1,437	15,454	13,459
Councillor Norman	13,720	1,420	15,140	14,541
	<u>105,532</u>	<u>9,522</u>	<u>115,054</u>	<u>100,410</u>
Chief Administrative Officer	205,399	41,886	247,285	275,349
Designated officers (2 positions)	126,964	30,213	157,177	144,104
Town Assessor	30,694	-	30,694	34,903
	<u>\$ 468,589</u>	<u>\$ 81,621</u>	<u>\$ 550,210</u>	<u>\$ 554,766</u>

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.
3. One employee held a combined role that included both designated officer functions and other administrative responsibilities. The amounts disclosed were pro-rated based on the estimated time and duties attributable to their designated officer responsibilities, which management determined to be approximately 10% of the total role.
4. The Town has entered into an agreement for assessment services with an independent contractor.

TOWN OF FOX CREEK
Notes to Financial Statements
Year Ended December 31, 2024

17. LOCAL AUTHORITIES PENSION PLAN

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

	<u>2024</u>	<u>2023</u>
Current service contributions by the Town	\$ 318,052	\$ 297,892
Current service contributions by the employees	<u>283,494</u>	<u>265,756</u>
	<u>\$ 601,546</u>	<u>\$ 563,648</u>

The Town is required to make current service contributions to the LAPP of 8.45% of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 11.65% on pensionable earnings above this amount.

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

18. COMMITMENTS

The Town is committed under an agreement dated October 15, 2010 with Woodlands County, and the managing partner of the Golden Triangle Snowmobile Trail System, to provide annual funding of \$15,000 towards the maintenance and promotion of the Golden Triangle Snowmobile Trail System.

The Town has committed to make an annual contribution of \$20,000 to the Fox Creek Nordic and Trail Club.

The Town has committed to make an annual contribution of \$12,500 to the Shock Trauma Air Rescue Service until December 31, 2026.

19. CONTINGENCY

The Town is a member of the Alberta Local Authorities Reciprocal Insurance Exchange (MUNIX). Under the terms of the 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.

20. FINANCIAL INSTRUMENTS

The Town's financial instruments consist of cash, investments, receivables, loans and notes receivable, accounts payable and accrued liabilities, deposit liabilities, and long-term debt. Tax receivables and requisition over/under-levy are compulsory in nature, rather than contractual; however, the Town manages risk exposure on these items similar to other receivables and payables. The Town is exposed to the following risks with respect to its financial instruments:

Credit risk

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

(continues)

20. FINANCIAL INSTRUMENTS *(continued)*

Liquidity risk

Liquidity risk is the risk that the Town may not have cash available to satisfy financial liabilities as they become due. Management oversees liquidity risk to ensure the Town has access to enough readily available funds to cover its financial obligations as they become due. The Town manages liquidity risk by continuously monitoring actual daily cash flows and longer term forecasted cash flows and monitoring the maturity profiles of financial assets and liabilities. The Town is exposed to liquidity risk mainly in respect of its receipt of funds from its suppliers and other related sources, accounts payable and accrued liabilities, deposit liabilities, and long-term debt.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Town is exposed to interest rate risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Town is exposed to interest rate risk on its fixed and floating interest rate financial instruments. Fixed-rate financial instruments subject the Town to a fair value risk, while the floating-rate financial instruments subject the Town to a cash flow risk.

It is management's opinion that the Town is not exposed to significant currency and other price risks arising from these financial instruments.

21. SUBSEQUENT EVENTS

For the purpose of the accompanying financial statements, subsequent events have been evaluated by management.

There were no subsequent events that would have a material impact on these financial statements.

22. CORRESPONDING FIGURES

Certain corresponding figures have been reclassified to conform to the financial statement presentation adopted for the current year. There is no impact on the Town's accumulated surplus.

23. APPROVAL OF FINANCIAL STATEMENTS

Council and Management have approved these financial statements.