

Town of Eckville
Financial Statements
December 31, 2024

Management's Responsibility

To the Mayor and Councillors of the Town of Eckville:

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

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

Council is composed entirely of individuals who are neither management nor employees of the Town. Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial statements. 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 the appointment of the Town's external auditors.

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

A handwritten signature in blue ink, consisting of stylized initials and a long horizontal stroke, positioned above a solid horizontal line.

Chief Administrative Officer

Independent Auditor's Report

To the Mayor and Councillors of the Town of Eckville:

Opinion

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

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

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of 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.

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.

Red Deer, Alberta

April 28, 2025

MNP LLP

Chartered Professional Accountants


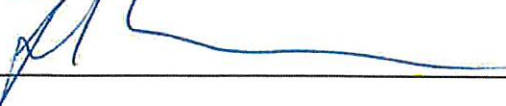
Town of Eckville
Statement of Financial Position
As at December 31, 2024

	2024	2023
Financial assets		
Cash and temporary investments (Note 2)	1,584,662	1,255,644
Receivables (Note 3)		
Taxes and grants in place of taxes	145,147	129,143
Trade and other receivables	328,466	327,678
Land for resale inventory	5,631	5,631
	2,063,906	1,718,096
Liabilities		
Accounts payable and accrued liabilities	295,819	215,036
Deferred revenue (Note 4)	563,299	173,656
Long-term debt (Note 5)	803,986	888,577
	1,663,104	1,277,269
Net financial assets	400,802	440,827
Non-financial assets		
Tangible capital assets (Schedule II)	10,993,555	11,288,712
Land held for sale	446,322	446,322
Prepaid expenses	3,275	23,071
	11,443,152	11,758,105
Accumulated surplus (Schedule I, Note 8)	11,843,954	12,198,932

Contingencies (Note 11)

Commitments (Note 12)

Approved on behalf of Council:


 _____ Mayor

 _____ CAO

The accompanying notes are an integral part of these financial statements

Town of Eckville
Statement of Operations

For the year ended December 31, 2024

	2024 Budget (Note 15)	2024	2023
Revenue			
Net municipal taxes (Schedule III)	1,277,129	1,276,458	1,212,333
Sales, user charges and costs recovered	749,795	593,207	550,305
Government transfers (Schedule IV)	259,601	284,324	305,745
Franchise fees	160,000	165,065	154,052
Investment income	50,000	47,369	57,801
Rentals	48,082	45,217	43,655
Other	45,283	42,364	93,786
Gain on disposal of tangible capital assets	-	32,493	36,121
Penalties and cost of taxes	20,000	27,633	22,812
Licenses and permits	12,750	6,084	6,909
Fines	6,500	4,713	4,396
	2,629,140	2,524,927	2,487,915
Expenses			
Roads, streets, walks and lighting	680,371	713,943	732,716
Administrative	519,108	574,508	563,890
Parks and recreation	330,274	339,819	332,678
Waste water treatment and disposal	281,458	281,633	311,540
Water supply and distribution	302,111	257,438	269,649
Waste management	229,017	211,055	208,758
Fire and disaster services	164,986	157,692	164,382
Legislative	173,680	156,749	158,520
Community services	123,997	119,559	112,426
Library	63,114	64,263	64,376
Police	60,000	53,803	56,137
Land use, planning and development	76,343	49,514	65,573
By-law enforcement	51,103	46,081	48,960
Family and community supports	44,537	45,345	45,092
Cemetery	31,729	23,565	21,742
Public Health	-	1,625	-
	3,131,828	3,096,592	3,156,439
Deficiency of revenue over expenses before other	(502,688)	(571,665)	(668,524)
Other			
Government transfers for capital (Schedule IV)	719,250	216,687	270,719
Contributed assets	-	-	-
Excess (deficiency) of revenue over expenses	216,562	(354,978)	(397,805)
Accumulated surplus beginning of year	12,198,932	12,198,932	12,596,737
Accumulated surplus, end of year	12,415,494	11,843,954	12,198,932

The accompanying notes are an integral part of these financial statements

Town of Eckville
Statement of Change in Net Financial Assets
For the year ended December 31, 2024

	2024 Budget (Note 15)	2024	2023
Excess (deficiency) of revenue over expenses	216,562	(354,978)	(397,805)
Acquisition of tangible capital assets	(728,500)	(300,898)	(331,790)
Contributed tangible capital assets	-	-	-
Proceeds on disposal of tangible capital assets	-	32,493	50,000
Amortization of tangible capital assets	579,416	596,055	579,416
Gain on sale of tangible capital assets	-	(32,493)	(36,121)
Change in land held for sale	-	-	-
Change in prepaid assets	-	19,796	(22,605)
Increase (decrease) in net financial assets	67,478	(40,025)	(158,905)
Net financial assets, beginning of year	440,827	440,827	599,732
Net financial assets, end of year	508,305	400,802	440,827

The accompanying notes are an integral part of these financial statements

Town of Eckville
Statement of Cash Flows
For the year ended December 31, 2024

	2024	2023
Cash provided by (used for) the following activities:		
Operating		
Deficiency of revenue over expenses	(354,978)	(397,805)
Non-cash items:		
Amortization of tangible capital assets	596,055	579,416
Loss (gain) on disposal of tangible capital assets	-	(36,121)
Decrease (increase) in land held for resale inventory	-	-
Tangible capital assets received as contributions	-	-
Net change in operating working capital balances:		
Decrease (increase) in taxes and grants in place of taxes	(16,004)	601
Decrease (increase) in trade and other receivables	(788)	116,149
Increase (decrease) in accounts payable and accrued liabilities	80,783	14,182
Increase (decrease) in deferred revenue	389,643	(23,394)
Decrease (increase) in prepaid expenses	19,796	(22,605)
	714,507	230,423
Capital		
Acquisition of tangible capital assets	(300,898)	(281,790)
Proceeds on disposal of tangible capital assets	-	-
	(300,898)	(281,790)
Financing		
Advance of long term debt	-	-
Repayment of long-term debt	(84,591)	(81,590)
	(84,591)	(81,590)
Increase (decrease) in cash	329,018	(132,957)
Cash, beginning of year	1,255,644	1,388,601
Cash, end of year (Note 2)	1,584,662	1,255,644

The accompanying notes are an integral part of these financial statements

Town of Eckville
Schedule I - Schedule of Changes in Accumulated Surplus
For the year ended December 31, 2024

	<i>Unrestricted Surplus</i>	<i>Restricted Surplus</i>	<i>Equity in Tangible Capital Assets</i>	2024	2023
Balance, beginning of year	788,284	1,010,513	10,400,135	12,198,932	12,596,737
Deficiency of revenue over expenses	(354,978)	-	-	(354,978)	(397,805)
Transfers to restricted funds	(10,000)	10,000	-	-	-
Restricted funds used for tangible capital assets	-	(51,718)	51,718	-	-
Current year funds used for tangible capital assets	(249,180)	-	249,180	-	-
Disposal of Capital Assets	-	-	-	-	-
Annual amortization expense	596,055	-	(596,055)	-	-
Long-term debt issued	-	-	-	-	-
Long-term debt repaid	(84,591)	-	84,591	-	-
Change in accumulated surplus	(102,694)	(41,718)	(210,566)	(354,978)	(397,805)
Balance, end of year	685,590	968,795	10,189,569	11,843,954	12,198,932

The accompanying notes are an integral part of these financial statements

Town of Eckville
Schedule II - Schedule of Tangible Capital Assets
For the year ended December 31, 2024

	Land	Buildings	Engineered Structures	Machinery & Equipment	Vehicles	2024	2023
Cost							
Balance, beginning of year	115,248	4,070,607	13,961,632	3,041,688	223,000	21,412,175	21,135,901
Acquisition of tangible capital assets	-	-	134,562	166,336	-	300,898	331,790
Disposal of tangible capital assets	-	-	-	(32,493)	-	(32,493)	(55,516)
Balance, end of year	115,248	4,070,607	14,096,194	3,175,531	223,000	21,680,580	21,412,175
Accumulated amortization:							
Balance, beginning of year	-	2,682,490	5,639,279	1,617,578	184,116	10,123,463	9,585,684
Annual amortization	-	68,708	338,802	173,257	15,288	596,055	579,416
Accumulated amortization on disposals	-	-	-	(32,493)	-	(32,493)	(41,637)
Balance, end of year	-	2,751,198	5,978,081	1,758,342	199,404	10,687,025	10,123,463
Net book value	115,248	1,319,409	8,118,113	1,417,189	23,596	10,993,555	11,288,712
2023 net book value	115,248	1,388,117	8,322,353	1,424,110	38,884	11,288,712	

During the year, tangible capital assets were acquired at a cost of \$300,898 (2023 - \$331,790). During the year the Town sold assets for \$32,493 and in exchange they received an invoice credit for the same amount.

The accompanying notes are an integral part of these financial statements

Town of Eckville
Schedule III - Schedule of Property Taxes Levied
For the year ended December 31, 2024

	2024 Budget (Note 15)	2024	2023
Taxation			
Real property taxes	1,614,601	1,613,747	1,529,281
Requisitions			
Alberta School Foundation Fund	328,809	328,809	308,655
Seniors Lodge	8,480	8,480	8,293
Designated Industrial Property	183	-	-
	337,472	337,289	316,948
Net municipal taxes	1,277,129	1,276,458	1,212,333

The accompanying notes are an integral part of these financial statements

Town of Eckville
Schedule IV - Schedule of Government Transfers
For the year ended December 31, 2024

	2024 Budget (Note 15)	2024	2023
Operating			
Provincial Government	184,730	207,304	229,190
Other Local Governments	73,421	75,700	73,495
Federal Government	1,450	1,320	3,060
	259,601	284,324	305,745
Capital			
Provincial Government	260,000	216,687	270,719
Other Local Government	9,250	-	-
Federal Government	450,000	-	-
	719,250	216,687	270,719
Total government transfers	978,851	501,011	576,464

The accompanying notes are an integral part of these financial statements

Town of Eckville
Schedule V - Schedule of Expenses by Object
For the year ended December 31, 2024

	2024 Budget (Note 15)	2024	2023
Expenses by object			
Salaries, wages and benefits	950,637	937,642	1,000,365
Contracted and general services	873,560	870,765	918,618
Amortization of tangible capital assets	579,416	596,055	579,416
Materials, goods and utilities	296,681	306,137	346,951
Transfers to local boards and agencies	273,760	216,612	145,235
Transfers to other governments	98,724	97,879	97,033
Interest on long-term debt	51,650	52,136	57,076
Bank charges and short-term interest	3,500	3,869	4,429
Provision for allowances	3,900	15,497	7,316
	3,131,828	3,096,592	3,156,439

The accompanying notes are an integral part of these financial statements

Town of Eckville
Schedule VI - Schedule of Segmented Disclosure
For the year ended December 31, 2024

	General Government	Transportation, Roads, Streets	Legislative Administrative	Environmental Services	Perks & Recreation	Protective Services	Library	Community Support	Land Use & Development	Other	Total	2023
Revenue												
Net municipal taxes	1,276,459	-	-	-	-	-	-	-	-	-	1,276,459	1,212,333
Government transfers	-	179,808	75,185	36,879	106,421	19,107	-	78,223	5,408	-	501,011	578,464
User fees and sales of goods	-	1,030	2,334	561,149	-	21,099	-	7,575	-	-	593,207	550,305
Franchise fees	-	-	-	-	-	-	-	-	165,065	-	165,065	154,052
Fines, rentals, insurance, other	-	-	3,818	13,025	-	49,930	3,092	22,429	-	-	92,294	141,837
Penalties and costs on taxes	27,833	-	-	-	-	-	-	-	-	-	27,833	22,812
Investment income	-	-	-	-	-	-	-	-	-	47,369	47,369	57,601
Licenses and permits	-	-	-	-	-	6,084	-	-	-	-	6,084	6,909
Gain on disposal of tangible capital assets	-	32,493	-	-	-	-	-	-	-	-	32,493	36,121
Contributed assets	-	-	-	-	-	-	-	-	-	-	-	-
	1,304,091	213,351	81,317	611,053	106,421	66,220	3,092	108,227	170,473	47,369	2,741,614	2,758,534
Expenses												
Salaries, wages, and benefits	-	176,942	412,520	188,542	104,262	42,088	-	13,543	1,745	-	937,842	1,000,365
Contracted and general services	-	111,846	258,732	212,608	61,436	144,089	12,685	69,816	21,551	-	870,796	918,618
Materials, goods, and utilities	-	140,795	28,721	82,737	4,886	28,753	2,699	17,744	-	-	306,137	346,951
Transfers to local boards and agencies	-	-	-	-	104,320	-	45,272	67,020	-	-	216,612	145,235
Transfers to other governments	-	-	-	75,270	-	22,609	-	-	-	-	97,879	97,033
Interest on long-term debt	-	1,126	-	20,675	4,417	-	-	-	25,918	-	52,136	57,076
Bank charges and short-term interest	-	-	3,860	-	-	-	-	-	-	-	3,860	4,420
Provision for allowances	-	-	16,497	-	-	-	-	-	-	-	16,497	7,316
	-	430,709	717,339	577,832	269,125	237,539	60,550	157,023	48,514	-	2,500,537	2,577,023
Net revenue, before amortization	1,304,091	(217,358)	(636,022)	33,221	(162,704)	(141,319)	(57,464)	(48,696)	120,959	47,369	241,077	181,611
Amortization expense	-	(283,234)	(13,918)	(172,284)	(70,694)	(20,037)	(3,707)	(32,171)	-	-	(596,055)	(579,416)
Net revenue	1,304,091	(500,592)	(649,940)	(139,073)	(233,398)	(161,356)	(61,171)	(81,667)	120,959	47,369	(354,978)	(397,805)

TOWN OF ECKVILLE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

These financial statements of the Town of Eckville (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 (PSAB) of the Chartered Professional Accountants Canada. Significant aspects of these accounting policies are outlined as follows:

Reporting Entity

The financial statements reflect the assets, liabilities, revenues and expenditures, changes in fund balances and change in financial position of the reporting entity and all organizations that are accountable for the administration of their financial affairs and resources to the Council and are owned or controlled by the Town.

The schedule of taxes levied also includes requisitions for education and other external organizations that are not part of Town of Eckville.

The financial statements exclude trust assets that are administered for the benefit for external parties. Interdepartmental and organizational transactions and balances are eliminated.

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.

Revenue Recognition

Funds from external parties and earnings thereon that are 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. Revenue is recognized in the period when the related expenses are incurred, services performed or the tangible capital assets are acquired. Rental revenue is recognized over the term of the lease. Revenue on investments and penalties and cost of taxes is recognized when earned. Insurance proceeds are recognized when the amount is known and collection is reasonably assured.

Tax Revenue

The Town recognizes taxes as assets and revenue when they meet the definition of an asset, are authorized by bylaw, and the taxable event has occurred. Tax revenue is initially measured at administrations best estimate of the amount resulting from the original taxable event in accordance with legislation. The related tax receivable is initially recognized at its realizable value at the date of acquisition. Requisitions operate as a flow through and are excluded from municipal revenue.

TOWN OF ECKVILLE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Use of Estimates

The preparation of financial statements in conformity with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses 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.

Accounts receivable are stated after evaluation as to their collectability. Amortization is based on the estimated useful lives of tangible capital assets.

For each reported segment, the revenues and expenses represent both amounts that are directly attributable to the segment and the amounts considered allocated on a reasonable basis.

Cash and Temporary Investments

Cash and temporary investments includes balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash. The operating line is included when balances fluctuate frequently between positive and negative.

Investments

Investments 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.

Land Held for Resale

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

TOWN OF ECKVILLE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (Continued)

Local Improvement Charges

Construction and borrowing costs associated with local improvement projects are recovered through annual special assessments during the period of related borrowings. These levies are collectable from property owners for work performed by the Town of Eckville.

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 revenue 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 is amortized on a straight-line basis over the estimated useful life as follows:

	<u>YEARS</u>
Buildings	25-50
Engineered structures	5-75
Vehicles	3-10
Machinery & equipment	5-20

One-half of the annual amortization is charged in the year of acquisition and the year of disposal. Included in tangible capital assets is engineered structures under construction of \$0 (2020 - \$0). Assets under construction are not amortized until the asset is available for productive use.

ii) Contributions of Tangible Capital Assets

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

iii) Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

iv) Inventories

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

TOWN OF ECKVILLE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (Continued)

v) Prepaid expenses

Prepaid expenses include pre-payments on goods and services which will be utilized in the following fiscal year.

Property Tax 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.

Pensions

The Town participates in a multi-employer pension plan. The plan is accounted for as a defined contribution plan.

Contaminated Site 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 a site is not in productive use and is management's estimate of the cost of post remediation including operation, maintenance and monitoring.

Asset Retirement Obligations

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset at the financial statement date when there is a legal obligation for the Town to incur retirement costs, the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at year-end. The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods.

When a liability for an asset retirement obligation is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related tangible capital asset. The asset retirement cost is amortized over the useful life of the related asset. Asset retirement obligations which are incurred incrementally with use of the asset are recognized in the period incurred with a corresponding asset retirement cost expensed in the period.

TOWN OF ECKVILLE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (Continued)

Asset Retirement Obligations (Continued)

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

NOTE 2: CASH AND TEMPORARY INVESTMENTS

	2024	2023
Cash - general	1,054,484	695,136
Temporary investments	530,078	560,508
	<u>1,584,662</u>	<u>1,255,644</u>

Temporary investments include \$530,078 (2023 - \$560,508) of 31 day and 91 day notice savings accounts that earn interest at prime minus 1.55% and minus 1.45% respectively (2023 – prime minus 1.55% and minus 1.45%). The general account earns interest at prime minus 1.9% to minus 1.55% (2023 – prime minus 1.9% to minus 1.55%) and the restricted accounts earn interest at prime minus 1.9% (2023 – prime minus 1.9% to minus 1.55%).

Included in cash is a restricted amount of \$538,609 (2023 - \$143,636) received from funders and held exclusively for approved projects (Note 4).

TOWN OF ECKVILLE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 3: RECEIVABLES

	2024	2023
Taxes and grants in place of taxes		
Current taxes and grants in place of taxes	89,444	79,798
Arrears taxes	55,703	49,345
	<u>145,147</u>	<u>129,143</u>
Trade and other receivables		
Local improvement levies	106,544	124,302
Trade accounts	206,494	182,060
GST	15,428	21,316
	<u>328,466</u>	<u>327,678</u>
	<u>473,613</u>	<u>438,106</u>

The local improvement levies are receivable over the remaining period of 6 years and collectable through tax levies, in annual amounts of \$17,758.

NOTE 4: DEFERRED REVENUE

	2023	Increases	Decreases	Interest	2024
CCBF	99,920	403,813	-	6,501	510,234
LGFF Operating	-	154,242	154,871	629	-
LGFF Capital	-	-	-	-	-
MSI Operating	20,898	-	21,613	715	-
MSI Capital	12,817	150,434	164,300	1,049	-
MOST	-	-	-	-	-
Municipal Sustainability Program	-	-	-	-	-
Other deferred grants	10,000	20,000	1,625	-	28,375
Prepaid licenses and other	30,021	24,690	30,021	-	24,690
	<u>173,656</u>	<u>753,179</u>	<u>372,430</u>	<u>8,894</u>	<u>563,299</u>

TOWN OF ECKVILLE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 5: LONG-TERM DEBT

	2024	2023
Tax-supported debentures	176,450	253,962
Bank loan for capital expenditures	627,536	634,615
	803,986	888,577

The current portion of the long-term debt amounts to \$53,169 (2023 - \$84,486). Principal and interest repayments are as follows:

	Principal	Interest	Total
2025	53,169	43,746	96,915
2026	19,820	42,173	61,993
2027	20,756	41,237	61,993
2028	21,746	40,247	61,993
2029	22,790	39,203	61,993
Remainder	665,705	120,531	786,236
Total	803,986	327,137	1,131,123

Debenture debt in the amount of \$34,284 is repayable in semi-annual blended instalments of \$34,922 to the Alberta Capital Finance Authority and bears interest at a rate of 4% (2023 – 4%) per annum and matures 2025.

Debenture debt in the amount of \$142,165 is repayable in monthly installments of \$1,291 to Enmax Solar and bears interest at a rate of 3% per annum and mature in 2035.

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

\$366,604 of the bank loan for capital expenditures bears interest at prime plus 0.3% (2023 – prime plus 0.3%). Principal repayments are required from proceeds received from land inventory.

\$260,933 of the bank loan for capital expenditures bears interest at a rate of 6.94% (2023 – 7.11%). Principal repayments are required from proceeds received from utility rates.

Interest on long-term debt amounted to \$52,136 (2022 - \$57,076). The Town's total cash payments for interest in 2024 were \$51,721 (2023 - \$56,517).

Prime rate at December 31, 2024 was 6.45% (2023 – 7.2%).

TOWN OF ECKVILLE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 6: DEBT LIMITS

Section 276(2) of the *Municipal Government Act* requires that the debt and debt limits as defined by Alberta Regulation 255/00 for the Town of Eckville are disclosed as follows:

	2024	2023
Total debt limit	3,787,391	3,731,873
Total long-term debt	(803,986)	(888,577)
Total amount of debt limit available	2,983,405	2,843,296
Service limit of debt	631,232	621,979
Service on debt	(96,915)	(138,631)
Amount of service on debt limit available	534,317	483,348

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

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

TOWN OF ECKVILLE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 7: EQUITY IN TANGIBLE CAPITAL ASSETS

	<u>2024</u>	<u>2023</u>
Tangible capital assets (Schedule II)	21,680,580	21,412,175
Accumulated amortization (Schedule II)	(10,687,025)	(10,123,463)
Long-term debt (Note 5)	(803,986)	(888,577)
	<u>10,189,569</u>	<u>10,400,135</u>

NOTE 8: ACCUMULATED SURPLUS

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

	<u>2024</u>	<u>2023</u>
Unrestricted surplus	<u>685,590</u>	<u>788,284</u>
Restricted surplus		
Operating:		
Tax Stabilization Fund	246,994	246,994
Emergency Services	10,201	10,201
Snow Removal	20,000	20,000
General Contingency	147,230	159,990
	<u>424,425</u>	<u>475,717</u>
Capital:		
Land Development	45,546	45,546
Fire Fighting	152,144	169,438
Waste Management	85,391	85,391
Water	23,633	35,327
Library	60,000	60,000
Museum	62,270	62,270
Wastewater	14,310	14,310
General Contingency	11,046	11,046
Community Centre	40,000	40,000
Curling Club	50,000	50,000
	<u>544,370</u>	<u>573,328</u>
	<u>968,795</u>	<u>1,010,513</u>
Equity in tangible capital assets (Note 7)	<u>10,189,569</u>	<u>10,400,135</u>
	<u>11,843,954</u>	<u>12,198,932</u>

TOWN OF ECKVILLE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 9: SALARY AND BENEFITS DISCLOSURE

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

	Salary (1) \$	Benefits & Allowances (2) \$	Total 2024 \$	Total 2023 \$
Mayor:				
Colleen Ebdon	17,240	7,333	24,573	21,020
Councillors:				
Karin Engen	10,509	7,382	17,891	15,644
Dwayne Meyers	9,066	7,382	16,448	14,099
Collin Pacholek	9,891	7,382	17,273	8,124
Jacqueline Palm-Fraser	10,829	7,382	18,211	17,013
Kevin See	8,654	7,382	16,036	13,613
Delaney Thoreson	7,716	7,382	15,098	12,686
Subtotal:	73,905	51,625	125,530	102,199
Chief Administrative Officer	102,612	28,986	131,598	129,324
Designated Officers (Three positions)	16,393	-	16,393	19,121
Total:	192,910	80,611	273,521	250,644

- (1) Salary includes base pay, bonuses, overtime, lump sum payments, gross honoraria and any other direct cash remunerations paid by the Town.
- (2) Benefits and allowances includes employer's share of all employee benefits and contributions or payments made on behalf of employees including RRSP's, health care, dental coverage, vision coverage, group life insurance, accidental disability and dismemberment insurance, long and short-term disability plans and local authorities pension plan (LAPP).

TOWN OF ECKVILLE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 10: PENSION PLAN

Local Authorities Pension Plan (LAPP)

Employees of the Town of Eckville participate in the Local Authorities Pension Plan (LAPP), which is covered by the Alberta Public Sector Pensions Plans Act. The plan serves about 304,451 people and about 444 employers. It is financed by employer and employee contributions and investment earning of the LAPP fund.

The Town of Eckville is required to make current service contributions to the plan of 8.45% of pensionable earnings up to the Canada Pension Plan year's maximum pensionable earnings and 11.65% for the excess. Employees of the Town of Eckville are required to make current service contributions of 7.45% of pensionable earnings up to the Canada Pension Plan year's maximum pensionable earnings and 10.65% thereafter.

Total current and past service contributions by The Town of Eckville to the LAPP in 2024 were \$23,930 (2023 - \$28,642). Total contributions by the employees of The Town of Eckville to the LAPP in 2024 were \$21,299 (2023 - \$25,459).

At December 31, 2023 the plan disclosed an actuarial surplus of \$15.1 billion (2022 – \$12.7 billion surplus).

NOTE 11: CONTINGENCIES

No provision has been made on the statement of financial position for various lawsuits and legal claims filed against the Town as the extent of the lawsuits and legal claims are not determinable at December 31, 2024.

The Town is a member of the Alberta Municipal 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.

The Town is a member of the Alberta Municipalities Association (AM) formerly Alberta Municipalities Association (AUMA). 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 AM. Any liability would be accounted for as a current transaction in the year of settlement.

TOWN OF ECKVILLE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 12: COMMITMENTS

The Town had a contract with Wild Rose Assessments to perform tax assessments that expires on March 31, 2025. It was renewed on March 24, 2025 for a five year term. The estimated commitment over the next six years of this contract is as follows:

2025 – \$16,276
2026 – \$16,276
2027 – \$16,276
2028 – \$16,351
2029 – \$16,451
2030 – \$ 4,119

The Town has a contract with Wells Fargo to lease a copier which expires on May 31, 2026. The estimated commitment over the next two years of this contract is as follows:

2025 - \$2,755
2026 - \$ 918

The Town has a contract with the City of Red Deer which expires on December 31, 2025. The estimated commitment over the next year of this contract is as follows:

2025 - \$2,326

The Town has a contract with Arcon IT Services. The initial contract expired on August 31, 2022. At the expiration of this initial term the agreement automatically renews for successive one year terms unless notification of cancellation is given or received. The estimated commitment over the next year of this contract is as follows:

2025 - \$38,235

The Town has a contract with Empringham Disposal which expires on June 30, 2027. The estimated commitment over the next three years of this contract is as follows:

2025 - \$46,740
2026 - \$46,740
2027 - \$23,370

TOWN OF ECKVILLE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 12: COMMITMENTS (Cont.)

The Town has a contract with Clear Blue Technologies Inc. which expires on May 31, 2030. The estimated commitment over the next six years of this contract is as follows:

2025 - \$7,900
2026 - \$8,038
2027 - \$8,279
2028 - \$8,527
2029 - \$8,783
2030 - \$3,705

The Town has a contract with LOOP which expires on April 26, 2026. The estimated commitment over the next year and a half of this contract is as follows:

2025 - \$9,825
2026 - \$2,456

NOTE 13: SEGMENTED DISCLOSURE

The Town provides a range of services to its ratepayers. For each reported segment, revenue and expenses represent both amounts that are directly attributable to the segments and amounts that are allocated on a reasonable basis. The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in Note 1.

NOTE 14: FINANCIAL INSTRUMENTS

The Town's financial instruments consist of cash and temporary investments, receivables, accounts payable and accrued liabilities and long-term debt. It is Council's opinion that the Town is not exposed to significant interest, currency, credit, liquidity or other price risk arising from these financial instruments, except as otherwise disclosed.

The Town is subject to credit risk with respect to 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.

NOTE 15: BUDGET

The 2024 Budget for the Town of Eckville was approved by Council on May 27, 2024.

TOWN OF ECKVILLE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 16: COMPARATIVE FIGURES

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

NOTE 17: APPROVAL OF FINANCIAL STATEMENTS

Management and Council have approved these financial statements.