



**TOWN OF FAIRVIEW**

**CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2025**

## TABLE OF CONTENTS

	<u>Page</u>
Statement of Management's Responsibility	3
Independent Auditors' Report	4-6
Consolidated Statement of Financial Position	7
Consolidated Statement of Financial Activities and Accumulated Surplus	8
Consolidated Statement of Change in Net Financial Assets	9
Consolidated Statement of Cash Flows	10
Consolidated Schedule of Changes in Accumulated Surplus	11
Consolidated Schedule of Tangible Capital Assets	12
Consolidated Schedule of Property Taxes Levied	13
Consolidated Schedule of Government Transfers	14
Consolidated Schedule of Expenses by Object	15
Consolidated Schedule of Segmented Disclosure	16
Notes to the Consolidated Financial Statements	17

## Management's Responsibility

To the Mayor and Council of Town of Fairview:

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian generally accepted accounting principles. 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 consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Council is composed entirely of Councillors who are neither management nor employees of the Town. The Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the financial statements. The Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management, and external auditors. Council is responsible for the appointment of the Town's external auditors.

MNP LLP, an independent firm of Chartered Professional Accountants, is appointed by the Council to audit the consolidated 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 the Council and management to discuss their audit findings.

April 21, 2026



Chief Administrative Officer

To the Council of Town of Fairview.

## Report on the Audit of the Financial Statements

### Qualified Opinion

We have audited the consolidated financial statements of Town of Fairview (the "Municipality"), which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statements of financial activities and accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, 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 Municipality as at December 31, 2025, and the results of its operations, changes in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### Basis for Qualified Opinion

Canadian public sector accounting standards ("PSAS") Section PS 3280 Asset Retirement Obligations ("ARO") which was adopted by the Municipality as of January 1, 2023 requires the recognition of an ARO liability when there is a legal obligation to a tangible capital asset. The Municipality has not identified ARO liabilities as of December 31, 2025 and we were unable to satisfy ourselves concerning those liabilities by alternative means. Consequently, we were not able to determine whether any adjustments would be necessary to liabilities, net financial assets, tangible capital assets, accumulated surplus, expenses, excess (deficit) of revenue over expenses, change in net financial assets for the years-ended December 31, 2025 and 2024, and accumulated surplus as of January 1, 2024 and December 31, 2025 and 2024.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Municipality in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our 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 opinion.

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Municipality'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 Municipality or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

## **Report on Other Legal and Regulatory Requirements**

### **Debt Limit Regulation**

In accordance with Alberta regulation 255/2000, we confirm that the Municipality is in compliance with the Debt Limit Regulation. A detailed account of the Municipality's debt limit can be found in note 6.

### **Supplementary Accounting Principles and Standards Regulation**

In accordance with Alberta regulation 313/2000, we confirm that the Municipality is in compliance with the Supplementary Accounting Principles and Standards Regulation.

Peace River, Alberta

April 21, 2026

*MNP* LLP  
Chartered Professional Accountants

TOWN OF FAIRVIEW  
 CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
 FOR THE YEAR ENDED DECEMBER 31, 2025



	2025	2024
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents (Note 2)	4,475,529	4,894,189
Receivables		
Taxes and grants in lieu of taxes (Note 3)	539,839	706,565
Trade and other receivables (Note 4)	1,490,409	1,239,368
Land held for resale	254,672	254,672
	<u>6,760,449</u>	<u>7,094,794</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	891,326	748,591
Deposit liabilities	25,477	38,914
Deferred revenue (Note 5)	876,054	554,616
	<u>1,792,857</u>	<u>1,342,121</u>
<b>NET FINANCIAL ASSETS</b>	<u>4,967,592</u>	<u>5,752,673</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 2)	38,807,264	37,103,448
Prepaid expenses	5,407	1,113
	<u>38,812,671</u>	<u>37,104,561</u>
<b>ACCUMULATED SURPLUS (Note 8)</b>	<u>43,780,263</u>	<u>42,857,234</u>

Commitments and contingencies - See Notes 11 and 12

Approved by

Mayor

Chief Administrative Officer

See accompanying notes to the financial statements

TOWN OF FAIRVIEW  
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES  
AND ACCUMULATED SURPLUS  
FOR THE YEAR ENDED DECEMBER 31, 2025



	Budget \$	2025 \$	2024 \$
<b>REVENUE</b>			
Net municipal property taxes (Schedule 3)	3,411,255	3,410,888	3,222,590
User fees and sale of goods	3,508,330	3,647,261	3,637,937
Government transfers for operating (Schedule 4)	810,723	811,639	757,326
Investment income	117,475	172,354	259,798
Penalties and costs on taxes	80,860	80,012	123,165
Franchise and concession contracts	531,534	514,665	514,087
Other revenues	171,900	228,854	183,657
<b>Total revenues</b>	<b>8,632,077</b>	<b>8,865,673</b>	<b>8,698,560</b>
<b>EXPENSES</b>			
<b>Operating</b>			
Legislative	220,459	208,274	212,107
Administration	1,134,574	1,063,152	1,248,836
Protective services	467,527	465,320	445,453
Transportation	1,887,699	1,953,151	1,750,977
Water supply and distribution	2,345,701	2,250,204	2,048,093
Wastewater treatment and disposal	574,651	638,059	550,692
Waste management	494,073	482,716	545,984
Culture	232,208	236,404	222,892
Public health and economic development	217,693	185,515	91,896
Recreation and parks	2,339,011	2,291,626	2,341,967
Family and community services	230,472	230,352	232,146
<b>Total Expenses</b>	<b>10,144,068</b>	<b>10,004,773</b>	<b>9,691,043</b>
<b>EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES - BEFORE OTHER</b>	<b>(1,511,991)</b>	<b>(1,139,100)</b>	<b>(992,483)</b>
<b>OTHER</b>			
Gain/loss on disposal of capital assets	-	-	-
Development Levies and Other Contributions	-	-	16,757
Contributed assets	-	-	-
Government transfers for capital (Schedule 4)	2,080,166	2,062,129	463,273
<b>EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES</b>	<b>568,175</b>	<b>923,029</b>	<b>(512,453)</b>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<b>42,857,234</b>	<b>42,857,234</b>	<b>43,369,687</b>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<b>43,425,409</b>	<b>43,780,263</b>	<b>42,857,234</b>

See accompanying notes to the financial statements

**TOWN OF FAIRVIEW  
CONSOLIDATED STATEMENT OF CHANGE IN  
NET FINANCIAL ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2025**



	Budget \$	2025 \$	2024 \$
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<u>568,175</u>	<u>923,029</u>	<u>(512,453)</u>
Acquisition of tangible capital assets	(3,790,321)	(3,790,321)	(1,194,687)
Tangible capital assets received as contributions	-	-	-
Proceeds on disposal of tangible capital assets	-	-	-
Amortization of tangible capital assets	2,044,917	2,086,505	2,020,783
Loss on sale of tangible capital assets	-	-	-
	<u>(1,745,404)</u>	<u>(1,703,816)</u>	<u>826,096</u>
Acquisition of supplies inventories	-	-	-
Acquisition of prepaid assets	-	(5,408)	(1,114)
Use of supplies inventories	-	-	-
Use of prepaid assets	-	1,114	44,048
	<u>-</u>	<u>(4,294)</u>	<u>42,934</u>
<b>INCREASE (DECREASE) IN NET FINANCIAL ASSETS</b>	<u>(1,177,229)</u>	<u>(785,081)</u>	<u>356,577</u>
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>	<u>5,752,673</u>	<u>5,752,673</u>	<u>5,396,096</u>
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	<u><u>4,575,444</u></u>	<u><u>4,967,592</u></u>	<u><u>5,752,673</u></u>

**TOWN OF FAIRVIEW  
CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2025**



	2025 \$	2024 \$
<b>NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:</b>		
<b>OPERATING</b>		
Excess of revenues over expenses	923,029	(512,453)
Non-cash items included in shortfall of revenues over expenses:		
Amortization of tangible capital assets	2,086,505	2,020,783
Loss on disposal of tangible capital assets	-	-
Tangible capital assets received as contributions	-	-
Non-cash charges to operations (net change):		
Decrease (increase) in taxes and grants in lieu receivable	166,726	217,435
Decrease (increase) in trade and other receivables	(251,041)	471,277
Decrease (increase) in land held for resale	-	(11,100)
Decrease (increase) in investments	-	-
Decrease (increase) in prepaid expenses	(4,294)	42,934
Increase (decrease) in accounts payable and accrued liabilities	142,735	(23,649)
Increase (decrease) in deposit liabilities	(13,437)	28,239
Increase (decrease) in deferred revenue	321,438	554,616
Cash provided by operating transactions	<u>3,371,661</u>	<u>2,788,082</u>
<b>CAPITAL</b>		
Acquisition of tangible capital assets	(3,790,321)	(1,194,687)
Sale of tangible capital assets	-	-
Cash applied to capital transactions	<u>(3,790,321)</u>	<u>(1,194,687)</u>
<b>FINANCING</b>		
Long-term debt repaid	-	(1,018,982)
Long-term debt issued	-	-
Debt charges recovered	-	-
Cash applied to financing transactions	<u>-</u>	<u>(1,018,982)</u>
<b>CHANGE IN CASH AND EQUIVALENTS DURING THE YEAR</b>	<b>(418,660)</b>	<b>574,413</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b><u>4,894,189</u></b>	<b><u>4,319,776</u></b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR (Note 2)</b>	<b><u>4,475,529</u></b>	<b><u>4,894,189</u></b>

See accompanying notes to the financial statements



**TOWN OF FAIRVIEW  
 CONSOLIDATED SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS  
 FOR THE YEAR ENDED DECEMBER 31, 2025  
 SCHEDULE 1**

	2025	2024			
	\$	\$			
	Unrestricted Surplus	Restricted Surplus			
	Equity in Tangible Capital Assets	Equity in Tangible Capital Assets			
<b>BALANCE, BEGINNING OF YEAR</b>	<u>          -</u>	<u>5,753,786</u>	<u>37,103,448</u>	<u>42,857,234</u>	<u>43,369,687</u>
Excess of revenues over expenses	923,029	-	-	923,029	(512,453)
Current year funds used for tangible capital assets	(2,228,723)	-	2,228,723	-	-
Contributed Assets	-	-	-	-	-
Restricted funds used for tangible capital assets	-	(1,561,596)	1,561,596	-	-
Disposal of tangible capital assets (at nbv)	-	-	-	-	-
Annual amortization expense	2,086,503	-	(2,086,503)	-	-
Unrestricted funds designated for future use	(863,062)	863,062	-	-	-
Restricted funds used for operations	82,253	(82,253)	-	-	-
New debt issued	-	-	-	-	-
Long term debt repaid	-	-	-	-	-
Change in accumulated surplus	<u>          -</u>	<u>(780,787)</u>	<u>1,703,816</u>	<u>923,029</u>	<u>(512,453)</u>
<b>BALANCE, END OF YEAR</b>	<u>          -</u>	<u>4,972,999</u>	<u>38,807,264</u>	<u>43,780,263</u>	<u>42,857,234</u>

See accompanying notes to the financial statements

TOWN OF FAIRVIEW  
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2025  
SCHEDULE 2



	Land	Buildings	Engineered Structures	Machinery and Equipment	Vehicles	2025 \$	2024 \$
<b>COST:</b>							
<b>BALANCE, BEGINNING OF YEAR</b>	1,078,809	20,504,208	43,789,417	6,084,193	2,431,873	73,888,500	72,700,502
Acquisition of tangible capital assets	-	51,535	2,388,126	686,464	684,196	3,790,321	1,194,687
Disposal of tangible capital assets	-	-	-	(84,973)	-	(84,973)	(6,689)
<b>BALANCE, END OF YEAR</b>	1,078,809	20,555,743	46,177,543	6,685,684	3,096,069	77,593,848	73,888,500
<b>ACCUMULATED AMORTIZATION:</b>							
<b>BALANCE, BEGINNING OF YEAR</b>	-	13,266,091	18,595,022	3,757,598	1,166,341	36,785,052	34,770,958
Annual amortization	-	600,316	1,048,578	314,491	123,120	2,086,505	2,020,783
Accumulated amortization on disposals	-	-	-	(84,973)	-	(84,973)	(6,689)
<b>BALANCE, END OF YEAR</b>	-	13,866,407	19,643,600	3,987,116	1,289,461	38,786,584	36,785,052
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	1,078,809	6,689,336	26,533,943	2,698,568	1,806,608	38,807,264	37,103,448
2024 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	1,078,809	7,238,117	25,194,395	2,326,595	1,265,532	37,103,448	

See accompanying notes to the financial statements

TOWN OF FAIRVIEW  
 CONSOLIDATED SCHEDULE OF PROPERTY TAXES LEVIED  
 FOR THE YEAR ENDED DECEMBER 31, 2025  
 SCHEDULE 3



	Budget \$	2025 \$	2024 \$
<b>TAXATION</b>			
Real property taxes	4,236,770	<b>4,293,058</b>	4,067,631
Linear property taxes	115,397	<b>115,397</b>	110,154
Government grants in place of property taxes	44,787	<b>45,487</b>	30,938
	<u>4,396,954</u>	<u><b>4,453,942</b></u>	<u>4,208,723</u>
<b>REQUISITIONS</b>			
Alberta School Foundation Fund	822,618	<b>879,870</b>	822,618
North Peace Housing Foundation	162,524	<b>162,627</b>	162,940
Municipal Affairs	557	<b>557</b>	575
	<u>985,699</u>	<u><b>1,043,054</b></u>	<u>986,133</u>
<b>NET MUNICIPAL TAXES</b>	<u>3,411,255</u>	<u><b>3,410,888</b></u>	<u>3,222,590</u>

See accompanying notes to the financial statements

TOWN OF FAIRVIEW  
CONSOLIDATED SCHEDULE OF GOVERNMENT TRANSFERS  
FOR THE YEAR ENDED DECEMBER 31, 2025  
SCHEDULE 4



	Budget \$	2025 \$	2024 \$
	<u>          </u>	<u>          </u>	<u>          </u>
<b>TRANSFERS FOR OPERATING:</b>			
Local Government Fiscal Framework - Operating	208,110	<b>208,110</b>	208,110
Other Provincial Government	224,962	<b>239,447</b>	234,382
Federal Government	-	750	2,845
Other Local Governments	377,651	<b>363,332</b>	311,989
	<u>810,723</u>	<u><b>811,639</b></u>	<u>757,326</u>
<b>TRANSFERS FOR CAPITAL:</b>			
Local Government Fiscal Framework - Capital	1,050,743	<b>1,264,739</b>	74,906
Canada Community Building Fund	221,095	<b>221,095</b>	214,110
Other Provincial Government	213,995	<b>313,453</b>	2,486
Federal Government	-	-	-
Other Local Governments	594,333	<b>262,842</b>	171,771
	<u>2,080,166</u>	<u><b>2,062,129</b></u>	<u>463,273</u>
<b>TOTAL GOVERNMENT TRANSFERS</b>	<u><b>2,890,889</b></u>	<u><b>2,873,768</b></u>	<u>1,220,599</u>

See accompanying notes to the financial statements

**TOWN OF FAIRVIEW  
CONSOLIDATED SCHEDULE OF EXPENSES BY OBJECT  
FOR THE YEAR ENDED DECEMBER 31, 2025  
SCHEDULE 5**



	Budget \$	2025 \$	2024 \$
<b>CONSOLIDATED EXPENSES BY OBJECT</b>			
Salaries, wages and benefits	3,434,843	3,320,417	3,223,245
Contracted and general services	998,534	1,042,557	1,015,921
Materials, goods, supplies and utilities	2,963,213	2,802,470	2,356,287
Provision for allowances	5,250	88,002	124,348
Transfers to local boards and agencies	36,297	14,781	125,274
Bank charges and short term interest	22,800	24,101	21,292
Interest on capital long-term debt	-	-	43,478
Amortization of tangible capital assets	2,044,917	2,086,505	2,020,783
Other expenses	638,214	625,940	760,415
	<u>10,144,068</u>	<u>10,004,773</u>	<u>9,691,043</u>

See accompanying notes to the financial statements

**TOWN OF FAIRVIEW  
CONSOLIDATED SCHEDULE OF SEGMENTED DISCLOSURE  
FOR THE YEAR ENDED DECEMBER 31, 2025  
SCHEDULE 6**



	General Government	Protective Services	Transportation Services	Community Services	Recreation & Culture	Environmental Services	Other	Total \$
<b>REVENUE</b>								
Net municipal taxes	3,410,888	-	-	-	-	-	-	3,410,888
Government transfers	208,110	286,226	2,100	204,490	834,109	1,271,838	66,895	2,873,768
User fees and sales of goods	16,035	-	5,026	-	421,891	3,204,309	-	3,647,261
Investment income	172,354	-	-	-	-	-	-	172,354
Other revenues	625,372	72,281	11,190	300	84,838	-	29,550	823,531
	4,432,759	358,507	18,316	204,790	1,340,838	4,476,147	96,445	10,927,802
<b>EXPENSES</b>								
Contract & general services	69,910	244,263	56,947	16,843	134,005	443,785	76,804	1,042,557
Salaries & wages	870,290	40,116	472,546	89,206	1,177,110	671,149	-	3,320,417
Goods & supplies	151,132	49,540	806,263	21,212	568,299	1,129,782	76,242	2,802,470
Long term debt interest	-	-	-	-	-	-	-	-
Other expenses	167,737	10,605	-	103,091	140,279	323,831	7,281	752,824
	1,259,069	344,524	1,335,756	230,352	2,019,693	2,568,547	160,327	7,918,268
<b>NET REVENUE BEFORE AMORTIZATION</b>	3,173,690	13,983	(1,317,440)	(25,562)	(678,855)	1,907,600	(63,882)	3,009,534
Amortization expense	(12,357)	(120,797)	(617,395)	-	(508,336)	(802,432)	(25,188)	(2,086,505)
<b>NET REVENUE</b>	3,161,333	(106,814)	(1,934,835)	(25,562)	(1,187,191)	1,105,168	(89,070)	923,029

---

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Town of Fairview 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 Canadian Institute of Chartered Professional Accountants. Significant aspects of the accounting policies adopted by the Town of Fairview are as follows:

### a) Reporting entity

The consolidated financial statements reflect the assets, liabilities, revenues and expenditures, changes in fund balances and change in financial position of the 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 administration of their financial affairs and resources. Included with the municipality are the following:

Town of Fairview Fire Department

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 consolidated financial statements are prepared using the accrual basis of accounting. The accrual 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. 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 Canadian generally accepted accounting principles 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 expenditure 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.

---

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

d) **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.

e) **Inventories 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 physical assets under the respective function.

f) **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.

g) **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 consolidated 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.

h) **Requisition Over-levies and Under-Levies**

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.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**i) 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 consolidated Change in Net Financial Assets (Debt) 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:

	<b>YEARS</b>
Buildings	25-50
Engineered structures	
Roadway system	10-100
Water system	45-75
Wastewater system	45-75
Other engineered structures	45-75
Machinery and equipment	4-25
Vehicles	5-25

A full year of the annual amortization is charged in the year of acquisition and none in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

**ii. Contributions of Tangible Capital Assets**

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

**iii. 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.

**v. Cultural and Historical Tangible Capital Assets**

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

TOWN OF FAIRVIEW  
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2025



**2. CASH AND CASH EQUIVALENTS**

	2025	2024
	\$	\$
Cash	4,419,576	4,840,507
Temporary investments	55,953	53,682
	<u>4,475,529</u>	<u>4,894,189</u>

Temporary investments are short-term deposits with original maturities of twelve months or less, including accrued interest to year end. Also included are common shares held in the Servus Credit Union.

Included in cash is a restricted amount of \$9,273 (\$8,985 for 2024) which is a tax proceeds trust account.

Included in temporary investments is a restricted amount of \$164,850 (\$164,331 for 2024) which is the Fairview Regional Aquatic Center Endowment Fund. This balance is also included in reserves.

**3. TAXES AND GRANTS IN LIEU OF TAXES RECEIVABLES**

	2025	2024
	\$	\$
Current taxes and grants in lieu of taxes	213,810	215,552
Non-current taxes and grants in lieu	103,209	203,977
Local improvement taxes receivable	222,820	287,036
Allowance for doubtful accounts	-	-
	<u>539,839</u>	<u>706,565</u>

**4. TRADE AND OTHER RECEIVABLES**

	2025	2024
	\$	\$
Trade receivables	803,565	575,200
Utility receivables	307,894	342,057
Golf club loan receivable	176,833	197,029
Loan receivable	68,346	70,282
GST receivable	133,771	54,800
	<u>1,490,409</u>	<u>1,239,368</u>

In 2018 the Town provided a \$160,000 loan, interest free, with 26 semi-annual payments, to Fairview Day Care Playschool Society for constructing a new daycare facility in the Town of Fairview.

The Town has assisted the Fairview Golf Club with Clubhouse renovations by issuing a debenture totalling \$250,000. The amount is recoverable with interest at 4.72%. Semi annual payments of principal and interest are \$9,730 each, due in June and December each year.

In 2017 the Town approved the request of the Fairview Golf Club to defer their loan payments. The regular loan payment schedule resumed in 2024. This debt matures December 17, 2034.

In 2024 the Town issued an additional \$50,000 loan to the Club, interest free, for the purchase of Golf Carts on the condition that the Club will honor the new agreement.

**5. DEFERRED REVENUE**

Deferred revenue consists of the following amounts, which have been restricted by third parties for a specified purpose. These amounts are recognized as revenue in the period in which the related expenses are incurred.

	2024	Additions	Revenue Recognized	2025
	\$	\$	\$	\$
Local Government Fiscal Framework Capital	554,616	710,123	1,264,739	-
Canada Community Building Fund	-	221,095	221,095	-
Local Government Fiscal Framework Operating	-	208,110	208,110	-
Local Growth & Sustainability	-	818,584	-	818,584
Fairview College Committee	-	34,365	27,165	7,200
Rural Economic Development Grant	-	90,000	39,730	50,270
Family and Community Support Services	-	162,992	162,992	-
	<u>554,616</u>	<u>2,245,269</u>	<u>1,923,831</u>	<u>876,054</u>

Additions represents the government grants received as well as the interest income earned.

**6. DEBT LIMITS**

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

	2025	2024
	\$	\$
Total debt limit	<u>13,298,510</u>	<u>13,047,840</u>
Total debt	-	-
Amount of debt limit unused	<u>13,298,510</u>	<u>13,047,840</u>
Debt servicing limit	<u>2,216,418</u>	<u>2,174,640</u>
Total debt payments	-	-
Amount of debt servicing limit unused	<u>2,216,418</u>	<u>2,174,640</u>

The debt limit is calculated at 1.5 times revenue of the municipality (as defined in Alberta Regulation 255/00) 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 municipality. Rather, the consolidated financial statements must be interpreted as a whole.

**7. EQUITY IN TANGIBLE CAPITAL ASSETS**

	2025	2024
	\$	\$
Tangible capital assets (Schedule 2)	<u>77,593,848</u>	<u>73,888,500</u>
Accumulated amortization (Schedule 2)	<u>(38,786,584)</u>	<u>(36,785,052)</u>
	<u>38,807,264</u>	<u>37,103,448</u>

**8. ACCUMULATED SURPLUS**

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

	2025	2024
	\$	\$
Unrestricted surplus (deficit)	-	-
Restricted surplus	4,972,999	5,753,786
Equity intangible capital assets	38,807,264	37,103,448
	<u>43,780,263</u>	<u>42,857,234</u>

Council has set aside funds as an internal allocation of accumulated surplus to restricted operating and capital reserves as follows:

	2025	2024
	\$	\$
<b>Operating Reserves</b>		
Fire department	-	329,377
General Operating	39,064	39,064
Handi Bus	43,000	43,000
Local Improvements	222,820	287,036
Mill Rate Stabilization	298,003	222,101
Resource Centre	8,130	8,130
<b>Capital Reserves</b>		
Community Services	12,703	91,751
Fire department/emergency mgmt	122,944	134,684
General Capital	697,409	667,504
Public Works	1,189,250	1,189,250
Streets	14,105	14,105
Swimming Pool Endowment Fund	164,850	164,331
Town Revitalization	128,684	128,684
W/S capital replacement	2,032,037	2,434,769
	<u>4,972,999</u>	<u>5,753,786</u>

**9. SALARY AND BENEFITS DISCLOSURE**

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:

	2025		2024	
	Salary <sup>1</sup>	Benefits & allowances <sup>2</sup>	Total	Total
<b>Councillors</b>				
Paul Buck	9,928	-	9,928	11,680
Lloyd Campbell	3,073	1,164	4,237	-
Jo Anne Fleming	15,206	-	15,206	14,440
Stanley Golob	15,754	5,235	20,989	22,052
Amanda Golob	10,048	1,874	11,922	16,138
Christopher Laue	15,244	-	15,244	13,210
Gordon MacLeod	18,289	-	18,289	17,951
Tim Schindel	-	-	-	13,855
Andrew Pietsch	2,941	-	2,941	-
Erin Sawchuk	4,266	1,746	6,012	-
<b>CAO</b>	173,239	25,934	199,173	195,004
<b>Designated Officer</b>	163,200	-	163,200	160,000

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

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

Benefits and allowances figures also include the employer's share of the costs of additional taxable benefits including special leave with pay, financial and retirement planning services, concessionary loans, travel allowances, car allowances and club memberships.

**10. LOCAL AUTHORITIES PENSION PLAN**

Employees of the Town participate in the Local Authorities Pension Plan (LAPP), which is one of the plans covered by the Alberta Public Sector Pension Plans Act. The LAPP serves about 238,000 people and 420 employers. The LAPP is financed by employer and employee contributions and by investment earnings of the LAPP Fund.

Contributions for current service are recorded as expenditures in the year in which they become due.

The Town is required to make current service contributions to the LAPP of 8.45% (8.45% for 2024) of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 11.65% (11.65% for 2024) on pensionable earnings above this amount. Employees of the Town are required to make current service contributions of 7.45% (7.45% for 2024) of pensionable salary up to the year's maximum pensionable salary and 10.65% (10.65% for 2024) on pensionable salary above this amount.

Total current service contributions by the Town to the LAPP were \$157,154 (\$154,464 for 2024). Total current service contributions by the employees of the Town to the Local Authorities Pension Plan were \$139,633 (\$137,259 for 2024).

At December 31, 2024, the LAPP disclosed a surplus of \$19.56 billion (2023 - \$15.06 billion surplus).

---

#### 11. COMMITMENTS

The Town has various contracts in place that are all in the ordinary course of operations.

---

#### 12. CONTINGENCIES

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.

---

#### 13. FINANCIAL INSTRUMENTS

The Town's financial instruments consist of cash and temporary investments, accounts receivable, investments, debt charges recoverable, bank indebtedness, accounts payable and accrued liabilities, deposit liabilities, requisition over-levy, and long-term debt. It is management's opinion that the Town is not exposed to significant interest or currency risks arising from these financial instruments.

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.

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

---

#### 14. SEGMENTED DISCLOSURE

The Town of Fairview 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 those followed in the preparation of the consolidated financial statements as disclosed in Note 1.

Refer to the Schedule of Segmented Disclosure (Schedule 6).

---

#### 15. APPROVAL OF FINANCIAL STATEMENTS

Council and Management have approved these financial statements.

---

#### 16. COMPARATIVE FIGURES

The comparative figures have been reclassified where necessary.