



TOWN OF FAIRVIEW

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2024

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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 Councilors 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 15, 2025



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, 2024, and the consolidated statements of financial activities and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, 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, 2024, 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, 2024 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, 2024 and 2023, and accumulated surplus as of January 1, 2023 and December 31, 2024 and 2023.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under Statements section of our report. We are independent of the Municipality in accordance with the ethical requirements that are those standards are further described in the Auditor's Responsibilities for the Audit of the Financial 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 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 7.

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 15, 2025

MNP LLP
Chartered Professional Accountants

MNP

**TOWN OF FAIRVIEW
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED DECEMBER 31, 2024**



	2024	2023
	\$	\$
FINANCIAL ASSETS		
Cash and cash equivalents (Note 2)	4,894,189	4,319,776
Receivables		
Taxes and grants in lieu of taxes (Note 3)	706,565	924,000
Trade and other receivables (Note 4)	1,239,368	1,710,643
Land held for resale	254,672	243,572
	<u>7,094,794</u>	<u>7,197,991</u>
LIABILITIES		
Accounts payable and accrued liabilities	748,591	772,240
Deposit liabilities	38,914	10,675
Deferred revenue (Note 5)	554,616	-
Long term debt (Note 6)	-	1,018,980
	<u>1,342,121</u>	<u>1,801,895</u>
NET FINANCIAL ASSETS	<u>5,752,673</u>	<u>5,396,096</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 2)	37,103,448	37,929,544
Prepaid expenses	1,113	44,047
	<u>37,104,561</u>	<u>37,973,591</u>
ACCUMULATED SURPLUS (Note 9)	<u>42,857,234</u>	<u>43,369,687</u>

Commitments and contingencies - See Notes 12 and 13

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, 2024**



	Budget \$	2024 \$	2023 \$
REVENUE			
Net municipal property taxes (Schedule 3)	3,224,621	3,222,590	3,290,366
User fees and sale of goods	3,325,978	3,637,937	3,319,955
Government transfers for operating (Schedule 4)	757,230	760,591	794,159
Investment income	216,074	259,798	227,230
Penalties and costs on taxes	103,993	123,165	125,104
Franchise and concession contracts	516,052	514,087	494,744
Other revenues	133,595	180,392	688,189
Total revenues	8,277,543	8,698,560	8,939,747
EXPENSES			
Operating			
Legislative	209,406	212,107	164,161
Administration	1,209,087	1,248,836	979,054
Protective services	449,245	445,453	541,382
Transportation	1,820,477	1,750,977	1,741,358
Water supply and distribution	2,066,969	2,048,093	2,099,706
Wastewater treatment and disposal	549,653	550,692	555,552
Waste management	553,730	545,984	596,423
Culture	222,546	222,892	227,344
Public health and economic development	102,035	91,896	133,637
Recreation and parks	2,228,880	2,341,967	2,160,478
Family and community services	235,231	232,146	235,021
Total Expenses	9,647,259	9,691,043	9,434,116
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES - BEFORE OTHER	(1,369,716)	(992,483)	(494,369)
OTHER			
Gain/loss on disposal of capital assets	-	-	9,866
Development Levies and Other Contributions	-	16,757	-
Contributed assets	-	-	-
Government transfers for capital (Schedule 4)	425,299	463,273	728,428
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES	(944,417)	(512,453)	243,925
ACCUMULATED SURPLUS, BEGINNING OF YEAR	43,369,687	43,369,687	43,125,762
ACCUMULATED SURPLUS, END OF YEAR	42,425,270	42,857,234	43,369,687

See accompanying notes to the financial statements

**TOWN OF FAIRVIEW
CONSOLIDATED STATEMENT OF CHANGE IN
NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2024**



	Budget \$	2024 \$	2023 \$
EXCESS OF REVENUES OVER EXPENSES	<u>(944,417)</u>	<u>(512,453)</u>	<u>243,925</u>
Acquisition of tangible capital assets	(3,620,450)	(1,194,687)	(1,474,417)
Tangible capital assets received as contributions	-	-	-
Proceeds on disposal of tangible capital assets	-	-	-
Amortization of tangible capital assets	1,980,356	2,020,783	2,038,701
Loss on sale of tangible capital assets	-	-	-
	<u>(1,640,094)</u>	<u>826,096</u>	<u>564,284</u>
Acquisition of supplies inventories	-	-	-
Acquisition of prepaid assets	-	(1,114)	(44,048)
Use of supplies inventories	-	-	-
Use of prepaid assets	-	44,048	25,901
	<u>-</u>	<u>42,934</u>	<u>(18,147)</u>
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	(2,584,511)	356,577	790,062
NET FINANCIAL ASSETS, BEGINNING OF YEAR	<u>5,396,096</u>	<u>5,396,096</u>	<u>4,606,034</u>
NET FINANCIAL ASSETS, END OF YEAR	<u><u>2,811,585</u></u>	<u><u>5,752,673</u></u>	<u><u>5,396,096</u></u>

**TOWN OF FAIRVIEW
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024**



	2024 \$	2023 \$
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Excess of revenues over expenses	(512,453)	243,925
Non-cash items included in shortfall of revenues over expenses:		
Amortization of tangible capital assets	2,020,783	2,038,701
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	217,435	(61,941)
Decrease (increase) in trade and other receivables	471,277	(648,414)
Decrease (increase) in land held for resale	(11,100)	-
Decrease (increase) in investments	-	-
Decrease (increase) in prepaid expenses	42,934	(18,147)
Increase (decrease) in accounts payable and accrued liabilities	(23,649)	229,060
Increase (decrease) in deposit liabilities	28,239	(30,142)
Increase (decrease) in deferred revenue	554,616	-
Cash provided by operating transactions	<u>2,788,082</u>	<u>1,753,042</u>
CAPITAL		
Acquisition of tangible capital assets	(1,194,687)	(1,474,417)
Sale of tangible capital assets	-	-
Cash applied to capital transactions	<u>(1,194,687)</u>	<u>(1,474,417)</u>
FINANCING		
Long-term debt repaid	(1,018,982)	(212,091)
Long-term debt issued	-	-
Debt charges recovered	-	15,592
Cash applied to financing transactions	<u>(1,018,982)</u>	<u>(196,499)</u>
CHANGE IN CASH AND EQUIVALENTS DURING THE YEAR	574,413	82,126
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>4,319,776</u>	<u>4,237,650</u>
CASH AND CASH EQUIVALENTS, END OF YEAR (Note 2)	<u><u>4,894,189</u></u>	<u><u>4,319,776</u></u>

See accompanying notes to the financial statements



**TOWN OF FAIRVIEW
 CONSOLIDATED SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS
 FOR THE YEAR ENDED DECEMBER 31, 2024
 SCHEDULE 1**

	2024	2023			
	\$	\$			
	Unrestricted Surplus	Restricted Surplus			
	Equity in Tangible Capital Assets				
BALANCE, BEGINNING OF YEAR	<u>612,412</u>	<u>5,776,533</u>	<u>36,980,742</u>	<u>43,369,687</u>	<u>43,125,762</u>
Excess of revenues over expenses	(512,453)	-	-	(512,453)	243,925
Current year funds used for tangible capital assets	(596,380)	-	596,380	-	-
Contributed Assets	-	-	-	-	-
Restricted funds used for tangible capital assets	-	(598,308)	598,308	-	-
Disposal of tangible capital assets (at nbv)	-	-	-	-	-
Annual amortization expense	2,020,783	-	(2,020,783)	-	-
Unrestricted funds designated for future use	(701,675)	701,675	-	-	-
Restricted funds used for operations	126,114	(126,114)	-	-	-
New debt issued	-	-	-	-	-
Long term debt repaid	(948,801)	-	948,801	-	-
Change in accumulated surplus	<u>(612,412)</u>	<u>(22,747)</u>	<u>122,706</u>	<u>(512,453)</u>	<u>243,925</u>
BALANCE, END OF YEAR	<u>-</u>	<u>5,753,786</u>	<u>37,103,448</u>	<u>42,857,234</u>	<u>43,369,687</u>

See accompanying notes to the financial statements

**TOWN OF FAIRVIEW
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2024
SCHEDULE 2**



	2024	2023
	\$	\$
COST:		
BALANCE, BEGINNING OF YEAR	72,700,502	71,432,026
Acquisition of tangible capital assets	1,194,687	1,474,417
Disposal of tangible capital assets	(6,689)	(205,941)
BALANCE, END OF YEAR	73,888,500	72,700,502
ACCUMULATED AMORTIZATION:		
BALANCE, BEGINNING OF YEAR	34,770,958	32,938,198
Annual amortization	2,020,783	2,038,701
Accumulated amortization on disposals	(6,689)	(205,941)
BALANCE, END OF YEAR	36,785,052	34,770,958
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	37,103,448	37,929,544
2023 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	37,929,544	37,929,544

See accompanying notes to the financial statements

**TOWN OF FAIRVIEW
CONSOLIDATED SCHEDULE OF PROPERTY TAXES LEVIED
FOR THE YEAR ENDED DECEMBER 31, 2024
SCHEDULE 3**



	Budget \$	2024 \$	2023 \$
TAXATION			
Real property taxes	4,069,018	4,067,631	4,123,391
Linear property taxes	110,154	110,154	106,181
Government grants in place of property taxes	30,939	30,938	31,883
	<u>4,210,111</u>	<u>4,208,723</u>	<u>4,261,455</u>
REQUISITIONS			
Alberta School Foundation Fund	822,000	822,618	809,700
North Peace Housing Foundation	162,940	162,940	160,852
Municipal Affairs	550	575	537
	<u>985,490</u>	<u>986,133</u>	<u>971,089</u>
NET MUNICIPAL TAXES	<u>3,224,621</u>	<u>3,222,590</u>	<u>3,290,366</u>

See accompanying notes to the financial statements

**TOWN OF FAIRVIEW
CONSOLIDATED SCHEDULE OF GOVERNMENT TRANSFERS
FOR THE YEAR ENDED DECEMBER 31, 2024
SCHEDULE 4**



	Budget \$	2024 \$	2023 \$
TRANSFERS FOR OPERATING:			
Local Government Fiscal Framework - Operating	208,110	208,110	-
Municipal Sustainability Initiative - Operating	-	-	208,110
Other Provincial Government	169,907	178,181	234,009
Federal Government	-	2,845	1,170
Other Local Governments	379,213	371,455	350,870
	<u>757,230</u>	<u>760,591</u>	<u>794,159</u>
TRANSFERS FOR CAPITAL:			
Local Government Fiscal Framework - Capital	75,000	74,906	187,680
Municipal Sustainability Initiative - Capital	-	-	322,012
Canada Community Building Fund	175,000	214,110	-
Other Provincial Government	-	2,486	-
Federal Government	-	-	-
Other Local Governments	175,299	171,771	218,736
	<u>425,299</u>	<u>463,273</u>	<u>728,428</u>
TOTAL GOVERNMENT TRANSFERS	<u><u>1,182,529</u></u>	<u><u>1,223,864</u></u>	<u><u>1,522,587</u></u>

See accompanying notes to the financial statements

**TOWN OF FAIRVIEW
CONSOLIDATED SCHEDULE OF EXPENSES BY OBJECT
FOR THE YEAR ENDED DECEMBER 31, 2024
SCHEDULE 5**



	Budget \$	2024 \$	2023 \$
CONSOLIDATED EXPENSES BY OBJECT			
Salaries, wages and benefits	3,213,884	3,223,245	3,134,506
Contracted and general services	992,553	1,015,921	1,081,791
Materials, goods, supplies and utilities	2,472,534	2,356,287	2,387,512
Provision for allowances	1,200	124,348	398
Transfers to local boards and agencies	105,400	125,274	38,135
Bank charges and short term interest	16,600	21,292	15,855
Interest on capital long-term debt	48,086	43,478	49,217
Amortization of tangible capital assets	1,980,356	2,020,783	2,038,701
Other expenses	816,646	760,415	688,001
	<u>9,647,259</u>	<u>9,691,043</u>	<u>9,434,116</u>

See accompanying notes to the financial statements

**TOWN OF FAIRVIEW
CONSOLIDATED SCHEDULE OF SEGMENTED DISCLOSURE
FOR THE YEAR ENDED DECEMBER 31, 2024
SCHEDULE 6**



	General Government	Protective Services	Transportation Services	Community Services	Recreation & Culture	Environmental Services	Other	Total \$
REVENUE								
Net municipal taxes	3,222,590							3,222,590
Government transfers	208,110	1,468	2,205	206,585	727,325	74,906	3,265	1,223,864
User fees and sales of goods	20,841		14		409,564	3,207,518		3,637,937
Investment income	259,798							259,798
Other revenues	676,003	66,627	14,522	-	44,114		33,135	834,401
	4,387,342	68,095	16,741	206,585	1,181,003	3,282,424	36,400	9,178,590
EXPENSES								
Contract & general services	79,437	255,645	56,677	17,070	136,460	464,559	6,073	1,015,921
Salaries & wages	864,257	45,203	431,680	71,799	1,146,740	663,566		3,223,245
Goods & supplies	125,525	33,691	635,575	25,360	595,770	894,291	46,075	2,356,287
Long term debt interest			15,019		4,141	24,318		43,478
Other expenses	379,363	10,197		117,917	206,696	302,594	14,562	1,031,329
	1,448,582	344,736	1,138,951	232,146	2,089,807	2,349,328	66,710	7,670,260
NET REVENUE BEFORE AMORTIZATION	2,938,760	(276,641)	(1,122,210)	(25,561)	(908,804)	933,096	(30,310)	1,508,330
Amortization expense	(12,357)	(100,718)	(642,181)	-	(475,053)	(765,287)	(25,187)	(2,020,783)
NET REVENUE	2,926,403	(377,359)	(1,764,391)	(25,561)	(1,383,857)	167,809	(55,497)	(512,453)

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:

	YEARS
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, 2024**



2. CASH AND CASH EQUIVALENTS

	2024 \$	2023 \$
Cash	4,840,507	4,268,640
Temporary investments	53,682	51,136
	<u>4,894,189</u>	<u>4,319,776</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 \$8,985 (\$8,547 for 2023) which is a tax proceeds trust account.

Included in temporary investments is a restricted amount of \$164,331 (\$163,510 for 2023) 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

	2024 \$	2023 \$
Current taxes and grants in lieu of taxes	215,552	290,650
Non-current taxes and grants in lieu	203,977	256,942
Local improvement taxes receivable	287,036	376,408
Allowance for doubtful accounts	-	-
	<u>706,565</u>	<u>924,000</u>

4. TRADE AND OTHER RECEIVABLES

	2024 \$	2023 \$
Trade receivables	575,200	1,196,244
Utility receivables	342,057	315,048
Golf club loan receivable	197,029	70,178
Loan receivable	70,282	87,604
GST receivable	54,800	41,569
	<u>1,239,368</u>	<u>1,710,643</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. This debenture was paid in full by the Town, during the 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.

	2023	Additions	Revenue Recognized	2024
	\$	\$	\$	\$
Local Government Fiscal Framework Capital	-	629,522	74,906	554,616
Canada Community Building Fund	-	214,110	214,110	-
Local Government Fiscal Framework Operating	-	208,110	208,110	-
Family and Community Support Services	-	162,992	162,992	-
	<u>-</u>	<u>1,214,734</u>	<u>660,118</u>	<u>554,616</u>

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

6. LONG-TERM DEBT

	2024	2023
	\$	\$
Tax supported debentures	-	528,285
Self supported debentures	-	420,517
Recoverable debentures	-	70,178
	<u>-</u>	<u>1,018,980</u>

All long-term debt was repaid during the year.

7. 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:

	2024	2023
	\$	\$
Total debt limit	13,047,840	13,409,621
Total debt	-	1,018,980
Amount of debt limit unused	<u>13,047,840</u>	<u>12,390,641</u>
Debt servicing limit	2,174,640	2,234,937
Total debt payments	-	236,559
Amount of debt servicing limit unused	<u>2,174,640</u>	<u>1,998,378</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.

TOWN OF FAIRVIEW
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024



8. EQUITY IN TANGIBLE CAPITAL ASSETS

	2024 \$	2023 \$
Tangible capital assets (Schedule 2)	73,888,500	72,700,502
Accumulated amortization (Schedule 2)	(36,785,052)	(34,770,958)
Long-term debt (Note 7)	-	(1,018,980)
Recoverable debentures (Note 7)	-	70,178
	<u>37,103,448</u>	<u>36,980,742</u>

9. ACCUMULATED SURPLUS

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

	2024 \$	2023 \$
Unrestricted surplus (deficit)	-	612,412
Restricted surplus	5,753,786	5,776,533
Equity intangible capital assets	37,103,448	36,980,742
	<u>42,857,234</u>	<u>43,369,687</u>

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

	2024 \$	2023 \$
Operating Reserves		
Fire department	329,377	463,075
General Operating	39,064	39,064
Handi Bus	43,000	43,000
Local Improvements	287,036	376,408
Mill Rate Stabilization	222,101	225,641
Resource Centre	8,130	8,130
Capital Reserves		
Community Services	91,751	276,005
Fire department/emergency mgmt	134,684	134,684
General Capital	667,504	886,738
Public Works	1,189,250	1,248,074
Streets	14,105	14,105
Swimming Pool Endowment Fund	164,331	163,510
Town Revitalization	128,684	128,684
W/S capital replacement	2,434,769	1,769,415
	<u>5,753,786</u>	<u>5,776,533</u>

10. 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:

	2024		2023	
	Salary ¹	Benefits & allowances ²	Total	Total
Councillors				
Paul Buck	11,680	-	11,680	11,340
Jo Anne Fleming	14,440	-	14,440	14,145
Stanley Golob	15,580	6,472	22,052	20,044
Amanda Golob	13,720	2,418	16,138	14,643
Christopher Laue	13,210	-	13,210	12,405
Gordon MacLeod	17,951	-	17,951	18,459
Tim Schindel	13,855	-	13,855	13,050
CAO	170,036	24,968	195,004	188,256
Designated Officer	160,000	-	160,000	163,525

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.

11. 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 2023) of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 11.65% (12.23% for 2023) on pensionable earnings above this amount. Employees of the Town are required to make current service contributions of 7.45% (7.45% for 2023) of pensionable salary up to the year's maximum pensionable salary and 10.65% (11.23% for 2023) on pensionable salary above this amount.

Total current service contributions by the Town to the LAPP were \$154,464 (\$157,930 for 2023). Total current service contributions by the employees of the Town to the Local Authorities Pension Plan were \$137,259 (\$140,723 for 2023).

At December 31, 2023, the LAPP disclosed a surplus of \$15.06 billion (2022 - \$12.67 billion surplus).

12. COMMITMENTS

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

13. 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.

14. 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.

15. 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).

16. APPROVAL OF FINANCIAL STATEMENTS

Council and Management have approved these financial statements.

17. COMPARATIVE FIGURES

The comparative figures have been reclassified where necessary.