

**Town of Beaverlodge**  
**Financial Statements**  
*December 31, 2024*

**Town of Beaverlodge**  
**Contents**

*For the year ended December 31, 2024*

---

Page

**Management's Responsibility**

**Independent Auditor's Report**

**Financial Statements**

Consolidated Statement of Financial Position.....	1
Statement of Operations and Accumulated Surplus.....	2
Consolidated Statement of Change in Net Debt.....	3
Statement of Cash Flows.....	4

**Schedules**

Schedule 1 - Schedule of Changes in Accumulated Surplus (Deficit).....	5
Schedule 2 - Schedule of Tangible Capital Assets.....	5
Schedule 3 - Schedule of Net Municipal Taxes.....	7
Schedule 4 - Schedule of Government Transfers.....	8
Schedule 5 - Schedule of Consolidated Expenses by Object.....	6
Schedule 6 - Schedule of Segmented Disclosure.....	10

<b>Notes to the Financial Statements</b> .....	<b>11</b>
--	-----------

---

## Management's Responsibility

---

To the Members of Council of the Town of Beaverlodge:

The accompanying consolidated financial statements of the Town of Beaverlodge (the "Town") are the responsibility of management and have been approved by Council.


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 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 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 the consolidated 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 consolidated financial statements. Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. Council is also responsible for recommending the appointment of the Town's external auditors.

MNP LLP is appointed by 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 Council and management to discuss their audit findings.

April 28, 2025



---

Chief Administrative Officer

---

To the Members of Council of the Town of Beaverlodge:

## Qualified Opinion

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

In our opinion, except for the effects on the comparative information of the matter described in the Basis for Qualified Opinion paragraph, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Town as at December 31, 2024, and the results of its operations, changes in its of change in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

## Basis for Qualified Opinion

As discussed in Note 9 to the consolidated financial statements, the Town of Beaverlodge did not accrued for liabilities of \$1,136,435 for the asset retirement obligations related to hazardous materials in buildings of the Town as at December 31, 2023, which constitutes a departure from Canadian public sector accounting standards. The program expenses should have been increased and the results of operations should have decreased for the year ended December 31, 2023 by \$1,136,435, and asset retirement obligations and net debt should have increased as at December 31, 2023 by \$1,136,435. This caused us to modify our opinion on the consolidated financial statements for that year.

In accordance with Canadian public sector accounting standards, the Town of Beaverlodge corrected the error in the current year's figures rather than correcting the comparative information. Our opinion of the current year's financial statements is modified because of the effects of this matter on the comparability of the current year's figures and the comparative information.

## 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 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 of the Town intends to cease operations, or has no realistic alternative but to do so.

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

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

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

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

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.

Debt Limit Regulation

In accordance with Alberta regulations 255/2000, we confirm that the Town is in compliance with the Debt Limit Regulation. A detailed account of the Town's debt limit can be found in Note 11.

Supplementary Accounting Principles and Standards Regulation

In accordance with Alberta regulation 313/2000, we confirm that the Town is in compliance with the Supplementary Accounting Principles and Standards Regulation, as seen in Note 15.

Grande Prairie, Alberta

April 28, 2025

*MNP* LLP

Chartered Professional Accountants

**Town of Beaverlodge**  
**Consolidated Statement of Financial Position**  
*As at December 31, 2024*

	2024	2023
<b>Financial assets</b>		
Cash and temporary investments (Note 2)	2,415,362	2,526,040
Accounts receivable (Note 3)	799,005	1,273,495
Property tax receivable (Note 4)	264,263	206,183
Deposit asset	10,588	15,094
Investments (Note 5)	903,396	6,396
	4,392,614	4,027,208
<b>Financial liabilities</b>		
Bank indebtedness (Note 6)	1,246,729	1,110,742
Accounts payable and accruals (Note 7)	592,194	889,269
Deferred revenue (Note 8)	193,515	122,516
Deposit liabilities	124,167	187,651
Long-term debt (Note 10)	6,157,210	6,506,055
Asset retirement obligations (Note 9)	1,492,685	291,587
	9,806,500	9,107,820
<b>Net debt</b>	<b>(5,413,886)</b>	<b>(5,080,612)</b>
<b>Non-financial assets</b>		
Tangible capital assets (Schedule 2)	39,996,476	38,490,524
Prepaid expenses	2,773	2,770
<b>Total non-financial assets</b>	<b>39,999,249</b>	<b>38,493,294</b>
<b>Accumulated surplus (Note 14) (Schedule 1)</b>	<b>34,585,363</b>	<b>33,412,682</b>

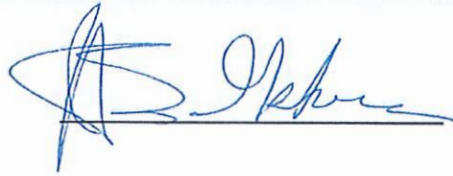
Contingencies (Note 9)

Commitments (Note 19)

Approved on behalf of Council:



Mayor



Councillor

The accompanying notes are an integral part of these financial statements

**Town of Beaverlodge**  
**Statement of Operations and Accumulated Surplus**

*For the year ended December 31, 2024*

	<i>2024 Budget</i>	<i>2024</i>	<i>2023</i>
<b>Revenue</b>			
Net municipal property taxes (Schedule 3)	3,465,566	3,430,747	3,356,988
Investment income	91,700	85,176	138,939
User fees	2,447,547	2,478,660	2,266,612
Franchise and concession contracts	280,000	285,450	272,206
Other revenue	278,943	279,652	319,223
Government transfers for operating (Schedule 4)	918,992	916,746	914,050
	<b>7,482,748</b>	<b>7,476,431</b>	<b>7,268,018</b>
<b>Program expenses</b>			
General government (Note 24.)	1,612,420	1,446,382	1,389,850
Fire and bylaws enforcement	703,543	774,009	507,155
Roads, streets, walks and lighting	1,308,108	1,776,518	1,813,362
Recreation and parks	2,135,063	2,485,669	2,309,353
Water supply and distribution	1,523,779	2,026,254	1,742,791
Family and community support services	176,503	181,091	151,566
Planning and development	36,639	20,737	28,790
<b>Total expenses</b>	<b>7,496,055</b>	<b>8,710,660</b>	<b>7,942,867</b>
<b>Excess (deficiency) of revenue over expenses before other items</b>	<b>(13,307)</b>	<b>(1,234,229)</b>	<b>(674,849)</b>
<b>Other items</b>			
Gain on disposal of tangible capital assets	-	825,979	5,000
Government transfers for capital (Schedule 4)	1,331,074	1,580,931	2,290,587
	<b>1,331,074</b>	<b>2,406,910</b>	<b>2,295,587</b>
<b>Excess of revenue over expenses</b>	<b>1,317,767</b>	<b>1,172,681</b>	<b>1,620,738</b>
<b>Accumulated surplus, beginning of year</b>	<b>-</b>	<b>33,412,682</b>	<b>31,791,944</b>
<b>Accumulated surplus, end of year (Schedule 1)</b>	<b>1,317,767</b>	<b>34,585,363</b>	<b>33,412,682</b>

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

**Town of Beaverlodge**  
**Consolidated Statement of Change in Net Debt**  
*For the year ended December 31, 2024*

	<b>2024</b> <i>Budget</i>	<b>2024</b>	<b>2023</b>
<b>Excess of revenue over expenses</b>	<b>1,317,767</b>	<b>1,172,681</b>	1,620,738
Acquisition of tangible capital assets <i>(Schedule 2)</i>	<b>(1,770,075)</b>	<b>(2,027,100)</b>	(4,129,761)
Amortization of tangible capital assets <i>(Schedule 2)</i>	<b>13,097</b>	<b>1,570,362</b>	1,228,432
Gain on sale of tangible capital assets	-	<b>(825,979)</b>	(5,000)
Proceeds on disposal of tangible capital assets	-	<b>16,200</b>	5,003
Assessment of asset retirement obligation	-	<b>(1,136,440)</b>	-
Change in prepaid expenses	-	<b>2</b>	12,370
Gift in kind on capital transfers	-	<b>897,000</b>	-
<b>Changes in net debt</b>	<b>(439,211)</b>	<b>(333,274)</b>	(1,268,218)
<b>Net debt, beginning of year</b>	<b>(3,812,394)</b>	<b>(5,080,612)</b>	(3,812,394)
<b>Net debt, end of year</b>	<b>(4,251,605)</b>	<b>(5,413,886)</b>	(5,080,612)

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

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

	<b>2024</b>	<b>2023</b>
<b>Cash provided by (used for) the following activities:</b>		
<b>Operating</b>		
Excess of revenue over expenses	1,172,681	1,620,738
Non-cash items:		
Amortization	1,570,362	1,228,432
Gain on disposal of tangible capital assets	(832,015)	(5,000)
Loss on write-down of tangible capital assets	6,036	-
	<b>1,917,064</b>	<b>2,844,170</b>
Net change in non-cash operating working capital balances:		
Decrease (increase) in deposit assets	4,506	3,387
Decrease (increase) in taxes and grants in lieu receivable	250,309	30,101
Decrease (increase) in trade and other accounts receivable	228,534	595,835
Decrease (increase) in due from County of Grande Prairie No. 1	(62,491)	(68,755)
Decrease (increase) in prepaid expenses	3	12,372
Increase (decrease) in accounts payable and accrued liabilities	(297,074)	(491,038)
Increase (decrease) in landfill closure liability	64,663	272,850
Increase (decrease) in deferred revenue	7,515	(93,291)
	<b>2,113,029</b>	<b>3,105,631</b>
<b>Financing activities</b>		
Repayment of long-term debt	(348,844)	(336,010)
<b>Capital activities</b>		
Acquisition of tangible capital assets	(2,027,100)	(4,129,761)
Proceeds from disposal of tangible capital assets	16,200	5,000
<b>Cash applied to capital transactions</b>	<b>(2,010,900)</b>	<b>(4,124,761)</b>
<b>Decrease in cash resources</b>	<b>(246,715)</b>	<b>(1,355,140)</b>
<b>Cash and equivalents, beginning of year</b>	<b>1,415,348</b>	<b>2,770,488</b>
<b>Cash and equivalents, end of year</b>	<b>1,168,633</b>	<b>1,415,348</b>
<b>Cash resources are composed of:</b>		
Cash	288,568	191,326
Temporary investments	2,126,794	2,334,764
Bank indebtedness	(1,246,729)	(1,110,742)
	<b>1,168,633</b>	<b>1,415,348</b>

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

**Town of Beaverlodge**  
**Schedule 1 - Schedule of Changes in Accumulated Surplus (Deficit)**  
*For the year ended December 31, 2024*

	<i>Unrestricted Surplus (Deficit)</i>	<i>Restricted Surplus</i>	<i>Equity in Tangible Capital Assets (Note 13)</i>	<b>2024</b>	<b>2023</b>
<b>Balance, beginning of year</b>	<b>(587,630)</b>	<b>2,307,429</b>	<b>31,692,883</b>	<b>33,412,682</b>	<b>31,791,944</b>
Excess of revenue over expenses	1,172,681	-	-	1,172,681	1,620,738
Transfer from (to) reserves	(365,883)	365,883	-	-	-
Expenses paid from reserves	36,013	(36,013)	-	-	-
Current year funds used for tangible capital assets	(3,146,941)	(16,594)	3,163,535	-	-
Annual amortization expense	1,570,362	-	(1,570,362)	-	-
Net book value of disposal of tangible capital assets	81,185	-	(81,185)	-	-
Impairment on tangible capital assets	6,036	-	(6,036)	-	-
Long-term debt repaid	(348,844)	-	348,844	-	-
Asset retirement obligations liability recognized	1,201,098	-	(1,201,098)	-	-
<b>Change in accumulated surplus</b>	<b>205,707</b>	<b>313,276</b>	<b>653,698</b>	<b>1,172,681</b>	<b>1,620,738</b>
<b>Balance, end of year</b>	<b>(381,923)</b>	<b>2,620,705</b>	<b>32,346,581</b>	<b>34,585,363</b>	<b>33,412,682</b>

**Town of Beaverlodge**  
**Schedule 2 - Schedule of Tangible Capital Assets**  
*For the year ended December 31, 2024*

	Land	Land Improvements	Buildings	Engineered Structures	Machinery & Equipment	Vehicles	Construction in progress	2024	2023
<b>Cost</b>									
Balance, beginning of year	1,816,416	621,470	7,540,557	43,576,546	2,433,663	1,306,304	1,189,044	58,484,000	54,378,658
Acquisition of tangible capital assets	30,090	-	27,522	1,151,804	153,295	73,224	591,165	2,027,100	4,129,762
Disposal of tangible capital assets	-	(2,166)	-	(86,158)	-	(12,193)	-	(100,517)	(24,420)
Write down of tangible capital assets	-	(6,036)	-	-	-	-	-	(6,036)	-
Asset retirement obligation	-	-	1,136,435	-	-	-	-	1,136,435	-
Transfer from construction in progress	-	-	-	915,249	-	-	(915,249)	-	-
<b>Balance, end of year</b>	<b>1,846,506</b>	<b>613,268</b>	<b>8,704,514</b>	<b>45,557,441</b>	<b>2,586,958</b>	<b>1,367,335</b>	<b>864,960</b>	<b>61,540,982</b>	<b>58,484,000</b>
<b>Accumulated amortization</b>									
Balance, beginning of year	-	190,265	2,248,993	14,901,545	1,815,430	837,243	-	19,993,476	18,789,463
Annual amortization	-	273,983	151,608	958,432	120,667	65,672	-	1,570,362	1,228,433
Accumulated amortization on disposals	-	(2,166)	-	(15,947)	-	(1,219)	-	(19,332)	(24,420)
<b>Balance, end of year</b>	<b>-</b>	<b>462,082</b>	<b>2,400,601</b>	<b>15,844,030</b>	<b>1,936,097</b>	<b>901,696</b>	<b>-</b>	<b>21,544,506</b>	<b>19,993,476</b>
<b>Net book value of tangible capital assets</b>	<b>1,846,506</b>	<b>151,186</b>	<b>6,303,913</b>	<b>29,713,411</b>	<b>650,861</b>	<b>465,639</b>	<b>864,960</b>	<b>39,996,476</b>	<b>38,490,524</b>
Net book value of tangible capital assets (2023)	1,816,416	431,205	5,291,564	28,675,003	472,126	615,166	1,189,044	38,490,524	

**Town of Beaverlodge**  
**Schedule 3 - Schedule of Net Municipal Taxes**  
*For the year ended December 31, 2024*

	<i>2024 Budget</i>	<i>2024</i>	<i>2023</i>
<b>Taxation</b>			
Real property taxes	4,335,150	4,175,410	4,059,730
Linear property taxes	-	113,191	106,621
Government grants in lieu of taxes	-	11,730	11,593
	<b>4,335,150</b>	<b>4,300,331</b>	<b>4,177,944</b>
<b>Requisitions</b>			
Alberta School Foundation Fund	840,960	840,960	805,355
Seniors Foundation	28,624	28,624	15,601
	<b>869,584</b>	<b>869,584</b>	<b>820,956</b>
<b>Net municipal property taxes</b>	<b>3,465,566</b>	<b>3,430,747</b>	<b>3,356,988</b>

**Town of Beaverlodge**  
**Schedule 4 - Schedule of Government Transfers**  
*For the year ended December 31, 2024*

	<i>2024 Budget</i>	<i>2024</i>	<i>2023</i>
<b>Operating</b>			
Other local governments	756,057	769,329	802,179
Provincial government	120,976	144,317	179,441
Federal government	-	3,100	2,880
	<b>877,033</b>	<b>916,746</b>	<b>984,500</b>
<b>Capital</b>			
Other local governments	-	-	620,397
Provincial government	-	1,580,931	1,670,189
	<b>-</b>	<b>1,580,931</b>	<b>2,290,586</b>
<b>Total government transfers</b>	<b>877,033</b>	<b>2,497,677</b>	<b>3,275,086</b>

**Town of Beaverlodge**  
**Schedule 5 - Schedule of Consolidated Expenses by Object**  
*For the year ended December 31, 2024*

	<i>2024 Budget</i>	<i>2024</i>	<i>2023</i>
Salaries and benefits	3,095,286	3,240,806	2,956,420
Amortization (Schedule 2)	13,097	1,570,362	1,228,432
Contract & general services	2,248,031	2,077,178	2,208,312
Materials and supplies	1,147,709	1,386,567	1,212,063
Interest on long-term debt	589,422	238,010	250,942
Transfers to other boards	33,265	33,333	31,724
Transfer to reserve accounts	277,950	-	-
Bad debt expense (recovery)	-	3,798	(153)
Other expense	81,714	160,607	55,129
	<b>7,486,474</b>	<b>8,710,661</b>	<b>7,942,869</b>

**Town of Beaverlodge**  
**Schedule 6 - Schedule of Segmented Disclosure**  
*For the year ended December 31, 2024*

	<i>General government</i>	<i>Fire and bylaws enforcement</i>	<i>Roads, streets , walks and lighting</i>	<i>Planning and development</i>	<i>Recreation and parks</i>	<i>Water supply and distribution</i>	<i>Family and community support services</i>	<b>2024</b>
<b>Revenue</b>								
Net municipal property taxes	3,430,747	-	-	-	-	-	-	3,430,747
Investment income	85,176	-	-	-	-	-	-	85,176
User fees	-	-	-	-	531,302	1,937,042	10,316	2,478,660
Franchise and concession contracts	285,450	-	-	-	-	-	-	285,450
Other revenue	107,607	98,381	7,322	4,200	50,931	-	11,210	279,651
Government transfers for operating	202,645	-	-	-	615,695	-	98,406	916,746
	<b>4,111,625</b>	<b>98,381</b>	<b>7,322</b>	<b>4,200</b>	<b>1,197,928</b>	<b>1,937,042</b>	<b>119,932</b>	<b>7,476,430</b>
<b>Expenses</b>								
Contract & general services	362,673	332,579	311,430	19,337	546,839	462,687	41,632	2,077,177
Interest on long-term debt	-	17,207	-	-	114,771	106,032	-	238,010
Bad debt expense (recovery)	3,798	-	-	-	-	-	-	3,798
Materials and supplies	55,660	111,556	382,293	1,400	458,047	372,524	5,087	1,386,567
Salaries and benefits	938,077	219,957	645,307	-	1,061,836	253,630	121,999	3,240,806
Transfers to other boards	-	-	16,593	-	16,740	-	-	33,333
Other expense	77,509	-	-	-	18,435	64,663	-	160,607
	<b>1,437,717</b>	<b>681,299</b>	<b>1,355,623</b>	<b>20,737</b>	<b>2,216,668</b>	<b>1,259,536</b>	<b>168,718</b>	<b>7,140,298</b>
<b>Excess (deficiency) of revenue over expenses before other items</b>	<b>2,673,908</b>	<b>(582,918)</b>	<b>(1,348,301)</b>	<b>(16,537)</b>	<b>(1,018,740)</b>	<b>677,506</b>	<b>(48,786)</b>	<b>336,132</b>
Amortization of tangible capital assets	(8,665)	(92,710)	(420,895)	-	(269,001)	(766,718)	(12,373)	(1,570,362)
Government transfers for capital	311,894	-	747,982	-	-	521,055	-	1,580,931
Gain on disposal of capital assets	830,815	-	-	-	-	(4,836)	-	825,979
<b>Excess (deficiency) of revenue over expenses</b>	<b>3,807,952</b>	<b>(675,628)</b>	<b>(1,021,214)</b>	<b>(16,537)</b>	<b>(1,287,741)</b>	<b>427,007</b>	<b>(61,159)</b>	<b>1,172,681</b>

**1. Significant accounting policies**

The consolidated financial statements of the Town of Beaverlodge (the "Town") are the representations of management, prepared in accordance with Canadian public sector accounting standards as 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 are as follows:

***Reporting entity***

The consolidated financial statements reflect the financial activities of the reporting entity. This entity is comprised of the municipal operations plus all organizations that are owned or controlled by the Town and are, therefore, accountable to Council for the administration of their financial affairs and resources. The consolidated financial statements exclude trust assets that are administered for the benefit of external parties.

The Town has consolidated the assets, liabilities, revenue and expenses of the following entities and departments:

- West Grande Prairie County Solid Waste Management Authority 15% (2023 - 15%)
- Beaverlodge Public Library 100% (2023 - 100%)

All inter-entity balances have been eliminated on consolidation. Transactions between departments have also been eliminated.

***Government Partnership***

The Town of Beaverlodge has entered into an agreement with the Towns of Wembley and Sexsmith, and the County of Grande Prairie No. 1 to construct, operate, and maintain a regional collection, transfer, and disposal garbage facility for the benefit of all participating municipalities under the name West Grande Prairie County Solid Waste Management Authority. The Government partnership is accounted for using proportionate consolidation. Under proportionate consolidation, only the Town of Sexsmith's interest of 15% (2023 - 15%) in the government partnership is included in the consolidated financial statements.

***Basis of accounting***

These financial statements have been 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.

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.

***Measurement uncertainty (use of estimates)***

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of tangible capital assets. Property tax revenues are based on property tax assessment values provided by the County of Grande Prairie No. 1.

Expenditures that relate to on-going environmental and remediation programs are charged against as incurred. A liability for a contaminated site reflects management's best estimate of the amount required to remediate the contaminated site. The best estimate of the liability is based upon assumptions and estimates related to the amount and timing of costs for future site remediation.

1. **Significant accounting policies** *(Continued from previous page)*

**Measurement uncertainty (use of estimates)** *(Continued from previous page)*

Changes to the underlying assumptions and estimates or legislative changes in the near term could have a material impact on the provision recognized. A liability for an asset retirement obligation reflects management's best estimate of the amount required to retire the related tangible capital asset (or component thereof). The best estimate of the liability is based upon assumptions and estimates related to the amount and timing of costs for future asset retirement.

Changes to the underlying assumptions and estimates or legislative changes in the near term could have a material impact on the provision recognized.

**Asset retirement obligation**

A liability for an asset retirement obligation reflects management's best estimate of the amount required to retire the related tangible capital asset (or component thereof). The best estimate of the liability is based upon assumptions and estimates related to the amount and timing of costs for future asset retirement.

Changes to the underlying assumptions and estimates or legislative changes in the near term could have a material impact on the provision recognized.

By their nature, these judgments are subject to measurement uncertainty, and the effect on the consolidated financial statements of changes in such estimates and assumptions in future years could be material. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in earnings in the year in which they become known.

**Cash and equivalents**

Cash and equivalents include 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 disclosed as restricted in Note 2.

**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.

**Tax sale proceeds**

Tax sale proceeds and the associated liabilities consist of the excess funds collected on the sale of seized properties put up for tax auction after outstanding property taxes were recovered by the Town. Under the *Municipal Government Act*, the Town is required to hold these funds for up to 10 years and attempt to disperse them to the former property owner.

**Property tax requisition over-levy and under-levy**

Over-levies and under-levies arise from the difference between the actual 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. **Significant accounting policies** *(Continued from previous page)*

**Revenue recognition**

**Government transfers**

The Town recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the Town recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

**Externally restricted revenue**

The Town recognizes externally restricted inflows as revenue in the period the resources are used for the purpose specified in accordance with an agreement or legislation. Until this time, the Town records externally restricted inflows in deferred revenue.

**Tax revenue**

The Town recognizes taxes as assets and revenue when they meet the definition of an asset; are authorized by a legislature, council, or legislative convention; and the taxable event has occurred.

Tax revenue is initially measured at management's best estimate of the amount resulting from the original taxable event in accordance with tax legislation. The related tax receivable is initially recognized at its realizable value at the date of acquisition. At each consolidated financial statement date, the Town evaluates the tax receivable for collectability and records a valuation allowance to reflect the tax receivable at its net recoverable amount, if necessary.

**Fines and penalties**

Traffic fine revenue is recorded as cash is received, which is not materially different than recording revenue on an accrual basis.

**Other Revenue**

Other sources of revenue are recorded when received or receivable.

**Asset classification**

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not normally provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale in the normal course of operations. Non-financial assets include tangible capital assets, inventory held for resale, and prepaid expenses.

**Tangible capital assets**

Tangible capital assets are initially recorded at cost, which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Only tangible capital assets with costs in excess of \$5,000 are capitalized. Contributed tangible assets are recorded at their fair value at the date of contribution.

When conditions indicate that a tangible capital asset no longer contributes to the Town's ability to provide goods and services, or that the value of future economic benefits associated with a tangible capital asset is less than its net book value, the Town reduces the cost of the asset to reflect the decline in its value. Write-downs of tangible capital assets are not reversed.

1. **Significant accounting policies** *(Continued from previous page)*

**Tangible capital assets** *(Continued from previous page)*  
**Amortization**

Tangible capital assets are amortized annually using the straight-line method at rates intended to amortize the cost of the assets over their estimated useful lives. One half of the amortization is charged in the year of acquisition and none in the year of disposal. No amortization is charged in the year of acquisition and disposal. Assets under construction are not amortized until the asset is available for productive use:

	<b>Years</b>
Land improvements	15-20
Buildings	25-50
Wastewater system	45-75
Other engineered structures	15-30
Machinery and equipment	5-15
Vehicles	10-25

**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.

Repayments of long-term financing are recognized as a decrease in long-term debt.

**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 (or a component thereof) at the financial statement date when there is a legal obligation for the Town to incur retirement costs in relation to a tangible capital asset (or component thereof), 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 December 31, 2024. 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 (or component thereof). The asset retirement cost is amortized over the useful life of the related asset.

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.

**Land Held for Resale**

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

**Prepaid expenses**

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

1. **Significant accounting policies** *(Continued from previous page)*

**Segments**

The Town provides a range of services to its ratepayers. For each reported segment, revenue and expenses represent only amounts that are directly attributable to the segment, no other amounts are allocated between segments. The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in Note 1.

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

Included in the General Government segment is Administration and Legislative expenditures. Included in the Protective Services segment is Bylaw Enforcement. Included in the Transportation Services segment is Roads, Streets, Walk and Lighting. Included in Planning & Development segment is Planning & Development. Included in Recreation & Culture segment is Recreation & Culture. Included in the Environmental Services segment is Water Supply and Distribution and Waste Management. Included in the Family and Community Services segment is Family and Community Services.

**Employee future benefits**

Selected employees of the Town are members of the Local Authority Pension Plan (LAPP), a multi-employer defined benefit pension plan. The trustee of this plan is the Alberta Treasurer and the plan is administered by a Board of Trustees. Since the plan is a multi-employer plan, it is accounted for as a defined contribution plan and, accordingly, the Town does not recognize its share of any plan surplus or deficit.

**Financial instruments**

The Town recognizes its financial instruments when the Town becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

At initial recognition, the Town may irrevocably elect to subsequently measure any financial instrument at fair value. The Town has not made such an election during the year.

The Town subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Transactions to purchase or sell these items are recorded on the trade date. Net gains and losses arising from changes in fair value are recognized in the statement of remeasurement gains and losses, with the exception of gains and losses on externally restricted financial assets measured at fair value, which are recognized as an increase or decrease to the associated liability until the resources are used in accordance with their specified purpose. Interest income is recognized in the statement of operations; however, interest income on externally restricted financial assets is recognized as an increase or decrease to the associated liability until the resources are used in accordance with their specified purpose. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost. With the exception of those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost using the effective interest rate method.

Transaction costs directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in operating excess of revenue over expenses.

Conversely, transaction costs are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

All financial assets except derivatives are tested annually for impairment. Management considers whether the investee has experienced continued losses for a period of years, and recent collection experience in determining whether objective evidence of impairment exists. Any impairment, which is not considered temporary, is recorded in the statement of operations. Write-downs of financial assets measured at cost and/or amortized cost to reflect losses in value are not reversed for subsequent increases in value. Reversals of any net remeasurements of financial assets measured at fair value are reported in the statement of remeasurement gains and losses.

**Portfolio investments**

Portfolio investments with prices quoted in an active market are measured at fair value while those that are not quoted in an active market are measured at cost less impairment.

**Town of Beaverlodge**  
**Notes to the Financial Statements**  
*For the year ended December 31, 2024*

**2. Cash**

	2024	2023
Cash on hand	1,278	950
Cash	287,290	190,326
Temporary investments	2,126,794	2,334,764
	2,415,362	2,526,040

Select temporary investments accrue interest monthly from 4.00% - 5.40% (2023 - 4.70% - 5.40%), with the remainder at prime less 1.60% - prime less 1.55% (2023 - prime less 1.60% - prime less 1.50%) and are drawable with 31-90 days notice with select accounts having maturity from October 2024 - April 2025.

Council has designated funds of \$2,221,847 (2023 - \$2,204,981) to reserves and \$193,515 (2023 - \$122,516) for deferred revenue.

Term deposits are held in trust by the County of Grande Prairie No. 1 on behalf of the West Grande Prairie County Solid Waste Management Authority. Included in portfolio investments are term deposits totaling \$428,289 (2023 - \$415,521).

**3. Accounts receivable**

	2024	2023
Receivable from government agencies	228,532	478,841
Trade and other accounts receivable	242,379	432,153
Goods and service tax receivable	-	94,599
Landfill receivable	331,018	268,527
	801,929	1,274,120
Less: Allowance for doubtful accounts	2,924	625
	799,005	1,273,495

**4. Property tax receivable**

	2024	2023
Municipal taxes receivable - current	173,261	171,918
Municipal taxes receivable - arrears	91,002	34,265
	264,263	206,183

**Town of Beaverlodge**  
**Notes to the Financial Statements**  
*For the year ended December 31, 2024*

**5. Investments**

	2024	2023
Alberta Capital Finance Authority shares	10	10
Mountview Health Limited Partnership	897,050	50
Alberta Association of Municipal Districts & Counties Member's Equity	235	235
United Farmers of Alberta patronage account	6,101	6,101
	<b>903,396</b>	<b>6,396</b>

In the year, land with a fair market value of \$897,000 was transferred to the Mountview Health Limited Partnership in exchange for 1000 class A units.

**6. Bank indebtedness**

The Town is approved for a revolving loan up to \$1,900,000 (2023 - \$1,200,000), bearing interest at prime rate plus 1% (2023 - prime rate plus 1%) per annum. It is available by multiple draws and is to be used to supplement cash flow. The balance is due on demand. Total withdrawal as at December 31, 2024 is \$1,246,729 (2023 - \$1,110,749).

The Town has an Alberta BusinessCard Mastercard held with ATB with a credit limit of \$100,000 (2023 - \$100,000) available. Total withdrawal as at December 31, 2024 is \$49,688 (2023 - \$72,991). This balance is included in accounts payable and accruals (Note 6). The Mastercard carries an interest rate of 19.90% (2023 - 19.90%).

Covenants related to this loan are as follows:

- a) The Town cannot create or permit to exist any mortgage, charge, lien, encumbrance or other security interest on any of its present or future assets, other than permitted encumbrances;
- b) The Town cannot sell, lease or otherwise dispose of any assets except (i) inventory sold, leased or disposed of in the ordinary course of business, (ii) obsolete equipment which is being replaced with equipment of equivalent value, and (iii) assets sold, leased, or disposed of during a fiscal year having an aggregate fair market value not exceeding \$25,000, for such fiscal year.
- c) The Town cannot provide financial assistance (by means of a loan, guarantee or otherwise) to any person or other lender; and
- d) The Town cannot pay to or for the benefit of shareholders or persons associated with shareholders (within the meaning of the Alberta Business Corporations Act) by way of salaries, bonuses, dividends, management fees, repayment of loans or otherwise, any amount which would cause the breach of a provision hereof;
- e) The Town cannot amalgamate, consolidate or merge with any person other than a Loan Party or enter into any partnership with any other person unless the partnership becomes a Loan Party hereunder and provides security in favour of ATB;
- f) The Town cannot consent or facilitate a change in ownership of shares without the prior written consent of ATB;
- g) The Town cannot acquire any assets on or move any assets to a jurisdiction where ATB has not registered the Security Documents;
- h) The Town cannot operate accounts with or otherwise conduct any banking business with any financial institution other than ATB.
- i) The Town cannot enter into any commodity, currency or interest rate hedging arrangement which is not used for risk management in relation to its business but is entered into for speculative purposes.

**Town of Beaverlodge**  
**Notes to the Financial Statements**  
*For the year ended December 31, 2024*

7. **Accounts payable and accruals**

	2024	2023
Accounts payable	411,934	577,469
Vacation and overtime payable	74,838	84,448
Salaries and wages payable	105,422	126,110
Holdbacks payable	-	101,243
	592,194	889,270

The vacation and overtime liability is comprised of amounts that employees are deferring to future years. Employees have either earned the benefits or are entitled to these benefits within the next budgetary year.

Included in salaries and wages payable is source deductions payable of \$8,877 (2023 - \$24,011).

8. **Deferred revenue**

The following table represents changes in the deferred revenue balance attributable to each major category of external restrictions:

	Balance, beginning of year	Contributions received	Revenue recognized	Balance, end of year
Municipal Sustainability Initiative - Capital	2,883	1,267,004	1,244,657	25,230
Alberta Municipal Water/Wastewater Partnership - Raw Water Pumphouse Upgrades	-	300,000	270,000	30,000
Nuvista Annual Commitment	-	30,000	-	30,000
Nuvista Naming Rights	12,493	30,000	42,493	-
Health Complex Dedicated Reserve	107,140	1,145	-	108,285
	122,516	1,628,149	1,557,150	193,515

Not included in deferred revenue above is \$25,230 (2023 - \$983,303) of Municipality Sustainability Initiative government grants and \$283,944 (2023 - \$101,642) of Canada Community Building Fund government grants that have not yet been spent nor received. They will be recorded as revenue when spent.

**Town of Beaverlodge**  
**Notes to the Financial Statements**  
*For the year ended December 31, 2024*

**9. Asset retirement obligations**

West Grande Prairie County Solid Waste Management Authority

The Town's portion of the West Grande Prairie County Solid Waste Management Authority results in a legal obligation for the closure and post-closure costs as required by Alberta Environment.

The following summarized the Town's portion of the West Grande Prairie County Solid Waste Management Authority's total net present value for the estimated costs relating to the closure and post-closure care which include the final clay cover, landscaping, surface and ground water monitoring, leachate control, and visual inspection.

The estimated total liability is based on the sum of discounted future cash flows for closure and post-closure activities for 25 years (2023 - 24 years) after closure to the year 2144 using a discount rate of 5.08% (2022 - 5.28%) and assuming annual inflation of 3.10% (2023 - 3.50%). The liability of \$356,250 (2023 - \$291,587) for the total obligation which is incurred when the site started accepting waste, irrespective of the volume of waste that has been accrued has been recorded.

	<i>2024</i>	<i>2023</i>
<b>Balance, beginning of year</b>	<b>291,587</b>	18,737
Liabilities incurred	-	285,352
Accretion	-	6,235
Change in estimated cash flows	<b>64,663</b>	(18,737)
<b>Balance, end of year</b>	<b>356,250</b>	291,587

Town of Beaverlodge hazardous materials abatement

The Town operates several buildings that were built prior to 1996. As a result, there is a likelihood that these buildings will contain hazardous materials and require abatement upon demolition or during renovations to extend their useful lives. The Town recognized a liability for the asset retirement obligation and a corresponding amount has been capitalized as an asset retirement cost and added to the carrying value of the buildings owned by the Town. The Town has hired engineers to estimate the cost of remediation. In 2024, the asset retirement obligation has been assessed at \$1,136,435. As at December 31, 2023, the Town had not assessed the asset retirement obligations, but in the current year, the estimate has since been recorded.

The Town estimated the amount of the liability using undiscounted future expenditures estimated to retire the tangible capital asset. The significant assumptions used to determine the best estimate of the liability include:

The portions of the buildings for which the liability has been setup were old construction that potentially all contain hazardous materials abatement requirements and as such estimated abatement costs apply to the entire footprint of the building that has not been significantly altered since construction.

	<i>2024</i>	<i>2023</i>
Liabilities incurred	<b>1,136,435</b>	-

**Town of Beaverlodge**  
**Notes to the Financial Statements**  
*For the year ended December 31, 2024*

**10. Long-term debt**

	<b>2024</b>	<b>2023</b>
Self-supported debentures	<b>6,157,210</b>	6,506,055

Principal repayments on long-term debt in each of the next five years are estimated as follows:

	Principal	Interest	Total
2025	364,116	228,547	592,663
2026	377,988	214,745	592,733
2026	364,341	200,386	564,727
2027	377,756	183,505	561,261
2028	391,683	169,577	561,260
Total	1,875,884	996,760	2,872,644
Thereafter	4,281,326	1,147,157	5,428,483

Debenture debt is repayable to the Alberta Capital Finance Authority and bears interest at rates ranging from 3.10% to 6.00% (2023 - 3.10% to 6.00%) per annum, before Provincial subsidy, and matures in periods 2026 through 2042.

Debenture debt is issued on the credit and security of the Town of Beaverlodge at large. Interest on debt amount to \$238,010 (2023 - \$250,942). Total cash payments for interest during the year are \$240,578 (2023 - \$253,412).

**11. Debt limits**

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

	<b>2024</b>	<b>2023</b>
Total debt limit	<b>11,214,645</b>	11,840,123
Total debt	<b>6,157,210</b>	6,506,055
Amount of debt limit unused	<b>5,057,435</b>	5,334,068
Service on debt limit	<b>1,869,108</b>	1,973,354
Service on debt	<b>589,422</b>	589,422
Amount of debt servicing limit unused	<b>1,279,686</b>	1,383,932

The debt limit is calculated as 1.5 times revenue of the municipality (as defined in Alberta Regulation 255/0000) and the debt service limit is calculated as 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 which could be at financial risk if further debt is acquired. The calculation alone does not represent the financial stability of the Town. Rather, the consolidated financial statements must be interpreted as a whole.

**Town of Beaverlodge**  
**Notes to the Financial Statements**  
*For the year ended December 31, 2024*

**12. Reserves**

	2024	2023
Capital	1,118,634	1,058,634
Landfill	783,411	699,921
Fire department	89,752	92,274
Recreation and parks	103,185	1,891
Handi-bus	-	60,000
Tax stabilization	135,036	135,036
Water/sewer reserve	25,000	-
Waste management	20,000	20,000
Equipment reserve	330,000	223,986
Insurance deductible	15,687	15,687
	2,620,705	2,307,429

**13. Equity in tangible capital assets**

	2024	2023
Tangible capital assets	61,540,981	58,484,000
Accumulated amortization	(21,544,505)	(19,993,476)
Long-term debt	(6,157,210)	(6,506,055)
Asset retirement obligations	(1,492,685)	(291,587)
	32,346,581	31,692,882

**14. Accumulated operating surplus**

Accumulated operating surplus consists of the following:

	2024	2023
Unrestricted surplus (deficit)	(2,002,658)	(587,630)
Reserves	2,620,705	2,307,429
Equity in tangible capital assets	32,346,581	31,692,882
	32,964,628	33,412,681

**Town of Beaverlodge**  
**Notes to the Financial Statements**  
*For the year ended December 31, 2024*

**15. Salaries and benefits disclosure**

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

	<i>Salary/ remuneration</i>	<i>Benefits &amp; allowances</i>	<i>2024</i>	<i>2023</i>
Gary Rycroft	22,046	-	22,046	19,700
Cynthia Corbett	18,988	-	18,988	20,500
Hugh Graw	11,448	-	11,448	14,378
Ryier Hommy	8,258	-	8,258	5,390
Gena Jones	-	-	-	2,420
Judy Kokotilo-Bekkerus	18,824	-	18,824	19,483
Calvin Mosher	13,138	-	13,138	16,240
Cody Moulds	11,933	-	11,933	13,090
CAO	270,450	45,900	316,350	261,499
Designated Officer	147,718	32,269	179,987	31,063

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

Benefits and allowances includes 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-term disability plans, professional memberships and tuition.

**16. Investments in partnerships and government business entities**

The consolidated financial statements include the accounts of the Town and its proportionate share of its government partnerships. The Town entered into a government partnership to provide landfill disposal services to the Town and surrounding area. The Town holds a 15% interest in the West Grande Prairie County Solid Waste Management Authority, which is accounted for using the proportionate consolidation method.

The following is a summary of condensed supplementary information related to the Town's proportionate share in West Grande Prairie County Solid Waste Management Authority for the year ended December 31, 2024:

	<i>2024</i>	<i>2023</i>
<b>Assets</b>		
Financial assets	791,330	708,669
Non-financial asset	240,459	532,503
<b>Total assets</b>	<b>1,031,789</b>	<b>1,241,172</b>
<b>Liabilities</b>		
Financial liabilities	359,070	295,236
<b>Total liabilities</b>	<b>359,070</b>	<b>295,236</b>
<b>Accumulated surplus</b>	<b>672,719</b>	<b>945,936</b>
<b>Total revenue</b>	<b>171,631</b>	<b>160,651</b>
<b>Total expenses</b>	<b>444,849</b>	<b>92,288</b>
<b>Excess of revenue over expenses</b>	<b>(273,218)</b>	<b>68,363</b>

**17. Local Authorities Pension Plan**

Employees of the Town participate in the Local Authorities Pension Plan ("LAPP"), which is one of the plans covered by the *Alberta Public Sector Pension Plans Act*. The LAPP serves about 291,000 members and 437 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 expenses in the year in which they become due.

The Town is required to make current service contributions to the LAPP of 8.45% of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 12.80% on pensionable earnings above this amount. Employees of the Town are required to make current service contributions of 7.45% of pensionable salary up to the year's maximum pensionable salary and 11.80% on pensionable salary above this amount.

Total current service contributions by the Town to the LAPP in 2024 were \$326,736 (2023 - \$157,861) total current service contributions by the employees of the Town to the Local Authorities Pension Plan in 2024 were \$149,588 (2023 - \$140,647).

At December 31, 2023, the date of the most recent actuarial valuation, the LAPP disclosed an actuarial surplus (in billions) of \$15.1 (2022 - surplus of \$12.7). The 2024 LAPP annual report was not available at the date of these financial statements.

**18. 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.

**19. Commitments**

The Town is committed to make annual payments for multiple operating leases for which they have entered for various equipment over the next 3 years as follows:

2025	12,687
2026	12,687
2027	9,763
	35,138
	35,138

**20. Financial Instruments**

The Town's financial instruments consist of cash and portfolio 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 accounts 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 fulfil their obligations. The large number and diversity of taxpayers and customers minimizes the credit risk.

The Town is subject to interest rate risk with respect to bank indebtedness which bear interest on the basis of the prime lending rate. Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk. The Town is exposed to interest rate risk with respect to cash and temporary investments which are subject to floating interest rates as detailed in Note 2. The Town's cash on hand and reserve balance minimize this interest rate risk. The prime lending rate at December 31, 2024 was 5.45% (2023 - 7.20%).

**Town of Beaverlodge**  
**Notes to the Financial Statements**  
*For the year ended December 31, 2024*

---

**21. Comparative figures**

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

**22. Approval of financial statements**

Council and Management have approved these financial statements.

**23. Budget reconciliation**

The disclosed budget information has been approved by the Mayor and Council of the Town of Beaverlodge on March 25, 2024. The original approved 2024 budget is presented in the financial statements in accordance with Public Sector Accounting Standards.

The annual operating budget is prepared based upon the Town's annual fiscal plan, therefore, a reconciliation of the budgeted surplus as disclosed in these consolidated financial statements to the budget as approved by Council is required under Public Sector Accounting Board Standards.

	<i>2024</i>
Budget surplus per consolidated financial statements	1,317,767
Budgeted Capital Expenditures	(1,331,074)
Subsidiary Budget - West Grande Prairie County Solid Waste Management Authority	13,307

**24. Mountview Health Complex**

Included in General Government is budgeted spending of \$81,540, with actual spending of \$69,932 in 2024 related to the Mountview Health Complex.