

# **TOWN OF MAYERTHORPE**

**Financial Statements**

**For The Year Ended December 31, 2024**

## **INDEPENDENT AUDITORS' REPORT**

To the Mayor and Council of the Town of Mayerthorpe

### *Opinion*

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

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

### *Basis for Opinion*

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

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

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

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

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

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*Auditors' Responsibilities for the Audit of the Financial Statements*

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

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

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

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

Chartered Professional Accountants

Edmonton, Alberta  
April 28, 2025

**TOWN OF MAYERTHORPE**  
**Statement of Financial Position**  
**As at December 31, 2024**

	<u>2024</u>	<u>2023</u>
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents (Note 2)	\$ 1,745,102	\$ 451,648
Accounts receivable (Note 3)	753,808	713,036
Local improvements receivable (Note 4)	573,068	642,588
Land held for resale	67,680	70,020
Long-term investments	<u>9,559</u>	<u>9,531</u>
	<u>3,149,217</u>	<u>1,886,823</u>
 <b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 6)	590,737	492,317
Deposit liabilities	1,650	2,450
Deferred revenue (Note 7)	724,919	462,846
Long-term debt (Note 8)	<u>3,401,804</u>	<u>2,431,734</u>
	<u>4,719,110</u>	<u>3,389,347</u>
 <b>NET FINANCIAL DEBT</b>	<u>(1,569,893)</u>	<u>(1,502,524)</u>
 <b>NON-FINANCIAL ASSETS</b>		
Inventory for consumption	115,261	151,994
Prepaid expenses	33,071	36,209
Tangible capital assets (Schedule 1)	<u>27,187,262</u>	<u>27,494,131</u>
	<u>27,335,594</u>	<u>27,682,334</u>
 <b>ACCUMULATED SURPLUS</b> (Note 10)	<u>\$ 25,765,701</u>	<u>\$ 26,179,810</u>
 <b>CONTINGENCIES</b> (Note 11)		

**ON BEHALF OF TOWN COUNCIL:**

\_\_\_\_\_  
*Mayor*

\_\_\_\_\_  
*Deputy Mayor*

**TOWN OF MAYERTHORPE**  
**Statement of Operations and Accumulated Surplus**  
**For The Year Ended December 31, 2024**

	Budget 2024 (Note 18)	Actual 2024	Actual 2023
<b>REVENUE</b>			
Net taxation (Schedule 2)	\$ 1,733,566	\$ 1,696,739	\$ 1,627,607
User fees and sales of goods	1,307,579	1,272,806	1,218,955
Government transfers for operating (Schedule 3)	2,108,231	775,450	698,529
Franchise fees (Note 14)	271,168	277,187	216,929
Other	118,477	74,781	72,280
Investment income	29,900	54,141	48,986
Penalties on taxes	50,000	49,145	68,468
Licenses and permits	24,850	22,229	15,797
Fines	26,750	19,008	18,219
	<u>5,670,521</u>	<u>4,241,486</u>	<u>3,985,770</u>
<b>EXPENSES</b>			
Administration	677,685	716,908	533,206
Parks and recreation	802,197	701,707	681,654
Roads, streets, walks and lighting	686,869	690,800	550,788
Water supply and distribution	435,067	458,135	383,517
Protective services	205,273	180,203	197,532
Wastewater treatment and disposal	171,299	162,037	133,694
Fire services	178,639	155,174	124,729
Family and community support services	175,955	141,164	138,234
Waste management	131,514	134,949	124,631
Public transit	118,773	119,078	117,047
Council and legislative	150,315	117,569	120,333
Planning and development	501,518	115,391	204,606
Library	74,613	72,724	70,578
Cemeteries	67,484	39,381	41,409
Disaster and emergency services	36,221	36,409	24,822
Storm sewers and drainage	27,400	12,953	22,782
Amortization	-	1,081,061	1,139,435
	<u>4,440,822</u>	<u>4,935,643</u>	<u>4,608,997</u>
<b>ANNUAL SURPLUS (DEFICIT) BEFORE OTHER ITEMS</b>	<u>1,229,699</u>	<u>(694,157)</u>	<u>(623,227)</u>
<b>OTHER REVENUE (EXPENSES)</b>			
Government transfers for capital (Schedule 3)	<u>2,511,400</u>	<u>280,048</u>	<u>169,795</u>
<b>ANNUAL SURPLUS (DEFICIT)</b>	3,741,099	(414,109)	(453,432)
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<u>26,179,810</u>	<u>26,179,810</u>	<u>26,633,242</u>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<u>\$ 29,920,909</u>	<u>\$ 25,765,701</u>	<u>\$ 26,179,810</u>

**TOWN OF MAYERTHORPE**  
**Statement of Changes in Net Financial Debt**  
**For The Year Ended December 31, 2024**

	Budget 2024 (Note 18)	Actual 2024	Actual 2023
<b>ANNUAL SURPLUS (DEFICIT)</b>	\$ <u>3,741,099</u>	\$ <u>(414,109)</u>	\$ <u>(453,432)</u>
Acquisition of tangible capital assets	(4,401,509)	(774,192)	(187,184)
Amortization of tangible capital assets	-	1,081,061	1,139,435
Loss on disposal of tangible capital assets	<u>-</u>	<u>-</u>	<u>-</u>
	<u>(4,401,509)</u>	<u>306,869</u>	<u>952,251</u>
Use (acquisition) of prepaid expenses	-	3,138	(15,170)
Use (acquisition) of inventory	<u>-</u>	<u>36,733</u>	<u>(9,512)</u>
	<u>-</u>	<u>39,871</u>	<u>(24,682)</u>
<b>DECREASE (INCREASE) IN NET FINANCIAL DEBT</b>	(660,410)	(67,369)	474,137
<b>NET FINANCIAL DEBT, BEGINNING OF YEAR</b>	<u>(1,502,524)</u>	<u>(1,502,524)</u>	<u>(1,976,661)</u>
<b>NET FINANCIAL DEBT, END OF YEAR</b>	\$ <u><u>(2,162,934)</u></u>	\$ <u><u>(1,569,893)</u></u>	\$ <u><u>(1,502,524)</u></u>

**TOWN OF MAYERTHORPE**  
**Statement of Cash Flows**  
**For The Year Ended December 31, 2024**

	<u>2024</u>	<u>2023</u>
<b>OPERATING ACTIVITIES</b>		
Annual surplus (deficit)	\$ (414,109)	\$ (453,432)
Non-cash items included in annual surplus:		
Amortization of tangible capital assets	<u>1,081,061</u>	<u>1,139,435</u>
	<u>666,952</u>	<u>686,003</u>
Change in non-cash working capital balances:		
Accounts receivable	(40,772)	(96,786)
Local improvements receivable	69,520	85,314
Inventory of supplies	36,733	(9,512)
Prepaid expenses	3,138	(15,170)
Land held for resale	2,340	-
Accounts payable and accrued liabilities	98,416	78,143
Deposit liabilities	(800)	(125)
Deferred revenue	<u>262,073</u>	<u>52,356</u>
	<u>430,648</u>	<u>94,220</u>
	<u>1,097,600</u>	<u>780,223</u>
<b>FINANCING ACTIVITIES</b>		
Proceeds from long-term debt	1,170,716	-
Repayment of long-term debt	<u>(200,643)</u>	<u>(206,558)</u>
	<u>970,073</u>	<u>(206,558)</u>
<b>CAPITAL ACTIVITIES</b>		
Acquisition of tangible capital assets	(774,192)	(187,184)
Long term investments	<u>(27)</u>	<u>(182)</u>
	<u>(774,219)</u>	<u>(187,366)</u>
<b>CHANGE IN CASH AND CASH EQUIVALENTS FOR THE YEAR</b>	<b>1,293,454</b>	<b>386,299</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u><b>451,648</b></u>	<u><b>65,349</b></u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u><b>\$ 1,745,102</b></u>	<u><b>\$ 451,648</b></u>

**TOWN OF MAYERTHORPE**  
**Schedule of Tangible Capital Assets**  
**For The Year Ended December 31, 2024**

**Schedule 1**

	<u>Land</u>	<u>Land Improvements</u>	<u>Buildings</u>	<u>Engineered Structures</u>	<u>Machinery and Equipment</u>	<u>Vehicles</u>	<u>2024</u>	<u>2023</u>
<b>COST:</b>								
Balance, Beginning of Year	\$ 138,939	\$ 117,531	\$ 9,810,359	\$ 35,102,968	\$ 1,450,373	\$ 624,757	\$ <b>47,244,927</b>	\$ 47,097,164
Acquisition of tangible capital assets	401,530	22,325	-	170,629	156,601	23,107	<b>774,192</b>	187,184
Disposal of tangible capital assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(39,421)</u>
Balance, End of Year	<u>540,469</u>	<u>139,856</u>	<u>9,810,359</u>	<u>35,273,597</u>	<u>1,606,974</u>	<u>647,864</u>	<u><b>48,019,119</b></u>	<u>47,244,927</u>
<b>ACCUMULATED AMORTIZATION:</b>								
Balance, Beginning of Year	-	30,442	2,482,346	15,839,613	949,732	448,663	<b>19,750,796</b>	18,650,783
Annual amortization	-	6,853	204,222	708,918	118,150	42,918	<b>1,081,061</b>	1,139,435
Accumulated amortization on disposals	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(39,421)</u>
Balance, End of Year	<u>-</u>	<u>37,295</u>	<u>2,686,568</u>	<u>16,548,531</u>	<u>1,067,882</u>	<u>491,581</u>	<u><b>20,831,857</b></u>	<u>19,750,796</u>
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<u><b>\$ 540,469</b></u>	<u><b>\$ 102,561</b></u>	<u><b>\$ 7,123,791</b></u>	<u><b>\$ 18,725,066</b></u>	<u><b>\$ 539,092</b></u>	<u><b>\$ 156,283</b></u>	<u><b>\$ 27,187,262</b></u>	<u><b>\$ 27,494,131</b></u>

Cost includes construction in progress of \$112,204 (2023 - \$63,182). These amounts are not amortized until the asset is completed and in use.



**TOWN OF MAYERTHORPE**  
**Schedule of Property Taxes**  
**For The Year Ended December 31, 2024**

**Schedule 2**

	<u>2024</u> (Budget) (Note 18)	<u>2024</u> (Actual)	<u>2023</u> (Actual)
<b>TAXATION</b>			
Real property taxes	\$ 1,969,739	<b>\$ 1,932,311</b>	\$ 1,854,513
Linear property taxes	52,820	<b>65,562</b>	58,217
Government grants in place of property taxes	<u>23,307</u>	<u><b>25,634</b></u>	<u>23,116</u>
	<u>2,045,866</u>	<u><b>2,023,507</b></u>	<u>1,935,846</u>
<b>DEDUCT:</b>			
Education requisition	290,000	<b>300,440</b>	286,528
Seniors Foundation requisition	22,100	<b>26,328</b>	21,711
Designated Industrial Property requisition	<u>200</u>	<u>-</u>	<u>-</u>
	<u>312,300</u>	<u><b>326,768</b></u>	<u>308,239</u>
<b>NET MUNICIPAL PROPERTY TAXES</b>	<u><b>\$ 1,733,566</b></u>	<u><b>\$ 1,696,739</b></u>	<u><b>\$ 1,627,607</b></u>

**TOWN OF MAYERTHORPE**  
**Schedule of Government Transfers**  
**For The Year Ended December 31, 2024**

**Schedule 3**

	<u>2024</u> (Budget) (Note 18)	<u>2024</u> (Actual)	<u>2023</u> (Actual)
<b>GOVERNMENT TRANSFERS FOR OPERATING</b>			
Provincial	\$ 410,748	\$ <b>456,176</b>	\$ 382,407
Local Governments	1,697,483	<b>299,928</b>	315,962
Federal	<u>-</u>	<u><b>19,346</b></u>	<u>160</u>
	2,108,231	<b>775,450</b>	698,529
<b>GOVERNMENT TRANSFERS FOR CAPITAL</b>			
Provincial	2,511,400	<b>217,908</b>	148,541
Federal	<u>-</u>	<u><b>62,140</b></u>	<u>21,254</u>
	<u>2,511,400</u>	<u><b>280,048</b></u>	<u>169,795</u>
	<u>\$ 4,619,631</u>	<u>\$ <b>1,055,498</b></u>	<u>\$ 868,324</u>

**TOWN OF MAYERTHORPE**  
**Schedule of Segmented Information**  
**For The Year Ended December 31, 2024**

**Schedule 4**

	General Administration	Protective Services	Transportation Services	Planning and Development	Recreation and Culture	Environmental Services	Community Services	2024	2023
<b>REVENUE</b>									
Net taxation	\$ 1,696,739	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,696,739	\$ 1,627,607
User fees and sale of goods	8,977	63,270	4,915	24,455	119,819	992,968	58,402	1,272,806	1,218,955
Government transfers	170,544	40,812	347,745	27,120	252,925	71,002	145,350	1,055,498	868,325
Franchise fees	277,187	-	-	-	-	-	-	277,187	216,929
Other revenues	133,789	29,695	12	3,330	32,307	9,441	10,730	219,304	223,749
	<u>2,287,236</u>	<u>133,777</u>	<u>352,672</u>	<u>54,905</u>	<u>405,051</u>	<u>1,073,411</u>	<u>214,482</u>	<u>4,521,534</u>	<u>4,155,565</u>
<b>EXPENSES</b>									
Salaries, wages and benefits	426,863	136,184	211,962	42,313	277,484	283,516	150,481	1,528,803	1,648,912
Materials, goods and utilities	42,359	52,262	449,215	7,138	256,562	186,581	108,027	1,102,144	845,676
Contracted and general services	354,642	179,982	9,659	93,740	188,932	208,614	30,180	1,065,749	914,459
Interest on long-term debt	-	-	19,964	1,877	-	89,054	-	110,895	90,279
Government transfers	-	3,358	-	459	50,638	-	10,227	64,682	70,629
Bank charges and short-term interest	4,798	-	-	-	175	-	-	4,973	5,252
Other expenses (recovery)	5,815	-	-	(30,136)	641	308	708	(22,664)	(105,645)
Amortization of tangible capital assets	50,180	41,333	330,190	2,061	298,012	358,693	592	1,081,061	1,139,435
	<u>884,657</u>	<u>413,119</u>	<u>1,020,990</u>	<u>117,452</u>	<u>1,072,444</u>	<u>1,126,766</u>	<u>300,215</u>	<u>4,935,643</u>	<u>4,608,997</u>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<u>\$ 1,402,579</u>	<u>\$ (279,342)</u>	<u>\$ (668,318)</u>	<u>\$ (62,547)</u>	<u>\$ (667,393)</u>	<u>\$ (53,355)</u>	<u>\$ (85,733)</u>	<u>\$ (414,109)</u>	<u>\$ (453,432)</u>

**1. SIGNIFICANT ACCOUNTING POLICIES**

These financial statements are the representations of the Town of Mayerthorpe's (the "Town") management prepared in accordance with Canadian public sector accounting standards. Significant aspects of the accounting policies adopted by the Town are as follows:

**(a) Reporting Entity**

These financial statements reflect the assets, liabilities, revenue, and expenses, and changes in equity balances and cash flows of the Town.

**(b) Basis of Accounting**

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

**(c) Use of Estimates**

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

**(d) Government Transfers**

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

**(e) Requisition of Over-Levies and Under-Levies**

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. In situations 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.

**(f) Cash and Cash Equivalents**

Cash and cash equivalents includes bank accounts, petty cash and guaranteed investment certificates. All amounts are readily converted into known amounts of cash and are subject to an insignificant change in value.

**(g) Inventories**

Inventories for consumption are valued at the lower of cost and net realizable value with cost determined by the average cost method.

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 leveling charges. Related development costs incurred to provide infrastructure such as water and wastewater services, roads, sidewalks, and street lighting are recorded as capital assets under their respective function.

*(Continues)*

**1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(h) 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 annual surplus, provides the consolidated change in net financial assets for the year.

**i) Tangible Capital Assets**

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over the estimated useful life as follows:

Land improvements	15-50 years
Buildings	50 years
Engineered structures	5-75 years
Machinery and equipment	5-20 years
Vehicles	10-20 years

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.

**(i) Tax Revenue**

Property taxes are recognized as revenue in the year they are levied.

Construction and borrowing costs associated with local improvement projects are recovered through annual special assessments during the period of the related borrowings. These levies are collectable from property owners for work performed by the municipality and are recognized as revenue in the year the tax is levied.

*(Continues)*

**1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(j) Asset Retirement Obligations**

Asset retirement obligations are legal obligations associated with the retirement of tangible capital assets. Asset retirement activities include all activities relating to an asset retirement obligation. These may include:

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

A liability for an asset retirement obligation is recognized when, as at the financial reporting date:

- i. there is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- ii. the past transaction or event giving rise to the liability has occurred;
- iii. it is expected that future economic benefits will be given up; and
- iv. a reasonable estimate of the amount can be made.

When a liability for an asset retirement obligation is recognized, asset retirement costs related to recognized tangible capital assets in productive use are capitalized by increasing the carrying amount of the related asset and are amortized over the estimated useful life of the underlying tangible capital asset. Asset retirement costs related to unrecognized tangible capital assets and those not in productive use are expensed.

It is in management's opinion that the Town does not have any significant asset retirement obligations to record on the Statement of Financial Position.

**(k) Liability for Contaminated Sites**

Contaminated sites are the result of a chemical, organic or radioactive material or live organism in amounts that exceed an environmental standard being introduced into soil, water or sediment. The Town recognizes a liability for remediation of contaminated sites when the following criteria have been met:

- an environmental standard exists;
- there is evidence that contamination exceeds an environmental standard;
- the Town is directly responsible or accepts responsibility for the contamination;
- it is expected that future economic benefits will be given up; and
- a reasonable estimate of the amount can be made.

Sites that are currently in productive use are only considered contaminated sites if an unexpected event results in remediation. In cases where the Town's responsibility is not determinable, a contingent liability may be disclosed.

The liability reflects the Town's best estimate, as of December 31, 2024 of the amount required to remediate non-productive sites to the current minimum standard of use prior to contamination. Where possible, provisions for remediation are based on environmental assessments completed on a site; for those sites where an assessment has not been completed, estimates of the remediation are completed using information available for the site and by extrapolating from the cost to clean up similar sites. The liability is recorded net of any estimated recoveries from third parties. When cash flows are expected to occur over extended future periods the Town will measure the liability using present value techniques.

(Continues)

**1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(I) Financial instruments**

*Measurement of financial instruments*

The Town initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instruments.

The Town subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the annual surplus (deficit).

Financial assets measured at amortized cost include cash and cash equivalents, accounts receivable and local improvement receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and long-term debt.

The Town has no financial assets measured at fair value.

*Impairment*

Financial assets measured at cost are tested for impairment annually or when there are indicators of impairment. The amount of the write-down is recognized in the annual surplus (deficit). The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the annual surplus (deficit).

*Transaction costs*

The Town recognizes its transaction costs in the annual surplus (deficit) in the period incurred. However, the carrying amount of the financial instruments that will not be subsequently measured at fair value is reflected in the transaction costs that are directly attributable to their organization, issuance or assumption.

**2. CASH AND CASH EQUIVALENTS**

	<b><u>2024</u></b>	<b><u>2023</u></b>
Bank accounts	\$ 1,736,288	\$ 444,803
Guaranteed investment certificate	7,782	5,775
Petty cash	<u>1,032</u>	<u>1,070</u>
	<b><u>\$ 1,745,102</u></b>	<b><u>\$ 451,648</u></b>

The guaranteed investment certificate bears interest at a rate of 4.85% per annum and matures on March 14, 2025.

**TOWN OF MAYERTHORPE**  
**Notes to Financial Statements**  
**For The Year Ended December 31, 2024**

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**3. ACCOUNTS RECEIVABLE**

	<u>2024</u>	<u>2023</u>
Property taxes	\$ 547,398	\$ 513,342
Trade	139,307	209,693
Utilities	98,227	86,528
Goods and Services Tax	<u>21,610</u>	<u>14,544</u>
	806,542	824,107
Allowance for doubtful accounts	<u>(52,734)</u>	<u>(111,071)</u>
	<u>\$ 753,808</u>	<u>\$ 713,036</u>

**4. LOCAL IMPROVEMENTS RECEIVABLE**

	<u>2024</u>	<u>2023</u>
Local improvement bylaw #1052, expiring 2036	\$ 288,600	\$ 310,800
Local improvement bylaw #1068, expiring 2037	90,649	97,622
Local improvement bylaw #1050, expiring 2036	68,760	74,491
Local improvement bylaw #1036, expiring 2040	59,120	62,815
Local improvement bylaw #896, expiring 2026	25,066	37,599
Local improvement bylaw #1053, expiring 2041	14,772	18,055
Local improvement bylaw #1142, expiring 2034	14,115	14,899
Local improvement bylaw #937, expiring 2029	10,558	12,670
Local improvement bylaw #1002, expiring 2028	1,428	1,784
Local improvement bylaw #1015, expiring 2024	-	1,428
Local improvement bylaw #1013, expiring 2024	-	4,610
Local improvement bylaw #1012, expiring 2024	-	1,056
Local improvement bylaw #1011, expiring 2024	<u>-</u>	<u>4,759</u>
	<u>\$ 573,068</u>	<u>\$ 642,588</u>

**5. BANK INDEBTEDNESS**

The Town is approved for a revolving demand loan of \$800,000 that is available, if needed, for operating cash flow. The interest rate is set at prime plus 1%.

**6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<u>2024</u>	<u>2023</u>
Trade	\$ 420,518	\$ 345,602
Contaminated sites ( <i>Note 19</i> )	100,000	100,000
Vacation and banked time	45,687	35,248
Accrued interest on long-term debt	24,532	8,082
Construction holdbacks	<u>-</u>	<u>3,385</u>
	<u>\$ 590,737</u>	<u>\$ 492,317</u>



**TOWN OF MAYERTHORPE**  
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**For The Year Ended December 31, 2024**

**7. DEFERRED REVENUE**

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

	<u>Opening</u>	<u>Receipts</u>	<u>Revenue</u>	<u>Ending</u>
Local Government Fiscal Framework \$	-	\$ 439,173	\$ (158,678)	\$ <b>280,495</b>
Canada Community Building Fund	112,890	130,348	(79,157)	<b>164,081</b>
Other grants	85,622	283,603	(206,412)	<b>162,813</b>
MSI Capital	223,606	4,178	(146,330)	<b>81,454</b>
Prepaid user fees and licenses	<u>40,728</u>	<u>36,075</u>	<u>(40,727)</u>	<u><b>36,076</b></u>
	<u>\$ 462,846</u>	<u>\$ 893,377</u>	<u>\$ (631,304)</u>	<u>\$ <b>724,919</b></u>

**8. LONG-TERM DEBT**

	<u>2024</u>	<u>2023</u>
Debenture debt held by the Government of Alberta, repayable in semi-annual installments of \$17,007 including interest at 4.960%; due September 16, 2054.	\$ <b>528,056</b>	\$ -
Debenture debt held by the Government of Alberta, repayable in semi-annual installments of \$27,651 including interest at 4.268%; due December 15, 2035.	<b>481,463</b>	515,134
Debenture debt held by the Government of Alberta, repayable in semi-annual installments of \$21,029 including interest at 2.915%; due December 15, 2037.	<b>452,381</b>	480,633
Debenture debt held by the Government of Alberta, repayable in semi-annual installments of \$13,268 including interest at 5.220%; due March 15, 2054.	<b>397,172</b>	-
Debenture debt held by the Government of Alberta, repayable in semi-annual installments of \$18,531 including interest at 4.589%; due December 15, 2034.	<b>294,572</b>	317,330
Debenture debt held by the Government of Alberta, repayable in semi-annual installments of \$14,920 including interest at 3.058%; due December 15, 2036.	<b>281,654</b>	300,818
Debenture debt held by the Government of Alberta, repayable in semi-annual installments of \$12,087 including interest at 3.130%; due September 15, 2037.	<b>256,566</b>	272,339
Debenture debt held by the Government of Alberta, repayable in semi-annual installments of \$7,815 including interest at 4.960%; due September 16, 2054.	<b>242,660</b>	-
Debenture debt held by the Government of Alberta, repayable in semi-annual installments of \$4,898 including interest at 3.130%; due September 15, 2037.	<b>96,743</b>	102,691

(Continues)

**TOWN OF MAYERTHORPE**  
**Notes to Financial Statements**  
**For The Year Ended December 31, 2024**

**8. LONG-TERM DEBT (CONT'D)**

	<u><b>2024</b></u>	<u><b>2023</b></u>
Debenture debt held by the Government of Alberta, repayable in semi-annual installments of \$6,635 including interest at 2.922%; due June 15, 2032.	<b>88,801</b>	99,248
Debenture debt held by the Government of Alberta, repayable in semi-annual installments of \$3,838 including interest at 3.022%; due March 15, 2037.	<b>79,426</b>	84,586
Debenture debt held by the Government of Alberta, repayable in semi-annual installments of \$2,651 including interest at 3.039%; due December 15, 2040.	<b>66,780</b>	69,979
Debenture debt held by the Government of Alberta, repayable in semi-annual installments of \$10,469 including interest at 4.699%; due September 15, 2026.	<b>39,529</b>	57,958
Debenture debt held by the Government of Alberta, repayable in semi-annual installments of \$1,204 including interest at 3.245%; due December 15, 2041.	<b>31,284</b>	32,644
Debenture debt held by the Government of Alberta, repayable in semi-annual installments of \$6,925 including interest at 2.299%; due December 15, 2026.	<b>26,921</b>	39,927
Debenture debt held by the Government of Alberta, repayable in semi-annual installments of \$1,428 including interest at 4.589%; due December 15, 2034.	<b>22,707</b>	24,462
Debenture debt held by the Government of Alberta, repayable in semi-annual installments of \$1,428 including interest at 2.297%; due December 15, 2034.	<b>13,674</b>	14,325
Debenture debt held by the Government of Alberta, repayable in semi-annual installments of \$359 including interest at 3.295%; due December 16, 2028.	<b>1,415</b>	1,741
Debenture was retired during the year	<u>-</u>	<u>17,919</u>
	<u><b>\$ 3,401,804</b></u>	<u><b>\$ 2,431,734</b></u>

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 203,838	\$ 135,930	\$ 339,768
2026	211,481	128,287	339,768
2027	184,314	120,666	304,980
2028	191,246	113,734	304,980
2029	198,067	106,532	304,599
Thereafter	<u>2,412,858</u>	<u>998,810</u>	<u>3,411,668</u>
	<u><b>\$ 3,401,804</b></u>	<u><b>\$ 1,603,959</b></u>	<u><b>\$ 5,005,763</b></u>

Interest on long-term debt expense amounted to \$110,895 (2023 - \$90,280).

The Town's total cash payments for interest amounted to \$94,445 (2023 - \$90,999).

**TOWN OF MAYERTHORPE**  
**Notes to Financial Statements**  
**For The Year Ended December 31, 2024**

**9. EQUITY IN TANGIBLE CAPITAL ASSETS**

	<u>2024</u>	<u>2023</u>
Tangible capital assets (Schedule 1)	\$ 48,019,119	\$ 47,244,927
Accumulated amortization (Schedule 1)	(20,831,857)	(19,750,796)
Long-term debt (Note 8)	(3,401,804)	(2,431,734)
Unspent long-term debt related to future projects	757,555	-
Local improvements receivable (Note 4)	<u>573,068</u>	<u>642,588</u>
	<u>\$ 25,116,081</u>	<u>\$ 25,704,985</u>

**10. ACCUMULATED SURPLUS**

	<u>2024</u>	<u>2023</u>
<b>UNRESTRICTED SURPLUS (DEFICIT)</b>	<u>\$ 12,064</u>	<u>\$ (261,481)</u>
<b>RESTRICTED SURPLUS</b>		
Administration	4,189	24,309
Bylaw enforcement	15,066	15,066
Cemetery	17,052	48,963
Culture	21,811	22,350
Disaster services	19,292	19,292
Economic development	52,562	75,162
Emergency response centre	69,255	69,255
Environmental	36,583	36,583
Fire	163,196	163,196
Murals	4,828	4,828
Planning	55,409	55,409
Public transit	61,066	61,066
Public works	11,008	29,858
Recreation	30,631	35,361
Sewer	2,342	2,342
Solid waste	26,187	26,187
Storm sewer and drainage	4,057	4,057
Utility	15,455	15,455
Water	<u>27,567</u>	<u>27,567</u>
	<u>637,556</u>	<u>736,306</u>
<b>EQUITY IN TANGIBLE CAPITAL ASSETS (Note 9)</b>	<u>25,116,081</u>	<u>25,704,985</u>
	<u>\$ 25,765,701</u>	<u>\$ 26,179,810</u>

**11. CONTINGENCIES**

The Town is a member of the MUNIX Reciprocal Insurance Exchange. 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.

**TOWN OF MAYERTHORPE**  
**Notes to Financial Statements**  
**For The Year Ended December 31, 2024**

**12. SALARIES 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:

	<u>Salary (1)</u>	<u>Benefits (2)</u>	<u>2024</u> <u>Total</u>	<u>2023</u> <u>Total</u>
Mayor Janet Jabush	\$ 19,185	\$ 933	\$ 20,118	\$ 16,205
Councillors				
Sandra Morton	13,440	-	13,440	12,923
Anna Greenwood	11,265	462	11,727	10,943
Esther Sonnenberg	9,880	379	10,259	10,519
Pat Burns	9,920	-	9,920	10,320
Kyler Mason (3)	8,685	326	9,011	-
Rebecca Wells	8,405	-	8,405	10,122
Marc Claybrook (4)	-	-	-	8,361
Chief Administrative Officer ( <i>current</i> )	127,500	-	127,500	-
Chief Administrative Officer ( <i>interim</i> )	66,860	-	66,860	24,703
Chief Administrative Officer ( <i>former</i> )	-	-	-	218,259
Designated Officers (5, 2023 - 6)	299,338	48,987	348,325	292,485

(1) Salary includes regular base pay, per diem payments and any other direct cash remuneration.

(2) Benefits and allowances include the employer's share of the employee benefits and contributions made on behalf of employees including pension and health care benefits.

(3) Acclaimed on January 29, 2024.

(4) Resigned in November 2023.

**13. DEBT LIMITS**

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

	<u>2024</u>	<u>2023</u>
Total debt limit	\$ 6,362,229	\$ 5,978,655
Total debt	<u>(3,401,804)</u>	<u>(2,431,734)</u>
Amount of total debt limit unused	<u>\$ 2,960,425</u>	<u>\$ 3,546,921</u>
Debt servicing limit	\$ 1,060,372	\$ 996,443
Debt servicing	<u>(339,768)</u>	<u>(281,820)</u>
Amount of debt servicing limit unused	<u>\$ 720,604</u>	<u>\$ 714,623</u>

The debt limit is calculated at 1.50 times revenue of the Town (as defined in the Alberta Regulation 255/2000) 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 a conservative guideline used by Alberta Municipal Affairs to identify municipalities that could be at a financial risk if further debt is acquired. The calculation taken alone does not represent the financial stability of the Town. Rather, the financial statements must be interpreted as a whole.

#### **14. FRANCHISE FEES**

Disclosure of franchise fees under each utility franchise agreement entered into by the Town as required by Alberta Regulation 313/2000 is as follows:

	<u>2024</u> (Budget) (Note 18)	<u>2024</u> (Actual)	<u>2023</u> (Actual)
Fortis Alberta	\$ 169,023	\$ <b>172,738</b>	\$ 135,740
ATCO Gas	<u>102,145</u>	<u><b>104,449</b></u>	<u>81,189</u>
	<u>\$ 271,168</u>	<u>\$ <b>277,187</b></u>	<u>\$ 216,929</u>

#### **15. LOCAL AUTHORITIES PENSION PLAN**

Employees of the Town participate in the Local Authorities Pension Plan (LAPP), which is covered by the *Public Sector Pension Plans Act*. LAPP is financed by employer and employee contributions and investment earnings of the LAPP Fund.

The Town is required to make current service contributions to the Plan of 8.45% (2023 - 8.45%) of pensionable earnings up to the Canada Pension Plan year's maximum pensionable earnings and 11.65% (2023 - 12.23%) for the excess. Employees of the Town are required to make current service contributions of 7.45% (2023 - 7.45%) of pensionable earnings up to the year's maximum pensionable earnings and 10.65% (2023 - 11.23%) on pensionable earnings above this amount.

Total current and past service contributions made by the Town to the LAPP in 2024 were \$45,088 (2023 - \$68,341). Total current and past service contributions made by the employees of the Town to the LAPP in 2024 were \$40,191 (2023 - \$61,089).

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

#### **16. APEX SUPPLEMENTARY PENSION PLAN**

The APEX supplementary pension plan, and Alberta Urban Municipality Association (AUMA) sponsored defined benefit pension plan covered under the provisions of the Alberta Employment Pensions Plans Act commenced on January 1, 2003 and provides supplementary pension benefits to a prescribed class of employees (approximately 124 beneficiaries). The plan supplements the Local Authorities Pension Plan.

The prescribed class of employees and the Town make contributions. Employees and the Town are required to make current service contributions to APEX of 2.42% (2023 - 2.42%) and 2.96% (2023 - 2.96%) respectively of pensionable earnings up to \$175,333 (2023 - \$175,333).

Total current service contributions by the Town to APEX in 2024 were \$5,894 (2023 - \$9,982). Total current and past service contributions made by the employees of the Town to the APEX in 2024 were \$7,210 (2023 - \$8,161).

#### **17. SEGMENTED INFORMATION**

The Town provides a range of services to its residents. 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 financial statements as disclosed in *Note 1*. For additional information see the Schedule of Segment Disclosure (*Schedule 4*).

**TOWN OF MAYERTHORPE**  
**Notes to Financial Statements**  
**For The Year Ended December 31, 2024**

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**18. BUDGET**

The budget figures are provided for information purposes only, and have not been audited. The 2024 budget, prepared by the Town of Mayerthorpe, reflects all municipal activities including capital projects and restricted surplus for future use. The reconciliation below is provided to encompass these items and is provided for information purposes only.

	<b><u>2024</u></b> <b>(Budget)</b>
Annual surplus (per statement of operations and accumulated surplus)	\$ 3,741,099
Acquisition of tangible capital assets	(4,401,509)
Net transfers to restricted surplus	204,804
Debenture proceeds	575,991
Local improvements	81,391
Debenture repayment	<u>(201,776)</u>
	\$ _____ -

**19. LIABILITY FOR CONTAMINATED SITES**

As of December 31, 2024, the liability for contaminated sites relates to a property owned by the Town that has soil contamination.

Liability estimates are based on environmental site assessments. The Town has recognized a total liability for the remediation of contaminated sites of \$100,000 (2023 - \$100,000). The liability is reported in accounts payable and accrued liabilities (*Note 6*) in the Statement of Financial Position.

**20. APPROVAL OF FINANCIAL STATEMENTS**

These financial statements were approved by Council and Management.