

# **Municipality of Crowsnest Pass**

**CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

# MUNICIPALITY OF CROWSNEST PASS

## CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2024

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## Independent Auditor's Report

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To the Mayor and Members of Council of the Municipality of Crowsnest Pass

### Opinion

We have audited the consolidated financial statements of the Municipality of Crowsnest Pass and its controlled entities (the Municipality), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statements of operations, change in net financial assets, cash flows and related schedules for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

### Basis for Opinion

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

### Other Matter

The financial statements of the Municipality of Crowsnest Pass for the year ended December 31, 2023 were audited by BDO Canada LLP of Lethbridge, Alberta, Canada. BDO Canada LLP expressed an unqualified opinion on those statements on April 25, 2024.

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always

detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

Chartered Professional Accountants,

Lethbridge, Alberta  
May 6, 2025

*MNP* LLP  
Chartered Professional Accountants



### ***Management's Responsibility for Reporting***

Municipality of Crowsnest Pass' management is responsible for the preparation, accuracy, objectivity, and integrity of the accompanying consolidated financial statements and the notes thereto. Management believes that the consolidated financial statements present fairly the Municipality's financial position as at December 31, 2024 and the results of its operations for the year then ended.

The consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards. The consolidated financial statements include certain amounts based on estimates and judgments. Such amounts have been determined on a reasonable basis in order to ensure that the consolidated financial statements are presented fairly in all material respects.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, management has designed and maintains a system of internal controls to produce reliable information to meet reporting requirements. The system is designed to provide management with reasonable assurance that transactions are properly authorized, reliable financial records are maintained, and assets are properly accounted for and safeguarded.

The Municipal Council is responsible for overseeing management in the performance of its reporting responsibilities, and for approving the 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 Municipality's external auditors.

The consolidated financial statements have been audited by the independent firm of BDO Canada LLP, Chartered Professional Accountants. Their report to the Members of Council of Municipality of Crowsnest Pass, stating the scope of their examination and opinion on the consolidated financial statements follow.

Chief Administrative Officer

May 6, 2025

# MUNICIPALITY OF CROWSNEST PASS

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2024

	2024	2023
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents (note 2)	\$ 13,711,850	\$ 13,076,378
Taxes and grants in lieu receivables (note 3)	623,259	619,615
Trade and other receivables (note 3)	1,256,843	895,868
Investments (note 4)	5,893,490	5,579,460
	<u>21,485,442</u>	<u>20,171,321</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	3,263,813	2,053,541
Asset retirement obligation (note 17)	465,784	444,426
Employee benefit obligations (note 5)	347,601	364,488
Deferred revenue (note 6)	1,457,469	2,929,654
Deposits	-	102,500
Long-term debt (note 7)	14,315,209	9,381,822
	<u>19,849,876</u>	<u>15,276,431</u>
<b>NET FINANCIAL ASSETS</b>	<u>1,635,567</u>	<u>4,894,890</u>
<b>NON - FINANCIAL ASSETS</b>		
Tangible capital assets (schedule 2)	121,706,768	115,777,517
Inventory for consumption	462,738	475,522
Prepaid expenses	243,976	283,842
	<u>122,413,482</u>	<u>116,536,881</u>
<b>ACCUMULATED SURPLUS</b> (schedule 1, note 10)	<u>\$ 124,049,049</u>	<u>\$ 121,431,771</u>

Contingencies and commitments - See notes 15 and 16

APPROVED BY:

  


The accompanying notes and supporting schedules are an integral part of these consolidated financial statements.

# MUNICIPALITY OF CROWSNEST PASS

## CONSOLIDATED STATEMENT OF OPERATIONS YEAR ENDED DECEMBER 31, 2024

	Budget (note 13)	2024	2023
<b>REVENUE</b>			
Net municipal taxes (schedule 3)	\$ 10,996,331	\$ 11,505,464	\$ 10,467,088
Government transfers (schedule 4)	446,638	921,096	860,910
User fees and sales of goods	5,802,509	5,837,270	5,337,495
Investment income	415,000	926,947	920,158
Penalties and cost of taxes	150,000	147,230	153,833
Licenses and permits	375,700	531,622	380,979
Franchise and concession contracts	1,360,000	1,390,605	1,297,530
Rental	415,904	425,002	385,274
Other	57,000	103,358	296,619
Gain on disposal of tangible capital assets	-	18,159	8,183
<b>Total Revenue</b>	<b>20,019,082</b>	<b>21,806,753</b>	<b>20,108,069</b>
<b>EXPENSES</b>			
Legislative	331,448	344,308	285,537
Administration	3,084,688	3,367,809	3,052,611
Protection services	1,951,761	2,115,364	1,947,847
Roads, streets, walks and lighting	5,599,338	6,018,541	5,720,726
Water supply, distribution and wastewater	2,763,882	4,232,782	4,233,056
Waste management	764,255	783,129	735,624
Family and community support services	330,007	328,480	349,330
Cemeteries and crematoriums	78,975	54,911	42,290
Planning and development	927,278	967,118	983,020
Parks and recreation	4,037,982	3,826,487	3,776,995
Culture - libraries and museums	688,630	674,164	558,864
Loss on disposal of tangible capital assets	-	-	397
<b>Total Expenses</b>	<b>20,558,244</b>	<b>22,713,093</b>	<b>21,686,297</b>
<b>ANNUAL SURPLUS (DEFICIT) BEFORE OTHER</b>	<b>(539,162)</b>	<b>(906,340)</b>	<b>(1,578,228)</b>
<b>OTHER</b>			
Government transfers for capital (schedule 4)	1,075,000	3,523,618	4,069,795
<b>ANNUAL SURPLUS</b>	<b>535,838</b>	<b>2,617,278</b>	<b>2,491,567</b>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<b>121,431,771</b>	<b>121,431,771</b>	<b>118,940,204</b>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<b>\$ 121,967,609</b>	<b>\$ 124,049,049</b>	<b>\$ 121,431,771</b>

The accompanying notes and supporting schedules are an integral part of these consolidated financial statements.

# MUNICIPALITY OF CROWSNEST PASS

## CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS YEAR ENDED DECEMBER 31, 2024

	Budget (note 13)	<b>2024</b>	2023
<b>ANNUAL SURPLUS</b>	<b>\$ 535,838</b>	<b>\$ 2,617,278</b>	<b>\$ 2,491,567</b>
Acquisition of tangible capital assets	(9,856,200)	<b>(11,128,532)</b>	(4,954,071)
Proceeds on disposal of tangible capital assets	-	<b>300,802</b>	210,329
ARO accretion expense	-	<b>21,358</b>	21,163
Amortization of tangible capital assets	-	<b>4,578,006</b>	4,385,724
Increase in asset retirement obligation	-	<b>(21,358)</b>	(21,163)
Gain on disposal of tangible capital assets	-	<b>(18,159)</b>	(8,183)
Loss on disposal of tangible capital assets	-	<b>338,631</b>	397
	<u>(9,856,200)</u>	<u><b>(5,929,252)</b></u>	<u>(365,804)</u>
Acquisition of supplies inventories	-	<b>(462,738)</b>	(475,522)
Acquisition of prepaid assets	-	<b>(243,976)</b>	(283,844)
Use of supplies inventories	-	<b>475,522</b>	428,299
Use of prepaid assets	-	<b>283,844</b>	68,419
	<u>-</u>	<u><b>52,652</b></u>	<u>(262,648)</u>
<b>DECREASE IN NET FINANCIAL ASSETS</b>	<b>(9,320,362)</b>	<b>(3,259,322)</b>	<b>1,863,115</b>
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>	<u>4,894,889</u>	<u><b>4,894,889</b></u>	<u>3,031,774</u>
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	<u><b>\$ (4,425,473)</b></u>	<u><b>\$ 1,635,567</b></u>	<u><b>\$ 4,894,889</b></u>

The accompanying notes and supporting schedules are an integral part of these consolidated financial statements.



# MUNICIPALITY OF CROWSNEST PASS

## CONSOLIDATED STATEMENT OF CASH FLOWS YEAR ENDED DECEMBER 31, 2024

	2024	2023
<b>NET OUTFLOW OF CASH RELATED TO THE FOLLOWING ACTIVITIES:</b>		
<b>OPERATING</b>		
Annual surplus	\$ 2,617,278	\$ 2,491,567
Non-cash items included in excess of revenue over expenses:		
Amortization of tangible capital assets	4,578,006	4,385,724
ARO Accretion Expense	21,358	21,163
Gain on disposal of tangible capital assets	(18,159)	(8,183)
Loss on disposal of tangible capital assets	338,631	398
Amortization of bonds discount	(19,297)	(18,999)
Loss on disposal of investments	-	4,746
Non-cash charges to operations (net change):		
Taxes and grants in lieu receivables	(3,644)	66,743
Trade and other receivables	(360,975)	1,341,962
Inventory for consumption	12,784	(47,223)
Prepaid expenses	39,866	(215,423)
Accounts payables	1,210,272	(4,273,076)
Deferred revenue	(1,472,185)	(2,957,306)
Deposits	(102,500)	102,500
Employee benefit obligations	(16,887)	(70,996)
Cash provided by operating transactions	6,824,547	823,597
<b>CAPITAL</b>		
Acquisition of tangible capital assets	(11,128,532)	(4,954,071)
Proceeds on disposal of tangible capital assets	300,802	210,329
Cash applied to capital transactions	(10,827,730)	(4,743,742)
<b>INVESTING</b>		
Purchase of investments	(2,224,860)	(506,900)
Sale of investments	1,930,128	476,800
Cash applied to investing transactions	(294,732)	(30,100)
<b>FINANCING</b>		
Proceeds of long-term debt	5,500,000	-
Repayment of long-term debt	(566,613)	(549,934)
Cash applied to financing transactions	4,933,387	(549,934)
<b>CHANGE IN CASH AND EQUIVALENTS DURING THE YEAR</b>	635,472	(4,500,179)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	13,076,378	17,576,557
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	\$ 13,711,850	\$ 13,076,378

The accompanying notes and supporting schedules are an integral part of these consolidated financial statements.

# MUNICIPALITY OF CROWSNEST PASS

## SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS YEAR ENDED DECEMBER 31, 2024

### SCHEDULE 1

	Unrestricted Surplus (note 10)	Internally Restricted Surplus (note 10)	Equity in Tangible Capital Assets (note 9)	2024	2023
<b>BALANCE, BEGINNING OF YEAR</b>	5,284,399	10,196,103	105,951,269	<b>\$ 121,431,771</b>	<b>\$ 118,940,204</b>
Annual surplus	2,617,278	-	-	<b>2,617,278</b>	2,491,567
Unrestricted funds designated for future use	(1,715,693)	1,715,693	-	-	-
Restricted funds used for operations	877,989	(877,989)	-	-	-
Current year funds used for tangible capital assets	(10,797,002)	(331,530)	11,128,532	-	-
Disposal of tangible capital assets	621,275	-	(621,275)	-	-
Annual amortization expense	4,578,006	-	(4,578,006)	-	-
Asset retirement obligation accretion expense	21,358	-	(21,358)	-	-
Change in capital debt	4,933,386	-	(4,933,386)	-	-
<b>Change in accumulated surplus</b>	<b>1,136,597</b>	<b>506,174</b>	<b>974,507</b>	<b>2,617,278</b>	<b>2,491,567</b>
<b>BALANCE, END OF YEAR</b>	<b>6,420,996</b>	<b>10,702,277</b>	<b>106,925,776</b>	<b>\$ 124,049,049</b>	<b>\$ 121,431,771</b>

# MUNICIPALITY OF CROWSNEST PASS

## SCHEDULE OF TANGIBLE CAPITAL ASSETS YEAR ENDED DECEMBER 31, 2024

### SCHEDULE 2

	Land	Land Improvements	Buildings	Engineered Structures	Machinery and Equipment	Vehicles	2024	2023
<b>COST:</b>								
BALANCE, BEGINNING OF YEAR	\$6,412,494	\$6,208,563	\$10,790,837	\$230,849,064	\$14,233,321	\$5,563,144	\$ 274,057,423	\$ 269,332,253
Acquisition of tangible capital assets	65,128	136,560	-	3,769,951	1,861,251	96,111	5,929,001	1,867,782
Additions to construction-in-progress (a)	-	-	70,990	5,128,541	-	-	5,199,531	3,086,289
Disposition of tangible capital assets	(373,405)	-	-	-	(468,919)	(327,245)	(1,169,569)	(228,901)
BALANCE, END OF YEAR	6,104,217	6,345,123	10,861,827	239,747,556	15,625,653	5,332,010	284,016,386	274,057,423
<b>ACCUMULATED AMORTIZATION:</b>								
BALANCE, BEGINNING OF YEAR	-	3,118,134	6,113,996	138,117,287	8,267,277	2,663,212	158,279,906	153,920,541
Annual amortization	-	235,251	340,632	2,909,090	760,571	332,462	4,578,006	4,385,724
Accumulated amortization on disposal	-	-	-	-	(288,679)	(259,615)	(548,294)	(26,359)
BALANCE, END OF YEAR	-	3,353,385	6,454,628	141,026,377	8,739,169	2,736,059	162,309,618	158,279,906
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<u>\$6,104,217</u>	<u>\$2,991,738</u>	<u>\$4,407,199</u>	<u>\$98,721,179</u>	<u>\$6,886,484</u>	<u>\$2,595,951</u>	<u>\$ 121,706,768</u>	<u>\$ 115,777,517</u>
2023 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	<u>\$6,412,494</u>	<u>\$3,090,429</u>	<u>\$4,676,841</u>	<u>\$92,731,777</u>	<u>\$5,966,044</u>	<u>\$2,899,932</u>	<u>\$ 115,777,517</u>	

(a) The net book value of tangible capital assets not being amortized because they are under construction is \$6,060,835 (2023 - \$861,305).

# MUNICIPALITY OF CROWSNEST PASS

## SCHEDULE OF PROPERTY AND OTHER TAXES YEAR ENDED DECEMBER 31, 2024

### SCHEDULE 3

	Budget	2024	2023
<b>TAXATION</b>			
Real property taxes	\$ 13,220,500	\$ <b>14,078,059</b>	\$ 12,970,348
Linear property taxes	1,179,709	<b>1,179,709</b>	1,115,587
Government grants in lieu of property taxes	118,622	<b>118,622</b>	100,511
	<u>14,518,831</u>	<u><b>15,376,390</b></u>	<u>14,186,446</u>
<b>REQUISITIONS</b>			
Alberta School Foundation	3,160,000	<b>3,503,455</b>	3,123,795
Crowsnest Pass Senior Housing	362,500	<b>367,471</b>	595,563
	<u>3,522,500</u>	<u><b>3,870,926</b></u>	<u>3,719,358</u>
<b>NET MUNICIPAL TAXES</b>	<u>\$ 10,996,331</u>	<u><b>\$ 11,505,464</b></u>	<u>\$ 10,467,088</u>

# MUNICIPALITY OF CROWSNEST PASS

## SCHEDULE OF GOVERNMENT TRANSFERS YEAR ENDED DECEMBER 31, 2024

### SCHEDULE 4

	<u>Budget</u>	<u>2024</u>	<u>2023</u>
<b>TRANSFERS FOR OPERATING</b>			
Provincial Government	\$ 446,638	\$ <b>450,392</b>	\$ 451,571
Other	-	<b>470,704</b>	409,339
	<u>446,638</u>	<u><b>921,096</b></u>	<u>860,910</u>
<b>TRANSFERS FOR CAPITAL</b>			
Provincial Government	<u>1,075,000</u>	<u><b>3,523,618</b></u>	<u>4,069,795</u>
<b>TOTAL GOVERNMENT TRANSFERS</b>	<u>\$ 1,521,638</u>	<u>\$ <b>4,444,714</b></u>	<u>\$ 4,930,705</u>

# MUNICIPALITY OF CROWSNEST PASS

## SCHEDULE OF CONSOLIDATED EXPENSES BY OBJECT YEAR ENDED DECEMBER 31, 2024

### SCHEDULE 5

	Budget	2024	2023
<b>EXPENSES</b>			
Salaries, wages and benefits	\$ 8,054,358	\$ 7,899,205	\$ 7,566,577
Contracted and general services	7,898,883	5,475,923	5,381,823
Materials, goods, supplies and utilities	3,548,600	3,501,396	3,388,142
Bank charges and short-term interest	91,000	44,389	41,567
Interest on long-term debt	324,673	345,355	338,854
Other expenditures	56,500	105,005	194,333
Transfers to organizations and others	584,230	403,825	367,717
Amortization of tangible capital assets	-	4,578,006	4,385,724
Accretion of asset retirement obligation (ARO)	-	21,358	21,163
Loss on disposal of tangible capital assets	-	338,631	397
	<u>\$ 20,558,244</u>	<u>\$ 22,713,093</u>	<u>\$ 21,686,297</u>

# MUNICIPALITY OF CROWSNEST PASS

## CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE YEAR ENDED DECEMBER 31, 2024

### SCHEDULE 6

	General Government	Protective Services	Public Works	Water & Waste	Public Health & Welfare	Planning & Development	Recreation & Culture	Total
<b>REVENUE</b>								
Net municipal taxes (schedule 3)	\$ 11,505,464	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,505,464
Government transfers (schedule 4)	243,642	32,190	7,626	390,000	3,730,368	-	40,888	4,444,714
User fees and sales of goods	90,092	244,298	123,021	4,292,942	19,181	352,624	715,113	5,837,271
Investment Income	926,947	-	-	-	-	-	-	926,947
Penalties and costs of taxes	147,230	-	-	-	-	-	-	147,230
Licenses and permits	154,841	9,545	-	46,251	870	320,114	-	531,621
Franchise and concession contracts	1,390,605	-	-	-	-	-	-	1,390,605
Rental	-	50	-	-	-	68,409	356,543	425,002
Other	27,407	2,750	-	-	73,201	-	-	103,358
Gain on disposal of tangible capital assets	-	-	13,214	4,945	-	-	-	18,159
	<u>14,486,228</u>	<u>288,833</u>	<u>143,861</u>	<u>4,734,138</u>	<u>3,823,620</u>	<u>741,147</u>	<u>1,112,544</u>	<u>25,330,371</u>
<b>EXPENSES</b>								
Salaries and benefits	1,925,393	843,874	1,963,869	751,241	116,590	415,466	1,882,771	7,899,204
Goods and services	1,326,036	964,261	2,366,404	2,171,047	188,185	551,652	1,409,734	8,977,319
Interest	34,268	43,754	-	234,542	-	-	77,179	389,743
Transfers to organizations and others	-	-	-	-	75,698	-	328,128	403,826
Other expenditures	101,870	-	-	-	-	-	3,135	105,005
Loss on disposal of tangible capital assets	260,450	28,511	-	-	-	-	49,670	338,631
	<u>3,648,017</u>	<u>1,880,400</u>	<u>4,330,273</u>	<u>3,156,830</u>	<u>380,473</u>	<u>967,118</u>	<u>3,750,617</u>	<u>18,113,728</u>
<b>ANNUAL SURPLUS (DEFICIT), BEFORE AMORTIZATION</b>	<u>10,838,211</u>	<u>(1,591,567)</u>	<u>(4,186,412)</u>	<u>1,577,308</u>	<u>3,443,147</u>	<u>(225,971)</u>	<u>(2,638,073)</u>	<u>7,216,643</u>
Accretion of asset retirement obligation (ARO)	21,358	-	-	-	-	-	-	21,358
Amortization of tangible capital assets	42,742	234,965	1,688,268	1,857,954	2,917	-	751,160	4,578,006
<b>ANNUAL SURPLUS (DEFICIT)</b>	<u>\$ 10,774,111</u>	<u>\$ (1,826,532)</u>	<u>\$ (5,874,680)</u>	<u>\$ (280,646)</u>	<u>\$ 3,440,230</u>	<u>\$ (225,971)</u>	<u>\$ (3,389,233)</u>	<u>\$ 2,617,279</u>

# MUNICIPALITY OF CROWSNEST PASS

## CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE YEAR ENDED DECEMBER 31, 2023

### SCHEDULE 6

	General Government	Protective Services	Public Works	Water & Waste	Public Health & Welfare	Planning & Development	Recreation & Culture	Total
<b>REVENUE</b>								
Net municipal taxes (schedule 3)	\$ 10,467,088	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,467,088
Government transfers (schedule 4)	248,648	-	78,662	3,991,133	564,983	-	47,279	4,930,705
User fees and sales of goods	95,171	168,699	149,559	4,131,152	19,451	151,399	622,064	5,337,495
Investment Income	898,995	-	-	-	-	-	-	898,995
Penalties and costs of taxes	153,833	-	-	-	-	-	-	153,833
Licenses and permits	133,936	12,215	-	51,276	690	182,862	-	380,979
Franchise and concession contracts	1,297,530	-	-	-	-	-	-	1,297,530
Rental	-	40	-	-	-	54,615	330,619	385,274
Other	224,399	750	-	-	71,395	75	-	296,619
Gain on disposal of tangible capital assets	1,181	1,469	2,683	-	-	2,850	-	8,183
	<u>13,520,781</u>	<u>183,173</u>	<u>230,904</u>	<u>8,173,561</u>	<u>656,519</u>	<u>391,801</u>	<u>999,962</u>	<u>24,156,701</u>
<b>EXPENSES</b>								
Salaries and benefits	1,841,653	781,374	1,647,030	770,056	121,175	513,243	1,892,046	7,566,577
Goods and services	1,186,139	895,077	2,424,576	2,265,279	175,483	469,777	1,353,634	8,769,965
Interest	30,168	39,314	-	234,818	-	-	76,121	380,421
Transfers to organizations and others	5,000	-	-	-	91,922	-	270,795	367,717
Other expenditures	187,854	-	-	2,745	-	-	3,734	194,333
Loss on disposal of tangible capital assets	-	-	-	-	-	-	397	397
	<u>3,250,814</u>	<u>1,715,765</u>	<u>4,071,606</u>	<u>3,272,898</u>	<u>388,580</u>	<u>983,020</u>	<u>3,596,727</u>	<u>17,279,410</u>
<b>ANNUAL SURPLUS (DEFICIT), BEFORE AMORTIZATION</b>	<u>10,269,967</u>	<u>(1,532,592)</u>	<u>(3,840,702)</u>	<u>4,900,663</u>	<u>267,939</u>	<u>(591,219)</u>	<u>(2,596,765)</u>	<u>6,877,291</u>
Amortization of tangible capital assets	66,171	232,082	1,649,120	1,695,782	3,040	-	739,529	4,385,724
<b>ANNUAL SURPLUS (DEFICIT)</b>	<u>\$ 10,203,796</u>	<u>\$ (1,764,674)</u>	<u>\$ (5,489,822)</u>	<u>\$ 3,204,881</u>	<u>\$ 264,899</u>	<u>\$ (591,219)</u>	<u>\$ (3,336,294)</u>	<u>\$ 2,491,567</u>



# MUNICIPALITY OF CROWSNEST PASS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2024

### 1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Municipality of Crowsnest Pass (the "Municipality") are the representations of management prepared in accordance with Canadian public sector accounting standards for local governments established by the Public Sector Accounting Board. Significant aspects of the accounting policies adopted by the Municipality of Crowsnest Pass are as follows:

#### a) Reporting Entity

The consolidated financial statements reflect the assets, liabilities, revenues and expenses, changes in net financial assets and cash flows of the reporting entity. This entity is comprised of all the organizations that are owned or controlled by the Municipality and are, therefore, accountable to the Council for the administration of their financial affairs and resources. Taxes levied also includes requisitions for educational, health care, social and other external organizations that are not part of the municipal reporting entity.

Organizations that are controlled by the Municipality are the following:

The Municipality of Crowsnest Pass Library Board

The schedule of taxes levied also includes requisitions for education, health, social and other external organizations that are not part of the municipal reporting entity.

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

#### 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. User fees are recognized monthly as earned. Licenses and permits and rental revenues and other revenues are recognized as earned. Franchise revenues, and concession revenues are recognized monthly based on the term of the agreement as earned. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or legal obligation to pay.

#### c) Revenue Recognition

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognizes 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 obligation to pay.

Revenue from transactions with performance obligations is recognized as the performance obligations are satisfied by providing the promised goods or services to the payer. User fees are recognized over the period of use, sales of goods are recognized when goods are delivered.

Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

Government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used for certain programs, in the completion of specific work, or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed or goods have yet to be provided. Revenue is recognized in the period when the related expenses are incurred, services performed, goods provided or the tangible capital assets are acquired.

Revenue on investments, fines, and penalties are recognized when earned.

#### d) Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits and short-term investments that are readily convertible to known amounts of cash that are subject to an insignificant risk of change in value. These short-term investments generally have a maturity of three months or less at acquisition, or are redeemable, and are held for the purpose of meeting short-term cash commitments rather than for investing.

# MUNICIPALITY OF CROWSNEST PASS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2024

### 1. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### e) Requisition Over-levy and Under-levy

Over-levies and under-levies arise from the difference between the actual property tax levy made to cover each requisition and the actual amount requisitioned.

If the actual levy exceeds the requisition, the over-levy is accrued as a liability and property tax revenue is reduced. Where the actual levy is less than the requisition amount, the under-levy is accrued as a receivable and as property tax revenue.

Requisition tax rates in the subsequent year are adjusted for any over-levies or under-levies of the prior year.

#### f) Government Transfers

Government transfers are the transfers of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return.

Government transfers are recognized in the financial statements as revenue in the period in which events giving rise to the transfer occur, providing the transfers are authorized and any eligibility criteria have been met except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

#### g) Tax Revenue

Taxes are recorded at estimated amounts when they meet the definition of an asset, have been authorized and the taxable event occurs. For property taxes, the taxable event is the period for which the tax is levied. As taxes recorded are initially based on management's best estimate of the taxes that will be received, it is possible that changes in future conditions, such as reassessments due to audits, appeals and court decisions, could result in a change in the amount of tax revenue recognized. Taxes receivable are recognized net of an allowance for anticipated uncollectable amounts.

Requisitions operate as a flow through and are excluded from municipal revenue.

#### h) Employee Benefit Obligations

The cost of sick leave benefits are actuarially determined using management's best estimate of salary escalation, accumulated sick days, long-term inflation rates and discount rates.

Unamortized gains and losses are amortized over the expected average remaining service life of the related employee groups, which is 10 years. Amortization commences in the year following the effective date of the related actuarial valuation.

#### i) Deferred Revenues

Deferred revenues represent government transfers, donations, and other amounts which have been collected, but for which the related services have yet to be performed or agreement stipulations have not been met. These amounts will be recognized as revenues when revenue recognition criteria have been met. Interest earned on deferred revenues, including offsite levies, and reserves are calculated using an average investment earnings monthly rate.

# MUNICIPALITY OF CROWSNEST PASS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2024

### 1. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### j) 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 attributed to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over the estimated useful life as follows:

	Years
Land improvements	15-50
Buildings	10-100
Engineered structures	20-99
Machinery and equipment	3-45
Vehicles	8-25

Assets under construction are not amortized until the asset is available for productive use.

#### ii. Contributions of Tangible Capital Assets

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

#### iii. Inventories

Inventories held for consumption are recorded at the lower of cost and replacement cost using the average costing method.

#### k) Contaminated Sites Liability

A contaminated site is a site at which substances occur in concentrations that exceed the maximum acceptable amounts under an environmental standard. Sites that are currently in productive use are only considered a contaminated site if an unexpected event results in contamination. A liability for remediation of contaminated sites is recognized when the Municipality is directly responsible or accepts responsibility; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made. The liability includes all costs directly attributable to remediation activities including post remediation operations, maintenance and monitoring.

# MUNICIPALITY OF CROWSNEST PASS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2024

### 1. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### l) Financial Instruments

Cash is measured at cost and amortized cost. Accounts receivable is measured at the lower of cost or net recoverable value. Accounts payable and accrued liabilities are measured at cost. Deposit liabilities and long-term debt is measured at amortized cost. The carrying amount of each of these financial instruments is presented on the statement of financial position.

Investments in derivatives and equity instruments quoted in an active market are carried at fair value with transactions costs expensed upon initial recognition. Unrealized changes in fair value are recognized in the statement of remeasurement gains and losses. When the investment is disposed of the accumulated gains or losses are reclassified to the statement of operations. Investments in interest bearing securities 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. Investments are externally managed and consist of investments in guaranteed investment certificates with banks.

Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the statement of remeasurement gains and losses. Upon settlement, the cumulative gain or loss is reclassified from the statement of remeasurement gains and losses and recognized in the statement of operations. Interest and dividends attributable to financial instruments are reported in the statement of operations.

When investment income and realized and unrealized gains and losses from changes in the fair value of financial instruments are externally restricted, the investment income and fair value changes are recognized as revenue in the period in which the resources are used for the purpose specified.

For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense.

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations.

Transaction costs are added to the carrying value for financial instruments measured using cost or amortized cost. Transaction costs are expensed for financial instruments measured at fair value.

For financial instruments in the fair value measurement category, financial instruments are classified as level 1, 2 or 3 for the purposes of describing the basis of the inputs used to measure the fair value of the financial instrument, as described below.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: Market-based inputs other than quoted prices that are observable for the asset or liability either directly or indirectly

Level 3: Inputs for the asset or liability that are not based on observable market data; assumptions are based on the best internal and external information available and are most suitable and appropriate based on the type of financial instrument being valued in order to establish what the transaction price would have been on the measurement date in an arm's length transaction.

#### m) Measurement Uncertainty

The preparation of the consolidated financial statements in conformity with Canadian public sector accounting standards, requires management to make estimates and assumptions that affect the reporting 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 the revenues and expenses during the period. Items requiring the use of significant estimates include estimated employee benefit obligations, rates for amortization, and assumptions in determining asset retirement obligations, and contaminated sites.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where necessary. Provisions are made for slow moving and obsolete inventory. Amortization is based on the estimated useful life of tangible capital assets.

# MUNICIPALITY OF CROWSNEST PASS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2024

### 1. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### m) Measurement uncertainty (continued)

Estimates are based on the best information available at the time of preparation of the consolidated financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these consolidated financial statements. Actual results could differ from these estimates.

#### n) Asset Retirement Obligation

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

The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods. When a liability for an asset retirement obligation is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related tangible capital asset. The asset retirement cost is amortized over the useful life of the related asset. Asset retirement obligations which are incurred incrementally with use of the asset are recognized in the period incurred with a corresponding asset retirement cost expensed in the period.

At each financial reporting date, the Municipality reviews the carrying amount of the liability. The Municipality 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 Municipality continues to recognize the liability until it is settled. Disbursements made to settle the liability are deducted from the reported liability when they are made.

#### o) New Accounting Policies Adopted During the year

##### ii. Revenue Recognition

PS3400, Revenue establishes standards on how to account for and report on revenue, specifically in regard to revenue arising from transactions with performance obligations (exchange transactions) and those without performance obligations (non-exchange transactions). This standard is applicable for fiscal years beginning on or after April 1, 2023. The Municipality adopted the standard in the 2024 fiscal year and there were no changes as a result of the adoption.

##### ii. Public Private Partnerships

PS3160, Public Private Partnerships, establishes standards on how to account for certain arrangements between public and private entities. The standard provides guidance on situations where a public entity acquires infrastructure assets using a private sector partner that designs, builds, or finances the infrastructure asset past the point where it is ready for use. As at year end, The Municipality identified no arrangements of such nature.

# MUNICIPALITY OF CROWSNEST PASS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2024

### 2. CASH AND CASH EQUIVALENTS

	2024	2023
Cash	\$ 13,699,543	\$ 12,951,129
Investment in cash account	12,307	94,950
Short-term investment - Library	-	30,299
	<u>\$ 13,711,850</u>	<u>\$ 13,076,378</u>

Cash includes bank accounts with interest rates from 0.00% to 4.25%.

Included in cash is \$1,457,469 (2023 - \$2,929,654) in externally restricted funds for future capital and operating expenditures and are include in deferred revenue (note 6). Included in cash is \$10,702,277 (2023 - \$10,196,103) in internally restricted funds related to reserves (note 10).

The Municipality has an available revolving line of credit facility up to \$2,000,000 with interest payable at prime minus 0.25% and secured by a general security agreement. As at December 31, 2024 the balance owing on this facility is \$nil (2023 - \$nil).

### 3. TAXES AND GRANTS IN LIEU RECEIVABLES AND OTHER RECEIVABLES

	2024	2023
Current taxes and grants in lieu	\$ 74,922	\$ 320,137
Arrears taxes and grants in lieu	657,517	533,894
	<u>732,439</u>	<u>854,031</u>
Less: allowance for doubtful accounts	<u>(109,179)</u>	<u>(234,416)</u>
	<u>\$ 623,259</u>	<u>\$ 619,615</u>
Utilities receivable	\$ 449,209	\$ 390,852
Trade receivables	420,496	398,466
GST receivable	346,329	110,402
Other receivables	61,137	21,279
	<u>1,277,172</u>	<u>920,999</u>
Less: allowance for doubtful accounts	<u>(20,329)</u>	<u>(25,131)</u>
	<u>\$ 1,256,843</u>	<u>\$ 895,868</u>

### 4. INVESTMENTS

	2024	2023
	Market Value	Amortized Cost
Instruments with derivatives	1,641,310	1,664,600
Fixed income	4,032,856	4,228,890
	<u>5,674,166</u>	<u>\$ 5,893,490</u>
		<u>\$ 5,579,460</u>

Fixed income includes government bonds and Canadian bank paper that have an effective interest rate of .34% to 4.829% with maturity dates from November 2023 to January 2033. The instruments with derivatives are principal protected notes that mature in 2031 and 2034.

# MUNICIPALITY OF CROWSNEST PASS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2024

### 5. EMPLOYEE BENEFIT OBLIGATIONS

	<u>2024</u>	<u>2023</u>
Reconciliation of accrued benefit obligation		
Accrued benefit obligation - January 1	\$ 220,200	\$ 219,400
Current service cost	20,400	19,500
Interest cost	11,000	11,100
Benefits paid	(18,600)	(48,400)
Actuarial loss (gain)	(1,000)	18,600
Accrued benefit obligation - December 31	<u>232,000</u>	<u>220,200</u>
Components of net benefit cost		
Current service cost	20,400	19,500
Interest cost	11,000	11,100
Amortization of actuarial loss	(23,000)	(24,300)
Net benefit cost recognized	<u>8,400</u>	<u>6,300</u>
Reconciliation of accrued benefit liability		
Accrued benefit liability - January 1	349,000	391,100
Benefits paid	(18,600)	(48,400)
Benefit cost for the year	8,400	6,300
Accrued benefit liability - December 31	<u>338,800</u>	<u>349,000</u>
Vacation and overtime	<u>8,801</u>	<u>15,488</u>
	<u>\$ 347,601</u>	<u>\$ 364,488</u>

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

Permanent employees hired before July 1, 2008 are credited two days of sick leave for each month of employment and permanent employees hired after July 1, 2008 are credited one and one-half days each month of employment, up to a total accumulation of 120 working days for use as paid absences in the year, due to illness or injury. Accumulated credits may be used in future years to the extent that the employee's illness or injury exceeds the current year's allocation of credits. Upon death (after five years of service) or retirement (after ten years of service), 50% of the accumulated sick credits will be payable to the employee.

The sick time accrual for employee future benefits as at December 31, 2024, are based on an actuarial valuation for accounting purposes as at December 31, 2024. Significant assumptions used in the valuation include a discount rate of 4.6% (2023 - 4.8%), annual inflation of 2.25% (2023 - 2.25%), and a net annual sick leave accumulation of 25% (2023 - 25%).

# MUNICIPALITY OF CROWSNEST PASS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2024

### 6. DEFERRED REVENUE

Deferred revenue relates to funding received in the current period that is related to the subsequent period, and consists of the following:

	Opening balance	Received	Recognized	Ending balance
Local Government Fiscal Framework Capital	923,855	874,152	1,023,618	774,389
Canada Community Building Fund	1,270,300	1,229,700	2,500,000	-
Other	342,027	74,252	126,671	289,608
Estate of Agnes Poch	86,988	-	-	86,988
Wolfstone Development	306,484	-	-	306,484
	<u>\$ 2,929,654</u>	<u>2,178,104</u>	<u>3,650,289</u>	<u>\$ 1,457,469</u>

#### Local Government Fiscal Framework (LGFF) capital - formerly Municipal Sustainability Initiative Capital (MSI)

The Province provides conditional grant funding through this program to assist with various capital expenditures in the Municipality. The use of these funds is restricted to eligible expenditures as approved under the funding agreement.

#### Canada Community Building Fund (CCBF) - Formerly Federal Gas Tax

The Government of Canada provides Alberta Transportation with a grant restricted to eligible expenditures as approved under the funding agreement.

#### Municipal Stimulus Program

The Province provides conditional grant funding through this program to assist with various capital expenditures in the MD. The use of these funds is restricted to eligible expenditures as approved under the funding agreement.

#### Other

This deferred revenue is made up of general revenue in the amount of \$93,810 for ski hill passes related to the 2024-2025 season, \$77,834 for ski hill accessibility, and \$27,648 for various other programs.

#### Estate of Agnes Poch

In 2020, the Estate of Agnes Poch left \$568,201 to the Municipality to be used for a community operated Senior Retirement Home or Lodge. Of this amount, \$86,988 is unspent at year end.

#### Wolfstone Development

These funds are restricted to the Wolfstone development. The funds were originally received from the developer Wolfstone when he was building the Wolfstone subdivision and are restricted to be used for the future development of the subdivision.

#### Alberta Municipal Waste Water Partnership/Investing in Canada Infrastructure Program

The Province provides conditional grant funding through these programs to assist with projects specific to waste water projects.



# MUNICIPALITY OF CROWSNEST PASS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2024

### 7. LONG-TERM DEBT

	<u>2024</u>	<u>2023</u>
Long-term debt related to capital expenditures (note 10)	<b>\$ 14,315,209</b>	<b>\$ 9,381,822</b>

The current portion of the long-term debt amounts to \$778,215 (2023 - \$566,614). Principal and interest repayments are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	778,215	564,087	1,342,302
2026	738,295	537,267	1,275,562
2027	697,229	511,830	1,209,059
2028	723,273	485,509	1,208,782
2029	750,327	458,361	1,208,688
Thereafter	10,627,870	3,556,792	14,184,662
	<b>\$ 14,315,209</b>	<b>\$ 6,113,846</b>	<b>\$ 20,429,055</b>

Debenture debt is repayable to the Government of Alberta and matures from 2026 to 2047. Interest is payable at rates ranging from 2.081% to 5.08%. Debenture debt is issued on the credit and security of the Municipality at large. Interest on long-term debt during the year amounted to \$345,355 (2023 - \$341,854). The Municipality's total cash payments for interest in 2024 were \$322,273 (2023 - \$338,854).

### 8. DEBT LIMITS

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

	<u>2024</u>	<u>2023</u>
Total debt limit	<b>\$ 32,682,891</b>	<b>\$ 30,118,085</b>
Total debt	<b>14,315,209</b>	<b>9,381,822</b>
Amount total debt limit unused	<b>\$ 18,367,682</b>	<b>\$ 20,736,263</b>
Debt servicing limit	<b>\$ 5,447,149</b>	<b>\$ 5,019,681</b>
Debt servicing	<b>1,342,302</b>	<b>888,787</b>
Amount of debt servicing limit unused	<b>\$ 4,104,848</b>	<b>\$ 4,130,895</b>

The debt limit is calculated at 1.5 times revenue of the Municipality (as defined in Alberta Regulation 255/00) and the debt service limit is calculated at 0.25 times such revenue. Incurring debt beyond these limitations requires approval by the Minister of Municipal Affairs. These thresholds are guidelines used by Alberta Municipal Affairs to identify municipalities that could be at financial risk if further debt is acquired. The calculation taken alone does not represent the financial stability of the Municipality. Rather, the financial statements must be interpreted as a whole.

# MUNICIPALITY OF CROWSNEST PASS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2024

### 9. EQUITY IN TANGIBLE CAPITAL ASSETS

	2024	2023
Tangible capital assets (schedule 2)	\$ 284,016,386	\$ 274,057,423
Accumulated amortization (schedule 2)	(162,309,618)	(158,279,906)
Asset Retirement Obligation (note 17)	(465,784)	(444,426)
Long-term debt related to capital expenditures (note 7)	(14,315,209)	(9,381,822)
	<u>\$ 106,925,776</u>	<u>\$ 105,951,269</u>

### 10. ACCUMULATED SURPLUS

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

	2024	2023
Unrestricted surplus		
Municipal	\$ 6,407,981	\$ 5,261,085
Crowsnest Pass Municipal Library	13,015	23,314
	<u>6,420,996</u>	<u>5,284,399</u>
Internally Restricted surplus		
Roads, streets, walks and lighting	210,023	86,730
Land/housing	1,493,426	1,252,031
Public works	5,535,100	5,437,414
Operating stabilization	3,128,590	3,007,000
Family community support services	19,390	27,810
Risk management	315,749	385,118
	<u>10,702,277</u>	<u>10,196,103</u>
Equity in tangible capital assets (note 9)	<u>106,925,776</u>	<u>105,951,269</u>
	<u>\$ 124,049,049</u>	<u>\$ 121,431,771</u>

# MUNICIPALITY OF CROWSNEST PASS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2024

### 11. SALARY AND BENEFITS DISCLOSURE

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

	2024			2023
	Salary <sup>1</sup>	Benefits <sup>2</sup>	Total	Total
Council				
Mayor Painter	\$ 42,931	5,883	\$ <b>48,814</b>	\$ 49,227
Councillor Ward	35,213	5,292	<b>40,505</b>	40,136
Councillor Filipuzzi	29,910	5,001	<b>34,911</b>	31,079
Councillor Glavin	28,500	5,292	<b>33,792</b>	27,989
Councillor Girhiny	28,153	5,103	<b>33,256</b>	31,551
Councillor Sygutak	23,684	5,292	<b>28,976</b>	28,104
Councillor Kubik	22,297	5,292	<b>27,589</b>	25,672
Chief Administrative Officer (1)	213,457	34,171	<b>247,628</b>	240,753
Designated Officers (2)	144,728	21,495	<b>166,223</b>	159,387

1. Salary includes regular base pay, bonuses, overtime, lump sum payments, gross honoraria and any other direct cash remuneration.
2. Employer's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, vision coverage, group life insurance, accidental death and dismemberment insurance, long and short term disability plans, professional memberships, and tuition.

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

### 12. LOCAL AUTHORITIES PENSION PLAN

Employees of the Municipality of Crowsnest Pass participate in the Local Authorities Pension Plan (LAPP), which is one of the plans covered by the Public Sector Pension Plans Act. The LAPP serves approximately 291,259 people and approximately 437 employers. The LAPP is financed by employer and employee contributions and by investment earnings of the LAPP Fund.

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

# MUNICIPALITY OF CROWSNEST PASS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2024

### 12. LOCAL AUTHORITIES PENSION PLAN (continued)

The Municipality 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 11.65% on pensionable earnings above this amount. Employees of the Municipality are required to make current service contributions of 7.45% of pensionable salary up to the year's maximum pensionable salary and 10.65% on pensionable salary above this amount.

Total current service contributions by the Municipality of Crowsnest Pass to the LAPP in 2024 were \$430,995 (2023 - \$434,181). Total current service contributions by the employees of Municipality of Crowsnest Pass to the Local Authorities Pension Plan in 2024 were \$383,479 (2023 - \$386,921).

At December 31, 2023, the Plan disclosed an actuarial surplus of \$15.1 billion.

### 13. BUDGETED INFORMATION

Budgeted information was prepared under the modified accrual method. This note provides a reconciliation between the approved budget figures and the budget figures disclosed in the financial statements.

	<u>2024</u>
Budget surplus reported in financial statements	\$ (539,162)
Capital asset acquisition	9,856,200
Government transfers capital revenue	(1,075,000)
Long term debt repayment	(610,702)
Long term debt - new	(3,750,000)
Short term debt/levy - new	(2,300,000)
Transfers to reserves	(4,267,536)
Transfers from reserves	<u>2,686,200</u>
Financial plan bylaw surplus for the year	<u>\$ -</u>

# MUNICIPALITY OF CROWSNEST PASS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2024

### 14. SEGMENTED INFORMATION

The Municipality of Crowsnest Pass is a diversified municipal government institution that provides a wide range of services to its citizens, including protective services, public works, water and waste services, public health and welfare, planning and development, recreation and culture, and electrical distribution services. For management reporting purposes the Municipality's operations and activities are organized and reported by departments. Departments were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations or limitations.

Municipal services are provided by departments and their activities are reported in these funds. Certain departments that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

#### **General Government**

General government includes the legislation, administration and management of the Municipality.

#### **Protective Services**

Protective services are comprised of bylaw enforcement, police, and fire-rescue. The mandate of the police and bylaw enforcement department is to ensure the safety of the lives and property of citizens; preserve peace and good order; prevent crime from occurring; detect offenders and enforce the law. The fire service department is responsible for providing fire suppression service and rescue services.

#### **Public Works**

The Public Works department is responsible for the delivery of municipal public works services related to the planning, development and maintenance of roadway systems and the maintenance of the parks and open spaces.

#### **Water & Waste**

The Water and Waste department consists of three distinct utilities - water, wastewater and solid waste disposal. The department provides drinking water, collecting and treating wastewater, and providing collection, disposal and waste minimization programs.

#### **Public Health & Welfare**

The Public Health and Welfare department provides Family and Community Support Services and provides for the maintenance of the cemetery.

#### **Planning & Development**

The Planning and Development department provides a diverse bundle of services. It manages municipal development for its citizens, environmental concerns, and heritage matters through municipal planning. It facilitates economic development by providing services for the approval of land development plans, the processing of building permit application and the provision of geometric services.

#### **Recreation & Culture**

Recreation and Culture provides support of libraries, parks, and recreation.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in note 1.

# MUNICIPALITY OF CROWSNEST PASS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2024

### 15. CONTINGENCIES

- a) The Municipality is a member of the Alberta Local Authorities Reciprocal Insurance Exchange. Under the terms of membership, the Municipality 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.

### 16. COMMITMENTS

The Municipality has entered into various contracts with third party agencies to provide services on behalf of the Municipality:

- b) Benchmark Assessment Consultants Inc. Under the terms of this agreement, Benchmark Assessment Consultants Inc. is required to provide property tax assessments for the Municipality. The contract expires 2028 and contains the following agreed upon amounts:

July 1, 2023 to June 30, 2024 \$134,175 plus GST  
July 1, 2024 to June 30, 2025 \$139,542 plus GST  
July 1, 2025 to June 30, 2026 \$144,909 plus GST  
July 1, 2026 to June 30, 2027 \$150,276 plus GST  
July 1, 2027 to June 30, 2028 \$155,643 plus GST

### 17. Asset Retirement Obligation

The Municipality owns buildings which contains materials that requires a legal requirement to perform abatement activities upon renovation or demolition of the buildings. Abatement activities include disposing of the materials in a prescribed manner when it is disturbed. In accordance with PS 3280, Asset Retirement Obligations (ARO), the Municipality estimated the ARO using the discounted future cash flows expected to be incurred within a 35 to 53 year period, using a discount rate of 5% and assuming an annual inflation rate of 2%.

	2024	2023
Balance, beginning of the year	\$ 444,426	\$ 423,263
Accretion expense	21,358	21,163
Estimated total liability	<u>\$ 465,784</u>	<u>\$ 444,426</u>

### 18. CONTAMINATED SITES LIABILITY

The Municipality did not identify any financial liabilities in 2024 (2023 - nil) as a result of PS3260 standard.

# MUNICIPALITY OF CROWSNEST PASS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2024

### 19. FINANCIAL INSTRUMENTS

#### a) Financial Instrument Risk

The Municipality is exposed to credit risk, liquidity risk, and interest rate risk and market rate risk from its financial instruments. This note describes the Municipalities objectives, policies, and processes for managing those risks and the methods used to measure them. Further qualitative and quantitative information in respect of these risks is presented below and throughout these financial statements.

There have not been any changes from the prior year in the Municipalities' exposure to above risks or the policies, procedures, and methods it uses to manage and measure the risks.

#### b) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Municipality is exposed to credit risk through its cash and accounts receivable, and portfolio investments.

The Municipality manages its credit risk by monitoring outdated accounts for collection. The Municipality measures its exposure to credit risk based on by how long amounts have been outstanding and on historical experience regarding collections. The maximum exposure to credit risk at the financial statement date is the carrying value of its cash and accounts receivable, included in Notes 2 & 3. The Municipality maintains the majority of its bank accounts and investment accounts at two financial institutions. Holding cash at bank institutions with cash accounts which are insured up to \$100,000 or 100%. Balances in these accounts may exceed federally insured amounts. Accounts receivable arise primarily as a result of interest receivables. Based on this knowledge, credit risk of cash and accounts receivable are assessed as low.

The Municipality manages exposure to credit risk for portfolio investments by ensuring adequate diversification and by maintaining its investments which meets the investment requirements of Alberta Municipal Affairs. As a result, the Municipality has reduced exposure to market or value risk.

#### c) Liquidity Risk

Liquidity risk is the risk that the Municipality will encounter difficulty in meeting obligations associated with financial liabilities. The Municipality is exposed to liquidity risk through its accounts payable and investments.

The Municipality manages this risk by monitoring cash activities and expected outflows through budgeting, and has the ability to increase tax rates per bylaw in order to increase cash. The Municipality staggers maturity dates of its investment portfolio for cash flow needs. Also to help manage the risk, the Municipality has in place a planning, budgeting and forecasting process to help determine the funds required to support the normal operating requirements. The Municipality measures its exposure to liquidity risk based on extensive budgeting.

# MUNICIPALITY OF CROWSNEST PASS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2024

### 19. FINANCIAL INSTRUMENTS continued

#### d) Interest rate risk

Interest rate risk is the risk that future cash flows or fair values will fluctuate due to the volatility of market interest rates. The Municipality is exposed to interest rate risk through its investments in fixed income securities. If interest rates increase or decrease the corresponding fair value and cash flows generated from the investments would fluctuate as such. Interest rate risk on the Municipality's long-term debt is managed through fixed-rate agreements, thereby mitigating interest rate risk from rate fluctuations over the term of the outstanding debt.

### 20. Comparative Figures

Certain prior year corresponding figures have been restated to conform to the current year's presentation.