

MUNICIPAL DISTRICT OF GREENVIEW NO. 16

Financial Statements

December 31, 2024

Draft for discussion purposes only

Preparer RJM 4/04/25	Reviewer	Partner	--
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MUNICIPAL DISTRICT OF GREENVIEW NO. 16

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Year Ended December 31, 2024

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INDEPENDENT AUDITORS' REPORT

To the Members of Council of the Municipal District of Greenview No. 16

Opinion

We have audited the accompanying financial statements of the Municipal District of Greenview No. 16 (the Municipality), which comprise the statement of financial position as at December 31, 2024, and the statements of financial activities, remeasurement gains and losses, changes in accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes to the financial statements, including 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 Municipality as at December 31, 2024, and the results of its financial activities, remeasurement gains and losses, accumulated surplus, changes in net financial assets 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 *Independent Auditors' Responsibilities for the Audit of the 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 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 the 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 Municipality'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 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.

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Independent 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 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 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 Municipality 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.

Grande Prairie, Alberta

Chartered Professional Accountants



MUNICIPAL DISTRICT OF GREENVIEW NO. 16

Statement of Financial Position

December 31, 2024

	2024	2023
FINANCIAL ASSETS		
Cash (Note 2)	\$ 93,619,708	\$ 71,426,027
Portfolio investments (Note 3)	138,401,464	130,812,288
Receivables		
Taxes and grants in place of taxes receivable (Note 4)	3,471,083	1,958,211
Trade and other receivables (Note 5)	16,638,172	10,610,523
Debt recoverable - local improvements (Note 6)	856,668	902,643
Land held for resale	602,000	602,000
	<u>253,589,095</u>	<u>216,311,692</u>
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities (Note 7)	20,021,143	11,598,433
Employee benefit obligations (Note 8)	1,396,565	1,238,418
Deferred revenue (Note 9)	1,670,961	2,219,274
Long-term debt (Note 10)	1,058,372	1,495,890
Asset retirement obligations and environmental liabilities (Note 12)	38,117,239	32,762,964
	<u>62,264,280</u>	<u>49,314,979</u>
NET FINANCIAL ASSETS	<u>191,324,815</u>	<u>166,996,713</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 2)	408,246,270	393,304,784
Inventory for consumption	12,484,121	15,619,071
Prepaid expenses and deposits	1,780,613	1,694,013
	<u>422,511,004</u>	<u>410,617,868</u>
ACCUMULATED SURPLUS	<u>\$ 613,835,817</u>	<u>\$ 577,614,582</u>
CONTINGENT LIABILITIES (Note 22)		

ON BEHALF OF COUNCIL

MUNICIPAL DISTRICT OF GREENVIEW NO. 16

Statement of Financial Activities

Year Ended December 31, 2024

	<i>Budget (Unaudited - Note 21) 2024</i>	2024	2023
REVENUES			
Net municipal taxes <i>(Schedule 3)</i>	\$ 117,245,689	\$ 117,245,177	\$ 111,353,816
Government transfers for operating <i>(Schedule 4)</i>	1,559,378	2,304,773	5,981,225
User fees and sales of goods	6,230,168	7,511,187	6,743,430
Penalties and cost of taxes	725,000	966,608	943,716
Other	15,300	360,485	84,010
Licenses and permits	438,625	499,801	514,559
Fines	125,000	102,945	149,383
Interest and investment income	7,200,000	14,394,098	9,014,323
	<u>133,539,160</u>	<u>143,385,074</u>	<u>134,784,462</u>
EXPENDITURES			
Transportation services	47,892,153	46,961,019	44,867,070
Recreation and cultural services	38,105,195	25,479,558	20,940,224
General government and administration	19,048,935	17,557,535	15,021,061
Utilities and environmental	14,663,164	14,982,018	25,924,674
Planning and development services	7,485,571	6,168,989	6,358,304
Protective services	6,988,610	7,633,880	8,794,103
Public health and welfare	2,689,026	2,417,771	2,499,339
	<u>136,872,654</u>	<u>121,200,770</u>	<u>124,404,775</u>
EXCESS OF REVENUES OVER EXPENDITURES BEFORE THE FOLLOWING	<u>(3,333,494)</u>	<u>22,184,304</u>	<u>10,379,687</u>
OTHER ITEMS			
Gain (loss) on disposal of tangible capital assets	-	636,016	(68,017)
Government transfers for capital <i>(Schedule 4)</i>	6,468,836	15,976,207	12,528,866
	<u>6,468,836</u>	<u>16,612,223</u>	<u>12,460,849</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>\$ 3,135,342</u>	<u>\$ 38,796,527</u>	<u>\$ 22,840,536</u>

MUNICIPAL DISTRICT OF GREENVIEW NO. 16

Statement of Remeasurement Gains and Losses

Year Ended December 31, 2024

	2024
REMEASUREMENT GAINS AND (LOSSES) - BEGINNING OF YEAR	\$ -
Unrealized losses attributable to:	
Investments held at fair value	<u>(2,575,292)</u>
ACCUMULATED REMEASUREMENT LOSSES - END OF YEAR	<u>\$ (2,575,292)</u>

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MUNICIPAL DISTRICT OF GREENVIEW NO. 16

Statement of Changes in Accumulated Surplus

Year Ended December 31, 2024

	2024	2023
ACCUMULATED OPERATING SURPLUS - BEGINNING OF YEAR	\$ 577,614,582	\$ 554,774,046
Excess of revenues over expenditures	<u>38,796,527</u>	<u>22,840,536</u>
ACCUMULATED OPERATING SURPLUS - END OF YEAR <i>(Schedule 1)</i>	616,411,109	577,614,582
ACCUMULATED REMEASUREMENT LOSSES - END OF YEAR	<u>(2,575,292)</u>	<u>-</u>
ACCUMULATED SURPLUS - END OF YEAR	<u>\$ 613,835,817</u>	<u>\$ 577,614,582</u>

MUNICIPAL DISTRICT OF GREENVIEW NO. 16

Statement of Changes in Net Financial Assets

Year Ended December 31, 2024

	<i>Budget (Unaudited - Note 21) 2024</i>	2024	2023
EXCESS OF REVENUES OVER EXPENDITURES	\$ 3,135,342	\$ 38,796,527	\$ 22,840,536
Acquisition of tangible capital assets	(78,490,476)	(40,151,702)	(39,981,238)
Proceeds on disposal of tangible capital assets	-	777,199	37,500
Loss (gain) on disposal of tangible capital assets	-	(636,016)	68,017
Amortization of tangible capital assets	26,500,000	25,069,036	25,503,682
	<u>(51,990,476)</u>	<u>(14,941,483)</u>	<u>(14,372,039)</u>
Net change in inventory for consumption	-	3,134,950	(4,486,035)
Acquisition of prepaid expenses	-	(1,442,086)	(971,881)
Use of prepaid expenses	-	1,355,486	1,054,927
Unrealized remeasurement loss	-	(2,575,292)	-
	<u>-</u>	<u>473,058</u>	<u>(4,402,989)</u>
	<u>(51,990,476)</u>	<u>(14,468,425)</u>	<u>(18,775,028)</u>
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	(48,855,134)	24,328,102	4,065,508
NET FINANCIAL ASSETS - BEGINNING OF YEAR	166,996,713	166,996,713	162,931,205
NET FINANCIAL ASSETS - END OF YEAR	<u>\$ 118,141,579</u>	<u>\$ 191,324,815</u>	<u>\$ 166,996,713</u>

MUNICIPAL DISTRICT OF GREENVIEW NO. 16

Statement of Cash Flows

Year Ended December 31, 2024

	2024	2023
OPERATING ACTIVITIES		
Excess of revenues over expenditures	\$ 38,796,527	\$ 22,840,536
Items not affecting cash:		
Amortization of tangible capital assets	25,069,036	25,503,682
Unrealized remeasurement loss	(2,575,292)	-
Loss (gain) on disposal of tangible capital assets	(636,016)	68,017
	<u>60,654,255</u>	<u>48,412,235</u>
Change in non-cash working capital:		
Trade and other receivables	(6,027,649)	(167,606)
Taxes and grants in place of taxes receivable	(1,512,872)	(816,103)
Inventory for consumption	3,134,950	(4,486,035)
Prepaid expenses	(86,600)	83,046
Accounts payable and accrued liabilities	8,422,710	2,847,381
Employee benefit obligations	158,147	113,957
Asset retirement obligations	5,354,275	20,204,030
Deferred revenue	(548,313)	(4,465,992)
Cash from operating activities	<u>69,548,903</u>	<u>61,724,913</u>
INVESTING ACTIVITY		
Debt recoverable - local improvements	<u>45,975</u>	<u>43,775</u>
FINANCING ACTIVITY		
Long-term debt repaid	<u>(437,518)</u>	<u>(420,016)</u>
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(40,151,702)	(39,981,238)
Proceeds on disposal of tangible capital assets	777,199	37,500
Cash used by capital activities	<u>(39,374,503)</u>	<u>(39,943,738)</u>
INCREASE (DECREASE) IN CASH	29,782,857	21,404,934
CASH - BEGINNING OF YEAR	<u>202,238,315</u>	<u>180,833,381</u>
CASH - END OF YEAR	<u>\$ 232,021,172</u>	<u>\$ 202,238,315</u>
CASH CONSISTS OF:		
Cash (Note 2)	\$ 93,619,708	\$ 71,426,027
Portfolio investments (Note 3)	<u>138,401,464</u>	<u>130,812,288</u>
	<u>\$ 232,021,172</u>	<u>\$ 202,238,315</u>

MUNICIPAL DISTRICT OF GREENVIEW NO. 16
Schedule of Changes in Accumulated Operating Surplus

(Schedule 1)

Year Ended December 31, 2024

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2024	2023
BALANCE, BEGINNING OF YEAR	\$ 24,622,400	\$ 167,686,178	\$ 385,306,004	\$ 577,614,582	\$ 554,774,046
Excess of revenues over expenditures	38,796,527	-	-	38,796,527	22,840,536
Unrestricted funds designated for future use	(12,011,105)	12,011,105	-	-	-
Restricted funds used for operations	211,964	(211,964)	-	-	-
Asset retirement obligation initial recognition	1,015,801	-	(1,015,801)	-	-
Current year funds used for tangible capital assets	(22,384,910)	-	22,384,910	-	-
Restricted funds used for tangible capital assets	-	(17,766,792)	17,766,792	-	-
Annual amortization expense	-	25,069,036	(25,069,036)	-	-
Annual accretion expense	715,054	-	(715,054)	-	-
Disposal of tangible capital assets	141,183	-	(141,183)	-	-
Long-term debt for capital repaid	(437,518)	-	437,518	-	-
Agreements receivable recovered	45,975	-	(45,975)	-	-
BALANCE, END OF YEAR	\$ 30,715,371	\$ 186,787,563	\$ 398,908,175	\$ 616,411,109	\$ 577,614,582

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Please see accompanying notes to financial statements

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MUNICIPAL DISTRICT OF GREENVIEW NO. 16

Schedule of Tangible Capital Assets

(Schedule 2)

Year Ended December 31, 2024

	Engineered Structures	Buildings and Leasehold Improvements	Land and Land Improvements	Machinery and Equipment and Furnishings	Vehicles	Assets Under Construction	2024	2023
COST								
BALANCE, BEGINNING	\$ 694,905,296	\$ 137,441,411	\$ 17,022,622	\$ 29,926,803	\$ 21,183,339	\$ 21,545,084	\$ 922,024,555	\$ 882,434,504
Acquisition of tangible capital assets	8,939,483	4,712,757	136,117	1,261,198	1,556,013	22,560,795	39,166,363	34,746,873
Addition of asset retirement obligations to tangible capital assets	-	1,015,801	-	-	-	-	1,015,801	6,830,923
Transfers of assets under construction	683,610	230,963	23,591	73,200	-	(1,041,826)	(30,462)	(1,596,558)
Disposal of tangible capital assets	(88,525)	(104,297)	-	(593,651)	(354,415)	-	(1,140,888)	(391,187)
BALANCE, ENDING	704,439,864	143,296,635	17,182,330	30,667,550	22,384,937	43,064,053	961,035,369	922,024,555
ACCUMULATED AMORTIZATION								
BALANCE, BEGINNING	465,540,652	28,599,142	1,136,329	17,421,827	16,021,822	-	528,719,771	503,501,757
Annual amortization	17,579,254	3,454,409	148,577	2,562,059	1,324,737	-	25,069,036	25,503,682
Accumulated amortization on disposals	(77,854)	(73,276)	-	(544,513)	(304,065)	-	(999,708)	(285,668)
BALANCE, ENDING	483,042,052	31,980,275	1,284,906	19,439,373	17,042,494	-	552,789,099	528,719,771
NET BOOK VALUE, ENDING	\$ 221,397,812	\$ 111,316,360	\$ 15,897,424	\$ 11,228,177	\$ 5,342,443	\$ 43,064,053	\$ 408,246,270	\$ 393,304,784
2023 NET BOOK VALUE, ENDING	\$ 229,364,644	\$ 108,842,269	\$ 15,886,293	\$ 12,504,976	\$ 5,161,517	\$ 21,545,084	\$ 393,304,784	

MUNICIPAL DISTRICT OF GREENVIEW NO. 16

Schedule of Property and Other Taxes

(Schedule 3)

Year Ended December 31, 2024

	<i>Budget (Unaudited) 2024</i>	2024	2023
Taxation			
Linear property taxes	\$ 77,755,109	\$ 79,257,909	\$ 74,045,652
Real property taxes	77,619,215	76,110,791	72,580,857
Government grants in lieu of property taxes	513,665	513,011	529,502
	<u>155,887,989</u>	<u>155,881,711</u>	<u>147,156,011</u>
Requisitions			
Alberta School Foundation Fund	31,892,627	31,895,145	29,756,665
Seniors foundations	5,526,366	5,526,366	4,914,817
Designated industrial property	1,139,479	1,139,479	1,054,486
Other school boards	83,828	75,544	76,227
	<u>38,642,300</u>	<u>38,636,534</u>	<u>35,802,195</u>
	<u>\$ 117,245,689</u>	<u>\$ 117,245,177</u>	<u>\$ 111,353,816</u>

MUNICIPAL DISTRICT OF GREENVIEW NO. 16

Schedule of Government Transfers

(Schedule 4)

Year Ended December 31, 2024

	<i>Budget (Unaudited) 2024</i>	2024	2023
Transfers for operating			
Provincial government	\$ 1,148,364	\$ 2,100,369	\$ 2,365,789
Federal government	150,000	-	57,315
Other local governments	261,014	204,404	3,558,121
	<u>1,559,378</u>	<u>2,304,773</u>	<u>5,981,225</u>
Transfers for capital			
Provincial government	6,468,836	15,976,207	12,513,380
Federal government	-	-	15,486
	<u>6,468,836</u>	<u>15,976,207</u>	<u>12,528,866</u>
TOTAL GOVERNMENT TRANSFERS	<u>\$ 8,028,214</u>	<u>\$ 18,280,980</u>	<u>\$ 18,510,091</u>

MUNICIPAL DISTRICT OF GREENVIEW NO. 16

Schedule of Expenditures by Object

(Schedule 5)

Year Ended December 31, 2024

	<i>Budget (Unaudited)</i> 2024	2024	2023
EXPENDITURES			
Salaries, wages and benefits	\$ 34,071,659	\$ 31,845,906	\$ 29,115,034
Contracted and general services	33,395,161	30,833,285	37,484,884
Materials, goods, and utilities	10,513,470	13,176,523	6,082,019
Provision for allowances	500,000	235,969	(1,610,983)
Transfers to local boards and agencies	28,242,185	15,344,148	12,769,425
Bank charges and short-term interest	1,000	41,738	316,187
Interest on long-term debt	64,229	64,229	81,731
Amortization of tangible capital assets	26,500,000	25,069,036	25,503,682
Accretion of asset retirement obligations	-	715,054	574,611
Provision for asset retirement obligations	3,584,950	3,874,882	14,088,185
	<u>\$ 136,872,654</u>	<u>\$ 121,200,770</u>	<u>\$ 124,404,775</u>

MUNICIPAL DISTRICT OF GREENVIEW NO. 16

Schedule of Segmented Disclosure

(Schedule 6)

Year Ended December 31, 2024

	General Government	Protective Services	Transportation Services	Planning and Development	Community Services	Recreation and Culture	Utilities and Environmental	Total
REVENUE								
Net municipal taxes	\$ 117,245,177	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 117,245,177
Government transfers	611,032	270,933	523,534	166,247	657,007	72,200	3,820	2,304,773
User fees and sales of goods	41,085	147,065	1,513,727	-	375,917	1,412,845	4,020,548	7,511,187
Investment income	14,394,098	-	-	-	-	-	-	14,394,098
Other revenue	1,433,442	115,599	-	291,612	77,761	11,425	-	1,929,839
	133,724,834	533,597	2,037,261	457,859	1,110,685	1,496,470	4,024,368	143,385,074
EXPENSES								
Salaries, wages and benefits	8,594,284	1,852,146	7,219,060	3,652,124	1,824,411	5,742,239	2,961,642	31,845,906
Contracted and general services	6,510,892	3,177,105	16,252,169	1,322,430	306,187	1,637,664	1,626,838	30,833,285
Materials, goods and utilities	1,338,298	649,634	7,528,237	679,707	115,529	1,324,375	1,540,743	13,176,523
Transfers to local boards and agencies	-	255,371	-	198,605	159,228	14,551,630	179,314	15,344,148
Interest on long-term debt	-	-	-	-	-	19,985	44,244	64,229
Amortization expense	836,354	1,699,624	15,961,553	316,123	12,416	2,203,665	4,039,301	25,069,036
Accretion expense	-	-	-	-	-	-	715,054	715,054
Provision for asset retirement obligations	-	-	-	-	-	-	3,874,882	3,874,882
Other expenses	277,707	-	-	-	-	-	-	277,707
	17,557,535	7,633,880	46,961,019	6,168,989	2,417,771	25,479,558	14,982,018	121,200,770
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES	\$ 116,167,299	\$ (7,100,283)	\$ (44,923,758)	\$ (5,711,130)	\$ (1,307,086)	\$ (23,983,088)	\$ (10,957,650)	\$ 22,184,304
2023 EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES	\$ 110,034,708	\$ (7,782,421)	\$ (42,835,429)	\$ (5,806,782)	\$ (1,493,577)	\$ (19,321,918)	\$ (22,414,895)	\$ 10,379,687

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Please see accompanying notes to financial statements

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MUNICIPAL DISTRICT OF GREENVIEW NO. 16

Notes to Financial Statements

Year Ended December 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Municipal District of Greenview No. 16 (the "Municipality") are the representations of management prepared in accordance with accounting standards established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. Significant aspects of the accounting policies adopted by the Municipality are as follows:

Reporting entity

The financial statements reflect the assets, liabilities, revenues and expenditures, changes in net assets and changes in financial position of the reporting entity. This entity is comprised of the municipal operations plus all of the organizations that are owned or controlled by the Municipality and are, therefore, accountable to the Municipality for the administration of their financial affairs and resources.

The schedule of taxes levied also includes requisitions for education, health, social and senior foundations that are not part of the Municipality's reporting entity.

Interdepartmental and organizational transactions and balances have been eliminated.

The financial statements also exclude trust assets that are administered for the benefit of external parties as described in Note 18.

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 or services and/or the legal obligation to pay.

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

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

Investments

Investments in derivatives and equity instruments quoted in an active market are carried at fair value with transaction 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. Gains on principal protected notes are recognized as income when sold.

Investment income is reported as revenue in the period earned. When required by the funding government or related act, investment income earned on deferred revenue is added to the investment, and forms part of the deferred revenue balance.

(continues)

MUNICIPAL DISTRICT OF GREENVIEW NO. 16

Notes to Financial Statements

Year Ended December 31, 2024

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

Inventories for resale

Assets 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 physical assets under their respective function. Proceeds, from sales of land held for resale are recorded as revenue in the period in which the events giving rise to the transfer occurred, providing the transfers are authorized, the eligibility criteria have been met and reasonable estimates of the amounts can be made.

Agreements receivable

Debt charges recoverable consist of amounts that are recoverable through local improvement taxes with respect to outstanding debentures or other long-term debt pursuant to bylaws or joint capital undertakings. These recoveries are recorded at a value that equals the offsetting portion of the un-matured long-term debt, less actuarial requirements for the retirement of any sinking fund debentures.

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 the 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.

Employee future benefits

Certain employees of the Municipality are members of the Local Authorities Pension Plan (LAPP), a multi-employer defined benefit pension plan. The President of the Alberta Treasury Board and the Minister of Finance are the legal trustees and administrators of the Plan, which is governed by a Board of Trustees. Since the Plan is a multi-employer plan, it is accounted for as a defined contribution plan and, accordingly, the Municipality does not recognize its share of any plan surplus or deficit.

Qualifying employees of the Municipality are members of the APEX Supplementary Pension Plan (APEX), a multi-employer defined benefit pension plan. The Trustee of the plan is the Alberta Municipal Services Corporation, a subsidiary of the Alberta Urban Municipalities Association and the plan is administered by a Board of Trustees. Since the Plan is a multi-employer plan, it is accounted for as a defined contribution plan and, accordingly, the Municipality does not recognize its share of any plan surplus or deficit.

Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the consolidated Change in Net Financial Assets for the year.

(continues)

MUNICIPAL DISTRICT OF GREENVIEW NO. 16

Notes to Financial Statements

Year Ended December 31, 2024

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

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, in years, as follows:

Buildings	20-40
Land improvements	15
Engineered structures	10-50
Machinery and equipment	10-20
Vehicles	5-15
Office and information technology	3-5

In the year of acquisition, a half year of amortization is applied. Assets under construction are not amortized until the asset is available for productive use.

The Municipality regularly reviews its tangible capital assets for sold or scrapped assets, at which time the cost and the related accumulated amortization are removed from the accounts and any resulting gain or loss on disposal is reflected in income.

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

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.

Impairment of long-lived assets

The Municipality tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent the carrying value exceeds its fair value.

(continues)

MUNICIPAL DISTRICT OF GREENVIEW NO. 16

Notes to Financial Statements

Year Ended December 31, 2024

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

Asset retirement obligations

The Municipality recognizes a liability at the best estimate of the amount required for the future environmental remediation of certain properties and for future removal and handling costs for contamination. 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 the period-to-period changes to the liability as an 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 or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

Contaminated sites liability

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of a contaminated site is recognized when there is a legal obligation for the Municipality to incur retirement costs and is management's estimate of the cost of post-remediation including operation, maintenance and monitoring.

Inventory held for consumption

Inventories held for consumption consists of gravel, salt, sand, parts, chemicals, cleaning supplies, and promotional items. Gravel, salt, and sand cost is determined on a weighted average basis. Cost for parts, chemicals, cleaning supplies, and promotional items is determined on a first-in, first-out basis. All other inventory held for consumption are recorded at the lower of cost and replacement cost.

Reserves for future expenditures

Reserves are established at the discretion of Council to set aside funds for future expenditures and capital projects.

(continues)

MUNICIPAL DISTRICT OF GREENVIEW NO. 16

Notes to Financial Statements

Year Ended December 31, 2024

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

Tax revenue

Tax revenues are recognized when the tax has been authorized by bylaw and the taxable event has occurred.

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

Government transfers

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

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

Measurement uncertainty

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, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the period. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from these estimates.

Significant estimates made by management in these financial statements include the provision for amortization of tangible capital assets, provisions for uncollectible receivables and asset retirement obligations.

Budget

The budget amounts are presented for information purposes and have not been audited.

Future accounting changes

The Public Sector Accounting Board has issued the following accounting standards:

- **Revised Conceptual Framework**

The revised conceptual framework will replace the existing conceptual framework, which consists of Section PS 1000, Financial Statement Concepts, and Section PS 1100, Financial Statement Objectives, and is effective for public sector entities for fiscal years beginning on or after April 1, 2026, with earlier adoption permitted. The conceptual framework is to be applied prospectively.

The Municipal District of Greenview is in the process of assessing its impact on the financial statements.

(continues)

MUNICIPAL DISTRICT OF GREENVIEW NO. 16

Notes to Financial Statements

Year Ended December 31, 2024

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

- **New Reporting Model**

The new reporting model relates to the pronouncement on changes to the financial statements' presentation based on PSAB's issuance of the revised Conceptual Framework. The Board has also issued Section PS 1202, Financial Statement Presentation, which is a new reporting model. This new reporting model will build upon existing Section PS 1201 of the same name to better respond to the need for understandable financial statements.

The new standard, along with related consequential amendments, will be effective for fiscal years beginning on or after April 1, 2026, with earlier adoption permitted if the entity adopts the revised conceptual framework at the same time.

The Municipal District of Greenview is in the process of assessing its impact on the financial statements.

2. CASH

Cash held in bank accounts bears interest at rates ranging between prime less 1.90% and prime less 1.55% depending on the cash balance (2023 - prime less 1.90% and prime less 1.55%).

Included in cash are restricted amounts aggregating \$1,670,961 (2023 - \$2,219,274) to be used for specific projects included in deferred revenue (*Note 9*).

The Municipality has entered into a credit facility agreement which encompasses a revolving line of credit with a maximum limit of \$5,000,000 bearing interest at the bank prime rate plus 1.00% and secured by borrowing by-laws and approvals as required to be in compliance with the Alberta Municipal Government Act and its Regulations. At year-end, no amounts were withdrawn against the available balance.

The Municipality has entered into a credit facility agreement which encompasses a non-revolving demand loan with a maximum limit of \$40,104,228 bearing interest at the bank prime rate less 0.25% and secured by borrowing by-laws and approvals as required to be in compliance with the Alberta Municipal Government Act and its Regulations. At year-end, no amounts were withdrawn against the available balance.

The Municipality holds \$418,460 (2023 - \$419,912) that is held in trust as described in Note 18.

3. PORTFOLIO INVESTMENTS

Portfolio investments, with a market value of \$142,055,734, are readily convertible to cash, consist of fixed income investments, equity investments and Canadian treasury bills, have a weighted average investment yield of 4.60% (2023 - 3.78%) per annum and mature between April 2025 and January 2035.

Unrealized losses on investments carried at fair value of \$2,575,292 (2023 - \$NIL) have been recognized in the statement of remeasurement gains and losses.

MUNICIPAL DISTRICT OF GREENVIEW NO. 16

Notes to Financial Statements

Year Ended December 31, 2024

4. TAXES AND GRANTS IN PLACE OF TAXES RECEIVABLE

	2024	2023
Current taxes and grants in place of taxes	\$ 2,356,552	\$ 1,465,584
Arrears	4,185,818	3,488,670
	6,542,370	4,954,254
Less: Allowance for doubtful accounts	(3,071,287)	(2,996,043)
	<u>\$ 3,471,083</u>	<u>\$ 1,958,211</u>

5. TRADE AND OTHER RECEIVABLES

	2024	2023
Trade and other receivables	\$ 2,150,324	\$ 2,063,457
Government grants receivable	13,394,544	6,804,585
Goods and services tax	1,085,399	1,086,907
Accrued investment earnings	421,366	1,068,384
Less: Allowance for doubtful accounts	(413,461)	(412,810)
	<u>\$ 16,638,172</u>	<u>\$ 10,610,523</u>

MUNICIPAL DISTRICT OF GREENVIEW NO. 16

Notes to Financial Statements

Year Ended December 31, 2024

6. DEBT RECOVERABLE - LOCAL IMPROVEMENTS

	<u>2024</u>	<u>2023</u>
Creeks Crossing Subdivision	\$ 856,668	\$ 902,643
Agreements receivable due in one year	<u>(48,285)</u>	<u>(45,975)</u>
	<u>\$ 808,383</u>	<u>\$ 856,668</u>

Estimated principal amounts to be received are as follows:

2025	\$ 48,285
2026	50,712
2027	53,260
2028	55,937
2029	58,748
Thereafter	589,726
	<u>\$ 856,668</u>

The Municipality passed Bylaw 07-534 authorizing council to provide a local improvement to install water and wastewater lines and a lift station for the Creeks Crossing Subdivision. The total cost of the local improvement was \$1,400,000, is repayable in 30 annual installments of \$92,164 including interest at a fixed rate of 5.152% per annum maturing September, 2037.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2024</u>	<u>2023</u>
Trade payables and other accrued liabilities	\$ 15,219,906	\$ 8,780,549
Construction holdbacks payable	3,427,949	1,740,164
Accrued payroll	<u>1,373,288</u>	<u>1,077,720</u>
	<u>\$ 20,021,143</u>	<u>\$ 11,598,433</u>

8. EMPLOYEE BENEFIT OBLIGATIONS

	<u>2024</u>	<u>2023</u>
Vacation and overtime	\$ 1,396,565	\$ 1,238,418

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 are vested) or are entitled to these benefits within the next budgetary year. The Municipality does not provide direct post-employment benefits to its employees. Employees may qualify for group pension plans as disclosed in Note 16.

MUNICIPAL DISTRICT OF GREENVIEW NO. 16

Notes to Financial Statements

Year Ended December 31, 2024

9. DEFERRED REVENUE

	2024	2023
Operating grants	\$ 1,103,876	\$ 1,623,593
AEP capital grant	567,085	-
CCBF capital grant	-	595,681
	<u>\$ 1,670,961</u>	<u>\$ 2,219,274</u>

Deferred revenue is comprised of the funds noted above, the use of which, together with any earnings thereon, is restricted by an agreement. These funds are recognized as revenue in the period they are used for the purpose specified.

Deferred operating grants consist of restricted amounts for specific operating projects including disaster recovery and parks.

Alberta Environment and Protected Areas (AEP)

Capital funding in the amount of \$720,047 (2023 - \$NIL) was received in the current year from Alberta Environment and Protected Areas. The funding relates to a capital project currently in progress. At year end, \$567,085 was deferred.

Canada Community Building Fund (CCBF, formerly the Federal Gas Tax Fund)

Capital funding in the amount of \$600,079 (2023 - \$595,681) was received in the current year from the Canada Community Building Fund. The funding relates to a capital project currently in progress. At year end, no funds were deferred.

Local Government Fiscal Framework (LGFF) (Formerly Municipal Sustainability Initiative (MSI))

The Local Government Fiscal Framework replaced the Municipal Sustainability Initiative (MSI). Capital funding in the amount of \$3,184,939 (2023 - \$1,123,293) was received in the current year from the Local Government Fiscal Framework, as approved under the funding agreement. The funding related to capital projects worked on during the year. At year end, no funds were deferred (2023 - \$NIL).

MUNICIPAL DISTRICT OF GREENVIEW NO. 16

Notes to Financial Statements

Year Ended December 31, 2024

10. LONG-TERM DEBT

	2024	2023
Tax supported debentures	\$ 1,058,372	\$ 1,495,890
Long-term debt due in one year	(249,989)	(437,518)
Long-term debt due thereafter	\$ 808,383	\$ 1,058,372

Principal repayment terms are approximately:

	Principal	Interest	Total
2025	\$ 249,989	\$ 45,994	\$ 295,983
2026	50,712	39,507	90,219
2027	53,260	36,958	90,218
2028	55,937	34,281	90,218
2029	58,748	31,470	90,218
Thereafter	589,726	132,021	721,747
	<u>\$ 1,058,372</u>	<u>\$ 320,231</u>	<u>\$ 1,378,603</u>

Debenture debt is repayable to the Province of Alberta and bears interest at rates ranging from 4.01% to 4.96% per annum and matures in years 2025 through 2037.

Cash paid for interest on long-term debt amounted to \$64,229 (2023 - \$81,731).

11. 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 Greenview No. 16 be disclosed as follows:

	2024	2023
Total debt limit	\$ 215,077,611	\$ 202,176,693
Total debt	(1,058,372)	(1,495,890)
Amount debt limit remaining	<u>\$ 214,019,239</u>	<u>\$ 200,680,803</u>
Debt servicing limit	\$ 35,846,269	\$ 33,696,116
Debt servicing	(295,983)	(501,747)
Service on debt limit remaining	<u>\$ 35,550,286</u>	<u>\$ 33,194,369</u>

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

As discussed in Note 2, the Municipality has entered into a credit facility agreement which encompasses a non-revolving demand loan with a maximum limit of \$40,104,228.

MUNICIPAL DISTRICT OF GREENVIEW NO. 16

Notes to Financial Statements

Year Ended December 31, 2024

12. ASSET RETIREMENT OBLIGATIONS

	2024	2023
Asset Retirement Obligations, beginning of year	\$ 32,762,964	\$ 12,558,934
Liability incurred related to tangible capital assets	1,015,801	6,830,923
Provision for asset retirement obligations	3,874,882	14,088,185
Accretion expense	715,054	574,611
Liability settled	(251,462)	(1,289,689)
Asset Retirement Obligations, end of year	\$ 38,117,239	\$ 32,762,964

Asset retirement obligations associated with tangible capital assets no longer in productive use or not recognized as a tangible capital asset are to be expensed, as there is no cost basis of the underlying asset to which the asset retirement costs can be attached. Asset retirement obligations attached to tangible capital assets are \$9,136,391 (2023 - \$7,405,533).

Alberta environmental law requires closure and post-closure care of landfill sites, which includes final covering and landscaping, pumping of ground water and leachates from the site, and ongoing environmental monitoring, site inspections and maintenance.

The Municipality recognizes the anticipated costs of the landfill closure and post closure on an annual basis. The estimated liability for these costs is based on estimates and assumptions related to future events and costs using information currently available to management and is recognized on a cumulative basis as the landfill capacity is utilized. Future events may result in significant changes to the estimated total costs, capacity used or total capacity and the estimated liability.

The accrued liability for closure and post-closure of the landfill is recognized over the life of the cells, using the net present value of the total estimated costs of closure and post-closure care, prorated on the basis of the current capacity in metric tonnes utilized over the total estimated capacity of the site. Estimated total costs equal the sum of the discounted future cash flows for closure and post-closure care activities discounted at the average long-term investment interest rate of 8.36% (2023 - 8.36%), and assuming annual inflation of 2.00% (2023 - 2.00%).

The Municipality is planning on closing the Hamlet of Grande Cache landfill and developing a waste transfer site within the existing landfill site. It is anticipated that post-closure care will be required for a period of twenty-five years once the landfill has been closed.

The Municipality owns assets which contain asbestos and therefore the Municipality is legally required to perform abatement activities upon renovation or demolition of the asset. Abatement activities include handling and disposing of the asbestos in a prescribed manner when it is disturbed. Estimated total costs equal the sum of the discounted future cash flows for asbestos abatement activities using a discount rate equal to the average long term investment interest rate of 8.36% and assuming annual inflation of 2.00%.

The Municipality owns lagoons which require post-closure reclamation which considers the accreted costs of restoration per acre, the age of the lagoon and the estimated useful life of the lagoon. Estimated total costs equal the sum of the discounted future cash flows for lagoon post-closure activities using a discount rate equal to the average long term investment interest rate of 8.36% and assuming annual inflation of 2.00%.

The Municipality has a hydrocarbon well lease site and therefore is legally required to perform abatement activities under section 3.013 of the Oil and Gas Conservation Rules per directive 020 from the Alberta Energy Regulator. Abandonment requirements include casing removal, zonal abandonments, plug back and environmental monitoring costs using a discount rate equal to the average long term investment interest rate of 8.36% and assuming annual inflation of 2.00%.

MUNICIPAL DISTRICT OF GREENVIEW NO. 16

Notes to Financial Statements

Year Ended December 31, 2024

13. EQUITY IN TANGIBLE CAPITAL ASSETS

	2024	2023
Tangible capital assets (<i>Schedule 2</i>)	\$ 408,246,270	\$ 393,304,784
Capital agreements receivable (<i>Note 6</i>)	856,668	902,643
Long-term debt issued for capital purposes (<i>Note 10</i>)	(1,058,372)	(1,495,890)
Asset retirement obligations (<i>Note 12</i>)	(9,136,391)	(7,405,533)
	\$ 398,908,175	\$ 385,306,004

14. RESTRICTED SURPLUS

Council has set aside funds as an internal allocation of accumulated surplus as follows:

	Balance Beginning	Additions	Reductions	Balance Closing
Bridge replacement	\$ 12,047,918	\$ 1,607,266	\$ 568,841	\$ 13,086,343
Community Bus	187,649	6,120	-	193,769
Facilities	22,783,910	1,334,535	2,645,343	21,473,102
Fire facilities	3,986,828	8,344,002	1,535,721	10,795,109
Fire rescue apparatus and equipment	6,369,113	-	6,369,113	-
Fleet and equipment replacement	9,460,132	2,863,054	1,820,188	10,502,998
Gravel pit reclamation	1,494,321	94,565	-	1,588,886
Operating project carry forward	548,240	251,870	212,970	587,140
Recreation	7,112,961	2,456,659	48,160	9,521,460
Road infrastructure	71,662,467	21,146,844	2,985,039	89,824,272
Solid waste	3,097,030	464,456	-	3,561,486
Medical clinic	78,137	47,552	-	125,689
Wastewater	13,499,442	-	13,499,442	-
Water	899,358	17,465,020	7,127,994	11,236,384
Economic development	7,583,449	-	1,035,506	6,547,943
Disaster Response	1,218,422	756,746	-	1,975,168
Green View FCSS	101,200	-	-	101,200
Health and dental benefits	-	147,084	36,863	110,221
Operating contingency	5,555,601	792	-	5,556,393
	\$ 167,686,178	\$ 56,986,565	\$ 37,885,180	\$ 186,787,563

As of February 13, 2024, a new reserve policy was created and council approved the consolidation of the Fire facilities and Fire rescue apparatus and equipment reserves to continue as the Fire facilities reserve. Additionally, council also approved the consolidation of the Wastewater and Water reserves to continue as the Water reserve.

MUNICIPAL DISTRICT OF GREENVIEW NO. 16

Notes to Financial Statements

Year Ended December 31, 2024

15. SALARY AND BENEFITS DISCLOSURE

Disclosure of salaries and benefits for municipal officials, the chief administrative officer and designated officers as required by Alberta Regulation 313/2000 is as follows:

	Salary	Benefits and Allowances	2024	2023
Elected Officials:				
Reeve (Ward #9)	\$ 109,509	\$ 17,951	\$ 127,460	\$ 136,422
Deputy Reeve (Ward #8)	80,273	16,975	97,248	87,427
Ward #1	74,839	15,831	90,670	98,055
Ward #2	68,972	14,992	83,964	84,205
Ward #3	70,430	12,918	83,348	80,927
Ward #4	67,705	14,414	82,119	78,867
Ward #5	53,787	10,472	64,259	62,265
Ward #6	106,049	20,828	126,877	126,169
Ward #7	67,406	13,231	80,637	80,320
Ward #8	80,862	13,065	93,927	86,891
Ward #9	57,494	10,510	68,004	73,527
Chief Administrative Officer:	274,073	35,361	309,434	292,950
Designated officers:	786,679	159,004	945,683	911,004
	\$ 1,898,078	\$ 355,552	\$ 2,253,630	\$ 2,199,029

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

Benefits and allowances includes employer's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, vision coverage, group life insurance, accidental disability and dismemberment insurance, long 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, travel allowances and car allowances.

Designated officers include the Infrastructure and Engineering Director, Community Services Director, Corporate Services Director, and the Planning and Development Director, consisting of 4 full-time positions.

MUNICIPAL DISTRICT OF GREENVIEW NO. 16

Notes to Financial Statements

Year Ended December 31, 2024

16. EMPLOYEE FUTURE BENEFITS

a) Local Authorities Pension Plan

Employees of the Municipality participate in the Local Authorities Pension Plan (LAPP), which is one of the plans covered by the Alberta Public Sector Pension Plans Act. The LAPP serves about 304,451 people and 444 employers. The LAPP is financed by employer and employee contributions and by investment earnings of the LAPP Fund.

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

The 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 to the LAPP in 2024 were \$1,821,932 (2023 - \$1,684,526). Total current service contributions by the employees of the Municipality to the Local Authorities Pension Plan in 2023 were \$1,626,110 (2023 - \$1,507,029).

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

Effective January 1, 2025, member contribution rates will be 8.45% of pensionable earnings up to the year's maximum pensionable earnings and 11.65% thereafter for employers and 7.45% of pensionable earnings up to the year's maximum pensionable earnings and 10.65% thereafter for employees.

b) APEX Supplementary Pension Plan

Eligible employees may also elect to participate in the APEX Supplementary Pension Plan offered through the Alberta Urban Municipalities Association, which is covered by the Public Sector Pension Plans Act. It is funded by employer and employee contributions and investment earnings on the APEX fund.

The Municipality is required to make current service contributions of 2.96% of pensionable earnings up to the year's maximum pensionable earnings of \$180,500 (2023 - \$175,333) for those employees who have elected to participate in the Plan. No contributions are required on earnings above the maximum threshold.

Employees of the Municipality electing to participate in the Plan are required to make current service contributions of 2.42% of pensionable earnings up to the year's maximum pensionable earnings of \$180,500 (2023 - \$175,333). No contributions are required on earnings above the maximum threshold.

Total current and past service contributions made by the Municipality to APEX in 2024 were \$80,483 (2023 - \$65,868). The current and past service contributions by employees of the Municipality to APEX in 2024 were \$65,801 (2023 - \$53,851).

At December 31, 2023, the Plan disclosed an actuarial surplus of \$10.3 million (2022 surplus - \$3.3 million).

MUNICIPAL DISTRICT OF GREENVIEW NO. 16

Notes to Financial Statements

Year Ended December 31, 2024

17. RELATED PARTY TRANSACTIONS

The following is a summary of transactions and balances with related and other parties for the year ended December 31, 2024:

	2024	2023
Greenview Regional Waste Management Commission (33.33% interest)		
Management fee revenue	\$ 50,000	\$ 40,000
Tipping fees, contracted maintenance services, and professional services	109,696	115,115
Trade and other accounts receivable	30,381	63,955
Trade accounts payable	19,524	15,306

Transactions and balances with Greenview Regional Waste Commission are in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

The summary of specific transactions with regional municipalities is not intended to be representative of all transactions undertaken with these or other municipalities, but is intended to identify only specific transactions that management has identified as relevant to the users of these financial statements.

18. FUNDS HELD IN TRUST

The Municipality administers the following trusts on behalf of third parties. As related trust assets are not owned by the Municipality, the trusts have been excluded from the financial statements. The following table provides a summary of the transactions within these trusts during the year:

	Balance Beginning	Receipts	Disbursements	Balance Closing
Tax sale proceeds	\$ 85,775	\$ 10,015	\$ 14,484	\$ 81,306
Greenview Regional Multiplex	334,137	3,017	-	337,154
	\$ 419,912	\$ 13,032	\$ 14,484	\$ 418,460

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Notes to Financial Statements

Year Ended December 31, 2024

19. FINANCIAL INSTRUMENTS

The Municipality's financial instruments consist of cash and portfolio investments, accounts receivable, investments, agreements receivable, accounts payable and accrued liabilities, deposit liabilities and long-term debt. It is management's opinion that the Municipality is not exposed to significant currency risks arising from these financial instruments.

The Municipality is subject to credit risk with respect to taxes and grants in place of taxes receivables and trade and other receivables. Credit risk arises from the possibility that taxpayers and entities to which the Municipality provides services may experience financial difficulty and be unable to fulfill their obligations. The large number and diversity of taxpayers and customers minimizes this credit risk.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk; currency rate risk, interest rate risk and other price risk. The Municipality is mainly exposed to interest rate risk and other price risk with respect to its portfolio investments.

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

20. SEGMENTED DISCLOSURE

The Municipality is a diversified municipal government that provides a wide range of services to its citizens. The Schedule of Segmented Disclosure (Schedule 6) has been prepared in accordance with PS 2700 Segmented Disclosures and is intended to help users of the financial statements identify the resources allocated to support major activities of the Municipality and allow users to make more informed judgments regarding the government reporting entity.

Segmented information has been identified based on functional activities provided by the Municipality. For each reported segment, revenues and expenses represent amounts that are directly attributable to the segments and amounts that are allocated on a reasonable basis. The functional areas that have been separately disclosed in the segmented information, along with services they provide are as follow:

General Government

General Government is comprised of the Council, the Office of the Chief Administrative Officer, Communications and Corporate Services. Corporate Services is comprised of Information Technology, Financial Services, Human Resources, and Records Management and other corporate functions that provide for the overall operation of the Municipality. Facility expenses are included in the General Government grouping. Council provides the strategic direction for the Municipality and makes decision regarding level of services delivered in the Municipality, the other groups provide connection to Council and ensure consistent processes and systems throughout the Municipality.

Protective Services

Protective Services is comprised of Enforcement Services, and Fire Rescue Services. Enforcement Services is responsible for enforcing community bylaws and provincial statutes. Fire Rescue Services provide fire suppression services, fire prevention programs, training and education related to fire prevention, detection or extinguishments of fires and respond to non-fire emergencies.

(continues)

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Notes to Financial Statements

Year Ended December 31, 2024

20. SEGMENTED DISCLOSURE (continued)

Transportation Services

Transportation Services is comprised of Construction and Engineering, fleet and mechanical services, snowplow services, road grading and re-graveling, dust control, road bans and bonds, road use agreements and other activities to maintain safe roads.

Planning and Development

Planning and Development is comprised of Planning and Development, Agricultural Services, and Economic Development and Tourism. Agricultural Services support the Agricultural Services Board to implement their decisions, deliver their programming and enforce applicable legislation.

Community Services

Community Services is comprised of Family and Community Support Services, and other community supports. Family and Community Support Services area provides services mandated by Family and Community Support Services Alberta through a shared funding model between the Province of Alberta and the Municipality.

Recreation and Culture

Recreation and Culture is comprised of the Grande Cache Recreation Centre (the "Centre"), Greenview Regional Multiplex (the "Multiplex"), the Outdoor Recreation department and the Community Grants program area and other activities related to providing recreational and cultural opportunities in the Municipality. The Centre consists of an aquatic centre, a ice hockey rink, a curling rink, fitness centre, and multi-purpose rooms. The multiplex consists of an aquatic centre, fitness centre, dance studio, fieldhouse, indoor play centre, and party and board rooms. The Outdoor Recreation department consists of 7 campgrounds, five day use areas, and walking trails. They also work with Alberta Environment and Parks on joint projects on public lands. Community Grants delivers ongoing support to community groups, museums, cemeteries, and support to other organizations, including scholarships and sponsorships on an annual basis.

Utilities and Environmental

Utilities and Environmental Services manages the capital construction, maintenance and daily operations of the water, wastewater, and solid waste infrastructure systems within the Municipality. Utilities consists of costs related to maintaining and providing utility services throughout the Municipality. Environmental Services include waste management costs and the accretion expense related to the asset retirement obligations.

21. BUDGETED ANNUAL SURPLUS

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

	<u>2024</u>
Budget surplus per financial statements	\$ 3,135,342
Net transfers from reserves	75,792,652
Purchase of tangible capital assets	(78,490,476)
Debt principal payments	<u>(437,518)</u>
Municipal operating budget, approved by Council	<u>\$ -</u>

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Notes to Financial Statements

Year Ended December 31, 2024

22. CONTINGENT LIABILITIES

The Municipality is a member of the Alberta Municipal Insurance Exchange (MUNIX). Under the terms of the 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.

The Municipality has been named defendant in various lawsuits as at December 31, 2024. While it is not possible to estimate the ultimate liability with respect to the pending litigation, based on evaluation and correspondence with the Municipality's various legal counsel, management indicates that it is unlikely that there will be a materially adverse effect on the financial position of the Municipality. The ultimate settlement of these lawsuits, if any, will be recorded in the period the details become known.

23. CONTRACTUAL OBLIGATIONS

Alberta Transportation - Twinning of Highway 40

The Municipality entered into an agreement dated August 19, 2020 which requires the Municipality to share the costs to twin Highway 40 for a distance of approximately 20 kilometres (the "Project"). The Province of Alberta will contribute 50% of the total incurred project costs and be responsible for any cost overruns above the cost estimated to be \$120 million. The Municipality is required to contribute 50% of the total incurred project costs, to a maximum of \$60 million. To date, the Municipality has contributed \$45,000,000.

The County of Grande Prairie No.1 has agreed to contribute \$10 million to assist with the Municipality's contribution of the project, which have been fully advanced as of December 31, 2024.

24. COMMITMENTS

The Municipality has entered into various leases and other agreements as part of its ongoing operations. It is the opinion of management that there are no commitments that will have a materially adverse effect on the financial position of the Municipality.

25. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.
