

TOWN OF WHITECOURT

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024



TOWN OF WHITECOURT
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2024

	<u>2024</u>	<u>2023</u>
FINANCIAL ASSETS		
Cash and cash equivalents (note 2)	\$ 46,879,607	\$ 52,237,418
Trade and other receivables (note 3)	14,204,048	7,636,728
Local improvement receivables (note 4)	1,844,983	1,925,214
Loans receivable (note 5)	1,082,696	1,259,084
Inventory for resale	33,910	30,850
Land held for resale	1,281,183	1,281,183
	<u>65,326,427</u>	<u>64,370,477</u>
LIABILITIES		
Accounts payable and accrued liabilities	4,884,037	\$ 5,185,183
Deposit liabilities	434,324	340,683
Employee benefit obligations (note 6)	1,548,987	1,629,392
Deferred revenue (note 7)	12,924,229	15,729,635
Asset retirement obligation (note 8)	771,491	597,957
Long-term debt (note 9)	9,721,709	10,531,780
	<u>30,284,777</u>	<u>34,014,630</u>
NET FINANCIAL ASSETS	<u>35,041,650</u>	<u>30,355,846</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (schedule 1)	156,428,143	148,460,223
Inventory for consumption	952,259	969,329
Prepaid expenses	76,746	64,758
	<u>157,457,148</u>	<u>149,494,309</u>
ACCUMULATED SURPLUS (schedule 6, note 12)	<u>\$ 192,498,798</u>	<u>\$ 179,850,156</u>
Contingencies (note 20)		
Contractual Rights and Obligations (note 22)		

TOWN OF WHITECOURT
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budget (note 16)	2024	2023
REVENUES			
Net municipal taxes (schedule 2)	\$ 16,646,969	\$ 16,661,735	\$ 15,961,830
Sales and user charges	11,173,875	10,055,469	10,052,175
Fine revenue	725,000	128,415	527,567
Government transfers (schedule 3)	6,533,462	4,571,956	4,006,262
Penalties and costs on taxes	217,584	347,525	311,526
Franchise and concession contracts (note 13)	2,066,766	1,955,939	1,620,743
Development levies	-	150,386	47,844
Investments income	1,699,058	2,402,757	1,965,822
Rentals	515,879	618,770	618,088
Other revenues	2,984,752	865,968	760,727
	<u>42,563,345</u>	<u>37,758,920</u>	<u>35,872,584</u>
EXPENDITURES			
Operating			
Legislative	515,330	447,233	427,625
Administration	3,684,427	3,421,746	3,255,423
Policing and bylaw	3,706,710	3,265,388	3,437,752
Fire	2,150,611	2,060,032	1,646,254
Disaster	1,601,136	349,374	847,985
Roads, streets, walks, lighting & storm sewers	7,942,441	7,302,561	7,273,705
Water supply and distribution	3,140,069	2,954,466	2,856,077
Wastewater treatment and disposal	2,202,183	1,879,262	2,089,725
Waste management	1,761,015	1,609,171	1,636,492
Community support, public transit and cemetery	2,183,992	2,153,786	1,988,443
Planning and development	2,446,184	1,804,843	1,552,032
Recreation, parks and culture	10,573,498	9,942,835	9,396,752
	<u>41,907,596</u>	<u>37,190,697</u>	<u>36,408,265</u>
ANNUAL SURPLUS / (DEFICIT) - BEFORE OTHER	655,749	568,223	(535,680)
OTHER			
Gain (Loss) on disposal of tangible capital assets	-	(188,379)	(18,118)
Government transfers for capital (schedule 3)	31,228,785	12,268,798	3,629,070
	<u>31,228,785</u>	<u>12,080,419</u>	<u>3,610,952</u>
ANNUAL SURPLUS (DEFICIT)	31,884,534	12,648,642	3,075,272
ACCUMULATED SURPLUS, BEGINNING OF YEAR	179,850,156	179,850,156	176,774,884
ACCUMULATED SURPLUS, END OF YEAR	\$ 211,734,690	\$ 192,498,798	\$ 179,850,156

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

	Budget (note 16)	2024	2023
ANNUAL SURPLUS (DEFICIT)	\$ 31,884,534	\$ 12,648,642	\$ 3,075,272
Purchase of tangible capital assets	(52,746,557)	(14,226,421)	(5,463,092)
Contributed tangible capital assets	-	(183,839)	(578,852)
Proceeds on disposal of tangible capital assets	-	106,534	-
Amortization of tangible capital assets	6,090,748	6,147,427	6,537,565
(Gain) loss on disposal of tangible capital assets	-	188,379	18,118
	<u>(46,655,809)</u>	<u>(7,967,920)</u>	<u>513,739</u>
Decrease (increase) in inventory for consumption	-	17,070	(139,570)
Decrease (increase) in prepaid expenses	-	(11,988)	130,530
	<u>-</u>	<u>5,082</u>	<u>(9,040)</u>
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	(14,771,275)	4,685,804	3,579,971
NET FINANCIAL ASSETS, BEGINNING OF YEAR	30,355,846	30,355,846	26,775,875
NET FINANCIAL ASSETS, END OF YEAR	<u>\$ 15,584,571</u>	<u>\$ 35,041,650</u>	<u>\$ 30,355,846</u>

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

	<u>2024</u>	<u>2023</u>
OPERATING		
ANNUAL SURPLUS (DEFICIT)	\$ 12,648,642	\$ 3,075,272
Non-cash items included in annual surplus:		
Amortization of tangible capital assets	6,147,427	6,537,565
Loss on disposal of tangible capital assets	188,379	18,118
Asset retirement obligation tangible capital assets addition	(183,839)	(578,852)
Changes in non-cash working capital balances related to operations:		
Decrease (increase) in trade and other receivables	(6,567,321)	1,449,408
Decrease (increase) in local improvement receivable	80,231	77,689
Decrease (increase) in loans receivable	176,388	140,676
Decrease (increase) in inventory for resale	(3,060)	(15,146)
Decrease (increase) in inventory for consumption	17,070	(139,570)
Decrease (increase) in prepaid expenses	(11,988)	130,530
Increase (decrease) in accounts payable and accrued liabilities	(301,146)	1,103,771
Increase (decrease) in deposit liabilities	93,641	8,184
Increase (decrease) in employee benefit obligations	(80,405)	62,412
Increase (decrease) in provision for landfill closure/post-closure	-	(656,484)
Increase (decrease) in asset retirement obligation	173,534	597,957
Increase (decrease) in deferred revenue	(2,805,406)	(951,502)
Cash provided by operating transactions	<u>9,572,147</u>	<u>10,860,028</u>
CAPITAL		
Purchase of tangible capital assets	(14,226,421)	(5,463,092)
Proceeds on disposal of tangible capital assets	106,534	-
Cash applied to capital transactions	<u>(14,119,887)</u>	<u>(5,463,092)</u>
FINANCING		
Long-term debt repaid	(810,071)	(786,977)
Cash applied to financing transactions	<u>(810,071)</u>	<u>(786,977)</u>
CHANGE IN CASH AND CASH EQUIVALENTS DURING THE YEAR	(5,357,811)	4,609,959
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	52,237,418	47,627,459
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 46,879,607</u>	<u>\$ 52,237,418</u>

TOWN OF WHITECOURT
SCHEDULE OF TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Schedule 1)

	Land	Buildings	Engineered Structures	Machinery and Equipment	Vehicles	2024	2023
COST:							
BALANCE, BEGINNING OF YEAR	\$ 27,328,165	\$ 64,457,315	\$ 178,472,653	\$ 8,550,088	\$ 12,453,691	\$ 291,261,912	\$ 285,309,621
Purchase of tangible capital assets	2,553	9,191,119	2,571,498	117,520	2,343,731	14,226,421	5,463,092
Asset retirement obligation adoption	-	-	183,839	-	-	183,839	578,852
Disposal of tangible capital assets	-	(172,214)	(10,236)	(47,957)	(769,697)	(1,000,104)	(89,653)
BALANCE, END OF YEAR	27,330,718	73,476,220	181,217,754	8,619,651	14,027,725	304,672,068	291,261,912
ACCUMULATED AMORTIZATION:							
BALANCE, BEGINNING OF YEAR	-	21,997,767	108,080,748	5,552,053	7,171,884	142,802,452	136,335,659
Annual amortization	-	1,257,772	3,686,677	376,848	826,130	6,147,427	6,538,328
Accum amortization on disposals	-	(32,721)	(10,985)	(18,005)	(644,243)	(705,954)	(71,535)
BALANCE, END OF YEAR	-	23,222,818	111,756,440	5,910,896	7,353,771	148,243,925	142,802,452
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	\$ 27,330,718	\$ 50,253,402	\$ 69,461,314	\$ 2,708,755	\$ 6,673,954	\$ 156,428,143	\$ 148,459,460

Cost includes construction in progress of \$17,393,939 (2023 - \$6,561,471). These amounts are not amortized until the asset is completed and in use.
Asset retirement obligation in the amount of \$183,839 was added in 2024 (2023 - \$578,852).

TOWN OF WHITECOURT
SCHEDULE OF PROPERTY AND OTHER TAXES
FOR THE YEAR ENDED DECEMBER 31, 2024
(Schedule 2)

	Budget (note 16)	2024	2023
TAXATION			
Real property taxes	\$ 18,308,404	\$ 18,324,211	\$ 17,684,529
Designated industrial property taxes	3,692,691	3,696,999	3,567,675
Government grants in place of property taxes	151,572	151,572	147,038
	<u>22,152,667</u>	<u>22,172,782</u>	<u>21,399,242</u>
REQUISITIONS			
Alberta School Foundation	4,637,165	4,639,065	4,563,386
Living Waters Catholic Regional Division No. 42	376,981	377,176	453,603
Seniors Foundation	469,569	469,792	399,377
Designated Industrial Property	21,982	22,040	21,046
Over/Under Levy	-	2,974	-
	<u>5,505,697</u>	<u>5,511,047</u>	<u>5,437,412</u>
NET MUNICIPAL PROPERTY TAXES	<u><u>\$ 16,646,970</u></u>	<u><u>\$ 16,661,735</u></u>	<u><u>\$ 15,961,830</u></u>

SCHEDULE OF GOVERNMENT TRANSFERS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Schedule 3)

	Budget (note 16)	2024	2023
TRANSFERS FOR OPERATING			
Federal Government	\$ 1,105,120	\$ 453,449	\$ 716,987
Provincial Government	2,990,063	2,037,727	1,556,268
Other Local Governments	2,438,279	2,080,780	1,733,007
	<u>6,533,462</u>	<u>4,571,956</u>	<u>4,006,262</u>
TRANSFERS FOR CAPITAL			
Federal Government	15,994,652	3,820,694	1,372,485
Provincial Government	14,869,413	8,317,123	1,789,496
Other Local Governments	364,720	130,981	467,090
	<u>31,228,785</u>	<u>12,268,798</u>	<u>3,629,071</u>
TOTAL GOVERNMENT TRANSFERS	<u><u>\$ 37,762,247</u></u>	<u><u>\$ 16,840,754</u></u>	<u><u>\$ 7,635,333</u></u>

TOWN OF WHITECOURT
SCHEDULE OF CONSOLIDATED EXPENDITURES BY OBJECT
FOR THE YEAR ENDED DECEMBER 31, 2024
(Schedule 4)

Expenditures	Budget (note 16)	2024	2023
Salaries, wages and benefits	\$ 16,914,304	\$ 16,215,578	\$ 15,343,749
Contracted and general services	11,059,477	7,977,642	8,112,431
Materials, goods, supplies and utilities	6,598,814	5,768,038	5,330,757
Transfers to local boards and agencies	783,906	589,496	598,527
Bank charges and short term interest	85,682	97,094	86,101
Interest on long term debt	297,915	296,061	318,583
Other	76,750	92,196	80,552
Amortization of tangible capital assets	6,090,748	6,147,427	6,537,565
Accretion of asset retirement obligation	-	7,165	-
	<u>\$ 41,907,596</u>	<u>\$ 37,190,697</u>	<u>\$ 36,408,265</u>

TOWN OF WHITECOURT
SCHEDULE OF SEGMENTED DISCLOSURE
FOR THE YEAR ENDED DECEMBER 31, 2024
(Schedule 5)

	General Government	Protective Services	Transportation Services	Environmental Services	Public Health and Welfare	Planning & Development	Recreation & Culture	Total
REVENUES								
Net municipal taxes	\$ 16,661,735	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,661,735
Sales, user charges and fines	103,823	463,559	108,479	7,348,720	140,477	178,642	1,840,184	10,183,884
Government transfers	146,671	1,528,829	544,733	4,015	1,262,549	47,142	1,038,017	4,571,956
Penalties and costs on taxes	322,928	-	-	24,597	-	-	-	347,525
Franchise and concession contracts	1,955,939	-	-	-	-	-	-	1,955,939
Development levies	-	-	72,210	78,176	-	-	-	150,386
Investments income	2,159,910	-	75,036	163,010	-	-	4,801	2,402,757
Rentals	-	45,024	-	-	-	37,947	535,799	618,770
Other revenues	45,629	65,603	453,926	-	121,364	-	179,446	865,968
	<u>21,396,635</u>	<u>2,103,015</u>	<u>1,254,384</u>	<u>7,618,518</u>	<u>1,524,390</u>	<u>263,731</u>	<u>3,598,247</u>	<u>37,758,920</u>
EXPENDITURES								
Salaries, wages and benefits	2,592,151	1,932,110	2,343,960	2,027,783	1,507,343	1,063,334	4,748,897	16,215,578
Contracted and general services	793,691	2,868,510	1,075,422	1,352,555	311,949	391,883	1,183,632	7,977,642
Materials, goods, supplies and utilities	296,625	492,705	929,627	1,679,819	269,569	49,772	2,049,921	5,768,038
Transfers to local boards and agencies	-	15,560	43,088	-	19,523	100,329	410,996	589,496
Bank charges and short term interest	65,475	1,029	-	10,081	-	-	20,509	97,094
Interest on long term debt	-	-	61,828	19,608	-	183,802	30,823	296,061
Other	70,321	-	-	21,575	-	-	300	92,196
	<u>3,818,263</u>	<u>5,309,914</u>	<u>4,453,925</u>	<u>5,111,421</u>	<u>2,108,384</u>	<u>1,789,120</u>	<u>8,445,078</u>	<u>31,036,105</u>
NET REVENUE (DEFICIT), BEFORE AMORTIZATION	17,578,372	(3,206,899)	(3,199,541)	2,507,859	(583,994)	(1,525,389)	(4,846,831)	6,722,815
Amortization of tangible capital assets	50,716	364,880	2,848,636	1,324,313	45,402	15,723	1,497,757	6,147,427
Accretion of asset retirement obligation	-	-	-	7,165	-	-	-	7,165
NET REVENUE (DEFICIT)	<u>\$ 17,527,656</u>	<u>\$ (3,571,779)</u>	<u>\$ (6,048,177)</u>	<u>\$ 1,176,381</u>	<u>\$ (629,396)</u>	<u>\$ (1,541,112)</u>	<u>\$ (6,344,588)</u>	<u>\$ 568,223</u>

TOWN OF WHITECOURT
SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Schedule 6)

	Unrestricted Surplus (Deficit)	Restricted Surplus	Equity in Tangible Capital Assets	2024	2023
BALANCE, BEGINNING OF YEAR	\$ -	\$ 39,245,993	\$ 140,604,163	\$ 179,850,156	\$ 176,774,884
Annual Surplus (Deficit)	12,648,642	-	-	12,648,642	3,075,272
Unrestricted funds designated for future use	(14,089,462)	14,089,462	-	-	-
Restricted funds used for tangible capital assets	-	(9,735,963)	9,735,963	-	-
Current year funds used for tangible capital assets	(4,490,458)	-	4,490,458	-	-
Current year funds used for asset retirement obligation	(17,469)	-	17,469	-	-
Net book value of tangible capital assets disposed of	294,913	-	(294,913)	-	-
Annual amortization expense	6,147,427	-	(6,147,427)	-	-
Asset retirement obligation accretion expense	7,165	-	(7,165)	-	-
Long term debt related to tangible capital assets issued	-	-	-	-	-
Long term debt repaid - recoverable	24,780	-	(24,780)	-	-
Long term debt repaid - capital	(525,538)	-	525,538	-	-
Change in accumulated surplus	-	4,353,499	8,295,143	12,648,642	3,075,272
BALANCE, END OF YEAR	\$ -	\$ 43,599,492	\$ 148,899,306	\$ 192,498,798	\$ 179,850,156

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

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Town of Whitecourt are the representations of management prepared in accordance with Public Sector Accounting Standards. Significant aspects of the accounting policies adopted by the Town are as follows:

a. Reporting Entity

The consolidated financial statements reflect the assets, liabilities, revenues and expenditures, changes in fund balances, 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 Town and, therefore, accountable to the Town Council for the administration of their financial affairs and resources.

The Town accounts for government partnerships using the proportionate consolidation method. Under this method, the Town's proportionate share of assets, liabilities, revenues, expenditures and changes in the fund balances and financial position are included in the consolidated financial statements. The consolidated financial statements include the Town's share of the Whitecourt Regional Solid Waste Management Authority (the "Authority"). Condensed financial information is included in Note 21.

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

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

b. Basis of Accounting

The consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenditures 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 expenditures are incurred, services performed or the tangible capital assets are acquired.

c. Use of Estimates

The preparation of financial statements in conformity with Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue 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 those estimates.

d. Cash and cash equivalents

Cash and cash equivalents includes operating bank accounts and guaranteed investment certificates. All items are readily convertible to known amounts of cash and are subject to an insignificant change in value.

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

e. Valuation of Financial Assets and Liabilities

The Town's financial assets and liabilities are measured as follows:

<u>Financial Statement Component</u>	<u>Measurement</u>
Cash	Cost and amortized cost
Short-term investments	Amortized cost
Trade and other receivables	Lower of cost or net recoverable value
Loans receivable and debt charges recoverable	Amortized cost
Accounts payable and accrued liabilities	Cost
Deposit liabilities	Cost
Bank indebtedness and long-term debt	Amortized cost

f. Investments

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.

g. Loans Receivable

Loans receivable are initially recognized at cost, net of any transactions costs, with interest income recognized using the effective interest method. Loans receivable are subsequently measured at amortized cost net of any valuation allowances.

h. Debt Charges Recoverable

Debt charges recoverable consist of amounts that are recoverable from municipal agencies or other local governments with respect to outstanding debentures or other long-term debt pursuant to annexation orders 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.

i. Long-term debt

Long-term debt is initially recognized net of any premiums, discounts, fees and transactions costs, with interest expense recognized using the effective interest method. Long-term debt is subsequently measured at amortized cost.

j. 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.

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

k. Inventories for Resale

Land held for resale is recorded at the lower of cost or net realizable value. Cost includes costs for land acquisition and improvements required to prepare the land for servicing such as clearing, stripping and services, roads, sidewalks and street lighting which are recorded as physical assets under their respective function.

l. 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.

m. Local Improvement

Construction and borrowing costs associated with local improvement projects are recovered through annual special assessments during the period of the related borrowings. These levies are collectable from property owners for work performed by the municipality. Revenues to be received from the local improvement levies are recognized in full in the period in which the local improvement project is completed.

n. Contaminated Sites

Contaminated sites are defined as the result of contamination being introduced in the air, soil, water or sediment of a chemical, organic, or radioactive material or live organism that exceeds an environmental standard. A liability for remediation on contaminated sites is recognized, net of any recoveries, when an environmental standard exists, contamination exceeds the environmental standard, the Town is directly responsible for or accepts responsibility for the liability, future economic benefits will be given up, and a reasonable estimate of the liability can be made.

o. Revenue Recognition

Revenue from transactions with no performance obligation is recognized at realizable value when the town has the authority to claim or retain an inflow of economic resources and identifies a past transaction or event giving rise to an asset.

Revenue from transactions with performance obligations is recognized as the performance obligations are satisfied by providing the promised goods or services to the payor. User fees are recognized over the period of use, sales of goods are recognized when goods are delivered. Licenses and permits with a single performance obligation at a point in time are recognized as revenue on issuance, those which result in a continued performance obligation over time are recognized over the period of the license or permit as the performance obligation is satisfied.

p. 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.

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

q. 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 Town 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 Town reviews the carrying amount of the liability. The Town recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset. The Town continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

r. Non-financial Assets

Non-Financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the annual surplus, provides the consolidated Change in Net Financial Assets for the year.

i. Tangible Capital Assets

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

	<u>YEARS</u>
Land Improvements	15-25
Buildings	25-50
Engineered Structures	
Roadway System	05-60
Water System	45-75
Wastewater System	45-75
Storm System	45-75
Machinery and Equipment	05-40
Vehicles	07-25

One-half of the annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

ii. Contributed Tangible Capital Assets

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

iii. Inventories

Inventories held for consumption are recorded at the lower of cost and replacement cost.

iv. Cultural and Historical Tangible Capital Assets

Works of art for display are not recorded as tangible capital assets but are disclosed.

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

2. CASH AND CASH EQUIVALENTS

	<u>2024</u>	<u>2023</u>
Cash	\$ 14,317,010	\$ 21,449,606
Cash equivalents	<u>32,562,597</u>	<u>30,787,812</u>
	<u><u>\$ 46,879,607</u></u>	<u><u>\$ 52,237,418</u></u>

Cash and cash equivalents have an average effective interest rate of 5.29% (2023 - 5.47%).
Cash equivalents include guaranteed investment certificates earning interest at rates ranging from 5.54% to 6.04% maturing May 6, 2025, November 6, 2025 and November 6, 2026

3. TRADE & OTHER RECEIVABLES

	<u>2024</u>	<u>2023</u>
<u>Property Taxes</u>		
Current Taxes	\$ 835,037	\$ 606,162
Arrears	<u>348,875</u>	<u>309,084</u>
	<u>\$ 1,183,912</u>	<u>\$ 915,246</u>
<u>Other</u>		
Trade receivables	\$ 1,016,253	\$ 2,197,939
Government grants	<u>10,291,235</u>	<u>3,462,685</u>
Utilities	<u>1,101,954</u>	<u>832,063</u>
Goods and Services Tax	<u>610,694</u>	<u>228,794</u>
	<u>\$ 13,020,136</u>	<u>\$ 6,721,482</u>
	<u><u>\$ 14,204,048</u></u>	<u><u>\$ 7,636,728</u></u>

4. LOCAL IMPROVEMENTS

	<u>2024</u>	<u>2023</u>
Local improvements Bylaw 1465 with maturity date of 2041 earning interest at a rate of 3.245%	<u><u>\$ 1,844,983</u></u>	<u><u>\$ 1,925,214</u></u>

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

5. LOANS RECEIVABLE

	<u>2024</u>	<u>2023</u>
Whitecourt Golf & Country Club Loan	\$ 913,316	\$ 1,015,305
SG Saints NFP Society	113,609	153,846
Friends of Whitecourt Society - Physician Loans	31,732	58,398
Tennille's Hope Kommunity Kitchen	24,039	26,867
Pumpjack Players	-	4,668
	<u>\$ 1,082,696</u>	<u>\$ 1,259,084</u>

Under the authority of Bylaw 1456, the Town incurred indebtedness by the issuance of a debenture in the amount of \$1,748,000 for the purpose of lending money to a non-profit organization for the construction of a new golf course clubhouse, the appropriate site and course improvements, and the retiring of existing debt. The original debenture was for a period of 20 years ending in 2030, in 2024 the Town agreed to extend the repayment of the loan to 2032. The Town will receive funds from the Whitecourt Golf and Country Club in each year sufficient to pay the indebtedness, with the exception of an interest free portion of the loan. The Town has acquired adequate security in case of default. The loan to Whitecourt Golf & Country Club is repayable in semi-annual payments of \$74,190.27 to June 1, 2032 including interest at 4.124%.

The Town of Whitecourt entered into renovation contribution agreement with Stark Sports Society to share the cost of constructing a dressing room for use by the Whitecourt Wolverines Junior A Hockey Team at JDA Place. On July 15, 2021 the Team was purchased by SG Saints NFP Society and the renovation contribution agreement was transferred to the new owner. In 2024 the team was purchased by Ridgehigh Holdings Ltd. and on July 16, 2024 the renovation contribution agreement was transferred to the new owner. The final cost of the project is \$800,000 with the club's 50% share at \$400,000. With the new owners the reimbursement payment schedule is monthly interest-free payments of \$3,550.29 over 3 years.

Under the authority of Bylaw 1405, the Town is committed to providing up to six interest free loans of \$25,000 each to the Friends of Whitecourt Society. The Society will use these loans to attract and retain medical practitioners. Currently there is three outstanding loan to Friends of Whitecourt Society.

Under the authority of Bylaw 1569, the Town of Whitecourt has loaned two amounts totaling \$28,281.25 at 0% to Tennille's Hope Kommunity Kitchen a non-profit society to assist with capital upgrades to the building to facilitate its use as a community kitchen. Tennille's Hope Kommunity Kitchen will repay the Town in annual equal installments over a ten year period ending 2033.

The Town of Whitecourt issued a loan of \$5,000 at 0% on May 15, 2008 to the Pumpjack Players a non-profit society for operating expenditures. The loan was paid in full on February 29, 2024.

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

6. EMPLOYEE BENEFIT OBLIGATIONS

	<u>2024</u>	<u>2023</u>
Vacation and overtime	\$ 799,090	\$ 873,290
Sick leave benefits	749,897	756,101
	<u>\$ 1,548,987</u>	<u>\$ 1,629,392</u>

Vacation

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.

Sick leave benefits

Under the sick leave benefit plan, certain employees can accumulate unused sick leave and may become entitled to a cash payment when they leave the employment of the Town of Whitecourt.

7. DEFERRED REVENUE

Deferred revenue is comprised of the following amounts, which have been received from third parties for a specified purpose. Additions are comprised of both contributions and interest earned during the year. These amounts are recognized as revenue in the period in which the related costs are incurred.

	<u>2024</u>	<u>2023</u>
Government grants	\$ 12,247,783	\$ 15,107,242
Other	672,988	622,399
Requisition over/(under) levy	3,458	(5)
	<u>\$ 12,924,229</u>	<u>\$ 15,729,635</u>

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

7. DEFERRED REVENUE (CONTINUED)

Deferred Government grants comprise funding from the following sources:

	2023	Additions	Revenue recognized	2024
Municipal Sustainability Initiative (MSI) Operating & Capital Grant	\$ 13,422,321	\$ 1,874,764	\$ 6,866,129	\$ 8,430,956
Alberta Drought & Flood Mitigation Program	-	1,288,656	-	1,288,656
Canada Community Building Fund (CCBF)	790,007	660,521	505,028	945,500
Local Government Fiscal Framework (LGFF)	-	1,471,045	919,870	551,175
Small Community Opportunity Program (SCOP)	-	72,278	-	72,278
Alberta Community Partnership (ACP) Landfill Commission Study Grant	37,500	3,755	5,856	35,399
Supporting Psychological Health in First Responders (SPHIFR) Grant	2,400	16,525	-	18,925
Fire Training Grant	3,937	5,000	-	8,937
Emergency Preparedness Grant	25,000	(4,043)	20,957	-
Family Community Support Services (FCSS)	826,077	70,308	428	895,957
	<u>\$ 15,107,242</u>	<u>\$ 5,458,809</u>	<u>\$ 8,318,268</u>	<u>\$ 12,247,783</u>

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

8. ASSET RETIREMENT OBLIGATION

Landfill

The town operates a landfill site and is legally required to perform closure and post-closure activities upon retirement of this site. Closure and post-closure activities include the final clay cover, landscaping, as well as surface and ground water monitoring, leachate control, and visual inspection.

A liability for the total obligation, which was incurred when the site started accepting waste, irrespective of volume of waste accepted has been accrued. The town estimates that no obligation is incurred incrementally due to the volume of waste accepted, therefore, no further obligation is being accrued based on volume of waste accepted.

Undiscounted future cash flows expected are the remaining closure costs of cell one in year 2025 of \$757,653 and cell two in year 2031 of \$206,448. Annual post-closure activities start in year 2056 and increase at an annual inflation rate of 2%, for 25 years to year 2081. The estimated total net liability of \$771,491 is based on the sum of discounted future cash flows for closure and post-closure activities using a discount rate of 3% and assuming annual inflation of 2% less any obligations settled.

Total asset retirement obligations

	2024	2023
BALANCE, BEGINNING OF YEAR	872,547	-
Asset retirement obligation closure liability, cell 2 - present value at end of year	179,726	977,007
Asset retirement obligation post closure liability, cell 2 - present value at end of year	88,535	89,403
Total asset retirement obligation - present value at end of year	1,140,808	1,066,409
Add: Accretion expense	10,455	-
Less: liabilities settled during year	(25,491)	(193,862)
BALANCE, END OF YEAR	1,125,772	872,547
TOWN PORTION OF TOTAL LIABILITY (68.53%)	771,491	597,957

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

9. LONG TERM DEBT

	2024	2023
Supported by general tax levies	\$ 6,766,169	\$ 7,417,268
Supported by utility rates	1,110,557	1,189,298
Supported by special levies - operating	1,844,983	1,925,214
	<u>9,721,709</u>	<u>10,531,780</u>

The current portion of the long-term debt amounts to \$833,867 (2023 - \$810,071). Operating Debt is \$2,689,027 (2023 - \$2,973,561). Capital Debt is \$7,032,682 (2023 - \$7,558,219). (note 11)

Principal and interest repayments are due as follows:	Principal	Interest	Total
2025	833,867	283,122	1,116,989
2026	802,747	258,601	1,061,348
2027	770,631	235,075	1,005,706
2028	794,308	211,399	1,005,707
2029	818,730	186,976	1,005,706
Thereafter	5,701,425	717,319	6,418,744
	<u>\$ 9,721,709</u>	<u>\$ 1,892,493</u>	<u>\$ 11,614,200</u>

Debenture debt is repayable to Government of Alberta and bears interest at rates ranging from 2.081% to 4.124% per annum, and mature in periods 2025 through 2041. Debenture debt is issued on the credit and security of the Town of Whitecourt at large.

Total cash payments on long-term debt interest amounted to \$306,918 (2023 - \$330,012). Interest on long-term debt expense amounted to \$296,061 (2023 - \$318,582).

10. DEBT LIMITS

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

	2024	2023
Total debt limit	\$ 56,638,380	\$ 53,808,876
Total debt	9,721,709	10,531,780
Amount of debt limit unused	<u>\$ 46,916,671</u>	<u>\$ 43,277,096</u>
Debt servicing limit	\$ 9,439,730	\$ 8,968,146
Debt servicing	1,116,989	1,116,990
Amount of debt servicing limit unused	<u>\$ 8,322,741</u>	<u>\$ 7,851,156</u>

The debt limit is calculated at 1.5 times revenue of the municipality (as defined in Alberta Regulation 255/2000) 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.

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

11. EQUITY IN TANGIBLE CAPITAL ASSETS

	<u>2024</u>	<u>2023</u>
Tangible capital assets (schedule 1)	\$ 304,672,068	\$ 291,262,675
Accumulated amortization (schedule 1)	(148,243,925)	(142,802,452)
Asset retirement obligation (note 8)	(771,491)	(597,957)
Long term debt - capital (note 9)	(7,032,682)	(7,558,219)
Debt charges recoverable	275,336	300,116
	<u><u>\$ 148,899,306</u></u>	<u><u>\$ 140,604,163</u></u>

12. ACCUMULATED SURPLUS

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

	<u>2024</u>	<u>2023</u>
Restricted surplus		
Tax rate stabilization	\$ 13,161,355	\$ 10,898,609
Land fund and reclamation of gravel pit	231,782	527,808
Utility offsite levy and infrastructure	13,164,668	11,971,202
Equipment replacement	4,225,675	5,026,394
Committed expenditures	2,890,419	2,431,216
Major recreational land and facility	9,826,553	8,296,525
Municipal in Lieu	99,040	94,239
	<u><u>\$ 43,599,492</u></u>	<u><u>\$ 39,245,993</u></u>
Equity in tangible capital assets (note 11)	<u><u>148,899,306</u></u>	<u><u>140,604,163</u></u>
Accumulated surplus	<u><u>\$ 192,498,798</u></u>	<u><u>\$ 179,850,156</u></u>

13. FRANCHISE FEES

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

	Budget (note 16)	<u>2024</u>	<u>2023</u>
Fortis Alberta	\$ 907,720	\$ 807,473	\$ 715,144
ATCO Gas Ltd.	1,159,046	1,148,466	905,600
	<u><u>\$ 2,066,766</u></u>	<u><u>\$ 1,955,939</u></u>	<u><u>\$ 1,620,743</u></u>

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

14. SALARY & BENEFITS DISCLOSURE

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

	2024			2023
	Salary¹	Benefits & Allowances²	Total	Total
Councillors:				
Baker	\$ 47,542	\$ 4,677	\$ 52,219	\$ 50,222
Chauvet	45,103	8,535	53,638	46,196
Lanctot	45,733	7,164	52,897	55,504
Lapointe	46,097	8,585	54,682	57,761
McAree	33,515	2,685	36,200	40,449
Schlosser	39,377	2,911	42,288	41,024
Pickard	88,802	7,381	96,183	93,134
Chief Administrative Officer	\$ 290,888	\$ 43,644	\$ 334,532	\$ 322,658

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

(2) Employer's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, vision coverage, group life insurance, accidental disability, vehicle and dismemberment insurance.

15. FINANCIAL INSTRUMENTS

The Town's financial instruments consist of cash and cash equivalents, accounts receivable, trade and other receivables, local improvement receivable, loans receivable, inventory for resale, land for resale, accounts payable and accrued liabilities, deposit liabilities, employee benefit obligations, provision for asset retirement obligation and long-term debt. It is management's opinion that the Town is not exposed to significant interest or currency risks arising from these financial instruments.

The Town is subject to credit risk with respect to accounts receivable and loans receivable. Credit risk arises from the possibility that taxpayers and entities to which the Town provides services may experience financial difficulty and be unable to fulfill their obligations. The large number and diversity of taxpayers and customers minimizes the credit risk.

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

TOWN OF WHITECOURT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

16. BUDGET

The budget data presented in these financial statements is based on the operating and capital budgets approved by the Town of Whitecourt Council on April 8, 2024. The chart below reconciles the approved financial plan to the figures reported in these consolidated financial statements.

	2024
Annual surplus (per consolidated statement of operations)	\$ 31,884,534
Amortization of tangible capital assets	6,090,748
Acquisition of tangible capital assets	(52,746,557)
Debenture repayment	(785,291)
Total transfers from restricted surplus (per below)	15,556,566
	\$ -
Acquisition of tangible capital assets funded from restricted surplus	15,776,977
Net other transfers from restricted surplus	(220,411)
Total transfers from restricted surplus	\$ 15,556,566

17. LOCAL AUTHORITIES PENSION PLAN

Employees of the Town participate in the Local Authorities Pension Plan (LAPP), which is one of the plans covered by the Alberta Public Sector Pension Plans Act. The LAPP 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

The Town is required to make current service contributions to the LAPP of 8.45% of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 11.65% on pensionable earnings above this amount. Employees of the Town are required to make current service contributions of 7.45% of pensionable salary up to the year's maximum pensionable salary and 10.65% on pensionable salary above this amount.

Total current and past service contributions by the Town to the LAPP in 2024 were \$875,975 (2023 - \$851,219). Total current and past service contributions by the employees of the Town to the LAPP in 2024 were \$783,663 (2023 - \$758,979).

At December 31, 2023 the Plan disclosed an actuarial surplus of \$15.06 billion (2022 - \$12.6 billion).

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

18. SUPPLEMENTARY RETIREMENT PLANS

APEX

The APEX supplementary pension plan, an Alberta Municipalities sponsored defined benefit plan, covered under the provisions of the Alberta Employment Pension Plans Act, commenced in 2005 and provides supplementary pension plan benefits to a prescribed class of employees. The plan supplements the Local Authorities Pension Plan.

The Town of Whitecourt is required to make current service contributions to APEX of 2.96% of employment income. Employees are required to make current service contributions of 2.42% of employment income.

The current service contributions by the Town of Whitecourt to APEX in 2024 were \$23,510 (2023 - \$28,773). Total current service contributions by the employees of the Town of Whitecourt to APEX for 2024 were \$19,221 (2023 - \$23,524).

The cost of the post retirement benefits earned by employees is actuarially determined using the projected benefit method prorated on service and administration's best estimate of salary and benefit escalation and retirement ages of employees. The cost of post retirement benefits are fully funded.

MUNISERP

The Town of Whitecourt joined the MuniSERP supplemental employee retirement plan, a plan sponsored by Alberta Municipalities. MuniSERP is a voluntary, non-contributory plan that provides benefits to a prescribed class of employees. Included in accrued liabilities in 2024 is \$556,456 (2023 - \$514,625) held by the Town on the behalf of the beneficiary. The actuarial valuation of the plan for service accrued to December 31, 2024 is estimated to be \$556,456 (2023 - \$476,712).

19. SEGMENTED DISCLOSURE

The Town of Whitecourt provides a range of services to its ratepayers. For each reported segment, revenues and expenditures represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in Note 1.

Refer to the Schedule of Segmented Disclosure (Schedule 5).

20. CONTINGENCIES

The Town of Whitecourt is a member of the Alberta Municipal Insurance Exchange (MUNIX). Under the terms of the membership, the Town of Whitecourt 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 Town has issued an irrevocable standby letter of credit in the amount of \$ 1,066,035 to Fisheries and Oceans Canada for Athabasca riverbank protection in the event of default on payments. The letter of credit has not been utilized to date.

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

21. GOVERNMENT PARTNERSHIPS

The Town of Whitecourt entered into an amended agreement to form the Whitecourt Regional Solid Waste Management Authority on June 13, 1994. The purpose of the Authority is to construct, own, manage, maintain, operate and use a regional solid waste management and disposal system.

Canadian public sector accounting standards, specifically PS 3060, require proportionate consolidation of an entity's interest in government partnerships as well as specified summary information regarding the financial position and results of operations in government partnerships.

Based on this agreement, the Town's financial statements portion of the partnership is based on per-capital and reflects 68.53% of the results of 2024 operations (2023 - 68.53%).

These statements have been restated to correct the placement of recycling expenses from general administration to transfer station operations.

	2024	2023 (restated)
REVENUE		
Solid waste charges and salvage fees	1,354,088	\$ 2,206,591
Requisitions	1,655,529	1,398,646
(Gain)/Loss on disposal of tangible capital assets	85,718	-
	3,095,335	3,605,237
EXPENDITURES		
Landfill operations	\$ 1,212,514	\$ 1,794,993
General administration	102,313	254,874
Transfer station operations	422,910	392,950
Provision for landfill closure and post-closure	10,455	55,634
Interest on long-term debt	28,612	30,503
Amortization	367,878	989,300
	2,144,682	3,518,254
ANNUAL SURPLUS (DEFICIT)	\$ 950,653	\$ 86,983
	2024	2023
ASSETS		
Cash and cash equivalents	\$ 100	\$ 100
Cash and cash equivalents held in trust	2,399,421	2,075,183
Due from Town of Whitecourt	2,594,782	2,417,839
Receivables	622,657	329,563
	5,616,960	4,822,685
LIABILITIES		
Accounts Payable	\$ -	\$ 6,809
Deferred Revenue	35,399	37,500
Long-term debt	1,110,557	1,189,298
Asset retirement obligation (note 8)	1,125,772	872,547
	2,271,728	2,106,154
NET FINANCIAL ASSETS	\$ 3,345,232	\$ 2,716,531

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

21. GOVERNMENT PARTNERSHIPS (CONTINUED)

	<u>2024</u>	<u>2023</u>
NON-FINANCIAL ASSETS		
Tangible Capital Assets	\$ 3,880,293	\$ 3,558,341
ACCUMULATED SURPLUS	<u>\$ 7,225,525</u>	<u>\$ 6,274,872</u>
 ACCUMULATED SURPLUS, BEGINNING OF YEAR	 \$ 6,274,872	 \$ 6,187,888
Add: Annual Surplus	950,653	86,983
ACCUMULATED SURPLUS, END OF YEAR	<u>\$ 7,225,525</u>	<u>\$ 6,274,872</u>

22. CONTRACTUAL RIGHTS AND OBLIGATIONS

The Town enters into several Sponsorship Agreements with various local sponsors providing naming rights within the local recreation centres. The terms range between 2 - 5 years, are renewable with 90 days written notice, and payment terms and dates vary based on contract. No future receipts have been accrued in these financial statements.

Anticipated future receipts under these agreements are:

2025	\$ 293,523
2026	222,106
2027	144,471
Thereafter	165,697
	<u>\$ 825,797</u>

The Town of Whitecourt, as of December 31, 2024, has the following contractual obligations over the next year:

	<u>2025</u>
Administration	\$ 378,864
Infrastructure	39,125,771
	<u>\$39,504,635</u>

23. CREDIT FACILITY

The Town is approved for a revolving demand loan of \$5,000,000 that is available, if needed, for operating cash flow. The interest is set at prime minus 1.0%. The loan has not been drawn upon. The loan is secured by the cash and cash equivalents of the Town.

24. APPROVAL OF FINANCIAL STATEMENTS

Council and Management have approved these financial statements.