

VILLAGE OF ELNORA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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MANAGEMENTS' RESPONSIBILITY FOR FINANCIAL REPORTING

Management of the Village of Elnora is responsible for the preparation, accuracy, objectivity and integrity of the accompanying financial statements and all other information contained within this financial report. Management believes that the financial statements present fairly the Village's financial position as at December 31, 2024 and the results of its operations for the year then ended.

The financial statements have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards (PSAS).

The financial statements include certain amounts based on estimates and judgements. Such amounts have been determined on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

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

These systems are monitored and evaluated by management and reliable financial information is available for preparation of the financial statements.

The Village Council carries out its responsibilities for review of the financial statements principally through council meetings. They meet with management and the external auditors to discuss the results of audit examinations and financial reporting matters.

The external auditors have full access to council with and without the presence of management. The Village Council has approved the financial statements.

The financial statements have been audited by Gitzel & Company, Chartered Professional Accountants, independent external auditors appointed by the village. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the village's financial statements.



Chief Administrative Officer

June 10, 2025

Date



*Scott St. Arnaud, CPA, CA *Jolene P. Kobi, CPA, CA *Justin J. Tanner, CPA, CA
*Peggy Weinzierl, CPA, CA (Associate)

INDEPENDENT AUDITORS' REPORT

TO: The Mayor and Council
Village of Elnora

Opinion

We have audited the financial statements of the Village of Elnora, which comprise the statement of financial position as at December 31, 2024 and the statements of operations, changes in net financial assets (debt) and cash flows for the year then ended, and notes and schedules to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

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

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 ability of the village to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to cease operations, or has no realistic alternative but to do so.

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

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 controls.
- 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 purposes of expressing an opinion on the effectiveness of the village'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 village'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 the auditors' report. However, future events or conditions may cause the village 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.

Stettler, Alberta
June 10, 2025


CHARTERED PROFESSIONAL ACCOUNTANTS

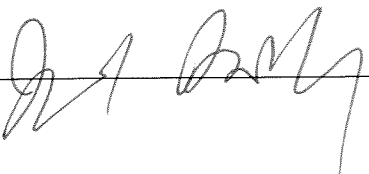
VILLAGE OF ELNORA
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2024

	2024	2023
FINANCIAL ASSETS		
Cash and short term investments (Note 3)	\$ 1,022,495	\$ 823,560
Taxes and grants in place of taxes receivable (Note 4)	102,705	63,448
Trade and other receivables (Note 5)	462,575	563,472
Long-term investments (Note 6)	<u>4,328</u>	<u>4,246</u>
	<u>1,592,103</u>	<u>1,454,726</u>
LIABILITIES		
Accounts payable and accrued liabilities	553,548	69,252
Deferred revenue (Note 7)	799,532	1,162,335
Contaminated site liability	25,800	25,800
Asset retirement obligation (Note 8)	<u>28,841</u>	<u>26,170</u>
	<u>1,407,721</u>	<u>1,283,557</u>
NET FINANCIAL ASSETS (DEBT)	<u>184,382</u>	<u>171,169</u>
NON-FINANCIAL ASSETS		
Land held for resale	139,663	139,663
Prepaid expenses	6,662	2,322
Tangible capital assets (Schedule 2)	<u>4,836,795</u>	<u>2,851,360</u>
	<u>4,983,120</u>	<u>2,993,345</u>
ACCUMULATED SURPLUS (Schedule 1, Note 9)	\$ <u>5,167,502</u>	\$ <u>3,164,514</u>

Contingencies (Note 16)

Commitments (Note 19)

APPROVED ON BEHALF OF THE VILLAGE COUNCIL:

 _____ Mayor

VILLAGE OF ELNORA
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budget (Unaudited)	2024	2023
REVENUES			
Net taxes (Schedule 3)	\$ 280,602	\$ 280,579	\$ 266,990
Government transfers (Schedule 4)	222,522	224,023	202,513
Sales and user fees	147,920	146,502	132,527
Return on investments	7,660	22,626	13,178
Franchise agreement	21,800	21,523	20,318
Penalties and costs of taxes	16,000	17,125	14,609
Rentals	5,734	19,434	11,877
Donations	-	-	38,850
Gain on sale of tangible capital assets	18,370	18,203	-
Other	<u>1,875</u>	<u>5,079</u>	<u>5,083</u>
Total Revenue	<u>722,483</u>	<u>755,094</u>	<u>705,945</u>
EXPENSES (Schedule 5)			
Legislative	21,710	17,660	16,812
Administration	184,889	189,706	171,026
Protective services	32,835	28,550	24,273
Transportation services	165,214	196,559	139,917
Water and wastewater	89,302	84,296	92,925
Waste management	47,198	48,030	43,432
Family and community support services	102,086	105,607	94,171
Subdivision and planning	3,000	-	-
Recreation and culture	57,879	62,052	52,932
Amortization (Note 17)	-	113,458	114,813
Accretion	-	1,315	1,224
Loss on disposal of tangible capital assets	<u>-</u>	<u>-</u>	<u>51,107</u>
Total expenses	<u>704,113</u>	<u>847,233</u>	<u>802,632</u>
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES - BEFORE CAPITAL REVENUE			
	18,370	(92,139)	(96,687)
CAPITAL REVENUE			
Government transfers for capital (Schedule 4)	<u>3,137,424</u>	<u>2,095,127</u>	<u>480,867</u>
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES			
	\$ <u>3,155,794</u>	<u>2,002,988</u>	<u>384,180</u>
ACCUMULATED SURPLUS - BEGINNING OF YEAR		<u>3,164,514</u>	<u>2,780,334</u>
ACCUMULATED SURPLUS - END OF YEAR		\$ <u><u>5,167,502</u></u>	\$ <u><u>3,164,514</u></u>

VILLAGE OF ELNORA

STATEMENT OF CHANGES IN NET FINANCIAL ASSETS (DEBT)

FOR THE YEAR ENDED DECEMBER 31, 2024

	Budget (Unaudited)	2024	2023
EXCESS (SHORTFALL) OF REVENUES OVER EXPENSES	\$ <u>3,155,794</u>	\$ <u>2,002,988</u>	\$ <u>384,180</u>
Acquisition of tangible capital assets	(3,173,021)	(2,187,205)	(620,848)
Proceeds on disposal of tangible capital assets	105,870	107,870	109,079
Amortization of tangible capital assets	-	113,458	114,813
Change in discount rate for asset retirement obligation	-	(1,355)	74
(Gain) loss on disposal of tangible capital assets	<u>-</u>	<u>(18,203)</u>	<u>51,107</u>
	<u>(3,067,151)</u>	<u>(1,985,435)</u>	<u>(345,775)</u>
Use of prepaid assets	-	2,322	2,627
Acquisition of prepaid assets	<u>-</u>	<u>(6,662)</u>	<u>(2,322)</u>
	<u>-</u>	<u>(4,340)</u>	<u>305</u>
INCREASE (DECREASE) IN NET FINANCIAL ASSETS (DEBT)	\$ <u><u>88,643</u></u>	13,213	38,710
NET FINANCIAL ASSETS (DEBT) - BEGINNING OF YEAR		<u>171,169</u>	<u>132,459</u>
NET FINANCIAL ASSETS (DEBT) - END OF YEAR		\$ <u><u>184,382</u></u>	\$ <u><u>171,169</u></u>

VILLAGE OF ELNORA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024

	2024	2023
OPERATING ACTIVITIES		
Excess (shortfall) of revenues over expenses	\$ 2,002,988	\$ 384,180
Non-cash items included in excess (shortfall) of revenues over expenses:		
Amortization of tangible capital assets	113,458	114,813
(Gain) loss on disposal of tangible capital assets	(18,203)	51,107
Accretion	1,315	1,224
Non-cash changes to operations (net change):		
Taxes and grants in place of taxes receivables	(39,257)	(14,168)
Trade and other receivables	100,897	701,880
Prepaid expenses	(4,339)	305
Accounts payable and accrued liabilities	22,257	(37,844)
Deferred revenue	<u>(362,803)</u>	<u>(135,473)</u>
Net cash provided by (used in) operating activities	<u>1,816,313</u>	<u>1,066,024</u>
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(1,725,166)	(620,848)
Proceeds on sale of tangible capital assets	<u>107,870</u>	<u>109,079</u>
Net cash provided by (used in) capital activities	<u>(1,617,296)</u>	<u>(511,769)</u>
INVESTING ACTIVITIES		
Change in long term investments	<u>(82)</u>	<u>(330)</u>
Net cash provided by (used in) investing activities	<u>(82)</u>	<u>(330)</u>
CHANGE IN CASH AND EQUIVALENTS DURING THE YEAR	198,935	553,925
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>823,560</u>	<u>269,635</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>1,022,495</u>	<u>823,560</u>
CASH AND CASH EQUIVALENTS IS MADE UP OF:		
Cash	184,173	501,784
Short term investments	<u>838,322</u>	<u>321,776</u>
	\$ <u>1,022,495</u>	\$ <u>823,560</u>

VILLAGE OF ELNORA

SCHEDULE 1 - CHANGES IN ACCUMULATED SURPLUS

FOR THE YEAR ENDED DECEMBER 31, 2024

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2024	2023
BALANCE - BEGINNING OF YEAR	\$ 99,209	\$ 240,115	\$ 2,825,190	\$ 3,164,514	\$ 2,780,334
Excess (deficiency) of revenues over expenses	2,002,988	-	-	2,002,988	384,180
Funds designated for future use	(2,000)	2,000	-	-	-
Restricted funds used for tangible capital assets	-	(105,870)	105,870	-	-
Disposal of tangible capital assets	(16,202)	105,870	(89,668)	-	-
Current year funds used for tangible capital assets	(2,081,335)	-	2,081,335	-	-
Annual accretion expense	1,315	-	(1,315)	-	-
Annual amortization expense	113,458	-	(113,458)	-	-
Change in accumulated surplus	18,224	2,000	1,982,764	2,002,988	384,180
BALANCE - END OF YEAR	\$ 117,433	\$ 242,115	\$ 4,807,954	\$ 5,167,502	\$ 3,164,514

VILLAGE OF ELNORA

SCHEDULE 2 – SCHEDULE OF TANGIBLE CAPITAL ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2024

	Land	Land Improvements	Buildings	Engineered Structures	Machinery and Equipment	Vehicles	2024	2023
COST:								
BALANCE - BEGINNING OF YEAR	\$ 192,782	\$ 150,506	\$ 847,759	\$ 4,049,781	\$ 347,351	\$ 156,043	\$ 5,744,222	\$ 5,286,735
Acquisition of tangible capital assets	-	-	7,945	2,063,221	116,039	-	2,187,205	620,848
Change in discount rate for asset retirement obligations	-	-	1,355	-	-	-	1,355	-
Disposal of tangible capital assets	-	-	-	-	(94,016)	(27,922)	(121,938)	(163,361)
BALANCE - END OF YEAR	<u>192,782</u>	<u>150,506</u>	<u>857,059</u>	<u>6,113,002</u>	<u>369,374</u>	<u>128,121</u>	<u>7,810,844</u>	<u>5,744,222</u>
ACCUMULATED AMORTIZATION:								
BALANCE - BEGINNING OF YEAR	-	134,538	142,432	2,340,985	136,709	138,198	2,892,862	2,781,150
Annual amortization	-	2,458	14,077	76,889	15,190	4,844	113,458	114,813
Accumulated amortization on disposal	-	-	-	-	(4,349)	(27,922)	(32,271)	(3,101)
BALANCE - END OF YEAR	-	<u>136,996</u>	<u>156,509</u>	<u>2,417,874</u>	<u>147,550</u>	<u>115,120</u>	<u>2,974,049</u>	<u>2,892,862</u>
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	<u>\$ 192,782</u>	<u>\$ 13,510</u>	<u>\$ 700,550</u>	<u>\$ 3,695,128</u>	<u>\$ 221,824</u>	<u>\$ 13,001</u>	<u>\$ 4,836,795</u>	<u>\$ 2,851,360</u>
2023 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	<u>\$ 192,782</u>	<u>\$ 15,968</u>	<u>\$ 705,327</u>	<u>\$ 1,708,796</u>	<u>\$ 210,642</u>	<u>\$ 17,845</u>	<u>\$ 2,851,360</u>	

VILLAGE OF ELNORA

SCHEDULE 3 – PROPERTY AND OTHER TAXES

FOR THE YEAR ENDED DECEMBER 31, 2024

	Budget (Unaudited)	2024	2023
TAXATION			
Real property taxes	\$ 332,819	\$ 332,795	\$ 316,533
Linear property taxes	<u>9,139</u>	<u>9,139</u>	<u>9,190</u>
	<u>341,958</u>	<u>341,934</u>	<u>325,723</u>
REQUISITIONS			
Alberta School Foundation Fund	<u>61,356</u>	<u>61,355</u>	<u>58,733</u>
NET MUNICIPAL TAXES	\$ <u>280,602</u>	\$ <u>280,579</u>	\$ <u>266,990</u>

SCHEDULE 4 – GOVERNMENT TRANSFERS

FOR THE YEAR ENDED DECEMBER 31, 2024

	Budget (Unaudited)	2024	2023
TRANSFER FOR OPERATING:			
Federal government	\$ 3,120	\$ 3,120	\$ 2,970
Provincial government	89,126	89,126	89,126
Other local government	<u>130,276</u>	<u>131,777</u>	<u>110,417</u>
	<u>222,522</u>	<u>224,023</u>	<u>202,513</u>
TRANSFERS FOR CAPITAL			
Federal government	435,947	148,473	-
Provincial government	<u>2,701,477</u>	<u>1,946,654</u>	<u>480,867</u>
	<u>3,137,424</u>	<u>2,095,127</u>	<u>480,867</u>
TOTAL GOVERNMENT TRANSFERS	\$ <u>3,359,946</u>	\$ <u>2,319,150</u>	\$ <u>683,380</u>

VILLAGE OF ELNORA

SCHEDULE 5 –EXPENSES BY OBJECT

FOR THE YEAR ENDED DECEMBER 31, 2024

	Budget (Unaudited)	2024	2023
EXPENSES			
Salaries, wages, and benefits	\$ 314,290	\$ 328,574	\$ 297,049
Contracted and general services	227,506	242,771	190,563
Materials, goods, supplies and utilities	112,660	110,771	104,018
Transfers to other governments	15,900	15,803	13,393
Transfers to individuals and organizations	33,185	33,870	27,222
Amortization (Note 17)	-	113,458	114,813
Accretion expense	-	1,315	1,224
Loss on sale of tangible capital assets	-	-	51,107
Other	<u>572</u>	<u>671</u>	<u>3,243</u>
	\$ <u>704,113</u>	\$ <u>847,233</u>	\$ <u>802,632</u>

VILLAGE OF ELNORA

SCHEDULE 6 - SEGMENTED DISCLOSURE

FOR THE YEAR ENDED DECEMBER 31, 2024

	General Government	Protective Services	Transportation Services	Environmental Services	Family & Community Support Services & Culture	Recreation	Total
REVENUE							
Net municipal taxes	\$ 280,579	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 280,579
Government transfers	89,126	-	-	-	92,687	42,210	224,023
Sales and user fees	840	-	253	138,911	-	6,498	146,502
Investment income	22,626	-	-	-	-	-	22,626
Penalties and costs of taxes	17,125	-	-	-	-	-	17,125
Franchise agreement	21,523	-	-	-	-	-	21,523
Rentals	19,434	-	-	-	-	-	19,434
Other revenues	3,428	1,651	-	-	-	-	5,079
	<u>454,681</u>	<u>1,651</u>	<u>253</u>	<u>138,911</u>	<u>92,687</u>	<u>48,708</u>	<u>736,891</u>
EXPENSES							
Contracted and general services	66,339	23,549	50,506	70,393	11,359	20,625	242,771
Salaries, wages and benefits	128,987	-	99,042	34,634	65,211	700	328,574
Materials, goods, supplies and utilities	11,370	5,000	47,011	27,299	13,234	6,857	110,771
Transfers to governments and organizations	-	-	-	-	15,803	33,870	49,673
Other expenses	671	-	-	-	-	-	671
	<u>207,367</u>	<u>28,549</u>	<u>196,559</u>	<u>132,326</u>	<u>105,607</u>	<u>62,052</u>	<u>732,460</u>
NET REVENUE, BEFORE AMORTIZATION AND ACCRETION	247,314	(26,898)	(196,306)	6,585	(12,920)	(13,344)	4,431
Capital government transfers	-	-	23,960	2,063,222	-	7,945	2,095,127
Gain (loss) on disposal of tangible capital assets	(167)	-	-	18,370	-	-	18,203
Amortization of tangible capital assets	(7,202)	(6,397)	(62,461)	(32,100)	-	(5,298)	(113,458)
Accretion of asset retirement obligations	(482)	-	-	-	-	(833)	(1,315)
NET REVENUE	\$ <u>239,463</u>	\$ <u>(33,295)</u>	\$ <u>(234,807)</u>	\$ <u>2,056,077</u>	\$ <u>(12,920)</u>	\$ <u>(11,530)</u>	\$ <u>2,002,988</u>
2023 NET REVENUE	\$ <u>562,699</u>	\$ <u>(28,689)</u>	\$ <u>(202,408)</u>	\$ <u>59,799</u>	\$ <u>(26,894)</u>	\$ <u>19,673</u>	\$ <u>384,180</u>

VILLAGE OF ELNORA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements are the representations of management prepared in accordance with generally accepted accounting principles for local government established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of significant accounting policies adopted as follows:

(a) Reporting Entity

The financial statements reflect the assets, liabilities, revenues and expenditures, changes in fund balances and change in financial position of the reporting entity which comprises all the organizations that are owned or controlled by the village and are, therefore, accountable to the Council for the administration of their financial affairs and resources.

The schedule of taxes levied also includes operating 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 financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or the 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.

(c) Use of Estimates

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

VILLAGE OF ELNORA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES - Continued

(c) Use of Estimates - Continued

Amortization is based on the estimated useful lives of property and equipment. These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the periods in which they become known.

There is measurement uncertainty related to asset retirement obligations. Determining settlement amounts, discount rates and timing of settlement involves estimation. Changes to any of these estimates and assumptions may result in a change to the obligation.

(d) 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.

(e) 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.

(f) 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 a site is not in productive use and is management's estimate of the cost of post – remediation including operation, maintenance and monitoring.

(g) 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.

VILLAGE OF ELNORA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES - Continued

(g) Government Transfers - Continued

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

(h) Pension Expenditure

The Village participates in a multi-employer defined benefit pension plan. The plan is accounted for as a defined contribution plan.

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

(i) Taxes and Grants in Place of Taxes Receivable

Current and arrears taxes and grants in place of taxes receivable consist of current tax levies and tax levies of prior years which remain outstanding at December 31st.

(j) Investments

Investments are recorded at the lower of cost or market value. 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.

(k) Land Held For Resale

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

(l) Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, accounts with banks and short term investments.

(m) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one party and a financial liability or equity instrument of another party.

The village initially measures its financial assets and financial liabilities at fair value.

The village subsequently measures all of its financial assets and financial liabilities at cost or amortized cost, except for cash which is measured at fair value.

VILLAGE OF ELNORA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES – Continued

(m) Financial Instruments - continued

Amortized cost is the amount at which a financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortization of any difference between that initial amount and the maturity amount, and minus any reduction for impairment.

The village's financial instruments consist of cash and short term investments, receivables, long-term investments, accounts payable and accrued liabilities. It is management's opinion that the village is not exposed to significant interest or currency risks arising from these financial statements. Unless otherwise noted, the fair value of these financial instruments approximates their carrying values.

(n) Allowances for Operating Assets

Allowances for asset valuations are netted against the related asset. Increases in allowances are recorded as an expenditure while decreases in allowances are recorded as revenue in the operating fund.

(o) Over-levies and Under- levies

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

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

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

(p) Asset retirement obligations

Asset retirement obligations are legal obligations associated with the retirement of a tangible capital asset. A liability for an asset retirement obligation is recognized at an estimate of the amount required to retire a tangible capital asset at the financial statement date when there is a legal obligation for the village 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 estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at year-end. These may include, but are not limited to, decommissioning or dismantling a tangible capital asset that was acquired, constructed or developed; remediation of contamination of a tangible capital asset created by its normal use; post-retirement activities such as monitoring; and constructing other tangible capital assets to perform post-retirement activities.

The 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.

VILLAGE OF ELNORA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES – Continued

(p) Asset retirement obligations - Continued

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 village reviews the carrying amount of the liability. The village 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 village 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.

(q) 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 excess of revenues over expenses, provides the Change in Net Financial Assets (Debt) 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, improvement, betterment or retirement of the asset. The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over the estimated useful life as follows:

	YEARS
Buildings	60
Engineered structures	
Roadway systems	15
Water system	5 - 75
Wastewater system	10 - 75
Land improvements	15
Machinery and equipment	10 - 25
Vehicles	10 – 20

The annual amortization charge in the year of acquisition and in the year of disposal is pro-rated based on the number of days that the asset was owned during the year. Assets under construction are not amortized until the asset is available for productive use.

Included in Engineered Structures are \$2,186,732 (2023 - \$123,511) of costs related to construction in progress which are not currently being amortized. Included in buildings is \$7,945 (2023 - \$NIL) of costs not being amortized.

VILLAGE OF ELNORA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES – Continued

(q) Non-Financial Assets - Continued

(ii) Contributions of Tangible Capital Assets

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

2. ACCOUNTING PRONOUNCEMENTS PUBLISHED BUT NOT YET ADOPTED

The following accounting standards have been issued by the Chartered Professional Accountants of Canada but are not yet effective. Management is currently evaluating the effect of adopting these standards on the financial statements.

(a) The Conceptual Framework for Financial Reporting in the Public Sector

The Conceptual Framework is a coherent set of interrelated concepts underlying accounting and financial reporting standards, prescribes the nature, function and limits of financial accounting and reporting, and is the foundation on which standards are developed and professional judgement is applied. Effective for the fiscal years beginning on or after April 1, 2026.

(b) Section PS 1202 – Financial Statement Presentation

This section sets out general and specific requirements for the presentation of information in general purpose financial statements. This new standard will effectively replace PS 1201 – Financial Statement Presentation. Effective for the fiscal years beginning on or after April 1, 2026.

3. CASH AND SHORT TERM INVESTMENTS

	2024	2023
Cash	\$ 184,173	\$ 501,784
Short term investments	<u>838,322</u>	<u>321,776</u>
	<u>\$ 1,022,495</u>	<u>\$ 823,560</u>

The village's bank account pays interest at prime less 2.5%.

Council has designated funds of \$242,115 (2023 - \$240,115) for restricted surplus. Restricted surplus of \$NIL (2023 - \$50,860) is not funded by cash.

Included in the above are the restricted amounts of \$434,377 (2023 - \$627,089) of deferred grant funding and \$7,216 (2023 - \$7,216) of donations.

The short term investments are valued at cost and are earning interest at rates ranging from 1.4% to 4.95%, and have maturity dates ranging from March 2025 to November 2025.

VILLAGE OF ELNORA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

4. TAXES AND GRANTS IN PLACE OF TAXES RECEIVABLE

	2024	2023
Current taxes and grants in place of taxes	\$ 61,572	\$ 31,797
Arrears of taxes	41,133	34,908
Allowance	<u>-</u>	<u>(3,257)</u>
	\$ <u>102,705</u>	\$ <u>63,448</u>

5. TRADE AND OTHER RECEIVABLES

	2024	2023
Accrued Interest	\$ 8,529	\$ 4,515
CCBF grant	-	400,000
FCSS	1,214	3,955
GST	95,054	12,943
LGFF capital grant	215,854	-
Municipal sustainability grant-capital	139,736	139,736
Other	<u>2,188</u>	<u>2,323</u>
	\$ <u>462,575</u>	\$ <u>563,472</u>

6. LONG TERM INVESTMENTS

	2024	2023
Equity in co-operatives	\$ <u>4,328</u>	\$ <u>4,246</u>

7. DEFERRED REVENUE

	2024	2023
Alberta Municipal Water/Wastewater Partnership	\$ -	\$ 200,000
Canada Community – Building Fund (CCBF)	307,667	385,946
Donations	7,216	7,216
Economic development funds	2,348	2,348
FCSS	21,547	21,547
LGFF capital grant	215,854	-
Municipal Sustainability Initiatives grants (MSI)	219,900	545,278
Red Deer County – library	<u>25,000</u>	<u>-</u>
	\$ <u>799,532</u>	\$ <u>1,162,335</u>

VILLAGE OF ELNORA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

8. ASSET RETIREMENT OBLIGATION

The village owns buildings which contain asbestos and, therefore, the village is legally required to perform abatement activities upon renovation or demolition of these buildings. Abatement activities include handling and disposing of the asbestos in a prescribed manner when it is disturbed. Undiscounted future cash flows expected are an abatement cost of \$36,017. The estimated total liability of \$28,841 (2023 - \$26,170) is based on the sum of discounted future cash flows for abatement activities using an average discount rate of 5% and assuming annual inflation of 3%. The village has not designated assets for settling the abatement activities.

	2024	2023
Balance, beginning of year	\$ 26,170	\$ 25,020
Change in estimated cash flows	1,356	(74)
Accretion expense	<u>1,315</u>	<u>1,224</u>
	\$ <u>28,841</u>	\$ <u>26,170</u>

9. ACCUMULATED SURPLUS

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

	2024	2023
Unrestricted surplus	\$ 117,433	\$ 99,209
Equity in tangible capital assets (Note 10)	4,807,954	2,825,190
Restricted surplus (Note 11)	<u>242,115</u>	<u>240,115</u>
	\$ <u>5,167,502</u>	\$ <u>3,164,514</u>

10. EQUITY IN TANGIBLE CAPITAL ASSETS

	2024	2023
Tangible capital assets (Schedule 2)	\$ 7,810,844	\$ 5,744,222
Accumulated amortization (Schedule 2)	(2,974,049)	(2,892,862)
Asset retirement obligation (Note 8)	<u>(28,841)</u>	<u>(26,170)</u>
	\$ <u>4,807,954</u>	\$ <u>2,825,190</u>

VILLAGE OF ELNORA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

11. RESTRICTED SURPLUS

	2023	Increases	Decreases	2024
Administration	\$ 5,724	\$ 2,000	\$ -	\$ 7,724
Protective services	83,877	-	-	83,877
Water	20,000	-	-	20,000
Wastewater	20,815	-	-	20,815
Garbage	21,500	-	-	21,500
FCSS	5,710	-	-	5,710
Subdivision	57,500	-	-	57,500
Recreation	3,910	-	-	3,910
Culture	21,079	-	-	21,079
Total	\$ <u>240,115</u>	\$ <u>2,000</u>	\$ <u>-</u>	\$ <u>242,115</u>

12. SALARY AND BENEFITS DISCLOSURE

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

	2024			2023
	Salary(1)	Benefits & Allowances(2)	Total	Total
S. Wesgate, C.A.O	\$ 61,847	\$ 3,047	\$ 64,894	\$ 64,642
J. Bissell (Mayor)	4,240	268	4,508	3,787
R. Duft (Councillor)	3,225	241	3,466	3,193
L. Fergusan (Councillor)	5,085	335	5,420	4,888
Designated Officers (1 position)	\$ 6,475	\$ -	\$ 6,475	\$ 6,375

- (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 and dismemberment insurance, long and short term disability plans, professional memberships and tuition.

13. LOCAL AUTHORITIES PENSION PLAN

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

Contributions for current service are recorded as expenditures in the year in which they become due. The Village of Elnora is required to make current service contributions to the Plan of 8.45% of pensionable earnings up to the CPP maximum pensionable earnings and 12.23% of any excess earnings. Employees of the Village of Elnora are required to make current service contributions of 7.45% of pensionable salary up to the year's maximum pensionable salary and 11.23% on pensionable salary above this amount.

VILLAGE OF ELNORA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

13. LOCAL AUTHORITIES PENSION PLAN - Continued

Total current and past service contributions by the Village of Elnora to the Local Authorities Pension Plan in 2024 were \$13,574 (2023 - \$12,865). Total current and past service contributions by the employees of the Village of Elnora to the Local Authorities Pension Plan in 2024 were \$12,002 (2023 - \$11,369).

At December 31, 2023, the Plan disclosed an actuarial surplus of \$15,057 billion.

14. 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 be disclosed as follows:

	2024	2023
Total debt limit	\$ 1,132,641	\$ 1,058,918
Total debt	<u>-</u>	<u>-</u>
Amount of debt limit (exceeded) available	<u>1,132,641</u>	<u>1,058,918</u>
Debt servicing limit	188,774	176,486
Debt servicing	<u>-</u>	<u>-</u>
Amount of debt servicing limit (exceeded) available	<u>\$ 188,774</u>	<u>\$ 176,486</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.

15. FINANCIAL INSTRUMENTS

The village is exposed to various risks through its financial instruments. The following analysis provides a measure of the village's risk exposure and concentrations at the balance sheet date.

Market 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 risk, interest rate risk and other price risk. It is management's opinion that the village is not exposed to significant currency or other price risk, which is consistent with the prior year.

VILLAGE OF ELNORA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

15. FINANCIAL INSTRUMENTS - Continued

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The village has fixed rate investments which are subject to fair value risk, as the value will fluctuate as a result of changes in market rates.

Operating Lines of Credit

At December 31, 2024, the village had short-term bank lines of credit aggregating \$50,000 (2023 - \$50,000) of which \$NIL (2023 - \$NIL) had been drawn down. Lines of credit are revolving operating and term facilities that bear interest at prime plus 0.25%. They are reviewed annually and secured by a general security agreement.

At December 31, 2024, the village had short term credit card lines of credit aggregating \$30,000 (2023 - \$30,000) of which \$12,238 (2023 - \$1,486) had been drawn down.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The village is subject to credit risk with respect to taxes and grants in place of taxes receivable and trade and other receivables. Credit risk arises from the possibility that taxpayers and entities to which the village 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. The carrying value of accounts receivable reflects management's assessment of credit risk. An allowance of \$NIL (2023 - \$3,257) has been recorded and offset against the accounts receivable balance.

Liquidity Risk

Liquidity risk is the risk that the village will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The village has sufficient cash available from its operations to meet its obligations. Management is of the opinion that liquidity risk is not a significant risk and there has been no change to the risk exposures from the prior year.

16. CONTINGENCIES

The Village of Elnora is a member of the Alberta Municipal Insurance Exchange (MUNIX). Under the terms of the membership, the Village of Elnora 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.

VILLAGE OF ELNORA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

17. AMORTIZATION

Amortization is a non-cash expense and has been allocated to the different functions as follows:

	Budget (Unaudited)	2024	2023
Administration	\$ -	\$ 7,202	\$ 9,492
Protective services	-	6,397	6,397
Transportation services	-	62,461	62,732
Water and wastewater	-	32,100	30,797
Waste management	-	-	1,097
Recreation and parks	-	5,298	4,298
	<u>\$ -</u>	<u>\$ 113,458</u>	<u>\$ 114,813</u>

18. SEGMENTED DISCLOSURE

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

General government includes council and other legislative, and general administration. Protective services includes bylaw enforcement, police and fire. Transportation includes roads, streets, walks, lighting and airport. Environmental use and protection includes water supply and distribution, wastewater treatment and disposal, and waste management. Planning and development includes land use planning, zoning and subdivision land and development. Public health and welfare includes family and community support. Recreation and culture includes parks and recreation, libraries, museums and halls.

Refer to the Schedule 6 – Segmented Disclosure.

19. COMMITMENTS

The Village of Elnora has entered into an agreement to allow individuals residing in a neighboring municipality access to its cultural facilities and programs without paying any charge or levy. In exchange for this access, the neighboring municipality will provide the Village of Elnora with a grant to be used for the operation and maintenance of these facilities or programs. This agreement is effective for 5 years, expiring December 31, 2027. The amount of \$38,930 was received in 2024 and the amount of \$39,904 will be received in 2025.

The village entered into an agreement with a contractor for waste collection services. The agreement expires April 30, 2028 and requires monthly payments. The agreement may be extended at the village's option for two extensions of one year. Pricing is \$8.97 per unit per month and \$91 per bin per month.

VILLAGE OF ELNORA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

19. COMMITMENTS - Continued

The village entered into an agreement with Alberta Transportation and Economic Corridors under the Alberta Municipal Water / Wastewater Partnership in relation to grant funding for construction of a new pump station and reservoir. The work is to be completed by December 31, 2025. The total project cost is estimated at \$2,743,659 with total grant funding under the agreement estimated at \$2,057,744. The remaining share of the project of \$685,915 is to be funded by other sources, which would include other grant funds available to the village under which the project would qualify. Construction of the pumphouse is currently underway,

20. APPROVAL OF FINANCIAL STATEMENTS

Council and Management have approved these financial statements.

21. NON-CASH TRANSACTIONS

Included in accounts payable is \$462, 039 (2023 - \$ NIL) in relation to the purchase of tangible capital assets. This amount has been excluded from the Statement of Cash Flows.

Included in revenue is the amount of \$NIL (2023 - \$38,850) which is the value of tangible capital assets donated to the village during the year.

22. BUDGET AMOUNTS

Budget figures for the year ended December 31, 2024 are for information purposes only and have not been audited.