

TOWN OF CASTOR
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

Contents:

Management's Responsibility for Financial Reporting
Independent Auditor's Report
Consolidated Statement of Financial Position
Consolidated Statement of Operations
Consolidated Statement of Change in Net Financial Assets
Consolidated Statement of Cash Flows
Schedule of Changes in Accumulated Surplus
Schedule of Tangible Capital Assets
Schedule of Property and Other Taxes
Schedule of Government Transfers
Schedule of Consolidated Expenses by Object
Notes to Financial Statements

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

Management of the Town of Castor is responsible for the preparation, accuracy, objectivity and integrity of the accompanying consolidated financial statements and all other information contained within this Financial Report. Management believes that the consolidated financial statements present fairly the town'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 consolidated financial statements include certain amounts based on estimates and judgments. Such amounts have been determined on a reasonable basis in order to ensure the consolidated financial statements are presented fairly in all material respects.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, management has designed and maintains a system of internal controls to produce reliable information 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 town council carries out its responsibilities for review of the consolidated financial statements principally through its Audit Committee. This committee meets regularly with management and external auditors to discuss the results of audit examinations and financial reporting matters.

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

The consolidated financial statement have been audited by RWA Chartered Professional Accountants LLP, independent external auditors appointed by the town. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examinations and their opinion on the town's consolidated financial statements.


Chief Administrative Officer

Date: April 30 2025
Town of Castor, Alberta, Canada

INDEPENDENT AUDITOR'S REPORT

To the Members of Council:

Opinion

We have audited the accompanying consolidated financial statements of the Town of Castor which comprise the statement of financial position as at December 31, 2024, and the consolidated statements of operations, change in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

Basis for Opinion

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

Management's Responsibility for the Consolidated Financial Statements

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

In preparing these financial statements, management is responsible for assessing the Town's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting if required.

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

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

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

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

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Stettler, Alberta
April 30, 2025

RWALLP
Chartered Professional Accountants

RWA LLP

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

	2024 \$	2023 \$
FINANCIAL ASSETS		
Cash and temporary investments (note 2)	1,183,132	764,224
Receivables		
Taxes and grants in place of taxes (note 3)	322,317	336,408
Trade and other receivables (note 5)	1,175,903	771,956
Land for resale inventory (note 1g)	169,315	189,075
Investments (notes 1e & 4)	<u>26,054</u>	<u>26,054</u>
	<u>2,876,721</u>	<u>2,087,717</u>
LIABILITIES		
Accounts payable and accrued liabilities	377,405	288,522
Accounts payable and accrued liabilities - capital	-	33,231
Deferred revenue (notes 1b & 6)	291,288	24,279
Long-term debt (note 7)	<u>1,488,322</u>	<u>1,603,445</u>
	<u>2,157,015</u>	<u>1,949,477</u>
NET FINANCIAL ASSETS	<u>719,706</u>	<u>138,240</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (note 9)	13,119,059	12,627,415
Prepaid expenses	<u>16,951</u>	<u>7,006</u>
	<u>13,136,010</u>	<u>12,634,421</u>
ACCUMULATED SURPLUS (note 11)	<u>13,855,716</u>	<u>12,772,661</u>

Commitments - See note 14

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

	Budget \$ (Unaudited)	2024 \$	2023 \$
REVENUE			
Net municipal taxes (Schedule 3)	1,151,743	1,148,490	1,078,077
User fees and sales of goods	2,083,031	2,100,716	2,218,155
Government transfers for operating (Schedule 4)	445,152	478,191	339,984
Investment income	20,000	58,068	49,149
Penalties and cost on taxes and utilities	66,300	65,206	86,472
Concession and franchises	78,000	74,033	78,593
Fines	7,000	5,330	9,587
Licenses and permits	9,000	10,005	10,340
Other revenue	<u>34,200</u>	<u>58,149</u>	<u>30,664</u>
Total Revenue	<u>3,894,426</u>	<u>3,998,188</u>	<u>3,901,021</u>
EXPENSES			
Operating			
Legislative	60,800	57,381	60,067
Administration	289,821	254,066	221,940
Protection services	243,091	231,421	243,852
Airport services	15,450	15,813	13,402
Roads, streets, walks, lighting	532,686	487,604	570,681
Water supply and distribution	548,840	556,877	479,678
Wastewater treatment and disposal	204,552	190,447	189,663
Waste management	137,558	123,868	131,211
Family and community support	72,000	80,262	71,901
Subdivision land development	24,500	42,596	143,042
Municipal planning and development	151,000	133,167	120,367
Parks and recreation	547,379	511,476	492,558
Cemeteries	37,262	30,121	33,283
Culture	91,240	74,520	69,816
Natural gas operations	680,625	500,496	517,866
Amortization of tangible capital assets	<u>-</u>	<u>566,011</u>	<u>586,655</u>
Total Expenses	<u>3,636,804</u>	<u>3,856,126</u>	<u>3,945,982</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES			
- BEFORE OTHER	<u>257,622</u>	<u>142,062</u>	<u>(44,961)</u>
OTHER			
Gain on disposal of tangible capital assets	-	34,340	-
Government transfers for capital (Schedule 4)	<u>1,218,000</u>	<u>906,653</u>	<u>240,444</u>
	<u>1,218,000</u>	<u>940,993</u>	<u>240,444</u>
EXCESS OF REVENUE OVER EXPENSES	1,475,622	1,083,055	195,483
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>12,772,661</u>	<u>12,772,661</u>	<u>12,577,178</u>
ACCUMULATED SURPLUS, END OF YEAR	<u>14,248,283</u>	<u>13,855,716</u>	<u>12,772,661</u>

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

	Budget \$	2024 \$	2023 \$
EXCESS OF REVENUES OVER EXPENSES	<u>1,475,622</u>	<u>1,083,055</u>	<u>195,483</u>
Acquisition of tangible capital assets	(1,641,500)	(1,057,655)	(1,477,241)
Proceeds on disposal of tangible capital assets	-	34,340	-
Amortization of tangible capital assets	-	566,011	586,655
Gain on disposal of tangible capital assets	<u>-</u>	<u>(34,340)</u>	<u>-</u>
	<u>(1,641,500)</u>	<u>(491,644)</u>	<u>(890,586)</u>
Acquisition of prepaid expenses	-	(16,951)	(7,006)
Use of prepaid expenses	<u>-</u>	<u>7,006</u>	<u>5,486</u>
	<u>-</u>	<u>(9,945)</u>	<u>(1,520)</u>
INCREASE (DECREASE) IN NET ASSETS	(165,878)	581,466	(696,623)
NET FINANCIAL ASSETS, BEGINNING OF YEAR	<u>138,240</u>	<u>138,240</u>	<u>834,863</u>
NET FINANCIAL ASSETS, END OF YEAR	<u>(27,638)</u>	<u>719,706</u>	<u>138,240</u>

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

	2024	2023
	\$	\$
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Excess of revenues over expenses	1,083,055	195,483
Non-cash items included in excess of revenues over expenses:		
Amortization of tangible capital assets	566,011	586,655
Gain on disposal of tangible capital assets	(34,340)	-
Non-cash changes to operations (net change):		
Decrease (increase) in taxes and grants in place of taxes	14,091	(32,206)
Decrease (increase) in trade and other receivables	(403,947)	315,993
Increase in prepaid expenses	(9,945)	(1,520)
Decrease in land held for sale	19,760	121,710
Increase (decrease) in accounts payable and accrued liabilities	88,883	(47,113)
Increase (decrease) in deferred revenue	267,009	(36,186)
Cash provided by operating transactions	<u>1,590,577</u>	<u>1,102,816</u>
CAPITAL		
Acquisition of tangible capital assets	(1,057,655)	(1,477,241)
Proceeds on sale of tangible capital assets	34,340	-
Increase (decrease) in capital accounts payable	<u>(33,231)</u>	<u>1,487</u>
Cash applied to capital transactions	<u>(1,056,546)</u>	<u>(1,475,754)</u>
INVESTING		
Increase in restricted cash and temporary investments	<u>(69,000)</u>	<u>(68,732)</u>
FINANCING		
Long-term debt repaid	(115,123)	(128,160)
Long-term debt issued	<u>-</u>	<u>700,000</u>
Cash provided by financing transactions	<u>(115,123)</u>	<u>571,840</u>
CHANGE IN CASH AND EQUIVALENTS DURING THE YEAR	349,908	130,170
CASH AND CASH EQUIVALENT, BEGINNING OF YEAR	<u>197,008</u>	<u>66,838</u>
CASH AND CASH EQUIVALENT, END OF YEAR (note 2)	<u><u>546,916</u></u>	<u><u>197,008</u></u>
Cash and cash equivalents is made up of:		
Cash and temporary investments (note 2)	1,183,132	764,224
Less: restricted portion of cash and temporary investments (note 2)	<u>(636,216)</u>	<u>(567,216)</u>
	<u><u>546,916</u></u>	<u><u>197,008</u></u>

**TOWN OF CASTOR
SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Schedule 1)**

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2024 \$	2023 \$
BALANCE, BEGINNING OF YEAR	<u>1,181,475</u>	<u>567,216</u>	<u>11,023,970</u>	<u>12,772,661</u>	<u>12,577,178</u>
Excess of revenues over expenses	1,083,055	-	-	1,083,055	195,483
Unrestricted funds designated for future use	(69,000)	69,000	-	-	-
Current year funds used for tangible capital assets	(1,057,655)	-	1,057,655	-	-
Annual amortization expense	566,011	-	(566,011)	-	-
Long-term debt repaid	<u>(115,123)</u>	<u>-</u>	<u>115,123</u>	<u>-</u>	<u>-</u>
Change in accumulated surplus	<u>407,288</u>	<u>69,000</u>	<u>606,767</u>	<u>1,083,055</u>	<u>195,483</u>
BALANCE, END OF YEAR	<u><u>1,588,763</u></u>	<u><u>636,216</u></u>	<u><u>11,630,737</u></u>	<u><u>13,855,716</u></u>	<u><u>12,772,661</u></u>

TOWN OF CASTOR
SCHEDULE OF TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Schedule 2)

	Land	Land Improvements	Buildings	Engineered Structures	Machinery and Equipment	Vehicles	2024 \$	2023 \$
COST:								
BALANCE, BEGINNING OF YEAR	826,310	599,112	8,828,663	12,275,105	1,750,937	901,967	25,182,094	23,704,853
Acquisition of assets	-	876,609	57,240	80,983	42,823	-	1,057,655	1,477,241
Disposal of assets	-	-	-	-	(32,307)	(34,500)	(66,807)	-
BALANCE, END OF YEAR	<u>826,310</u>	<u>1,475,721</u>	<u>8,885,903</u>	<u>12,356,088</u>	<u>1,761,453</u>	<u>867,467</u>	<u>26,172,942</u>	<u>25,182,094</u>
ACCUMULATED AMORTIZATION:								
BALANCE, BEGINNING OF YEAR	-	351,651	3,992,472	6,253,106	1,329,557	627,893	12,554,679	11,968,024
Annual amortization	-	17,940	234,132	184,861	86,888	42,190	566,011	586,655
Accumulated amortization on disposals	-	-	-	-	(32,307)	(34,500)	(66,807)	-
BALANCE, END OF YEAR	<u>-</u>	<u>369,591</u>	<u>4,226,604</u>	<u>6,437,967</u>	<u>1,384,138</u>	<u>635,583</u>	<u>13,053,883</u>	<u>12,554,679</u>
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	<u>826,310</u>	<u>1,106,130</u>	<u>4,659,299</u>	<u>5,918,121</u>	<u>377,315</u>	<u>231,884</u>	<u>13,119,059</u>	<u>12,627,415</u>
2023 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	<u>826,310</u>	<u>247,461</u>	<u>4,836,191</u>	<u>6,021,999</u>	<u>421,380</u>	<u>274,074</u>	<u>12,627,415</u>	

TOWN OF CASTOR
SCHEDULE OF PROPERTY AND OTHER TAXES
FOR THE YEAR ENDED DECEMBER 31, 2024
(Schedule 3)

	Budget (Unaudited)	2024 \$	2023 \$
TAXATION			
Real property taxes	1,358,572	1,358,572	1,289,929
Linear property taxes	44,867	44,867	39,925
Government grants in place of property taxes	<u>2,511</u>	<u>2,511</u>	<u>2,588</u>
	<u>1,405,950</u>	<u>1,405,950</u>	<u>1,332,442</u>
REQUISITIONS			
Alberta School Foundation Fund	212,516	215,819	212,516
Designated Industrial	50	-	-
Paintearth Seniors Foundation	<u>41,641</u>	<u>41,641</u>	<u>41,849</u>
	<u>254,207</u>	<u>257,460</u>	<u>254,365</u>
NET MUNICIPAL TAXES	<u><u>1,151,743</u></u>	<u><u>1,148,490</u></u>	<u><u>1,078,077</u></u>

TOWN OF CASTOR
SCHEDULE OF GOVERNMENT TRANSFERS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Schedule 4)

	Budget (Unaudited)	2024 \$	2023 \$
TRANSFERS FOR OPERATING:			
Provincial Government	257,641	302,880	160,241
Other Local Governments	<u>187,511</u>	<u>175,311</u>	<u>179,743</u>
	<u>445,152</u>	<u>478,191</u>	<u>339,984</u>
TRANSFERS FOR CAPITAL:			
Federal Government	885,000	759,808	-
Provincial Government	<u>333,000</u>	<u>146,845</u>	<u>240,444</u>
	<u>1,218,000</u>	<u>906,653</u>	<u>240,444</u>
TOTAL GOVERNMENT TRANSFERS	<u><u>1,663,152</u></u>	<u><u>1,384,844</u></u>	<u><u>580,428</u></u>

TOWN OF CASTOR
SCHEDULE OF CONSOLIDATED EXPENSES BY OBJECT
FOR THE YEAR ENDED DECEMBER 31, 2024
(Schedule 5)

CONSOLIDATED EXPENSES BY OBJECT	Budget (Unaudited)	2024 \$	2023 \$
Salaries, wages and benefits	1,379,468	1,259,049	1,240,995
Contracted and general services	957,300	945,853	856,192
Materials, goods, and utilities	1,085,500	884,755	1,075,820
Provisions for allowances	-	3,795	342
Transfers to local boards and agencies	131,050	119,574	129,065
Bank charges and short-term interest	2,000	2,096	2,802
Interest on long-term debt	79,486	74,993	54,111
Amortization of tangible capital assets	-	566,011	586,655
Other expenses	2,000	-	-
	<u>3,636,804</u>	<u>3,856,126</u>	<u>3,945,982</u>

**TOWN OF CASTOR
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

1. Significant Accounting Policies

The consolidated financial statements of the Town of Castor are the representations of management prepared in accordance with generally accepted accounting principles established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. Significant aspects of the accounting policies adopted by the Town of Castor are as follows:

a) Reporting Entity

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

The schedule of taxes levied also includes operating requisitions for external organizations that are not a 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 records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or the legal obligation to pay.

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

Government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used for certain programs, in the completion of specific work, or 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 generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures of 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) Valuation of Financial Assets and Liabilities

The town's financial asset and liabilities are measured as follows:

<u>Financial statement component</u>	<u>Measurement</u>
Cash	Cost
Trade and other receivables	Lower of cost or net recoverable value
Investments	Amortized cost
Accounts payable and accrued liabilities	Cost
Long-term debt	Amortized cost

**TOWN OF CASTOR
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

1. Significant Accounting Policies - continued

e) Investments

Investments are recorded at cost. 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.

f) 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.

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

h) 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.

i) 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.

j) Non-Financial Assets

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

**TOWN OF CASTOR
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

1. Significant Accounting Policies - continued

k) Tangible Capital Assets

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

	Years
Land Improvements	10-60
Buildings	50
Engineered structures	
Water system	15-75
Wastewater system	75
Other engineered structures	20-30
Machinery and equipment	10-25
Vehicles	10

The full amount of annual amortization is charged in the year of acquisition and no amortization is charged in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

ii) Contributions of Tangible Capital Assets

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

2. Cash and Temporary Investments

	2024	2023
	\$	\$
Cash	<u>1,183,132</u>	<u>764,224</u>

Council has designated funds of \$636,216 (2023 - \$567,216) included in the above amounts for future projects.

The Town has an authorized line of credit in the amount of \$1,450,000 at prime rate plus 1.0%. Prime rate at December 31, 2024 was 5.45%.

3. Taxes and Grants in Place of Taxes Receivables

	2024	2023
	\$	\$
Current taxes and grants in place of taxes	71,271	123,841
Arrears tax	251,046	212,567
Less: allowance for doubtful accounts	<u>-</u>	<u>-</u>
	<u>322,317</u>	<u>336,408</u>

**TOWN OF CASTOR
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

4. Investments	2024	2023
	\$	\$
Equity in United Farmers of Alberta	3,454	3,454
Gas Alberta Inc. - debentures	22,500	22,500
Gas Alberta Inc. - shares	<u>100</u>	<u>100</u>
	<u>26,054</u>	<u>26,054</u>
5. Trade and Other Receivables	2024	2023
	\$	\$
Trade and other receivables are comprised of the following:		
GST receivable	35,346	21,148
Utility accounts receivable	302,545	274,585
Grants receivable	560,133	265,843
General	<u>277,879</u>	<u>210,380</u>
	<u>1,175,903</u>	<u>771,956</u>
6. Deferred Revenue	2024	2023
	\$	\$
Deferred revenue is comprised of the following:		
Canada Community Building Fund	43,780	-
Local Government Fiscal Framework Capital	239,233	19,279
Rent and operating revenue	3,275	-
Deposits	<u>5,000</u>	<u>5,000</u>
	<u>291,288</u>	<u>24,279</u>
Canada Community Building Fund and Local Government Fiscal Framework Capital grants are restricted for eligible capital projects which are scheduled for completion in 2025.		
Included in the above figures are \$283,013 (2023 - \$19,279) of grants which are in accounts receivable.		
7. Long-Term Debt	2024	2023
	\$	\$
Tax supported debentures	1,328,322	1,403,445
Bank loans	<u>160,000</u>	<u>200,000</u>
	<u>1,488,322</u>	<u>1,603,445</u>

The current portion of long-term debt amounts to \$118,810 (2023 - \$115,123).

**TOWN OF CASTOR
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

7. Long-Term Debt - continued

Principal and interest payments are due as follows:

Year	Principal \$	Interest \$	Total \$
2025	118,810	70,919	189,729
2026	122,679	65,770	188,449
2027	126,739	60,430	187,169
2028	130,999	54,890	185,889
2029	83,469	49,140	132,609
2030 and subsequent	<u>905,626</u>	<u>282,943</u>	<u>1,188,569</u>
	<u>1,488,322</u>	<u>584,092</u>	<u>2,072,414</u>

Debenture debt is repayable to Alberta Municipal Financing Corporation and bears interest at rates ranging from 4.59% to 5.88% per annum and matures in periods 2033 through 2043. The average annual interest rate is 5.025% for 2024 (5.015% for 2023). Debenture debt is issued on the credit and security of the Town of Castor at large.

Bank loans are repayable in annual instalments of \$40,000 plus interest payable monthly at 3.2%. The bank loans are due on demand.

Interest on long-term debt amounted to \$74,993 (2023 - \$54,111). The Town's total cash payments for interest in 2024 were \$75,904 (2023 - \$43,906).

8. Debt Limits

Section 276(2) of the Municipal Government Act requires that debt and debt limits as defined by Alberta regulation 255/00 for the Town of Castor be disclosed as follows:

	2024 \$	2023 \$
Total debt limit	6,406,064	5,851,532
Total debt	<u>1,488,322</u>	<u>1,603,445</u>
Amount under total debt limit	<u>4,917,742</u>	<u>4,248,087</u>
Service on debt limit	1,067,677	975,255
Service on debt	<u>189,729</u>	<u>191,009</u>
Amount under service on debt limit	<u>877,948</u>	<u>784,246</u>

The debt limit is calculated at 1.5 times revenue of the municipality 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 future 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 CASTOR
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

9. Tangible Capital Assets	2024	2023
	\$	\$
Net Book Value		
Land	826,310	826,310
Land improvements	1,106,130	247,461
Buildings	4,659,299	4,836,191
Engineering structures		
Roadway system	842,374	828,727
Water distribution system	4,622,375	4,711,844
Wastewater treatment system	271,764	289,500
Gas system	181,608	191,928
Machinery, equipment and furnishings	377,315	421,380
Vehicles	<u>231,884</u>	<u>274,074</u>
	<u>13,119,059</u>	<u>12,627,415</u>
10. Equity in Tangible Capital Fund	2024	2023
	\$	\$
Tangible capital assets (Schedule 2)	26,172,942	25,182,094
Accumulated amortization (Schedule 2)	(13,053,883)	(12,554,679)
Long-term debt (Note 7)	<u>(1,488,322)</u>	<u>(1,603,445)</u>
	<u>11,630,737</u>	<u>11,023,970</u>
11. Accumulated Surplus	2024	2023
	\$	\$
Unrestricted surplus	1,588,763	1,181,475
Restricted surplus		
Fire	110,617	110,617
Airport	8,000	8,000
Water	260,599	198,599
Sewer	49,000	42,000
Garbage	30,000	30,000
Doctor recruitment	45,000	45,000
Cemetery	3,000	3,000
Culture	60,000	60,000
Recreation	40,000	40,000
Gas	30,000	30,000
Equity in tangible capital assets	<u>11,630,737</u>	<u>11,023,970</u>
	<u>13,855,716</u>	<u>12,772,661</u>

**TOWN OF CASTOR
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

12. Salary and Benefits Disclosure

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

	Salaries \$	Benefits & Allowances \$	2023 \$	2022 \$
Mayor	8,400	-	8,400	8,400
Deputy Mayor (part year)	6,100	-	6,100	6,000
Deputy Mayor (part year)	6,500	179	6,679	6,200
Councilor 1	6,000	149	6,149	6,200
Councilor 2	6,000	149	6,149	6,200
Councilor 3	6,000	-	6,000	6,000
Councilor 4	6,000	37	6,037	6,200
Chief Administrative Officer (part year)	-	-	-	3,230
Chief Administrative Officer (part year)	102,000	15,215	117,215	114,249

1. Salary includes regular base pay, bonuses, overtime, lump sum payments, gross honorarium 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 Town of Castor participate in the Local Authorities Pension Plan (LAPP), which is one of the plans covered by the Alberta Public Sector Pension Plans Act. The LAPP serves about 304,451 people and 444 employers. The LAPP is financed by employer and employee contributions and by investment earnings of the LAPP fund.

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

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

Total current service contributions by the Town to the LAPP in 2024 were \$67,151 (2023 - \$67,151). Total current service contributions by the employees of the Town to the Local Authorities Pension Plan in 2024 were \$59,770 (2023 - \$59,770).

At December 31, 2023, the LAPP disclosed an actuarial surplus of \$15.057 billion.

**TOWN OF CASTOR
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

14. Commitments

The Town is a member of the Shirley McClellan Regional Water Services Commission. The commission has obtained debenture funding and repayment of this debenture will be funded by its member communities. The Town's total payments on this debenture during 2024 were \$25,171 (2023 - \$25,171). At December 31, 2024, the Town's share of the remaining principal balance is estimated at \$345,059.

15. Financial Instruments

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

The Town of Castor is subject to credit risk with respect to taxes and grants in place of taxes receivables and trade and other receivables. Credit risk arises from the possibility that taxpayers and entities to which the Town of Castor provides services may experience financial difficulty and be unable to fulfil 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.

16. Approval of Financial Statements

Council and management have approved these financial statements.