

Consolidated Financial Statements



December 31, 2024

City of Camrose

December 31, 2024

Contents

	Page
Consolidated Financial Statements	
Management's Responsibility for Financial Reporting	1
Independent Auditors' Report to the Mayor and Council	2
Consolidated Statement of Financial Position	4
Consolidated Statement of Operations	5
Consolidated Statement of Remeasurement Gains and Losses	6
Consolidated Statement of Change in Net Financial Assets	7
Consolidated Statement of Cash Flows	8
Schedules	9
Notes to the Financial Statements	15

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING


The consolidated financial statements of City of Camrose have been prepared in accordance with Canadian public sector accounting standards. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

The integrity and reliability of City of Camrose's reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

City Council is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. Council meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the annual report, the consolidated financial statements and the external auditor's report.

The consolidated financial statements have been audited on behalf of Council by RSM Canada LLP, in accordance with Canadian generally accepted auditing standards. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the City's consolidated financial statements.

DocuSigned by:



8D1D9EC4EAD14A5
Jason McDonald, Manager,
Financial Planning and Reporting

DocuSigned by:



B2FC13311598453
Malcolm Boyd, City Manager

Camrose, AB
April 25, 2025

INDEPENDENT AUDITOR'S REPORT

To the Mayor and Council of City of Camrose

Opinion

We have audited the consolidated financial statements of City of Camrose (the "City"), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statements of operations, remeasurement gains and losses, change in net financial assets and cash flows and schedules for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the City in accordance with the ethical requirements that are relevant to our audit of the consolidated 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 Consolidated Financial Statements

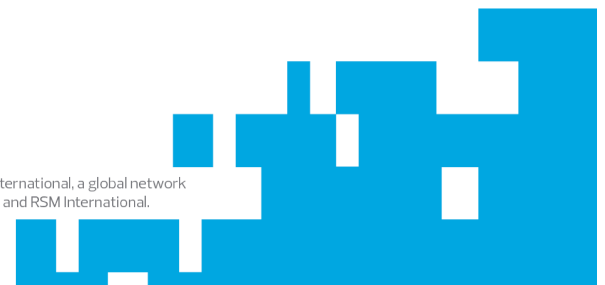
Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements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

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

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

Auditor's Responsibilities 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, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City'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 City's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the City 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the City as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purpose of the group audit. We remain solely responsible for our audit opinion.

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

RSM Canada LLP

Chartered Professional Accountants
April 25, 2025
Edmonton, Alberta

CITY OF CAMROSE
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2024

	2024	2023
FINANCIAL ASSETS		
Cash and temporary investments (Note 2)	\$ 14,678,694	\$ 9,588,401
Investments (Note 3)	82,043,505	82,915,388
Receivables:		
Taxes and grants in place of taxes (Note 4)	3,592,770	3,582,089
Trade and other (Note 4)	3,290,734	5,143,961
Land held for resale (Note 5)	898,794	898,794
	104,504,497	102,128,633
LIABILITIES		
Accounts payable and accrued liabilities	3,992,871	9,729,275
Deposit liabilities	2,216,682	2,117,853
Deferred revenue (Note 6)	13,927,989	14,056,830
Employee benefit obligations (Note 8)	4,216,606	3,978,228
Asset retirement obligation (Note 10)	2,075,306	9,764,361
Long-term debt (Note 12)	27,234,353	28,987,554
	53,663,807	68,634,101
NET FINANCIAL ASSETS	50,840,690	33,494,532
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 2)	290,524,865	290,255,355
Land held for future development (Note 5)	5,804,910	5,804,910
Inventory for consumption	2,805,733	2,805,455
Prepaid expenses	684,265	484,165
	299,819,773	299,349,885
ACCUMULATED SURPLUS	350,660,463	332,844,417
Accumulated surplus is comprised of:		
Accumulated operating surplus (Schedule 1) (Note 15)	350,233,635	332,891,142
Accumulated remeasurement gain (loss)	426,828	(46,725)
ACCUMULATED SURPLUS	\$ 350,660,463	\$ 332,844,417

Contaminated Sites Liability (Note 11), Commitments (Note 22) and Contingencies (Note 23)

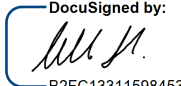
APPROVED ON BEHALF OF THE CITY:

Mayor

Signed by:

106B1C02AB694DF...

City Manager

DocuSigned by:

B2FC13311598453...

The accompanying notes are an integral part of these financial statements.

CITY OF CAMROSE
Consolidated Statement of Operations
For the year ended December 31, 2024

	Budget (See Note 25)	2024	2023
REVENUES			
Net municipal taxes (Schedule 3)	\$ 29,536,793	\$ 30,015,200	\$ 28,433,991
User fees and sales of goods	17,082,088	18,408,178	17,803,303
Government transfers for operating (Schedule 4)	2,134,614	2,175,610	2,222,516
Sales to other governments	124,774	128,984	167,196
Penalties and costs of taxes	255,500	285,700	277,786
Licences and permits	753,572	1,235,407	1,029,909
Development levies	-	562,510	909,785
Fines	700,000	629,395	683,294
Franchise and concession contracts	4,560,139	4,691,073	4,240,536
Investment income	2,513,831	4,630,687	3,683,211
Rentals	1,397,269	1,721,337	1,578,240
Other revenues	92,500	243,669	221,179
	59,151,080	64,727,750	61,250,946
EXPENSES			
Legislative	601,176	563,480	505,265
Administration	7,247,871	7,005,695	6,514,443
Protective Services	10,997,208	10,910,561	10,227,931
Roads, Streets, Walks & Lighting	11,480,119	11,735,481	10,822,632
Water, Wastewater and Waste Management	14,540,190	6,363,638	12,929,765
Public Health & Welfare	354,644	368,776	358,183
Planning & Development	1,466,464	1,542,076	1,302,008
Recreation & Culture	13,101,418	13,021,844	12,938,393
	59,789,090	51,511,551	55,598,620
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE OTHER	(638,010)	13,216,199	5,652,326
OTHER:			
Contributed tangible capital assets (Note 21)	40,000	3,190	38,134
Government transfers for capital (Schedule 4)	7,004,616	4,123,104	9,952,057
EXCESS OF REVENUES OVER EXPENSES	6,406,606	17,342,493	15,642,517
ACCUMULATED SURPLUS, BEGINNING OF YEAR	332,891,142	332,891,142	317,248,625
ACCUMULATED SURPLUS, END OF YEAR	\$ 339,297,748	\$ 350,233,635	\$ 332,891,142

The accompanying notes are an integral part of these financial statements.

CITY OF CAMROSE

Consolidated Statement of Remeasurement Gains and Losses

For the Year Ended December 31, 2024

	2024	2023
Unrealized gains (losses) attributable to:		
Investments held at fair value	\$ 473,553	\$ (46,725)
Amounts reclassified to statement of operations:		
Investments held at fair value realized gains	-	-
Net remeasurement gains (losses) for the year	473,553	(46,725)
ACCUMULATED REMEASUREMENT LOSSES, BEGINNING OF YEAR	(46,725)	-
ACCUMULATED REMEASUREMENT GAINS (LOSSES), END OF YEAR	\$ 426,828	\$ (46,725)

The accompanying notes are an integral part of these financial statements.

CITY OF CAMROSE

CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2024

	Budget (See Note 25)	2024	2023
EXCESS OF REVENUES OVER EXPENSES	\$ 6,406,606	\$ 17,342,493	\$ 15,642,517
Acquisition of tangible capital assets	(20,066,731)	(13,285,436)	(32,058,580)
Contributed tangible capital assets	(40,000)	(3,190)	(38,134)
Proceeds from disposal of tangible capital assets	-	811,972	724,349
Amortization of tangible capital assets	12,325,357	12,325,357	10,909,305
(Gain) loss sale of tangible capital assets	-	(118,213)	168,312
	(7,781,374)	(269,510)	(20,294,748)
(Acquisition) use of inventory for consumption	-	(278)	23,781
Increase in prepaid expenses	-	(200,100)	(142,670)
Unrealized remeasurement gain (loss)	-	473,553	(46,725)
	-	273,175	(165,614)
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	(1,374,768)	17,346,158	(4,817,845)
NET FINANCIAL ASSETS, BEGINNING OF YEAR	33,494,532	33,494,532	38,312,377
NET FINANCIAL ASSETS, END OF YEAR	\$ 32,119,764	\$ 50,840,690	\$ 33,494,532

The accompanying notes are an integral part of these financial statements.

CITY OF CAMROSE
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	\$ 17,342,493	\$ 15,642,517
Non-cash items included in excess of revenues over expenses:		
Amortization of tangible capital assets	12,325,357	10,909,305
(Gain) loss on sale of tangible capital assets	(118,213)	168,312
Contributed tangible capital assets	(3,190)	(38,134)
	29,546,447	26,682,000
Non-cash contributions (charges) to operations - net change:		
Increase in taxes and grants in place of taxes receivable	(10,681)	(345,008)
Decrease (increase) in trade and other receivables	1,853,227	(1,309,281)
(Increase) decrease in inventory for consumption	(278)	23,781
(Increase) in prepaid expenses	(200,100)	(142,670)
(Decrease) increase in accounts payable and accrued liabilities	(5,736,404)	1,186,461
Increase in deposit liabilities	98,829	141,190
(Decrease) in deferred revenue	(128,841)	(3,309,573)
Increase in employee benefit obligations	238,378	32,012
(Decrease) increase in asset retirement obligation	(7,689,055)	266,446
NET INFLOW FROM OPERATING ACTIVITIES	17,971,522	23,225,358
CAPITAL		
Proceeds from disposal of tangible capital assets	811,972	724,349
Acquisition of tangible capital assets	(13,285,436)	(32,058,580)
NET OUTFLOW TO CAPITAL ACTIVITIES	(12,473,464)	(31,334,231)
FINANCING		
Long-term debt issued	392,724	236,155
Long-term debt repaid	(2,145,925)	(2,194,258)
NET OUTFLOWS TO FINANCING ACTIVITIES	(1,753,201)	(1,958,103)
INVESTING		
Increase in investments	(9,654,564)	(71,962,113)
Proceeds on disposal of investments	11,000,000	11,747,463
NET INFLOW FROM (OUTFLOW TO) INVESTING ACTIVITIES	1,345,436	(60,214,650)
INCREASE (DECREASE) IN CASH AND TEMPORARY INVESTMENTS DURING YEAR	5,090,293	(70,281,626)
CASH AND TEMPORARY INVESTMENTS AT BEGINNING OF YEAR	9,588,401	79,870,027
CASH AND TEMPORARY INVESTMENTS AT END OF YEAR	\$ 14,678,694	\$ 9,588,401

The accompanying notes are an integral part of these financial statements.

CITY OF CAMROSE

Schedule of 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 THE YEAR	\$ 14,969,674	\$ 60,972,495	\$256,948,973	\$ 332,891,142	\$ 317,248,625
Excess of revenues over expenses for the year	17,342,493	-	-	17,342,493	15,642,517
Unrestricted funds designated for future use	(24,354,966)	24,354,966	-	-	-
Restricted funds used for operations	1,185,721	(1,185,721)	-	-	-
Restricted funds used for tangible capital assets	-	(7,740,968)	7,740,968	-	-
Current year funds used for tangible capital assets	(13,032,726)	-	13,032,726	-	-
Contributed tangible capital assets	(3,190)	-	3,190	-	-
Disposal of tangible capital assets (at net book value)	693,759	-	(693,759)	-	-
Annual amortization expense	12,325,357	-	(12,325,357)	-	-
Asset retirement obligation accretion expense	71,344	-	(71,344)	-	-
Long term debt repaid	(1,869,996)	-	1,869,996	-	-
Change in accumulated surplus	(7,642,204)	15,428,277	9,556,420	17,342,493	15,642,517
BALANCE, END OF THE YEAR (NOTE 15)	\$ 7,327,470	\$ 76,400,772	\$266,505,393	\$ 350,233,635	\$ 332,891,142

The accompanying notes are an integral part of these financial statements.

CITY OF CAMROSE
Schedule of Tangible Capital Assets
For the year ended December 31, 2024

	Land	Land Improvements	Buildings	Engineered Structures	Machinery and Equipment	Vehicles	Construction in Progress	2024	2023
COST:									
BALANCE, BEGINNING OF YEAR	\$ 7,535,411	\$ 24,371,430	\$ 108,223,174	\$ 310,264,399	\$ 14,245,486	\$ 7,906,750	\$ 656,268	\$ 473,202,918	\$ 444,133,063
Acquisition of tangible capital assets	17,558	1,128,885	699,487	8,212,685	1,829,052	290,784	1,110,175	13,288,626	32,096,714
Disposal of tangible capital assets	(34,907)	(9,639,436)	(244,817)	-	(1,191,211)	(398,707)	-	(11,509,078)	(3,026,859)
BALANCE, END OF YEAR	7,518,062	15,860,879	108,677,844	318,477,084	14,883,327	7,798,827	1,766,443	474,982,466	473,202,918
ACCUMULATED AMORTIZATION:									
BALANCE, BEGINNING OF YEAR	-	16,570,315	29,490,472	124,820,936	8,135,292	3,930,548	-	182,947,563	174,172,456
Annual amortization	-	848,631	2,745,034	6,961,746	1,269,485	500,461	-	12,325,357	10,909,305
Accumulated amortization on disposals	-	(9,425,653)	(135,224)	-	(921,953)	(332,489)	-	(10,815,319)	(2,134,198)
BALANCE, END OF YEAR	-	7,993,293	32,100,282	131,782,682	8,482,824	4,098,520	-	184,457,601	182,947,563
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS, December 31, 2024	7,518,062	7,867,586	76,577,562	186,694,402	6,400,503	3,700,307	1,766,443	290,524,865	
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS, December 31, 2023	\$ 7,535,411	\$ 7,801,115	\$ 78,732,702	\$ 185,443,463	\$ 6,110,194	\$ 3,976,202	\$ 656,268		\$ 290,255,355

Included in buildings are leased equipment affixed to the building of \$381,854 (2023 - \$381,854) with accumulated amortization of \$216,384 (2023 - \$190,927). The leased assets are amortized on a straight line basis over the estimated useful life of 15 years.

The accompanying notes are an integral part of these financial statements.

CITY OF CAMROSE
Schedule of Property and Other Taxes
For the year ended December 31, 2024

	Budget	2024	2023
TAXATION			
Real property taxes	\$ 37,756,629	\$ 37,143,306	\$ 35,201,533
Linear property taxes	-	566,714	518,163
Business taxes	-	-	6,438
Government grants in lieu of property taxes	-	93,189	85,587
Special assessments and local improvement taxes	-	431,827	557,962
	37,756,629	38,235,036	36,369,683
REQUISITIONS			
Alberta School Foundation Fund	7,137,224	7,137,224	6,920,410
Elk Island CSRD No. 41	979,376	979,376	952,928
Other Requisitions	103,236	103,236	62,354
	8,219,836	8,219,836	7,935,692
NET MUNICIPAL TAXES	\$ 29,536,793	\$ 30,015,200	\$ 28,433,991

The accompanying notes are an integral part of these financial statements.

CITY OF CAMROSE
Schedule of Government Transfers
For the year ended December 31, 2024

	Budget	2024	2023
TRANSFERS FOR OPERATING			
Provincial and federal grants	\$ 1,225,570	\$ 1,310,002	\$ 1,351,631
Local government transfers	909,044	865,608	870,885
	2,134,614	2,175,610	2,222,516
TRANSFERS FOR CAPITAL			
Provincial and federal government	7,004,616	4,123,104	9,952,057
TOTAL GOVERNMENT TRANSFERS	\$ 9,139,230	\$ 6,298,714	\$ 12,174,573

The accompanying notes are an integral part of these financial statements.

CITY OF CAMROSE
Schedule of Consolidated Expenses by Object
For the year ended December 31, 2024

	Budget	2024	2023
CONSOLIDATED EXPENSES BY OBJECT			
Salaries, wages and benefits	\$ 25,681,078	\$ 25,455,946	\$ 23,336,213
Contracted and general services	8,159,732	8,411,097	7,741,773
Materials, goods and utilities	10,631,709	10,204,073	10,033,568
Provisions for allowances	15,000	27,890	19,322
Transfers to other governments	135,268	150,367	143,585
Transfers to local boards and agencies	1,214,940	1,193,127	1,246,174
Transfers to individuals and organizations	384,349	403,638	373,739
Bank charges and short-term interest	81,330	90,577	93,772
Interest on long-term debt	1,033,070	1,060,084	1,126,910
Amortization of tangible capital assets	12,325,357	12,325,357	10,909,305
Asset retirement obligation accretion expense	-	71,344	266,446
(Gain) loss on disposal of tangible capital assets	-	(118,213)	168,311
Gain on extinguishment of landfill asset retirement obligation	75,000	(8,368,247)	-
Other expenses	52,257	604,511	139,502
	\$ 59,789,090	\$ 51,511,551	\$ 55,598,620

The accompanying notes are an integral part of these financial statements.

CITY OF CAMROSE

Schedule of Segmented Disclosure

For the year ended December 31, 2024

	Legislative	Administration	Protective Services	Roads, Streets, Walks & Lighting	Water, Waste Management, & Wastewater	Public Health & Welfare	Planning and Development	Recreation & Culture	Total
REVENUES									
Net municipal taxes	\$ -	\$ 30,015,200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,015,200
User fees and sales of goods	-	62,862	881,965	139,827	15,379,505	248,448	72,071	1,623,500	18,408,178
Government transfers	-	274,586	959,184	2,264,324	1,925,000	-	71,591	804,029	6,298,714
Sales to other governments	-	-	128,984	-	-	-	-	-	128,984
Penalties and costs of taxes	-	255,669	-	-	30,031	-	-	-	285,700
Licences and permits	-	-	905,614	-	-	-	329,793	-	1,235,407
Development levies	-	-	-	-	365,520	-	196,990	-	562,510
Fines	-	-	629,395	-	-	-	-	-	629,395
Franchise and concession contracts	-	4,691,073	-	-	-	-	-	-	4,691,073
Return on investments	-	2,679,433	-	-	1,951,254	-	-	-	4,630,687
Rentals	-	-	-	41,297	78,226	-	52,716	1,549,098	1,721,337
Contributed tangible capital assets	-	-	-	-	-	-	-	3,190	3,190
Other revenues	-	-	25,386	113,021	-	-	8,887	96,375	243,669
	-	37,978,823	3,530,528	2,558,469	19,729,536	248,448	732,048	4,076,192	68,854,044
EXPENSES									
Salaries, wages and benefits	432,322	3,981,333	8,347,399	2,870,831	2,934,050	171,053	997,802	5,721,156	25,455,946
Contracted and general services	122,939	2,149,455	829,516	874,522	3,051,601	25,352	429,222	928,490	8,411,097
Materials, goods and utilities	8,219	223,397	1,051,520	2,987,092	3,279,695	13,797	43,770	2,596,583	10,204,073
Transfers to other governments	-	-	23,516	-	-	126,851	-	-	150,367
Transfers to local boards and agencies	-	-	-	163,184	-	-	-	1,029,943	1,193,127
Transfers to individuals and organizations	-	-	-	-	237,662	-	50,340	115,636	403,638
Interest on long-term debt	-	-	17,888	100,953	756,184	-	-	185,059	1,060,084
Loss (gain) on disposal of tangible capital assets	-	(343,188)	(33,343)	(32,949)	336,723	-	-	(45,456)	(118,213)
Other expenses	-	91,311	11,233	41,571	(7,755,204)	-	4,341	32,823	(7,573,925)
	563,480	6,102,308	10,247,729	7,005,204	2,840,711	337,053	1,525,475	10,564,234	39,186,194
NET REVENUES (EXPENSES) BEFORE AMORTIZATION	(563,480)	31,876,515	(6,717,201)	(4,446,735)	16,888,825	(88,605)	(793,427)	(6,488,042)	29,667,850
Amortization of tangible capital assets	-	903,387	662,832	4,730,277	3,522,927	31,723	16,601	2,457,610	12,325,357
NET REVENUES (EXPENSES)	\$ (563,480)	\$ 30,973,128	\$ (7,380,033)	\$ (9,177,012)	\$ 13,365,898	\$ (120,328)	\$ (810,028)	\$ (8,945,652)	\$ 17,342,493

The accompanying notes are an integral part of these financial statements.

CITY OF CAMROSE
Notes to the Consolidated Financial Statements
For the year ended December 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the City of Camrose are the representations of management prepared in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board. Significant aspects of the accounting policies adopted by the City of Camrose are as follows.

a. Reporting Entity

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

The Regional Solid Waste Authority was owned and controlled by the City in 2023 with the City maintaining 60% representation on the Board. Ownership was transferred to a third party in 2024.

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

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 revenues as they are 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. Offsite levies are collected from a developer upon the execution of a Development Agreement as per the Offsite Levy Bylaw. These funds are restricted to fund the construction of specific infrastructure and are recognized as revenue once the said infrastructure has been built and the City has provided proof of construction completion.

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.

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 revenues and expenses 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.

CITY OF CAMROSE
Notes to the Consolidated Financial Statements
For the year ended December 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c. Use of Estimates (Continued)

Financial statement areas requiring the use of management estimates include:

- useful lives of carrying value of tangible capital assets;
- fair value of contributed tangible capital assets;
- valuation of land inventory;
- asset retirement obligation;
- liabilities for potential environmental obligations;
- offsite levy liabilities;
- accrued liabilities;
- accrued receivables;
- allowance for doubtful accounts receivable; and
- employee benefit obligations.

d. Valuation of Financial Assets and Liabilities

Financial assets are tested annually for impairment. Impairment losses are recorded in the statement of operations. Any write-downs resulting from impairment are not reversed for subsequent increases in value.

Cash and temporary investments are comprised of cash on deposit with financial institutions including bank indebtedness and highly liquid investments with original term of maturity of three months or less.

Investment income is reported as revenue in the period earned. When required by agreement or legislation, investment income earned on deferred revenue forms part of the deferred revenue balance.

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

<u>Financial statement component</u>	<u>Measurement</u>
Cash	Cost and amortized cost
Temporary investments	Amortized cost
Trade and other receivables	Cost or amortized cost
Investments	Fair value and amortized cost
Accounts payable and accrued liabilities	Cost
Deposit liabilities	Cost
Long-term debt	Amortized cost

CITY OF CAMROSE
Notes to the Consolidated Financial Statements
For the year ended December 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e. 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.

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. Land for Resale Inventory

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 the respective function.

h. 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.

i. Revenue Recognition

Revenue from transactions with no performance obligation is recognized at realizable value when the City 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.

CITY OF CAMROSE
Notes to the Consolidated Financial Statements
For the year ended December 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

j. Deferred Revenues

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

k. Asset Retirement Obligations

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

l. Employee Future Benefits

The City is a member of a defined contribution multi-employee pension plan covering substantially off of its employees. Pension contributions are accounted for using defined contributions accounting, wherein contributions for current and past service pension benefits are recorded as expenses in the year in which they become due.

m. Local Improvement Charges

Construction costs associated with local improvement projects are recovered through annual tax levies collectible from property owners for work performed by the City. Taxpayers may elect to pay over a number of years or immediately prepay the outstanding local improvement charges.

n. 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.

CITY OF CAMROSE

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

o. Contaminated Sites

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.

p. Government Transfers

Government transfers are the transfer of assets from other governments 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.

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 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 a straight-line basis over the estimated useful life as follows:

	Years
Land improvements	2 - 45
Buildings	50
Engineered structures	
Water system	45 - 75
Wastewater system	45 - 75
Other engineered structures	20 - 75
Machinery and equipment	5 - 20
Vehicles	4 - 20

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. Tangible capital assets are written down when conditions indicate that they no longer contribute to the City's ability to provide goods and services, or when the value of the future economic benefits associated with the assets are less than their net book value. Net write-downs are accounted for as expenses in the Consolidated Statement of Operations.

CITY OF CAMROSE
Notes to the Consolidated 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.

Tangible capital assets contributed to other organizations are recorded at cost at the date of contribution and also are recorded as an expense.

iii. Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

iv. Inventories

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

v. Cultural and Historical Tangible Capital Assets

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

vi. Construction in Progress

Assets under construction are recorded at cost and will be amortized when the assets are put into service.

r. Interdepartmental Revenues and Expenses

Where identified, interdepartmental revenues and offsetting expenses have been removed from the City's consolidated financial statements. The Water, Wastewater and Waste Management segment provides a number of services such as water and wastewater services, waste collection and landfill disposal to other segments within the City of Camrose. These amounts are not material to the consolidated financial statements, and as such, have not been eliminated from the Water, Wastewater and Waste Management revenues or the other segments operating expenditures.

s. Restricted Surplus

Certain amounts, as approved by City Council, are set aside in accumulated surplus for future operating purposes and capital purposes. Transfers to or from restricted surplus are adjustments to the respective fund when approved.

CITY OF CAMROSE
Notes to the Consolidated Financial Statements
For the year ended December 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

t. Recently Adopted Accounting Pronouncements

Effective January 1, 2024, the City adopted the following accounting standards concurrently as required by the Public Sector Accounting Standards Board.

PS 3400 - Revenue: This section establishes standards on how to account for and report on revenue, specifically in regards to revenue arising from transactions with performance obligations (exchange transactions) and those without performance obligations (non-exchange transactions).

PSG-8 - Purchased Intangibles: Per Public Sector Guideline 8, this section allows purchased intangible assets to be recognized as assets in the public sector entity's financial statements.

PS3160 - Public Private Partnerships: This section establishes standards on how to account for certain arrangements between public and private entities. This standard provides guidance on situations where a public entity acquires infrastructure assets using a private sector partner that designs, builds, or finances the infrastructure asset past the point where it is ready for use.

The standards were adopted prospectively and had no effect on the financial statements as the adoption of PS3400 did not result in any changes to the measurement of revenues. Although PS3160 and PSG-8 came into effect in the current year, they were not applicable to the City.

u. Future Accounting Pronouncements

The following summarizes upcoming changes to public sector accounting standards issued by the Public Sector Accounting Standards Board. In the coming year, the City will continue to assess the impact and prepare for the adoption of these standards.

The Conceptual Framework for Financial Reporting in the Public Sector: Fiscal years beginning on or after April 1, 2026.

PS1202 - Financial Statement Presentation: Fiscal years beginning on or after April 1, 2026.

CITY OF CAMROSE

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

2. CASH AND TEMPORARY INVESTMENTS

	2024	2023
Cash	\$14,662,344	\$ 9,572,670
Temporary investments	16,350	15,731
	\$14,678,694	\$ 9,588,401

Temporary investments require between 31 and 90 days notice to redeem and are held in accounts guaranteed by the Province of Alberta. Interest rates on cash and short term deposits at December 31, 2024 ranged from 3.85% to 4.00% per annum (2023 - 5.60% to 5.75%).

Included in cash and temporary investments is a restricted amount of \$5,165,218 (2023 - \$5,206,901) received from various grant programs and held exclusively for approved projects (see Note 6).

3. INVESTMENTS

	2024		2023	
	Carrying Value	Market Value	Carrying Value	Market Value
Short-term notes and deposits	\$ -	\$ -	\$ 11,000,000	\$ 11,000,000
Fixed income instruments	82,043,505	82,847,825	71,915,388	71,895,231
Total investments	\$82,043,505	\$ 82,847,825	\$ 82,915,388	\$ 82,895,231

Short-term notes and deposits have effective interest rates of NIL% (2023 – 5.70%) and matured during the year. Fixed income instruments have effective interest rates of 3.58% to 9.00% (2023 - 1.55% to 8.05%) with maturity dates from January 26, 2027 to December 2, 2034 (2023 - January 26, 2027 to February 15, 2034).

Net investment income on cash, temporary investments, and long-term investments recognized in the statement of operations includes \$4,630,687 (2023 - \$3,683,211) of interest income and \$NIL (2023 - \$NIL) of realized gains on disposal of investments.

Unrealized gains (losses) on investments carried at fair value of \$473,553 (2023 - \$(46,725)) have been recognized in the statement of remeasurement gains and losses.

CITY OF CAMROSE

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

4. RECEIVABLES

	2024	2023
Taxes and grants in place of taxes		
Current taxes and grants in place of taxes	\$ 724,881	\$ 732,185
Arrears	276,862	331,955
Less: Allowance for doubtful accounts	(2,006)	(2,280)
Total current taxes and grants in place of taxes	999,737	1,061,860
Long term taxes and grants in place of taxes - local improvement levies	2,593,033	2,520,229
Total taxes and grants in place of taxes	\$ 3,592,770	\$ 3,582,089
Trade and other		
Due from federal government	\$ 256,221	\$ 430,275
Trade accounts	2,680,535	3,753,765
Allowance for doubtful accounts	(24,853)	(14,913)
Interest on investments	378,831	974,834
Total trade and other receivables	\$ 3,290,734	\$ 5,143,961

5. LAND HELD FOR RESALE AND FUTURE DEVELOPMENT

	2024	2023
Financial Assets		
Land held for resale	\$ 898,794	\$ 898,794
Non-Financial Assets		
Residential	2,369,849	2,369,849
Industrial and commercial	3,435,061	3,435,061
Land held for future development	\$ 5,804,910	\$ 5,804,910

Land held for resale is land in a condition to be sold, marketed for sale, and reasonably anticipated to be sold within a year and is recorded as a financial asset on the Consolidated Statement of Financial Position. Land held for future development is not ready for resale and is not reasonably anticipated to be sold within one year and has been recorded as a non-financial asset.

CITY OF CAMROSE

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

6. DEFERRED REVENUE

	2024	2023
Developer contributions and offsite levies		
Offsite levies - Transportation	\$ 2,733,793	\$ 2,570,969
Offsite levies - Water	5,124,499	4,774,121
Other developer contributions	111,656	470,978
Total developer contributions and offsite levies	7,969,948	7,816,068
Conditional Grants		
Municipal Sustainability Initiative/Basic Municipal Transportation Grant	2,140,132	4,221,682
Local Government Fiscal Framework	2,479,100	-
Canada Community Building Fund	125,300	817,773
Alberta Municipal Water/Wastewater Partnership	102,332	-
Other Grants	318,354	167,446
Total conditional grants (Note 2)	5,165,218	5,206,901
Other		
Other deferred revenue	636,445	893,044
Prepaid property taxes	156,378	140,817
Total Other	792,823	1,033,861
	\$13,927,989	\$14,056,830

7. OUTSTANDING GRANTS

At December 31, 2023 and December 31, 2024, all capital funding committed to the City of Camrose has been received from the Federal and Provincial governments. The Alberta Municipal Water/Wastewater Partnership grant funding is in support of the City's Water Treatment Plant Media Filter Replacements to be upgraded in 2025 and 2026.

CITY OF CAMROSE
Notes to the Consolidated Financial Statements
For the year ended December 31, 2024

8. EMPLOYEE BENEFIT OBLIGATIONS

	2024	2023
Vacation accrual	\$ 1,512,432	\$ 1,505,224
Sick leave	2,704,174	2,473,004
	\$ 4,216,606	\$ 3,978,228

Vacation accrual

The vacation accrual is comprised of the vacation that employees are deferring to future years. Employees have earned the benefits (and are vested) and are entitled to the benefits in the next budgetary year.

Sick leave

The City of Camrose provides benefits for sick leave under the following conditions:

- a) All employees receive one day of sick leave per month. Sick leave can only be used for paid time off for illness of the employee and is paid at the employee's normal rate of pay.
- b) Unused sick days are accumulated in a bank. If an employee terminates, payment of accumulated sick days will be made to the employee at the rate of 5% of the accumulated sick days for each full year of continuous service with the City. If an employee terminates with at least 20 years of service, they will be paid in cash for 100% of the days accumulated to a maximum of 120 days. Payment is made at the final pay rate.

In accordance with accounting standard PS 3255 - Post-employment Benefits, Compensated Absences and Termination Benefits, benefits are accrued in the year of the service of the employee that generated the benefit, similar to a pension plan liability where an organization incurs an obligation to make payment in the future for services rendered today.

The City engaged an actuary to determine the sick leave benefit obligation for the years ending December 31, 2023 and December 31, 2024. Significant assumptions used in the valuation are highlighted in Note 9.

CITY OF CAMROSE

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

9. BENEFIT OBLIGATIONS - SICK LEAVE

Change in Benefit Obligation	2024	2023
Benefit obligation, beginning of year	\$ 2,473,004	\$ 2,537,633
Expected service cost	180,020	182,241
Interest cost	131,069	122,748
Actuarial loss (gain)	244,024	(85,975)
Expected benefits paid	(323,943)	(283,643)
Benefit obligation, end of year	\$ 2,704,174	\$ 2,473,004

Change in Plan Assets	2024	2023
Fair value of plan assets, beginning of year	\$ -	\$ -
City contribution	304,556	243,306
Actual benefits paid	(304,556)	(243,306)
Fair value of plan assets, end of year	\$ -	\$ -

Significant Assumptions	2024	2023
Discount rate per annum, beginning of year	5.30%	4.84%
Discount rate per annum, end of year	4.85%	5.30%
Rate of compensation increases per annum	3.50%	3.50%
Estimated Average Remaining Services Life (EARSL) in years	17.54	17.64

Net Periodic Benefit Cost	2024	2023
Service Cost	\$ 180,020	\$ 182,241
Interest Cost	131,069	122,748
Recognized net actuarial gain	(95,136)	(90,263)
Net periodic benefit cost	\$ 215,953	\$ 214,726

CITY OF CAMROSE

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

10. ASSET RETIREMENT OBLIGATIONS

	2024	2023
Landfill	\$ -	\$ 8,368,247
Asbestos Abatement	715,132	668,637
Wastewater Lagoons	741,015	727,477
Gun Range	619,159	-
	\$ 2,075,306	\$ 9,764,361

Landfill

The landfill was governed by the Camrose Regional Solid Waste Authority (CRSWA) with the City managing the day-to-day operations related to the landfill and solid waste site on the south side of the City until it was transferred to GFL Environmental (GFL) on August 9th, 2024. At December 31, 2023, due to legal obligations, a liability of \$8,368,247 was accrued for closure and post-closure activities required upon retirement of this site. The terms of the sale dictate that GFL assumes all liabilities related to closure and post-closure activities and therefore the liability was reversed in the current year and recorded as a reduction of water, wastewater and waste management expenses in the statement of operations.

	2024	2023
Balance, beginning of year	\$ 8,368,247	\$ 8,122,468
Liabilities extinguished	(8,368,247)	-
Accretion expense	-	245,779
Estimated total liability	\$ -	\$ 8,368,247

Asbestos Abatement

The City has reviewed its tangible capital assets and has approximately 29 buildings that were constructed in a period where they may contain asbestos and, therefore, the City is legally required to perform abatement activities upon renovation or demolition of these facilities. Abatement activities include handling and disposing of the asbestos in a prescribed manner when it is disturbed. Undiscounted future cash flows expected are abatement costs of \$1,174,786 (2023 - \$1,123,772) as the facilities reach the end of their useful lives. The estimated total liability of \$715,132 (2023 - \$668,637) is based on the sum of discounted future cash flows for abatement activities using a discount rate of 4.00% (2023 - 4.00%) and assuming annual inflation of 2.10% (2023 - 2.10%). The City has not designated assets for settling the abatement activities.

	2024	2023
Balance, beginning of year	\$ 668,637	\$ 661,260
Accretion expense	46,495	7,377
Estimated total liability	\$ 715,132	\$ 668,637

CITY OF CAMROSE

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

10. ASSET RETIREMENT OBLIGATIONS (CONTINUED)

Wastewater Lagoons

The City's Wastewater Treatment Plant (WWTP) consists of ten lagoons, in addition to various mechanical processes and supporting facilities. The City operates its wastewater collection and treatment systems under an approval from the Province of Alberta which outlines the requirements related to the retirement of wastewater treatment assets.

Due to the retirement obligations as outlined in the approval, the City has recorded a liability for the decommissioning of the lagoons. Undiscounted cash flows of \$3,180,000 (2023 - \$3,180,000) are expected for the decommissioning of the lagoons. The estimated total liability of \$741,015 (2023 - \$727,477) is based on the sum of discounted cash flows using a discount rate of 4.00% (2023 - 4.00%) and assuming annual inflation of 2.10% (2023 - 2.10%).

The City recently completed a significant investment in its Wastewater Treatment Plant. With this investment, the City has effectively decided that it will continue to treat its wastewater here in Camrose for the foreseeable future. As it is very unlikely that the City will ever need to decommission any of its existing wastewater lagoons, it has not designated assets for settling these retirement activities.

	2024	2023
Balance, beginning of year	\$ 727,477	\$ 714,187
Accretion expense	13,538	13,290
Estimated total liability	\$ 741,015	\$ 727,477

Gun Range

The outdoor gun range is situated on lands owned by the City of Camrose, but leased to two separate organizations. The City has separate lease agreements with the organizations related to the permitted activities on the gun range lands.

The City has determined that remediation of the site would be required if the gun range was retired. At this time, the City has no requirement to repurpose these lands and has not identified the need to terminate the leases with no plan to do so in the near future. Undiscounted cash flows of \$1,000,000 are expected for the remediation of the lands and a liability has been recorded. The estimated total liability of \$619,159 is based on the sum of discounted cash flows using a discount rate of 4.00% and assuming annual inflation of 2.10%.

	2024	2023
Change in estimated cash flows	\$ 607,848	\$ -
Accretion expense	11,311	-
Estimated total liability	\$ 619,159	\$ -

CITY OF CAMROSE

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

11. CONTAMINATED SITES LIABILITY

In 2019, the City conducted Phase I Environmental Site Assessments on six City-owned properties. The properties included the Public Works Main Shop, Camrose Airport, Parks Maintenance Shop, Golf Course Maintenance Shop & Pro Shop, and two Public Works Satellite Facilities. The City also completed a Phase II Environmental Site Assessment on the Public Works Main Shop.

Based upon the results of the assessments there is a risk that some extent of contamination may be present on all six properties. No contaminated site liability has been recorded as of December 31, 2024 as all six operational sites are still being used productively, and estimated costs to clean up the sites are not readily available. The City will continue to monitor and evaluate the properties to determine if any future actions need to be taken.

In 2021, the City conducted a Phase II Environmental Site Assessment at the Airport in regards to the underground fuel tanks on site. No contamination was detected and therefore, no contaminated site liability has been recognized.

12. LONG-TERM DEBT

	2024	2023
Supported by general tax levies	\$ 5,385,090	\$ 6,563,930
Supported by special levies	2,347,077	2,230,282
Supported by utility rates	19,502,186	20,193,342
	<u>\$27,234,353</u>	<u>\$28,987,554</u>

The current portion of the long-term debt amounts to \$2,220,173 (2023 - \$2,135,125).

Of the \$27,234,353 total long-term debt, \$21,944,166 (2023 - \$23,542,021) is secured against equity in tangible capital assets, with the remaining \$5,290,187 (2023 - \$5,445,533) unsecured. The unsecured debt includes \$2,943,110 of debentures related to the Jeanne & Peter Lougheed Performing Arts Centre and \$2,347,077 related to local improvement costs whereby taxpayers have elected to pay to the City these costs over a number of years. The associated local improvements receivable has been recorded and is identified in Note 4.

CITY OF CAMROSE

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

12. LONG-TERM DEBT (CONTINUED)

Principal and interest repayments are due as follows:

	Principal	Interest	Total
2025	\$ 2,220,173	\$ 989,573	\$ 3,209,746
2026	2,280,880	901,755	3,182,635
2027	1,668,468	818,273	2,486,741
2028	1,163,496	760,730	1,924,226
2029	1,176,287	720,785	1,897,072
Thereafter	18,725,049	6,361,014	25,086,063
	\$27,234,353	\$10,552,130	\$37,786,483

Debenture debt is repayable to Alberta Capital Finance Authority and bears interest rates ranging from 1.733% to 5.270% per annum, before Provincial subsidy, and matures in periods 2025 through 2047. The average annual interest rate is 3.38% for 2024 (3.20% for 2023). Debenture debt is issued on the credit and security of the City of Camrose at large.

Interest on long-term debt amounted to \$1,060,084 (2023 - \$1,126,910). The City's total cash payments for interest in 2024 were \$1,065,007 (2023 - \$1,136,541).

Included in the above debt amounts is a capital lease obligation of \$218,090 (2023 - \$238,441) relating to the purchase of building equipment. This lease bears interest at 1.54%, expires October, 2031 and includes a lease buyout of \$76,371.

13. 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 City of Camrose, be disclosed as follows:

	2024	2023
Total debt limit	\$97,091,625	\$91,876,419
Total debt	(27,234,353)	(28,987,554)
Amount of debt limit unused	69,857,272	62,888,865
Debt servicing limit	16,181,938	15,312,737
Debt Servicing	(3,209,745)	(3,189,737)
Amount of debt servicing limit unused	\$12,972,193	\$12,123,000

The debt limit is calculated as 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 consolidated financial statements must be interpreted as a whole.

CITY OF CAMROSE

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

14. EQUITY IN TANGIBLE CAPITAL ASSETS

	2024	2023
Tangible capital assets (Schedule 2)	\$474,982,466	\$473,202,918
Accumulated amortization (Schedule 2)	(184,457,601)	(182,947,563)
Asset retirement obligation (Note 10)	(2,075,306)	(9,764,361)
Long-term debt (Note 12)	(27,234,353)	(28,987,554)
Long-term debt not secured against tangible capital assets	5,290,187	5,445,533
	<u>\$266,505,393</u>	<u>\$256,948,973</u>

15. ACCUMULATED OPERATING SURPLUS

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

	2024	2023
Unrestricted surplus	\$ 7,327,470	\$ 14,969,674
Restricted surplus:		
General administration	33,397,403	20,075,714
Protective services	2,015,023	1,982,595
Roads, streets, walks and lighting	10,033,857	9,837,907
Water, sewer, and waste management	26,762,843	25,939,606
Planning and development	876,471	500,000
Recreation and culture	3,160,020	2,475,732
Public health and welfare	155,155	160,941
Total restricted surplus	<u>76,400,772</u>	<u>60,972,495</u>
Equity in tangible capital assets	<u>266,505,393</u>	<u>256,948,973</u>
	<u>\$350,233,635</u>	<u>\$332,891,142</u>

16. SEGMENTED DISCLOSURE

The City of Camrose provides a range of services to its taxpayers. The City's operations and activities are organized and reported by functions and services provided. 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. For additional information, refer to the Schedule of Segmented Disclosure (Schedule 6).

CITY OF CAMROSE
Notes to the Consolidated Financial Statements
For the year ended December 31, 2024

16. SEGMENTED DISCLOSURE (CONTINUED)

Certain functions that have been disclosed in the segmented information, along with the services provided, are as follows:

(a) Legislative

This function includes activities related to City Council.

(b) Administration

This category is used to report activities that provide for the overall operation of The City, which are common to, or affect all of the services provided by the City, including corporate services, general administration, taxation and financial services.

(c) Protective Services

This category is used to report activities that provide for the public safety of the inhabitants of the City, including police, fire, bylaw enforcement and inspections.

(d) Roads, Streets, Walks & Lighting

This category is used to report activities related to public transportation, including roads and streets, public transit, storm sewers and drainage, and the equipment pool.

(e) Water, Wastewater and Waste Management

This category reports activities related to acquiring, treating, and supplying water, the collection or removal and treatment of sanitary sewage, solid waste collection and disposal, landfill operations and recycling.

(f) Public Health & Welfare

This category reports activities on cemeteries maintenance and burials, as well as maintenance of public washrooms.

(g) Planning and Development

This category is used to report activities related to economic growth and sustainability, property management, short term and long term planning, and the development of land.

(h) Recreation and Culture

This category is used to report activities related to providing recreational and cultural opportunities to the community.

CITY OF CAMROSE

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

17. SALARY AND BENEFITS DISCLOSURE

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

	2024			2023
	Salary	Benefits & Allowances	Total	Total
Mayor - PJ Stasko	\$ 74,440	\$ 10,509	\$ 84,949	\$ 78,358
Councillors:				
K. Hycha	37,022	2,970	39,992	37,386
A. Hoveland	37,022	5,412	42,434	39,014
L. Banack	37,022	7,536	44,558	39,566
L. Broker	37,022	7,536	44,558	40,962
D. Francoeur	37,022	7,536	44,558	40,962
D. Ilg	37,022	7,536	44,558	40,962
J. Murphy	37,022	7,536	44,558	40,962
D. Rosland	37,022	5,532	42,554	40,504
City Manager	254,172	39,548	293,720	283,915
Designated Officers (2)	\$ 150,452	\$ 27,458	\$ 177,910	\$ 165,106

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

Benefits and allowances figures include the employer's share of all employee benefits and contributions or payments made on behalf of employees including pension, extended health and dental coverage, vision coverage, group life insurance, long-term disability insurance, professional memberships and tuition.

The City currently has a full time designated officer, and one designated on an as-needed basis.

CITY OF CAMROSE

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

18. LOCAL AUTHORITIES PENSION PLAN

Employees of the City of Camrose participate in the Local Authorities Pension Plan (LAPP), which is one of the plans covered by the Alberta Public Sector Pensions Plan Act. The LAPP is financed by employer and employee contributions and by investments earnings of the LAPP Fund.

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

The City of Camrose 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 City 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 City to the plan in 2024 were \$1,186,725 (2023 - \$1,107,110). The current service contributions by the employees of the City to the plan in 2024 were \$1,056,745 (2023 - \$982,218).

At December 31, 2023, LAPP disclosed an actuarial surplus of \$15,057,000,000 (2022 - surplus of \$12,671,000,000). The 2024 actuarial report is not yet available.

19. SPECIAL FORCES PENSION PLAN

Municipal Police Officers of the City of Camrose participate in the Special Forces Pension Plan (SFPP), which is covered by the Alberta Public Sector Pensions Plan Act. The Plan serves about 7,670 officers from seven municipalities. It is financed by employer and employee contributions and investment earnings of the SFPP Fund.

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

The City of Camrose is required to make current service contributions to the SFPP of 14.55% of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan.

Police officers of the City are required to make current service contributions to the SFPP of 13.45% of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan.

Total current service contributions by the City to the plan in 2024 were \$505,818 (2023 - \$468,373). Total current service contributions by employees to the plan in 2024 were \$452,814 (2023 - \$432,935).

At December 31, 2023, the SFPP plan disclosed an actuarial surplus of \$553,089,000 (2022 - surplus of \$265,340,000). The 2024 actuarial report is not yet available.

CITY OF CAMROSE
Notes to the Consolidated Financial Statements
For the year ended December 31, 2024

20. APEX SUPPLEMENTARY PENSION PLAN

The APEX supplementary pension plan, an Alberta Urban Municipality Association (AUMA) sponsored defined benefit pension plan covered under the provisions of the Alberta Employment Pension Plans Act, commenced on January 1, 2004 and provides supplementary pension benefits to a prescribed class of employees (approximately 7 beneficiaries within the City of Camrose). The plan supplements the Local Authorities Pension Plan.

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

Contributions are made by the prescribed class of employees and the City. Employees and the City are required to make current service contributions to APEX of 2.42% and 2.96% respectively of pensionable earnings up to \$180,500 in 2024 (\$175,333 in 2023).

Total current service contributions by the City to APEX in 2024 were \$29,622 (2023 - \$25,466). Total current service contributions by the employees of the City in 2024 were \$24,217 (2023 - \$20,820).

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

At December 31, 2023, the APEX plan disclosed an accumulated surplus of \$10,306,413 (2022 - surplus of \$3,323,814). The 2024 report is not yet available.

21. CONTRIBUTED TANGIBLE CAPITAL ASSETS

In 2024, the City recorded a contribution of \$3,190 from the Rotary Club for the installation of peace arbors and peace poles at the Stoney Creek Daypark.

In 2023, a developer contributed \$38,134 for the installation of pedestrian lights on an adjacent roadway.

22. COMMITMENTS

As noted within the City's current 10-year Wastewater Approval to Operate, the City of Camrose is required to substantially upgrade its existing wastewater treatment system in order to ensure compliance with provincial and federal environmental regulations. The total cost of the project is expected to be approximately \$51.2 million. The City has incurred costs through December 31, 2024 of \$49.3 million. The planned funding for the project is based upon a combination of debenture, utility reserves, offsite levies and provincial grants. In 2020, the City secured Alberta Municipal Water/Wastewater Partnership (AMWWP) grant funding. In 2021, the City realized \$5.5 million of grant funding, with the remaining \$4.9 million realized in 2023. In 2022, the City utilized \$20 million of debt. The City applied \$0.9 million of offsite levy funding in 2023. The remaining \$18.0 million of project expenditures have been funded with reserves. The wastewater treatment system is operational as at December 31, 2024 and is expected to be fully completed in 2025.

As at December 31, 2024, the City had no other significant commitments to report.

CITY OF CAMROSE

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

23. CONTINGENCIES

As at December 31, 2024 the City is involved in various legal disputes. While it is not possible to estimate the outcome of these disputes, it is Management's opinion that there will be no adverse effect on the financial position of the City. If any liability is incurred it would be accounted for as a current transaction in the year it is determined.

24. RISK MANAGEMENT OF FINANCIAL INSTRUMENTS

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

The City 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 City provides services may experience financial difficulty and be unable to fulfil their obligations. The large number and diversity of taxpayers and customers, along with the City's ability to collect property tax amounts through a tax sale as permitted by the Municipal Government Act, minimizes the credit risk.

The City is exposed to interest rate risk on its investments, as their fair value can fluctuate with changes in interest rates, particularly long-term interest bearing securities. To mitigate this risk, the City holds these investments until maturity, providing time for interest rates to stabilize and return to previous levels over the long term.

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

CITY OF CAMROSE

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

25. BUDGET DATA

The budget data presented in these consolidated financial statements is based upon the 2024 operating and capital budgets approved by Council. The City's budgets are prepared on a modified cash flows basis in accordance with the Municipal Government Act. Amortization was not contemplated in development of the budget, however, has been included in the budget presented in the financial statements. The amortization expense included is based on the current year actual amortization expense.

A reconciliation of the consolidated operating budget as approved by Council, and the budget as prepared in these financial statements in accordance with the Canadian Public Sector Accounting Standards, has been included in the table below. The table also includes a reconciliation of the 2024 annual surplus from operations for financial statement purposes to the surpluses for operating budget purposes.

	Budget	2024
Surplus from operations	\$ 6,406,606	\$17,342,493
Capital Items Affecting Surplus From Operations		
Amortization	12,325,357	12,325,357
Contributed tangible capital assets	(40,000)	(3,190)
Government transfers for capital	(7,004,616)	(4,123,104)
Development levies	-	(562,510)
Taxation - local improvements	-	(431,827)
Loss on disposal of tangible capital assets	-	(118,213)
Other capital items	-	(4,509)
Surplus from Operations before Capital Items	11,687,347	24,424,497
Net operating transfers to reserves	(9,817,351)	(22,051,744)
Long-term debt repaid	(1,869,996)	(1,869,996)
Operating Budget Surplus	\$ -	\$ 502,757

26. APPROVAL OF FINANCIAL STATEMENTS

City Council has approved these financial statements on April 21, 2025.