



2025 STRATEGIC PLAN HIGHLIGHTS





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We acknowledge that Morinville is on Treaty 6 territory—the traditional and ancestral territory of the Cree, Dene, Blackfoot, Saulteaux and Nakota Sioux. We acknowledge the many First Nations, Métis and Inuit who have lived in and cared for these lands for generations.



COMMUNITY
BUILDING

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COMMUNITY
SAFETY
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Morinville Council is responsible for turning community needs into municipal services. Morinville Council, comprised of seven members; the mayor and six councillors, guides community development using the and three-year Strategic Plan.

(Left-Right, Top Row: Councillor Jenn Anheliger, Councillor Stephen Dafoe, Councillor Maurice St. Denis, Councillor Rebecca Balanko
Bottom Row: Councillor Ray White, Mayor Simon Boersma, Councillor Scott Richardson)

|| 2025 has been a landmark year for Morinville, and I'm proud of what we've accomplished together. As we close out the 2022–2025 Strategic Plan, Council can look back on four years of meaningful progress across each of our priority areas. These accomplishments reflect the strong partnership between Council and Administration and the shared commitment to moving our community forward. I'm proud of how far we've come, and I'm excited for what lies ahead with our 2025–2029 Council. ||

— Mayor Simon Boersma



GOAL 1:

COMMUNITY BUILDING

Morinville is a mid-sized community with a welcoming “small-town-feel” where we live and grow together.

Public Engagement

The annual Budget Engagement Survey gave residents a direct opportunity to share their priorities and provide input into Morinville's budgeting decisions and service levels. This online survey continues to be an important tool for ensuring Council and Administration hear from the community before making decisions that affect programs and services. Additional public engagement opportunities were available throughout the year on engagemorinville.ca

Community Events & Recreation

In 2025, the Morinville Leisure Centre (MLC) had over 5,204 memberships, an increase of 28.7 % from 2024, welcomed a record number of visitors, with more than 218,000 visits in 2025.

Community highlights included the Music & Memories Dinner and Show (150+ guests, Ryan Snow Band), the Family Day Glow Skate (nearly 500 attendees), the CFCW Critters Charity Hockey Game, and a packed Canada Day celebration. Festival Days drew strong participation over three days, featuring the Family Dance, Firefighter Combat Challenge and BC/DC concert. Lite Up the Nite brought the community together for a celebration of festive cheer, dazzling lights and fireworks, and cherished holiday traditions. The Flowpoint Fun Skate returned for its third consecutive season, offering free public skating every Sunday at the MLC.

2025 Municipal Election

A comprehensive 2025 municipal election campaign ran throughout the year, encompassing candidate nominations, election worker recruitment, and voter registration promotion, culminating in the Municipal Election on October 20, 2025.

Morinville welcomed four new Councillors (Daryn Duliba, Nathan Himschoot, Lisa Parenteau, and Jayson Wood) and welcomed back two returning Councillors (Jenn Anheliger and Maurice St. Denis) and acclaimed Mayor Boersma.

Morinville collaborated with Greater St. Albert RCSSD and Sturgeon Public School Division on the election of their school board trustees.

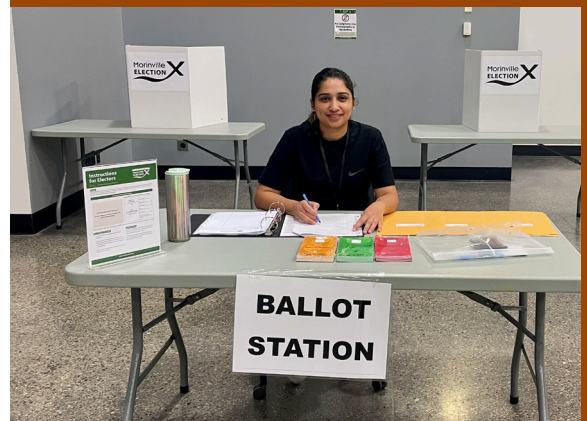
Thank you to everyone who participated in the municipal election!



The friendly Green Christmas Grouch made an appearance at Lite Up the Nite 2025



The BC/DC concert brought some rock n' roll to Morinville Festival Days



An election worker supporting the municipal election



GOAL 2

COMMUNITY SAFETY & WELLBEING

Morinville prioritizes the safety and well-being of all.

Emergency Preparedness & Response

In 2025, Morinville demonstrated its commitment to safety on multiple fronts. As a member of the Sturgeon Regional Emergency Management Partnership, Morinville assisted in the Redwater Provincial Recreation Area wildfire response, in the field at the Emergency Operations Centre, and operated the Morinville Leisure Centre (MLC) as a temporary emergency reception centre, sharing critical updates through municipal communication channels.

The annual Bike Rodeo at the MLC provided youth with hands-on bicycle safety training, while internally, employee Safety Week featured exercises across departments. Over 350 people attended the 2025 Fire Prevention Open House.

Community Wellbeing Programs & Events

Community programming had a positive impact on connection and belonging in Morinville. Survey responses showed strong outcomes, including 100% of responding Eat Well participants feeling more connected to their community, 100% of Pride Picnic in the Park respondents feeling a sense of belonging to their community, and 97% of International Women's Day respondents feeling welcomed and included.

The Eat Well Workshop on canning and food preservation had record attendance in 2025, as did a record-breaking Youth Week, which promoted mentorship and healthy connections for over 100 youth. Seniors' Week fostered social inclusion, and the Pride Picnic in the Park and summer camps also saw their largest turnouts yet — welcoming approximately 120 and 249 participants respectively, up from 85 and 178 in 2024.

Across all FCSS programs and events in 2025, there were 6,462 total participants — a 4% increase from 2024.

Long-Term Planning

Morinville's new Community Needs Assessment draft report was developed from valuable input through engagement with community groups, schools, the RCMP, youth, seniors, Morinville employees and more. With a deeper understanding of the social needs and priorities, the report will help guide future program and service planning to better support the well-being of all Morinville community members.

The Facilities Master Plan was initiated in June 2025, incorporating CPTED (Crime Prevention Through Environmental Design) principles, with planned completion for early 2026.



The Eye Health Workshop taught valuable eyesight maintenance techniques



Morinville raised the Pride Flag in recognition of Pride Month in June 2025



The Morinville Fire Department shows up for Halloween patrols each year, helping to make sure children and their families are able to trick-or-treat safely



GOAL 3

FINANCIAL STEWARDSHIP

Morinville will improve its financial viability while demonstrating value for money.

Service Reviews & Organizational Efficiency

The Enforcement Services Review, completed in early 2025, provided a clear picture of current operations, resource alignment, and public expectations. It identified opportunities to improve consistency, data tracking, and clarity around service levels.

An organizational review of Infrastructure Services was also completed, identifying areas for improved capacity and process efficiencies to meet current and future service level expectations.

Building on the foundation established in 2024, Morinville completed the Phase 2 Service Inventory, providing a more detailed picture of the full range of municipal services delivered to the community and ensuring alignment with Council's strategic priorities.

Strengthening Internal Processes

In collaboration with Sturgeon County's procurement team, a comprehensive review of Morinville's procurement practices was completed. The updated Procurement Policy was presented to Council in late 2025 with supporting directives, templates, and guidance documents.

In 2025, Morinville consolidated its GIS environment into a single Esri solution, eliminating \$32,000 in redundant software licensing. This allowed for the strategic reinvestment of funds into a modern Request Management system, resulting in \$20,000 in net annual savings while significantly enhancing Morinville's ability to track and respond to resident requests.

Revenue Growth & Infrastructure Investment

A 10-year sponsorship agreement was signed with Pembina Pipeline Corporation, maintaining naming rights for the Pembina Atrium at the MLC and extending Pembina Youth Activate hours to begin at 3 p.m., allowing youth to head straight to the MLC after school. Morinville also welcomed a new five-year naming rights partnership with MCSnet, one of Alberta's largest rural internet providers. Court 2 in the MLC Field House is now officially known as MCSnet Court.

Morinville welcomed the Province of Alberta's investment in Highway 2 improvements, including the future interchange at Cardiff Road south of Morinville. The project, which is led by Alberta Transportation, is expected to support safer, more efficient travel and improve regional access for residents, businesses, and visitors.



With approximately four times the snowfall received compared to previous years, Morinville's teams responded diligently to keep Morinville roads and pathways safe and accessible for residents

**Learn
where
your tax
dollars go**



23%
goes to the province to fund education, including 1% to support the Seniors Foundation (Homeland Housing)

77%
goes to municipal services

2025 Tax Rate Increases
Municipal: 1.36%
Provincial: 10.9%

The 2026 Budget Survey was completed with 481 responses received. The campaign this year included more informational pieces to help residents understand taxes, and the differences in municipal/provincial/federal government services and responsibilities



Morinville's new sponsorship agreement with MCSnet is rooted in a shared commitment to connection and community



GOAL 4

ENVIRONMENTAL RESPONSIBILITY

Continue to support local community-driven initiatives that protect and promote the environment.

Water Conservation & Sustainability

The Water Conservation Rebate Program launched as part of Budget 2025's value-based initiatives, offering incentives for residents to adopt water-wise landscaping.

Morinville transitioned to the Extended Producer Responsibility (EPR) recycling program, aligning with provincial waste reduction efforts.

Yards in Bloom 2025 welcomed 30 nominations and recognized six winning properties. A new "Best Sustainable Yard" category was introduced to highlight landscaping that supports water conservation and drought-friendly practices.

Community Beautification & Green Spaces

Morinville's Pitch-In Community Clean-Up week supported community pride and environmental stewardship, while seasonal planters, floral displays, and park and trail maintenance helped keep Morinville's outdoor spaces safe, attractive, and enjoyable.

In 2025, approximately 70 boulevard trees were planted and maintained across Morinville, contributing to a greener and more attractive community. This exceeded the municipality's typical annual planting volume and was made possible through a one-time Council-approved funding top-up.

Environmental Responsibility Outlined in New MDP

Council passed first reading of the updated MyMorinville Municipal Development Plan Bylaw on August 26, 2025, advancing long-term planning that integrates environmental responsibility into community growth. The MDP's updated policies support sustainable land use and responsible stewardship for future generations.

Morinville also completed engagement in the Edmonton Metropolitan Region Board (EMRB) environmental, social, and governance (ESG) initiative, further contributing to regional environmental planning efforts.



Yards in Bloom 2025 – Winner of the New "Best Sustainable Yard" category



New Water Conservation Rebate Program in Morinville



This new program offered incentives for residents to adopt water-wise landscaping.



Morinville's seasonal labour team members helped take care of the community planters all summer long, beautifying our public spaces



GOAL 5

ECONOMIC DEVELOPMENT

Grow the proportion of non-residential assessment.

MyMorinville Municipal Development Plan

Phase 3 public engagement engaged residents, businesses, and the development industry through in-person focus groups, an online survey, and a "What We Heard" report (March 2025). An Open House in April showcased updated content through display boards and digital renderings. The Community Bus was made available to support accessibility. Council passed first reading of MDP Bylaw No. 14/2025 on August 26, 2025.

Throughout the remainder of 2025, Administration worked with Council through a series of Council touchpoints to refine the policy direction and incorporate feedback, culminating in the final draft of the MDP being completed in 2025. All public engagement was concluded during the year, with Council approval received in early 2026.

Supporting Entrepreneurship

The Dream Business Program, delivered in collaboration with Mashup Lab, welcomed 33 aspiring entrepreneurs through a six-week virtual learning journey. Participants received hands-on guidance, peer support, and mentorship to help bring their business ideas to life.

Program participants completed the journey in June, just in time for Economic Development Week, and celebrated with an in-person networking event. Each graduate received a complimentary voucher for their next business license, supporting their next steps as Morinville business owners.

Investment Readiness & Business Environment

Morinville contributed as a regional partner to improve investment readiness, developing and promoting Morinville's value proposition, and targeting complementary sectors for development attraction.

In partnership with Sturgeon County, the provincial and federal governments, we delivered the Business Catalyst Program. This program will help local businesses grow and thrive by providing the tools and strategies they need.

One hundred and thirty four new business licenses and 355 business license renewals happened in Morinville in 2025, bringing our total to 489 businesses that operated in Morinville in 2025.

The 'More in Morinville' campaign received two major honours at the 2025 Economic Developers Alberta (EDA) Awards of Excellence: the Marketing for Economic Development Outcomes Award, and the Alex Metcalfe Best in Show Small Community/Region Award.



Two photos from the MyMorinville Municipal Development Plan Open House – April 2025

There's More in Morinville

Population Growth: **16%**
five-year growth rate.

Median Household Income

Location	Median Household Income
Alberta	\$120,000
Morinville	\$100,000
Trade Area	\$80,000

Based on Trade Area Population, Morinville could support an additional 110,000 square feet of retail development over and above what exists today.



moreinmorinville.ca | 780.939.4361
economicdevelopment@morinville.ca



A glimpse at the More in Morinville marketing campaign, which aims to showcase Morinville as an exceptional place to live, invest and enjoy



GOAL 6

COLLABORATIVE RELATIONSHIPS

Morinville is a trusted and valued partner in regional and community stakeholder collaboration.

Indigenous Partnerships & Cultural Connections

National Indigenous Peoples Day was celebrated at the Morinville Community Cultural Centre in June 2025, with a strong community turnout, including school classes for a morning of learning, and cultural activities. Indigenous culture was woven into several Morinville events in 2025, including Canada Day (Medicine Wheel bracelet-making) and Festival Days (Drum Circle and Indigenous art through carved stamp canvas bag making). Three community drum circle drop-in sessions were also held.

A draft government-to-government relationship agreement was received from Alexander First Nation, reflecting shared priorities around cultural prosperity, service delivery, and mutual understanding.

The Community Bus provided transportation for 18 youth from Alexander First Nation to attend the Pembina Youth Activate event at the MLC.

Intermunicipal & Regional Collaboration

Morinville and Sturgeon County renewed the Recreation Cost-Sharing Agreement for a new five-year term (2026–2030), ensuring stability and predictability in a significant municipal revenue stream. The agreement reflects shared values of accountability, sustainability, and accessibility in the delivery of recreation services.

The Joint Use and Planning Agreement (JUPA) was finalized and executed in September 2025, formalizing a three-year intermunicipal collaboration between Morinville, Sturgeon Public School Division, and Greater St. Albert Roman Catholic Separate School Division.

Community Peace Officer (CPO) support was expanded to Gibbons, supporting regional collaboration and aligning with Council's strategic objectives.

Timelines for the Intermunicipal Collaboration Framework and Intermunicipal Development Plan with Sturgeon County were established as required by legislation.



Indigenous carved-stamp canvas bag initiative at Festival Days 2025

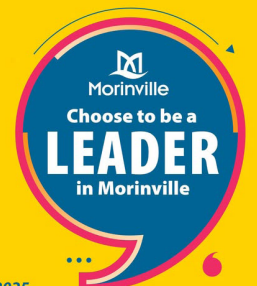


Enjoying fun in the sun to celebrate Canada Day 2025

Become a member of a
Board/Committee
and take part in the decision-making
process on issues that affect
our community

To view current vacancies and submit your
application, visit:
engagemorinville.ca

Applications accepted until September 30, 2025



Board and committee recruitment took place in Morinville in the fall, a great opportunity for community members to be involved in decision-making processes

ADDITIONAL SELECT HIGHLIGHTS



New street banners were installed in Morinville to brighten public spaces, reflect the seasons, and contribute to a more vibrant and welcoming community. Designs will be changed each spring and fall.



Bike Rodeo at the Morinville Leisure Centre helps youth boost bike safety awareness while building confidence riding.



Families learn about Alberta's new Extended Producer Responsibility recycling program, which launched in Morinville in April 2025.



Morinville residents came out to make their voices heard in the 2025 Municipal Election — thank you to everyone who participated in the election!



Morinville's annual Family Fright Halloween Dance was a spooktacular success, bringing together hundreds of costumed community members for a frightfully fun evening of dancing and togetherness.



The annual Lite Up the Nite Festival was another great success, filled with holiday spirit.

FINANCIAL STATEMENTS

Morinville's consolidated financial statements for the year ended
December 31, 2025 are presented in the following pages.

www.morinville.ca

TOWN OF MORINVILLE

**Consolidated Financial Statements
For the Year Ended December 31, 2025**

INDEPENDENT AUDITORS' REPORT

To the Mayor and Council of the Town of Morinville

Opinion

We have audited the consolidated financial statements of the Town of Morinville (the "Town"), which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statements of operations and accumulated surplus, remeasurement gains and losses, changes in net (debt) financial assets, and cash flows 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 financial position of the Town as at December 31, 2025, and the results of its operations, changes in net (debt) financial assets, remeasurement gains and losses 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 *Auditors' 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 other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the 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 Town's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Town or to cease operations, or has no realistic alternative but to do so.

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

(continues)



Independent Auditors' Report to the Mayor and Council of the Town of Morinville (continued)

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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 one for resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, 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 Town'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 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 auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the 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 financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

METRIX GROUP LLP

Chartered Professional Accountants

Edmonton, Alberta
April 28, 2026

TOWN OF MORINVILLE**Consolidated Statement of Financial Position****As At December 31, 2025**

	2025	2024
FINANCIAL ASSETS		
Cash and cash equivalents (Note 2)	\$ 7,721,940	\$ 7,764,592
Accounts receivable (Note 3)	2,283,711	2,400,729
Investments (Note 4)	8,336,408	4,049,768
Loan receivable	-	498,123
	<u>\$ 18,342,059</u>	<u>\$ 14,713,212</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 5)	\$ 2,404,449	\$ 2,696,244
Deposit liabilities	742,788	577,302
Deferred revenue (Note 6)	1,347,383	688,717
Asset retirement obligation (Note 7)	273,379	260,187
Long-term debt (Note 8)	15,044,593	16,141,520
	<u>19,812,592</u>	<u>20,363,970</u>
NET DEBT	<u>(1,470,533)</u>	<u>(5,650,758)</u>
NON-FINANCIAL ASSETS		
Prepaid expenses	181,166	95,859
Tangible Capital Assets (Schedule 1)	135,985,960	138,386,847
	<u>136,167,126</u>	<u>138,482,706</u>
ACCUMULATED SURPLUS (Note 10)	<u>\$134,696,593</u>	<u>\$132,831,948</u>
Accumulated Surplus is comprised of:		
Accumulated surplus from operations	134,591,478	132,773,771
Accumulated remeasurement gains and (losses)	105,115	58,177
	<u>\$134,696,593</u>	<u>\$132,831,948</u>

CONTINGENCIES (Note 13)**ON BEHALF OF TOWN COUNCIL:**

Mayor

Deputy Mayor

TOWN OF MORINVILLE**Consolidated Statement of Operations and Accumulated Surplus****For the Year Ended December 31, 2025**

	Budget 2025 (Note 18)	Actual 2025	Actual 2024
REVENUE			
Net taxation (Schedule 2)	\$ 14,677,037	\$ 14,360,874	\$ 13,015,509
Wastewater and storm fees	3,747,128	3,809,061	3,467,356
Water fees	3,373,091	3,496,381	3,388,457
Franchise fees (Note 14)	2,181,773	2,132,689	2,108,440
Government transfers for operating (Schedule 3)	1,925,904	1,872,174	1,849,997
Sales to other governments	1,255,673	1,199,672	1,062,431
Solid waste fees	920,555	885,791	972,630
Offsite levies	-	852,738	230,729
Rentals	599,292	777,021	684,373
Investment income	450,000	552,418	516,775
Other	261,492	400,315	225,507
Development fees and permits	203,500	364,139	447,062
Penalties and fines	320,500	310,000	294,063
Sales and user charges	184,534	227,409	188,450
	30,100,479	31,240,682	28,451,779
EXPENSES			
General administration	7,049,153	6,825,311	6,630,222
Parks and recreation	6,007,605	5,631,429	5,286,804
Public works	5,786,774	5,520,791	4,805,887
Protective services	4,383,243	4,033,224	3,740,880
Water	3,296,245	3,259,353	2,803,441
Wastewater and storm	3,555,209	2,777,752	2,721,586
Solid waste	1,135,959	1,095,533	1,190,666
Library	822,839	790,373	819,183
Family and community support services	613,273	616,419	519,601
Planning and development	632,741	557,779	607,832
Council and legislative	621,217	498,784	429,104
	33,904,258	31,606,748	29,555,206
ANNUAL DEFICIT BEFORE OTHER ITEMS	(3,803,779)	(366,066)	(1,103,427)
OTHER ITEMS			
Government transfers for capital (Schedule 3)	-	1,860,095	2,017,092
Gain on disposal of tangible capital assets	-	323,678	32,600
Contributed tangible capital assets	-	-	55,000
	-	2,183,773	2,104,692
ANNUAL SURPLUS (DEFICIT)	(3,803,779)	1,817,707	1,001,265
ACCUMULATED SURPLUS, BEGINNING OF YEAR	132,773,771	132,773,771	131,772,506
ACCUMULATED SURPLUS, END OF YEAR	\$128,969,992	\$134,591,478	\$132,773,771

TOWN OF MORINVILLE**Consolidated Statement of Remeasurement Gains and Losses****For the Year Ended December 31, 2025**

	2025	2024
ACCUMULATED REMEASUREMENT GAINS (LOSSES) - BEGINNING OF YEAR	\$ 58,177	\$ -
Amounts reclassified to consolidated statement of operations Designated at fair value	(58,177)	-
Unrealized gains (losses) attributable to: Designated at fair value	<u>105,115</u>	<u>58,177</u>
Net remeasurement gain (loss) for the year	<u>46,938</u>	<u>58,177</u>
ACCUMULATED REMEASUREMENT GAINS (LOSSES) - END OF YEAR	\$ 105,115	\$ 58,177

TOWN OF MORINVILLE**Consolidated Statement of Changes in Net (Debt) Financial Assets****For the Year Ended December 31, 2025**

	Budget 2025 (Note 18)	Actual 2025	Actual 2024
ANNUAL SURPLUS (DEFICIT)	\$ (3,803,779)	\$ 1,817,707	\$ 1,001,265
Purchase of tangible capital assets	(4,323,450)	(3,240,297)	(3,659,954)
Contributed tangible capital assets	-	-	(55,000)
Proceeds on disposal of tangible capital assets	-	379,901	32,600
Amortization of tangible capital assets	5,548,572	5,584,961	5,520,686
Change in accumulated remeasurement gains (losses)	-	46,938	58,177
Gain on disposal of tangible capital assets	-	(323,678)	(32,600)
	1,225,122	2,447,825	1,863,909
Use (acquisition) of prepaid expenses	-	(85,307)	18,759
(INCREASE) DECREASE IN NET DEBT	(2,578,657)	4,180,225	2,883,933
NET DEBT, BEGINNING OF YEAR	(5,650,758)	(5,650,758)	(8,534,691)
NET DEBT, END OF YEAR	\$ (8,229,415)	\$ (1,470,533)	\$ (5,650,758)

TOWN OF MORINVILLE**Consolidated Statement of Cash Flows****For the Year Ended December 31, 2025**

	2025	2024
OPERATING ACTIVITIES		
Annual surplus (deficit)	\$ 1,817,707	\$ 1,001,265
Non-cash items included in annual surplus:		
Amortization of tangible capital assets	5,584,961	5,520,686
Contributed tangible capital assets	-	(55,000)
Amortization of net investment premiums	23,965	10,467
Gain on disposal of tangible capital assets	(323,678)	(32,600)
	<u>7,102,955</u>	<u>6,444,818</u>
Change in non-cash working capital balances:		
Accounts receivable	117,018	(806,213)
Loan receivable	498,123	150,000
Prepaid expenses	(85,307)	18,759
Asset retirement obligations	13,192	12,569
Accounts payable and accrued liabilities	(291,795)	208,077
Deposit liabilities	165,486	141,600
Deferred revenue	658,666	417,833
	<u>1,075,383</u>	<u>142,625</u>
	<u>8,178,338</u>	<u>6,587,443</u>
FINANCING ACTIVITIES		
Long-term debt principal repayments	(1,096,927)	(1,065,894)
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(3,240,297)	(3,659,954)
Proceeds on disposal of tangible capital assets	379,901	32,600
Change in investments	(4,263,667)	(4,002,058)
	<u>(7,124,063)</u>	<u>(7,629,412)</u>
CHANGE IN CASH AND CASH EQUIVALENTS FOR THE YEAR	<u>(42,652)</u>	<u>(2,107,863)</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>7,764,592</u>	<u>9,872,455</u>
CASH AND CASH EQUIVALENTS, END OF YEAR (Note 2)	<u>\$ 7,721,940</u>	<u>\$ 7,764,592</u>

TOWN OF MORINVILLE
Consolidated Schedule of Tangible Capital Assets
For the Year Ended December 31, 2025

Schedule 1

	Land	Land Improvements	Buildings	Engineered Structures	Machinery and Equipment	Vehicles	2025	2024
COST:								
Balance, Beginning of Year	\$ 12,922,120	\$ 14,743,785	\$ 42,695,736	\$ 184,987,129	\$ 8,555,085	\$ 4,744,341	\$ 268,648,196	\$ 265,066,896
Acquisition of tangible capital assets	-	307,747	15,745	2,009,092	529,695	378,018	3,240,297	3,659,954
Contributed tangible capital assets	-	-	-	-	-	-	-	55,000
Disposal of tangible capital assets	-	-	-	-	(603,281)	(422,696)	(1,025,977)	(133,654)
Balance, End of Year	12,922,120	15,051,532	42,711,481	186,996,221	8,481,499	4,699,663	270,862,516	268,648,196
ACCUMULATED AMORTIZATION:								
Balance, Beginning of Year	-	6,389,634	13,606,113	102,243,289	5,315,863	2,706,450	130,261,349	124,874,317
Annual amortization	-	627,528	1,084,968	3,149,550	442,737	280,178	5,584,961	5,520,686
Accumulated amortization on disposals	-	-	-	-	(603,281)	(366,473)	(969,754)	(133,654)
Balance, End of Year	-	7,017,162	14,691,081	105,392,839	5,155,319	2,620,155	134,876,556	130,261,349
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	\$ 12,922,120	\$ 8,034,370	\$ 28,020,400	\$ 81,603,382	\$ 3,326,180	\$ 2,079,508	\$ 135,985,960	\$ 138,386,847

The cost of tangible capital assets included \$398,827 (2024 - \$977,586) of work in progress for which no amortization has been provided.

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

TOWN OF MORINVILLE**Schedule 2****Consolidated Schedule of Property Taxes
For the Year Ended December 31, 2025**

	Budget 2025 (Note 18)	Actual 2025	Actual 2024
TAXATION			
Real property taxes	\$ 18,529,063	\$ 18,470,159	\$ 16,702,137
Linear and industrial property taxes	123,459	175,375	175,375
Supplementary taxes	-	87,815	35,824
Government grants in place of property taxes	71,881	17,425	17,425
Designated industrial property taxes	-	971	971
	<u>18,724,403</u>	<u>18,751,745</u>	<u>16,931,732</u>
DEDUCT:			
Education	3,923,216	4,261,577	3,791,484
Seniors Foundation	123,046	128,284	123,657
Designated industrial property	1,104	1,010	1,082
	<u>4,047,366</u>	<u>4,390,871</u>	<u>3,916,223</u>
NET MUNICIPAL PROPERTY TAXES	<u>\$ 14,677,037</u>	<u>\$ 14,360,874</u>	<u>\$ 13,015,509</u>

TOWN OF MORINVILLE**Schedule 3****Consolidated Schedule of Government Transfers****For the Year Ended December 31, 2025**

	Budget 2025 (Note 18)	Actual 2025	Actual 2024
GOVERNMENT TRANSFERS FOR OPERATING			
Local governments	\$ 1,036,820	\$ 970,601	\$ 952,133
Provincial	859,084	865,873	866,364
Federal	30,000	35,700	31,500
	<u>1,925,904</u>	<u>1,872,174</u>	<u>1,849,997</u>
GOVERNMENT TRANSFERS FOR CAPITAL			
Provincial	-	1,810,095	1,814,225
Local	-	50,000	50,000
Federal	-	-	152,867
	<u>-</u>	<u>1,860,095</u>	<u>2,017,092</u>
	<u>\$ 1,925,904</u>	<u>\$ 3,732,269</u>	<u>\$ 3,867,089</u>

TOWN OF MORINVILLE
Consolidated Schedule of Segmented Information
For the Year Ended December 31, 2025

	General Administration	Protective Services	Parks and Recreation	Public Works	Water, Wastewater and Solid Waste	Planning and Development	Other	Total
REVENUE								
Net taxation	\$ 5,591,030	\$ 3,199,448	\$ 3,978,911	\$ -	\$ -	\$ 294,762	\$ 1,296,723	\$ 14,360,874
Water, wastewater, storm and solid waste fees	-	-	-	-	8,191,233	-	-	8,191,233
Franchise fees	2,132,689	-	-	-	-	-	-	2,132,689
Government transfers	-	418,780	1,058,481	-	-	-	394,913	1,872,174
Sales to other governments	120,167	453,786	-	-	607,223	10,394	8,102	1,199,672
Offsite levies	852,738	-	-	-	-	-	-	852,738
Rentals	141,609	150	635,262	-	-	-	-	777,021
Investment income	552,418	-	-	-	-	-	-	552,418
Other	290,626	30,881	15,222	4,619	-	4,692	54,275	400,315
Development fees and permits	-	7,881	-	-	-	356,258	-	364,139
Penalties and fines	212,087	61,247	-	-	31,371	-	5,295	310,000
Sales and user charges	44,605	-	18,529	-	-	1,882	162,393	227,409
	9,937,969	4,172,173	5,706,405	4,619	8,829,827	667,988	1,921,701	31,240,682
EXPENSES								
Salaries, wages and benefits	4,176,595	1,875,359	2,406,806	1,282,862	1,087,838	397,233	1,456,952	12,683,645
Contracted and general services	1,709,985	1,665,509	406,640	883,913	911,186	142,986	67,267	5,787,486
Materials, goods and utilities	488,914	229,573	790,988	1,337,398	647,527	17,560	268,642	3,780,602
Purchases from other governments	-	-	-	-	2,943,564	-	-	2,943,564
Interest on long-term debt	12,822	-	445,664	-	-	-	-	458,486
Transfers to governments	116,903	10,385	51,692	-	-	-	112,715	291,695
Bank charges and short-term interest	36,949	-	-	-	-	-	-	36,949
Other expenses	24,410	-	-	-	1,758	-	-	26,168
Amortization of tangible capital assets	258,733	246,896	1,529,639	2,008,928	1,540,765	-	-	5,584,961
Accretion expense	-	5,502	-	7,690	-	-	-	13,192
	6,825,311	4,033,224	5,631,429	5,520,791	7,132,638	557,779	1,905,576	31,606,748
ANNUAL SURPLUS (DEFICIT) BEFORE OTHER ITEMS	\$ 3,112,658	\$ 138,949	\$ 74,976	\$ (5,516,172)	\$ 1,697,189	\$ 110,209	\$ 16,125	\$ (366,066)

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

TOWN OF MORINVILLE**Schedule 5****Consolidated Schedule of Expenses by Object****For the Year Ended December 31, 2025**

	Budget 2025 (Note 18)	Actual 2025	Actual 2024
Salaries, wages and benefits	\$ 13,434,163	\$ 12,683,645	\$ 12,181,238
Contracted and general services	6,564,276	5,787,486	4,873,604
Amortization	5,548,572	5,584,961	5,520,686
Materials, goods and utilities	4,433,989	3,780,602	3,582,829
Purchases from other governments	3,124,458	2,943,564	2,576,984
Interest on long-term debt	458,494	458,486	490,433
Transfers to governments, agencies and organizations	306,272	291,695	274,498
Bank charges and short-term interest	16,534	36,949	14,209
Other expenses	17,500	26,168	28,156
Accretion expense	-	13,192	12,569
	\$ 33,904,258	\$ 31,606,748	\$ 29,555,206

TOWN OF MORINVILLE

Notes to Consolidated Financial Statements

December 31, 2025

1. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements are the representations of the Town of Morinville's (the "Town") management prepared in accordance with Canadian public sector accounting standards. Significant aspects of the accounting policies adopted by the Town are as follows:

(a) Reporting Entity

These consolidated financial statements reflect the assets, liabilities, revenue, expenses, and changes in accumulated surplus balances and cash flows of the reporting entity. The reporting entity is comprised of the municipal operations plus all organizations that are owned or controlled by the Town. Included within the reporting entity is the Town of Morinville Library Board.

(b) Basis of Accounting

The consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipt of goods and 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.

(c) Cash and Cash Equivalents

Cash and cash equivalents include items that are readily convertible to known amounts of cash, are subject to an insignificant risk of change in value, and have a maturity of one year or less at acquisition.

(d) Tax Revenue

Property taxes are recognized as revenue in the year they are levied.

Construction and borrowing costs associated with local improvement projects are recovered through annual special assessments during the period of the related borrowings. These levies are collectable from property owners for work performed by the Town and are recognized as revenue in the year the tax is levied.

(e) Use of Estimates

The preparation of consolidated 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 consolidated financial statements, and the reported amounts of revenue and expenses during the period. Where management uncertainty exists, the consolidated financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

(f) Government Transfers

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

(continues)

TOWN OF MORINVILLE

Notes to Consolidated Financial Statements

December 31, 2025

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Requisition of Over-Levies and Under-Levies

Over-levies and under-levies arise from the difference between the actual levy made to cover each requisition and the actual amount requisitioned. If the actual levy exceeds the requisition, the over-levy is accrued as a liability and property tax revenue is reduced. In situations 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.

(h) Non-Financial Assets

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

Land improvements	10-50 years
Buildings	25-50 years
Engineered structures	20-100 years
Machinery and equipment	5-40 years
Vehicles	5-20 years

Assets under construction are not amortized until the asset is available for productive use.

ii) Contributed Tangible Capital Assets

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

iii) 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.

(i) Contaminated Sites

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

(continues)

TOWN OF MORINVILLE**Notes to Consolidated Financial Statements****December 31, 2025****1. SIGNIFICANT ACCOUNTING POLICIES (continued)****(j) Valuation of Financial Assets and Liabilities**

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

<u>Financial statement component</u>	<u>Measurement</u>
Cash and cash equivalents	Cost and amortized cost
Accounts receivables	Lower of cost or net recoverable value
Loans receivable	Cost
Investments	Fair value or amortized cost
Accounts payable and accrued liabilities	Cost
Deposit liabilities	Cost
Long-term debt	Amortized cost

(k) Asset Retirement Obligations

Asset retirement obligations are legal obligations associated with the retirement of tangible capital assets. Asset retirement activities include all activities relating to an asset retirement obligation including, but not limited to, decommissioning or dismantling, remediation of contamination, post-retirement activities such as monitoring, and constructing other tangible capital assets to perform post-retirement activities.

A liability for asset retirement obligation is recognized when there is a legal obligation to incur retirement costs, the past transaction or event giving rise to the liability as occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made.

When a liability for asset retirement obligation is recognized, asset retirement costs related to recognized tangible capital assets in productive use are capitalized by increasing the carrying value of the related asset and are amortized over the estimated useful life of the underlying tangible capital asset. Asset retirement costs related to unrecognized tangible capital assets and those not in productive use are expensed.

(l) Investments

Investments are recorded at amortized cost. Investment premiums or discounts, if any, are amortized over the term of the respective instruments. 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.

The Town holds derivatives in the form of principal protected notes which are recorded at fair value in the consolidated statement of financial position. Unrealized gains and losses from changes in the fair value of derivatives are recognized in the statement of remeasurement gains and losses. Upon settlement, the realized gains and losses are reclassified as revenue or expense in the consolidated statement of operations.

2. CASH AND CASH EQUIVALENTS

	<u>2025</u>	<u>2024</u>
Bank accounts	\$ 7,622,701	\$ 7,669,260
Servus Credit Union common shares	96,274	92,367
Petty cash	2,965	2,965
	<u>\$ 7,721,940</u>	<u>\$ 7,764,592</u>

TOWN OF MORINVILLE**Notes to Consolidated Financial Statements****December 31, 2025****3. ACCOUNTS RECEIVABLE**

	2025	2024
Property taxes	\$ 815,325	\$ 759,952
Utilities	787,795	791,671
Trade	446,540	656,244
Goods and Services Tax	180,094	188,641
Accrued interest	83,957	34,221
	<u>2,313,711</u>	<u>2,430,729</u>
Allowance for doubtful accounts	<u>(30,000)</u>	<u>(30,000)</u>
	<u>\$ 2,283,711</u>	<u>\$ 2,400,729</u>

All receivables other than taxes are current. The age of taxes that are not impaired are as follows:

	2025	2024
Current	\$ 2,116,433	\$ 2,227,493
1 year	163,691	182,710
2 years	32,499	19,347
3 years	1,088	-
Over 3 years	-	1,179
Allowance for doubtful accounts	<u>(30,000)</u>	<u>(30,000)</u>
	<u>\$ 2,283,711</u>	<u>\$ 2,400,729</u>

4. INVESTMENTS

	2025		2024	
	Carrying Value	Market Value	Carrying Value	Market Value
Fixed income securities - amortized cost	\$ 5,317,493	\$ 5,346,246	\$ 2,391,191	\$ 2,434,000
Derivatives - principal protected note (b)	3,018,915	3,018,915	1,658,577	1,658,577
	<u>\$ 8,336,408</u>	<u>\$ 8,365,161</u>	<u>\$ 4,049,768</u>	<u>\$ 4,092,577</u>

The fixed income securities have effective interest rates ranging from 3.94% to 5.30% (2024 - 4.39% to 4.58%) with maturity dates from November 3, 2026 to August 29, 2035 (2024 - November 3, 2026 to August 1, 2029).

Derivative investments are carried at fair market value in which the measurements are derived from:

- Level 1 - Quoted prices in active markets for identical assets.
- Level 2 - Fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the assets, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Unrealized gains (losses) on derivative investments carried at fair value of \$105,115 (2024 - \$58,177) have been recognized in the consolidated statement of remeasurement gains and losses.

TOWN OF MORINVILLE**Notes to Consolidated Financial Statements****December 31, 2025****5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	2025	2024
Trade	\$ 2,061,159	\$ 2,345,857
Vacation	124,740	141,280
Accrued interest on long-term debt	114,492	121,648
Government payroll remittances	93,643	77,930
Construction holdbacks	10,415	9,529
	<u>\$ 2,404,449</u>	<u>\$ 2,696,244</u>

6. DEFERRED REVENUE

Deferred revenue consists of the following amounts which have been restricted by third parties for a specific purpose. These amounts are recognized as revenue in the period in which the related expenditures are incurred.

	2024	Receipts	Revenue	2025
Local Government Fiscal Framework	\$ 620,988	\$ 1,606,276	\$(1,068,231)	\$ 1,159,033
Other	67,729	325,110	(204,489)	188,350
	<u>\$ 688,717</u>	<u>\$ 1,931,386</u>	<u>\$(1,272,720)</u>	<u>\$ 1,347,383</u>

7. ASSET RETIREMENT OBLIGATIONS

The Town has asset retirement obligations to remove various hazardous materials including, asbestos, lead, mercury, and mold from various buildings under its control. Regulations require the Town to handle and dispose of these materials in a prescribed manner when it is disturbed, such as when the building undergoes renovations or being demolished. Although the timing of the removal is conditional on the building undergoing renovations or being demolished, regulations create an existing obligation for the Town to remove the materials when the asset retirement activities occur.

	2025	2024
Balance, Beginning of Year	\$ 260,187	\$ 247,618
Accretion expense	<u>13,192</u>	<u>12,569</u>
	<u>\$ 273,379</u>	<u>\$ 260,187</u>

TOWN OF MORINVILLE

Notes to Consolidated Financial Statements

December 31, 2025

8. LONG-TERM DEBT

	2025	2024
Debenture debt held by the Government of Alberta, repayable in semi-annual installments of \$374,750 including interest at 3.209%; due September 17, 2038.	\$ 7,915,537	\$ 8,399,352
Debenture debt held by the Government of Alberta, repayable in semi-annual installments of \$199,284 including interest at 2.930%; due March 15, 2039.	4,417,642	4,680,971
Debenture debt held by the Government of Alberta, repayable in semi-annual installments of \$92,650 including interest at 2.084%; due December 15, 2040.	2,376,469	2,510,149
Debenture debt held by the Government of Alberta, repayable in semi-annual installments of \$114,602 including interest at 2.634%; due June 15, 2027.	334,945	551,048
	\$ 15,044,593	\$ 16,141,520

	Principal	Interest	Total
2025	\$ 1,128,880	\$ 433,690	\$ 1,562,570
2026	1,047,177	400,791	1,447,968
2027	961,900	371,466	1,333,366
2028	990,580	342,786	1,333,366
2029	1,020,129	313,237	1,333,366
Thereafter	9,895,927	1,340,885	11,236,812
	\$ 15,044,593	\$ 3,202,855	\$ 18,247,448

Interest on long-term debt expense amounted to \$458,486 (2024 - \$490,433).

The Town's total cash payments for interest amounted to \$465,642 (2024 - \$496,675).

9. EQUITY IN TANGIBLE CAPITAL ASSETS

	2025	2024
Tangible capital assets (Schedule 1)	\$ 270,862,516	\$ 268,648,196
Accumulated amortization (Schedule 1)	(134,876,556)	(130,261,349)
Long-term debt (Note 8)	(15,044,593)	(16,141,520)
Asset retirement obligations (Note 7)	(273,379)	(260,187)
	\$ 120,667,988	\$ 121,985,140

TOWN OF MORINVILLE**Notes to Consolidated Financial Statements****December 31, 2025****10. ACCUMULATED SURPLUS**

	2025	2024
Restricted surplus		
General operating reserve	\$ 1,023,274	\$ 290,568
Snow removal	350,000	350,000
Capital renewal projects	10,204,765	8,226,886
Capital growth projects	3,223,789	3,467,604
Library	275,594	280,583
Parks, recreation and culture	321,555	443,060
Land	591,274	580,796
Offsite levies - transportation	684,199	492,114
Offsite levies - sanitary	336,179	(167,736)
Offsite levies - water	(3,188,914)	(3,215,464)
Offsite levies - stormwater	101,772	40,218
	13,923,487	10,788,629
Equity in tangible capital assets (Note 9)	120,667,988	121,985,140
Accumulated remeasurement gains	105,115	58,177
	\$ 134,696,593	\$ 132,831,948

11. DEBT LIMITS

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

	2025	2024
Total debt limit	\$ 46,861,023	\$ 42,677,669
Total debt	(15,044,593)	(16,141,520)
Amount of total debt limit unused	\$ 31,816,430	\$ 26,536,149
Debt servicing limit	\$ 7,810,171	\$ 7,112,945
Debt servicing	(1,562,570)	(1,562,570)
Amount of debt servicing limit unused	\$ 6,247,601	\$ 5,550,375

The debt limit is calculated at 1.50 times revenue of the Town (as defined in the Alberta Regulation 255/2000) and the debt service limit is calculated as 0.25 times such revenue. Incurring debt beyond these limitations requires approval by the Minister of Municipal Affairs. These thresholds are a conservative guideline used by Alberta Municipal Affairs to identify municipalities that could be at a financial risk if further debt is acquired. The calculation taken alone does not represent the financial stability of the Town. Rather, the consolidated financial statements must be interpreted as a whole.

TOWN OF MORINVILLE**Notes to Consolidated Financial Statements****December 31, 2025****12. SALARIES AND BENEFITS DISCLOSURE**

Disclosure of salaries and benefits for municipal officials, the Chief Administrative Officer and designated officers as required by Alberta Regulation 313/2000 is as follows:

	Salary (1)	Benefits (2)	2025 Total	2024 Total
Mayor S. Boersma	\$ 72,401	\$ 7,018	\$ 79,419	\$ 78,149
Councillors				
R. Balanko	35,946	8,007	43,953	52,119
J. Anheliger	40,399	9,455	49,854	48,909
S. Dafoe	34,640	7,929	42,569	48,368
R. White	34,578	7,926	42,504	47,415
M. St. Denis	39,180	9,382	48,562	46,567
S. Richardson	33,953	7,889	41,842	46,461
D. Duliba	6,278	1,548	7,826	-
N. Himschoot	6,278	1,544	7,822	-
L. Parenteau	6,528	1,558	8,086	-
J. Wood	6,278	1,558	7,836	-
Chief Administrative Officer (3)	247,628	43,797	291,425	455,652
Designated Officers	353,124	71,908	425,032	378,538

(1) Salary includes regular base pay, per diem payments and any other direct cash remuneration.

(2) Benefits and allowances include the employer's share of the employee benefits and contributions 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.

(3) Chief Administrative Officer's 2024 salary includes the former and acting Chief Administrative Officer.

TOWN OF MORINVILLE

Notes to Consolidated Financial Statements

December 31, 2025

13. CONTINGENCIES

- (a) The Town is a member of the Alberta Municipal Insurance Exchange. Under the terms of membership, the Town could become liable for its proportionate share of any claim losses in excess of the funds held by the exchange. Any liability incurred would be accounted for as a current transaction in the year the losses are determined.
- (b) The Town is involved in a legal dispute as at December 31, 2025, the outcome of which is not determinable at year-end. Any related settlements not covered by insurance will be recorded as an expense in the year incurred.

14. FRANCHISE FEES

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

	Budget 2025 (Note 18)	Actual 2025	Actual 2024
Fortis Alberta	\$ 1,270,363	\$ 1,254,555	\$ 1,245,032
AltaGas Ltd.	911,410	878,134	863,408
	<u>\$ 2,181,773</u>	<u>\$ 2,132,689</u>	<u>\$ 2,108,440</u>

15. LOCAL AUTHORITIES PENSION PLAN

Employees of the Town participate in the Local Authorities Pension Plan (LAPP), which is covered by the *Public Sector Pension Plans Act*. LAPP is financed by employer and employee contributions and investment earnings of the LAPP Fund.

The Town is required to make current service contributions to the Plan of 8.45% (2024 - 8.45%) of pensionable earnings up to the Canada Pension Plan year's maximum pensionable earnings and 11.65% (2024 - 11.65%) for the excess. Employees of the Town are required to make current service contributions of 7.45% (2024 - 7.45%) of pensionable earnings up to the year's maximum pensionable earnings and 10.65% (2024 - 10.65%) on pensionable earnings above this amount.

Total current and past service contributions made by the Town to the LAPP in 2025 were \$676,155 (2024 - \$675,099). Total current and past service contributions made by the employees of the Town to the LAPP in 2023 were \$602,137 (2024 - \$601,284).

At December 31, 2024, the LAPP disclosed an actuarial surplus of \$19.6 billion (2023 - \$15.1 billion).

TOWN OF MORINVILLE

Notes to Consolidated Financial Statements

December 31, 2025

16. FINANCIAL INSTRUMENTS

The Town's financial instruments consist of cash, accounts receivables, loans receivable, investments, accounts payable and accrued liabilities, deposit liabilities and long-term debt. It is management's opinion that the Town is not exposed to significant currency, liquidity, market or other price risk arising from these financial instruments. Unless otherwise noted, the carrying value of the financial instruments approximates their fair value.

Credit risk

The Town is exposed to credit risk with respect to receivables. Credit risk arises from the possibility that ratepayers and other customers may experience financial difficulty and be unable to fulfil their obligations. The large number and diversity of ratepayers and other customers minimizes the Town's credit risk.

Interest rate risk

Interest rate risk is the risk that the Town's annual surplus will be affected by the fluctuation and degree of volatility in interest rates. Interest rate risk on the Town's long term debt is managed through fixed rate debentures with the Province of Alberta (Note 8).

17. SEGMENTED INFORMATION

The Town provides a range of services to its residents. 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 consolidated financial statements as disclosed in Note 1. For additional information see the Consolidated Schedule of Segment Disclosure (Schedule 4).

18. BUDGET FIGURES

	Budget 2025
Annual deficit (per consolidated statement of operations and accumulated surplus)	\$ (3,803,779)
Amortization	5,548,572
Purchase of tangible capital assets	(4,323,450)
Debenture repayments	(1,094,185)
Net transfers from restricted surplus (per below)	3,672,842
	<u>\$ -</u>
Purchase of tangible capital assets funded from restricted surplus	\$ 4,323,450
Debenture repayments funded from restricted surplus	1,094,185
Tax supported deficit funded from restricted surplus	507,804
Utility supported surplus transferred to restricted surplus	(2,252,597)
Net transfers from restricted surplus	<u>\$ 3,672,842</u>

The budget data presented in these consolidated financial statements is based on the operating and capital budgets approved by the Town Council on December 3, 2024. The information above reconciles the approved financial plan to the figures reported in these consolidated financial statements.

TOWN OF MORINVILLE

Notes to Consolidated Financial Statements

December 31, 2025

19. CREDIT FACILITIES

The Town is authorized for overdraft on its main operating bank account of \$1,000,000 that is available, if needed, for operating cash flow. The interest rate is set at prime minus 0.50%. The loan has not been drawn upon as of December 31, 2025 or December 31, 2024. The loan is secured by a general security agreement over the assets of the Town.

20. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements were approved by Council and Management.

