

**TOWN OF HIGH LEVEL
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

TOWN OF HIGH LEVEL

DECEMBER 31, 2023

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TOWN OF HIGH LEVEL

DECEMBER 31, 2023

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

Management of the Town of High Level is responsible for the preparation, accuracy, objectivity and integrity of the accompanying consolidated financial statements and all other information contained within this Financial Report. Management believes that the consolidated financial statements present fairly the Town's consolidated financial position as at December 31, 2023 and the results of its operation for the year then ended.

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

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

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

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

The Town Council carries out its responsibilities for review of the financial statements principally through its regular meetings of Council. Council meets regularly with management and with external auditors to discuss the results of audit examinations and financial reporting matters.

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

The consolidated financial statements have been audited by Doyle & Company, Chartered Professional Accountants, independent external auditors appointed by the Town. The accompanying Independent Auditor's Report outline their responsibilities, the scope of their examination and their opinions on the Town's consolidated financial statements.



Chief Administrative Officer

Date: August 25, 2025
Town of High Level

Edward Cheung, CPA, CA*
Scott T. Mockford, CPA, CA*
Allen Lee, CPA, CMA*
Jason Bondarevich, CPA, CA*
*Operates as a Professional Corporation

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Edmonton, Alberta T5H 0Y1
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INDEPENDENT AUDITOR'S REPORT

To the Mayor and Members of Council of the Town of High Level

Opinion

We have audited financial statements of the Town of High Level, which comprise the statement of financial position as at December 31, 2023 and the results of its operations, changes in its net financial assets and cash flows for the years then ended, and notes and schedules to the financial statements, including summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly in all material respects, the financial position of the Town of High Level as at December 31, 2023, the results of its operations, changes in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the 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 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.

Other Matter

The financial statements for the Town of High Level for the year ended December 31, 2022, was audited by another auditor who expressed an qualified opinion on those financial statements on June 6,2024.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the 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 cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility for the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 financial statements.

INDEPENDENT AUDITORS' REPORT - continued

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than from one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the town to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial information return, and whether the financial information return 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.

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

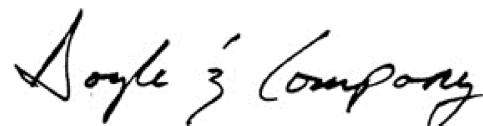
Report on Other Legal and Regulatory Requirements

Debt Limit Regulation

In accordance with Alberta Regulation 255/2000, we confirm that the municipality is in compliance with the Debt Limit Regulation, a detailed account of the Town's debt limit can be found in Note 10.

Supplementary Accounting Principles and Standard Regulations

In accordance with Alberta Regulation 313/2000, we confirm that the municipality is in compliance with the Supplementary Accounting Principles and Standard Regulations and note the information required can be found in Note 14.



August 25, 2025
11210 - 107 Avenue NW
Edmonton, Alberta T5H 0Y1

Chartered Professional Accountants

TOWN OF HIGH LEVEL
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023

	2023	2022
	\$	\$
FINANCIAL ASSETS		
Cash (Note 2)	378,666	3,695,435
Asset held in trust (Note 3)	-	485,216
Accounts receivable (Note 4)	5,669,644	2,100,475
Inventory held for resale	32,031	29,638
Investments (Note 5)	8,988,795	6,806,722
	15,069,136	13,117,486
LIABILITIES		
Asset held in trust (Note 3)	-	485,216
Accounts payable and accrued liabilities (Note 6)	1,524,924	1,834,561
Deposit liabilities	30,145	29,645
Deferred revenue (Note 7)	3,051,276	4,809,049
Asset retirement obligation (Note 8)	6,385,218	4,378,419
Long-term debt (Note 9)	1,812,338	2,259,443
	12,803,901	13,796,333
NET FINANCIAL ASSETS (DEBT)	2,265,235	(678,847)
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 2)	109,668,601	106,315,994
Inventory for consumption	237,122	147,753
Prepaid expenses	389,085	227,565
	110,294,808	106,691,312
ACCUMULATED SURPLUS (NOTE 12)	112,560,043	106,012,465

TOWN OF HIGH LEVEL
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2023

	2023 Budget (Unaudited)	2023 Actual	2022 Actual
	\$	\$	\$
REVENUE			
Net municipal taxes (Schedule 3)	7,363,654	7,379,767	6,458,796
User fees and sales of goods	4,855,802	6,741,567	5,501,299
Government transfers for operating (Schedule 4)	2,215,882	2,542,114	1,398,745
Fines, licenses and permits	75,225	154,678	41,191
Penalties and costs of taxes	49,146	59,487	39,658
Interest and investment income	120,000	279,160	176,369
Other	243,419	2,408,235	25,888
	14,923,128	19,565,008	13,641,946
EXPENSES			
Council and other legislative	439,260	341,786	429,923
Administration	2,728,868	2,782,032	2,592,017
Fire protection and safety services	2,213,906	3,462,768	1,955,180
Road, streets, walks, and lighting	2,965,924	5,692,865	5,505,089
Water supply and distribution	2,109,819	2,597,607	2,500,787
Wastewater treatment and disposals	619,527	688,136	687,578
Waste management	292,995	170,116	214,500
Family and community support	232,606	175,115	230,660
Planning and development	817,475	511,095	490,403
Parks and recreation	1,829,793	1,965,012	2,090,638
Culture and library	672,955	707,908	542,786
	14,923,128	19,094,440	17,239,561
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES BEFORE OTHER REVENUE			
	-	470,568	(3,597,615)
OTHER REVENUE			
Gain (loss) sale of tangible capital assets	-	26,069	89,054
Government transfers for capital (Schedule 4)	-	6,050,941	1,958,668
EXCESS OF REVENUE OVER EXPENSES	-	6,547,578	(1,549,893)
ACCUMULATED OPERATING SURPLUS			
BEGINNING OF YEAR, BEGINNING OF YEAR, AS			
PREVIOUSLY RECORDED		106,012,465	106,599,941
Prior period adjustment	-	-	962,417
ACCUMULATED OPERATING SURPLUS, END OF YEAR		112,560,043	106,012,465

The accompanying notes are an integral part of the non-consolidated financial statements

TOWN OF HIGH LEVEL
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2023

	2023 Budget (Unaudited)	2023 Actual	2022 Actual
	\$	\$	\$
EXCESS OF REVENUES OVER EXPENSES	-	6,547,578	(1,549,893)
Acquisition of tangible capital assets	-	(6,954,291)	(5,402,053)
Amortization of tangible capital assets	-	5,474,835	5,591,649
WIP transfers of tangible capital assets	-	-	330,461
ARO asbestos abatement costs	-	(1,873,153)	-
	-	(3,352,609)	520,057
Net change in inventory for consumption	-	(89,369)	(10,231)
Net change in prepaid expenses	-	(161,518)	(36,839)
	-	(250,887)	(47,070)
INCREASE (DECREASE) IN NET ASSETS	-	2,944,082	(1,076,906)
NET FINANCIAL ASSETS (DEBT), BEGINNING			
OF YEAR, AS PREVIOUSLY STATED	-	(678,847)	(564,358)
Prior period adjustment	-	-	962,417
NET FINANCIAL ASSETS (DEBT), END OF YEAR	-	2,265,235	(678,847)

TOWN OF HIGH LEVEL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023

	2023	2022
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers and government agencies	15,995,839	13,641,946
Cash paid to suppliers and contractors	(9,274,654)	(1,735,834)
	6,721,185	11,906,112
CASH OUTFLOWS FOR CAPITAL		
Construction in progress transfers	-	330,461
Purchase of capital assets	(6,954,291)	(5,402,053)
	(6,954,291)	(5,071,592)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(3,299,650)	(4,077,398)
Proceeds from sale of investments	663,092	1,729,229
	(2,636,558)	(2,348,169)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long-term debt repayments	(447,105)	(427,387)
NET CHANGE TO CASH	(3,316,769)	4,058,964
CASH - BEGINNING OF YEAR	3,695,435	(363,529)
CASH - END OF YEAR	378,666	3,695,435

TOWN OF HIGH LEVEL
SCHEDULE OF CHANGES IN ACCUMULATED OPERATING SURPLUS - SCHEDULE 1
FOR THE YEAR ENDED DECEMBER 31, 2023

	Unrestricted Surplus	Internally Restricted Surplus	Equity in Tangible Capital Assets	2023	2022
				\$	\$
Balance, Beginning of Year	(2,430,493)	4,386,407	104,056,551	106,012,465	107,562,358
Excess (deficiency) of revenue over expenses	6,547,578	-	-	6,547,578	(1,549,893)
Asset Retirement obligation TCA adoption	(1,966,246)	-	1,966,246	-	-
Unrestricted funds designated for future use	(3,234,316)	3,234,316	-	-	-
Restricted funds used for tangible capital assets	-	(1,442,327)	1,442,327	-	-
Current years funds used for tangible capital assets	(5,511,965)	-	5,511,965	-	-
Annual amortization expenses	5,474,835	-	(5,474,835)	-	-
Asset retirement obligation accretion expense	93,096	-	(93,096)	-	-
Long-term debt repaid	(447,105)	-	447,105	-	-
Change in accumulated surplus	955,877	1,791,989	3,799,712	6,547,578	(1,549,893)
Balance, End of Year	(1,474,616)	6,178,396	107,856,263	112,560,043	106,012,465

TOWN OF HIGH LEVEL
SCHEDULE OF TANGIBLE CAPITAL ASSETS - SCHEDULE 2
FOR THE YEAR ENDED DECEMBER 31, 2023

	Land	Land Improvements	Buildings	Engineered Structures	Machinery and Equipment	Vehicles	Construction in Progress	2023	2022
	\$	\$	\$	\$	\$	\$	\$	\$	\$
COST:									
Balance, Beginning of Year	5,915,615	12,483,124	22,791,452	158,507,854	10,345,399	6,155,377	2,990,594	219,189,415	214,117,825
Additions	-	161,996	-	1,284,260	841,514	119,819	4,546,702	6,954,291	5,402,053
Disposals	-	-	-	-	-	(197,262)	-	(197,262)	-
Transfers	-	730,219	806,069	3,170,516	125,299	-	(4,832,103)	-	(330,461)
ARO asbestos abatement	-	-	750,435	1,122,718	-	-	-	1,873,153	-
<u>Balance, End of Year</u>	<u>5,915,615</u>	<u>13,375,339</u>	<u>24,347,956</u>	<u>164,085,348</u>	<u>11,312,212</u>	<u>6,077,934</u>	<u>2,705,193</u>	<u>227,819,597</u>	<u>219,189,417</u>
ACCUMULATED AMORTIZATION:									
Balance, Beginning of Year	-	6,591,537	11,034,795	86,099,372	6,409,098	2,738,621	-	112,873,423	107,281,774
Annual amortization	-	767,131	576,475	3,247,845	543,593	339,791	-	5,474,835	5,591,649
Disposals	-	-	-	-	-	(197,262)	-	(197,262)	-
<u>Balance, End of Year</u>	<u>-</u>	<u>7,358,668</u>	<u>11,611,270</u>	<u>89,347,217</u>	<u>6,952,691</u>	<u>2,881,150</u>	<u>-</u>	<u>118,150,996</u>	<u>112,873,423</u>
NET BOOK VALUE	5,915,615	6,016,671	12,736,686	74,738,131	4,359,521	3,196,784	2,705,193	109,668,601	106,315,994

The accompanying notes are an integral part of the non-consolidated financial statements

TOWN OF HIGH LEVEL
SCHEDULE OF PROPERTY TAXES - SCHEDULE 3
FOR THE YEAR ENDED DECEMBER 31, 2023

	2023 Budget (Unaudited)	2023 Actual	2022 Actual
	\$	\$	\$
TAXATION			
Real property taxes	8,310,790	8,323,224	7,526,705
Linear property taxes	295,372	296,049	262,237
Government grants in place of property taxes	134,794	137,796	120,638
	8,740,956	8,757,069	7,909,580
REQUISITIONS			
Alberta School Foundation Fund	1,367,270	1,367,270	1,275,644
Seniors Foundation	-	-	165,585
Designated Industrial Property	10,032	10,032	9,555
	1,377,302	1,377,302	1,450,784
NET MUNICIPAL TAXES	7,363,654	7,379,767	6,458,796

TOWN OF HIGH LEVEL
SCHEDULE OF GOVERNMENT TRANSFERS - SCHEDULE 4
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budget (Unaudited)	2023	2022
	\$	\$	\$
TRANSFERS FOR OPERATING			
Federal government	83,250	280,000	348,000
Local governments	1,000,000	1,000,600	997,785
Provincial governments	1,132,632	1,261,514	52,960
	2,215,882	2,542,114	1,398,745
TRANSFERS FOR CAPITAL			
Federal government	-	3,102,666	698,782
Provincial governments	-	2,948,275	1,259,886
	-	6,050,941	1,958,668
TOTAL GOVERNMENT TRANSFERS	2,215,882	8,593,055	3,357,413

TOWN OF HIGH LEVEL
STATEMENT OF EXPENSES BY OBJECT - SCHEDULE 5
FOR THE YEAR ENDED DECEMBER 31, 2023

	2023 Budget (Unaudited)	2023 Actual	2022 Actual
	\$	\$	\$
EXPENSES BY OBJECT			
Salaries, wages and benefits	6,634,812	6,439,103	5,586,838
Contracted and general services	2,706,771	2,300,050	2,354,341
Materials, goods, and utilities	4,343,814	4,070,151	3,012,382
Provision for allowance	-	-	12,292
Transfers to local boards and agencies	441,611	364,268	306,759
Bank charges and short-term interest	20,000	33,414	23,796
Interest on long-term debt	531,972	77,361	97,383
Insurance	244,148	242,160	254,121
Amortization of tangible capital assets	-	5,474,837	5,591,649
Accretion of asset retirement obligation	-	93,096	-
TOTAL EXPENSES	14,923,128	19,094,440	17,239,561

TOWN OF HIGH LEVEL
SCHEDULE OF SEGMENTED DISCLOSURE - SCHEDULE 6
FOR THE YEAR ENDED DECEMBER 31, 2023

	Legislative and Administration Services	Transportation Services	Protective Services	Utility Services	Family Recreation and Culture Services	Planning and Development	2023	2022
REVENUE								
Taxation	7,379,767	-	-	-	-	-	7,379,767	6,458,796
User fees and sales of goods	1,641,844	737,812	672,131	3,264,082	381,948	43,749	6,741,566	5,501,299
Government transfers	1,135,166	5,189,582	1,459,454	5,841	703,512	99,500	8,593,055	3,357,413
All other	459,757	11,474	2,304,723	200	32,793	118,690	2,927,637	372,160
	10,616,534	5,938,868	4,436,308	3,270,123	1,118,253	261,939	25,642,025	15,689,668
EXPENSES								
Contract & general services	1,059,877	148,188	366,393	236,613	290,518	198,466	2,300,055	2,608,464
Salaries, wages & benefits	1,363,440	1,478,538	1,375,534	679,409	1,286,830	255,353	6,439,104	5,586,838
Materials, goods & utilities	322,835	884,652	1,306,312	951,051	626,444	12,274	4,103,568	3,012,382
Transfers to local boards	3,000	-	73,975	-	259,293	28,000	364,268	306,759
Provisions for allowances	-	11,332	650	59,702	5,676	-	77,360	12,292
Bank charges and interest	112,445	66,930	29,258	85,458	40,910	255	335,256	121,177
Balance, End of Year	2,861,597	2,589,640	3,152,122	2,012,233	2,509,671	494,348	13,619,611	11,647,912
EXCESS (SHORTFALL) OF REVENUE								
BEFORE AMORTIZATION	7,754,937	3,349,228	1,284,186	1,257,890	(1,391,418)	(232,409)	12,022,414	4,041,756
Amortization	212,760	3,112,759	310,646	1,479,879	342,046	16,746	5,474,836	5,591,649
EXCESS (SHORTFALL) OF REVENUE	7,542,177	236,469	973,540	(221,989)	(1,733,464)	(249,155)	6,547,578	(1,549,893)

The accompanying notes are an integral part of the non-consolidated financial statements

TOWN OF HIGH LEVEL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town of High Level (the "Town") are the representations of management prepared in accordance with Canadian generally accepted accounting principles for local governments established by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada. Significant aspects of the accounting policies adopted by the Town are as follows:

a) Reporting Entity

The financial statements reflect the assets, liabilities, revenues, and expenses, changes in net financial position and cash flows of the reporting entity. This entity is comprised solely of the Town's operations.

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

The statements exclude trust assets that are administered for the benefit of external parties.

b) Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or the legal obligation to pay.

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

Government transfers, contributions and other amounts received from third parties pursuant to legislation, regulations or agreement and may only be used for certain programs, in the completion of specific work, or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed.

Revenue are recognized in the period when the related expenses are incurred, services performed or the tangible capital assets are acquired.

TOWN OF HIGH LEVEL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES Continued

c) Use of Estimates

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

d) Valuation of Financial Assets and Liabilities

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

e) Investments

Investments are recorded at the lower of original cost and market value. When there has been a loss in value that is other than a temporary decline, the investment is written down to recognize the loss.

f) Long-term Debt

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

g) 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 the property tax revenue is reduced. When the actual levy is less than the requisition amount, the under-levy is accrued as a receivable and as property tax revenue.

h) Inventories for Resale

Inventories of consumable supplies are valued at cost.

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 waste water services, roads, sidewalks and street lighting are recorded as physical assets under their respective function.

TOWN OF HIGH LEVEL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

i) Tax Revenue

Tax revenues are recognized when the tax has been authorized by bylaw and the taxable event has occurred. Requisitions operate as a flow through and are excluded from municipal revenue.

j) Asset Retirement Obligation

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset at the financial statement date when there is a legal obligation for the Town to incur retirement costs, the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at year-end. The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods.

When a liability for an asset retirement obligation is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related tangible capital asset. The asset retirement cost is amortized over the useful life of the related asset. Asset retirement obligations which are incurred incrementally with use of the asset are recognized in the period incurred with a corresponding asset retirement cost expensed in the period.

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

k) Contaminated Sites Liability

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic, or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of a contaminated site is recognized when a site is not in productive use and is management's estimate of the cost of post-remediation including operation, maintenance and monitoring.

TOWN OF HIGH LEVEL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES Continued

l) Revenue Recognition

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

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

m) Government Transfers

Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return. Government transfers are recognized in the financial statements as revenue in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any edibility criteria have been met, and reasonable estimates of the amounts can be determined.

TOWN OF HIGH LEVEL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES Continued

n) 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 revenue over expenditures, provides the Change in Net Financial Assets (Debt) for the year.

o) 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:

i) Amortization

	Years
Land Improvements	15-45
Buildings	15-50
Engineering Structures	20-50
Machinery, Equipment and Furniture	5 - 15
Vehicles	10 - 25

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

ii) 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.

iii) Inventories

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

iii) Cultural and Historical Tangible Capital Assets

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

p) Deferred revenue

Funds received for specific purposes which are externally restricted by legislation, regulation or agreement and are not available for general municipal purposes are accounted for as deferred revenue on the statement of financial position. The revenue is recognized in the statement of operations in the year in which it is used for the specified purpose.

TOWN OF HIGH LEVEL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

2. CASH

	2023	2022
	\$	\$
Cash	373,092	4,177,831
Restricted cash	5,574	2,820
	378,666	4,180,651

Restricted cash are internally restricted funds held for specific purposes as deemed by Council.

3. ASSET HELD IN TRUST

Cash held in trust are surplus from operations of the Alberta Northwest Species at Risk Committee.

4. ACCOUNTS RECEIVABLE

	2023	2022
	\$	\$
i) Taxes and grants in place of taxes		
Current taxes and grants in place of taxes	237,095	238,845
Arrears taxes	81,007	82,281
	318,102	321,126
ii) Other		
Trade and other accounts receivable	2,179,765	726,670
Good and services tax rebate	-	1,929
Receivables from governments	3,202,594	1,081,954
Local improvements receivable	-	(273)
Less: Allowances for doubtful accounts	(30,817)	(30,931)
	5,351,542	1,779,349
	5,669,644	2,100,475

TOWN OF HIGH LEVEL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

5. INVESTMENTS

	2023 Amortized Cost \$	2023 Market Value \$	2022 Amortized Cost \$	2022 Market Value \$
Short-term notes and deposits	54,234	176,393	493,012	491,866
Canadian fixed income	6,722,561	6,550,532	5,055,210	4,785,437
Principal protected notes	2,212,000	2,213,235	1,258,500	1,195,541
	8,988,795	8,940,160	6,806,722	6,472,844

Short-term notes and deposits mature in less than one year. Canadian fixed income investments have effective interest rate of 2.15% (2022 - 1.67% to 4.86%) with a maturity dates of July 7, 2031. Principal protected notes have maturity dates from September 15, 2031 to March 29, 2033.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2023 \$	2022 \$
Trade and other payables	1,039,839	1,277,638
Wages payable	394,606	469,443
Government remittances payable	75,626	57,687
Accrued interest on long-term debt	14,853	29,793
	1,524,924	1,834,561

TOWN OF HIGH LEVEL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

7. DEFERRED REVENUE

Deferred revenue is comprised of the following amounts, which have been received from various third parties and are restricted to the eligible operating and capital projects as approved in the funding agreements for a specified purpose. These amounts are recognized as revenue in the period in which the related expenditures are incurred.

Funds held in the deferred revenue account represents funds to be used for specific capital projects. These have external restrictions as outlined by their corresponding grant agreements. The restricted cash associated with these amounts is held in bank accounts and investments.

	2022	Additions	Revenue Recognized	2023
	\$	\$	\$	\$
MSI - Capital	454,454	429,864	(578,355)	305,963
Canada Community Building Fund	510,459	276,363	(324,414)	462,408
Burner Variance Grant	1,999,336	-	(49,980)	1,949,356
ACAP Grant	335,910	745,013	(846,281)	234,642
Other - Operating	1,073,011	-	(1,012,099)	60,912
Prepaid Deposits, Utilities, and Taxes	435,879	37,995	(435,879)	37,995
	4,809,049	1,489,235	(3,247,008)	3,051,276

8. ASSET RETIREMENT OBLIGATION

Asbestos abatement

The Town owns buildings which contain asbestos and, therefore, the Town is legally required to perform abatement activities upon renovation or demolition of these buildings. Abatement activities include handling and disposing of asbestos in a prescribed manner when it is disturbed. The Town has not designated assets for settling the abatement activities.

	2023	2022
	\$	\$
Liabilities incurred	1,873,154	-
Accretion Expense	93,096	-
	1,966,250	-

TOWN OF HIGH LEVEL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

8. ASSET RETIREMENT OBLIGATION - CONTINUED

Landfill

Alberta environmental law requires closure and post-closure care of landfill sites, which includes final covering and landscaping, pumping of ground water and leachates from the site, and ongoing environmental monitoring, site inspections and maintenance.

The Town owns two landfills that are within 500 meters of each other. The first landfill was created and initially owned by the province (being represented by the Department of Municipal Affairs) and was transferred to the Town in 1996. The second landfill was land owned by the Town and approved for a landfill site in 1967. During the mid-1980s, both landfills no longer accepting waste and were closed. The Town has since begun utilizing the services of Mackenzie Regional Waste Management Commission's landfill operations.

In 2020, an engineering firm estimated the Town's closure costs to be \$3,345,000 with yearly post-closure monitoring costs of \$36,000 for the next 25 years associated with a final post-closure date of 2044. The estimated total liability is based on the sum of discounted future cash flows for closure and post-closure activities for 25 years using a discount rate of 2.71% and assuming an annual inflation rate of 3.2%. The change in the Town's accrued liability resulted from a change in Administration's intended use for the land.

	2023	2022
	\$	\$
Estimated closure costs	3,385,549	3,345,000
Estimated post-closure costs	1,033,419	1,033,419
Estimated total costs	4,418,968	4,378,419
Total asset retirement obligations		
	2023	2022
	\$	\$
Asbestos Abatement	1,966,250	-
Landfill	4,418,968	4,378,419
Estimated total costs	6,385,218	4,378,419

TOWN OF HIGH LEVEL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

9. LONG-TERM DEBT

	2023	2022
	\$	\$
Alberta Capital Financing Authority Debenture Debt	1,812,338	2,259,443

Future minimum principal repayments required to meet existing obligations are as follows:

	Principal \$	Interest \$	Total \$
2024	183,306	63,498	246,804
2025	189,884	56,920	246,804
2026	196,704	50,100	246,804
2027	203,776	43,028	246,804
2028	211,108	36,696	247,804
Thereafter	827,560	70,227	897,787
	1,812,338	320,469	2,132,807

Debenture debt is issued on the credit and security of the Town at large, bears interest at rates ranging from 4.86% to 5.88% per annum and matures in years 2023 through 2033. The Town's cash payments for interest in 2023 were \$83,801 (2022 - \$103,520).

10. DEBT LIMITS

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

	2023	2022
	\$	\$
Total Debt Limit	29,347,512	20,462,919
Total Debt	(1,812,338)	(2,259,443)
Amount of debt limit unused	27,535,174	18,203,476
Debt Service Limit	4,891,252	3,410,487
Debt Service	(246,804)	530,907
Amount of debt service limit unused	4,644,448	3,941,394

The debt limit is calculated at 1.5 times revenue of the municipality (as defined in Alberta Regulation 255/00) and the debt service limit is calculated at 0.25 times such revenue. Incurring debt beyond these limitations requires approval by the Minister of Municipal Affairs. These thresholds are guidelines used by Alberta Municipal Affairs to identify municipalities which 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.

TOWN OF HIGH LEVEL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

11. EQUITY IN TANGIBLE CAPITAL ASSETS

	2023	2022
	\$	\$
Tangible capital assets (Schedule 2)	227,819,597	219,189,417
Accumulated amortization (Schedule 2)	(118,150,996)	112,873,423)
Long-term Debt (Note 9)	(1,812,338)	(2,259,443)
	107,856,263	104,056,551

12. ACCUMULATED SURPLUS

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

	2023	2022
	\$	\$
Unrestricted surplus	(1,474,616)	(2,430,493)
Restricted surplus:		
Operating reserves		
General reserve	3,070,809	2,519,023
Capital reserves		
Airport	162,000	72,000
Fire equipment	28,392	(51,608)
Future development	62,944	62,944
Municipal recreation	37,295	37,295
Offsite levy	128,063	128,063
Parking lot	38,448	38,448
Tourism improvement fee	467,729	467,729
Utilities	2,182,717	1,112,515
	3,107,588	1,867,386
Total restricted surplus	6,178,397	4,386,409
Equity in tangible capital assets	107,856,263	104,056,551
	112,560,044	106,012,467

TOWN OF HIGH LEVEL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

13. SEGMENTED DISCLOSURE

The Town provides a range of services to its ratepayers. For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in Note 1. Refer to the Schedule of Segmented Disclosure (Schedule 6). Certain lines of service that have been separately disclosed in the segmented information, along with the services they provide are as follows:

(a) General Government

General Government is comprised of Council and Administration. General Government is responsible for making decisions regarding service delivery and service levels on behalf of the Town in order to balance the needs and wants of Town residents in a financially responsible manner.

(b) Protective Services

Department includes fire and community peace officer. The Fire Department is responsible to provide fire suppression services, fire prevention programs, motor vehicle accident response training, and education related prevention. Town peace officers enforce the Town's by-laws and some provincial statutes.

(c) Transportation Services

Operations Department is responsible for the delivery of municipal public works services related to transportation; including maintenance of roadway pedestrian systems, the High Level Airport and the maintenance of parks and open spaces.

(d) Utility Services

Operations Department is responsible for environmental programs such as the engineering and operation of water and wastewater systems and solid waste collection disposal and recycling.

(e) Recreation and Culture

Department provides public services that sustain and support individuals, families, and communities. This includes programs run through Family and Community Support Services, the R.E. Walter Memorial Aquatics Center, High Level Sports Complex, recreation programs, and the Town's outdoor baseball diamonds, playgrounds, and parks. The Town operates and maintains the Museum and Visitor's Centre and supports the Library.

(f) Planning and Development

Department manages all aspects of land use planning including long range forecasting and planning, processing development permits, and compliance certificates. The department is also responsible for corporate mapping functions.

Certain allocation methodologies are employed in the preparation of segmented financial information. Taxation and payments-in-lieu of taxes are allocated to the segments based on the segments' budgeted net expenditure. User charges and other revenue are allocated to the segments based upon the segment that generated the revenue. Government transfers are allocated to segments based upon the purpose for which the transfers were made. Development levies earned and developer contributions received are allocated to the segment for which the charge was collected.

TOWN OF HIGH LEVEL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

14. SALARY AND BENEFITS DISCLOSURE

	2023		2022	
	Salary	Benefits & Allowances	Total	Total
	\$	\$	\$	\$
Mayor:				
McAteer	32,081	371	32,452	35,384
Deputy Mayor:				
Langford	22,159	257	22,416	23,474
Councillors:				
Anderson	15,909	184	16,093	18,490
Jessiman	14,794	171	14,965	15,462
Lambert	14,728	169	14,897	14,571
Liboiron	16,743	193	16,936	1,936
Welke	15,393	178	15,571	14,646
	<hr/> 131,807	<hr/> 1,523	<hr/> 133,330	<hr/> 123,963
Designated Officers (3)	256,275	55,787	312,062	279,618
Chief Administrative Officer	224,862	41,680	266,542	251,069
	<hr/> 612,944	<hr/> 98,990	<hr/> 711,934	<hr/> 654,650

1. Salary includes regular base pay, bonuses, lump sum payments, honoraria, and any other direct cash remuneration.
2. Benefits include the employer's share of employee benefits and contributions made on behalf of the employees including RSP contributions, health care, vision coverage, dental coverage, directors' liability, group life insurance, accidental disability and dismemberment insurance, and life insurance

Benefits and allowance figures also include the employer's share of the costs of additional taxable benefits including special leave with pay and travel allowances.

TOWN OF HIGH LEVEL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

15. FINANCIAL INSTRUMENTS

The Town's financial instruments consist of cash, investments, taxes and grants in place of taxes receivable, receivable from other governments, trade and other receivables, loans receivable, accounts payable and accrued liabilities, deposit liabilities, and long term debt. It is management's opinion that the Town is not exposed to significant market, liquidity and currency risk arising from these financial statements

(a) Credit Risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Town is exposed to credit risk from taxes and grants in place of taxes receivable and trade and other receivables. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Town has significant number of customers which minimizes the concentration of credit risk.

(b) Fair Value

The Town's carry value of cash, taxes and grant in lieu of taxes receivable, trade and other receivables, investments, and accounts payable and accrued liabilities approximates its fair value due to the immediate or short-term maturity of these instruments.

(c) Currency Risk

Currency risk is the risk to the Town's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. It is management's opinion that the Town is not exposed to significant interest or currency risk arising from these financial instruments.

16. BUDGET FIGURES

The 2023 budget figures which appear in these financial statements have been approved by council.

17. COMPARATIVE FIGURES

The comparative amounts were audited by another chartered professional accounting firm. Certain comparative figures have been restated to conform with the current year's presentation.

18. CONTINGENT LIABILITIES

The Town is a member of the Alberta Municipal Insurance Exchange (MUNIX). 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. There has been no change in the Town's contingent liability in 2023.

19. APPROVAL OF FINANCIAL STATEMENTS

Council and Management have approved these financial statements.