

**TOWN OF HIGH LEVEL
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

TOWN OF HIGH LEVEL

DECEMBER 31, 2024

CONTENTS

	<u>Page</u>
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING	1
INDEPENDENT AUDITOR'S REPORT	2 - 3
FINANCIAL STATEMENTS	
Statement of Financial Position	4
Statement of Operations	5
Statement of Change in Net Financial Assets	6
Statement of Cash Flows	7
Schedule 1 - Schedule of Changes in Accumulated Surplus	8
Schedule 2 - Schedule of Tangible Capital Assets	9
Schedule 3 - Schedule of Property Taxes	10
Schedule 4 - Schedule of Government Transfers	11
Schedule 5 - Schedule of Expenses by Object	12
Schedule 6 - Schedule of Segmented Disclosure	13
Notes to Financial Statements	14 - 28

TOWN OF HIGH LEVEL

DECEMBER 31, 2024

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 financial statements and all other information contained within this Financial Report. Management believes that the financial statements present fairly the town's financial position as at December 31, 2024 and the results of its operation for the year then ended.

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

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

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

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

The 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 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 financial statements.



Chief Administrative Officer

Date: February 9, 2026
Town of High Level

Edward Cheung, CPA, CA*
Scott T. Mockford, CPA, CA*
Allen Lee, CPA, CMA*
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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, 2024 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, 2024, 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.

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.

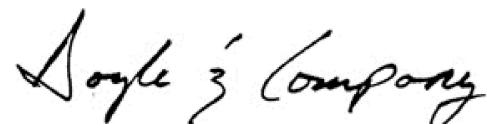
INDEPENDENT AUDITORS' REPORT - continued

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.



February 9, 2026
11210 - 107 Avenue NW
Edmonton, Alberta T5H 0Y1

Chartered Professional Accountants

TOWN OF HIGH LEVEL
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2024

	2024 \$	2023 \$
FINANCIAL ASSETS		
Cash (Note 2)	6,613,329	378,666
Accounts Receivable		
Taxes and grants in places of taxes (Note 3)	354,792	318,102
Trade and other receivables (Note 3)	7,603,746	5,351,542
Inventory held for resale	32,346	32,031
Investments (Note 4)	6,625,442	8,988,795
	21,229,655	15,069,136
LIABILITIES		
Accounts payable and accrued liabilities (Note 5)	1,186,938	1,524,924
Deposit liabilities	29,695	30,145
Deferred revenue (Note 6)	6,946,036	3,051,276
Asset retirement obligation (Note 7)	6,523,347	6,385,218
Long-term debt (Note 8)	1,629,031	1,812,338
	16,315,047	12,803,901
NET FINANCIAL ASSETS (DEBT)	4,914,608	2,265,235
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 2)	106,362,734	109,668,601
Inventory for consumption	260,683	237,122
Prepaid expenses	282,386	389,085
	106,905,803	110,294,808
ACCUMULATED SURPLUS (NOTE 11)	111,820,411	112,560,043

TOWN OF HIGH LEVEL
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2024

	2024 Budget (Unaudited)	2024 Actual	2023 Actual
	\$	\$	\$
REVENUE			
Net municipal taxes (Schedule 3)	7,280,342	7,394,947	7,379,767
User fees and sales of goods	6,873,903	7,214,599	6,741,567
Government transfers for operating (Schedule 4)	1,704,852	2,426,947	2,542,114
Fines, licenses and permits	96,904	94,142	154,678
Penalties and costs of taxes	59,487	60,449	59,487
Interest and investment income	157,929	410,666	279,160
Other	295,095	1,377,466	2,408,236
	16,468,512	18,979,216	19,565,009
EXPENSES			
Council and other legislative	408,496	355,750	341,786
Administration	2,673,023	3,271,085	2,772,499
Fire protection and safety services	2,592,876	3,177,408	3,462,768
Road, streets, walks, and lighting	3,996,763	6,030,110	5,702,399
Water supply and distribution	1,914,667	2,755,329	2,597,607
Wastewater treatment and disposals	494,115	965,256	688,136
Waste management	205,000	218,576	170,116
Family and community support	350,689	257,788	175,115
Planning and development	1,467,666	894,607	511,095
Parks and recreation	1,750,918	1,961,499	1,965,012
Culture and library	614,299	603,754	707,908
	16,468,512	20,491,162	19,094,441
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES BEFORE OTHER REVENUE			
	-	(1,511,946)	470,568
OTHER REVENUE			
Gain (loss) sale of tangible capital assets	-	-	11,336
Government transfers for capital (Schedule 4)	-	732,580	6,050,941
Gain (loss) on sale of investments	-	39,734	14,733
	EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES	(739,632)	6,547,578
ACCUMULATED OPERATING SURPLUS			
BEGINNING OF YEAR	112,560,043	106,012,465	
ACCUMULATED OPERATING SURPLUS, END OF YEAR	111,820,411	112,560,043	

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, 2024

	2024 Budget (Unaudited)	2024 Actual	2023 Actual
	\$	\$	\$
EXCESS OF REVENUES OVER EXPENSES	-	(739,632)	6,547,578
Acquisition of tangible capital assets	-	(2,399,453)	(6,954,291)
Amortization of tangible capital assets	-	5,705,321	5,474,835
ARO asbestos abatement costs	-	-	(1,873,153)
	-	3,305,868	(3,352,609)
Net change in inventory for consumption	-	(23,561)	(89,369)
Net change in prepaid expenses	-	106,698	(161,518)
	-	83,137	(250,887)
INCREASE (DECREASE) IN NET ASSETS	-	2,649,373	2,944,082
NET FINANCIAL ASSETS (DEBT), BEGINNING OF YEAR	-	2,265,235	(678,847)
NET FINANCIAL ASSETS (DEBT), END OF YEAR	-	4,914,608	2,265,235

TOWN OF HIGH LEVEL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024

	2024 \$	2023 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess (shortfall) of revenues over expenses	(739,632)	6,547,578
Non-cash items included in excess (shortfall) of revenue over expenses:		
Amortization of tangible capital assets	5,705,321	5,474,835
(Gain) loss on realized investments	(39,734)	(14,733)
(Gain) loss on disposal of tangible capital assets	-	(11,336)
Non-cash items included in excess (shortfall) of revenue over expenses:		
Decrease (increase) in taxes and grants in lieu receivable	(36,690)	3,024
Decrease (increase) in trade and other receivables	(2,252,204)	(3,572,193)
Decrease (increase) in land held for resale	(315)	(2,393)
Decrease (increase) in inventory for consumption	(23,561)	(89,369)
Decrease (increase) in prepaid expenses	106,699	(161,520)
Increase (decrease) in accounts payable and accrued liabilities	(337,986)	(309,637)
Increase (decrease) in deposit liabilities	(450)	500
Increase (decrease) in deferred revenue	3,894,760	(1,757,773)
Increase (decrease) in landfill closure and post closure costs	138,129	2,006,799
CASH PROVIDED BY OPERATING TRANSACTIONS	6,414,337	8,113,782
CASH OUTFLOWS FOR CAPITAL		
Acquisition of tangible capital assets	(2,399,453)	(6,954,291)
Asset retirement obligation cost adjustments	-	(1,873,153)
CASH APPLIED TO CAPITAL TRANSACTIONS	(2,399,453)	(8,827,444)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(1,641,600)	(3,299,650)
Proceeds from sale of investments	4,044,686	1,143,648
CASH PROVIDED BY (APPLIED TO) INVESTING TRANSACTIONS	2,403,086	(2,156,002)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long-term debt repaid	(183,307)	(447,105)
NET CHANGE TO CASH	6,234,663	(3,316,769)
CASH - BEGINNING OF YEAR	378,666	3,695,435
CASH - END OF YEAR	6,613,329	378,666

TOWN OF HIGH LEVEL
SCHEDULE OF CHANGES IN ACCUMULATED OPERATING SURPLUS - SCHEDULE 1
FOR THE YEAR ENDED DECEMBER 31, 2024

	Unrestricted Surplus	Internally Restricted Surplus	Equity in Tangible Capital Assets	2024	2023
				\$	\$
Balance, Beginning of Year	(1,474,615)	6,178,396	107,856,262	112,560,043	106,012,465
Excess (deficiency) of revenue over expenses	(739,632)	-	-	(739,632)	6,547,578
Unrestricted funds designated for future use	(909,770)	909,770	-	-	-
Restricted funds used for tangible capital assets	-	(1,426,907)	1,426,907	-	-
Current year funds used for tangible capital assets	(972,548)	-	972,548	-	-
Annual amortization expenses	5,705,321	-	(5,705,321)	-	-
Long-term debt repaid	(183,307)	-	183,307	-	-
Change in accumulated surplus	2,900,064	(517,137)	(3,122,559)	(739,632)	6,547,578
Balance, End of Year	1,425,449	5,661,259	104,733,703	111,820,411	112,560,043

TOWN OF HIGH LEVEL
SCHEDULE OF TANGIBLE CAPITAL ASSETS - SCHEDULE 2
FOR THE YEAR ENDED DECEMBER 31, 2024

	Land	Land Improvements	Buildings	Engineered Structures	Machinery and Equipment	Vehicles	Construction in Progress	2024	2023
	\$	\$	\$	\$	\$	\$	\$	\$	\$
COST:									
Balance, Beginning of Year	5,915,614	12,645,120	23,597,709	163,974,081	12,358,122	6,077,935	3,251,016	227,819,597	219,189,415
Additions	-	-	382,885	-	1,337,094	279,889	399,585	2,399,453	6,954,291
Disposals	-	-	-	-	-	-	-	-	(197,262)
Transfers	-	-	-	282,258	99,875	18,500	(400,633)	-	-
ARO asbestos abatement	-	-	-	-	-	-	-	-	1,873,153
Balance, End of Year	5,915,614	12,645,120	23,980,594	164,256,339	13,795,091	6,376,324	3,249,968	230,219,050	227,819,597
ACCUMULATED AMORTIZATION:									
Balance, Beginning of Year	-	7,358,668	11,611,270	89,347,217	6,952,691	2,881,149	-	118,150,995	112,873,423
Annual amortization	-	785,481	658,026	3,322,025	591,268	348,521	-	5,705,321	5,474,835
Disposals	-	-	-	-	-	-	-	-	(197,262)
Balance, End of Year	-	8,144,149	12,269,296	92,669,242	7,543,959	3,229,670	-	123,856,316	118,150,996
NET BOOK VALUE	5,915,614	4,500,971	11,711,298	71,587,097	6,251,132	3,146,654	3,249,968	106,362,734	109,668,601

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, 2024

	2024 Budget (Unaudited)	2024 Actual	2023 Actual
	\$	\$	\$
TAXATION			
Real property taxes	8,357,588	8,467,951	8,323,224
Linear property taxes	322,738	323,231	296,049
Government grants in place of property taxes	142,383	146,121	137,796
	8,822,709	8,937,303	8,757,069
REQUISITIONS			
Alberta School Foundation Fund	1,423,378	1,423,367	1,367,270
Seniors Foundation	108,228	108,228	-
Designated Industrial Property	10,761	10,761	10,032
	1,542,367	1,542,356	1,377,302
NET MUNICIPAL TAXES	7,280,342	7,394,947	7,379,767

TOWN OF HIGH LEVEL
SCHEDULE OF GOVERNMENT TRANSFERS - SCHEDULE 4
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budget (Unaudited)	2024	2023
	\$	\$	\$
TRANSFERS FOR OPERATING			
Federal government	147,750	384,697	280,000
Local governments	1,000,000	1,000,600	1,000,600
Provincial governments	557,102	1,041,650	1,261,514
	1,704,852	2,426,947	2,542,114
TRANSFERS FOR CAPITAL			
Federal government	-	-	3,102,666
Provincial governments	-	732,580	2,948,275
	-	732,580	6,050,941
TOTAL GOVERNMENT TRANSFERS	1,704,852	3,159,527	8,593,055

TOWN OF HIGH LEVEL
STATEMENT OF EXPENSES BY OBJECT - SCHEDULE 5
FOR THE YEAR ENDED DECEMBER 31, 2024

	2024 Budget (Unaudited)	2024 Actual	2023 Actual
	\$	\$	\$
EXPENSES BY OBJECT			
Salaries, wages and benefits	6,955,658	6,751,110	6,439,103
Contracted and general services	3,673,787	3,185,468	2,300,050
Materials, goods, and utilities	4,627,954	4,088,252	4,070,154
Transfers to local boards and agencies	450,585	302,814	364,268
Bank charges and short-term interest	20,000	50,815	33,411
Interest on long-term debt	499,879	62,063	77,361
Insurance	240,649	248,554	242,160
Amortization of tangible capital assets	-	5,705,317	5,474,837
Accretion of asset retirement obligation	-	96,769	93,096
TOTAL EXPENSES	16,468,512	20,491,162	19,094,440

TOWN OF HIGH LEVEL
SCHEDULE OF SEGMENTED DISCLOSURE - SCHEDULE 6
FOR THE YEAR ENDED DECEMBER 31, 2024

	Legislative and Administration Services	Transportation Services	Protective Services	Utility Services	Family Recreation and Culture Services	Planning and Development	2024	2023
REVENUE								
Taxation	7,394,947	-	-	-	-	-	7,394,947	7,379,767
User fees and sales of goods	1,964,314	565,976	540,145	3,737,320	363,853	43,306	7,214,914	6,741,566
Government transfers	1,202,881	859,467	673,777	96,039	246,163	81,200	3,159,527	8,593,055
All other	1,028,921	11,348	760,613	100	52,209	128,952	1,982,143	2,927,637
	11,591,063	1,436,791	1,974,535	3,833,459	662,225	253,458	19,751,531	25,642,025
EXPENSES								
Contract & general services	1,125,813	300,823	588,507	607,888	165,935	396,803	3,185,769	2,300,050
Salaries, wages & benefits	1,662,760	1,329,469	1,387,292	660,168	1,344,269	367,153	6,751,111	6,439,103
Materials, goods & utilities	450,969	1,028,094	796,183	1,081,072	696,746	86,002	4,139,066	4,103,568
Transfers to local boards	11,600	-	40,175	-	223,039	28,000	302,814	364,268
Provisions for allowances	-	9,992	-	46,954	5,116	-	62,062	77,366
Bank charges and interest	111,532	75,630	24,916	93,474	39,191	277	345,020	335,257
Balance, End of Year	3,362,674	2,744,008	2,837,073	2,489,556	2,474,296	878,235	14,785,842	13,619,612
EXCESS (SHORTFALL) OF REVENUE								
BEFORE AMORTIZATION	8,228,389	(1,307,217)	(862,538)	1,343,903	(1,812,071)	(624,777)	4,965,689	12,022,413
Amortization	224,229	3,286,102	340,335	1,485,858	352,426	16,371	5,705,321	5,474,835
EXCESS (SHORTFALL) OF REVENUE	8,004,160	(4,593,319)	(1,202,873)	(141,955)	(2,164,497)	(641,148)	(739,632)	6,547,578

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, 2024

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.

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, 2024

1. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

c) Use of Estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and 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. 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.

TOWN OF HIGH LEVEL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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 wastewater services, roads, sidewalks, and street lighting are recorded as physical assets under the respective function.

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, 2024

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 eligibility criteria have been met, and reasonable estimates of the amounts can be determined.

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.

TOWN OF HIGH LEVEL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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.

iv) Cultural and Historical Tangible Capital Assets

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

TOWN OF HIGH LEVEL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

p) Future Accounting Standard Pronouncements

The following summarizes upcoming changes to Canadian public sector accounting standards. The Town will continue to assess the impact and prepare for the adoption of these standards.

i) The Conceptual Framework for Financial Reporting

The PSAB's framework replaces the conceptual aspects of PS 1000 – Financial Statement Concepts, and PS 1100 – Financial Statement Objectives. This standard is applicable to fiscal years beginning on or after April 1, 2026.

ii) PS 1202 - Financial Statement Presentation

PS 1202, Financial Statement Presentation, sets out general and specific requirements for the presentation of information in general purpose financial statements. The financial statement principles are based on the concepts in the Conceptual Framework for Financial Reporting in the Public Sector. This standard is applicable to fiscal years beginning on or after April 1, 2026.

q) 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, 2024

2. CASH

	2024	2023
	\$	\$
Cash	3,214,310	373,092
Restricted cash		
Short term investments	1,318,240	5,574
CCBF Grant	65,136	-
Burner Variance Grant	1,938,106	-
Alberta Transportation Grant	77,537	-
	3,399,019	5,574
	6,613,329	378,666

Restricted cash reflects internally and externally restricted funds. Internally restricted funds are short term investments. The other items are externally restricted grants..

3. ACCOUNTS RECEIVABLE

	2024	2023
	\$	\$
i) Taxes and grants in place of taxes		
Current taxes and grants in place of taxes	242,390	237,095
Arrears	112,402	81,007
	354,792	318,102
ii) Other		
Trade and other accounts receivable	1,940,980	2,180,265
GST	90,054	129,600
Government grants receivable	5,596,852	3,072,494
Less: Allowances for doubtful accounts	(24,140)	(30,817)
	7,603,746	5,351,542
	7,958,538	5,669,644

TOWN OF HIGH LEVEL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

4. INVESTMENTS

	2024 Amortized Cost \$	2024 Market Value \$	2023 Amortized Cost \$	2023 Market Value \$
Short-term notes and deposits	426,974	406,394	54,234	176,393
Canadian fixed income	4,224,468	4,185,587	6,722,561	6,550,532
Principal protected notes	1,974,000	1,983,498	2,212,000	2,213,235
	6,625,442	6,575,479	8,988,795	8,940,160

Short-term notes and deposits have effective interest rate of 2.01% (2023 - 2.84%) and mature in less than one year.

Canadian fixed income investments have effective interest rates of 1.67% to 5.01% (2023 - 1.67% to 5.01%) with a maturity dates from March 2026 to February 2028.

Principal protected notes have maturity dates from September 2031 to September 2034.

Investment income recognized in the statement of operations include \$410,666 (2023 - \$279,160) of interest income and \$39,734 (2023 - 14,733) of realized gains on disposal of investments.

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2024 \$	2023 \$
Trade and other payables	949,475	1,039,839
Vacation payable and other payroll liabilities	224,045	394,606
Government remittances payable	-	75,626
Accrued interest on long-term debt	13,418	14,853
	1,186,938	1,524,924

TOWN OF HIGH LEVEL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

6. 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.

	2023	Additions	Revenue Recognized	2024
	\$	\$	\$	\$
MSI - Capital	305,962	-	(305,962)	-
Alberta Transportation Grant	-	165,000	(3,261)	161,739
Canada Community Building Fund	462,408	278,484	(147,366)	593,526
Burner Variance Grant	1,949,356	-	(11,250)	1,938,106
ACAP Grant	234,642	-	(234,642)	-
Alberta Transportation and Economic Corridor	-	3,379,299	(72,447)	3,306,852
LGFF - Capital	-	810,115	-	810,115
LGFF - Operating	-	269,132	(269,132)	-
Alberta Community Partnership	-	97,867	(20,331)	77,536
Prepaid deposits, utilities, and taxes	37,996	133,696	(113,530)	58,162
Other - operating	60,912	-	(60,912)	-
	3,051,276	5,133,593	(1,238,833)	6,946,036

As at December 31, 2024, the following amounts in deferred revenue are accounts receivable. The Town intends to submit eligible capital projects sufficient for the release of these funds.

Alberta Transportation Grant for Regional Water Study	165,000
CCBF 2023 and 2024 Allocations	528,390
LGFF 2024 Allocation	810,115
Alberta Transportation Grant for MIEX Project	3,379,300
	4,882,805

TOWN OF HIGH LEVEL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

7. 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.

	2024	2023
	\$	\$
Liabilities incurred	1,966,250	1,873,154
Accretion expense	96,769	93,096
	2,063,019	1,966,250

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.

	2024	2023
	\$	\$
Estimated closure costs	3,385,549	3,385,549
Estimated post-closure costs	1,074,779	1,033,419
Estimated total costs	4,460,328	4,418,968

Total asset retirement obligations

	2024	2023
	\$	\$
Asbestos Abatement	2,063,019	1,966,250
Landfill	4,460,328	4,418,968
Estimated total costs	6,523,347	6,385,218

TOWN OF HIGH LEVEL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

8. LONG-TERM DEBT

	2024	2023
	\$	\$
Alberta Capital Financing Authority Debenture Debt	1,629,031	1,812,338

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

	Principal \$	Interest \$	Total \$
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
2029	218,712	28,092	246,804
Thereafter	608,847	42,135	650,982
	1,629,031	256,971	1,886,002

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 2024 were \$63,498 (2023 - \$83,801).

9. 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:

	2024	2023
	\$	\$
Total Debt Limit	28,468,824	29,347,514
Total Debt	(1,629,031)	(1,812,338)
Amount of debt limit unused	26,839,793	27,535,176
Debt Service Limit	4,744,804	4,891,252
Debt Service	(246,804)	530,907
Amount of debt service limit unused	4,498,000	5,422,159

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, 2024

10. EQUITY IN TANGIBLE CAPITAL ASSETS

	2024 \$	2023 \$
Tangible capital assets (Schedule 2)	230,219,050	227,819,597
Accumulated amortization (Schedule 2)	(123,856,316)	118,150,996
Long-term Debt (Note 8)	(1,629,031)	(1,812,338)
	104,733,703	107,856,263

11. ACCUMULATED SURPLUS

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

	2024 \$	2023 \$
Unrestricted surplus	1,425,449	(1,474,615)
Restricted surplus:		
Operating reserves		
General reserve	2,488,557	3,070,808
Capital reserves		
Airport	237,300	162,000
Fire equipment	24,156	28,392
Future development	6,694	62,944
Municipal recreation	37,295	37,295
Offsite levy	128,063	128,063
Parking lot	38,448	38,448
Tourism improvement fee	377,729	467,729
Utilities	2,323,017	2,182,717
	3,172,702	3,107,588
Total restricted surplus	5,661,259	6,178,396
Equity in tangible capital assets	104,733,703	107,856,262
	111,820,411	112,560,043

TOWN OF HIGH LEVEL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

12. 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, 2024

13. SALARY AND BENEFITS DISCLOSURE

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

	2024			2023
	Salary	Benefits & Allowances	Total	Total
	\$	\$	\$	\$
Mayor:				
McAteer	36,975	437	37,412	32,452
Deputy Mayor:				
Langford	24,628	316	24,944	22,416
Councillors:				
Anderson	20,175	160	20,335	16,093
Jessiman	14,963	186	15,149	14,965
Lambert	17,269	215	17,484	14,897
Liboiron	17,644	183	17,827	16,936
Welke	17,606	192	17,798	15,571
	149,260	1,689	150,949	133,330
Designated Officers (3)	145,892	25,460	171,352	312,062
Chief Administrative Officer (2)	100,221	18,690	118,911	266,542
	395,373	45,839	441,212	711,934

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, 2024

14. 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.

15. BUDGET FIGURES

The 2024 budget figures which appear in these financial statements have been approved by council.

16. COMPARATIVE FIGURES

Certain comparative figures have been restated to conform with the current year's presentation.

17. 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 2024.

18. APPROVAL OF FINANCIAL STATEMENTS

Council and Management have approved these financial statements.