



# **Town of Slave Lake**

## **Consolidated Financial Statements**

**For the Year Ended December 31, 2024**

# Town of Slave Lake

December 31, 2024

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### Consolidated Financial Statements

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## **Town of Slave Lake**

### **2024 Financial Statements**

#### **MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

Management of the Town of Slave Lake is responsible for the preparation, accuracy, objectivity and integrity of the accompanying consolidated financial statements and all other information contained within this Financial Report. Management believes that the consolidated financial statements present fairly the Town's financial position as at December 31, 2024 and the results of its operations for the year then ended.

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

The consolidated financial statements include certain amounts based on estimates and judgments. Such amounts have been determined on a reasonable basis in order to ensure that 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 consolidated financial statements.

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

The external auditors have full access to the Council with and without the presence of management. The Town Council has approved the consolidated 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 outlines their responsibilities, the scope of their examination and their opinion on the Town's consolidated financial statements.



Chief Administrative Officer  
April 15, 2024  
Town of Slave Lake, Canada



Director of Finance  
April 15, 2024  
Town of Slave Lake, Canada

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

Edward Cheung, CPA, CA\*  
Scott T. Mockford, CPA, CA\*  
Allen Lee, CPA, CMA\*  
Jason Bondarevich, CPA, CA\*  
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## **INDEPENDENT AUDITORS' REPORT**

### **To the Members of Council of the Town of Slave Lake**

#### **Opinion**

We have audited the consolidated financial statements of the **Town of Slave Lake**, which comprise:

- The consolidated statement of financial position as at December 31, 2024;
- The consolidated statement of operations and accumulated surplus for the year then ended;
- The consolidated statement of changes in net financial assets for the year then ended;
- The consolidated statement of cash flows for the year then ended; and
- Notes to the consolidated financial statements, including a summary of significant accounting policies.

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

#### **Basis for Opinion**

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the 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 Information**

Management is responsible for the other information. Other information comprises the information, other than the consolidated financial statements and auditor's report thereon, included in the "Annual Report."

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information, other than the financial statements and the auditor's report therein, included in the "Annual Report," as at the date of this auditor's report.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

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

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

In preparing 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.

## INDEPENDENT AUDITORS' REPORT – continued

### Auditor's Responsibility for the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the 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 control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Town's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 statements, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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.

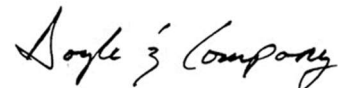
### Report on Other Legal and Regulatory Requirements

#### 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 8.

#### Supplementary Accounting Principles and Standards Regulation

In accordance with Alberta Regulation 313/2000, we confirm that the municipality is in compliance with the Supplementary Accounting Principles and Standards Regulation and note the information required can be found in note 18.



April 15, 2025  
11210 107 Avenue NW  
Edmonton, Alberta T5H 0Y1

Chartered Professional Accountants

# Town of Slave Lake

## Consolidated Statement of Financial Position

December 31, 2024

|  | 2024<br>\$         | 2023<br>\$         |
|--|--------------------|--------------------|
| <b>FINANCIAL ASSETS</b>                          |                    |                    |
| Cash and cash equivalents (Note 2)               | 3,999,438          | 8,582,443          |
| Receivables                                      |                    |                    |
| Trade and other receivables (Note 3)             | 5,701,249          | 4,076,014          |
| Taxes and grants in place of taxes (Note 3)      | 521,030            | 708,016            |
| Investments (Note 4)                             | 12,422,430         | 11,956,644         |
| <b>TOTAL FINANCIAL ASSETS</b>                    | <b>22,644,147</b>  | <b>25,323,117</b>  |
| <b>LIABILITIES</b>                               |                    |                    |
| Accounts payable and accrued liabilities         | 2,389,767          | 3,480,383          |
| Employee benefit obligations (Note 23)           | 374,760            | 372,081            |
| Deposit liabilities (Note 5)                     | 345,200            | 347,828            |
| Deferred revenue (Note 6)                        | 2,578,205          | 3,690,203          |
| Long-term debt (Note 7)                          | 18,675,642         | 21,084,746         |
| Capital lease obligations (Note 24)              | 81,599             | 163,195            |
| Asset retirement obligation (Note 9)             | 128,838            | 129,646            |
| Contaminated site liability (Note 10)            | 88,431             | 134,671            |
| <b>TOTAL LIABILITIES</b>                         | <b>24,662,442</b>  | <b>29,402,753</b>  |
| <b>NET FINANCIAL ASSETS (DEBT)</b>               | <b>(2,018,295)</b> | <b>(4,079,636)</b> |
| <b>NON-FINANCIAL ASSETS</b>                      |                    |                    |
| Tangible capital assets (Schedule 2)             | 175,997,615        | 174,831,143        |
| Inventory for consumption                        | 308,138            | 301,546            |
| Prepaid expenses                                 | -                  | 25,000             |
| <b>TOTAL NON-FINANCIAL ASSETS</b>                | <b>176,305,753</b> | <b>175,157,689</b> |
| <b>ACCUMULATED SURPLUS (Schedule 1, Note 15)</b> | <b>174,287,458</b> | <b>171,078,053</b> |

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

# Town of Slave Lake

## Consolidated Statement of Income

For the Year Ended December 31, 2024

|   | Budget<br>\$      | 2024<br>\$        | 2023<br>\$        |
|---|-------------------|-------------------|-------------------|
| <b>REVENUES</b>                                 |                   |                   |                   |
| Net municipal taxes (Schedule 3)                | 10,012,233        | <b>10,086,294</b> | 9,874,503         |
| User fees and sales of goods                    | 5,954,029         | <b>6,865,419</b>  | 6,773,630         |
| Interest income                                 | 250,000           | <b>856,472</b>    | 871,887           |
| Government transfers for operating (Schedule 4) | 3,186,812         | <b>2,496,037</b>  | 2,221,606         |
| Development levies                              | -                 | <b>203,536</b>    | 215,363           |
| Licenses and permits                            | 145,624           | <b>94,455</b>     | 109,449           |
| Fines   | 395,500           | <b>133,420</b>    | 192,867           |
| Franchise and concession contracts              | 1,835,875         | <b>1,812,534</b>  | 1,360,680         |
| Rental income                                   | 3,150,910         | <b>3,504,927</b>  | 3,083,997         |
| Other revenue (Note 22)                         | 951,000           | <b>1,781,107</b>  | 567,113           |
| <b>TOTAL REVENUE</b>                            | <b>25,881,983</b> | <b>27,834,201</b> | <b>25,271,095</b> |
| <b>EXPENSES</b>                                 |                   |                   |                   |
| General government                              |                   |                   |                   |
| Council and other legislative                   | 316,250           | <b>300,346</b>    | 275,040           |
| General administration                          | 3,040,782         | <b>2,938,558</b>  | 2,553,895         |
| Protective services                             |                   |                   |                   |
| Bylaw enforcement                               | 395,177           | <b>349,486</b>    | 431,193           |
| Police  | 2,552,083         | <b>2,517,006</b>  | 2,408,786         |
| Fire  | 1,715,183         | <b>2,048,221</b>  | 2,203,790         |
| Transportation                                  |                   |                   |                   |
| Roads, streets, walks and lighting              | 2,480,162         | <b>2,245,778</b>  | 2,269,295         |
| Environmental use and protection                |                   |                   |                   |
| Water supply and distribution                   | 1,438,487         | <b>1,418,563</b>  | 1,391,763         |
| Wastewater treatment and disposal               | 969,419           | <b>897,828</b>    | 836,776           |
| Waste management                                | 695,685           | <b>753,777</b>    | 684,590           |
| Public health and welfare                       |                   |                   |                   |
| Family and community supports                   | 1,319,135         | <b>650,863</b>    | 361,286           |
| Cemetery  | 29,180            | <b>9,421</b>      | 19,772            |
| Planning and development                        |                   |                   |                   |
| Land use planning, zoning and development       | 565,260           | <b>623,178</b>    | 464,040           |
| Commercial properties                           | 1,364,687         | <b>1,407,211</b>  | 1,412,484         |
| Recreation and culture                          |                   |                   |                   |
| Parks and recreation                            | 3,080,844         | <b>3,237,294</b>  | 2,945,775         |
| Libraries, halls                                | 665,290           | <b>674,704</b>    | 700,287           |
| Amortization expense                            | 6,196,207         | <b>6,514,935</b>  | 6,282,390         |

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

# Town of Slave Lake

## Consolidated Statement of Income

For the Year Ended December 31, 2024

|  | Budget<br>\$ | 2024<br>\$         | 2023<br>\$  |
|--|--------------|--------------------|-------------|
| <b>TOTAL EXPENSES</b>  | 26,823,831   | <b>26,587,169</b>  | 25,241,162  |
| <b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES - BEFORE OTHER</b> | (941,848)    | <b>1,247,032</b>   | 29,933      |
| <b>OTHER</b>   |              |                    |             |
| Government transfers for capital (Schedule 4)                      | 2,498,134    | <b>1,837,995</b>   | 2,700,233   |
| Gains on disposal  | -            | <b>72,015</b>      | 25,679      |
| Donations for capital  | -            | <b>52,363</b>      | 448,068     |
| <b>EXCESS OF REVENUE OVER EXPENSES</b>                             | 1,556,286    | <b>3,209,405</b>   | 3,203,913   |
| <b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>                      | 171,078,053  | <b>171,078,053</b> | 167,874,140 |
| <b>ACCUMULATED SURPLUS, END OF YEAR</b>                            | 172,634,339  | <b>174,287,458</b> | 171,078,053 |

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



# Town of Slave Lake

## Statement of Change in Net Financial Assets

For the Year Ended December 31, 2024

|   | Budget      | 2024               | 2023        |
|---|-------------|--------------------|-------------|
|   | \$          | \$                 | \$          |
| <b>EXCESS (SHORTFALL) OF REVENUES OVER EXPENSES</b> | 1,556,286   | <b>3,209,405</b>   | 3,203,913   |
| Acquisition of tangible capital assets              | -           | <b>(7,694,890)</b> | (8,241,761) |
| Proceeds on disposal of tangible capital assets     | -           | <b>85,500</b>      | 25,679      |
| Amortization of tangible capital assets             | -           | <b>6,514,933</b>   | 6,282,393   |
| (Gain) loss on sale of tangible capital assets      | -           | <b>(72,015)</b>    | (25,679)    |
|   | -           | <b>(1,166,472)</b> | (1,959,368) |
| Use (Acquisition) of inventories                    | -           | <b>(6,593)</b>     | (10,771)    |
| Use (Acquisition) of prepaid assets                 | -           | <b>25,001</b>      | 144,342     |
|   | -           | <b>18,408</b>      | 133,571     |
| <b>DECREASE (INCREASE) IN NET DEBT</b>              | 1,556,286   | <b>2,061,341</b>   | 1,378,116   |
| <b>NET FINANCIAL DEBT, BEGINNING OF YEAR</b>        | (4,079,636) | <b>(4,079,636)</b> | (5,457,752) |
| <b>NET FINANCIAL DEBT, END OF YEAR</b>              | (2,523,350) | <b>(2,018,295)</b> | (4,079,636) |

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

# Town of Slave Lake

## Consolidated Statement of Cash Flows

For the Year Ended December 31, 2024

|  | 2024<br>\$         | 2023<br>\$         |
|--|--------------------|--------------------|
| Excess (shortfall) of revenues over expenses                                 | 3,209,409          | 3,203,915          |
| Non-Cash items included in excess (shortfall) of revenues over expenditures: |                    |                    |
| Amortization of tangible assets  | 6,514,935          | 6,282,390          |
| Loss (gain) on disposal of tangible capital assets                           | (72,015)           | (25,679)           |
| Non-cash charges to operations (net change):                                 |                    |                    |
| Decrease (increase) in taxes and grants in lieu receivable                   | 186,986            | (13,683)           |
| Decrease (increase) in trade and other receivables                           | (1,625,235)        | 23,893             |
| Decrease (increase) in prepaid expenditures                                  | 25,000             | 144,346            |
| Decrease (increase) in inventory for consumption                             | (6,593)            | (10,771)           |
| Increase (decrease) in accounts payable and accrued liabilities              | (1,087,943)        | 967,331            |
| Increase (decrease) in deferred revenue                                      | (1,111,998)        | (910,269)          |
| Increase (decrease) in environmental liability and landfill                  | (47,048)           | (44,177)           |
| Increase (decrease) in other liabilities                                     | (2,627)            | 6,336              |
| <b>Cash provided by operating transactions</b>                               | <b>5,982,871</b>   | <b>9,623,632</b>   |
| <b>INVESTING</b>   |                    |                    |
| Decrease (increase) in long-term investments                                 | (465,786)          | (351,108)          |
| <b>Cash provided by investing transactions</b>                               | <b>(465,786)</b>   | <b>(351,108)</b>   |
| <b>FINANCING</b>   |                    |                    |
| Long-term debt repaid  | (2,490,700)        | (2,386,328)        |
| <b>Cash provided by (applied to) financing transactions</b>                  | <b>(2,490,700)</b> | <b>(2,386,328)</b> |
| <b>CAPITAL</b>   |                    |                    |
| Acquisition of tangible capital assets                                       | (7,694,890)        | (8,241,761)        |
| Sale of tangible capital assets  | 85,500             | 25,679             |
| <b>Cash provided by capital transactions</b>                                 | <b>(7,609,390)</b> | <b>(8,216,082)</b> |
| <b>CHANGE IN CASH AND EQUIVALENTS DURING THE YEAR</b>                        | <b>(4,583,005)</b> | <b>(1,329,886)</b> |
| <b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>                          | <b>8,582,443</b>   | <b>9,912,329</b>   |
| <b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>                                | <b>3,999,438</b>   | <b>8,582,443</b>   |

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

# Town of Slave Lake

## Schedule of Changes in Accumulated Surplus - Schedule 1

For the Year Ended December 31, 2024

|   | Unrestricted<br>Surplus<br>\$ | Restricted<br>Surplus<br>\$ | Equity in<br>Tangible<br>Capital<br>Assets<br>\$ | 2024<br>\$         | 2023<br>\$  |
|---|-------------------------------|-----------------------------|--|--------------------|-------------|
| <b>BALANCE, BEGINNING OF YEAR</b>                   | 1,147,961                     | 16,346,894                  | 153,583,204                                      | <b>171,078,053</b> | 167,874,140 |
| Excess (deficiency) of revenues over expenses       | 3,209,405                     | -                           | -  | <b>3,209,405</b>   | 3,203,913   |
| Unrestricted funds designated for future use        | (5,462,732)                   | 5,462,732                   | -  | -                  | -           |
| Restricted funds used for operations                | 117,838                       | (117,838)                   | -  | -                  | -           |
| Restricted funds used for tangible capital assets   | -                             | (5,804,534)                 | 5,804,534  | -                  | -           |
| Current year funds used for tangible capital assets | (1,890,358)                   | -                           | 1,890,358  | -                  | -           |
| Disposal of tangible capital assets                 | 13,485                        | -                           | (13,485)   | -                  | -           |
| Annual amortization expense                         | 6,514,933                     | -                           | (6,514,933)                                      | -                  | -           |
| Long-term debt repaid                               | (2,490,698)                   | -                           | 2,490,698  | -                  | -           |
| Change in accumulated surplus                       | 11,873                        | (459,640)                   | 3,657,172  | <b>3,209,405</b>   | 3,203,913   |
| <b>BALANCE, END OF YEAR</b>                         | 1,159,834                     | 15,887,254                  | 157,240,376                                      | <b>174,287,458</b> | 171,078,053 |

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

# Town of Slave Lake

## Schedule of Tangible Capital Assets - Schedule 2

For the Year Ended December 31, 2024

|  | Land      | Land Improvements | Buildings  | Construction in Progress | Engineered Structures | Equipment under Capital Lease | Machinery and Equipment | Vehicles  | 2024               | 2023          |
|--|-----------|-------------------|------------|--------------------------|-----------------------|-------------------------------|-------------------------|-----------|--------------------|---------------|
|  | \$        | \$                | \$         | \$                       | \$                    | \$                            | \$                      | \$        | \$                 | \$            |
| <b>COST:</b>                           |           |                   |            |                          |                       |                               |                         |           |                    |               |
| <b>BALANCE, BEGINNING OF YEAR</b>      | 2,669,024 | 15,849,520        | 60,123,127 | 368,958                  | 186,374,997           | 543,971                       | 8,593,800               | 4,645,076 | <b>279,168,473</b> | 271,017,677   |
| Acquisition of tangible capital assets | 489,880   | 675,544           | 295,721    | 633,254                  | 3,819,977             | -                             | 1,669,893               | 110,621   | <b>7,694,890</b>   | 8,241,761     |
| Disposal of tangible capital assets    | -         | -                 | -          | -                        | -                     | -                             | (13,998)                | (231,532) | <b>(245,530)</b>   | (90,965)      |
| <b>BALANCE, END OF YEAR</b>            | 3,158,904 | 16,525,064        | 60,418,848 | 1,002,212                | 190,194,974           | 543,971                       | 10,249,695              | 4,524,165 | <b>286,617,833</b> | 279,168,473   |
| <b>ACCUMULATED AMORTIZATION</b>        |           |                   |            |                          |                       |                               |                         |           |                    |               |
| <b>BALANCE, BEGINNING OF YEAR</b>      | -         | 6,009,439         | 15,786,847 | -                        | 74,996,324            | 174,848                       | 4,840,060               | 2,529,812 | <b>104,337,330</b> | 98,145,902    |
| Annual amortization                    | -         | 586,307           | 1,193,009  | -                        | 3,791,715             | 38,855                        | 563,830                 | 341,218   | <b>6,514,933</b>   | 6,282,393     |
| Accumulated amortization on disposals  | -         | -                 | -          | -                        | -                     | -                             | (10,499)                | (221,547) | <b>(232,046)</b>   | (90,965)      |
| <b>BALANCE, END OF YEAR</b>            | -         | 6,595,746         | 16,979,856 | -                        | 78,788,039            | 213,703                       | 5,393,391               | 2,649,483 | <b>110,620,217</b> | (104,337,330) |
| <b>2024 NET BOOK VALUE OF TCA</b>      | 3,158,904 | 9,929,318         | 43,438,992 | 1,002,212                | 111,406,935           | 330,268                       | 4,856,304               | 1,874,682 | <b>175,997,615</b> | 174,831,143   |
| <b>2023 NET BOOK VALUE OF TCA</b>      | 2,669,024 | 9,840,081         | 44,336,280 | 368,958                  | 111,378,673           | 369,123                       | 3,753,740               | 2,115,264 | <b>174,831,143</b> | 174,831,143   |

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

# Town of Slave Lake

## Schedule of Property and Other Taxes Levied - Schedule 3

For the Year Ended December 31, 2024

|  | Budget<br>\$ | 2024<br>\$        | 2023<br>\$ |
|--|--------------|-------------------|------------|
| <b>TAXATION</b>  |              |                   |            |
| Real property taxes  | 9,371,567    | <b>9,439,992</b>  | 9,275,970  |
| Education tax collection   | 2,758,423    | <b>2,583,514</b>  | 2,506,589  |
| Seniors foundation collection  | 300,500      | <b>278,998</b>    | 271,095    |
| Linear property taxes  | 183,678      | <b>199,253</b>    | 185,311    |
| Government grants in place of property taxes   | 314,175      | <b>302,175</b>    | 291,358    |
| Penalties and costs  | 109,940      | <b>140,672</b>    | 131,734    |
|  | 13,038,283   | <b>12,944,604</b> | 12,662,057 |
| <b>REQUISITIONS</b>  |              |                   |            |
| Education - Alberta School Foundation Fund and Living Waters Catholic<br>Region Division #42 | 2,758,423    | <b>2,579,526</b>  | 2,510,170  |
| Lesser Slave Lake Regional Housing Authority   | 300,500      | <b>278,784</b>    | 277,384    |
| Designated industrial  | 965          | -                 | -          |
|  | 3,059,888    | <b>2,858,310</b>  | 2,787,554  |
| <b>NET MUNICIPAL TAXES</b>   | 9,978,395    | <b>10,086,294</b> | 9,874,503  |

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

# Town of Slave Lake

## Schedule of Government Transfers - Schedule 4

For the Year Ended December 31, 2024

|                                   | Budget<br>\$ | 2024<br>\$       | 2023<br>\$ |
|-----------------------------------|--------------|------------------|------------|
| <b>TRANSFERS FOR OPERATING</b>    |              |                  |            |
| Provincial government             | 1,576,847    | <b>841,651</b>   | 779,599    |
| Federal government                | 354,256      | <b>366,224</b>   | 354,767    |
| Local government                  | 1,255,709    | <b>1,288,162</b> | 1,087,240  |
|                                   | 3,186,812    | <b>2,496,037</b> | 2,221,606  |
| <b>TRANSFERS FOR CAPITAL</b>      |              |                  |            |
| Provincial government             | 2,090,000    | <b>1,607,803</b> | 2,545,939  |
| Federal government                | -            | -                | 154,294    |
| Local government                  | 408,134      | <b>230,192</b>   | -          |
|                                   | 2,498,134    | <b>1,837,995</b> | 2,700,233  |
| <b>TOTAL GOVERNMENT TRANSFERS</b> | 5,684,946    | <b>4,334,032</b> | 4,921,839  |

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

# Town of Slave Lake

## Schedule of Consolidated Expenses by Object - Schedule 5

For the Year Ended December 31, 2024

|  | Budget     | 2024              | 2023       |
|--|------------|-------------------|------------|
|  | \$         | \$                | \$         |
| <b>CONSOLIDATED EXPENSES BY OBJECT</b>     |            |                   |            |
| Salaries, wages and benefits               | 8,042,573  | <b>8,017,055</b>  | 7,380,004  |
| Contracted and general services            | 7,550,412  | <b>7,562,924</b>  | 6,843,744  |
| Materials, goods and utilities             | 3,573,950  | <b>3,079,251</b>  | 2,988,545  |
| Transfers to individuals and organizations | 570,159    | <b>438,309</b>    | 609,974    |
| Bank charges                               | 13,000     | <b>14,633</b>     | 28,238     |
| Interest on bonds and debentures           | 877,530    | <b>883,261</b>    | 987,835    |
| Amortization of tangible capital assets    | 6,196,207  | <b>6,514,933</b>  | 6,282,393  |
| Other operating expenses                   | -          | <b>76,798</b>     | 120,429    |
|  | 26,823,831 | <b>26,587,169</b> | 25,241,162 |

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

# Town of Slave Lake

## Schedule of Segmented Disclosure - Schedule 6

For the Year Ended December 31, 2024

|  | General<br>Government | Protective<br>Services | Transportation<br>Services | Environmental<br>Services | Public Health<br>and Welfare | Planning &<br>Development | Recreation &<br>Culture | 2024       | 2023       |
|--|-----------------------|------------------------|----------------------------|---------------------------|------------------------------|---------------------------|-------------------------|------------|------------|
|  | \$                    | \$                     | \$                         | \$                        | \$                           | \$                        | \$                      | \$         | \$         |
| <b>REVENUE</b>                             |                       |                        |                            |                           |                              |                           |                         |            |            |
| Taxes net of requisitions                  | 10,086,294            | -                      | -                          | -                         | -                            | -                         | -                       | 10,086,294 | 9,874,503  |
| User fees and sales of goods               | 43,097                | 749,628                | 141                        | 5,089,403                 | 28,801                       | 468,827                   | 485,522                 | 6,865,419  | 6,773,630  |
| Interest income                            | 856,472               | -                      | -                          | -                         | -                            | -                         | -                       | 856,472    | 871,887    |
| Government transfers for operating         | 595,651               | 1,313,231              | -                          | -                         | 517,369                      | -                         | 69,786                  | 2,496,037  | 2,221,606  |
| Government Transfers for Capital           | -                     | 230,192                | 1,589,103                  | 18,700                    | -                            | -                         | 52,363                  | 1,890,358  | 2,700,233  |
| Development levies                         | -                     | -                      | -                          | 203,536                   | -                            | -                         | -                       | 203,536    | 215,363    |
| Rental income                              | 28,869                | -                      | -                          | -                         | -                            | 3,050,455                 | 425,603                 | 3,504,927  | 3,083,997  |
| Licenses and permits                       | 74,635                | 395                    | -                          | -                         | -                            | 19,425                    | -                       | 94,455     | 109,449    |
| Fines                                      | -                     | 133,420                | -                          | -                         | -                            | -                         | -                       | 133,420    | 192,867    |
| Franchise and concession contracts         | 1,812,534             | -                      | -                          | -                         | -                            | -                         | -                       | 1,812,534  | 1,360,680  |
| Gains on disposal of assets                | -                     | 75,515                 | -                          | -                         | -                            | -                         | (3,500)                 | 72,015     | 25,679     |
| Other revenue                              | 1,193,904             | 11,500                 | -                          | 344,770                   | 15,300                       | -                         | 215,633                 | 1,781,107  | 1,015,181  |
|  | 14,691,456            | 2,513,881              | 1,589,244                  | 5,656,409                 | 561,470                      | 3,538,707                 | 1,245,407               | 29,796,574 | 28,445,075 |
| <b>EXPENSES</b>                            |                       |                        |                            |                           |                              |                           |                         |            |            |
| Salaries, wages and benefits               | 2,017,264             | 1,476,051              | 969,315                    | 865,633                   | 395,609                      | 707,489                   | 1,585,694               | 8,017,055  | 7,380,004  |
| Contracted and general services            | 1,012,469             | 3,060,714              | 414,822                    | 1,062,775                 | 216,470                      | 880,004                   | 915,670                 | 7,562,924  | 6,843,744  |
| Materials, goods and utilities             | 117,737               | 366,202                | 746,891                    | 882,590                   | 38,205                       | 234,326                   | 693,300                 | 3,079,251  | 2,988,545  |
| Transfers to individuals and organizations | -                     | -                      | 114,750                    | -                         | 10,000                       | -                         | 313,559                 | 438,309    | 609,974    |
| Bank charges                               | 14,633                | -                      | -                          | -                         | -                            | -                         | -                       | 14,633     | 28,238     |
| Interest on bonds and debentures           | -                     | 11,746                 | -                          | 259,170                   | -                            | 540,703                   | 71,642                  | 883,261    | 987,835    |
| Other operating expenses                   | 76,801                | -                      | -                          | -                         | -                            | -                         | -                       | 76,801     | 120,432    |
|  | 3,238,904             | 4,914,713              | 2,245,778                  | 3,070,168                 | 660,284                      | 2,362,522                 | 3,579,865               | 20,072,234 | 18,958,772 |
| <b>NET REVENUE BEFORE AMORTIZATION</b>     | 11,452,552            | (2,400,832)            | (656,534)                  | 2,586,241                 | (98,814)                     | 1,176,185                 | (2,334,458)             | 9,724,340  | 9,486,303  |
| Less: Amortization                         | 737,503               | 415,360                | 1,030,607                  | 3,258,044                 | 59,087                       | -                         | 1,014,334               | 6,514,933  | 6,282,393  |
| <b>NET REVENUE</b>                         | 10,715,049            | (2,816,192)            | (1,687,141)                | (671,803)                 | (157,901)                    | 1,176,185                 | (3,348,792)             | 3,209,405  | 3,203,913  |

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



# Town of Slave Lake

For the Year Ended December 31, 2024

## 1. Significant Accounting Policies

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

### (a) Reporting Entity

The consolidated financial statements reflect the assets, liabilities, revenues and expenditures, changes in fund balances and change in financial position of the reporting entity. This entity is comprised of the municipal operations plus all of the organizations that are owned or controlled by the town and are, therefore, accountable to the town Council for the administration of their financial affairs and resources. Included with the municipality are the following:

Town of Slave Lake Family and Community Support Services.

The schedule of taxes levied also includes requisitions for education, and other external organizations that are not part of the municipal reporting entity. The statements exclude trust assets that are administered for the benefit of external parties. Interdepartmental and organizational transactions and balances are eliminated.

### (b) Basis of Accounting

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

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

Government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used for certain programs, in the completion of specific work, or 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 is recognized in the period when the related expenses are incurred, services performed or the tangible assets are acquired.

### (c) Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditure 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.

The Town has used estimates to determine accrued liabilities, tangible capital asset useful lives, contributed tangible capital assets, landfill closure and post-closure liabilities, as well as provisions made for allowances for amounts receivable or any provision for impairment.

# Town of Slave Lake

For the Year Ended December 31, 2024

## 1. Significant Accounting Policies continued

### (d) Investments

Investments in derivatives and equity instruments quoted in an active market are carried at fair value with transactions costs expensed upon initial recognition. Unrealized changes in fair value are recognized in the statement of remeasurement gains and losses. When the investment is disposed of the accumulated gains or losses are reclassified to the statement of operations.

Investments in interest bearing securities are recorded at amortized cost. Investment premiums and discounts are amortized on the net present value basis over the term of the respective investments. When there has been a loss in value that is other than a temporary decline, the respective investment is written down to recognize the loss.

### (e) Inventories

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

### (f) 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.

# Town of Slave Lake

For the Year Ended December 31, 2024

## 1. Significant Accounting Policies continued

### (g) Non-Financial Assets

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

#### i) Tangible Capital Assets

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

|                               | Years   |
|-------------------------------|---------|
| Land                          |         |
| Land improvements             | 10 - 45 |
| Buildings                     | 25 - 50 |
| Engineered structures         | 10 - 75 |
| Machinery and equipment       | 5 - 40  |
| Vehicles                      | 10 - 25 |
| Equipment under capital lease | 14      |

Annual amortization is charged in the year of acquisition and not 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) Leases

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

#### iv) Cultural and Historical Tangible Capital Assets

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

# Town of Slave Lake

For the Year Ended December 31, 2024

## 1. Significant Accounting Policies continued

### (h) Tax Revenue

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

### (i) Pension Expenditures

Contributions made by the Town to the defined contribution pension plan are recorded as expenditures in the year in which they are paid.

### (i) Requisition Over-levy and Under-levy

Over-levies and under-levies arise from the difference between the actual property tax levy made to cover each requisition and the actual amount requisitioned.

If the actual levy exceeds the requisition, the over-levy is accrued as a liability and property tax revenue is reduced. Where the actual levy is less than the requisition amount, the under-levy is accrued as a receivable and as property tax revenue.

Requisition tax rates in the subsequent year are adjusted for any over-levies or under-levies of the prior year.

### (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.

# Town of Slave Lake

For the Year Ended December 31, 2024

## 1. Significant Accounting Policies continued

### (k) Valuation of Financial Assets and Liabilities

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

| <u>Financial statement component</u>          | <u>Measurement</u>                     |
|---|--|
| Cash  | 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 receivable and debt charges recoverable | Amortized cost                         |
| Accounts payable and accrued liabilities      | Cost                                   |
| Deposit liabilities                           | Cost                                   |
| Bank indebtedness and long-term debt          | Amortized cost.                        |

### (l) Deferred Revenues

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

### (m) 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 the town is either directly responsible or accepts responsibility and is management's estimate of the cost of post-remediation including operation, maintenance, and monitoring.

### (n) Future Accounting Standard Pronouncements

The following summarizes upcoming changes to Canadian public sector accounting standards. In 2024, the Town will continue to assess the impact and prepare for the adoption of these standards. While the timing of standard adoption may vary, certain standards must be adopted concurrently. The requirements in Financial Statement Presentation (PS1201), Financial Instruments (PS3450), Foreign Currency Translations (PS2601) and Portfolio Investments (PS3041) must be implemented at the same time.

# Town of Slave Lake

For the Year Ended December 31, 2024

## 1. Significant Accounting Policies continued

### (n) Future Accounting Standard Pronouncements continued

#### i) Financial Statement Presentation

PS1201, Financial Statement Presentation, requires a new statement of re-measurement gains and losses separate from the statement of operations. Included in this new statement are the unrealized gains and losses arising from the re-measurement of financial instruments and items denominated in foreign currencies, as well as the government's proportionate share of other comprehensive income that arises when a government includes the results of government business enterprises and partnerships. This standard is applicable for the fiscal years beginning on or after April 1, 2022.

#### ii) Foreign Currency Translation

PS2601, Foreign Currency Translation must be adopted in conjunction with PS3450. It requires that monetary assets and liabilities be denominated in a foreign currency and non-monetary items included in the fair value category that are denominated in a foreign currency, be adjusted to reflect the exchange rates in effect at the financial statement date. This standard is applicable for fiscal years beginning on or after April 1, 2022.

#### iii) Portfolio Investments

PS3041, Portfolio Investments has removed the distinction between temporary and portfolio investments and was amended to conform to Financial Instruments, PS3450. Once PS3450 and PS3041 are adopted, Temporary Investments PS3030 will no longer apply. This standard is applicable for fiscal years beginning on or after April 1, 2022.

#### iv) Financial Instruments

PS3450, Financial Instruments, establishes recognition, measurement, and disclosure requirements for derivative and nonderivative financial instruments. The standard requires fair value measurement of derivatives and equity instruments; all other financial instruments can be measured at cost, amortized cost, or fair value at the election of the government. There is the requirement to disclose the nature and extent of risks arising from financial instruments and clarification is given for the de-recognition financial liabilities. This standard is applicable for fiscal years beginning on or after April 1, 2022.

#### v) Asset Retirement Obligations

PS3280, Asset Retirement Obligations defines which activities would be included in a liability for retirement of a tangible capital asset, establishes when to recognize and how to measure a liability for asset retirement, and provides the related financial statement presentation and disclosure requirements. This new standard will effectively replace PS3270, Solid Waste Landfill Closure and Post-closure Liability. This standard is applicable for fiscal years beginning on or after April 1, 2022.

# Town of Slave Lake

For the Year Ended December 31, 2024

## 1. Significant Accounting Policies continued

### (n) Future Accounting Standard Pronouncements continued

#### vi) Financial Instruments

PS3450, Financial Instruments, establishes recognition, measurement, and disclosure requirements for derivative and nonderivative financial instruments. The standard requires fair value measurement of derivatives and equity instruments; all other financial instruments can be measured at cost, amortized cost, or fair value at the election of the government. There is the requirement to disclose the nature and extent of risks arising from financial instruments and clarification is given for the de-recognition financial liabilities. This standard is applicable for fiscal years beginning on or after April 1, 2022.

#### vii) Asset Retirement Obligations

PS3280, Asset Retirement Obligations defines which activities would be included in a liability for retirement of a tangible capital asset, establishes when to recognize and how to measure a liability for asset retirement, and provides the related financial statement presentation and disclosure requirements. This new standard will effectively replace PS3270, Solid Waste Landfill Closure and Post-closure Liability. This standard is applicable for fiscal years beginning on or after April 1, 2022.

#### viii) Revenue

PS3400, Revenue establishes standards on how to account for and report on revenue, specifically in regard to revenue arising from transactions with performance obligations (exchange transactions) and those without performance obligations (non-exchange transactions). This standard is applicable for fiscal years beginning on or after April 1, 2023.

## 2. Cash and Cash Equivalents

|              | 2024      | 2023      |
|--------------|-----------|-----------|
|              | \$        | \$        |
| Cash         | 3,997,988 | 8,580,993 |
| Cash on hand | 1,450     | 1,450     |
|              | 3,999,438 | 8,582,443 |

# Town of Slave Lake

For the Year Ended December 31, 2024

## 3. Receivable - Taxes and Grants in Place of Taxes

|  | 2024             | 2023             |
|--|------------------|------------------|
|  | \$               | \$               |
| <b>Property Taxes Receivable</b>           |                  |                  |
| Current taxes and grants in place of taxes | 308,815          | 439,613          |
| Arrears                                    | 710,450          | 766,638          |
|  | 1,019,265        | 1,206,251        |
| Less: allowance for doubtful accounts      | (498,235)        | (498,235)        |
|  | 521,030          | 708,016          |
| <b>Other</b>                               |                  |                  |
| Trade accounts receivable                  | 5,687,663        | 3,941,549        |
| GST receivable                             | 73,586           | 194,465          |
| Allowance for doubtful accounts            | (60,000)         | (60,000)         |
|  | 5,701,249        | 4,076,014        |
| <b>Total Receivable</b>                    | <b>6,222,279</b> | <b>4,784,030</b> |

## 4. Long Term Investments

|                              | 2024       | 2023       |
|------------------------------|------------|------------|
|                              | \$         | \$         |
| RBC Dominion reserve account | 12,422,430 | 11,956,644 |

The RBC Dominion reserve account consists of eight guaranteed investment certificates with different banks and three Provincial bonds. The investment certificates mature at different dates between 2025 and 2029 and earn interest between 0.5% and 4.6%.

## 5. Deposit Liabilities

In 2024 \$345,200 (2023 - \$347,828) is related to deposits on account for water utilities and planning and development.



# Town of Slave Lake

For the Year Ended December 31, 2024

## 6. Deferred Revenue

Deferred revenue consists of the following:

|   | 2024      | 2023      |
|---|-----------|-----------|
|   | \$        | \$        |
| Municipal Sustainability Initiative - Capital | -         | 563,373   |
| Canada Community Building Fund                | 7,865     | 59,216    |
| Local Government Fiscal Framework             | 546,758   | -         |
| Firesmart Grant                               | 857,205   | 984,577   |
| Government Centre Rent                        | 869,140   | 869,140   |
| ACP - Municipal Internship                    | 40,000    | -         |
| Homeless Shelter Grant                        | 225,000   | 326,522   |
| Federation of Canadian Municipalities Grant   | -         | 344,770   |
| Donations                                     | 25,201    | -         |
| Other   | 7,036     | 542,605   |
|   | 2,578,205 | 3,690,203 |

# Town of Slave Lake

For the Year Ended December 31, 2024

## 7. Long Term Debt

Long term debt consists of the following:

|  | 2024<br>\$        | 2023<br>\$        |
|--|-------------------|-------------------|
| Tax supported debentures                                   | 3,776,877         | 4,107,626         |
| Special levy and utility supported debentures              | 6,432,651         | 6,862,516         |
| Government Centre - supported by provincial lease payments | 8,466,114         | 10,114,604        |
| <b>Total debt</b>  | <b>18,675,642</b> | <b>21,084,746</b> |
| <b>Less:</b>   |                   |                   |
| Current portion of long term debt                          | (2,518,296)       | (2,409,105)       |
| <b>Long term portion of debt</b>                           | <b>16,157,346</b> | <b>18,675,641</b> |

Interest paid on long term debt amounted to \$883,261 (2023 - \$987,835). Principal and interest repayments are as follows:

|            | Principal  | Interest  | Total<br>\$ |
|------------|------------|-----------|-------------|
| 2025       | 2,518,296  | 768,337   | 3,286,633   |
| 2026       | 2,402,942  | 656,307   | 3,059,249   |
| 2027       | 2,513,562  | 545,688   | 3,059,250   |
| 2028       | 2,629,321  | 429,929   | 3,059,250   |
| 2029       | 1,693,472  | 308,750   | 2,002,222   |
| Thereafter | 6,918,049  | 1,537,683 | 8,455,732   |
|            | 18,675,642 | 4,246,694 | 22,922,336  |

Debenture debt is repayable to Alberta Capital Finance Authority and to the Federation of Canadian Municipalities. The debt bears interest at rates ranging from 2.08% to 4.80% per annum and matures in 2042.

Debenture debt is issued on the credit and security of the Town at large.

# Town of Slave Lake

For the Year Ended December 31, 2024

## 8. Debt Limit

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 Slave Lake be disclosed as follows:

|   | 2024<br>\$         | 2023<br>\$   |
|---|--------------------|--------------|
| <b>Total Debt Limit</b>                                 | <b>41,751,302</b>  | 37,906,643   |
| Long term debt  | <b>18,675,642</b>  | 21,084,746   |
| Capital Lease Obligations                               | <b>81,599</b>      | 163,195      |
| Less debt related to the Government Centre              | <b>(8,466,114)</b> | (10,114,604) |
| <b>Total debt</b>                                       | <b>10,291,127</b>  | 11,133,337   |
| <b>Debt Limit Available</b>                             | <b>31,460,175</b>  | 26,773,306   |
| <b>Debt Service Limit</b>                               | <b>6,958,550</b>   | 6,317,774    |
| Debt Service  | <b>3,286,633</b>   | 3,286,633    |
| Capital Lease Service                                   | <b>81,596</b>      | 81,596       |
| Less debt service related to the Government Centre      | <b>(2,114,055)</b> | (2,114,055)  |
| <b>Debt Service for the purpose of this calculation</b> | <b>1,254,174</b>   | 1,254,174    |
| <b>Debt Service Limit Available</b>                     | <b>5,704,376</b>   | 5,063,600    |

The debt limit is calculated at 1.5 times the revenue of the Town (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.

On February 28, 2008 Ministerial Order L:015/08 was issued authorizing the Town to exceed the regulated limits and borrow up to \$29 million to complete the construction of the new government centre. The extension is based on a 20 year repayment schedule and the assumption that the provincial lease payments will cover the annual repayment costs. Accordingly, the debt related to the construction has subtracted from the debt limits calculated above.

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 Town. Rather, the consolidated financial statements must be interpreted as a whole.

# Town of Slave Lake

For the Year Ended December 31, 2024

## 9. Asset Retirement Obligation

### 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 estimated total liability is based on the sum of discounted future cash flows for closure and post-closure activities for 40 years after closure using a discount rate of 6% and assuming annual inflation of 2%.

The town has not designated assets for settling closure and post-closure liabilities.

The liability recorded at December 31, 2024 is \$128,838 and represents the estimated present value of closure and post-closure costs using a discount rate of 4%. The closure of the landfill site is expected to be completed in the next two years. Closure will involve covering the site with topsoil and vegetation, and installing groundwater monitoring wells. Post-closure care activities are expected to occur for 25 years and will involve surface and ground water monitoring, and landfill cover maintenance.

### Asbestos Abatement

The town is legally required to perform abatement activities upon renovation or demolition of any buildings containing asbestos. Abatement activities include handling and disposing of the asbestos in a prescribed manner when it is disturbed. The town did not identify any assets that required a financial liability to be set up as a result of the asbestos abatement for 2024.

## 10. Contaminated site liability

Public Sector Accounting Standards require environmental liabilities relating to contaminated sites to be recorded by 2015 or earlier. The Town commenced implementation of these requirements in 2010, recognizing the liability for remediation of salt contamination located on Town property. An actual expense of \$39,820 has been recorded in 2024 that brings the remaining total liability to \$88,431 as at December 31, 2024. This liability has been calculated by an independent firm of environmental engineers engaged by the Town and represents the present value cost of remediation and monitoring over the next 10 years.

## 11. Contingencies

A statement of claim had been filed against others and the Town by the Sawridge First Nation in the amount of \$2,000,000. The Sawridge First Nation is seeking compensation for land use for roads and utility corridors. The Town and Sawridge First Nation are currently negotiating to reach a settlement, however, the amount and nature of the settlement is unable to be determined at this time.

# Town of Slave Lake

For the Year Ended December 31, 2024

## 12. Local Authorities Pension Plan

Employees of the Town participate in the Local Authorities Pension Plan (LAPP), which is one of the plans covered by the *Alberta Public Sector Pension Plans Act*. The LAPP is financed by employer and employee contributions and by investment earnings of the LAPP Fund. Contributions for current service are recorded as expenditures in the year in which they become due.

The Town is required to make current service contributions to the LAPP of 8.45% of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan, and 11.65% on pensionable earnings above this amount. Employees of the Town are required to make current service contributions of 7.45% of pensionable salary up to the year's maximum pensionable salary, and 10.65% on pensionable salary above this amount.

Total current service contributions by the Town to the LAPP in 2024 were \$424,451 (2023 - \$384,210). Total current service contributions by the employees of the Town to the LAPP in 2024 were \$374,603 (2023 - \$342,446).

At December 31, 2023 the LAPP disclosed an actuarial surplus of approximately \$15 billion (2022 - \$12.7 billion).

For further information of the amount of LAPP deficiency/surplus information see: [www.lapp.ca/page/annual-reports](http://www.lapp.ca/page/annual-reports)

## 13. Contractual Commitments

The Town contracts with the Government of Canada for the employment of the Royal Canadian Mounted Police to provide policing services. The related agreement may be terminated on March 31 in any year by either party by giving notice twenty four months prior to the date of the intended termination. Annual costs under the terms of the agreement are estimated to be approximately \$1,800,000 to \$2,600,000.

## 14. Equity in Tangible Capital Assets

|  | 2024               | 2023               |
|--|--------------------|--------------------|
|  | \$                 | \$                 |
| Tangible capital assets                  | 286,617,833        | 279,168,473        |
| Accumulated amortization                 | (110,620,217)      | (104,337,330)      |
| Long term debt                           | (18,675,642)       | (21,084,746)       |
| Capital lease obligations                | (81,599)           | (163,195)          |
| <b>Equity in Tangible Capital Assets</b> | <b>157,240,376</b> | <b>153,583,204</b> |

# Town of Slave Lake

For the Year Ended December 31, 2024

## 15. Accumulated Surplus

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

|  | 2023<br>Ending<br>Balance<br>\$ | 2024<br>Additons to<br>reserve<br>\$ | 2024<br>Reductions to<br>reserve<br>\$ | 2024<br>Ending<br>Balance<br>\$ |
|--|---------------------------------|--------------------------------------|--|---------------------------------|
| <b>Unrestricted surplus(deficit)</b>     | 1,147,961                       | -                                    | -                                      | 1,159,834                       |
| <b>Reserves</b>                          |                                 |                                      |  |                                 |
| <b>Interest Bearing</b>                  |                                 |                                      |  |                                 |
| Contingency School Lands                 | 129,645                         | 6,482                                | -                                      | 136,127                         |
| Capital Building Reserve                 | 791,434                         | 1,118,970                            | (688,163)                              | 1,222,242                       |
| Reserve - Street Light                   | 124,213                         | 6,211                                | -                                      | 130,424                         |
| Reserve - Roads & Sidewalks (Note 16)    | 1,040,144                       | 836,865                              | (727,953)                              | 1,149,056                       |
| Reserve - Main Street Extension          | 237,775                         | 11,889                               | -                                      | 249,664                         |
| Reserve - Water Off-Site Levy            | 1,076,268                       | 335,710                              | (228,863)                              | 1,183,114                       |
| Reserve - Water Future Capital (Note 17) | 7,013,126                       | 2,306,101                            | (2,410,354)                            | 6,908,873                       |
| Sewer - Off-Sites Reserve                | 409,945                         | 85,797                               | (144,293)                              | 351,449                         |
| Garbage Disposal Reserve                 | 1,260,594                       | 61,063                               | (78,660)                               | 1,242,996                       |
| Reserve - Cemetery Perpetual Care        | 90,168                          | 7,071                                | -                                      | 97,238                          |
| Reserve - Caribou Collector              | 285,558                         | 14,278                               | -                                      | 299,836                         |
| Reserve-2nd Avenue NW Road Contribution  | 219,188                         | 10,959                               | -                                      | 230,147                         |
| Intersection Contributions               | 792,109                         | 39,605                               | -                                      | 831,715                         |
| Disaster Recovery Reserve                | 210,503                         | 10,525                               | -                                      | 221,028                         |
| <b>Non-interest Bearing</b>              |                                 |                                      |  |                                 |
| Photo Radar Reserve                      | 163,635                         | -                                    | (149,411)                              | 14,224                          |
| Administration Reserve                   | 179,219                         | -                                    | -                                      | 179,219                         |
| Future Expenditure Reserve               | 1,065,968                       | -                                    | (367,699)                              | 698,271                         |
| Reserve - Emergency Road                 | 60,000                          | -                                    | -                                      | 60,000                          |
| Reserve - Fleet Vehicle & Equipment      | 252,562                         | 300,000                              | (427,384)                              | 125,178                         |
| Economic Development Reserve             | 142,831                         | -                                    | (39,178)                               | 103,653                         |
| Technology Reserve                       | 198,101                         | -                                    | (113,941)                              | 84,161                          |
| Fire - Truck & Rescue Unit Reserve       | 282,017                         | 265,500                              | (376,051)                              | 171,467                         |
| Reserve - Arena Capital Equipment        | 321,889                         | 190,000                              | (314,716)                              | 197,174                         |
|  | 16,346,894                      | 5,607,026                            | (6,066,666)                            | 15,887,254                      |
| Equity in tangible capital assets        | 153,583,204                     | -                                    | -                                      | 157,240,376                     |
| <b>Balance, end of year</b>              | <b>171,078,057</b>              | <b>5,607,026</b>                     | <b>(6,066,666)</b>                     | <b>174,287,458</b>              |

# Town of Slave Lake

For the Year Ended December 31, 2024

## 16. Road Rehabilitation Reserve

In May 1996 Council passed a by-law restricting the use of Road Rehabilitation Program funds exclusively to road rehabilitation projects. The details of this account are as follows:

|                             | 2024             | 2023             |
|-----------------------------|------------------|------------------|
|                             | \$               | \$               |
| Balance, beginning of year  | 1,040,144        | 1,941,116        |
| Revenue                     | 793,057          | 100,000          |
| Expenditures                | (727,953)        | (1,073,685)      |
| Interest earned             | 43,808           | 72,713           |
| <b>Balance, end of year</b> | <b>1,149,056</b> | <b>1,040,144</b> |

## 17. Utility Capital Reserve

A utility capital reserve has been established for the exclusive purpose of future upgrades to the water plant and water and sewer lines.

The details of this reserve are as follows:

|                             | 2024             | 2023             |
|-----------------------------|------------------|------------------|
|                             | \$               | \$               |
| Balance, beginning of year  | 7,013,126        | 6,782,798        |
| Revenue                     | 1,956,784        | 1,679,747        |
| Expenditures                | (2,410,354)      | (1,778,223)      |
| Interest earned             | 349,317          | 328,804          |
| <b>Balance, end of year</b> | <b>6,908,873</b> | <b>7,013,126</b> |

# Town of Slave Lake

For the Year Ended December 31, 2024

## 18. Salary and Benefits Disclosure

|                                 | # of<br>Months | Salary<br>(1)<br>\$ | Benefits and<br>Allowances<br>(2)<br>\$ | 2024<br>Total<br>\$ | 2023<br>Total<br>\$ |
|---------------------------------|----------------|---------------------|---|---------------------|---------------------|
| Mayor Warman                    | -              | -                   | -                                       | -                   | 4,754               |
| Mayor Ward                      | 12             | 60,119              | 368                                     | <b>60,487</b>       | 41,904              |
| Councilor Ferguson              | 8              | 16,392              | 123                                     | <b>16,515</b>       | 26,440              |
| Councilor Gramlich              | 12             | 49,883              | 187                                     | <b>50,070</b>       | 40,751              |
| Councilor Achoba                | 12             | 30,908              | 188                                     | <b>31,096</b>       | 1,369               |
| Councilor Mouallem              | 11             | 26,253              | 173                                     | <b>26,426</b>       | 20,675              |
| Councilor Brandle               | -              | -                   | -                                       | -                   | 20,118              |
| Councilor Adams                 | 12             | 27,428              | 188                                     | <b>27,616</b>       | 31,484              |
| Councilor Hughes                | 12             | 32,715              | 188                                     | <b>32,903</b>       | 32,467              |
|                                 |                | 243,698             | 1,415                                   | <b>245,113</b>      | 219,962             |
| CAO - Jeff Simpson              | 12             | 192,780             | 6,815                                   | <b>199,595</b>      | 201,011             |
| Designated officer (1 position) | 12             | 83,464              | 649                                     | <b>84,113</b>       | 79,910              |

1. Salary includes regular base pay, bonuses, overtime, lump sum payments, gross honoraria and any other direct cash remuneration.
2. Employer's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, vision coverage group life insurance, accidental disability and dismemberment insurance, long and short-term disability plans, professional memberships and tuition.
3. Benefits and allowances figures also include the employer's share of the costs of additional taxable benefits including special leave with pay, financial and retirement planning services, concessionary loans, travel allowances, car allowances and club memberships.

## 19. Financial Instruments

The Town's financial instruments consist of cash and temporary investments, accounts receivables, investments, accounts payable and accrued liabilities, deposit liabilities, requisition over-levy, and long term debt. It is management's opinion that the Town is not exposed to significant interest or currency risk arising from these financial instruments. Tax receivables and requisition over/under-levy are compulsory in nature, rather than contractual, however, the town manages risk exposure on these itmes similar to other recievables and payables.

The Town is subject to credit risk with respect to taxes and grants in place of taxes receivable and trade and other receivables. Credit risk arises from the possibility that taxpayers and entities to which the Town provides services may experience financial difficulty and be unable to fulfill their obligations. The large number and diversity of taxpayers and customers minimizes the credit risk.

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



# Town of Slave Lake

For the Year Ended December 31, 2024

## 20. Budgeted Figures

The 2024 budgeted figures that appear in the consolidated financial statements are the budgets approved by Council on February 14th, 2024.

## 21. Approval of Consolidated Financial Statements

Council and Management have approved these consolidated financial statements.

## 22. Other Revenue

|                           | 2024      | 2023    |
|---------------------------|-----------|---------|
|                           | \$        | \$      |
| Other                     | 506,040   | 77,487  |
| Contributions & Donations | 42,578    | 149,229 |
| Management Fees           | 201,356   | 203,812 |
| Atco Street Lights        | 686,363   |         |
| GMF Grant                 | 344,770   |         |
| Evacuation Recovery       | -         | 136,585 |
|                           | 1,781,107 | 567,113 |

## 23. Employee Benefit Obligations

The vacation and overtime liability is comprised of the vacation and overtime that employees are deferring to future years. Employees have either earned the benefits (and are vested) or are entitled to these benefits within the next budgetary year.

|                       | 2024    | 2023    |
|-----------------------|---------|---------|
|                       | \$      | \$      |
| Vacation and overtime | 374,760 | 372,081 |

# Town of Slave Lake

For the Year Ended December 31, 2024

## 24. Capital Lease Obligations

**4.45% RBC lease for SCBA equipment repayable at \$7,579.81 monthly including interest, due on October 1, 2025**

|  | <b>2024</b>     | <b>2023</b> |
|--|-----------------|-------------|
|  | <b>\$</b>       | <b>\$</b>   |
| Total Capital Lease Obligations        | <b>111,243</b>  | 202,201     |
| Less: Deferred Finance Charges         | <b>(29,644)</b> | (39,006)    |
|  | <b>81,599</b>   | 163,195     |
| Less: Current portion of capital lease | <b>(81,599)</b> | (81,596)    |
|  | <b>-</b>        | 81,599      |

## 25. Segmented Disclosure

The Town of Slave Lake 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).

General government includes council and other legislative, and general administration. Protective services includes bylaw enforcement, police, and fire. Transportation includes roads, streets, walks and lighting. Planning and development includes land use planning, zoning and subdivision land and development, economic development and commercial properties. Public health and welfare includes family and community support. Recreation and culture includes parks and recreation and libraries. Environmental use and protection includes water supply and distribution, wastewater treatment and disposal, and waste management.