

Town of Sylvan Lake
Consolidated Financial Statements
December 31, 2023

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

Management of the Town of Sylvan 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 of December 31, 2023 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), except for the possible effects related to the Town's adoption of the new accounting standard, PS3280, Asset Retirement Obligations.

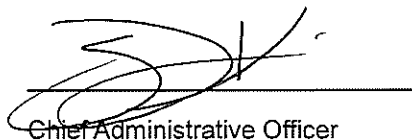
The consolidated financial statements include certain amounts based on estimates and judgments. Such amounts have been determined on a reasonable basis in order to ensure the consolidated financial statements are presented fairly in all material respects.

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

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

The Town council carries out its responsibilities for review of the consolidated financial statements. 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 RSM Canada LLP, 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

INDEPENDENT AUDITOR'S REPORT

To the Town Council of Town of Sylvan Lake

Qualified Opinion

We have audited the consolidated financial statements of Town of Sylvan Lake (the "Town"), which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statement of operations, consolidated statement of changes in net debt, and 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, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Town as at December 31, 2023, and its consolidated results of operations, its consolidated changes in net debt and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

As described in Note 2 to the consolidated financial statements, the Town was required to adopt the new accounting standard, PS3280, Asset Retirement Obligations effective January 1, 2023. The Town has not sufficiently analyzed its potential asset retirement obligations under the requirements of PS3280 and, as such, is unable to determine whether any adjustment to its existing estimate, which was prepared under PS3260, is needed. Additionally, the Town has not sufficiently analyzed its potential additional asset retirement obligations under the requirements of PS3280 and, as such, is unable to record a reasonable estimate. These items constitute a departure from the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. Consequently, the effects on the consolidated financial statements have not been determined.

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 consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

RSM Canada LLP

Chartered Professional Accountants
May 1, 2024
Red Deer County, Alberta

Town of Sylvan Lake
Consolidated Statement of Financial Position
December 31, 2023

	2023	2022
FINANCIAL ASSETS		
Cash and cash equivalents (Note 3)	\$ 15,514,899	\$ 10,199,919
Receivables		
Taxes and grants in place of taxes (Note 4)	1,193,084	672,884
Trade and other receivables (Note 4)	<u>3,095,166</u>	<u>3,313,541</u>
	<u>19,803,149</u>	<u>14,186,344</u>
LIABILITIES		
Accounts payable and accrued liabilities	4,883,735	3,448,691
Employee benefit obligation (Note 5)	765,237	789,257
Deposit liabilities	586,306	663,113
Deferred revenue (Note 6)	675,716	1,281,692
Long-term debt (Note 7)	33,032,271	27,518,651
Liability for contaminated sites (Note 8)	<u>4,725,278</u>	<u>4,922,786</u>
	<u>44,668,543</u>	<u>38,624,190</u>
NET DEBT	<u>(24,865,394)</u>	<u>(24,437,846)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 2)	231,595,860	225,985,578
Inventory for consumption	845,040	840,446
Prepaid expenses	<u>374,126</u>	<u>459,775</u>
	<u>232,815,026</u>	<u>227,285,799</u>
ACCUMULATED SURPLUS (Schedule 1 and Note 9)	<u>\$ 207,949,632</u>	<u>\$ 202,847,953</u>
CONTINGENCIES (Note 16)		
COMMITMENTS (Note 17)		

Approved by the Council,

_____, Mayor

_____, Chief Administrative Officer

Town of Sylvan Lake
Consolidated Statement of Operations
Year Ended December 31, 2023

	Budget (Note 20)	2023	2022
REVENUE			
Net municipal taxes (Schedule 3)	\$ 20,446,793	\$ 20,534,187	\$ 17,859,084
User fees and sales of goods	15,628,209	15,818,435	14,632,118
Government transfers for operating (Schedule 4)	3,466,579	3,173,937	2,397,024
Franchise and concession contracts	3,225,000	3,058,357	2,690,305
Rentals and other	1,087,508	1,359,507	1,266,918
Investment income	90,000	784,660	333,601
Licenses and permits	462,274	543,647	600,063
Penalties and cost of taxes	422,500	419,679	451,952
Fines and costs	344,558	332,349	362,080
Development levies	90,000	89,797	453,588
	<u>45,263,421</u>	<u>46,114,555</u>	<u>41,046,733</u>
EXPENSES			
Recreation, parks and culture	8,988,233	11,055,373	9,440,254
Amortization of tangible capital assets	8,155,000	9,355,986	9,168,253
Roads, streets, walks and lighting	5,631,706	7,015,808	7,926,567
Protective services	6,013,593	6,801,739	5,582,717
Wastewater treatment and disposal	4,361,626	3,827,330	3,937,966
Administration	4,055,520	3,662,626	3,773,151
Water supply and distribution	2,229,666	2,233,235	2,229,724
Family and community support services (Note 15)	1,987,638	1,816,981	1,680,390
Solid waste management	1,480,986	1,633,766	1,548,005
Planning and development	1,224,111	1,121,726	1,161,408
Legislative	524,573	500,340	439,298
	<u>44,652,652</u>	<u>49,024,910</u>	<u>46,887,733</u>
OTHER			
Government transfers for capital (Schedule 4)	-	3,660,155	3,336,795
Contributed tangible capital assets	-	4,349,871	-
Gain (loss) on disposal of tangible capital assets	-	2,008	(6,124)
	<u>-</u>	<u>8,012,034</u>	<u>3,330,671</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	610,769	5,101,679	(2,510,329)
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>202,847,953</u>	<u>202,847,953</u>	<u>205,358,282</u>
ACCUMULATED SURPLUS, END OF YEAR	<u>\$ 203,458,722</u>	<u>\$ 207,949,632</u>	<u>\$ 202,847,953</u>

Town of Sylvan Lake
Consolidated Statement of Changes in Net Debt
Year Ended December 31, 2023

	Budget (Note 20)	2023	2022
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ <u>610,769</u>	\$ <u>5,101,679</u>	\$ <u>(2,510,329)</u>
Acquisition of tangible capital assets	(27,311,720)	(10,879,739)	(5,125,221)
Tangible capital assets received as contributions	-	(4,349,871)	-
Proceeds on disposal of tangible capital assets	-	265,350	530,270
Amortization of tangible capital assets	8,155,000	9,355,986	9,168,253
(Gain) loss on disposal of tangible capital assets	<u>-</u>	<u>(2,008)</u>	<u>6,124</u>
	<u>(19,156,720)</u>	<u>(5,610,282)</u>	<u>4,579,426</u>
Change in inventory for consumption	-	(4,594)	(177,520)
Change in prepaid assets	<u>-</u>	<u>85,649</u>	<u>(102,165)</u>
	<u>-</u>	<u>81,055</u>	<u>(279,685)</u>
(INCREASE) DECREASE IN NET DEBT	(18,545,951)	(427,548)	1,789,412
NET DEBT, BEGINNING OF YEAR	<u>-</u>	<u>(24,437,846)</u>	<u>(26,227,258)</u>
NET DEBT, END OF YEAR	\$ <u><u>(18,545,951)</u></u>	\$ <u><u>(24,865,394)</u></u>	\$ <u><u>(24,437,846)</u></u>

Town of Sylvan Lake
Consolidated Statement of Cash Flows
Year Ended December 31, 2023

	2023	2022
CASH PROVIDED BY (USED FOR)		
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses	\$ 5,101,679	\$ (2,510,329)
Non-cash items included in excess (deficiency) of revenue over expenses:		
Amortization of tangible capital assets	9,355,986	9,168,253
(Gain) loss on disposal of tangible capital assets	(2,008)	6,124
Tangible capital assets received as contributions	(4,349,871)	-
Non-cash charges to operations (net change):		
Increase in taxes and accounts receivable	(301,826)	(338,228)
Increase in inventory for consumption	(4,595)	(177,520)
Decrease (increase) in prepaid expenses	85,649	(102,165)
Increase (decrease) in accounts payable and accrued liabilities	1,435,047	(1,569,241)
(Decrease) increase in employee benefit obligation	(24,020)	101,927
Decrease in deferred revenue	(605,976)	(158,136)
(Decrease) increase in deposit liabilities	(76,808)	204,922
Decrease in liability for contaminated sites	(197,508)	(27,006)
Cash provided by operating activities	<u>10,415,749</u>	<u>4,598,601</u>
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(10,879,739)	(5,125,221)
Proceeds on disposal of tangible capital assets	<u>265,350</u>	<u>530,270</u>
Cash used in capital activities	<u>(10,614,389)</u>	<u>(4,594,951)</u>
INVESTING ACTIVITY		
Change in restricted cash balances	<u>682,783</u>	<u>(46,786)</u>
FINANCING ACTIVITIES		
Long-term debt issued	7,000,000	-
Long-term debt repaid	<u>(1,486,380)</u>	<u>(1,433,331)</u>
Cash provided by (used in) financing activities	<u>5,513,620</u>	<u>(1,433,331)</u>
INCREASE (DECREASE) IN CASH	5,997,763	(1,476,467)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>8,255,114</u>	<u>9,731,581</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 14,252,877</u></u>	<u><u>\$ 8,255,114</u></u>
Cash and cash equivalents is comprised of:		
Cash and cash equivalents	\$ 15,514,899	\$ 10,199,919
Less: Restricted (Note 3)	<u>(1,262,022)</u>	<u>(1,944,805)</u>
	<u><u>\$ 14,252,877</u></u>	<u><u>\$ 8,255,114</u></u>

Included in excess (deficiency) of revenue over expenses is \$784,660 (2022 - \$333,601) interest received and \$978,893 (2022 - \$891,928) interest paid.

Town of Sylvan Lake

Consolidated Statement of Changes in Accumulated Surplus

Year Ended December 31, 2023

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2023	2022
BALANCE, BEGINNING OF YEAR	\$ <u>3,576,719</u>	\$ <u>1,454,651</u>	\$ <u>197,816,583</u>	\$ <u>202,847,953</u>	\$ <u>205,358,282</u>
Excess (deficiency) of revenues over expenses	5,101,679	-	-	5,101,679	(2,510,329)
Contributed tangible capital assets	(4,349,871)	-	4,349,871	-	-
Unrestricted funds designated for future use	(8,884,820)	8,884,820	-	-	-
Restricted funds used for operations	2,050,768	(2,050,768)	-	-	-
Restricted funds used for tangible capital assets	-	(7,210,229)	7,210,229	-	-
Current year funds used for tangible capital assets	(3,805,540)	-	3,805,540	-	-
Disposal of tangible capital assets (at net book value)	263,344	-	(263,344)	-	-
Amortization expense	9,355,986	-	(9,355,986)	-	-
Proceeds on issuance of long-term debt	7,000,000	-	(7,000,000)	-	-
Long-term debt repaid	<u>(1,486,380)</u>	<u>-</u>	<u>1,486,380</u>	<u>-</u>	<u>-</u>
Change in accumulated surplus	<u>5,245,166</u>	<u>(376,177)</u>	<u>232,690</u>	<u>5,101,679</u>	<u>(2,510,329)</u>
BALANCE, END OF YEAR	\$ <u><u>8,821,885</u></u>	\$ <u><u>1,078,474</u></u>	\$ <u><u>198,049,273</u></u>	\$ <u><u>207,949,632</u></u>	\$ <u><u>202,847,953</u></u>

Town of Sylvan Lake
Consolidated Schedule of Tangible Capital Assets
Year Ended December 31, 2023

	Land	Land Improvements	Buildings	Engineered Structures	Machinery and Equipment	Vehicles	2023	2022
COST:								
BALANCE, BEGINNING OF YEAR	\$ 16,036,579	\$ 23,955,257	\$ 76,899,409	\$ 203,452,302	\$ 7,058,243	\$ 8,258,113	\$ 335,659,903	\$ 332,013,251
Acquisition of tangible capital assets	-	641,813	424,799	11,962,132	700,475	250,705	13,979,924	8,227,963
Assets under construction - prior year	-	(181,619)	-	(2,024,742)	(191,676)	(6,424)	(2,404,461)	(5,507,203)
Assets under construction - current year	-	53,128	55,990	3,325,406	159,364	60,259	3,654,147	2,404,461
Disposal of tangible capital assets	-	-	-	(533,879)	(510,965)	(182,465)	(1,227,309)	(1,478,569)
BALANCE, END OF YEAR	16,036,579	24,468,579	77,380,198	216,181,219	7,215,441	8,380,188	349,662,204	335,659,903
ACCUMULATED AMORTIZATION:								
BALANCE, BEGINNING OF YEAR	-	8,532,082	13,811,971	76,487,164	4,349,269	6,493,839	109,674,325	101,448,247
Annual amortization	-	1,191,646	1,514,972	5,588,283	510,094	550,991	9,355,986	9,168,253
Accumulated amortization of disposals	-	-	-	(436,102)	(350,717)	(177,148)	(963,967)	(942,175)
BALANCE, END OF YEAR	-	9,723,728	15,326,943	81,639,345	4,508,646	6,867,682	118,066,344	109,674,325
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	\$ 16,036,579	\$ 14,744,851	\$ 62,053,255	\$ 134,541,874	\$ 2,706,795	\$ 1,512,506	\$ 231,595,860	\$ 225,985,578
2022 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	\$ 16,036,579	\$ 15,423,175	\$ 63,087,438	\$ 126,965,138	\$ 2,708,974	\$ 1,764,274	\$ 225,985,578	

Town of Sylvan Lake
Consolidated Schedule of Property and Other Taxes
Year Ended December 31, 2023

	Budget (Note 20)	2023	2022
TAXATION			
Real property taxes	\$ 27,470,773	\$ 27,404,165	\$ 24,792,331
Linear property taxes	259,000	368,671	354,712
Government grants in place of property taxes	<u>3,700</u>	<u>5,862</u>	<u>5,509</u>
	<u>27,733,473</u>	<u>27,778,698</u>	<u>25,152,552</u>
REQUISITIONS			
Alberta School Foundation Fund	6,410,000	6,405,478	6,445,106
Red Deer Catholic Regional Division No. 39	550,000	512,353	528,002
Sylvan Lake Lodge	326,680	326,680	316,680
Designated Industrial Property	<u>-</u>	<u>-</u>	<u>3,680</u>
	<u>7,286,680</u>	<u>7,244,511</u>	<u>7,293,468</u>
NET MUNICIPAL TAXES	<u>\$ 20,446,793</u>	<u>\$ 20,534,187</u>	<u>\$ 17,859,084</u>

Town of Sylvan Lake
Consolidated Schedule of Government Transfers
Year Ended December 31, 2023

	Budget (Note 20)	2023	2022
TRANSFERS FOR OPERATING:			
Provincial Government	\$ 2,540,684	\$ 1,905,859	\$ 1,558,558
Other Local Governments	573,895	906,618	838,466
Federal Government	<u>352,000</u>	<u>361,460</u>	<u>-</u>
	<u>3,466,579</u>	<u>3,173,937</u>	<u>2,397,024</u>
TRANSFERS FOR CAPITAL:			
Provincial Government	-	1,834,577	3,336,795
Other Local Governments	-	104,804	-
Federal Government	<u>-</u>	<u>1,720,774</u>	<u>-</u>
	<u>-</u>	<u>3,660,155</u>	<u>3,336,795</u>
TOTAL GOVERNMENT TRANSFERS	<u>\$ 3,466,579</u>	<u>\$ 6,834,092</u>	<u>\$ 5,733,819</u>

Town of Sylvan Lake
Consolidated Schedule of Expenses by Object
Year Ended December 31, 2023

	Budget (Note 20)	2023	2022
EXPENDITURES			
Salaries, wages and benefits	\$ 16,591,507	\$ 16,328,029	\$ 15,486,337
Contracted and general services	10,930,510	13,863,154	13,555,510
Amortization of tangible capital assets	8,155,000	9,355,986	9,168,253
Materials, goods, supplies and utilities	4,937,043	4,799,732	4,863,419
Purchases from other governments	2,635,560	3,621,347	2,291,176
Interest on long-term debt	854,906	948,893	891,328
Transfers to individuals and organizations	462,557	33,126	530,594
Other expenditures	51,440	34,371	48,001
Bank charges and short-term interest	<u>34,129</u>	<u>40,272</u>	<u>47,192</u>
	<u>\$ 44,652,652</u>	<u>\$ 49,024,910</u>	<u>\$ 46,881,810</u>

Town of Sylvan Lake
Consolidated Schedule of Segmented Disclosures
Year Ended December 31, 2023

	General Government	Family and Community Support Services	Recreation, Parks and Culture	Protective Services	Planning and Development	Public Works	Environment and Recycling	Water, Waste and Sewer	2023	2022
Revenue										
Net municipal taxes	\$ (2,539,865)	\$ 659,264	\$ 9,177,961	\$ 5,440,903	\$ 423,530	\$ 7,372,394	\$ -	\$ -	\$ 20,534,187	\$ 17,859,084
User fees and sales of goods	123,518	56,280	1,520,242	819,090	207,642	66,382	2,109,198	10,916,083	15,818,435	14,632,118
Development levies	-	-	-	-	1,243	52,368	-	36,186	89,797	453,588
Franchise and concession contracts	3,048,150	-	10,207	-	-	-	-	-	3,058,357	2,690,305
Government transfers for operating	200,000	1,101,375	1,329,650	542,912	-	-	-	-	3,173,937	2,397,024
Government transfers for capital	-	-	296,272	-	-	3,363,883	-	-	3,660,155	3,336,795
Licenses and permits	-	-	2,560	59,681	481,256	150	-	-	543,647	600,063
Rentals and other	600	61	1,248,409	84,000	26,437	-	-	-	1,359,507	1,266,918
Investment income	784,660	-	-	-	-	-	-	-	784,660	333,601
Fines and costs	-	-	-	332,349	-	-	-	-	332,349	362,080
Penalties and cost of taxes	327,180	-	-	-	-	-	-	92,499	419,679	451,952
Contributed assets	4,349,871	-	-	-	-	-	-	-	4,349,871	-
Gain on disposal of tangible capital assets	-	-	(20,743)	19,318	-	100,835	-	(97,402)	2,008	-
	<u>6,294,114</u>	<u>1,816,980</u>	<u>13,564,558</u>	<u>7,298,253</u>	<u>1,140,108</u>	<u>10,956,012</u>	<u>2,109,198</u>	<u>10,947,366</u>	<u>54,126,589</u>	<u>44,383,528</u>
Expenses										
Salaries, wages and benefits	2,814,555	1,599,292	4,905,118	2,034,499	961,573	1,915,026	650,612	1,447,354	16,328,029	15,486,337
Contracted and general services	1,142,300	91,074	3,747,769	530,669	122,807	3,007,271	1,333,302	3,887,962	13,863,154	13,561,434
Materials, goods, supplies and utilities	136,458	126,614	1,864,927	334,755	51,919	1,716,525	-	568,534	4,799,732	4,863,419
Purchases from other governments	-	-	-	3,621,347	-	-	-	-	3,621,347	2,291,176
Interest on long-term debt	-	-	492,856	272,437	-	-	-	183,600	948,893	891,328
Transfers to individuals and organizations	15,827	-	4,742	12,557	-	-	-	-	33,126	530,594
Bank charges and short term interest	6,885	-	31,840	1,547	-	-	-	-	40,272	47,191
Amortization	159,841	-	2,521,741	483,956	-	4,317,190	381,421	1,491,837	9,355,986	9,168,253
Loss on disposal of tangible capital assets	-	-	-	-	-	-	-	-	-	6,124
Other expenses	46,938	-	(4,435)	6,486	(14,573)	-	-	(45)	34,371	48,001
	<u>4,322,804</u>	<u>1,816,980</u>	<u>13,564,558</u>	<u>7,298,253</u>	<u>1,121,726</u>	<u>10,956,012</u>	<u>2,365,335</u>	<u>7,579,242</u>	<u>49,024,910</u>	<u>46,893,857</u>
Excess (deficiency) of revenue over expenses	<u>\$ 1,971,310</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,382</u>	<u>\$ -</u>	<u>\$ (256,137)</u>	<u>\$ 3,368,124</u>	<u>\$ 5,101,679</u>	<u>\$ (2,510,329)</u>

Town of Sylvan Lake

Notes to Consolidated Financial Statements

December 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Town of Sylvan Lake are the representations of management prepared in accordance with Public Sector Accounting Standards established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. Significant aspects of the accounting policies adopted by the Town of Sylvan Lake are as follows:

(a) Reporting entity

The consolidated financial statements reflect the assets, liabilities, revenues and expenditures and changes in fund balances of the reporting entity. This entity is comprised of the municipal operations plus all 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:

Family and Community Support Services
Town of Sylvan Lake Fire Department
Town of Sylvan Lake Library Board
Town of Sylvan Lake Recreational Department
Town of Sylvan Lake Waterworks System

The schedule of taxes levied also includes operating requisitions for educational, health, social 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

These 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.

Property tax revenue is based on market value assessments determined in accordance with the Municipal Government Act (MGA). Tax mill rates are established annually. Taxation revenues are recorded at the time the tax billings are issued. Assessments are subject to appeal. Losses on assessment appeals are recorded as adjustments to tax revenues and receivables when a written decision is received from the authorized board. Requisitions operate as a flow through and are excluded from municipal revenue.

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

Certain user charges and fees are collected for which the related services have yet to be performed.

Government transfers are recognized in the financial statements as revenues in the period that the events giving rise to the transfer occurred, providing the transfers are authorized, the municipality has met any eligibility criteria, and reasonable estimates of the amounts can be made. Revenue is recognized in the period when the related expense are incurred, the services are performed or the tangible capital assets are acquired.

Town of Sylvan Lake
Notes to Consolidated Financial Statements
December 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(c) Use of estimates

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Significant areas requiring the use of estimates include allowance for doubtful accounts, useful lives of tangible capital assets and liability for contaminate sites. Actual results could differ from those estimates.

(d) Cash and cash equivalents

Management considers all highly liquid investments with maturity of three months or less at acquisition to be cash equivalents. Restricted cash comprises of deferred revenue and deposit liability amounts received from the Government of Canada and the Province of Alberta as conditional grants held exclusively for future projects.

(e) 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.

(f) Deferred revenue

Deferred revenues represent government transfers, donations, and other fees 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.

(g) Reserves

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

(h) Leases

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

Town of Sylvan Lake

Notes to Consolidated Financial Statements

December 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(i) Liability for contaminated sites

A contaminated site is a site at which substances occur in concentrations that exceed the maximum acceptable amounts under an environmental standard. Sites that are currently in productive use are only considered a contaminated site if an unexpected event results in contamination. A liability for remediation of contaminated sites is recognized when the organization is directly responsible or accepts responsibility; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made. The liability includes all costs directly attributable to the remediation activities including post remediation operations, maintenance and monitoring. The liability is recorded at net of any expected recoveries.

(j) Employee benefit obligations

The cost of employment benefits, pension benefits, compensated absences and termination benefits are recorded as an expense at the time giving rise to the obligation occurs.

(k) 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 (deficiency) of revenues over expenses, provides the consolidated Change in Net Financial Debt for the year.

(l) Tangible capital assets

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

Land improvements	10-45 years
Buildings	25-50 years
Engineered Structures:	
Water system	45-75 years
Wastewater system	45-75 years
Other engineered structures	5-75 years
Machinery and equipment	20% declining balance method
Vehicles	30% declining balance method

The Town regularly reviews its tangible capital assets to eliminate obsolete items.

Tangible capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

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.

(m) Contribution of tangible capital assets

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

Town of Sylvan Lake

Notes to Consolidated Financial Statements

December 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(n) Inventories for consumption

Inventories of materials and supplies for consumption are valued at the lower of cost or net realizable value with cost determined by the first-in, first-out cost method.

(o) Cultural and historical capital assets

Cultural and historical assets are not recorded in these consolidated financial statements.

(p) Prepaid expenses

Expenses paid in advance where services have not been performed or materials have not been received.

2. NEW ACCOUNTING STANDARDS

Effective January 1, 2023, the Town was required to adopt the new accounting standard PS3280, Asset Retirement Obligations.

This standard deals with obligations to retire tangible capital assets of a public sector entity that are predictable and avoidable which includes legal obligations that occur due to the acquisition, construction, development, or normal use of a tangible capital asset that is controlled by the entity. An asset retirement obligation is recognized when there is a legal obligation to incur costs in relation to a tangible capital asset, 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. When measuring asset retirement obligations, the Town includes costs that are based on requirements and are directly attributable to asset retirement activities, uses a present value technique, and applies a discount rate to reflect the time value of money and the risks specific to the obligation for which future cash flow estimates have not been adjusted. On initial recognition of an asset retirement obligation, the Town will recognize an asset retirement cost by increasing the carrying amount of the related tangible capital asset by the same amount as the obligation liability. Over time, the cost will be expensed in a rational and systematic manner and the obligation liability will be accreted. Depending on its nature, a subsequent re-measurement of the liability could result in a change in the carrying amount of the related tangible capital asset or an expense.

The Town has not sufficiently analyzed its potential asset retirement obligations and, as such, is unable to record a reasonable estimate which constitutes a departure from the requirements of the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

3. CASH AND CASH EQUIVALENTS

	2023	2022
Cash	<u>\$ 15,514,889</u>	<u>\$ 10,199,919</u>

The Town has an undrawn operating line of credit of \$6,000,000. This line of credit is issued on the credit and security of the Town of Sylvan Lake at large and bears an interest rate of prime rate less 0.75%.

Town of Sylvan Lake
Notes to Consolidated Financial Statements
December 31, 2023

3. CASH AND CASH EQUIVALENTS (continued)

Included in cash and cash equivalents are the following restricted amounts for funds received through federal and provincial grant programs and deposit liabilities.

	2023	2022
Deposit liabilities	\$ 586,306	\$ 663,113
Deferred revenue	<u>675,716</u>	<u>1,281,692</u>
	<u>\$ 1,262,022</u>	<u>\$ 1,944,805</u>

4. TAXES AND GRANTS IN PLACE OF TAXES RECEIVABLE

	2023	2022
Taxes and grants in place of taxes		
Current	\$ 925,821	\$ 403,234
Arrears	<u>267,263</u>	<u>269,650</u>
Total taxes and grants in place of taxes	<u>\$ 1,193,084</u>	<u>\$ 672,884</u>
Trade and other		
Trade accounts	2,558,384	2,716,140
Goods and Services Tax receivable	364,202	424,821
Other	<u>172,580</u>	<u>172,580</u>
Total trade and other receivables	<u>\$ 3,095,166</u>	<u>\$ 3,313,541</u>

5. EMPLOYEE BENEFIT OBLIGATION

	2023	2022
Vacation and overtime	<u>\$ 765,237</u>	<u>\$ 789,257</u>

The vacation and overtime liability is comprised of the vacation and overtime that employees have and is deferred to future years. Employees have either earned the benefits or are entitled to these benefits within the next budgetary year. The obligation is included in accounts payable and accrued liabilities.

6. DEFERRED REVENUE

	Beginning Balance, December 31, 2022	Received	Recognized	Ending Balance, December 31, 2023
Canada Community Building Fund	\$ 821,565	\$ 2,516,719	\$ 3,309,987	\$ 28,297
Business license revenue	195,700	194,380	195,700	194,380
Family and Community Support Services	54,209	1,102,644	1,093,520	63,333
Other deferred revenue	<u>210,218</u>	<u>710,158</u>	<u>530,670</u>	<u>389,706</u>
	<u>\$ 1,281,692</u>	<u>\$ 4,523,901</u>	<u>\$ 5,129,877</u>	<u>\$ 675,716</u>

Town of Sylvan Lake
Notes to Consolidated Financial Statements
December 31, 2023

6. DEFERRED REVENUE *(continued)*

Business license revenue relates to the fact that the bylaw now requires businesses to have paid for their new business license by December 31st of the preceding year. Therefore, invoices for the subsequent year's business licenses are entered at the beginning of December of the preceding year.

Other deferred revenue includes funds received locally and Provincial grants from different programs.

7. LONG-TERM DEBT

Alberta Capital Finance Authority \$33,032,271 (2022 - \$27,518,651):

Assuming renewal at similar terms, the estimated principal payments due are as follows:

	Principal	Interest	Total
2024	\$ 1,678,464	\$ 1,177,865	\$ 2,856,329
2025	1,709,521	1,112,657	2,822,178
2026	1,673,728	1,046,683	2,720,411
2027	1,538,769	984,444	2,523,213
2028	1,591,059	932,154	2,523,213
Thereafter	<u>24,840,730</u>	<u>7,615,914</u>	<u>32,456,644</u>
	<u>\$ 33,032,271</u>	<u>\$ 12,869,717</u>	<u>\$ 45,901,988</u>

Debenture debt in the amount of \$33,032,271 is repayable to the Alberta Capital Finance Authority and bears interest at rates ranging from 2.35% to 6.875% per annum and matures in periods 2024 through 2044. The average annual interest rate is 3.14% for 2023 (2022 – 3.14%). Debenture debt is issued on the credit and security of the Town of Sylvan Lake at large.

Interest on long-term debt amounted to \$948,893 (2022 - \$891,328).

8. LIABILITY FOR CONTAMINATED SITES

The Town's wastewater treatment plant ceased being used on July 12, 2019. The Town has an obligation to reclaim the plant and the wastewater storage lagoons. The cost to decommission the plant and reclaim the land is estimated to be \$4,725,278 (2022 - \$4,982,768) in total over seven years through several phases which began in 2022. The change in estimate comes from new engineering reports released for the 2023 fiscal period.

9. ACCUMULATED SURPLUS

	2023	2022
Unrestricted surplus	\$ 8,821,885	\$ 3,576,719
Restricted surplus		
Capital	(1,957,465)	(8,101,141)
Operating	3,035,939	9,555,792
Equity in tangible capital assets	<u>198,049,273</u>	<u>197,816,583</u>
	<u>\$ 207,949,632</u>	<u>\$ 202,847,953</u>

Town of Sylvan Lake
Notes to Consolidated Financial Statements
December 31, 2023

10. EQUITY IN CAPITAL ASSETS

	2023	2022
Tangible capital assets	\$ 349,662,204	\$ 335,659,903
Accumulated amortization	(118,066,344)	(109,674,325)
Long-term debt	(33,032,271)	(27,518,651)
Tangible capital assets included in accounts payable	<u>(514,316)</u>	<u>(650,344)</u>
	<u><u>\$ 198,049,273</u></u>	<u><u>\$ 197,816,583</u></u>

11. 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 Sylvan Lake be disclosed as follows:

	2023	2022
Total debt limit	\$ 69,171,833	\$ 61,570,100
Long-term debt	<u>33,032,271</u>	<u>27,518,651</u>
Amount of debt limit unused	<u><u>\$ 36,139,562</u></u>	<u><u>\$ 34,051,449</u></u>

	2023	2022
Debt servicing limit	\$ 11,528,639	\$ 10,261,683
Debt servicing	<u>2,856,329</u>	<u>2,341,286</u>
Amount of debt servicing limit unused	<u><u>\$ 8,672,310</u></u>	<u><u>\$ 7,920,397</u></u>

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 that could be at financial risk if further debt is acquired. The calculation taken alone does not represent the financial stability of the municipality. Rather, the financial statements must be interpreted as a whole.

12. SALARY AND BENEFITS DISCLOSURE

	Salary	Benefits and Allowances	2023	2022
Mayor Hanson	\$ 81,589	\$ 8,872	\$ 90,461	\$ 88,376
Councilor Parsons	38,660	5,111	43,771	42,350
Councilor Payne	34,022	1,834	35,856	34,973
Councilor Rilling	38,902	7,223	46,125	50,097
Councilor Kloss	-	-	-	22,984
Councilor Mearns	34,732	6,982	41,714	38,834
Councilor Dakin	34,026	6,947	40,973	40,214
Councilor Oostindie	37,169	7,123	44,292	11,461
Chief Administrative Officer	201,050	37,604	238,654	265,878
Designated Officers	<u>342,821</u>	<u>59,558</u>	<u>402,379</u>	<u>394,239</u>
	<u><u>\$ 842,971</u></u>	<u><u>\$ 141,254</u></u>	<u><u>\$ 984,225</u></u>	<u><u>\$ 989,406</u></u>

Town of Sylvan Lake

Notes to Consolidated Financial Statements

December 31, 2023

12. SALARY AND BENEFITS DISCLOSURE *(continued)*

Salary includes regular base pay. Benefits and allowances includes employer's share of all 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 and long and short-term disability plans.

13. SEGMENTED INFORMATION

The municipality is a diversified municipal government institution that provides a wide range of services to its citizens such as police, fire, and water and recreational programs. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and the activities they encompass are as follows:

General Government

This item relates to the revenues and expenses that relate to the operations of the Town itself and cannot be directly attributed to a specific segment.

Family and Community Support Services

This service area provides services meant to improve the health and development of the Town's citizens.

Recreation, Parks and Culture

This department is comprised of recreational programs and cultural programs which are provided at the aquatic centre, multi-purpose facility, arena and community centre. This department is also responsible for the maintenance of parks and open spaces. The Town also provides funding to the Sylvan Lake Library to assist with its citizens' informational needs.

Protective Services

Protection is comprised of police services, fire protection, and disaster services. The police services work to ensure the safety and protection of the citizens and their property. The fire department is responsible to provide fire suppression service, fire prevention programs, training and education. Disaster services are measures which if invoked mitigate the negative results of any disaster which may occur in the community.

Planning and Development

Planning and development department is responsible for administering the land use bylaw, issuing development permits, and producing both short-term and long-term planning documents to assist Council with managing growth of the Town.

Public Works

The public works department is responsible for the delivery of municipal public works services related to the planning, development and maintenance of roadway systems. This service area also provides services to the streets of the Town such as snow clearing.

Environment and Recycling

Environmental services consist of recycling services.

Town of Sylvan Lake

Notes to Consolidated Financial Statements

December 31, 2023

13. SEGMENTED INFORMATION *(continued)*

Water, Waste and Sewage

The water and waste department consists of three distinct utilities – water, wastewater and solid waste disposal. The department provides drinking water to the Town's citizens, collects and treats wastewater, and provides waste collection and disposal. The Municipality processes and cleans sewage and ensures the water system meets all Provincial standards.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. For each reported segment, revenues and expenses represent amounts that are directly attributable to the segment, except for taxation revenue. Taxation revenue has been allocated to those segments that are funded by taxation revenue, based on the segments' net surpluses for the year.

14. LOCAL AUTHORITIES PENSION PLAN

Certain employees of the Town of Sylvan Lake participate in the Local Authorities Pension Plan (LAPP), which is covered by the *Public Sector Pension Plans Act*. The LAPP serves 291,259 members and 437 employers. The LAPP is financed by employer and employee contributions and by investment earnings of the LAPP Fund. The plan provides defined pension benefits to employees based on their length of service and rates of pay.

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

The Town of Sylvan Lake 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 12.23% 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 11.23% on pensionable salary above this amount.

Total current service contributions by the Town of Sylvan Lake to the LAPP in 2023 were \$839,191 (2022 - \$767,349). Total current service contributions by the employees of the Town to the LAPP in 2023 were \$755,671 (2022 - \$690,932).

As this is a multi-employer pension plan, these contributions are the Town's pension benefit expense. No pension liability for this type of plan is included in the Town's consolidated financial statements. At December 31, 2022, the LAPP disclosed an actuarial surplus of \$12.67 billion (2021 - \$11.92 billion surplus). The 2023 details are not yet available.

15. FAMILY AND COMMUNITY SUPPORT SERVICES

The Family and Community Services Support Services (FCSS) Annual Program Report has been prepared by management in accordance with the FCSS Act and Regulation thereto and the basis of accounting as described in Note 1.

The municipal contribution of \$88,214 (2022 - \$85,334) has been derived from the Town's operating budget and meets the 20% allocation requirement pursuant to Section 6 of the FCSS Act. All revenues and expenditures relative to the Program have been included in the report.

FCSS Annual Program Report	2023	2022
Funding provided under the Act	\$ 352,856	\$ 341,336
Municipal contribution	88,214	85,334
Other revenues	-	16,732
Total Revenues	\$ 441,070	\$ 443,402

Town of Sylvan Lake
Notes to Consolidated Financial Statements
December 31, 2023

15. FAMILY AND COMMUNITY SUPPORT SERVICES *(continued)*

	2023	2022
Direct delivery of program	\$ 787,899	\$ 751,944
Total administration cost	<u>-</u>	<u>278,816</u>
Total Expenditures	<u>787,899</u>	<u>1,030,760</u>
Deficit	<u>\$ (346,829)</u>	<u>\$ (587,358)</u>

16. CONTINGENCIES

Town of Sylvan Lake, in the conduct of its normal activities, can be named as a defendant in legal proceedings. The ultimate outcome of these proceedings can often not be determined until the proceedings are completed. Should any loss result from the resolution of these proceedings or if the amount of the loss can be determined, such amounts would be expensed as they become known to the Town.

Local Authorities Reciprocal Insurance Exchange

The Town of Sylvan Lake is a member of the Alberta Local Authorities Reciprocal Insurance Exchange. Under the terms of the membership, the Town of Sylvan Lake 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.

Sylvan Lake Regional Wastewater Commission

The Town of Sylvan Lake is a member of the Sylvan Lake Regional Wastewater Commission. Under the terms of this membership, the Town is liable for its proportionate share of any losses incurred by the Commission. Any liability would be accounted for in the year the losses are determined.

Sylvan Lake Regional Water Commission

The Town of Sylvan Lake is a member of the Sylvan Lake Regional Water Commission. Under the terms of this membership, the Town is liable for its proportionate share of any losses incurred by the Commission. Any liability would be accounted for in the year the losses are determined.

17. COMMITMENTS

The Town of Sylvan Lake has ongoing capital and operating projects that were not completed during the year. The estimated costs to the Town is \$12,089,826 for capital projects and \$401,656 for operating projects that will continue through 2024.

The Town has a five-year agreement with Wild Rose Assessment Services Inc. to provide property assessment services. The agreement term is from April 1, 2020 to March 31, 2025. The Town is required to pay a fee of \$15.25 to \$16.00 per parcel for the year.

The Town has a contract to provide waste disposal services with Waste Connections Canada Inc. from October 1, 2022 to January 2, 2025. The Town is required to pay various fees for waste and recycling collections plus roll-off service hauling fees to the City of Red Deer Landfill.

Town of Sylvan Lake

Notes to Consolidated Financial Statements

December 31, 2023

17. COMMITMENTS *(continued)*

The Town has long-term operating leases with respect to certain equipment. Future lease payments as at year-end are as follows:

2024	\$	32,930
2025		32,930
2026		32,930
2027		12,880
2028		<u>9,420</u>
	\$	<u>121,090</u>

18. FINANCIAL INSTRUMENTS

The Town's financial instruments consist of cash and term deposits, receivables, accounts payable and accrued liabilities and long-term debt. It is management's opinion that the Town is not exposed to significant interest rate, currency, market, liquidity, or credit risks arising from these financial instruments except as follows:

Credit risk

The Town is exposed to credit risk with respect to 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 certain rights granted to the Town under the *Municipal Government Act* minimizes the credit risk.

19. COMPARATIVE FIGURES

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

20. APPROVAL OF BUDGET

Council and Management approved the 2023 budget for the Town of Sylvan Lake on March 23, 2023 and the revised budget on April 11, 2023.

21. APPROVAL OF FINANCIAL STATEMENTS

Council and Management have approved these consolidated financial statements.