

Town of Westlock

Financial Statements

December 31, 2025

Town of Westlock

December 31, 2025

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Financial Statements

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Town of Westlock

Management's Responsibility for Financial Reporting

Management of the Town of Westlock 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, 2025 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.

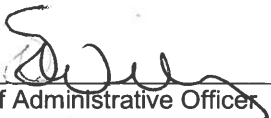
In fulfilling its responsibilities and recognizing the limits inherent in all systems, management has designed and maintains a system of internal controls to produce reliable information and to meet reporting requirements on a timely basis. The system is designed to provide management with reasonable 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.

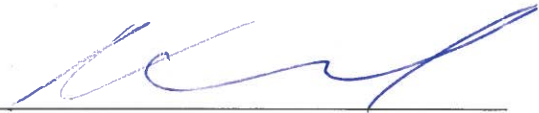
The Town Council carries out its responsibilities for review of the consolidated financial statements principally through its regular meetings of Council. Council meets regularly with management and with external auditors to discuss the results of audit examinations and financial reporting matters.

The external auditors have full access to Council with and without the presence of management. The Town Council has approved the 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
Date:
Town of Westlock



Director of Corporate Services
Date:
Town of Westlock

Edward Cheung, CPA, CA*
Scott T. Mockford, CPA, CA*
Steven Kim, CPA*
Jason Bondarevich, CPA, CA*
*Operates as a Professional Corporation

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Edmonton, Alberta T5H 0Y1
Tel (780) 452-2300, Fax (780) 452-2335

INDEPENDENT AUDITORS' REPORT

To the Members of Council of the Town of Westlock

Opinion

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

- The consolidated statement of financial position as at December 31, 2025;
- 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 Westlock** as at December 31, 2025, 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.

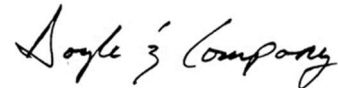
Report on Other Legal and Regulatory Requirements

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 12.



April 27, 2026
11210 107 Avenue NW
Edmonton, Alberta T5H 0Y1

Chartered Professional Accountants

Town of Westlock

Consolidated Statement of Financial Position

December 31, 2025

	2025	2024
FINANCIAL ASSETS		
Cash and temporary investments, Note 2	\$ 6,180,881	\$ 5,544,317
Taxes receivable, Note 3	245,069	186,671
Trade and other receivables, Note 3	1,628,406	2,511,324
Land for resale inventory	1,164,770	1,242,938
Long term investments, Note 4	1,045,880	1,530,848
	10,265,006	11,016,098
LIABILITIES		
Accounts Payable and Accrued Liabilities	1,623,723	2,361,292
Employee benefit obligations, Note 5	199,945	212,092
Deposit liabilities	102,633	72,731
Deferred revenue, Note 19	2,143,997	1,920,887
Asset retirement obligation, Note 6	483,200	480,800
Contaminated site liability, Note 20	100,381	100,381
Long term debt, Note 7	7,025,613	7,992,942
	11,679,492	13,141,125
NET FINANCIAL ASSET (DEBT)	(1,414,486)	(2,125,027)
NON-FINANCIAL ASSETS		
Tangible capital assets, Schedule 2	65,228,910	65,392,393
Inventory for consumption	248,799	254,702
Prepaid expenses	80,443	122,923
	65,558,151	65,770,018
ACCUMULATED SURPLUS (Schedule 1, Note 10)	\$ 64,143,666	\$ 63,644,991

Approved on behalf of City Council:


Mayor


Councillor

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

Town of Westlock

Consolidated Statement of Operations

For the Year Ended December 31, 2025

	Budget (Unaudited)	2025	2024
REVENUE			
Net municipal taxes, Schedule 3	\$ 8,288,831	\$ 8,160,670	\$ 7,873,139
User fees and sales of goods	5,929,456	5,838,899	5,243,690
Operating government transfers, Schedule 4	1,526,726	1,478,640	1,479,209
Penalties and costs of taxes	106,000	116,374	101,537
Franchise Fees	1,646,893	1,646,720	1,744,548
License and Permits	138,000	157,939	150,341
Insurance recoveries	-	-	111,804
Investment income	275,000	383,421	487,997
Fines and Costs	19,500	19,433	20,327
Rental Revenue	468,220	521,329	521,492
Other revenue	56,575	188,177	685,514
Total Revenue	18,455,201	18,511,602	18,419,598
EXPENSES			
Legislative	334,318	362,962	394,336
Administration	2,314,866	2,201,168	2,801,378
Protective Services	1,120,844	1,136,358	1,023,530
Transportation Services	3,772,534	4,031,324	3,635,813
Water supply and distribution	2,940,089	2,972,970	3,058,343
Wastewater treatment and disposal	593,840	696,420	457,284
Waste management	585,318	545,589	655,138
Family and community support and Public Health	713,100	746,456	754,129
Land use planning, zoning, land and development	1,609,160	1,497,776	1,224,487
Parks and recreation	4,998,635	4,734,562	4,579,880
Culture	331,067	332,012	324,912
Loss on disposal of assets	-	-	36,345
Total Expenses	19,313,771	19,257,597	18,945,575
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES - BEFORE OTHER	(858,570)	(745,995)	(525,977)
OTHER			
Capital government transfers, Schedule 4	5,264,802	1,244,670	979,523
EXCESS OF REVENUE OVER EXPENDITURES	4,406,232	498,675	453,546
ACCUMULATED SURPLUS, BEGINNING OF YEAR	-	63,644,991	63,191,445
ACCUMULATED SURPLUS - END OF YEAR	\$ -	\$ 64,143,666	\$ 63,644,991

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

Town of Westlock

Consolidated Statement of Changes in Net Financial Assets

For the Year Ended December 31, 2025

	Budget (Unaudited)	2025	2024
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES	\$ 4,406,232	\$ 498,675	\$ 453,546
Purchase of tangible capital assets	-	(3,097,794)	(6,497,445)
Proceeds on disposal of tangible capital assets	-	-	15,000
Amortization of tangible assets	3,257,914	3,261,277	3,048,258
(Gain) loss on sale of tangible capital assets	-	-	36,345
	7,664,146	662,158	(2,944,296)
Use (acquisition) of supply inventories	-	5,903	282,298
Use (acquisition) of prepaid assets	-	42,480	(63,742)
(INCREASE) DECREASE IN NET DEBT	7,664,146	710,541	(2,725,740)
NET FINANCIAL ASSETS (DEBT), BEGINNING OF YEAR	-	(2,125,027)	600,713
NET FINANCIAL ASSETS (DEBT), END OF YEAR	\$ 7,664,146	\$ (1,414,486)	\$ (2,125,027)

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

Town of Westlock

Consolidated Statement of Cash Flows

For the Year Ended December 31, 2025

	2025	2024
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 498,675	\$ 453,546
Item not affecting cash		
Amortization of tangible capital assets	3,261,277	3,048,259
Loss (gain) on disposal of tangible capital assets	-	36,345
	3,759,952	3,538,150
Non-cash charges to operations (net changes)		
Taxes and grants in place of taxes	(58,398)	(65,592)
Trade and other receivables	882,918	(940,270)
Inventory for consumption	5,903	282,298
Land held for resale	78,168	(510,789)
Prepaid expenses	42,480	(63,742)
Accounts payable and accrued liabilities	(749,716)	(1,325,247)
Deposit liabilities	29,902	(21,672)
Deferred revenue	223,110	290,926
Asset retirement obligation	2,400	2,400
Contaminated site liability	-	44,613
	4,216,719	1,231,075
Decrease (increase) on investments	484,968	3,803,965
Long term debt issued	-	1,822,209
Long term debt repaid	(967,329)	(973,488)
	(967,329)	848,721
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(3,097,794)	(6,497,446)
Sale of tangible capital assets	-	15,000
NET CASH USED BY CAPITAL ACTIVITIES	(3,097,794)	(6,482,446)
	636,564	(598,685)
	5,544,317	6,143,002
	\$ 6,180,881	\$ 5,544,317

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

Town of Westlock

Schedule of Changes in Accumulated Surplus, Schedule 1

For the Year Ended December 31, 2025

	Unrestricted Surplus	Restricted Surplus, Note 18	Equity in Tangible Capital Assets	2025	2024
BALANCE, BEGINNING OF YEAR	\$ 2,655,061	\$ 3,648,519	\$ 57,341,411	\$ 63,644,991	\$ 63,191,445
Excess (deficiency) of revenues over expenses	498,675	-	-	498,675	453,546
Unrestricted funds designated for future use	(1,592,282)	1,592,282	-	-	-
Restricted funds used for tangible capital assets	-	(1,857,462)	1,857,462	-	-
Current year funds used for tangible capital assets	(1,240,332)	-	1,240,332	-	-
Restricted funds used for operating	251,926	(251,926)	-	-	-
Annual amortization expense	3,261,277	-	(3,261,277)	-	-
Long term debt repaid	(967,329)	-	967,329	-	-
Asset retirement obligation accretion expense	2,400	-	(2,400)	-	-
Change in accumulated surplus (deficit)	214,335	(517,106)	801,446	498,675	453,546
BALANCE, END OF YEAR	\$ 2,869,396	\$ 3,131,413	\$ 58,142,857	\$ 64,143,666	\$ 63,644,991

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

Town of Westlock

Consolidated Schedule of Tangible Capital Assets, Schedule 2

For the Year Ended December 31, 2025

	Land	Land Improvements	Buildings	Engineered Structures	Machinery & Equipment	Vehicles	2025	2024
COST								
BALANCE, BEGINNING OF YEAR	\$ 1,167,804	\$ 2,674,297	\$ 35,082,067	\$ 68,978,193	\$ 6,878,616	\$ 3,784,342	\$ 118,565,319	\$ 112,188,268
Acquisitions	-	729,520	221,904	2,005,153	141,217	-	3,097,794	6,497,445
Disposals of tangible capital assets	-	-	-	-	-	-	-	(120,394)
BALANCE, END OF YEAR	1,167,804	3,403,817	35,303,971	70,983,346	7,019,833	3,784,342	121,663,113	118,565,319
ACCUMULATED AMORTIZATION:								
BALANCE, BEGINNING OF YEAR	-	1,105,949	15,864,743	29,973,505	4,665,194	1,563,535	53,172,926	50,193,717
Annual Amortization	-	126,907	915,813	1,725,795	257,471	235,292	3,261,277	3,048,258
Accumulated amortization on disposals	-	-	-	-	-	-	-	(69,049)
BALANCE, END OF YEAR	-	1,232,856	16,780,556	31,699,300	4,922,665	1,798,827	56,434,203	53,172,926
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	\$ 1,167,804	\$ 2,170,961	\$ 18,523,415	\$ 39,284,046	\$ 2,097,168	\$ 1,985,515	\$ 65,228,910	\$ 65,392,393

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

Town of Westlock

Consolidated Schedule of Property and Other Taxes, Schedule 3

For the Year Ended December 31, 2025

	Budget (Unaudited)	2025	2024
TAXATION			
Residential Taxes	\$ 6,031,700	\$ 6,037,517	\$ 5,760,996
Non-Residential Taxes	4,026,945	4,100,583	3,886,272
Grant in Place of Taxes	81,793	72,356	80,012
Linear Property Taxes	229,262	185,255	222,232
Special Assessments and Local Improvement Levies	175,218	45,777	44,540
Farmland	14,416	12,901	14,541
	10,559,334	10,454,389	10,008,593
REQUISITIONS			
School Board Foundations	1,866,581	1,902,398	1,744,019
Seniors Foundation	403,170	391,321	391,435
Designated Property Tax Requisition	752	-	-
	2,270,503	2,293,719	2,135,454
NET MUNICIPAL TAXES	\$ 8,288,831	\$ 8,160,670	\$ 7,873,139

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

Town of Westlock

Consolidated Schedule of Government Transfers, Schedule 4

For the Year Ended December 31, 2025

	Budget (Unaudited)	2025	2024
TRANSFERS FOR OPERATING			
Provincial Government	\$ 679,200	\$ 596,648	\$ 675,435
Other Local Governments	545,926	560,381	551,020
Federal Grants for Operating	301,600	321,611	252,754
	1,526,726	1,478,640	1,479,209
TRANSFERS FOR CAPITAL			
Provincial Government	4,735,445	472,215	640,065
Federal Government	529,357	772,455	339,458
	5,264,802	1,244,670	979,523
TOTAL GOVERNMENT TRANSFERS	\$ 6,791,528	\$ 2,723,310	\$ 2,458,732

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

Town of Westlock

Consolidated Schedule of Expenses by Object, Schedule 5

For the Year Ended December 31, 2025

	Budget (Unaudited)	2025	2024
CONSOLIDATED EXPENSES BY OBJECT			
Salaries, wages and benefits	\$ 6,822,765	\$ 6,665,914	\$ 6,520,927
Contracted and general services	4,011,566	4,217,792	4,018,712
Materials, goods and utilities	3,952,607	3,908,820	3,901,778
Provision for allowances	3,500	1,879	3,397
Transfers to local boards and agencies	418,417	449,901	841,327
Interest and bank charges	28,450	38,396	25,513
Interest on Long Term Debt	280,015	258,869	215,257
Transfers to individuals and organizations	285,233	286,271	215,978
Amortization of tangible assets	3,257,914	3,261,277	3,048,259
Accretion Expense	-	2,400	2,400
Other operating expenses	253,304	166,077	115,682
Loss on disposal of tangible capital asset	-	-	36,345
	\$ 19,313,771	\$ 19,257,597	\$ 18,945,575

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

Town of Westlock

Consolidated Schedule of Segmented Disclosure, Schedule 6

For the Year Ended December 31, 2025

	General	Protective	Transportation	Planning &	Recreation &	Environmental	Public Health		
	Government	Services	Services	Development	Culture	Services	& Welfare	2025	2024
Net municipal taxes	\$ 8,160,668	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,160,668	\$ 7,873,139
Operating government transfers	90,218	29,216	-	303,811	486,725	-	568,669	1,478,640	1,479,209
User fees and sales of goods	19,456	23,016	203,842	188,006	555,066	4,777,377	72,135	5,838,899	5,243,690
Investment income	383,421	-	-	-	-	-	-	383,421	487,997
Other Revenue	1,780,344	37,018	463	179,585	628,828	13,717	10,018	2,649,972	3,299,218
	10,434,107	89,250	204,305	671,402	1,670,619	4,791,094	650,822	18,511,600	18,383,253
EXPENSES									
Salaries, wages and benefits	1,597,272	283,262	903,394	689,102	1,887,749	779,709	525,425	6,665,913	6,520,927
Contracted and general services	776,614	568,425	534,104	365,335	997,297	846,648	129,368	4,217,791	4,018,712
Materials, goods and utilities	86,130	103,586	764,827	47,796	906,240	1,923,630	76,611	3,908,820	3,901,778
Transfers to individual or local boards	11,944	59,431	134,745	236,441	213,460	80,150	-	736,171	1,057,305
Interest on Long Term Debt	-	6,505	82,624	-	107,316	62,425	-	258,870	215,257
Other expenses	16,309	-	-	144,453	12,950	21,328	11,311	206,351	144,592
	2,488,269	1,021,209	2,419,694	1,483,127	4,125,012	3,713,890	742,715	15,993,916	15,858,571
NET REVENUE, BEFORE AMORTIZATION AND OTHER	7,945,838	(931,959)	(2,215,389)	(811,725)	(2,454,393)	1,077,204	(91,893)	2,517,684	2,524,682
Amortization expense	75,859	115,150	1,611,630	12,249	941,562	503,488	3,741	3,263,679	3,050,659
Capital government transfers	50,000	-	703,647	-	474,734	16,289	-	1,244,670	979,523
NET REVENUE	\$ 7,919,979	\$ (1,047,109)	\$ (3,123,372)	\$ (823,974)	\$ (2,921,221)	\$ 590,005	\$ (95,634)	\$ 498,675	\$ 453,546

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

Town of Westlock

Notes to Consolidated Statements

For the Year Ended December 31, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Town of Westlock are the representations of management prepared in accordance with public sector accounting standards 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:

Westlock and District 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.

Interdepartmental and organizational transactions and balances are eliminated.

b) Basis of Accounting

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

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

Government transfers, contributions and other amounts 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, service performed or the tangible capital assets are acquired.

c) Use of Estimates

The preparation of financial statements in conformity with the Canadian Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of 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.

d) 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

Town of Westlock

Notes to Consolidated Statements

For the Year Ended December 31, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounts payable and accrued liabilities	Cost
Deposit liabilities	Cost
Bank indebtedness and long-term debt	Amortized cost

e) Long-term Debt

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

f) 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

g) Requisition Over-levy and Under-levy

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

If the actual levy exceeds the requisition, the over-levy is accrued as a liability and 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.

h) Inventories for Resale

Land held for resale is recorded at the lower of cost or net realizable value. Cost includes cost for land acquisition and improvements required to prepare the land for servicing such as clearing, stripping and leveling charges. Related development costs incurred to provide infrastructure such as water and wastewater services, roads, sidewalks and street lighting are recorded as physical assets under the respective function.

Town of Westlock

Notes to Consolidated Statements

For the Year Ended December 31, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

i) Tax Revenue

Tax revenues are recognized when the tax has been authorized by bylaw and the taxable event has occurred.

Requisitions operate as a flow through and are excluded from municipal revenue.

j) Asset Retirement

A liability for 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 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 are made to settle the liability are deducted from the reported liability when they are made.

k) Revenue Recognition

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

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

l) Prepaid Local Improvement Charges

Construction and borrowing costs associated with local improvement projects are recovered through annual special assessments during the period of related borrowings. These levies are collectable from property owners for work performed by the municipality.

Town of Westlock

Notes to Consolidated Statements

For the Year Ended December 31, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Where a taxpayer has elected to prepay the outstanding local improvement charges, such amounts are recorded as deferred revenue. Deferred revenue is amortized to a revenue on a straight line basis over the remaining term of the related borrowings.

In the event that the prepaid amounts are applied against the related borrowings, the deferred revenue is amortized to revenue by an amount equal to the debt repayment.

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 a site is not in productive use and is management's estimate of the cost of post-remediation including operation, maintenance and monitoring.

n) 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.

o) 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 consolidated Change in Net Financial Assets (Debt) for the year.

p) Tangible Capital Assets

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

Land Improvements	15 to 20 years
Buildings	25 to 50 years
Machinery and Equipment	5 to 20 years
Vehicles	3 to 20 years
Engineered Structures	
Water systems and waste water system	35 to 75 years
Other engineered structures	15 to 40 years

Amortization was charged at a rate of 50% in the year of acquisition. No amortization is charged in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

q) 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.

Town of Westlock

Notes to Consolidated Statements

For the Year Ended December 31, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

r) Leases

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

s) Inventory for Consumption

Inventories of materials and supplies for consumption are valued at the lower of cost or net realizable value.

t) Future Accounting Standards Pronouncements

The following summarizes upcoming changes to Canadian public sector accounting standard. In 2024 the Town will continue to assess the impact and prepare for the adoption of these standards. While the timing of the 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.

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

PS3041, 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

PS3401, Portfolio Investments has removed the distinction between temporary and portfolio investments and was amended to conform to Financial Instruments PS3450. Once PS3450 and PS3401 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 non-derivative 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 the 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.

Town of Westlock

Notes to Consolidated Statements

For the Year Ended December 31, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

vi. 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.

vii. Purchased Intangibles

PSG-8 Purchased Intangibles, allows for purchased intangible assets to be recognized as assets in the public sector entity's financial statements. This standard is applicable for fiscal years beginning on or after April 1, 2023.

viii. Public Private Partnerships

PS3160, Public Private Partnerships, establishes standards on how to account for certain arrangements between public and private entities. The standard provides guidance on situations where a public entity acquires infrastructure assets using a private sector partner that designs, builds or finances the infrastructure asset past the point where it is ready for use. This standard is applicable for fiscal years beginning on or after April 1, 2023.

u) 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.

2. CASH AND CASH EQUIVALENTS

	2025	2024
Investments - GIC's, Savings and Money Market Funds	\$ 3,549,968	\$ 4,006,115
Bank accounts	2,612,031	1,528,572
Petty Cash, Floats, Spirit Centre ATM	18,882	9,630
	\$ 6,180,881	\$ 5,544,317

Short-term investments are short-term deposits with original maturities of three months or less which are an integral part of the town's cash management.

Town of Westlock

Notes to Consolidated Statements

For the Year Ended December 31, 2025

3. RECEIVABLES

	2025	2024
Property Taxes		
Current taxes and grants in place of taxes	\$ 167,516	\$ 142,253
Arrears taxes	77,538	39,780
Education Requisition Under-Levy	15	4,638
	\$ 245,069	\$ 186,671
Other		
Clean Energy Improvement Levy Receivable	88,490	14,543
Trade Accounts Receivable	868,730	952,661
GST Receivable	55,000	101,178
Due from Other Governments	629,471	1,456,525
Allowance for doubtful accounts	(13,285)	(13,583)
	1,628,406	2,511,324
	\$ 1,873,475	\$ 2,697,995

4. INVESTMENTS

Investment income recognized in the statement of operations includes \$71,020. Investments consist of the following:

	2025	2024
Equity Investments		
Fixed income GICs maturing in 2026, interest rate of 5.13%-5.15%	\$ -	\$ 508,600
Fixed income GICs maturing in 2027, interest rates of 4.55%-4.63%	1,045,880	1,022,248
Total investments	\$ 1,045,880	\$ 1,530,848

5. EMPLOYEE BENEFIT OBLIGATIONS

	2025	2024
Vacation and overtime	\$ 199,945	\$ 212,092

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 or are entitled to these benefits within the next budgetary year.

Town of Westlock

Notes to Consolidated Statements

For the Year Ended December 31, 2025

6. ASSET RETIREMENT OBLIGATION

Asbestos Abatement

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

Total Asset Retirement Obligations

	2025	2024
Balance, beginning of year	\$ 480,800	\$ 478,400
Accretion Expense	2,400	2,400
	\$ 483,200	\$ 480,800

7. LONG TERM DEBT

	2025	2024
Tax and utility supported debentures due to Alberta Finance	\$ 6,156,561	\$ 7,082,212
Tax and utility supported loans due to Enmax Energy	446,292	487,970
Subtotal - Capital Loans	6,602,853	7,570,182
Federation of Canadian Municipalities Green Municipal Fund, Tax supported loan, Operating loan	422,760	422,760
	\$ 7,025,613	\$ 7,992,942

The current portion of the long term debt amounts to Alberta Finance \$1,053,614, Enmax \$55,748 and Federation of Canadian Municipalities is \$8,455. Principal and interest repayment terms are as follows:

	Principal	Interest	Total
2026	\$ 881,983	\$ 235,834	\$ 1,117,817
2027	793,236	210,438	1,003,674
2028	842,863	181,084	1,023,947
2029	869,226	152,918	1,022,144
2030	872,954	150,194	1,023,148
Thereafter	2,765,351	503,236	3,268,587
	\$ 7,025,613	\$ 1,433,704	\$ 8,459,317

Debenture debt is repayable to the Alberta Finance, Enmax, and Federation of Canadian Municipalities and bears interest at rates ranging from 1.13% to 4.69% per annum and matures in periods 2026 through 2043. Debenture debt is issued on the credit and security of the Town of Westlock at large. The Town's total cash payments for Interest on long term capital and operating debt amounted to \$263,923 (2024-\$215,257).

Town of Westlock

Notes to Consolidated Statements

For the Year Ended December 31, 2025

8. 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 Westlock be disclosed as follows:

	2025	2024
Total debt limit	\$ 27,767,405	\$ 27,629,399
Total capital debt	6,602,853	7,570,182
Amount of debt limit unused	21,164,552	20,059,217
Debt servicing limit	4,627,901	4,604,900
Debt servicing used	1,117,817	1,234,359
Amount of debt servicing limit unused	\$ 3,510,084	\$ 3,370,541

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.

Total debt includes long-term debt less debt charges recoverable. Debt servicing includes principal and interest payments due on long-term debt in the 12 months subsequent to year-end less amounts that are recoverable.

9. EQUITY IN TANGIBLE CAPITAL ASSETS

	2025	2024
Tangible capital assets, Schedule 2	\$ 121,663,113	\$ 118,565,319
Accumulated amortization, Schedule 2	(56,434,204)	(53,172,926)
Asset Retirement Obligation, Note 6	(483,200)	(480,800)
Long term debt, Note 7	(6,602,853)	(7,570,182)
	\$ 58,142,857	\$ 57,341,411

Town of Westlock

Notes to Consolidated Statements

For the Year Ended December 31, 2025

10. ACCUMULATED SURPLUS

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

	2025	2024
Unrestricted Surplus	\$ 2,869,396	\$ 2,655,061
Restricted Surplus	3,131,413	3,648,519
Equity in tangible capital assets, Note 9	58,142,857	57,341,411
	\$ 64,143,665	\$ 63,644,991

11. SEGMENTED DISCLOSURE

The Town of Westlock provides a range of services to its ratepayers. For each reported segment, revenue 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 included 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. Public health and welfare include family and community support and cemetery. Recreation and culture includes parks and recreation, libraries, and museums. Environmental use and protection include water supply and distribution, wastewater treatment and disposal, and waste management.

12. SALARY AND BENEFIT DISCLOSURE

	Salary ¹	Benefits & Allowances ^{2,3}	2025	2024
Mayor Jonathan Kramer	\$ 49,954	\$ 10,129	\$ 60,083	\$ 53,454
Councillors:				
Jerald Buchko	7,205	1,687	8,892	-
Laurie Hodge	5,302	1,574	6,876	-
Murtaza Jamaly, 10 months	29,868	7,863	37,731	50,374
Abby Keyes	-	-	-	28,791
Laura Morie	29,849	5,188	35,037	33,996
Curtis Snell	28,866	9,164	38,030	38,455
Mitchell Tinant	5,302	1,574	6,876	-
David Truckey, 10 months	23,196	7,935	31,131	37,202
Randy Wold	31,253	9,704	40,957	40,822
	\$ 210,795	\$ 54,818	\$ 265,613	\$ 283,094

Town of Westlock

Notes to Consolidated Statements

For the Year Ended December 31, 2025

12. SALARY AND BENEFIT DISCLOSURE

	Salary ¹	Benefits & Allowances ^{2,3}	2025	2024
Chief Administrative Officer	196,212	36,415	232,627	218,384
Designated officers - 3 positions	333,306	66,701	400,007	397,466
	<u>\$ 529,518</u>	<u>\$ 103,116</u>	<u>\$ 632,634</u>	<u>\$ 615,850</u>

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, health spending account, professional memberships and tuition.

3. Benefits and allowances figures also include the employers 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.

13. 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 services are recorded as expenditures in the year in which they become due.

	2025	2024
Current service contributions by Employer	\$ 311,958	\$ 338,161
Current service contributions by Employee	<u>277,925</u>	<u>300,811</u>
	<u>\$ 589,883</u>	<u>\$ 638,972</u>

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.

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

14. CONTINGENCIES

The Town of Westlock is a member of the Alberta Municipal Insurance Exchange (MUNIX). Under the terms of the membership, the Town of Westlock 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.

15. FINANCIAL INSTRUMENTS

The Town of Westlock's financial instruments consist of cash and temporary investments, accounts receivable,

Town of Westlock

Notes to Consolidated Statements

For the Year Ended December 31, 2025

15. FINANCIAL INSTRUMENTS

accounts payable and accrued liabilities, deposit liabilities and long term debt. It is management's opinion that the Town of Westlock is not exposed to significant interest or currency risks arising from these financial instruments.

The Town of Westlock 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 of Westlock provides services may experience financial difficulty and be unable to fulfil their obligations. The large number and diversity of taxpayers and customers minimizes the credit risk.

Unless otherwise noted, the carrying value of the financial instrument approximate fair value.

16. MEASUREMENT OF UNCERTAINTY

The preparation of consolidated financial statements in conformity with Canadian Accounting Standards for Public Sector Accounting Board requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of the tangible capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in the revenue or expenses in the period in which they become known. Actual results could differ from those estimates.

17. COMMITMENTS

The Town is committed to purchasing \$1,643,400 of water in 2026 from the Westlock Regional Water Commission in accordance with Schedule A of the Water Supply Agreement. Future volume commitments are agreed on each year by way of a letter from the Town to the Westlock Regional Water Commission. Future pricing will not be lower than the current rate of \$2.739 per cubic meter.

The Town is also committed to an operating leases on office equipment as follows:

	Annual Commitment	Total Remaining	Expiry
Xerox - Photocopiers	\$19,083	\$ 19,083	2027
Pitney Bowes, Office equipment, and maintenance services	\$7,086	\$ 7,086	2026
Total		\$ 26,169	

18. RESTRICTED SURPLUS

	2025	2024
Building Reserve	\$ 74,345	\$ 144,992
Cemetery Reserve	91,518	150,763
Emergency Equipment Reserve	366,415	290,313
Environmental Surcharge Reserve	421,907	420,228
General Operating Reserve	157,769	212,392
Infrastructure Surcharge Reserve	204,607	135,033

Town of Westlock

Notes to Consolidated Statements

For the Year Ended December 31, 2025

18. RESTRICTED SURPLUS

	2025	2024
Land Development Reserve	(462,668)	(146,699)
Machinery/Fleet Replacement Reserve	220,256	140,486
Recreation Reserve	216,410	224,496
Storm Sewer Reserve	29,415	15,415
Street Construction Reserve	552,007	635,210
Utility Offsite Levy Reserve	(9,067)	(9,067)
Water/Sewer Reserve	1,268,499	1,434,957
Total	\$ 3,131,413	\$ 3,648,519

19. DEFERRED REVENUE

	2025	2024
Deferred Revenue		
Municipal Sustainability Initiative Capital	\$ 222,918	\$ 222,918
Local Government Fiscal Framework	724,852	329,499
Canadian Community Building Grant	701,793	845,157
Other Operating Grants	204,056	246,156
Donations	38,044	50,000
Recreation Deferred Revenue	182,964	158,717
Westlock Regional Waste over (under) collection of requisition	(104)	(104)
	2,074,523	1,852,343
FCSS - Deferred Revenue		
Municipal Partner Contributions	10,582	25,037
Outreach	672	672
Christmas Spirit/Santa's Anonymous	31,447	31,846
Caring for Kids/Families	8,571	8,671
FASD	2,318	2,318
Healthy Aging	15,884	-
	69,474	68,544
Total	\$ 2,143,997	\$ 1,920,887

Town of Westlock

Notes to Consolidated Statements

For the Year Ended December 31, 2025

20. CONTAMINATED SITES LIABILITY

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, 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 using a discount rate of 6% assuming annual inflation of 2%.

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

The total liability recorded at December 31, 2025 is \$100,381 (2024 - \$100,381) and represents the estimated present value of closure and post-closure using a discount rate of 4%. Closure will involve covering the site with topsoil and vegetation and installing ground water 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.

21. APPROVAL OF FINANCIAL STATEMENTS

Council and Management have approved these financial statements.