

# **Town of Westlock**

## **Financial Statements**

**December 31, 2020**

# Town of Westlock

December 31, 2020

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# Town of Westlock

## Management's Responsibility for Financial Reporting

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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, 2020 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.

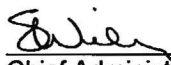
In fulfilling its responsibilities and recognizing the limits inherent in all systems, management has designed and maintains a system of internal controls to produce reliable information and to meet reporting requirements on a timely basis. The system is designed to provide management with reasonable 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: April 27, 2021

Town of Westlock



Director of Finance

Date:

Town of Westlock

Allan J. Grykuliak, CPA, CA\*  
Scott T. Mockford, CPA, CA\*  
Allen Lee, CPA, CMA\*  
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\*Operates as a professional Corporation

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## **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 statement of financial position as at December 31, 2020, and the results of its operations, changes in its net financial assets and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying Consolidated Financial Statements present fairly, in all material respects, the financial position of the **Town of Westlock** as at December 31, 2020, the results of its operations, changes in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

#### **Basis for Opinion**

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

#### **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

#### **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 controls.



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### INDEPENDENT AUDITORS' REPORT - continued

- 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.

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

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

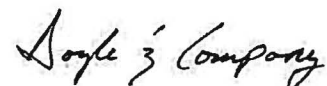
#### Report on Other Legal and Regulatory Requirements

##### Debt Limit Regulation

In accordance with Alberta Regulation 255/2000, we confirm that the municipality is in compliance with the Debt Limit Regulation. A detailed account of the Town's debt limit can be found in notes 5 and 6.

##### 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 10.



Edmonton, Alberta  
April 26, 2021

Chartered Professional Accountants

# Town of Westlock

## Consolidated Statement of Financial Position

December 31, 2020

	2020	2019
<b>FINANCIAL ASSETS</b>		
Cash and temporary investments, Note 2	\$ 12,047,813	\$ 11,419,965
Taxes receivable, Note 3	338,378	369,206
Trade and other receivables, Note 3	2,440,308	1,574,278
Land for resale inventory	546,148	546,148
	<b>15,372,647</b>	<b>13,909,597</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	1,673,713	1,630,956
Employee benefit obligations, Note 4	227,626	223,422
Deposit liabilities	104,406	105,980
Deferred revenue, Note 17	5,817,009	4,510,236
Prepaid frontages	318	1,898
Long term debt, Note 5	8,635,642	7,909,427
	<b>16,458,714</b>	<b>14,381,919</b>
<b>NET FINANCIAL ASSETS (DEBT)</b>	<b>(1,086,067)</b>	<b>(472,322)</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets, Schedule 2	53,068,241	51,181,680
Inventory for consumption	235,704	161,943
Prepaid expenses	42,781	30,598
	<b>53,346,726</b>	<b>51,374,221</b>
<b>ACCUMULATED SURPLUS (Schedule 1, Note 8)</b>	<b>\$ 52,260,659</b>	<b>\$ 50,901,899</b>

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

# Town of Westlock

## Consolidated Statement of Operations

### For the Year Ended December 31, 2020

	Budget (Unaudited)	2020	2019
<b>REVENUE</b>			
Net municipal taxes, Schedule 3	\$ 7,231,073	\$ 7,161,280	\$ 7,192,282
User fees and sales of goods	5,176,933	4,246,009	4,671,198
Government transfers for operating, Schedule 4	1,093,686	1,308,624	1,135,779
Penalties and costs of taxes	101,600	141,081	118,932
Franchise Fees	1,179,940	1,219,954	1,161,154
License and Permits	109,300	94,715	80,255
Insurance recoveries	-	46,232	-
Investment income	86,000	125,030	159,623
Fines and Costs	77,000	37,987	65,428
Rental Revenue	616,606	440,121	595,764
Other revenue	77,475	218,130	130,076
<b>Total Revenue</b>	<b>15,746,413</b>	<b>15,039,163</b>	<b>15,310,491</b>
<b>EXPENSES</b>			
Legislative	309,490	227,448	331,349
Administration	1,853,956	1,648,311	1,665,520
Protective Services	1,317,152	1,441,900	1,283,314
Transportation Services	3,167,556	3,428,617	3,195,476
Water supply and distribution	2,609,840	2,356,044	2,312,448
Wastewater treatment and disposal	451,189	414,980	371,135
Waste management	619,849	576,157	589,279
Family and community support and Public Health	674,699	625,942	684,349
Land use planning, zoning, land and development	1,271,633	1,121,337	1,200,680
Parks and recreation	4,023,553	3,395,607	3,820,681
Culture	291,000	302,890	294,577
Loss on disposal of assets	-	12,781	42,991
<b>Total Expenses</b>	<b>16,589,917</b>	<b>15,552,014</b>	<b>15,791,799</b>
<b>EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES - BEFORE OTHER</b>	<b>(843,504)</b>	<b>(512,851)</b>	<b>(481,308)</b>
<b>OTHER</b>			
Government transfers for Capital, Schedule 4	4,266,571	1,871,611	1,752,274
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>	<b>3,423,067</b>	<b>1,358,760</b>	<b>1,270,966</b>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<b>-</b>	<b>50,901,899</b>	<b>49,630,933</b>
<b>ACCUMULATED SURPLUS - END OF YEAR</b>	<b>\$ -</b>	<b>\$ 52,260,659</b>	<b>\$ 50,901,899</b>

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, 2020

	Budget (Unaudited)	2020	2019
<b>EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES</b>	<b>\$ 3,423,067</b>	<b>\$ 1,358,760</b>	<b>\$ 1,270,966</b>
Purchase of tangible capital assets	-	(4,757,546)	(2,260,779)
Proceeds on disposal of tangible capital assets	-	42,665	34,500
Amortization of tangible assets	2,802,930	2,815,539	2,825,093
(Gain) loss on sale of tangible capital assets	-	12,781	42,991
	<b>6,225,997</b>	<b>(527,801)</b>	<b>1,912,771</b>
Use (acquisition) of supply inventories	-	(73,761)	(6,504)
Use (acquisition) of prepaid assets	-	(12,183)	(4,449)
<b>(INCREASE) DECREASE IN NET DEBT</b>	<b>6,225,997</b>	<b>(613,745)</b>	<b>1,901,818</b>
<b>NET FINANCIAL ASSETS (DEBT), BEGINNING OF YEAR</b>	<b>-</b>	<b>(472,322)</b>	<b>(2,374,140)</b>
<b>NET FINANCIAL ASSETS (DEBT), END OF YEAR</b>	<b>\$ 6,225,997</b>	<b>\$ (1,086,067)</b>	<b>\$ (472,322)</b>

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, 2020

	2020	2019
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenses	\$ 1,358,760	\$ 1,270,966
Item not affecting cash		
Amortization of tangible capital assets	2,815,539	2,825,093
Loss (gain) on disposal of tangible capital assets	12,781	42,991
	<b>4,187,080</b>	<b>4,139,050</b>
Changes in non-cash working capital:		
Taxes and grants in place of taxes	30,828	(144,298)
Trade and other receivables	(866,030)	1,241,344
Inventory for consumption	(73,761)	(6,504)
Prepaid expenses	(12,183)	(4,449)
Accounts payable and accrued liabilities	46,961	(320,122)
Deposit liabilities	(1,574)	19,378
Deferred revenue	1,306,773	2,654,140
Prepaid frontages	(1,580)	(5,032)
	<b>4,616,514</b>	<b>7,573,507</b>
Long term debt issued	1,712,713	-
Long term debt repaid	(986,499)	(1,026,479)
	<b>726,214</b>	<b>(1,026,479)</b>
<b>CAPITAL ACTIVITIES</b>		
Acquisition of tangible capital assets	(4,757,546)	(2,260,779)
Sale of tangible capital assets	42,666	34,500
<b>NET CASH USED BY CAPITAL ACTIVITIES</b>	<b>(4,714,880)</b>	<b>(2,226,279)</b>
Net cash increase in cash and cash equivalents	627,848	4,320,749
Cash and cash equivalents at beginning of period	11,419,965	7,099,216
<b>Cash and cash equivalents at end of period</b>	<b>\$ 12,047,813</b>	<b>\$ 11,419,965</b>

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, 2020

	Unrestricted Surplus	Restricted Surplus, Note 16	Equity in Tangible Capital Assets	2020	2019
<b>BALANCE, BEGINNING OF YEAR</b>	<b>\$ 2,146,356</b>	<b>\$ 5,483,292</b>	<b>\$ 43,272,251</b>	<b>\$ 50,901,899</b>	<b>\$ 49,630,933</b>
Excess (deficiency) of revenues over expenses	1,358,760	-	-	1,358,760	1,270,966
Unrestricted funds designated for future use	(819,751)	819,751	-	-	-
Restricted funds used for tangible capital assets	-	(1,017,612)	1,017,612	-	-
Current year funds used for tangible capital assets	(2,027,224)	-	2,027,224	-	-
Restricted funds used for operating	35,000	(35,000)	-	-	-
Disposal of tangible capital assets	55,447	-	(55,447)	-	-
Annual amortization expense	2,815,539	-	(2,815,539)	-	-
Long term debt repaid	(986,498)	-	986,498	-	-
<b>Change in accumulated surplus</b>	<b>431,273</b>	<b>(232,861)</b>	<b>1,160,348</b>	<b>1,358,760</b>	<b>1,270,966</b>
<b>BALANCE, END OF YEAR</b>	<b>\$ 2,577,629</b>	<b>\$ 5,250,431</b>	<b>\$ 44,432,599</b>	<b>\$ 52,260,659</b>	<b>\$ 50,901,899</b>

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, 2020

	Land	Land Improvements	Buildings	Engineered Structures	Machinery & Equipment	Vehicles	2020	2019
<b>COST</b>								
BALANCE, BEGINNING OF YEAR	\$ 1,286,562	\$ 1,257,582	\$ 31,476,520	\$ 50,902,247	\$ 5,348,980	\$ 1,542,374	\$ 91,814,265	\$ 89,722,351
Acquisitions	-	32,535	2,034,100	806,925	235,985	1,221,956	4,331,501	1,879,290
Construction in Progress	-	-	6,593	419,452	-	-	426,045	381,490
Disposals of tangible capital assets	-	-	-	-	(56,285)	-	(56,285)	(168,867)
<b>BALANCE, END OF YEAR</b>	<b>1,286,562</b>	<b>1,290,117</b>	<b>33,517,213</b>	<b>52,128,624</b>	<b>5,528,680</b>	<b>2,764,330</b>	<b>96,515,526</b>	<b>91,814,264</b>
<b>ACCUMULATED AMORTIZATION:</b>								
BALANCE, BEGINNING OF YEAR	-	839,624	12,889,813	22,638,392	3,635,609	629,149	40,632,587	37,898,868
Annual Amortization	-	44,769	1,103,502	1,245,741	306,494	115,030	2,815,536	2,825,092
Accumulated amortization on disposals	-	-	-	-	(838)	-	(838)	(91,376)
<b>BALANCE, END OF YEAR</b>	<b>-</b>	<b>884,393</b>	<b>13,993,315</b>	<b>23,884,133</b>	<b>3,941,265</b>	<b>744,179</b>	<b>43,447,285</b>	<b>40,632,584</b>
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<b>\$ 1,286,562</b>	<b>\$ 405,724</b>	<b>\$ 19,523,898</b>	<b>\$ 28,244,491</b>	<b>\$ 1,587,415</b>	<b>\$ 2,020,151</b>	<b>\$ 53,068,241</b>	<b>\$ 51,181,680</b>

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, 2020

	Budget (Unaudited)	2020	2019
<b>TAXATION</b>			
Residential Taxes	\$ 5,315,018	\$ 5,305,995	\$ 5,388,358
Non-Residential Taxes	3,655,006	3,602,885	3,661,399
Grant in Place of Taxes	72,574	72,574	71,352
Linear Property Taxes	168,779	168,869	176,660
Special Assessments and Local Improvement Levies	61,163	46,120	49,572
Farmland	16,673	19,745	22,383
	<b>9,289,213</b>	<b>9,216,188</b>	<b>9,369,724</b>
<b>REQUISITIONS</b>			
School Board Foundations	1,720,726	1,719,121	1,837,010
Seniors Foundation	336,819	335,192	339,745
Designated Property Tax Requisition	595	595	687
	<b>2,058,140</b>	<b>2,054,908</b>	<b>2,177,442</b>
<b>NET MUNICIPAL TAXES</b>	<b>\$ 7,231,073</b>	<b>\$ 7,161,280</b>	<b>\$ 7,192,282</b>

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, 2020

	Budget (Unaudited)	2020	2019
<b>TRANSFERS FOR OPERATING</b>			
Provincial Government	\$ 710,100	\$ 936,454	\$ 756,659
Other Local Governments	378,786	356,770	374,090
Federal Grants for Operating	4,800	15,400	5,030
	1,093,686	1,308,624	1,135,779
<b>TRANSFERS FOR CAPITAL</b>			
Provincial Government	4,266,571	1,414,168	1,625,818
Federal Government	-	457,443	126,456
	4,266,571	1,871,611	1,752,274
<b>TOTAL GOVERNMENT TRANSFERS</b>	\$ 5,360,257	\$ 3,180,235	\$ 2,888,053

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, 2020

	Budget (Unaudited)	2020	2019
<b>CONSOLIDATED EXPENSES BY OBJECT</b>			
Salaries, wages and benefits	\$ 5,864,492	\$ 5,274,122	\$ 5,424,283
Contracted and general services	3,518,325	3,608,756	3,492,697
Materials, goods and utilities	3,618,814	3,123,342	3,303,195
Transfers to local boards and agencies	190,348	213,098	171,822
Interest and bank charges	22,580	15,917	25,122
Interest on Long Term Debt	277,651	272,919	279,323
Transfers to individuals and organizations	224,035	193,826	220,229
Amortization of tangible assets	2,802,930	2,815,539	2,825,093
Other operating expenses	70,737	21,714	7,044
Loss on disposal of tangible capital asset	-	12,781	42,991
	\$ 16,589,912	\$ 15,552,014	\$ 15,791,799

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, 2020

	General Government	Protective Services	Transportation Services	Planning & Development	Recreation & Culture	Environmental Services	Other	2020	2019
Net municipal taxes	\$ 7,161,281	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,161,281	\$ 7,192,281
Government Transfers	154,733	435,529	446,031	-	1,559,597	190,965	393,380	3,180,235	2,888,053
User fees and sales of goods	12,596	14,521	76,288	50	213,637	3,780,428	148,488	4,246,008	4,671,198
Investment income	125,030	-	-	-	-	-	-	125,030	159,623
Other Revenue	1,341,302	112,589	-	339,114	352,612	10,293	42,310	2,198,220	2,151,608
	<b>8,794,942</b>	<b>562,639</b>	<b>522,319</b>	<b>339,164</b>	<b>2,125,846</b>	<b>3,981,686</b>	<b>584,178</b>	<b>16,910,774</b>	<b>17,062,763</b>
<b>EXPENSES</b>									
Salaries, wages and benefits	1,058,080	377,405	858,101	538,948	1,442,776	564,138	434,676	5,274,124	5,424,283
Contracted and general services	485,650	821,938	779,347	238,548	533,720	659,774	89,776	3,608,753	3,492,696
Materials, goods and utilities	80,123	109,796	568,195	99,196	589,104	1,594,917	82,010	3,123,341	3,303,193
Transfers to individual or local boards	4,922	64,306	55,898	-	196,398	68,700	16,700	406,924	392,051
Interest on Long Term Debt	-	3,927	17,935	28,697	175,492	46,868	-	272,919	279,323
Other expenses	24,119	955	12,780	-	2,882	9,518	160	50,414	75,158
	<b>1,652,894</b>	<b>1,378,327</b>	<b>2,292,256</b>	<b>905,389</b>	<b>2,940,372</b>	<b>2,943,915</b>	<b>623,322</b>	<b>12,736,475</b>	<b>12,966,704</b>
<b>NET REVENUE, BEFORE AMORTIZATION</b>	<b>7,142,048</b>	<b>(815,688)</b>	<b>(1,769,937)</b>	<b>(566,225)</b>	<b>(814,526)</b>	<b>1,037,771</b>	<b>(39,144)</b>	<b>4,174,299</b>	<b>4,096,059</b>
Amortization expense	222,865	63,573	1,149,142	215,949	758,124	403,266	2,620	2,815,539	2,825,093
<b>NET REVENUE</b>	<b>\$ 6,919,183</b>	<b>\$ (879,261)</b>	<b>\$ (2,919,079)</b>	<b>\$ (782,174)</b>	<b>\$ (1,572,650)</b>	<b>\$ 634,505</b>	<b>\$ (41,764)</b>	<b>\$ 1,358,760</b>	<b>\$ 1,270,966</b>
<b>2019 COMPARATIVE NET REVENUE</b>	<b>\$ 6,747,456</b>	<b>\$ (923,323)</b>	<b>\$ (2,032,034)</b>	<b>\$ (898,521)</b>	<b>\$ (2,738,519)</b>	<b>\$ 1,154,165</b>	<b>\$ (38,258)</b>	<b>\$ 1,270,966</b>	

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

# Town of Westlock

## Notes to Consolidated Statements

For the Year Ended December 31, 2020

### 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 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.

# Town of Westlock

## Notes to Consolidated Statements

For the Year Ended December 31, 2020

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### d) 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.

#### e) 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.

#### f) 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.

#### g) 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.

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.

#### h) Contaminated Sites Liability

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

# Town of Westlock

## Notes to Consolidated Statements

For the Year Ended December 31, 2020

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### i) 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.

#### j) 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.

#### k) 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	15 to 75 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.

#### l) 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.

#### m) 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.



# Town of Westlock

## Notes to Consolidated Statements

For the Year Ended December 31, 2020

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### n) Inventory for Consumption

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

### 2. CASH AND TEMPORARY INVESTMENTS

	2020	2019
Bank accounts	\$ 12,046,783	\$ 11,409,615
Petty Cash, Floats, Spirit Centre ATM	1,030	10,350
	<b>\$ 12,047,813</b>	<b>\$ 11,419,965</b>

### 3. RECEIVABLES

	2020	2019
<b>Property Taxes</b>		
Current taxes and grants in place of taxes	\$ 273,937	\$ 235,828
Arrears taxes	74,808	68,464
Allowance for doubtful accounts	(18,830)	-
Education Requisition Under-Levy	8,463	64,914
	<b>\$ 338,378</b>	<b>\$ 369,206</b>
<b>Other</b>		
Local improvement levies	19,325	42,298
Trade accounts	478,374	583,961
GST Receivable	50,204	56,969
Due from Other Governments	1,899,412	900,710
Allowance for doubtful accounts	(7,007)	(9,660)
	<b>2,440,308</b>	<b>1,574,278</b>
	<b>\$ 2,778,686</b>	<b>\$ 1,943,484</b>

### 4. EMPLOYEE BENEFIT OBLIGATIONS

	2020	2019
Vacation and overtime	\$ 227,626	\$ 223,422

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, 2020

### 5. LONG TERM DEBT

	2020	2019
Tax and utility supported debentures due to Alberta Capital Finance Authority	\$ 7,992,903	\$ 7,909,427
Tax and utility supported loans due to Enmax Energy	642,739	-
	<b>\$ 8,635,642</b>	<b>\$ 7,909,427</b>

The current portion of the long term debt amounts to \$1,054,873.

Principal and interest repayment terms are as follows:

	Principal	Interest	Total
2021	\$ 1,042,983	\$ 265,495	\$ 1,308,478
2022	617,401	241,867	859,268
2023	637,493	221,775	859,268
2024	658,092	200,976	859,068
2025	679,824	179,445	859,269
Thereafter	4,999,849	752,607	5,752,456
	<b>\$ 8,635,642</b>	<b>\$ 1,862,165</b>	<b>\$ 10,497,807</b>

Debenture debt is repayable to the Alberta Capital Finance Authority and bears interest at rates ranging from 1.2625% to 5.387% per annum and matures in periods 2021 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 debt amounted to \$272,919 (2019 - \$279,323).

### 6. 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:

	2020	2019
Total debt limit	\$22,558,745	\$22,965,737
Total debt	8,635,642	7,909,427
Amount of debt limit unused	<b>13,923,103</b>	<b>15,056,310</b>
Debt servicing limit	3,759,791	3,827,623
Debt servicing used	1,308,478	1,214,486
Amount of debt servicing limit unused	<b>\$ 2,451,313</b>	<b>\$ 2,613,137</b>

# Town of Westlock

## Notes to Consolidated Statements

For the Year Ended December 31, 2020

### 6. DEBT LIMITS

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.

### 7. EQUITY IN TANGIBLE CAPITAL ASSETS

	2020	2019
Tangible capital assets, Schedule 2	\$ 96,515,526	\$ 91,814,265
Accumulated amortization, Schedule 2	(43,447,285)	(40,632,587)
Long term debt, Note 5	(8,635,642)	(7,909,427)
	<b>\$ 44,432,599</b>	<b>\$ 43,272,251</b>

### 8. ACCUMULATED SURPLUS

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

	2020	2019
Unrestricted Surplus	\$ 2,577,629	\$ 2,146,356
Reserves, Note 16	5,250,431	5,483,292
Equity in tangible capital assets, Note 7	44,432,599	43,272,251
	<b>\$ 52,260,659</b>	<b>\$ 50,901,899</b>

### 9. 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). Revenues for the activities are allocated as follows:

Taxation:	Allocated to General Government
Sale of Service:	Allocated to segment based on service and to general government if not specific

# Town of Westlock

## Notes to Consolidated Statements

For the Year Ended December 31, 2020

### 9. SEGMENTED DISCLOSURE

Grants:	Allocated to segment based on service provided and to general government if not
specific	
Interest:	Allocated to general government

The nature of the segments and the activities they encompass are as follows:

**General Government** - This function consists of expenditures which are made primarily to operate the municipality rather than provide services, such as the operation of the governing body, handling of finance and similar items which are common to or affect all of the services provided by the municipality.

**Legislative Services** - This function encompasses activities for Mayor and Council for the benefit of the municipality as a whole.

**Administration** - This function encompasses all activities required primarily to administer the municipality as a whole rather than to provide services, although it does include municipal offices services provided to the public. This function includes the CAO, and administration services, including safety, human resources, accounting activities, property taxation and assessment, finance, municipal census, external auditing, municipal memberships, public liability insurance, general administration and record services.

**Protective Services** - This category of functions provide for the public safety of citizens, currently, in three main programs, Fire, Emergency Services and Community Enforcement.

**Fire Protection Services** - This function embodies all activities required to provide fire protection and prevention for the municipality, either through its own fire fighting force and through joint service arrangements with neighbouring communities. Expenditures include all fire fighting, investigations, prevention programs, training programs, fire hall repairs and maintenance, fire equipment acquisition and repairs, and the costs associated with the volunteer fire fighters.

**Emergency Measures and Disaster Services** - This function includes all activities required to plan and carry out various emergency measures connected with preparation for and handling of disasters of all kinds.

**Community Enforcement** - This function includes all activities required to provide protection of persons and property which have not been included in any of the above protective service functions. Typical types of activities include building, parking and traffic bylaw enforcement, animal control and weed control.

**Transportation Services** - This category of functions consists of expenditures which are made in connection with public transportation services and includes construction and maintenance of roads, streets and laneways and related facilities such as storm drainage systems, fleet services, street lighting, traffic services, and public transit. As well, this category is responsible for the administration and engineering costs associated with these services and facilities.

**Common Services** - This function includes those activities which relate to or benefit several transportation facilities. The activities include the engineering services, buildings, yards, workshops and garages as well as the overall administration of the transportation service.

**Road Transportation** - This function includes all activities required to provide for roads, streets, laneways,

# Town of Westlock

## Notes to Consolidated Statements

For the Year Ended December 31, 2020

### 9. SEGMENTED DISCLOSURE

snow clearing, street lighting, traffic signals and sidewalks. This function also includes expenses incurred in maintaining public parking facilities.

**Fleet and Equipment Pool** - This function includes fuel, insurance, repairs and maintenance for a central pool of equipment and vehicles used as required by all departments within the municipality.

**Airport Services** - This function includes an annual contribution to the Westlock Airport to Westlock County for the operation of the hangar, runway and other facilities and structures of the system.

**Public Transit** - This function includes all activities involved in the operation of the Community Assistance Bus. The expenditures would typically include administration of the service, operators, fuel and maintenance.

**Storm Sewers and Drainage** - This function includes the activities involved in providing and maintaining a system of storm sewers and drainage facilities for the municipality. The expenses include maintenance, ditching, cleaning, flushing, and any other associated activity.

**Environmental Services** - This category of function consists of programs which provide utility services in the municipality which come under rigid environmental controls.

**Water Supply and Distribution** - This function covers the water utility operations including the purchasing treated water from the Westlock Regional Water Services Commission, utility billing and collection services, provisioning of the water supply through transmission lines and reservoir systems, and repairs and maintenance to the system. This function is self sustaining as it is maintained solely from the utility billings which includes a reserve for future capital plans and debt repayment.

**Sanitary Sewer Service and Treatment** - This function includes all activities for the collection, treatment and disposal of sanitary sewage. Expenses include all administration, operation and maintenance of lagoons, lift station, lines, structures and equipment as appropriate for this function. This function is self sustaining as it is maintained solely from the utility billings which includes a reserve for future capital plans and debt repayment.

**Garbage Collection and Disposal** - This function covers all activities involved in the collection and disposal of garbage, recycling and organics. Administration (including billing and collection), contracted services, tipage, and maintaining a building are included in this activity.

**Other (Public Health and Community Wellness)** - This category of functions include expenditures which are incurred to carry out services relating to the health of individuals.

**Family and Community Support Services** - This function includes activities in developing community awareness to strengthen and preserve human initiative and preclude individual or family breakdown. This includes activities such as parent and child development, fetal alcohol spectrum disorder programming, youth and senior programming and any other associated activities which may be considered primarily as social and health services rather than cultural services.

**Day Care** - The municipality maintains ownership of a building which is currently leased at no cost to the Westlock Childcare Society. The Society is responsible for all maintenance and insurances on the building.

# Town of Westlock

## Notes to Consolidated Statements

For the Year Ended December 31, 2020

### 9. SEGMENTED DISCLOSURE

**Cemetery** - This function covers all activities associated with the administration, maintenance and operation of the municipal cemetery, including grave opening and closings, columbariums, and perpetual care of the gravesites.

**Planning and Development Services** - This category of functions consists of programs which are undertaken for the physical development of the municipality.

**Municipal Planning and Development** - The function is intended for activities involving regional and municipal planning commissions, a development appeal board, development control officers, any research or studies involving planning, permits, building inspections, administration and other activities relating to development projects being done.

**Economic Development and Tourism** - The function includes activities related to the promotion of the municipality to external groups and individuals through advertising, Visitor Information Centre that provides information about the municipality and related activities associated with the promotion of the municipality.

**Subdivision Land and Developments** - Where the municipality is involved in the holding of land for resale, this function is intended to encompass all activities relating to the development and sale of such lands.

**Public Housing** - This function is intended to encompass all activities involved in the provision of low-cost municipal housing made available to individuals and families. The municipality currently administers one building, Westlock Place. Expenditures include repairs and maintenance, insurance and debt repayment.

**Recreation and Cultural Services** - This function covers services of social and cultural nature. Program costs are segregated from the related expenditure on facilities using subfunctions where programs are carried out.

**Recreation/Parks Facilities and Programs** - Facilities maintained in this category are the Westlock Rotary Spirit Centre, Westlock Aquatic Centre, municipal parks and sport fields, and the programming that occurs at all sites. The expenditures include activities related to the conducting of activities for recreation such as facility and equipment repairs and maintenance, maintenance of outdoor spaces, walking trail maintenance, health and fitness programming.

**Culture: Library and Museum** - This function covers the municipal contribution to the Westlock Regional Library and Yellowhead Regional Library membership by which the Regional Library accesses its book collection. The municipality also owns the buildings occupied by the Westlock Regional Library and the Pioneer Museum and is responsible for the expenses related to insurance, repairs and maintenance of the buildings.

# Town of Westlock

## Notes to Consolidated Statements

For the Year Ended December 31, 2020

### 10. SALARY AND BENEFIT DISCLOSURE

	Salary <sup>1</sup>	Benefits & Allowances <sup>2,3</sup>	2020	2019
Mayor Ralph Leriger	\$ 37,905	\$ 4,477	\$ 42,382	\$ 47,586
Councillors:				
Clem Fagnan	22,968	4,477	27,445	30,210
Murtaza Jamaly	23,575	4,477	28,052	32,709
John Shoemaker	22,968	-	22,968	23,664
Curtis Snell	24,081	4,477	28,558	30,913
David Truckey	23,930	4,477	28,407	35,369
Randy Wold	23,525	4,630	28,155	33,934
	\$ 178,952	\$ 27,015	\$ 205,967	\$ 234,385
Chief Administrative Officer	\$ 171,251	\$ 28,151	\$ 199,402	\$ 258,733
Designated Officers (2)	\$ 150,954	\$ 20,564	\$ 171,518	\$ -

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.

### 11. 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.

The Town is required to make current service contributions to the LAPP of 9.39% of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 13.84% on pensionable earnings above this amount. Employees of the Town are required to make current service contributions of 8.39% of pensionable salary up to the year's maximum pensionable salary and 12.84% on pensionable salary above this amount.

Total service contributions by the Town to the LAPP in 2020 was \$330,341 (2019-\$304,111). The total current service contributions by the employees of the Town to the LAPP in 2020 was \$297,988(2019-\$273,705).

Total current service contributions by the town to the LAPP in 2021 were \$74,035. Total current service



# Town of Westlock

## Notes to Consolidated Statements

For the Year Ended December 31, 2020

### 11. LOCAL AUTHORITIES PENSION PLAN

contributions by the employees of the town to the LAPP in 2021 were \$66,791.

At December 31, 2019 the LAPP disclosed an actuarial surplus of \$7.9 billion.

### 12. 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.

### 13. FINANCIAL INSTRUMENTS

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

### 14. 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.

# Town of Westlock

## Notes to Consolidated Statements

For the Year Ended December 31, 2020

### 15. COMMITMENTS

The Town is committed to purchasing \$1,488,000 of water in 2021 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 \$2.40/cubic meter.

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

	Annual Commitment	Total Remaining	Expiry
Xerox - Photocopiers	\$20,357	\$ 61,070	2023
Pitney Bowes, Office equipment, and maintenance services	\$7,086	\$ 35,431	2026
RCAP/Sunco - Phone equipment and maintenance services	\$18,918	\$ 18,918	2021
<b>Total</b>		<b>\$ 115,419</b>	

### 16. RESTRICTED SURPLUS

	2020	2019
Building Reserve	\$ 191,110	\$ 130,110
Cemetery Reserve	133,006	129,218
Emergency Equipment Reserve	234,908	304,969
Environmental Surcharge Reserve	467,722	468,389
General Operating Reserve	294,726	272,305
Infrastructure Surcharge Reserve	1,008,608	1,113,135
Land Development Reserve	7,961	51,310
Machinery/Fleet Replacement Reserve	(53,759)	26,008
Municipal Parkland Reserve	-	-
Recreation Reserve	37,460	31,176
Storm Sewer Reserve	15,000	-
Street Construction Reserve	501,918	499,571
Utility Offsite Levy Reserve	-	-
Water/Sewer Reserve	2,411,772	2,457,101
<b>Total</b>	<b>\$ 5,250,432</b>	<b>\$ 5,483,292</b>

# Town of Westlock

## Notes to Consolidated Statements

For the Year Ended December 31, 2020

### 17. DEFERRED REVENUE

	2020	2019
<b>Deferred Revenue</b>		
Municipal Sustainability Initiative Capital	\$ 3,120,286	\$ 2,805,652
Municipal Sustainability Initiative Operating	42,378	15,458
Federal Gas Tax Fund	1,165,561	525,392
Other Capital Grants	873,519	980,220
Other Operating Grants	392,078	19,887
Donations	1,567	-
Recreation Unearned Revenue	89,993	113,458
Westlock Regional Waste Overcollection of Requisition	39	8,650
	<b>5,685,421</b>	<b>4,468,717</b>
<b>FCSS - Deferred Revenue</b>		
Provincial FCSS Grant	78,874	717
Municipal Partner Contributions	11,515	-
EC Mapping	-	7,248
Provincial Emergency Funds	1,099	-
Christmas Spirit/Santa's Anonymous	28,287	23,323
Caring for Kids/Families	9,495	10,231
FASD	2,318	-
	<b>131,588</b>	<b>41,519</b>
<b>Total</b>	<b>\$ 5,817,009</b>	<b>\$ 4,510,236</b>

### 18. CONTAMINATED SITES LIABILITY

The Town adopted PS3260 Liability for Contaminated Sites. The town did not identify any financial liabilities in 2020 (2019 - nil) as a result of this standard.

The Town currently owns land in Westlock County that is a closed landfill site. The Town has received an estimate for a study to be completed on closure and post-closure liability and the study costs are listed in the 3 year capital plan at the cost of \$110,000.

The Town is currently looking into consumable inventory that is maintained on an active site for possible contamination. The initial investigation costs have been accrued as a current liability at a value of \$4,995 as per vendor quote.

# **Town of Westlock**

## **Notes to Consolidated Statements**

**For the Year Ended December 31, 2020**

### **19. SUBSEQUENT EVENT**

#### **Beneficiary of an Estate**

In 2020, the Town of Westlock was notified that it was named as one of the beneficiaries of an estate. The inheritance includes real property, equipment, and cash. The Town is currently working with the Executors to transfer the inheritance to the Town. It is expected that the Town will receive its portion of the estate in late 2021 or early 2022.

### **20. SIGNIFICANT EVENT**

During 2020 and subsequent to the date of the financial statements, there is a global outbreak of COVID-19 (Corona Virus) which has had a significant impact on the Town through the restrictions put in place by the Canadian and provincial governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Town as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions and quarantine/isolation measures that are currently, or may be put in place by Canada and other countries to fight the virus.

### **21. APPROVAL OF FINANCIAL STATEMENTS**

Council and Management have approved these financial statements.