Town of Innisfail

Consolidated Financial Statements

For the year ended December 31, 2025

Management's Responsibility for Reporting

The Town of Innisfail's management is responsible for the preparation, accuracy, objectivity, and integrity of the accompanying consolidated financial statements and the notes thereto. Management believes that the consolidated financial statements present fairly the Municipality'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 accordance with Canadian public sector accounting standards. 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 to meet reporting requirements. The system is designed to provide management with reasonable assurance that transactions are properly authorized, reliable financial records are maintained, and assets are properly accounted for and safeguarded.

The Municipal Council is responsible for overseeing management in the performance of its reporting responsibilities, and for approving the financial statements. Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. Council is also responsible for recommending the appointment of the Municipality's external auditors.

The consolidated financial statements have been audited by the independent firm of BDO Canada LLP, Chartered Professional Accountants. Their report to the Members of Council of The Town of Innisfail, stating the scope of their examination and opinion on the consolidated financial statements follow.

Chief Administrative Officer

Chief Financial Officer

Town of Innisfail
Consolidated Financial Statements
For the year ended December 31, 2025

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Independent Auditor's Report

To the Mayor and Council of the Town of Innisfail

Opinion

We have audited the consolidated financial statements of Town of Innisfail and its controlled or owned organizations (the Group), which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statement of operations, consolidated statement of changes in net financial assets, and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2025 and its consolidated financial performance and its cash flows for the year then ended in accordance with Public Sector Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled out 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.

Emphasis of Matter – Restated Comparative Information

We draw attention to Note 1 of the financial statements, which explains that certain comparative information for the year ended December 31, 2024 has been restated. Our opinion is not modified with respect of this matter.

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 Public Sector Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

BDO Canada LLP, a Canadian limited liability partnership, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and
- Obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group'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 Group'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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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.

BDO Canada LLP

Chartered Professional Accountants

Red Deer, Alberta
April 27, 2026

Town of Innisfail
Consolidated Statement of Financial Position

December 31	2025	2024 Restated (see Note 1)
Financial assets		
Cash and cash equivalents (Note 2)	$ 12,089,090	$ 18,436,292
Short-term investment (Note 3)	157,340	168,355
Taxes receivable (Note 4)	280,620	301,399
Accounts receivable (Note 5)	3,115,537	3,422,032
	15,642,587	22,328,078
Liabilities		
Accounts payable and accrued liabilities	3,995,979	2,277,080
Employee benefit obligation (Note 6)	257,408	268,042
Deposit liabilities	130,035	126,334
Deferred revenue (Note 7)	2,923,640	1,882,778
Asset retirement obligation (Note 8)	484,831	464,131
Long-term debt (Note 9)	4,605,158	5,063,581
	12,397,051	10,081,946
Net financial assets	3,245,536	12,246,132
Non-financial assets		
Tangible capital assets (Note 10)	103,525,012	95,177,710
Land held for resale (Note 11)	6,675,452	6,849,142
Prepaid expenses	30,316	201,765
	110,230,780	102,228,617
Accumulated surplus (Note 13)	$ 113,476,316	$ 114,474,749

Debenture debt limits (Note 15)
Contingencies (Note 16)
Commitments (Note 17)

Approved on behalf of Town Council:

_____ Mayor

_____ Councillor

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements

Town of Innisfail
Consolidated Statement of Operations

For the year ended December 31	Budget 2025	2025	2024 Restated (see Note 1)
Revenue			
Net municipal taxes (Note 19)	$ 10,373,511	$ 10,296,987	$ 9,411,425
Government transfers for operating (Note 20)	1,270,635	1,402,664	1,565,969
Sales and user fees	8,980,773	9,020,574	11,128,381
Rental revenue	421,300	407,866	392,692
Franchises and concessions	2,716,896	2,598,251	2,525,551
Investment income	700,000	572,445	943,295
Fines and costs	355,000	271,328	255,622
Other	124,500	212,523	383,364
Licenses and permits	280,000	493,923	401,892
	25,222,615	25,276,561	27,008,191
Expenditures (Note 21)			
Legislative	386,022	314,107	306,615
Administration	2,623,906	2,501,658	2,723,313
Protective services	4,251,179	4,207,643	3,711,008
Transportation services	6,098,972	6,305,406	5,543,269
Water and wastewater	7,104,850	7,130,880	6,607,378
Waste management	945,717	842,898	897,881
Planning and development	1,354,800	2,210,323	4,856,051
Recreation and parks	3,584,269	3,336,297	3,611,425
Public health and welfare	466,858	388,196	413,731
	26,816,573	27,237,408	28,670,671
Deficiency of revenue over expenditures - before other	(1,593,958)	(1,960,847)	(1,662,480)
Other			
Government transfers for capital (Note 20)	1,780,731	962,414	1,134,004
Excess of revenue over expenditures	186,773	(998,433)	(528,476)
Accumulated surplus, beginning of the year	114,474,749	114,474,749	115,003,225
Accumulated surplus, end of year	$ 114,661,522	$ 113,476,316	$ 114,474,749

Town of Innisfail
Consolidated Statement of Change in Net Financial Assets (Debt)

For the year ended December 31	Budget 2025	2025	2024 Restated (see Note 1)
Excess of revenue over expenditures	186,773	(998,433)	(528,476)
Acquisition of tangible capital assets	$ (18,546,950)	$ (13,430,640)	$ (5,328,731)
Amortization of tangible capital assets	4,411,099	4,411,099	3,875,944
Proceeds on sale of tangible capital assets	-	347,914	103,031
Write-down on cost of tangible capital assets	-	224,260	17,043
	(13,949,078)	(9,445,800)	(1,861,189)
Change in prepaid expenses	-	171,449	(180,937)
Transfer of land from tangible capital assets to land held for re-sale	-	100,064	-
Change in land held for resale	-	173,691	2,878,929
Net change in net financial assets (debt)	(13,949,078)	(9,000,596)	836,803
Net financial assets, beginning of year,	12,246,132	12,246,132	11,409,329
Net financial assets (debt), end of year	$ (1,702,946)	$ 3,245,536	$ 12,246,132

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements

Town of Innisfail
Consolidated Statement of Cash Flows

For the year ended December 31	2025	2024 Restated (see Note 1)
Operating transactions		
Excess of revenue over expenditures	$ (998,433)	$ (528,476)
Items not involving cash		
Accretion	20,700	19,816
Amortization	4,411,099	3,875,944
Write-down of tangible capital assets	224,260	17,043
Changes in non-cash operating balances		
Taxes receivable	20,779	(944)
Accounts receivable	306,495	(460,011)
Inventory held for resale	100,064	-
Prepaid expenses	171,449	(180,939)
Accounts payable and accrued liabilities	1,718,899	196,951
Inventory for consumption	173,691	2,878,927
Employee benefit obligation	(10,634)	5,371
Deposit liabilities	3,701	(5,636)
Deferred revenue	1,040,862	428,465
	7,182,932	6,246,511
Capital transactions		
Acquisition of tangible capital assets	(13,430,640)	(5,328,731)
Proceeds on sale of tangible capital assets	347,914	103,031
Investing transactions		
Change of investments	11,015	(38,862)
Change in restricted cash balances	(287,052)	(233,661)
	(276,037)	(272,523)
Financing transactions		
Repayment of long-term debt	(458,423)	(436,419)
Net change in cash and cash equivalents	(6,634,254)	311,869
Cash and cash equivalents, beginning of year	18,086,659	17,774,790
Cash and cash equivalents, end of year	$ 11,452,405	$ 18,086,659
Cash and cash equivalents is comprised of:		
Cash and cash equivalents	$ 12,089,090	$ 18,436,292
Less: restricted (Note 2)	(636,685)	(349,633)
	$ 11,452,405	$ 18,086,659

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements

Management's Responsibility for the Financial Statements

The consolidated financial statements of the Town are the responsibility of management. They have been prepared in accordance with Canadian generally accepted accounting principles established by the Public Sector Accounting Board of the Chartered Professional Accountants Canada.

Reporting Entity

The consolidated financial statement reflect the assets, liabilities, revenue and expenses of all municipal organizations, committees and Boards which 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:

Innisfail Public Library

The schedule of taxes levied also includes operational requisitions for educational, health, social and other external organizations that are not part of the municipal reporting entity.

The statement excludes trust assets that are administered for the benefit of external parties. Interdepartmental and organizational transactions and balances are eliminated.

Basis of Accounting

The consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognizes 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 or goods have yet to be provided.

Revenue is recognized in the period when the related expenses are incurred, services performed/goods provided, or the tangible capital assets are acquired.

Financial Instruments

Accounts receivable and accounts payable are measured at cost. Investments and long-term debt are measured at amortized cost. For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest expense.

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations.

Transactions costs are added to the carrying value for financial instruments measured using cost or amortized cost.

Cash and Cash Equivalents

Management considers all highly liquid investments with maturity of three months or less at acquisition to be cash equivalents.

Investments

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 recgonize the loss.

Land Held for Resale

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

Excess Collections and Under-levies

Excess collections arise from the difference between the actual levy made to cover each requisition and the actual amount requisitioned. If the actual levy exceeds the requisition, the excess collection is accrued as a liability and as a reduction in property tax revenue. Requisition tax rates in the subsequent year are adjusted for any excess collections.

Tangible Capital Assets

Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as revenue. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset commencing once the asset is available for productive use as follows:

Land improvements	10 to 100 years
Buildings	25 to 50 years
Engineered Structures	
Water system	45 to 80 years
Wastewater system	45 to 80 years
Road system	10 to 30 years
Machinery, equipment and furnishings	5 to 40 years
Vehicles	5 to 40 years

Deferred Revenue

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

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. Transfers where stipulations give rise to a liability are recognized as revenue as the stipulation liabilities are settled.

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. Taxes receivable are recognized net of an allowance for anticipated uncollectable amounts.

Revenue Recognition	Revenue from transactions with no performance obligation is recognized at realizable value when the Town has the authority to claim or retain an inflow of economic resources and identifies a past transaction or event giving rise to an asset. Revenue from transactions with performance obligations is recognized as the performance obligations are satisfied by providing the promised goods or services to the payor. User fees are recognized over the period of use, sales of goods are recognized when goods are delivered. Where funds are received in advance of services or with specific restrictions, they are recorded as deferred revenue and recognized in the period when the performance obligation is satisfied.
Long-term Debt	Long-term debt is initially recognized net of any premiums, discounts, fees and transaction costs, with interest expenses recognized using the effective interest method. Long-term debt is subsequently measured at amortized cost.

Asset Retirement Obligation

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset at the financial statement date when there is a legal obligation for the Town to incur retirement costs, the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at year-end. The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods.

When a liability for an asset retirement obligation is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related tangible capital asset. The asset retirement cost is amortized over the useful life of the related asset. Asset retirement obligations which are incurred incrementally with use of the asset are recognized in the period incurred with a corresponding asset retirement cost expensed in the period.

At each financial reporting date, the Town reviews the carrying amount of the liability. The Town recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset. The Town continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

Public Private Partnerships

The Town accounts for public private partnerships in accordance with PS 3160. Infrastructure procured through a P3 arrangement is recognized as a tangible capital asset when the Town controls the asset. A liability is recognized for any amounts owing to the private sector partner under the agreement. As at year-end, the Town had not entered into any public private partnership arrangements.

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 environment standard. The liability is recorded net of any expected recoveries. A liability for remediation of a contaminated site is recognized when the Town is either directly responsible or accepts responsibility and is management's estimate of the cost of post-remediation including operations, maintenance, and monitoring.

Use of Estimates	The preparation of consolidated financial statements in accordance with Canadian public sector accounting standards 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 reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future. Management estimates are used in determining the useful life of tangible capital assets and the value of asset retirement obligations.
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 annual surplus, provides the consolidated change in net financial assets for the year.
Contributions of Tangible Capital Assets	Tangible capital assets received as contributions are recorded at fair value at the date of receipt and are recorded as revenue.
Leases	Leases are classified as capital or operating leases. Leases which transfer substantially all 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.

1. Change in Accounting Policy

PS 3280 Asset Retirement Obligation (ARO)

Effective January 1, 2025, the Town adopted the new Public Sector Accounting Handbook Standard, PS 3280 Asset Retirement Obligations. The standard requires the reporting of legal obligations associated with the retirement of tangible capital assets by public sector entities. The standard was adopted on the modified retroactive basis at the date of adoption. Under the modified retroactive method, the discount rate and assumptions used on initial recognition are those as of the date of adoption of the standard. The impact of adoption of this standard was as follows:

	2024 as Reported	Adjustment	2024 Restated
Statement of Operations:			
Expenses	$ 28,649,400	21,271	$ 28,670,671
Excess of revenue over expenditures	$ (507,205)	(21,271)	$ (528,476)
Accumulated surplus, beginning of the year	$ 115,420,742	(417,517)	$ 115,003,225
Accumulated surplus, end of the year	$ 114,913,543	(438,794)	$ 114,474,749
Statement of Financial Position:			
Liability	$ 9,617,815	464,131	$ 10,081,946
Net Financial Assets	$ 12,710,263	(464,131)	$ 12,246,132
Non-Financial Assets	$ 102,203,280	25,337	$ 102,228,617
Statement of Change in Net Financial Assets			
Excess of revenue over expenditures	$ (507,205)	(21,271)	$ (528,476)
Net Financial Assets beginning of the year	$ 11,853,644	(444,315)	$ 11,409,329
Net Financial Assets end of the year	$ 12,710,263	(464,131)	$ 12,246,132

2. Cash and Cash Equivalents

	2025	2024
Current account bearing interest at prime less 1.75%	8,930,530	15,384,796
Short term deposits with original maturities of three months or less bearing interest at prime less 1.45%.	3,158,560	3,051,496
	$ 12,089,090	$ 18,436,292

Included in the above amounts are the following amounts received from the Government of Canada and the Province of Alberta as conditional grants held exclusively for future projects.

	2025	2024
MSI and Building Canada grant	$ 576,677	$ -
Canada Community Building Fund	60,008	349,633
	$ 636,685	$ 349,633

3. Short-term Investments

	2025	2024
Notice of amount 90 days, bearing interest at rates from 1.45% to 4.50%.	$ 157,340	$ 168,355

4. Taxes Receivable

	2025	2024
Current taxes and grants in place	$ 216,929	$ 222,671
Non-current taxes and grants in place	63,691	78,728
	$ 280,620	$ 301,399

5. Accounts Receivable

	2025	2024
Trade receivables	$ 3,115,537	$ 3,422,032

Included in accounts receivable at year-end are $1,800,530 of government grants receivable.

6. Employee Benefit Obligation

	2025	2024
Accrued vacation pay	$ 199,640	$ 186,312
Accrued flex time benefit	57,768	81,730
	$ 257,408	$ 268,042

Accrued vacation pay is comprised of the vacation that employees are deferring to future years.

7. Deferred Revenue

	Opening balance	Contributions received	Revenue recognized	Ending balance
MSI & Building Canada grant	$ 671,503	-	-	$ 671,503
LGFF	-	1,265,548	(94,826)	1,170,722
CCBF	864,816	534,982	(804,808)	594,990
Other	346,459	245,436	(105,470)	486,425
	$ 1,882,778	2,045,966	(1,005,104)	$ 2,923,640

Grants
Under various grant agreements with the Government of Canada and the Province of Alberta, the Town is required to account for grants provided and to complete the projects or program in accordance with standards detailed in the various agreements. If these requirements are not adhered to, the grants will become repayable to the source government. Funds are deferred until related expenditures under the specific grant agreement have been incurred.

Municipal Sustainability Initiative (MSI)
The Province provides conditional grant funding through this program to assist with various operating expenditures in the Town. The use of these funds is restricted to eligible expenditures as approved under the funding agreement.

Canada Community Building Fund (CCBF)
The Government of Canada provides Alberta Transportation with a grant restricted to eligible expenditures as approved under the funding agreement who in turn distributes the funding to the Town.

Local Government Fiscal Framework (LGFF)
LGFF funding is provided to support municipal infrastructure and other eligible projects in accordance with program guidelines established by the Province of Alberta.

Other
Other deferred revenue consists of FCSS grants, business licences, and pet licenses.

8. Asset Retirement Obligation

The Town's asset retirement obligation consists of the following obligations:

Asbestos obligation

The Town owns and operates several buildings that are known to contain asbestos and other materials which various regulations require specific considerations upon asset retirement. Following the adoption of PS 3280 – Asset Retirement Obligations, the Town recognized an obligation relating to the removal and post-removal care of the asbestos in these buildings as estimated at December 31, 2024. The buildings all have an estimated useful life ranging from 25 to 100 years from the date of completion of construction, of which various numbers of years remain. The related asset retirement costs are being amortized on a straight-line basis. The estimated total undiscounted future expenditures are $307,151, which are to be incurred at the end of the individual asset's useful life.

Asbestos concrete pipes

A portion of the Town's water mains are constructed with asbestos concrete. Regulations requiring water mains to be offset from other structures make retirement in place of these water mains impractical, and the Town estimates that these will be removed and disposed of in accordance with applicable regulations at the end of their useful lives. Following the adoption of PS 3280 – Asset Retirement Obligations, the Town recognized an obligation relating to the retirement of these water mains as estimated at December 31, 2024. The water mains all have an estimated useful life ranging from 45 to 80 years from the date of completion of construction, of which a range of 1 to 15 years remain. The related asset retirement costs are being amortized on a straight-line basis. The estimated total undiscounted future expenditures are $299,548, which are to be incurred at the end of the individual asset's useful life.

Ice rink equipment

The Town's arena includes specialized equipment for cooling and maintaining the ice at the ice and curling rink. Regulations require that the potentially hazardous materials included in this equipment be disposed of appropriately, and the Town estimates that these will be removed and disposed of in accordance with applicable regulations at the end of their useful lives. Following the adoption of PS 3280 – Asset Retirement Obligations, the Town recognized an obligation relating to the retirement of this ice rink equipment as estimated at December 31, 2024. The ice rink equipment has an estimated useful life of 50 years from the date of completion of construction, of which 5 years remain. The related asset retirement costs are being amortized on a straight-line basis. The estimated total undiscounted future expenditures are $25,000, which are to be incurred at the end of the individual asset's useful life.

8. Asset Retirement Obligation (continued)

Changes in the asset retirement obligation in the year are as follows:

Asset Retirement Obligation

	2025			
	Asbestos and lead remediation	Asbestos concrete pipes	Ice rink equipment	Total
Opening balance	$ 208,079	$ 234,690	$ 21,362	$ 464,131
Accretion expense	9,280	10,467	953	20,700
Closing balance	$ 217,359	$ 245,157	$ 22,315	$ 484,831

Asset Retirement Obligation

	2024			
	Asbestos and lead remediation	Asbestos concrete pipes	Ice rink equipment	Total
Opening balance	$ 199,195	$ 224,670	$ 20,450	$ 444,315
Accretion expense	8,884	10,020	912	19,816
Closing balance	$ 208,079	$ 234,690	$ 21,362	$ 464,131

The asset retirement liability has been estimated using a net present value technique using the assumptions as described above. The related asset retirement costs are being amortized on a straight-line basis over the remaining useful lives of the assets.

Significant estimates and assumptions are made in determining the asset retirement costs as there are numerous factors that will affect the amount ultimately payable. Those uncertainties may result in future actual expenditures that are different than the amounts currently recorded. At each reporting date, as more information and experience is obtained as it relates to these asset retirement obligations, the estimates of the timing, the undiscounted cash flows and the discount rates may change. Adjustments to these factors are accounted for as an adjustment to the asset retirement obligation and the related tangible capital asset in the current period on a prospective basis.

9. Long-Term Debt

Long-term debt reported on the statement of financial position is comprised of the following:

	2025	2024
Alberta Capital Finance Authority debenture bearing interest at 4.98%, payable in blended semi-annual payments of $352,476, maturing in 2033	4,605,158	5,063,581

	Principal Repayments	Interest Payments	Total
2026	$ 481,537	$ 223,415	$ 704,952
2027	505,816	199,136	704,952
2028	531,319	173,633	704,952
2029	558,108	146,844	704,952
2030	586,248	118,704	704,952
Thereafter	1,942,130	172,725	2,114,855
	$ 4,605,158	$ 1,034,457	$ 5,639,615

10. Tangible Capital Assets

2025

	Land	Land Improvements	Buildings	Engineered Structures	Machinery and Equipment	Vehicles	Work in Progress	Total
Cost, beginning of year	$ 5,383,570	$ 7,050,255	$ 24,499,166	$103,138,739	$ 8,388,455	$ 6,527,091	$ 10,214,049	$165,201,325
Additions		-	350,196	29,557	46,495	1,202,916	11,801,476	13,430,640
Change in work in progress	-	-	-	1,122,357	-	-	(1,122,357)	-
Write-downs	(100,064)	-	-	(1,117,610)	(18,000)	(155,405)	-	(1,391,079)
Cost, end of year	$ 5,283,506	$ 7,050,255	$ 24,849,362	$103,173,043	$ 8,416,950	$ 7,574,602	$ 20,893,168	$177,240,886
Accumulated amortization, beginning of year	$ -	$ 2,045,326	$ 11,014,066	$ 48,721,868	$ 4,058,365	$ 4,183,990	$ -	$ 70,023,615
Amortization	-	247,917	538,950	2,697,784	556,913	369,535	-	4,411,099
Disposals	-	-	-	(545,436)	(17,999)	(155,405)	-	(718,840)
Accumulated amortization, end of year	$ -	$ 2,293,243	$ 11,553,016	$ 50,874,216	$ 4,597,279	$ 4,398,120	$ -	$ 73,715,874
Net carrying amount, end of year	$ 5,283,506	$ 4,757,012	$ 13,296,346	$ 52,298,827	$ 3,819,671	$ 3,176,482	$ 20,893,168	$103,525,012

10. Tangible Capital Assets (continued)

Restated - 2024

	Land	Land Improvements	Buildings	Engineered Structures	Machinery and Equipment	Vehicles	Work in Progress	Total
Cost, beginning of year	$ 3,891,409	$ 6,184,528	$ 24,229,347	$100,775,248	$ 7,708,939	$ 6,204,744	$ 11,979,212	$ 160,973,427
Additions	1,492,161	-	185,969	4,000	258,627	665,026	2,722,948	5,328,731
Change in work in progress		949,944	83,850	3,026,428	427,889	-	(4,488,111)	-
Write-downs	-	(84,217)	-	(666,937)	(7,000)	(342,679)	-	(1,100,833)
Cost, end of year	$ 5,383,570	$ 7,050,255	$ 24,499,166	$103,138,739	$ 8,388,455	$ 6,527,091	$ 10,214,049	$ 165,201,325
Accumulated amortization, beginning of year	$ -	$ 1,934,537	$ 10,485,908	$ 46,947,930	$ 3,549,092	$ 4,210,964	$ -	$ 67,128,431
Amortization		195,006	528,158	2,320,802	516,273	315,705	-	3,875,944
Disposals		(84,217)	-	(546,864)	(7,000)	(342,679)	-	(980,760)
Accumulated amortization, end of year	$ -	$ 2,045,326	$ 11,014,066	$ 48,721,868	$ 4,058,365	$ 4,183,990	$ -	$ 70,023,615
Net carrying amount, end of year	$ 5,383,570	$ 5,004,929	$ 13,485,100	$ 54,416,871	$ 4,330,090	$ 2,343,101	$ 10,214,049	$ 95,177,710

11. Land Held for Resale

	2025	2024
Napoleon meadows	$ -	$ 273,755
SW Industrial Lands	4,205,096	4,205,096
SW Residential Lands	100,064	-
Other land	2,370,291	2,370,291
	$ 6,675,451	$ 6,849,142

During the year, the Town recorded disposals of land held for resale totaling $273,755 and additions of $100,064.

12. Equity in Tangible Capital Assets

	2025	2024
Tangible capital assets	$ 177,240,886	$ 165,201,325
Accumulated amortization	(73,715,874)	(70,023,615)
Debenture debt	(4,605,157)	(5,063,581)
Asset retirement obligation	(484,831)	(464,131)
	$ 98,435,024	$ 89,649,998

13. Accumulated Surplus

	2025	2024 Restated (see Note 1)
Equity in tangible capital assets	$ 98,435,024	$ 89,649,998
Unrestricted surplus	978,388	7,673,984
	99,413,412	97,323,982
Restricted surplus		
General Operating	287,300	287,300
General Capital	3,860,456	2,167,697
Infrastructure Capital Maintenance & Repair	3,321,883	2,944,220
Infrastructure Utility Capital Maintenance & Repair	1,776,950	2,325,095
Facility Capital Replacement	2,303,854	2,303,854
Capital Fleet Replacement	785,171	1,243,337
Capital Utility Fleet Replacement	175,001	392,347
Land Acquisition/Servicing	635,926	4,268,391
Cemetery	58,777	58,777
In Lieu of Municipal Reserve	24,161	24,161
Offsite Levy	443,234	443,234
Joint Use Center	45,174	45,174
RCMP	64,547	352,491
Library	280,470	294,689
	14,062,904	17,150,767
	$ 113,476,316	$ 114,474,749

14. Change in Accumulated Surplus

	Unrestricted surplus	Restricted surplus	Equity in tangible capital assets	2025	2024 Restated (see Note 1)
Balance, beginning of year	$ 7,673,984	$ 17,150,767	$ 89,649,998	$ 114,474,749	$ 115,003,225
Excess of revenue over expenses	(998,433)	-	-	(998,433)	(528,476)
Net operating transfers to restricted surplus	(2,225,321)	2,225,321	-	-	-
Accretion expense	20,700	-	(20,700)	-	-
Debenture principal payments	(458,423)	-	458,423	-	-
Capital transfers from restricted surplus	5,313,184	(5,313,184)	-	-	-
Acquisition of capital	(13,430,640)	-	13,430,640	-	-
Disposals and write-down of assets	672,238	-	(672,238)	-	-
Amortization	4,411,099	-	(4,411,099)	-	-
Change in non-financial assets	-	-	-		
Change in accumulated surplus	$ (6,695,596)	$ (3,087,863)	$ 8,785,026	$ (998,433)	$ (528,476)
Balance, end of year	$ 978,388	$ 14,062,904	$ 98,435,024	$ 113,476,316	$ 114,474,749

15. Debt Limits

Section 276(2) of the Municipal Government Act requires that debt and debt limits as defined by Alberta Regulation for the Town be disclosed as follows:

	2025	2024
Total debt limit	$37,914,842	$ 40,512,282
Total debt	4,605,158	5,063,581
Total debt limit available	33,309,684	35,448,701
Debt servicing limit	6,319,140	6,752,047
Debt servicing	704,952	704,952
Total debt servicing limit available	5,614,188	6,047,095

The debt limit is calculated at 1.5 times revenue of the Town (as defined in Alberta Regulation 255/00) and the debt service limit is calculated at 0.25 times such revenue. Incurring debt beyond these limitations requires approval by the Minister of Municipal Affairs. These thresholds are guidelines used by Alberta Municipal Affairs to identify municipalities which could be at financial risk if further debt is acquired. The calculation taken alone does not represent the financial stability of the municipality, the financial statements must be interpreted as a whole.

16. Contingencies

The Town is a member of the Alberta Local Municipal Insurance Exchange (Munix). Under the terms of membership, the Town could become liable for its proportionate share of any claim losses in excess of the funds held by the exchange. Any liability incurred would be accounted for as a current transaction in the year the losses are determined.

The Town of Innisfail is a member of the South Red Deer Regional Wastewater Commission, Central Waste Management Commission and the Mountainview Regional Water Services Commission. Under the terms of these memberships, the Town could become liable for its proportionate share of any losses incurred by the Commissions. Any liability would be accounted for in the year the losses are determined.

17. Commitments

The Town has a ten year agreement with Wild Rose Assessment Services Inc. to provide property assessment services. The agreement term is from October 1st, 2023 to September 30th 2033. The Town is required to pay a fee of $80,220 per year.

The Town has a contract to provide waste disposal services with E360S (CAN-PAK) from April 1st, 2024 to March 31st, 2027. The Town is required to pay various fees for waste and recycling collections plus roll off service hauling fees to Horn Hill and the City of Red Deer Landfill.

The Town has a contract with Prairie Bus Lines Ltd. to provide On-Demand Transit Services. During the year, the agreement was renewed for an additional three years from April 4th, 2024 to April 3rd, 2027 by way of council motion. The Town is required to pay various fees based on the rates and operating hours as stipulated in the agreement.

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

2025	$ 141,800
2026	111,501
2027	94,329
2028	1,984

18. Financial Instruments

The Town is exposed to credit risk, liquidity risk, and interest rate risk from its financial instruments. This note describes the Town's objectives, policies, and processes for managing those risks and the methods used to measure them. Further qualitative and quantitative information in respect of these risks is presented below and throughout these financial statements.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Municipality is exposed to credit risk through its cash and accounts receivable.

The Municipality manages it credit risk by credit approval process and holding cash at one federally regulated chartered bank in cash accounts insured at $100,000, one provincially regulated credit union in cash accounts insured at 100% and one provincially regulated bank in cash accounts insured up to 100%. The Town measures its exposure to credit risk based on historical experience regarding collections. The maximum exposure to credit risk at the financial statement date is the carrying value of its cash and accounts receivable as outlined in Note 1, Note 2 and Note 4. Accounts receivable arise primarily as a result of sales receivable and government transfers. Based on this knowledge, credit risk of cash and accounts receivable are assessed as low

Liquidity risk

Liquidity risk is the risk that the Town will encounter difficulty in meeting obligations associated with financial liabilities. The Town is exposed to liquidity risk through its accounts payable and long-term debt.

The Town manages this risk by maintaining a balance of cash or short term or highly liquid investments and staggers maturity dates of investments for cash flow needs. Also to help manage the risk, the Municipality has in place a planning, budgeting and forecasting process to help determine the funds required to support the normal operating requirements. The Town measures its exposure to liquidity risk based on extensive budgeting.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Town is exposed to interest rate risk through its long-term debt.

The Town manages interest rate risk on its long-term debt by holding all debt through ACFA at a fixed rate, with refinancing typically being completed at the ten or fifteen year mark. Therefore, fluctuations in market interest rates would not impact future cash flows and operations relating to long-term debt. See Note 7 for interest rates and maturity dates for long term debt.

19.Taxation - Net

	Budget 2025	2025	2024
Real property	$ 13,268,286	$13,594,534	$ 12,322,105
Mobile home taxes	60,590	58,698	53,376
Linear property	197,836	206,028	190,772
Government grants in place of property taxes	26,956	2,852	26,332
	13,553,668	13,862,112	12,592,585
Requisitions			
Alberta School Foundation Fund	2,955,180	3,314,167	2,953,277
Non-residential School Fund	2,335	2,349	2,292
Separate School Fund	7,500	8,985	180,718
Parkland Foundation	180,717	201,264	34,425
Designated Industrial Property	34,425	38,360	10,448
	3,180,157	3,565,125	3,181,160
Available for general municipal purposes	$ 10,373,511	$10,296,987	$ 9,411,425

20. Government Transfers

	Budget 2025	2025	2024
Operating			
Provincial government	1,270,635	827,659	1,005,314
Other local government	-	575,005	560,655
	$ 1,270,635	$ 1,402,664	$ 1,565,969
Capital			
Provincial government	$ 1,780,731	$ 962,414	$ 1,134,004
Total government transfers	$ 3,051,366	$ 2,365,078	$ 2,699,973

21. Expenses by Object

	Budget 2025	2025	2024 Restated (See Note 1)
Salaries and wages	$ 8,982,079	$ 8,331,079	$ 8,606,156
Contracted and general services	8,967,690	9,181,421	8,366,564
Purchases from other governments	67,900	76,822	369,051
Materials, goods and utilities	3,658,775	4,411,421	6,841,891
Transfer to individuals and organizations	480,000	342,089	304,277
Bank charges and short term interest	2,500	3,043	2,851
Interest on long-term debt	246,531	235,475	267,080
Amortization	4,411,098	4,411,098	3,875,942
Write-down of tangible capital assets	-	224,260	17,043
Accretion expense	-	20,700	19,816
	$ 26,816,573	$ 27,237,408	$ 28,670,671

22. Municipal Employees Pension Plans

Local Authorities Pension Plan

Certain employees of the Town are eligible to be members of the Local Authorities Pension Plan (LAPP), a multi-employer pension plan which is covered by the Public Sector Pension Plans Act. The Plan serves 316,938 people and 453 employers. It is financed by employer and employee contributions and investment earnings of the LAPP Fund. The plan provides defined pension benefits to employees based on their length of service and rates of pay.

The Town contributes to the Plan at a rate of 8.45% of pensionable earnings up to the Canada Pension Plan Maximum Pensionable Earnings and 11.65% for the excess. Employees contribute to the Plan at a rate of 7.45% of pensionable earnings up to the Canada Pension Plan Maximum Pensionable Earnings and 10.65% for the excess.

Contributions for the year were:

	2025	2024
Employer contributions	$ 507,070	$ 490,110
Employee contributions	452,661	436,656
	$ 959,731	$ 926,766

As this is a multi-employer pension plan, these contributions are the Town's pension benefit expense. No pension liability for this type of plan is included in the Town's financial statements. The most recent valuation as at December 31, 2024 indicates a surplus of $19,557 million (2023 surplus - $15,057 million) for basic pension benefits. The actuary does not attribute portions of the unfunded liability to individual employers.

23. Salary and Benefits Disclosure

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

	Salary	Benefits & Allowances	Total 2025	Total 2024
Councillor Harrison	$ -	$ -	$ -	$ 18,467
Councillor Bates	18,293	1,762	20,055	29,089
Councillor Wing	27,894	7,726	35,620	35,116
Councillor Messaros	18,406	3,245	21,651	29,704
Councillor Dunham	17,985	4,696	22,681	30,920
Councillor Heistad	25,319	8,797	34,116	29,689
Councillor Hill	6,410	1,786	8,196	-
Councillor McKellar	6,017	1,063	7,080	-
Councillor Russell	6,005	1,677	7,682	-
Councilor Strong	5,687	1,650	7,337	-
Mayor Barclay	45,140	2,773	47,913	49,840
Chief Administration Officer	234,513	42,505	277,018	277,519
Designated Officers (4)	674,555	126,820	801,375	597,949

Salary includes regular base pay, bonuses, overtime, lump sum payments, gross honoraria and any other direct cash remuneration.

Benefits and allowances includes the employer's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, group life insurance, accidental disability and dismemberment, dental coverage, vision coverage, and long and short term disability plans.

24. Budget

The budget adopted by Council on December 9, 2024, was not prepared on a basis consistent with that used to report actual results (Public Sector Accounting Standards). The budget was prepared on a modified accrual basis while Public Sector Accounting Standards now require a full accrual basis. The budget figures anticipated use of surpluses accumulated in previous years to fund current year operation and capital activities. In addition, the budget expensed all tangible capital asset expenditures rather than including amortization expense. As a result, the budget figures presented in the statements of operations and change in net financial assets (debt) represent the budget adopted by Council on December 9, 2024, with adjustments as follows:

	2025
Operating budget surplus (deficit)	$ (1,593,958)
Add:	
Net operating transfers to reserves and capital	1,593,958
Budgeted excess (deficiency) of revenue over expenditures before other	$ -
Capital budget surplus (deficit)	$ 186,773
Add:	
Capital expenditures	18,546,950
Debenture principal payments	458,423
Less:	
Budgeted transfers from reserves	(19,192,146)
Budgeted capital excess (deficiency) of revenue over expenditures	$ -
Budgeted combined excess (deficiency) of revenue over expenditures	$ -

25. Segmented Information

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

Protective Services

Protective services is comprised of police, bylaw enforcement and fire protection. This service area is responsible for the overall safety of the public through various prevention and enforcement activities.

Transportation Services

Transportation services is responsible for the delivery of municipal public works services related to the planning, development and maintenance of roadway systems, the maintenance of park and open space, and street lighting.

Water and Wastewater Services

Water and wastewater provides drinking water to the Town's citizens and collects and treats wastewater. The Town processes and cleans sewage and ensures the water system meets all Provincial standards.

Waste Management Services

Waste management provides collection disposal and recycling programs.

Planning and Development

The planning department provides a number of services including town planning and enforcement of building and construction codes and review of all property development plans through its application process.

Recreation and Parks

This service area maintains recreation infrastructure such as parks, arenas, aquatic centres and community centres as well as provides recreational programs and cultural programs at those locations.

Public Health and Welfare

This service area provides and administers community support programs.

General Government

This service area includes legislative and administrative support to all other service areas and also relates to the revenues and expenses that relate to the operations of the Town itself and cannot be directly attributed to a specific segment.

25. Segmented Information continued

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. In measuring and reporting segment revenue from transactions with other segments, inter-segment transfers have been eliminated. The revenues and expenses that are directly attributable to a particular segment are allocated to that segment. Taxation revenue has been allocated to general government except where specific tax revenues can be directly allocated to a service area.

25. Segmented Information (continued)

For the year ended December 31	Protective Services	Transportation Services	Water and Wastewater	Waste Management	Planning and Development	Recreation and Parks	Public Health and Welfare	General Government	2025 Total
Revenue									
Taxation	$ -	$ -	$ -	$ -	$ -	$ -	$ -	10,296,987	$ 10,296,987
Government transfers for operating	489,224	145,915	-	-	-	542,591	221,934	3,000	1,402,664
Government transfers for capital	-	891,473	70,941	-	-	-	-	-	962,414
Sales and user fees	189,667	126,218	6,646,604	982,784	894,838	105,564	60,718	14,181	9,020,574
Franchises and concessions	-	-	-	-	-	-	-	2,598,251	2,598,251
Investment income	-	-	-	-	-	-	-	572,445	572,445
Fines and costs	114,958	-	51,431	-	-	-	-	104,938	271,327
Rentals	-	31,526	-	-	240	367,813	-	8,288	407,867
Licences and permits	-	-	-	-	353,417	-	13,100	127,406	493,923
Other	45,276	71,303	17,398	587	43,442	73,366	3,769	(42,618)	212,523
	839,125	1,266,435	6,786,374	983,371	1,291,937	1,089,334	299,521	13,682,878	26,238,975
Expenses									
Salaries and wages	1,489,610	1,854,455	1,047,866	129,797	558,733	1,521,254	237,708	1,491,656	8,331,079
Contracted and general services	2,245,124	1,012,050	4,625,774	630,490	169,576	257,824	11,852	228,731	9,181,421
Purchases from other governments	-	-	-	10,840	-	-	-	65,982	76,822
Materials, goods and utilities	328,104	1,019,330	421,533	9,107	1,178,193	468,127	33,636	953,391	4,411,421
Transfers to individuals and organizations	-	-	-	-	68,346	168,743	105,000	-	342,089
Bank charges and short-term interests	-	-	-	-	-	-	-	3,043	3,043
Interest on long-term debt	-	-	-	-	235,475	-	-	-	235,475
Amortization	144,805	2,195,311	1,035,707	62,664	-	920,349	-	52,262	4,411,098
Loss on sale of capital assets	-	224,260	-	-	-	-	-	-	224,260
Accretion expense	-	-	-	-	-	-	-	20,700	20,700
	4,207,643	6,305,406	7,130,880	842,898	2,210,323	3,336,297	388,196	2,815,765	27,237,408
Net surplus (deficit)	$(3,368,518)	$ (5,038,971)	$ (344,506)	$ 140,473	$ (918,386)	$ (2,246,963)	$ (88,675)	$ 10,867,113	$ (998,433)

25. Segmented Information (continued)

For the year ended December 31	Protective Services	Transportation Services	Water and Wastewater	Waste Management	Planning and Development	Recreation and Parks	Public Health and Welfare	General Government	2024 Total Restated
Revenue									
Taxation	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 9,411,425	$ 9,411,425
Government transfers for operating	485,573	133,653	-	-	57,913	666,896	221,934	-	1,565,969
Government transfers for capital	-	1,134,004	-	-	-	-	-	-	1,134,004
Sales and user fees	132,678	124,914	6,146,102	839,879	3,563,463	221,607	84,617	15,121	11,128,381
Franchises and concessions	-	-	-	-	-	-	-	2,525,551	2,525,551
Investment income	-	-	-	-	-	-	-	943,295	943,295
Fines and costs	103,902	-	58,296	-	-	-	-	93,424	255,622
Rentals	-	30,039	-	-	(686)	354,256	-	9,083	392,692
Licences and permits	-	-	-	-	264,162	-	13,333	124,397	401,892
Other	62,793	106,149	15,660	524	8,028	83,717	4,412	102,081	383,364
	784,946	1,528,759	6,220,058	840,403	3,892,880	1,326,476	324,296	13,224,377	28,142,195
Expenses									
Salaries and wages	1,389,531	1,886,196	1,086,255	124,036	603,717	1,740,362	239,856	1,536,203	8,606,156
Contracted and general services	1,889,791	693,027	4,290,890	702,567	213,084	364,245	11,419	201,541	8,366,564
Purchases from other governments	-	-	-	8,152	-	-	-	360,899	369,051
Materials, goods and utilities	316,582	930,241	419,334	462	3,742,170	492,643	53,706	886,753	6,841,891
Transfers to individuals and organizations	-	-	-	-	30,000	165,527	108,750	-	304,277
Bank charges and short-term interest	-	-	-	-	-	-	-	2,851	2,851
Interest on long-term debt	-	-	-	-	267,080	-	-	-	267,080
Amortization	115,104	2,016,763	810,898	62,664	-	848,649	-	21,864	3,875,942
Loss on sale of capital assets	-	17,043	-	-	-	-	-	-	17,043
Accretion expense	-	-	-	-	-	-	-	19,816	19,816
	3,711,008	5,543,270	6,607,377	897,881	4,856,051	3,611,426	413,731	3,029,927	28,670,671
Net surplus (deficit)	$ (2,926,062)	$ (4,014,511)	$ (387,319)	$ (57,478)	$ (963,171)	$ (2,284,950)	$ (89,435)	$ 10,194,450	$ (528,476)

26. Contaminated Sites Liability

The Town has identified a contaminated site and has estimated the discounted future expenditures for remediation to be $68,422. No liability has been accrued as at year-end

27. Subsequent Events

Subsequent to year end, the Town drew $6,946,956.53 on its line of credit to assist with upgrades to the acquatic center and related costs. The annaul rate of interest is credit Union's Prime Lending Rate minus 0.25%, floating, calculated daily and payable monthly in arrears.

28. Comparative Figures

Wherever necessary, comparative figures have been reclassified to conform with current year financial statement presentation.

29. Approval of Financial Statements

Council and Management approved these financial statements.