

TOWN OF HIGH LEVEL
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

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MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements of the Town of High Level (the "Town") are the responsibility of the Town's management and have been prepared in compliance with legislation, and in accordance with Canadian Public Sector Accounting Standards. A summary of the significant accounting policies are described in Note 2 of the consolidated financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Town's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by management.

Council meets with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to approval of the consolidated financial statements.

The consolidated financial statements have been audited by Metrix Group LLP who are the independent external auditors appointed by the Town. The accompanying Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the Town's consolidated financial statements.


Clark McAskile, Chief Administrative Officer
July 6, 2020


Carolyn Zenko, Director of Finance
July 6, 2020

INDEPENDENT AUDITORS' REPORT

To the Mayor and Members of Council of the Town of High Level

Opinion

We have audited the accompanying financial statements of the Town of High Level (the "Town"), which comprise the statement of financial position as at December 31, 2019, and the statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Town as at December 31, 2019, and the results of its operations 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 *Auditors' Responsibilities for the Audit of the 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 those 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 Financial Statements

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error.

Independent Auditors' Report to the Mayor and Members of Council of the Town of High Level

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

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

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Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but it 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 for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control.
- Evaluate the appropriateness of accounting policies 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 auditors' 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 auditors' 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, including the disclosures, 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.

MATRIX GROUP LLP

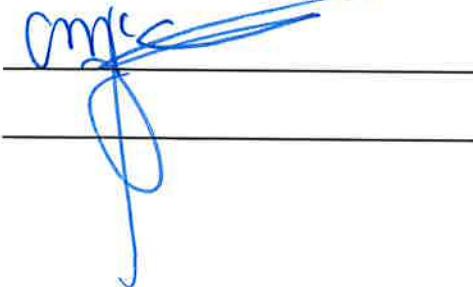
Chartered Professional Accountants

Edmonton, Alberta
July 6, 2020

TOWN OF HIGH LEVEL
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2019

	<u>2019</u>	<u>2018</u>
FINANCIAL ASSETS		
Cash and cash equivalents (Note 3)	\$ 324,929	\$ 379,443
Assets held in trust (Note 4)	246,944	62,854
Accounts receivable (Note 5)	6,771,963	3,729,560
Inventory for resale	18,871	19,729
Investments (Note 6)	<u>4,649,098</u>	<u>6,625,721</u>
	<u>12,011,805</u>	<u>10,817,307</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 7)	1,109,674	1,343,304
Assets held in trust – payable (Note 4)	246,944	62,854
Wages and benefits payable (Note 8)	291,170	237,546
Deferred revenue (Note 9)	2,488,116	1,141,575
Long-term debt (Note 10)	2,963,758	3,429,978
Landfill liability (Note 12)	4,168,422	4,291,201
Deposit liabilities	<u>30,463</u>	<u>44,200</u>
	<u>11,298,547</u>	<u>10,550,658</u>
NET FINANCIAL ASSETS	<u>713,258</u>	<u>266,649</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 13)	109,745,064	113,960,749
Inventories of supplies	163,355	160,143
Prepaid expenses	<u>249,586</u>	<u>246,821</u>
	<u>110,158,005</u>	<u>114,367,713</u>
ACCUMULATED SURPLUS (Note 14)	<u>\$ 110,871,263</u>	<u>\$ 114,634,362</u>
Contingent liabilities (Note 16)		

ON BEHALF OF COUNCIL:



The accompanying notes are an integral part of the financial statements

TOWN OF HIGH LEVEL
CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Budget</u> (<i>Note 25</i>)	<u>2019</u>	<u>2018</u>
REVENUE			
Net municipal taxes (<i>Note 17</i>)	\$ 4,621,757	4,619,613	\$ 4,651,610
User fees and sales of goods	4,903,306	4,747,957	4,998,560
Government transfers – operating (<i>Note 18</i>)	1,119,487	2,535,923	900,688
Investment income	120,500	130,572	162,365
Penalties and costs of taxes	40,000	86,037	51,955
Licenses and permits	106,320	96,713	132,539
Other income	<u>156,288</u>	<u>270,488</u>	<u>430,763</u>
	<u>11,067,658</u>	<u>12,487,303</u>	<u>11,328,480</u>
EXPENSES			
Legislative	396,608	381,284	366,076
Administration	1,658,301	1,937,917	1,811,009
Protective services	1,563,078	2,901,613	1,576,731
Transportation	2,604,213	5,549,136	5,392,559
Water supply and distribution	1,180,312	2,226,909	2,310,148
Wastewater treatment and disposal	308,187	874,873	694,652
Waste management	204,135	182,241	190,993
Family and community support	174,607	180,960	170,542
Planning and development	331,927	794,251	521,005
Parks and recreation	1,574,990	1,929,539	1,852,273
Culture and library	<u>585,943</u>	<u>484,838</u>	<u>594,730</u>
	<u>10,582,301</u>	<u>17,443,561</u>	<u>15,480,718</u>
ANNUAL SURPLUS (DEFICIT) BEFORE OTHER REVENUE	<u>485,357</u>	<u>(4,956,258)</u>	<u>(4,152,238)</u>
OTHER REVENUE			
Government transfers – capital (<i>Note 18</i>)	2,909,500	875,983	6,829,524
Gain (loss) on sale of investments	-	14,989	(25,339)
Gain (loss) on disposal of tangible capital assets	-	227,187	(29,906)
Other capital revenue	<u>-</u>	<u>75,000</u>	<u>21,000</u>
	<u>2,909,500</u>	<u>1,193,159</u>	<u>6,795,279</u>
ANNUAL SURPLUS (DEFICIENCY) OF REVENUE OVER EXPENSES	<u>3,394,857</u>	<u>(3,763,099)</u>	<u>2,643,041</u>
ACCUMULATED SURPLUS, BEGINNING OF YEAR	114,364,362	114,634,362	111,991,321
ACCUMULATED SURPLUS, END OF YEAR	<u>\$ 118,029,219</u>	<u>\$ 110,871,263</u>	<u>\$ 114,634,362</u>

The accompanying notes are an integral part of the financial statements

TOWN OF HIGH LEVEL
CONSOLIDATED STATEMENT OF NET FINANCIAL ASSETS (DEBT)
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Budget</u>	<u>2019</u>	<u>2018</u>
ANNUAL SURPLUS (DEFICIT)	\$ 3,394,857	\$ (3,763,099)	\$ 2,643,041
Acquisition of tangible capital assets	(3,734,000)	(1,905,025)	(8,272,791)
Amortization of tangible capital assets	-	5,477,684	5,186,848
(Gain)/loss on disposal of tangible capital assets	-	(227,187)	29,906
Proceeds on disposal of tangible capital assets		614,648	50,012
Write down of tangible capital assets	-	255,565	4,902
	<u>(339,143)</u>	<u>452,586</u>	<u>(358,082)</u>
Use (acquisition) of inventories of supplies	-	(3,212)	(16,807)
Use (acquisition) of prepaid expenses	-	(2,765)	(44,414)
	<u>-</u>	<u>(5,977)</u>	<u>(61,221)</u>
CHANGE IN NET FINANCIAL ASSETS (DEBT)	(339,143)	446,609	(419,303)
NET FINANCIAL ASSETS (DEBT), BEGINNING OF YEAR	<u>266,649</u>	<u>266,649</u>	<u>685,952</u>
NET FINANCIAL ASSETS (DEBT), END OF YEAR	<u>\$ (72,494)</u>	<u>\$ 713,258</u>	<u>\$ 266,649</u>

The accompanying notes are an integral part of the financial statements

TOWN OF HIGH LEVEL
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>2019</u>	<u>2018</u>
OPERATING ACTIVITIES		
Annual surplus (deficit)	\$ (3,763,099)	\$ 2,643,041
Non-cash items included in annual surplus (deficit):		
Amortization of tangible capital assets	5,477,684	5,186,848
Amortization of discount on investments	14,479	11,599
(Gain)/loss on disposal of tangible capital assets	(227,187)	29,906
(Gain)/loss on sale of investments	(14,989)	25,339
Change in non-cash working capital balances		
Accounts receivable	(3,042,403)	(2,045,232)
Inventory for resale	858	3,921
Accounts payable and accrued liabilities	(233,630)	425,716
Wages and benefits payable	53,624	(5,338)
Deposit liabilities	(13,737)	(3,039)
Deferred revenue	1,346,541	(104,813)
Landfill liability provision	(122,779)	163,185
Inventories of supplies	(3,212)	(16,807)
Prepaid expenses	(2,765)	(44,414)
	<u>(530,615)</u>	<u>6,269,912</u>
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(1,905,025)	(8,272,791)
Proceeds on disposal of tangible capital assets	614,648	50,012
Write down of tangible capital assets	255,565	4,902
	<u>(1,034,812)</u>	<u>(8,217,877)</u>
INVESTMENT ACTIVITIES		
Purchase of investments	(180,074)	-
Sale of investments	2,157,207	2,840,307
	<u>1,977,133</u>	<u>2,840,307</u>
FINANCING ACTIVITIES		
Long-term debt issued	-	-
Long-term debt repaid	(466,220)	(449,102)
	<u>(466,220)</u>	<u>(449,102)</u>
NET CHANGE IN CASH DURING THE YEAR	(54,514)	443,240
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	379,443	(63,797)
CASH AND CASH EQUIVALENTS, END OF THE YEAR	\$ 324,929	\$ 379,443

TOWN OF HIGH LEVEL
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

1. NATURE OF ORGANIZATION

The Province of Alberta passed Order in Council 967/65 incorporating the New Town of High Level on June 1, 1965. The name was changed to the Town of High Level (the "Town") with the passing of the Order in Council 750/83 on August 31, 1983. The Town is governed by the Municipal Government Act of the Province of Alberta.

2. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements of the Town are the representations of management prepared in accordance with Canadian public sector accounting standards ("PSAS"). Significant aspects of these accounting policies are as follows:

(a) Reporting Entity

i) Consolidated entities

The consolidated financial statements reflect the assets, liabilities, revenues and expenses of the reporting entity. The reporting entity is comprised of all organizations, communities, and local boards accountable for the administration of their financial affairs and resources to the Town and which are owned or controlled by the Town. The reporting entity is comprised of the municipal operations of the Town and the High Level Municipal Library.

ii) Accounting for housing management bodies and school board transactions

Taxes levied include requisitions for the Alberta School Fund Foundation (ASFF) and the Mackenzie Housing Seniors Lodge. The taxation, other revenue, expenses, assets and liabilities with respect to the operations of the ASFF and Mackenzie Housing Seniors Lodge are not reflected in these consolidated financial statements.

iii) Trust funds

Trust funds and their related operations administered by the Town are not included in these consolidated financial statements.

(b) Basis of Accounting

The Town follows the accrual basis of accounting for revenues and expenses. Revenues are recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods and services and/or the creation of a legal obligation to pay.

(c) Government Transfers

Government transfers are recognized as revenue in the period, in which events giving rise to the transfer occur, provided the transfers are authorized, any eligibility criteria have been met and reasonable estimates of the amounts can be made. A transfer with or without eligibility criteria but stipulation is recognized in the period the transfer is authorized and all eligibility criteria have been met, except when and to the extent that the transfer gives rise to an obligation that meets the definition of a liability.

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TOWN OF HIGH LEVEL
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Tax Revenue

Tax revenues are recognized as assets and revenue when the taxable event occurs.

(e) Requisition Over-Levy and Under-Levy

Over 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 or under-levies of the prior year.

(f) Landfill Liability and Post Closure Liability

Pursuant to the *Alberta Environmental Protection and Enhancement Act*, the Town is required to fund the closure of its landfill site and provide for post-closure care of the facility. Closure and post-closure activities include the final clay cover, landscaping, as well as surface and ground water monitoring, leachate control and visual inspection. The requirement is being provided for over the estimated life of the landfill site based on usage. The annual provision is reported as operating fund expenditure, and the accumulated provision is reported as a liability on the statement of financial position.

(g) Prepaid Local Improvements Charges

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

Where a taxpayer has elected to prepay the outstanding local improvement charges, such amounts are recorded as deferred revenue. Deferred revenue is amortized to revenue as the expenses are incurred to complete the project.

(h) Deferred Revenue

Deferred revenue represents government transfers, contributions and other amounts received from third parties pursuant to legislation, regulation or agreement that 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. These amounts will be recognized as revenues in the fiscal year when the related expense is incurred, services performed or the tangible capital assets are acquired.

(i) Land Held for Resale

Land held for resale is recorded at the 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 levelling charges.

(Continues)

TOWN OF HIGH LEVEL
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) **Investments**

Investments are recorded at amortized cost. Premiums and discounts arising on the purchase of these investments are amortized over the term of the investments. When there has been a loss in value that is other than a temporary decline in value, the respective investment is written down to recognize the loss.

Investment income is reported as revenue in the period earned. When required by the funding government or by legislation, investment income earned on deferred revenue is added to the investment and forms part of the deferred revenue balance.

(k) **Non-Financial Assets**

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

i) ***Tangible capital assets***

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

Land improvements	15 - 45 years
Buildings	25 - 50 years
Engineered structures	5 - 75 years
Machinery and equipment	5 - 25 years
Vehicles	10 - 20 years

One-half of the annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

ii) ***Contributions of tangible capital assets***

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

iii) ***Works of art and cultural and historic assets***

Works of art and cultural and historic assets are not recorded as assets in these consolidated financial statements.

iv) ***Interest capitalization***

Interest is capitalized whenever external debt is issued to finance the construction of tangible capital assets.

v) ***Inventories of supplies***

Inventories of supplies held for consumption are recorded at the lower of cost and replacement cost, with cost determined on an average cost basis.

(Continues)

TOWN OF HIGH LEVEL
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(I) Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenses during the period. Significant estimates include assumptions used in estimating the provisions for uncollectible accounts receivable, assumptions related to recording accrued liabilities estimates of historical cost and useful lives of tangible capital assets and the assumptions related to the timing and cash flow estimates of the landfill liability. Actual results could differ from those estimates.

3. CASH AND CASH EQUIVALENTS

	2019	2018
Cash on hand	\$ 2,400	\$ 960
Bank accounts	322,529	297,284
Temporary investments	-	81,199
	<hr/> \$ 324,929	<hr/> \$ 379,443

The Town has access to an operating line of credit up to \$3,000,000 (2018 - \$3,000,000). There is no amount drawn against this facility as at December 31, 2019 (2018 - \$NIL). The operating line of credit is secured by borrowing bylaws. Outstanding amounts bear interest at the bank's prime lending rate plus 0.5% per annum.

4. ASSETS HELD IN TRUST

Surplus from operations of the Alberta Northwest Species at Risk Committee is held in trust.

TOWN OF HIGH LEVEL
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

5. ACCOUNTS RECEIVABLE

	<u>2019</u>	<u>2018</u>
Trade and other accounts receivable	\$ 852,839	\$ 1,076,707
Taxes and grants in place of taxes	360,422	319,450
Goods and Services Tax rebate	88,570	303,428
Receivables from governments	5,472,942	2,038,600
Local improvements receivable	<u>6,934</u>	<u>13,520</u>
	6,781,707	3,751,705
Less: Allowance for doubtful accounts	<u>(9,744)</u>	<u>(22,145)</u>
	<u>\$ 6,771,963</u>	<u>\$ 3,729,560</u>

Taxes and grants in place of taxes consist of the following:

Current taxes	\$ 199,609	\$ 250,591
Arrears taxes	<u>160,813</u>	<u>68,859</u>
	360,422	319,450
Less: Allowance for doubtful accounts	<u>-</u>	<u>(15,565)</u>
	<u>\$ 360,422</u>	<u>\$ 303,885</u>

In 2019, significant costs were incurred to respond to a wildfire that was threatening the Town. The Town applied and was approved for relief under the Province of Alberta's Disaster Recovery Program. Costs incurred are expected to be recoverable and have been included in receivables from governments in the amount of \$4,839,233 (2018 – \$NIL).

6. INVESTMENTS

	<u>2019</u>	<u>2018</u>		
	<u>Amortized Cost</u>	<u>Market Value</u>	<u>Amortized Cost</u>	<u>Market Value</u>
Short-term notes and deposits	\$ 500,000	\$ 542,780	\$ 178,395	\$ 178,998
Government-guaranteed bonds	2,161,226	2,184,429	3,953,888	3,873,040
Principal protected notes	1,500,500	1,504,732	2,000,500	1,867,948
Corporate bonds	<u>487,372</u>	<u>502,722</u>	<u>492,938</u>	<u>480,679</u>
	<u>\$ 4,649,098</u>	<u>\$ 4,734,663</u>	<u>\$ 6,625,721</u>	<u>\$ 6,400,665</u>

Short-term notes and deposits mature in less than one year. Government-guaranteed bonds have effective interest rates of 2.59% to 3.48% (2018 – 2.59% to 3.48%) with maturity dates from September 29, 2021 to July 3, 2029. Corporate bonds have an effective interest rate of 4.92% (2018 – 4.92%) with a maturity date of March 4, 2026.

TOWN OF HIGH LEVEL
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2019</u>	<u>2018</u>
Trade and other accounts payable	\$ 1,071,647	\$ 1,299,935
Accrued interest on long-term debt	<u>38,027</u>	<u>43,369</u>
	<u>\$ 1,109,674</u>	<u>\$ 1,343,304</u>

8. WAGES AND BENEFITS PAYABLE

	<u>2019</u>	<u>2018</u>
Earned vacation	\$ 188,118	\$ 174,110
Accrued salaries and wages	<u>103,052</u>	<u>63,436</u>
	<u>\$ 291,170</u>	<u>\$ 237,546</u>

9. DEFERRED REVENUE

Deferred revenue is comprised of the following amounts which have been received from third parties for a specified purpose. Additions are comprised of both contributions and interest earned during the year. These amounts are recognized as revenue in the period in which the related costs are incurred.

	<u>2018</u>	<u>Additions</u>	<u>Revenue Recognized</u>	<u>2019</u>
Municipal Sustainability				
Initiative Capital grant	\$ 987,525	\$ 639,495	\$ (489,112)	\$ 1,137,908
Alberta Transportation grant	-	1,000,000	(144,000)	856,000
Federal Gas Tax Fund	-	269,668	(16,040)	253,628
Other grants	98,794	398,322	(366,423)	130,693
Prepaid deposits, utilities, and taxes	31,144	67,464	(31,144)	69,464
Other	<u>24,112</u>	<u>42,423</u>	<u>(24,112)</u>	<u>42,423</u>
	<u>\$ 1,141,575</u>	<u>\$ 2,417,372</u>	<u>\$ (1,070,831)</u>	<u>\$ 2,488,116</u>

10. LONG-TERM DEBT

	<u>2019</u>	<u>2018</u>
Alberta Capital Finance Authority debentures bearing interest at rates ranging from 1.597% to 5.750% per annum maturing 2023	<u>\$ 2,963,758</u>	<u>\$ 3,429,978</u>

(Continues)

TOWN OF HIGH LEVEL
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

10. LONG-TERM DEBT (CONTINUED)

Principal and interest payments are due as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	484,112	121,362	605,474
2021	502,816	102,658	605,474
2022	365,082	83,726	448,808
2023	383,013	65,795	448,808
2024	117,374	47,332	164,706
Thereafter	<u>1,111,361</u>	<u>198,950</u>	<u>1,310,311</u>
	<u><u>\$ 2,963,758</u></u>	<u><u>\$ 619,823</u></u>	<u><u>\$ 3,583,581</u></u>

The Town's total cash payments for interest amounted to \$139,254 (2018 – \$156,372).

11. DEBT AND DEBT SERVICE LIMITS

Section 276(2) of the Municipal Government Act requires that debt and debt limits as defined by Alberta Regulation 255/2000 for the Town be disclosed as follows:

	<u><u>2019</u></u>	<u><u>2018</u></u>
Total debt limit	<u><u>\$ 18,730,955</u></u>	<u><u>\$ 16,992,720</u></u>
Total debt	<u><u>2,963,758</u></u>	<u><u>3,429,978</u></u>
Amount of debt limit unused	<u><u>\$ 15,767,197</u></u>	<u><u>\$ 13,562,742</u></u>
Percentage used (%)	<u><u>15.82%</u></u>	<u><u>20.18%</u></u>
Service on debt limit	<u><u>\$ 3,121,826</u></u>	<u><u>\$ 2,832,120</u></u>
Service on debt	<u><u>605,474</u></u>	<u><u>605,474</u></u>
Amount of debt servicing limit unused	<u><u>\$ 2,516,352</u></u>	<u><u>\$ 2,226,646</u></u>
Percentage used (%)	<u><u>19.39%</u></u>	<u><u>21.38%</u></u>

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

TOWN OF HIGH LEVEL
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

12. LANDFILL CLOSURE AND POST-CLOSURE LIABILITY

Alberta environmental law requires closure and post-closure care of landfill sites which includes final covering and landscaping, pumping of ground water and leachates from the site, and ongoing environmental monitoring, site inspections, and maintenance.

The Town owns two landfills that are within 500 meters of each other. The first landfill was created and initially owned by the Province (being represented by the Department of Municipal Affairs) and was transferred to the Town in 1966. The second landfill was land owned by the Town and approved for a landfill site in 1967. During the mid-1980s, both landfills were no longer accepting waste and were closed. The Town has since begun utilizing the services of Mackenzie Regional Waste Management Commission's landfill operations.

In 2020, an engineering firm estimated the Town's closure costs to be \$3,345,000 with yearly post-closure monitoring costs of \$36,000 for the next 25 years associated with a final post-closure date of 2044. The estimated total liability is based on the sum of discounted future cash flows for closure and post-closure activities for 25 years using a discount rate of 2.71% and assuming an annual inflation rate of 2%. The change in the Town's accrued liability portion for the year was \$(122,779) (2018 - \$163,185). A decrease in liability resulted from a change in Administration's intended use for the land.

	<u>2019</u>	<u>2018</u>
Estimated closure costs	\$ 3,345,000	\$ 3,559,313
Estimated post-closure liability	<u>823,422</u>	<u>731,888</u>
Estimated total liability	<u>\$ 4,168,422</u>	<u>\$ 4,291,201</u>

TOWN OF HIGH LEVEL
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

13. TANGIBLE CAPITAL ASSETS

TANGIBLE CAPITAL ASSET CONTINUITY FOR THE PERIOD ENDED DECEMBER 31, 2019

	<u>Land</u>	<u>Land Improvements</u>	<u>Buildings</u>	<u>Engineered Structures</u>	<u>Machinery & Equipment</u>	<u>Vehicles</u>	<u>Work In Progress</u>	2019 <u>Total</u>
COST								
Balance, Beginning of Year	\$ 5,761,816	\$ 11,879,108	\$ 20,504,931	\$ 153,060,615	\$ 8,474,807	\$ 5,019,975	\$ 765,230	\$ 205,466,482
Additions	-	-	44,709	631,462	547,895	216,591	464,368	1,905,025
Disposals	(126,200)	(1,748)	-	-	(297,067)	(517,850)	-	(942,865)
Transfers	-	-	165,863	60,769	153,684	-	(380,316)	-
Write Down	-	-	-	-	-	-	(255,565)	(255,565)
	<u>5,635,616</u>	<u>11,877,360</u>	<u>20,715,503</u>	<u>153,752,846</u>	<u>8,879,319</u>	<u>4,718,716</u>	<u>593,717</u>	<u>206,173,077</u>
ACCUMULATED AMORTIZATION								
Balance, Beginning of Year	-	3,637,377	8,108,130	73,128,164	4,763,375	1,868,687	-	91,505,733
Amortization Expense	-	747,218	575,731	3,408,422	481,984	264,329	-	5,477,684
Disposals	-	(70)	-	-	(297,067)	(258,267)	-	(555,404)
Transfers	-	-	-	-	-	-	-	-
Write Down	-	-	-	-	-	-	-	-
Balance, End of Year	<u>-</u>	<u>4,384,525</u>	<u>8,683,861</u>	<u>76,536,586</u>	<u>4,948,292</u>	<u>1,874,749</u>	<u>-</u>	<u>96,428,013</u>
NET BOOK VALUE	\$ 5,635,616	\$ 7,492,835	\$ 12,031,642	\$ 77,216,260	\$ 3,931,027	\$ 2,843,967	\$ 593,717	\$ 109,745,064

TOWN OF HIGH LEVEL
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

13. TANGIBLE CAPITAL ASSETS (CONTINUED)

TANGIBLE CAPITAL ASSET CONTINUITY FOR THE PERIOD ENDED DECEMBER 31, 2018

	<u>Land</u>	<u>Land Improvements</u>	<u>Buildings</u>	<u>Engineered Structures</u>	<u>Machinery & Equipment</u>	<u>Vehicles</u>	<u>Work In Progress</u>	2018 Total
COST								
Balance, Beginning of Year	\$ 5,765,316	\$ 7,952,847	\$ 20,471,795	\$ 151,135,478	\$ 8,183,885	\$ 5,340,477	\$ 809,160	\$ 199,658,958
Additions	-	5,371,152	33,136	1,955,374	441,856	78,799	392,474	8,272,791
Disposals	(3,500)	(1,444,891)	-	(127,048)	(485,625)	(399,301)	-	(2,460,365)
Transfers	-	-	-	96,811	334,691	-	(431,502)	-
Write Down	-	-	-	-	-	-	(4,902)	(4,902)
	<u>5,761,816</u>	<u>11,879,108</u>	<u>20,504,931</u>	<u>153,060,615</u>	<u>8,474,807</u>	<u>5,019,975</u>	<u>765,230</u>	<u>205,466,482</u>
ACCUMULATED AMORTIZATION								
Balance, Beginning of Year	-	4,562,620	7,534,804	69,848,199	4,755,105	1,998,604	-	88,699,332
Amortization Expense	-	505,781	573,326	3,394,331	444,027	269,383	-	5,186,848
Disposals	-	(1,431,024)	-	(114,366)	(435,757)	(399,300)	-	(2,380,447)
Transfers	-	-	-	-	-	-	-	-
Write Down	-	-	-	-	-	-	-	-
Balance, End of Year	<u>-</u>	<u>3,637,377</u>	<u>8,108,130</u>	<u>73,128,164</u>	<u>4,763,375</u>	<u>1,868,687</u>	<u>-</u>	<u>91,505,733</u>
NET BOOK VALUE	\$ 5,761,816	\$ 8,241,731	\$ 12,396,801	\$ 79,932,451	\$ 3,711,432	\$ 3,151,288	\$ 765,230	\$ 113,960,749

TOWN OF HIGH LEVEL
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

14. ACCUMULATED SURPLUS

	<u>2019</u>	<u>2018</u>
Unrestricted surplus	\$ (2,370,942)	\$ (3,452,741)
Restricted surplus		
Operating restricted surplus (<i>Note 15</i>)	2,428,734	2,879,898
Capital restricted surplus (<i>Note 15</i>)	4,032,165	4,676,434
Equity in tangible capital assets	<u>106,781,306</u>	<u>110,530,771</u>
	<u><u>\$ 110,871,263</u></u>	<u><u>\$ 114,634,362</u></u>

15. RESTRICTED SURPLUS

	<u>2019</u>	<u>2018</u>
OPERATING RESTRICTED SURPLUS		
General reserve	<u><u>\$ 2,428,734</u></u>	<u><u>\$ 2,879,898</u></u>
CAPITAL RESTRICTED SURPLUS		
Fire equipment	73,576	63,789
Future development	101,000	-
Highway 35 Gateway Boulevard access	418,456	418,456
Municipal recreation	37,295	37,295
Offsite levy	128,063	128,063
Parking lot	38,448	38,448
Tourism improvement fee	667,284	753,369
Utilities	<u><u>2,568,043</u></u>	<u><u>3,237,014</u></u>
	<u><u>4,032,165</u></u>	<u><u>4,676,434</u></u>
	<u><u>\$ 6,460,899</u></u>	<u><u>\$ 7,556,332</u></u>

16. CONTINGENT LIABILITIES

The Town is a member of the Alberta 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. There has been no change to the Town's contingent liabilities in 2019.

TOWN OF HIGH LEVEL
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

17. NET MUNICIPAL TAXES

	<u>Budget</u>	<u>2019</u>	<u>2018</u>
TAXATION			
Real property taxes	\$ 5,579,237	5,568,986	\$ 5,604,265
Linear property taxes	240,740	240,678	236,275
Government grants in place of taxes	<u>112,639</u>	<u>112,638</u>	<u>113,663</u>
	<u>5,932,616</u>	<u>5,922,302</u>	<u>5,954,203</u>
REQUISITIONS			
Alberta School Foundation Fund	1,193,709	1,185,539	1,193,709
Seniors Lodge	111,365	111,365	106,379
Designated Industrial Property	<u>5,785</u>	<u>5,785</u>	<u>2,505</u>
	<u>1,310,859</u>	<u>1,302,689</u>	<u>1,302,593</u>
	<u><u>\$ 4,621.757</u></u>	<u><u>\$ 4,619,613</u></u>	<u><u>\$ 4,651,610</u></u>

18. GOVERNMENT TRANSFERS

	<u>Budget</u>	<u>2019</u>	<u>2018</u>
OPERATING			
Local government	\$ 510,000	523,886	\$ 518,479
Provincial government	570,487	1,973,787	345,709
Federal government	<u>39,000</u>	<u>38,250</u>	<u>36,500</u>
	<u>1,119,487</u>	<u>2,535,923</u>	<u>900,688</u>
CAPITAL			
Local government	134,500	66,080	165,961
Provincial government	2,735,000	753,863	1,358,290
Federal government	<u>40,000</u>	<u>56,040</u>	<u>5,305,273</u>
	<u>2,909,500</u>	<u>875,983</u>	<u>6,829,524</u>
	<u><u>\$ 4,028.987</u></u>	<u><u>\$ 3,411,906</u></u>	<u><u>\$ 7,730,212</u></u>

19. FRANCHISE AGREEMENTS

Disclosure of utility franchise agreement annual revenues as required by Alberta Regulation 313/2000 is as follows:

	<u>2019</u>	<u>2018</u>
AltaGas Utilities	\$ 764,044	\$ 747,566
ATCO Electric	<u>707,047</u>	<u>684,972</u>
	<u><u>\$ 1,471,091</u></u>	<u><u>\$ 1,432,538</u></u>

TOWN OF HIGH LEVEL
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

20. EXPENSES BY OBJECT

	<u>Budget</u>	<u>2019</u>	<u>2018</u>
Salaries, wages, and benefits	\$ 5,194,573	\$ 5,256,681	\$ 4,898,419
Contract and general services	2,716,809	3,511,696	2,563,082
Materials, goods, and utilities	2,324,365	2,385,644	2,544,716
Interest on long-term debt	139,254	133,912	151,279
Transfers to local boards and agencies	182,300	578,741	102,936
Bank charges and short-term interest	22,000	25,048	22,220
Provision for (recovery on) allowances	3,000	74,155	11,218
Amortization of tangible capital assets	<u>-</u>	5,477,684	5,186,848
	<u>\$ 10,582,301</u>	\$ 17,443,561	\$ 15,480,718

21. SALARY AND BENEFITS DISCLOSURE

Disclosure of salary and benefits for municipal officials, Chief Administrative Officer, and designated officers as required by Alberta Regulation 313/2000 is as follows:

	<u>Salary</u>	<u>Benefits</u>	<u>2019</u>	<u>2018</u>
Mayor - McAteer	\$ 40,600	\$ 86	\$ 40,686	\$ 49,383
Deputy Mayor - Langford	18,750	86	18,836	19,833
Councillor - Anderson	13,050	86	13,136	13,033
Councillor - Forest	15,600	86	15,686	16,533
Councillor - Gillis	19,350	56	19,406	22,933
Councillor - Jessiman	12,400	86	12,486	11,533
Councillor - Morgan	13,500	86	13,586	15,383
Councillor - Welke	750	9	759	-
Chief Administrative Officer ¹	151,192	19,013	170,205	-
Chief Administrative Officer ²	37,100	-	37,100	18,550
Chief Administrative Officer ³	-	-	-	178,001
Designated Officers (2)	<u>195,633</u>	<u>34,411</u>	<u>230,044</u>	<u>212,612</u>
	<u>\$ 517,925</u>	<u>\$ 54,005</u>	<u>\$ 571,930</u>	<u>\$ 557,794</u>

(1) Chief Administrative Officer employment commenced in April 2019

(2) Chief Administrative Officer for the period November 2018 until March 2019

(3) Chief Administrative Officer for the period March 2017 until November 2018

(Continues)

**TOWN OF HIGH LEVEL
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

21. SALARY AND BENEFITS DISCLOSURE (CONTINUED)

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

Benefits include the employer's share of employee benefits and contributions made on behalf of the employees including RSP contributions, health care, vision coverage, dental coverage, directors' liability, group life insurance, accidental disability and dismemberment insurance, and life insurance.

Benefits and allowance figures also include the employer's share of the costs of additional taxable benefits including special leave with pay and travel allowances.

22. FINANCIAL INSTRUMENTS

The Town's financial instruments consist of cash, accounts receivable, investments, accounts payable and accrued liabilities, deposit liabilities, wages and benefits payable and long-term debt. It is management's opinion that the Town is not exposed to significant interest or currency risks arising from these financial instruments. The Town is subject to credit risk with respect to taxes and grants in place of tax receivables, trade and other receivables. Credit risk arises from the possibility that taxpayers and entities to which the Town provides services may experience financial difficulty and be unable to fulfill their obligations. The large number and diversity of taxpayers and customers minimizes the credit risk. Unless otherwise noted, the carrying value of financial instruments approximates their fair value.

23. SEGMENTED INFORMATION

Segmented information has been identified based upon lines of service provided by the Town. Town services are provided by departments and their activities are reported by functional area in the body of the financial statements. Certain lines of service that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

(a) Protective Services

Department includes fire and community peace officer. The Fire Department is responsible to provide fire suppression services, fire prevention programs, motor vehicle accident response training, and education related to prevention. Town peace officers enforce the Town's by-laws and some provincial statutes.

(b) Public Works and Transportation

Operations Department is responsible for the delivery of municipal public works services related to transportation; including maintenance of roadway pedestrian systems, the High Level Airport and the maintenance of parks and open spaces.

(Continues)

TOWN OF HIGH LEVEL
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

23. SEGMENTED INFORMATION (CONTINUED)

(c) Water and Waste Management

Operations Department is responsible for environmental programs such as the engineering and operation of water and wastewater systems and solid waste collection disposal and recycling.

(d) Planning and Development

Department manages all aspects of land use planning including long range forecasting and planning, processing development permits, and compliance certificates. The department is also responsible for corporate mapping functions.

(e) Community Services

Department provides public services that sustain and support individuals, families, and communities. This includes programs run through Family and Community Support Services, the R.E. Walter Memorial Aquatics Center, High Level Sports Complex, recreation programs, and the Town's outdoor baseball diamonds, playgrounds, and parks.

(f) Culture and Library

The Town operates and maintains the Museum and Visitor's Centre and supports the Library.

Certain allocation methodologies are employed in the preparation of segmented financial information. Taxation and payments-in-lieu of taxes are allocated to the segments based on the segments' budgeted net expenditure. User charges and other revenue are allocated to the segments based upon the segment that generated the revenue. Government transfers are allocated to segments based upon the purpose for which the transfers were made. Development levies earned and developer contributions received are allocated to the segment for which the charge was collected.

TOWN OF HIGH LEVEL
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

23. SEGMENTED INFORMATION (CONTINUED)

SEGMENTED INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Protective Services</u>	<u>Public Works & Transportation</u>	<u>Water & Waste Management</u>	<u>Planning & Development</u>	<u>Community Services</u>	<u>Culture & Library</u>	<u>Other Municipal</u>	<u>Total</u>
REVENUE								
Net municipal taxes	\$ 521,571	\$ 2,460,516	\$ -	\$ 442,546	\$ 822,732	\$ 220,168	\$ 152,080	\$ 4,619,613
User fees and sales of goods	121,247	687,476	2,129,320	42,617	255,628	28,242	1,483,427	4,747,957
Government transfers	1,847,875	378,191	347,003	-	281,981	21,573	535,283	3,411,906
Investment income	-	-	-	-	-	500	130,072	130,572
Penalties and costs on taxes	-	-	-	-	-	-	86,037	86,037
Licenses and permits	2,306	-	-	62,983	-	-	31,424	96,713
Other income	98,017	32,044	-	-	32,436	2,717	180,274	345,488
Gain/(loss) on sale of investments	-	-	-	-	-	-	14,989	14,989
Gain/(loss) on sale of tangible capital assets	(196,683)	45,000	-	-	70	-	378,800	227,187
	<u>2,394,333</u>	<u>3,603,227</u>	<u>2,476,323</u>	<u>548,146</u>	<u>1,392,847</u>	<u>273,200</u>	<u>2,992,386</u>	<u>13,680,462</u>
EXPENSES								
Salaries, wages, and benefits	1,161,732	1,028,242	640,241	81,266	1,007,223	226,485	1,111,492	5,256,681
Contract and general services	1,015,904	467,647	553,695	239,829	390,922	93,932	749,767	3,511,696
Materials, goods, and utilities	362,960	830,691	605,909	7,967	357,934	79,826	140,357	2,385,644
Interest on long- term debt	5,858	22,809	97,578	-	-	7,667	-	133,912
Transfers to local boards and agencies	71,606	-	-	448,038	-	53,929	5,168	578,741
Bank charges and short-term interest	-	-	-	-	-	-	25,048	25,048
Provision for (recovery on) allowances	-	-	1,032	-	-	-	73,123	74,155
	<u>2,618,060</u>	<u>2,349,389</u>	<u>1,898,455</u>	<u>777,100</u>	<u>1,756,079</u>	<u>461,839</u>	<u>2,104,955</u>	<u>11,965,877</u>
ANNUAL SURPLUS (DEFICIT) BEFORE AMORTIZATION								
	(223,727)	1,253,838	577,868	(228,954)	(363,232)	(188,639)	887,431	1,714,585
Amortization of tangible capital assets	(283,553)	(3,199,747)	(1,385,568)	(17,151)	(354,420)	(22,999)	(214,246)	(5,477,684)
ANNUAL SURPLUS (DEFICIT)	<u>\$ (507,280)</u>	<u>\$ (1,945,909)</u>	<u>\$ (807,700)</u>	<u>\$ (246,105)</u>	<u>\$ (717,652)</u>	<u>\$ (211,638)</u>	<u>\$ 673,185</u>	<u>\$ (3,763,099)</u>

TOWN OF HIGH LEVEL
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

23. SEGMENTED INFORMATION (CONTINUED)

SEGMENTED INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Protective Services</u>	<u>Public Works & Transportation</u>	<u>Water & Waste Management</u>	<u>Planning & Development</u>	<u>Community Services</u>	<u>Culture & Library</u>	<u>Other Municipal</u>	<u>Total</u>
REVENUE								
Net municipal taxes	\$ 576,688	\$ 2,675,811	\$ -	\$ 176,713	\$ 900,149	\$ 283,759	\$ 38,490	\$ 4,651,610
User fees and sales of goods	435,240	574,137	2,153,817	39,607	295,289	62,182	1,438,288	4,998,560
Government transfers	246,794	6,107,815	154,063	-	530,478	21,573	669,489	7,730,212
Investment income	-	-	-	-	-	466	161,899	162,365
Penalties and costs on taxes	-	-	-	-	-	-	51,955	51,955
Licenses and permits	1,707	-	-	99,528	-	-	31,304	132,539
Other income	46,132	1,733	795	-	26,101	162,579	214,423	451,763
Gain/(loss) on sale of investments	-	-	-	-	-	-	(25,339)	(25,339)
Gain/(loss) on sale of tangible capital assets	(37,225)	29,419	-	-	(18,599)	-	(3,501)	(29,906)
	<u>1,269,336</u>	<u>9,388,915</u>	<u>2,308,675</u>	<u>315,848</u>	<u>1,733,418</u>	<u>530,559</u>	<u>2,577,008</u>	<u>18,123,759</u>
EXPENSES								
Salaries, wages, and benefits	523,365	1,262,485	611,575	98,504	1,105,198	271,138	1,026,154	4,898,419
Contract and general services	500,490	295,347	357,380	358,031	156,238	146,944	748,652	2,563,082
Materials, goods, and utilities	212,917	877,903	749,532	24,506	415,862	116,246	147,750	2,544,716
Interest on long- term debt	7,026	26,285	109,860	-	-	8,108	-	151,279
Transfers to local boards and agencies	48,507	-	-	21,000	-	33,429	-	102,936
Bank charges and short-term interest	-	-	-	-	-	-	22,220	22,220
Provision for (recovery on) allowances	-	-	(900)	-	-	-	12,118	11,218
	<u>1,292,305</u>	<u>2,462,020</u>	<u>1,827,447</u>	<u>502,041</u>	<u>1,677,298</u>	<u>575,865</u>	<u>1,956,894</u>	<u>10,293,870</u>
ANNUAL SURPLUS (DEFICIT) BEFORE AMORTIZATION								
	(22,969)	6,926,895	481,228	(186,193)	56,120	(45,306)	620,114	7,829,889
Amortization of tangible capital assets	(284,426)	(2,930,539)	(1,368,346)	(18,964)	(345,517)	(18,865)	(220,191)	(5,186,848)
ANNUAL SURPLUS (DEFICIT)	<u>\$ (307,395)</u>	<u>\$ 3,996,356</u>	<u>\$ (887,118)</u>	<u>\$ (205,157)</u>	<u>\$ (289,397)</u>	<u>\$ (64,171)</u>	<u>\$ 399,923</u>	<u>\$ 2,643,041</u>

TOWN OF HIGH LEVEL
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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24. COMPARATIVE FIGURES

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

25. BUDGET FIGURES

The original operating budget was approved by Council on April 23, 2019. The operating budget figures presented in these financial statements are based on the amended budget approved by Council on October 15, 2019. The original capital budget was approved by Council on December 10, 2018. The capital budget figures presented in these financial statements are based on the amended capital budget approved by Council on April 23, 2019.

	<u>Original</u>	<u>Amendments</u>	<u>Amended</u>
REVENUE			
Annual operating budget	\$ 10,868,827	\$ 198,831	\$ 11,067,658
EXPENSES			
Annual operating budget	<u>10,376.781</u>	<u>205.520</u>	<u>10,582,301</u>
ANNUAL OPERATING SURPLUS (DEFICIT)	<u>492.046</u>	<u>(6.689)</u>	<u>485.357</u>
OTHER REVENUE			
Government transfers – capital	<u>3,109,500</u>	<u>(200,000)</u>	<u>2,909,500</u>
ANNUAL SURPLUS/(DEFICIT)	<u>\$ 3,601,546</u>	<u>\$ (206,689)</u>	<u>\$ 3,394,857</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
	<u>2019</u>	<u>2019</u>	<u>2018</u>
SURPLUS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ 3,394,857	\$ (3,763,099)	\$ 2,643,041
Add:			
Amortization	-	5,477,684	5,186,848
(Gain) loss on disposal of tangible capital assets	-	(277,187)	29,906
(Gain) loss on sale of investments	-	(14,989)	25,339
Deduct:			
Principal debt repayments	(466,220)	(466,220)	(449,102)
Government transfers for capital	(2,909,500)	(875,983)	(6,829,524)
Net transfer (to) from reserves	(19,137)	154,907	(561,378)
Other capital revenue	<u>-</u>	<u>(75,000)</u>	<u>(21,000)</u>
RESULTS OF OPERATIONS AS BUDGETED	<u>\$ -</u>	<u>\$ 160,113</u>	<u>\$ 24,130</u>

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26. SUBSEQUENT EVENT

On March 17, 2020, the Government of Alberta declared a public health emergency in response to the coronavirus disease 2019 ("COVID-19") outbreak. The measures implemented by governments, businesses, and other organizations to safeguard against COVID-19 may have a significant effect on the Town's future operations. An estimate of the financial effects, if any, cannot be made at this time.

27. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved by Council on July 6, 2020.
