LESSER SLAVE LAKE REGIONAL WASTE

MANAGEMENT SERVICES COMMISSION

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

Lesser Slave Lake
Regional Waste Management
Services Commission

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibility for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded, and financial records are properly maintained to provide reliable information for the preparation of the financial statements.

The appointed Board of Directors of Lesser Slave Lake Regional Waste Management Services Commission are composed entirely of individuals who are neither management nor employees of the Commission. The Board has the responsibility of meeting with management and the external auditors to discuss the internal controls over the financial reporting process, auditing matters, and financial reporting issues. The Board is also responsible for the appointment of the Commission's external auditors.

Metrix Group LLP, an independent firm of Chartered Professional Accountants, is appointed by the Board to audit the financial statements and to report directly to them. The external auditors have full and free access to and meet periodically and separately with both the Board and management to discuss their audit findings.

Jeremy Dumaresque, Commission Manager

Kristen Schalin, Director of Finance

Slave Lake, Alberta
April 17, 2026

METRIX GROUP LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Directors of Lesser Slave Lake Regional Waste Management Services Commission

Opinion

We have audited the accompanying financial statements of Lesser Slave Lake Regional Waste Management Services Commission (the "Commission"), which comprise the statement of financial position as at December 31, 2025, 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 Commission as at December 31, 2025, the results of its operations, changes in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Commission 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.

Emphasis of Matter

We draw attention to Note 18 of the financial statements, which describes the effects of Canadian public sector accounting standards adopted by the Commission. Our opinion is not modified in respect of this matter.

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.

In preparing the financial statements, management is responsible for assessing the Commission'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 Commission or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Commission'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 Commission'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 Commission'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 Commission 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.

Metrix Group LLP

Chartered Professional Accountants

Edmonton, Alberta
April 17, 2026

LESSER SLAVE LAKE REGIONAL WASTE MANAGEMENT SERVICES COMMISSION
Statement of Financial Position
As at December 31, 2025

	2025	2024 (Restated) *(Note 18)*
FINANCIAL ASSETS		
Cash	**$ 2,604,147**	$ 2,797,002
Accounts receivable *(Note 2)*	**132,203**	152,083
	2,736,350	2,949,085
LIABILITIES		
Accounts payable and accrued liabilities *(Note 4)*	**139,938**	162,053
Deferred revenue *(Note 5)*	**88,284**	-
Long term debt *(Note 6)*	**480,491**	689,381
Asset retirement obligations *(Note 8)*	**1,671,486**	1,589,226
	2,380,199	2,440,660
NET FINANCIAL ASSETS	**356,151**	508,425
NON-FINANCIAL ASSETS		
Tangible capital assets *(Schedule 1)*	**1,836,595**	1,453,494
Prepaid expenses and deposits	**15,580**	18,494
	1,852,175	1,471,988
ACCUMULATED SURPLUS *(Note 10)*	**$ 2,208,326**	$ 1,980,413

SUBSEQUENT EVENT *(Note 17)*

ON BEHALF OF THE BOARD:

Brad Pearson _______________ *Director*

_______________ *Director*

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

LESSER SLAVE LAKE REGIONAL WASTE MANAGEMENT SERVICES COMMISSION

Statement of Operations and Accumulated Surplus

For The Year Ended December 31, 2025

	2025 (Budget) *(Note 14)*	**2025 (Actual)**	2024 (Restated) *(Note 18)*
REVENUE			
Service fees and other revenues	$ 1,223,400	**$ 1,162,095**	$ 1,019,017
Local government transfers	413,099	**399,522**	395,372
Investment income	60,000	**74,050**	112,947
Other revenue	-	**54,650**	6,683
Provincial government transfers *(Note 5)*	127,500	**39,216**	-
	1,823,999	**1,729,533**	1,534,019
EXPENSES			
Salaries, wages and benefits	655,910	**657,642**	632,841
Contracted and general services	628,777	**453,328**	460,171
Amortization of tangible capital assets	280,000	**276,466**	214,613
Accretion expense *(Note 8)*	125,000	**80,776**	76,725
Materials, goods and utilities	101,500	**72,308**	77,833
Interest on long term debt *(Note 6)*	51,051	**19,945**	14,081
Interest and bank charges	2,500	**2,350**	2,429
	1,844,738	**1,562,815**	1,478,693
ANNUAL SURPLUS (DEFICIT) BEFORE OTHER INCOME	(20,739)	**166,718**	55,326
OTHER INCOME (EXPENSES)			
Gain on disposal of tangible capital assets	-	**61,195**	-
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	(20,739)	**227,913**	55,326
ACCUMULATED SURPLUS, BEGINNING OF YEAR, AS PREVIOUSLY STATED	1,905,067	**1,905,067**	1,900,819
Restatement *(Note 18)*	75,346	**75,346**	24,268
ACCUMULATED SURPLUS, BEGINNING OF YEAR, AS RESTATED	1,980,413	**1,980,413**	1,925,087
ACCUMULATED SURPLUS, END OF YEAR	$ 1,959,674	**$ 2,208,326**	$ 1,980,413

LESSER SLAVE LAKE REGIONAL WASTE MANAGEMENT SERVICES COMMISSION
Statement of Changes in Net Financial Assets
For The Year Ended December 31, 2025

	2025 (Budget) *(Note 14)*	**2025 (Actual)**	2024 (Restated) *(Note 18)*
ANNUAL SURPLUS (DEFICIT)	$ (20,739)	**$ 227,913**	$ 55,326
Acquisition of tangible capital assets	(40,000)	**(659,567)**	(172,287)
Proceeds on disposal of tangible capital assets	-	**61,195**	-
Amortization of tangible capital assets	280,000	**276,466**	214,613
Gain on disposal of tangible capital assets	-	**(61,195)**	-
	240,000	**(383,101)**	42,326
Use (acquisition) of prepaid expenses and deposits	-	**2,914**	(7,815)
INCREASE IN NET FINANCIAL ASSETS	219,261	**(152,274)**	89,837
NET FINANCIAL ASSETS, BEGINNING OF YEAR, AS PREVIOUSLY STATED	542,538	**542,538**	517,759
Restatement *(Note 18)*	(34,113)	**(34,113)**	(99,171)
NET FINANCIAL ASSETS, BEGINNING OF YEAR, AS RESTATED	508,425	**508,425**	418,588
NET FINANCIAL ASSETS, END OF YEAR	$ 727,686	**$ 356,151**	$ 508,425

LESSER SLAVE LAKE REGIONAL WASTE MANAGEMENT SERVICES COMMISSION

Statement of Cash Flows

For The Year Ended December 31, 2025

	2025	2024
OPERATING ACTIVITIES		
Annual surplus	$ **227,913**	$ 55,326
Non-cash items included in annual surplus:		
Amortization of tangible capital assets	**276,466**	214,613
Accretion of asset retirement obligations	**80,776**	76,725
Loss on disposal of tangible capital assets	**(61,195)**	-
	523,960	346,664
Change in non-cash working capital:		
Accounts receivable	**19,880**	434,234
Accounts payable and accrued liabilities	**(22,115)**	(33,343)
Deferred revenue	**88,284**	-
Prepaid expenses and deposits	**2,914**	(7,815)
	88,963	393,076
	612,923	739,740
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	**(659,567)**	(172,287)
Proceeds on disposal of tangible capital assets	**61,195**	-
Revision in estimates of asset retirement obligations	**1,484**	1,448
FINANCING ACTIVITIES		
Repayment of long term debt	**(208,890)**	(175,122)
Long term debt issued	**-**	358,430
	(208,890)	183,308
INCREASE IN CASH FLOWS	**(192,855)**	752,209
CASH, BEGINNING OF YEAR	**2,797,002**	2,044,793
CASH, END OF YEAR	$ **2,604,147**	$ 2,797,002

Schedule of Tangible Capital Assets

For The Year Ended December 31, 2025

	Buildings	Engineering Structures	Machinery & Equipment	Vehicles	Work in Progress*	**2025**	2024 (Restated) *(Note 18)*
COST:							
Balance, Beginning of Year	$ 888,568	$ 3,212,337	$ 1,690,687	$ 105,953	$ 172,287	**$ 6,069,832**	$ 5,897,545
Restatement *(Note 18)*	-	444,987	-	-	-	**444,987**	444,987
Balance, Beginning of Year, as Restated	888,568	3,657,324	1,690,687	105,953	172,287	**6,514,819**	6,342,532
Acquisition of tangible capital assets	345	27,140	632,082	-	-	**659,567**	172,287
Disposal of tangible capital assets	-	-	(395,039)	-	-	**(395,039)**	-
Transfer	102,037	-	70,250	-	(172,287)	**-**	-
Balance, End of Year	990,950	3,684,464	1,997,980	105,953	-	**6,779,347**	6,514,819
ACCUMULATED AMORTIZATION:							
Balance, Beginning of Year	406,453	2,698,051	1,515,340	105,953	-	**4,725,797**	4,525,164
Restatement *(Note 18)*	-	335,528	-	-	-	**335,528**	321,548
Balance, Beginning of Year, as Restated	406,453	3,033,579	1,515,340	105,953	-	**5,061,325**	4,846,712
Amortization	39,597	138,866	98,003	-	-	**276,466**	214,613
Accumulated amortization on disposals	-	-	(395,039)	-	-	**(395,039)**	-
Balance, End of Year	446,050	3,172,445	1,218,304	105,953	-	**4,942,752**	5,061,325
NET BOOK VALUE, END OF YEAR	$ 544,900	$ 512,019	$ 779,676	$ -	$ -	**$ 1,836,595**	$ 1,453,494
NET BOOK VALUE, BEGINNING OF YEAR	$ 482,115	$ 623,745	$ 175,347	$ -	$ 172,287	$ 1,453,494	

*Included in work in progress cost is Engineering Structures cost of $NIL (2024 - $172,287). These amounts are not amortized until the asset is completed and in use.

PURPOSE OF COMMISSION

The Lesser Slave Lake Regional Waste Management Services Commission (the "Commission") was established under the *Municipal Government Act* and was approved by the Minister of Municipal Affairs in 1998. The Commission is authorized to provide solid waste management services for member municipalities. The member municipalities are: the Municipal District of Lesser Slave River No. 124 and the Town of Slave Lake.

The Commission is exempt from income taxation under Section 140 of the *Income Tax Act*.

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting Entity

The financial statements reflect the assets, liabilities, revenues and expenses, and change in financial position of the Commission.

(b) Basis of Presentation

These financial statements have been prepared in accordance with Canadian public sector accounting standards.

(c) Revenue Recognition

Government transfers are transfer of assets from all levels of governments that are not the result of an exchange transaction, are not expected to be repaid in the future, or are the result of a direct financial return.

Government transfers are recognized in the financial statements as revenue in the period that the events giving rise to the transfer occurred, providing the transfers are authorized, any eligibility criteria have been met by the Commission, and reasonable estimates of the amounts can be made.

Municipal requisitions are based on an agreement where the Commission requests funding as required. The requisition amounts are allocated to each member municipality on a per capita basis.

Tipping fees, recyclables and other fees are recognized as revenue in the period in which the service is delivered or in which the transactions or events occurred that gave rise to the revenue.

(d) Asset Retirement Obligations

Asset retirement obligations are legal obligations associated with the retirement of tangible capital assets. Asset retirement activities include all activities related to an asset retirement obligation. These may include, but are not limited to:

- Decommissioning or dismantling a tangible capital asset that was acquired, constructed or developed;
- Remediation of contamination of a tangible capital asset created by its normal use;
- Post-retirement activities such as monitoring; and
- Constructing other tangible capital assets to perform post-retirement activities.

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1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Asset Retirement Obligations (continued)

Asset retirement obligations are initially measured at the later of the date of acquisition or legislative obligation. When a liability for an asset retirement obligation is recognized, the asset retirement costs are added to the carrying amount of the related tangible capital asset in productive use and are amortized over the estimated useful life of the related tangible capital asset. Asset retirement costs related to unrecognized tangible capital assets or for tangible capital assets no longer in productive use are expensed in the statement of operations.

When the future retirement date is unknown, the asset retirement obligation is measured at the current estimated cost to settle or otherwise extinguish the liability. When the future retirement date is known, a present value technique is used to measure the liability. Subsequent to the initial measurement, the asset retirement obligation is adjusted to reflect the passage of time and changes in the estimated future cash flows underlying the obligation and is recognized as an accretion expense in the statement of operations.

(e) Use of Estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the period. Actual results could differ from those estimates.

Accounts receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary. The amounts recorded for valuation of tangible capital assets, the useful lives and related amortization of tangible capital assets, future cash flows associated with asset retirement obligations, and accrued liabilities are areas where management makes significant estimates and assumptions in determining the amounts to be recorded in the financial statements.

(f) Pension Expenditure

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

(g) Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities but are held for use in the provision of services. They have useful lives existing beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the change in net debt for the year.

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1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Non-Financial Assets (continued)

i) Tangible Capital Assets

Tangible capital assets are recorded at cost less accumulated amortization. The Commission provides for amortization using the straight-line method at rates designed to amortize the cost of the tangible capital assets over their estimated useful lives. Amortization rates are as follows:

Engineering structures	15 - 50 years
Buildings	20 - 50 years
Fences and recycling bins	10 - 15 years
Machinery and equipment	5 - 10 years
Vehicles	5 years

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) Contribution of Tangible Capital Assets

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

(h) New Accounting Standards Adopted During The Year

Effective January 1, 2025, the Commission has adopted PS 3280 Asset Retirement Obligations. As a result, PS 3270 Solid Waste Landfill Closure and Post-Closure Liability has been withdrawn. The Commission has applied this standard using a modified retrospective approach, resulting in a restatement of the Commission's financial statements as discussed in Note 18.

(i) Future Accounting Standard Pronouncements

The following summarizes upcoming changes to *Public Sector Accounting Standards*. The Commission will continue to assess the impact and prepare for the adoption of these standards.

i) PS 1202 - Financial Statement Presentation

This standard sets out general and specific requirements for the presentation of information in general purpose financial statements. The financial statement principles are based on the concepts in the Conceptual Framework for Financial Reporting in the Public Sector. This standard is applicable to fiscal years beginning on or after April 1, 2026.

ii) The Conceptual Framework for Financial Reporting

The PSAB's framework replaces the conceptual aspects of PS 1000 - Financial Statements Concepts, and PS 1100 - Financial Statement Objectives. This standard is applicable to fiscal years beginning on or after April 1, 2026.

2. ACCOUNTS RECEIVABLE

	2025	2024
Goods and Services Tax recoverable	**$ 65,273**	$ 14,160
Trade receivables	**48,711**	103,487
Due from Commission Members *(Note 13)*	**19,871**	37,516
Receivable from other governments	**1,428**	-
	135,283	155,163
Allowance for doubtful accounts	**(3,080)**	(3,080)
	$ 132,203	$ 152,083

3. CREDIT FACILITY

The Commission maintains a credit card facility with WEX Inc. for authorized operating expenditures. The facility provides for a maximum credit limit of $5,000 and is unsecured. The outstanding balance is due in full on a monthly basis.

The Commission also has access to a RBC Visa with a maximum credit limit of $5,000. The Visa was not in use for the year ended December 31, 2025, but remained active due to a remaining prepaid balance on account.

As at December 31, 2025, the combined balance owing (prepaid) on credit facilities is ($150) (2024 - ($100)).

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2025	2024
Due to Commission Members *(Note 13)*	**$ 61,192**	$ 92,777
Trade payables	**52,276**	46,355
Vacation payable	**21,529**	16,253
Interest payable	**4,941**	6,668
	$ 139,938	$ 162,053

5. DEFERRED REVENUE

Deferred revenue consists of the following amounts, which have been restricted by third parties for a specified purpose. These amounts are recognized as revenue in the period in which the related expenditures are incurred.

	2024	Additions	Recognized	2025
ACP - Intermunicipal Collaboration	$ -	$ 127,500	$ (39,216)	**$ 88,284**

6. LONG TERM DEBT

	2025	2024
Debentures - Province of Alberta	**$ 480,491**	$ 689,381
Less: Current portion	**(182,093)**	(175,122)
	$ 298,398	$ 514,259

The current portion of long term debt amounts to $182,093 (2024 - $175,122).

Debenture debt is repayable to the Province of Alberta bearing interest rates ranging from 1.782% to 6.125% (2024 - 1.782% to 6.125%) per annum maturing in the year 2025 and 2034.

Debenture debt is issued on the credit and security of the Commission at large.

Interest on long term debt paid amounted to $19,945 (2024 - $14,081).

The Commission's total cash payments for interest were $21,673 (2024 - $10,963).

Principal and interest payments are due as follows:

	Principal	Interest	Total
2026	$ 182,093	$ 15,850	$ 197,943
2027	31,987	12,491	44,478
2028	33,377	11,101	44,478
2029	34,828	9,650	44,478
2030	36,342	8,136	44,478
Thereafter	161,864	16,049	177,913
	$ 480,491	$ 73,277	$ 553,768

7. DEBT LIMITS

Section 3 of Alberta Regulation No. 76/2000 requires that debt and debt limits for the Commission be disclosed as follows:

	2025	2024
Total debt limit	**$ 3,459,066**	$ 3,068,038
Total debt	**(480,491)**	(689,381)
Total debt limits available	**$ 2,978,575**	$ 2,378,657
Service on debt limit	**$ 605,337**	$ 536,907
Service on debt	**(197,943)**	(230,564)
Service on debt limit available	**$ 407,394**	$ 306,343

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7. DEBT LIMITS (continued)

The debt limit is calculated at 2 times revenue of the Commission (as defined in Alberta Regulation No. 76/2000) and the debt service limit is calculated at 0.35 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 commissions that could be at financial risk if further debt is acquired. The calculation taken alone does not represent the financial stability of the Commission. Rather, the financial statements must be interpreted as a whole.

8. ASSET RETIREMENT OBLIGATIONS

Tangible capital assets with associated retirement obligations include engineered structures.

The Commission has asset retirement obligations pursuant to the *Environmental Enhancement and Protection Act* (Alberta) to fund the closure of its landfill sites and provide for the post-closure care of the facilities. Closure and post-closure activities include the final covering and landscaping, surface and ground water monitoring, leachate control, site inspection, and maintenance. The Commission is required to provide closure care upon closure of the landfill and to provide post-closure care for 25 years subsequent to closure.

The Commission has asset retirement obligations pursuant to the *Water Act* (Alberta) to fund the future decommissioning of monitoring wells. Although the timing of the well decommissioning is conditional on the length of time until the well is expected to be inactive, regulations create an existing obligation for the Commission to decommission the wells when the asset retirement activity occurs.

	2025	2024
Balance, Beginning of Year	**$ 1,589,226**	$ 1,511,053
Net Change for the Year		
Accretion expense	**80,776**	76,725
Revision in estimates	**1,484**	1,448
	82,260	78,173
Balance, End of Year	**$ 1,671,486**	$ 1,589,226

Asset retirement obligations of $1,610,625 (2024 - $1,529,849) were measured using a present value technique. The present value was calculated using estimated total undiscounted cash flow amounting to $2,419,500 (2024 - $2,419,500), a discount rate of 5.28% (2024 - 5.28%), with retirement and reclamation activities expected to be settled between 2028 and 2064. The remaining obligations of $60,861 (2024 - $59,377) are measured at the current cost due to the uncertainty about when the retirement and reclamation activities are expected to occur.

9. EQUITY IN TANGIBLE CAPITAL ASSETS

	2025	2024 Restated *(Note 18)*
Tangible capital assets cost *(Schedule 1)*	**$ 6,779,347**	$ 6,514,819
Accumulated amortization *(Schedule 1)*	**(4,942,752)**	(5,061,325)
Asset retirement obligations *(Note 8)*	**(1,671,486)**	(1,589,226)
Long term debt *(Note 6)*	**(480,491)**	(689,381)
	$ (315,382)	$ (825,113)

10. ACCUMULATED SURPLUS

	2025	2024 Restated *(Note 18)*
Unrestricted surplus	**$ 1,410,668**	$ 1,555,113
Restricted surplus		
Closure and post-closure reserve	**961,383**	1,026,383
Future expenditure reserve	**126,619**	126,619
One-time operation reserve	**19,330**	582
Equipment and building reserve	**5,708**	96,829
	1,113,040	1,250,413
Equity in tangible capital assets *(Note 9)*	**(315,382)**	(825,113)
	$ 2,208,326	$ 1,980,413

11. LOCAL AUTHORITIES PENSION PLAN

Employees of the Commission participate in the Local Authorities Pension Plan (LAPP), which is covered by the *Public Sector Pension Plans Act*. LAPP is financed by employer and employee contributions and investment earnings of the LAPP Fund.

The Commission is required to make current service contributions to LAPP of 8.45% (2024 - 8.45%) of pensionable earnings up to the Canada Pension Plan year's maximum pensionable earnings and 11.65% (2024 - 11.65%) for the excess. Employees of the Commission are required to make current service contributions of 7.45% (2024 - 7.45%) of pensionable earnings up to the year's maximum pensionable earnings and 10.65% (2024 - 10.65%) on pensionable earnings above this amount.

Total current and past service contributions made by the Commission to LAPP in 2025 were $37,477 (2024 - $34,646). Total current and past service contributions made by the employees of the Commission to the LAPP in 2025 were $33,353 (2024 - $30,885).

At December 31, 2024, LAPP disclosed an actuarial surplus of $19.56 billion (2023 - $15.06 billion).

12. FINANCIAL INSTRUMENTS

The Commission's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities, and long term debt. It is management's opinion that the Commission is not exposed to significant currency, credit, liquidity or market risks arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values.

(a) Credit Risk

The Commission is subject to credit risk with respect to its accounts receivable. Credit risk arises from the possibility that entities to which the Commission provides services may not fulfill their obligations. This risk is minimized by the large proportion of accounts receivable from other government entities.

13. RELATED PARTY TRANSACTIONS

During the year, the Commission entered into transactions with related parties: the Municipal District of Lesser Slave River No. 124 and the Town of Slave Lake. These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. The related party transactions are summarized as follows:

Services fees are based on the budgeted net operating costs of the Commission and are allocated among the Commission members based on actual service utilization during the year. Service fees charged to Commission members are as follows:

	2025	2024
Town of Slave Lake	**$ 249,775**	$ 269,649
Municipal District of Lesser Slave River No. 124	**85,475**	113,031
	$ 335,250	$ 382,680

Amounts due from Commission members are receivable on receipt of the invoice and have arisen from the service fees and requisitions charged during the year. Amounts due from Commission members at the end of the year are as follows:

	2025	2024
Town of Slave Lake	**$ 13,889**	$ 33,912
Municipal District of Lesser Slave River No. 124	**5,982**	3,604
	$ 19,871	$ 37,516

Amounts due to Commission members are payable on mailing of the invoice and have arisen from goods or services received during the year. Amounts due to Commission members at the end of the year are as follows:

	2025	2024
Municipal District of Lesser Slave River No. 124	**$ 61,192**	$ 92,777

14. BUDGET FIGURES

The budget presented in these financial statements are based on the budget approved by the Board on October 17, 2024 (Motion 075-24).

15. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by the Board and Management on April 17, 2026.

16. COMPARATIVE FIGURES

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

17. SUBSEQUENT EVENTS

Subsequent to December 31, 2025, the Commission entered into an agreement with a third party for the assumption of certain waste management activities in exchange for royalty payments. The counterparty is responsible for all operating, maintenance, and closure costs. Upon closure and capping, the Commission will assume post-closure care and monitoring obligations. No adjustments to the financial statements for the year ended December 31, 2025 were required.

18. RESTATEMENT - PS 3280 ASSET RETIREMENT OBLIGATION ADOPTION

Effective January 1, 2025, the Commission adopted Canadian public sector accounting standard 3280, *Asset Retirement Obligations*, and applied the standard using the modified retroactive approach with restatement of prior year comparative information.

On January 1, 2024, the effective date of public sector accounting standard 3280, the Commission recognized the following to conform to the new standard:

- Asset retirement obligation, adjusted for accumulated accretion to the effective date;
- Asset retirement cost capitalized as an increase to the carrying amount of the related tangible capital assets in productive use;
- Accumulated amortization on the capitalized cost; and
- Adjustment to the opening balance of accumulated surplus.

Comparative figures have been restated as follows.

	As Previously Stated	Restatement	**As Restated**
Statement of Operations			
Revenues	$ 1,534,019	$ -	**$ 1,534,019**
Expenses	(1,529,771)	51,078	**(1,478,693)**
Annual Surplus / (Deficit)	4,248	51,078	**55,326**
Accumulated Surplus, Beginning of Year	1,900,819	24,268	**1,925,087**
Accumulated Surplus, End of Year	$ 1,905,067	$ 75,346	**$ 1,980,413**

(continues)

18. RESTATEMENT - PS 3280 ASSET RETIREMENT OBLIGATION ADOPTION (continued)

Statement of Financial Position

Financial Assets	$ 2,949,085	$ -	**$ 2,949,085**
Liabilities	(2,406,547)	(34,113)	**(2,440,660)**
Net Financial Assets	542,538	(34,113)	**508,425**
Non-Financial Assets	1,362,529	109,459	**1,471,988**
Accumulated Surplus	$ 1,905,067	$ 75,346	**$ 1,980,413**

Statement of Changes in Net Financial Assets (Debt)

Annual Surplus / (Deficit)	$ 4,248	$ 51,078	**$ 55,326**
Acquisition of tangible capital assets	(172,287)	-	**(172,287)**
Amortization of tangible capital assets	200,633	13,980	**214,613**
	28,346	13,980	**42,326**
Use (acquisition) of prepaid expenses	(7,815)	-	**(7,815)**
Increase in net financial assets	24,779	65,058	**89,837**
Net financial assets (debt), beginning of year	517,759	(99,171)	**418,588**
Net financial assets, end of year	$ 542,538	$ (34,113)	**$ 508,425**