



CITY OF COLD LAKE

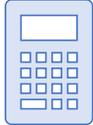
Audit Findings Report

For the year-ended December 31, 2024

April 22, 2025

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The infographic consists of five circular nodes arranged in a pentagonal pattern. Each node contains an icon, a title, and a page number. The nodes are: 1. Top-left: Green circle with a meeting icon, 'EXECUTIVE SUMMARY', page 3. 2. Top-middle: Red circle with a lightbulb icon, 'AUDIT RESULTS', page 5. 3. Top-right: Purple circle with a magnifying glass icon, 'CONTROL ENVIRONMENT AND OTHER OBSERVATIONS', page 9. 4. Bottom-left: Blue circle with a calculator icon, 'MISSTATEMENTS', page 14. 5. Bottom-right: Black circle with a paperclip icon, 'APPENDICES', page 17.

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EXECUTIVE SUMMARY

Purpose of this report

The purpose of this report is to communicate clearly with you the findings of our audit of the City of Cold Lake (the “City”) for the year ended December 31, 2024. This communication is to summarize the result of our procedures and provide comments on any significant matters, including misstatements accounting policies, estimates, and other matters, that we have identified.

Finalizing the audit

As of April 22, 2025, we have substantially completed the audit of the City’s financial statement with the exception of:

- Receipt of the legal letter response.
- Minister approval letter for ASFF deferral.
- Completing our subsequent events procedures.
- Obtaining the signed management representation letter.
- Completing our required communication to Council.
- Obtaining evidence of Council’s approval of the financial statements.

We will update Council on significant matters, if any, arising from the completion of the audit, including the completion of the procedures above.

Changes from the audit plan

There have been no other significant changes to our audit plan from what was communicated in our Audit Planning Report previously presented to you.

Materiality

The auditors’ determination of materiality is a matter of professional judgement and is affected by the auditors’ perception of the financial information needs of users of the financial statements.

Materiality for the 2024 audit was set at \$2,585,000 (4% of operating expenses) with a trivial threshold of \$129,000. We anticipate that management will record any adjustments that we propose that are of a non-trivial nature. Please refer to summary of adjusted and uncorrected misstatements for misstatements identified.

Significant difficulties encountered during the audit

We encountered no significant difficulties during our audit that should be brought to the attention of Council.

Engagement team

Team member	Role	Experience
Jeff Alliston, CPA, CA Engagement Partner	<p>As the engagement partner, Jeff has the responsibility of leading the audit is responsible for the quality and timeliness of the audit.</p> <p>Jeff is available throughout the audit process and will attend the Council meeting with management and present the financial statements.</p>	<p>Jeff holds over 15 years of public sector auditing experience working with municipalities of all types and sizes.</p> <p>He has also delivered many presentations on public sector topics and is also a member of the Emerging Issues Task Force as administered by the Government Finance Officers Association – Alberta Chapter.</p>
Dayle Weslosky, CPA, MBA Manager	<p>Dayle leads the team as the engagement manager.</p> <p>Dayle is responsible for planning, executing, and reporting the audit.</p>	<p>Dayle holds over five years of providing assurance services to clients and has since developed a specialization in public sector entities, not-for-profit organizations, and school divisions. Her clients vary in size ranging from less complex entities to large organizations.</p> <p>Dayle has in-depth knowledge of the City's processes, transactions, and requirements.</p>
Nichia Roque, CPA Manager	<p>Nichia is responsible for assisting Jeff and Dayle in the execution of our audit procedures.</p>	<p>Nichia joined Metrix in 2019 and specializes in public sector and not-for-profit organization.</p> <p>Nichia successfully challenged the Common Final Examination in 2021 and became a Chartered Professional Accountant in September 2022.</p>



AUDIT RESULTS

The following is a summary of our audit focus including risks identified, our procedures performed in response, and our findings.

Management override of controls		
Risk	Our Response	Findings
Management is in a unique position to perpetrate financial statement fraud through the manipulation of accounting records. Under Canadian assurance standards, there is a presumed fraud risk related to management's ability to override internal controls. This risk is not rebuttable.	Using data analytics, we have identified journal entries that exhibit characteristics which may be indicative of possible control override. We have assessed the business rationale of the transactions taking into consideration estimates applied, application of accounting policies, evidence of potential management bias.	No significant findings have been identified.
Revenue recognition (including deferred revenue and government transfers)		
Risk	Our Response	Findings
Grant funding subject to external funder restrictions (e.g., Government of Alberta) has been prematurely recognized as revenue.	<ul style="list-style-type: none">- We have obtained an understanding of the processes and controls in place regarding revenues received.- We inspected significant agreements and other source documentation for funding purpose and restrictions.- We have assessed significant revenue transactions for compliance with external restrictions.- We have performed a search for unrecorded revenue to assess completeness of government transfers recognized.- We have assessed the completeness and existence of deferred revenue recorded.	No significant findings have been identified.

Sales and user fees (including accounts payable and accrued liabilities)		
Risk	Our Response	Findings
User fees recorded are not complete or the incorrect rate is being used.	<ul style="list-style-type: none"> - We have obtained an understanding of the processes and controls in place over utilities revenue. - We will perform substantive analytical procedures to assess the accuracy and completeness of the revenues recorded. 	No significant findings have been identified.
Operating expenses (including accounts payable and accrued liabilities)		
Risk	Our Response	Findings
Expenses have not been recorded in the correct reporting period, either due to premature recognition or missing accruals, or do not exist.	<ul style="list-style-type: none"> - We have obtained an understanding of the processes and controls in place over procurement and payment. - We have inquired with management and reviewed subsequent Council minutes for significant transactions not recorded. - We have tested a sample of expenses recorded, including significant transactions. - We have performed a search for unrecorded liabilities. - We have examined accrued liabilities for accuracy and cut-off. 	No significant findings have been identified.
Salaries, wages and benefits (including employee benefit obligations)		
Risk	Our Response	Findings
Employees have been paid at a rate inconsistent with their employee contract.	<ul style="list-style-type: none"> - We have obtained an understanding over the processes and controls in place over payroll and human resource activities. - We have performed substantive analytical procedures over salaries, wages and benefits. 	No significant findings have been identified.

Cash and investments (including investment income)		
Risk	Our Response	Findings
<p>There is an inherent risk of fraud related to cash and investments.</p> <p>Cash and investments are material balances to the City.</p>	<ul style="list-style-type: none"> - We have obtained an understanding of processes and controls surrounding cash and investment activities. - We have obtained third party evidence over the City's bank balances. - We have tested significant reconciling items in the bank reconciliation. - We have assessed the classification of financial instruments recorded as cash. - We have assessed the measurement basis of investment instruments held. - We will assess the disclosure presented against the requirements under PSAS. 	<p>We have identified other matters. Please refer to the <i>Control Environment and Other Observations</i> section below.</p>
Receivable balances (including Taxes, Trade, and Other Governments)		
Risk	Our Response	Findings
<p>There exists the risk that the amounts outstanding will not be collectible.</p> <p>There exists the risk that receivables have been overstated.</p> <p>There exists the risk that receivables outstanding at year-end have not been accrued.</p>	<ul style="list-style-type: none"> - We have obtained an understanding of the policies and procedures regarding collection and provisions. - We have reviewed management's assessment of the collectability of receivable balances. - We have performed a search for unrecorded receivables to assess completeness of receivables outstanding at year-end. - We have coordinated with procedures performed over deferred revenue and revenue. 	<p>No significant findings have been identified.</p>

Tangible capital assets (“TCA”)		
Risk	Our Response	Findings
<p>There exists the risk that TCA has been expensed rather than capitalized or has been recorded incorrectly. Conversely, there exists the risk that expenditures that are not capital in nature have been capitalized.</p> <p>The valuation of TCA is subject to management’s estimate which may be complex and subject to change.</p>	<ul style="list-style-type: none"> - We have obtained an understanding of how contributed tangible capital assets are recorded. - We have reviewed the amortization policy. - We have performed substantive tests of details over additions and disposals. - We have re-calculated amortization expense and gains / losses on the disposal of TCA. - We have inquired with management about indicators of impairment. - We have coordinated with procedures performed over deferred revenue. - We have assessed the completeness of contributed tangible capital assets. 	<p>This balance was restated in the year.</p> <p>Additionally, we have identified other matters. Please refer to the <i>Control Environment and Other Observations</i> section below.</p>
Asset retirement obligations (“ARO”)		
Risk	Our Response	Findings
<p>AROs are estimates subject to management bias.</p>	<ul style="list-style-type: none"> - We have assessed the completeness of assets identified with an ARO. - We have assessed the reasonability of inputs used in calculating the estimate. - We have verified the mathematical accuracy of the liability calculated. 	<p>No significant findings have been identified.</p>



CONTROL ENVIRONMENT AND OTHER OBSERVATIONS

Our objective is to communicate appropriately to Council any significant deficiencies in internal control that we have identified during the audit and that, in our professional judgement, are of sufficient importance to merit being reported to those charged with governance.

The audit findings contained in this report did not have a material effect on the City's financial statements, and as such, our audit report is without reservation with respect to these matters.

Significant Deficiencies of Internal Controls

We have not identified any control deficiencies that we have determined to be significant to internal controls over financial reporting.

Significant Qualitative Aspects of Accounting Policies

Management is responsible for determining significant accounting policies. The choice of different accounting policy alternatives can have a significant effect on the financial position and results of the Town. The application of those policies often involved significant estimates and judgements by management.

Effective January 1, 2024, the City adopted Canadian public sector accounting standards PS 3400 Revenue, PSG-8 Purchased Intangibles and PS 3160 Public Private Partnerships. Adoption of these standards has been applied prospectively and had no effect on the City's financial statements.

There have been no other initial selections of, or changes to, significant accounting policies and practices that we would like to bring to your attention.

We are of the opinion that the significant accounting policies and the financial disclosures made by management do not materially misstate the financial statements taken as a whole.

Significant Qualitative Aspects of Accounting Estimates

Management is required to disclose the assumptions it makes about the future, and other major sources of measurement uncertainty, that have a significant risk of resulting in a material misstatement to the financial statements.

Significant estimates relate to the allowance for doubtful accounts, valuation of tangible capital assets, the useful lives and related amortization of tangible capital assets, asset retirement obligations, and contingent liabilities.

Overall, we are satisfied with the reasonability of accounting estimates.

Significant Difficulties Encountered During the Audit

We are required under Canadian Auditing Standards to report significant difficulties encountered during the audit. There are no matters that arose during the course of the audit causing significant difficulties.

Other Matters

We have identified other matters that we would like to bring to your attention.

Management entries

It is our expectation that prior to the commencement of the audit, year-end closing entries would be finalized by management and reflected in the working papers and financial statements, with minimal changes required during the audit. After receiving the initial trial balance and general ledger, we posted 34 management entries (2023 – 67 management entries), in addition to entries resulting from the audit process. Eight of the noted management entries related to tangible capital asset restatements, which were anticipated by the audit team and aligned with ongoing reconciliation efforts for tangible capital assets.

The large volume of management entries resulted in multiple revisions to the working papers. This included variance reconciliations between previous supporting documentation provided by management and the finalized financial statement balances.

Tangible Capital Assets

In the prior year (FY2023), we qualified our auditors' opinion related to the City's tangible capital assets – engineered structures and the corresponding amortization expense. In FY2023 & FY2024, the City undertook significant work to address these issues. A comprehensive reconciliation was performed resulting in a restatement of the opening balances of tangible capital assets. The City compiled a detailed asset listing, recalculated amortization schedules, and corrected discrepancies between the systems.

As a result of this work, we were able to obtain sufficient appropriate audit evidence to support the restated balances as of January 1, 2024. Accordingly, the prior qualification related to tangible capital assets has been removed in the current year.

We recommend that the City continues its reconciliation efforts to ensure the ongoing consistency and accuracy of asset data. Special attention should be given to the configuration and application of amortization rules. Documenting reconciliation procedures and establishing routine checks between systems will support more reliable financial reporting and reduce audit complexities in future years.

Work in Progress (WIP)

During our audit, we noted that certain projects classified as work in progress (WIP), which do not meet the criteria for capitalization under the City tangible capital asset policy were not expensed in the year the costs were incurred. Instead, the expenditures were held in WIP and expensed only upon project completion.

Deferring the recognition of expenses for non-capital projects results in a misstatement of expenses and accumulated surplus in the year the costs are incurred. We recommend that management review projects recorded in WIP on an ongoing basis to determine whether they meet the criteria for capitalization. Costs associated with projects that do not meet capitalization criteria should be expensed in the period in which they are incurred to ensure compliance with PSAS and accurate financial reporting.

As of December 31, 2024, the City expensed \$1.401 million from WIP relating to previous fiscal years expenditures. The balance is not material to the city and has been recorded as an uncorrected misstatement. Our audit opinion has not been modified.

Bank Reconciliation

At the commencement of the audit, the year-end bank reconciliations for the cash accounts were not finalized or available for review which caused delays to audit processes and procedures. The City implemented a new Enterprise Resource Planning (ERP) system during the year, and the transition-related challenges such as system configuration and the learning curve associated with new processes contributed to the delay in finalizing reconciliations prior to the commencement of the audit fieldwork.

As part of the continued ERP rollout, we recommend that management further strengthen internal controls and provide targeted training to staff involved in the reconciliation process to help support timely financial reporting and reduce delays in future periods.

Unspent MSI Funding

Effective April 1, 2024, the Municipal Sustainability Initiative (“MSI”) was replaced by the Local Government Fiscal Framework (“LGFF”). Any unspent funding will remain accessible for a period of five years from the original year of allocation. After this time, any unspent funding will be subject to repayment. As capital projects may be complex spanning multiple years, we advise the City remain cognizant of funding available under MSI before funding access is lost or subject to repayment.

As of December 31, 2024, the City had MSI deferred revenue in the amount of \$79,336.

Cold Lake Medical Primary Care Medical Clinic Ltd.

During our audit of the City’s financial statements, we noted that the City’s municipally controlled corporation (MCC) – Cold Lake Primary Care Medical Clinic Ltd. is preparing its financial statements using Accounting Standards for Private Enterprises (ASPE). Based on our assessment, the MCC meets the definition of a government business enterprise (GBE) as outlined in PS 1300.28–.36 of the CPA Canada Public Sector Accounting (PSA) Handbook.

According to PSAS, GBEs should adhere to the standards applicable to publicly accountable enterprises in the CPA Canada Handbook and therefore, GBEs are required to adopt and apply International Financial Reporting Standards (IFRS) for their financial statements, not ASPE. This is further supported by Section 275 of the Municipal Government Act (MGA), which requires municipalities and their controlled entities to follow generally accepted accounting principles for public sector bodies.

The use of ASPE instead of IFRS results in the municipally controlled corporation’s financial statements being non-compliant with both the PSAS Handbook and the Municipal Government Act. This increases the risk of misstatements in the City’s financial statements and may impact the accuracy and consistency of financial information. Continued non-compliance may also impact future City audit opinions or result in additional audit procedures and disclosures.

We recommend that the City assess and formally document the classification of the controlled corporation under PS 1300.29–.36 and require the entity to adopt IFRS as its reporting framework.

Management Letter

We will be submitting a letter to the City's management on other matters that we feel should be brought to their attention.



MISSTATEMENTS

ADJUSTED MISSTATEMENTS

The following adjustments have been recorded in order for the City to comply with reporting requirements under Canadian public sector accounting standards.

Increase (decrease) from opening balances				
Differences noted	Assets	Liabilities	Accumulated Surplus	Annual Surplus
Four audit adjustments (2023 – Two audit adjustments) ¹	\$ (1,626,727)	\$ 3,509,633	\$ (1,624,497)	\$ (3,511,863)
Twenty six management adjustments (2023 – Sixty seven management entries) ²	(6,530,611)	218,900	(2,737,941)	(4,029,671)
Eight management adjustments for the restatement of tangible capital assets	(41,082,609)	(50,853)	(38,915,463)	(2,116,293)
Total Adjusted Differences (Income Effect)				\$ (9,642,677)

¹ Audit adjustments are journal entries identified by the auditor during the audit, where the auditor determines that a misstatement exists in the financial statements and proposes an entry to correct it.

² Management adjustments are journal entries prepared and posted by management before the finalization of the financial statements. These entries are not proposed by the auditor but are often made in response to internal reviews and reconciliations.

UNCORRECTED MISSTATEMENTS

The total unrecorded misstatements noted during the audit amounted to a \$946,458 under-statement of the City’s surplus for the year ended December 31, 2024.

Description	Amount of over (under) misstatement			Accumulated Surplus
	Assets	Liabilities	Surplus	
To record overstatement of loss on disposal for CIP project expenditures from prior years	\$ -	\$ -	\$ (278,128)	\$ -
To account for Marina Dredging WIP that should have been expensed in prior year	-	-	(726,457)	-
To account for WIP for Temporary Fire Hall that should have been expensed in prior year	-	-	(396,463)	-
To record the revenue recognized for deposit liabilities that should have been recognized in previous years	-	-	323,500	-
To account for holdback adjustments relating to previous years	-	-	(131,090)	-
Total unrecorded misstatements	\$ -	\$ -	\$ (946,458)	\$ -

After considering both quantitative and qualitative factors with respect to the uncorrected misstatements accumulated during the audit, we agree with management that the uncorrected misstatements are not material to the financial statements. Accordingly, our auditors’ opinion has not been modified with respect to the uncorrected misstatements presented.

RESTATEMENT

The City has adjusted certain financial statement accounts as of December 31, 2023 due to the following:

- I. Recalculation of tangible capital assets
- II. Reclassification of deferred revenue

The net effect on the financial statements has been to adjust the December 31, 2023 balances as follows:

- Decrease to accounts payable and accrued liabilities by \$117,273;
- Increase to deferred revenue by \$66,419;
- Decrease to net book value of tangible capital asset by \$41,094,861;
- Decrease to annual surplus of \$2,123,020;
- Decrease to opening accumulated surplus by \$38,920,987; and
- Decrease to ending accumulated surplus by \$41,044,007.



APPENDICES

- **Appendix 1 – Required communications**
- **Appendix 2 – Management representation letter**
- **Appendix 3 – New and revised accounting standards**

Appendix 1 – Required communications

Independence

We have been engaged to audit the financial statement of the City for the year ending December 31, 2024.

We believe that it is important that we communicate at least annually with you regarding all relationships between the City and our firm that, in our professional judgement, may reasonably be thought to bear on our independence.

In determining which relationships to report, these standards require us to consider relevant rules and related interpretations prescribed by the Chartered Professional Accountants of Alberta and applicable legislation, covering such matters as:

- (a) Holding a financial interest, either directly or indirectly, in a client;
- (b) Holding a position, either directly or indirectly, that gives the right or responsibility to exert significant influence over the financial or accounting policies of a client.
- (c) Personal or business relationships of immediate family, close relatives, partners or retired partners, either directly or indirectly, with a client;
- (d) Economic dependence on a client; and
- (e) Provision of services in addition to the audit engagement.

We are not aware of any relationships between the City and ourselves that, in our professional judgement, may reasonably be thought to bear on our independence that have occurred from January 1, 2024 to April 22, 2025.

Management representation

Management's representations are integral to the audit evidence we will gather. Prior to the release of our independent auditors' report, we will require management's representations in writing to support the content of our report. Please refer to **Appendix 2**.

Appendix 2 – Management representation letter

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April 22, 2025

Metrix Group LLP
12840 St. Albert Trail
Edmonton Alberta T5L 4H6

Attention: Jeff Alliston, CPA, CA

Dear Sir:

Re: Management representation letter

This representation letter is provided in connection with your audit of the group financial statements of City of Cold Lake for the year ended December 31, 2024 for the purpose of expressing an opinion as to whether the group financial statements are presented fairly, in all material respects, in accordance with Canadian public sector accounting standards (PSAS).

In making the representations outlined below, we took the time necessary to appropriately inform ourselves on the subject matter through inquiries of group personnel with relevant knowledge and experience, and, where appropriate, by inspecting supporting documentation.

We confirm that (to the best of our knowledge and belief):

Financial Statements

We have fulfilled our responsibilities as set out in the terms of the audit engagement dated November 12, 2024 for:

- a. Preparing and fairly presenting the group financial statements in accordance with PSAS;
- b. Providing you with:
 - (i) Access to all information of which we are aware that is relevant to the preparation of the group financial statements, such as:
 - A. Accounting records, supporting data and other relevant documentation,
 - B. Minutes of meetings or summaries of actions taken for which minutes have not yet been prepared, and
 - C. Information on any other matters, of which we are aware, that is relevant to the preparation of the group financial statements;
 - (ii) Additional information that you have requested from us for the purpose of the audit; and
 - (iii) Unrestricted access to persons within the entity from whom you determine it necessary to obtain audit evidence.
- c. Ensuring that all transactions have been recorded in the accounting records and are reflected in the group financial statements; and
- d. Designing and implementing such internal control as we determined is necessary to enable the preparation of group financial statements that are free from material misstatement, whether due to fraud or error. We have also communicated to you any deficiencies in the design and implementation or the maintenance of internal control over financial reporting of which group management is aware.

Fraud and Non Compliance

We have disclosed to you:

- a. All of our knowledge in relation to actual, alleged or suspected fraud affecting the group's financial statements involving:
 - i. Group and component management;
 - ii. Employees who have significant roles in the group's system of internal control; or
 - iii. Others where the fraud could have a material effect on the group financial statements;
- b. All of our knowledge in relation to allegations of fraud or suspected fraud communicated by employees, former employees, analysts, regulators or others;
- c. All known instances of non-compliance or suspected non-compliance with laws and regulations, including all aspects of contractual agreements that should be considered when preparing the group;
- d. All known, actual, or possible litigation and claims that should be considered when preparing the group financial statements; and
- e. The results of our risk assessments regarding possible fraud or error in the group financial statements.

Related Parties

We have disclosed to you the identity of all of the City's related-party relationships and transactions of which we are aware. This includes sales, purchases, loans, transfers of assets, liabilities and services, leasing agreements, guarantees, non-monetary transactions, and transactions for no consideration for the period ended as well as related balances due to or from such parties at the end of the period.

All related-party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of public sector accounting standards.

Estimates

We acknowledge our responsibility for determining the accounting estimates required for the preparation of the consolidated financial statements in accordance with PSAS. Those estimates reflect our judgment based on our knowledge and experience of past and current events, and on our assumptions about conditions we expect to exist and courses of action we expect to take. We confirm that the methods, significant assumptions and the data used by us in making accounting estimates (including recoverability of accounts receivable, asset retirement obligations, useful life of tangible capital assets and amount of accrued liabilities) and related financial statement disclosures, including those measured at fair value, are appropriate to achieve recognition, measurement or disclosure that is in accordance with PSAS.

Subsequent Events

All events subsequent to the date of the group financial statements and for which PSAS requires adjustment or disclosure have been adjusted or disclosed.

Commitments and Contingencies

There are no commitments, contingent liabilities/assets or guarantees (written or oral) that should be disclosed in the group financial statements. This includes liabilities arising from contract terms, illegal acts or possible illegal acts, and environmental matters that would have an impact on the group financial statements.

Adjustments

We have reviewed, approved and recorded all of your proposed adjustments to our accounting records. This includes journal entries, changes to account coding, classification of certain transactions and preparation of, or changes to, certain accounting records.

Misstatements

The effects of uncorrected misstatements are immaterial, individually and in aggregate, to the group financial statements as a whole. A list of the uncorrected misstatements, including the reasons why they were not corrected, is attached to this letter.

Accounting policies

All significant accounting policies are disclosed in the group financial statements and are consistent with those used in the previous period.

Acknowledged and agreed on behalf of City of Cold Lake by:

Mr. Kevin Nagoya
Chief Administrative Officer

April 22, 2025

Date signed

City of Cold Lake

Year End: December 31, 2024

Unrecorded journal entries

Date: 1/1/2024 To 12/31/2024

Number	Date	Name	Account No	Reference	Debit	Credit	Recurrence	Misstatement
SUD01	12/31/2024	MISC REVENUES	1-1-32-10-599-000	BB5-1	111,089.88			
SUD01	12/31/2024	CONTRACTED SERVICES	1-2-61-00-258-000	BB5-1	20,000.00			
SUD01	12/31/2024	SURPLUS/DEFICIT ACCUM OPERAT.	1-4-00-00-900-000	BB5-1		131,089.88		
To account for holdback adjustments made in FY24 that relate to previous years								
SUD02	12/31/2024	TEMPORARY FIRE HALL	1-3-23-00-706-000	EXP202		396,463.24		
SUD02	12/31/2024	SURPLUS/DEFICIT ACCUM OPERAT.	1-4-00-00-900-000	EXP202	396,463.24			
To account for WIP Temporary Fire Hall in the prior year that should have been expensed								
SUD03	12/31/2024	MARINA DREDGING	1-3-72-70-705-000	EXP202		726,456.75		
SUD03	12/31/2024	SURPLUS/DEFICIT ACCUM OPERAT.	1-4-00-00-900-000	EXP202	726,456.75			
To account for Marina Dredging WIP in the prior year that should have been expensed.								
SUD04	12/31/2024	MISC REVENUES	1-1-61-00-599-000	CC	323,500.00			
SUD04	12/31/2024	SURPLUS/DEFICIT ACCUM OPERAT.	1-4-00-00-900-000	CC		323,500.00		
To record the revenue recognized for deposit liabilities that should have been recognized in previous years								
SUD05	12/31/2024	CONTRACTED SERVICES	1-2-33-00-258-000			278,127.68		
SUD05	12/31/2024	SURPLUS/DEFICIT ACCUM OPERAT.	1-4-00-00-900-000		278,127.68			
To adjust WIP projects expensed relating to 2023 and 2022 project costs								
SUD06	12/31/2024	CURRENT TAXES	1-3-00-00-210-000		128,270.27			
SUD06	12/31/2024	DEFERRED REVENUE	1-4-12-00-491-000			128,270.27		
To adjust credit balances in taxes receivable from prepayments to deferred revenue.								
					1,983,907.82	1,983,907.82		
Net Income (Loss)			898,218.48					

Prepared by	Reviewed by	Reviewed by
	DKW 4/15/2025	

City of Cold Lake
Year End: December 31, 2024
Schedule of unadjusted errors

Refno	Description	Assets	Liabilities	Equity	Income	Expenses
Unrecorded - factual						
SUD01	To account for holdback	(131,089.88)	0.00	0.00	131,089.88	0.00
SUD02	To account for WIP Temporary Fire	396,463.24	0.00	0.00	(396,463.24)	0.00
SUD03	To account for Marina Dredging WIP	726,456.75	0.00	0.00	(726,456.75)	0.00
SUD04	To record the revenue recognized	(323,500.00)	0.00	0.00	323,500.00	0.00
SUD05	To adjust WIP projects expensed	278,127.68	0.00	0.00	(278,127.68)	0.00
SUD06	To adjust credit balances in taxes	0.00	0.00	0.00	0.00	0.00
		<u>946,457.79</u>	<u>0.00</u>	<u>0.00</u>	<u>(946,457.79)</u>	<u>0.00</u>
	Understated/(Overstated)	<u>946,457.79</u>	<u>0.00</u>	<u>0.00</u>	<u>(946,457.79)</u>	<u>0.00</u>

Prepared by	Reviewed by	Reviewed by
	DKW 4/15/2025	

Appendix 3 – New and revised accounting standards

Standard	Summary	Effective Date
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.	Fiscal years beginning on or after April 1, 2026. Early adoption is permitted.
The Conceptual Framework for Financial Reporting in the Public Sector	The PSAB's framework replaces the conceptual aspects of PS 1000 – Financial Statement Concepts, and PS 1100 – Financial Statement Objectives.	Fiscal years beginning on or after April 1, 2026. Early adoption is permitted.