

WOODLANDS COUNTY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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 elected Reeve and Council of Woodlands County are composed entirely of individuals who are neither management nor employees of the County. The Reeve and Council have 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 Reeve and Council are also responsible for the appointment of the County's external auditors.

Metrix Group LLP, an independent firm of Chartered Professional Accountants, is appointed by Council 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 Reeve and Council and management to discuss their audit findings.



Matthew Ferris, Chief Administrative Officer



Andrew World, Director, Corporate Services

Whitecourt, Alberta
April 23, 2025

INDEPENDENT AUDITORS' REPORT

To the Reeve and Council of Woodlands County

Opinion

We have audited the accompanying financial statements of Woodlands County (the "County"), which comprise the statement of financial position as at December 31, 2024, 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 County as at December 31, 2024, and 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 County 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.

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

Those charged with governance are responsible for overseeing the County'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 County'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 County'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 County 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 23, 2025

WOODLANDS COUNTY
Statement of Financial Position
As at December 31, 2024

	<u>2024</u>	<u>2023</u>
FINANCIAL ASSETS		
Cash and cash equivalents (Note 2)	\$ 30,275,788	\$ 25,696,239
Taxes and grants in place of taxes receivable (Note 3)	746,993	733,966
Trade and other receivables (Note 4)	2,006,861	2,525,570
Loans receivable (Note 5)	<u>1,917,676</u>	<u>2,116,811</u>
	<u>34,947,318</u>	<u>31,072,586</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 7)	6,106,764	7,172,686
Deposit liabilities	114,540	169,630
Employee benefit obligations (Note 8)	400,714	385,924
Deferred revenue (Note 9)	99,152	138,862
Asset retirement obligations (Note 11)	8,304,308	8,028,140
Long-term debt (Note 10)	<u>8,553,413</u>	<u>9,476,585</u>
	<u>23,578,891</u>	<u>25,371,827</u>
NET FINANCIAL ASSETS	<u>11,368,427</u>	<u>5,700,759</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 5)	77,397,671	79,213,277
Inventory for consumption (Note 12)	1,841,546	2,100,714
Prepaid expenses	<u>658,180</u>	<u>392,448</u>
	<u>79,897,397</u>	<u>81,706,439</u>
ACCUMULATED SURPLUS (Schedule 1, Note 15)	<u>\$ 91,265,824</u>	<u>\$ 87,407,198</u>
CONTINGENCIES AND COMMITMENTS (Note 17)		

APPROVED ON BEHALF OF COUNCIL:


 _____ Reeve


 _____ Councillor

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

WOODLANDS COUNTY
Statement of Operations and Accumulated Surplus
For The Year Ended December 31, 2024

	<u>2024</u> (Budget) (Note 21)	<u>2024</u> (Actual)	<u>2023</u> (Actual)
REVENUES			
Net municipal property taxes <i>(Schedule 2)</i>	\$ 25,098,054	\$ 24,037,447	\$ 24,116,361
Other	926,329	5,682,879	1,514,221
Investment income	1,241,042	1,686,800	1,467,781
Government transfers for operating <i>(Schedule 3)</i>	640,916	1,147,056	791,766
User fees and sale of goods and services	269,275	528,073	386,703
Penalties and costs on taxes	210,000	256,025	211,054
Rentals	<u>186,828</u>	<u>152,993</u>	<u>200,912</u>
	<u>28,572,444</u>	<u>33,491,273</u>	<u>28,688,798</u>
EXPENSES			
Transportation	14,933,644	14,995,900	13,007,018
Administration	7,432,614	7,771,204	5,553,360
Utilities and waste management	2,172,029	2,215,561	1,993,155
Protective services	1,986,155	2,050,229	1,809,636
Recreation and culture	1,544,450	1,296,367	1,174,170
Planning and development	1,069,185	1,019,655	761,563
Legislative	787,819	754,631	803,304
Agriculture services	688,667	599,982	705,785
Community services	<u>375,515</u>	<u>287,026</u>	<u>312,301</u>
	<u>30,990,078</u>	<u>30,990,555</u>	<u>26,120,292</u>
ANNUAL SURPLUS (DEFICIT) BEFORE OTHER INCOME	<u>(2,417,634)</u>	<u>2,500,718</u>	<u>2,568,506</u>
OTHER INCOME			
Government transfers for capital <i>(Schedule 3)</i>	1,728,029	1,327,894	1,495,144
Gain (Loss) on disposal of tangible capital assets	<u>412,000</u>	<u>30,014</u>	<u>(12,612)</u>
	<u>2,140,029</u>	<u>1,357,908</u>	<u>1,482,532</u>
ANNUAL SURPLUS (DEFICIT)	<u>(277,605)</u>	<u>3,858,626</u>	<u>4,051,038</u>
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>87,407,198</u>	<u>87,407,198</u>	<u>83,356,160</u>
ACCUMULATED SURPLUS, END OF YEAR (SCHEDULE 1, NOTE 15)	<u>\$ 87,129,593</u>	<u>\$ 91,265,824</u>	<u>\$ 87,407,198</u>

WOODLANDS COUNTY
Statement of Change in Net Financial Assets
For The Year Ended December 31, 2024

	<u>2024</u> (Budget) (Note 21)	<u>2024</u> (Actual)	<u>2023</u> (Actual)
ANNUAL SURPLUS (DEFICIT)	\$ <u>(277,605)</u>	\$ <u>3,858,626</u>	\$ <u>4,051,038</u>
Acquisition of tangible capital assets	(11,272,367)	(5,425,813)	(6,315,444)
Proceeds on disposal of tangible capital assets	-	110,014	-
Amortization of tangible capital assets	7,145,312	7,161,419	7,158,595
Loss (gain) on disposal of tangible capital assets	<u>(412,000)</u>	<u>(30,014)</u>	<u>12,612</u>
	<u>(4,539,055)</u>	<u>1,815,606</u>	<u>855,763</u>
Net change in inventory for consumption	-	259,168	(613,376)
Net change in prepaid expenses	<u>-</u>	<u>(265,732)</u>	<u>103,905</u>
	<u>-</u>	<u>(6,564)</u>	<u>(509,471)</u>
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	(4,816,660)	5,667,668	4,397,330
NET FINANCIAL ASSETS, BEGINNING OF YEAR	<u>5,700,759</u>	<u>5,700,759</u>	<u>1,303,429</u>
NET FINANCIAL ASSETS, END OF YEAR	\$ <u><u>884,099</u></u>	\$ <u><u>11,368,427</u></u>	\$ <u><u>5,700,759</u></u>

WOODLANDS COUNTY
Statement of Cash Flows
For The Year Ended December 31, 2024

	<u>2024</u>	<u>2023</u>
OPERATING ACTIVITIES		
Annual surplus	\$ 3,858,626	\$ 4,051,038
Non-cash items included in annual surplus		
Loss (gain) on disposal of tangible capital assets	(30,014)	12,612
Amortization of tangible capital assets	7,161,419	7,158,595
Accretion of asset retirement obligations	276,168	266,984
Change in non-cash working capital balances:		
Taxes and grants in place of taxes receivable	(13,027)	296,059
Trade and other receivables	518,709	(259,997)
Deposit liabilities	(55,090)	(105,216)
Prepaid expenses	(265,732)	103,905
Inventory for consumption	259,168	(613,376)
Accounts payable and accrued liabilities	(1,065,922)	(802,912)
Loans receivable	199,135	179,666
Employee benefit obligations	14,790	28,452
Deferred revenue	(39,710)	(529,784)
	<u>10,818,520</u>	<u>9,786,026</u>
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(5,425,813)	(6,315,444)
Proceeds on disposal of tangible capital assets	110,014	-
	<u>(5,315,799)</u>	<u>(6,315,444)</u>
FINANCING ACTIVITIES		
Long-term debt repayments	(923,172)	(787,009)
Long-term debt issued	-	3,467,149
	<u>(923,172)</u>	<u>2,680,140</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	4,579,549	6,150,722
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>25,696,239</u>	<u>19,545,517</u>
CASH AND CASH EQUIVALENTS, END OF YEAR (Note 2)	<u>\$ 30,275,788</u>	<u>\$ 25,696,239</u>

WOODLANDS COUNTY
Schedule of Changes in Accumulated Surplus
For The Year Ended December 31, 2024

SCHEDULE 1

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Equity in Tangible Capital Assets</u>	<u>2024</u>	<u>2023</u>
BALANCE, BEGINNING OF YEAR	\$ 6,930,505	\$ 17,133,696	\$ 63,342,997	\$ 87,407,198	\$ 83,356,160
Annual surplus	3,858,626	-	-	3,858,626	4,051,038
Purchase of tangible capital assets	(5,425,813)	-	5,425,813	-	-
Annual amortization expense	7,161,419	-	(7,161,419)	-	-
Disposal of tangible capital assets	80,000	-	(80,000)	-	-
Accretion of asset retirement obligations	276,168	-	(276,168)	-	-
Restricted funds designated for current year use	9,636,764	(9,636,764)	-	-	-
Unrestricted funds designated for future use	(18,596,717)	18,596,717	-	-	-
Long-term debt issued	-	-	-	-	-
Long-term debt repaid	(923,172)	-	923,172	-	-
Debt recoverable payments	<u>148,535</u>	<u>-</u>	<u>(148,535)</u>	<u>-</u>	<u>-</u>
BALANCE, END OF YEAR	<u>\$ 3,146,315</u>	<u>\$ 26,093,649</u>	<u>\$ 62,025,860</u>	<u>\$ 91,265,824</u>	<u>\$ 87,407,198</u>

Schedule of Property Taxes Levied
For The Year Ended December 31, 2024

	<u>2024</u> (Budget) (Note 21)	<u>2024</u> (Actual)	<u>2023</u> (Actual)
TAXATION			
Commercial and industrial taxes	\$ 12,173,361	\$ 12,673,348	\$ 11,818,797
Linear property taxes	13,758,540	12,489,102	13,114,864
Residential and farmland property	5,238,408	4,929,166	4,704,083
Government grants in place of property taxes	17,000	17,014	16,946
Property tax incentive	<u>-</u>	<u>(3,633)</u>	<u>(7)</u>
	<u>31,187,309</u>	<u>30,104,997</u>	<u>29,654,683</u>
REQUISITIONS			
Alberta School Foundation Fund	(5,347,869)	(5,332,015)	(4,951,709)
Seniors Foundation	(613,594)	(613,594)	(471,466)
Designated Industrial Property	<u>(127,792)</u>	<u>(121,941)</u>	<u>(115,147)</u>
	<u>(6,089,255)</u>	<u>(6,067,550)</u>	<u>(5,538,322)</u>
NET MUNICIPAL TAXES	\$ <u>25,098,054</u>	\$ <u>24,037,447</u>	\$ <u>24,116,361</u>

WOODLANDS COUNTY
Schedule of Government Transfers
For The Year Ended December 31, 2024

SCHEDULE 3

	<u>2024</u> (Budget) (Note 21)	<u>2024</u> (Actual)	<u>2023</u> (Actual)
TRANSFERS FOR OPERATING			
Provincial government	\$ 571,203	\$ 1,077,343	\$ 789,966
Local government	69,713	69,713	-
Federal government	<u>-</u>	<u>-</u>	<u>1,800</u>
	<u>640,916</u>	<u>1,147,056</u>	<u>791,766</u>
TRANSFERS FOR CAPITAL			
Provincial government	<u>1,728,029</u>	<u>1,327,894</u>	<u>1,495,144</u>
TOTAL GOVERNMENT TRANSFERS	<u>\$ 2,368,945</u>	<u>\$ 2,474,950</u>	<u>\$ 2,286,910</u>

WOODLANDS COUNTY
Schedule of Segmented Disclosure
For The Year Ended December 31, 2024

SCHEDULE 4

	<u>Administration</u>	<u>Legislative</u>	<u>Agriculture Services</u>	<u>Community Services</u>	<u>Planning and Development</u>	<u>Protective Services</u>	<u>Recreation and Culture</u>	<u>Transportation</u>	<u>Utilities and Waste Management</u>	<u>2024</u>	<u>2023</u>
REVENUE											
Net municipal property taxes	\$ 24,037,447	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,037,447	\$ 24,116,361
Other	841,963	4,177,930	289	-	13,234	201,460	-	441,703	6,300	5,682,879	1,514,221
Investment income	1,676,938	-	-	-	-	-	-	-	9,862	1,686,800	1,467,781
Government transfers operating	145,198	-	281,747	126,743	-	12,190	29,713	551,465	-	1,147,056	791,766
User fees and sales of goods	17,450	-	9,900	-	20,822	4,541	7,024	28,297	440,039	528,073	386,703
Penalties and costs on taxes	256,025	-	-	-	-	-	-	-	-	256,025	211,054
Rentals	1,820	-	5,645	-	-	-	-	145,528	-	152,993	200,912
	<u>26,976,841</u>	<u>4,177,930</u>	<u>297,581</u>	<u>126,743</u>	<u>34,056</u>	<u>218,191</u>	<u>36,737</u>	<u>1,166,993</u>	<u>456,201</u>	<u>33,491,273</u>	<u>28,688,798</u>
EXPENSES											
Salaries, wages and benefits	1,311,300	490,401	304,695	36,891	623,143	610,957	328,392	3,188,449	671,943	7,566,171	6,917,379
Amortization	63,130	-	41,335	-	1,778	246,449	88,551	6,298,826	421,350	7,161,419	7,158,595
Contracted and general services	1,734,054	245,316	147,358	17,515	327,820	475,141	134,663	2,980,734	465,714	6,528,315	4,660,579
Transfers to local governments	2,321,461	-	-	85,393	-	488,055	116,455	-	366,573	3,377,937	3,185,821
Materials, goods, supplies and utilities	104,416	14,318	49,594	4,861	66,914	207,877	54,853	2,314,284	232,405	3,049,522	2,736,054
Provision for allowances	1,858,376	-	-	-	-	-	-	-	-	1,858,376	25,980
Transfers to other organizations	15,000	4,596	57,000	142,366	-	21,750	573,453	-	-	814,165	851,371
Interest on long-term debt	76,315	-	-	-	-	-	-	213,607	57,576	347,498	299,677
Accretion on asset retirement obligations	276,168	-	-	-	-	-	-	-	-	276,168	266,984
Bank charges	10,984	-	-	-	-	-	-	-	-	10,984	17,852
	<u>7,771,204</u>	<u>754,631</u>	<u>599,982</u>	<u>287,026</u>	<u>1,019,655</u>	<u>2,050,229</u>	<u>1,296,367</u>	<u>14,995,900</u>	<u>2,215,561</u>	<u>30,990,555</u>	<u>26,120,292</u>
ANNUAL SURPLUS BEFORE OTHER INCOME	19,205,637	3,423,299	(302,401)	(160,283)	(985,599)	(1,832,038)	(1,259,630)	(13,828,907)	(1,759,360)	2,500,718	2,568,506
OTHER INCOME											
Government transfers for capital	-	-	-	-	-	2,000	-	1,325,894	-	1,327,894	1,495,144
Gain (loss) on disposal of tangible capital assets	-	-	-	-	-	-	-	30,014	-	30,014	(12,612)
ANNUAL SURPLUS (DEFICIT)	<u>\$ 19,205,637</u>	<u>\$ 3,423,299</u>	<u>\$ (302,401)</u>	<u>\$ (160,283)</u>	<u>\$ (985,599)</u>	<u>\$ (1,830,038)</u>	<u>\$ (1,259,630)</u>	<u>\$ (12,472,999)</u>	<u>\$ (1,759,360)</u>	<u>\$ 3,858,626</u>	<u>\$ 4,051,038</u>

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

WOODLANDS COUNTY
Schedule of Tangible Capital Assets
For The Year Ended December 31, 2024

SCHEDULE 5

	<u>Land</u>	<u>Land Improvements</u>	<u>Buildings</u>	<u>Engineered Structures</u>	<u>Machinery and Equipment</u>	<u>Vehicles</u>	<u>2024</u>	<u>2023</u>
COST:								
Balance, Beginning of Year	\$ 2,912,470	\$ 4,638,500	\$ 14,118,502	\$268,289,108	\$ 7,627,541	\$ 7,500,425	\$305,086,546	\$298,817,873
Additions	-	67,236	115,378	841,470	3,460,021	941,708	5,425,813	6,315,444
Disposals	-	-	-	-	(200,037)	(155,016)	(355,053)	(46,771)
Balance, End of Year	<u>2,912,470</u>	<u>4,705,736</u>	<u>14,233,880</u>	<u>269,130,578</u>	<u>10,887,525</u>	<u>8,287,117</u>	<u>310,157,306</u>	<u>305,086,546</u>
ACCUMULATED AMORTIZATION:								
Balance, Beginning of Year	-	1,771,731	3,951,985	211,375,809	4,643,324	4,130,420	225,873,269	218,748,833
Amortization	-	151,713	287,326	6,180,144	191,057	351,179	7,161,419	7,158,595
Disposals	-	-	-	-	(130,037)	(145,016)	(275,053)	(34,159)
Balance, End of Year	-	<u>1,923,444</u>	<u>4,239,311</u>	<u>217,555,953</u>	<u>4,704,344</u>	<u>4,336,583</u>	<u>232,759,635</u>	<u>225,873,269</u>
2024 NET BOOK VALUE	<u>\$ 2,912,470</u>	<u>\$ 2,782,292</u>	<u>\$ 9,994,569</u>	<u>\$ 51,574,625</u>	<u>\$ 6,183,181</u>	<u>\$ 3,950,534</u>	<u>\$ 77,397,671</u>	<u>\$ -</u>
2023 NET BOOK VALUE	<u>\$ 2,912,470</u>	<u>\$ 2,866,769</u>	<u>\$ 10,166,517</u>	<u>\$ 56,913,299</u>	<u>\$ 2,984,217</u>	<u>\$ 3,370,005</u>	<u>\$ -</u>	<u>\$ 79,213,277</u>

*Construction in progress is comprised of

	\$ -	\$ 48,836	\$ 49,647	\$ 406,967	\$ 149,066	\$ -	\$ 654,516	\$ 34,875
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WOODLANDS COUNTY

Notes to Financial Statements

Year Ended December 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Woodlands County (the "County") are the representations of management prepared in accordance with Canadian public sector accounting standards. Significant aspects of the accounting policies adopted by the County are as follows:

(a) Reporting entity

The financial statements reflect the assets, liabilities, revenues, and expenses, changes in net financial position and cash flows of the reporting entity. This entity is comprised of County operations plus all of the organizations that are owned or controlled by the County and are, therefore, accountable to Council for the administration of their financial affairs and resources.

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

The statements exclude trust assets that are administered by the County for the benefit of external parties. Interdepartmental and organizational transactions and balances are eliminated.

(b) Basis of accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or the legal obligation to pay.

Revenues are accounted for in the period in which the transactions or events occurred that gave rise to the revenues and are reliably measured and reasonably estimated. Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

Expenses are recognized in the period the goods or services are acquired and a liability is incurred or transfers are due.

(c) Cash and cash equivalents

Cash and cash equivalents include items that are readily convertible to known amounts of cash, are subject to an insignificant risk of change in value, and have a maturity of three months or less at acquisition.

(d) Investments

Investments are recorded at amortized cost. When there has been a loss in value that is other than a temporary decline, the investment is written down to recognize the loss.

(e) Government transfers

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

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

(CONT'D)

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) 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 revenue and expenditure during the period. Where uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. 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 and the useful lives and related amortization of tangible capital assets, cash flows associated with asset retirement obligations, inventory valuation, and accrued liabilities are areas where management makes significant estimates and assumptions in determining the amounts to be recorded in the financial statements.

(g) Asset retirement obligations

Asset retirement obligations are legal obligations associated with the retirement 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.

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.

(h) Tax revenue

Property tax revenue is based on assessments determined in accordance with the *Municipal Government Act*. Tax rates are established annually. Taxation revenues are recorded at the time tax billings are issued. Assessments are subject to appeal.

Construction and borrowing costs associated with local improvement projects are recovered through annual special property assessments during the period of the related borrowing. These levies are collectible from property owners for work performed by the County. Under the accrual basis of accounting, revenues to be received from local improvement assessments are recognized in full in the period the local improvement project costs are incurred and the passing of the related imposition by-law.

(CONT'D)

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Pension expenses

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

(j) Loans receivable

Loans receivable are recorded at cost. Interest revenue is recognized as revenue in the year it is earned.

(k) Requisition over-levy and under-levy

Over-levies and under-levies arise from the difference between the actual property tax levy made to cover each requisition and the actual amount requisitioned.

If the actual levy exceeds the requisition, the over-levy is accrued as a liability and property tax revenue is reduced. Where the actual levy is less than the requisition amount, the under-levy is accrued as a receivable and as property tax revenue.

Requisition tax rates in the subsequent year are adjusted for any over-levies or under-levies of the prior year.

(l) Non-financial assets

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

Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. Contributed assets are capitalized and are recorded at their estimated fair value upon acquisition and are also recorded as revenue. Construction in progress represents assets which are not available for productive use and therefore are not subject to amortization. The cost, less residual value, of tangible capital assets is amortized on a straight-line basis over the estimated useful life as follows:

	<u>Years</u>
Land improvements	15 - 40
Buildings	25 - 50
Engineered structures	
Roadway system	0 - 50
Water and wastewater system	30 - 75
Machinery and equipment	5 - 20
Vehicles	10 - 25

No amortization is charged in the year of acquisition and a full year amortization is charged in the year of disposal.

Historical artifacts owned by the County are not recorded in tangible capital assets, but are disclosed.

(CONT'D)

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Non-financial assets (cont'd)

Inventory

Inventory held for consumption is valued at the lower of cost or replacement cost, with cost determined by the average cost method.

(m) New accounting standards adopted during the year

PS 3400, Revenue, a new standard establishing guidance on how to account for and report on revenue. The standard provides a framework for recognizing, measuring, and reporting revenues that arise from transactions that include performance obligations and transactions that do not have performance obligations. Performance obligations are enforceable promises to provide specific goods or services to a specific payor. This section may be applied retroactively or prospectively.

During the year, the County adopted PS 3400 with respect to revenue. The County adopted this standard prospectively and continues to recognize revenue as performance obligations are met. Any revenue transactions with no performance obligations are recognized at the time when revenue recognition criteria are met through the application of PS 3400. There has been no current year impact on the County's financial statements.

PSG-8, Purchased Intangibles, provides guidance on accounting and reporting for purchased intangible capital assets. It provides clarity on the recognition criteria, along with instances of assets that would not meet the definition of such. Application may be made either retroactively or prospectively in accordance with PS 2120 Accounting Changes.

During the year, the County adopted PSG-8 with respect to purchased intangibles. The County has applied this standard prospectively and the standard has had no impact on the County's financial statements.

PS 3160, Public Private Partnerships, a new standard establishing guidance on how to account for and report on partnerships between public and private sector entities. Specifically those in which the entity in the public sector procures infrastructure in conjunction with a private sector entity. In these scenarios the private sector entity must have obligations to design, build, acquire, or improve existing infrastructure. Furthermore they must also finance the transaction past the point in which the asset is initially ready for use along with operating and/or maintaining such on an ongoing basis. The standard may be applied retroactively or prospectively.

During the year, the County adopted PS 3160 with respect to public private partnerships. The County has applied this standard prospectively and the standard change has had no impact on the County's financial statements.

(n) Future Accounting Standard Pronouncements

The following summarizes upcoming changes to *Public Sector Accounting Standards*. The County will continue to assess the impact and prepare for the adoption of this standard.

i) Financial Statement Presentation

PS 1202, Financial Statement Presentation, 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.

WOODLANDS COUNTY
Notes to Financial Statements
Year Ended December 31, 2024

2. CASH AND CASH EQUIVALENTS

	<u>2024</u>	<u>2023</u>
Cash	\$ 29,091,379	\$ 24,571,830
Cash equivalents	<u>1,184,409</u>	<u>1,124,409</u>
	<u>\$ 30,275,788</u>	<u>\$ 25,696,239</u>

Cash equivalents are short-term deposits with original maturities of three months or less, bearing interest at rates ranging from prime less 1.55% to prime less 1.65% (2023: prime less 1.55% to prime less 1.65%).

3. TAXES AND GRANTS IN PLACE OF TAXES RECEIVABLES

	<u>2024</u>	<u>2023</u>
Current taxes and grants in place of taxes	\$ 1,423,105	\$ 766,745
Arrears taxes	<u>361,000</u>	<u>232,188</u>
	1,784,105	998,933
Less: Allowance for doubtful accounts	<u>(1,037,112)</u>	<u>(264,967)</u>
	<u>\$ 746,993</u>	<u>\$ 733,966</u>

4. TRADE AND OTHER RECEIVABLES

	<u>2024</u>	<u>2023</u>
Trade accounts receivable	\$ 1,245,855	\$ 1,150,203
Receivables from other governments	545,627	1,300,727
Goods and Services Tax recoverable	<u>248,944</u>	<u>113,897</u>
	2,040,426	2,564,827
Less: Allowance for doubtful accounts	<u>(33,565)</u>	<u>(39,257)</u>
	<u>\$ 2,006,861</u>	<u>\$ 2,525,570</u>

WOODLANDS COUNTY
Notes to Financial Statements
Year Ended December 31, 2024

5. LOANS RECEIVABLE

	<u>2024</u>	<u>2023</u>
Lac Ste. Anne Foundation	\$ 1,506,996	\$ 1,657,500
Airport Subdivision Connections	239,013	260,978
Whitecourt Woodlands Winter Recreation Park Society	140,000	140,000
Friends of Whitecourt Society	<u>31,667</u>	<u>58,333</u>
	<u>\$ 1,917,676</u>	<u>\$ 2,116,811</u>

The County passed Bylaw 2016/06 on July 4, 2006 authorizing Council to lend \$3,250,000 to the Lac Ste. Anne Foundation (the "Foundation") for the purpose of assisting the Foundation to undertake and complete the construction of the Seniors' Lodge in Onoway, Alberta. The loan was advanced during 2007 and is repayable in 50 semi-annual installments of \$113,333; including interest of 4.89% per annum, commencing March 15, 2008. The loan was financed by an equivalent borrowing from the Province of Alberta (Note 10). The loan receivable from the Foundation includes accrued interest of \$21,076 (2023 - \$23,055).

The County passed motion C-15-648-15 on October 20, 2015 authorizing Council to lend \$280,000 to the Whitecourt Woodlands Winter Recreation Park Society for the purpose of assisting this community group. The loan is non-interest bearing and repayable in 14 annual installments of \$20,000 commencing November 1, 2016.

The promissory note from the Friend's of Whitecourt Society is non-interest bearing and repayable in 12 quarterly payments of \$2,083 commencing July 1, 2021. A second promissory note was issued in 2022. The note is non-interest bearing and repayable in 12 quarterly payments of \$2,083 commencing February 2, 2022. Two additional promissory notes were issued in 2023. Both are non-interest bearing and repayable in 12 quarterly payments of \$2,083 each, commencing May 15, 2023 and Aug 1, 2023.

6. LINE OF CREDIT

The County has a revolving demand credit facility of \$1,000,000. The demand loan bears interest at the bank's prime rate plus 1.00% per annum, and was not drawn on at December 31, 2024 (2023 - \$NIL) and is unsecured.

The County additionally has secured three irrevocable letters of credit for a total of \$22,600 (2023 - \$22,600). The letters of credit bear interest at the bank's prime rate plus 3.00% per annum, and were not drawn on at December 31, 2024 (2023 - \$NIL). If required, this balance will be drawn upon the County's demand credit facility.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2024</u>	<u>2023</u>
Trade payables	\$ 3,272,193	\$ 1,031,483
Payables to other governments	2,672,535	5,840,068
Salaries and wages payable	<u>162,036</u>	<u>301,135</u>
	<u>\$ 6,106,764</u>	<u>\$ 7,172,686</u>

WOODLANDS COUNTY
Notes to Financial Statements
Year Ended December 31, 2024

8. EMPLOYEE BENEFITS OBLIGATION

	<u>2024</u>	<u>2023</u>
Vacation	\$ 291,975	\$ 302,772
Sick leave	55,005	52,262
Overtime	<u>53,734</u>	<u>30,890</u>
	<u>\$ 400,714</u>	<u>\$ 385,924</u>

Employee benefits obligation is comprised of the vacation, sick leave, and overtime that employees are deferring to future years. Employees have either earned the benefits (and are vested) or are entitled to these benefits within the next budgetary year.

The County does not provide post-employment benefits to employees.

9. DEFERRED REVENUE

Deferred revenue is comprised of the following amounts, which have been received from various third parties and are restricted to the eligible operating and capital projects as approved in the funding agreements for a specified purpose. These amounts are recognized as revenue in the period in which the related expenditures are incurred.

	<u>2023</u>	<u>Additions</u>	<u>Revenue Recognized</u>	<u>2024</u>
Other	\$ 138,862	\$ 44,632	\$ (84,342)	\$ 99,152
Local Government Fiscal Framework	-	1,233,100	(1,233,100)	-
Canada Community Building Fund	<u>-</u>	<u>43,133</u>	<u>(43,133)</u>	<u>-</u>
	<u>\$ 138,862</u>	<u>\$ 1,320,865</u>	<u>\$ (1,360,575)</u>	<u>\$ 99,152</u>

WOODLANDS COUNTY
Notes to Financial Statements
Year Ended December 31, 2024

10. LONG-TERM DEBT

	<u>2024</u>	<u>2023</u>
Water and sewer extension		
Province of Alberta		
Interest rate 2.35%, due June 2031	\$ 714,903	\$ 815,568
Interest rate 3.84%, due September 2030	689,709	790,103
Interest rate 2.15%, due September 2031	471,195	532,931
County administration and workshop expansions		
Province of Alberta		
Interest rate 2.35%, due June 2031	953,209	1,087,425
Interest rate 2.15%, due September 2031	1,118,053	1,264,536
Lac Ste. Anne Foundation		
Province of Alberta		
Interest rate 4.89%, due September 2032	1,485,910	1,634,445
Transportation		
Province of Alberta		
Interest rate 5.00%, due June 2038	1,770,067	1,901,183
Interest rate 5.00%, due June 2038	<u>1,350,367</u>	<u>1,450,394</u>
	<u>\$ 8,553,413</u>	<u>\$ 9,476,585</u>

The current portion of the long-term debt amounts to \$944,478 (2023 - \$923,172).

Principal and interest repayments:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 944,478	\$ 320,295	\$ 1,264,773
2026	966,529	286,687	1,253,216
2027	989,352	252,307	1,241,659
2028	1,012,979	217,123	1,230,102
2029	1,037,441	181,104	1,218,545
Thereafter	<u>3,602,634</u>	<u>522,867</u>	<u>4,125,501</u>
	<u>\$ 8,553,413</u>	<u>\$ 1,780,383</u>	<u>\$ 10,333,796</u>

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

Interest on long-term debt paid amounted to \$347,498 (2023 - \$299,677)

The County's total cash payments for interest is \$353,159 (2023 - \$295,739).

WOODLANDS COUNTY
Notes to Financial Statements
Year Ended December 31, 2024

11. ASSET RETIREMENT OBLIGATIONS

Tangible capital assets with associated retirement obligations include land, land improvements, buildings, engineered structures, and machinery and equipment.

The County has asset retirement obligations to remove various hazardous materials, including asbestos from various buildings under its control. Regulations require the County to handle and dispose of these materials in a prescribed manner when it is disturbed, such as when the building undergoes renovations or is demolished. Although the timing of the removal is conditional on the building undergoing renovations or being demolished, regulations create an existing obligation for the County to remove the materials when the asset retirement activities occur.

The County has asset retirement obligations pursuant to the *Environmental Enhancement and Protection Act* ("EEPA") to fund the future reclamation of various operational facilities and work sites. Reclamation activities involved the restoration of properties to their original condition, include the final soil cover, landscaping, and visual inspection. Although, the timing of the reclamation is conditional on the length of time until the facilities and site are expected to be inactive, regulations create an existing obligation for the County to reclaim the properties at the end of life.

	<u>2024</u>	<u>2023</u>
Balance, Beginning of Year	\$ 8,028,140	\$ 7,761,156
Net Change for the Year		
Accretion expense	<u>276,168</u>	<u>266,984</u>
Balance, End of Year	<u>\$ 8,304,308</u>	<u>\$ 8,028,140</u>

Asset retirement obligations of \$8,304,308 (2023 - \$8,028,140) are measured using a present value technique. The present value was calculated using estimated total undiscounted cash flows amounting to \$10,914,468 (2023 - \$10,914,468), a discount rate of 3.44% (2023 - 3.44%), with retirement and reclamation activities expected to be settled between 2025 and 2062.

12. INVENTORY FOR CONSUMPTION

	<u>2024</u>	<u>2023</u>
Gravel	\$ 1,288,898	\$ 1,716,637
Material and supplies	<u>552,648</u>	<u>384,077</u>
	<u>\$ 1,841,546</u>	<u>\$ 2,100,714</u>

WOODLANDS COUNTY
Notes to Financial Statements
Year Ended December 31, 2024

13. DEBT LIMITS

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

	<u>2024</u>	<u>2023</u>
Total debt limit	\$ 50,281,931	\$ 43,033,197
Total debt	<u>(8,553,413)</u>	<u>(9,476,585)</u>
Amount of debt limit unused	<u>\$ 41,728,518</u>	<u>\$ 33,556,612</u>
Service on debt limit	\$ 8,380,322	\$ 7,172,200
Service on debt	<u>(1,264,773)</u>	<u>(1,276,331)</u>
Amount of service on debt limit unused	<u>\$ 7,115,549</u>	<u>\$ 5,895,869</u>

The debt limit is calculated at 1.5 times revenue of the County (as defined in *Alberta Regulation 255/2000*) 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 County. Rather, the financial statements must be interpreted as a whole.

14. EQUITY IN TANGIBLE CAPITAL ASSETS

	<u>2024</u>	<u>2023</u>
Net book value of tangible capital assets	\$ 77,397,671	\$ 79,213,277
Asset retirement obligations	(8,304,308)	(8,028,140)
Long-term debt related to tangible capital assets	<u>(7,067,503)</u>	<u>(7,842,140)</u>
	<u>\$ 62,025,860</u>	<u>\$ 63,342,997</u>

WOODLANDS COUNTY
Notes to Financial Statements
Year Ended December 31, 2024

15. ACCUMULATED SURPLUS

On April 23, 2025, Council adopted a revised reserve policy, effective December 31, 2024. The updated policy restructures the existing reserves into a new framework aligned with functional areas and strategic financial planning. Implementing the new framework resulted in reallocating existing balances into newly defined reserves. There was no change to the overall reserve balances as of December 31, 2024. Comparative figures for 2023 have been reallocated for comparative purposes.

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

	<u>2024</u>	<u>2023</u>
Unrestricted surplus	\$ <u>3,146,315</u>	\$ <u>6,930,505</u>
Restricted surplus		
Stabilization and contingency reserves		
Working capital	2,500,000	2,747,333
Property tax stabilization	2,500,000	633,622
Operating	1,423,417	1,799,630
Operating carry forward	864,513	382,204
Infrastructure, lifecycle maintenance and replacement reserves		
Fleet and equipment replacement	3,500,000	6,303,345
Roads capital	3,000,000	-
General capital	2,500,000	503,727
Bridge capital	1,500,000	1,037,090
Airport capital	1,500,000	100,000
Recreation capital	1,500,000	70,000
Water capital	1,250,000	645,200
Wastewater capital	1,250,000	412,691
Specific purpose reserves		
Intermunicipal	2,500,000	319,112
Innovation	100,000	-
Restricted reserves		
Cash in-lieu	205,719	205,719
Infrastructure	-	1,069,135
Tax appeals contingency	-	904,888
	<u>26,093,649</u>	<u>17,133,696</u>
Equity in tangible capital assets	<u>62,025,860</u>	<u>63,342,997</u>
	<u>\$ 91,265,824</u>	<u>\$ 87,407,198</u>

WOODLANDS COUNTY
Notes to Financial Statements
Year Ended December 31, 2024

16. TRUST FUNDS

The County administers the following trust funds:

	<u>2024</u>	<u>2023</u>
Golden triangle	\$ 201,412	\$ 119,328
Proceeds from tax forfeitures held in trust	52,552	50,064
Huestis demo forest trust	27,272	25,987
Fort Assiniboine fire club social trust	<u>14,638</u>	<u>8,127</u>
	<u>\$ 295,874</u>	<u>\$ 203,506</u>

Trust funds administered by the County have not been included in the Statement of Financial Position nor have their operations have been included in the Statement of Operations.

17. CONTINGENCIES AND COMMITMENTS

- a) The County is committed to sharing the capital and operating costs of the Whitecourt Regional Waste Management Authority (the "Authority") with the Town of Whitecourt (the "Town"). The Authority is responsible for the management of a regional landfill site serving the County and the Town. Capital and operating costs for the Authority are shared by the County and the Town on a pro-rated per capita basis, calculated on the current population of the Town and the County. The County's share of the Authority's capital and operating costs for the year ended December 31, 2024 was \$366,573 (2023 - \$211,526) which was 31.47% (2023 - 31.47%) of the total operating deficit of the Authority.
- b) The County is a member of the Alberta Municipal Insurance Exchange ("MUNIX"). Under the terms of the membership, the County could become liable for its proportionate share of any claim losses in excess of the funds held by MUNIX. Any liability incurred would be accounted for as a current transaction in the year the losses are determined.
- c) In the normal conduct of operations, various legal claims are pending against the County in connection with road maintenance and construction and other matters. The County carries liability insurance, subject to certain deductibles and policy limits, against such claims. Management believes that the County has recognized adequate provisions for probable and reasonably estimable liabilities associated with these claims, and that their ultimate resolutions will not materially exceed insurance coverage nor have a material adverse effect on the financial position of the County or its financial activities.

18. LOCAL AUTHORITIES PENSION PLAN

Employees of the County participate in the *Local Authorities Pension Plan* (the "LAPP"), which is one of the plans covered by the *Alberta Public Sector Pension Plans Act*. The LAPP is financed by employer and employee contributions and by investment earnings of the LAPP Fund. Contributions for current service are recorded as expenditures in the year in which they become due.

The County is required to make current service contributions to the LAPP of 8.45% (2023 - 8.45%) of pensionable earnings up to the year's maximum pensionable earnings ("YMPE") under the Canada Pension Plan ("CPP") and 11.65% (2023 - 12.23) for the excess. Employees are required to make current service contributions of 7.45% (2023 - 7.45%) of pensionable earnings up to the YMPE and 10.65% (2023 - 11.23%) on pensionable earnings above this amount.

(CONT'D)

WOODLANDS COUNTY

Notes to Financial Statements

Year Ended December 31, 2024

18. LOCAL AUTHORITIES PENSION PLAN (CONT'D)

Total current service contributions made by the County to the LAPP in 2024 were \$401,381 (2023 - \$365,451). Total current service contributions made by the employees of the County to the LAPP in 2024 were \$357,995 (2023 - \$326,283).

At December 31, 2023, the LAPP disclosed an actuarial surplus of \$15.06 billion (2022 - \$12.67 billion).

19. SEGMENTED INFORMATION

Segmented information has been identified based upon lines of service provided by the County. County 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) Transportation

Transportation provides and maintains a safe and reliable road network for the travelling public. Transportation is responsible for winter and summer road maintenance as well as bridge maintenance. The County's road construction program operates through the summer months.

(b) Administration

Administration is responsible for the administration of the County as a whole. Administration includes assessment services, financial services, records management and general administration.

(c) Recreation and culture

Recreation and culture provides recreational and cultural services, activities that promote the health and well-being of its citizens, and activities related to parks and cemetery maintenance and operation.

(d) Protective services

Protective services comprises of enhanced policing, enforcement services, fire, disaster and emergency management. The purpose of enhanced policing is to provide additional manpower targeted towards specific enforcement initiatives. Enforcement services provides enforcement in the areas of Provincial Acts and Municipal Bylaws. Fire is responsible to provide fire suppression services, fire prevention programs, training and education related to prevention, and detection or extinguishments of fires. The mandate of emergency management is to help maintain safe communities and manage risk.

(e) Utilities and waste management

The County is responsible for environmental programs such as the engineering and operation of water and wastewater systems and waste management. This includes water conservation, efficiency, and protection and promoting green construction, energy and technology, identifying natural areas for preservation, restoration and rehabilitation, and promoting awareness regarding environmental protection, conservancy, recycling and other initiatives.

(f) Planning and development

Planning and development manages current and long-term planning, and subdivision development permits.

(CONT'D)

19. SEGMENTED INFORMATION (CONT'D)

(g) Agriculture services

Agriculture services develops and promotes agricultural policies that will control vegetation growth on County land, control pests that have a detrimental effect on the agricultural industry and work towards preservation of the County's agricultural environment. The department also provides information on agricultural concerns.

(h) Legislative

County Council makes decisions regarding service delivery and service levels on behalf of the County in order to balance the needs and wants of County residents in a financially responsible manner.

Certain allocation methodologies are employed in the preparation of segmented financial information. Net municipal taxes are unallocated to segments and are presented under General Revenue. Sales and user charges have been allocated to the segment based upon the segment that generated the revenue. Government transfers have been allocated to the segment based upon the purpose for which the transfer was made.

20. FINANCIAL RISK MANAGEMENT

The County's financial instruments include cash and cash equivalents, taxes and grants in place of taxes, trade and other accounts receivable, loans receivable, accounts payable and accrued liabilities, and long-term debt. It is management's opinion that the County is not exposed to significant liquidity, market, interest or currency risk arising from these financial instruments.

Credit Risk

The County is subject to credit risk with respect to taxes and grants in lieu of taxes receivables and trade and other receivables. Credit risk arises from the possibility that taxpayers and entities to which the County provides services may experience financial difficulty and be unable to fulfil their obligations.

The County's exposure to credit risk is concentrated in the following taxpayers:

	<u>2024</u>	<u>2023</u>
Taxpayer 1	48 %	15 %
Taxpayer 2	12 %	19 %
Taxpayer 3	5 %	7 %
Taxpayer 4	4 %	5 %
Taxpayer 5	3 %	- %

Unless otherwise noted, the carrying values of the financial instruments approximates fair values.

WOODLANDS COUNTY
Notes to Financial Statements
Year Ended December 31, 2024

21. BUDGET

The budget presented in these financial statements are based on the budget approved by Council on December 20, 2023. Amortization was included in the budget but was removed for the calculation on the taxation requirement.

	<u>2024</u> (Budget)	<u>2024</u> (Actual)	<u>2023</u> (Actual)
Annual surplus	\$ <u>(277,605)</u>	\$ <u>3,858,626</u>	\$ <u>4,051,038</u>
Add:			
Amortization expense	-	7,161,419	7,158,595
Net transfers (to) from reserves	<u>12,324,608</u>	<u>(2,543,185)</u>	<u>(2,484,005)</u>
	<u>12,324,608</u>	<u>4,618,234</u>	<u>4,674,590</u>
Deduct:			
Principal debt repayments	774,636	923,172	787,009
Tangible capital asset purchases	<u>11,272,367</u>	<u>5,425,813</u>	<u>6,315,444</u>
	<u>12,047,003</u>	<u>6,348,985</u>	<u>7,102,453</u>
Results of Operations as Budgeted	\$ <u><u>-</u></u>	\$ <u><u>2,127,875</u></u>	\$ <u><u>1,623,175</u></u>

22. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by Council and management on April 23, 2025.

23. COMPARATIVE FIGURES

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

WOODLANDS COUNTY
Notes to Financial Statements
Year Ended December 31, 2024

24. SALARY AND BENEFITS DISCLOSURE

Disclosure of salaries and benefits for elected municipal officials and the chief administrative officer as required by *Alberta Regulation 313/2000* is as follows:

	<u>Salary⁽¹⁾</u>	<u>Benefits⁽²⁾</u>	<u>Total 2024</u>	<u>Total 2023</u>
David Kusch, Reeve	\$ 91,343	\$ 11,638	\$ 102,981	\$ 90,205
Alan Deane, Whitecourt Central	76,630	11,724	88,354	85,757
John Burrows, Whitecourt West	62,122	12,354	74,476	84,365
Peter Kuelken, Goose Lake/Freeman River	66,294	11,313	77,607	80,146
Bruce Prestidge, Blue Ridge	65,205	10,568	75,773	77,731
Devin Williams, Fort Assiniboine/Timeu	58,315	10,209	68,524	70,108
Jeremy Wilhelm, Whitecourt East	62,123	6,399	68,522	66,277
	<u>\$ 482,032</u>	<u>\$ 74,205</u>	<u>\$ 556,237</u>	<u>\$ 554,589</u>
Designated officers ⁽³⁾	<u>\$ 240,256</u>	<u>\$ 51,785</u>	<u>\$ 292,041</u>	<u>\$ 214,390</u>
Chief Administrative Officers ⁽⁴⁾ :	<u>\$ 394,766</u>	<u>\$ 12,370</u>	<u>\$ 407,136</u>	<u>\$ 276,374</u>

- (1) Salary includes regular base pay, bonuses, lump sum payments, honoraria, and any other direct cash remuneration.
- (2) Benefits include the employer's share of all employee benefits and contributions or payments including pension, health care, dental coverage, vision coverage, group life insurance, accidental disability and dismemberment insurance, long-term and short-term disability plans, professional membership dues, and tuition.
- (3) The current and prior year figures include multiple designated officers' salaries and benefits.
- (4) The current year figures include the former Chief Administrative Officers' salaries, severance, and benefits, as well as salaries and benefits paid to other individuals who filled the position of Chief Administrative Officer during the year.