

LAC LA BICHE COUNTY
CONSOLIDATED 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 consolidated 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 consolidated 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 consolidated financial statements.

The elected Mayor and Council of Lac La Biche County are composed entirely of individuals who are neither management nor employees of the County. The Mayor 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 Mayor 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 consolidated 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 Mayor and Council and management to discuss their audit findings.



Manny Deol, Chief Administrative Officer



Hafsa Mdghrabi, General Manager of Corporate Services

Lac La Biche, Alberta
April 29, 2025

INDEPENDENT AUDITORS' REPORT

To the Mayor and Council of Lac La Biche County

Opinion

We have audited the accompanying consolidated financial statements of Lac La Biche County (the "County"), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated 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 consolidated financial statements present fairly, in all material respects, the consolidated financial position of the County as at December 31, 2024, and the results of its consolidated 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 Consolidated 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 consolidated 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 Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the 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.

(continues)

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

METRIX GROUP LLP

Chartered Professional Accountants

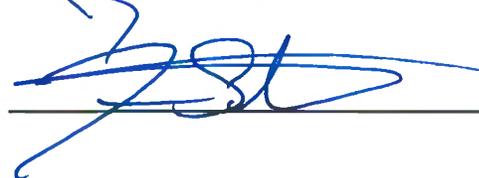
Edmonton, Alberta
April 29, 2025

LAC LA BICHE COUNTY
Consolidated Statement of Financial Position
As at December 31, 2024

	<u>2024</u>	<u>2023</u>
FINANCIAL ASSETS		
Cash	\$ 3,296,972	\$ 19,808,670
Taxes and grants in place of taxes receivable (Note 2)	900,625	755,563
Trade and other receivables (Note 3)	13,027,550	7,064,375
Investments (Note 4)	<u>88,538,174</u>	<u>85,461,462</u>
	<u>105,763,321</u>	<u>113,090,070</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 6)	13,174,610	8,121,408
Deposit liabilities (Note 7)	955,697	953,507
Employee benefit obligations (Note 8)	1,058,417	1,044,532
Deferred revenue (Note 9)	7,009,604	9,163,529
Asset retirement obligations (Note 10)	12,856,374	12,281,294
Long-term debt (Note 11)	<u>30,130,670</u>	<u>31,760,865</u>
	<u>65,185,372</u>	<u>63,325,135</u>
NET FINANCIAL ASSETS	<u>40,577,949</u>	<u>49,764,935</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 5)	483,363,385	455,466,783
Inventory for consumption (Note 13)	8,592,386	7,365,615
Prepaid expenses	<u>1,264,530</u>	<u>980,008</u>
	<u>493,220,301</u>	<u>463,812,406</u>
ACCUMULATED SURPLUS (Schedule 1, Note 15)	<u>\$533,798,250</u>	<u>\$513,577,341</u>
CONTINGENT LIABILITIES (Note 16)		

APPROVED ON BEHALF OF COUNCIL:


 _____ Mayor


 _____ Councillor

LAC LA BICHE COUNTY

Consolidated Statement of Operations and Accumulated Surplus

For The Year Ended December 31, 2024

	<u>2024</u> (Budget) (Note 20)	<u>2024</u> (Actual)	<u>2023</u> (Actual)
REVENUES			
Net municipal property taxes <i>(Schedule 2)</i>	\$ 72,411,579	\$ 72,567,563	\$ 70,601,571
User fees and sales of goods	7,201,702	6,085,757	5,925,935
Investment income	2,963,839	5,906,448	4,621,472
Other	650,482	1,454,579	1,187,930
Government transfers for operating <i>(Schedule 3)</i>	1,162,709	1,357,680	1,312,484
Rentals	711,224	802,155	727,704
Penalties and costs on taxes	350,000	782,714	670,847
Fines, licenses and permits	<u>256,361</u>	<u>240,251</u>	<u>363,614</u>
	<u>85,707,896</u>	<u>89,197,147</u>	<u>85,411,557</u>
EXPENSES			
Transportation	19,256,226	27,829,652	27,032,946
Parks and recreation	12,338,082	15,995,536	14,003,730
Administration	9,793,535	10,132,458	10,178,011
Water and waste water services	4,294,262	7,684,998	7,173,964
Bylaw enforcement	3,678,143	3,799,390	3,737,104
Solid waste and recycling	2,649,012	3,108,492	3,271,826
Fire protection and safety services	1,486,984	2,141,344	1,712,967
Family and community support	2,129,939	1,894,395	1,973,272
Natural gas	2,976,011	1,694,979	2,184,400
Economic and agricultural development	1,877,591	1,266,102	1,581,442
Planning and development	1,056,454	1,025,121	982,457
Legislative	1,063,582	1,020,852	1,025,489
Culture	666,936	976,644	865,312
Environmental services	<u>371,011</u>	<u>450,589</u>	<u>380,898</u>
	<u>63,637,768</u>	<u>79,020,552</u>	<u>76,103,818</u>
ANNUAL SURPLUS BEFORE OTHER INCOME	<u>22,070,128</u>	<u>10,176,595</u>	<u>9,307,739</u>
OTHER INCOME			
Government transfers for capital <i>(Schedule 3)</i>	13,921,530	10,180,317	4,684,337
Gain (loss) on disposal of tangible capital assets	893,925	(136,003)	283,875
Contributed tangible capital assets	<u>164,877</u>	<u>-</u>	<u>482,395</u>
	<u>14,980,332</u>	<u>10,044,314</u>	<u>5,450,607</u>
ANNUAL SURPLUS	37,050,460	20,220,909	14,758,346
ACCUMULATED SURPLUS, BEGINNING OF YEAR	513,577,341	513,577,341	498,818,995
ACCUMULATED SURPLUS, END OF YEAR <i>(SCHEDULE 1, NOTE 15)</i>	<u>\$550,627,801</u>	<u>\$533,798,250</u>	<u>\$513,577,341</u>

LAC LA BICHE COUNTY
Consolidated Statement of Change in Net Financial Assets
For The Year Ended December 31, 2024

	<u>2024</u> (Budget) (Note 20)	<u>2024</u> (Actual)	<u>2023</u> (Actual)
ANNUAL SURPLUS	\$ <u>37,050,460</u>	\$ <u>20,220,909</u>	\$ <u>14,758,346</u>
Acquisition of tangible capital assets	(79,201,572)	(49,868,495)	(34,219,183)
Contributed tangible capital assets	-	-	(482,395)
Proceeds on disposal of tangible capital assets	-	1,320,164	580,243
Amortization of tangible capital assets	-	20,515,726	19,451,905
Loss (gain) on disposal of tangible capital assets	<u>(893,925)</u>	<u>136,003</u>	<u>(283,875)</u>
	<u>(80,095,497)</u>	<u>(27,896,602)</u>	<u>(14,953,305)</u>
Net change in inventory for consumption	-	(1,226,771)	937,244
Net change in prepaid expenses	<u>-</u>	<u>(284,522)</u>	<u>6,012</u>
	<u>-</u>	<u>(1,511,293)</u>	<u>943,256</u>
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	(43,045,037)	(9,186,986)	748,297
NET FINANCIAL ASSETS, BEGINNING OF YEAR	<u>49,764,935</u>	<u>49,764,935</u>	<u>49,016,638</u>
NET FINANCIAL ASSETS, END OF YEAR	\$ <u><u>6,719,898</u></u>	\$ <u><u>40,577,949</u></u>	\$ <u><u>49,764,935</u></u>

LAC LA BICHE COUNTY
Consolidated Statement of Cash Flows
For The Year Ended December 31, 2024

	<u>2024</u>	<u>2023</u>
OPERATING ACTIVITIES		
Annual surplus	\$ 20,220,909	\$ 14,758,346
Non-cash items included in annual surplus:		
Loss (gain) on disposal of tangible capital assets	136,003	(283,875)
Amortization of tangible capital assets	20,515,726	19,451,905
Accretion of asset retirement obligations	546,518	520,990
Contributed tangible capital assets	-	(482,395)
Revision in estimates asset retirement obligations	28,562	30,180
Change in non-cash working capital balances:		
Taxes and grants in place of taxes receivable	(145,062)	122,330
Trade and other receivables	(5,963,175)	1,650,701
Deposit liabilities	2,190	58,807
Prepaid expenses	(284,522)	6,012
Inventory for consumption	(1,226,771)	937,244
Accounts payable and accrued liabilities	5,053,202	(365,090)
Employee benefit obligations	13,885	(22,192)
Deferred revenue	<u>(2,153,925)</u>	<u>(1,529,618)</u>
	<u>36,743,540</u>	<u>34,853,345</u>
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(49,868,495)	(34,219,183)
Proceeds on disposal of tangible capital assets	<u>1,320,164</u>	<u>580,243</u>
	<u>(48,548,331)</u>	<u>(33,638,940)</u>
INVESTING ACTIVITIES		
Proceeds from sale of investments	95,097,008	70,051,781
Purchase of investments	<u>(98,173,720)</u>	<u>(85,371,344)</u>
	<u>(3,076,712)</u>	<u>(15,319,563)</u>
FINANCING ACTIVITIES		
Long-term debt issued	4,000,000	30,560,865
Long-term debt repayments	<u>(5,630,195)</u>	<u>(204,595)</u>
	<u>(1,630,195)</u>	<u>30,356,270</u>
INCREASE (DECREASE) IN CASH	(16,511,698)	16,251,112
CASH, BEGINNING OF YEAR	<u>19,808,670</u>	<u>3,557,558</u>
CASH, END OF YEAR	\$ <u>3,296,972</u>	\$ <u>19,808,670</u>

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

	<u>Unrestricted</u>	<u>Restricted for Operating</u>	<u>Restricted for Capital</u>	<u>Equity in Tangible Capital Assets</u>	<u>2024 Total</u>	<u>2023 Total</u>
BALANCE, BEGINNING OF YEAR	\$ 37,891,387	\$ 11,186,742	\$ 52,972,412	\$411,526,800	\$513,577,341	\$498,818,995
Annual surplus	20,220,909	-	-	-	20,220,909	14,758,346
Purchase of tangible capital assets	(49,868,495)	-	-	49,868,495	-	-
Contributed tangible capital assets	-	-	-	-	-	-
Annual amortization expense	20,515,726	-	-	(20,515,726)	-	-
Disposal of tangible capital assets	1,456,167	-	-	(1,456,167)	-	-
Annual accretion expense	546,518	-	-	(546,518)	-	-
Revision in estimates asset retirement obligations	28,562	-	-	(28,562)	-	-
Unrestricted funds designated for future use	(5,552,637)	5,552,637	-	-	-	-
Restricted funds utilized	4,110,024	-	(4,110,024)	-	-	-
Long-term debt repaid	(5,630,195)	-	-	5,630,195	-	-
Long-term debt issued	4,000,000	-	-	(4,000,000)	-	-
Levied portion of debt recoverable - local improvements	<u>102,176</u>	<u>-</u>	<u>-</u>	<u>(102,176)</u>	<u>-</u>	<u>-</u>
BALANCE, END OF YEAR	<u>\$ 27,820,142</u>	<u>\$ 16,739,379</u>	<u>\$ 48,862,388</u>	<u>\$440,376,341</u>	<u>\$533,798,250</u>	<u>\$513,577,341</u>

LAC LA BICHE COUNTY
 Schedule of Property Taxes Levied
 For The Year Ended December 31, 2024

SCHEDULE 2

	<u>2024</u> (Budget) (Note 20)	<u>2024</u> (Actual)	<u>2023</u> (Actual)
TAXATION			
Real property taxes			
Residential	\$ 7,942,810	\$ 8,258,805	\$ 7,795,315
Non-residential	43,579,261	43,711,294	43,630,750
Linear property taxes	31,481,769	31,615,738	29,901,348
Government grants in place of property taxes	<u>196,492</u>	<u>182,917</u>	<u>180,640</u>
	<u>83,200,332</u>	<u>83,768,754</u>	<u>81,508,053</u>
REQUISITIONS			
Alberta School Foundation Fund and Lakeland Catholic School District No. 150	9,864,000	10,279,309	10,017,275
Greater North Foundation	660,530	660,530	635,745
Designated industrial property assessment	<u>264,223</u>	<u>261,352</u>	<u>253,462</u>
	<u>10,788,753</u>	<u>11,201,191</u>	<u>10,906,482</u>
NET MUNICIPAL TAXES	<u>\$ 72,411,579</u>	<u>\$ 72,567,563</u>	<u>\$ 70,601,571</u>

LAC LA BICHE COUNTY
 Schedule of Government Transfers
 For The Year Ended December 31, 2024

SCHEDULE 3

	<u>2024</u> (Budget) (Note 20)	<u>2024</u> (Actual)	<u>2023</u> (Actual)
TRANSFERS FOR OPERATING			
Provincial government	\$ 1,152,709	\$ 1,329,529	\$ 1,131,242
Local government	<u>10,000</u>	<u>28,151</u>	<u>181,242</u>
	<u>1,162,709</u>	<u>1,357,680</u>	<u>1,312,484</u>
TRANSFERS FOR CAPITAL			
Provincial government	13,921,530	9,905,838	4,569,312
Federal government	<u>-</u>	<u>274,479</u>	<u>115,025</u>
	<u>13,921,530</u>	<u>10,180,317</u>	<u>4,684,337</u>
TOTAL GOVERNMENT TRANSFERS	<u>\$ 15,084,239</u>	<u>\$ 11,537,997</u>	<u>\$ 5,996,821</u>

LAC LA BICHE COUNTY
Schedule of Segmented Disclosure
For The Year Ended December 31, 2024

SCHEDULE 4

	General Revenue	General Government	Protective Services	Transportation Services	Public Utilities	Family and Community Support	Planning and Development	Recreation and Culture	Natural Gas	2024	2023
REVENUE											
Net municipal property taxes	\$ 72,567,563	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 72,567,563	\$ 70,601,571
User fees and sales of goods	-	45,400	132,095	40,976	3,085,993	74,500	28,148	555,087	2,123,558	6,085,757	5,925,935
Investment income	5,881,254	-	-	-	-	-	-	25,194	-	5,906,448	4,621,472
Other revenues	900,235	109,126	786,112	442,244	100,407	16,413	117,138	688,047	119,977	3,279,699	2,950,095
Government transfers operating	-	13,167	281,863	41,767	14,353	476,096	180,301	350,133	-	1,357,680	1,312,484
	<u>79,349,052</u>	<u>167,693</u>	<u>1,200,070</u>	<u>524,987</u>	<u>3,200,753</u>	<u>567,009</u>	<u>325,587</u>	<u>1,618,461</u>	<u>2,243,535</u>	<u>89,197,147</u>	<u>85,411,557</u>
EXPENSES											
Salaries, wages and benefits	-	6,343,018	2,714,833	7,110,300	3,494,609	1,436,723	1,370,014	7,092,079	278,057	29,839,633	28,124,986
Amortization	-	686,255	384,217	12,439,397	3,412,263	-	31,330	3,496,716	65,548	20,515,726	19,451,905
Contracted and general services	-	2,681,781	2,040,269	3,244,044	1,910,067	175,006	441,509	1,445,642	133,371	12,071,689	12,294,633
Materials, goods, supplies and utilities	-	255,019	572,931	4,890,062	1,373,109	191,210	85,761	1,588,772	1,037,350	9,994,214	10,924,305
Transfers to local organizations	-	65,338	213,907	-	25,040	91,456	362,609	2,546,823	180,653	3,485,826	2,895,905
Interest on long-term debt	-	-	-	132,845	531,381	-	-	777,500	-	1,441,726	294,731
Other expenses	-	1,121,696	-	540	560	-	-	2,424	-	1,125,220	1,596,363
Accretion of asset retirement obligations	-	203	14,577	12,464	497,050	-	-	22,224	-	546,518	520,990
	<u>-</u>	<u>11,153,310</u>	<u>5,940,734</u>	<u>27,829,652</u>	<u>11,244,079</u>	<u>1,894,395</u>	<u>2,291,223</u>	<u>16,972,180</u>	<u>1,694,979</u>	<u>79,020,552</u>	<u>76,103,818</u>
ANNUAL SURPLUS BEFORE OTHER INCOME	79,349,052	(10,985,617)	(4,740,664)	(27,304,665)	(8,043,326)	(1,327,386)	(1,965,636)	(15,353,719)	548,556	10,176,595	9,307,739
OTHER INCOME											
Government transfers for capital	-	-	-	1,272,456	-	-	-	8,907,861	-	10,180,317	4,684,337
Gain (loss) on disposal of tangible capital assets	-	(12,861)	42,857	153,688	(8,028)	-	(244,807)	(66,852)	-	(136,003)	283,875
Contributed tangible capital assets	-	-	-	-	-	-	-	-	-	-	482,395
ANNUAL SURPLUS (DEFICIT)	<u>\$ 79,349,052</u>	<u>\$ (10,998,478)</u>	<u>\$ (4,697,807)</u>	<u>\$ (25,878,521)</u>	<u>\$ (8,051,354)</u>	<u>\$ (1,327,386)</u>	<u>\$ (2,210,443)</u>	<u>\$ (6,512,710)</u>	<u>\$ 548,556</u>	<u>\$ 20,220,909</u>	<u>\$ 14,758,346</u>

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

LAC LA BICHE 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>Construction in Progress</u>	2024	2023
COST:									
Balance, Beginning of Year	\$ 54,486,860	\$ 44,898,737	\$ 93,045,505	\$ 496,362,649	\$ 27,942,758	\$ 14,752,542	\$ 12,497,969	\$743,987,020	\$711,190,654
Additions	119,143	264,040	174,222	3,476,004	2,145,019	213,544	43,476,523	49,868,495	34,219,183
Contributed assets	-	-	-	-	-	-	-	-	482,395
Disposals	(932,345)	(70,864)	-	(251,363)	(1,518,687)	(119,585)	-	(2,892,844)	(1,905,212)
Transfers	<u>2,004,263</u>	<u>10,825,164</u>	<u>350,306</u>	<u>13,630,860</u>	<u>1,008,734</u>	<u>385,923</u>	<u>(28,205,250)</u>	-	-
Balance, End of Year	<u>55,677,921</u>	<u>55,917,077</u>	<u>93,570,033</u>	<u>513,218,150</u>	<u>29,577,824</u>	<u>15,232,424</u>	<u>27,769,242</u>	790,962,671	<u>743,987,020</u>
ACCUMULATED AMORTIZATION:									
Balance, Beginning of Year	\$ -	\$ 15,425,842	\$ 27,566,930	\$ 222,293,858	\$ 14,417,712	\$ 8,815,895	\$ -	\$288,520,237	\$270,677,176
Amortization	-	2,343,976	2,055,550	12,845,387	2,388,969	881,844	-	20,515,726	19,451,905
Disposals	-	(2,362)	(1,004)	(236,161)	(1,077,565)	(119,585)	-	(1,436,677)	(1,608,844)
Balance, End of Year	-	<u>17,767,456</u>	<u>29,621,476</u>	<u>234,903,084</u>	<u>15,729,116</u>	<u>9,578,154</u>	-	307,599,286	<u>288,520,237</u>
2024 NET BOOK VALUE	\$ <u>55,677,921</u>	\$ <u>38,149,621</u>	\$ <u>63,948,557</u>	\$ <u>278,315,066</u>	\$ <u>13,848,708</u>	\$ <u>5,654,270</u>	\$ <u>27,769,242</u>	\$ <u>483,363,385</u>	\$ -
2023 NET BOOK VALUE	<u>\$ 54,486,860</u>	<u>\$ 29,472,895</u>	<u>\$ 65,478,575</u>	<u>\$ 274,068,791</u>	<u>\$ 13,525,046</u>	<u>\$ 5,936,647</u>	<u>\$ 12,497,969</u>	<u>\$ -</u>	<u>\$ 455,466,783</u>

*Construction in progress is comprised of \$ - \$ 3,692,466 \$ 14,519,064 \$ 8,938,261 \$ 388,789 \$ 230,662 \$ - \$ 27,769,242 \$ 12,497,969

LAC LA BICHE COUNTY

Notes to the Consolidated Financial Statements

For The Year Ended December 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of Lac La Biche 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 consolidated 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. Included with the County is the Lac La Biche County Library Board.

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 consolidated statements exclude trust assets that are administered by the County for the benefit of external parties.

(b) Basis of accounting

The consolidated 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) Revenue recognition

Revenues are recognized in the period in which they are earned and measurable. Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

(d) 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)

(e) 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.

(f) 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 consolidated 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.

(g) Pension expenses

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

(h) 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.

(i) 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.

(CONT'D)

LAC LA BICHE COUNTY
Notes to the Consolidated Financial Statements
For The Year Ended December 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) 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 consolidated 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 consolidated statement of operations.

(j) 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	10 - 50
Buildings	25 - 50
Engineered structures	
Water system	25 - 50
Wastewater system	25 - 50
Other engineered structures	3 - 75
Machinery and equipment	5 - 40
Vehicles	5 - 25

The amortization in the year of acquisition is charged at one half the normal annual rate and no amortization is charged in the year of disposal.

Works of art, historical artifacts, and collections owned by the County are not recorded in tangible capital assets, but are expensed when acquired and disclosed.

(CONT'D)

LAC LA BICHE COUNTY

Notes to the Consolidated Financial Statements

For The Year Ended December 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Non-financial assets (continued)

Inventory

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

Inventory of materials and supplies include roadway maintenance materials, vehicle equipment and facility parts. Inventory of materials and supplies are valued at the lower of cost or replacement value. Cost is assigned using the first-in, first-out cost formula.

(k) Use of estimates

The preparation of consolidated 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 consolidated financial statements, and the reported amounts of revenue and expenditure during the period. Where uncertainty exists, the consolidated financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

Estimates have been used to determine provisions for accrued liabilities, future cash flows associated with asset retirement obligations, useful lives and related amortization of tangible capital assets, fair values of contributed tangible capital assets, conversion factor for gravel, and provisions made for allowances for doubtful receivable accounts.

(l) 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.

(CONT'D)

LAC LA BICHE COUNTY

Notes to the Consolidated Financial Statements

For The Year Ended December 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) New accounting standards adopted during the year (continued)

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.

(m) 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.

2. TAXES AND GRANTS IN PLACE OF TAXES RECEIVABLES

	<u>2024</u>	<u>2023</u>
Current taxes and grants in place of taxes	\$ 1,566,011	\$ 1,405,558
Arrears taxes	<u>5,166,970</u>	<u>4,342,391</u>
	6,732,981	5,747,949
Less: Allowance for doubtful accounts	<u>(5,832,356)</u>	<u>(4,992,386)</u>
	<u>\$ 900,625</u>	<u>\$ 755,563</u>

3. TRADE AND OTHER RECEIVABLES

	<u>2024</u>	<u>2023</u>
Receivables from other governments	\$ 6,022,071	\$ 958,053
Trade accounts receivable	2,410,777	1,880,771
Debt recoverable - local improvements	2,380,835	2,783,608
Accrued interest	1,793,672	1,191,638
Goods and Services Tax recoverable	<u>499,153</u>	<u>320,786</u>
	13,106,508	7,134,856
Less: Allowance for doubtful accounts	<u>(78,958)</u>	<u>(70,481)</u>
	<u>\$ 13,027,550</u>	<u>\$ 7,064,375</u>

LAC LA BICHE COUNTY
Notes to the Consolidated Financial Statements
For The Year Ended December 31, 2024

4. INVESTMENTS

	<u>2024</u>	<u>2023</u>
Guaranteed Investment Certificates	\$ 88,455,476	\$ 85,382,606
Servus Credit Union Ltd. shares	82,276	78,374
Gas Alberta Inc. shares	<u>422</u>	<u>482</u>
	<u>\$ 88,538,174</u>	<u>\$ 85,461,462</u>

Guaranteed Investment Certificates bearing interest at a fixed rates ranging from 3.40% to 5.80% per annum (2023 - 1.13% to 6.50%) maturing between January 2025 and October 2026.

5. LINE OF CREDIT

The County has a revolving demand credit facility of \$7,500,000. The line of credit bears interest at the bank's prime rate minus 0.5% per annum, was not drawn on at December 31, 2024 (2023 - \$NIL) and is unsecured.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2024</u>	<u>2023</u>
Trade and other accounts payable	\$ 7,729,517	\$ 4,294,538
Holdbacks payable	2,808,153	2,125,402
Payable to other governments	1,658,070	1,198,283
Salaries and wages	823,141	396,992
Interest on long-term debt	<u>155,729</u>	<u>106,193</u>
	<u>\$ 13,174,610</u>	<u>\$ 8,121,408</u>

7. DEPOSIT LIABILITIES

	<u>2024</u>	<u>2023</u>
Trade deposits	\$ 757,769	\$ 722,078
Development performance bonds	197,080	205,580
Other	<u>848</u>	<u>25,849</u>
	<u>\$ 955,697</u>	<u>\$ 953,507</u>

LAC LA BICHE COUNTY
Notes to the Consolidated Financial Statements
For The Year Ended December 31, 2024

8. EMPLOYEE BENEFITS OBLIGATION

	<u>2024</u>	<u>2023</u>
Vacation	\$ 1,029,210	\$ 1,037,777
Overtime	<u>29,207</u>	<u>6,755</u>
	<u>\$ 1,058,417</u>	<u>\$ 1,044,532</u>

Employee benefits obligation is comprised of the vacation 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>
Municipal Sustainability Initiative	\$ 8,547,923	\$ 1,592,717	\$ (3,970,963)	\$ 6,169,677
Other provincial and corporate grants	121,485	1,028,284	(844,598)	305,171
Sponsorship agreements	336,932	40,588	(77,782)	299,738
Leases and memberships	115,464	136,488	(106,341)	145,611
Canada Community Building Fund	-	540,767	(484,622)	56,145
Other recreation	31,699	21,900	(20,337)	33,262
Local Government Fiscal Framework	-	247,648	(247,648)	-
Intermunicipal Collaboration Framework Agreement	<u>10,026</u>	<u>-</u>	<u>(10,026)</u>	<u>-</u>
	<u>\$ 9,163,529</u>	<u>\$ 3,608,392</u>	<u>\$ (5,762,317)</u>	<u>\$ 7,009,604</u>

Sponsorship agreements are being amortized to revenue on a straight-line basis per agreement over a number of years ranging from 1 - 15 years.

LAC LA BICHE COUNTY

Notes to the Consolidated Financial Statements

For The Year Ended December 31, 2024

10. 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* (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 the final covering and landscaping, surface and ground water monitoring, leachate control, site inspection, and maintenance. The County is required to provide closure care upon closure of the landfill and to provide post-closure care for 25 years subsequent to closure.

The County has asset retirement obligations pursuant to the *Environmental Enhancement and Protection Act* (Alberta) 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	\$ 12,281,294	\$ 11,730,124
Net Change for the Year		
Accretion expense	546,518	520,990
Revision in estimates	<u>28,562</u>	<u>30,180</u>
	<u>575,080</u>	<u>551,170</u>
Balance, End of Year	\$ <u>12,856,374</u>	\$ <u>12,281,294</u>

Asset retirement obligations of \$12,856,374 (2023 - \$12,281,294) includes \$11,729,280 (2023 - \$11,182,762) measured using a present value technique. The present value was calculated using estimated total undiscounted cash flow amounting to \$50,974,108 (2023 - \$50,974,108), a discount rate of 4.90% (2023 - 4.90%), with retirement and reclamation activities expected to be settled between 2028 and 2076. The remaining obligations of \$1,127,094 (2023 - \$1,098,532) are measured at the current cost due to the uncertainty about when the retirement and reclamation activities are expected to occur.

LAC LA BICHE COUNTY

Notes to the Consolidated Financial Statements

For The Year Ended December 31, 2024

11. LONG-TERM DEBT

	<u>2024</u>	<u>2023</u>
Debenture debt held by the Province of Alberta, repayable beginning June 2024, in semi-annual installments of \$2,562,009 including interest at 4.38%; due June 2027; issued for the main street revitalization.	\$ 12,009,620	\$ 16,460,865
Debenture debt held by the Province of Alberta, repayable beginning June 2024, in semi-annual installments of \$864,043, including interest at 4.69%; due June 2032; issued for the Aquatics Center.	10,821,050	12,000,000
Debenture debt held by the Province of Alberta, repayable in semi-annual installments of \$512,106 including interest at 5.16%; due September 2033; issued for McArthur Park Development.	<u>7,300,000</u>	<u>3,300,000</u>
	<u>\$ 30,130,670</u>	<u>\$ 31,760,865</u>

The current portion of the long-term debt amounts to \$6,539,121 (2023 - \$5,630,195).

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

Interest on long-term debt paid amounted to \$1,441,726 (2023 - \$294,731). The County's total cash payments for interest is \$1,392,190 (2023 - \$191,931).

Principal and interest repayments:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 6,539,121	\$ 1,337,196	\$ 7,876,317
2026	6,837,824	1,038,493	7,876,317
2027	4,588,204	726,105	5,314,309
2028	2,183,345	568,954	2,752,299
2029	2,290,625	461,674	2,752,299
Thereafter	<u>7,691,551</u>	<u>725,517</u>	<u>8,417,068</u>
	<u>\$ 30,130,670</u>	<u>\$ 4,857,939</u>	<u>\$ 34,988,609</u>

LAC LA BICHE COUNTY**Notes to the Consolidated Financial Statements****For The Year Ended December 31, 2024**

12. 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	\$ 133,795,721	\$ 128,117,336
Total debt	<u>(30,130,670)</u>	<u>(31,760,865)</u>
Amount of debt limit unused	<u>\$ 103,665,051</u>	<u>\$ 96,356,471</u>
Service on debt limit	\$ 22,299,287	\$ 21,352,889
Service on debt	<u>(7,876,317)</u>	<u>(7,022,385)</u>
Amount of service on debt limit unused	<u>\$ 14,422,970</u>	<u>\$ 14,330,504</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.

13. INVENTORY FOR CONSUMPTION

	<u>2024</u>	<u>2023</u>
Gravel	\$ 7,264,760	\$ 5,958,323
Material and supplies	<u>1,327,626</u>	<u>1,407,292</u>
	<u>\$ 8,592,386</u>	<u>\$ 7,365,615</u>

14. EQUITY IN TANGIBLE CAPITAL ASSETS

	<u>2024</u>	<u>2023</u>
Net book value of tangible capital assets	\$ 483,363,385	\$ 455,466,783
Long-term debt	<u>(30,130,670)</u>	<u>(31,760,865)</u>
Debt recoverable - local improvements	-	102,176
Asset retirement obligations	<u>(12,856,374)</u>	<u>(12,281,294)</u>
	<u>\$ 440,376,341</u>	<u>\$ 411,526,800</u>

LAC LA BICHE COUNTY
Notes to the Consolidated Financial Statements
For The Year Ended December 31, 2024

15. ACCUMULATED SURPLUS

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>27,820,142</u>	\$ <u>37,891,387</u>
Restricted surplus		
General operations	<u>16,739,379</u>	11,186,742
Capital	<u>48,862,388</u>	<u>52,972,412</u>
	<u>65,601,767</u>	<u>64,159,154</u>
Equity in tangible capital assets (<i>Note 14</i>)	<u>440,376,341</u>	<u>411,526,800</u>
	<u>\$533,798,250</u>	<u>\$513,577,341</u>

16. CONTINGENT LIABILITIES

- a) Through the Federation of Alberta Gas Co-ops Ltd., the County is a member of the Fedgas Insurance Reciprocal Exchange ("FIRE"). Through the Rural Municipalities of Alberta, the County is a member of the Genesis Reciprocal Insurance Exchange ("GENESIS"). Under the terms of membership, the County could become liable for its proportionate share of any claim losses in excess of the funds held by FIRE or GENESIS. Any liability incurred would be accounted for as a current transaction in the year the losses are determined.
- b) The County is a defendant in various lawsuits arising in the normal course of operations and involving various amounts. Management is of the opinion that the results of these actions should not have any material effect on the financial position of the County. No amounts have been accrued in these consolidated financial statements relating to any of these activities. Any awards or settlements will be reflected in the Consolidated Statement of Operations as the matters are resolved or when sufficient information on amounts and likelihood is known.

17. LOCAL AUTHORITIES PENSION PLAN

Employees of the County participate in the *Local Authorities Pension Plan* ("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 consisting 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%) of 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%) of pensionable earnings above this amount.

Total current service contributions made by the County to the LAPP in 2024 were \$1,575,447 (2023 - \$1,611,581). Total current service contributions made by the employees of the County to the LAPP in 2024 were \$1,404,630 (2023 - \$1,439,665).

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

18. 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 consolidated 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) General Government

General Government is comprised of County Council, the Office of the Chief Administrative Officer, Communications, and Corporate Services. Corporate Services is comprised of Financial Services, Human Resources, Records Management, and Information Technology Services.

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.

(b) Protective Services

Protective Services is comprised of Fire, Emergency Management, and Municipal Enforcement Services. Fire Services is responsible to provide fire suppression services; fire prevention programs; training and education related to fire prevention; and detection or extinguishment of fires. The mandate of Emergency Management to help maintain safe communities and public safety in disaster situations. Municipal Enforcement Services provide bylaw enforcement that ranges from community standards, to traffic safety, to animal control as well as provincial statute enforcement with authorities granted by the Solicitor General of Alberta.

(c) Transportation

Transportation is comprised of Common Services and the Public Works areas. They are responsible for the maintenance of the roadway, airport and storm systems of the County.

(d) Recreation and Culture

Recreation and Culture are comprised of Recreation, Culture and Cultural Facilities. Recreation and Culture provide recreational and cultural services and activities which promote the well-being of its citizens. These areas are responsible for the parks, playgrounds, facilities, and green spaces of the County. This area also and acts as a liaison between community groups and provides grant funding.

(e) Public Utilities

Public Utilities are comprised of water, waste water, waste management collection and recycling. The County is responsible for environmental programs such as the introduction of organic carts, weekly garbage pick-up and promoting recycling and other related initiatives.

(f) Planning and Development

Planning and Development is comprised of Planning and Infrastructure, Engineering and Economic Development. These areas are responsible for the planning and development of the County's infrastructure system and work with developers in planning the growth of the County in a sustainable manner. Engineering is responsible for major capital infrastructure projects. Economic Development works with businesses in the County to encourage economic sustainability.

(CONT'D)

18. SEGMENTED INFORMATION (CONT'D)

(g) Family and Community Support Services

The Family and Community Services area provides services mandated by Family and Community Support Services Alberta through a shared funding model between the Province of Alberta and the County.

(h) Natural Gas

Natural Gas is comprised of natural gas services within the County's franchise area of the hamlet of Lac La Biche.

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.

19. FINANCIAL RISK MANAGEMENT

The County's financial instruments include cash, taxes and grants in place of taxes, trade and other accounts receivable, investments, 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.

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 large number and diversity of taxpayers and customers minimizes the credit risk.

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

LAC LA BICHE COUNTY

Notes to the Consolidated Financial Statements

For The Year Ended December 31, 2024

20. BUDGET

The budget presented in these financial statements are based on the budget approved by Council on December 5, 2023. The County compiles a budget on a modified accrual basis. The budget expensed all tangible capital asset purchases rather than including amortization expense. The reconciliation below adjusts excess revenue over expenses to align with the budget process. It should not be used as a replacement for the statement of operations and accumulated surplus. Users should note that this information may not be appropriate for their purposes.

	<u>2024</u> (Budget)	<u>2024</u> (Actual)	<u>2023</u> (Actual)
Annual surplus	<u>37,050,460</u>	<u>20,220,909</u>	<u>14,758,346</u>
Add:			
Amortization expense	-	20,515,726	19,451,905
Net transfers (to) from reserves	47,810,773	(1,442,613)	(2,783,522)
Proceeds on disposals of tangible capital assets	<u>-</u>	<u>1,320,164</u>	<u>580,243</u>
	<u>47,810,773</u>	<u>20,393,277</u>	<u>17,248,626</u>
Deduct:			
Principal debt repayments	5,659,661	5,630,195	204,595
Tangible capital asset purchases	<u>79,201,572</u>	<u>49,868,495</u>	<u>34,219,183</u>
	<u>84,861,233</u>	<u>55,498,690</u>	<u>34,423,778</u>
Results of Operations as Budgeted	\$ <u>-</u>	\$ <u>(14,884,504)</u>	\$ <u>(2,416,806)</u>

21. APPROVAL OF FINANCIAL STATEMENTS

These consolidated financial statements were approved by Council and management on April 29, 2025.

22. COMPARATIVE FIGURES

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

LAC LA BICHE COUNTY
Notes to the Consolidated Financial Statements
For The Year Ended December 31, 2024

23. 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>Honorarium</u>	<u>Benefits⁽²⁾</u>	Total 2024	Total <u>2023</u>
Paul Reutov, Mayor	\$ 110,425	\$ -	\$ 11,800	\$ 122,225	\$ 120,533
Darlene Beniuk, Ward 1	32,156	36,036	9,756	77,948	75,922
Kevin Pare, Ward 2	32,578	30,173	13,907	76,658	86,099
Colette Borgun, Ward 3	32,156	37,895	8,722	78,773	84,577
Jason Stedman, Ward 4	33,148	20,878	11,679	65,705	67,648
Charlyn Moore, Ward 5	34,141	28,743	12,414	75,298	73,976
Sterling Johnson, Ward 6	32,156	30,459	12,287	74,902	83,016
John Mondal, Ward 7	35,133	27,313	12,434	74,880	76,031
Lorin Tkachuk, Ward 7	<u>32,156</u>	<u>27,456</u>	<u>12,934</u>	<u>72,546</u>	<u>70,453</u>
	<u>374,049</u>	<u>238,953</u>	<u>105,933</u>	<u>718,935</u>	<u>738,255</u>
Chief Administrative Officer:	242,763	-	9,379	252,142	212,294
Designated Officer ⁽³⁾ :	<u>270,465</u>	<u>-</u>	<u>-</u>	<u>270,465</u>	<u>263,245</u>
	<u>\$ 887,277</u>	<u>\$ 238,953</u>	<u>\$ 115,312</u>	<u>\$1,241,542</u>	<u>\$1,213,794</u>

- (1) Salary includes regular base pay, bonuses, lump sum payments, and any other direct cash remuneration, including vacation and severance payments.
- (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) Designated officers include the County's third-party assessor.