

**BRAZEAU COUNTY**  
**Financial Statements**  
**For the Year Ended December 31, 2025**

---

## INDEPENDENT AUDITORS' REPORT

---

To the Reeve and Council of Brazeau County

### *Opinion*

We have audited the financial statements of Brazeau County (the County), which comprise the statement of financial position as at December 31, 2025 and the statements of operations and accumulated surplus, changes in net financial assets, remeasurement gains and losses and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the County as at December 31, 2025 and the results of its operations, changes in its net financial assets, remeasurement gains and losses 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 ethical responsibilities in accordance with these requirements. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Other Information*

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditors' report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such 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 relating 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 (Council) are responsible for overseeing the County's financial reporting process.

(continues)



## *Auditors' Responsibility 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 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 Board 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 significant deficiencies in internal control that we identify during our audit.

**METRIX GROUP LLP**

Chartered Professional Accountants

Edmonton, Alberta  
April 21, 2026

**MANAGEMENT'S RESPONSIBILITY  
FOR FINANCIAL REPORTING**

To the Reeve and Council of Brazeau County

The integrity, relevance and comparability of the data in the accompanying financial statements are the responsibility of management.

The financial statements are the responsibility of management, prepared in accordance with Canadian public sector accounting standards. They necessarily include some amounts that are based on the best estimates and judgments of management.

To assist in its responsibility, management maintains accounting, budget and other controls to provide reasonable assurance that transactions are appropriately authorized, that assets are properly accounted for and safeguarded, and that financial records are reliable for preparation of financial statements.

Metrix Group LLP, Chartered Professional Accountants, have been appointed by County Council to express an opinion on the County's financial statements.

---

Rudy Friesen  
Chief Administrative Officer

**BRAZEAU COUNTY**  
**Statement of Financial Position**  
**As at December 31, 2025**

	2025	2024
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents <i>(Note 2)</i>	\$ 34,404,848	\$ 29,347,802
Accounts receivable <i>(Note 3)</i>	4,543,538	3,009,454
Land held for resale	14,870	14,870
Investments <i>(Note 4)</i>	23,967,805	24,101,883
	<b>62,931,061</b>	<b>56,474,009</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities <i>(Note 5)</i>	4,221,705	4,002,848
Deposit liabilities	79,405	85,370
Deferred revenue <i>(Note 6)</i>	2,777,407	2,222,823
Contaminated sites <i>(Note 7)</i>	841,666	824,758
Asset retirement obligations <i>(Note 8)</i>	503,247	490,017
Long-term debt <i>(Note 10)</i>	4,815,137	5,790,990
	<b>13,238,567</b>	<b>13,416,806</b>
<b>NET FINANCIAL ASSETS</b>	<b>49,692,494</b>	<b>43,057,203</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets <i>(Note 11)</i>	186,185,654	188,744,963
Inventories for consumption <i>(Note 12)</i>	3,700,300	4,230,474
Prepaid expenses	401,247	411,659
	<b>190,287,201</b>	<b>193,387,096</b>
<b>ACCUMULATED SURPLUS</b>	<b>\$ 239,979,695</b>	<b>\$ 236,444,299</b>
<b>ACCUMULATED SURPLUS IS COMPRISED OF:</b>		
Accumulated surplus from operations <i>(Schedule 1)</i>	\$239,871,536	\$236,416,453
Accumulated remeasurement losses	108,159	27,846
	<b>\$239,979,695</b>	<b>\$236,444,299</b>

Contingencies *(Note 14)*

**ON BEHALF OF COUNCIL:**

\_\_\_\_\_

\_\_\_\_\_

**BRAZEAU COUNTY**  
**Statement of Operations and Accumulated Surplus**  
**For the Year Ended December 31, 2025**

	2025 (Budget) (Note 20)	2025 (Actual)	2024 (Actual)
<b>REVENUE</b>			
Net municipal taxes (Schedule 2)	\$ 30,167,774	\$ 29,764,174	\$ 26,722,569
Investment income	1,447,547	1,769,367	2,241,571
Government transfers for operating (Schedule 3)	567,052	920,224	2,939,522
User fees and sale of goods	542,810	642,280	560,839
Licenses, permits, rentals and fines	238,741	294,620	261,682
Other	193,101	205,557	86,915
Sales to other governments	36,313	197,291	61,730
Penalties on taxes	101,000	152,882	110,999
	<b>33,294,338</b>	<b>33,946,395</b>	<b>32,985,827</b>
<b>EXPENSES</b>			
Roads, streets, walks and lighting	6,122,131	13,795,998	14,097,599
General and administration	4,152,347	4,832,806	4,705,560
Common equipment pool	4,935,716	2,767,046	2,853,312
Parks and recreation	2,384,246	2,545,692	2,100,282
Economic and agricultural development	1,755,429	1,611,121	1,751,713
Policing	1,395,884	1,377,707	1,271,888
Water supply and distribution	1,201,166	1,272,217	1,108,396
Firefighting services	2,991,475	1,236,574	1,347,096
Land use planning, zoning and development	1,028,357	941,975	761,694
Council	805,697	659,390	753,540
Wastewater treatment and disposal	287,182	654,921	753,219
Waste management	543,855	643,136	627,827
Culture - libraries	814,699	634,951	514,814
Family and community support services	329,640	319,287	284,259
Disaster and emergency measures	36,000	123,879	1,033,061
Storm	25,000	20,269	32,795
Ambulance and first aid	16,500	16,500	16,500
Cemetaries	24,300	3,235	9,258
	<b>28,849,624</b>	<b>33,456,704 **</b>	<b>34,022,813</b>
<b>ANNUAL SURPLUS (DEFICIT)</b>			
<b>BEFORE OTHER REVENUE (EXPENSES)</b>	<b>4,444,714</b>	<b>489,691</b>	<b>(1,036,986)</b>
<b>OTHER REVENUE (EXPENSES)</b>			
Government transfers for capital (Schedule 3)	5,153,543	2,845,231	3,225,253
Gain (loss) on disposal of tangible capital assets	-	97,327	(52,136)
Other	-	15,000	7,611
Cash in lieu of parks	-	7,834	11,080
	<b>5,153,543</b>	<b>2,965,392</b>	<b>3,191,808</b>
<b>ANNUAL SURPLUS</b>	<b>9,598,257</b>	<b>3,455,083</b>	<b>2,154,822</b>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<b>236,416,453</b>	<b>236,416,453</b>	<b>234,261,631</b>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<b>\$ 246,014,710</b>	<b>\$ 239,871,536</b>	<b>\$ 236,416,453</b>

**\*\* 2025 Actual Expenses contain non-cash amortization expenses which are not included in budgeted figures**

**BRAZEAU COUNTY**  
**Statement of Changes in Net Financial Assets**  
**For the Year Ended December 31, 2025**

	2025 (Budget) (Note 20)	<b>2025 (Actual)</b>	2024 (Actual)
<b>ANNUAL SURPLUS</b>	\$ 9,598,257	<b>\$ 3,455,083</b>	\$ 2,154,822
Purchase of tangible capital assets	(15,449,696)	<b>(7,520,983)</b>	(7,525,154)
Proceeds on disposal of tangible capital assets	241,500	<b>119,650</b>	168,635
Amortization of tangible capital assets	-	<b>10,057,969</b>	10,148,284
Loss on disposal of tangible capital assets	-	<b>(97,327)</b>	52,136
	(15,208,196)	<b>2,559,309</b>	2,843,901
Use (acquisition) of inventory for consumption	-	<b>530,174</b>	904,136
Use (acquisition) of prepaid expenses	-	<b>10,412</b>	(74,729)
Increase (decrease) in accumulated remeasurement gains and losses	-	<b>80,313</b>	93,201
	-	<b>620,899</b>	922,608
<b>INCREASE (DECREASE) IN NET FINANCIAL ASSETS</b>	(5,609,939)	<b>6,635,291</b>	5,921,331
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>	43,057,203	<b>43,057,203</b>	37,135,872
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	\$ 37,447,264	<b>\$ 49,692,494</b>	\$ 43,057,203

**BRAZEAU COUNTY**  
**Statement of Remeasurement Gains and Losses**  
**For the Year Ended December 31, 2025**

	2025 (Budget) <i>(Note 20)</i>	<b>2025 (Actual)</b>	2024 (Actual)
<b>ACCUMULATED REMEASUREMENT GAINS (LOSSES), BEGINNING OF THE YEAR</b>	\$ -	\$ 27,846	\$ (65,355)
<b>Unrealized gains attributable to:</b>			
Derivative investments	-	<b>80,313</b>	93,201
<b>ACCUMULATED REMEASUREMENT GAINS, END OF YEAR</b>	\$ -	\$ 108,159	\$ 27,846

**BRAZEAU COUNTY**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2025**

	2025	2024
<b>OPERATING ACTIVITIES</b>		
Annual surplus	\$ 3,455,083	\$ 2,154,822
Non-cash items included in annual surplus		
Loss on disposal of tangible capital assets	(97,327)	52,136
Amortization of investment premium/discounts	(23,686)	(20,749)
Amortization of tangible capital assets	10,057,969	10,148,284
Accretion of asset retirement obligations	13,230	11,017
Change in non-cash working capital balances:		
Accounts receivable	(1,534,084)	5,129,191
Prepaid expenses	10,412	(74,729)
Accounts payable and accrued liabilities	218,857	505,645
Deferred revenue	554,584	(826,159)
Inventories for consumption	530,174	904,136
Contaminated sites	16,908	20,223
Deposit liabilities	(5,965)	11,765
	<b>13,196,155</b>	<b>18,015,582</b>
<b>CAPITAL ACTIVITIES</b>		
Purchase of tangible capital assets	(7,520,983)	(7,525,154)
Proceeds on disposal of tangible capital assets	119,650	168,635
	<b>(7,401,333)</b>	<b>(7,356,519)</b>
<b>FINANCING ACTIVITIES</b>		
Long-term debt principal repayments	(975,853)	(950,555)
<b>INVESTMENT ACTIVITIES</b>		
Acquisition of investments	(10,931,800)	(7,472,553)
Proceeds on sale of investments	11,169,877	6,464,814
	<b>238,077</b>	<b>(1,007,739)</b>
<b>INCREASE IN CASH AND CASH EQUIVALENTS DURING THE YEAR</b>	<b>5,057,046</b>	<b>8,700,769</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>29,347,802</b>	<b>20,647,033</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 34,404,848</b>	<b>\$ 29,347,802</b>

**BRAZEAU COUNTY**  
**Schedule of Changes in Accumulated Surplus**  
**For the Year Ended December 31, 2025**

**Schedule 1**

	Unrestricted Surplus	Restricted Surplus (Note 13)	Equity in Tangible Capital Assets	2025	2024
<b>BALANCE, BEGINNING OF YEAR</b>	\$ 31,341,258	\$ 21,181,736	\$ 183,893,459	<b>\$236,416,453</b>	\$234,261,631
Annual surplus	3,455,083	-	-	<b>3,455,083</b>	2,154,822
Unrestricted funds designated for future use	(3,649,213)	3,649,213	-	-	-
Accretion of asset retirement obligations (Note 8)	914	-	(914)	-	-
Current year funds used for tangible capital assets	(2,845,231)	(4,675,752)	7,520,983	-	-
Repayment of capital debt	(975,853)	-	975,853	-	-
Net book value of tangible capital assets disposed of	22,323	-	(22,323)	-	-
Amortization	10,057,969	-	(10,057,969)	-	-
<b>BALANCE, END OF YEAR</b>	<b>\$ 37,407,250</b>	<b>\$ 20,155,197</b>	<b>\$ 182,309,089</b>	<b>\$239,871,536</b>	<b>\$236,416,453</b>

**BRAZEAU COUNTY**  
**Schedule of Property and Other Taxes**  
**For the Year Ended December 31, 2025**

**Schedule 2**

	2025 (Budget) (Note 20)	<b>2025 (Actual)</b>	2024 (Actual)
<b>TAXATION</b>			
Real property taxes	\$ 15,654,720	\$ <b>15,091,176</b>	\$ 14,197,133
Linear property taxes	26,606,326	<b>26,606,851</b>	23,322,702
Government grants in lieu of property taxes	9,294	<b>8,821</b>	9,209
	<u>42,270,340</u>	<u><b>41,706,848</b></u>	<u>37,529,044</u>
<b>REQUISITIONS</b>			
Alberta School Foundation Fund	(11,278,341)	<b>(11,279,564)</b>	(10,016,931)
Brazeau Seniors Foundation	(776,210)	<b>(776,210)</b>	(779,332)
Designated industrial property	(208,015)	<b>(208,015)</b>	(203,031)
	<u>(12,262,566)</u>	<u><b>(12,263,789)</b></u>	<u>(10,999,294)</u>
<b>OTHER TAXES</b>			
Community aggregate levy	160,000	<b>321,115</b>	192,819
<b>NET MUNICIPAL TAXES</b>	<u>\$ 30,167,774</u>	<u>\$ <b>29,764,174</b></u>	<u>\$ 26,722,569</u>

**BRAZEAU COUNTY**  
**Schedule of Government Transfers**  
**For the Year Ended December 31, 2025**

**Schedule 3**

	2025 (Budget) <i>(Note 20)</i>	<b>2025 (Actual)</b>	2024 (Actual)
<b>TRANSFERS FOR OPERATING</b>			
Provincial government	\$ 558,852	\$ <b>906,015</b>	\$ 2,918,530
Local governments	8,200	<b>14,209</b>	20,992
	<u>567,052</u>	<u><b>920,224</b></u>	<u>2,939,522</u>
<b>TRANSFERS FOR CAPITAL</b>			
Provincial government	5,153,543	<b>2,600,999</b>	3,122,863
Local governments	-	<b>244,232</b>	-
Federal government	-	-	102,390
	<u>5,153,543</u>	<u><b>2,845,231</b></u>	<u>3,225,253</u>
<b>TOTAL GOVERNMENT TRANSFERS</b>	<u>\$ 5,720,595</u>	<u>\$ <b>3,765,455</b></u>	<u>\$ 6,164,775</u>

**BRAZEAU COUNTY**  
**Schedule of Segmented Information**  
**For the Year Ended December 31, 2025**

**Schedule 4**

	General Administration	Recreation and Culture	Protective Services	Public Works and Transportation Services	Utilities	All Other	Total
<b>REVENUE</b>							
Net municipal taxes	\$ 2,095,906	\$ 2,427,467	\$ 2,121,141	\$ 8,306,025	\$ 1,559,572	\$ 13,254,063	\$ 29,764,174
Investment income	1,736,153	-	-	-	-	33,214	1,769,367
Government transfers	-	249,847	64,714	-	-	605,663	920,224
User fees and sales of goods	22,208	104,417	12,000	196,451	299,896	7,308	642,280
All other	179,362	159,982	130,425	80,838	75	5,048	555,730
Licenses, permits, rentals and fines	-	-	89,269	67,597	-	137,754	294,620
	4,033,629	2,941,713	2,417,549	8,650,911	1,859,543	14,043,050	33,946,395
<b>EXPENSES</b>							
Salaries, wages and benefits	2,559,152	350,047	490,944	3,907,111	720,793	2,026,045	10,054,092
Contract and general services	1,216,098	154,077	329,895	1,024,258	745,015	858,431	4,327,774
Materials, goods and supplies	199,971	32,940	237,235	3,517,101	160,254	130,578	4,278,079
Transfers to other governments	-	1,801,685	629,807	98,000	-	255,940	2,785,432
Other expenses	30,483	-	758,310	5,545	193,466	18,818	1,006,622
Transfers to boards, agencies and organizations	-	602,964	20,500	-	-	156,334	779,798
Interest on long-term debt	1,292	-	102	98,896	40,015	-	140,305
Bad debts	26,633	-	-	-	-	-	26,633
	4,033,629	2,941,713	2,466,793	8,650,911	1,859,543	3,446,146	23,398,735
<b>NET REVENUE (DEFICIT) BEFORE AMORTIZATION</b>							
	-	-	(49,244)	-	-	10,596,904	10,547,660
Amortization of tangible capital assets	799,177	238,930	287,867	7,932,402	710,731	88,862	10,057,969
<b>NET REVENUE (DEFICIT)</b>	<b>\$ (799,177)</b>	<b>\$ (238,930)</b>	<b>\$ (337,111)</b>	<b>\$ (7,932,402)</b>	<b>\$ (710,731)</b>	<b>\$ 10,508,042</b>	<b>\$ 489,691</b>

**BRAZEAU COUNTY**  
**Schedule of Segmented Information**  
**For The Year Ended December 31, 2024**

**Schedule 5**

	General Administration	Recreation and Culture	Protective Services	Public Works and Transportation Services	Utilities	All Other	Total
<b>REVENUE</b>							
Net municipal taxes	\$ 1,407,007	\$ 1,974,958	\$ 1,325,956	\$ 8,717,372	\$ 1,541,050	\$ 11,756,226	\$ 26,722,569
Government transfers	-	241,630	2,052,640	-	-	645,252	2,939,522
Investment income	2,246,085	-	-	-	-	(4,514)	2,241,571
User fees and sales of goods	30,172	94,795	1,776	173,226	241,153	19,717	560,839
Licenses, permits, rentals and fines	-	-	81,675	60,296	-	119,711	261,682
All other	161,558	-	9,637	77,153	-	11,296	259,644
	<b>3,844,822</b>	<b>2,311,383</b>	<b>3,471,684</b>	<b>9,028,047</b>	<b>1,782,203</b>	<b>12,547,688</b>	<b>32,985,827</b>
<b>EXPENSES</b>							
Salaries, wages and benefits	2,238,574	373,747	474,854	3,944,625	642,356	2,083,593	9,757,749
Contract and general services	1,110,733	166,461	1,239,081	991,264	719,538	781,015	5,008,092
Materials, goods and supplies	288,735	25,578	89,409	3,916,991	180,076	166,806	4,667,595
Transfers to other governments	-	1,618,132	856,607	60,655	-	262,634	2,798,028
Other expenses	26,687	-	697,085	5,677	184,719	22,285	936,453
Transfers to boards, agencies and organizations	-	196,471	20,500	-	-	145,086	362,057
Bad debts	178,662	-	-	-	-	-	178,662
Interest on long-term debt	1,431	-	113	108,835	55,514	-	165,893
	<b>3,844,822</b>	<b>2,380,389</b>	<b>3,377,649</b>	<b>9,028,047</b>	<b>1,782,203</b>	<b>3,461,419</b>	<b>23,874,529</b>
<b>NET REVENUE (DEFICIT)</b>							
<b>BEFORE AMORTIZATION</b>	-	(69,006)	94,035	-	-	9,086,269	9,111,298
Amortization of tangible capital assets	860,738	234,707	290,896	7,955,659	707,239	99,045	10,148,284
<b>NET REVENUE (DEFICIT)</b>	<b>\$ (860,738)</b>	<b>\$ (303,713)</b>	<b>\$ (196,861)</b>	<b>\$ (7,955,659)</b>	<b>\$ (707,239)</b>	<b>\$ 8,987,224</b>	<b>\$ (1,036,986)</b>

**1. SIGNIFICANT ACCOUNTING POLICIES**

These financial statements are the representations of Brazeau County (the "County") 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*

These financial statements include the assets, liabilities, revenue and expenses and changes in equity balances and in financial position of the County. This entity is comprised of all the organizations that are owned or controlled by the County and are, therefore, accountable to the Council for the administration of their financial affairs and resources.

The schedule of taxes levied includes requisitions for education and senior foundations that are not part of the municipal reporting entity.

*(b) Basis of Accounting*

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognizes 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.

Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

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

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

*(c) Use of Estimates*

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

The County has used estimates to determine an allowance for doubtful accounts, accrued liabilities, post employment benefits, contaminated sites, asset retirement obligations and the useful lives of tangible capital assets.

*(d) Valuation of financial assets and liabilities*

The County's financial assets and liabilities are measured as follows:

Cash and cash equivalents	Cost and amortized cost
Accounts receivables	Lower of cost or net recoverable value
Investments	Fair value and amortized cost
Accounts payable and accrued liabilities	Cost
Deposit liabilities	Cost
Asset retirement obligations	Cost or present value
Long-term debt	Amortized cost
Derivatives	Fair value

(CONT'D)

**1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

*(d) Valuation of financial assets and liabilities (cont'd)*

For financial assets and liabilities measured at amortized cost, the effective interest rate method is used to determine interest revenue or expense. Transaction costs are a component of cost for financial assets and liabilities that are measured at cost or amortized cost and expensed when measured at fair value.

*(e) 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.

*(f) Investments*

The County holds derivatives in the form of principal protected notes which are recorded at fair value in the statement of financial position. Unrealized gains and losses from changes in the fair value of derivatives are recognized in the statement of remeasurement gains and losses. Upon settlement, the realized gains and losses are reclassified as revenue or expense in the statement of operations.

*(g) Excess Collections and Under-levies*

Excess collections and under-levies arise from the difference between the actual levy made to cover each requisition and the actual amount requisitioned. If the actual levy exceeds the requisition, the excess collection is accrued as a liability.

In situations where the actual levy is less than the requisition amount, the under-levy is accrued as a receivable.

*(h) Tax Revenue*

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

Construction and borrowing costs associated with local improvement projects are recovered through annual special property tax assessments during the period of the related borrowings. These levies are collectible from property owners for work performed by the County and are recognized as revenue in the year they are levied.

*(i) Post Employment Benefits*

Upon full retirement, after the age of fifty-five (55), County employees are entitled to be paid out between twenty-five (25%) and fifty percent (50%) of their remaining accumulated sick leave days proportionate their length of service. The cost of this post employment benefit is recognized as an expense as the employees provide service.

**1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

*(j) Asset retirement obligations*

Asset retirement obligations are legal obligations associated with the retirement of tangible capital assets. Asset retirement activities include all activities relating to an asset retirement obligation including, but not limited to, decommissioning or dismantling, remediation of contamination, post-retirement activities such as monitoring, and constructing other tangible capital assets to perform post-retirement activities.

A liability for asset retirement obligation is recognized when there is a legal obligation to incur retirement costs, the past transaction or event giving rise to the liability as occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made.

When a liability for asset retirement obligation is recognized, asset retirement costs related to recognized tangible capital assets in productive use are capitalized by increasing the carrying value of the related asset and are amortized over the estimated useful life of the underlying tangible capital asset. Asset retirement costs related to unrecognised tangible capital assets and those not in productive use are expensed.

*(k) Contaminated Sites*

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of a contaminated site is recognized when a site is not in productive use and is management's estimate of the cost of post-remediation including operation, maintenance and monitoring.

*(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.

*i) Tangible Capital Assets*

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

Land improvements	15 - 30 years
Buildings	20 - 50 years
Engineered structures	
Roadways	
Gravel	20 years
Top	20 years
Base	30 years
Bridges and culverts	30 - 142 years
Wastewater systems	20 - 75 years
Water systems	35 - 75 years
Machinery and equipment	10 - 20 years
Vehicles	10 - 20 years

**1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

*i) Tangible Capital Assets (cont'd)*

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

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

Works of art for display are not recorded as tangible capital assets but are disclosed.

*ii) Leases*

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

*iii) Inventories for Consumption*

Inventories are valued at the lower of cost and net realizable value with cost determined by the average cost method.

Land held for resale is recorded at the lower of cost or net realizable value on a specific item basis. Cost includes costs for land acquisition and improvements required to prepare the land for servicing such as clearing, stripping, and levelling charges. Related development costs incurred to provide infrastructure such as water and wastewater services, roads, sidewalks, and street lighting are recorded as property and equipment under their respective function.

*(m) New Accounting Standards not yet Adopted*

The following standards are effective for fiscal years beginning on or after April 1, 2026.

The Conceptual Framework is the foundation for public sector financial reporting standard setting. It replaces the conceptual aspects of Section PS 1000 Financial Statement Concepts and Section PS 1100 Financial Statement Objectives. The conceptual framework highlights considerations fundamental for the consistent application of accounting issues in the absence of specific standards.

A new presentation standard, PS 1202, will be adopted at the same time that includes changes to the presentation of the statements of financial position, net financial assets or net debt, net assets, including a reconciliation of each component of net assets, and cash flows.

Management is currently assessing the impact of the conceptual framework and the standard on the financial statements.

---

**BRAZEAU COUNTY**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2025**

**2. CASH AND CASH EQUIVALENTS**

	2025	2024
Operating accounts	\$ 9,323,260	\$ 9,890,549
Temporary investments	3,000,000	8,688,450
Savings accounts	22,081,588	10,768,803
	<b>\$ 34,404,848</b>	<b>\$ 29,347,802</b>

Temporary investments consist of a Guaranteed Investment Certificate. The Guaranteed Investment Certificate bears interest at a rate of 3.56% and matures in January 2026.

**3. ACCOUNTS RECEIVABLE**

	2025	2024
Receivables from other governments	\$ 2,767,980	\$ 1,750,875
Taxes and grants in place of taxes	1,169,844	675,569
Trade and other	605,714	583,010
	<b>\$ 4,543,538</b>	<b>\$ 3,009,454</b>
Taxes and grants in place of taxes consist of the following:		
Current taxes	497,924	267,451
Tax arrears	1,065,925	802,123
	<b>1,563,849</b>	<b>1,069,574</b>
Less: Allowance for doubtful taxes	<b>(394,005)</b>	<b>(394,005)</b>
	<b>\$ 1,169,844</b>	<b>\$ 675,569</b>

Taxes are considered past due when the property owner has not made a payment by the outlined due date. The table that follows presents the carrying value of tax arrears at year-end that are past due but not included in the allowance for doubtful taxes because they are fully secured by the value of the property and collection efforts are reasonably expected to result in repayment.

	One year	Two years	Three years and greater	2025 Total
Tax arrears	\$ 276,793	\$ 185,169	\$ 209,958	<b>\$ 671,920</b>
	One year	Two years	Three years and greater	2024 Total
Tax arrears	\$ 87,694	\$ 34,582	\$ 285,842	<b>\$ 408,118</b>

**BRAZEAU COUNTY**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2025**

**4. INVESTMENTS**

	2025		2024	
	Carrying Value	Market Value	Carrying Value	Market Value
Corporate bonds - amortized cost	\$ 13,277,547	\$ 13,169,466	\$ 14,540,138	\$ 14,145,710
Principal-protected notes (b)	10,690,258	10,690,258	9,561,745	9,561,745
	<b>\$ 23,967,805</b>	<b>\$ 23,859,724</b>	<b>\$ 24,101,883</b>	<b>\$ 23,707,455</b>

Corporate bonds have coupon interest rates between 1.610% to 6.034% (2024 - 1.610% - 6.034%) with maturity dates from March 2026 to July 2031.

Derivative investments have maturity dates from September 2032 to October 2035 and are carried at fair market value in which the measurements are derived from:

- a) Level 1 - Quoted prices in active markets for identical assets.
- b) Level 2 - Inputs other than quoted prices included within level 1 that are observable for the assets, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

**5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	2025	2024
Trade and other accounts payable	\$ 3,550,521	\$ 3,387,750
Accrued vacation pay	445,926	425,716
Post-employment benefits (Note 1 (i))	201,579	159,667
Accrued interest on long-term debt	23,679	29,715
	<b>\$ 4,221,705</b>	<b>\$ 4,002,848</b>

**6. DEFERRED REVENUE**

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

	2024	Additions	Revenue Recognized	2025
Canada Community-Building Fund	\$ 561,545	\$ 496,617	\$ (48,757)	\$ 1,009,405
Alberta Municipal Water/Wastewater Partnership	920,484	30,454	(149,088)	801,850
Minister of Environment and Protected Areas	-	696,712	(26,050)	670,662
Local Government Fiscal Framework	139,825	1,993,585	(2,052,437)	80,973
Municipal Sustainability Initiative	347,955	7,453	(281,834)	73,574
Strategic Transportation Infrastructure Program	95,258	2,659	(42,833)	55,084
Other	62,500	104,735	(120,226)	47,009
Northern and Regional Economic Development Program	50,256	76,350	(87,756)	38,850
Rural Economic Development	45,000	-	(45,000)	-
	<b>\$ 2,222,823</b>	<b>\$ 3,408,565</b>	<b>\$(2,853,981)</b>	<b>\$ 2,777,407</b>

**7. CONTAMINATED SITES**

Contaminated sites are a result of contamination being introduced into the air, soil, water, or sediment of a chemical, organic, or radioactive material, or live organism that exceeds an environmental standard.

Based on an external consultant's report, the County has ascertained liabilities for two contaminated sites due to soil contamination. The County has accepted responsibility to perform remediation work on the two parcels of land for soil contamination. The remediation will result in the removal of an estimated 5,750 cubic meters of soil from both sites. Currently, there is no time frame as to when the remediation will be completed. This estimated liability is based on an estimated 5,750 cubic meters of soil being excavated and disposed off-lease.

---

**8. ASSET RETIREMENT OBLIGATIONS**

*Gravel sites*

The County has asset retirement obligations pursuant to the *Environmental Enhancement and Protection Act (Alberta)* to fund the future reclamation of its work sites. Reclamation activities include the final soil cover, landscaping, and visual inspection. Although, the timing of the work site\ reclamation is conditional on the length of time until the site is expected to be inactive, regulations create an existing obligation for the County to reclaim the work site when the asset retirement activity occurs. The obligations are measured at the current cost due to the uncertainty about when the retirement and reclamation activities are expected to occur.

*Buildings*

The County has asset retirement obligations to remove various hazardous materials including, asbestos, lead, mercury, and mold from 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 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.

	2025	2024
Balance, beginning of year	\$ 490,017	\$ 479,000
Net Change for the year:		
Annual accretion	13,230	11,017
Balance, end of year	\$ 503,247	\$ 490,017

Asset retirement obligations are composed of the following:

	2025	2024
Gravel sites	\$ 460,428	\$ 450,120
Buildings	42,819	39,897
	\$ 503,247	\$ 490,017

The obligations of \$503,247 (2024 - \$490,017) are measured at the current cost due to the uncertainty about when the retirement and reclamation activities are expected to occur.

---

**BRAZEAU COUNTY**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2025**

**9. CREDIT FACILITY**

The County has a demand revolving operating credit facility to a maximum of \$2,000,000 bearing interest at prime less 0.75% per annum. The credit facility was not drawn upon as of December 31, 2025 or 2024.

**10. LONG-TERM DEBT**

	2025	2024
Alberta Capital Financing Authority debentures bearing interest at fixed rates ranging from 2.30% to 5.75% per annum maturing between 2027 and 2034.	<b>\$ 4,683,381</b>	\$ 5,642,556
Obligation under capital leases for solar panels, bearing interest and a rate of 1.57%, maturing 2032.	<b>131,756</b>	148,434
	<b>\$ 4,815,137</b>	\$ 5,790,990

Principal and interest payments are due as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 1,001,850	\$ 120,199	\$ 1,122,049
2027	1,028,542	93,375	1,121,917
2028	421,001	70,038	491,039
2029	432,092	58,816	490,908
2030	443,490	47,289	490,779
Thereafter	1,488,162	72,620	1,560,782
	<b>\$ 4,815,137</b>	<b>\$ 462,337</b>	<b>\$ 5,277,474</b>

Interest on long-term debt amounted to \$140,304 (2024 - \$165,893).

The County's total cash payments for interest in 2025 were \$146,340 (2024 - \$171,753).

**BRAZEAU COUNTY**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2025**

**11. TANGIBLE CAPITAL ASSETS**

	2025	2024
	Net Book Value	
<b>Engineered Structures</b>		
Roadways	\$ 122,521,677	\$ 126,914,958
Wastewater systems	16,056,047	16,433,540
Water systems	12,210,796	12,499,786
Storm systems	966,728	983,506
	<b>151,755,248</b>	156,831,790
Buildings	11,150,373	12,088,251
Land	6,565,363	6,540,610
Land improvements	6,057,826	5,278,764
Machinery and equipment	5,534,461	4,447,844
Vehicles	2,751,534	2,376,742
Construction in progress	2,370,849	1,180,962
	<b>\$ 186,185,654</b>	\$ 188,744,963

	Cost Beginning of Year	Additions	Disposals	Transfers	Cost End of Year
<b>Engineering Structures</b>					
Roadways	\$ 385,448,521	\$ 2,511,480	\$ -	-	\$ 387,960,001
Wastewater systems	21,689,736	-	-	-	21,689,736
Water systems	16,046,337	-	-	-	16,046,337
Storm systems	1,263,612	-	-	-	1,263,612
	424,448,206	2,511,480	-	-	426,959,686
Machinery and equipment	17,265,473	1,878,465	(452,781)	-	18,691,157
Vehicles	6,857,130	414,137	(434,630)	346,145	7,182,782
Buildings	25,058,623	-	-	-	25,058,623
Land	6,540,610	24,753	-	-	6,565,363
Land improvements	9,579,836	719,710	-	428,368	10,727,914
Construction in progress	1,180,962	1,972,438	(8,038)	(774,513)	2,370,849
	\$ 490,930,840	\$ 7,520,983	\$ (895,449)	-	\$ 497,556,374

	Accumulated Amortization Beginning of Year	Current Amortization	Disposals	Transfers	Accumulated Amortization End of Year
<b>Engineered Structures</b>					
Roadways	\$ 258,533,563	\$ 6,904,761	\$ -	-	\$ 265,438,324
Wastewater systems	5,256,196	377,493	-	-	5,633,689
Water systems	3,546,551	288,990	-	-	3,835,541
Storm systems	280,106	16,778	-	-	296,884
	267,616,416	7,588,022	-	-	275,204,438
Machinery, equipment, and furnishings	12,817,629	791,848	(452,781)	-	13,156,696
Vehicles	4,480,388	371,205	(420,345)	-	4,431,248
Buildings	12,970,372	937,878	-	-	13,908,250
Land improvements	4,301,072	369,016	-	-	4,670,088
	\$ 302,185,877	\$ 10,057,969	\$ (873,126)	-	\$ 311,370,720

**BRAZEAU COUNTY**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2025**

**12. INVENTORIES FOR CONSUMPTION**

	2025	2024
Sand and gravel	\$ 3,367,942	\$ 3,948,101
Parts, chemicals, and other	332,358	282,373
	<b>\$ 3,700,300</b>	<b>\$ 4,230,474</b>

**13. RESTRICTED SURPLUS**

	2025	2024
<b>OPERATING RESTRICTED SURPLUS</b>		
General operating	\$ 1,072,954	\$ 1,032,218
<b>CAPITAL RESTRICTED SURPLUS</b>		
Deferred capital projects	\$ 6,407,001	\$ 4,842,843
Major facility capital investment	3,503,840	4,186,083
Deferred projects	1,161,981	1,068,092
Equipment replacement	1,034,505	1,243,819
Committed funds	1,023,218	298,841
Buildings	876,863	783,028
Sewer capital replacement	853,667	784,690
Fire equipment	754,997	997,646
Recreation facilities (Willey West)	622,466	582,141
Roads	607,667	1,161,364
Cultural facilities	498,202	457,947
Water capital replacement	492,769	452,953
Utility servicing	370,914	292,910
Off-site levies	296,019	272,100
Parks-cash in lieu	240,950	214,279
Alternate land use services	169,061	209,908
Alternate energy program	141,033	147,365
Alberta water and wastewater	81,308	74,737
Land surplus	51,141	47,009
Economic development	35,152	16,430
Cemetery - perpetual care fund	2,940	2,702
Engineering structures	(143,451)	2,012,631
	<b>\$ 19,082,243</b>	<b>\$ 20,149,518</b>
<b>TOTAL RESTRICTED SURPLUS</b>	<b>\$ 20,155,197</b>	<b>\$ 21,181,736</b>

**14. CONTINGENCIES**

The County is a member of the Alberta Municipal Insurance Exchange. 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 the exchange. Any liability incurred would be accounted for as a current transaction in the year the losses are determined.

The County is a defendant in various lawsuits as at December 31, 2025. Where the outcome of a claim against the County is considered likely to result in a loss and the amount of the loss can be reasonably estimated, accrued liabilities have been recorded. Where the resulting potential losses, if any, cannot be determined or the occurrence of future events is unknown, accrued liabilities have not been established.

---

**15. FINANCIAL INSTRUMENTS**

The County is exposed to the following risks in respect of its financial instruments at December 31, 2025.

*Credit risk*

The County is exposed to credit risk with respect to receivables. Credit risk arises from the possibility that customers may experience financial difficulty and be unable to fulfill their obligations. The County is exposed to the credit risk associated with fluctuations in the oil and gas industry as a significant portion of the property taxes outstanding at December 31, 2025 relate to linear property and are receivable from companies in the oil and gas industry. The large number and diversity of customers minimizes the County's credit risk.

*Market price risk*

Market price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual security, its issuer or general market factors affecting all securities.

*Interest rate risk*

Interest rate risk is the risk that the County's annual surplus will be affected by the fluctuation and degree of volatility in interest rates. The County is exposed to interest rate risk on its cash and cash equivalents, investments and long-term debt. Interest rate risk on the County's long-term debt is managed through fixed rate debentures with the Province of Alberta (*Note 10*).

*Liquidity risk*

Liquidity risk is the risk that the County will encounter difficulty in meeting obligations associated with its financial liabilities. The County maintains cash balances to ensure that funds are available to meet current and forecasted financial requirements. Management continues to monitor the County's liquidity position on a regular basis.

---

**16. SEGMENTED INFORMATION**

The County provides a wide range of services to its citizens. For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in Note 1. For additional information see the Schedule of Segment Disclosure (Schedule 4).

---

**BRAZEAU COUNTY**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2025**

**17. REMUNERATION AND BENEFITS DISCLOSURE**

Disclosure of remuneration and benefits for elected municipal officials, the County Manager and designated officers as required by Alberta Regulation 313/2000 is as follows:

	Remuneration	Benefits and Allowances	2025 Total	2024 Total
Reeve and Councillors				
B. Guyon (Reeve)	\$ 68,777	\$ 23,032	\$ 91,809	\$ 103,876
G. Gunderson	54,325	20,624	74,949	70,369
D. Ekstrom	47,592	19,967	67,559	69,677
K. Westerlund	43,403	18,848	62,251	70,478
D. Wiltse	37,360	15,979	53,339	73,485
A. Heinrich	41,475	3,739	45,214	49,017
C. Brooks	13,302	5,244	18,546	58,324
C. Vowk	8,315	3,301	11,616	-
S. Blosky	8,526	2,809	11,335	-
A. Harris	7,491	3,151	10,642	-
	\$ 330,566	\$ 116,694	\$ 447,260	\$ 495,226
Chief Administrative Officer (1)	\$ 205,592	\$ 34,541	\$ 240,133	\$ 173,009
Designated Officers (9)	\$ 821,621	\$ 179,800	\$ 1,001,421	\$ 992,010

- 1) Salary includes regular base pay, bonuses, overtime, lump sum payments, gross honoraria and any other direct cash remuneration including per diem amounts.
- 2) Employer's share of all employee benefits and contributions or payments made on behalf of employees, including pension, health care, dental coverage, vision coverage, group life insurance, accidental disability and dismemberment insurance, long and short term disability plans, professional memberships and tuition.
- 3) Benefits and allowances include the employer's share of all employee benefits and contributions or payments made on behalf of employees, and the employer's share of the costs of any additional taxable benefits.

**18. LOCAL AUTHORITIES PENSION PLAN**

Union employees of the County participate in the Local Authorities Pension Plan (LAPP), which is one of the plans covered by the *Public Sector Pension Plans Act*. The LAPP is financed by employer and employee contributions and investment earnings of the LAPP Fund.

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

The County is required to make current service contributions to the LAPP of 8.45% of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 11.65% on pensionable earnings above this amount. Employees of the County are required to make current service contributions of 7.45% of pensionable earnings up to the year's maximum pensionable earnings and 10.65% on pensionable earnings above this amount.

Total current service contributions by the County to the LAPP in 2025 were \$241,630 (2024 - \$269,523). Total current service contributions by the employees of the County to the LAPP in 2025 were \$214,570 (2024 - \$239,891).

At December 31, 2024 the Plan disclosed an actuarial surplus of \$19.56 billion (2023 \$15.06 billion).

**BRAZEAU COUNTY**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2025**

**19. DEBT LIMITS**

Section 276(2) of the *Municipal Government Act* requires that debt and debt limits, as defined by Alberta Regulation 255/00, for the County be disclosed as follows:

	2025	2024
Total debt limit	\$ 50,919,593	\$ 49,478,741
Total debt	(4,815,137)	(5,790,990)
Amount of debt limit unused	\$ 46,104,456	\$ 43,687,751
Service on debt limit	\$ 8,486,599	\$ 8,246,457
Service on debt	(1,122,049)	(1,122,183)
Amount of debt servicing limit unused	\$ 7,364,550	\$ 7,124,274

The debt limit is calculated at 1.5 times revenue of the County (as defined in Alberta Regulation 255/00) and the debt service limit is calculated at 0.25 times such revenue. Incurring debt beyond these limits requires approval by the Minister of Municipal Affairs. These thresholds are guidelines used by Alberta Municipal Affairs to identify municipalities, which could be at financial risk if further debt is acquired. The calculation taken alone does not represent the financial stability of the County. Rather, the financial statements must be interpreted as a whole.

**20. BUDGET FIGURES**

The budget figures presented in these financial statements are based on the budget approved by Council on April 7, 2025.

The table below reconciles the approved budget figures reported in these financial statements.

<b>Annual surplus</b>	\$ 9,598,257
Deduct:	
Purchase of tangible capital assets	(15,449,696)
Add back:	
Transfers from operating reserves	(2,282,017)
Transfers from capital reserves	9,254,433
Proceeds on sale of tangible capital assets	241,500
	<b>\$ 1,362,477</b>

**21. APPROVAL OF FINANCIAL STATEMENTS**

These financial statements were approved by Council.