ATHABASCA COUNTY

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

METRIX GROUP LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Reeve and Council of Athabasca County

Opinion

We have audited the accompanying consolidated financial statements of Athabasca County (the County), which comprise the consolidated statement of financial position as at December 31, 2024 and the consolidated statements of operations, change 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 financial position of the County as at December 31, 2024, the results of its operations, changes in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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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 consolidated 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 or 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 with the County or business activities within the group 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 24, 2025

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 Reeve and Council of Athabasca County are composed entirely of individuals who are neither management nor employees of the County. The Reeve and Council have the responsibility of meeting with management and the external auditors to discuss the internal controls over the financial reporting process, auditing matters, and financial reporting issues. The Reeve and Council are also responsible for the appointment of the County's external auditors.

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

Robert Beck
Chief Administrative Officer

Shadia Amblie
Director of Corporate Services

April 24, 2025
Athabasca, Alberta

ATHABASCA COUNTY
Consolidated Statement of Financial Position
As at December 31, 2024

	2024	2023 (Restated) (Note 25)
FINANCIAL ASSETS		
Cash and temporary investments *(Note 2)*	**$ 42,607,187**	$ 35,623,966
Taxes and grants in place of taxes receivable *(Note 4)*	**825,030**	606,671
Trade and other receivables *(Note 5)*	**7,038,778**	8,655,083
Land held for resale	**132,887**	132,887
	50,603,882	45,018,607
LIABILITIES		
Accounts payable and accrued liabilities *(Note 7)*	**3,738,849**	4,930,137
Deferred revenue *(Note 9)*	**3,296,715**	2,499,821
Employee benefit obligation *(Note 8)*	**495,236**	713,845
Asset retirement obligation *(Note 10)*	**7,898,343**	7,816,414
Contaminated site *(Note 11)*	**272,543**	2,807,541
	15,701,686	18,767,758
NET FINANCIAL ASSETS	**34,902,196**	26,250,849
NON-FINANCIAL ASSETS		
Tangible capital assets *(Schedule 1)*	**81,518,260**	82,853,192
Inventory for consumption *(Note 12)*	**3,922,330**	2,423,825
Prepaid expenses	**554,171**	447,207
	85,994,761	85,724,224
ACCUMULATED SURPLUS *(SCHEDULE 2, NOTE 15)*	**$120,896,957**	$111,975,073

Contingencies *(Note 17)*

ON BEHALF OF COUNCIL:

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

ATHABASCA COUNTY
Consolidated Statement of Operations and Accumulated Surplus
For the Year Ended December 31, 2024

	2024 (Budget) (Note 23)	**2024 (Actual)**	2023 (Restated) (Note 25)
REVENUE			
Net municipal taxes *(Schedule 3)*	$ 30,440,092	**$ 30,484,582**	$ 28,409,031
User fees and sales of goods	2,176,545	**3,374,404**	2,648,731
Government transfers for operating *(Schedule 4)*	4,028,785	**2,363,514**	2,680,136
Investment income	1,000,000	**2,082,151**	1,689,478
Penalties and costs of taxes	254,500	**360,294**	310,214
Rentals	122,700	**316,473**	331,734
Other	143,650	**193,110**	524,145
Licenses, permits and fines	146,000	**122,339**	94,731
	38,312,272	**39,296,867**	36,688,200
EXPENSES			
Transportation services	20,962,863	**18,158,442**	16,257,316
General administration services	4,572,500	**4,469,620**	3,214,402
Recreation services	3,015,420	**3,834,634**	3,098,755
Protective services	3,549,700	**3,540,591**	3,124,754
Environmental use and protection	2,361,507	**2,262,959**	1,915,413
Planning and development services	2,295,750	**1,713,260**	1,622,057
Family and Community Support Services	1,559,439	**1,429,923**	1,415,123
Legislative services	933,250	**801,853**	639,636
	39,250,429	**36,211,282**	31,287,456
ANNUAL SURPLUS (DEFICIT) BEFORE OTHER INCOME	(938,157)	**3,085,585**	5,400,744
OTHER INCOME (EXPENSE)			
Government transfers for capital *(Schedule 4)*	-	**2,893,064**	4,675,452
Gain (loss) on disposal of tangible capital assets	-	**68,767**	33,167
Recovery on settlement of environmental liabilities	-	**2,874,468**	-
	-	**5,836,299**	4,708,619
ANNUAL SURPLUS	(938,157)	**8,921,884**	10,109,363
ACCUMULATED SURPLUS, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	111,975,073	**112,556,523**	101,451,710
Restatement *(Note 25)*	-	**(581,450)**	414,000
ACCUMULATED SURPLUS, BEGINNING OF YEAR	111,975,073	**111,975,073**	101,865,710
ACCUMULATED SURPLUS, END OF YEAR *(SCHEDULE 2, NOTE 15)*	$111,036,916	**$120,896,957**	$111,975,073

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

ATHABASCA COUNTY
Consolidated Statement of Change in Net Financial Assets
For the Year Ended December 31, 2024

	2024 (Budget) (Note 23)	**2024 (Actual)**	2023 (Restated) (Note 25)
ANNUAL SURPLUS	$ (938,157)	**$ 8,921,884**	$ 10,109,363
Acquisition of tangible capital assets	(268,500)	**(4,749,223)**	(6,909,087)
Proceeds on disposal of tangible capital assets	-	**791,410**	1,077,829
Amortization of tangible capital assets	6,084,675	**5,361,512**	5,578,142
Loss (gain) on disposal of tangible capital assets	-	**(68,767)**	(33,167)
	5,816,175	**1,334,932**	(286,283)
Net change in prepaid expenses	-	**(106,964)**	(84,406)
Net change in inventory for consumption	-	**(1,498,505)**	798,106
	-	**(1,605,469)**	713,700
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	4,878,018	**8,651,347**	10,536,780
NET FINANCIAL ASSETS, BEGINNING OF YEAR	26,250,849	**26,250,849**	15,714,069
NET FINANCIAL ASSETS, END OF YEAR	$ 31,128,867	**$ 34,902,196**	$ 26,250,849

ATHABASCA COUNTY
Consolidated Statement of Cash Flows
For the Year Ended December 31, 2024

	2024	2023
OPERATING ACTIVITIES		
Annual surplus	**$ 8,921,884**	$ 10,109,363
Non-cash items included in annual surplus:		
Amortization of tangible capital assets	**5,361,512**	5,578,142
Accretion of asset retirement obligations	**378,249**	360,787
Loss (gain) on disposal of tangible capital assets	**(68,767)**	(33,167)
	14,592,878	16,015,125
Change in non-cash working capital balances:		
Taxes and grants in place of taxes receivables	**(218,359)**	298,157
Trade and other receivable	**1,616,305**	(5,313,169)
Inventory for consumption	**(1,498,505)**	798,106
Prepaid expenses	**(106,964)**	(84,406)
Accounts payable and accrued liabilities	**(1,191,288)**	877,052
Deferred revenue	**796,894**	1,542,204
Employee benefit obligation	**(218,609)**	265,684
Contaminated site	**(2,534,998)**	-
	(3,355,524)	(1,616,372)
	11,237,354	14,398,753
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	**(4,749,223)**	(6,909,087)
Proceeds on disposal of tangible capital assets	**791,410**	1,077,829
Revision of estimates for asset retirement obligations	**863,079**	-
Settlement of asset retirement obligations	**(1,159,399)**	-
	(4,254,133)	(5,831,258)
CHANGE IN CASH AND TEMPORARY INVESTMENTS, DURING THE YEAR	**6,983,221**	8,567,495
CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR	**35,623,966**	27,056,471
CASH AND TEMPORARY INVESTMENTS, END OF YEAR *(NOTE 2)*	**$ 42,607,187**	$ 35,623,966

ATHABASCA COUNTY **Schedule 1**

Consolidated Schedule of Tangible Capital Assets

For the Year Ended December 31, 2024

	Land	Land Improvements	Buildings	Engineered Structures	Machinery and Equipment	Vehicles	Work in Progress*	**2024**	2023
COST:									
Balance, Beginning of Year	$ 1,940,200	$ -	$ 26,612,403	$ 186,369,197	$ 16,901,629	$ 7,398,311	$ 2,136,117	**$ 241,357,857**	$ 236,535,882
Additions	-	57,193	423,940	55,619	2,279,600	458,384	1,474,487	**4,749,223**	6,909,087
Disposals	-	-	-	-	(1,411,500)	(462,127)	-	**(1,873,627)**	(2,087,112)
Transfers	-	-	-	2,057,698	-	-	(2,057,698)	**-**	-
Balances, End of Year	1,940,200	57,193	27,036,343	188,482,514	17,769,729	7,394,568	1,552,906	**244,233,453**	241,357,857
ACCUMULATED AMORTIZATION:									
Balance, Beginning of Year	-	-	7,377,622	138,186,601	8,684,029	4,256,413	-	**158,504,665**	153,968,973
Amortization	-	1,064	527,221	3,273,202	1,164,520	395,505	-	**5,361,512**	5,578,142
Disposals	-	-	-	-	(705,750)	(445,234)	-	**(1,150,984)**	(1,042,450)
Balance, End of Year	-	1,064	7,904,843	141,459,803	9,142,799	4,206,684	-	**162,715,193**	158,504,665
NET BOOK VALUE, END OF YEAR	**$ 1,940,200**	**$ 56,129**	**$ 19,131,500**	**$ 47,022,711**	**$ 8,626,930**	**$ 3,187,884**	**$ 1,552,906**	**$ 81,518,260**	$ 82,853,192
NET BOOK VALUE, BEGINNING OF YEAR	$ 1,940,200	$ -	$ 19,234,781	$ 48,182,596	$ 8,217,600	$ 3,141,898	$ 2,136,117	$ 82,853,192	

*Included in work in progress are Engineered Structures costs of $1,552,906 (2023 - $2,136,117).

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

ATHABASCA COUNTY **Schedule 2**

Consolidated Schedule of Changes in Accumulated Surplus

For the Year Ended December 31, 2024

	Unrestricted Surplus	Operating Reserve	Capital Reserve	Equity in Tangible Capital Assets	**2024**	2023 (Restated) (Note 25)
BALANCE, BEGINNING OF YEAR, AS PREVIOUSLY STATED	$ 21,478,837	$ 4,702,498	$ 11,338,410	$ 75,036,778	**$112,556,523**	$101,451,710
Restatement *(Note 25)*	(581,450)	-	-	-	**(581,450)**	414,000
BALANCE, BEGINNING OF YEAR, AS RESTATED	20,897,387	4,702,498	11,338,410	75,036,778	**111,975,073**	101,865,710
Annual surplus	8,921,884	-	-	-	**8,921,884**	10,109,363
Current year funds designated for future use	(4,955,091)	4,798,473	156,618	-	**-**	-
Current year funds used for tangible capital assets	(4,749,223)	-	-	4,749,223	**-**	-
Disposal of tangible capital assets (net of amortization)	722,643	-	-	(722,643)	**-**	-
Annual amortization expense	5,361,512	-	-	(5,361,512)	**-**	-
Annual accretion expense	378,249	-	-	(378,249)	**-**	-
Revision of estimates for asset retirement obligations	(296,320)	-	-	296,320	**-**	-
BALANCE, END OF YEAR	$ 26,281,041	$ 9,500,971	$ 11,495,028	$ 73,619,917	**$120,896,957**	$111,975,073

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

ATHABASCA COUNTY **Schedule 3**

Consolidated Schedule of Property and Other Taxes

For the Year Ended December 31, 2024

	2024 (Budget) (Note 23)	**2024 (Actual)**	2023 (Actual)
TAXATION			
Linear and industrial property taxes	$ 22,683,032	**$ 27,390,433**	$ 25,512,602
Residential property taxes	6,843,027	**8,272,931**	7,711,268
Farmland property taxes	914,033	**1,105,028**	1,076,495
Local improvements	-	**22,272**	22,272
	30,440,092	**36,790,664**	34,322,637
REQUISITIONS			
Alberta School Foundation	-	**5,903,993**	5,530,560
Greater North Foundation (senior lodging)	-	**303,062**	287,750
Designated industrial property	-	**99,027**	95,296
	-	**6,306,082**	5,913,606
NET MUNICIPAL TAXES	$ 30,440,092	**$ 30,484,582**	$ 28,409,031

ATHABASCA COUNTY **Schedule 4**

Consolidated Schedule of Government Transfers

For the Year Ended December 31, 2024

	2024 (Budget) (Note 23)	**2024 (Actual)**	2023 (Restated) (Note 25)
TRANSFERS FOR OPERATING			
Provincial government	$ 1,855,114	**$ 2,117,451**	$ 2,499,211
Local government	2,173,671	**237,663**	164,125
Federal governments	-	**8,400**	16,800
	4,028,785	**2,363,514**	2,680,136
TRANSFERS FOR CAPITAL			
Provincial government	-	**2,893,064**	4,675,452
TOTAL GOVERNMENT TRANSFERS	$ 4,028,785	**$ 5,256,578**	$ 7,355,588

ATHABASCA COUNTY **Schedule 5**

Consolidated Schedule of Segmented Information

For the Year Ended December 31, 2024

	General Administration and Legislative Services	Protective Services	Planning and Development Services	Family and Community Support Services	Transportation Services	Environmental Use and Protection	Recreation Services	Total
REVENUE								
Net municipal taxes	$ 30,484,582	$ -	$ -	$ -	$ -	$ -	$ -	$ 30,484,582
User fees and sales of goods	40,594	687,433	84,999	135,153	302,418	1,280,509	843,298	3,374,404
Government transfers for operating	8,400	670,472	232,842	930,728	468,006	-	53,066	2,363,514
Interest income	2,082,151	-	-	-	-	-	-	2,082,151
Penalties and costs of taxes	353,519	-	-	-	3,500	3,275	-	360,294
Other	109,664	53,587	8,404	6,198	4,153	3,868	7,236	193,110
Rentals	47,436	-	817	-	75,560	-	192,660	316,473
Licenses, permits and fines	-	49,637	32,550	-	40,152	-	-	122,339
	33,126,346	1,461,129	359,612	1,072,079	893,789	1,287,652	1,096,260	39,296,867
EXPENSES								
Salaries, wages, and benefits	2,795,051	717,654	1,315,864	1,247,383	4,525,951	163,251	1,602,044	12,367,198
Contracted and general services	1,791,492	1,531,557	113,480	127,302	4,172,782	1,322,714	867,982	9,927,309
Materials, goods and supplies	150,629	395,256	181,804	34,866	4,557,237	545,867	57,454	5,923,113
Amortization of tangible capital assets	165,947	219,948	28,337	-	4,440,507	136,710	370,063	5,361,512
Transfers to other governments, local boards, and organizations	61,017	575,400	2,000	3,000	7,290	-	904,406	1,553,113
Accretion of asset retirement obligation	2,148	5,276	940	-	302,183	67,702	-	378,249
Utilities	59,157	77,413	20,488	14,812	145,763	23,477	22,931	364,041
Other	246,032	18,087	50,347	2,560	6,729	3,238	9,754	336,747
	5,271,473	3,540,591	1,713,260	1,429,923	18,158,442	2,262,959	3,834,634	36,211,282
ANNUAL SURPLUS (DEFICIT) BEFORE OTHER INCOME	27,854,873	(2,079,462)	(1,353,648)	(357,844)	(17,264,653)	(975,307)	(2,738,374)	3,085,585
Government transfers for capital	-	-	-	-	2,893,064	-	-	2,893,064
Recovery on settlement of environmental liabilities	2,874,468	-	-	-	-	-	-	2,874,468
Gain (loss) on disposal of tangible capital assets	-	-	-	-	68,767	-	-	68,767
ANNUAL SURPLUS (DEFICIT)	$ 30,729,341	$ (2,079,462)	$ (1,353,648)	$ (357,844)	$(14,302,822)	$ (975,307)	$ (2,738,374)	$ 8,921,884

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

ATHABASCA COUNTY **Schedule 5**

Consolidated Schedule of Segmented Information

For the Year Ended December 31, 2023

	General Administration and Legislative Services	Protective Services	Planning and Development Services	Family and Community Support Services	Transportation Services	Environmental Use and Protection	Recreation Services	Total (Restated) (Note 25)
REVENUE								
Net municipal taxes	$ 28,409,031	$ -	$ -	$ -	$ -	$ -	$ -	$ 28,409,031
Government transfers for operating	16,800	1,033,508	298,653	909,033	344,076	-	78,066	2,680,136
User fees and sales of goods	34,545	279,711	70,719	124,227	350,453	1,072,468	716,608	2,648,731
Investment income	1,689,478	-	-	-	-	-	-	1,689,478
Other	59,856	54,826	9,457	4,000	77,925	4,950	313,131	524,145
Rentals	72,025	-	1,081	-	73,721	-	184,907	331,734
Penalties and costs of taxes	303,273	-	-	-	2,000	4,941	-	310,214
Licenses, permits and fines	-	48,797	39,522	-	6,412	-	-	94,731
	30,585,008	1,416,842	419,432	1,037,260	854,587	1,082,359	1,292,712	36,688,200
EXPENSES								
Salaries, wages, and benefits	1,742,626	476,920	1,206,619	1,237,238	4,697,173	178,536	912,872	10,451,984
Contracted and general services	1,467,450	1,514,380	281,758	127,532	2,933,795	1,068,389	1,071,305	8,464,609
Amortization of tangible capital assets	167,067	217,017	24,983	-	4,647,957	132,991	388,127	5,578,142
Materials, goods and supplies	123,743	172,744	70,229	27,394	3,541,876	447,798	33,779	4,417,563
Transfers to other governments, local boards, and organizations	21,010	655,704	-	6,000	-	1,000	683,822	1,367,536
Accretion of asset retirement obligation	2,049	5,029	895	-	288,262	64,552	-	360,787
Other	274,411	13,881	18,688	2,355	21,720	2,375	7,934	341,364
Utilities	55,682	69,079	18,885	14,604	126,533	19,772	916	305,471
	3,854,038	3,124,754	1,622,057	1,415,123	16,257,316	1,915,413	3,098,755	31,287,456
ANNUAL SURPLUS (DEFICIT) BEFORE OTHER INCOME (EXPENSES)	26,730,970	(1,707,912)	(1,202,625)	(377,863)	(15,402,729)	(833,054)	(1,806,043)	5,400,744
Government transfers for capital	-	-	-	-	4,675,452	-	-	4,675,452
Gain (loss) on disposal of tangible capital assets	-	-	-	-	33,167	-	-	33,167
ANNUAL SURPLUS (DEFICIT)	$ 26,730,970	$ (1,707,912)	$ (1,202,625)	$ (377,863)	$(10,694,110)	$ (833,054)	$ (1,806,043)	$ 10,109,363

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

1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Reporting Entity

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

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

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

(b) Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipt of goods and 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.

(c) Cash and temporary investments

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

(d) Land Held for Resale

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

(e) Requisition Over-Levies and Under-Levies

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. In situations 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.

(CONT'D)

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Tax Revenue

Property tax revenue is based on assessments determined in accordance with the *Municipal Government Act*. Tax mill 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.

(g) Government Transfers

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

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

(h) Asset retirement obligations

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Environmental Remediation

Sites requiring environmental remediation 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 environmental remediation of a 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. Due to the long term nature of assumptions made, it is possible that estimates could prove to be materially incorrect and accordingly, the impact on the financial statements for future periods could be material.

The annual provision is reported as an operating expense in environmental use and protection and the accumulated provision is reported as a liability on the Statement of Financial Position.

(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.

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 as follows:

Buildings	25 - 50 years
Engineering Structures	15 - 98 years
Machinery & Equipment	10 - 25 years
Vehicles	10 - 25 years

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.

ii) Contributions of Tangible Capital Assets

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

iii) 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.

iv) Inventory for Consumption

Inventory held for consumption is recorded at the lower of cost and replacement cost with cost determined using the average cost method.

v) Cultural and Historical Tangible Capital Assets

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

(CONT'D)

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Use of Estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditure during the period. Where management uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

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

(l) New accounting standards adopted during the year

i) PS 3400 Revenue

This standard establishes 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 payer. 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.

ii) PSG-8 Purchased Intangibles

This standard 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)

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) New accounting standards adopted during the year (cont'd)

iii) PS 3160 - Public Private Partnerships

This standard establishes 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 the Canadian public sector accounting standards. The County will continue to assess the impact and prepare for the adoption of these standards.

i) PS 1202 - Financial Statement Presentation

This standards 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. CASH AND TEMPORARY INVESTMENTS

	2024	2023
Cash	**$ 26,012,535**	$ 19,863,221
Temporary investments	**16,594,652**	15,760,745
	$ 42,607,187	$ 35,623,966

Temporary investments are short-term deposits with original maturities of three months or less bearing interest at rates ranging from 3.82% to 3.94% (2023 - 5.69% to 5.87%) maturing during 2025.

3. CASH HELD IN TRUST

Cash held in trust consists of the excess of proceeds received over property taxes and applicable penalties owed on those properties sold for tax recovery. The *Municipal Government Act* requires that unpaid excess funds be held for a minimum period of ten years before the County can use the funds for its own purposes. Cash held in trust administered by the County have not been included in the Statement of Financial Position nor have their operations been included in the Statement of Operations. The County has $309,100 (2023 - $294,500) of cash held in trust.

4. TAXES AND GRANTS IN PLACE OF TAXES RECEIVABLE

	2024	2023
Current taxes	**$ 820,163**	$ 691,425
Arrears taxes	**1,623,691**	1,377,440
	2,443,854	2,068,865
Less: Allowance for doubtful accounts	**(1,618,824)**	(1,462,194)
	$ 825,030	$ 606,671

5. TRADE AND OTHER RECEIVABLES

	2024	2023 (Restated) (Note 25)
Provincial and federal grants receivable	**$ 5,352,265**	$ 7,511,300
Receivable from other governments	**813,049**	333,239
Goods and Services Tax recoverable	**577,891**	276,329
Trade and other	**331,739**	569,087
	7,074,944	8,689,955
Less: Allowance for doubtful accounts	**(36,166)**	(34,872)
	$ 7,038,778	$ 8,655,083

6. LINE OF CREDIT

The County has a $950,000 revolving line of credit bearing interest at prime plus 1% per annum and is due on demand. The line of credit was not in use as of December 31, 2024 (2023 - $NIL). Collateral lodged in support of the line of credit includes cash and cash equivalents held by the County, and a revolving line of credit agreement.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2024	2023
Trade payables	**$ 2,551,717**	$ 4,171,495
Other governments	**842,261**	608,030
Deposit liabilities	**344,871**	150,612
	$ 3,738,849	$ 4,930,137

8. EMPLOYEE BENEFIT OBLIGATION

	2024	2023
Vacation and sick time	**$ 495,236**	$ 713,845

The vacation and sick time liability is comprised of the vacation and sick time that employees are deferring. 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 their employees.

9. DEFERRED REVENUE

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

	2023 (Restated) (Note 25)	Additions	Revenue Recognized	**2024**
Canada Community Building Fund	$ 1,001,579	$ 455,411	(140,620)	**$ 1,316,370**
Municipal Sustainability Initiative	1,191,947	-	$ (700,008)	**491,939**
ACP - Highway 63 Road Rescue Response	240,000	600,000	(449,503)	**390,497**
Local Government Fiscal Framework	-	1,704,758	(1,338,500)	**366,258**
Other	-	400,442	(49,237)	**351,205**
Family and Community Support Services	-	123,600	-	**123,600**
Athabasca Regional Multiplex Society	11,500	245,346	-	**256,846**
Alberta Transportation - STIP Funding	54,795	659,140	(713,935)	**-**
	$ 2,499,821	$ 4,188,697	$ (3,391,803)	**$ 3,296,715**

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, lead, mercury, and mold 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 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.

(CONT'D)

10. ASSET RETIREMENT OBLIGATIONS (CONT'D)

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 occur.

	2024	2023
Balance, Beginning of Year	**$ 7,816,414**	$ 7,455,627
Net Change for the Year		
Revision in estimates	**863,079**	-
Liabilities settled	**(1,159,399)**	-
Accretion expense	**378,249**	360,787
Balance, End of Year	**$ 7,898,343**	$ 7,816,414

Asset retirement obligations of $7,898,343 (2023 - $7,816,414) measured using a present value technique. The present value was calculated using estimated total undiscounted cash flow amounting to $10,421,420 (2023 - $10,421,420), a discount rate ranging from 4.825% to 5.015% (2023 - 4.825% to 5.015%) with retirement and reclamation activities expected to be settled between 2025 and 2045.

11. CONTAMINATED SITE

	2024	2023
Site clean-up, remediation and monitoring	**$ 272,543**	$ 2,807,541

The County has accepted responsibility for remediation work on an individual site within the County's boundaries for soil contamination. The estimated remediation activities include general site clean-up, additional site investigation, risk assessment and monitoring. This estimated liability is based on current contractor and engineering costs with no estimated recoveries.

The fair value of the liability for contaminated sites is estimated using the expected cash flow approach that reflects a range of possible outcomes discounted using the consumer price index. Subsequent to the initial measurement, the obligation will be adjusted at the end of each year to reflect the passed of time and changes in the estimated future cash flows underlying the obligation. Change in the obligation are recognized in the financial statement of operations and accumulated surplus.

The estimated undiscounted future remediation expenditures are $6,630 (2023 - $2,613,000) and $29,000 (2023 - $36,000) for monitoring costs. A discount rate of 4.96% (2023 - 5.27%) has been used.

As at December 31, 2024, the County undertook remediation work on the identified contaminated site. The total cost of remediation incurred during the year was $147,636 resulting in a recovery of $2,393,992 from the initial liability. The County is still responsible for delineation and monitoring over the next 25 years.

12. INVENTORY FOR CONSUMPTION

	2024	2023
Gravel	**$ 3,179,829**	$ 1,669,966
Equipment parts and chemicals	**742,501**	753,859
	$ 3,922,330	$ 2,423,825

13. DEBT LIMITS

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

	2024	2023
Total debt limit	**$ 58,945,301**	$ 55,032,300
Total debt	**-**	-
Amount of total debt limit unused	**$ 58,945,301**	$ 55,032,300
Debt servicing limit	**$ 9,824,217**	$ 9,172,050
Debt servicing	**-**	-
Amount of debt servicing limit unused	**$ 9,824,217**	$ 9,172,050

The debt limit is calculated at 1.50 times revenue of the County (as defined in the Alberta Regulation 255/2000) and the debt service limit is calculated as 0.25 times such revenue. Incurring debt beyond these limitations requires approval by the Minister of Municipal Affairs. These thresholds are a conservative guideline used by Alberta Municipal Affairs to identify municipalities that could be at a financial risk if further debt is acquired. The calculation taken alone does not represent the financial stability of the County. Rather, the financial statements must be interpreted as a whole.

14. EQUITY IN TANGIBLE CAPITAL ASSETS

	2024	2023
Tangible capital assets *(Schedule 1)*	**$ 244,233,453**	$ 241,357,857
Accumulated amortization *(Schedule 1)*	**(162,715,193)**	(158,504,665)
Asset retirement obligations *(Note 10)*	**(7,898,343)**	(7,816,414)
	$ 73,619,917	$ 75,036,778

15. ACCUMULATED SURPLUS

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

	2024	2023 (Restated) (Note)
Unrestricted surplus	**$ 26,281,041**	$ 20,897,387
Restricted surplus		
Operating		
Equipment	**3,693,000**	-
Public transportation	**1,594,407**	1,624,407
Waste management	**1,487,000**	1,387,000
General operating	**1,389,115**	353,642
Emergency services	**456,452**	456,452
Family and Community Support Services	**345,057**	345,057
Fire	**270,000**	270,000
Recreation, parks and culture	**265,940**	265,940
	9,500,971	4,702,498
Capital		
Roads	**2,879,000**	2,729,000
Amortization fund	**2,000,000**	2,000,000
Water utility	**1,922,379**	1,787,299
Equipment	**1,261,000**	1,261,000
Fire commission	**1,441,065**	1,125,827
General capital	**434,225**	877,925
Recreation	**697,402**	697,402
Sewer utility	**542,957**	542,957
Airport	**317,000**	317,000
	11,495,028	11,338,410
Equity in tangible capital assets	**73,619,917**	75,036,778
	$120,896,957	$111,975,073

16. LOCAL AUTHORITIES PENSION PLAN

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

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

(CONT'D)

16. LOCAL AUTHORITIES PENSION PLAN (CONT'D)

Total current and past service contributions made by the County to the LAPP in 2024 were $599,126 (2023 - $499,066). Total current and past service contributions made by the employees of the County to the LAPP in 2024 were $534,085 (2023 - $445,246).

At December 31, 2023, the LAPP disclosed an actuarial surplus of $15.057 billion (2022 - $12.671 billion).

17. CONTINGENCIES

(a) Alberta Municipal Insurance Exchange
The County is a member of the Alberta Municipal Insurance Exchange ("MUNIX"). Under the terms of the memberships, the County could become liable for its proportionate share of any claim losses in excess of the funds held by MUNIX. Any liability incurred would be accounted for as a current transaction in the year the losses are determined.

(b) Legal disputes
From time to time, the County may become involved in various legal disputes. It is not possible to estimate the outcome of these disputes, however, management believes that there will be no significant adverse effects on the financial position of the County related to ongoing matters.

(c) Asset retirement obligations
The County is responsible for certain asset retirement obligations ("ARO") related to the decommissioning, dismantling, or remediation of tangible capital assets. While a liability for AROs is recorded when a legal obligation exists, and reasonable estimates can be made, there may be additional obligations for which the extent and timing of future remediation activities are uncertain.

As of December 31, 2024, the County has identified potential AROs related to three additional gravel pits that may result in future liabilities. However, the extent of these obligations and the estimated costs cannot be reasonably determined at this time due to one or more of the following:

- Incomplete site assessments
- Uncertainty in future decommissioning requirements
- Ongoing regulatory discussions

Therefore, no liability has been recognized for these potential AROs. These matters are being monitored and will be recognized as liabilities when sufficient information becomes available.

(d) Contaminated sites
In accordance with PS 3260 - Liability for Contaminated Sites, a liability remediation of contaminated sites is recognized when all of the following criteria are met:

- An environmental standard exists
- Contamination exceeds the environmental standards
- The County is directly responsible or accepts responsibility
- It is expected that future economic benefits will be given up
- A reasonable estimate of the amount can be made

(CONT'D)

17. CONTINGENCIES (CONT'D)

(d) Contaminated sites (cont'd)

As of December 31, 2024, the County has identified sites where contamination may exist. Site investigations and assessments are in progress. While preliminary evidence suggests the presence of contamination exceeding environmental standards, the extent of the contamination, potential responsibility, and associated remediation costs have not yet been determined.

As such, these items represent contingent liabilities. No liability has been recognized in the financial statements as the recognition criteria under PS 3260 have not been fully met. These sites will continue to be assessed, and liabilities will be recorded when measurable and probable.

18. SALARIES AND BENEFITS DISCLOSURE

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

	Salary[1]	Benefits, Travel and Allowances[2]	**2024 Total**	2023 Total
Elected Officials:				
Brian Hall[3]	$ 64,553	$ 35,792	**$ 100,345**	$ 78,821
Ashtin Anderson	59,653	28,258	**87,911**	71,554
Natasha Kapitaniuk	54,858	30,823	**85,681**	62,323
Camille Wallach	54,858	23,375	**78,233**	63,311
Kelly Chamzuk	54,858	21,415	**76,273**	65,105
Tracy Holland[3]	56,631	19,525	**76,156**	64,766
Gary Cromwell	54,858	19,599	**74,457**	65,282
Rob Minns	55,725	16,914	**72,639**	65,703
Joe Gerlach	54,858	11,209	**66,067**	58,635
	$ 510,852	$ 206,910	**$ 717,762**	$ 595,500
Chief Administrative Officer	$ 191,997	$ 33,821	**$ 225,818**	$ 386,137
Designated Officer (contract)	365,869	-	**365,869**	197,655
	$ 557,866	$ 33,821	**$ 591,687**	$ 583,792

(1) Salary includes gross honoraria, regular base pay, bonuses, overtime, lump sum payments, and any other direct cash remuneration.

(2) Employer's share of all employee benefits, travel and allowances or payments made on behalf of employees including travel and subsistence, pension, health care, dental coverage, vision coverage, group life disability plans, professional memberships and tuition.

(3) The Reeve is elected from within Council on an annual basis. In 2024, the Division 5 elected official was elected Reeve in October 2024.

19. FINANCIAL INSTRUMENTS

The County's financial instruments consist of cash and temporary investments, taxes and grants in place of taxes receivable, trade and other receivables, accounts payable and accrued liabilities, and deposit liabilities. It is management's opinion that the County is not exposed to significant interest, currency or credit risk arising from these financial instruments.

The County is subject to credit risk with respect to taxes and grants in place of taxes receivable 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 fulfill their obligations. The large number and diversity of customers minimizes the County's credit risk.

Unless otherwise noted, the carrying value of these financial instruments approximates their fair value.

20. GOVERNMENT PARTNERSHIPS

The County participated in a government partnership with the Town of Athabasca (the "Town") to build a multiplex facility and is committed to sharing the annual multiplex net operating costs equally with the Town. A summary of the assets, revenues and expenses included in the County's financial statements related to the multiplex facility are as follows:

	2024	2023
Statement of financial position:		
Cash	**$ 518,042**	$ 152,912
Accrued receivable	**53,576**	118,785
Total financial assets	**571,618**	271,697
Accrued payable	**167,485**	116,391
Deferred revenue	**256,848**	11,500
Total liabilities	**424,333**	127,891
Tangible capital assets	**14,901,863**	15,467,913
Inventory for consumption	**13,484**	13,014
Prepaid expenses	**54,654**	30,537
Total non-financial assets	**$ 14,970,001**	$ 15,511,464
Statement of operations:		
Revenue - User fees and sales of goods	**$ 730,030**	$ 585,411
Expenses - Recreation and culture	**1,674,774**	1,528,108
Annual Surplus (Deficit)	**$ (944,744)**	$ (942,697)

21. 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 Administration and Legislative Services

Administration is responsible for the administration of the County as a whole. Administration includes assessments services, financial services, records management, general administration as well as management of the safety program.

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

(b) Protective Services

Protective services is comprised of enforcement services, fire, disaster and emergency management. 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. Fire services is responsible to provide fire suppression services; fire prevention programs; training and education related to fire prevention; and detection or extinguishments of fires. The mandate of emergency management to help maintain safe communities and public safety in disaster situations.

(c) Transportation Services

Transportation provides and maintains a safe and reliable road network for the travelling public. Transportation is responsible for winter and summer road and bridge maintenance. The County's road construction program operates through the summer months. Maintenance and operation of the County airport is provided. Administration and operation of the community transportation on behalf of the County, the Town of Athabasca and the Village of Boyle is included.

(d) Environmental Use and Protection

The County is responsible for environmental programs such as the engineering and operation of water, and wastewater systems and waste management. This includes water conservation, efficiency and protection and promoting green construction, energy and technology.

(e) Family and Community Support Services

The Athabasca County Family Family and Community Support Services ("FCSS") Program provides a wide range or services designed to promote individual, family and community wellness. This program is a partnership between the Alberta Government, Athabasca County, Town of Athabasca, Village of Boyle and the Summer Villages of Mewatha, West Baptiste, Sunset Beach and Island Lake South.

(f) Planning and Development Services

Planning and development manages current and long term planning as well as subdivision and development permits.

(g) Recreation Services

Recreation services provides recreational and cultural services, activities that promote health and well-being of its citizens, and activities related to parks and libraries. Tourism and economic development are also included in this segment.

(CONT'D)

21. SEGMENTED INFORMATION (CONT'D)

Certain allocation methodologies are employed in the preparation of segmented financial information. Net municipal taxes are unallocated to segments and are presented under general administration and legislative 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.

22. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by Council and Management on April 24, 2025.

23. BUDGET

The budget presented in these financial statements are based on the budget approved by Council on December 12, 2024. Amortization was included in the budget but was removed for the calculation of the taxation requirement.

24. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to confirm to current year presentation.

25. RESTATEMENT

(a) PS 3410 - Government transfers

Section 3410 of the Public Sector Accounting Standards ("PSAS") outlines that a transfer with or without eligibility criteria but with stipulations should be recognized by a recipient government as revenue in the period the transfer is authorized and all eligibility criteria have been met, except when and to the extent that the transfer gives rise to an obligation that meets the definition of a liability for the recipient government. The Municipal Sustainability Initiative ("MSI") and Canada Community Building Fund ("CCBF") through the Government of Alberta provides financial assistance to support local infrastructure priorities and build strong, safe, and resilient communities.

- The County recognized revenue for the purchase of four graders in 2023 under MSI. Under the funding stipulations, the County is only approved for the purchase of three graders and as such, revenue recognized was overstated in 2023 by $678,000.

- The County incurred costs for Aspen Ridge and South Athabasca Aggregate chip seal in 2021. Under CCBF, the County is entitle to a maximum funding of $414,000 for this project. No amount was recognized for this project and as such, revenue was understated in 2021 for the same amount.

- The County recognized revenue for the Richards road construction project in 2023 under CCBF. Upon review of the Statement of Funding and Expenditures submitted for 2022, the maximum funding allowed for this project was fully expended as at 2022. Any costs incurred afterwards must be funded through other funding methods. Revenue was recognized for the costs incurred in 2023 resulting in an overstatement of $317,450.

(CONT'D)

25. RESTATEMENT (CONT'D)

- Due to significant delays in submission of grant reporting, allocations for MSI for the years 2021 (second half) to 2023 were not received until 2024. In order to account for the entitlement, grants receivable were booked in previous years to reflect expected funding based on underlying costs. As a result of the over-recognition of revenue above, there is a corresponding over-accrual for grants receivable. Additionally, for amounts not eligible under funding stipulation, there is a corresponding understatement in deferred revenue.

Comparative figures have been restated as follows.

	As Previously Stated	Restatement	**As Restated**
Consolidated Statement of Operations			
Revenues	$ 42,392,269	$ (995,540)	**$ 41,396,729**
Expenses	(31,287,456)	-	**(31,287,456)**
Annual Surplus / (Deficit)	11,104,813	(995,540)	**10,109,273**
Accumulated Surplus, Beginning of Year	101,451,710	414,000	**101,865,710**
Accumulated Surplus, End of Year	$112,556,523	$ (581,450)	**$111,975,073**
Consolidated Statement of Financial Position			
Financial Assets	$ 46,381,921	$ (1,363,314)	**$ 45,018,607**
Liabilities	(19,549,622)	781,864	**(18,767,758)**
Net Financial Assets	26,832,299	(581,450)	**26,250,849**
Non-Financial Assets	85,724,224	-	**85,724,224**
Accumulated surplus	$112,556,523	$ (581,450)	**$111,975,073**
Consolidated Statement of Changes in Net Financial Assets (Debt)			
Annual Surplus / (Deficit)	$ 11,104,813	$ (995,450)	**$ 10,109,363**
Acquisition of tangible capital assets	(6,909,087)	-	**(6,909,087)**
Proceeds on disposal of tangible capital assets	1,077,829	-	**1,077,829**
Amortization of tangible capital assets	5,578,142	-	**5,578,142**
Loss on disposal of tangible capital assets	(33,167)	-	**(33,167)**
Net change in prepaid expenses	(84,406)	-	**(84,406)**
Net change in inventory for consumption	798,106	-	**798,106**
Change in Net Financial Assets	11,532,230	(995,450)	**10,536,780**
Net Financial Assets, Beginning of Year	15,300,069	(414,000)	**14,886,069**
Net Financial Assets, End of Year	$ 26,832,299	$ (581,450)	**$ 26,250,849**