

WOODLANDS COUNTY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibility for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded, and financial records are properly maintained to provide reliable information for the preparation of the financial statements.

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

Metrix Group LLP, an independent firm of Chartered Professional Accountants, is appointed by Council to audit the financial statements and to report directly to them. The external auditors have full and free access to and meet periodically and separately with both the Reeve and Council and management to discuss their audit findings.



Matthew Ferris, Chief Administrative Officer



John Orwa, Director, Finance & Business Supports

Whitecourt, Alberta
April 23, 2026

INDEPENDENT AUDITORS' REPORT

To the Reeve and Council of Woodlands County

Opinion

We have audited the accompanying financial statements of Woodlands County (the "County"), which comprise the statement of financial position as at December 31, 2025, and the statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the County as at December 31, 2025, and the results of its operations, changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the County in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the County's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the County or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the County's financial reporting process.

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Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control.
- Evaluate the appropriateness of accounting policies and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the County's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the County to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

METRIX GROUP LLP

Chartered Professional Accountants

Edmonton, Alberta

April 23, 2026

WOODLANDS COUNTY
Statement of Financial Position
As at December 31, 2025

	<u>2025</u>	<u>2024</u>
FINANCIAL ASSETS		
Cash and cash equivalents (Note 2)	\$ 31,552,188	\$ 30,275,788
Taxes and grants in place of taxes receivable (Note 3)	1,433,246	746,993
Trade and other receivables (Note 4)	3,048,931	2,006,861
Loans receivable (Note 5)	<u>1,690,385</u>	<u>1,917,676</u>
	<u>37,724,750</u>	<u>34,947,318</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 7)	3,892,537	6,106,764
Deposit liabilities	109,840	114,540
Employee benefit obligations (Note 8)	518,704	400,714
Deferred revenue (Note 9)	306,433	99,152
Asset retirement obligations (Note 11)	8,586,672	8,304,308
Long-term debt (Note 10)	<u>11,717,268</u>	<u>8,553,413</u>
	<u>25,131,454</u>	<u>23,578,891</u>
NET FINANCIAL ASSETS	<u>12,593,296</u>	<u>11,368,427</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 5)	81,022,118	77,397,671
Inventory for consumption (Note 12)	1,255,334	1,841,546
Prepaid expenses	<u>423,318</u>	<u>658,180</u>
	<u>82,700,770</u>	<u>79,897,397</u>
ACCUMULATED SURPLUS (Schedule 1, Note 15)	<u>\$ 95,294,066</u>	<u>\$ 91,265,824</u>

CONTINGENCIES AND COMMITMENTS (Note 17)

APPROVED ON BEHALF OF COUNCIL:


 _____ Reeve


 _____ Councillor

WOODLANDS COUNTY
Statement of Operations and Accumulated Surplus
For The Year Ended December 31, 2025

	<u>2025</u> (Budget) (Note 21)	<u>2025</u> (Actual)	<u>2024</u> (Actual)
REVENUES			
Net municipal property taxes <i>(Schedule 2)</i>	\$ 25,735,727	\$ 25,410,311	\$ 24,037,447
Government transfers for operating <i>(Schedule 3)</i>	1,805,421	1,833,565	1,147,056
Other	802,600	1,292,724	5,682,879
Investment income	908,500	1,213,797	1,686,800
User fees and sale of goods and services	279,900	558,065	528,073
Penalties and costs on taxes	230,000	364,131	256,025
Rentals	<u>186,000</u>	<u>192,591</u>	<u>152,993</u>
	<u>29,948,148</u>	<u>30,865,184</u>	<u>33,491,273</u>
EXPENSES			
Transportation	15,400,310	12,052,923	14,995,900
Administration	7,658,710	7,449,709	7,771,204
Protective services	2,667,208	2,458,535	2,050,229
Utilities and waste management	2,511,314	2,260,450	2,215,561
Planning and development	1,870,846	1,436,654	1,019,655
Recreation	1,174,543	1,177,366	928,657
Legislative	839,369	861,668	754,631
Agriculture services	723,837	601,306	599,982
Community services	391,347	423,895	287,026
Arts and culture	<u>376,400</u>	<u>390,232</u>	<u>367,710</u>
	<u>33,613,884</u>	<u>29,112,738</u>	<u>30,990,555</u>
ANNUAL SURPLUS (DEFICIT) BEFORE OTHER INCOME	<u>(3,665,736)</u>	<u>1,752,446</u>	<u>2,500,718</u>
OTHER INCOME			
Government transfers for capital <i>(Schedule 3)</i>	1,397,712	2,227,286	1,327,894
Contributed tangible capital assets	-	48,510	-
Gain on disposal of tangible capital assets	<u>-</u>	<u>-</u>	<u>30,014</u>
	<u>1,397,712</u>	<u>2,275,796</u>	<u>1,357,908</u>
ANNUAL SURPLUS (DEFICIT)	(2,268,024)	4,028,242	3,858,626
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>91,265,824</u>	<u>91,265,824</u>	<u>87,407,198</u>
ACCUMULATED SURPLUS, END OF YEAR <i>(SCHEDULE 1, NOTE 15)</i>	\$ <u>88,997,800</u>	\$ <u>95,294,066</u>	\$ <u>91,265,824</u>

WOODLANDS COUNTY
Statement of Change in Net Financial Assets
For The Year Ended December 31, 2025

	<u>2025</u> (Budget) (Note 21)	<u>2025</u> (Actual)	<u>2024</u> (Actual)
ANNUAL SURPLUS (DEFICIT)	\$ <u>(2,268,024)</u>	\$ <u>4,028,242</u>	\$ <u>3,858,626</u>
Acquisition of tangible capital assets	(11,361,646)	(7,870,022)	(5,425,813)
Contributed tangible capital assets	-	(48,510)	-
Proceeds on disposal of tangible capital assets	-	-	110,014
Amortization of tangible capital assets	7,145,311	4,294,085	7,161,419
Gain on disposal of tangible capital assets	<u>-</u>	<u>-</u>	<u>(30,014)</u>
	<u>(4,216,335)</u>	<u>(3,624,447)</u>	<u>1,815,606</u>
Net change in inventory for consumption	-	586,212	259,168
Net change in prepaid expenses	<u>-</u>	<u>234,862</u>	<u>(265,732)</u>
	<u>-</u>	<u>821,074</u>	<u>(6,564)</u>
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	(6,484,359)	1,224,869	5,667,668
NET FINANCIAL ASSETS, BEGINNING OF YEAR	<u>11,368,427</u>	<u>11,368,427</u>	<u>5,700,759</u>
NET FINANCIAL ASSETS, END OF YEAR	\$ <u><u>4,884,068</u></u>	\$ <u><u>12,593,296</u></u>	\$ <u><u>11,368,427</u></u>

WOODLANDS COUNTY
Statement of Cash Flows
For The Year Ended December 31, 2025

	<u>2025</u>	<u>2024</u>
OPERATING ACTIVITIES		
Annual surplus	\$ 4,028,242	\$ 3,858,626
Non-cash items included in annual surplus		
Gain on disposal of tangible capital assets	-	(30,014)
Amortization of tangible capital assets	4,294,085	7,161,419
Accretion of asset retirement obligations	282,364	276,168
Tangible capital assets received as contributions	(48,510)	-
Change in non-cash working capital balances:		
Taxes and grants in place of taxes receivable	(686,253)	(13,027)
Trade and other receivables	(1,042,070)	518,709
Deposit liabilities	(4,700)	(55,090)
Prepaid expenses	234,862	(265,732)
Inventory for consumption	586,212	259,168
Accounts payable and accrued liabilities	(2,214,227)	(1,065,922)
Loans receivable	227,291	199,135
Employee benefit obligations	117,990	14,790
Deferred revenue	207,281	(39,710)
	<u>5,982,567</u>	<u>10,818,520</u>
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(7,870,022)	(5,425,813)
Proceeds on disposal of tangible capital assets	-	110,014
	<u>(7,870,022)</u>	<u>(5,315,799)</u>
FINANCING ACTIVITIES		
Long-term debt repayments	(1,086,145)	(923,172)
Long-term debt issued	4,250,000	-
	<u>3,163,855</u>	<u>(923,172)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,276,400	4,579,549
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>30,275,788</u>	<u>25,696,239</u>
CASH AND CASH EQUIVALENTS, END OF YEAR (Note 2)	<u>\$ 31,552,188</u>	<u>\$ 30,275,788</u>

WOODLANDS COUNTY
Schedule of Changes in Accumulated Surplus
For The Year Ended December 31, 2025

SCHEDULE 1

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Equity in Tangible Capital Assets</u>	<u>2025</u>	<u>2024</u>
BALANCE, BEGINNING OF YEAR	\$ 3,146,315	\$ 26,093,649	\$ 62,025,860	\$ 91,265,824	\$ 87,407,198
Annual surplus	4,028,242	-	-	4,028,242	3,858,626
Purchase of tangible capital assets	(7,870,022)	-	7,870,022	-	-
Contributed tangible capital assets	(48,510)	-	48,510	-	-
Annual amortization expense	4,294,085	-	(4,294,085)	-	-
Disposal of tangible capital assets	-	-	-	-	-
Accretion of asset retirement obligations	282,364	-	(282,364)	-	-
Restricted funds designated for current year use	8,821,993	(8,821,993)	-	-	-
Unrestricted funds designated for future use	(8,082,897)	8,082,897	-	-	-
Long-term debt issued	4,250,000	-	(4,250,000)	-	-
Long-term debt repaid	(1,086,145)	-	1,086,145	-	-
Debt recoverable payments	<u>155,887</u>	<u>-</u>	<u>(155,887)</u>	<u>-</u>	<u>-</u>
BALANCE, END OF YEAR	\$ <u>7,891,312</u>	\$ <u>25,354,553</u>	\$ <u>62,048,201</u>	\$ <u>95,294,066</u>	\$ <u>91,265,824</u>

Schedule of Property Taxes Levied
For The Year Ended December 31, 2025

	<u>2025</u> (Budget) (Note 21)	<u>2025</u> (Actual)	<u>2024</u> (Actual)
TAXATION			
Commercial and industrial taxes	\$ 14,167,498	\$ 13,802,075	\$ 12,673,348
Linear property taxes	13,010,408	13,030,696	12,489,102
Residential and farmland property	5,282,286	5,292,307	4,929,166
Government grants in place of property taxes	17,993	17,993	17,014
Property tax incentive	<u>-</u>	<u>(1,073)</u>	<u>(3,633)</u>
	<u>32,478,185</u>	<u>32,141,998</u>	<u>30,104,997</u>
REQUISITIONS			
Alberta School Foundation Fund	(6,002,452)	(6,002,475)	(5,332,015)
Seniors Foundation	(621,910)	(622,006)	(613,594)
Designated Industrial Property	<u>(118,096)</u>	<u>(107,206)</u>	<u>(121,941)</u>
	<u>(6,742,458)</u>	<u>(6,731,687)</u>	<u>(6,067,550)</u>
NET MUNICIPAL TAXES	<u>\$ 25,735,727</u>	<u>\$ 25,410,311</u>	<u>\$ 24,037,447</u>

Schedule of Government Transfers

For The Year Ended December 31, 2025

	<u>2025</u> (Budget) (Note 21)	<u>2025</u> (Actual)	<u>2024</u> (Actual)
TRANSFERS FOR OPERATING			
Provincial government	\$ 1,751,421	\$ 1,530,262	\$ 1,077,343
Local government	54,000	290,703	69,713
Federal government	-	12,600	-
	<u>1,805,421</u>	<u>1,833,565</u>	<u>1,147,056</u>
TRANSFERS FOR CAPITAL			
Provincial government	<u>1,397,712</u>	<u>2,227,286</u>	<u>1,327,894</u>
TOTAL GOVERNMENT TRANSFERS	<u>\$ 3,203,133</u>	<u>\$ 4,060,851</u>	<u>\$ 2,474,950</u>

WOODLANDS COUNTY
Schedule of Segmented Disclosure
For The Year Ended December 31, 2025

SCHEDULE 4

	<u>Administration</u>	<u>Legislative</u>	<u>Agriculture Services</u>	<u>Community Services</u>	<u>Planning and Development</u>	<u>Protective Services</u>	<u>Recreation</u>	<u>Arts and Culture</u>	<u>Transportation</u>	<u>Utilities and Waste Management</u>	<u>2025</u>
REVENUE											
Net municipal property taxes	\$ 25,410,311	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,410,311
Other revenues	596,806	2,125	-	-	39,175	108,498	-	-	532,003	14,117	1,292,724
Investment income	1,204,299	-	-	-	-	-	-	-	-	9,498	1,213,797
Government transfers for operating	145,197	-	464,997	128,270	-	791,798	254,940	-	48,363	-	1,833,565
Sales and user charges	20,687	-	16,595	1,000	19,752	10,872	5,970	-	28,194	454,995	558,065
Penalties and cost of taxes	364,131	-	-	-	-	-	-	-	-	-	364,131
Rentals	1,789	-	5,431	-	-	-	-	-	185,371	-	192,591
	<u>27,743,220</u>	<u>2,125</u>	<u>487,023</u>	<u>129,270</u>	<u>58,927</u>	<u>911,168</u>	<u>260,910</u>	<u>-</u>	<u>793,931</u>	<u>478,610</u>	<u>30,865,184</u>
EXPENSES											
Salaries, wages and benefits	2,115,357	516,979	281,684	34,603	742,111	580,404	445,941	2,203	3,568,770	634,252	8,922,304
Amortization	67,076	-	41,335	-	1,778	360,872	67,471	13,717	3,321,002	420,834	4,294,085
Contracted and general service	1,827,466	311,997	157,674	18,924	575,980	624,061	109,992	58,920	2,128,296	469,379	6,282,689
Transfers to other governments	2,505,209	-	-	209,699	-	462,637	48,426	70,359	-	382,557	3,678,887
Materials, goods, and utilities	249,892	32,692	44,363	6,018	116,785	386,311	113,223	11,334	2,710,361	301,663	3,972,642
Provision for allowances	309,849	-	-	-	-	-	-	-	-	1,929	311,778
Transfers to individuals and organizations	15,000	-	76,250	154,651	-	44,250	392,313	233,699	-	-	916,163
Interest on long-term debt	68,873	-	-	-	-	-	-	-	324,494	49,836	443,203
Accretion	282,364	-	-	-	-	-	-	-	-	-	282,364
Bank charges and interest	8,623	-	-	-	-	-	-	-	-	-	8,623
	<u>7,449,709</u>	<u>861,668</u>	<u>601,306</u>	<u>423,895</u>	<u>1,436,654</u>	<u>2,458,535</u>	<u>1,177,366</u>	<u>390,232</u>	<u>12,052,923</u>	<u>2,260,450</u>	<u>29,112,738</u>
ANNUAL SURPLUS (DEFICIT) BEFORE OTHER INCOME	<u>20,293,511</u>	<u>(859,543)</u>	<u>(114,283)</u>	<u>(294,625)</u>	<u>(1,377,727)</u>	<u>(1,547,367)</u>	<u>(916,456)</u>	<u>(390,232)</u>	<u>(11,258,992)</u>	<u>(1,781,840)</u>	<u>1,752,446</u>
OTHER INCOME											
Government transfers for capital	-	-	-	-	-	-	-	-	2,227,286	-	2,227,286
Contributed tangible capital assets	-	-	-	-	-	48,510	-	-	-	-	48,510
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>48,510</u>	<u>-</u>	<u>-</u>	<u>2,227,286</u>	<u>-</u>	<u>2,275,796</u>
ANNUAL SURPLUS (DEFICIT)	<u>\$ 20,293,511</u>	<u>\$ (859,543)</u>	<u>\$ (114,283)</u>	<u>\$ (294,625)</u>	<u>\$ (1,377,727)</u>	<u>\$ (1,498,857)</u>	<u>\$ (916,456)</u>	<u>\$ (390,232)</u>	<u>\$ (9,031,706)</u>	<u>\$ (1,781,840)</u>	<u>\$ 4,028,242</u>

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

WOODLANDS COUNTY

SCHEDULE 5

Schedule of Segmented Disclosure

For The Year Ended December 31, 2024

	<u>Administration</u>	<u>Legislative</u>	<u>Agriculture Services</u>	<u>Community Services</u>	<u>Planning and Development</u>	<u>Protective Services</u>	<u>Recreation</u>	<u>Arts and Culture</u>	<u>Transportation</u>	<u>Utilities and Waste Management</u>	<u>2024</u>
REVENUE											
Net municipal property taxes	\$ 24,037,447	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,037,447
Other revenues	841,963	4,177,930	289	-	13,234	201,460	-	-	441,703	6,300	5,682,879
Investment income	1,676,938	-	-	-	-	-	-	-	-	9,862	1,686,800
Government transfers for operating	145,198	-	281,747	126,743	-	377,692	29,713	-	185,963	-	1,147,056
Sales and user charges	17,450	-	9,900	-	20,822	4,541	7,024	-	28,297	440,039	528,073
Penalties and cost of taxes	256,025	-	-	-	-	-	-	-	-	-	256,025
Rentals	1,820	-	5,645	-	-	-	-	-	145,528	-	152,993
	<u>26,976,841</u>	<u>4,177,930</u>	<u>297,581</u>	<u>126,743</u>	<u>34,056</u>	<u>583,693</u>	<u>36,737</u>	<u>-</u>	<u>801,491</u>	<u>456,201</u>	<u>33,491,273</u>
EXPENSES											
Salaries, wages and benefits	1,311,300	490,401	304,695	36,891	623,143	610,957	326,218	2,175	3,188,449	671,942	7,566,171
Amortization	63,130	-	41,335	-	1,778	246,449	74,834	13,717	6,298,826	421,350	7,161,419
Contracted and general service	1,705,591	248,386	147,291	17,515	327,820	475,141	91,404	43,258	3,056,857	465,715	6,578,978
Transfers to other governments	2,321,461	-	-	85,393	-	488,055	47,476	68,979	-	366,573	3,377,937
Materials, goods, and utilities	132,879	11,248	49,661	4,861	66,914	207,877	45,572	9,281	2,238,161	232,405	2,998,859
Provision for allowances	1,858,376	-	-	-	-	-	-	-	-	-	1,858,376
Transfers to individuals and organizations	15,000	4,596	57,000	142,366	-	21,750	343,153	230,300	-	-	814,165
Interest on long-term debt	76,315	-	-	-	-	-	-	-	213,607	57,576	347,498
Accretion	276,168	-	-	-	-	-	-	-	-	-	276,168
Bank charges and interest	10,984	-	-	-	-	-	-	-	-	-	10,984
	<u>7,771,204</u>	<u>754,631</u>	<u>599,982</u>	<u>287,026</u>	<u>1,019,655</u>	<u>2,050,229</u>	<u>928,657</u>	<u>367,710</u>	<u>14,995,900</u>	<u>2,215,561</u>	<u>30,990,555</u>
ANNUAL SURPLUS (DEFICIT) BEFORE OTHER INCOME	<u>19,205,637</u>	<u>3,423,299</u>	<u>(302,401)</u>	<u>(160,283)</u>	<u>(985,599)</u>	<u>(1,466,536)</u>	<u>(891,920)</u>	<u>(367,710)</u>	<u>(14,194,409)</u>	<u>(1,759,360)</u>	<u>2,500,718</u>
OTHER INCOME											
Government transfers for capital	-	-	-	-	-	2,000	-	-	1,325,894	-	1,327,894
Gain (loss) on disposal of tangible capital assets	-	-	-	-	-	-	-	-	30,014	-	30,014
	-	-	-	-	-	2,000	-	-	1,355,908	-	1,357,908
ANNUAL SURPLUS (DEFICIT)	<u>\$ 19,205,637</u>	<u>\$ 3,423,299</u>	<u>\$ (302,401)</u>	<u>\$ (160,283)</u>	<u>\$ (985,599)</u>	<u>\$ (1,464,536)</u>	<u>\$ (891,920)</u>	<u>\$ (367,710)</u>	<u>\$ (12,838,501)</u>	<u>\$ (1,759,360)</u>	<u>\$ 3,858,626</u>

WOODLANDS COUNTY

SCHEDULE 6

Schedule of Tangible Capital Assets

For The Year Ended December 31, 2025

	<u>Land</u>	<u>Land Improvements</u>	<u>Buildings</u>	<u>Engineered Structures</u>	<u>Machinery and Equipment</u>	<u>Vehicles</u>	<u>2025</u>	<u>2024</u>
COST:								
Balance, Beginning of Year	\$ 2,912,470	\$ 4,705,736	\$ 14,233,880	\$ 269,130,578	\$ 10,887,525	\$ 8,287,117	\$ 310,157,306	\$ 305,086,546
Additions	-	96,533	353,217	5,324,646	1,179,983	915,643	7,870,022	5,425,813
Contributed assets	-	-	-	-	48,510	-	48,510	-
Disposals	-	-	-	-	(9,205)	-	(9,205)	(355,053)
Balance, End of Year	<u>2,912,470</u>	<u>4,802,269</u>	<u>14,587,097</u>	<u>274,455,224</u>	<u>12,106,813</u>	<u>9,202,760</u>	<u>318,066,633</u>	<u>310,157,306</u>
ACCUMULATED AMORTIZATION:								
Balance, Beginning of Year	-	1,923,444	4,239,311	217,555,953	4,704,344	4,336,583	232,759,635	225,873,269
Amortization	-	147,125	293,047	2,676,734	644,309	532,870	4,294,085	7,161,419
Disposals	-	-	-	-	(9,205)	-	(9,205)	(275,053)
Balance, End of Year	-	<u>2,070,569</u>	<u>4,532,358</u>	<u>220,232,687</u>	<u>5,339,448</u>	<u>4,869,453</u>	<u>237,044,515</u>	<u>232,759,635</u>
2025 NET BOOK VALUE	<u>\$ 2,912,470</u>	<u>\$ 2,731,700</u>	<u>\$ 10,054,739</u>	<u>\$ 54,222,537</u>	<u>\$ 6,767,365</u>	<u>\$ 4,333,307</u>	<u>\$ 81,022,118</u>	<u>\$ -</u>
2024 NET BOOK VALUE	<u>\$ 2,912,470</u>	<u>\$ 2,782,292</u>	<u>\$ 9,994,569</u>	<u>\$ 51,574,625</u>	<u>\$ 6,183,181</u>	<u>\$ 3,950,534</u>	<u>\$ -</u>	<u>\$ 77,397,671</u>

*Construction in progress is comprised of

	<u>\$ -</u>	<u>\$ 82,133</u>	<u>\$ 234,964</u>	<u>\$ 19,709</u>	<u>\$ 634,166</u>	<u>\$ 298,583</u>	<u>\$ 1,269,555</u>	<u>\$ 654,156</u>
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WOODLANDS COUNTY

Notes to Financial Statements

Year Ended December 31, 2025

1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Reporting entity

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

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

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

(b) Basis of accounting

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

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

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

(c) Cash and cash equivalents

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

(d) Investments

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

(e) Government transfers

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

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

(CONT'D)

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Use of estimates

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

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

(g) Asset retirement obligations

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

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

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

When the future retirement date is unknown, the asset retirement obligation is measured at the current estimated cost to settle or otherwise extinguish the liability. When the future retirement date is known, a present value technique is used to measure the liability. Subsequent to the initial measurement, the asset retirement obligation is adjusted to reflect the passage of time and changes in the estimated future cash flows underlying the obligation and is recognized as an accretion expense in the statement of operations.

(h) Tax revenue

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

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

(CONT'D)

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Pension expenses

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

(j) Loans receivable

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

(k) Requisition over-levy and under-levy

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

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

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

(l) Non-financial assets

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

Tangible Capital Assets

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

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

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

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

(CONT'D)

WOODLANDS COUNTY
Notes to Financial Statements
Year Ended December 31, 2025

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

Inventory

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

(m) Future Accounting Standard Pronouncements

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

i) PS 1202 - Financial Statement Presentation

This standard sets out general and specific requirements for the presentation of information in general purpose financial statements. The financial statement principles are based on the concepts in the Conceptual Framework for Financial Reporting in the Public Sector. This standard is applicable to fiscal years beginning on or after April 1, 2026.

ii) The Conceptual Framework for Financial Reporting

The PSAB's framework replaces the conceptual aspects of PS 1000 – Financial Statement Concepts, and PS 1100 – Financial Statement Objectives. This standard is applicable to fiscal years beginning on or after April 1, 2026.

2. CASH AND CASH EQUIVALENTS

	<u>2025</u>	<u>2024</u>
Cash	\$ 30,327,097	\$ 29,091,379
Cash equivalents	<u>1,225,091</u>	<u>1,184,409</u>
	<u>\$ 31,552,188</u>	<u>\$ 30,275,788</u>

Cash equivalents are short-term deposits with original maturities of three months or less, bearing interest at rates ranging from prime less 1.45% to prime less 1.65% (2024: prime less 1.55% to prime less 1.65%).

3. TAXES AND GRANTS IN PLACE OF TAXES RECEIVABLES

	<u>2025</u>	<u>2024</u>
Current taxes and grants in place of taxes	\$ 1,510,284	\$ 1,423,105
Arrears taxes	<u>1,145,270</u>	<u>361,000</u>
	2,655,554	1,784,105
Less: Allowance for doubtful accounts	<u>(1,222,308)</u>	<u>(1,037,112)</u>
	<u>\$ 1,433,246</u>	<u>\$ 746,993</u>

WOODLANDS COUNTY
Notes to Financial Statements
Year Ended December 31, 2025

4. TRADE AND OTHER RECEIVABLES

	<u>2025</u>	<u>2024</u>
Trade accounts receivable	\$ 1,301,488	\$ 1,245,855
Receivables from other governments	1,426,186	545,627
Goods and Services Tax recoverable	<u>397,516</u>	<u>248,944</u>
	3,125,190	2,040,426
Less: Allowance for doubtful accounts	<u>(76,259)</u>	<u>(33,565)</u>
	<u>\$ 3,048,931</u>	<u>\$ 2,006,861</u>

5. LOANS RECEIVABLE

	<u>2025</u>	<u>2024</u>
Lac Ste. Anne Foundation	\$ 1,348,898	\$ 1,506,996
Airport Subdivision Connections	235,237	239,013
Whitcourt Woodlands Winter Recreation Park Society	100,000	140,000
Friends of Whitcourt Society	<u>6,250</u>	<u>31,667</u>
	<u>\$ 1,690,385</u>	<u>\$ 1,917,676</u>

The County passed Bylaw 2016/06 on July 4, 2006 authorizing Council to lend \$3,250,000 to the Lac Ste. Anne Foundation (the "Foundation") for the purpose of assisting the Foundation to undertake and complete the construction of the Seniors' Lodge in Onoway, Alberta. The loan was advanced during 2007 and is repayable in 50 semi-annual installments of \$113,333; including interest of 4.89% per annum, commencing March 15, 2008. The loan was financed by an equivalent borrowing from the Province of Alberta (Note 10). The loan receivable from the Foundation includes accrued interest of \$18,875 (2024 - \$21,076).

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

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

6. LINE OF CREDIT

The County has a revolving demand credit facility of \$1,000,000. The demand loan bears interest at the bank's prime rate plus 1.00% per annum, and was not drawn on at December 31, 2025 (2024 - \$NIL) and is unsecured.

(CONT'D)

WOODLANDS COUNTY

Notes to Financial Statements

Year Ended December 31, 2025

6. LINE OF CREDIT (CONT'D)

The County additionally has secured three irrevocable letters of credit for a total of \$22,600 (2024 - \$22,600). The letters of credit bear interest at the bank's prime rate plus 3.00% per annum, and were not drawn on at December 31, 2025 (2024 - \$NIL). If required, this balance will be drawn upon the County's demand credit facility.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2025</u>	<u>2024</u>
Trade payables	\$ 2,654,731	\$ 3,272,193
Payables to other governments	1,002,808	2,672,535
Salaries and wages payable	155,127	162,036
Holdback liabilities	60,000	-
Requisition over levies	<u>19,871</u>	<u>-</u>
	<u>\$ 3,892,537</u>	<u>\$ 6,106,764</u>

8. EMPLOYEE BENEFITS OBLIGATION

	<u>2025</u>	<u>2024</u>
Vacation	\$ 383,218	\$ 291,975
Sick leave	72,470	55,005
Overtime	<u>63,016</u>	<u>53,734</u>
	<u>\$ 518,704</u>	<u>\$ 400,714</u>

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

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

9. DEFERRED REVENUE

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

	<u>2024</u>	<u>Additions</u>	<u>Revenue Recognized</u>	<u>2025</u>
Other	\$ 59,152	\$ 157,573	\$ (54,958)	\$ 161,767
Local Government Fiscal Framework	-	1,397,712	(1,253,046)	144,666
Canada Community Building Fund Strategic Transportation	-	599,240	(599,240)	-
Infrastructure Program	<u>40,000</u>	<u>-</u>	<u>(40,000)</u>	<u>-</u>
	<u>\$ 99,152</u>	<u>\$ 2,154,525</u>	<u>\$ (1,947,244)</u>	<u>\$ 306,433</u>

WOODLANDS COUNTY
Notes to Financial Statements
Year Ended December 31, 2025

10. LONG-TERM DEBT

	<u>2025</u>	<u>2024</u>
Water and sewer extension		
Province of Alberta		
Interest rate 2.35%, due June 2031	\$ 611,865	\$ 714,903
Interest rate 3.84%, due September 2030	585,417	689,709
Interest rate 2.15%, due September 2031	408,124	471,195
County administration and workshop expansions		
Province of Alberta		
Interest rate 2.35%, due June 2031	815,820	953,209
Interest rate 2.15%, due September 2031	968,395	1,118,053
Lac Ste. Anne Foundation		
Province of Alberta		
Interest rate 4.89%, due September 2032	1,330,023	1,485,910
Transportation		
Province of Alberta		
Interest rate 5.00%, due June 2038	1,638,951	1,770,067
Interest rate 5.00%, due June 2038	1,250,340	1,350,367
Interest rate 4.56%, due March 2040	1,788,333	-
Interest rate 4.56%, due March 2040	<u>2,320,000</u>	<u>-</u>
	<u>\$ 11,717,268</u>	<u>\$ 8,553,413</u>

The current portion of the long-term debt amounts to \$1,249,862 (2024 - \$944,478).

Principal and interest repayments:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 1,249,862	\$ 470,797	\$ 1,720,659
2027	1,272,686	423,497	1,696,183
2028	1,296,312	375,393	1,671,705
2029	1,320,774	326,454	1,647,228
2030	1,344,880	276,647	1,621,527
Thereafter	<u>5,232,754</u>	<u>992,351</u>	<u>6,225,105</u>
	<u>\$ 11,717,268</u>	<u>\$ 2,865,139</u>	<u>\$ 14,582,407</u>

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

Interest on long-term debt paid amounted to \$443,203 (2024 - \$347,498)

The County's total cash payments for interest is \$417,195 (2024 - \$353,159).

WOODLANDS COUNTY
Notes to Financial Statements
Year Ended December 31, 2025

11. ASSET RETIREMENT OBLIGATIONS

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

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

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

	<u>2025</u>	<u>2024</u>
Balance, Beginning of Year	\$ 8,304,308	\$ 8,028,140
Net Change for the Year		
Accretion expense	<u>282,364</u>	<u>276,168</u>
Balance, End of Year	<u>\$ 8,586,672</u>	<u>\$ 8,304,308</u>

Asset retirement obligations of \$8,586,672 (2024 - \$8,304,308) are measured using a present value technique. The present value was calculated using estimated total undiscounted cash flows amounting to \$10,914,468 (2024 - \$10,914,468), a discount rate of 3.44% (2024 - 3.44%), with retirement and reclamation activities expected to be settled between 2026 and 2062.

12. INVENTORY FOR CONSUMPTION

	<u>2025</u>	<u>2024</u>
Gravel	\$ 755,208	\$ 1,288,898
Material and supplies	<u>500,126</u>	<u>552,648</u>
	<u>\$ 1,255,334</u>	<u>\$ 1,841,546</u>

WOODLANDS COUNTY
Notes to Financial Statements
Year Ended December 31, 2025

13. DEBT LIMITS

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

	<u>2025</u>	<u>2024</u>
Total debt limit	\$ 46,297,776	\$ 50,281,931
Total debt	<u>(11,717,268)</u>	<u>(8,553,413)</u>
Amount of debt limit unused	<u>\$ 34,580,508</u>	<u>\$ 41,728,518</u>
Service on debt limit	\$ 7,716,296	\$ 8,380,322
Service on debt	<u>(1,720,659)</u>	<u>(1,264,773)</u>
Amount of service on debt limit unused	<u>\$ 5,995,637</u>	<u>\$ 7,115,549</u>

The debt limit is calculated at 1.5 times revenue of the County (as defined in *Alberta Regulation 255/2000*) and the debt service limit is calculated at 0.25 times such revenue. Incurring debt beyond these limits requires approval by the Minister of Municipal Affairs. These thresholds are guidelines used by Alberta Municipal Affairs to identify municipalities which could be at financial risk if further debt is acquired. The calculation taken alone does not represent the financial stability of the County. Rather, the financial statements must be interpreted as a whole.

14. EQUITY IN TANGIBLE CAPITAL ASSETS

	<u>2025</u>	<u>2024</u>
Net book value of tangible capital assets	\$ 81,022,118	\$ 77,397,671
Asset retirement obligations	<u>(8,586,672)</u>	<u>(8,304,308)</u>
Long-term debt related to tangible capital assets	<u>(10,387,245)</u>	<u>(7,067,503)</u>
	<u>\$ 62,048,201</u>	<u>\$ 62,025,860</u>

WOODLANDS COUNTY
Notes to Financial Statements
Year Ended December 31, 2025

15. ACCUMULATED SURPLUS

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

	<u>2025</u>	<u>2024</u>
Unrestricted surplus	\$ <u>7,891,312</u>	\$ <u>3,146,315</u>
Restricted surplus		
Stabilization and contingency reserves		
Working capital	2,500,000	2,500,000
Property tax stabilization	2,500,000	2,500,000
Operating	1,333,417	1,423,417
Operating carry forward	1,909,911	864,513
Infrastructure, lifecycle maintenance and replacement reserves		
Fleet and equipment replacement	3,087,000	3,500,000
Roads capital	2,557,065	3,000,000
General capital	1,868,596	2,500,000
Bridge capital	1,039,759	1,500,000
Airport capital	1,488,947	1,500,000
Recreation capital	1,428,363	1,500,000
Water capital	1,388,391	1,250,000
Wastewater capital	1,365,557	1,250,000
Specific purpose reserves		
Intermunicipal	2,572,500	2,500,000
Innovation	102,900	100,000
Restricted reserves		
Cash in-lieu	211,685	205,719
Corporate risk	<u>462</u>	<u>-</u>
	<u>25,354,553</u>	<u>26,093,649</u>
Equity in tangible capital assets	<u>62,048,201</u>	<u>62,025,860</u>
	<u>\$ 95,294,066</u>	<u>\$ 91,265,824</u>

WOODLANDS COUNTY
Notes to Financial Statements
Year Ended December 31, 2025

16. TRUST FUNDS

The County administers the following trust funds:

	<u>2025</u>	<u>2024</u>
Fort Assiniboine fire club social trust	\$ 93,670	\$ 14,638
Golden triangle	64,798	201,412
Proceeds from tax forfeitures held in trust	54,152	52,552
Huestis demo forest trust	<u>28,140</u>	<u>27,272</u>
	<u>\$ 240,760</u>	<u>\$ 295,874</u>

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

17. CONTINGENCIES AND COMMITMENTS

- a) The County is committed to sharing the capital and operating costs of the Whitecourt Regional Waste Management Authority (the "Authority") with the Town of Whitecourt (the "Town"). The Authority is responsible for the management of a regional landfill site serving the County and the Town. Capital and operating costs for the Authority are shared by the County and the Town on a pro-rated per capita basis, calculated on the current population of the Town and the County. The County's share of the Authority's capital and operating costs for the year ended December 31, 2025 was \$382,557 (2024 - \$366,573) which was 31.47% (2024 - 31.47%) of the total operating deficit of the Authority.
- b) The County is a member of the Alberta Municipal Insurance Exchange ("MUNIX"). Under the terms of the membership, the County could become liable for its proportionate share of any claim losses in excess of the funds held by MUNIX. Any liability incurred would be accounted for as a current transaction in the year the losses are determined.
- c) In the normal course of operations, various legal claims are pending against the County in connection with road maintenance and construction and other matters. The County carries liability insurance, subject to certain deductibles and policy limits, against such claims. Management believes that the County has recognized adequate provisions for probable and reasonably estimable liabilities associated with these claims, and that their ultimate resolutions will not materially exceed insurance coverage nor have a material adverse effect on the financial position of the County or its financial activities.

18. LOCAL AUTHORITIES PENSION PLAN

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

The County is required to make current service contributions to the LAPP of 8.45% (2024 - 8.45%) of pensionable earnings up to the year's maximum pensionable earnings ("YMPE") under the Canada Pension Plan ("CPP") and 11.65% (2024 - 11.65) for the excess. Employees are required to make current service contributions of 7.45% (2024 - 7.45%) of pensionable earnings up to the YMPE and 10.65% (2024 - 10.65) on pensionable earnings above this amount.

(CONT'D)

18. LOCAL AUTHORITIES PENSION PLAN (CONT'D)

Total current service contributions made by the County to the LAPP in 2025 were \$474,281 (2024 - \$401,381). Total current service contributions made by the employees of the County to the LAPP in 2025 were \$423,044 (2024 - \$357,995).

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

19. SEGMENTED INFORMATION

Segmented information has been identified based upon lines of service provided by the County. County services are provided by departments and their activities are reported by functional area in the body of the financial statements. Certain lines of service that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

(a) Transportation

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

(b) Administration

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

(c) Recreation

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

(d) Arts and culture

Arts and culture provides cultural services and activities that promote the health and well-being of its citizens, and activities related to libraries.

(e) Protective services

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

(f) Utilities and waste management

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

(CONT'D)

19. SEGMENTED INFORMATION (CONT'D)

(g) Planning and development

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

(h) Agriculture services

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

(i) Legislative

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

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

20. FINANCIAL RISK MANAGEMENT

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

Credit Risk

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

The County's exposure to credit risk involving property taxes is concentrated to the following taxpayers:

	<u>2025</u>	<u>2024</u>
Taxpayer 1	54 %	48 %
Taxpayer 2	18 %	12 %
Taxpayer 3	5 %	5 %
Taxpayer 4	3 %	4 %
Taxpayer 5	1 %	3 %

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

WOODLANDS COUNTY
Notes to Financial Statements
Year Ended December 31, 2025

21. BUDGET

The budget presented in these financial statements are based on the budget approved by Council on April 23, 2025. Amortization was included in the budget but was removed for the calculation on the taxation requirement.

	<u>2025</u> (Budget)	<u>2025</u> (Actual)	<u>2024</u> (Actual)
Annual surplus	\$ <u>(2,268,024)</u>	\$ <u>4,028,242</u>	\$ <u>3,858,626</u>
Add:			
Amortization expense	-	4,294,085	7,161,419
Net transfers (to) from reserves	<u>10,233,008</u>	<u>739,096</u>	<u>(2,543,185)</u>
	<u>10,233,008</u>	<u>5,033,181</u>	<u>4,618,234</u>
Deduct:			
Principal debt repayments	(3,396,662)	1,086,145	923,172
Tangible capital asset purchases	<u>11,361,646</u>	<u>7,870,022</u>	<u>5,425,813</u>
	<u>7,964,984</u>	<u>8,956,167</u>	<u>6,348,985</u>
Results of Operations as Budgeted	\$ <u><u>-</u></u>	\$ <u><u>105,256</u></u>	\$ <u><u>2,127,875</u></u>

22. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by Council and management on April 23, 2026.

WOODLANDS COUNTY
Notes to Financial Statements
Year Ended December 31, 2025

23. SALARY AND BENEFITS DISCLOSURE

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

	<u>Salary⁽¹⁾</u>	<u>Benefits⁽²⁾</u>	<u>Total 2025</u>	<u>Total 2024</u>
Elected Officials				
David Kusch, Reeve	\$ 93,751	\$ 11,510	\$ 105,261	\$ 102,981
Alan Deane, Whitecourt Central	80,552	11,949	92,501	88,354
Peter Kuelken, Goose Lake/Freeman River	70,397	10,863	81,260	77,607
Patricia MacNeil, Whitecourt West	16,278	2,596	18,874	-
Karen St. Martin, Whitecourt East	11,477	2,341	13,818	-
Jenna Wright, Blue Ridge	10,934	1,786	12,720	-
Benny Whitten, Fort Assiniboine/Timeu	7,852	1,599	9,451	-
Former Elected Officials				
Bruce Prestidge, Blue Ridge	64,358	9,326	73,684	75,773
Jeremy Wilhelm, Whitecourt East	54,023	8,170	62,193	68,522
Devin Williams, Fort Assiniboine/Timeu	51,303	10,760	62,063	68,524
John Burrows, Whitecourt West	<u>51,303</u>	<u>9,113</u>	<u>60,416</u>	<u>74,476</u>
	<u>\$ 512,228</u>	<u>\$ 80,013</u>	<u>\$ 592,241</u>	<u>\$ 556,237</u>
Designated officers ⁽³⁾	<u>\$ 300,126</u>	<u>\$ 66,311</u>	<u>\$ 366,437</u>	<u>\$ 292,041</u>
Chief Administrative Officers ⁽⁴⁾ :	<u>\$ 271,376</u>	<u>\$ 39,426</u>	<u>\$ 310,802</u>	<u>\$ 407,136</u>

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