

**COUNTY OF  
GRANDE PRAIRIE NO. 1**

**Year Ended December 31, 2024**

**COUNTY OF GRANDE PRAIRIE NO. 1**

**Consolidated Financial Statements**

**December 31, 2024**

COUNTY OF GRANDE PRAIRIE NO. 1  
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Year Ended December 31, 2024

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## MANAGEMENT REPORT

The accompanying consolidated financial statements and other information contained in this Financial Report are the responsibility of the management of the County of Grande Prairie No. 1.

These consolidated financial statements have been prepared by management within reasonable limits of materiality and within the framework of Canadian public sector accounting standards established by the Public Sector Accounting Board.

In carrying out its responsibilities, management maintains appropriate systems of internal and administrative controls designed to provide reasonable assurance that transactions are executed in accordance with proper authorization, that assets are properly accounted for and safeguarded, and that the financial information produced is relevant and reliable.

The elected Council of the County of Grande Prairie No. 1 is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements. The Council approves the engagement or re-appointment of the external auditors and reviews the quarterly financial reports.

The consolidated financial statements have been audited by BDO Canada LLP Chartered Professional Accountants, the external auditors, in accordance with Canadian auditing standards on behalf of Council, residents and ratepayers of the County.

Joulia Whittleton  
County Manager  
April 25, 2025

Rob Beaupertuis  
General Manager, Financial & Business Planning  
April 25, 2025



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Canada

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## Independent Auditor's Report

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To the Council of the County of Grande Prairie No.1

### Qualified Opinion

We have audited the consolidated financial statements of the County of Grande Prairie No.1 and its controlled or owned organizations (the County), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statement of operations, consolidated statement of changes in net financial assets, and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the County as at December 31, 2024 and its consolidated results of operations, its consolidated measurement gains and losses, its consolidated change in net financial assets, and its consolidated cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

### Basis for Qualified Opinion

Effective January 1, 2023, the County was required to adopt PS 3280 Asset Retirement Obligations which requires the recognition of legal obligations associated with the retirement of tangible capital assets by public sector entities. Under the modified retroactive application method, the asset retirement obligation on transition is to be recorded using assumptions as of January 1, 2023. The corresponding asset retirement cost is added to the carrying value of the related tangible capital assets adjusted for amortization since the time the legal obligation was incurred. The net adjustment is charged to accumulated surplus. As disclosed in Note 10, the County has completed its assessment of the tangible capital assets for any potential asset retirement obligations and has recorded the related adjustment to accumulated surplus in the current year. This presentation results in a departure from Canadian public sector accounting standards where expenses for the year ended December 31, 2023 should be increased by \$260,543, and annual surplus for the years ended December 31, 2023 should be decreased by \$260,543, tangible capital assets and the asset retirement obligation as at December 31, 2023 should be increased by \$1,426,284 and \$4,027,292 respectively, and accumulated surplus as at January 1 for 2023 year should have decreased by \$2,340,466, December 31, 2023 and January 1, 2024 should have decreased by \$2,087,139. Our audit opinion on the consolidated financial statements for the year ended December 31, 2023 was modified accordingly because of the possible effects of this limitation in scope.

### Emphasis of Matter - Restated Comparative Information

Note 29 explains the reason for the restatement and also explains the adjustments that were applied to restate certain comparative information. As part of our audit of the consolidated financial statements for the year ended December 31, 2024, we also audited the adjustments that were applied to restate certain of the comparative information presented for the year ended December 31, 2023. In our opinion, such adjustments are appropriate and have been properly applied.

In accordance with Canadian public sector accounting standards, the County corrected the error in the current year's figures rather than correcting the comparative information. Our opinion on the current year's consolidated financial statements is modified because of the effects of this matter on the comparability of the current year's figures and the comparative information.



We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's 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 these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

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

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

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

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

#### **Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but 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 used 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 auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future



events or conditions may cause the County to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the County to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

*BDO Canada LLP*

Chartered Professional Accountants

Red Deer County, Alberta  
April 25, 2025

**COUNTY OF GRANDE PRAIRIE NO. 1**  
**Consolidated Statement of Financial Position**  
**As at December 31, 2024**

|  |                        | 2024                  | 2023 Restated<br>(Note 29) |
|--|------------------------|-----------------------|----------------------------|
| <b>FINANCIAL ASSETS</b>                  |                        |                       |                            |
| Cash and cash equivalents                | (Note 2)               | \$ 20,240,687         | \$ 38,841,818              |
| Receivables                              | (Note 3)               | 22,625,422            | 25,032,445                 |
| Loans receivable                         | (Note 4)               | 1,377,302             | 1,620,848                  |
| Portfolio investments                    | (Note 5)               | 90,721,314            | 92,342,858                 |
| Investments in business partnership      | (Note 23)              | 45,650,562            | 41,530,059                 |
|  |                        | <b>180,615,287</b>    | <b>199,368,028</b>         |
| <b>LIABILITIES</b>                       |                        |                       |                            |
| Accounts payable and accrued liabilities |                        | 12,642,567            | 13,418,165                 |
| Deposit liabilities                      | (Note 7)               | 3,079,818             | 3,614,560                  |
| Employee benefit obligations             | (Note 8)               | 3,905,595             | 3,495,111                  |
| Deferred revenue                         | (Note 9)               | 21,185,225            | 22,522,787                 |
| Operating line of credit                 |                        | —                     | 13,500                     |
| Asset retirement obligations             | (Note 10)              | 5,511,546             | 1,460,275                  |
| Long-term debt                           | (Note 11)              | 24,711,573            | 31,204,386                 |
|  |                        | <b>71,036,324</b>     | <b>75,728,784</b>          |
| <b>NET FINANCIAL ASSETS</b>              |                        | <b>109,578,963</b>    | <b>123,639,244</b>         |
| <b>NON-FINANCIAL ASSETS</b>              |                        |                       |                            |
| Tangible capital assets                  | (Schedule 2)           | 509,281,723           | 492,600,535                |
| Inventory for consumption                | (Note 14)              | 2,320,003             | 2,451,190                  |
| Land held for resale                     | (Note 15)              | 1,720,018             | 1,720,018                  |
| Prepaid expenses                         |                        | 1,687,308             | 1,241,222                  |
|  |                        | <b>515,009,052</b>    | <b>498,012,965</b>         |
| <b>ACCUMULATED SURPLUS</b>               | (Schedule 1 & Note 16) | <b>\$ 624,588,015</b> | <b>\$ 621,652,209</b>      |
| Contingent liabilities                   | (Note 20)              |                       |                            |
| Commitments                              | (Note 21)              |                       |                            |

Signed by:  
  
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*The accompanying notes form an integral part of these consolidated financial statements.*

**COUNTY OF GRANDE PRAIRIE NO. 1**  
**Consolidated Statement of Operations**  
**For the Year Ended December 31, 2024**

|  |                     | 2024                      | 2024               | 2023               |
|--|---------------------|---------------------------|--------------------|--------------------|
|  |                     | <i>(Budget - Note 26)</i> |                    |                    |
| <b>REVENUE</b>                                     |                     |                           |                    |                    |
| Net municipal taxes                                | <i>(Schedule 3)</i> | \$ 101,576,376            | \$ 102,191,913     | \$ 99,599,562      |
| User fees and sales of goods                       |                     | 6,407,056                 | 7,756,445          | 8,627,984          |
| Government transfers for operating                 | <i>(Schedule 4)</i> | 2,272,637                 | 7,790,669          | 11,237,597         |
| Investment income                                  |                     | 3,021,309                 | 3,646,928          | 3,501,297          |
| Penalties and cost of taxes                        |                     | 1,211,000                 | 1,102,846          | 965,544            |
| Development levies                                 |                     | 428,745                   | 707,038            | 599,756            |
| Licenses, permits, fines and rentals               |                     | 3,973,231                 | 4,429,803          | 3,999,256          |
| Other  |                     | 3,735,513                 | 944,410            | 1,923,563          |
| <b>TOTAL REVENUE</b>                               |                     | <b>122,625,867</b>        | <b>128,570,052</b> | <b>130,454,559</b> |
| <b>EXPENSES</b>                                    |                     |                           |                    |                    |
| General Government                                 |                     |                           |                    |                    |
| Council and Other Legislative                      |                     | 1,431,092                 | 1,395,888          | 1,232,605          |
| General Administration                             |                     | 7,952,287                 | 10,468,878         | 12,125,402         |
| Other General Government                           |                     | 16,012,071                | 15,783,226         | 13,341,913         |
| Loss (gain) on disposal of tangible capital assets |                     | —                         | (589,377)          | —                  |
| Protective Services                                |                     |                           |                    |                    |
| Bylaw Enforcement                                  |                     | 3,906,682                 | 4,011,231          | 3,629,053          |
| Police   |                     | 3,022,000                 | 2,141,882          | 2,262,397          |
| Fire   |                     | 13,309,880                | 14,318,555         | 12,994,740         |
| Disaster and Emergency Measures                    |                     | 445,636                   | 2,776,445          | 7,851,767          |
| Loss (gain) on disposal of tangible capital assets |                     | —                         | (123,087)          | (28,672)           |
| Transportation                                     |                     |                           |                    |                    |
| Common and Equipment Pool                          |                     | 2,676,957                 | 2,441,512          | 1,717,137          |
| Other Transportation                               |                     | 281,994                   | 246,802            | 286,213            |
| Public Transit                                     |                     | 21,702                    | 21,511             | 21,207             |
| Roads, Streets, Walks and Lighting                 |                     | 49,769,241                | 50,588,945         | 50,532,846         |
| Storm Sewer and Drainage                           |                     | 1,713,466                 | 1,263,828          | 107,418            |
| Loss (gain) on disposal of tangible capital assets |                     | —                         | 467,029            | (288,602)          |
| Planning and Development                           |                     |                           |                    |                    |
| Economic / Agricultural Development                |                     | 4,209,129                 | 4,229,496          | 2,896,379          |
| Land, Housing and Building Rentals                 |                     | 366,984                   | 331,896            | 4,930              |
| Land Use Planning, Zoning and Development          |                     | 4,082,281                 | 3,423,504          | 3,315,538          |
| Other Planning and Development                     |                     | 1,379,869                 | 1,795,255          | 1,402,633          |
| Loss (gain) on disposal of tangible capital assets |                     | —                         | (36,260)           | (126,693)          |
| Public Health and Welfare                          |                     |                           |                    |                    |
| Family and Community Support                       |                     | 4,245,886                 | 4,080,556          | 3,740,920          |
| Cemeteries and Crematoriums                        |                     | 62,500                    | 47,831             | 49,671             |
| Recreation and Culture                             |                     |                           |                    |                    |
| Parks and Recreation                               |                     | 13,353,530                | 11,869,549         | 14,218,240         |
| Culture, Libraries, Museums and Halls              |                     | 1,549,853                 | 1,534,440          | 1,333,360          |
| Loss (gain) on disposal of tangible capital assets |                     | —                         | (83,479)           | (76,253)           |

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

**COUNTY OF GRANDE PRAIRIE NO. 1**  
**Consolidated Statement of Operations**  
**For the Year Ended December 31, 2024**

|   | 2024                                 | 2024           | 2023           |
|---|--------------------------------------|----------------|----------------|
|   | <i>(Budget - Note 26)</i>            |                |                |
| Environmental Use and Protection                              |                                      |                |                |
| Water Supply and Distribution                                 | 241,404                              | 525,082        | 541,820        |
| Wastewater Treatment and Disposal                             | —                                    | 121,710        | 339,658        |
| Waste Management  | 4,451,840                            | 5,217,856      | 3,900,552      |
| Other Environmental Use and Protection                        | 600,000                              | 278,640        | 4,426          |
| Loss (gain) on disposal of tangible capital assets            | —                                    | 1,897,394      | (78,234)       |
| <b>TOTAL EXPENSES</b>   | 135,086,284                          | 140,446,737    | 137,252,372    |
| <b>DEFICIENCY OF REVENUE OVER EXPENSES BEFORE OTHER ITEMS</b> | (12,460,417)                         | (11,876,685)   | (6,797,813)    |
| <b>OTHER ITEMS</b>  |                                      |                |                |
| Contributed tangible capital assets                           | —                                    | 296,218        | 4,135,188      |
| Government transfers for capital                              | (Schedule 4) 26,753,128              | 11,993,147     | 2,634,694      |
| Subsidiary operations   | (Note 23) —                          | 4,610,263      | 3,012,768      |
| Assets transferred to Aquatera Utilities Inc.                 | —                                    | —              | 39,183         |
|   | 26,753,128                           | 16,899,628     | 9,821,833      |
| <b>EXCESS OF REVENUE OVER EXPENSES</b>                        | 14,292,711                           | 5,022,943      | 3,024,020      |
| <b>ACCUMULATED SURPLUS - BEGINNING OF YEAR</b>                | 621,652,209                          | 621,652,209    | 627,890,130    |
| Adjustment for Asset Retirement Obligation                    | (Note 10) —                          | (2,087,139)    | —              |
| Adjustment for Development Levy                               | (Note 29) —                          | —              | (9,261,941)    |
| <b>ACCUMULATED SURPLUS - END OF YEAR</b>                      | Schedule 1 & Note 16) \$ 635,944,920 | \$ 624,588,015 | \$ 621,652,209 |

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

**COUNTY OF GRANDE PRAIRIE NO. 1**  
**Consolidated Statement of Changes in Net Financial Assets**  
**Year Ended December 31, 2024**

|   | 2024                      | 2024                  | 2023 Restated<br>(Note 29) |
|---|---------------------------|-----------------------|----------------------------|
|   | <i>(Budget - Note 26)</i> |                       |                            |
| <b>EXCESS OF REVENUE OVER EXPENSES</b>                      | <b>\$ 14,292,711</b>      | <b>\$ 5,022,943</b>   | <b>\$ 3,024,020</b>        |
| <b>Tangible capital assets related</b>                      |                           |                       |                            |
| Acquisition of tangible capital assets                      | (109,990,078)             | (47,814,513)          | (25,995,309)               |
| Contributed tangible capital assets                         | —                         | (296,218)             | (4,135,188)                |
| Proceeds on disposal of tangible capital assets             | 1,028,300                 | 1,732,543             | 889,511                    |
| Assets transferred for shares to Aquatera Utilities Inc.    | —                         | 591,643               | —                          |
| Assets transferred for no shares to Aquatera Utilities Inc. | —                         | 2,544,617             | —                          |
| Annual amortization expense                                 | 28,048,133                | 29,179,566            | 28,303,859                 |
| Loss (gain) on disposal of tangible capital assets          | —                         | (1,012,397)           | (598,453)                  |
| Adjustment for Asset Retirement Obligation                  | (Note 10) —               | (3,693,566)           | —                          |
| Adjustment for Development Levy                             | (Note 29) —               | —                     | (9,261,941)                |
|   | <b>(80,913,645)</b>       | <b>(18,768,325)</b>   | <b>(10,797,521)</b>        |
| <b>Other non-financial assets</b>                           |                           |                       |                            |
| Acquisition of prepaid expenditures                         | —                         | (446,086)             | (269,655)                  |
| Use (acquisition) of inventory for consumption              | —                         | 131,187               | (611,691)                  |
| Use of land held for resale                                 | (Note 15) —               | —                     | 2,863,221                  |
|   | <b>—</b>                  | <b>(314,899)</b>      | <b>1,981,875</b>           |
| <b>INCREASE (DECREASE) IN NET FINANCIAL ASSETS</b>          | <b>(66,620,934)</b>       | <b>(14,060,279)</b>   | <b>(5,791,626)</b>         |
| <b>NET FINANCIAL ASSETS - BEGINNING OF YEAR</b>             | <b>123,639,244</b>        | <b>123,639,244</b>    | <b>129,430,870</b>         |
| <b>NET FINANCIAL ASSETS - END OF YEAR</b>                   | <b>\$ 57,018,310</b>      | <b>\$ 109,578,963</b> | <b>\$ 123,639,244</b>      |

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

**COUNTY OF GRANDE PRAIRIE NO. 1**  
**Consolidated Statement of Cash Flows**  
**Year Ended December 31, 2024**

|   | 2024          | 2023          |
|---|---------------|---------------|
| <b>OPERATING</b>  |               |               |
| Excess of revenue over expenses                             | \$ 5,022,943  | \$ 3,024,020  |
| Non-cash items included in excess of revenue over expenses: |               |               |
| Amortization of tangible capital assets                     | 29,179,566    | 28,303,858    |
| Loss (gain) on disposal of tangible capital assets          | 1,532,220     | (598,453)     |
| Contributed tangible capital assets                         | (296,218)     | (4,135,188)   |
| Subsidiary operations                                       | (4,610,263)   | (3,012,768)   |
| Assets transferred to Aquatera Utilities Inc.               | —             | (39,183)      |
| Non-cash charges to operations (net change):                |               |               |
| Decrease in receivables                                     | 2,407,023     | 1,093,449     |
| Decrease in loans to other government                       | —             | 61,999        |
| Increase in prepaid expenditures                            | (446,086)     | (269,655)     |
| Decrease (increase) in inventory for consumption            | 131,187       | (611,691)     |
| Decrease in accounts payable and accrued liabilities        | (775,598)     | (1,116,862)   |
| Increase in employee benefit obligations                    | 410,484       | 1,160,446     |
| (Decrease) increase in deposit liabilities                  | (534,742)     | 431,863       |
| (Decrease) increase in deferred revenue                     | (1,337,562)   | 214,664       |
| Increase in asset retirement obligations                    | 357,705       | 1,000,448     |
| Cash provided by operating activities                       | 31,040,659    | 25,506,947    |
| <b>CAPITAL</b>  |               |               |
| Acquisition of tangible capital assets                      | (47,814,513)  | (23,132,088)  |
| Proceeds on disposal of tangible capital assets             | 1,732,543     | 889,511       |
| Cash used for capital activities                            | (46,081,970)  | (22,242,577)  |
| <b>INVESTING</b>  |               |               |
| Proceeds from loans receivable                              | 243,546       | 232,141       |
| Decrease in portfolio investments                           | 1,621,545     | 20,758,691    |
| Dividends declared by Aquatera Utilities Inc.               | 1,081,403     | 1,113,673     |
| Cash provided by investing activities                       | 2,946,494     | 22,104,505    |
| <b>FINANCING</b>  |               |               |
| Operating line of credit repaid                             | (13,500)      | (31,000)      |
| Long-term debt repaid                                       | (6,492,814)   | (6,664,497)   |
| Cash applied to financing transactions                      | (6,506,314)   | (6,695,497)   |
| <b>NET CHANGE IN CASH AND CASH EQUIVALENTS DURING YEAR</b>  | (18,601,131)  | 18,673,378    |
| <b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>        | 38,841,818    | 20,168,440    |
| <b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>              | \$ 20,240,687 | \$ 38,841,818 |

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

(Schedule 1)

**COUNTY OF GRANDE PRAIRIE NO. 1**  
**Consolidated Schedule of Changes in Accumulated Surplus**  
**Year Ended December 31, 2024**

|   | Unrestricted<br>Surplus | Restricted<br>Surplus | Equity in<br>Aquatera<br>Utilities Inc. | Equity in<br>Tangible<br>Capital Assets | 2024                 | 2023 Restated<br>(Note 29) |
|---|-------------------------|-----------------------|---|---|----------------------|----------------------------|
| BALANCE, BEGINNING OF YEAR                                  | \$ 24,091               | \$ 116,323,806        | \$ 41,530,059                           | \$ 463,774,253                          | <b>\$621,652,209</b> | \$ 627,890,130             |
| Adjustment for Asset Retirement Obligation (Note 10)        | —                       | —                     | —                                       | (2,087,138)                             | <b>(2,087,138)</b>   | —                          |
| Adjustment for Development Levy (Note 29)                   | —                       | —                     | —                                       | —                                       | —                    | (9,261,941)                |
| Excess of revenues over expenses                            | 5,022,943               | —                     | —                                       | —                                       | <b>5,022,943</b>     | 3,024,020                  |
| Unrestricted funds designated for future use                | (46,782,459)            | 46,782,459            | —                                       | —                                       | —                    | —                          |
| Restricted funds used for operations                        | 16,407,476              | (16,407,476)          | —                                       | —                                       | —                    | —                          |
| Subsidiary operations                                       | (4,610,222)             | —                     | 4,610,222                               | —                                       | —                    | —                          |
| Shares issued - Aquatera Utilities Inc.                     | (41)                    | —                     | 41                                      | —                                       | —                    | —                          |
| Assets transferred for shares to Aquatera Utilities Inc.    | —                       | —                     | 591,643                                 | (591,643)                               | —                    | —                          |
| Assets transferred for no shares to Aquatera Utilities Inc. | 2,544,617               | —                     | —                                       | (2,544,617)                             | —                    | —                          |
| Dividends declared by Aquatera                              | 1,081,403               | —                     | (1,081,403)                             | —                                       | —                    | —                          |
| Restricted funds used for tangible capital assets           | —                       | (49,618,847)          | —                                       | 49,618,847                              | —                    | —                          |
| Current year funds used for tangible capital asset          | 1,804,334               | —                     | —                                       | (1,804,334)                             | —                    | —                          |
| Contributed tangible capital assets                         | (296,218)               | —                     | —                                       | 296,218                                 | —                    | —                          |
| Disposal of tangible capital assets                         | 720,143                 | —                     | —                                       | (720,143)                               | —                    | —                          |
| Annual amortization expense                                 | 29,179,566              | —                     | —                                       | (29,179,566)                            | —                    | —                          |
| Long term debt repaid                                       | (6,492,814)             | —                     | —                                       | 6,492,814                               | —                    | —                          |
| Asset retirement obligation accretion expense               | 748,831                 | —                     | —                                       | (748,831)                               | —                    | —                          |
| Levied portion of local improvements                        | 663,565                 | —                     | —                                       | (663,565)                               | —                    | —                          |
| Change in accumulated surplus                               | (8,876)                 | (19,243,864)          | 4,120,503                               | 18,068,042                              | <b>2,935,805</b>     | (6,237,921)                |
| <b>BALANCE, END OF YEAR</b>                                 | <b>\$ 15,215</b>        | <b>\$ 97,079,944</b>  | <b>\$ 45,650,562</b>                    | <b>\$ 481,842,293</b>                   | <b>\$624,588,015</b> | <b>\$ 621,652,209</b>      |

(Note 16)

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

(Schedule 2)

**COUNTY OF GRANDE PRAIRIE NO. 1**  
**Consolidated Schedule of Tangible Capital Assets**  
**Year Ended at December 31, 2024**

|  | Land                 | Site<br>Improvements | Buildings            | Engineered<br>Structures | Machinery and<br>Equipment | Vehicles            | Construction<br>in Progress | 2024<br>\$            | 2023<br>\$            |
|--|----------------------|----------------------|----------------------|--------------------------|----------------------------|---------------------|-----------------------------|-----------------------|-----------------------|
| <b>COST</b>  |                      |                      |                      |                          |                            |                     |                             |                       |                       |
| BALANCE, BEGINNING OF YEAR                           | \$ 90,609,146        | \$ 28,079,884        | \$ 102,223,909       | \$ 539,641,756           | \$ 50,742,856              | \$ 20,983,226       | \$ 14,062,656               | \$ 846,343,434        | \$ 818,687,632        |
| Adjustment for Asset Retirement Obligation (Note 10) | —                    | 996,372              | 655,191              | 561,680                  | 16,445                     | —                   | —                           | 2,229,688             | —                     |
| Acquisition of tangible capital assets               | 2,120,145            | 1,619,300            | 262,517              | 24,522,135               | 9,282,072                  | 2,117,111           | 7,891,234                   | 47,814,513            | 25,995,309            |
| Contributed tangible capital assets                  | 17,810               | 204,061              | —                    | 74,347                   | —                          | —                   | —                           | 296,218               | 4,135,188             |
| Transfer of construction in progress                 | 5,000                | 913,466              | —                    | 3,255,280                | 614,739                    | 157,554             | (4,946,039)                 | —                     | —                     |
| Disposals of tangible capital assets                 | (13,490)             | (30,076)             | —                    | —                        | (5,682,889)                | (1,097,474)         | (3,569,810)                 | (10,393,739)          | (2,474,696)           |
| <b>BALANCE, END OF YEAR</b>                          | <b>92,738,611</b>    | <b>31,783,007</b>    | <b>103,141,617</b>   | <b>568,055,198</b>       | <b>54,973,223</b>          | <b>22,160,417</b>   | <b>13,438,041</b>           | <b>886,290,114</b>    | <b>846,343,433</b>    |
| <b>ACCUMULATED AMORTIZATION</b>                      |                      |                      |                      |                          |                            |                     |                             |                       |                       |
| BALANCE, BEGINNING OF YEAR                           | —                    | 12,652,486           | 26,901,452           | 269,562,006              | 32,946,335                 | 11,680,622          | —                           | 353,742,901           | 327,622,678           |
| Adjustment for Asset Retirement Obligation (Note 10) | —                    | 397,158              | 132,532              | 87,228                   | 6,343                      | —                   | —                           | 623,261               | —                     |
| Annual amortization expense                          | —                    | 2,185,977            | 2,360,934            | 18,142,105               | 4,774,300                  | 1,716,250           | —                           | 29,179,566            | 28,303,859            |
| Accumulated amortization on disposals                | —                    | (7,943)              | —                    | —                        | (5,451,339)                | (1,078,055)         | —                           | (6,537,337)           | (2,183,637)           |
| <b>BALANCE, END OF YEAR</b>                          | <b>—</b>             | <b>15,227,678</b>    | <b>29,394,918</b>    | <b>287,791,339</b>       | <b>32,275,639</b>          | <b>12,318,817</b>   | <b>—</b>                    | <b>377,008,391</b>    | <b>353,742,900</b>    |
| <b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>     | <b>\$ 92,738,611</b> | <b>\$ 16,555,329</b> | <b>\$ 73,746,699</b> | <b>\$ 280,263,859</b>    | <b>\$ 22,697,584</b>       | <b>\$ 9,841,600</b> | <b>\$ 13,438,041</b>        | <b>\$ 509,281,723</b> | <b>\$ 492,600,533</b> |
| 2023 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS       | \$ 90,609,146        | \$ 15,427,398        | \$ 75,322,457        | \$ 270,079,750           | \$ 17,796,523              | \$ 9,302,604        | \$ 14,062,657               | \$ 492,600,535        |                       |

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

*(Schedule 3)*

**COUNTY OF GRANDE PRAIRIE NO. 1**  
**Consolidated Schedule of Property and Other Taxes**  
**Year Ended December 31, 2024**

|  | 2024<br><i>(Budget - Note 26)</i> | 2024                  | 2023                 |
|--|-----------------------------------|-----------------------|----------------------|
| <b>TAXATION</b>                              |                                   |                       |                      |
| Real property taxes                          | \$ 105,033,437                    | \$ 104,998,136        | \$ 96,984,888        |
| Linear property taxes                        | 23,916,812                        | 23,903,563            | 28,126,704           |
| Government grants in place of property taxes | 53,378                            | 52,042                | 60,966               |
| Other Taxes                                  | 114,139                           | 113,862               | 136,972              |
|  | <u>129,117,766</u>                | <u>129,067,603</u>    | <u>125,309,530</u>   |
| <b>LESS: REQUISITIONS</b>                    |                                   |                       |                      |
| Provincial School                            | (25,121,493)                      | (24,454,700)          | (23,811,056)         |
| Designated Industrial Properties             | (318,993)                         | (318,549)             | (300,186)            |
| Separate School                              | (1,074,675)                       | (1,091,311)           | (1,059,588)          |
| Senior Foundation                            | (1,026,229)                       | (1,011,130)           | (539,138)            |
|  | <u>(27,541,390)</u>               | <u>(26,875,690)</u>   | <u>(25,709,968)</u>  |
| <b>NET MUNICIPAL TAXES</b>                   | <u>\$ 101,576,376</u>             | <u>\$ 102,191,913</u> | <u>\$ 99,599,562</u> |

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

*(Schedule 4)*

**COUNTY OF GRANDE PRAIRIE NO. 1**  
**Consolidated Schedule of Government Transfers**  
**Year Ended December 31, 2024**

|                                     | 2024<br><i>(Budget - Note 26)</i> | 2024                 | 2023                 |
|-------------------------------------|-----------------------------------|----------------------|----------------------|
| <b>TRANSFERS FOR OPERATING:</b>     |                                   |                      |                      |
| Federal transfers                   | \$ 6,300                          | \$ 70,840            | \$ 24,200            |
| Municipal Sustainability Initiative | —                                 | —                    | 1,185,227            |
| Provincial transfers                | 1,556,799                         | 7,009,587            | 10,022,735           |
| Local government transfers          | 25,000                            | 25,704               | 5,435                |
| Local Government Fiscal Framework   | 684,538                           | 684,538              | —                    |
|                                     | <u>2,272,637</u>                  | <u>7,790,669</u>     | <u>11,237,597</u>    |
| <b>TRANSFERS FOR CAPITAL:</b>       |                                   |                      |                      |
| Canada Community Building Fund      | 7,080,038                         | 2,884,949            | 35,428               |
| Municipal Sustainability Initiative | 12,258,607                        | 3,128,479            | 814,940              |
| Local Government Fiscal Framework   | —                                 | 3,277,489            | —                    |
| Provincial transfers                | 7,365,502                         | 2,702,231            | 1,784,326            |
|                                     | <u>26,704,147</u>                 | <u>11,993,147</u>    | <u>2,634,694</u>     |
|                                     | <u>\$ 28,976,784</u>              | <u>\$ 19,783,816</u> | <u>\$ 13,872,291</u> |

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

(Schedule 5)

**COUNTY OF GRANDE PRAIRIE NO. 1**  
**Consolidated Schedule of Segmented Disclosure**  
**Year Ended December 31, 2024**

|  | General<br>Government | Protective<br>Services | Transportation  | Planning and<br>Development | Public Health<br>and Welfare | Recreation and<br>Culture | Environmental<br>Use and<br>Protection | 2024           | 2023          |
|--|-----------------------|------------------------|-----------------|-----------------------------|------------------------------|---------------------------|--|----------------|---------------|
| <b>REVENUE</b>   |                       |                        |                 |                             |                              |                           |  |                |               |
| Net municipal taxes  | \$ 102,191,913        | \$ —                   | \$ —            | \$ —                        | \$ —                         | \$ —                      | \$ —                                   | \$ 102,191,913 | \$ 99,599,562 |
| User fees and sale of goods                                      | 1,091,755             | 1,376,817              | 1,066,135       | 156,648                     | 446,301                      | 437,695                   | 3,181,094                              | 7,756,445      | 8,627,984     |
| Government transfers for operating                               | 56,477                | 2,380,816              | 3,367,844       | 752,528                     | 608,739                      | 149,642                   | 474,623                                | 7,790,669      | 11,237,598    |
| Investment income  | 3,555,007             | —                      | —               | —                           | —                            | —                         | 91,921                                 | 3,646,928      | 3,501,297     |
| Penalties and costs of taxes                                     | 1,096,092             | —                      | 128             | 6,626                       | —                            | —                         | —                                      | 1,102,846      | 965,544       |
| Development levies   | 719,130               | —                      | 8,745           | (146,766)                   | —                            | 125,929                   | —                                      | 707,038        | 599,755       |
| Licenses, permits, fines and rentals                             | 47,325                | 359,795                | 1,256,365       | 1,098,521                   | 36,000                       | 1,439,518                 | 192,279                                | 4,429,803      | 3,999,256     |
| Other  | 80,280                | 321,065                | 91,182          | 166,001                     | 7,852                        | 160,211                   | 117,819                                | 944,410        | 1,923,563     |
| Total Revenue  | 108,837,979           | 4,438,493              | 5,790,399       | 2,033,558                   | 1,098,892                    | 2,312,995                 | 4,057,736                              | 128,570,052    | 130,454,559   |
| <b>EXPENSES</b>  |                       |                        |                 |                             |                              |                           |  |                |               |
| Contracted and general services                                  | 5,318,963             | 4,900,823              | 11,682,842      | 1,950,119                   | 508,464                      | 2,270,142                 | 2,082,677                              | 28,714,030     | 29,839,109    |
| Salaries, wages and benefits                                     | 13,817,264            | 13,483,510             | 12,748,375      | 6,673,848                   | 2,889,748                    | 2,012,281                 | 1,690,929                              | 53,315,955     | 49,837,770    |
| Materials, goods and utilities                                   | 902,234               | 1,467,430              | 8,767,786       | 586,860                     | 120,015                      | 909,011                   | 268,161                                | 13,021,497     | 12,026,146    |
| Transfers to other governments, local boards and agencies        | 3,781,117             | —                      | 78,990          | 169,787                     | 610,161                      | 5,461,855                 | 10,430                                 | 10,112,340     | 14,532,065    |
| Purchases from other governments                                 | —                     | 2,119,222              | —               | —                           | —                            | —                         | —                                      | 2,119,222      | 2,239,943     |
| Interest on long-term debt                                       | 882,701               | —                      | —               | —                           | —                            | —                         | —                                      | 882,701        | 1,073,752     |
| Accretion of asset retirement obligation                         | 511,733               | —                      | —               | —                           | —                            | —                         | 237,097                                | 748,830        | 22,862        |
| Amortization of tangible capital assets                          | 1,653,068             | 1,277,128              | 21,284,605      | 399,537                     | —                            | 2,711,236                 | 1,853,992                              | 29,179,566     | 28,303,858    |
| Other expenses   | 780,911               | —                      | —               | —                           | —                            | 39,465                    | —                                      | 820,376        | (24,681)      |
| Loss (gain) on disposal of tangible capital assets               | (589,377)             | (123,087)              | 467,029         | (36,260)                    | —                            | (83,479)                  | 1,897,395                              | 1,532,220      | (598,453)     |
| Total Expenses   | 27,058,614            | 23,125,026             | 55,029,627      | 9,743,891                   | 4,128,388                    | 13,320,511                | 8,040,681                              | 140,446,737    | 137,252,371   |
| <b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES BEFORE OTHER</b> | 81,779,365            | (18,686,533)           | (49,239,228)    | (7,710,333)                 | (3,029,496)                  | (11,007,516)              | (3,982,945)                            | (11,876,685)   | (6,797,812)   |
| <b>OTHER ITEMS</b>   |                       |                        |                 |                             |                              |                           |  |                |               |
| Contributed tangible capital assets                              | —                     | —                      | 17,810          | 278,408                     | —                            | —                         | —                                      | 296,218        | 4,135,188     |
| Government transfers for capital                                 | —                     | —                      | 11,983,530      | —                           | —                            | 9,618                     | —                                      | 11,993,147     | 2,634,694     |
| Subsidiary operations  | 4,610,263             | —                      | —               | —                           | —                            | —                         | —                                      | 4,610,263      | 3,012,768     |
| Assets transferred to Aquatera Utilities Inc.                    | —                     | —                      | —               | —                           | —                            | —                         | —                                      | —              | 39,183        |
| <b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>              | \$ 86,389,628         | \$ (18,686,533)        | \$ (37,237,888) | \$ (7,431,925)              | \$ (3,029,496)               | \$ (10,997,898)           | \$ (3,982,945)                         | \$ 5,022,943   | \$ 3,024,021  |

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

**COUNTY OF GRANDE PRAIRIE NO. 1**  
**Notes to the Consolidated Financial Statements**  
**Year Ended December 31, 2024**

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the County of Grande Prairie No. 1 (the "County") are prepared by management in accordance with Canadian public sector accounting standards. Significant aspects of the accounting policies adopted by the County are as follows:

Reporting entity

The consolidated financial statements reflect the assets, liabilities, revenues, expenditures and accumulated surplus of the County. The reporting entity is comprised of the municipal operations plus all of the organizations that are owned or controlled by the County and are, therefore, accountable to the County for the administration of their financial affairs and resources. All controlled entities are consolidated in the consolidated financial statements according to the County's percentage ownership except for entities that meet the definition of a business enterprise or a business partnership, which are included in the financial statements on a modified equity basis. Accounting policies of consolidated and proportionately consolidated entities are conformed to those of the organization and inter-organizational balances and transactions are eliminated upon consolidation.

Entities fully consolidated in the County's financial statements include:

|  | % ownership |
|--|-------------|
| County of Grande Prairie Library Board | 100%        |
| Crosslink County Sportsplex            | 100%        |

Partnerships proportionately consolidated in the County's financial statements include:

|   | % ownership |
|---|-------------|
| West Grande Prairie County Solid Waste Management Authority | 55%         |
| Hythe Net Co Limited Partnership                            | 70%         |

Under the modified equity method of accounting, only the County's investment in the entity and the County's portion of the entity's net income and other changes in equity are recorded. No adjustment is made for accounting policies of the entity that are different from those of the County and inter-organizational balances and transactions are not eliminated.

Entity's accounted for on a modified equity basis include:

|                         | % ownership |
|-------------------------|-------------|
| Aquatera Utilities Inc. | 20%         |

The consolidated statements exclude trust assets and their related operations that are administered by the County for the benefit of the external parties.

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

**COUNTY OF GRANDE PRAIRIE NO. 1**  
**Notes to the Consolidated Financial Statements**  
**Year Ended December 31, 2024**

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of accounting

The consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized in the period the goods or services are acquired and a liability is incurred or transfers are due.

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

Use of estimates

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenditure during the period. Where measurement uncertainty exists, the consolidated financial statements have been prepared within reasonable limits of materiality. Such estimates include the provisions for uncollectible accounts receivable, useful life of tangible capital assets, provision for asset retirement obligation, provision for accrued sick leave benefit and determination the fair value of contributed tangible capital assets. Actual results could differ from those estimates.

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.

Investments

Portfolio investments, that are not derivatives or portfolio investments in equity instruments that are quoted in an active market, are recorded at amortized cost. Investment premiums and discounts are amortized over the term of the respective investments. When there has been a loss in value that is other than a temporary decline, the respective investment is written down to recognize the loss. Gains on corporate bonds are recognized as income when sold.

The County's investment in Aquatera Utilities Inc., is accounted for on a modified equity basis, consistent with the Canadian public sector accounting standards for business partnerships. Under the modified equity basis, entire business enterprise is not consolidated, its accounting policies are not adjusted to conform with those of the County and the interorganizational transactions and balances are not eliminated.

Employee future benefits

Selected employees of the County are members of the Local Authorities Pension Plan ("LAPP"), a multi-employer defined benefit pension plan. The President of the Alberta Treasury Board and the Minister of Finance are the legal trustees and administrators of the Plan, which is governed by a Board of Trustees. Since the plan is a multi-employer plan, it is accounted for as a defined contribution plan and, accordingly, the County does not recognize its share of any plan surplus or deficit. Contributions for current and past service pension benefits are recorded as expenses in the year in which they become due.

**COUNTY OF GRANDE PRAIRIE NO. 1**  
**Notes to the Consolidated Financial Statements**  
**Year Ended December 31, 2024**

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 requisitioned 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.

Asset retirement obligations

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset at the consolidated financial statement date when there is a legal obligation for the County to incur retirement costs, the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at year-end. The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods.

When a liability for an asset retirement obligation is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related tangible capital asset. The asset retirement cost is amortized over the useful life of the related asset.

At each financial reporting date, the County reviews the carrying amount of the liability. The County recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset. If the related tangible capital asset is unrecognized or no longer in productive use, the revisions would be expensed. The County continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They 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 consolidated change in net financial assets for the year.

**COUNTY OF GRANDE PRAIRIE NO. 1**  
**Notes to the Consolidated Financial Statements**  
**Year Ended December 31, 2024**

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Tangible capital assets

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

|                             |                |
|-----------------------------|----------------|
| Site improvements           | 10 - 50 years  |
| Buildings                   | 20 - 50 years  |
| Engineered structures       |                |
| Water system                | 25 - 75 years  |
| Wastewater system           | 45 - 75 years  |
| Other engineered structures | 10 - 100 years |
| Machinery and equipment     | 4 - 20 years   |
| Vehicles                    | 4 - 20 years   |

Assets under construction are not amortized until the asset is available for productive use.

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.

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.

Inventories

Inventories consist of materials and supplies for consumption and are valued at the lower of cost and replacement cost with cost determined by the average cost method.

Cultural and historical tangible capital assets

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

Equity in Aquatera Utilities Inc

Equity in Aquatera Utilities Inc. represents the County's net accumulated investment in its minority holding of Aquatera Utilities Inc. The amount consists of the investment in common and preferred shares, plus the County's share of earnings less any dividends received.

Equity in tangible capital assets represents the County's net investment in its capital assets, after deducting the portion financed by third parties through debenture, bond and mortgage debts, long-term capital borrowing and capitalized leases and other capital liabilities which will be repaid by the County.

**COUNTY OF GRANDE PRAIRIE NO. 1**  
**Notes to the Consolidated Financial Statements**  
**Year Ended December 31, 2024**

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Tax revenue

Property tax revenue is based on assessments determined in accordance with the Municipal Government Act. Tax rates are established annually. Taxes are recorded at estimated amounts when they meet the definition of an asset, have been authorized and the taxable event occurs. For property taxes, the taxable event is the period for which the tax is levied. As taxes recorded are initially based on management's best estimate of the taxes that will be received, it is possible that changes in future conditions, such as reassessments due to audits, appeals and court decisions, could result in a change in the amount of tax revenue recognized. 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.

Government transfers

Government transfers are recognized as revenue in the financial statements when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

External Contributions

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

Developer contributions received from third parties are recognized as revenue when the related expenditures have been incurred. Offsite levy revenue from external developers is deferred in the appropriate offsite deferred revenue account and recognized as revenue when the related infrastructure is constructed.

Revenue Recognition

Revenue from transactions with no performance obligation is recognized at realizable value when the County has the authority to claim or retain an inflow of economic resources and identifies a past transaction or event giving rise to an asset.

Revenue from transactions with performance obligations is recognized as the performance obligations are satisfied by providing the promised goods or service to the payor. User fees are recognized over the period of use, sales of goods are recognized when the goods are delivered. Licenses and permits with a single performance obligation at a point in time are recognized as revenue on issuance, those which result in a continued performance obligation over time are recognized over the period of the license or permit as the performance obligation is satisfied.

**COUNTY OF GRANDE PRAIRIE NO. 1**  
**Notes to the Consolidated Financial Statements**  
**Year Ended December 31, 2024**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Financial Instruments**

The County's financial instruments consist of cash and cash equivalents, accounts receivable, loans receivable, portfolio investments, accounts payable, deposit liabilities, operating line of credit and long-term debt. All financial instruments are carried cost or amortized cost.

For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense.

For portfolio investments measured at cost, the cost method records the initial investment at cost and earnings from such investments are recognized only to the extent receivable. When an investment is written down to recognize impairment loss, the new carrying value is deemed to be the new cost basis for subsequent accounting purposes.

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations.

Transaction costs are added to the carrying value for financial instruments measured using cost or amortized cost. Transaction costs are expensed for financial instruments measured at fair value.

**Standards Adopted During the Year**

PS 3400 Revenue, The County adopted PS 3400 Revenue, effective April 1, 2023, which establishes standards on how to account for and report on revenue. The section sets out general guidance for how entities recognize, measure, present and disclose revenue arising from transaction that include performance obligations (exchange transactions) and transactions that do not have performance obligations (non-exchange transactions). There are two approaches to recognizing revenue with performance obligations: at a point in time or over a period in time. This determination is made based on when a performance obligation is satisfied. PS 3400 has been applied prospectively to these consolidated financial statements and, as permitted by the transitional provisions, prior periods were not restated. The implementation of this new section did not have a material impact on the consolidated financial statements.

PS 3160 Public Private Partnerships, The County adopted PS 3160 Public Private Partnerships, effective April 1, 2023, which establishes standards on accounting for partnerships between public and private sector entities where the public sector entity procures infrastructure using a private sector partner. This section applied to partnerships in which the public sector entity obtains control of the infrastructure asset and the private sector partner performs all of the following activities:

1. designs, builds, acquires and/or betters infrastructure on behalf of the public sector entity;
2. finances the transaction past the point the infrastructure is ready for use; and
3. operates and/or maintains the infrastructure.

An infrastructure asset is recognized when the public sector entity controls all of the following:

1. the purpose and use of the infrastructure;
2. access to the future economic benefits and exposure to e risks of the infrastructure asset; and
3. significant residual interest in the infrastructure, if any, at the end of the public partnership's term.

The county has performed analysis of the above criteria and has determined that none of the criteria apply to it's infrastructure assets. As a result, no amounts have been accrued or adjusted for the adoption of this standard in 2024 or prior periods.

**COUNTY OF GRANDE PRAIRIE NO. 1**  
**Notes to the Consolidated Financial Statements**  
**Year Ended December 31, 2024**

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Future Accounting Standard Pronouncements

The Conceptual Frameworks for Financial Reporting - The conceptual framework is the foundation for principles-based standards. It is a coherent set of interrelated objectives and fundamentals leading to consistent standards or application of consistent concepts in the absence of specific standards. The County is expected to adopt this standard beginning December 31, 2027.

PS 1202 Financial Statement Presentation - PS 1202 will replace PS 1201 and sets out the general and specific requirements of the presentation of financial information and is based on the concepts in the conceptual framework. The County is expected to adopt this standard beginning December 31, 2027

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**COUNTY OF GRANDE PRAIRIE NO. 1**  
**Notes to the Consolidated Financial Statements**  
**Year Ended December 31, 2024**

**2. CASH AND CASH EQUIVALENTS**

|                  | <b>2024</b>          | <b>2023</b>          |
|------------------|----------------------|----------------------|
| Cash on hand     | \$ 8,357             | \$ 4,901             |
| Cash in banks    | 14,778,987           | 3,533,009            |
| Cash equivalents | 5,453,343            | 35,303,908           |
|                  | <b>\$ 20,240,687</b> | <b>\$ 38,841,818</b> |

Cash equivalents are readily convertible to cash, consist of investment savings account bearing interest at 1.25% to 2.50% (2023 - 1.00% to 2.50%) throughout the year. Restricted cash amount is \$12,650,415 (2023 - \$5,936,585) which is equal to deferred revenue \$21,185,225 (2023 - \$13,260,846) less restricted accounts receivable \$8,534,810 (2023 - \$7,324,261).

**3. RECEIVABLES**

|   | <b>2024</b>          | <b>2023</b>          |
|---|----------------------|----------------------|
| Current taxes and grants in place of taxes        | \$ 2,354,159         | \$ 2,795,680         |
| Non-current taxes and grants in place of taxes    | 3,521,509            | 2,831,719            |
|   | 5,875,668            | 5,627,399            |
| Allowance for doubtful accounts                   | (1,371,974)          | (728,575)            |
| Taxes receivable                                  | 4,503,694            | 4,898,824            |
| Trade and other receivables                       | 3,202,138            | 5,483,386            |
| Portfolio investment interest receivable (Note 6) | 3,169,599            | 3,778,654            |
| Government grants                                 | 8,534,810            | 7,324,261            |
| Goods and Services Tax receivable                 | 487,576              | 115,405              |
| Local improvements                                | 2,783,690            | 3,447,255            |
| Allowance for doubtful accounts                   | (56,085)             | (15,340)             |
|   | <b>\$ 22,625,422</b> | <b>\$ 25,032,445</b> |

**COUNTY OF GRANDE PRAIRIE NO. 1**  
**Notes to the Consolidated Financial Statements**  
**Year Ended December 31, 2024**

**4. LOANS RECEIVABLE**

|   | <b>2024</b>         | <b>2023</b>  |
|---|---------------------|--------------|
| Grande Prairie Regional Ag. & Exhibition Society (TEC Centre) | <b>\$ 1,159,885</b> | \$ 1,392,392 |
| Bezanson Agricultural Society                                 | <b>137,500</b>      | 137,500      |
| Hilltop Estates Homeowners Association                        | <b>79,917</b>       | 90,956       |
| Total loans receivable  | <b>\$ 1,377,302</b> | \$ 1,620,848 |

Advances to the Grande Prairie Regional Agricultural & Exhibition Society are unsecured and bear interest at 4.75% (2023 - 4.75%). Advance #1, with a balance of \$639,098 (2023 - \$781,180), consists of principal and accrued interest up to December 31, 2024, bears interest at 4.75% (2023 - 4.75%) and is repayable in blended annual payments of \$179,188. Advance #2, with a balance of \$520,787 (2023 - \$611,213), consists of principal and accrued interest up to December 31, 2024, bears interest at 4.75% (2023 - 4.75%) and is repayable in blended annual payments of \$119,458.

By motion of Council, 2024, annual repayments of \$298,646, representing interest and principal were offset by a grant from the County. Under the terms of the motion, this arrangement is for a period of ten years, and is subject to annual review. Accrued interest on the loans total \$46,568 (2023 - \$56,010) at December 31, 2024 and is included under trade and other receivables. Advance #1 is to be fully repaid by January 31, 2028, Advance #2 is to be fully repaid by January 31, 2029.

Advance to Bezanson Agricultural Society for the completion of Bezanson Community Centre is unsecured, bears interest at the bank's prime rate and is repayable in full on or before November 16, 2033. By motion of Council a corresponding loan agreement was obtained from TD Bank. See Note 11.

Advance to Hilltop Estates Homeowners Association for the construction of a new water treatment system is unsecured, bears interest at the bank's prime rate and is repayable in full on or before February 28, 2031.

**5. PORTFOLIO INVESTMENTS**

|  | <b>2024</b>          | <b>2023</b>   |
|--|----------------------|---------------|
| Cash   | <b>\$ 40,544</b>     | \$ 73,474     |
| Deposits   | <b>22,134,529</b>    | 5,938,414     |
| Corporate Bonds  | <b>23,890,899</b>    | 24,943,970    |
| Guaranteed Investment Certificates                                   | <b>44,655,342</b>    | 61,387,000    |
| Total investments (market value - \$92,095,049; 2023 - \$93,039,429) | <b>\$ 90,721,314</b> | \$ 92,342,858 |

Investments consist of Schedule 1 chartered bank bonds, federal and provincial government bonds, and guaranteed investment certificates. Bank bonds have rates of return between 0.95% to 4.50% (2023 - 0.89% to 3.40%) with maturity dates between December 2025 and December 2050. Guaranteed investment certificates have an interest rates between 1.26% - 4.85% (2023 - 0.89% - 4.85%) with maturity dates between January 2025 and June 2029.

Portfolio investment interest receivable of \$3,169,599 (2023 - \$3,778,654) has been recorded and included in the County's receivables amount.

**COUNTY OF GRANDE PRAIRIE NO. 1**  
**Notes to the Consolidated Financial Statements**  
**Year Ended December 31, 2024**

**6. LINE OF CREDIT**

The County has an unsecured revolving demand credit facility of \$10,000,000 (2023 - \$10,000,000). The demand credit facility bears interest at the bank's prime rate minus 0.75% per annum (2023 - prime less 0.75%), was not drawn on at December 31, 2024 (2023 - \$nil).

**7. DEPOSIT LIABILITIES**

|   | <b>2024</b>         | <b>2023</b>  |
|---|---------------------|--------------|
| Subdivision approach and development agreement deposits     | <b>\$ 1,315,205</b> | \$ 1,544,512 |
| Public works approach/performance deposits                  | <b>509,383</b>      | 618,722      |
| West Grande Prairie County Solid Waste Management Authority | <b>993,056</b>      | 805,583      |
| General deposits  | <b>195,458</b>      | 211,081      |
| Safety codes council fees                                   | <b>3,103</b>        | 3,068        |
| Funds held in trust   | <b>63,613</b>       | 25,510       |
| Tax sale surplus  | <b>—</b>            | 406,084      |
|   | <b>\$ 3,079,818</b> | \$ 3,614,560 |

**8. EMPLOYEE BENEFIT OBLIGATION**

|                            | <b>2024</b>         | <b>2023</b>  |
|----------------------------|---------------------|--------------|
| Accrued vacation pay       | <b>\$ 2,977,352</b> | \$ 2,636,811 |
| Accrued sick leave benefit | <b>928,243</b>      | 858,300      |
|                            | <b>\$ 3,905,595</b> | \$ 3,495,111 |

The obligation is comprised of the vacation, overtime, and sick time that employees have earned or are entitled to as at December 31, 2024.

Vacation and overtime are governed by various employment agreements and Alberta Labour Standards. Overtime can be banked or paid out for non-exempt employees. Certain employees are allowed to bank up to 60 hours of overtime a year.

Sick time is accrued at a rate of 1.75 days per month to a maximum of 792 hours. These accruals differ depending on the standard work hours per week for each employee group. Employees are only allowed to accrue up to 90 days per year to use as sick time and the accrual does not vest with the employee.

**COUNTY OF GRANDE PRAIRIE NO. 1**  
**Notes to the Consolidated Financial Statements**  
**Year Ended December 31, 2024**

**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.

|   | 2023 Restated<br>(Note 29) | Amounts<br>Received  | Interest<br>and Other | Amounts<br>Recognized  | 2024                 |
|---|----------------------------|----------------------|-----------------------|------------------------|----------------------|
| <b>Government transfers capital</b>             |                            |                      |                       |                        |                      |
| Alberta Municipal Water/Wastewater Partnership  | \$ —                       | \$ 849,016           | \$ —                  | \$ (849,016)           | \$ —                 |
| Municipal Sustainability Initiative             | 5,434,834                  | 3,308,311            | 196,662               | (3,128,479)            | <b>5,811,329</b>     |
| Canada Community Building Fund                  | 5,453,737                  | 1,190,058            | 197,346               | (2,170,377)            | <b>4,670,764</b>     |
| Strategic Transportation Infrastructure Program | 900,000                    | 954,908              | —                     | (954,908)              | <b>900,000</b>       |
| Alberta Community Partnership                   | 950,000                    | —                    | —                     | (888,689)              | <b>61,311</b>        |
| Local Government Fiscal Framework               | —                          | 3,277,489            | —                     | (3,277,489)            | —                    |
| Other Government transfers capital              | —                          | 724,190              | —                     | (724,190)              | —                    |
|   | <b>12,738,571</b>          | <b>10,303,972</b>    | <b>394,008</b>        | <b>(11,993,147)</b>    | <b>11,443,404</b>    |
| <b>Government transfers operating</b>           |                            |                      |                       |                        |                      |
| Local Government Fiscal Framework               | —                          | 684,538              | —                     | (684,538)              | —                    |
| Other Government transfers operating            | 180,886                    | 7,084,459            | —                     | (7,106,131)            | <b>159,215</b>       |
|   | <b>180,886</b>             | <b>7,768,997</b>     | <b>—</b>              | <b>(7,790,669)</b>     | <b>159,215</b>       |
| <b>Other deferred revenue</b>                   | <b>9,603,330</b>           | <b>1,193,000</b>     | <b>69,863</b>         | <b>(1,283,587)</b>     | <b>9,582,606</b>     |
|   | <b>\$ 22,522,787</b>       | <b>\$ 19,265,969</b> | <b>\$ 463,871</b>     | <b>\$ (21,067,403)</b> | <b>\$ 21,185,225</b> |

**10. ASSET RETIREMENT OBLIGATIONS**

Buildings, Equipment and Engineered Structures

During the year, the County has completed its identification of remaining various tangible capital assets where asset retirement obligations exist and mainly relate to buildings, equipment and engineered structures. The County has estimated the nature and extent of hazardous materials in its buildings based on the potential square footage and the average costs per square foot to remove and dispose of the hazardous materials. Similarly, cost estimates were obtained for legislated removal of equipment at the end of its life. The estimate of these obligations is based on assessments provided by third-party experts, internal experts, and engineers. These obligations are discounted using a present value technique. The undiscounted amount of estimated future cash flows required to settle these obligations is \$5,882,767. Estimated costs have been discounted using to December 31, 2024 using a discount rate of 4.42% per annum and inflation rate of 2.48% per annum. These obligations are expected to be settled between 2027 - 2065. Included in asset retirement obligations for closure and post-closure care of \$2,249,151 (2023 - \$nil) relating to the buildings, equipment, and engineered structures.

**COUNTY OF GRANDE PRAIRIE NO. 1**  
**Notes to the Consolidated Financial Statements**  
**Year Ended December 31, 2024**

10. ASSET RETIREMENT OBLIGATIONS (continued)

Pursuant to the Environmental Protection and Enhancement Act (Alberta), the County is required to fund the closure of its landfill site and provide for post-closure care of the facility. Closure and post-closure activities include the final clay cover and landscaping, as well as surface and ground water monitoring, leachate control and visual inspection. The estimated costs to close and maintain the closed solid waste landfill sites are based on estimated future expenses in current dollars, discounted, adjusted for estimated inflation. The landfills the County is responsible for and the asset retirement obligation for them is as follows:

Clairmont Landfill

Included in asset retirement obligations for landfill closure and post-closure care of \$485,163 (2023 - \$nil) relating to the Clairmont landfill. The undiscounted amount of estimated future cash flows required to settle these obligations is \$4,217,665 based on an expected closure year of 2074. The estimated total liability is based on the sum of discounted future cash flows for closure and post-closure activities for 25 years after closure using a long-term borrowing rate of 4.42% and assuming annual inflation of 2.48%. The County has not yet designated assets for settling closure and post-closure liabilities for the Clairmont landfill.

Regional Landfill

The West Grande Prairie County Solid Waste Management Authority operates a landfill site A liability for the total obligation, which was incurred when the site started accepting waste, irrespective of volume of waste has been accrued. Undiscounted future cash flow expected are a closure cost in year 2025 of \$1,989,400 (2023 - \$1,846,000) and post closing activities starting in year 2026 of \$22,500 per year, increasing at an annual inflation rate of 3.10% (2023 - 3.50%) for 25 years to year 2144. The estimated total liability of \$2,062,983 (2023 - \$1,939,710), for which the County has consolidated in their proportionate share of 55%, is based on the sum of discounted future cash flow for closure and post-closure activities using a discount rate of 5.08% (2023 - 5.28%). The West Grande Prairie County Solid Waste Management Authority has not designated asset for settling closure and post-closure liabilities.

|                                | 2024         | 2023         |
|--------------------------------|--------------|--------------|
| Balance, beginning of year     | \$ 1,460,275 | \$ 459,827   |
| Liabilities incurred           | —            | 1,046,288    |
| Change in estimated cash flows | 3,302,440    | (68,702)     |
| Accretion expense              | 748,831      | 22,862       |
| Estimated total liability      | \$ 5,511,546 | \$ 1,460,275 |

**COUNTY OF GRANDE PRAIRIE NO. 1**  
**Notes to the Consolidated Financial Statements**  
**Year Ended December 31, 2024**

**11. LONG-TERM DEBT**

|                                       | <b>2024</b>          | <b>2023</b>   |
|---------------------------------------|----------------------|---------------|
| General tax levy supported debentures | <b>\$ 14,792,507</b> | \$ 18,768,914 |
| Other self supported debentures       | <b>7,057,280</b>     | 8,898,779     |
| Local improvement support debentures  | <b>2,861,786</b>     | 3,536,693     |
| Total long-term debt                  | <b>24,711,573</b>    | 31,204,386    |
| Less: current portion                 | <b>(5,532,659)</b>   | (6,492,814)   |
|                                       | <b>\$ 19,178,914</b> | \$ 24,711,572 |

Estimated principal and interest repayments due in each of the next five years and thereafter are as follows:

|            | Principal            | Interest            | Total                |
|------------|----------------------|---------------------|----------------------|
| 2025       | \$ 5,532,659         | \$ 716,156          | \$ 6,248,815         |
| 2026       | 5,706,051            | 540,176             | 6,246,227            |
| 2027       | 4,764,207            | 367,997             | 5,132,204            |
| 2028       | 4,083,642            | 225,983             | 4,309,625            |
| 2029       | 1,018,063            | 124,433             | 1,142,496            |
| Thereafter | 3,606,951            | 418,900             | 4,025,851            |
|            | <b>\$ 24,711,573</b> | <b>\$ 2,393,645</b> | <b>\$ 27,105,218</b> |

Debenture debt in the amount of \$24,711,573 is repayable to the Province of Alberta and bears interest at varying rates ranging from 0.84% to 5.15% (2023 - 0.84% to 5.15%) per annum and mature between 2025 and 2050. Debenture debt is issued on the credit and security of the County of Grande Prairie No. 1.

Interest on long-term debt amounted to \$882,701 (2023 - \$1,073,752).

The County's total cash payments for interest were \$897,452 (2023 - \$1,088,733).

**COUNTY OF GRANDE PRAIRIE NO. 1**  
**Notes to the Consolidated Financial Statements**  
**Year Ended December 31, 2024**

**12. DEBT LIMITS**

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

|                                 | <b>2024</b>           | <b>2023</b>    |
|---------------------------------|-----------------------|----------------|
| Total debt limit                | <b>\$ 192,855,078</b> | \$ 195,681,839 |
| Total debt                      | <b>(24,711,573)</b>   | (31,217,886)   |
| Amount of debt limit available  | <b>168,143,505</b>    | 164,463,953    |
| Debt servicing limit            | <b>32,142,513</b>     | 32,613,640     |
| Debt servicing                  | <b>(6,248,815)</b>    | (7,390,266)    |
| Service on debt limit available | <b>\$ 25,893,698</b>  | \$ 25,223,374  |

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

**13. EQUITY IN TANGIBLE CAPITAL ASSETS**

|                                   |                     | <b>2024</b>           | <b>2023</b>    |
|-----------------------------------|---------------------|-----------------------|----------------|
| Tangible capital assets - costs   | <i>(Schedule 2)</i> | <b>\$ 886,290,113</b> | \$ 846,343,435 |
| Less accumulated amortization     | <i>(Schedule 2)</i> | <b>(377,008,391)</b>  | (353,742,900)  |
| Less asset retirement obligation  | <i>(Note 10)</i>    | <b>(5,511,546)</b>    | (1,069,150)    |
| Less long-term debt               | <i>(Note 11)</i>    | <b>(24,711,573)</b>   | (31,204,386)   |
| Add local improvements receivable | <i>(Note 3)</i>     | <b>2,783,690</b>      | 3,447,255      |
|                                   |                     | <b>\$ 481,842,293</b> | \$ 463,774,254 |

**14. INVENTORY FOR CONSUMPTION**

|                       | <b>2024</b>         | <b>2023</b>  |
|-----------------------|---------------------|--------------|
| Gravel                | <b>\$ 1,395,286</b> | \$ 1,602,990 |
| Material and supplies | <b>924,717</b>      | 848,200      |
|                       | <b>\$ 2,320,003</b> | \$ 2,451,190 |

**COUNTY OF GRANDE PRAIRIE NO. 1**  
**Notes to the Consolidated Financial Statements**  
**Year Ended December 31, 2024**

**15. LAND HELD FOR RESALE**

The County of Grande Prairie holds lands in the amount of \$1,720,018 (2023 - \$1,720,018) representing costs related to the Multi Modal site \$1,719,868 and \$150 in Hythe Cemetary Plots. The County has entered into an option agreement with the developer to dispose of the assembled land in parcels.

**16. ACCUMULATED SURPLUS**

|   | <b>2024</b>           | 2023 Restated<br>(Note 29) |
|---|-----------------------|----------------------------|
| Unrestricted Surplus  |                       |                            |
| County of Grande Prairie No. 1  | \$ (3,479)            | \$ 5,395                   |
| West Grande Prairie County Solid Waste Management                             | 18,694                | 18,694                     |
|   | <u>15,215</u>         | <u>24,089</u>              |
| Restricted Surplus  |                       |                            |
| Project carry forward   | 30,492,726            | 26,969,600                 |
| Financial stabilization   | 1,652,963             | 3,652,963                  |
| Project debt repayment  | 2,924,596             | 4,025,743                  |
| Future grants   | 869,704               | 890,542                    |
| Future operational projects   | 8,454,506             | 8,685,236                  |
| Future capital projects   | 23,114,625            | 42,400,893                 |
| Future equipment replacement  | 26,752,288            | 26,603,414                 |
| Unfunded liability for sick leave   | (928,243)             | (858,300)                  |
| Hythe reserves  | 874,274               | 1,387,337                  |
| West Grande Prairie County Solid Waste Management reserve (55% consolidation) | 2,872,505             | 2,566,380                  |
|   | <u>97,079,944</u>     | <u>116,323,808</u>         |
| Equity in Aquatera Utilities Inc. (Note 23)                                   | 45,650,562            | 41,530,059                 |
| Equity in tangible capital assets   |                       |                            |
| Equity in tangible capital assets   | 484,194,855           | 466,842,317                |
| Amounts to recover (Note 17)  | (2,352,562)           | (3,068,064)                |
|   | <u>481,842,293</u>    | <u>463,774,253</u>         |
|   | <u>\$ 624,588,015</u> | <u>\$ 621,652,209</u>      |

**COUNTY OF GRANDE PRAIRIE NO. 1**  
**Notes to the Consolidated Financial Statements**  
**Year Ended December 31, 2024**

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17. AMOUNTS TO BE RECOVERED

Amounts to be recovered represent the unfunded portion of liabilities established for accrual accounting purposes. The County has adopted a plan whereby these amounts are to be funded from future years' budgetary allocations and transfers from reserve funds. The amounts to be recovered are a result of the County incurring debt for the installation of water lines and a capital grant to the Grande Prairie Regional Agricultural and Exhibition Society for the Trade, Exhibition and Conference Centre.

|   | 2024                | 2023                |
|---|---------------------|---------------------|
| Evergreen Park Trade, Exhibition and Convention | \$ 683,986          | \$ 1,002,877        |
| Waterline installation                          | 1,668,576           | 2,065,187           |
|   | <u>\$ 2,352,562</u> | <u>\$ 3,068,064</u> |

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**COUNTY OF GRANDE PRAIRIE NO. 1**  
**Notes to the Consolidated Financial Statements**  
**Year Ended December 31, 2024**

**18. SALARY AND BENEFITS DISCLOSURE**

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

|                     |          | <b>2024</b>       |                   |                   |                                | <b>2023</b>       |                   |
|---------------------|----------|-------------------|-------------------|-------------------|--------------------------------|-------------------|-------------------|
| COUNTY COUNCIL      | Division | Salary (1)        | Benefits (2)      | Subtotal          | Travel Cost and Allowances (3) | Total             | Total             |
| Reeve - B. Marshall | 5        | \$ 130,105        | \$ 21,203         | \$ 151,308        | \$ 29,778                      | <b>\$ 181,086</b> | \$ 155,945        |
| A. Frayn            | 1        | 90,471            | 21,250            | 111,721           | 11,297                         | <b>123,018</b>    | 114,663           |
| K. Balderson        | 2        | 68,980            | 18,718            | 87,698            | 11,953                         | <b>99,651</b>     | 102,734           |
| L. Beaupre          | 3        | 78,023            | 19,774            | 97,797            | 11,844                         | <b>109,641</b>    | 101,353           |
| S. Zimmerman        | 4        | 88,663            | 12,166            | 100,829           | 25,725                         | <b>126,554</b>    | 124,560           |
| P. Harris           | 6        | 68,465            | 7,713             | 76,178            | 19,927                         | <b>96,105</b>     | 92,370            |
| B. Peterson         | 7        | 102,494           | 22,524            | 125,018           | 28,973                         | <b>153,991</b>    | 139,628           |
| K. Rosvold          | 8        | 79,619            | 19,971            | 99,590            | 28,611                         | <b>128,201</b>    | 121,155           |
| B. Chrenek          | 9        | 89,053            | 21,083            | 110,136           | 15,203                         | <b>125,339</b>    | 108,584           |
|                     |          | <b>795,873</b>    | <b>164,402</b>    | <b>960,275</b>    | <b>183,311</b>                 | <b>1,143,586</b>  | <b>1,060,992</b>  |
| <b>OFFICERS</b>     |          | <b>Positions</b>  |                   |                   |                                |                   |                   |
| County Manager      | 1        | 311,421           | 38,067            | 349,488           | 8,751                          | <b>358,239</b>    | 359,819           |
| Designated Officers | 2        | 341,758           | 66,584            | 408,342           | 3,505                          | <b>411,847</b>    | 410,403           |
|                     |          | <b>\$ 653,179</b> | <b>\$ 104,651</b> | <b>\$ 757,830</b> | <b>\$ 12,256</b>               | <b>\$ 770,086</b> | <b>\$ 770,222</b> |

- (1) Salary includes regular base pay, bonuses, overtime, lump sum payments, gross honoraria and any other direct cash remuneration.
- (2) Employer's share of all County Council benefits and contributions or payments made on behalf of County Council including Canada Pension Plan, health care, dental coverage, vision coverage, group life insurance, accidental death and dismemberment insurance and registered retirement savings plan contributions. Employer's share of all Officers benefits and contributions or payments made on behalf of Officers including pension, health care, dental coverage, vision coverage, group life insurance, accidental death and dismemberment insurance and employment insurance.
- (3) Travel cost and allowances include mileage and airfare.

**COUNTY OF GRANDE PRAIRIE NO. 1**  
**Notes to the Consolidated Financial Statements**  
**Year Ended December 31, 2024**

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**19. LOCAL AUTHORITIES PENSION PLAN**

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

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

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

Total current service contributions by the County to LAPP in 2024 were \$3,115,076 (2023 - \$2,841,986). Total current service contributions by the employees of the County of Grande Prairie No. 1 to the Local Authorities Pension Plan in 2024 were \$2,828,591 (2023 - \$2,589,138).

At December 31, 2024, the Plan disclosed an actuarial surplus of \$15.10 billion (2023 - \$12.70 billion surplus).

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**20. CONTINGENT LIABILITIES**

The County is a member of the Jubilee Insurance Reciprocal Exchange (Genesis). 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 the exchange. Any liability incurred would be accounted for as a current transaction in the year the losses are determined.

The County has been named defendant in various lawsuits as at December 31, 2024. While it is not possible to estimate the ultimate liability with respect to the pending litigation, based on evaluation and correspondence with the County's legal counsel, management indicates that it is unlikely that there will be a materially adverse effect on the financial position of the County. The ultimate settlement of these lawsuits, if any, will be recorded in the period details become known.

**21. COMMITMENTS**

Capital Commitments

The County has entered into various tender contracts relating to the construction of roads. As at December 31, 2024, there was \$6,840,387 in unpaid tenders to contractors relating to these contracts that will be recognized in future years as the work is completed.

The County has entered into various capital contracts relating to the purchase of tangible capital assets. As at December 31, 2024, the County has signed contracts to purchase \$7,329,831 in vehicles and heavy equipment to replace existing equipment in the 2025 year.

Operating leases

The County has entered into various leases in respect to photocopiers, printers, computer hardware, vehicles and office space requiring total payments of \$463,735 expiring in 2024, \$323,390 expiring in 2025, \$202,044 expiring in 2026, \$23,849 expiring in 2027, \$21,398 expiring in 2028. The County has an office space leased until October 2026.

**COUNTY OF GRANDE PRAIRIE NO. 1**  
**Notes to the Consolidated Financial Statements**  
**Year Ended December 31, 2024**

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## 22. SEGMENTED DISCLOSURE

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

(a) General Government

General Government is comprised of County Council, General Revenues/Expenses, Net Taxes for Municipal, and General Administration.

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. General administration reports activities related to the administration of the municipality as a whole. It includes: Administrative Services which is comprised of the County Manager, People and Organizational Development, and Facilities. Corporate Services is comprised of Communications, Information Systems, Legislative Services, and Records Management. Financial Services is comprised of Assessment, Analysis and Reporting, and Cash Control.

(b) Protective Services

Protective Services is comprised of Regional Enforcement Services, Regional Fire Services, and Disaster Services.

Regional Enforcement Services provide bylaw and enhanced policing 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. Regional Fire Services is responsible to provide fire suppression services; fire prevention programs; training and education related to fire prevention; and detection or extinguishment of fires. The mandate of Disaster Services to help maintain safe communities and public safety in disaster situations.

(c) Transportation Services

Transportation Services is comprised of Capital Delivery, Operations and Fleet Management.

Capital Delivery develops and manages the County's long-term improvement plan for all capital road and bridge projects. Operations oversees the maintenance of the roadway network throughout the year through gravel programs, dust control, snow removal, sign installation, and drainage improvements. Fleet Management is responsible for managing the vehicles and equipment held by the County to ensure operational safety.

(d) Planning and Development

Planning and Development is comprised of Planning, Economic Development, and Agriculture.

Planning and Development work with developers in planning the growth of the County in a sustainable manner. Economic Development works with businesses in the County to encourage investment and attraction as well as economic sustainability. Agriculture provides field services and is responsible for the control of pests, soil, weed and crop services, protection and care of domestic animals, and seed cleaning plants.

**COUNTY OF GRANDE PRAIRIE NO. 1**  
**Notes to the Consolidated Financial Statements**  
**Year Ended December 31, 2024**

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22. SEGMENTED DISCLOSURE (continued)

(e) Public Health and Welfare

Public Health and Welfare consists of Family and Community Services. This department provides services mandated by Family and Community Support Services Alberta through a shared funding model between the Province of Alberta and the County.

(f) Recreation and Culture

Recreation and Culture provides recreational services and activities which promote the well-being of its citizens. This area also acts as a liaison between community groups and provides grant funding to the community. Recreation and Culture also provides maintenance for the parks, playgrounds, facilities, and green spaces of the County. Library services provides community grants to libraries within the County as well as operating multiple community libraries.

(g) Environmental Use and Protection

Environmental Use and Protection provide environmentally regulated utility services including Water Supply and Distribution, Water Treatment and Disposal, and Waste Management.

Water Supply and Distribution includes activities related to acquiring, treating, and supplying water. Wastewater Treatment and Disposal relates to the collection or removal, treatment, and disposal of sanitary sewage. Waste Management includes activities related to the collection of garbage and other waste material, as well as the maintenance and operation of sanitary landfill sites, incinerators or other plants, trucks and other equipment used for collection and disposal, and solid waste landfill closure and post-closure costs.

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

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**COUNTY OF GRANDE PRAIRIE NO. 1**  
**Notes to the Consolidated Financial Statements**  
**Year Ended December 31, 2024**

**23. INVESTMENT IN BUSINESS PARTNERSHIP**

The County owns (2024 -20.90% ; 2023 - 19.86%) of Aquatera Utilities Inc., which was established in 2003 to provide water, wastewater and solid waste management services to the City of Grande Prairie, County of Grande Prairie No. 1, Town of Sexsmith, other municipalities and commercial users.

The following table presents condensed financial information for the commercial enterprise.

|  | 2024                 | 2023                 |
|--|----------------------|----------------------|
| <u>Financial Position</u>                                      |                      |                      |
| Cash   | \$ 10,326,160        | \$ 9,744,558         |
| Accounts receivable  | 10,990,163           | 15,971,097           |
| Inventory  | 5,206,011            | 3,500,161            |
| Investments  | 52,907,625           | 60,426,512           |
| Tangible capital assets  | 424,568,689          | 412,579,668          |
| Other assets   | 3,074,889            | 3,085,413            |
| Total assets   | <u>507,073,537</u>   | <u>505,307,409</u>   |
|  |                      |                      |
| Accounts payable   | 9,718,486            | 10,461,172           |
| Other liabilities  | 8,619,964            | 7,988,352            |
| Long-term debt   | 28,378,826           | 43,196,880           |
| Deferred revenue of capital contributions                      | 218,685,620          | 219,387,257          |
| Provision for landfill closure and other long-term liabilities | 7,595,191            | 7,356,563            |
| Deferred Infrastructure Charges                                | 7,814,228            | 7,843,884            |
| Stock dividend payable   | 17,070,177           | 15,551,113           |
| Preferred shares   | 209,189,047          | 193,520,347          |
| Total liabilities  | <u>507,071,539</u>   | <u>505,305,568</u>   |
|  |                      |                      |
| Equity   | 1,998                | 1,841                |
| Total liabilities and equity                                   | <u>507,073,537</u>   | <u>505,307,409</u>   |
| <u>Results of Operations</u>                                   |                      |                      |
| Revenue  | 85,290,907           | 79,883,261           |
| Expenses   | (68,220,730)         | (64,332,148)         |
| Net income   | <u>\$ 17,070,177</u> | <u>\$ 15,551,113</u> |

**COUNTY OF GRANDE PRAIRIE NO. 1**  
**Notes to the Consolidated Financial Statements**  
**Year Ended December 31, 2024**

23. INVESTMENT IN BUSINESS PARTNERSHIP (continued)

|   |              |              |
|---|--------------|--------------|
| Aquatera Utilities Inc. - 20.90% ownership      |              |              |
| 16,367 Class A common shares (2023 - 15,775)    | 164          | 158          |
| 29,036 Class C common shares (2023 - 25,507)    | 290          | 255          |
| 12,093 Class D preferred shares (2023 - 10,962) | 10,961,695   | 10,961,695   |
| 4,273 Class F preferred shares (2023 - 4,812)   | 5,403,274    | 4,811,631    |
| 29,286 Class H preferred shares (2023 - 25,757) | 29,285,139   | 25,756,439   |
| Cumulative share of earnings                    | 40,583,398   | 35,973,176   |
| Cumulative share of dividends declared          | (40,583,398) | (35,973,295) |
| Total equity in Water Services Utilities Inc.   | 45,650,562   | 41,530,059   |

The government business partnership estimates its principal payments over the next five years to be the following:

|                            |                      |
|----------------------------|----------------------|
|                            | Principal            |
| Less than one year         | \$ 4,006,805         |
| Between one and five years | 14,303,217           |
| Thereafter                 | 10,068,804           |
|                            | <u>\$ 28,378,826</u> |

**COUNTY OF GRANDE PRAIRIE NO. 1**  
**Notes to the Consolidated Financial Statements**  
**Year Ended December 31, 2024**

24. RELATED PARTY DISCLOSURE

A related party exists when one party has the ability to exercise control or shared control over the other, which could be an individual or an entity. Related party transactions are disclosed if the transaction occurred at a value different from that which would have been arrived as if the parties were unrelated and if the transaction has a material effect on the consolidated financial statements. Related parties include key management personnel which include members of Council, general managers and their close family members including their spouse and any dependents. An external entity becomes a related party to The County when the key management personnel and/or their close family member have the ability to influence and impact the policies, operations and strategic decisions of the external entities.

The following summarizes the related party transactions between the County and Aquatera Utilities Inc., a company in which the County has shared control over. All transactions are in the normal course of business and are measured by the exchange amounts, which is the amount of consideration established and agreed to by all parties. Disclosure of utility franchise agreement annual revenues as required by Alberta Regulation 313/2000 included below:

|   | 2024       | 2023       |
|---|------------|------------|
| Aquatera Utilities Inc.                                   |            |            |
| Revenue   |            |            |
| Aquatera franchise fees                                   | \$ 721,932 | \$ 657,281 |
| Dividend income   | 1,089,952  | 1,113,662  |
| Expense   |            |            |
| General, administrative and contracted services expense   | 154,054    | 199,053    |
| Transfers to other governments, local boards and agencies | 3,656,260  | 3,559,183  |

**COUNTY OF GRANDE PRAIRIE NO. 1**  
**Notes to the Consolidated Financial Statements**  
**Year Ended December 31, 2024**

**25. GOVERNMENT PARTNERSHIP**

The County has a 55% interest in the West Grande Prairie County Solid Waste Management Authority, which is a regional landfill that accepts household, agricultural and industrial solid waste, and recyclables from area residents and businesses of the County.

The County has a 70% share of the Hythe Net Co. Limited Partnership. The business of Hythe-Net Co. is the operation of a fibre optic network within Hythe, Alberta and surrounding areas and all activities related thereto.

The County accounts for its interest in these partnerships using the proportionate consolidation method.

The following table presents condensed financial information for these partnerships:

|                              | West Grande<br>Prairie County<br>Solid Waste<br>Management<br>Authority | Hythe-Net Co. | 2024           | 2023       |
|------------------------------|---|---------------|----------------|------------|
| <u>Financial Position</u>    |   |               |                |            |
| Cash                         | \$ 100  | \$ —          | \$ 100         | \$ 100     |
| Accounts receivable          | 213,379   | 30,490        | 243,869        | 195,598    |
| Tangible capital assets      | 1,603,061   | 582,317       | 2,185,378      | 4,150,347  |
| Other assets                 | 5,062,051   | —             | 5,062,051      | 4,560,229  |
| Total assets                 | 6,878,591   | 612,807       | 7,491,398      | 8,906,274  |
| Accounts payable             | 18,806  | 5,000         | 23,806         | 29,328     |
| Other liabilities            | 2,374,996   | —             | 2,374,996      | 1,943,910  |
| Total liabilities            | 2,393,802   | 5,000         | 2,398,802      | 1,973,238  |
| Equity                       | 4,484,789   | 607,807       | 5,092,596      | 6,477,283  |
| Total liabilities and equity | 6,878,591   | 612,807       | 7,491,398      | 8,450,521  |
| <u>Results of Operations</u> |   |               |                |            |
| Revenue                      | 1,144,208   | 26,414        | 1,170,622      | 1,101,931  |
| Expenses                     | (2,965,662)   | (28,002)      | (2,993,664)    | (658,892)  |
| Net (loss) income            | \$ (1,821,454)  | \$ (1,588)    | \$ (1,823,042) | \$ 443,039 |

**COUNTY OF GRANDE PRAIRIE NO. 1**  
**Notes to the Consolidated Financial Statements**  
**Year Ended December 31, 2024**

26. RECONCILIATION OF OPERATING RESULTS TO BUDGETING SYSTEM

Budget data presented in these consolidated financial statements are based upon the 2024 budget as approved by Council. Council approved budget is prepared in accordance with Municipal Government Act, which in some cases is different from budget amounts prepared in accordance with Canadian public sector accounting standards and reported on the consolidated statement of operations and accumulated surplus and consolidated changes in net financial assets. The table below reconciles the Council approved budget to the Canadian public sector accounting standards budget figures reported in these consolidated financial statements. Actual amounts have been used to approximate budget amounts for certain reconciling items that were not included in the Council budget.

|  | <u>2024</u>      |
|--|------------------|
| Statement of Operations, Surplus                     | \$ 14,292,711    |
| Amortization of tangible capital assets              | 28,048,133       |
| Disposal of tangible capital assets                  | 1,028,300        |
| Debt principal repayments                            | (6,492,814)      |
| Capital expenditures                                 | (109,990,078)    |
| Levied portion of local improvements                 | 664,519          |
| Net transfer (to) from reserves (restricted surplus) | 62,895,299       |
| Debenture proceeds                                   | <u>9,553,930</u> |
| Budget approved by Council                           | <u>\$ —</u>      |

**COUNTY OF GRANDE PRAIRIE NO. 1**  
**Notes to the Consolidated Financial Statements**  
**Year Ended December 31, 2024**

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## 27. RISK MANAGEMENT

Through its financial assets and liabilities, the County is exposed to various risks. Tax receivables and requisitions over/under-levy are compulsory in nature, rather than contractual, however, the County manages risk exposure on these items similar to other receivables and payables.

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge their responsibilities with respect to the financial instrument, and in so doing, cause a loss for the other party. The financial instruments that potentially subject the County to credit risk consist of cash and cash equivalents, accounts receivable, loans receivable and portfolio investments. The County's cash and cash equivalents and investments are maintained at a major financial institution; therefore, the County considers the risk of non-performance of these instruments to be remote. The County is exposed to credit risk from its customers. To reduce this risk, the County conducts regular reviews of its existing customers' credit performance. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends, and other information.

The majority of government transfers are received from the provincial and federal government agencies. Due to the nature of these payers, the County is not exposed to significant credit risk on such transactions.

(b) Interest rate risk

Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The County is exposed to interest rate risk on its fixed and floating interest rate financial instruments. Fixed interest instruments subject the County to fair value risk, while floating rate instruments subject it to cash flow risk. The financial instruments that potentially subject the County to fair value consist of loans receivable (Note 4), portfolio investments (Note 5) and long-term debt (Note 11). During the year the County had no material sensitivity to changing interest rates, as the financial instruments with variable interest rates, cash and cash equivalents (Note 2), line of credit (Note 6) did not result in material transactions.

(c) Currency risk

Currency risk is the risk to the County that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. It is management's opinion that the County is not exposed to significant currency risks arising from transactions in its US bank account.

(d) Liquidity risk

Liquidity risk is the risk that the County will encounter difficulty in meeting financial obligations as they fall due. The County manages this risk by monitoring its working capital and undertaking regular cash flow analyses to ensure that there are sufficient cash resources to meet all obligations. The financial instruments that potentially subject the County to liquidity risk consist of accounts payable, deposit liabilities and long-term debt. Sufficient cash is maintained to be able to pay off the liabilities as they become due and the County maintains access to a line of credit (note 6) to meet liabilities in a cost-effective manner. All accounts payable and deposit and liabilities are due within in one year. Note 11 includes the contractual due dates of the long-term debt.

Unless otherwise noted, it is management's opinion that the County is not exposed to significant other price risks arising from these financial instruments.

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**COUNTY OF GRANDE PRAIRIE NO. 1**  
**Notes to the Consolidated Financial Statements**  
**Year Ended December 31, 2024**

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**28. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS**

Council and Management have approved these financial statements on April 25, 2025.

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**29. COMPARATIVE INFORMATION**

Certain other comparative information has been reclassified to conform with the financial statement presentation adopted for the current year. Specifically during the year it was determined that the County had not yet met the externally imposed criteria to recognize the development levies as revenue and into accumulated surplus for \$9,261,941. This has resulted in an adjustment in the 2023 previously reported numbers for deferred revenue from \$13,260,846 to \$22,522,787 and for opening accumulated surplus from \$630,914,150 to \$621,652,209.

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