

CLEARWATER COUNTY
Consolidated Financial Statements
For the Year Ended December 31, 2024

INDEPENDENT AUDITORS' REPORT

To the Reeve and Council of Clearwater County

Opinion

We have audited the accompanying consolidated financial statements of Clearwater County (the County), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the County as at December 31, 2024, the consolidated results of its operations, changes in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

Other Information

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

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

Responsibilities of Management and Those Charged with Governance for the 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.



Independent Auditors' Report to the Reeve and Council of Clearwater County (*continued*)

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 relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the County or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but 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 auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the County to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

METRIX GROUP LLP

Chartered Professional Accountants

Edmonton, Alberta
April 22, 2025

**MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL REPORTING**

To the Reeve and Members of Council of Clearwater County

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

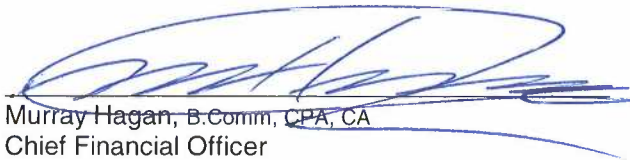
The consolidated financial statements are the responsibility of management, prepared in accordance with Canadian public sector accounting standards. They necessarily include some amounts that are based on the best estimates and judgments of management.

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

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



Rick Emmons
Chief Administrative Officer





Murray Hagan, B.Comm, CPA, CA
Chief Financial Officer

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

	2024	2023
FINANCIAL ASSETS		
Cash and cash equivalents (Note 2)	\$ 55,733,623	\$ 52,563,032
Accounts receivable (Note 3)	7,851,124	13,151,965
Land held for resale	6,036,727	5,715,512
Investments (Note 4)	50,032,550	51,979,710
	<u>119,654,024</u>	<u>123,410,219</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 5)	7,307,980	7,134,976
Deferred revenue (Note 6)	7,542,850	13,542,306
Long-term debt (Note 7)	223,335	656,935
Asset retirement obligations (Note 8)	8,667,119	9,759,788
	<u>23,741,284</u>	<u>31,094,005</u>
NET FINANCIAL ASSETS	<u>95,912,740</u>	<u>92,316,214</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 9)	392,229,299	391,152,180
Inventories for consumption (Note 10)	5,303,675	5,697,791
Prepaid expenses	1,130,602	987,322
	<u>398,663,576</u>	<u>397,837,293</u>
ACCUMULATED SURPLUS (NOTE 11) (Schedule 1)	<u>\$ 494,576,316</u>	<u>\$ 490,153,507</u>

ON BEHALF OF COUNCIL:





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

	2024 (Budget) (Note 21)	2024 (Actual)	2023 (Actual)
REVENUE			
Net municipal taxes (Schedule 2)	\$ 54,189,345	\$ 55,967,960	\$ 52,838,602
Government transfers for operating (Schedule 3)	1,675,677	4,095,244	1,696,376
Investment income	2,420,000	3,879,397	3,324,022
User fees and sale of goods	2,783,970	2,794,477	4,677,800
Penalties on taxes	350,000	461,135	445,451
Other	592,100	314,933	280,830
Rentals	212,300	250,210	281,305
Fines	225,000	201,246	246,682
Developer levies	-	129,273	120,069
Licenses and permits	65,000	111,306	108,890
	<u>62,513,392</u>	<u>68,205,181</u>	<u>64,020,027</u>
EXPENSES			
Legislative	1,449,796	1,155,421	881,636
Administration	9,219,589	7,231,750	6,479,096
Assessment	444,625	428,610	525,176
Fire, ambulance, and protective services	6,652,629	6,253,887	6,146,962
Public works - general	1,880,080	1,774,848	1,603,762
Roads, streets, walks and lighting	13,397,751	14,458,882	10,339,988
Facilities	1,951,247	1,401,267	1,465,542
Water supply and distribution	151,385	96,819	170,128
Wastewater treatment and disposal	1,669,007	2,359,970	193,466
Waste management	3,315,525	1,386,375	2,904,104
Airport	159,723	69,041	284,738
Family and community support services	1,453,442	1,067,217	562,589
Agricultural services	3,508,688	3,077,378	2,720,052
Land use planning, zoning and development	3,171,323	2,275,839	2,200,001
Parks and recreation	3,177,784	2,187,970	3,216,567
Culture	111,070	577,262	353,154
Amortization	23,000,000	24,140,674	23,570,500
	<u>74,713,664</u>	<u>69,943,210</u>	<u>63,617,461</u>
ANNUAL SURPLUS (DEFICIT) BEFORE OTHER REVENUE (EXPENSES)	<u>(12,200,272)</u>	<u>(1,738,029)</u>	<u>402,566</u>
OTHER REVENUE (EXPENSES)			
Government transfers for capital (Schedule 3)	10,849,300	8,990,606	6,488,903
Loss on disposal of tangible capital assets	-	(2,829,768)	(961,736)
	<u>10,849,300</u>	<u>6,160,838</u>	<u>5,527,167</u>
ANNUAL SURPLUS (DEFICIT)	<u>(1,350,972)</u>	<u>4,422,809</u>	<u>5,929,733</u>
ACCUMULATED SURPLUS, BEGINNING OF YEAR,	<u>490,153,507</u>	<u>490,153,507</u>	<u>484,223,774</u>
ACCUMULATED SURPLUS, END OF YEAR	<u>\$ 488,802,535</u>	<u>\$ 494,576,316</u>	<u>\$ 490,153,507</u>

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

	2024 (Budget) (Note 21)	2024 (Actual)	2023 (Actual)
ANNUAL SURPLUS (DEFICIT)	\$ (1,350,972)	\$ 4,422,809	\$ 5,929,733
Purchase of tangible capital assets	(40,366,896)	(28,928,859)	(38,002,204)
Proceeds on disposal of tangible capital assets	-	881,298	877,320
Amortization of tangible capital assets	23,000,000	24,140,674	23,570,500
Loss on disposal of tangible capital assets	-	2,829,768	961,736
	<u>(17,366,896)</u>	<u>(1,077,119)</u>	<u>(12,592,648)</u>
Use of supplies inventory	-	394,116	532,753
Acquisition of prepaid expenses	-	(143,280)	(44,551)
	<u>-</u>	<u>250,836</u>	<u>488,202</u>
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	(18,717,868)	3,596,526	(6,174,713)
NET FINANCIAL ASSETS, BEGINNING OF YEAR	92,316,214	92,316,214	98,490,927
NET FINANCIAL ASSETS, END OF YEAR	\$ 73,598,346	\$ 95,912,740	\$ 92,316,214

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

	2024	2023
OPERATING ACTIVITIES		
Annual surplus	\$ 4,422,809	\$ 5,929,733
Non-cash items included in annual surplus		
Loss on disposal of tangible capital assets	2,829,768	961,736
Amortization of tangible capital assets	24,140,674	23,570,500
	31,393,251	30,461,969
Changes in non-cash working capital balances:		
Accounts receivable	5,300,841	(1,945,627)
Prepaid expenses	(143,280)	(44,551)
Accounts payable and accrued liabilities	173,004	(5,277,157)
Land held for resale	(321,215)	(158,574)
Deferred revenue	(5,999,456)	9,593,403
Inventories for consumption	394,116	532,753
Asset retirement obligations	(1,092,669)	488,928
	29,704,592	33,651,144
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(28,928,859)	(38,002,204)
Proceeds on disposal of tangible capital assets	881,298	877,320
	(28,047,561)	(37,124,884)
FINANCING ACTIVITIES		
Long-term debt principal repayments	(433,600)	(416,738)
INVESTING ACTIVITIES		
Purchase of investments	-	(11,000,000)
Proceeds on sale of investments	1,947,160	5,192,385
	1,947,160	(5,807,615)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE YEAR	3,170,591	(9,698,093)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	52,563,032	62,261,125
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 55,733,623	\$ 52,563,032

CLEARWATER COUNTY
Consolidated Schedule of Changes in Accumulated Surplus
For the Year Ended December 31, 2024

Schedule 1

	Unrestricted Surplus	Restricted Surplus (Note 12)	Equity in Tangible Capital Assets	2024	2023
BALANCE, BEGINNING OF YEAR	\$ 100,000	\$108,661,115	\$381,392,392	\$490,153,507	\$484,223,774
Annual surplus	4,422,809	-	-	4,422,809	5,929,733
Restricted funds used for operations	2,511,376	(2,511,376)	-	-	-
Unrestricted funds designated for future use	(20,432,854)	20,432,854	-	-	-
Change in asset retirement obligations (Note 8)	(1,092,669)	-	1,092,669	-	-
Current year funds used for tangible capital assets	(13,250,402)	-	13,250,402	-	-
Restricted surplus used for tangible capital assets	-	(15,678,457)	15,678,457	-	-
Net book value of tangible capital assets disposed of	3,711,066	-	(3,711,066)	-	-
Amortization	24,140,674	-	(24,140,674)	-	-
BALANCE, END OF YEAR	\$ 110,000	\$110,904,136	\$383,562,180	\$494,576,316	\$490,153,507

CLEARWATER COUNTY
Consolidated Schedule of Property and Other Taxes
For the Year Ended December 31, 2024

Schedule 2

	2024 (Budget) (Note 21)	2024 (Actual)	2023 (Actual)
TAXATION			
Real property taxes	\$ 44,374,138	\$ 46,303,101	\$ 43,279,601
Linear property taxes	31,165,339	31,200,947	29,400,759
	<u>75,539,477</u>	<u>77,504,048</u>	<u>72,680,360</u>
Less revenue sharing:			
County of Wetaskiwin	675,000	726,496	712,886
Taxes after revenue sharing	<u>74,864,477</u>	<u>76,777,552</u>	<u>71,967,474</u>
REQUISITIONS			
Alberta School Foundation Fund	18,468,570	18,603,029	17,342,186
Westview Lodge	1,226,150	1,226,150	919,198
Red Deer Catholic Regional Division No. 39	527,404	527,404	443,773
Designated industrial property assessment	453,008	453,009	423,715
	<u>20,675,132</u>	<u>20,809,592</u>	<u>19,128,872</u>
NET MUNICIPAL TAXES	<u>\$ 54,189,345</u>	<u>\$ 55,967,960</u>	<u>\$ 52,838,602</u>

CLEARWATER COUNTY
Consolidated Schedule of Government Transfers
For the Year Ended December 31, 2024

Schedule 3

	2024 (Budget) (Note 21)	2024 (Actual)	2023 (Actual)
TRANSFERS FOR OPERATING			
Provincial government	\$ 822,691	\$ 3,529,575	\$ 1,218,969
Local governments	852,986	565,669	477,407
	<u>1,675,677</u>	<u>4,095,244</u>	<u>1,696,376</u>
TRANSFERS FOR CAPITAL			
Provincial government	10,849,300	8,343,119	6,392,873
Local governments	-	647,487	96,030
	<u>10,849,300</u>	<u>8,990,606</u>	<u>6,488,903</u>
TOTAL GOVERNMENT TRANSFERS	<u>\$ 12,524,977</u>	<u>\$ 13,085,850</u>	<u>\$ 8,185,279</u>

CLEARWATER COUNTY
Consolidated Schedule of Segmented Information
For the Year Ended December 31, 2024

Schedule 4

	General Government	Community Services	Emergency & Protective Services	Transportation Services	Planning & Development	Recreation & Culture	Environmental Services	Agricultural Services	Total
REVENUE									
Net municipal taxes	\$ 55,967,960	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 55,967,960
Government transfers	481,380	-	1,050,508	2,263,862	52,977	-	-	246,517	4,095,244
Investment income	3,879,397	-	-	-	-	-	-	-	3,879,397
User fees and sales of goods	12,323	-	349,946	332,004	265,562	-	1,322,833	511,809	2,794,477
All other	688,260	-	201,170	250,605	298,983	3,671	-	25,414	1,468,103
	61,029,320	-	1,601,624	2,846,471	617,522	3,671	1,322,833	783,740	68,205,181
EXPENSES									
Salaries, wages and benefits	4,570,544	224,329	3,183,225	5,312,341	1,436,572	8,545	1,846,412	1,616,924	18,198,892
Contract and general services	3,331,347	284,164	518,501	7,605,404	756,354	536,291	917,812	643,477	14,593,350
Materials, goods and supplies	323,947	10,935	792,331	4,685,324	57,237	25,331	161,542	661,339	6,717,986
Transfers to other governments	405,230	69,041	-	40,132	-	1,539,364	2,000,000	32,515	4,086,282
Transfers to individuals/organizations	-	525,772	1,759,829	-	25,676	655,701	-	1,000	2,967,978
Bad debts	178,294	-	-	-	-	-	-	-	178,294
Other expenses	6,419	-	-	1,863	-	-	-	122,123	130,405
Interest on long-term debt	-	22,017	-	-	-	-	-	-	22,017
Asset retirement obligation recovery	-	-	-	(10,067)	-	-	(1,082,602)	-	(1,092,669)
	8,815,781	1,136,258	6,253,886	17,634,997	2,275,839	2,765,232	3,843,164	3,077,378	45,802,535
NET REVENUE (DEFICIT) BEFORE AMORTIZATION	52,213,539	(1,136,258)	(4,652,262)	(14,788,526)	(1,658,317)	(2,761,561)	(2,520,331)	(2,293,638)	22,402,646
Amortization	518,159	12,432	535,937	21,070,636	152,812	81,085	1,526,130	243,483	24,140,674
NET REVENUE (DEFICIT)	\$ 51,695,380	\$ (1,148,690)	\$ (5,188,199)	\$ (35,859,162)	\$ (1,811,129)	\$ (2,842,646)	\$ (4,046,461)	\$ (2,537,121)	\$ (1,738,028)

CLEARWATER COUNTY
Consolidated Schedule of Segmented Information
For The Year Ended December 31, 2023

Schedule 5

	General Government	Community Services	Emergency & Protective Services	Transportation Services	Planning & Development	Recreation & Culture	Environmental Services	Agricultural Services	Total
REVENUE									
Net municipal taxes	\$ 52,838,602	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 52,838,602
User fees and sales of goods	148,650	-	1,846,670	404,969	745,366	-	1,125,066	407,079	4,677,800
Investment income	3,324,022	-	-	-	-	-	-	-	3,324,022
Government transfers	414,144	-	858,078	-	48,244	-	81,408	294,503	1,696,377
All other	672,887	-	264,371	207,429	320,415	-	-	18,124	1,483,226
	<u>57,398,305</u>	<u>-</u>	<u>2,969,119</u>	<u>612,398</u>	<u>1,114,025</u>	<u>-</u>	<u>1,206,474</u>	<u>719,706</u>	<u>64,020,027</u>
EXPENSES									
Salaries, wages and benefits	3,989,741	108,908	3,175,902	4,491,709	1,394,214	16,708	1,765,004	1,397,241	16,339,427
Contracted and general services	3,014,868	84,413	506,322	5,637,916	658,649	691,803	852,990	523,749	11,970,710
Materials, goods and utilities	305,306	5,611	780,117	3,213,033	84,355	11,928	171,025	494,748	5,066,123
Transfers to other governments	426,300	284,738	-	52,880	-	2,379,289	-	-	3,143,207
Transfers to individuals/organizations	-	325,510	1,684,621	-	62,783	469,993	-	42,631	2,585,538
Asset retirement obligation expense	-	-	-	10,249	-	-	478,679	-	488,928
Other expenses	5,511	-	-	3,505	-	-	-	261,683	270,699
Bad debts	144,182	-	-	-	-	-	-	-	144,182
Interest on long-term debt	-	38,147	-	-	-	-	-	-	38,147
	<u>7,885,908</u>	<u>847,327</u>	<u>6,146,962</u>	<u>13,409,292</u>	<u>2,200,001</u>	<u>3,569,721</u>	<u>3,267,698</u>	<u>2,720,052</u>	<u>40,046,961</u>
NET REVENUE (DEFICIT) BEFORE AMORTIZATION	49,512,397	(847,327)	(3,177,843)	(12,796,894)	(1,085,976)	(3,569,721)	(2,061,224)	(2,000,346)	23,973,066
Amortization	516,229	11,564	512,756	20,236,428	123,293	81,085	1,881,558	207,587	23,570,500
NET REVENUE (DEFICIT)	<u>\$ 48,996,168</u>	<u>\$ (858,891)</u>	<u>\$ (3,690,599)</u>	<u>\$ (33,033,322)</u>	<u>\$ (1,209,269)</u>	<u>\$ (3,650,806)</u>	<u>\$ (3,942,782)</u>	<u>\$ (2,207,933)</u>	<u>\$ 402,566</u>

The accompanying notes are an integral part of the financial statements

Clearwater County (the "County") is a municipality in the Province of Alberta, Canada and operates under the provisions of the *Municipal Government Act*, R.S.A., 2000, c. M-26, as amended.

1. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements are the representations of the County management prepared in accordance with Canadian public sector accounting standards. Significant aspects of the accounting policies adopted by the County are as follows:

(a) Reporting Entity

These consolidated financial statements include the assets, liabilities, non-financial assets, revenues, expenses and accumulated surplus of the County which comprises all 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.

Rocky Mountain House Airport Commission	50.0%
Clearwater Regional Fire Rescue Services	77.0%

The County accounts for government partnerships using the proportionate consolidation method. Under this method, the County's proportionate share of assets, liabilities, non-financial assets, revenues, expenses and accumulated surplus are included in the consolidated financial statements.

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

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

(b) Basis of Accounting

The consolidated financial statements are prepared using the accrual basis of accounting. Revenues are accounted for in the period in which the transactions or events occurred that gave rise to the revenues. Expenses are recognized in the period the goods and 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.

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

(c) Use of Estimates

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Valuation of financial assets and liabilities

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

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

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

(e) Cash and Cash Equivalents

Cash and temporary investments include items that are readily convertible to known amounts of cash, are subject to an insignificant risk of change in value, and have a maturity of 90 days or less at acquisition.

(f) Investments

Investments in interest bearing securities are recorded at amortized cost. Investment premiums and discounts are amortized on 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. Investment income is recorded as revenue in the period it is earned.

(g) Land Held for Resale

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

(h) Requisition Over-levy and Under-levy

Over-levies and under-levies arise from the difference between the actual school tax originally levied on behalf of the province and the levy after all adjustments have been processed throughout the year. If the difference is an over-levy or over-collection, the overage is accrued as a liability and property tax revenue is reduced in the following year. If the difference is an under-levy or under-collection, the underage is accrued as a receivable and reflected as property tax revenue in the following year.

(i) Tax Revenue

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Pensions

The County participates in two multi-employer defined benefit pension plans. Contributions for current and past service pension benefits are recorded as expenses in the year in which they become due. See *Note 15* for details of these pension plans.

(k) Asset retirement obligations

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

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

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

(l) Contaminated Sites

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

(m) Non-financial assets

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

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

i) Tangible Capital Assets

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

Buildings	10 - 50 years
Engineered structures	
Roadway systems	3- 80 years
Water systems	45 - 75 years
Wastewater systems	34 - 75 years
Cell development	10 - 15 years
Machinery and equipment	5 - 40 years
Vehicles	10 - 25 years

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

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

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

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

ii) Inventories for Consumption

Inventories held for consumption are valued at the lower of cost and net realizable value with cost determined by the average cost method for gravel and sign inventory and the first-in first-out method for shop inventory.

CLEARWATER COUNTY
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2024

2. CASH AND CASH EQUIVALENTS

	<u>2024</u>	<u>2023</u>
Savings accounts	\$ 27,607,806	\$ 10,629,162
Notice on amount accounts	23,008,078	36,602,799
Operating accounts	5,117,239	5,330,571
Cash on hand	500	500
	<u>\$ 55,733,623</u>	<u>\$ 52,563,032</u>

The above amounts include grant funding of \$7,542,850 (2023 - \$13,542,306) which is externally restricted per *Note 6*.

3. ACCOUNTS RECEIVABLE

	<u>2024</u>	<u>2023</u>
Trade and other	\$ 6,120,286	\$ 10,637,553
Taxes and grants in place of taxes	1,815,033	2,248,769
Goods and Services Tax	840,898	1,012,442
	8,776,217	13,898,764
Less: Allowance for doubtful accounts	<u>(925,093)</u>	<u>(746,799)</u>
	<u>\$ 7,851,124</u>	<u>\$ 13,151,965</u>

The aging of receivables that are not impaired is as follows:

	<u>2024</u>	<u>2023</u>
Current	\$ 6,816,010	\$ 8,657,323
1 year	960,609	877,196
2 years	41,064	1,584,040
3 years	25,981	683,389
Over 3 years	7,460	1,350,017
	<u>\$ 7,851,124</u>	<u>\$ 13,151,965</u>

4. INVESTMENTS

	<u>2024</u>	<u>2023</u>
Government and corporate bonds	\$ 50,025,049	\$ 49,972,209
Guaranteed Investment Certificate	-	2,000,000
Rocky Mountain House Co-op Association Limited	7,501	7,501
	<u>\$ 50,032,550</u>	<u>\$ 51,979,710</u>

The stated coupon interest rates on government and corporate bonds range between 1.59% - 5.43% per annum, maturing at dates ranging between 2025 - 2035. The market value of the government and corporate bonds at December 31, 2024 was \$48,715,007 (2023 - \$47,586,275).

CLEARWATER COUNTY
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2024

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2024	2023
Trade payables and accrued liabilities	\$ 5,832,943	\$ 5,942,346
Accrued wages and benefits	1,436,782	1,167,630
Deposits	38,255	25,000
	<u>\$ 7,307,980</u>	<u>\$ 7,134,976</u>

6. DEFERRED REVENUE

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

	2023	Additions	Revenue Recognized	2024
Local Government Funding Framework	\$ -	\$ 2,787,346	\$ -	\$ 2,787,346
Canada Community-Building Fund	4,550,802	760,328	(3,766,046)	1,545,084
Municipal Sustainability Initiative	4,945,489	67,852	(3,588,441)	1,424,900
Strategic Transportation Infrastructure Program	308	820,000	(308)	820,000
Other	533,306	663,212	(623,267)	573,251
Alberta Environment and Parks - Watercourse Crossing Remediation Program	3,512,401	132,362	(3,252,494)	392,269
	<u>\$ 13,542,306</u>	<u>\$ 5,231,100</u>	<u>\$ (11,230,556)</u>	<u>\$ 7,542,850</u>

7. LONG-TERM DEBT

	2024	2023
Alberta Capital Finance Authority debenture repayable in semi-annual installments of \$227,808 including interest at a fixed rate of 4.006% maturing in 2025.	<u>\$ 223,335</u>	<u>\$ 656,935</u>

8. ASSET RETIREMENT OBLIGATIONS

Landfill

The County operates a landfill site and is legally required to perform closure and post-closure activities upon retirement of this site. Closure and post-closure activities include the final clay cover, landscaping, as well as surface and ground water monitoring, leachate control, and visual inspection. A liability for the total obligation, which was incurred when the site started accepting waste, irrespective of volume of waste accepted has been accrued. The County's undiscounted future cash flows expected are a closure cost in year 2033 of \$4,979,401 with annual post-closure activities starting in year 2036 of \$315,844 increasing at an annual inflation rate of 2.31%, for 25 years to year 2061. The estimated total liability is based on the sum of discounted future cash flows for closure and post-closure activities using a discount rate of 4.91%. The County has not designated assets for settling closure and post-closure liabilities.

Buildings

The County has asset retirement obligations to remove various hazardous materials including, asbestos, lead, mercury, and mold from various buildings under its control. Regulations require the County to handle and dispose of these materials in a prescribed manner when it is disturbed, such as when the building undergoes renovations or being demolished. Although the timing of the removal is conditional on the building undergoing renovations or being demolished, regulations create an existing obligation for the County to remove the materials when the asset retirement activities occur. The total County's undiscounted future cash flows expected on buildings is \$280,000 to be realized between 2034 and 2058. The estimated liability is based on the sum of discounted future cash flows using a discount rate of 4.91% and inflation rate of 2.3% The County has not designated assets for settling these liabilities.

	2024	2023
Balance, beginning of the year	\$ 9,759,788	\$ 9,270,860
Accretion expense	514,715	488,928
Revisions in estimate	(1,607,384)	-
Balance, end of the year	\$ 8,667,119	\$ 9,759,788

Asset retirement obligations are comprised of the following:

	2024	2023
Landfill	\$ 8,461,966	\$ 9,544,568
Buildings	205,153	215,220
	\$ 8,667,119	\$ 9,759,788

CLEARWATER COUNTY
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2024

9. TANGIBLE CAPITAL ASSETS

	2024 Net Book Value	2023 Net Book Value
Engineered structures		
Roadways and bridges	\$ 231,072,254	\$ 233,132,121
Wastewater systems	30,309,067	30,658,188
Water systems	5,366,255	5,457,439
All other	36,448,884	35,981,090
	303,196,460	305,228,838
Land and land improvements	44,324,937	44,177,626
Buildings	23,102,869	23,057,245
Machinery and equipment	18,575,892	16,050,669
Vehicles	3,029,141	2,637,802
	\$ 392,229,299	\$ 391,152,180

	Cost Beginning of Year	Additions	Disposals	Transfers	Cost End of Year
Engineered structures					
Roadways and bridges	\$ 673,771,275	\$ 20,091,564	\$ (9,249,187)	-	\$ 684,613,652
Water systems	6,747,442	31,022	-	-	6,778,464
Wastewater systems	34,255,990	-	-	-	34,255,990
All other	48,046,350	1,810,034	(56,210)	6,887	49,807,061
	762,821,057	21,932,620	(9,305,397)	6,887	775,455,167
Machinery and equipment	31,564,196	5,601,787	(1,185,503)	(261,841)	35,718,639
Vehicles	5,137,528	650,416	(96,828)	190,841	5,881,957
Buildings	28,205,968	660,838	(14,121)	-	28,852,685
Land	44,177,626	83,198	-	64,113	44,324,937
	\$ 871,906,375	\$ 28,928,859	\$ (10,601,849)	\$ -	\$ 890,233,385

	Accumulated Amortization Beginning of Year	Current Amortization	Disposals	Transfers	Accumulated Amortization End of Year
Engineered structures					
Roadways and bridges	\$ 440,639,154	\$ 19,140,853	\$ (6,238,609)	-	\$ 453,541,398
Water systems	1,290,003	122,206	-	-	1,412,209
Wastewater systems	3,597,802	349,121	-	-	3,946,923
All other	12,065,260	1,292,917	-	-	13,358,177
	457,592,219	20,905,097	(6,238,609)	-	472,258,707
Machinery, equipment, and furnishings	15,513,527	2,192,580	(563,360)	-	17,142,747
Vehicles	2,499,726	435,659	(82,569)	-	2,852,816
Buildings	5,148,723	607,338	(6,245)	-	5,749,816
	\$ 480,754,195	\$ 24,140,674	\$ (6,890,783)	\$ -	\$ 498,004,086

Construction of tangible capital assets in progress for 2024 totals \$46,282,167 (2023 - \$34,204,286). These amounts are not being amortized.

CLEARWATER COUNTY
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2024

10. INVENTORIES FOR CONSUMPTION

	2024	2023
Gravel	\$ 4,351,762	\$ 4,805,271
Parts, chemicals, and other	951,913	892,520
	\$ 5,303,675	\$ 5,697,791

11. ACCUMULATED SURPLUS

	2024	2023
Unrestricted surplus	\$ 110,000	\$ 100,000
Restricted surplus (<i>Note 12</i>)	110,904,136	108,661,115
Equity in tangible capital assets (<i>Schedule 1</i>)	383,562,180	381,392,392
	\$494,576,316	\$490,153,507

12. RESTRICTED SURPLUS

	2024	2023
Broadband	\$ 20,727,140	\$ 240,822
Administration facilities	16,930,639	17,067,273
Bridge reconstruction	9,125,572	8,238,278
Vehicles and equipment	8,179,851	8,904,393
Resource roads	8,000,000	7,500,000
Public works paved infrastructure	7,269,480	4,071,333
Gravel reclamation	6,577,185	6,102,845
Nordegg development - municipal funded	6,433,385	-
Core infrastructure	5,223,350	17,979,007
Ag rec facilities	5,217,000	5,217,000
Gravel stores	4,407,553	4,407,553
Transfer station	3,863,274	-
Fire capital	3,575,046	6,825,629
West country roads	2,955,723	1,755,723
Waste capital	2,601,482	2,359,406
Work in progress	2,219,688	3,716,125
Fire training	1,478,007	-
Emergency preparedness	1,283,010	1,283,010
Airport	836,775	887,655
Leslieville Sewer	736,237	669,505
Fire facility	602,393	-
Municipal, recreation, and school	532,024	1,059,298
GIS - air photos	70,000	-
NSRP & trail systems	28,218	28,218
Nordegg development	(7,968,896)	(6,918,330)
Revenue stabilization	-	10,398,394
Land development outside Nordegg	-	4,050,000
General sewer	-	2,817,978
	\$110,904,136	\$108,661,115

13. CREDIT FACILITY

The County has a demand revolving operating credit facility to a maximum of \$4,850,000 bearing interest at prime plus 1.00% per annum. The credit facility was not drawn upon as of December 31, 2024 or 2023.

14. CONTINGENCIES

(a) Friends of the Corridor Schools

Wild Rose School Division has replaced existing schools in Leslieville and Condor. To augment the essential infrastructure, the Friends of the Corridor Schools, a committee of people working to upgrade schools and educational facilities in the community, was formed (the "Group") and has embarked on a fundraising campaign. In 2019, Clearwater County Council committed to match total funds raised by the Group. As of reporting date of these 2024 financial statements, the Group has raised \$84,095. In 2020, Clearwater County Council made an additional commitment to a minimum of \$200,000 for project upgrades to increase functionality within the new schools. As of the reporting date of their financial statements, Clearwater County has paid \$200,000 to the Wild Rose School Division.

(b) Lawsuits

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

15. PENSION PLANS

(a) 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 *Public Sector Pension Plans Act*. The LAPP is financed by employer and employee contributions and investment earnings of the LAPP Fund.

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

Total current service contributions by the County to the LAPP in 2024 were \$1,094,341 (2023 - \$942,218). Total current service contributions by the employees of the County to the LAPP in 2024 were \$956,588 (2023 - \$844,568).

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

(b) Alberta Urban Municipalities Association Apex Supplementary Pension Plan

Certain employees of the County are eligible to participate in the Alberta Urban Municipalities Association Apex Supplementary Pension Plan (APEX), a multi-employer pension plan. This plan provides defined pension benefits to employees based on their length of service and rate of pay.

Contributions by the County to APEX in 2024 were \$5,343 (2023 - \$5,190). Contributions by the employees of the County to APEX in 2024 were \$4,368 (2023 - \$4,243).

CLEARWATER COUNTY
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2024

16. REMUNERATION AND BENEFITS DISCLOSURE

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

	2024		2023	
	Salary	Benefits and Allowances	Total	Total
Reeve and Councilors				
Division 1	\$ 79,488	\$ 10,215	\$ 89,703	\$ 76,635
Division 2	63,100	8,282	71,382	62,074
Division 3	65,405	7,941	73,346	80,938
Division 4	65,085	8,314	73,399	58,204
Division 5	65,705	8,480	74,185	53,118
Division 6	66,558	8,560	75,118	64,287
Division 7	110,168	14,725	124,893	78,231
	\$ 515,509	\$ 66,517	\$ 582,026	\$ 473,487
Chief Administrative Officer	\$ 250,796	\$ 38,626	\$ 289,422	\$ 273,398

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

17. SEGMENTED INFORMATION

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

(a) General Government

General Government is comprised of Council, the office of the CAO and Corporate Services. Corporate Services includes Financial Services, Communications, Assessment, Geographic Information System, and Information Technology Services. Council makes governance decisions regarding service delivery and service levels on behalf of the County in order to balance the needs and wants of the County residents in a financially responsible manner.

(b) Community Services

Community Services consists of seniors' funding, economic development and tourism activities, animal control, shared costs for the airport and special request funding. The Community Services area also provides services mandated by Family and Community Support Services throughout Alberta through a shared funding model between the Province of Alberta, the County, the Town of Rocky Mountain House, and the Village of Caroline.

(c) Emergency and Legislative Services

Emergency and Protective Services is comprised of Fire, Emergency Management, and Municipal Enforcement Services. The regional fire service provides fire suppression along with fire prevention training and education programs. The regional emergency management agency prepares for emergency situations in order to maintain safe communities. The Municipal Enforcement Services provides infrastructure protection, bylaw enforcement and education programs as well as provincial statute enforcement with the authorities granted by the Solicitor General of Alberta.

(d) Transportation Services

Transportation is comprised of services in the Public Works areas. This includes the County's infrastructure (roads and bridges), facilities and maintenance programs, including paving and gravel.

(e) Planning and Development

This area conducts the County's planning and development functions, working with developers to foster sustainable growth within the County. Planning and Development also oversees the ongoing Nordegg development program, as well as the heritage activities, including the Nordegg Museum and Brazeau Collieries Mine Site.

(f) Recreation and Culture

The County contributes to the local recreation programs, libraries and museums in partnership with the Town of Rocky Mountain House, and the Village of Caroline. Through cost-sharing partnerships, the Rocky Mountain House Parks, Recreation and Culture provide recreational and cultural services and activities which promote the well-being of its citizens.

(g) Environmental Services

Environmental Services are comprised of water, wastewater and regional solid waste management collection and recycling.

(h) Agricultural Services and Landcare

Agricultural Services and Landcare administers programs that strengthen relationships in the rural areas as well as relationships with urban communities. This includes vegetation and pest management, environmental stewardship programs, educational workshops, specialized equipment rental, cattle data management and awards such as Century Farms, Farm Family, and Rural Beautification.

CLEARWATER COUNTY
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2024

18. DEBT LIMITS

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

	2024	2023
Total debt limit	\$102,307,772	\$ 96,030,041
Total debt	(223,335)	(656,935)
Amount of debt limit unused	\$102,084,437	\$ 95,373,106
Debt servicing limit	\$ 17,051,295	\$ 16,005,007
Service on debt	(227,808)	(455,617)
Amount of debt servicing limit unused	\$ 16,823,487	\$ 15,549,390

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

19. FINANCIAL INSTRUMENTS

The County's financial instruments consist of cash and cash equivalents, investments, accounts receivable, accounts payable and accrued liabilities, and long-term debt. It is management's opinion that the County is not exposed to significant market or currency risk arising from these financial instruments. The following analysis provides information about the County's risk exposure and concentration as of December 31, 2024.

(a) Credit risk

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

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate risk arises when the County invests in interest-bearing financial instruments. Interest rate risk on the County's long-term debt is managed through fixed-rate debentures.

(c) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The County is exposed to price risk on its investments in fixed income securities.

20. SUBSEQUENT EVENT

Effective January 1, 2025, Clearwater County and the Village of Caroline ("Old Municipalities") were amalgamated per Ministerial Order 358/2024.

Per the terms of the Order, the Old Municipalities were dissolved and a new municipal district, having the name Clearwater County, was formed as at the effective date. The Hamlet of Caroline resides within the boundaries of the new municipal district.

The Order also states "All liabilities, whether arising under a debenture or otherwise, and all assets, rights, duties, functions and obligations of the Old Municipalities are vested in the New Municipality and may be dealt with in its name".

21. BUDGET FIGURES

The budget figures are presented for information purposes only. The 2024 budget, prepared by the County, reflects all municipal activities including capital projects, debt repayments, and restricted surplus transfers. The reconciliation below is provided to encompass these items.

	2024 (Budget)	2024 (Actual)
Annual surplus (deficit)	\$ (1,350,972)	\$ 4,422,809
Add back (deduct):		
Amortization expense	23,000,000	24,140,674
Purchase of tangible capital assets	(40,366,896)	(28,928,859)
Net transfers from reserves to fund capital projects	29,517,596	15,678,457
Net transfers from reserves to fund operations	4,500,545	2,511,376
Net transfers to reserve for future purchases	(14,866,673)	(20,432,854)
Debt principal repayments	(433,600)	(433,600)
	\$ -	\$ (3,041,997)

22. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were accepted by Council as presented.

23. COMPARATIVE FIGURES

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