



ROCKY VIEW COUNTY

ATTACHMENT A

2025 Year-End Financial Statements and
Notes to the Financial Statements

April 28, 2026

Management's Responsibility for Financial Reporting

Management has prepared the financial statements in accordance with Canadian public sector accounting standards. Financial statements are not precise since they include specific amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen the most appropriate to ensure that the financial statements are presented fairly in all material respects.

The County maintains internal accounting and administrative controls consistent with reasonable cost. Such measures are designed to provide reasonable assurance that the financial information is relevant, reliable, and accurate and that the County's assets are appropriately accounted for and adequately safeguarded.

The County's Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

Annually, the Financial Services manager presents to the County's Council a report detailing management's response to annual audit findings, variance explanations on financials, significant highlights of the financial statements, and administration recommendations that the financial statements be approved. The external auditors also discuss their findings based on previously presented audit plans with the County's Council. Throughout the year, Finance, through the Governance Committee, will also present financial statements for information purposes. This process ensures that each party properly discharges their responsibilities transparently and that a review of the financial statements and the external auditor's report is completed.

The Reeve and Council consider this information when approving the financial statements for issuance to the ratepayers. The Reeve and Council also appoint the engagement of the external auditors.

BDO Canada LLP has audited the financial statements in accordance with Canadian generally accepted auditing standards on behalf of the ratepayers. BDO Canada LLP has full access to the County's Council and management.

Isedua Agbonkhese

Manager, Financial Services

Independent Auditor's Report

To the Council of Rocky View County

Opinion

We have audited the financial statements of Rocky View County (the County), which comprise the statement of financial position as at December 31, 2025, Statement of operations, statement of change in net financial assets, statement of cash flows, and and notes to the financial statements, including a summary of significant accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the County as at December 31, 2025, and its results of operations, its measurement of gains and losses, its changes in net financial assets, and its cash flows for the year then ended in accordance with 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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the County in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Empasis of Matter- Restated Comparative Information

We draw attention to Note 23 of the financial statements, which explains that certain comparative information presented for the year ended December 31, 2024 has been restated. Our opinion is not modified in respect of this matter.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control.
- Evaluate the appropriateness of accounting policies 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

[Signature in the name of the audit firm]
Chartered Professional Accountants

Calgary, Alberta
April xx, 2025

ROCKY VIEW COUNTY
Statement of Financial Position
As at December 31, 2025

	2025 \$	2024 \$ (Note 22,23)
FINANCIAL ASSETS		
Cash (Note 2)	47,457,510	50,246,014
Temporary investments (Note 3)	167,205,331	154,005,331
Receivables		
Taxes and grants in place of taxes (Note 4)	6,006,342	5,649,861
Trade and other receivables (Note 4)	25,292,394	12,491,145
Debt charges recoverable (Note 5)	266,572	300,022
	<u>246,228,149</u>	<u>222,692,373</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 6)	20,274,014	19,692,829
Deposit liabilities (Note 6)	6,632,968	7,825,302
Long-term debt (Note 6,7)	44,551,260	50,095,992
Deferred revenue (Note 8)	70,223,399	78,774,760
Employee benefit obligations (Note 9)	4,426,358	3,525,477
Asset retirement obligation (Note 10)	3,899,712	3,869,164
	<u>150,007,711</u>	<u>163,783,524</u>
NET FINANCIAL ASSETS	<u>96,220,438</u>	<u>58,908,849</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 2)	758,343,530	751,047,603
Resource asset	21,161,000	21,161,000
Inventory for consumption	2,136,115	3,379,340
Prepaid expenses	1,853,108	1,676,057
	<u>783,493,753</u>	<u>777,264,000</u>
ACCUMULATED SURPLUS (Schedule 1, Note 16)	<u>879,714,191</u>	<u>836,172,849</u>
<i>Commitments & Contactual Obligations - See Note 12</i>		
<i>Contingencies - See Note 13</i>		
<i>Insurance Exchange Liability - See Note 14</i>		

The accompanying notes are an integral part of these financial statements

ROCKY VIEW COUNTY
Statement of Operations
For the Year Ended December 31, 2025

	Budget \$ (Note 21)	2025 \$	2024 \$ (Note 22,23)
REVENUE			
Net municipal taxes (Schedule 3)	110,733,300	107,783,838	99,081,559
User fees and sales of goods	16,782,800	26,708,644	20,861,694
Cash-in-lieu of public reserve	2,400,000	2,226,305	2,241,642
Government transfers for operating (Schedule 4)	9,433,900	2,309,991	2,294,374
Investment income	4,913,200	5,466,039	6,420,149
Penalties and cost of taxes	1,237,600	1,662,653	1,328,952
Development agreements and levies	12,495,100	15,606,599	6,672,116
Licenses and permits	6,905,000	8,232,645	6,965,118
Fines	989,400	951,403	1,243,020
Other	40,549,200	23,232,693	3,683,990
Total Revenue	206,439,500	194,180,810	150,792,614
EXPENSES			
Legislative	1,247,100	1,022,286	1,265,620
Administration	30,942,700	29,520,364	23,146,848
Fire	19,490,100	20,053,443	20,992,730
Disaster services	246,600	200,177	158,253
Bylaw enforcement	13,032,500	12,916,540	11,969,258
Transportation and field services	116,018,000	72,166,989	51,899,612
Water supply and distribution	8,421,700	7,202,539	7,361,067
Wastewater treatment and disposal	14,123,800	13,298,267	12,138,567
Waste management	3,760,500	2,867,887	2,758,118
Family and community support	1,113,800	1,107,550	1,142,038
Cemetery	1,946,900	2,150,708	2,074,950
Planning and development	9,495,500	7,899,063	7,245,349
Recreation, parks and community services	9,034,100	8,427,486	7,715,118
Total Expenses	228,873,300	178,833,299	149,867,528
(SHORTFALL) EXCESS OF REVENUE OVER EXPENSES BEFORE CAPITAL REVENUE	(22,433,800)	15,347,511	925,086
CAPITAL CONTRIBUTIONS AND TRANSFERS			
Contributed assets	-	9,794,967	50,765,625
Developer and customer contributions	-	1,575,594	605,414
Government transfers for capital (Schedule 4)	28,111,500	16,823,270	7,601,808
Total Capital Contributions and Transfers	28,111,500	28,193,831	58,972,847
EXCESS OF REVENUE OVER EXPENSES	5,677,700	43,541,342	59,897,933
ACCUMULATED SURPLUS, BEGINNING OF YEAR (Note 16)	836,172,849	836,172,849	776,274,916
ACCUMULATED SURPLUS, END OF YEAR (Note 16)	841,850,549	879,714,191	836,172,849

The accompanying notes are an integral part of these financial statements

ROCKY VIEW COUNTY
Statement of Change in Net Financial Assets
For the Year Ended December 31, 2025

	Budget \$ (Note 21)	2025 \$	2024 \$ (Note 22,23)
EXCESS OF REVENUE OVER EXPENSES	5,677,700	43,541,342	59,897,933
Acquisition of tangible capital assets	(74,139,000)	(26,714,110)	(15,285,875)
Contributed tangible capital assets	-	(9,794,967)	(50,765,625)
Proceeds on disposal of tangible capital assets	-	2,020,662	404,032
Amortization of tangible capital assets	28,402,800	29,125,764	29,141,568
Loss on sale of tangible capital assets	-	(1,933,276)	(224,543)
	<u>(45,736,200)</u>	<u>(7,295,927)</u>	<u>(36,730,443)</u>
Use of (acquisition of) supplies inventories	-	1,243,225	(214,203)
(Acquisition of) prepaid assets	-	(177,051)	(52,655)
	<u>-</u>	<u>1,066,174</u>	<u>(266,858)</u>
(DECREASE) INCREASE IN NET FINANCIAL ASSETS	(40,058,500)	37,311,589	22,900,632
NET FINANCIAL ASSET, BEGINNING OF YEAR	<u>58,908,849</u>	<u>58,908,849</u>	<u>36,008,217</u>
NET FINANCIAL ASSETS, END OF YEAR	<u><u>18,850,349</u></u>	<u><u>96,220,438</u></u>	<u><u>58,908,849</u></u>

The accompanying notes are an integral part of these financial statements

ROCKY VIEW COUNTY
Statement of Cash Flows
For the Year Ended December 31, 2025

	2025 \$	2024 \$ (Note 22,23)
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING ACTIVITIES		
Excess of revenue over expenses	43,541,342	59,897,933
Non-cash items included in excess of revenue over expenses:		
Amortization of tangible capital assets	29,125,764	29,141,568
ARO Accretion Expense	51,669	61,215
(Gain) Loss on disposal of tangible capital assets	(1,933,276)	(224,543)
Tangible capital assets received as contributions	(9,794,967)	(50,765,625)
Non-cash charges to operations (net change):		
(Increase) in taxes and grants in place of taxes	(356,481)	(1,389,983)
(Increase) Decrease in trade and other receivables	(12,801,249)	2,132,909
Decrease (Increase) in inventory for consumption	1,243,225	(214,203)
(Increase) in prepaid expenses	(177,051)	(52,655)
Increase in accounts payable and accrued liabilities	581,185	1,028,613
Increase in accounts payable amount applied to capital	660,895	2,391,964
(Decrease) Increase in deposit liabilities	(1,192,334)	1,103,650
(Decrease) Increase in deferred revenue	(8,551,361)	14,121,611
Increase in employee benefit obligations	900,881	154,379
(Decrease) Increase in ARO	(21,121)	59,192
Cash provided by (applied to) operating transactions	<u>41,277,121</u>	<u>57,446,025</u>
CAPITAL		
Accounts payable amount applied to capital	(660,895)	(2,391,964)
Acquisition of tangible capital & resource assets	(26,714,110)	(15,285,875)
Sale of tangible assets	2,020,662	404,032
Cash provided by (applied to) capital transactions	<u>(25,354,343)</u>	<u>(17,273,807)</u>
INVESTING		
(Increase) in investments	<u>(13,200,000)</u>	<u>(24,000,000)</u>
FINANCING		
Debt charges recovered	33,450	31,900
Long-term debt repaid	(5,544,732)	(4,625,425)
Long-term debt raised	-	922,584
Cash provided by (applied to) financing transactions	<u>(5,511,282)</u>	<u>(3,670,941)</u>
CHANGE IN CASH DURING YEAR	(2,788,504)	12,501,277
CASH AT BEGINNING OF YEAR	50,246,014	37,744,737
CASH AT END OF YEAR (Note 2)	<u>47,457,510</u>	<u>50,246,014</u>

The accompanying notes are an integral part of these financial statements

ROCKY VIEW COUNTY
Schedule of Changes in Accumulated Operating Surplus
For the Year Ended December 31, 2025
Schedule 1

	Unrestricted Surplus	Restricted (Note 22,23)	Equity in Other Assets	Equity in Tangible Capital Assets	2025 \$	2024 \$ (Note 22,23)
Balance, Beginning of the Year	4,946,065	112,683,315	21,161,000	697,382,469	836,172,849	776,274,916
Annual surplus	43,541,342	-	-	-	43,541,342	59,897,933
Unrestricted funds designated for future use	(46,351,736)	46,351,736	-	-	-	-
Restricted funds used for operations	6,171,756	(6,171,756)	-	-	-	-
Restricted funds use for tangible capital assets	-	(6,499,933)	-	6,499,934	-	-
Current year funds used for tangible capital assets	(20,224,742)	-	-	20,224,742	-	-
Contributed tangible capital assets	(9,794,967)	-	-	9,794,967	-	-
Disposal of tangible capital assets	87,387	-	-	(87,387)	-	-
Annual amortization expenses	29,125,764	-	-	(29,125,764)	-	-
Asset retirement obligation accretion expense	51,669	-	-	(51,669)	-	-
Long term debt related to tangible capital assets issued	-	-	-	-	-	-
Long term debt issued	-	-	-	-	-	-
Reclamation costs for asset retirement obligation repaid	(10,557)	-	-	10,557	-	-
Long term debt related to tangible capital assets repaid	(5,511,282)	-	-	5,511,282	-	-
Change in accumulated operating surplus	(2,915,366)	33,680,046	-	12,776,662	43,541,342	59,897,933
Balance, End of Year	2,030,699	146,363,362	21,161,000	710,159,130	879,714,191	836,172,849

The accompanying notes are an integral part of these financial statements

ROCKY VIEW COUNTY
Schedule of Tangible Capital Assets
For the Year Ended December 31, 2025
Schedule 2

	Land	Land Improvements	Buildings	Engineered Structures	Machinery and Equipment	Vehicles	2025 \$	2024 \$
COST:								
BALANCE, BEGINNING OF YEAR	164,019,298	14,220,800	84,396,857	1,146,410,195	22,587,775	19,944,279	1,451,579,204	1,387,313,539
Acquisition of tangible capital assets	8,330,336	365,678	40,840	12,463,124	1,659,472	2,157,127	25,016,577	66,449,565
Construction-in-progress, net	7,365	326,614	976,691	9,933,455	192,975	55,401	11,492,501	(398,067)
Disposal of tangible capital assets	(32,024)	-	-	(259,910)	(692,602)	(1,028,255)	(2,012,791)	(1,785,833)
BALANCE, END OF YEAR	172,324,975	14,913,092	85,414,388	1,168,546,864	23,747,620	21,128,552	1,486,075,491	1,451,579,204
ACCUMULATED AMORTIZATION:								
BALANCE, BEGINNING OF YEAR	-	3,458,608	21,678,136	646,504,944	16,716,597	12,173,316	700,531,601	672,996,377
Annual amortization	-	691,501	2,306,194	23,017,988	1,632,339	1,477,742	29,125,764	29,141,568
Accumulated amortization on disposals	-	-	-	(258,539)	(677,595)	(989,270)	(1,925,404)	(1,606,344)
BALANCE, END OF YEAR	-	4,150,109	23,984,330	669,264,393	17,671,341	12,661,788	727,731,961	700,531,601
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	<u>172,324,975</u>	<u>10,762,983</u>	<u>61,430,058</u>	<u>499,282,471</u>	<u>6,076,279</u>	<u>8,466,764</u>	<u>758,343,530</u>	
2024 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	<u>164,019,298</u>	<u>10,762,192</u>	<u>62,718,721</u>	<u>499,905,251</u>	<u>5,871,178</u>	<u>7,770,963</u>		<u>751,047,603</u>
	<u>2025 Opening Bal</u>	<u>Additions</u>	<u>Transfer to TCA</u>	<u>2025 Ending Bal</u>	<u>2025 Net Change</u>			
Construction-in-progress	3,663,022	12,211,328	718,827	15,155,523	11,492,501			

The accompanying notes are an integral part of these financial statements

ROCKY VIEW COUNTY
Schedule of Property and Other Taxes
For the Year Ended December 31, 2025
Schedule 3

	Budget \$ (Note 21)	2025 \$	2024 \$
TAXATION			
Real property taxes	174,569,347	172,079,616	149,249,005
Linear property taxes	14,905,049	14,692,470	13,379,034
Government grants in place of property taxes	86,904	85,666	87,209
Special assessments and local improvement taxes	653,300	652,375	632,111
	<u>190,214,600</u>	<u>187,510,127</u>	<u>163,347,359</u>
REQUISITIONS FROM OTHER AUTHORITIES			
Alberta School Foundation Fund	74,317,900	71,349,469	57,183,189
Calgary Roman Catholic Separate School District	3,356,400	6,324,823	4,974,364
Rocky View Seniors Foundation	1,650,900	1,895,936	1,955,541
Designated Industrial Property Tax	156,100	156,061	152,706
	<u>79,481,300</u>	<u>79,726,289</u>	<u>64,265,800</u>
NET MUNICIPAL TAXES	<u>110,733,300</u>	<u>107,783,838</u>	<u>99,081,559</u>

The accompanying notes are an integral part of these financial statements

ROCKY VIEW COUNTY
Schedule of Government Transfers
For the Year Ended December 31, 2025
Schedule 4

	Budget \$ (Note 21)	2025 \$	2024 \$
TRANSFERS FOR OPERATING:			
Provincial Government	9,433,900	2,309,991	2,294,374
Federal Government	-	-	-
	<u>9,433,900</u>	<u>2,309,991</u>	<u>2,294,374</u>
TRANSFERS FOR CAPITAL:			
Provincial Government	24,911,500	15,704,105	7,601,808
Federal Government	3,200,000	1,119,165	-
	<u>28,111,500</u>	<u>16,823,270</u>	<u>7,601,808</u>
TOTAL GOVERNMENT TRANSFERS	<u><u>37,545,400</u></u>	<u><u>19,133,261</u></u>	<u><u>9,896,182</u></u>

The accompanying notes are an integral part of these financial statements

ROCKY VIEW COUNTY
Schedule of Expenses by Object
For the Year Ended December 31, 2025
Schedule 5

EXPENSES BY OBJECT	Budget \$ (Note 21)	2025 \$	2024 \$
Salaries, wages and benefits	59,482,000	60,520,611	55,727,469
Contracted and general services	115,318,300	67,342,974	43,989,508
Materials, goods and supplies	13,262,800	12,374,436	10,987,881
Interest on long-term debt	2,892,100	2,004,855	3,038,125
Purchased from other governments	1,076,600	738,545	716,933
Grants to organizations	3,709,400	3,506,798	3,328,775
Grants to local boards and agencies	2,427,600	2,592,459	2,295,495
Other	2,207,400	575,188	580,559
Amortization of tangible capital assets	28,402,800	29,125,764	29,141,568
Accretion of asset retirement obligation	94,300	51,669	61,215
TOTAL EXPENSES	228,873,300	178,833,299	149,867,528

The accompanying notes are an integral part of these financial statements

ROCKY VIEW COUNTY
Schedule of Segmented Disclosure
For the Year Ended December 31, 2025
Schedule 6

	General Government	Emergency Services	I & O Services	Planning & Development	Community Services	Total \$
REVENUE						
Net municipal taxes	107,783,838	-	-	-	-	107,783,838
User fees and sales of goods	8,724,061	999,345	15,250,810	1,734,428	-	26,708,644
Cash-In-Lieu of Public Reserves	2,226,305	-	-	-	-	2,226,305
Government transfers for operating	-	321,201	229,997	210,360	1,548,433	2,309,991
Investment income	5,466,039	-	-	-	-	5,466,039
Penalties and cost of taxes	1,465,167	-	44,105	153,381	-	1,662,653
Development agreements & levies	-	-	15,606,599	-	-	15,606,599
Licences & permits	-	52,497	18,759	8,143,990	17,399	8,232,645
Fines	-	951,403	-	-	-	951,403
Other	3,262,024	96,360	19,843,183	-	31,126	23,232,693
	<u>128,927,434</u>	<u>2,420,806</u>	<u>50,993,453</u>	<u>10,242,159</u>	<u>1,596,958</u>	<u>194,180,810</u>
EXPENSES						
Salaries, wages and benefits	18,875,457	17,895,515	15,795,265	7,301,298	653,077	60,520,612
Contracted and general services	7,952,539	5,343,206	51,171,244	2,065,849	810,136	67,342,974
Materials, goods and supplies	643,994	828,070	10,881,814	18,475	2,083	12,374,436
Transfers to local boards and organizations	1,764,624	125,000	17,950	-	4,191,683	6,099,257
Long-term debt interest	-	9,125	1,995,730	-	-	2,004,855
Other expenses	135,175	738,545	491,681	-	-	1,365,401
	<u>29,371,789</u>	<u>24,939,461</u>	<u>80,353,684</u>	<u>9,385,622</u>	<u>5,656,979</u>	<u>149,707,535</u>
CAPITAL CONTRIBUTIONS AND TRANSFERS						
Contributed assets	-	-	3,394,517	-	6,400,450	9,794,967
Developer and customer contributions	1,314,660	-	260,934	-	-	1,575,594
Government transfers for capital	367,350	-	15,966,633	-	489,287	16,823,270
	<u>1,682,010</u>	<u>-</u>	<u>19,622,084</u>	<u>-</u>	<u>6,889,737</u>	<u>28,193,831</u>
NET REVENUE, BEFORE AMORTIZATION	<u>101,237,655</u>	<u>(22,518,655)</u>	<u>(9,738,147)</u>	<u>856,537</u>	<u>2,829,716</u>	<u>72,667,106</u>
Amortization	640,915	1,207,556	26,548,700	-	728,593	29,125,764
EXCESS (DEFFICIENCY) OF REVENUE OVER EXPENSES	<u>100,596,740</u>	<u>(23,726,211)</u>	<u>(36,286,847)</u>	<u>856,537</u>	<u>2,101,123</u>	<u>43,541,342</u>

The accompanying notes are an integral part of these financial statements

ROCKY VIEW COUNTY
Schedule of Segmented Disclosure
For the Year Ended December 31, 2024
Schedule 6 (Note 22,23)

	General Government	Emergency Services	I & O Services	Planning & Development	Community Services	Total \$
REVENUE						
Net municipal taxes	99,081,559	-	-	-	-	99,081,559
User fees and sales of goods	354,111	1,033,331	17,721,419	1,752,833	-	20,861,694
Cash-In-Lieu of Public Reserves	2,241,642	-	-	-	-	2,241,642
Government transfers	-	385,812	375,608	-	1,532,954	2,294,374
Investment income	6,420,149	-	-	-	-	6,420,149
Penalties and cost of taxes	1,147,251	-	46,874	134,827	-	1,328,952
Development agreements & levies	-	-	6,672,116	-	-	6,672,116
Licences & permits	-	72,115	18,929	6,863,924	10,150	6,965,118
Fines	-	1,238,020	-	5,000	-	1,243,020
Other	1,061,588	106,568	2,515,834	-	-	3,683,990
	<u>110,306,300</u>	<u>2,835,846</u>	<u>27,350,780</u>	<u>8,756,584</u>	<u>1,543,104</u>	<u>150,792,614</u>
EXPENSES						
Salaries, wages and benefits	14,693,171	18,228,943	15,347,955	6,803,036	654,364	55,727,469
Contracted and general services	6,814,393	5,220,679	29,884,862	1,371,819	697,755	43,989,508
Materials, goods and supplies	511,185	797,567	9,663,071	11,280	4,778	10,987,881
Transfers to local boards and organizations	1,662,193	100,000	13,500	-	3,848,577	5,624,270
Long-term debt interest	-	13,871	3,024,254	-	-	3,038,125
Other expenses	36,200	716,933	605,574	-	-	1,358,707
	<u>23,717,142</u>	<u>25,077,993</u>	<u>58,539,216</u>	<u>8,186,135</u>	<u>5,205,474</u>	<u>120,725,960</u>
CAPITAL CONTRIBUTIONS AND TRANSFERS						
Contributed assets	-	-	37,071,125	-	13,694,500	50,765,625
Developer and customer contributions	45,414	-	560,000	-	-	605,414
Government transfers for capital	-	-	6,638,332	231,686	731,790	7,601,808
	<u>45,414</u>	<u>-</u>	<u>44,269,457</u>	<u>231,686</u>	<u>14,426,290</u>	<u>58,972,847</u>
NET REVENUE, BEFORE AMORTIZATION	<u>86,634,572</u>	<u>(22,242,147)</u>	<u>13,081,021</u>	<u>802,135</u>	<u>10,763,920</u>	<u>89,039,501</u>
Amortization	745,917	1,208,760	26,951,314	-	235,577	29,141,568
EXCESS (DEFFICIENCY) OF REVENUE OVER EXPENSES	<u>85,888,655</u>	<u>(23,450,907)</u>	<u>(13,870,293)</u>	<u>802,135</u>	<u>10,528,343</u>	<u>59,897,933</u>

The accompanying notes are an integral part of these financial statements

ROCKY VIEW COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

These financial statements of Rocky View County (the “County”) are the representations of management prepared in conformity with Canadian Public Sector Accounting Standards (PSAS). Significant aspects of the accounting policies adopted by the County are outlined as follows:

Reporting Entity

The financial statements reflect the assets, liabilities, revenues, expenditures, changes in fund balances, and changes in the financial position of Rocky View County.

The tax schedule includes requisitions for education, health, social, and external organizations that are not part of Rocky View County. The financial statements exclude trust assets administered on external parties’ behalf. Interdepartmental and organizational transactions and balances are eliminated.

Basis of Accounting

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

Revenue Recognition

Revenues are accounted for in the period in which the transactions or events occurred that gave rise to the revenues and the amounts to be received can be reasonably estimated and collection is reasonably assured.

Revenue from transactions with performance obligations are recognized as the performance obligations are satisfied by providing the promised goods or services to the payor. User fees are recognized over the period of use, sales of goods are recognized when goods are delivered.

Revenue from transactions without performance obligations are recognized at the realizable value when the County has the authority to claim or retain an inflow of economic resources received or receivable and there is a past transaction or event that gives rise to the economic resources.

User charges for which the related services have yet to be performed are recognized when related expenses are incurred, benefits are achieved, or tangible capital assets are acquired. Revenue on investments, fines, and penalties are recognized when earned.

Tax Revenue

The County recognizes taxes as assets and revenue when they meet the definition of an asset, are authorized by bylaw, and the taxable event has occurred. Tax Revenue is initially measured at the administration’s best estimate of the amount resulting from the actual taxable event per

ROCKY VIEW COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

legislation. The related tax receivable is initially recognized at its realizable value at the date of acquisition. Requisitions operate as a flow-through and are excluded from municipal revenue.

Government Transfers

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

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

Use of Estimates

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

Accounts receivable are stated after evaluation as to their collectability. Amortization is based on the estimated useful lives of tangible assets. Asset Retirement Obligations are based on an estimate of the liability includes all costs directly attributable to the remediation of the asset retirement obligation, based on the most reliable information that is available as at the applicable reporting date. The valuation of inventory for consumption is subject to estimation uncertainty.

Financial Instruments

PS3450, Financial Instruments, establishes recognition, measurement, and disclosure requirements for derivative and non-derivative financial instruments. The standard requires fair value measurement of derivatives and equity instruments; all other financial instruments can be measured at cost, amortized cost, or fair value at the election of the government.

There is the requirement to disclose the nature and extent of risks arising from financial instruments and clarification is given for the de-recognition financial liabilities. Management has reviewed the standard and all the financial instruments and determined the County does not have derivative or equity instruments and as such, all instruments are carried at cost or amortized cost. As a result, there are no additional financial instrument disclosures required. Refer to Note 6 on the County's financial instrument risk.

ROCKY VIEW COUNTY
NOTES TO THE FINANCIAL STATEMENTS
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Investments

Investments are comprised of investments in qualifying instruments as defined in the County's Investment Policy #C-201. Investments are recorded at amortized cost. Investment premiums and discounts are amortized on the net present value basis over the term of the respective assets. When there has been a value loss other than a temporary decline, the individual investment is written down to recognize the loss. Investments are externally managed and consist of investments in guaranteed investment certificates with banks, treasury branches and credit unions.

Debt Charges Recoverable

Debt charges recoverable consist of amounts that are recoverable from municipal agencies or other local governments concerning outstanding debentures or other long-term debt pursuant to annexation orders or joint capital undertakings. These recoveries are recorded at a value that equals the offsetting portion of the un-matured long-term debt.

Local Improvement Levies

Local improvements are recognized as revenue, and established as a receivable, for the property owners's share of the improvements in the period that the project expenses are incurred. Construction and borrowing costs associated with local improvement projects are recovered through annual special assessments during the period of related borrowings. These levies are collectible from property owners for work performed by Rocky View County.

Inventories for Resale

Gravel inventories held for resale are recorded at a lower of cost or net realizable value. The cost is determined by the weighted average cost method. The County offers bulk gravel sales for County residents. The County does not report gravel held for resale separately as inventory in the financial statements because the quantity and value are immaterial to Rocky View County's overall financial position. The value of sales for 2025 is \$17,000 (2024 - \$31,000).

Asset Retirement Obligation:

Asset retirement obligations ("ARO") represent the legal obligations associated with the retirement of a tangible capital asset that result from its acquisition, construction, development, or normal use. The tangible capital assets ("TCA") include but are not limited to assets in productive use, assets no longer in productive use, and leased tangible capital assets.

The liability associated with an asset retirement obligation is measured with reference to the best estimate of the amount required to ultimately remediate the liability at the financial statement date to the extent that all recognition criteria are met. Asset retirement obligations are only recognized when there is a legal obligation for the County to incur costs in relation to a specific TCA, when the past transaction or event causing the liability has already occurred, when economic benefits will need to be given up in order to remediate the liability and when a reasonable estimate of such amount can be made. The best estimate of the liability includes all costs directly attributable to

ROCKY VIEW COUNTY
NOTES TO THE FINANCIAL STATEMENTS
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the remediation of the asset retirement obligation, based on the most reliable information that is available as at the applicable reporting date. Where cash flows are expected over future periods, the liability is recognized using a present value technique.

Liability for Contaminated Sites

A contaminated site is a site at which substances occur in concentrations that exceed the maximum acceptable amounts under an environmental standard. Sites that are currently in productive use are only considered contaminated site if an unexpected event results in contamination. A liability for remediation of contaminated sites is recognized when the County is directly responsible or accepts responsibility; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made. The liability includes all costs directly attributable to remediation activities including post remediation operations, maintenance and monitoring.

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 and the excess of revenues over expenses provide the Change in Net Financial Assets (Debt) for the year.

i) Tangible Capital Assets

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

	YEARS
Land Improvements	15-25
Buildings	10-50
Engineered structures	
Water system	30-75
Wastewater system	30-75
Other engineered structures	5-30
Machinery and equipment (owned and leased)	3-10
Vehicles	8-20

One-half of the annual amortization is charged in the year of acquisition and the year of disposal. Assets under construction are amortized once they are available for productive use. Tangible capital assets are written down when conditions indicate that they no longer contribute to the County's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the statement of operations.

ROCKY VIEW COUNTY
NOTES TO THE FINANCIAL STATEMENTS
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ii) Contributions of Tangible Capital Assets

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

iii) Resource Asset

The water licenses are recorded at cost and have been assessed with an indefinite life. The assets will not be amortized, and impairment will be reviewed when there are indicators of a decline in value.

iv) Leases

Leases are classified as capital or operating leases. Leases that substantially transfer all of the benefits and risks incidental to property ownership are accounted for as capital leases. At the inception of a capital lease, an asset and payment obligation is recorded at an amount equal to the lesser of the present value of the minimum lease payments and the property's fair market value.

All other leases are accounted for as operating leases, and the related lease payments are charged to expenses as incurred.

v) Inventories held for consumption

Inventories held for consumption are recorded at a lower of cost or replacement cost. The cost is determined by the weighted average cost method for gravel inventory and FIFO for other inventory.

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. These differences are the result of property reassessments during the year.

If the levy exceeds the requisition, the over-levy is accrued as a liability, and property tax revenue is reduced. The under-levy is accrued as a receivable, and property tax revenue is increased where the actual levy is less than the requisition amount. Requisition tax rates in the subsequent year are adjusted for any over- or under-levies of the prior year.

Pensions

The County participates in three multiemployer defined pension plans. Sufficient information is not available to use defined benefit accounting. Therefore, the County accounts for the plan as if it were a defined contribution plan. As such, no pension liability is included in the County's financial statements and contributions are recognized as an expense in the year to which they relate. Contributions are a defined amount based upon a set percentage of salary.

ROCKY VIEW COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

Funds Held in Trust

The County held \$2,512,523 in a Cemetery Perpetual Care Trust Account as of December 31, 2025 (2024 - \$2,159,614).

The County held \$204,788 in a Tax Recovery Trust account as of December 31, 2025 (2024 - \$199,037).

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 will adopt this accounting standard for the fiscal year beginning January 1, 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 will adopt this accounting standard for the fiscal year beginning January 1, 2027.

NOTE 2: CASH

	<u>2025</u>	<u>2024</u>
Cash	\$ 49,767,101	\$ 53,842,029
Outstanding Cash Transactions	(2,309,591)	(3,596,015)
	<u>\$ 47,457,510</u>	<u>\$ 50,246,014</u>
Grants	\$ 2,274,988	\$ 5,596,874
Developer refundable deposits	1,199,461	1,228,932
Developer contributions	39,306	20,381
Deferred offsite levy revenue	9,093,726	8,338,113
Deferred Cash in Lieu	2,612,147	2,164,651
Other deferred revenue	1,181,125	11,094,704
County reserves and other	<u>31,056,757</u>	<u>21,802,359</u>
Total Cash	<u>\$ 47,457,510</u>	<u>\$ 50,246,014</u>

Cash consists of petty cash and cash in bank accounts. Outstanding cash transactions includes outstanding cheques and deposits. Included in cash is a restricted amount of \$2,274,988 (2024 - \$5,596,874), of which \$2,022,389 is for the Alberta Community Resilience Program and is held exclusively for approved projects (Note 8).

ROCKY VIEW COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 3: TEMPORARY INVESTMENTS

	<u>2025</u>	<u>2024</u>
Grants	\$ 8,015,385	\$ 17,154,572
Developer refundable deposits	4,226,017	3,766,708
Developer Contributions	138,484	62,470
Deferred offsite levy revenue	32,039,598	29,377,372
Deferred Cash in Lieu	9,203,281	7,626,635
Other deferred revenue	4,161,413	5,752,153
County reserves and other	<u>109,421,153</u>	<u>90,265,421</u>
Investments	<u>\$167,205,331</u>	<u>\$154,005,331</u>

Investments and deposits have an effective interest rate of 3.35% to 3.62% (2024 3.96% – 5.47%) and mature in less than one year.

Investments include funds that are designated for developer's refundable deposits, public reserve funds and grant funds of \$8,015,384 for capital and operating expenditures, which includes \$7,125,412 received from the Alberta Community Resilience Program (Note 8).

NOTE 4: RECEIVABLES

	<u>2025</u>	<u>2024</u>
Property Taxes		
Current taxes and grants in place of taxes	\$ 4,131,063	\$ 3,812,097
Arrears taxes	<u>1,875,279</u>	<u>1,837,764</u>
	<u>\$ 6,006,342</u>	<u>\$ 5,649,861</u>
Other		
Trade accounts	\$17,024,867	\$11,460,777
Government Transfers	<u>8,267,527</u>	<u>1,030,368</u>
	<u>\$25,292,394</u>	<u>\$12,491,145</u>
Total	<u>\$31,298,736</u>	<u>\$18,141,006</u>

Accounts receivable are recorded net of any allowance for doubtful accounts. Management has reviewed collectability at year-end and determined that no material allowance is required. (2024 - \$nil)

NOTE 5: DEBT CHARGES RECOVERABLE

	<u>2025</u>	<u>2024</u>
Current debt charges recoverable	\$ 35,075	\$ 33,450
Non-current debt charges recoverable	<u>231,497</u>	<u>266,572</u>
	<u>\$ 266,572</u>	<u>\$ 300,022</u>

ROCKY VIEW COUNTY
NOTES TO THE FINANCIAL STATEMENTS
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The County has secured long-term financing on behalf of several community organizations for joint projects within the County. This debt is recoverable from the organizations at interest rates from 4.758% to 5.096%. The debts mature and will be fully recovered starting in the year 2029 and ending in 2032.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 35,075	\$ 12,335	\$ 47,410
2027	36,780	10,630	47,410
2028	38,568	8,842	47,410
2029	40,442	6,968	47,410
2030	36,770	5,073	41,843
Thereafter	<u>78,937</u>	<u>4,750</u>	<u>83,687</u>
	<u>\$ 266,572</u>	<u>\$ 48,598</u>	<u>\$ 315,170</u>

NOTE 6: FINANCIAL INSTRUMENTS

The County's financial instruments consist of cash and temporary investments, accounts receivable, debt charges recoverable, bank indebtedness, accounts payable and accrued liabilities, deposits liabilities, and long-term debt. The nature of these instruments and the County's operations expose the County to credit and liquidity risks. The County manages its exposure to these risks by operating in a manner that minimizes its exposure to the extent practical. There have been no changes from previous year's policies, procedures and methods to measure risks.

A. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument fluctuate because of a change in interest rates. Changes in market interest rates might have an effect on the cash flows associated with some financial assets and liabilities. The County is exposed to interest rate risk on its bank indebtedness and temporary investments. As at December 31, 2025 the County had investments bearing interest at 3.35% to 3.62% (2024 – 3.96 to 5.47%) and long-term debt bearing interest at 1.288% to 5.43% (2024 – 1.288% to 6.70%). The County actively manages its interest rate risk through ongoing monitoring of market interest rates and the overall economic situation.

B. Credit risk

The County is subject to credit risk with respect to taxes and grants in place of taxes, accounts receivable, and debt charges recoverable. Credit risk arises from the possibility that taxpayers and entities to which the County provides services may experience financial difficulty and be unable to fulfill their obligations. Management believes that the risk of default and the risk of concentration of credit risk is minimized by the fact that there is a large number and diversity of taxpayers and receivables comprise amounts receivable from the Government of Alberta for grants, property taxes, and trade receivables, which are subject to normal trade credit risk which is not significant as the County manages and analyzes the outstanding accounts receivable balances.

ROCKY VIEW COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

C. Liquidity risk

Liquidity risk is the risk that the County will not be able to meet its financial obligations as they come due. The County has a planning and budgeting process in place to help determine the funds required to support the normal operating requirements of the County on an ongoing basis. The County ensures that there are sufficient funds to meet its short-term requirements, taking into account its anticipated cash flows and its holdings of cash and cash equivalents. The following table sets out the contractual maturities (representing contractual cash flows) of financial liabilities:

	2025		2024	
	0-90 days	Over 90 days	0-90 days	Over 90 days
Accounts payable and accruals	\$20,274,014	\$ -	\$19,692,829	\$ -
Deposit liabilities	-	6,632,968	-	7,825,302
Long-term debt	140,561	44,410,699	206,463	49,889,529
	<u>\$20,414,575</u>	<u>\$51,043,667</u>	<u>\$19,899,292</u>	<u>\$57,714,831</u>

NOTE 7: LONG-TERM DEBT

	2025	2024
Operating debt, maturing between 2029 and 2032, bearing interest at rates between 4.758% and 5.096% (Note 5)	\$ 266,572	\$ 300,022
Capital debt, maturing between 2030 and 2050, bearing interest at rates between 1.288% and 5.43%	<u>44,284,688</u>	<u>49,795,970</u>
	<u>\$ 44,551,260</u>	<u>\$ 50,095,992</u>
Funding for future payments from:		
General Tax	\$ 1,723,805	\$ 1,876,294
Emergency Services Tax	400,543	443,925
Local Improvement Tax	7,077,250	7,350,533
Special Levies	31,349,662	36,425,240
User Fees	4,000,000	4,000,000
	<u>\$ 44,551,260</u>	<u>\$ 50,095,992</u>

Principal and interest repayments are as follows:

	Capital	Interest	Operating	Interest	Total
2026	\$ 3,173,800	\$ 1,619,914	\$ 35,075	\$ 12,335	\$ 4,841,123
2027	3,188,236	1,504,534	36,780	10,630	4,740,180
2028	3,203,150	1,388,675	38,568	8,842	4,639,235
2029	3,218,559	1,272,321	40,442	6,968	4,538,290
2030	3,213,264	1,149,328	36,770	5,073	4,404,435
Remainder	<u>28,287,679</u>	<u>7,470,337</u>	<u>78,937</u>	<u>4,750</u>	<u>35,841,704</u>
Total	<u>\$44,284,688</u>	<u>\$14,405,109</u>	<u>\$266,572</u>	<u>\$ 48,598</u>	<u>\$59,004,967</u>

ROCKY VIEW COUNTY
NOTES TO THE FINANCIAL STATEMENTS
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Of the \$266,572 in principal payments to be made in future years on operating debt, all will be paid from tax levies and local improvement tax.

Of the \$44,284,688 in principal payments to be made in future years on capital debt, all will be paid from user fees, special levies, local improvement tax and tax levies.

Interest expense on long-term debt amounted to \$2,004,855 (2024 - \$3,038,126). The County's total cash payments for interest were \$2,013,884 (2024 - \$3,037,509).

The County has a \$5,000,000 (2024 - \$5,000,000) unsecured operating line of credit with ATB Financial. This line of credit bears interest, when utilized, at 0.70% below the prime lending rate as established by ATB Financial. \$1,000,000 of this \$5,000,000 can be utilized for Letters of Credit with a fee of 0.5% per annum.

NOTE 8: DEFERRED REVENUE

	<u>2025</u>	<u>2024</u>
Prepaid property tax	\$ 1,463,947	\$ 1,048,929
Municipal Sustainability Initiative – capital	-	4,920,241
Drought and Flood Protection Program	945,892	3,783,248
AB Environment & Sustainable Resource Grant	-	3,578,116
Canada Community Building Fund	-	1,336,894
AB Community Resilience Program	9,147,801	8,855,039
Northern and Regional Economic Development	-	207,537
Other operating grants	196,679	70,361
Developer contributions	177,790	82,851
Deferred Offsite Levies	41,133,324	37,715,485
Deferred Cash in Lieu	11,815,428	9,791,286
Other deferred revenue	<u>5,342,538</u>	<u>7,384,773</u>
	<u>\$70,223,399</u>	<u>\$78,774,760</u>

Below is a brief description of the nature and restrictions of the above deferred revenue balances:

Prepaid Property Taxes – Contains tax credit amounts arising from Tax Installment Payment Plan and overpaid taxes.

Municipal Sustainability Initiative – Capital – Government of Alberta grant to fund municipal capital projects.

Drought and Flood Protection Program – Government of Alberta grant to fund Langdon Drainage and Graham Reservoir projects.

AB Environmental & Sustainable Resource Grant – Government of Alberta grant to fund Bragg Creek Flood Mitigation project.

ROCKY VIEW COUNTY
NOTES TO THE FINANCIAL STATEMENTS
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Canada Community Building Fund – Government of Canada grant to fund municipal capital projects.

AB Community Resilience Program – Government of Alberta grant to fund Cooperative Stormwater Management Initiative.

Northern and Regional Economic Development – Government of Alberta grant to fund Bragg Creek Growth and Revitalization Project.

Other operating grants – Various Grants to fund operating projects or initiatives.

Developer Contributions – Developer contributions for shared municipal operating and capital projects.

Deferred Offsite Levies – Funds collected for infrastructure projects that are recorded as deferred revenue until the related eligible costs are incurred or the infrastructure is constructed.

Deferred Cash in Lieu – Developers' contributions in place of municipal reserve, collected as a substitute of land, is deferred until the related eligible costs are incurred.

Other deferred revenue – Cemetery Deposits, donations, insurance, and other project related payments.

NOTE 9: EMPLOYEE BENEFIT OBLIGATIONS

	<u>2025</u>	<u>2024</u>
Accrued Payroll	\$2,340,575	\$1,539,005
Accrued Vacation	1,660,790	1,480,518
Accrued Pension	183,554	263,588
Accrued Employment Benefits	156,019	156,811
Miscellaneous Employment Obligations	85,420	85,555
	<u>\$4,426,358</u>	<u>\$3,525,477</u>

Accrued Payroll – The payroll liability comprises wages earned in 2025 and paid subsequent to December 31, 2025.

Accrued Vacation – The vacation liability comprises the vacation that employees have earned and are deferred to future years.

Accrued Pension – The pension liability comprises the portion of LAPP and APEX (Note 10) pension payments associated with the first pay period of the year that is related to 2025 working days.

Accrued Employee Benefits – The benefit liability comprises the portion of employee benefits (Extended Health & Health Spending) costs associated with the first pay period of the year that is related to 2025 working days.

ROCKY VIEW COUNTY
NOTES TO THE FINANCIAL STATEMENTS
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Miscellaneous Employee Obligations – The miscellaneous employee liability comprises the government payments (EI, CPP and WCB) costs associated with the first pay period of the year that is related to 2025 working days.

NOTE 10: ASSET RETIREMENT OBLIGATION

Landfills

Landfill closure and post-closure care requirements have been defined in accordance with The Environmental Management and Protection Act and include final covering and landscaping of the landfill, pumping of ground water, methane gas and leachate management, and ongoing environmental monitoring, site inspection and maintenance. The reported liability is based on estimates and assumptions with respect to events extending over a 9-12 years period using the best information available to management. Future events may result in significant changes to the estimated total expense and the estimated liability, and would be recognized prospectively, as a change in estimate, when applicable.

The landfills are closed and now in the post closure phase. The County is responsible for landfill sites that have been capped and closed with no further useful life and capacity. No performance bonds have been paid on the sites, and no assets have been specifically allocated to these sites.

The estimated total liability is based on the sum of discounted future cash flows of post-closure activities at a cost of \$48,752 annually for the remainder period for post-closure care between 9 years and 12 years using the discount rate of 2.05%. The total estimated ARO is \$443,181.

Lagoons

The County has a license to operate lagoons. The county is legally required to decommission and reclaim these lagoons at the end of their useful life. In accordance with PS 3280, Asset Retirement Obligations, the County estimated the ARO using the undiscounted future expenditures expected to be incurred within 1- 22 years period of \$1,402,023. The County applied the discount rate of 2.05% to estimate the present value of the associated AROs. The total estimated ARO is \$1,171,796.

Gravel Pits

The County operates various pits which have an estimated useful life of 1 to 50 years. The County is legally required to reclaim these pits at the end of their useful life. The County estimated the ARO for these pits using the undiscounted future expenditures expected to be incurred within 1- 50 years period of \$3,572,029. The County applied the discount rate of 2.05% to estimate the present value of the associated AROs. The total estimated ARO is \$2,284,735.

ROCKY VIEW COUNTY
NOTES TO THE FINANCIAL STATEMENTS
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Asset Retirement Obligation	2025	2024
Balance, beginning of the year	\$3,869,164	\$3,748,757
Liabilities settled	(10,564)	(11,225)
Change in estimated cash flows	(10,557)	70,417
Accretion expense	51,669	61,215
Estimated total liability	<u>\$3,899,712</u>	<u>\$3,869,164</u>

NOTE 11: PENSION PLANS**Local Authorities Pension Plan (LAPP)**

Employees of the County participate in the Local Authorities Pension Plan (“LAPP” or the “Plan”), which is covered by the Public Sector Pension Plans Act. This plan 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.

Rocky View County is required to make current service contributions to the Plan of 8.45% of pensionable earnings up to the year’s maximum pensionable earnings under the Canada Pension Plan (“CPP”), and 11.65% of 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 employer contributions by Rocky View County to the LAPP in 2025 were \$3,022,393 (2024 - \$2,748,318). Total contributions by the employees of Rocky View County to the LAPP in 2025 were \$2,703,311 (2024 - \$2,458,755).

At December 31, 2024, the date of the most recent actuarial valuation, the Plan disclosed an actuarial surplus of \$19,557,000 (2023 - \$15,057,000 surplus).

APEX Supplementary Pension Plan

The APEX Supplementary Pension Plan, an Alberta Urban Municipality Association (AUMA) sponsored defined benefit pension plan covered under the provisions of the Alberta Employment Pensions Plans Act, commenced in 2008 and provides supplementary pension plan benefits. The plan supplements the Local Authorities Pension Plan.

The Chief Administrative Officer and Executive Directors of the County can participate in the APEX Supplementary Pension Plan. APEX is financed by Employer and Employee contributions and investment earnings of the APEX fund. Contributions for current service are recorded as expenditures in the year in which they become due.

ROCKY VIEW COUNTY
NOTES TO THE FINANCIAL STATEMENTS
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Rocky View County makes current service contributions to the plan of 2.96% of pensionable earnings up to the APEX maximum earnings of \$187,833.50. Eligible employees of the County can make current service contributions of 2.42% of earnings up to the APEX maximum earnings of \$187,833. Total employer contributions by Rocky View County to APEX in 2025 amounted to \$15,033 (2024 \$7,526). Total contributions by employees of the County to APEX amounted to \$12,291 for the 2025 year (2024 - \$6,153).

The cost of post-retirement benefits earned by employees is actuarially determined using the projected benefit method prorated on service and administration's best estimate of salary and benefit escalation and retirement ages of employees. The costs of post-retirement benefits are fully funded.

MuniSERP Supplementary Employee Retirement Plan

On July 14, 2025, Rocky View County Council approved the participation of Rocky View County in the MuniSERP program, a plan available through the Alberta Urban Municipalities Association (AUMA). This plan is a supplemental employee retirement plan ("SERP") that provides supplementary benefits to a prescribed class of employees whose retirement income would be affected by the Income Tax Act cap on pension contributions. The Supplementary benefit takes the form of a lump sum cash payment upon retirement or death. MuniSERP supplements APEX and LAPP and is voluntary, non-contributory, non-registered defined benefit employee retirement plan. The retirement benefit expense (recovery) recorded by Rocky View County in the year is \$42,000.

The cost of post-retirement benefits earned by employees is actuarially determined using the projected benefit method prorated on service and management's best estimate of salary and benefit escalation and retirement ages of employees. An actuarial valuation was completed on December 31, 2025. The significant actuarial assumptions in measuring the accrued benefit obligation are as follows: expected discount rate of 5.00%, expected salary escalations of 2.75% per year and inflation rate of 2.00%

NOTE 12: COMMITMENTS & CONTRACTUAL OBLIGATIONS

Commitments relating to policing and operating leases for vehicles and equipment for the next 4 years are as follows:

	<u>Operating</u>
2026	\$ 5,731,759
2027	\$ 6,552,821
2028	\$ 6,973,371
2029	\$ 7,914,234

ROCKY VIEW COUNTY
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In addition to the above the County has entered into contractual agreements for the following major projects. Contractual obligations are obligations to third parties under signed and enforceable agreements:

Project Name	Year of Commitment	Project Type	Amount
Langdon WWTP – EQ Tank	2026	Capital	\$ 3,804,208
Langdon Recreation Centre	2026	Capital	1,268,436
Langdon Drainage	2026	Capital	900,448
Indus Rink Expansion	2026	Capital	686,828
Dalroy Drainage Solution	2026	Capital	449,090
Burma Road	2026	Capital	381,132
Twp Rd 250	2026	Capital	372,272
Madden Fire Hall	2026	Capital	353,529
Fleet Vehicle and Equipment	2026	Capital	304,970
Hwy1&Range Road 33 Interchange	2026	Operating	17,867,577
Stoney & Airport Trail Interchange	2026	Operating	16,339,929

NOTE 13: CONTINGENCIES

No provision has been made on the statement of financial position for the various lawsuits and legal claims filed against the County as the extent of the lawsuits and legal claims are not determinable at December 31, 2025. Management has concluded that none of the claims meet the criteria for recording a liability. The amount of any future settlement would be accounted for in the year the losses are determined.

NOTE 14: RECIPROCAL INSURANCE EXCHANGE MEMBERSHIPS

The County was a member of the Genesis Reciprocal Insurance Exchange and the Jubilee Reciprocal Insurance Exchange as of December 31, 2025. Under the membership terms, the County could become liable for its proportionate share of any claim losses above the funds held by the exchange. Any liability incurred would be accounted for as a current transaction in the year the losses are determined.

NOTE 15: DEBT LIMITS

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

	<u>2025</u>	<u>2024</u>
Total debt limit	\$ 291,271,215	\$ 226,188,921
Total long term debt	(44,551,260)	(50,095,992)
Total amount of debt limit unused	<u>\$ 246,719,955</u>	<u>\$ 176,092,929</u>

ROCKY VIEW COUNTY
NOTES TO THE FINANCIAL STATEMENTS
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Debt Servicing Limit	\$ 48,545,203	\$ 37,698,154
Debt Servicing	<u>(4,841,123)</u>	<u>(6,671,986)</u>
Amount of Debt Servicing Limit unused	<u>\$ 43,704,080</u>	<u>\$ 31,026,168</u>

The debt limit is calculated at 1.5 times revenue of the County (as defined in Alberta Regulation 255/00) and the debt service limit is calculated at 0.25 times such revenue. Incurring debt beyond these 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 County; rather, the financial statements must be interpreted as a whole.

NOTE 16: ACCUMULATED SURPLUS

	<u>2025</u>	<u>2024</u>
Unrestricted surplus	\$ 7,976,046	\$ 10,911,616
Capital deficit	<u>(5,945,347)</u>	<u>(5,965,551)</u>
	<u>\$ 2,030,699</u>	<u>\$ 4,946,065</u>
Restricted surplus		
Reserve funds		
General operating	\$5,544,225	\$6,010,480
Roads	7,734,442	7,050,241
Offsite levies	14,001,684	5,438,328
Tax stabilization	78,916,132	62,776,082
Utility	2,918,660	2,295,846
Public	13,527,118	13,306,450
Equipment	3,449,083	4,245,118
Recreation – Springbank	10,337,113	9,906,778
Recreation – Langdon	8,200,000	-
Voluntary recreation	<u>1,734,905</u>	<u>1,653,992</u>
Total restricted surplus	<u>\$146,363,362</u>	<u>\$112,683,315</u>
Equity in water license	\$ 21,161,000	\$ 21,161,000
Equity in tangible capital assets (Note 19)	<u>710,159,130</u>	<u>697,382,469</u>
	<u>\$879,714,191</u>	<u>\$836,172,849</u>

ROCKY VIEW COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 17: SALARY AND BENEFIT DISCLOSURE

Salaries and benefits for elected Municipal Officials, the Chief Administrative Officer, and the Designated Officers, as required by Alberta Regulation 313/2000, are disclosed as follows:

	No. of Persons	Salary	Benefits & Allowances	2025 Total	2024 No. of Persons	2024 Total
Councilors:						
Division 1	1	\$94,967	\$18,731	\$113,698	1	\$107,342
Division 2	1	108,948	13,823	122,771	1	109,945
Division 3	2	127,004	17,336	144,340	1	142,272
Division 4	1	97,426	19,650	117,076	1	107,342
Division 5	1	94,967	13,620	108,587	1	103,138
Division 6	1	100,279	20,682	120,961	1	106,828
Division 7	2	96,795	11,668	108,463	1	103,142
CAO	1	362,720	44,362	407,082	3	318,818
Designated Officers	2	321,049	59,859	380,908	2	357,837

- (1) Salary includes regular base pay, bonuses, overtime, lump sum payments, gross honoraria, and other direct cash remuneration.
- (2) Elected Officials: Benefits & Allowances include the County's contribution and payments for Canada Pension Plan (CPP), Workers Compensation Board (WCB), dental coverage, vision coverage, group life insurance, accidental disability and dismemberment insurance, travel allowance and general expense allowance.
- (3) Chief Administrative Officer/Designated Officers: Benefits & Allowances include the County's contribution and payments for Canada Pension Plan (CPP), Workers Compensation Board (WCB), employment insurance, extended health care, dental coverage, vision coverage, group life insurance, accidental disability, and dismemberment insurance, car allowance, local authorities pension plan (LAPP), and APEX Supplementary Pension Plan.

ROCKY VIEW COUNTY
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 18: CONTAMINATED SITES LIABILITY

In 2024, Rocky View County disclosed that certain soils at the Cochrane Gravel Pit had become saturated with road salt as a result of normal operating activities. Based on an independent third-party assessment completed in the first quarter of 2024, management identified the potential for a contaminated site liability. No liability was recognized, as the affected material was determined to have potential beneficial use as inventory.

During 2026, the sale of the Cochrane Gravel Pit, which had been initiated in the fourth quarter of 2024, was completed. As a result of the sale and transfer of the property, Rocky View County no longer faces the risk of a contaminated site liability related to this property and, accordingly, no liability has been recognized in the current year. (Note 24).

NOTE 19: EQUITY IN TANGIBLE CAPITAL ASSETS

	<u>2025</u>	<u>2024</u>
Tangible capital assets (Schedule 2)	\$1,486,075,491	\$1,451,579,204
Accumulated amortization (Schedule 2)	(727,731,961)	(700,531,601)
Asset Retirement Obligation (Note 10)	(3,899,712)	(3,869,164)
Long term debt (Note 7)	(44,551,260)	(50,095,992)
Debt charges recoverable (Note 5)	266,572	300,022
	<u>\$ 710,159,130</u>	<u>\$ 697,382,469</u>

NOTE 20: SEGMENTED DISCLOSURE

The County conducts its business through a number of reportable segments. The operating segments are established by management and facilitate the achievement of long-term objectives and aid in resource allocation decisions. For each reported segment, revenues and expenses represent both amounts directly attributable to the segment and amounts that are allocated reasonably. The accounting policies in these segments are consistent with those followed in preparing the financial statements.

Refer to the Schedule of Segmented Disclosure (Schedule 6).

General Government includes Council, Other legislative, and General administration.

Emergency Services include Fire, Bylaw, Police, and traffic enforcement.

Infrastructure & Operations Services include Roads, Capital projects & Engineering services, Fleet, Cemetery, Water, Stormwater, Wastewater, and Waste & recycling.

Planning & Development includes Planning services, Building services, Economic Development, and Development compliance.

Community Services include Recreation & Community support and Family and Community Support Services (FCSS).

ROCKY VIEW COUNTY
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 21: BUDGET

The budget figures presented in these financial statements are based on the budget approved by council on April 08, 2025, and subsequent budget adjustments are not included.

The schedule below reconciles the approved budget to the budget figures reported in these financial statements:

	2025
Budgeted Deficit reported in financial statements	\$(22,433,800)
Capital Revenue Funding Operation	(2,760,600)
Principal payments on long-term debt	(5,515,000)
Amortization expense	28,497,100
Net transfer from reserve	2,212,300
Approved budget surplus for the year	-

NOTE 22: COMPARATIVE FIGURES

Certain prior year corresponding figures have been restated to conform to the current year's presentation.

The Statement of Financial Position and Notes to the Financial Statements have been updated to reflect a reclassification of accounts related to payroll, pensions, and employee benefits from Accounts payable and accrued liabilities to Employee Benefit Obligations, to better reflect their nature. The value of the reclassification for 2024 is \$2,044,960. This adjustment is also reflected in the corresponding notes, Note 6 – Financial Instruments and Note 9 – Employee Benefit Obligations.

The revenue section of Schedule 6 has been updated to expand the categorization, as shown in the Statement of Operations, and to provide greater insight into the County's operations. The Categories of Cash-In-Lieu of Public Reserves, Penalties and Cost of Taxes, Development Agreements & Levies, Licence & Permits and Fines have been added. These revenues were classified as Other Revenues in the 2024 financial statements.

NOTE 23: PRIOR YEAR RESTATEMENT

During 2025, the County determined that developer contributed cash-in-lieu of land according to MGA S.666 recognized as revenue in prior periods should have been recorded as deferred revenue until the related eligibility criteria were met. Accordingly, the County has restated the comparative figures to reflect the appropriate accounting treatment.

ROCKY VIEW COUNTY
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The opening balance of the Public Reserve as at January 1, 2024 has decreased by \$6,882,351 and the opening balance of Unearned Cash-In-Lieu by the same amount.

For the year ended December 31, 2024, revenue under Cash-In-Lieu Public Reserve has been reduced by \$2,954,349 and Developer agreements and levies has been increased by \$45,414. Unearned Cash-In-Lieu has an increase of \$2,908,935 and a corresponding decrease to Public Reserve of \$2,908,935.

The impact of this prior period adjustment on the County's financial statements is presented below.

	As previously reported \$	Adjustment recognized \$	As restated \$
Statement of Operations			
Revenue			
Cash-In-Lieu of Public Reserve	5,195,991	(2,954,349)	2,241,642
Excess (shortfall) of revenue over expenses before capital revenue	3,879,435	(2,954,349)	925,086
Capital contributions and transfers			
Developer and customer contributions	560,000	45,414	605,414
Excess of revenue over expenses	62,806,868	(2,908,935)	59,897,933
Accumulated surplus - Opening	783,157,267	(6,882,351)	776,274,917
Accumulated surplus - Ending	845,964,135	(9,791,286)	836,172,849
Statement of Financial Position			
Liabilities			
Deferred Revenue	68,983,474	9,791,286	78,774,760
Net financial assets	68,700,135	(9,791,286)	58,908,849
Accumulated surplus	845,964,135	(9,971,286)	836,172,849

NOTE 24: SUBSEQUENT EVENTS

Subsequent to year-end, the County sold the Cochrane Gravel Pit for proceeds of \$5,000,000. The property had been recorded as Property in Other Municipalities in prior fiscal periods. As the sale occurred after year-end, the transaction has not been reflected in these financial statements.

NOTE 25: APPROVAL OF FINANCIAL STATEMENTS

Council and Management have approved these financial statements on April 28th, 2026.