



# 2025

## ANNUAL REPORT



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# 2025 REEVE & COUNCIL



## WARD 6 | GERRY RICHARD, REEVE

Gerry was born, raised, and has lived in Saddle Hills County his whole life. He began his career in the oil patch before running his own drilling company for 30 years. He and his wife Val, have raised three sons and together they run White Mountain Wapiti Ranch; a grain farming operation, Pedigree Seed Grower, and Certified Domestic Elk Farm.

2025 has been a year of transition and steady progress for Saddle Hills County. A newly elected Council is focused on delivering the services, infrastructure, and community supports residents rely on.

Council and Administration maintained a strong standard of governance and service delivery.

Road maintenance, infrastructure investment, community programs, and partnerships support practical, reliable services across the County.

Economic development and regional collaboration remain key priorities, strengthening the County's position for long-term growth and resilience.

The Central Peace Regional Water Project advanced with investment in water security, including reservoir upgrades, expanded storage capacity, and rural waterline development—supporting both current demand and future growth.

The Saddle Hills County Health Clinic is now an established and essential service, improving access to primary care, reducing travel and wait times, and easing pressure on families.

Progress made in 2025 strengthens the foundation for long-term sustainability across Saddle Hills County. Investments in infrastructure, service delivery, and community priorities support continued stability and growth. The work delivered this year reinforces Saddle Hills County as a strong place to live, work, and invest.

Councillors shown here were elected during the Municipal Election, on October 20, 2025.

Ward 2 Councillor/Deputy Reeve Alvin Hubert, Ward 3 Councillor/Reeve Kristen Smith, and Ward 7 Councillor Don Hoffart did not run for re-election and completed their 4-year term at this time.



## WARD 1 | DANNY ROY, COUNCILLOR

Danny was born and raised in Gordondale on a small, family grain farm. He worked in the oil and gas industry for 25 years, before taking a break to spend time growing his own farm. Danny and his wife, Bev, have enjoyed raising their two children in Saddle Hills County, both of whom have settled, and work, in the Peace Country.



## WARD 2 | LANCE HINGLEY, COUNCILLOR

Lance has lived and worked in the Bonanza area his whole life. Lance and his wife of 50 years, Teresa, have enjoyed raising their three sons in the Peace Region, and are now proud grandparents to five beautiful grandchildren. Lance and Teresa still live on Lance's family farm, which they have farmed for the past 45 years.



## WARD 3 | BLAINE ROGERS, COUNCILLOR

Blaine was born and raised in Saddle Hills County, growing up on the family hobby farm. After 15 years working in the oil patch, he now runs his own grain farm, alongside his wife Jaclyn and three children. He is an active and involved member of the community, serving on the Bonanza Volunteer Fire Department, among other volunteer roles.



## WARD 4 | ED ARMAGOST, COUNCILLOR

Ed and his family conduct a mixed farm and ranch operation on the same land his parents built their homestead in 1964. Public service is an important part of community life to Ed. He has served as Chief of the Savanna Fire department, the President of the Savanna Ag Society, and as both a member and Chair of the County's Agricultural Service Board.



## WARD 5 | SHIRLEY KLATT, COUNCILLOR

Shirley was elected as Councillor for Ward 5, as a result the November 25, 2024 By-Election. She took over from previous Ward 5 Councillor, Willis Fitzsimmons. Shirley grew up on a mixed farm north of High Prairie and moved to Saddle Hills County in 1997, as part of her career as a Fish and Wildlife Officer.



## WARD 7 | JENN VANROOTSELAAR, DEPUTY REEVE

Jenn was raised in the Spirit River area, moving away briefly after high school to attend college. After moving back to the area in 2010, she has lived in Saddle Hills County ever since, spending the last 20 years working as a court stenographer. Jenn is actively involved in the community, sitting as a board member on the Working Multiplex Association.

# OUR ORGANIZATION

Saddle Hills County is committed to being a transparent and accountable government. We commit to perform our duties diligently while working towards the best outcome for our ratepayers. We will continue providing regular updates by reporting to our ratepayers through the Saddle Hills County Annual Report, the County Living Newsletter, and on the County website.

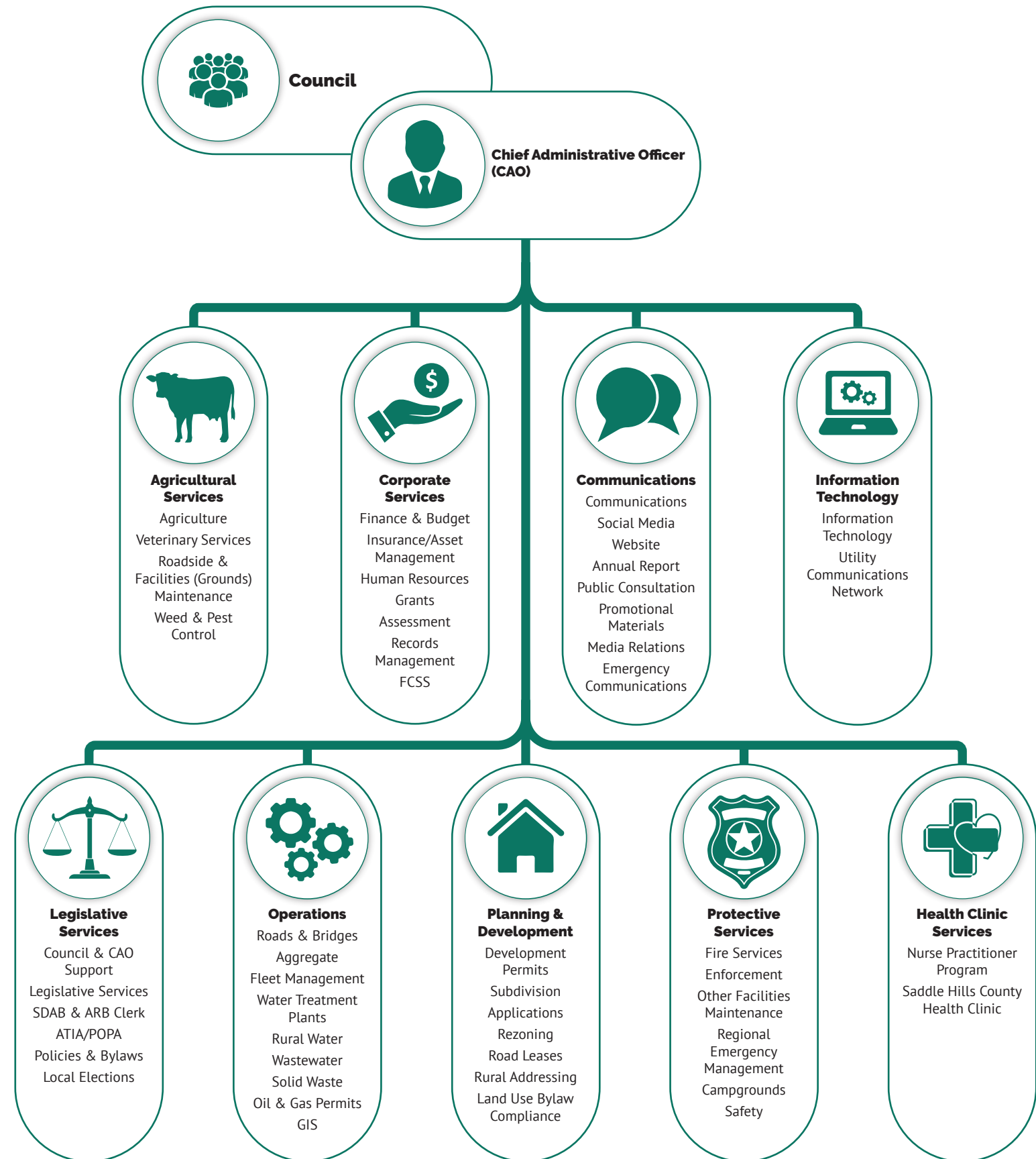
Saddle Hills County Council is responsible for providing high quality and accountable government to the residents and ratepayers of the County. Council works closely with the Chief Administrative Officer (CAO) and Administration staff to serve the community.



The CAO is Council's only employee and is responsible for hiring and managing Administrative Staff to carry out the responsibilities of the County, as well as tasks set by Council.

Each department is responsible for a variety of tasks and services within the organization.

A full breakdown of the organization and employees can be found on our website, at [saddlehills.ab.ca/Staff](http://saddlehills.ab.ca/Staff)



# BOARDS & COMMITTEES

Boards and committees are created to deal with specific issues in the community. They learn about current problems, develop solutions, and make recommendations to Council. Most of our committees are made up of at least one Councillor and several knowledgeable residents of the County.

Public involvement in the issues facing the County is an important part of Council's governance model and helps us to build and maintain a strong and healthy community.

Members of the public interested in getting involved should complete an Application for Member-at-Large position either online or at the County Administration Building.

Full descriptions of all committees and members can be found online, at [saddlehills.ab.ca/Boards](http://saddlehills.ab.ca/Boards)

## EXTERNAL BOARDS & COMMITTEES

Saddle Hills County Councillors are sometimes invited to sit as Board Members on external committees. These committees are created by government organizations, interest groups, and non-profits and focus on specific areas of interest in the region. Councillors participate in these committees and then bring their findings back to share with Council as a whole, to stay informed on the challenges facing our region and the solutions and ideas being shared.

- CANFOR Grande Prairie Forest Management Advisory Committee (FMAC)
- Environmental Advisory Committee to International Paper
- Grande Prairie Regional Tourism Association
- Grande Spirit Foundation
- Mighty Peace Tourism Association
- Mighty Peace Watershed Alliance
- Northern Alberta Elected Leaders
- Northwest Species at Risk Committee
- Peace Air Shed Zone Association
- Peace Library System Board
- Peace Region Economic Development Alliance (PREDA) & Northwest Transportation Advisory Bureau (NTAB)
- Regional Surface Water Management Committee
- South Peace Regional Archives Society
- Spring Lake Ski Hill Association
- Veterinarian Service Incorporated (1980) Ltd. (V.S.I)
- Water North Coalition

## CENTRAL PEACE BOARDS & COMMITTEES

- Central Peace Assessment Review Board
- Central Peace Attraction & Retention Committee
- Central Peace Medical Services Corporation
- Central Peace Regional Emergency Management Agency (CPREM)
- Central Peace Regional Water System Collaboration Committee
- G5 General Committee

## INTERNAL BOARDS & COMMITTEES

- Agricultural Appeal Committee
- Agricultural Service Board
- ALUS Partnership Advisory Committee (PAC)
- Intermunicipal Collaboration and Planning Committee (ICPC)
- Municipal Planning Commission
- Saddle Hills County Municipal Library Board
- Subdivision and Development Appeal Board

## AGRICULTURAL SERVICES BOARD (ASB)

The Agricultural Service Board (ASB) represent the agricultural interests of the County and work together, to advise Council on how best to serve our producers. From giving pesticide recommendations to helping ranchers cover veterinary costs, the ASB exists to provide services and create programs to help our community.

## ALUS PARTNERSHIP ADVISORY COMMITTEE (PAC)

ALUS is intended to cater to the individual needs of communities and resident producers, and an important aspect of this is the Partnership Advisory Committee (PAC). The PAC is made up of at least 50% local producers, ensuring that local needs are paramount.

## MUNICIPAL PLANNING COMMISSION (MPC)

The Municipal Planning Commission (MPC) is a committee established by Council bylaw that is responsible for making decisions on Development Permit and Subdivision Applications concerning proposed developments in Saddle Hills County.

## SUBDIVISION & DEVELOPMENT APPEAL BOARD (SDAB)

The Subdivision and Development Appeal Board (SDAB) is a board established by Council bylaw that makes decisions relative to subdivision and development appeals. If you appeal a decision of the Development Authority ie. the Municipal Planning Commission or Development Officer, your appeal will be heard by the SDAB.

# GIVING BACK

Each year, Council approves grants under eight County grant programs, as well as Student Bursaries, Family and Community Support Services (FCSS), the Home Support Program, Christmas Hampers, Water Cistern Subsidy, Rural School Staffing Supports Subsidy, and more.

Below is a summary of approved grants, subsidies, and sponsorships for 2025. It is important to Council to support residents through the use of these grants and provide meaningful financial support to organizations and individuals within the community.



## CAPITAL GRANTS

Community organizations looking for assistance with capital expenditures to enhance the lifestyle of County residents, such as building or renovating Community Halls, building playgrounds, or other capital projects, are asked to apply for funding through our Capital Grants program.

Bonanza & District Ag Society	<b>\$184,005.45</b>	Rycroft Agricultural Society	<b>\$10,550.26</b>
Gordondale Community Club	<b>\$72,250.00</b>	Rycroft Baseball Association	<b>\$7,500.00</b>
Happy Hour Club of Spirit River	<b>\$29,750.00</b>	Savanna Ag Society	<b>\$775,000.00</b>
Happy Valley Ag & Recreation Club	<b>\$25,224.57</b>	Spring Lake Equestrian Campground	<b>\$5,500.00</b>
Horseshoe of the Peace		Westmark Farmers League	<b>\$4,527.60</b>
Historical Society	<b>\$59,400.00</b>	Woking Multiplex Association	<b>\$115,783.46</b>
			<b>\$1,289,491.34</b>

## CEMETERY MAINTENANCE GRANTS

Community organizations, societies, and non-profits responsible for the maintenance and upkeep of Cemeteries in the County should apply for funding through our Cemetery Maintenance Grants program.

**16 Cemeteries, at \$1,000 each \$16,000.00**

## CEMETERY CAPITAL GRANTS

Community organizations looking for assistance with capital expenditures to repair or upgrade Cemeteries in the County, should apply for funding through our Cemetery Capital Grants program. Eligible projects include repair work to existing headstones, plots, grounds structures or facilities, and new construction of grounds structures or facilities, including fencing, columbariums etc.

Alexview Cemetery	<b>\$50,000.00</b>
Northmark Public Cemetery	<b>\$50,647.07</b>
	<b>\$100,647.07</b>

## PROGRAM & ACTIVITY GRANTS

Program and Activity Grants are available to small community groups, clubs and organizations including schools. Activities in which the group, club, or organization (serving Saddle Hills County's children, youth or seniors) may be involved, include athletics, art and culture, crafts, and health and well-being.

Blueberry Mtn. Goodwill Society	<b>\$5,000.00</b>	Savanna 4-H Multi Club	<b>\$2,500.00</b>
Bonanza Bring It Society	<b>\$7,000.00</b>	Savanna Ag Society	<b>\$3,500.00</b>
Central Peace Garden Park Society	<b>\$500.00</b>	Savanna School	<b>\$8,400.00</b>
Dawson Creek Triathlon Association	<b>\$1,000.00</b>	Savanna Home & School Association	<b>\$7,000.00</b>
East West Woking 4-H Club	<b>\$2,500.00</b>	Spirit Arts Dance Society	<b>\$2,000.00</b>
Friends of Rycroft School Society	<b>\$12,000.00</b>	S.R. Friends of Ste. Marie Committee	<b>\$7,000.00</b>
Friends of the South Peace		Spirit River Minor Hockey Association	<b>\$3,000.00</b>
Firefighter Society	<b>\$7,500.00</b>	Spirit River Regional Academy	<b>\$5,000.00</b>
Gordondale Community Playgroup & Gordondale Community Club	<b>\$800.00</b>	S.R.R.A Sunshine Foundation	<b>\$7,000.00</b>
Happy Valley Ag & Recreation Club	<b>\$6,200.00</b>	United Way Alberta Northwest	<b>\$2,000.00</b>
Peace Area Motor Sports Association	<b>\$1,500.00</b>	Woking Community in Bloom	<b>\$1,500.00</b>
River Bend Jr. Cattlemen's Club	<b>\$2,000.00</b>	Woking Multiplex Association	<b>\$4,000.00</b>
Rycroft Community Library	<b>\$500.00</b>	Woking Willing Workers	<b>\$1,000.00</b>
			<b>\$100,400.00</b>

## OPERATING GRANTS

Community organizations looking for assistance with operating expenses are asked to apply for funding through our Operating Grants program. This program assists with funding for specific operating costs for eligible groups, such as electricity, internet, heating, water, insurance, and other utilities.

Bay Tree Community Park Association	<b>\$988.55</b>	Savanna Ag Society	<b>\$99,271.50</b>
Blueberry Mtn. Goodwill Society	<b>\$12,112.50</b>	Silvery Valley Community Club	<b>\$7,480.00</b>
Bonanza & District Ag Society	<b>\$71,400.00</b>	South Peace Regional Archives	<b>\$20,000.00</b>
Cotillion Butte Recreation Assoc.	<b>\$20,655.00</b>	Spirit River & District Ag Society	<b>\$20,000.00</b>
Fourth Creek Community Association	<b>\$15,725.00</b>	Spirit River Settlement Historical Society	<b>\$5,000.00</b>
Gordondale Community Club	<b>\$19,560.59</b>	Spring Lake Equestrian Campground	<b>\$1,062.50</b>
Happy Valley Ag & Recreation Club	<b>\$3,545.38</b>	Westmark Farmers' League	<b>\$12,070.00</b>
Philip J Currie Dinosaur Museum	<b>\$20,000.00</b>	Woking Multiplex Association	<b>\$34,170.00</b>
Rycroft Agricultural Society	<b>\$10,000.00</b>	Woking Willing Workers	<b>\$9,180.00</b>
Rycroft Arena Fundraising Board	<b>\$10,000.00</b>		<b>\$407,221.02</b>
Rycroft Merry Pioneers	<b>\$10,000.00</b>		
Rycroft Community Library	<b>\$5,000.00</b>		



**STUDENT BURSARIES**

Our Bursary Program is available to eligible local students looking to enter or advance their education. This includes post-secondary education, trades, or commercial driver training school. Applicants may also qualify for additional matching NADB bursaries.

The Agricultural Service Board also awards the Veterinary Education Bursary Program, to help provide improved veterinary services to residents of Saddle Hills County. Eligible students are required to be enrolled in a recognized post-secondary Doctor of Veterinary Medicine or Veterinary Technologist program. Priority is given to those from the Central Peace Region.

18 Student Bursaries	<b>\$45,000.00</b>
3 Veterinary Education Bursaries	<b>\$12,000.00</b>
	<b>\$57,000.00</b>

**COMMUNITY SUPPORT PROGRAMS**

Home Support Subsidy	<b>\$184,850.45</b>	FCSS Grant Programs	<b>\$95,000.00</b>
33 Christmas Hampers	<b>\$10,825.98</b>	Childcare Subsidy	<b>\$39,852.50</b>
Rural School Staffing Support Subsidy	<b>\$95,957.64</b>		<b>\$426,486.57</b>

**AG SERVICES PROGRAMS**

ALUS Program	<b>\$3,500.00</b>	VSI Program	<b>\$61,200.00</b>
Livestock Protection Program	<b>\$500.00</b>	Veterinary Innovation Grant	<b>\$15,000.00</b>
PCBFA Research Funding (2023-25)	<b>\$104,619.49</b>		<b>\$184,819.49</b>

**ENVIRONMENTAL SERVICES PROGRAMS**

Water Cistern Subsidy	<b>\$159,136.18</b>
Remote Potable Water Hauling Subsidy	<b>\$20,019.60</b>
	<b>\$179,155.78</b>

**PROTECTIVE SERVICES PROGRAMS**

Residential Security System Grants	<b>\$8,595.38</b>
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**OTHER GRANTS & PROGRAMS**

Throughout the year, Council also provided a variety of other grants to organizations outside of the grant programs. These were based either on requests received by Council throughout the year or, as is the case with the Central Peace Food Bank and STARS, the continuation of a prior commitment to funding.

AED Grants	<b>\$935.33</b>	Ovintiv Events Centre	<b>\$3,000.00</b>
Canadian Motorcycle Tourism Assoc.	<b>\$1,500.00</b>	PCBFA & Other NGOs	<b>\$25,000.00</b>
C.P. Fire & Rescue Commission	<b>\$300,000.00</b>	Rycroft Ag Society	<b>\$4,000.00</b>
Central Peace Food Bank	<b>\$30,000.00</b>	SHC Library Board	<b>\$160,000.00</b>
Central Peace Ministerial Association	<b>\$10,000.00</b>	Shila Brugge-Murphy (AB Open Farm Days)	<b>\$500.00</b>
Doe River Recreation Centre	<b>\$5,000.00</b>	Spring Lake Ski Hill Association	<b>\$20,000.00</b>
Fire Department/MFR Operating Grants	<b>\$3,000.00</b>	Town of Spirit River	<b>\$750,000.00</b>
Friends of the S.R. Library Society	<b>\$1,000.00</b>	Town of Spirit River (Airport)	<b>\$10,000.00</b>
J4 Performance	<b>\$10,000.00</b>	Village of Rycroft	<b>\$750,000.00</b>
Mighty Peace Watershed Alliance	<b>\$5,000.00</b>		<b>\$2,088,935.33</b>

**HEALTHCARE & MEDICAL GRANTS**

Included within these additional grants are a number committed to healthcare and medical causes. Saddle Hills County is committed to providing access to crucial healthcare services for residents within the region.

Alberta NW Palliative Care Society	<b>\$30,000.00</b>	Maskwa Medical Center	<b>\$3,500,000.00</b>
C.P. Health & Wellness Coalition	<b>\$5,000.00</b>	PWPSD Mental Health Support	<b>\$112,500.00</b>
GP Regional Hospital Foundation (Ken Sargent House)	<b>\$250,000.00</b>	STARS (2022-25)	<b>\$200,000.00</b>
			<b>\$4,097,500.00</b>

# 2025 CAPITAL PROJECTS

TOTAL: \$58,698,027

Saddle Hills County carried out a number of Capital Projects in 2025, including a Needs Assessment for an expanded Health Center and Meeting Space, providing power to Spring Lake Campground, the engineering and design for the Central Peace Regional Water Treatment Plant, solar street lighting in Bonanza, and several paving projects and road builds, among others.

### ENGINEERING & INFRASTRUCTURE

- SH95 Snow Plow/Gravel Truck Replacement
- Bridge File 79103 (NW 17-76-13-W6)
- Bridge File 76019 (SW 20-76-13-W6)
- Engineering for Development of Fourth Creek Pit
- Solar Street Lights (Bonanza)
- Spring Lake Ski Hill Access Road Upgrade
- RR 84 Access Road for Walking/Hiking Trail
- Road Build - TWP 790 (0.7 km)
- Road Build - RR 80 (1.4 km)
- Road Build - RR62 (Road Construction)
- Road Build - RR84 (Road Construction)
- Fleet Vehicle Replacements
- Pavement - TWP 791 for 800 m, west of Bay Tree
- SHL3 Loader Replacement
- Pavement - RR 81 south of HWY 49 and 1 mile east
- Hotsy Steamer
- RR 112 Road Widening (1.2 km)
- Additional Cold Storage Bays
- Road Rebuild - TWP 794, from RR 113 to RR 115
- Cotillion Gravel Pit Aquisition
- Mailbox Shelter - Woking

### SOLID WASTE

- Bonanza Sewage Lagoon Access

### RECREATION

- Spring Lake Campground Power

### INFORMATION TECHNOLOGY

- Network Servers
- SHC Mobile App

### AGRICULTURE

- ASB Chemical Shed

### PROTECTIVE SERVICES

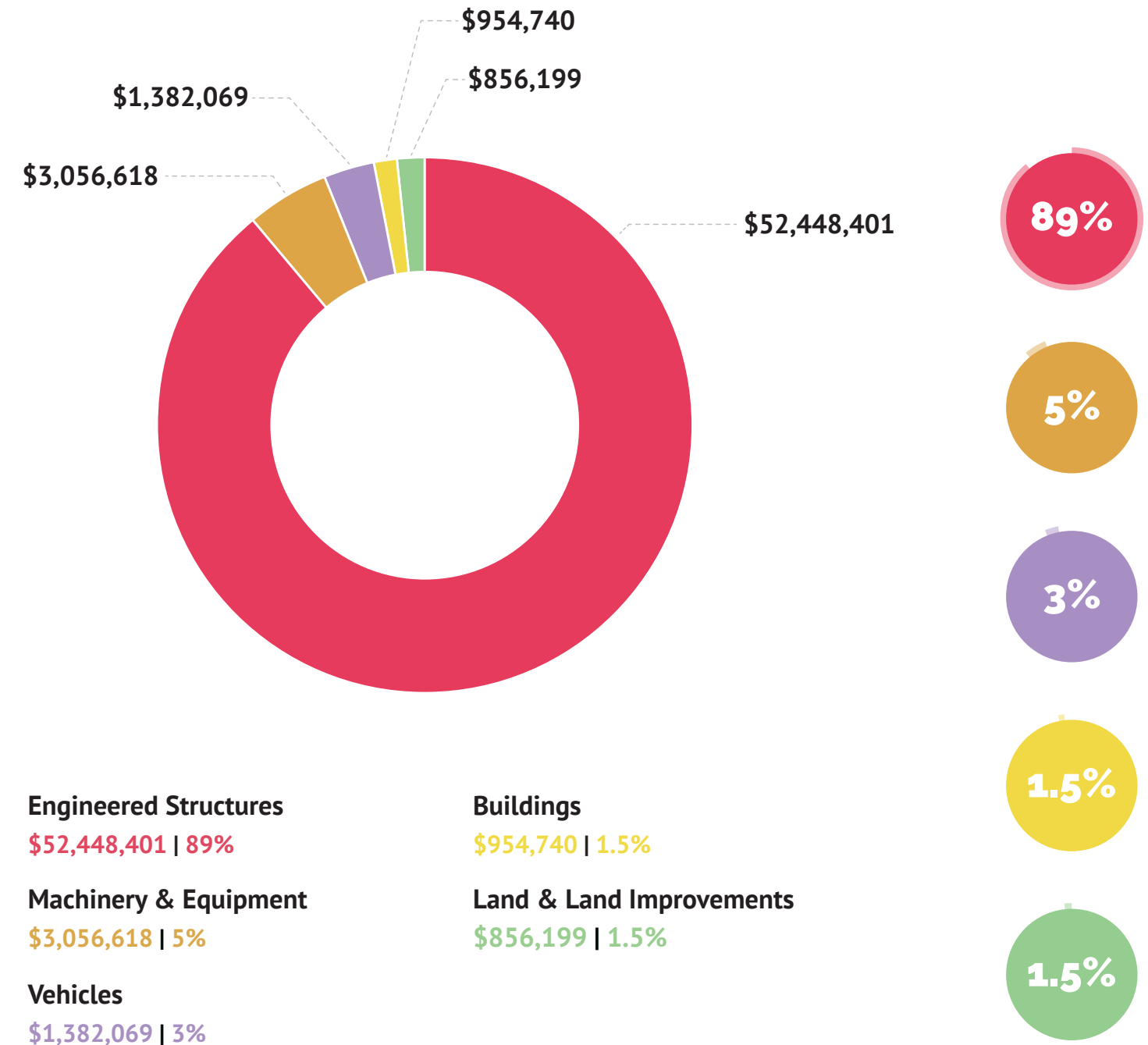
- AFRRCS Radios
- New Happy Valley Fire Hall

### WATER

- Savanna Water Project
- Rural Water (2024)
- Central Peace Regional Water Project (Phase 1 & 2)
- Rural Water (2025)
- Central Peace Regional WTP (Engineering & Design)
- Ksituan WTP - Non-Potable Pumping
- WTP Upgrades (Bonanza & Ksituan) - Monochloramine
- WTP Upgrades (Bonanza Design)

### ADMINISTRATION

- Needs Assessment (Health Center & Meeting Space)
- Clinic and Admin Area Renovation



#### Engineered Structures

\$52,448,401 | 89%

#### Machinery & Equipment

\$3,056,618 | 5%

#### Buildings

\$954,740 | 1.5%

#### Land & Land Improvements

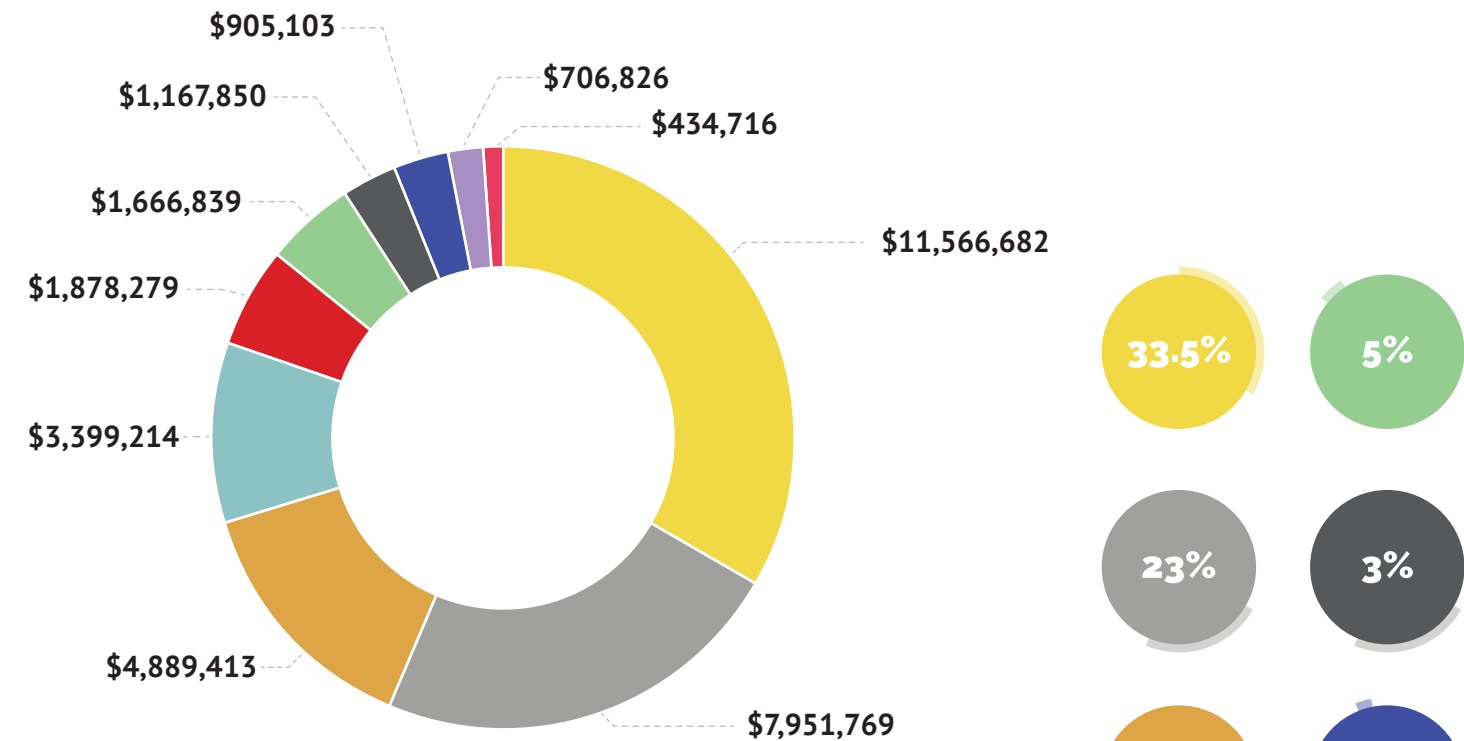
\$856,199 | 1.5%

#### Vehicles

\$1,382,069 | 3%

# 2025 OPERATING EXPENSES

TOTAL: \$34,566,691



**Road & Bridge Projects**  
\$11,566,682 | 33.5%

**Agriculture & Land Development**  
\$1,666,839 | 5%

**Legislative**  
\$7,951,769 | 23%

**Common Services**  
\$1,167,850 | 3%

**Administrative**  
\$4,889,413 | 14%

**Waste Management**  
\$905,103 | 3%

**Water & Wastewater**  
\$3,399,214 | 10%

**Recreation & Culture**  
\$706,826 | 2%

**Protective Services**  
\$1,878,279 | 5.5%

**FCSS**  
\$434,716 | 1%

# SADDLE HILLS COUNTY HEALTH CLINIC



In 2025, service at the Saddle Hills County Health Clinic was temporarily impacted due to a maternity leave, causing a brief clinic closure from October-December, 2025.

Nurse Practitioner, Courtney Schoorlemmer, was hired in November 2025, and was expected to begin services in early 2026.

During the year, the health clinic recorded upwards of **610** patient appointments, including **40** follow-up visits. The clinic is experiencing a positive trajectory in patient volume, driven by a steady increase in new patients accessing services. Patients are presenting for a wide range of needs, including driver's medical examinations, routine health screenings, and management of chronic conditions such as diabetes and hypertension. In addition, the clinic continues to support residents with acute, episodic health concerns.

Full details on services offered at the Saddle Hills County Health Clinic can be found online, at [saddlehills.ab.ca/Saddle-Hills-County-Health-Clinic](http://saddlehills.ab.ca/Saddle-Hills-County-Health-Clinic)

# AGRICULTURAL SERVICES

The Agricultural Service Board release their own Annual Report each year, as mandated under the Agricultural Service Board Act. A summary of activities detailed in this report, can be found here. For a copy of the full report, please visit our website at [saddlehills.ab.ca/ASB](https://saddlehills.ab.ca/ASB).

2025 was a busy year for the department. An early and warm spring allowed many weeds to start growing earlier than normal, and conditions later in the summer allowed weeds adapted to drought to out-compete most kinds of vegetation. **Seven** seasonal staff were hired and trained before being assigned to various duties and areas within the County. Weed inspectors travelled the County, completing inspections for noxious and prohibited noxious weeds, carrying out control measures as needed, as well as doing provincial surveys for insect pests and crop diseases. Labourers managed vegetation at infrastructure around the County, including the fire halls, tower sites, bin sites, water treatment plants, the County Complex, and the Hamlet of Woking.

## HERBICIDE APPLICATION

Roadside herbicide application was completed in-house with the spray truck, side by side sprayer, and other spray equipment in the fleet. Approximately **1,200** hectares of County ditch in Fourth Creek, Silver Valley, Cotillion, and Bonanza received a blanket spray with Navius Flex, a three-year residual broadleaf herbicide. Seasonal staff also completed spot spraying to control small infestations. In 2025, **10** fenceline spraying agreements and **three** small area spray agreements were signed and completed.

## DRONE INSPECTIONS

In 2025, the Agricultural Services drone was most notably utilized to monitor and inspect a previously known noxious weed site, located in an isolated creek, to determine the extent of the infestation. The drone was also used to scout for kochia in pastures and on oilfield leases.

## WEED INSPECTIONS

In 2025, substantial effort was made to contact producers who consistently have problem weeds early in the spring. Over the winter, letters were sent to these producers urging them to develop their weed management plans ahead of time.

**Four** weed notices were issued from the inspections done in 2025, down from the **13** that were issued in 2024. This year, the weed notices issued were for Scentsless Chamomile, Orange Hawkweed, and Woolly Burdock. A total of **three** weed notices went to enforcement level.

## PEST INSPECTIONS

Over **600** canola fields were inspected for both Virulent Black Leg and Clubroot in 2025. After the discovery of the first incidence of Clubroot in the County in 2022, no further infestations have been discovered.

Despite the removal of Fusarium Graminearum from the APA, Saddle Hills County participated in a provincial study looking at ergot, kernel bunt and dwarf bunt, and deoxynivalenol (DON) mycotoxin. **Four** cereal fields were sampled and sent away for testing. The County also assisted with Alberta Agriculture & Irrigation's provincial Grasshopper Survey in July. The overall average population was below the economic threshold.

**Three** Bertha Armyworm traps were erected within Saddle Hills County in 2025, one located in Silver Valley, one in Blueberry Mountain, and one near Bonanza. All traps reported numbers of moths below the economic threshold. **Two** Wheat Midge traps were also placed in Bonanza.

## LIVESTOCK

In 2025, there were **four** new Veterinarian Services Incorporated (V.S.I.) numbers given out to Saddle Hills County ratepayers.

Reports of coyote predation have remained low in occurrence throughout the year.

In 2025, **0** Compound 1080 tablets were given out, down from **12** in 2024. Wolf predation remained low in 2025, with a total of **1** wolf being brought in by producers.

## ALUS PROGRAM

2025 saw Saddle Hills County's first ALUS project successfully put in the ground. This project involved establishing a new upland grassland in an area where runoff water was flowing directly into a creek, causing erosion due to the lack of vegetation to slow the volume of water.

Administration completed first-year reporting and were able to reimburse the producer for 50% of their implementation costs, as well as issue the first of five annual payments.

## TREE SEEDLING PROGRAM

The 2024/2025 Tree Seedling Program pickup saw **2,366** seedlings planted across the County. Orders placed in 2025 predict that an estimated **2,700** seedlings are projected to be planted in 2026.

## OUTREACH & EXTENSION EVENTS

Throughout 2025, the department held many events covering a wide variety of topics, including an Environmental Farm Plan (EFP) Webinar, an ALUS 'Riding Out The Drought' Event, a Tree Pruning and Care Workshop, a Plant identification Workshop, an Ag Marketing Seminar, a Soil Health Workshop, Ag Drone School, and a Succession Planning Workshop.

# OPERATIONS & ENV. SERVICES

## OPERATIONS: ROADS



### MAJOR PROJECTS

During 2025, Council approved paving **4.8 km** in the Happy Valley area, from Highway 49, south on Range Road 81 to Township Road 782 and east to Range Road 80, and 0.5 km on Township Road 791, west of the Bay Tree General Store, at a cost of \$6,330,483.70 (plus GST). This project was completed by Carmacks Enterprises Ltd.

An in-house re-build of **3.2 km** on Township Road 294, east of the Pillsworth Road, from Range Road 15 to Range Road 113, was also completed during the year, at a cost of \$436,599.84. Alongside this, the County also completed a road widening project of **1.2 km** on Range Road 112, north of Township Road 794, at a cost of \$153,800.39. In addition, work was completed on Range Road 62, north of Highway 677, as well as the construction of a new road east of the County office to access the parking lot and walking paths that are due to be constructed.

In 2020, a large rainstorm severely damaged the road by the Doe River Bridge. Construction work was finally completed on the Doe River realignment project in 2024, with funds provided by the Government of Alberta's Disaster Recover Program. In 2025, the County completed the hydroseeding along the side of this road.

Saddle Hills County is home to 178 bridges that need to be maintained. In the fall of 2025, staff replaced the strip deck on the Henderson Creek Bridge, on Range Road 131 north of the Bay Tree General Store, and the Burnt River Bridge, on Range Road 60, north of Woking. This type of deck protects the main decking below and is expected to last between 7 and 10 years.

### ASPHALT MAINTENANCE

With the addition of the paving projects in the Happy Valley and Bay Tree areas, the County is now responsible for approximately **76 km** of asphalt roads. Annual maintenance of these roads is carried out by the County, and includes sweeping, crack filling, patching, and line painting.

During 2025, Council worked towards rectifying the chip seal problem experienced on Range Roads 93 and 102, effectively reaching a settlement with the contractor.

### HIGHWAY CLEAN-UP

Volunteers from the Bonanza School, East-West Woking 4-H Club, Savanna 4-H Club, and the Savanna Junior High Band cleaned up litter along **107 km** of paved roads, including **40 km** on Highway 681, as part of the County's annual Highway Clean-up program.

### CULVERTS & DRAINAGE

County staff installed **90** centerline and approach culverts in 2025. **41** approach applications were processed, along with **4** applications for permission to improve drainage. In addition to this, numerous culvert ends were cleared and repaired on County roads.

### DUST CONTROL PROGRAM

Due to an exceptionally dry year, the 2025 Dust Control program expanded to include **68** residential properties, with **14.6 km** funded by residents and **34 km** funded by Industry. In total, **13** companies contributed \$256,149 to the program in 2025, a 20% increase from the previous year.

### GRAVEL PROGRAM

During 2025, Saddle Hills County re-gravelled approximately **320 km** of road. 311 km of this received  $\frac{3}{4}$  inch gravel, while the remaining 9.4 km received  $1\frac{1}{2}$  inch gravel. Work included crushing and purchasing the necessary gravel, as well as managing and maintaining the gravel pits.



### SNOW REMOVAL

While the snowfall experienced towards the end of 2025 was much needed, it also presented a challenge for County staff, especially when combined with the frequently windy weather conditions.

Seven County graders, two regular contract graders (Gundy and Doe River), three large plow trucks, one small plow truck, a backhoe, and various other contract grader operators worked over the course of the season to clear snow on the roads and **164** residential driveways.

## OPERATIONS: EQUIPMENT



### EQUIPMENT

In 2025, the County purchased a used, wheelchair accessible bus, in good condition, for \$56,500. This small bus can accommodate up to 13 seated passengers, or nine seated passengers and two wheelchairs. It will be available for transportation when needed by the municipality.

Other new equipment purchases include a new Cat loader and a Viking-Cives plow truck, due to arrive in 2026. This is in addition to multiple vehicle purchases and lease buyouts to manage the County's fleet. The fleet consists of over **140** vehicles and pieces of equipment in total, which are maintained by the County's Public Works staff.

## OPERATIONS: PERMITTING

### OIL & GAS PERMITS

In 2025, Saddle Hills County approved permits for **49** drilling rig moves and **316** service rig moves. In addition to this, **620** D56 Oil and Gas Notifications were reviewed and processed that facilitate the development of oil and gas facilities, pipelines, and wells in the County.

## OPERATIONS: PILOT PROJECTS



### SOLAR STREET LIGHTS

In 2025, Saddle Hills County Council approved the installation of five solar street lights in Bonanza, to be located along Township Road 801. The lights would be placed along the road beginning east of the Bonanza General Store and ending at the Bonanza Fire Hall, for a total cost of \$67,481.93.

All lights are BFL-S Series solar LED street lights, manufactured by First Light Technologies Ltd. The use of these solar powered lights combined with a lithium battery will result in minimal ongoing costs to the County.

## OPERATIONS: ENVIRONMENTAL SERVICES



### WATER MANAGEMENT

Expanding the main reservoir, north of the County office, in 2024 made it possible to pump more water to these reservoirs in 2025. During the year, temporary pumping facilities for non-potable water were also constructed at the Ksituan Water Treatment Plant.

The County received a grant through Alberta's Drought and Flood Protection Program (DRPP) for \$140,000 to complete the new reservoir in Woking. Initiated in 2024, this reservoir was expanded in 2025 at a cost of \$224,356.70 and will now hold 55,650 cubic meters of usable water.

Celtic Construction repaired the roof on the Savanna Water Treatment Plant for \$174,184.00 plus GST. The original roof was repaired, and a new thermal roof system was installed on the existing roof with an additional six inches of insulation.

### REMOTE POTABLE WATER HAULING SUBSIDY

In the fall of 2023, Council initiated the Remote Potable Hauling Subsidy Program, providing eligible residents who will not be connected to the County's rural waterline, with up to \$1,800 per year for water hauling expenses. In 2025, Saddle Hills County approved **18** applications from residents, primarily in the Gundy and Doe River areas. A total of **36** applications have been approved since the start of the program.

### WATER CISTERN SUBSIDY

The County provides a one-time subsidy for the installation of a new water cistern for residential use or assistance in setting up your home for piped potable water, covering up to 75% of the cost, up to a maximum of \$5,000 per residence. Personal time and use of personal equipment may also be covered at 50% of the cost, up to a maximum of \$2,500.

During 2025, Saddle Hills County approved **115** applications. Interest in this subsidy continues to expand, with from **58** applications approved in 2024, and **30** applications in 2023.

### RURAL POTABLE WATER

In 2025, Council committed \$27,746,000 to provide water to more residences. By the end of the year, a total of **173** properties in Bonanza, **122** residences in Woking, **46** residences in Savanna, and **39** properties in Ksituan are now connected to the County's rural potable water system. This includes the **79** new residential properties that were connected over the course of 2025. Alongside expansion, staff repaired various waterline breaks and continued to respond to concerns as they arose.

**WATER TREATMENT PLANTS & TRUCK FILLS**

Saddle Hills County operates four water treatment plants and four truck fills, providing reliable access to safe drinking water for residents, businesses, and industry throughout the region.

These facilities operate 24 hours a day, seven days a week, and are managed by a dedicated team of eight certified operators who monitor water quality, maintain infrastructure, and ensure compliance with provincial regulations.

**2025 WATER VOLUMES**

The 2025 water volumes produced by site were as follows:

Bonanza	<b>37,020 m<sup>3</sup></b>	Savanna	<b>20,409 m<sup>3</sup></b>
Ksituan	<b>25,217 m<sup>3</sup></b>	Woking	<b>24,033 m<sup>3</sup></b>



**TRANSFER STATIONS & COLLECTION SITES**

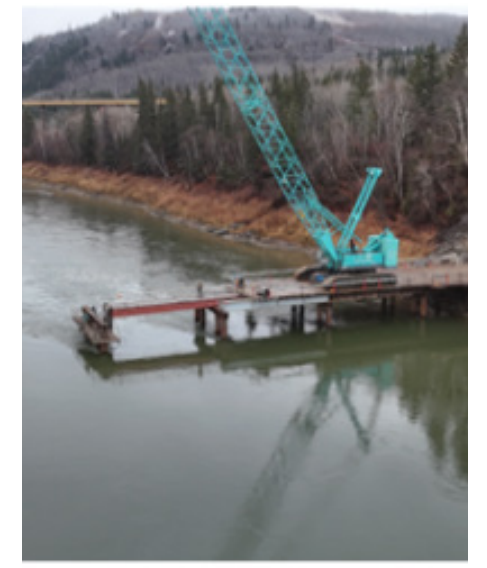
Saddle Hills County operates four transfer stations and seven collection sites. Collection sites are open 24 hours per day.

Approximately **1,245** metric tonnes (2,744,755 lbs) of refuse was collected from the County's transfer stations and collection sites in 2025, and disposed of at the Clairmont Landfill. Thanks to the County's recycling program, approximately **23.9** metric tonnes (52,668 lbs) of materials from our blue bins was recycled, including paper, cardboard, plastic, and metal cans. Various other items collected at our transfer stations were also recycled, including **265.5** metric tonnes (585,300 lbs) of metal.

By reducing, reusing, and recycling and diverting these materials from the landfill, residents helped reduce waste, conserve valuable landfill space, and support a cleaner environment for future generations.

**OPERATIONS: CENTRAL PEACE REGIONAL WATER PROJECT**

Initiated in 2020, this large and long-term project will provide a regional water supply system for the G5 municipalities, consisting of Birch Hills County, the MD of Spirit River #133, Saddle Hills County, the Town of Spirit River, and the Village of Rycroft.



This project saw continued development over the course of 2025.

On May 27, 2025, the contract to build the river intake and pumping station along the Peace River was awarded to Greenfield Construction Ltd., for \$40,328,054.94 (plus GST). The construction of this portion of the project will take approximately two years to complete.

During the year, Option Excavating Inc. constructed a 1.8 km pipeline from the Peace River to the top of the valley, and are due to complete the flushing chambers in 2026.

The County received a Water for Life Grant in 2025, allowing the design of the Central Peace Water Treatment Plant and reservoirs to continue. The grant was provided to fund part of the reservoir project.

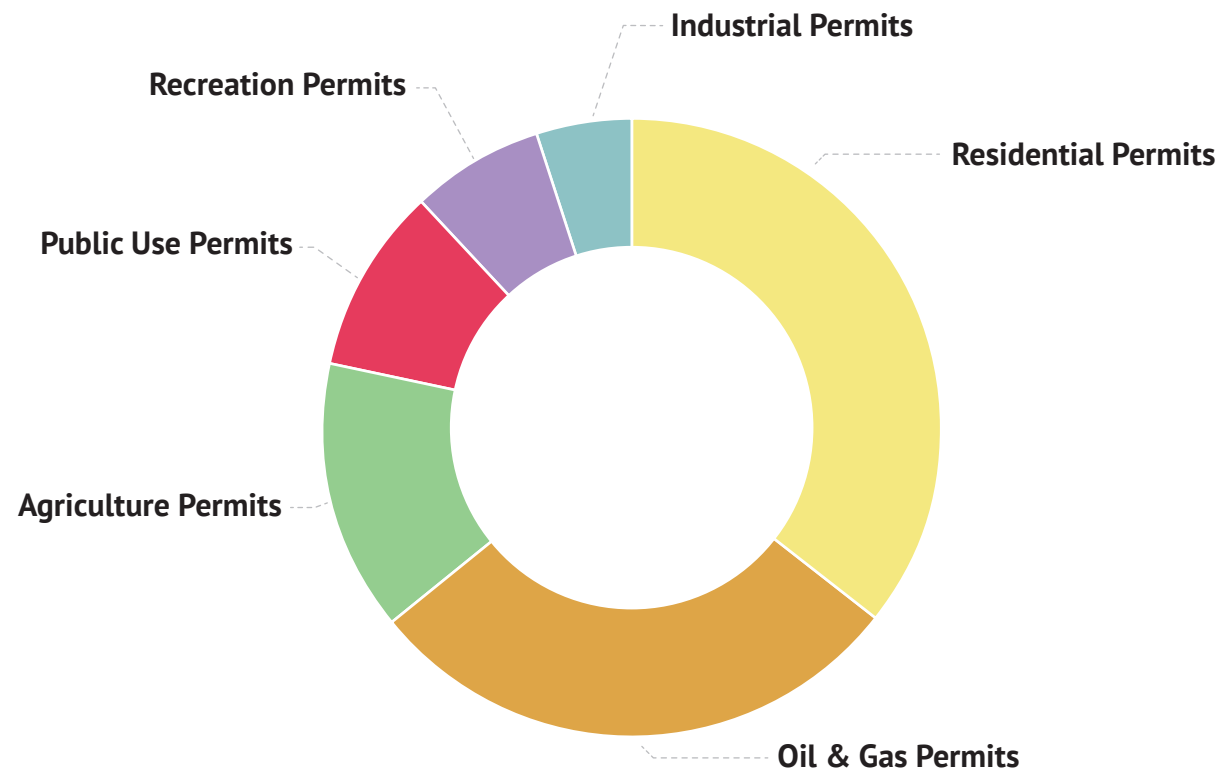
More details on the project, including project history, can be found at [saddlehills.ab.ca](http://saddlehills.ab.ca)

# PLANNING & DEVELOPMENT

During 2025, Saddle Hills County's Planning Department approved **42** Development Permits, with a combined value exceeding **\$210 million**.

For full details of the permitting process, including how to apply for development permits and the types of developments permitted in the County, please visit our website at [saddlehills.ab.ca/Planning](http://saddlehills.ab.ca/Planning)

## 2025 DEVELOPMENT PERMITS (BY TYPE)



### AGRICULTURE

Shop	\$100,000.00
Water & Power Building	\$150,000.00
Solar Collector	\$51,242.00
Second Dwelling	\$170,000.00
Solar	\$48,569.50
Solar	\$48,569.50
<b>Total</b>	<b>\$568,381.00</b>

### INDUSTRIAL

Shop Extension	\$40,000.00
Power Generating Station	\$40,000,000.00
<b>Total</b>	<b>\$40,040,000.00</b>

### OIL & GAS

Gas Plant Expansion (Compressors)	\$25,000,000.00
Gas Plant	\$58,300,000.00
1480 HP Compressor	\$350,000.00
Office Trailer	\$20,000.00
Gas Plant Expansion & Compressor	\$3,700,000.00
Carbon Capture Equipment (Gas Plant Expansion)	\$55,750,000.00
800 HP Compressor	\$650,000.00
Work Camp	\$100,000.00
3750 HP Compressor	\$2,750,000.00
2370 HP Compressor	\$3,100,000.00
750 HP Compressor	\$4,000,000.00
136 HP Compressor	\$25,000.00
Compressor	\$7,000,000.00
<b>Total</b>	<b>\$160,745,000.00</b>

### PUBLIC USE

Community Hall Entryways	\$98,000.00
Ice Plant Building	\$100,000.00
Fire Hall	\$3,500,000.00
Pole Shed	\$80,000.00
<b>Total</b>	<b>\$3,778,000.00</b>

### RECREATION

Cabin	\$25,000.00
Cabin & Machine Sheds	\$100,000.00
Cabin	\$100,000.00
<b>Total</b>	<b>\$225,000.00</b>

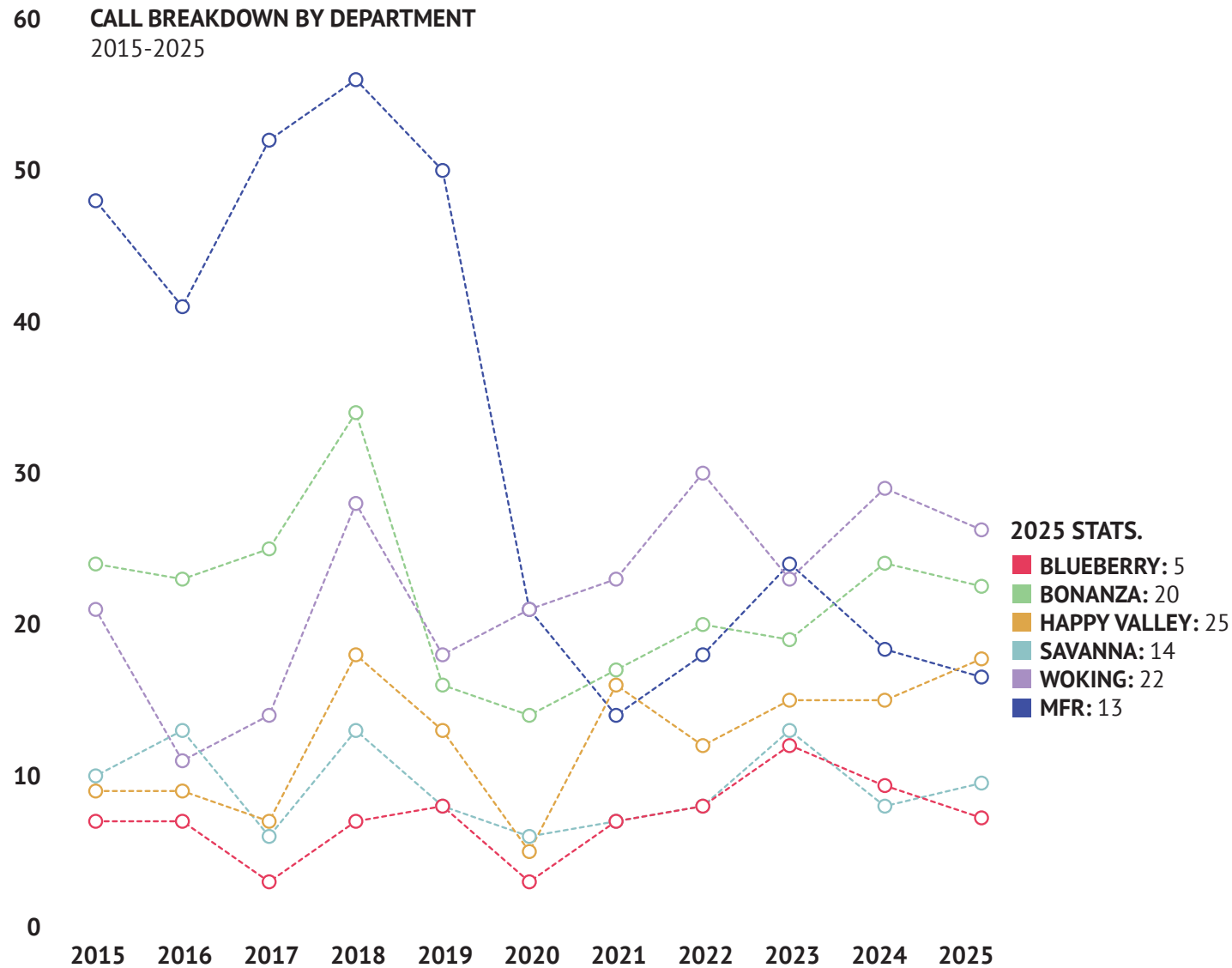
### RESIDENTIAL

Shouse	\$80,000.00
House	\$100,000.00
House	\$600,000.00
6 Unit Co-Housing	\$2,500,000.00
House Addition	\$75,000.00
Second Dwelling	\$350,000.00
House	\$400,000.00
House	\$790,000.00
House	\$750,000.00
Manufactured Home Addition	\$169,000.00
Shouse	\$800,000.00
Shouse	\$125,000.00
Manufactured Home	\$319,000.00
Dwelling	\$70,000.00
Residential	\$100,000.00
<b>Total</b>	<b>\$7,228,000.00</b>

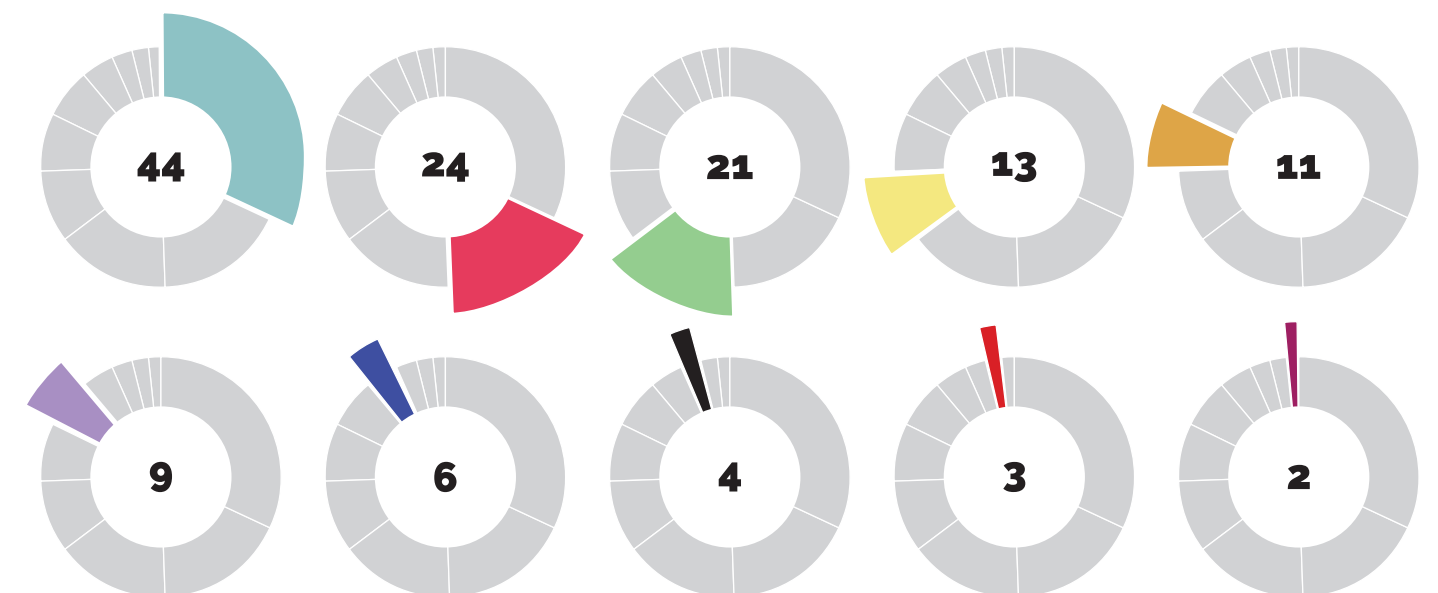
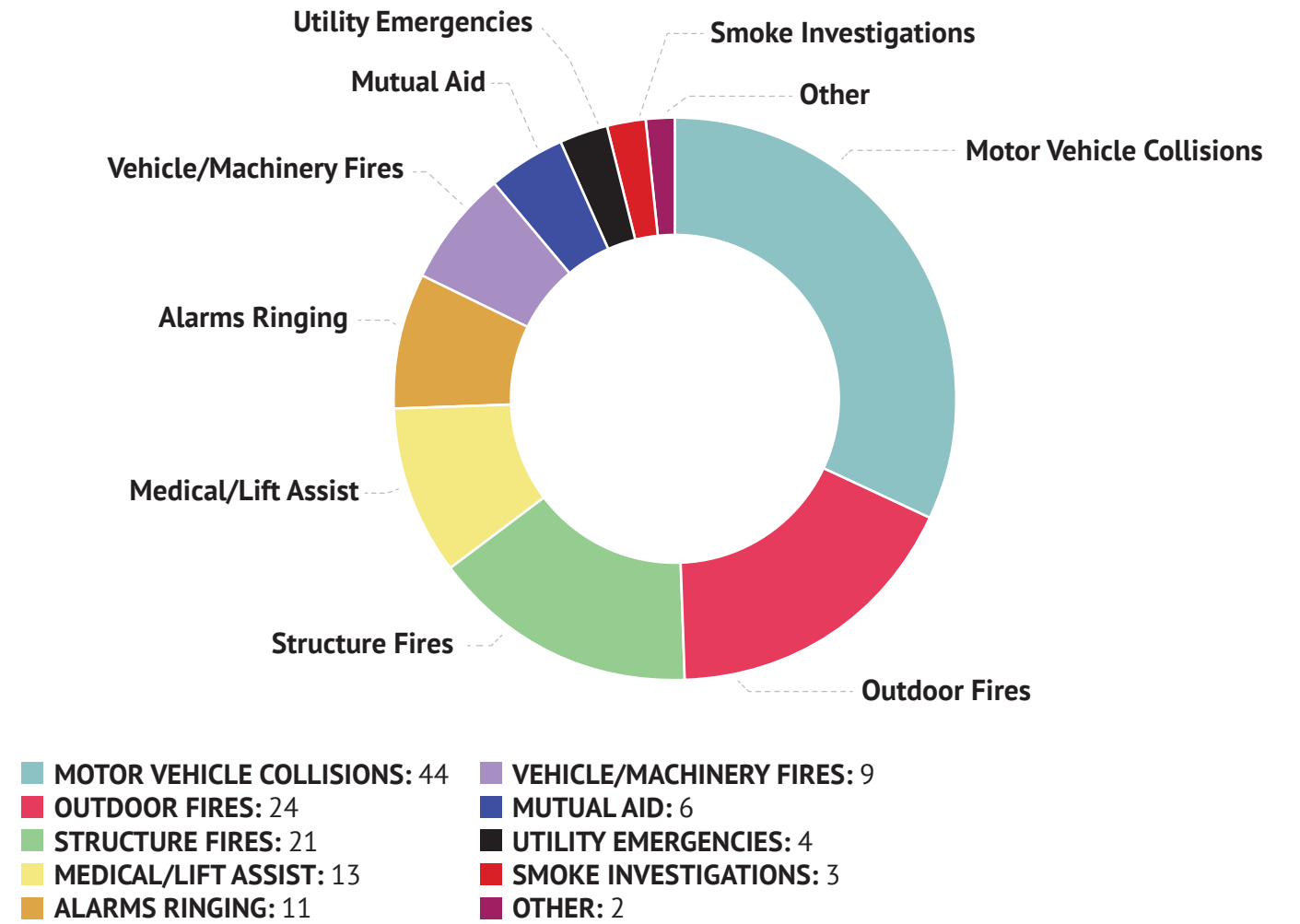
**GRAND TOTAL: \$212,584,381.00**

# PROTECTIVE SERVICES

Saddle Hills County has five volunteer fire departments, located in Bonanza, Blueberry, Happy Valley, Savanna, and Woking, as well as Medical First Responders throughout the County. The County also provides funding to the Tomslake Fire Department to assist the residents of Gundy, as well as working closely with the Central Peace Fire and Rescue Commission.



**2025 CALL BREAKDOWN BY TYPE**  
(ALL DEPARTMENTS)



## PROTECTIVE SERVICES: RECREATION SERVICES

The Saddle Hills County Protective Services Department oversees recreation services within the County, including campgrounds. The County operates three municipally-run campgrounds, located at Cotillion Park, Hilltop Lake, and Spring Lake.

In 2025, Spring Lake received the most registered visitors at **1,617**, followed by Cotillion Park with **933**, and Hilltop Lake with **520**.

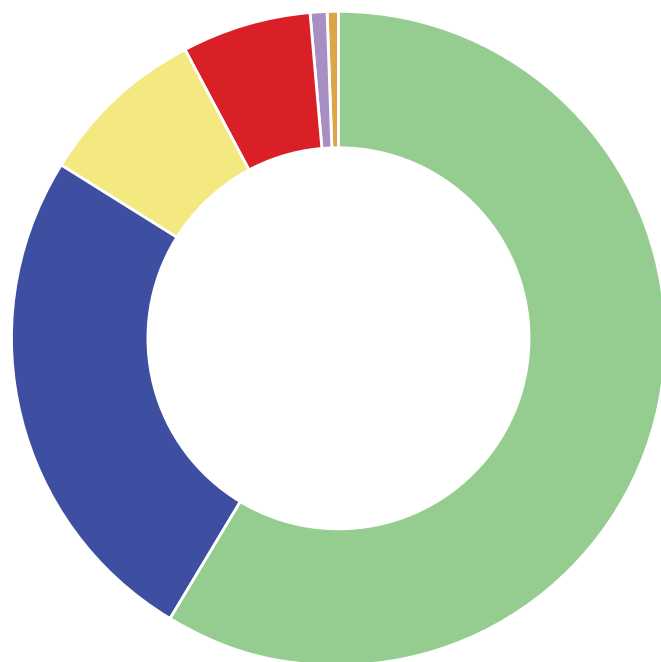
## PROTECTIVE SERVICES: COMMUNITY PEACE OFFICER

The Saddle Hills County Protective Services Department oversees the Community Peace Officer program and Bylaw Enforcement. The County currently employs one Peace Officer, Wayne Olson.

The services provided by the Saddle Hills County Peace Officer, include patrols on County roads and three-digit highways to enforce the Traffic Safety Act and investigation of resident complaints, as well as acting as the County's Bylaw Enforcement Officer. The vast majority of traffic stops result in written warnings being issued rather than violation tickets, except for repeat offenders and particularly extreme offences.

Saddle Hills County utilizes a Digital Speed Sign program at three locations in the County, as a supplement to traffic safety. These signs are located at the Bonanza School, the Savanna School, and in the Hamlet of Woking. These signs upload traffic volume, times, and speed data remotely through a wireless connection. This has been a useful supplement in these areas and has helped encourage compliance, allowing more time to provide services in other areas of the County.

Public education and awareness is a priority for the program, with staff attending several community events to conduct public education, including mud bogs, community fairs, and school career days.

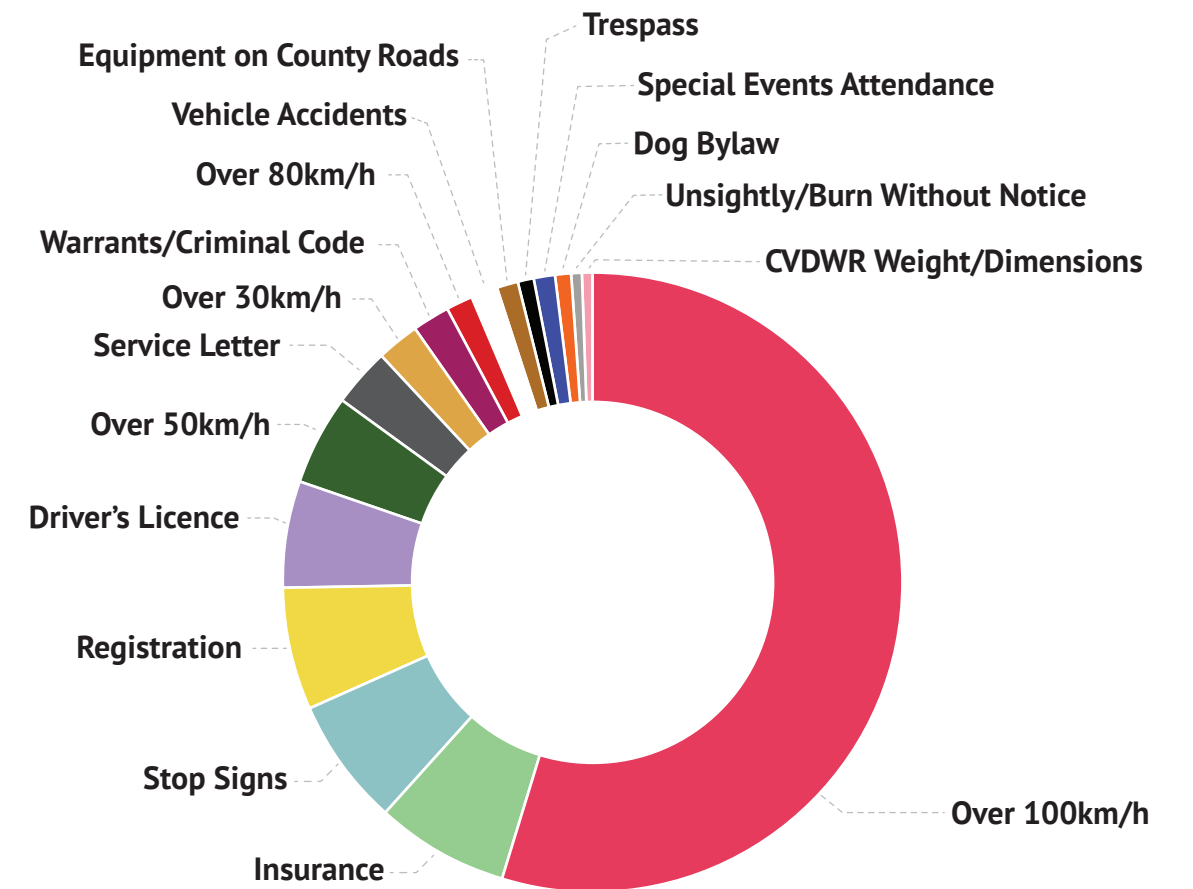


**BREAKDOWN BY COMPLAINT TYPE 2025 STATS.**

- **SPEED STOPS: 44**
- **NO INSURANCE, REGISTRATION OR DRIVER'S LICENCE: 40**
- **INVESTIGATIONS: 20**
- **STOP SIGNS: 14**
- **SPECIAL EVENTS: 2**
- **UNSIGHTLY/BURN WITHOUT NOTICE: 1**

## 2025 ENFORCEMENT STATISTICS

TOTAL OCCURENCES: **210**



**115** OVER 100KM/H

**15** INSURANCE

**14** STOP SIGNS

**13** REGISTRATION

**12** DRIVER'S LICENCE

**10** OVER 50KM/H

**6** SERVICE LETTER

**5** OVER 30KM/H

**4** WARRANTS/CRIMINAL CODE

**3** OVER 80KM/H

**3** VEHICLE ACCIDENTS

**2** EQUIPMENT ON COUNTY ROADS

**2** TRESPASS

**2** SPECIAL EVENTS ATTENDANCE

**2** DOG BYLAW

**1** UNSIGHTLY/BURN W/O NOTICE

**1** CVDWR WEIGHT/DIMENSIONS



## Independent Auditor's Report

To the Council of Saddle Hills County

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the consolidated financial statements of Saddle Hills County (the "Municipality"), which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statements of operations and accumulated surplus net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Municipality'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 Municipality or to cease operations, or has no realistic alternative but to do so.

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

#### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Municipality'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 Municipality's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Municipality 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Municipality as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards

#### Report on Other Legal and Regulatory Requirements

##### Debt Limit Regulation

In accordance with Alberta regulation 255/2000, we confirm that the Municipality is in compliance with the Debt Limit Regulation. A detailed account of the Municipality's debt limit can be found in note 13.

##### Supplementary Accounting Principles and Standards Regulation

In accordance with Alberta regulation 313/2000, we confirm that the Municipality is in compliance with the Supplementary Accounting Principles and Standards Regulation.

Peace River, Alberta

April 14, 2026

Chartered Professional Accountants

**SADDLE HILLS COUNTY**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
FOR THE YEAR ENDED DECEMBER 31, 2025

	2025	2024
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents (Note 2)	9,573,440	3,849,226
Accounts receivable (Note 3)	14,863,770	11,321,745
Long-term investments (Note 4)	80,845,641	100,288,568
	<b>105,282,851</b>	115,459,539
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 5)	10,301,424	10,651,438
Deferred revenue (Note 6)	109,213	7,130,137
Landfill closure and post-closure costs (Note 7)	6,302,252	5,895,530
Asset Retirement Obligation (Note 9)	520,000	520,000
	<b>17,232,889</b>	24,197,105
<b>NET FINANCIAL ASSETS</b>		
	<b>88,049,962</b>	90,753,142
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 2)	255,066,954	205,669,414
Inventory for consumption (Note 8)	2,384,137	2,625,738
Capitalized Asset Retirement Obligation (Note 10)	394,000	402,667
Prepaid expenses	478,312	419,709
	<b>258,323,403</b>	209,117,528
<b>ACCUMULATED SURPLUS</b> (Schedule 1, Note 11)	<b>346,373,365</b>	299,870,670

Contingencies and Commitments - See Note 14 and 15

See accompanying notes to the financial statements

**SADDLE HILLS COUNTY**

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS  
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budget	2025	2024
	\$	\$	\$
<b>REVENUE</b>			
Net municipal property taxes (Schedule 3)	52,915,499	53,488,023	44,402,938
Return on investments	3,000,000	3,243,573	3,842,929
Other	317,653	881,951	1,098,086
Government transfers for operating (Schedule 4)	341,447	431,587	400,588
User fees and sale of goods	616,200	810,410	745,663
Penalties and costs on taxes	50,000	138,240	51,582
<b>Total Revenues</b>	<b>57,240,799</b>	<b>58,993,784</b>	50,541,786
<b>EXPENSES</b>			
<b>Operating</b>			
Road and bridge projects	17,463,588	11,566,682	12,496,392
Administrative	10,747,730	4,889,413	8,799,772
Agriculture and land development	1,869,430	1,666,839	1,622,107
Protective services	2,228,441	1,878,279	2,065,247
Water and wastewater	3,928,231	3,399,214	3,385,391
Recreation and culture	972,130	706,826	785,220
Legislative	9,682,529	7,951,769	5,583,823
Waste management	898,691	905,103	964,741
Common services	1,493,292	1,167,850	1,243,029
Family and community support services	524,500	434,716	278,521
<b>Total Expenses</b>	<b>49,808,562</b>	<b>34,566,691</b>	37,224,243
<b>EXCESS OF REVENUE OVER EXPENSES - BEFORE OTHER</b>	<b>7,432,237</b>	<b>24,427,093</b>	13,317,543
<b>OTHER</b>			
Government transfers for capital (Schedule 4)	55,517,283	24,110,936	10,651,984
Gain (loss) on disposal of tangible capital assets	491,000	(2,035,334)	(235,847)
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>63,740,520</b>	<b>46,502,695</b>	23,733,680
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<b>299,870,670</b>	<b>299,870,670</b>	276,136,990
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<b>363,611,190</b>	<b>346,373,365</b>	299,870,670

See accompanying notes to the financial statements

**SADDLE HILLS COUNTY**CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budget	2025	2024
	\$	\$	\$
<b>EXCESS OF REVENUE OVER EXPENSES</b>	63,740,520	46,502,695	23,733,680
Acquisition of tangible capital assets	(128,388,274)	(58,698,027)	(34,223,384)
Proceeds on disposal of tangible capital assets	491,000	466,000	90,212
Amortization of tangible capital assets	6,374,500	6,799,153	6,065,346
(Gain) loss on sale of tangible capital assets	-	2,035,334	235,847
Capitalized asset retirement obligation	-	8,667	8,673
	(121,522,774)	(49,388,873)	(27,823,306)
Acquisition of supplies inventories	-	(2,384,137)	(2,625,738)
Use of supplies inventories	-	2,625,738	2,114,498
Acquisition of prepaid assets	-	(478,312)	(419,709)
Use of prepaid assets	-	419,709	416,786
	-	182,998	(514,163)
<b>INCREASE (DECREASE) IN NET FINANCIAL ASSETS</b>	(57,782,254)	(2,703,180)	(4,603,789)
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>	90,753,142	90,753,142	95,356,931
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	32,970,888	88,049,962	90,753,142

**SADDLE HILLS COUNTY**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2025

	2025	2024
	\$	\$
<b>NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:</b>		
<b>OPERATING</b>		
Excess of revenues over expenses	46,502,695	23,733,680
(Gain) loss on sale of tangible capital assets	2,035,334	235,847
Non-cash items included in excess (shortfall) of revenues over expenses:		
Amortization of tangible capital assets	6,799,153	6,065,346
Non-cash changes to operations (net change):		
Decrease (increase) in trade and other receivables	(3,542,025)	(7,403,471)
Decrease (increase) in inventory for consumption	241,601	(511,240)
Decrease (increase) in prepaid expenses	(58,603)	(2,924)
Decrease (increase) in capitalized asset retirement obligation	8,667	8,666
Increase (decrease) in accounts payable and accrued liabilities	(1,065,368)	715,362
Increase (decrease) in deferred revenue	(6,624,729)	(396,195)
Increase (decrease) in provision for landfill closure and post-closure (Note 7)	216,589	190,133
Cash provided by operating transactions	44,513,314	22,635,204
<b>CAPITAL</b>		
Acquisition of tangible capital assets	(58,968,027)	(34,223,384)
Sale of tangible capital assets	466,000	90,212
Cash applied to capital transactions	(58,232,027)	(34,133,172)
<b>INVESTING</b>		
Decrease (increase) in investments	19,442,927	9,979,928
<b>CHANGE IN CASH AND EQUIVALENTS DURING THE YEAR</b>	5,724,214	(1,518,040)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	3,849,226	5,367,266
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	9,573,440	3,849,226
See accompanying notes to the financial statements		
	2025	2024
	\$	\$
<b>Cash and cash equivalents is made up of:</b>		
Cash and temporary investments (Note 2)	9,573,440	3,849,226

**SADDLE HILLS COUNTY**
**CONSOLIDATED SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS  
FOR THE YEAR ENDED DECEMBER 31, 2025  
SCHEDULE 1**

			2025	2024	
	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets		
			\$	\$	
<b>BALANCE, BEGINNING OF YEAR</b>	-	94,318,583	205,552,087	<b>299,870,670</b>	276,136,990
Excess of revenues over expenses	46,502,695	-	-	<b>46,502,695</b>	23,733,680
Unrestricted funds designated for future use	2,886,178	(2,886,178)	-	-	-
Current year funds used for tangible capital assets	(58,698,027)	-	58,698,027	-	-
Disposal of assets (at net book value)	2,501,334	-	(2,501,334)	-	-
Annual amortization expense	6,799,153	-	(6,799,153)	-	-
Annual amortization of asset retirement obligation	8,667	-	(8,667)	-	-
Change in accumulated surplus	-	(2,886,178)	49,388,873	<b>46,502,695</b>	23,733,680
<b>BALANCE, END OF YEAR</b>	-	91,432,405	254,940,960	<b>346,373,365</b>	299,870,670

See accompanying notes to the financial statements

**SADDLE HILLS COUNTY**
**CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2025  
SCHEDULE 2**

	Land	Land Improvements	Buildings	Engineered Structures	Machinery & Equipment	Vehicles	2025 \$	2024 \$
<b>COST:</b>								
<b>BALANCE, BEGINNING OF YEAR</b>	2,665,164	6,796,795	33,013,532	225,161,215	15,363,575	1,371,868	<b>284,372,149</b>	<b>251,356,014</b>
Acquisition of tangible capital assets	-	856,199	954,740	52,448,401	3,056,618	1,382,069	<b>58,698,027</b>	<b>34,223,384</b>
Disposal of tangible capital assets	(125,318)	-	(2,504,486)	-	(520,778)	(236,450)	<b>(3,387,032)</b>	<b>(1,207,249)</b>
<b>BALANCE, END OF YEAR</b>	<b>2,539,846</b>	<b>7,652,994</b>	<b>31,463,786</b>	<b>277,609,616</b>	<b>17,899,415</b>	<b>2,517,487</b>	<b>339,683,144</b>	<b>284,372,149</b>
<b>ACCUMULATED AMORTIZATION:</b>								
<b>BALANCE, BEGINNING OF YEAR</b>	-	1,582,561	5,083,336	63,530,987	7,643,310	862,541	<b>78,702,735</b>	<b>73,518,571</b>
Annual amortization	-	326,523	646,865	3,792,595	1,766,972	266,198	<b>6,799,153</b>	<b>6,065,346</b>
Accumulated amortization on disposals	-	-	(143,629)	-	(505,619)	(236,450)	<b>(885,698)</b>	<b>(881,182)</b>
<b>BALANCE, END OF YEAR</b>	-	<b>1,909,084</b>	<b>5,586,572</b>	<b>67,323,582</b>	<b>8,904,663</b>	<b>892,289</b>	<b>84,616,190</b>	<b>78,702,735</b>
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<b>2,539,846</b>	<b>5,743,910</b>	<b>25,877,214</b>	<b>210,286,034</b>	<b>8,994,752</b>	<b>1,625,198</b>	<b>255,066,954</b>	<b>205,669,414</b>
2024 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	2,665,164	5,214,234	27,930,196	161,630,228	7,720,265	509,327	<b>205,669,414</b>	

See accompanying notes to the financial statements

**SADDLE HILLS COUNTY**CONSOLIDATED SCHEDULE OF PROPERTY TAXES LEVIED  
FOR THE YEAR ENDED DECEMBER 31, 2025  
SCHEDULE 3

	Budget	2025	2024
	\$	\$	\$
<b>TAXATION</b>			
Real property taxes	31,464,931	<b>32,060,429</b>	28,711,501
Linear property taxes	30,251,199	<b>30,235,501</b>	23,419,398
Government grants in place of property taxes	15,414	<b>18,138</b>	8,600
	<u>61,731,544</u>	<u><b>62,304,068</b></u>	<u>52,139,499</u>
<b>REQUISITIONS</b>			
Alberta School Foundation Fund	8,215,873	<b>8,215,873</b>	7,185,933
Seniors Foundation	332,201	<b>332,201</b>	307,318
Designated Industrial Property	267,971	<b>267,971</b>	243,310
	<u>8,816,045</u>	<u><b>8,816,045</b></u>	<u>7,736,561</u>
<b>NET MUNICIPAL TAXES</b>			
	<u>52,915,499</u>	<u><b>53,488,023</b></u>	<u>44,402,938</u>

See accompanying notes to the financial statements

**SADDLE HILLS COUNTY**CONSOLIDATED SCHEDULE OF GOVERNMENT TRANSFERS  
FOR THE YEAR ENDED DECEMBER 31, 2025  
SCHEDULE 4

	Budget	2025	2024
	\$	\$	\$
<b>TRANSFERS FOR OPERATING</b>			
Local Government Fiscal Framework - Operating	79,200	<b>158,410</b>	158,410
Agriculture Service Board	186,247	<b>197,246</b>	166,247
Family and Community Support Services Program	76,000	<b>75,931</b>	75,931
	<u>341,447</u>	<u><b>431,587</b></u>	<u>400,588</u>
<b>TRANSFERS FOR CAPITAL</b>			
Local Government Fiscal Framework - Capital	1,090,542	<b>1,090,542</b>	979,556
Canada Community Building Fund	192,002	<b>192,002</b>	186,205
Other Provincial Government	54,534,739	<b>22,828,392</b>	9,486,223
	<u>55,817,283</u>	<u><b>24,110,936</b></u>	<u>10,651,984</u>
<b>TOTAL GOVERNMENT TRANSFERS</b>			
	<u>56,158,730</u>	<u><b>24,542,523</b></u>	<u>11,052,572</u>

See accompanying notes to the financial statements

**SADDLE HILLS COUNTY**CONSOLIDATED SCHEDULE OF EXPENSES BY OBJECT  
FOR THE YEAR ENDED DECEMBER 31, 2024  
SCHEDULE 5

	Budget	2025	2024
	\$	\$	\$
<b>CONSOLIDATED EXPENSES BY OBJECT</b>			
Salaries, wages and benefits	10,127,770	<b>8,143,027</b>	9,683,704
Contracted and general services	12,917,011	<b>8,191,769</b>	8,153,255
Materials, goods, supplies and utilities	3,786,390	<b>2,198,695</b>	3,317,702
Transfers to governments, agencies and organizations	16,337,091	<b>8,920,059</b>	9,765,048
Amortization of tangible capital assets	6,374,500	<b>6,799,153</b>	6,065,346
Amortization of asset retirement obligation	8,800	<b>8,667</b>	8,667
Other expenses	257,000	<b>305,321</b>	230,521
	<u>49,808,562</u>	<u><b>34,566,691</b></u>	<u>37,224,243</u>

See accompanying notes to the financial statements

**SADDLE HILLS COUNTY**
**CONSOLIDATED SCHEDULE OF SEGMENTED DISCLOSURE  
FOR THE YEAR ENDED DECEMBER 31, 2025  
SCHEDULE 6**

	General Government	Protective Services	Transportation Services	Planning & Development	Recreation & Culture	Environmental Services	Other	Total \$
<b>REVENUE</b>								
Net municipal taxes	53,48,023	-	-	-	-	-	-	<b>53,488,023</b>
Government transfers	-	-	158,410	197,246	75,931	24,110,936	-	<b>24,542,523</b>
Oil well drilling equipment taxes	-	-	-	-	-	-	-	-
User fees and sales of goods	14,157	34,159	314,686	9,320	13,872	424,216	-	<b>810,410</b>
Investment income	3,243,573	-	-	-	-	-	-	<b>3,243,573</b>
Other revenues	228,037	138,595	425,329	44,510	41,751	80,658	61,311	<b>1,020,191</b>
	<b>56,973,790</b>	<b>172,754</b>	<b>898,425</b>	<b>251,076</b>	<b>131,554</b>	<b>24,615,810</b>	<b>61,311</b>	<b>83,104,720</b>
<b>EXPENSES</b>								
Contract & general services	2,004,168	674,574	4,215,944	464,634	138,245	615,050	79,154	<b>8,191,769</b>
Salaries & wages	2,161,905	435,535	3,221,121	720,674	220,544	1,383,248	-	<b>8,143,027</b>
Goods and supplies	159,953	162,342	1,270,519	181,173	69,373	355,237	98	<b>2,198,695</b>
Transfers to governments, agencies and organizations	6,793,485	221,867	-	214,719	585,831	179,157	925,000	<b>8,920,059</b>
Other expenses	88,736	-	-	-	-	216,585	-	<b>305,321</b>
	<b>11,208,247</b>	<b>1,494,318</b>	<b>8,707,584</b>	<b>1,581,200</b>	<b>1,013,993</b>	<b>2,749,277</b>	<b>1,004,252</b>	<b>27,758,871</b>
<b>NET REVENUE BEFORE AMORTIZATION</b>	<b>45,765,543</b>	<b>(1,321,564)</b>	<b>(7,809,159)</b>	<b>(1,330,124)</b>	<b>(882,439)</b>	<b>21,866,533</b>	<b>(942,941)</b>	<b>55,345,849</b>
Amortization expense	(506,955)	(383,961)	(4,026,951)	(85,638)	(127,549)	(1,546,371)	(121,728)	<b>(6,799,153)</b>
Amortization of ARO						(8,667)		<b>(8,667)</b>
Gain (Loss) on disposal of tangible capital assets	-	-	(2,035,334)	-	-	-	-	<b>(2,035,334)</b>
<b>NET REVENUE</b>	<b>45,258,588</b>	<b>(1,705,525)</b>	<b>(13,871,444)</b>	<b>(1,415,762)</b>	<b>(1,009,988)</b>	<b>20,311,495</b>	<b>(1,064,669)</b>	<b>46,502,695</b>

**SADDLE HILLS COUNTY**
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2025**
**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The consolidated financial statements of Saddle Hills County are the representations of management prepared in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board of the Canadian Institute of Chartered Professional Accountants. Significant aspects of the accounting policies adopted by Saddle Hills County are as follows:

**a) Reporting Entity**

The consolidated financial statements reflect the assets, liabilities, revenues and expenditures, changes in net financial assets and cash flows of the reporting entity. This entity is comprised of the municipal operations plus all of the organizations that are owned or controlled by the County and are, therefore, accountable to the Council for administration of their financial affairs and resources. This previously included the County's proportionate share of the Central Peace Regional Waste Management Commission (25%). This Organization has since been decommissioned during the year.

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

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

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, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used for certain programs, in the completion of specific work, or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred, services performed or the tangible capital assets are acquired.

**c) Deferred Revenue**

Government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation and agreement and may only be used in completion of certain programs, in the completion of specific work, or for the purchase of tangible capital assets. These funds and the earnings thereon are accounted for as deferred revenue until the related expenses are incurred, the services are performed or the tangible capital assets are acquired.

**d) Use of Estimates**

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the period. Where management uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. These estimates and assumptions are based on the County's best information and judgement and actual results could differ from these estimates.

**SADDLE HILLS COUNTY**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2025

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****e) Cash and Cash Equivalents**

Cash and cash equivalents consist of cash on hand, balances with the banks net of outstanding cheques and term deposits with original maturities of 365 days or less at the date of acquisition and are recorded at cost.

**f) Investments**

Investments consist of deposit notes, coupons, securities, mutual funds and guaranteed investment certificates. Deposit notes, coupons, securities, mutual funds and guaranteed investment certificates are recorded at amortized cost. Investment premiums and discounts are amortized over the term of the respective investments. When there has been a loss in the value that is other than a temporary decline, the respective investment is written down to recognize the loss.

**g) Government Transfers**

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

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

**h) Requisition Over-Levies and Under-Levies**

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

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

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

**i) Landfill Closure and Post-Closure Liability**

Pursuant to the Alberta Environmental Protection and Enhancement Act, the County is required to fund the closure of its landfill sites and provide for post-closure care of the facility. Closure and post-closure activities include the final clay cover, landscaping, as well as surface and ground water monitoring, leachate control, and visual inspection. The requirement being provided for over the estimated remaining life of the landfill sites is based on usage.

**j) 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 remediation including post remediation costs of operations, maintenance and monitoring.

**SADDLE HILLS COUNTY**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2025

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****k) Employee Future Benefits**

Selected employees of the County are members of the Local Authority Pension Plan ("LAPP"), a multi-employer defined benefit pension plan. The trustee of the plan is the Alberta Treasurer and the plan is administered by a Board of Trustees. Since the plan is a multi-employer plan, it is accounted for as a defined contribution plan and, accordingly, the County does not recognize its share of any of the LAPP's surplus or deficit.

**l) Non-Financial Assets**

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

**i. Tangible Capital Assets**

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

	YEARS
Land Improvements	15-25
Buildings	25-50
Engineered Structures	
Water system	30-75
Wastewater system	30-75
Roads and bridges	30-75
Machinery and equipment	3-20
Vehicles	7-20

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

**ii. Contributions of Tangible Capital Assets**

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

**iii. Leases**

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

**iv. Inventories**

Inventories of materials and supplies for consumption are recorded at the lower of cost or net realizable value with cost determined by the first-in, first-out method. Inventories largely represent the stockpile of gravel maintained for County purposes.

**SADDLE HILLS COUNTY**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2025

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****m) Accumulated Surplus**

Accumulated surpluses are established at the discretion of Council to set aside funds for future operating and capital expenditures. Transfers to and/or from reserves are reflected as an adjustment to the respective fund.

Equity in capital assets consist of the net investments in total capital assets after deducting the portion financed by third parties.

**n) Asset Retirement Obligations**

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

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

A liability for an asset retirement obligation is recognized when, as at the financial reporting date:

- there is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- 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 an asset retirement obligation is recognized, asset retirement costs related to recognized tangible capital assets in productive use are capitalized by increasing the carrying amount 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.

**2. CASH AND INVESTMENTS**

	2025	2024
	\$	\$
Cash	9,503,852	3,779,638
Restricted deposits	69,588	69,588
Temporary investments	-	-
	<b>9,573,440</b>	<b>3,849,226</b>

Cash held in deposit accounts earn interest at tiered rates between 2.10% and 3.49%.

A portion of the cash balances above are restricted for reserves and deferred revenue. The total restricted capital, including long-term investments is \$81,154,896 (2024 - \$101,052,525).

**SADDLE HILLS COUNTY**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2025

**3. ACCOUNTS RECEIVABLE**

	2025	2024
	\$	\$
Accrued interest receivable - investments	4,892,090	4,231,336
Trade	8,553,871	6,299,932
Property taxes	677,799	231,404
Goods and Services Tax	740,010	559,073
	<b>14,863,770</b>	<b>11,321,745</b>
Less: Allowance for doubtful accounts	-	-
	<b>14,863,770</b>	<b>11,321,745</b>

**4. LONG-TERM INVESTMENTS**

Investments have carrying and market value as follows:

	2025 Carrying Amount	2025 Market Value	2024 Carrying Amount	2024 Market Value
	\$	\$	\$	\$
Rural Municipality of Alberta Member's Equity	856	856	856	856
RBC Investment Portfolio				
Cash Accounts	55,973	55,973	129,495	129,495
Guaranteed Investment Certificates	42,086,571	42,086,571	66,346,384	66,346,384
Coupons	38,702,241	38,783,544	26,294,756	26,120,118
Mutual Funds	-	-	7,517,077	7,517,077
	<b>80,845,641</b>	<b>80,826,944</b>	<b>100,288,568</b>	<b>100,113,930</b>

RBC investment portfolio has effective interest rates ranging from 2.13% to 5.15% (2024 - 1.15% to 5.15%) with maturity dates from January 19, 2026 to September 5, 2029.

Market values are based on quoted market values received on December 31, 2025. The market values fluctuate with changes in market interest rates. Should there be a loss in value that is not considered temporary, the respective investment is written down to recognize the loss.

**SADDLE HILLS COUNTY**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2025

**5. ACCOUNTS PAYABLE & ACCRUED LIABILITIES**

	2025	2024
	\$	\$
Trade	<b>9,612,821</b>	9,551,361
Vacation, sick leave and overtime	<b>506,507</b>	1,719,905
Security deposits	<b>182,096</b>	95,526
	<b>10,301,424</b>	11,366,792

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

**6. DEFERRED REVENUE**

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

	2024	Additions	Revenue Recognized	2025
	\$	\$	\$	\$
Local Government Fiscal Framework Capital	-	1,090,542	1,090,542	-
Canada Community Building Fund	-	192,002	192,002	-
Capital for Emergency Projects	109,213	-	-	<b>109,213</b>
Central Peace Regional Water Treatment Plant - Engineering	284,534	-	284,534	-
Central Peace Regional Water - Phase 1 & 2	6,340,195	4,600,000	10,940,195	-
	<b>6,733,942</b>	<b>5,882,544</b>	<b>12,507,273</b>	<b>109,213</b>

**SADDLE HILLS COUNTY**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2025

**7. LANDFILL CLOSURE AND POST-CLOSURE COSTS**

Alberta environmental law requires closure and post-closure care of landfill sites, which includes final covering and landscaping, pumping of ground water and leachates from the site, ongoing environmental monitoring, and site inspections and maintenance.

The estimated total liability represents the net present value of the discounted cash flows of the total estimated cost for closure and post-closure activities for 25 years after closing using a discount rate of 4.56% and assuming annual inflation of 3.00%.

The accrued liability is based on the cumulative capacity used at year end compared to the total estimated landfill capacity. The total capacity of the sites is estimated at 952,000 cubic metres. All of the sites are at full capacity.

The County stopped receiving municipal solid waste at these landfills in prior years. Some of these unused landfills were converted to waste transfer stations. The County intends to commence closure work for a portion of these unused landfills in the near future.

The County reviewed to cost estimates related to its closure and post-closure obligations during the year. These cost estimates result in an increase of \$216,589 (2024 - \$190,132 increase) to the closure and post-closure obligations, which is included in waste management expense on the Statement of Operations.

	2025	2024
	\$	\$
Estimate closure costs	<b>4,557,829</b>	4,437,550
Estimate post-closure costs	<b>1,744,423</b>	1,648,113
	<b>6,302,252</b>	6,085,663
Portion of liability remaining to be recognized	-	-
Accrued liability portion	<b>6,302,252</b>	6,085,663

**8. INVENTORY FOR CONSUMPTION**

	2025	2024
	\$	\$
Gravel	<b>1,545,346</b>	1,734,177
Parts, culverts and other	<b>838,791</b>	891,561
	<b>2,384,137</b>	2,625,738

**SADDLE HILLS COUNTY**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2025

**9. ASSET RETIREMENT OBLIGATION**

Effective January 1, 2023, the County adopted the new accounting standard PS 3280 Asset Retirement Obligations and applied the standard using the prospective application approach.

On the effective date of the PS 3280 standard, the County recognized the following to conform to the new standard;

- asset retirement obligations;
- asset retirement cost capitalized as an increase to the carrying amount of the related tangible capital assets in productive use; and
- accumulated amortization on the capitalized cost.

Amounts are measured using information, assumptions that are current on the effective date of the standard.

	2025	2024
	\$	\$
<b>Waste Lagoons</b>		
Woking	100,000	100,000
Savanna	100,000	100,000
Ksituan	100,000	100,000
Bonanza	100,000	100,000
	<b>400,000</b>	400,000
<b>Water Treatment Plants</b>		
Woking	15,000	15,000
Savanna	35,000	35,000
Bonanza	35,000	35,000
Ksituan	35,000	35,000
	<b>120,000</b>	120,000
	<b>520,000</b>	520,000

**10. CAPITALIZED ASSET RETIREMENT OBLIGATION**

Capitalized asset retirement obligation consists of the increase to the carrying amount of the related tangible capital assets in productive use.

These amounts are amortized over the estimated useful life of the capitalized asset retirement obligation.

	2025			2024		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
	\$	\$	\$	\$	\$	\$
Waste Lagoons	300,000	18,000	282,000	300,000	12,000	288,000
Water Treatment Plants	120,000	8,000	112,000	120,000	5,333	114,667
	<b>420,000</b>	<b>26,000</b>	<b>394,000</b>	<b>420,000</b>	<b>17,333</b>	<b>402,667</b>

**SADDLE HILLS COUNTY**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2025

**11. ACCUMULATED SURPLUS**

	2025	2024
	\$	\$
Unrestricted surplus		
Restricted surplus:		
Operating reserves:		
Gravel usage	1,730,455	1,923,403
Operating fund	1,598,988	114,534
Emergency command centre	752,157	752,156
Saddle Hills advantage	200,000	500,000
Grant programs	82,873	180,211
Community facility	47,477	47,477
Due to others	5,545	9,232
	<b>4,417,495</b>	3,527,013
Capital reserves:		
Rural water	37,649,433	36,230,927
Mobile equipment	11,628,901	13,602,590
General capital	10,985,394	2,655,837
Paving overlay	10,649,505	11,013,490
Utility communication network	6,016,244	8,260,666
Current county facilities	4,421,393	11,914,413
New county facilities	3,798,429	4,207,681
Computer and information technology	1,095,936	1,071,051
Infrastructure development	725,575	1,567,780
Municipal development	23,443	22,746
Environmental services	20,657	244,389
	<b>87,014,910</b>	90,791,570
	<b>91,432,405</b>	94,318,583
Equity in tangible capital assets	<b>254,940,960</b>	205,552,087
	<b>346,373,365</b>	299,870,670

**SADDLE HILLS COUNTY**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2025

**12. SALARY AND BENEFITS DISCLOSURE**

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

	2025			2024	
	\$	\$	\$	\$	\$
	Salary <sup>1</sup>	Benefits & allowances <sup>2</sup>	Expense reimbursement <sup>3</sup>	Total	Total
Councillors					
Division 1	62,550	6,811	4,309	<b>73,670</b>	67,255
Division 2	51,650	5,577	5,537	<b>62,764</b>	67,541
Division 3	58,938	6,691	7,455	<b>73,084</b>	79,915
Division 4	55,200	5,636	4,046	<b>64,882</b>	72,555
Division 5	52,250	5,312	4,232	<b>61,794</b>	75,808
Division 6	57,400	6,647	6,768	<b>70,815</b>	69,241
Division 7	51,300	4,187	7,240	<b>62,727</b>	77,431
Chief Administrative Officer	251,493	33,017	-	<b>284,510</b>	529,581
Designated Officer (former)	-	-	-	-	398,140
	<b>640,781</b>	<b>73,878</b>	<b>39,587</b>	<b>754,246</b>	<b>1,437,467</b>

The County has a contract with a third party for provision of Municipal Assessment Services.

The contractor is the appointed Designated Officer for the County. The cost of the contracted services in 2025 was \$199,011.

Salary includes regular base pay, per diems and any other direct cash remuneration.

Benefits and allowances include the employer's share of the employee benefits and contributions or payments made on behalf of employees including pension and health care benefits.

**SADDLE HILLS COUNTY**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2025

**13. DEBT LIMITS**

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

	2025	2024
	\$	\$
Total debt limit	<b>88,490,676</b>	75,812,679
Total debt	-	-
Amount of debt limit unused	<b>88,490,676</b>	75,812,679
Debt servicing limit	<b>14,748,446</b>	12,635,447
Debt servicing	-	-
Amount of debt servicing limit unused	<b>14,748,446</b>	12,635,447

The debt limit is calculated at 1.50 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.

**14. CONTINGENCIES**

## (a) MUNIX

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

## (b) Legal Claims

The County is defendant in various lawsuits as at December 31, 2025. Where the occurrence of future events is considered likely to result in a loss with respect to an existing condition, and the amount of the loss can be reasonably estimated, amounts have been included in accrued liabilities. Where the resulting losses, if any, cannot be determined or the occurrence of future events is unknown, amounts have not been recorded.

**15. COMMITMENTS**

As at December 31, 2025, the County has the following outstanding commitments:

- Rural Waterlines Project, of approximately \$32,202,949.
- Regional Raw Water Line Project, of approximately \$28,967,274.
- Regional Water Treatment Plant Project, of approximately \$1,049,931.
- Construction of new Happy Valley Fire Hall, of approximately \$3,095,708.
- Construction of Fire Station #1 in Spirit River, of approximately \$1,000,000.

**SADDLE HILLS COUNTY**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2025

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**16. LOCAL AUTHORITIES PENSION PLAN**

Employees of the County participate in the Local Authorities Pension Plan (LAPP), which is covered by the Alberta Public Sector Pension Plans Act. Contributions are collected from employees and employers and the money is invested in equities, bonds and other investment vehicles. The investment income and the contributions are used to pay pension benefits to LAPP retirees, now and in the future.

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 salary up to the year's maximum pensionable salary and 10.65% on pensionable salary above this amount.

Total current service contributions by the County to the LAPP in 2025 were \$593,128 (2024 - \$509,054). Total current service contributions by the employees of the County to the LAPP in 2025 were \$531,469 (2024 - \$455,883).

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

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**17. FINANCIAL INSTRUMENTS**

The County's financial instruments consist of cash and cash equivalents, accounts receivables, long-term investments, accounts payable and accrued liabilities, deferred revenue and provision for landfill closure. It is management's opinion that the County is not exposed to significant interest, currency or credit risk arising from these financial instruments.

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

The County is subject to interest rate risk with respect to its cash equivalents and long-term investments. Interest rate risk arises from the risk that the fair value of financial instruments or future cash flows associated with instruments will fluctuate due to changes in market interest rates. The County manages this risk by investing in diverse and low risk assets.

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

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**18. SEGMENTED DISCLOSURE**

Saddle Hills County provides a range of services to its residents. 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 consolidated financial statements as disclosed in Note 1.

For additional information see the Schedule of Segmented Disclosure (Schedule 6).

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**19. COMPARATIVE FINANCIAL STATEMENTS**

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

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**20. APPROVAL OF FINANCIAL STATEMENTS**

These financial statements were approved by Council and management.






Junction of Highway 49 and Highway 725

RR1, Spirit River, AB. T0H 3G0

**P:** (780) 864-3760 | **F:** (780) 864-3904

**Monday - Friday** 8:15 a.m. - 4:30 p.m.

 [www.saddlehills.ab.ca](http://www.saddlehills.ab.ca)  [saddlehillscounty](https://www.facebook.com/saddlehillscounty)  [saddlehillsab](https://twitter.com/saddlehillsab)