



ANNUAL FINANCIAL REPORT 2022

FOR FISCAL YEAR ENDED DECEMBER 31, 2022
VULCAN COUNTY, ALBERTA, CANADA



Vulcan County
Box 180, 102 Centre Street
Vulcan, Alberta T0L 2B0
www.vulcancounty.ab.ca



Realizing opportunity and
growth through collaborative leadership
and accessible administration.
- Vision Statement

Through proactive municipal leadership
and partnerships, we will balance
traditional planning with innovation
to realize economic development and
community growth for
future prosperity.
-Purpose Statement

Save Paper, view our report online.

This report is optimized for onscreen viewing.
For best results, choose “two-page display”
in your PDF reader.





ANNUAL FINANCIAL REPORT

2022

FOR FISCAL YEAR ENDED DECEMBER 31, 2022
VULCAN COUNTY, ALBERTA, CANADA

PREPARED BY VULCAN COUNTY
CORPORATE SERVICES DEPARTMENT
JUNE 2023

Box 180, 102 Centre Street
Vulcan, Alberta, Canada T0L 2B0
www.vulcancounty.ab.ca



Welcome to Our Financial Report



It is our pleasure to submit Vulcan County's 2022 Annual Financial Report.

The purpose of the Annual Financial Report is to provide our community with a clear and transparent insight into the financial information and results for the County. It also provides an opportunity to analyze and comment on the financial highlights and information of the County, its finances, and the outlooks for the future.

The Annual Financial Report is divided into three (3) major sections:

- 1) Introductory Section
 - 1A) Financial Discussion & Analysis
- 2) Financial Statements
- 3) Statistics, Ratios, & Information

Note that the "Financial Discussion & Analysis" is part of the Introductory Section; however, is separated as a sub-section so that this information may be highlighted for the reader of the report.

Vulcan County believes in fiscal accountability and transparency through regular financial monitoring and reporting. In an attempt to further improve the transparency of the County's finances, we have developed this Annual Financial Report to assist in providing additional details and hope that this report assists you in understanding the County's financial statements and related financial information.

2022 Significant Factors:

The 2022 financial statements were impacted by some of the following major factors:

- Over the last couple years, the County has been impacted by the economic climate which has created additional difficulty in terms of tax collection, particularly in the oil and gas industry. Many oil & gas companies have had difficulty paying their property taxes and often it is on machinery/equipment and on linear properties (i.e., wells and pipelines). During 2021, a couple companies with large tax arrears balances went insolvent during mid-to late 2021 (which were previously in multi-year tax repayment agreements) and therefore, the related tax arrears balances were required to be written off in 2021 (when no longer collectable). This had some residual impacts into 2022 as some of these companies retained taxable assessment for the current year and also required to be written-off.

The recent increases in commodity pricing during 2022, such as with oil prices, has improved the economic outlook within the industry. This has supported with the tax collection with active companies and some of the properties of the insolvent companies have been sold or transferred to other corporations which will allow these properties to become taxable again. These factors contributed to the County further improving its tax collection rates.

- The County has started developing our Industrial Park (located just outside of the Town of Vulcan) including the installation of water/wastewater lines, power, road construction, and site grading. The County was able to utilize capital grants and reserves to fund this development. Although some development was contracted services (i.e., water/wastewater lines), there was other aspects that were internally constructed such as the roads and the site grading; and as such partially delayed amount of road replacements in other areas within the County during the year.

- Rate changes and inflation have significant impacts on the variable costs for the County. Although increases in oil prices support in tax collections, they also have direct impacts on the costs of fuel/diesel which is a large variable cost for the County's fleet and heavy duty equipment. During 2022, the County experienced significant increases in the pricing of fuel/diesel during summer of 2022 (during construction season).

Changes to the banking rates (prime rate) also had impacts to the County. The County's investment income was able to be significantly increased as most of the current investments are factored based on the banking prime rates. The County has minimal debt and the only long-term debenture debt has locked-in rates for the duration of its term, so the borrowing rates changes had minimal impacts on interest expenses; however, effective borrowing rates are used in a couple net present value (NPV) calculations for specific liabilities.

- The County's long-term planning has supported the budgeting during years of reductions and uncollectable tax accounts, the fluctuations of capital, and other unexpected changes.

The County makes use of long-term budgets to carefully plan out future revenues and expenditures. The County has developed a 3-year written plan for budgeting operating activities and a 5-year written plan for budgeting capital acquisitions (included within the County's 20-year capital plan). These plans allow the County to strategically plan for the future and can minimize the effects on changes in tax rates to cover these changes from year-to-year. The use of operating and capital reserves can be used as a "buffer" to maintain municipal services while avoiding significant fluctuations to the County's property tax rates.

The County was also able to strategically plan for the acquisition of water rights for existing County owned lands (lands being leased to farmers - received by previous tax forfeiture); whereas, the County was able to sell some of these leased County lands to generate significant cash-inflows over the last couple years; whereas, there was minimal value to the County to hold these lands otherwise. The County invested in the acquisition of water rights and irrigation equipment to sell the land at strong market values.

Although the County had some significant challenges over the past couple years, such as the economic factors for oil and gas industry and the COVID-19 pandemic, the County was able to still provide the municipal services to our ratepayers. Long-term and strategic planning supported the County while avoiding significant fluctuations from year-to-year.

It is my pleasure to serve this community.

Respectfully submitted,



Mark DeBoer, CPA, CA, SFO
Director of Corporate Services
May 26, 2023

Financial Reporting Recognition

Government Finance Officers Association of the United States and Canada (GFOA)

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Canadian Award for Financial Reporting (CANFR) to Vulcan County for its annual financial report for the fiscal year ended December 31, 2021. The Canadian Award for Financial Reporting program was established to encourage municipal governments throughout Canada to publish high quality financial reports and provide peer recognition and technical guidance for officials preparing these reports.



In order to be awarded a Canadian Award for Financial Reporting, a government unit must publish an easily readable and efficiently organized annual financial report, whose contents conform to program standards. Such reports should go beyond the minimum requirements of generally accepted accounting principals and demonstrate an effort to clearly communicate the municipal government's financial picture, enhance an understanding of financial reporting by municipal governments, and address user needs.

A Canadian Award for Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the Canadian Award for Financial Reporting program requirement, and we are submitting it to the GFOA to determine its eligibility for another award.

Notes Regarding this Report

This Annual Financial Report has been designed to act as a resource for the public, local businesses and community, and employees. The purpose of the Annual Financial Report is to provide our community with a clear and transparent insight into the financial information and results for the County. It also provides an opportunity to analyze and comment on the financial highlights and information of the County, its finances, and the outlooks for the future. The 2022 fiscal year representing the period from January 1st, 2022 to December 31st, 2022.

The electronic/PDF copy of this report is designed to be interactive for the readers of the report. The table of contents are hyperlinked to the related sections. The side tabs, as shown later in this report, are hyperlinked to the start of the related sections. There are also hyperlinks throughout the report to the County's website, social media, and other sources to provide the reader additional information. The PDF copy also maintains comprehensive electronic bookmarks on each of the major sections and sub-sections of the report.



Government Finance Officers Association

Canadian Award for Financial Reporting

Presented to

Vulcan County

Alberta

For its Annual
Financial Report
for the Year Ended

December 31, 2021

Christopher P. Morill

Executive Director/CEO



Vulcan County

2022 Annual Financial Report

Condensed Table of Contents:

The following is a condensed table of contents for the County's Annual Financial Report including all of the major sections and categories of the report. A detailed table of contents is also included on the cover pages of each of the major sections.

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An aerial photograph of a meandering river system. The river flows from the top left towards the bottom right, with several sharp curves. The water is a mix of dark blue and brown, indicating varying depths and sediment. The surrounding land is a mix of light brown, tan, and grey, with visible patterns of erosion and deposition. A white rectangular box with rounded corners is overlaid on the upper left portion of the image, containing the text 'SECTION 1 - INTRODUCTORY SECTION' in a bold, black, serif font.

SECTION 1 - INTRODUCTORY SECTION

Section 1 - INTRODUCTORY SECTION

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COUNTY PROFILE



Vulcan County is a rural municipality within Southern Alberta with a population of approximately 4,098 and is conveniently located one hour from both Calgary and Lethbridge. The County covers an area of 563,420 hectares and encompasses the following:

- Town of Vulcan
- Villages of Carmangay, Champion, Lomond, Milo, and Arrowwood
- Hamlets of Brant, Ensign, Kirkcaldy, Shouldice, Queenstown, Mossleigh, Herronton, and Travers

Vulcan County is a municipal government entity established under authority of the Municipal Government Act; whereas, the County is chosen by and is accountable to the local community by means of local elections (elected County Council).

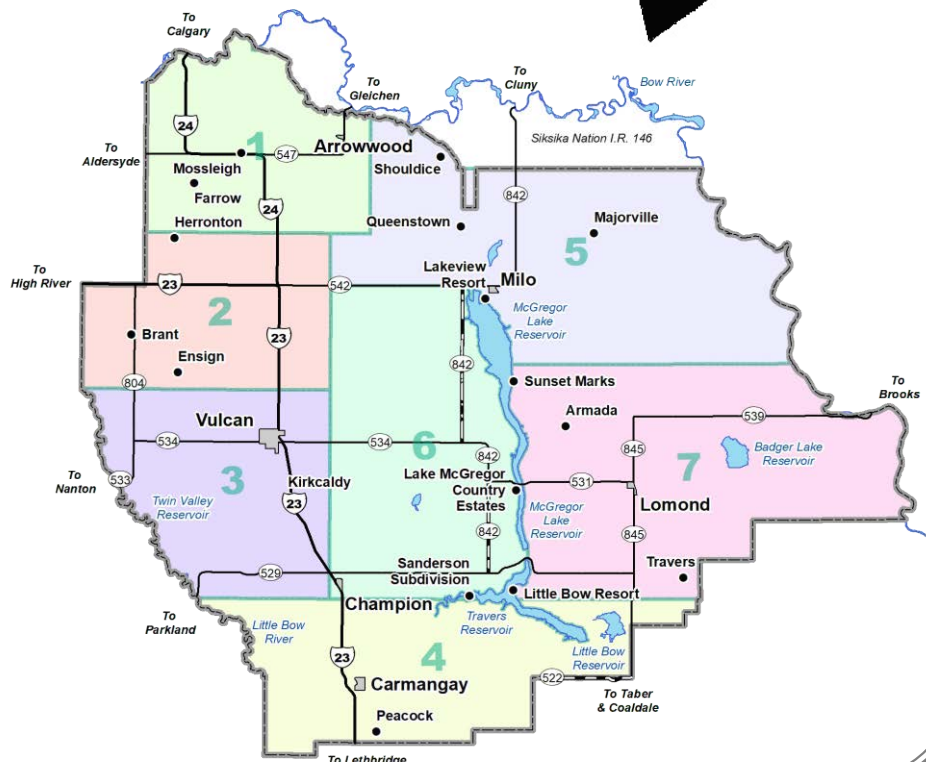
Geographical Location

Vulcan County is a rural municipality located within Southern Alberta.

Major Highways:
Highway 23 & 24

Secondary Highways:
Highway 529, 531, 534, 539, 542, 547, 804, 842, 845

Distance to Major Areas:
 - 129 km (81 miles) to Calgary
 - 94 km (59 miles) to Lethbridge
 - 200 km (125 miles) to Coutts / Sweetgrass USA Border Crossing



Welcome to Vulcan County



County Services

Vulcan County provides a number of services to its residents, either directly or jointly with other municipalities and commissions. These services include the following:

- **General Government** - includes legislative and administrative matters, including Council expenditures and administration costs required to operate Vulcan County. Activities within General Government include: general municipal expenditures, Council expenditures, financial statement preparation and reporting, accounts receivable and payable, payroll, information technology, geographical information systems (GIS), and property assessment and taxation.
- **Protective Services** - is comprised of emergency management, health and safety, bylaw enforcement and fire services. This department prepares and coordinates the Municipal Emergency Plan and related plans and programs. The Protective Services department administers the fire districts within Vulcan County, ensuring compliance as per the Quality Management Plan. Other services with respect to fire include public education and fire prevention. Bylaw enforcement is provided by Vulcan County's Community Peace Officers.
- **Transportation Services** - is responsible for the delivery of municipal public works services relating to the maintenance and construction of roadways and bridges. This department ensures appropriate agreements are in place (i.e., access agreements, pipeline crossings, road and rural addressing signage, etc.) to minimize liability concerns.
- **Agricultural Services** - provides advice and expertise with respect to weed and pest control, as well as soil and water conservation, and rental of specialized equipment. Working in conjunction with Alberta Agriculture, this department also provides field trials (i.e., insect counts, disease investigations, etc.).
- **Planning and Development Services** - facilitates development in accordance with the Land Use Bylaw as approved by County Council. This department ensures compliance of existing development applications with the Land Use Bylaw, offers recommendations to Council for amendments and assists developers with requirements of area structure plans.
- **Community Services** - including many community service organizations, such as the local Family Community Support Services (FCSS), daycare and public health, tourism and economic development, recreation boards, cultural programs and library boards.
- **Utility Services** - including garbage disposal (with the Vulcan and District Waste Commission) and water services (with Twin Valley Regional Water Commission and Mossleigh Water Coop).

Economics of the County

The largest industry in Vulcan County is agriculture, encompassing approximately 444,000 hectares of farmland. The County is a member of the Foothills Little Bow Association and is part of the Bow River Irrigation District. There are three operational inland grain terminals in Vulcan County; two just south of the Town of Vulcan, and one southwest of the Village of Carmangay.

Geophysical drilling and pipeline activity have become increasingly important in recent years, with many oil and gas deposits put into production. Likewise, renewable energy is a rapidly growing industry in the County due to our ideal location for wind and solar farms. One of the largest wind farms in western Canada is situated in the County. Many solar farms are in the development phase and we anticipate they will provide significant economic benefit to our region and is projected to produce 700 megawatt (MW) of clean energy.



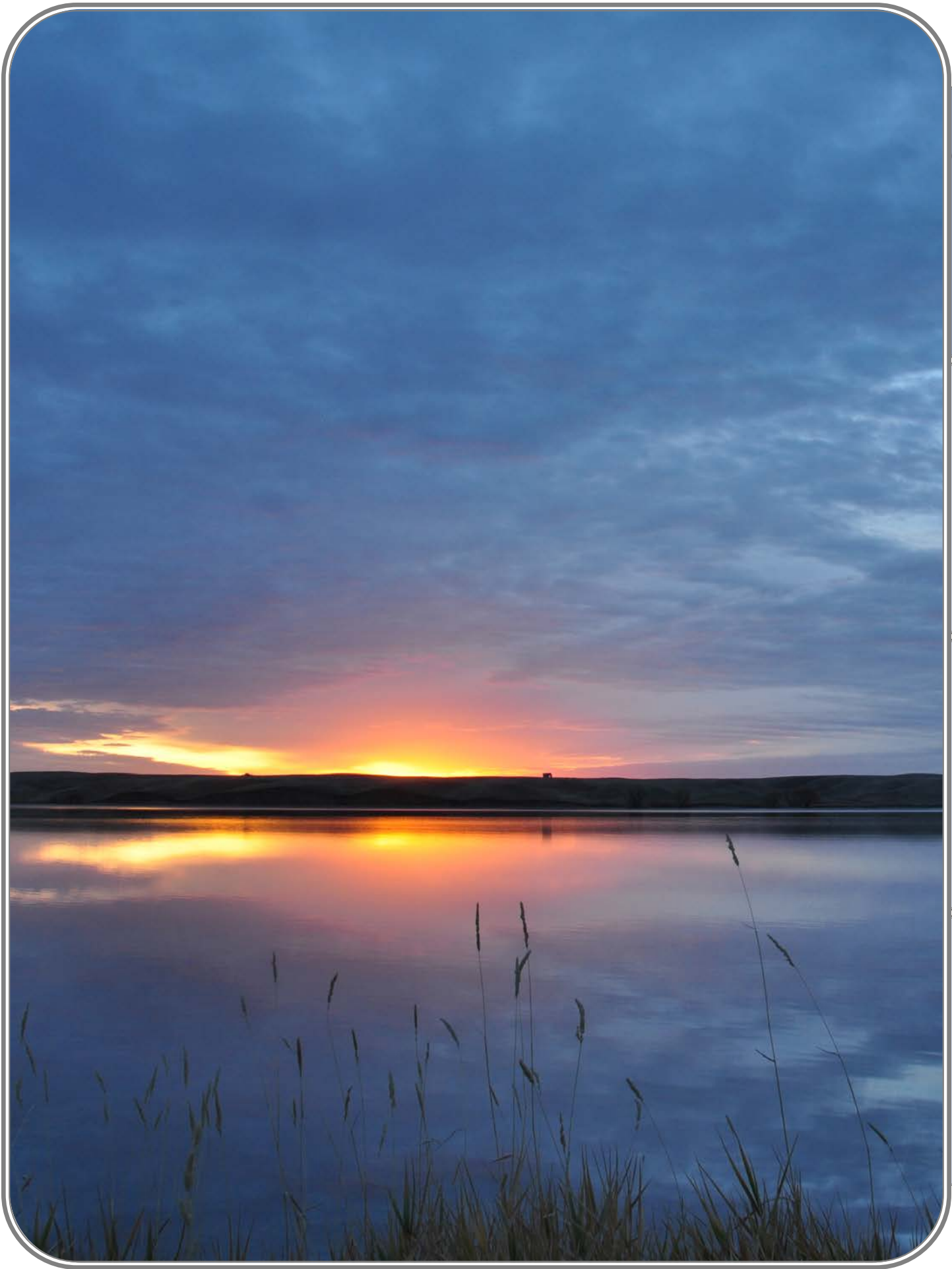
Recreation and Attractions



Throughout the County, communities have a wide range of recreational facilities, including playgrounds, community centres, senior citizens drop-in centres, golf courses, ice arenas, swimming pools, and rodeo arenas.

Water recreation areas in the County include the Travers Dam, Lake McGregor, Williams Lake and Badger Lake. Provincial Parks include the Little Bow Provincial Park, Little Bow Reservoir Provincial Recreation Area, McGregor Reservoir Provincial Recreation Area, Travers Reservoir Provincial Recreation area, and the Wyndham-Carseland Provincial Park.

County historical attractions that focus on the First Nations heritage are the Carmangay Tipi Rings, the Majorville Medicine Wheel, and the Sundial Medicine Wheel; while the aviation related attractions include the Royal Canadian Air Force Monument at the Vulcan Industrial Airport.



Introductory



Financial Analysis



Financial Statements



Statistics & Ratios

MUNICIPAL GOVERNANCE

County Council

Vulcan County is governed by a seven-person County Council, which is elected every four (4) years (previously three years) effective for the 2013 elections. All Councillors elected from each of the seven (7) electoral divisions of Vulcan County. The most recent municipal election took place in October 2021.



The County Council (the “Council”) of Vulcan County operates under the authority of the Municipal Government Act (Revised Statutes of Alberta, 2000, Chapter M-26) and policies and regulations pursuant to that legislation.

The position of Reeve and Deputy Reeve are determined at each of the annual Organizational Meetings held in October of each year.

Council holds two types of meetings:

- Council Meetings and Governance
- Priorities Committee Meetings

Council Meetings are more formal and where Council makes the actual decisions on important matters in the community. These Council Meetings are typically held on the 1st and 3rd Wednesday of each month and are always open to the public and media.

Governance & Priorities Committee Meetings are typically less formal and provide Administration opportunities to share information, discuss issues, and obtain direction from Council. This can include, but is not limited to, Budget Committee Meetings and Organizational Meetings.

[Click the Pictures to go to their Profiles](#)

Vulcan County - Council Members:



Jason Schneider
Reeve / Division 3
2013-date



Shane Cockwill
Deputy Reeve / Division 2
2017-date



Jodie Gateman
Councillor / Division 1
2021-date



Laurie Lyckman
Councillor / Division 4
2017-date



Kelly Nelson
Councillor / Division 5
2021-date



Christopher Northcott
Councillor / Division 6
2021-date



Doug Logan
Councillor / Division 7
2017-date

Vulcan County Council also establishes a number of policies and bylaws that provide governance on the County and its operations. Click on the binders below:



Council policies layout direction on governance, programs, and services delivered by Vulcan County in order to provide a consistent approach to operations. Council bylaws are the laws established by the County in accordance with the powers delegated under the Municipal Government Act (MGA) by the Province of Alberta.



Introductory



Financial Analysis



Financial Statements



Statistics & Ratios

County Administration



Nels Petersen
Chief Administrative
Officer (CAO)

The position of Chief Administrative Officer (CAO) is the administrative head of the organization and reports directly to the County Council.

Reporting to the CAO are the four (4) Directors in charge of each of the County's departments and the Managers of Development Services, Engineering & Infrastructure Services, and Legislative Services. The following are the departments of the County:

- **Operations** - department includes road construction, road maintenance, graveling, bridge construction, and fleet maintenance.
- **Corporate Services** - department includes information technology, geographic information systems (GIS), and finance (assessment, taxation, receivables, payables and payroll).
- **Protective Services** - department includes fire protection services and bylaw enforcement.
- **Agricultural Services** - department includes seeding, weed control, spraying, pest control and agricultural rentals.



Mike Kiemele
Director of
Operations



Mark DeBoer
Director of
Corporate Services



Doug Hendricks
Director of
Protective Services



Kelly Malmberg
Director of
Agricultural Services



Anne Erickson
Manager of
Development Services



James Herian
Manager of
Engineering & Infrastructure



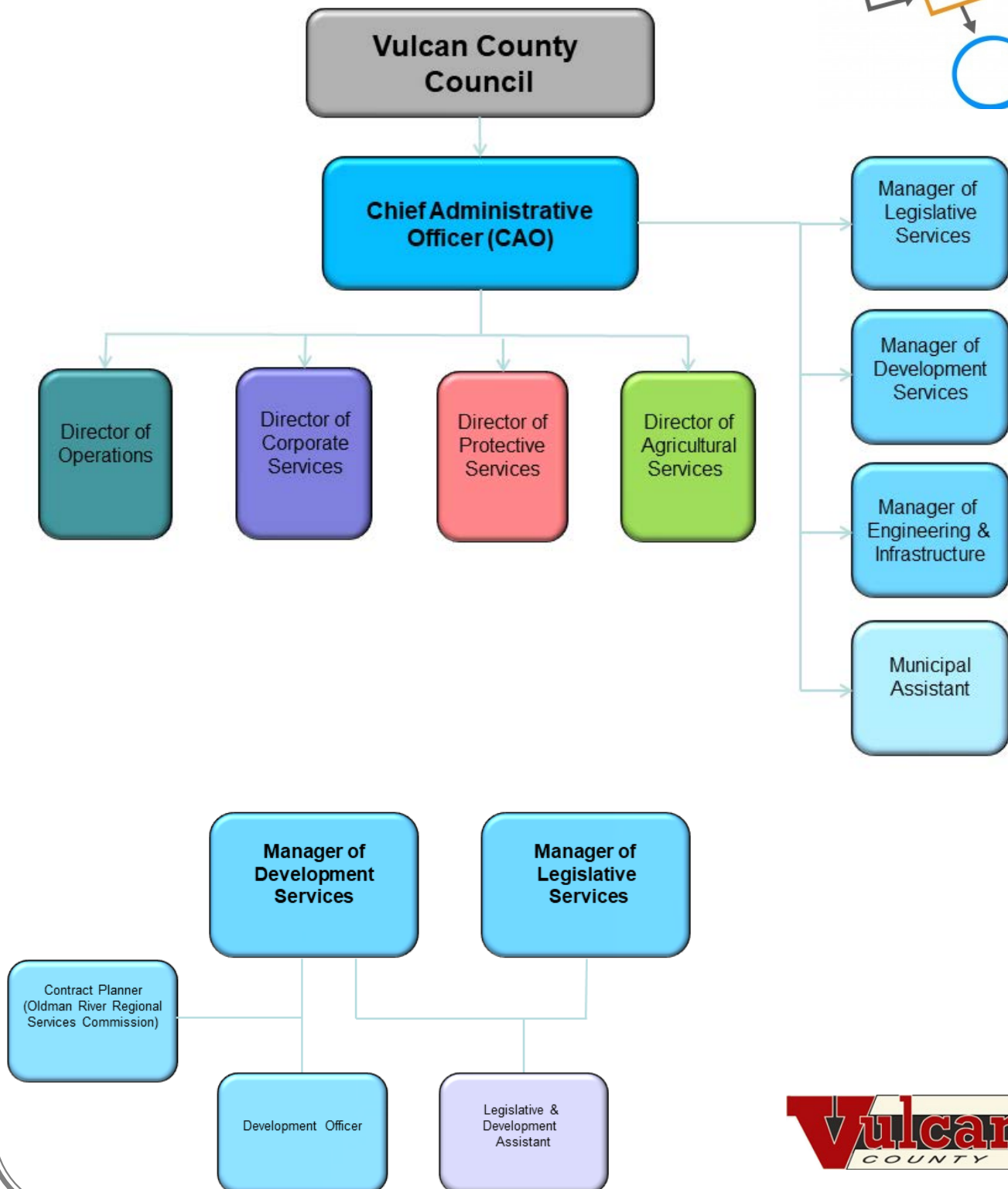
Lansey Middleton
Manager of
Legislative Services

[Click the Pictures to go to their Profiles](#)

Organizational Structure/Charts

The organizational structure of Vulcan County aligns with each of County Departments represented within the County Services.

The following is the administrative/management structure of the County:



Introductory



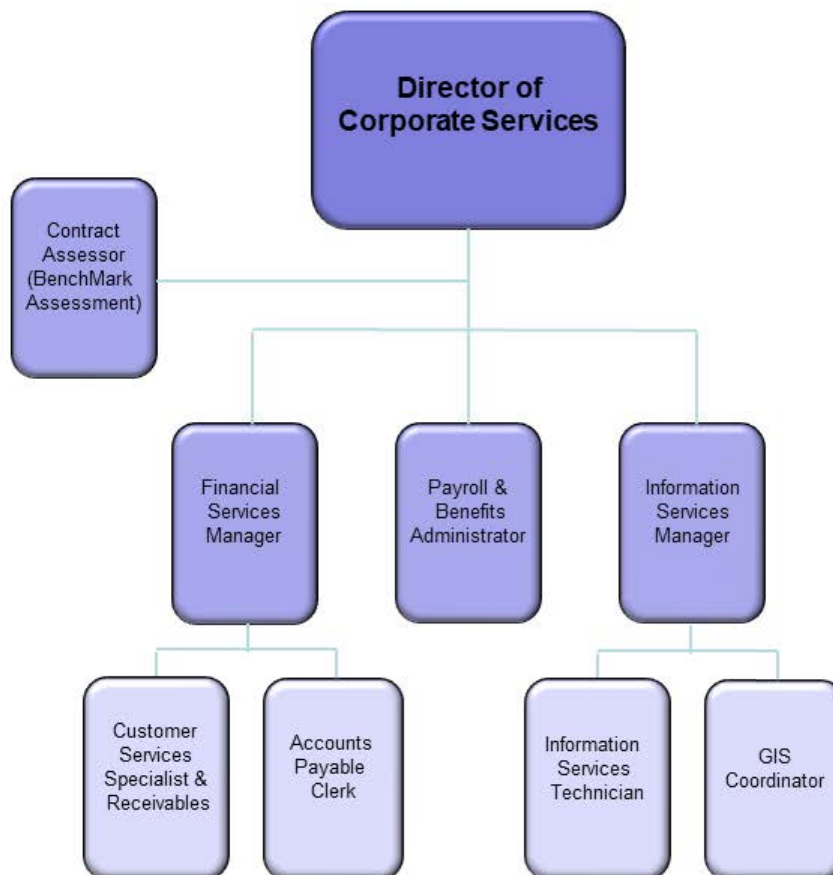
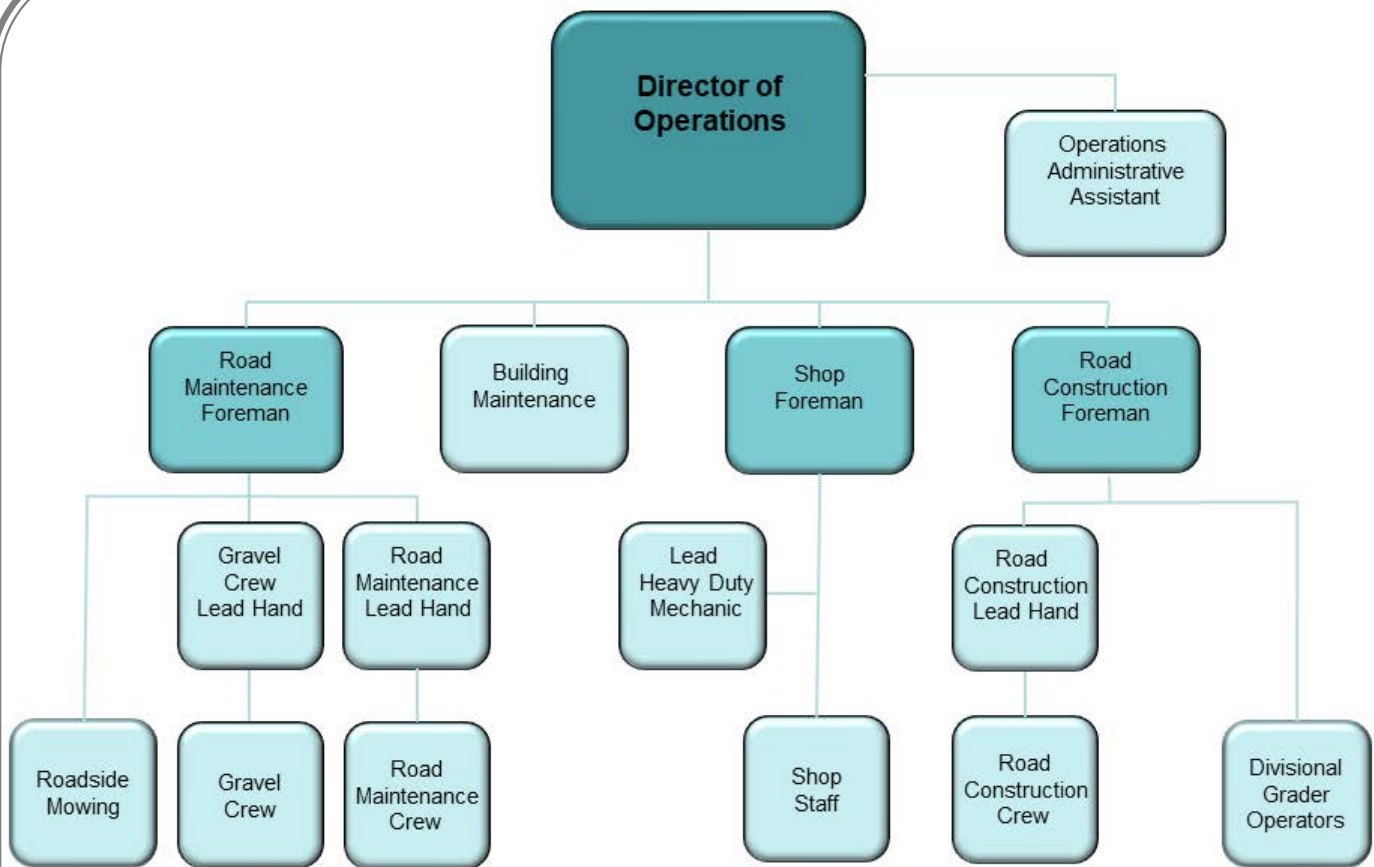
Financial Analysis

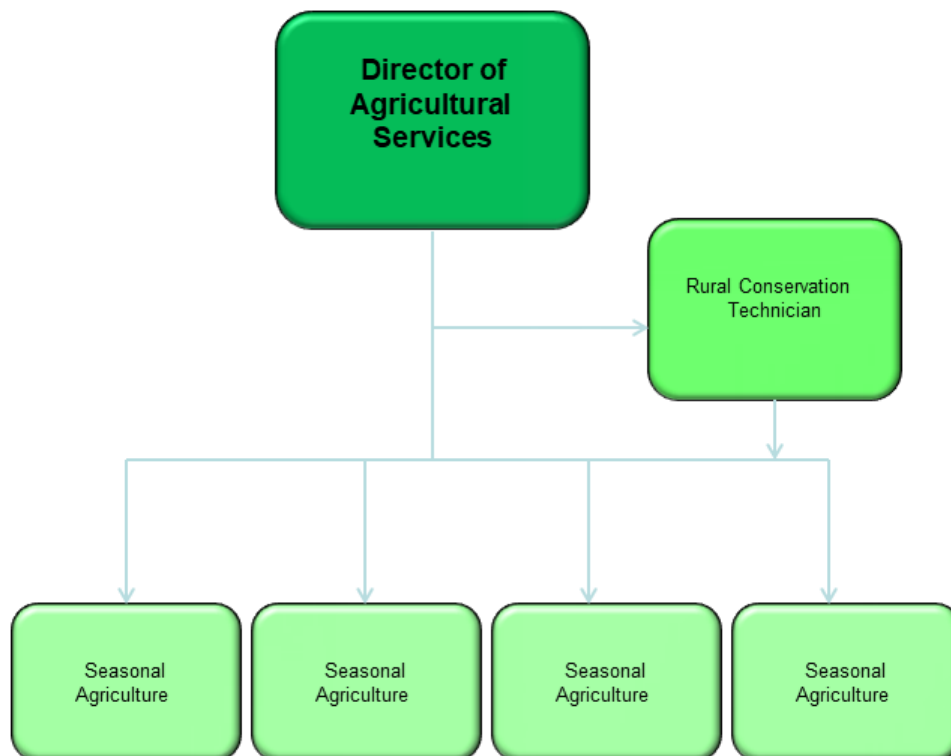
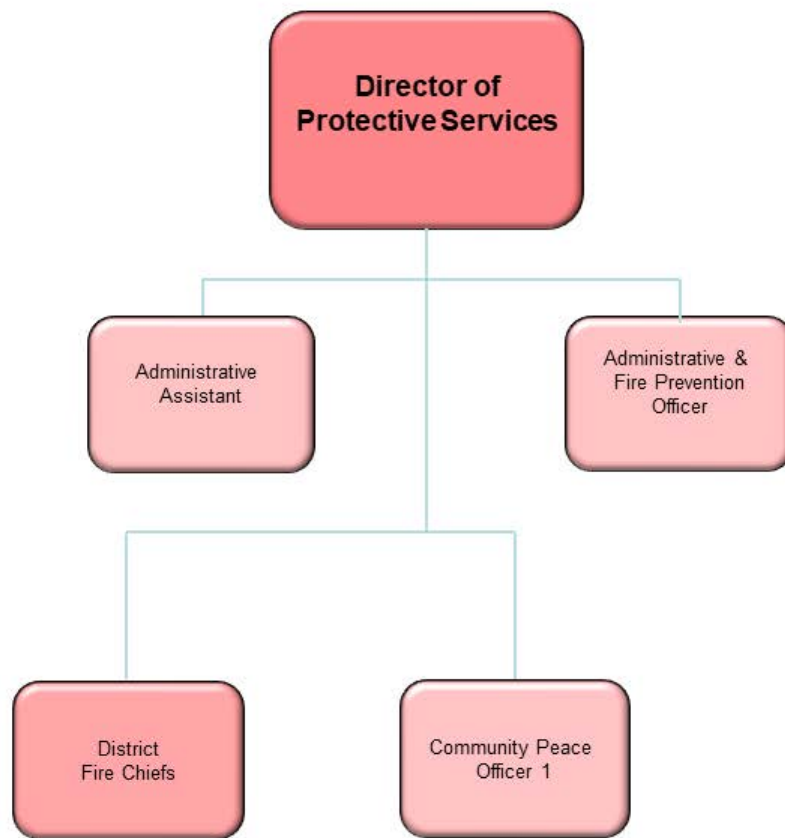


Financial Statements

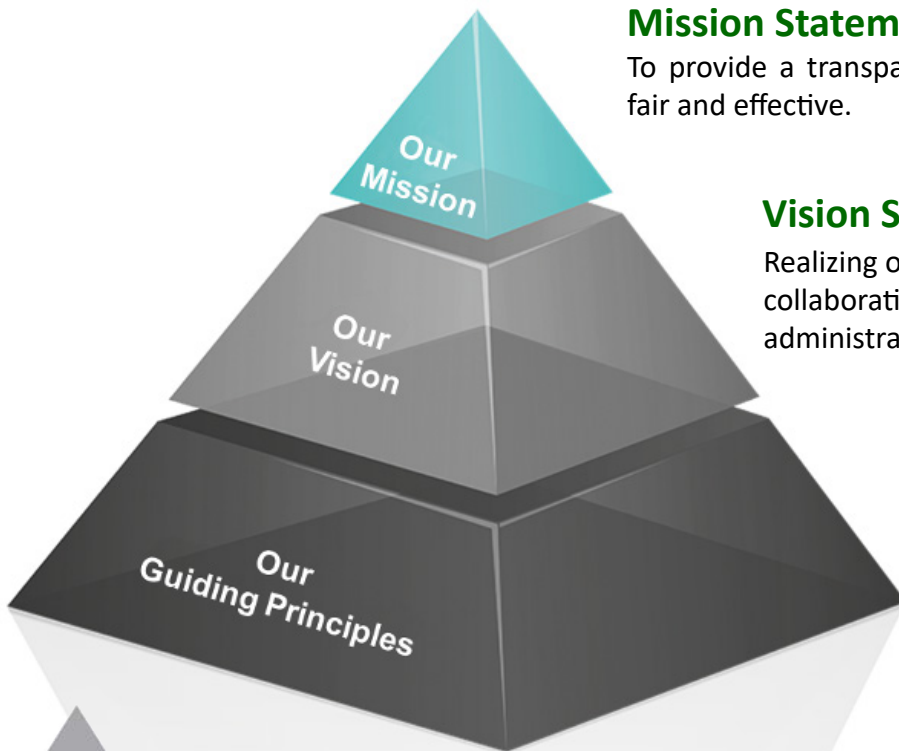


Statistics & Ratios





VISION, MISSION STATEMENT, & GUIDING PRINCIPLES

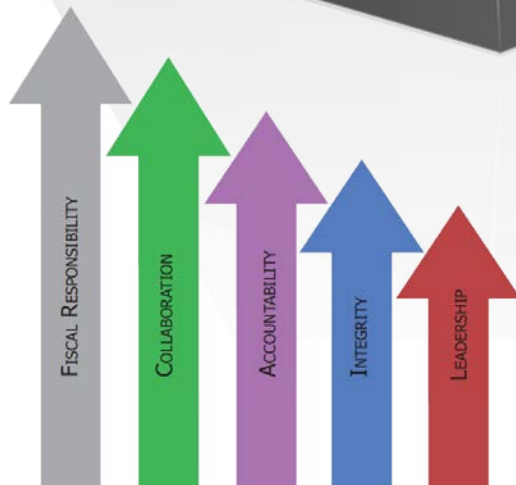


Mission Statement

To provide a transparent government that is fair and effective.

Vision Statement

Realizing opportunity and growth through collaborative leadership and accessible administration.



Guiding Principles & Values

- To provide a transparent government that is fair, reasonable, accountable and effective;
- A diligent Council and Administration that seeks the best long term outcomes for our ratepayers;
- Sound fiscal decisions that ensure sustainability of the County into the future;
- Values of the County include:
 - > Fiscal Responsibility
 - > Collaboration
 - > Accountability
 - > Leadership & Integrity



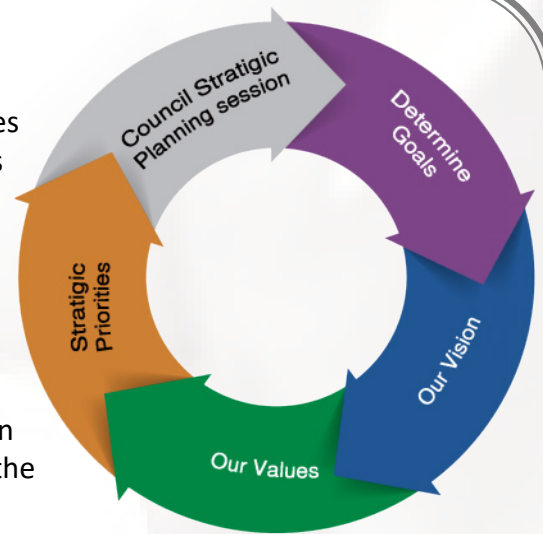
Every four years, as a new Council is elected, Vulcan County develops a new strategic plan and priorities that provide the roadmap and direction of what the County needs to achieve for the next four-year period and beyond.

During 2022, Vulcan County developed its next Strategic Plan “**Advance Successes**” which was adopted in late 2022. This Strategic Plan is for 2022-2026.

STRATEGIC PLAN AND PRIORITIES

Vulcan County Strategic Plan 2022-2026: Advancing Successes is intended to provide any interested persons or organizations a brief overview of the County's vision, values and strategic themes.

The purpose of Vulcan County's Strategic Plan is to create a "blue print" for the future. Putting the right strategy together and developing a clear action plan for effective implementation is vital to the success of Vulcan County. To achieve this, Vulcan County developed the 2022-2026 Strategic Plan, which includes the following seven (7) key goals:



Economic Resiliency



Continued Collaboration with Regional Partners



Continued Investment into Infrastructure & Equipment



Responsible & Transparent Leadership and Governance



Continued Support of our Agricultural Industry



Safe Communities



Attract, Engage, and Retain New & Existing Employees

[Click the Report to go to the Strategic Plan](#)



Introductory



Financial Analysis



Financial Statements



Statistics & Ratios



Economic Resiliency

1) Economic Resiliency

We will actively pursue opportunities to diversify our assessment base to support the services we provide to our residents. To realize this goal, Vulcan County Council has committed to:

- Provide County staff with the resources and training to develop programs and initiatives.
- Rewrite of the Vulcan County Municipal Development Plan.
- Rewrite the Wyndham Carseland Area & Mossleigh Area Structure Plans.
- Complete and promote the Vulcan County Industrial Park build and explore other opportunities for similar developments.
- Continue to encourage businesses to register in the Vulcan County business directory. Create and maintain an online business directory.
- Develop online education page for development permit applications to assist applicants and free up staffing resources.
- Standardized requirements of what is considered a complete development application.
- Continue to explore Marina Development on MacGregor Reservoir.
- Procure additional water licencing through water allocation transfers to support economic growth.



Continued Collaboration with Regional Partners

2) Continued Collaboration with Regional Partners

We recognise that we cannot action all our objectives alone. To realize these goals Vulcan County has begun undertaking the following measures:

- Review of Intermunicipal Development Plans and Intermunicipal Collaborative Frameworks with municipal neighbours.
- Reinstitute annual meetings with the Bow River Irrigation District.
- Review and establish cost sharing formulas for funding that are equitable to all parties.
- Institute annual meetings with the Siksika Nation to investigate opportunities for partnerships.
- Explore opportunities and options with the Vulcan District Waste Commission which will allow for cost savings and stable requisitions.
- Build Upon community relationships and have more of a non-emergency presence at events.
- In collaboration with Siksika Nation, Arrowwood and Wheatland County, continue to pressure for bridge improvements on HWY's 547 & 842.
- Seek joint development areas with urban neighbors.



Continued Investment into Infrastructure & Equipment

3) Continued Investment into Infrastructure and Required Equipment

As a County, the majority of municipal activities typically relate to road and bridge infrastructure, making up approximately 43% of County expenditures. Vulcan County is committed to maintaining these assets by using the following strategies:

- Continued refinement and review of the 5 and 20 year capital plans for equipment and infrastructure construction and replacement.
- Review and approve 4-year road and bridge construction programs that recognize efficiencies in engineering, construction, and project tendering
- Continue capital equipment replacement based on life cycle asset management that ensures a balance between maintenance costs and down time.
- As capital equipment is replaced, considerations shall be given to future projects which may require larger equipment to undertake these projects. (i.e., bridge projects)
- Further investigate potential new aggregate sources to secure gravel requirements
- Create interactive mapping which provides information and grading and graveling programs.
- Undertake cost analysis for replacement of County building infrastructure.
- Lobby the Provincial Government for increased infrastructure funding
- Provide some minimal maintenance on undeveloped road allowances in support of farming operations based on budget availability and staff capacity.



Responsible & Transparent Leadership and Governance

4) Responsible & Transparent Leadership and Governance

Vulcan County will continue to endeavor to be a municipality which operates in a transparent and responsible manner. Key objectives to advance this priority are:

- Provide levels of service that balance ratepayer needs with organizational capacity.
- Build community confidence through responsible governance for long-term sustainability
- Continue to promote excellence through the production and submission of Annual Budget Reports and Annual Financial Reports to the Government Finance Officers Association.
- Improve public communication through our website, social media accounts, and printed media.
- Continued review of taxation rates as to remain competitive with our rural neighbours.
- Maintain our COR (Certificate of Recognition) certification which was achieved in 2020.
- Modernize the County website, allowing for easier navigation, updated content and a fresh look.
- Develop Environmental and Municipal Reserve Policy.
- Improved communication from Council regarding the ongoings of committees and boards.



Continued Support of our Agricultural Industry

5) Continued Support of our Agricultural Industry

Vulcan County recognizes that our main industry within our borders is agriculture. As such, the County is committed to supporting this industry by implementing the following strategies:

- Continue to have an active and engages Agricultural Service Board that reviews and investigates new programming and services which are of benefit to the agricultural industry.
- Marginal Land Recovery Grant -This program will help landowners with seeding marginal lands to grass and forages.
- Investigate and purchase specialized agricultural equipment.
- Work with Alberta Agriculture to assist them with the annual field scouting and inspection of various crop disease and insects.
- Work with companies wishing to bring business to Vulcan County to ensure their projects are a long-term benefit and that they have protocols in place to protect the land.
- Continue to enforce the Weed Act of Alberta, Soil Conservation Act, and the Agricultural Pests Act, while increasing weed control measures and awareness throughout Vulcan County.
- Develop a digital weed database for Vulcan County.



Safe Communities

6) Safe Communities

Protection of our community is accomplished by 6 fire departments, 4 RCMP detachments, and the Vulcan County Community Peace Officer Program. To provide safe communities, the County will undertake the following initiatives:

- Continue with education as a primary value in regard to enforcement.
- Training and exercises through the Vulcan County Regional Emergency Response Partnership.
- Engage RCMP on comprehensive policing and crime prevention strategy for the County.
- Continue to pressure the Province for better rural ambulance servicing in our region.
- Continue to be fully compliant with the NFPA standards.
- Explore Firefighter recruitment incentives to ensure sufficient staffing at all fire halls.
- Increase the delivery of prevention, and preparedness amongst our aging population.
- Build out the investigation program by purchasing equipment that will speed up the process and provide for in-depth reports.
- Develop Council awareness of the Incident Command System, as well as Council awareness of obligations regarding emergency management in legislation.



Attract, Engage, and Retain New & Existing Employees

7) Attract, Engage, and Retain New & Existing Employees

To ensure there is staff talent and capacity to provide the services the municipality is accustomed too, Vulcan County will undertake the following objectives to recruit and retain staff:

- Provide appropriate cross-training opportunities which will benefit staffing capacity and succession planning.
- Enhance the performance review tools for supervisors.
- Undertake compensation reviews to ensure Vulcan County is competitive within the market.
- Ensure adequate staffing to provide appropriate levels of service.

This Strategic Plan is a roadmap to the future and sets the direction for Administration to build work plans that will reach the fundamental vision as set by Vulcan County Council.

This plan sets the priorities and direction for the County while balancing the needs of infrastructure requirements, community growth and service provisions. The success of this plan will be measured on a quarterly basis through review of executed items, realized agreements and budgetary/financial impacts.

By Council's adoption of this plan, we commit to conscientiously work towards the best outcome for our ratepayers and community.

Strategic Plan "Advancing Successes"



The background of the slide is a photograph of a wheat field. In the foreground, a single wheat stalk is in sharp focus, showing its golden-brown grains and awns. The rest of the field and the sky are blurred. The sky is a clear, bright blue with a few wispy white clouds. A semi-transparent white rounded rectangle is positioned in the upper half of the image, containing the title text.

SECTION 1A - FINANCIAL DISCUSSION & ANALYSIS

Section 1A - FINANCIAL DISCUSSION & ANALYSIS

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Note: The “Financial Discussion & Analysis” is part of the Introductory Section; however, is separated as a sub-section so that this information may be highlighted for the reader of the report.



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Introductory



Financial Analysis



Financial Statements



Statistics & Ratios

REPORT FROM THE DIRECTOR OF CORPORATE SERVICES

It is our pleasure to submit Vulcan County's Annual Financial Report for the year ended December 31, 2022. The purpose of this Annual Financial Report is to provide our ratepayers with clear and transparent insight into the financial information and results of the County. The report also gives us an opportunity to analyze and provide commentary on the financial information contained within.



Mark DeBoer
CPA, CA, SFO
Director of
Corporate Services

This section of the Annual Financial Report provides the County an opportunity to analyze and comment on the financial highlights and information of the County. This includes information on the **internal financial controls** utilized by the County and provides a **Financial Statement Discussion and Analysis (FSD&A)** for the 2022 fiscal year.

The FSD&A is a supplement to the 2022 audited financial statements that are contained in this report. The FSD&A is provided to enhance the understanding of the County's financial position and provide additional insight in the County's operations.

The FSD&A should be read in conjunction with the annual financial statements and accompanying notes. The annual financial statements are prepared in accordance with the Canadian Public Sector Accounting Standard (PSAS). Vulcan County's management is responsible for the preparation and presentation of these statements.

BDO Canada LLP has audited Vulcan County's 2022 Financial Statements and provided an unqualified opinion. County Council approved the audited financial statement on April 19, 2023.



INTERNAL FINANCIAL CONTROLS

Vulcan County maintains a system of internal accounting controls designed to provide reasonable assurances for the safeguarding of assets and the reliability of financial records. The controls are subject to regular reviews and revisions (as required).

These controls include, but are not limited to, the financial policies set by Council, administrative procedures, external audits, and the budgeting process.

Financial Policies

Vulcan County has a number of policies relating to the financials that are reviewed and approved by Council. These policies are designed to ensure that there are appropriate controls in place to safeguard the County and to ensure that the County is compliant with the Alberta Municipal Government Act, Canadian Public Sector Accounting Standards, and all other applicable legislation. Some of the key areas addressed by current policies are:

The County's Policies are organized by the major categories:

- | | |
|---|------------------------------|
| 12-1 - Legislative | 26-1 - Safety Policies |
| 12-2 - Financial Records | 32-1 - Road Transportation |
| 12-3 - Personnel | 62-1 - Agricultural Services |
| 21-1 - Community and
Protective Services | 69-1 - Land & Other Property |

The following are some of the financial policies that are in place:



- Signing Authority (Policy 12-2001)
- Fraud Prevention, Identification, and Reporting Policy (Policy 12-2201)
- Purchasing Authority and Procurement Policy (Policy 12-2203)
- Investment Policy (Policy 12-2204)
- Corporate Credit Card (Policy 12-2205)
- Loan Policy (Policy 12-2211)
- Tangible Capital Assets (Policy 12-2214)
- Reserve Policy (Policy 12-2218)

Administrative Procedures

Vulcan County has a number of internal procedures that are used to document the steps and methods required to perform many of the financial tasks in the County's administration. These internal procedures ensure that the proper steps are taken for the recording of financial transactions to promote accuracy, consistency, and that policies are being followed appropriately.



The County utilizes a centralized accounting process. In this process, the Corporate Services Department is responsible for all common financial and computer systems used to record financial information. This information is then used to provide financial reports to Council, and is also used to create the County's year end financial statements which are audited by an external audit firm.

There are many Policies and Procedures that are publicly available on our website:
www.vulcancounty.ab.ca/Your Government/Policies

Budget Process

In accordance with Sections 242 and 245 of the Municipal Government Act, County Council approves an operating and capital budget on an annual basis. Typically, the majority of the budget is developed in September to November of the year prior to the budget, and approved as the Interim Budget in December. The Final Budget is usually approved in April when the last budget items are received, property assessments are finalized, and requisitions for schools and senior foundations are available.

There is currently a 20-year Capital Plan which assists in the development of the annual capital budget by outlining the County's long-term capital replacement requirements. The Plan is currently funded by existing capital reserves and projected contributions to those reserves. This methodology of long-term budgeting allows for more stable tax rates over time since rates would not have to be increased in years when large projects must be completed.

The County prepares a 3-year operating budget each year. The upcoming year is planned in great detail, with the 2 subsequent years being based on estimates. As each subsequent year arrives, it is also reviewed in detail before being implemented. The County takes into account several factors while budgeting including current economic conditions, provincial policy changes, and service requirements within the County.

After the budget is approved by Council, expenditures are controlled by formal purchasing policies, financial systems, and financial reporting designed to prevent budget overruns.



External Audits

In accordance with Section 280 of the Municipal Government Act, County Council appoints an independent auditor, BDO Canada Ltd, to report on the annual financial statements of the County. The auditors' responsibility is to express an opinion on whether or not the financial statements are presented fairly, in all material respects, in accordance with Canadian Public Sector Accounting Standards.

The auditors have full access to all of the County's financial records and information, and will meet with staff, management, and the Reeve to discuss matters relating to the audit. The auditors also provide the County with a management letter providing comments on the internal controls.



For the 2022 Financial Statement audit, our auditors expressed a "clean" audit opinion, indicating that the financial statements are presented fairly in all material respects. The auditors did not have any recommendations for improvements to the County's financial internal controls during the 2022 audit, indicating the overall effectiveness of the controls that are already in place.

FINANCIAL STATEMENT DISCUSSION & ANALYSIS

Vulcan County's 2022 financial statements are prepared by management in accordance with the Canadian Public Sector Accounting Standards (PSAS). County Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial statements. Council fulfills these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. Council is also responsible for authorizing the appointment of the County's external auditors.

The following Financial Statement Discussion and Analysis (FSD&A) is also prepared by management and is intended to expand on and explain information in the financial statements. The discussion & analysis is not part of the actual financial statement and therefore is not specifically audited.



As shown above in the pencil infographic, the Financial Statement Discussion & Analysis (FSD&A) is divided into six (6) major sections:



Click the Icons to go to the related section



Introductory



Financial Analysis



Financial Statements



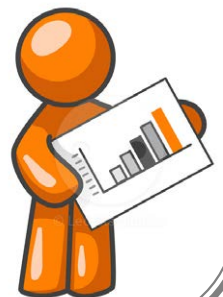
Statistics & Ratios

Statement of Financial Position



The Statement of Financial Position highlights the financial assets and liabilities, the non-financial assets, and the accumulated surplus. This statement is used to evaluate the County's ability to finance its financial liabilities and commitments. This type of statement is often referred to as a "balance sheet".

	2022	2021	Change
FINANCIAL ASSETS			
Cash and equivalents	1,932,025	2,138,809	(206,784)
Taxes and grants in lieu receivables	763,379	913,671	(150,292)
Trade and other receivables	619,150	7,564,208	(6,945,058)
Portfolio investments	36,862,064	31,200,486	5,661,578
Inventory held for resale	72,337	44,199	28,138
Long term investments	2,056,265	-	2,056,265
Loans and notes receivable	219,500	207,195	12,305
Other	16,430	14,488	1,942
	42,541,150	42,083,056	458,094
FINANCIAL LIABILITIES			
Accounts payable and accrued liabilities	661,559	1,218,290	(556,731)
Deferred revenue	1,840,432	4,450,477	(2,610,045)
Employee benefit obligations	278,408	265,860	12,548
Long term debt	1,252,044	1,382,720	(130,676)
Other liabilities	514,524	648,000	(133,476)
	4,546,967	7,965,347	(3,418,380)
NET FINANCIAL ASSETS	37,994,183	34,117,709	3,876,474
NON-FINANCIAL ASSETS			
Tangible capital assets	108,066,893	107,104,734	962,159
Inventory for consumption	9,103,226	7,847,867	1,255,359
Prepaid expenses	428,289	236,861	191,428
	117,598,408	115,189,462	2,408,946
ACCUMULATED SURPLUS	155,592,591	149,307,171	6,285,420





Financial Assets

Overall, there has been an increase in the County's financial assets, but not uniformly across all asset types. The main reasons for the various changes from the prior year were:

- Tax receivables decreased from the prior year, especially in relation to property taxes relating to the oil & gas industry with the increase in oil prices. County Administration also worked diligently contacting ratepayers with outstanding tax balances, including a couple multi-year tax repayment agreements. Overall the Tax Collection rate increased from 95.77% to 96.97% (see the [Financial Indicators & Performance Measures](#) section for additional details).
- Trades and other receivable decreased significantly from the prior year, primarily due that at the end of 2021, the Provincial Government owed the County a total of \$4.74 million in Municipal Sustainability Initiative (MSI) capital grant funding; whereas, the County received this MSI funding and the 2022 allocation during the year. The County also had an additional \$2.22 million receivable on a land sale that was finalized in late 2021 (funds received in early 2022).
- Portfolio and Long-Term Investments increased from the prior year as the County had overall increased the "cash position" of the County with receiving of receivables and a surplus being generated for 2022. Most of the funds were held in Portfolio Investments (short-term deposits and high interest savings accounts) as the County completed its long-term investments in early 2023.
- Loans and notes receivable increased from the prior year as there was an additional loan provided to Carmangay Curling Association of \$52,000 for repairs. This increase is partially offset by loan payments that were received during the year.

Liabilities

Overall, there has been a decrease in the financial liabilities of the County. The main reasons for the various changes from the prior year were:

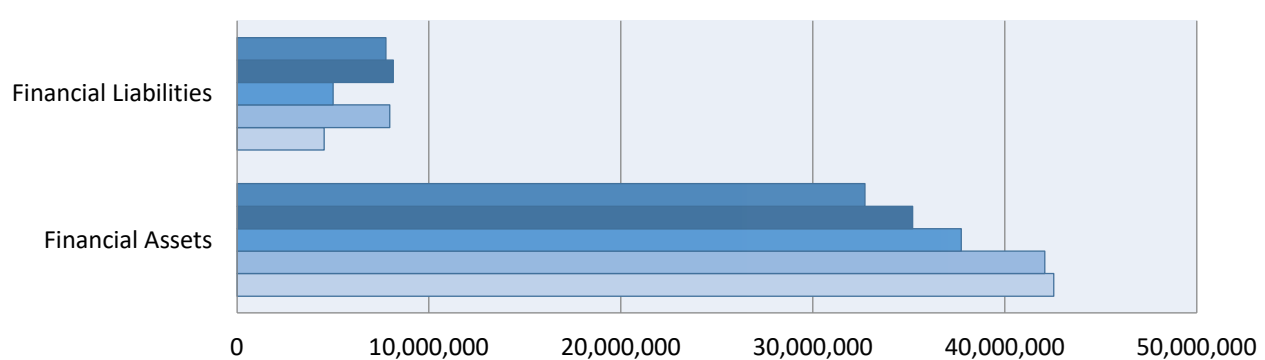
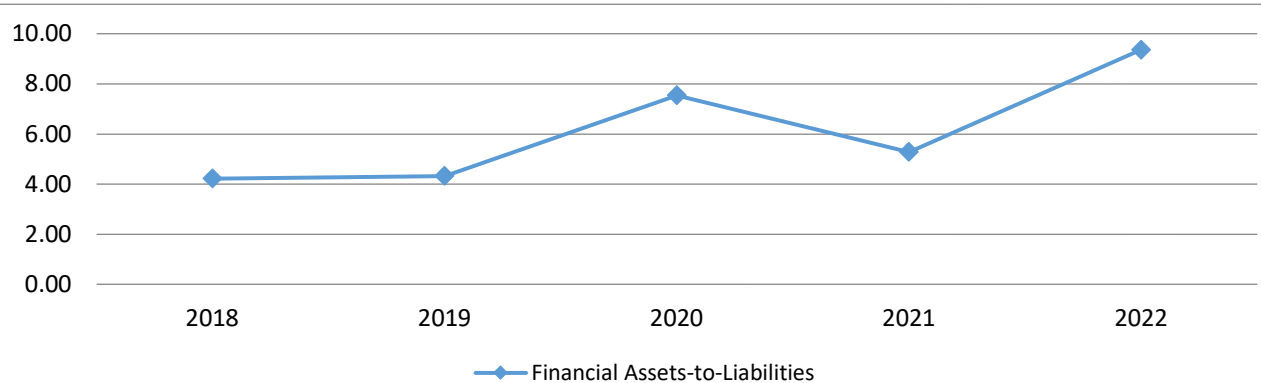
- Accounts payable and accrued liabilities decreased significantly from the prior year as there was a significant outstanding payables with the gravel crushing program at the end of 2021. The gravel crushing program was delayed during the year and started in late 2021 and continued into early 2022; whereas, there was significant invoices and holdback relating to this program.
- The balance in deferred revenue decreased mainly due to that the County was able to utilize significant Municipal Sustainability Initiative (MSI) and Canada Community-Building Fund (CCBF) capital grants for projects during the year, including the Water Main & Sewer installation at the industrial park and with some road construction projects.
- Long-term debt decreased by the expected amount from two semi-annual debenture repayments. Obligations under capital lease was paid off during 2022.
- Other liabilities decreased as there was an decrease in the estimated gravel reclamation liability. The gravel reclamation liability is calculated based on multiple factors in estimating the future cost at the end of its useful life and using cost of borrowing to measure the liability at the current date (net present value method). One of the largest factors creating the decrease in the liability is the increase in the County's borrowing rate from 2.45% to 6.20% with the increase in the market's prime borrowing rates (increase in borrowing rates decreases the current liability measurement).



Net Financial Assets

Overall, the County maintains a positive net financial position (financial assets exceeding financial liabilities) of approx. \$37.99 million. This is an increase from the prior year of approx. \$34.12 million. A positive net financial position allows the County to cover its financial liabilities and commitments with its financial assets.

The following is a 5-year trend analysis on the net financial assets:



	Financial Assets	Financial Liabilities
2018	32,703,043	7,755,554
2019	35,188,822	8,138,857
2020	37,719,297	5,003,095
2021	42,083,056	7,965,347
2022	42,541,150	4,546,967

	Financial Assets	Financial Liabilities	Ratio
2018 Financial Statements	32,703,043	7,755,554	4.22
2019 Financial Statements	35,188,822	8,138,857	4.32
2020 Financial Statements	37,719,297	5,003,095	7.54
2021 Financial Statements	42,083,056	7,965,347	5.28
2022 Financial Statements	42,541,150	4,546,967	9.36



As shown in the previous pages, there were overall increase in the net financial position as there were decreases in the financial liabilities and an increase in the financial assets.

Overall, the Financial Assets-to-Liabilities ratio increase in 2022 with the surplus that was generated, being able to collect on the prior year receivables, and the use of the Municipal Sustainability Initiative (MSI) grant funding for specific projects. Although there is a co-relation between the Financial Assets-to-Liabilities ratio and the Current/Liquidity ratio, the Current ratio increased at a higher rate from 7.24 to 15.33 as the County has increased financial assets that were more easily turned to cash (i.e., portfolio investments); however, this ratio is expected to reduce in 2023 as the County will be investing additional funds in long-term investments in early 2023 as the investment rates are increasing (see the [Financial Indicators & Performance Measures](#) section for additional details).

The net financial assets and its related ratio is an indicator that the County continually monitors.

Non-Financial Assets

Non-financial assets are assets that are not available to “pay off” existing liabilities and are held to provide services for the County. This includes capital assets (road/bridge infrastructure, vehicles, equipment, etc.) and gravel inventory. The following changes occurred during the year:

- Capital asset value increased during the year since annual amortization expense and the sale/disposal of assets was less than the value of new assets purchased, leading to increased combined net book value of tangible capital assets. As shown in Schedule 2 (Schedule of Tangible Capital Assets):

Acquisition of Capital	\$ 4,438,312
New Construction in Progress	<u>2,083,001</u>
New TCA Increase	\$ 6,521,313
Amortization of TCA	\$ 4,818,615
Net Book Value of Disposals	<u>740,539</u>
Net TCA Reductions	\$ 5,559,154
Overall increase (decrease) to TCA	\$ 962,159
Change in capital debt (leases)*	<u>N/A</u>
Overall change in Equity in TCA	\$ 962,159

**Capital leases were repaid during 2021.*

- Inventory for consumption increased, primarily as a result of 2021/2022 gravel crushing program, increasing the related gravel inventory. There was also an increase in part/supply inventory (based on timing of purchases).
- Prepaid expenses increased from prior year as there was an increase in prepaid insurance, prepayment on some specific government remittances and other prepaid costs paid before the end of 2022.



Accumulated Surplus



The Statement of Financial Position indicates that the Accumulated Surplus is net of the Financial Assets/Liabilities with the Non-Financial Assets. As outlined in Schedule 1 of the Financial Statements, the Accumulated Surplus is then comprised of three (3) main components: Unrestricted Surplus, Restricted Surplus (Operating and Capital Reserves), and the Equity in Tangible Capital Assets.

Schedule 1

	2022	2022	Change
Unrestricted Surplus	889,414	952,521	(63,107)
Restricted Surplus (Reserves)	46,636,284	41,249,916	5,386,368
Equity in Tangible Capital Assets	108,066,893	107,104,734	962,159
Accumulative Surplus	155,592,591	149,307,171	6,285,420

Unrestricted Surplus

The Unrestricted Surplus is the accumulation of the County's surpluses from year-to-year that have not been specifically restricted (either internally or externally). Typically, if a surplus (or a portion thereof) is restricted, it would be included in the County's operating or capital reserves. An organization normally retains a balance within the Unrestricted Surplus for potential remeasurement of estimates of assets and liabilities (as discussed in the Measurement Uncertainty found within the Summary of Significant Accounting Policies).

Restricted Surplus (Reserves)

The Restricted Surplus, otherwise known as Reserves, are internally restricted funds that have been set aside for future activities and projects. Reserves include both capital and operating reserves:

	2022	2022	Change
Capital Reserves	30,030,925	24,533,625	5,497,300
Operating Reserves	16,605,359	16,716,291	(110,932)
Total Restricted Surplus (Reserves)	46,636,284	41,249,916	5,386,368
Net Financial Assets	42,541,150	42,083,056	458,094
Inventory for Consumption	9,103,226	7,847,867	1,255,359
Total Funding Available	51,644,376	49,930,923	1,713,453

As shown above, the combination of the net financial assets and the inventory for consumption are sufficient to cover all reserves. Therefore, the County's reserves are considered to be "fully funded" reserves.

The County's capital reserves are part of the long-term planning within the County's 20-Year Capital Plan. This methodology is used to "level out" the annual funding requirements to avoid the highs and lows in capital requirements from year-to-year. The scheduled replacement of the capital is based on the estimated useful lives of the assets which takes into account the costs/benefits of replacing the asset vs. the costs to maintain the assets.

The following page includes a listing of the specific capital and operating reserves.



RESTRICTED SURPLUS

	2022	2021
Capital Restricted Surplus		
General Government	\$ 66,580	\$ 66,580
Protective Equipment	7,919,875	7,565,964
Transportation Equipment	1,356,500	1,335,283
Road Construction	2,196,971	1,499,580
Bridge Construction	5,028,410	4,091,756
Gravel Crushing	215,355	148,249
Mossleigh Water Treatment Plant - Recovery	(438,255)	(454,793)
Environment Development Equipment	98,006	59,953
Air Transport	20,000	20,000
Capital Acquisition	12,596,801	9,230,371
Capital Contingency	970,682	970,682
	30,030,925	24,533,625
Operating Restricted Surplus		
Assessment Appeal	5,506	5,506
Community Enhancement	14,841	14,841
General Government Service	319,195	359,606
Protective Services	1,419,840	1,254,179
Transportation Contingency	1,773,349	1,674,544
Road Construction	738,011	903,366
Road Maintenance	777,244	645,378
Gravel Crushing	4,157,695	5,428,206
Uncrushed Gravel Inventory	4,046,215	4,351,891
Bridges	51,107	19,912
Water Management	36,670	38,829
Environment Treatment	45	45
Vulcan Hospital Project - Debenture Recovery	(1,258,374)	(1,382,720)
Planning and development	94,921	42,459
Agriculture Services	504,163	389,638
Recreation and Culture	743,402	752,515
Operating Contingency	3,181,529	2,218,096
	16,605,359	16,716,291
Total Restricted Surplus	\$ 46,636,284	\$ 41,249,916

Equity in Tangible Capital Assets

The Equity in Tangible Capital Assets equates to the net book value (NBV) of the Tangible Capital Assets as described in Schedule 2 (Schedule of Tangible Capital Assets) less the capital debt (Capital Lease Obligation):

	2022	2022	Change
Tangible Capital Assets - cost	215,208,940	209,796,398	5,412,542
Tangible Capital Assets - amortization	(107,142,047)	(102,691,664)	(4,450,383)
Tangible Capital Asset (NBV)	108,066,893	107,104,734	962,159
Capital Lease Obligation	0	0	-
Equity in Tangible Capital Assets	108,066,893	107,104,734	962,159

Note: the long-term debt acquired does not relate to the acquisition of tangible capital assets and therefore is not included in the capital debt amount in determining the equity in tangible capital assets. Capital leases were fully repaid during 2021; therefore, no longer has impact on the Equity in Tangible Capital Assets (TCA).

Statement of Operations



The Statement of Operations highlights the revenues and expenses of the County. This statement is mainly used to evaluate County operations as compared to the budget and the prior year.

	2022 - Budget	2022	2021
OPERATING REVENUE			
Net municipal taxes	14,710,373	15,079,227	14,189,795
Government transfers	919,889	1,403,059	535,535
Return on investments	277,876	1,022,438	353,865
Sale of goods, services and user charges	778,119	888,685	1,562,870
Rental income	318,980	319,129	338,373
Community aggregate levy	137,363	212,993	241,318
Penalties and costs of taxes	194,000	228,725	502,498
Gain on disposal of tangible capital assets	1,053,000	1,430,054	2,427,982
Other revenues	30,382	240,385	34,697
	18,419,982	20,824,695	20,186,933
OPERATING EXPENSES			
Legislative	496,092	447,807	399,079
Administration	2,097,574	2,041,445	1,743,816
Protection services	2,342,785	2,045,574	1,918,900
Transportation services	11,256,635	10,548,916	10,366,739
Agricultural services	757,729	649,718	722,417
Planning and development services	562,111	544,723	643,074
Family and community support	238,767	217,118	236,248
Parks and recreation	687,136	671,001	937,291
Tourism and economic development	44,588	24,040	125,537
Utility Services	1,039,856	1,021,923	952,000
Other	32,670	621,097	3,725,273
	19,555,943	18,833,362	21,770,374
OPERATING SURPLUS	(1,135,961)	1,991,333	(1,583,441)
CAPITAL REVENUES			
Contributed tangible capital assets	-	-	-
Government transfers for capital	4,667,397	4,294,087	2,672,336
TOTAL ANNUAL SURPLUS	3,531,436	6,285,420	1,088,895
ADD:			
Proceeds from sale of capital assets	193,596	1,441,515	2,788,761
Transfers from reserves to operations	3,286,974	3,231,614	6,897,047
Amortization of capital assets	4,684,267	4,818,615	4,615,232
Net (gain) loss on disposal of capital assets		(700,976)	(1,575,179)
LESS:			
Transfer to reserves	(4,254,448)	(8,617,982)	(8,868,142)
Capital expenditures/purchases	(7,441,825)	(6,521,313)	(4,949,027)
NET EFFECT ON UNRESTRICTED SURPLUS	-	(63,107)	(2,413)

The total net effect of income represents the allocation to the Unrestricted Surplus. As shown above, this is determined by taking the total net income as well as the effects of the transfers to/from reserves and the contributions to/from capital.

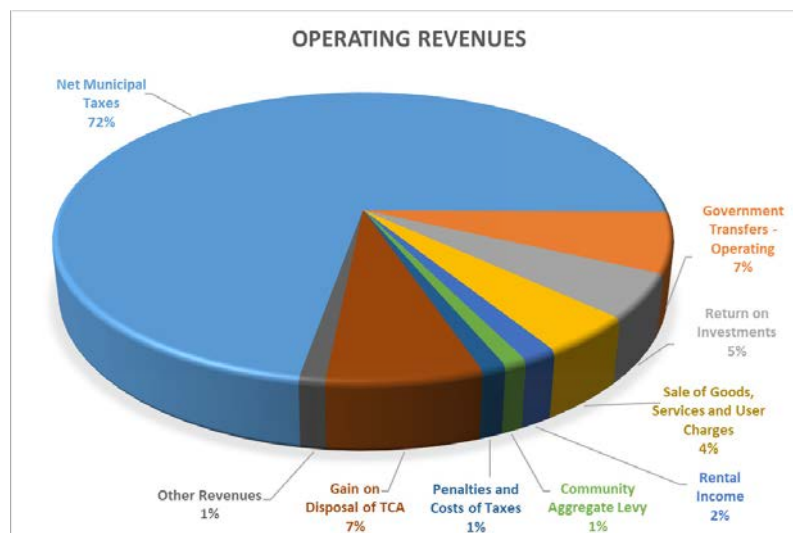
Operating Revenues



Operating revenues include all of the revenues for the County other than capital grants and contributions. The majority of operating revenue includes net municipal tax revenues (net of requisitions), operating grants, and other revenues from the operations of the County (i.e. investment income, user charges, rentals, etc.).

The following is an overview of the Operating Revenues compared to the budget and the prior year:

	2022 - Budget	2022	2021
OPERATING REVENUE			
Net municipal taxes	14,710,373	15,079,227	14,189,795
Government transfers	919,889	1,403,059	535,535
Return on investments	277,876	1,022,438	353,865
Sale of goods, services and user charges	778,119	888,685	1,562,870
Rental income	318,980	319,129	338,373
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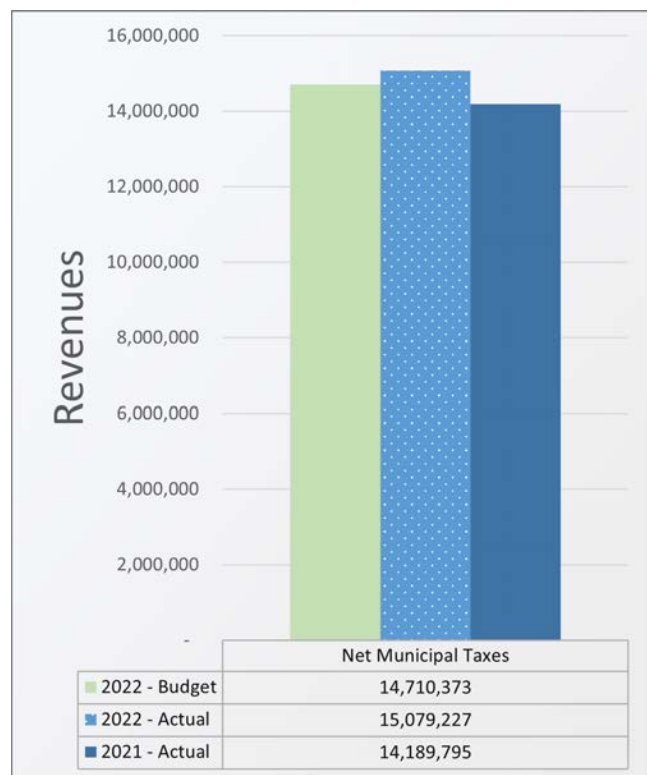
The Schedule(s) of Segment Disclosure (Schedule 6 & 7) provides additional analysis on the operating revenues by redisplaying the revenues by both type and segment (i.e., General Government, Protective Services, Transportation Services, Agricultural Services, Planning & Development Services, Community Services, and Utility Services).

See the following [Financial Charts & Graphs](#) section for additional review.





Operating Revenues - Continued



Net Municipal Taxes

Represents the net amount of tax revenues after requisitions for funding municipal operations.

The overall net municipal taxes are greater than budget as the actual requisitions were less than budget. The required 2022 school requisitions were reduced as the County was provided a \$229,013 Provincial Education Requisition Credit (PERC) provided by the Provincial Government for previous oil & gas taxes written off in prior years. Other requisitions such as RCMP & DIP were also less than budget based on actual funding requests received during the 2022.

Overall Taxation Revenues were similar to budget; whereas, there was some reclassification of actual revenues within Real Property, Linear & Commercial Taxes from the initial budget.

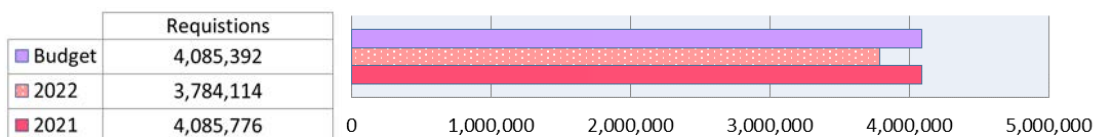
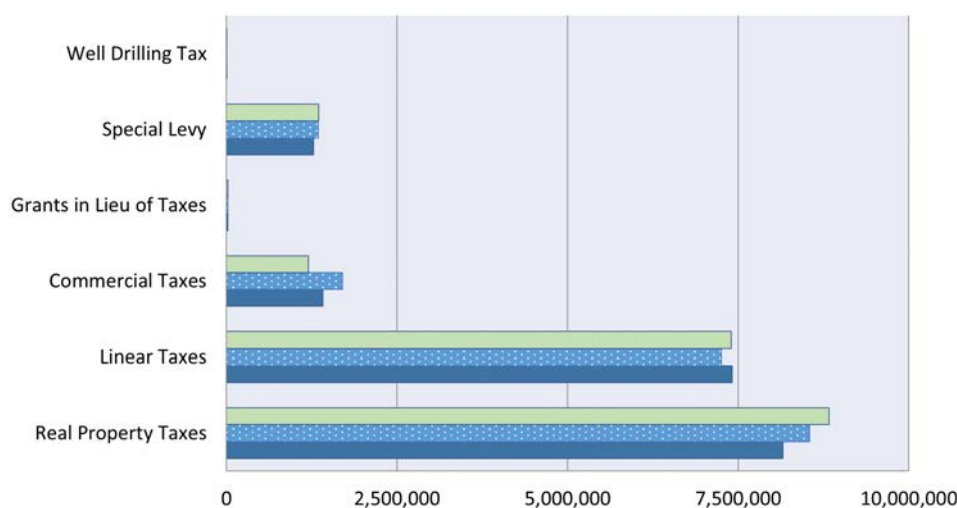
There was an increase in net municipal taxes from the prior year as taxation revenues increased from increase in the County's assessment base from \$1.478 billion to \$1.514 billion and the effects of receiving PERC in the current year. Overall effective tax rates remained similar to the prior year.

The following is an analysis on the Net Municipal Taxes compared to the budget and the prior year as outlined in the Schedule of Property and Other Taxes (Schedule 3):

	2022 - Budget	2022	2021
TAXATION			
Real Property Taxes	8,832,016	8,546,195	8,151,917
Linear Taxes	7,393,591	7,254,431	7,410,631
Commercial Taxes	1,198,645	1,696,472	1,415,208
Government Grants in Lieu of Taxes	21,310	18,594	21,310
Special Levy	1,350,047	1,347,277	1,276,318
Well Drilling Tax	156	372	187
	18,795,765	18,863,341	18,275,571
REQUISITIONS			
School Requisitions	3,283,609	3,054,596	3,404,742
Seniors Foundation Requisition	500,406	500,406	502,326
RCMP Policing Requisition	247,331	184,823	123,134
Provincial DIP Assessment Requisition	54,046	44,289	55,574
	4,085,392	3,784,114	4,085,776
NET MUNICIPAL TAXES	14,710,373	15,079,227	14,189,795

RCMP - Royal Canadian Mounted Police

DIP - Designated Industrial Property



Tax revenues are recorded as revenue as of May 31st each year, and the associated tax receivables are shown as assets at the same time. Tax penalties are shown as revenue and assets as of the dates outlined in County Bylaw 2022-008 (Tax Payment Due Dates and Penalties Bylaw). Overall the Tax Collection rate increased from 95.77% to 96.97% (see the [Financial Indicators & Performance Measures](#) section for additional details).

The following are the 2022 Tax Rate Bylaws that authorizes and establish the tax rates to be levied against assessable property:

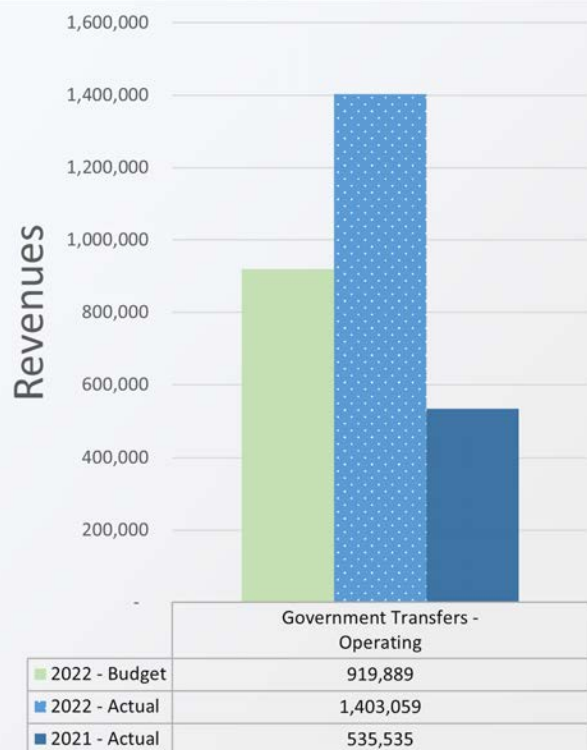
- Bylaw 2022-011 - General Tax Rate Bylaw (General Municipal, Waste Commission, & Requisitions)
- Bylaw 2022-012 - Fire Protection Tax Rate Bylaw (Special Tax Levy - by district)
- Bylaw 2022-013 - Recreation Tax Rate Bylaw (Special Tax Levy - by district)
- Bylaw 2022-014 - Waterworks Tax Rate Bylaw (Special Tax Levy - by parcel)
- Bylaw 2022-015 - Designated Industrial Property Tax Rate Bylaw

See the [Statistics and Ratios](#) section for additional information.





Operating Revenues - Continued



Government Transfers - Operating

Represents operating grants and funding from other levels of governments, including Provincial Grants, Federal Grants, and contributions from other local governments.

Operating government transfers were greater than budget as the County was able to recognize and receive \$933,118 of the Canadian Community-Building Fund grant (CCBF - previously known as the Federal Gas Tax Fund) towards specific 2022 road construction projects which significantly exceeded the projected CCBF budget of \$238,547.

The CCBF grant was minimal in the 2021 as additional eligible projects were required to be submitted (the funding was able to be recognized to be received in 2022 when eligible projects were submitted and approved).

The increases in the Federal operating grants were somewhat offset by reductions in the 2022 Provincial operating grants recognized; whereas, a specific grant for the Industrial Park was reclassified from operating to capital (subsequent to the initial budget).

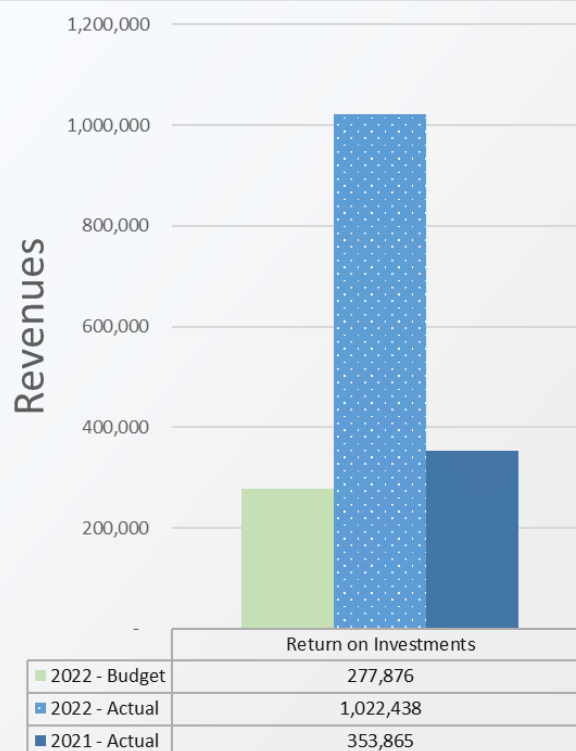
Return on Investments

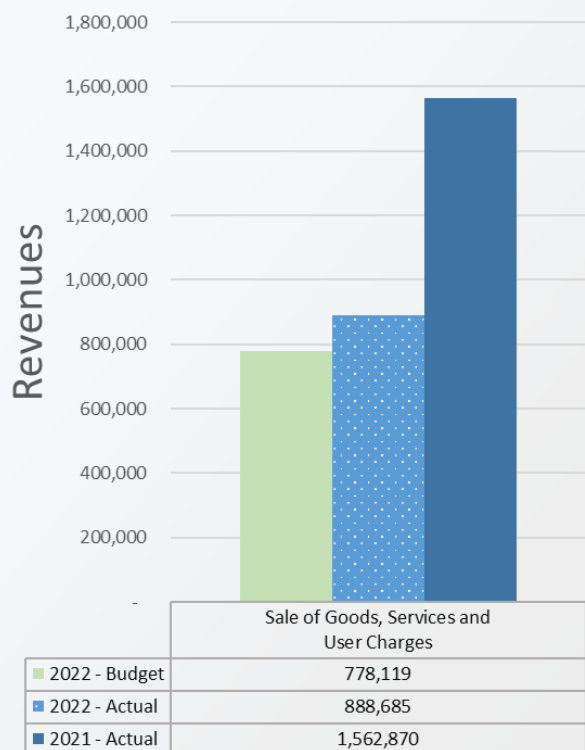
Interest and other investment income earned on the cash and investments held by the County as part of the operating revenues and reserves.

Investment income was significantly greater than budget and the prior year; whereas, most of the short-term investments and their related investment income is directly tied to the bank's prime rate. During 2022, the prime rate increased from 2.45% to 6.45%, which in turn provided significant increases to the rate of return on investments. The County also increased the overall levels of investment from 2021 to 2022, which also supported in increased investment income from the prior year.

Typically, the County uses conservative budgeting for uncertainty regarding interest rates; however, the increase in the prime rate during 2022 was highly unexpected during budgeting in late 2021 and early part of 2022.

Note that subsequently in mid-May 2023, the County invested significant funds into long-term investments to "lock-in" some of the higher interest rates as part of the County's investment strategies.





Sales of Goods, Services, & User Charges

Sales of Goods, Services, and User Charges relate to the sale of materials and supplies (i.e. gravel sales), surface rights, fees charged for services (i.e. permits, tax certificates, safety codes), and cost recoveries.

Overall, the 2022 actuals were greater than budget as the County typically uses historical results are used to project these revenue sources while remaining conservative in the budgeting. Some of the larger increases from budget include cost recoveries on road maintenance activities (i.e., dust abatement) and grazing lease revenues.

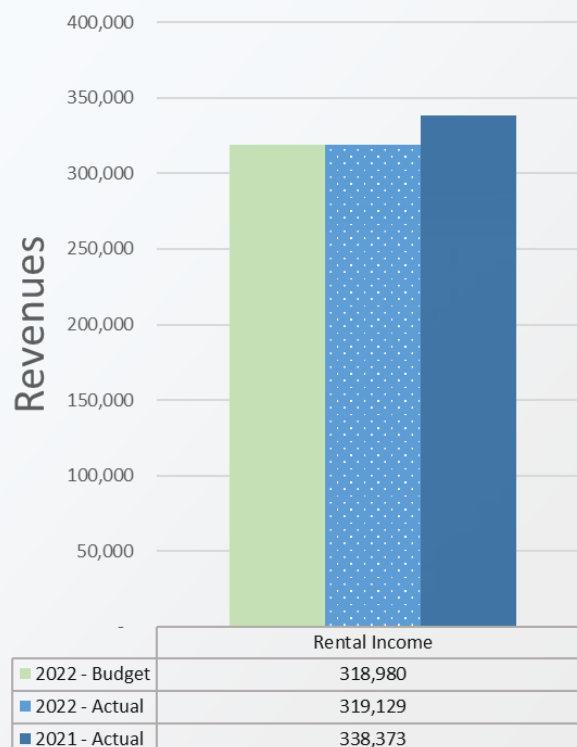
Sales of Goods, Services, and User Charges are less than the prior year as 2021 included substantial recovery over some old surface lease revenues from the Alberta Surface Rights Board (including prior years), some larger gravel sales, and certain cost recoveries were higher in the prior year (depending on the activities completed).

Rental Income

Rental income is mostly based on the terms held within the rental agreements for County buildings, including rental agreements with the RCMP and Alberta Health Services (AHS). There is also a portion that relates to rentals of the fire training tower and other equipment.

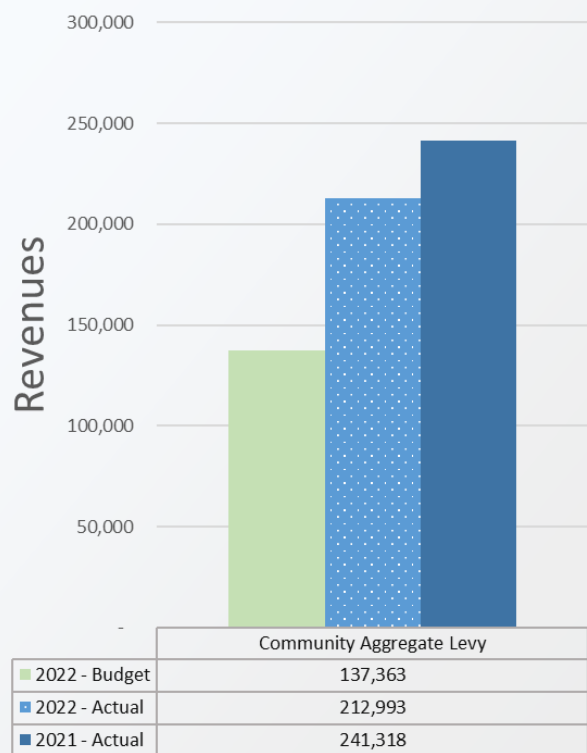
Overall, the rental income is very comparable to the operating budget, with slight increases in the fire training tower rentals. Most of the revenues are tied to building rental agreements, so majority is already determined during budget process.

There was a decrease from the prior year with changes in one of the building rental agreements.





Operating Revenues - Continued



Community Aggregate Levy

The community aggregate levy is the levy for transporting materials such as gravel and sand, where the rate of \$0.25/tonne is set by Bylaw 2017-027.

As the actual community aggregate levies are greater than budget as the amount transported can fluctuate significantly from year-to-year, and is outside of the County's control, the budget uses a somewhat conservative figure taking into account actual results from prior years.

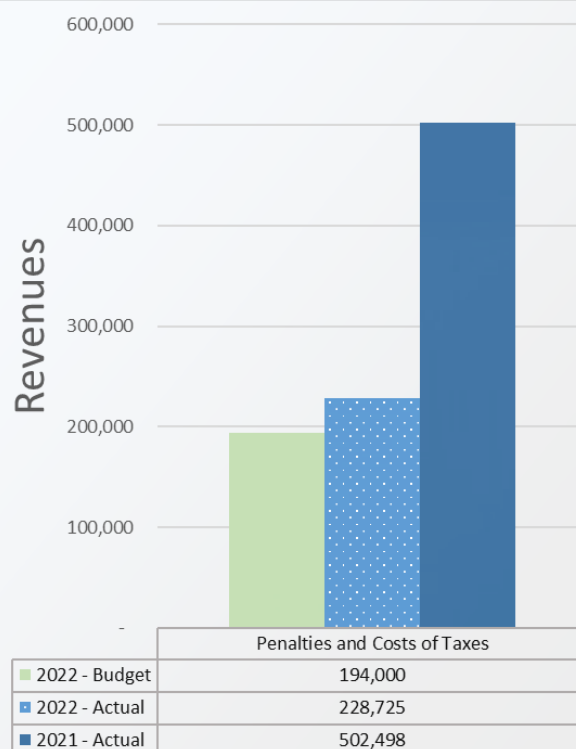
There was a decrease from the prior year as 2021 included significant increases in the amount of materials moved throughout the County, likely as a result of previous years being reduced (many other producers and their operations were effected during the COVID-19 pandemic) and resulted in reductions of sand and gravel being hauled prior to 2021 (or at least returned to more normal operations).

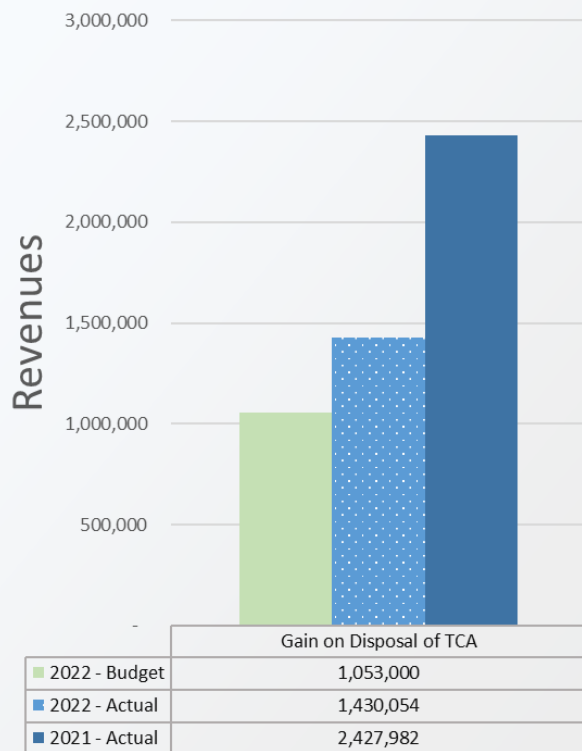
Penalties and Cost of Taxes

The penalties and costs of taxes are the penalties charged on unpaid taxes and are added to the tax roll. The application of penalties is to provide the County's ratepayers an incentive to pay on time since County operations depend upon prompt payment of taxes.

Overall, the actual revenues were consistent with the operating budget, with slight increases as these revenues are budgeted on a relatively conservative basis. It was noted in 2022 that penalties from tax arrears were greater than budget, but was somewhat offset by reductions on penalties on current year taxes with higher tax collection rates.

There was a significant decrease from the prior year as the majority related to the penalties for non-payment of property tax by some oil and gas companies during 2021, which either went insolvent during 2021 or has subsequently been repaid in 2022.





Gain on Disposal of TCA

The gain on disposal of tangible capital assets (TCA) relates to when the proceeds on the sale are greater than the net book value (NBV) of the related capital assets being sold. Gains on disposal of assets can vary significantly from year-to-year and are not budgeted for in operating income unless already known before finalization of the budget.

During both 2021 & 2022, the County had some large sales of County owned lands that resulted in large gains on disposals. There were “one-time” sales that resulted from the opportunity to acquire water-rights for these lands and could be sold to farms and/or the individuals that were leasing the lands in prior years. A portion of these sales are allocated into the County’s Capital Reserves for future infrastructure projects.

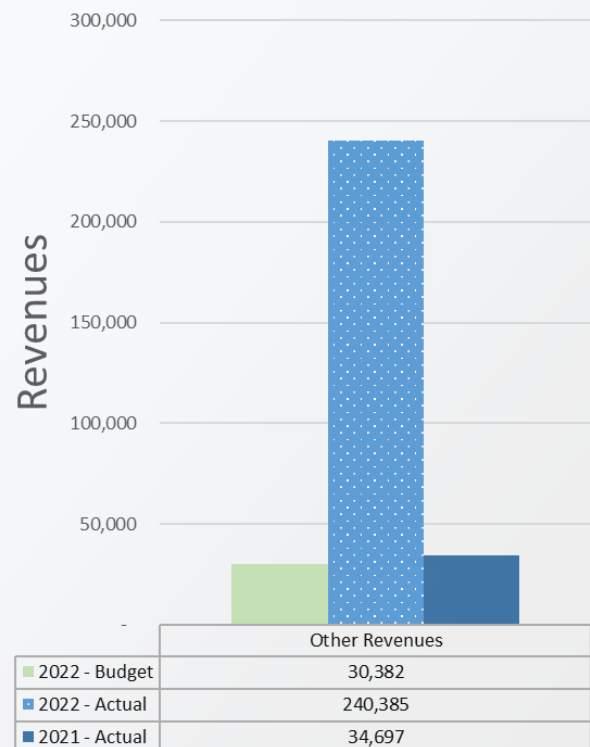
There was a decreases from the prior year as most of the lands sales were completed during 2021 with some finalizing in early 2022.

Other Revenues

Other revenues include fines, donations, recovery of accounts receivable, and other miscellaneous revenues. Most of these are not able to be projected; therefore, the budget currently only consists of the fines and any other known revenues.

Other Revenues are greater than budget as the Gravel Reclamation Liability was reduced in 2022 (which creates an operating revenue instead of a negative expense) as the Gravel Reclamation Liability is estimated using a net present value (NPV) method and was impacted by the rates for borrowing.

One of the largest factors creating the decrease in the Gravel Reclamation Liability is the increase in the County’s borrowing rate from 2.45% to 6.20% with the increase in the market’s prime borrowing rates (increase in borrowing rates decreases the current liability measurement). See “Other Expenses” for additional details.



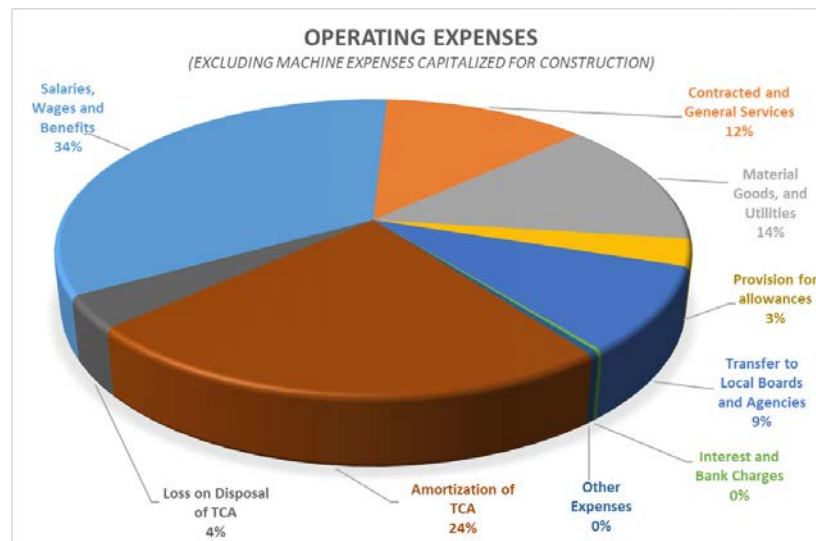


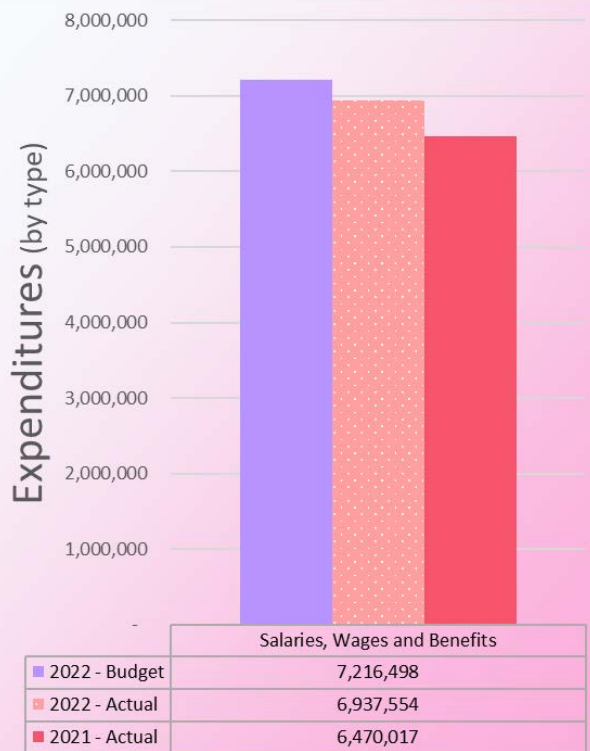
Operating Expenses (by type)

The operating expenses are presented on the Statement of Operations by each separate department. They are also redisplayed by the type of expense in Schedule 5 (Schedule of Expenses by Object/Type). The following is an analysis of the operating expenses compared to budget and the prior year:

	2022 - Budget	2022	2021
OPERATING EXPENSES (by type)			
Salaries, Wages and Benefits	7,216,498	6,937,554	6,470,017
Contracted and General Services	2,872,473	2,543,119	2,602,679
Material Goods, and Utilities	4,516,260	2,820,479	2,606,600
Provision for allowances	12,670	602,629	3,202,579
Transfer to Local Boards and Agencies	1,881,623	1,893,026	2,020,901
Interest and Bank Charges	54,468	48,635	48,758
Amortization of TCA	4,684,267	4,818,615	4,615,232
Machine expenses capitalized for construction	(1,709,808)	(1,639,395)	(1,351,472)
Loss on Disposal of TCA	-	729,078	852,803
Other Expenses	27,492	79,622	702,277
	19,555,943	18,833,362	21,770,374

OPERATING EXPENSES (by department)			
Legislative	496,092	447,807	399,079
Administration	2,097,574	2,041,445	1,743,816
Protection services	2,342,785	2,045,574	1,918,900
Transportation services	11,256,635	10,548,916	10,366,739
Agricultural services	757,729	649,718	722,417
Planning and development services	562,111	544,723	643,074
Family and community support	238,767	217,118	236,248
Parks and recreation	687,136	671,001	937,291
Tourism and economic development	44,588	24,040	125,537
Utility Services	1,039,856	1,021,923	952,000
Other	32,670	621,097	3,725,273
	19,555,943	18,833,362	21,770,374





Salaries, Wages, & Benefits

Salary, wages, and benefits includes all of the staff wages & benefits as well as Council per diems.

Reduction of staffing expense compared to budget is due to a few factors: newer hires starting lower on the pay grid than departing staff, vacancies caused by departing staff that were not filled, positions being budgeted for a full year but not hired until part way through the year, and less overtime required overall. There were staff vacancies General Administration, Protective Services, and Transportation Services. Benefit costs and per diems are also budgeted on a conservative basis.

There was an overall increase from the prior years as there were increased for staffing experience grid movement of existing County staff and there was the cost of living adjustment (COLA) adjustment of 1.96% on the related salary grids. Budget 2022 included increases in the full-time equivalent (FTE), including a net increase of 0.61 FTE from Budget 2021 which is also a 3.32 FTE increase from actual staffing levels in 2021 (as 2021 also had staffing vacancies from budget).

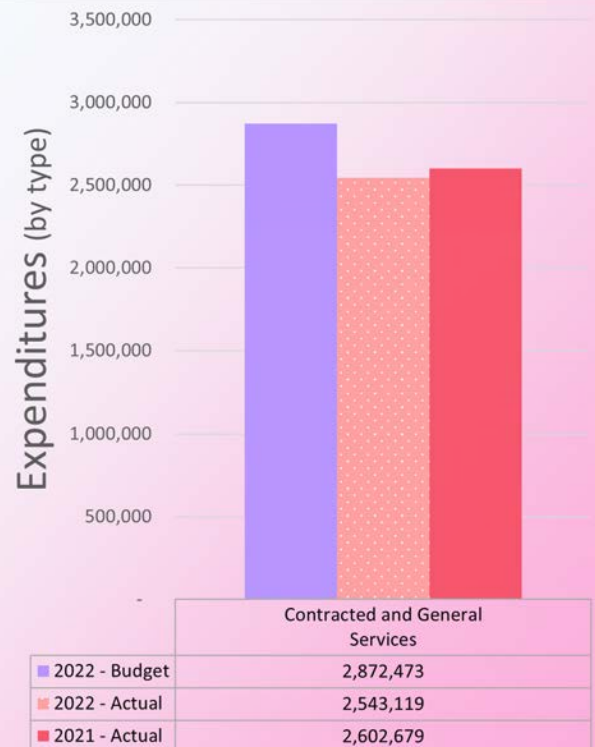
Contracted & General Services

Contracted and general services include the costs of repairs and maintenance, consulting services, audit and legal fees, leases, telecommunications, insurance, education/training, and other services.

The decrease in contracted services from budget is due to that many services were not completed during the year and that certain service costs being less than projected.

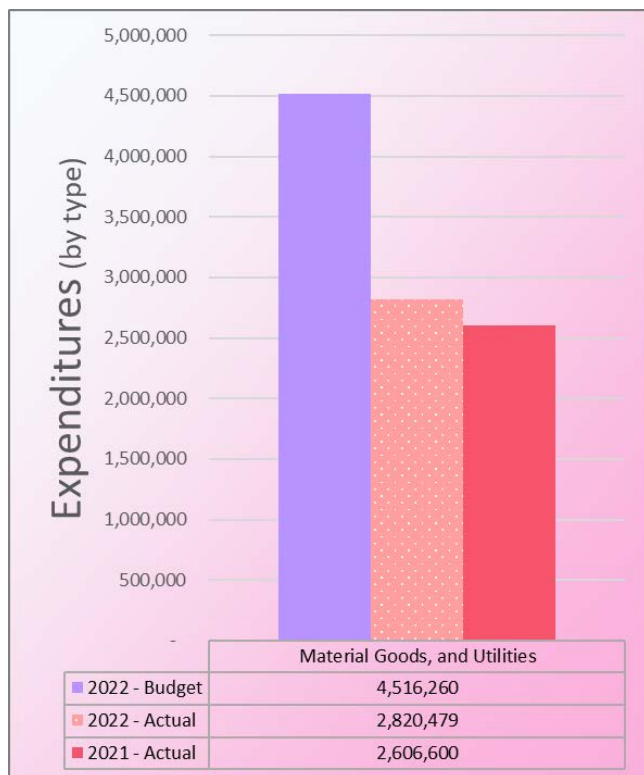
There were certain contracted services that were not completed during the year such as consulting services for the Asset Retirement Obligation (ARO) environmental study which was done at the beginning of 2023 (in preparation for the 2023 fiscal yearend audit). There was reduction in education, training & travel as many of the training opportunities were limited or done virtually. There were also delays in crop damage costs as certain capital projects that were not completed during the year due to delays.

The contracted and general services costs were still overall comparable to the prior year; whereas, 2021 had some larger equipment and vehicle repair costs.





Operating Expenses (by type) - Continued



Material, Goods & Utilities

Materials, goods, and utilities includes the costs of supplies, utilities, information technology, diesel/fuel, gravel, herbicides, culverts, blades, tools, and other materials.

Gravel costs are significantly less than the \$1.82 million budget as the County capitalized the majority of the gravel crushing costs as inventory and/or other changes in gravel inventory. Therefore these costs create an increase in gravel inventory compared to operating expenses.

Parts/Supplies, Blades, Tires & Culvert costs were less than budget based on the timing of purchases and recording the use of inventory. Although these were less than the 2022 budget, these costs were increased from the prior year actuals with increases in the capital project being completed.

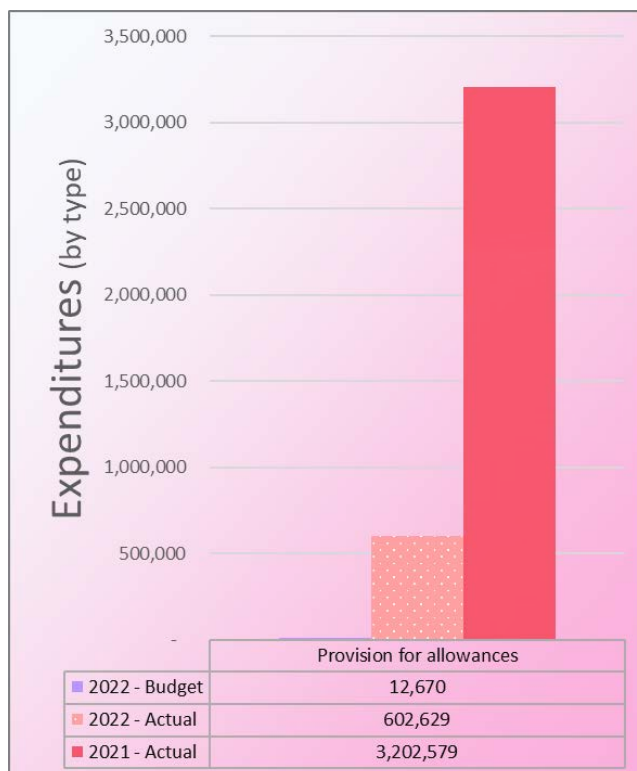
Diesel, fuel, and propane costs were more than budget and the prior year as there were significant unexpected increases in prices during summer of 2022 (during construction season).

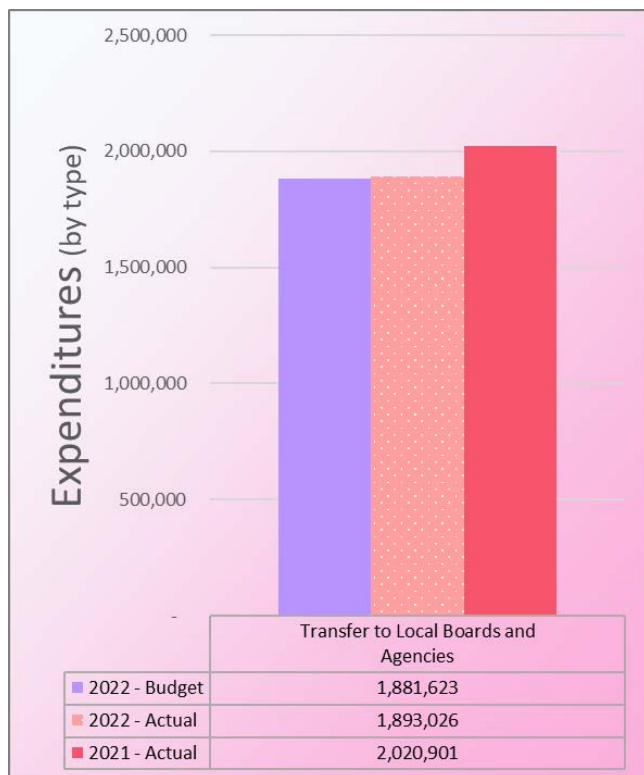
Provision for Allowances

The provision for allowances relates to the write-offs and reductions in the County's receivables for the estimated uncollectable tax and other receivables. Majority of the uncollectable tax arrears relates to property taxes that do not relate to land (i.e., wells, pipelines, etc.).

The prior year included the write-off significant amounts owing from oil & gas companies for property taxes which were determined to be uncollectable. Over a number of years, the County had attempted to collect these amounts through legal or other means, during 2019/2020 the County entered into multi-year tax payment plan agreements for the repayment on balances owing. Although they were in "good standings" on the agreements in 2019/2020, a couple of the companies with large tax arrears balances went insolvent during mid-to late 2021 and therefore, the related tax arrears balances were required to be written off (when no longer collectible).

The current year also includes write-offs on some of these same insolvent oil & gas companies for their 2022 property tax levies (which had some residual taxable assessment into 2022 fiscal year).





Transfers to Local Boards & Agencies

Transfers to local boards and agencies include contributions to fire associations, recreation boards, tourism, waste and water commissions, and other community groups. The budgets are typically based on approved requests by Council during the budget process.

Fire Area Contributions increased from budget as some fire district specific capital reserves for the Northwest and Milo fire protection areas were requested during the year for capital purchases.

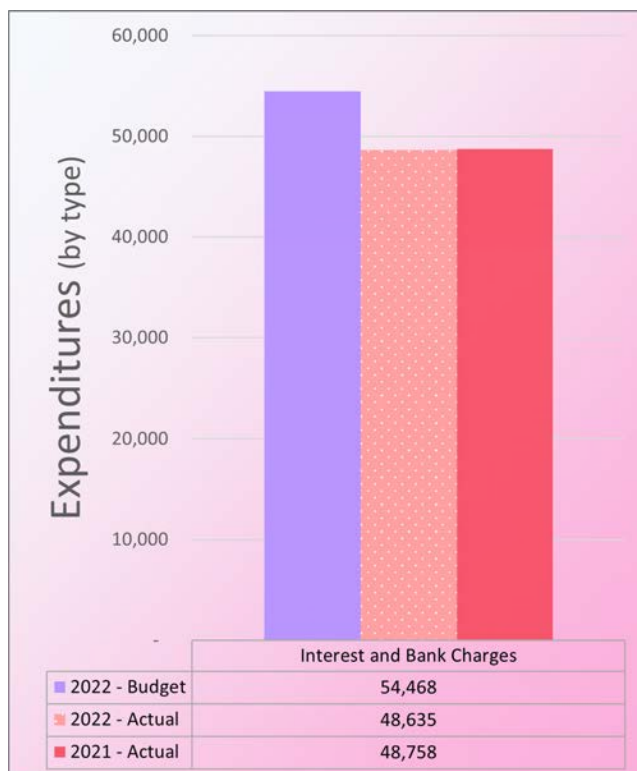
There was a decrease from the prior year as 2021 included a one-time capital contribution of \$300,000 for the Town of Vulcan's swimming pool (recreational contribution). This reduction was somewhat offset by increases in the funding for the Waste Commission, Fire Protection, and funding for other organizations.

Interest & Bank Charges

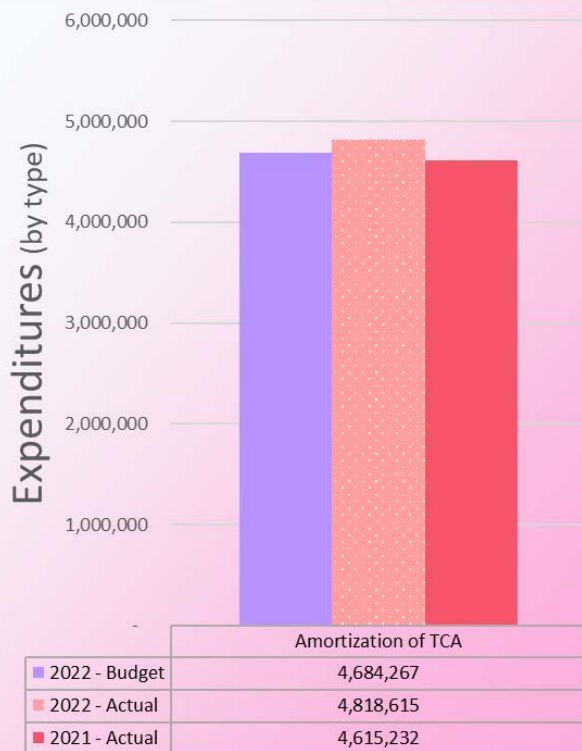
The interest and bank charges include bank and credit card fees, and interest on debentures.

The bank and credit card fee rates were budgeted based on historical actual expenses and the County utilizes a "convenience fee" to recover the credit card fees on property taxes. Interest on debentures are budgeted based on the debenture repayment schedules.

Overall, interest and bank charges were comparable to the prior year and were less than budget.



Operating Expenses (by type) - Continued



Amortization of TCA

The amortization of tangible capital assets (TCA) expenses are non-cash expenditures to reduce the net book value of the tangible capital assets (roads, buildings, equipment) over the course of their useful lives. To recognize assets and to determine amortization, the County has adopted a Tangible Capital Assets Policy (12-2214) which provides guidance on the estimated useful lives of specific asset classes (based on the productive use of the asset).

Amortization is currently budgeted based on the historical actuals as this provides a base for the estimated reduction in the net book value of the County's tangible capital assets.

Overall, amortization expense was comparable, but slightly more than budget and the prior year as some new capital was acquired and was added in-service during the fiscal year.

Machine Expenses Capitalized

The machine expenses capitalized for construction relates to the capitalization of operating expenses used for the internal construction of roads and bridges. These operating costs are included in the other operating expenses, such as wages/benefits, engineering costs, gravel, culverts, crop damages and other costs relating to the construction. The County breaks this amount out instead of netting the expenditure against what is capitalized.

The increase from the prior year relates to an increase in the amount of capital projects that were worked on during the year; whereas, in the 2019-2021 there was reductions from budget were due to limited operations from the continued effects of the COVID-19 pandemic, including maintenance and construction project delays during these prior years. Capital projects and construction were more "normalized" for the 2022 fiscal year and more closely correlated to the budget.

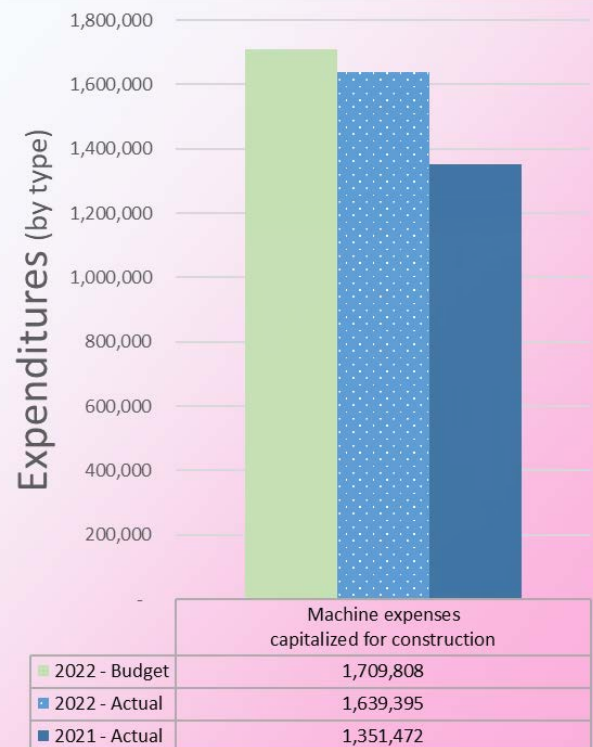


Chart shown in green/blue as it is a credit account.



Loss on Disposal of TCA

The loss on disposal of tangible capital assets (TCA) relates to when the proceeds on the sale (if any) are less than the net book value (NBV) of the related capital assets being sold. Loss on disposal of assets can vary significantly from year-to-year and are not budgeted for in operating income unless already known before finalization of the budget.

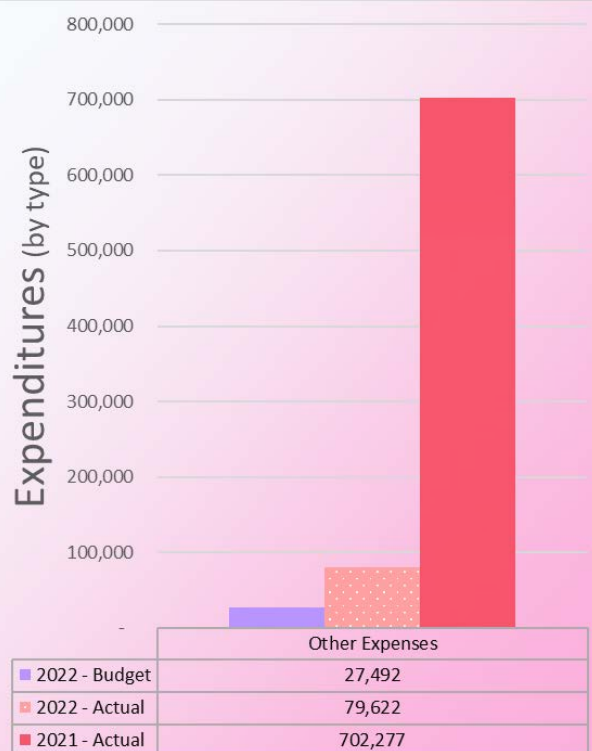
Majority of the losses on disposal of TCA specifically relates to the road and bridge construction; whereas, the prior road/bridge is “de-recognized” as a TCA when being removed and the new TCA is recognized for the newly constructed asset. The loss on disposals specifically relate to the old TCA being “de-recognized” with effectively no proceeds on disposals.

Loss on disposal of assets relating to road/bridge construction can vary significantly from year-to-year, depending on the timing of closing and the replacement of these roads and bridges.

Other Expenses

The other expenditures include contingency expenses, increases in the gravel reclamation liability, contributions of interest to reserves, and other miscellaneous expenses. Most of these are not able to be projected; therefore, the budget currently mainly consists of the contingency accounts.

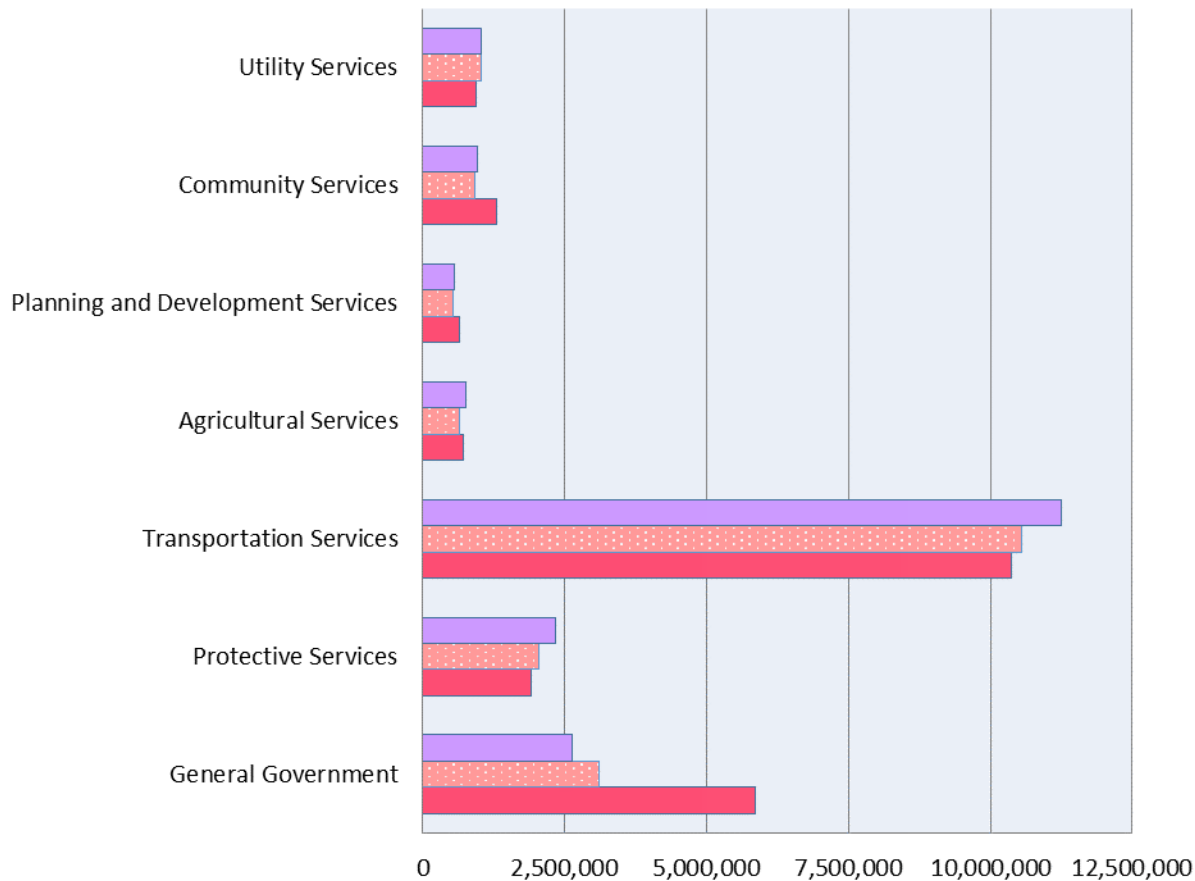
The gravel reclamation liability relates to the projected liability that will incur to reclaim the County’s gravel pits. Once the gravel has been removed, the County is required to reclaim the lands by shaping the lands to have a maximum slope (6:1 ratio). The County utilizes a net present value (NPV) to determine the gravel reclamation liability. In 2021, the liability had increased by an estimated \$170,900 and was included within the 2021 actuals; however, in 2022 there was a decrease in the NPV of the liability with the increase in the County’s borrowing rate from 2.45% to 6.20% with the increase in the market’s prime borrowing rates (increase in borrowing rates decreases the current liability measurement). This decrease in the liability is treated as an operating revenue instead of a negative expense. See “Other Revenues” for additional details.





Operating Expenses (by segment)

Schedules 6 and 7 (Schedules of Segment Disclosure) present the operating expenses by major segments which are a combination of the departments that have similar activities.



	General Government	Protective Services	Transportation Services	Agricultural Services	Planning and Development Services	Community Services	Utility Services
Budget	2,626,336	2,342,785	11,256,635	757,729	562,111	970,491	1,039,856
2022	3,110,349	2,045,574	10,548,916	649,718	544,723	912,159	1,021,923
2021	5,868,168	1,918,900	10,366,739	722,417	643,074	1,299,076	952,000

The following segments had significant variances between budget and actual figures:

- General Government saw significantly decrease compared to the prior year. During 2021, the County had significant write-offs of tax receivables from insolvent oil & gas companies in these years totalling approximately \$3.2 million. The County had exhausted all legal options for collection and was advised by legal counsel to complete the write-off. During 2022, this was reduced to approximately \$602,600 for effectively these same insolvent oil & gas companies for their 2022 property tax levies (which had some residual taxable assessment into 2022 fiscal year). General Government also saw cost saving on contracted services, including environmental studies (Asset Retirement Obligation - AROs), IT software implementation projects, and education and training costs.



The following segments had significant variances between budget and actual figures:

- Protective Services was overall comparable to the prior year; however, was less than the 2022 budget. The costs were less than budget due to staffing including staff vacancies and reductions in per diems for reduced training opportunities. There was also savings on contracted services and supply costs from training reductions and other services.
- Transportation Services saw an increase compared to the prior year; however, was still less than the 2022 budget. The gravel crushing program was continued into the 2022 budget from the prior years for a total of \$1.82 million; whereas, the project was delayed and was started in late 2021 (and continued into early 2022) which these costs were capitalized into inventory instead of being an operating cost. There was also savings on other material/supply costs for culverts and blades. Staff vacancies also created some cost savings within transportation services. The diesel, fuel, and propane costs were more than budget and the prior year as there were significant unexpected increases in prices during summer of 2022 (during construction season).
- Agricultural Services was overall comparable to the prior year; however, was less than the 2022 budget. The majority of the cost savings related to the purchase of supplies/materials; whereas, there was savings on the costs of herbicides and other supply costs.
- Planning and Development Services was overall comparable to the prior year; however, was less than the 2022 budget, including a reduction in the projected costs of consulting and legal fees. The prior year included the costs of the Inter-Municipal Development Plans (IMDPs) that were completed in 2021 and were not required in 2022.
- Community Services was overall comparable to the 2022 budget; whereas the Fire Area Contributions increased from budget as some fire district specific capital reserves for the Northwest and Milo fire protection areas were requested during the year for capital purchases. There was a decrease from the prior year as 2021 included a one-time capital contribution of \$300,000 for the Town of Vulcan's swimming pool.
- Utility Services was overall comparable to the prior year and budget. The majority of the cost increases from the prior year in utility services related to the contribution to the increases in the 2022 Waste Commission contributions and increases in parts and supplies for the Mossleigh Water Treatment Plant.

See Note 18 to the 2022 Financial Statements for a detailed description of each segment and its activities.





Operating Expenses (by segment) - Continued

The following is a breakdown of the departments included in each of the major segments, as shown in Schedule 6 and 7 (Schedules of Segmented Disclosure):

	2022 - Budget	2022	2021
GENERAL GOVERNMENT			
Legislative	496,092	447,807	399,079
Administration	2,097,574	2,041,445	1,743,816
Other	32,670	621,097	3,725,273
	2,626,336	3,110,349	5,868,168
PROTECTIVE SERVICES	2,342,785	2,045,574	1,918,900
TRANSPORTATION SERVICES	11,256,635	10,548,916	10,366,739
AGRICULTURAL SERVICES	757,729	649,718	722,417
PLANNING AND DEVELOPMENT SERVICES	562,111	544,723	643,074
COMMUNITY SERVICES			
Family and community support	238,767	217,118	236,248
Parks and recreation	687,136	671,001	937,291
Tourism and economic development	44,588	24,040	125,537
	970,491	912,159	1,299,076
UTILITY SERVICES	1,039,856	1,021,923	952,000
TOTAL OPERATING EXPENSES	19,555,943	18,833,362	21,770,374

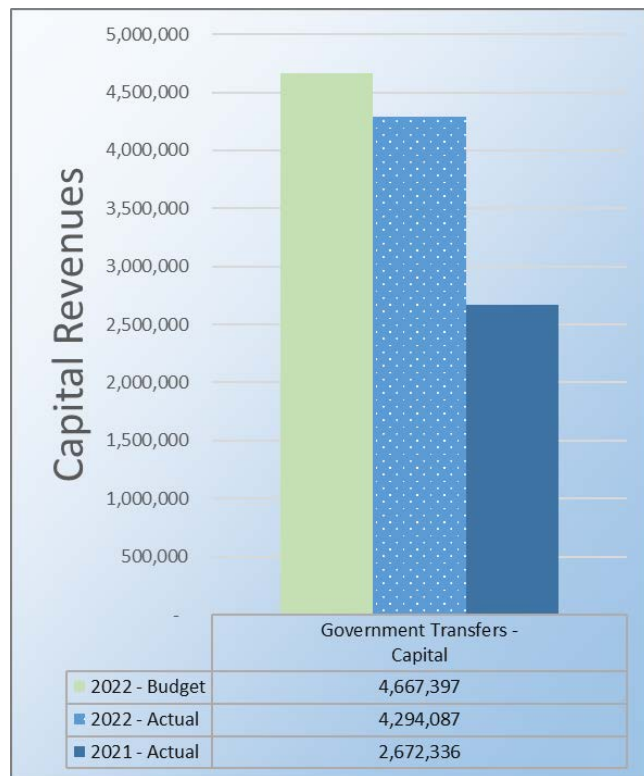
The variances from budget and prior year above are the same as previously discussed in this report. See Schedules 6 and 7 (Schedules of Segmented Disclosure) for a detailed breakdown of each segment by type (both revenues and expenses).

Capital Revenues

The "Other" section on the Statement of Operations include the capital revenues for the County, including government transfers for capital and contributed tangible capital assets.

The following is an overview of the Capital Revenues compared to the budget and the prior year:

	2022 - Budget	2022	2021
CAPITAL REVENUE			
Contributed tangible capital assets	-	-	-
Government transfers for capital	4,667,397	4,294,087	2,672,336
	4,667,397	4,294,087	2,672,336



Government Transfers - Capital

Represents capital grants and funding from other levels of governments, including Provincial Grants, Federal Grants, and contributions from other local governments.

Capital government transfers are less than budget as there were additional capital road/bridge construction projects that were not completed during 2022 and were continued into 2023. These reductions were somewhat offset as a specific grant for the Industrial Park was reclassified from operating to capital (subsequent to the initial budget). During 2022, the County also received some additional grants and other local government contributions to fund purchases of medical/rescue equipment (AutoPulse CPR Units).

Capital government transfers increased significantly from the prior year as the 2022 included significant work on the Industrial Park including contracted installation of the water/wastewater lines and installation of power (which are one-time projects which were not included in 2021). These projects were funded by Municipal Sustainability Initiative (MSI) Capital and the Municipal Stimulus Program (MSP).

Reconciliation of 2022 Capital Funding and Expenses:

Government Transfers for Capital		Capital Acquisitions	
Municipal Sustainability Initiative (MSI)	3,696,544	Engineered Structures	4,500,839
Municipal Stimulus Program (MSP)	473,574	Equipment	1,448,345
Other Grants and Contributions	123,969	Vehicles	572,129
	<u>4,294,087</u>		<u>6,521,313</u>
Proceeds on Disposals	1,441,515		
Allocation from Reserves	427,921	Allocation to Reserves	1,295,221
Allocation from Operations	1,705,065	Allocation to Operations	52,054
Total Capital Funding	<u>7,868,588</u>	Total Capital Expenses	<u>7,868,588</u>

Other Statements, Schedules & Notes



All Statements, Schedules, and Notes that accompany the Audited Financial Statements provide useful information to understand the financial position and results of operations of the County. Some schedules and notes are included that help to provide additional data, accountability, and transparency.

Statement of Changes in Net Financial Assets

The Statement of Changes in Net Financial Assets reconciles the difference between opening and closing net financial assets as compared to the County's net income for the year. It does this by showing how much money was spent on or recovered from non-financial assets, such as capital assets or inventory.

Statement of Cash Flows

The Statement of Cash Flows summarizes the sources and uses of cash and cash equivalents. It reconciles the opening and closing cash positions of the County using the operating revenues and expenses, capital funding and expenditures, investment and financing transactions.

As the revenues and expenses include "non-cash" transactions such as amortization expense, these "non-cash" transactions are removed from the income to indicate the actual effect on cash.

Schedules to the Financial Statements

There are a total of seven (7) audited schedules in the financial statements, which are used to provide details to the financial statements. Schedules 1 and 2 provide additional details on the accumulated surplus and tangible capital assets as presented in the Statement of Financial Position. Schedules 3 to 7 provide additional details on the revenues and expenses as presented in the Statement of Operations. These schedules include:

Schedule 1 - Schedule of Changes in Accumulated Surplus

Provides details on the changes in the components of Accumulated Surplus, including the transfers to and from each of these components (i.e. transfers from unrestricted to a restricted reserve) and the overall changes in the Accumulated Surplus.

Schedule 2 - Schedule of Tangible Capital Assets

Provides details on the Tangible Capital Assets (TCA) including the historical costs, acquisition/construction of TCA, and the amount of amortization accumulated on the TCA. These details are provided for each of the major types of TCA (i.e., land, land improvements, buildings, equipment, vehicles, and engineered structures).

Schedule 3 - Schedule of Property and Other Taxes

Provides the details of the Net Municipal Taxes, including the details within the taxation revenues (i.e., real property taxes, linear taxes, special tax levies, etc.) and within the funding requisitions required by the County (i.e., school requisitions, senior requisitions, etc.).



Schedule 4 - Schedule of Government Transfers

Provides the additional details on the government funding transfers recognized for operating and capital purposes. This includes information on the types of government support (local, provincial, and federal government).

Schedule 5 - Schedule of Expenses by Object

Provides details on the operating expenses by the type/object of the expenses. This reconciles to the Statement of Operations, which reports the expenses based on the department/activity. These types/objects include salaries/benefits, contracted services, materials/supplies, amortization, and other types of expenses.

Schedule 6 - Schedule of Segment Disclosure (2022)

Provides the details of the current year's revenues and expenses for each of the County's major segments including: General Government, Protective Services, Transportation Services, Agricultural Services, Planning and Development Services, Community Services, and Utility Services.

Schedule 7 - Schedule of Segment Disclosure (2021)

Provides the details of the prior year's revenues and expenses for each of the County's major segments including: General Government, Protective Services, Transportation Services, Agricultural Services, Planning and Development Services, Community Services, and Utility Services.

Notes to the Financial Statements

The notes to the financial statements provide additional details for the financial statements. These notes are intended to help provide additional data, accountability, and transparency.

These notes include the following:

- Significant accounting policies
- Details of Financial Statement balances
- Segment reporting details
- Disclosure of additional information not recorded in the financials
 - Debt Limits
 - Council and CAO remuneration
 - Local Authorities Pension Plan
 - Commitments and contingencies

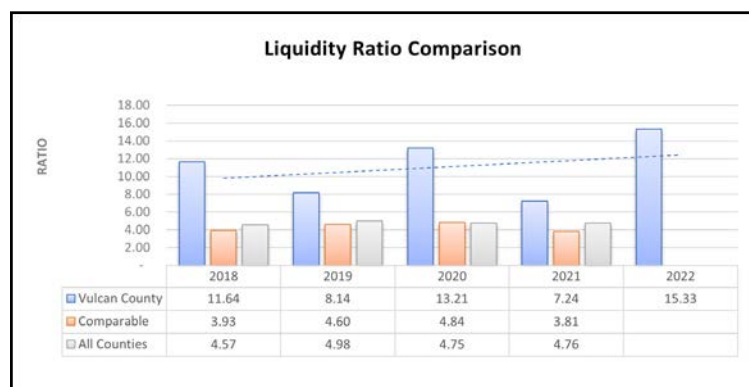


Financial Indicators & Performance Measures

Indicators of Financial Health and other Performance Measures help to indicate how the County is doing over time and alert management to any issues or concerns that should be addressed.

Through Provincial data on all municipalities, the County is able to compare specific indicators to other Alberta municipalities and compare to specific municipalities that are in comparable size and in close proximity in geological locations. *Note that the Comparison Data for 2022 is not available at the time this report is created as the Provincial Government typically provides this data in June/July of the year following once all municipalities have submitted their data.*

Current/Liquidity Ratio Comparison

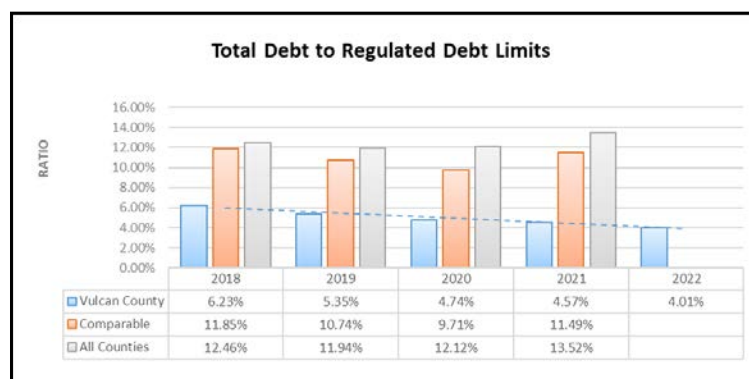


The Current/Liquidity Ratio is a measure to indicate that the County can meet its short-term obligations and that the County has the ability to better respond to rapidly changing circumstances (as often required). The Current Ratio is calculated by the ratio of current assets to current liabilities.

The County has historically maintained a high current ratio (2022 ratio of 15.33) as the County has the current assets are sufficient to cover the related current liabilities. Some of the current assets, such as portfolio investments are also used to fund specific reserve funds, which further increases the

County's Current Ratio. The majority of the County's financial assets are comprised of cash and short-term investments (representing approx. 82.5%); therefore, further increasing the liquidity of the County. The ratio increased in 2022 as the County delayed investing in long-term investments until early 2023 as investment rates were increasing.

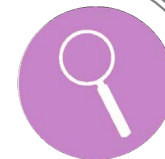
Total Percentage of Debt Limit



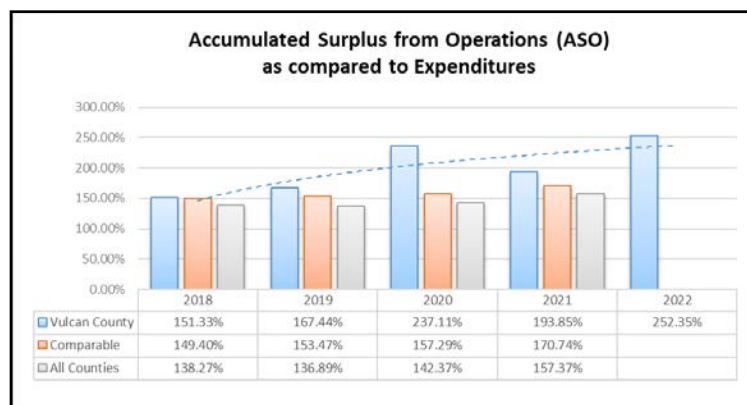
The Total % of Debt Limit Ratio is a measure to indicate the total amount of municipal borrowings, including long term capital leases, as a percentage of the total regulated debt limit available to the municipality. This is an indicator if the municipality has maintained reasonable levels of borrowing debt.

The Total % of Debt Limit Ratio is calculated by the ratio between total municipal debt and the related total debt limit. The debt limit is calculated at 1.5 times the revenue of the municipality (as defined by Alberta Regulation 255/00).

The County has historically maintained minimal levels of debt (2022 ratio of 4.01%); whereas, the County uses long-term planning and its 20-year capital plan to fund large capital projects (without requiring debt). The current debt relates specifically to a long-term debenture debt received to provide as a funding contribution towards the Vulcan Hospital Expansion Project.



Accumulated Surplus from Operations

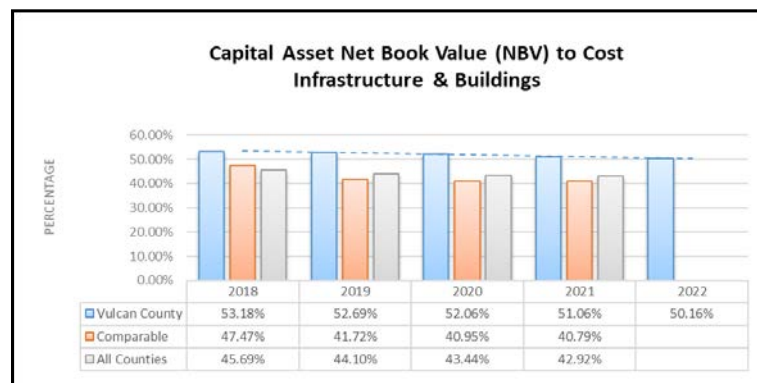


The Accumulated Operating Surplus (AOS) as a % of Expenses Ratio is a measure to indicate level Unrestricted Surplus and Reserves that are available to cover the annual costs of operations. The AOS represents the total Accumulated Surplus excluding the Equity in Tangible Capital Assets. This can be an indicator of long-term stability and planning.

The AOS% of Expenses Ratio is calculated by the ratio of combining the Unrestricted Surplus and Reserves and dividing this by the total annual expenses. Reserves can include both specific operating and capital reserves (2022 ratio of 252.35%).

The County has historically maintained a higher than average AOS% of Expenses ratio (compared to other comparables and provincial averages) as the County believes in long-term stability and planning, including maintaining appropriate levels of operating and contingency reserves and a fully-funded 20-year capital plan to ensure the infrastructure and capital needs are covered while minimizing significant fluctuations from year-to-year.

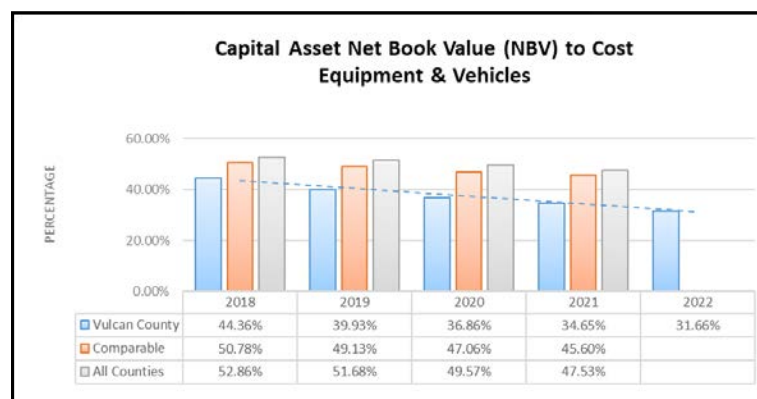
Capital Asset Net Book Value



In both the Capital Asset Net Book Value to Cost of Infrastructure/Buildings and the Equipment/Vehicles charts indicate how much is remaining in the capital assets useful life and/or in productive use. This indicator is for all of the County's capital assets.

These ratio is calculated by the ratio of the net book value (NBV) of TCA as a percentage of the total original costs. The NBV is the original purchase cost less the accumulative amortization (depreciation).

The County has historically maintained a high Infrastructure and Buildings TCA ratio (2022 ratio of 50.16%) as the County maintains a 20-year capital plan for the replacement of infrastructure and facilities. Continual replacement and maintenance of the County's road and bridge infrastructure is a strategic priority for the County.

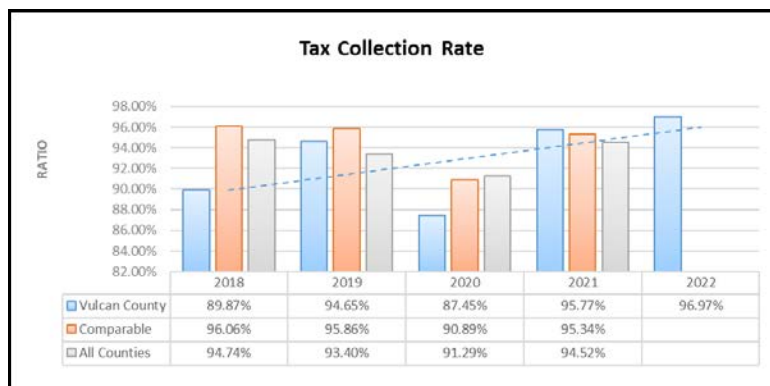


The County maintains a 20-year capital plan for the replacement of vehicles, and machinery & equipment (which can include multiple replacement cycles). The County has a lower ratio (2022 ratio of 31.66%) as the County often is able to effectively extend the useful life of the vehicles/equipment by appropriate maintenance and also the County may re-purposes equipment (within other departments).





Tax Collection Rate



The Tax Collection Rate is a measure to indicate the ability of the municipality to collect own-source revenues, including property taxes, special taxes, local improvement taxes, well drilling equipment taxes, and grants-in-place-of taxes.

The Tax Collection Rate is calculated by the inverse ratio of current taxes outstanding at yearend against the total tax revenues issued in the year. Note that this calculation does not include any allowances on tax receivables as these typically relate specifically to tax arrears (over 1-year aged tax receivables).

The County has historically been able to collect on tax receivables over the 90% expectation (2022 ratio of 96.97%); however, there have been additional challenges on the collection of oil & gas tax receivables in the past couple years as certain organizations have gone insolvent (this has been seen throughout the Province). This may include that the County setting up allowances on current tax balances for these related insolvent organizations. The County continually monitors the tax receivable balances for collectability and outstanding balances.

Performance Measure Dashboard

In an attempt to be as transparent to the public as possible, the Corporate Services department provides multiple types of performance measures for the County and how the County compares to Provincial and other comparative data:

[Click the Dashboard for link](#)



Overall, Vulcan County has a strong financial health; whereas, the County seems to be in a strong financial position when in comparison to many of the other comparable municipalities. This is shown throughout the performance measures, including liquidity, debt limits, accumulated surplus, capital assets, and through tax collections.



Financial Reports and Financial Dashboards

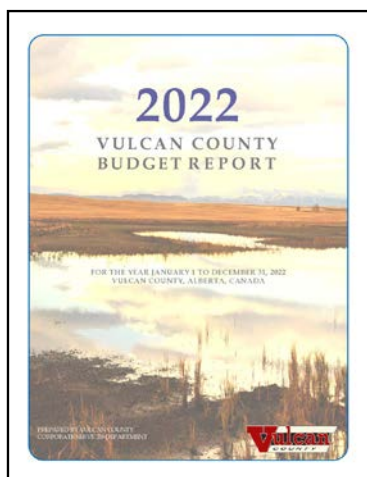
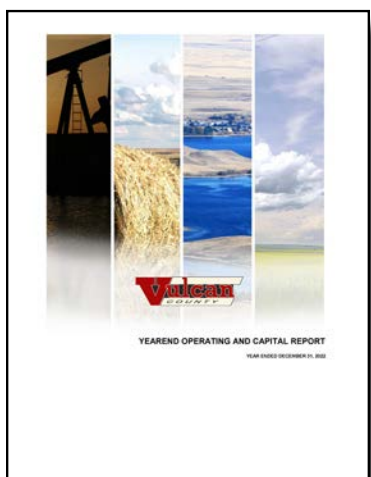
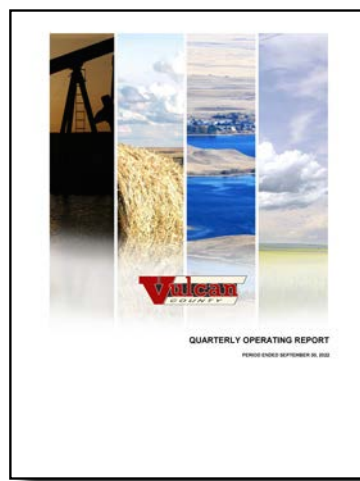
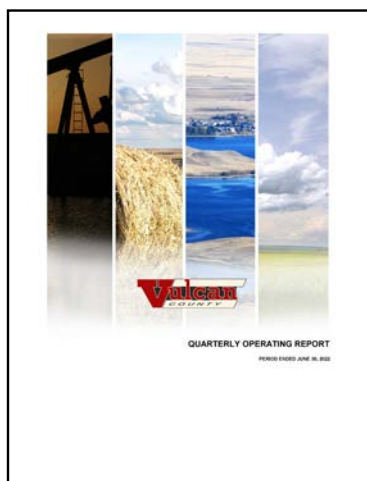
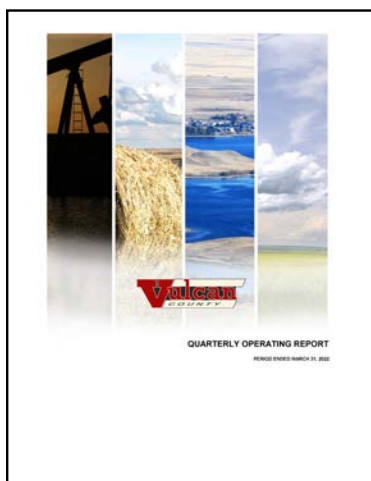


The County maintains additional financial reports and interactive financial reporting dashboards to provide useful information to understand the financial position and results of operations of the County which are included so that this reporting helps to provide additional data, accountability, and transparency.

Financial Reporting

The County has additional financial reporting available on our website for more in-depth reports on the budgets, financial statements, quarterly reporting, infographics, and management discussion/analysis.

The following are the 2022 quarterly, yearend and budget reports which provide the details of the County's financial planning and progress throughout the year:



These financial reports and the other financial reporting and dashboards are located:

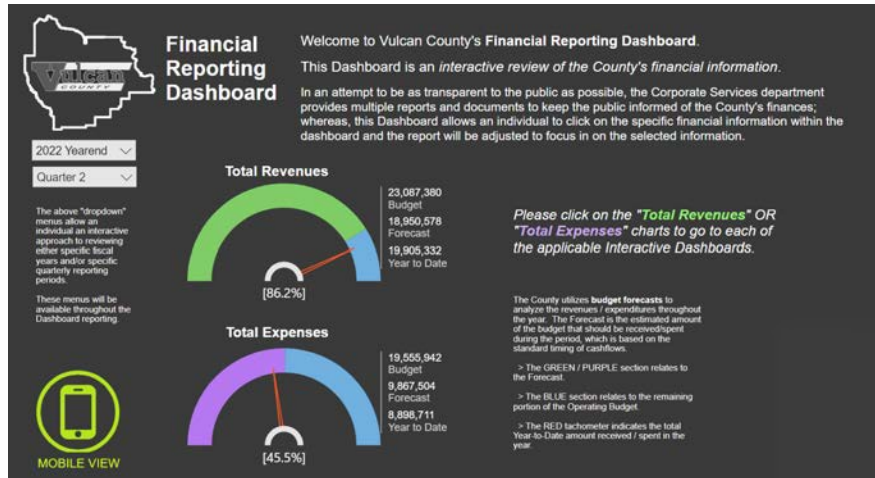
www.vulcancounty.ab.ca >
Departments > Corporate Services >
Financial Plans & Reports >
Financial Statements & Reporting

[Click the Pages to go to the Reports Documents](#)



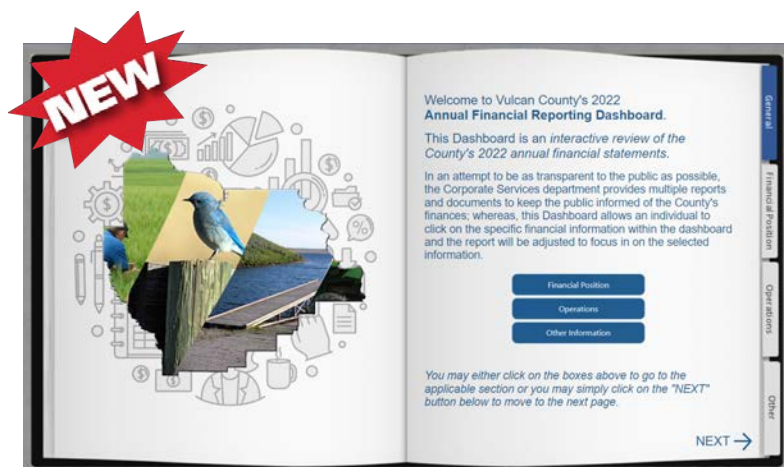
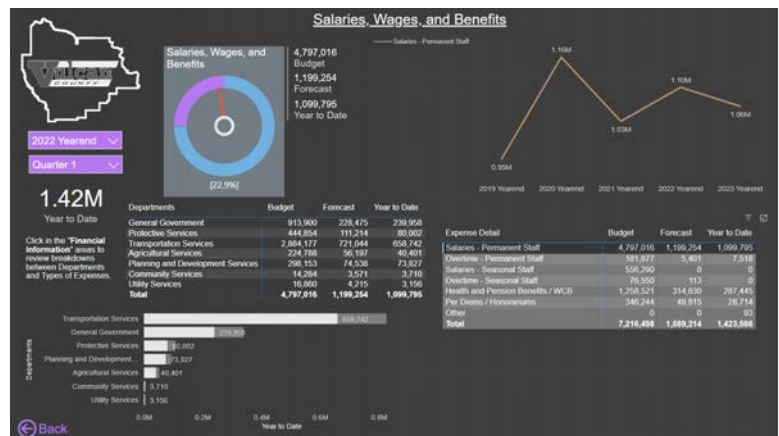
Financial Reporting Dashboards

In an attempt to be as transparent to the public as possible, the Corporate Services department provides Financial Dashboards for an interactive review of the County's financial information. These interactive Financial Dashboards are to further increase the transparency of the County's finances to the public:



This interactive reporting dashboard allows an individual to click on specific financial information within the dashboard and the report will be adjusted to focus in on the selected information. This allows for a multi-year review and the option to review each of the reporting periods within the report.

The Dashboard allows for an in-depth review of operating revenues and expenditures, including interactive approach of looking at expenses by both type and segment/department. For example, the Dashboard allows you to drill down to specific types of expenses (i.e., salaries, wages & benefits) and select a type of expense detail within the expense (i.e., salaries for permanent staff), and the report redisplay to indicate the amount and totals from each segment/department.



2022 Annual Financial Dashboard

The County also provides an interactive review of the 2022 Annual Financial Statements, including interactive reviews of the financial position, operations, & other information. This Annual Financial Dashboard is a high-level review of the financial information and in a format that is designed to be easy to use and understand for our ratepayers and other users of the financial statements.

FUTURE OUTLOOKS FOR THE COUNTY

Going forward, the County will seek to continue to deliver the municipal services that are expected by ratepayers, while improving in several key ways. New funding sources are being explored which could help alleviate the tax burden from County residents, and efficiencies are continually being sought out in order to reduce expenditure while improving service.

The 465 megawatt (MW) Travers Solar Project which received approval in 2020, will further increase the linear tax base within the County and further solidify Vulcan County as an area leader in the renewable energy sector. This project began construction in early 2021, was on-line to the power grids in late 2022, and is expected to be fully commissioned in mid-2023, which will then add approximately \$400-450 million of taxable assessment in future years. This equates to an approximate 30% increase in total taxable assessment for the County; whereas, this assessment growth may allow for the County to increase municipal services, reduce tax rates for all assessment classes, and/or a combination of both. This will allow the County to remain in a strong financial position while maintaining competitive tax rates (which is a strategic priority of the County).

There are challenges facing the County as well. The current economic climate can create difficulty as the increases in inflation has significant impacts on staffing costs with market-based Cost of Living Adjustments (COLA) and increases to the costs of material/supplies and services being provided. These inflationary costs and the effects of the carbon tax increases has also had significant impacts on fuel & diesel costs which are significant variable costs for the County.

In order to help realize its objectives, the County makes use of long-term budgets to carefully plan out future revenues and expenditures. The County has developed a 3-year written plan for budgeting operating activities and a 5-year written plan for budgeting capital acquisitions.

- The 3-year operating plan effectively creates a multi-year budget for upcoming operating activities, including large operating projects and projecting cost fluctuations, including the effects of inflation and cost increases.
- The 5-year capital plan is developed out of the County's 20-year capital funding plan. The 20-year plan includes all County assets and their estimated replacement dates over the next 20-years. From this plan, reserves can be built and used as needed which allows for less variation in tax rates from one year to the next.

The County will continue to develop new strategies that aim to address the above goals and concerns in order to maintain the programs, services, and infrastructure provided by the County.

Respectfully submitted,



Mark DeBoer, CPA, CA, SFO
Director of Corporate Services
May 26, 2023



A full-page background image showing a sunset over a calm body of water. The sky is filled with orange and yellow clouds, and the sun is low on the horizon. The water reflects the sky's colors. In the foreground, there are dark silhouettes of reeds or grass. A white rounded rectangle is positioned in the upper left, containing the section title.

SECTION 2 - FINANCIAL STATEMENTS

Section 2 - FINANCIAL STATEMENTS

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Introductory



Financial Analysis



Financial Statements



Statistics & Ratios



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April 19, 2023

To the Reeve and Council Members of Vulcan County

Re: Management's Responsibility for Reporting

Management of Vulcan County is responsible for the preparation, accuracy, objectivity, and integrity of the accompanying financial statements and the notes thereto. Management believes that the financial statements present fairly the County's financial position as at December 31, 2022, and the results of its operations for the year then ended.

The financial statements have been prepared in accordance with the Canadian Public Sector Accounting Standards. Financial statements are not precise, since they include certain amounts based on estimates and judgements. Such amounts have been determined on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, management has designed and maintained a system of internal controls to produce reliable information to meet reporting requirements. The system is designed to provide management with reasonable assurance that transactions are properly authorized, reliable financial records are maintained and assets are properly accounted for and safeguarded.

County Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial statements. Council fulfills these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. Council is also responsible for authorizing the appointment of the County's external auditors.

The financial statements have been audited by the independent firm of BDO Canada, LLP. Their report to the members of Vulcan County Council, stating the scope of their examination and opinion on the financial statements follows.

Respectfully,

Nels Petersen
Chief Administrative Officer

Mark DeBoer
Director of Corporate Services



Tel: 403-328-5292
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BDO Canada LLP
600 Melcor Centre
400-4 Ave S
Lethbridge, Alberta
T1J 4E1



Introductory



Financial Analysis



Financial Statements



Statistics & Ratios

Independent Auditor's Report

To the Reeve and Members of Council of Vulcan County

Opinion

We have audited the financial statements of Vulcan County (the County), which comprise the statement of financial position as at December 31, 2022, and the statements of operations, change in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the County as at December 31, 2022, and the results of its operations, change in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *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.

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

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

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

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

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.

BDO Canada LLP

BDO Canada LLP
Chartered Professional Accountants

Lethbridge, Alberta
April 19, 2023

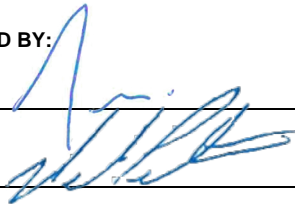
VULCAN COUNTY

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2022

	2022	2021
FINANCIAL ASSETS		
Cash and equivalents (note 2)	\$ 1,932,025	\$ 2,138,809
Taxes and grants in lieu receivables (note 3)	763,379	913,671
Trade and other receivables (note 4)	619,150	7,564,208
Portfolio investments (note 5)	36,862,064	31,200,486
Inventory held for resale	72,337	44,199
Long term investments (note 6)	2,056,265	-
Loans and notes receivable (note 7)	219,500	207,195
Other	16,430	14,488
	42,541,150	42,083,056
LIABILITIES		
Accounts payable and accrued liabilities	661,559	1,218,290
Deferred revenue (note 8)	1,840,432	4,450,477
Employee benefit obligations (note 9)	278,408	265,860
Long term debt (note 10)	1,252,044	1,382,720
Other liabilities	514,524	648,000
	4,546,967	7,965,347
NET FINANCIAL ASSETS	37,994,183	34,117,709
NON-FINANCIAL ASSETS		
Tangible capital assets (schedule 2, note 12)	108,066,893	107,104,734
Inventory for consumption (note 13)	9,103,226	7,847,867
Prepaid expenses	428,289	236,861
	117,598,408	115,189,462
ACCUMULATED SURPLUS (schedule 1, note 15)	\$ 155,592,591	\$ 149,307,171

Contingencies and commitments - See note 22 & 23.

APPROVED BY:





Introductory



Financial Analysis



Financial Statements



Statistics & Ratios

VULCAN COUNTY

STATEMENT OF OPERATIONS YEAR ENDED DECEMBER 31, 2022

	Budget (note 16)	2022	2021
REVENUE			
Net municipal taxes (schedule 3)	\$ 14,710,373	\$ 15,079,227	\$ 14,189,795
Government transfers (schedule 4)	919,889	1,403,059	535,535
Return on investments	277,876	1,022,438	353,865
Sale of goods, services and user charges	778,119	888,685	1,562,870
Rental income	318,980	319,129	338,373
Community aggregate levy	137,363	212,993	241,318
Penalties and costs of taxes	194,000	228,725	502,498
Gain on disposal of tangible capital assets	1,053,000	1,430,054	2,427,982
Other revenues	30,382	240,385	34,697
TOTAL REVENUE	18,419,982	20,824,695	20,186,933
EXPENSES			
Legislative	496,092	447,807	399,079
Administration	2,097,574	2,041,445	1,743,816
Protective services	2,342,785	2,045,574	1,918,900
Transportation services	11,256,635	10,548,916	10,366,739
Agricultural services	757,729	649,718	722,417
Planning and development services	562,111	544,723	643,074
Family and community support	238,767	217,118	236,248
Parks and recreation	687,136	671,001	937,291
Tourism and economic development	44,588	24,040	125,537
Utility Services	1,039,856	1,021,923	952,000
Other	32,670	621,097	3,725,273
TOTAL EXPENSES	19,555,943	18,833,362	21,770,374
OPERATING SURPLUS - BEFORE OTHER	(1,135,961)	1,991,333	(1,583,441)
OTHER			
Contributed tangible capital assets	-	-	-
Government transfers for capital (schedule 4)	4,667,397	4,294,087	2,672,336
ANNUAL SURPLUS	3,531,436	6,285,420	1,088,895
ACCUMULATED SURPLUS, BEGINNING OF YEAR	149,307,171	149,307,171	148,218,276
ACCUMULATED SURPLUS, END OF YEAR	\$ 152,838,607	\$ 155,592,591	\$ 149,307,171

VULCAN COUNTY

STATEMENT OF CHANGES IN NET FINANCIAL ASSETS YEAR ENDED DECEMBER 31, 2022

	Budget (note 16)	2022	2021
ANNUAL SURPLUS	\$ 3,531,436	\$ 6,285,420	\$ 1,088,895
Acquisition of tangible capital assets	(7,441,825)	(6,521,313)	(4,947,815)
Proceeds on disposal of tangible capital assets	193,596	1,441,515	2,788,761
Amortization of tangible capital assets	4,684,267	4,818,615	4,615,232
Net Gain on disposal of tangible capital assets	-	(700,976)	(1,575,179)
	(2,563,962)	(962,159)	880,999
Net change in inventory for consumption	-	(1,255,359)	(594,192)
Acquisition of prepaid expenses	-	(428,289)	(236,861)
Use of prepaid expenses	-	236,861	262,666
	-	(1,446,787)	(568,387)
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	967,474	3,876,474	1,401,507
NET FINANCIAL ASSETS, BEGINNING OF YEAR	34,117,709	34,117,709	32,716,202
NET FINANCIAL ASSETS, END OF YEAR	<u>\$ 35,085,183</u>	<u>\$ 37,994,183</u>	<u>\$ 34,117,709</u>



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STATEMENT OF CASH FLOWS YEAR ENDED DECEMBER 31, 2022

	2022	2021
NET INFLOW (OUTFLOWS) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Annual surplus	\$ 6,285,420	\$ 1,088,895
Non-cash items included in annual surplus:		
Amortization of tangible capital assets	4,818,615	4,615,232
Net Gain on disposal of tangible capital assets	(700,976)	(1,575,179)
Tangible capital assets received as contributions	-	-
Non-cash charges to operations (net change):		
Decrease in taxes and grants in lieu receivable	150,292	2,561,554
Increase in trade and other receivables	6,945,058	(6,947,935)
Decrease in inventory held for resale	(28,138)	(6,950)
Decrease (increase) in loans receivable	(12,305)	(93,048)
Decrease (increase) in other financial assets	(1,942)	162,836
Increase in inventory for consumption	(1,255,359)	(594,192)
Decrease (increase) in prepaid expenses	(191,428)	25,805
Increase (decrease) in accounts payable	(556,731)	1,001,389
Increase (decrease) in deferred revenue	(2,610,045)	1,957,437
Increase (decrease) in employee benefit obligations	12,548	(42,143)
Decrease in obligations under capital lease	-	(1,212)
Increase (decrease) in other liabilities	(133,476)	174,253
Cash provided by operating transactions	12,721,533	2,326,742
CAPITAL		
Acquisition of tangible capital assets	(6,521,313)	(4,947,815)
Proceeds on disposal of tangible capital assets	1,441,515	2,788,761
Cash applied to capital transactions	(5,079,798)	(2,159,054)
INVESTING		
Increase in portfolio investments	(7,717,843)	(121,294)
Cash applied to investing transactions	(7,717,843)	(121,294)
FINANCING		
Long term debt repaid	(130,676)	(127,472)
Cash applied to financing transactions	(130,676)	(127,472)
CHANGE IN CASH AND EQUIVALENTS DURING THE YEAR	(206,784)	(81,078)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	2,138,809	2,219,887
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 1,932,025	\$ 2,138,809

VULCAN COUNTY

SCHEDULE OF CHANGE IN ACCUMULATED SURPLUS YEAR ENDED DECEMBER 31, 2022

	SCHEDULE 1			
	Unrestricted Surplus	Restricted Surplus (note 17)	Equity in Tangible Capital Assets (note 14)	2021
			2022	
BALANCE, BEGINNING OF YEAR	\$ 952,521	41,249,916	107,104,734	\$ 148,218,276
Annual surplus	\$ 6,285,420	-	\$ 6,285,420	\$ 1,088,895
Unrestricted funds designated for future use	(8,617,982)	8,617,982	-	-
Restricted funds used for operations	2,803,693	(2,803,693)	-	-
Restricted funds used for tangible capital assets	-	(427,921)	427,921	-
Current year funds used for tangible capital assets	(6,093,392)	-	6,093,392	-
Contributed tangible capital assets	-	-	-	-
Disposal of tangible capital assets	740,539	-	(740,539)	-
Annual amortization expense	4,818,615	-	(4,818,615)	-
Change in accumulated surplus	\$ (63,107)	5,386,368	962,159	\$ 1,088,895
BALANCE, END OF YEAR	\$ 889,414	46,636,284	108,066,893	\$ 149,307,171



VULCAN COUNTY

SCHEDULE OF TANGIBLE CAPITAL ASSETS YEAR ENDED DECEMBER 31, 2022

SCHEDULE 2

COST:

	Land	Land Improvements	Buildings	Equipment	Vehicles	Engineered Structures	2022	2021
BALANCE, BEGINNING OF YEAR AS REPORTED	\$ 5,744,547	1,750,844	11,616,103	19,242,447	6,796,267	164,646,190	\$209,796,398	\$207,544,329
Acquisition of tangible capital assets	-	-	-	1,448,345	572,129	2,417,838	4,438,312	4,071,063
New construction-in-progress	-	-	-	-	-	2,083,001	2,083,001	876,752
Disposition of tangible capital assets	(11,460)	-	-	-	-	(1,097,311)	(1,108,771)	(2,695,746)
BALANCE, END OF YEAR	5,733,087	1,750,844	11,616,103	20,690,792	7,368,396	168,049,718	215,208,940	209,796,398

ACCUMULATED AMORTIZATION:

BALANCE, BEGINNING OF YEAR AS REPORTED	\$ -	380,199	4,289,670	12,619,188	4,396,395	81,006,212	\$102,691,664	\$ 99,558,596
Annual amortization	-	56,338	281,623	1,697,035	462,590	2,321,029	4,818,615	4,615,232
Accumulated amortization on disposal	-	-	-	-	-	(368,232)	(368,232)	(1,482,164)
BALANCE, END OF YEAR	-	436,537	4,571,293	14,316,223	4,858,985	82,959,009	107,142,047	102,691,664

NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS

	\$ 5,733,087	1,314,307	7,044,810	6,374,569	2,509,411	85,090,709	\$108,066,893	\$107,104,734
2021 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	\$ 5,744,547	1,370,645	7,326,433	6,623,259	2,399,872	83,639,978	\$107,104,734	

VULCAN COUNTY

SCHEDULE OF PROPERTY AND OTHER TAXES YEAR ENDED DECEMBER 31, 2022

SCHEDULE 3

	Budget (note 16)	2022	2021
TAXATION			
Real property taxes	\$ 8,832,016	\$ 8,546,195	\$ 8,151,917
Linear taxes	7,393,591	7,254,431	7,410,631
Commercial taxes	1,198,645	1,696,472	1,415,208
Government grants in lieu of taxes	21,310	18,594	21,310
Special levy	1,350,047	1,347,277	1,276,318
Well drilling tax	156	372	187
	<u>18,795,765</u>	<u>18,863,341</u>	<u>18,275,571</u>
REQUISITIONS			
School requisitions	3,283,609	3,054,596	3,404,742
Seniors foundation requisition	500,406	500,406	502,326
RCMP policing requisition	247,331	184,823	123,134
Provincial DIP assessment requisition	54,046	44,289	55,574
	<u>4,085,392</u>	<u>3,784,114</u>	<u>4,085,776</u>
NET MUNICIPAL TAXES	<u>\$ 14,710,373</u>	<u>\$ 15,079,227</u>	<u>\$ 14,189,795</u>



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SCHEDULE OF GOVERNMENT TRANSFERS YEAR ENDED DECEMBER 31, 2022

SCHEDULE 4

	Budget (note 16)	2022	2021
TRANSFERS FOR OPERATING			
Local government transfers	\$ 172,551	\$ 167,446	\$ 68,716
Provincial government transfers	508,791	302,495	456,093
Federal government transfers	238,547	933,118	10,726
	919,889	1,403,059	535,535
TRANSFERS FOR CAPITAL			
Provincial government transfers	4,667,397	4,294,087	2,672,336
TOTAL GOVERNMENT TRANSFERS	<u>\$ 5,587,286</u>	<u>\$ 5,697,146</u>	<u>\$ 3,207,871</u>

VULCAN COUNTY

SCHEDULE OF EXPENSES BY OBJECT YEAR ENDED DECEMBER 31, 2022

SCHEDULE 5

	Budget (note 16)	2022	2021
EXPENSES BY OBJECT			
Salaries, wages and benefits	\$ 7,216,498	\$ 6,937,554	\$ 6,470,017
Contracted and general services	2,872,473	2,543,119	2,602,679
Materials, goods and utilities	4,516,260	2,820,479	2,606,600
Provision for allowances	12,670	602,629	3,202,579
Transfers to local boards and agencies	1,881,623	1,893,026	2,020,901
Interest and bank charges	54,468	48,635	48,758
Amortization of tangible capital assets	4,684,267	4,818,615	4,615,232
Machine expenses capitalized for construction	(1,709,808)	(1,639,395)	(1,351,472)
Loss on disposal of tangible capital assets	-	729,078	852,803
Other expenses	27,492	79,622	702,277
	<u>\$ 19,555,943</u>	<u>\$ 18,833,362</u>	<u>\$ 21,770,374</u>



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SCHEDULE OF SEGMENTED DISCLOSURE YEAR ENDED DECEMBER 31, 2022

SCHEDULE 6

REVENUE

	General Government	Protective Services	Transportation Services	Agricultural Services	Planning and Development Services	Community Services	Utility Services	2022 Total
Net municipal taxes	\$ 12,885,862	849,512	-	-	-	481,227	862,626	\$ 15,079,227
Government transfers (operating)	11,168	147,835	933,118	123,907	-	187,031	-	1,403,059
Return on investment	1,022,438	-	-	-	-	-	-	1,022,438
Sale of goods, services and user charges	28,529	111,925	354,173	268,133	123,738	-	2,187	888,685
Rental income	7,100	305,641	-	6,388	-	-	-	319,129
Community aggregate levy	-	-	212,993	-	-	-	-	212,993
Penalties and other costs of taxes	228,725	-	-	-	-	-	-	228,725
Gain on disposal of tangible capital assets	1,341,933	88,121	-	-	-	-	-	1,430,054
Other revenues	2,003	18,280	220,102	-	-	-	-	240,385
	15,527,758	1,521,314	1,720,386	398,428	123,738	668,258	864,813	20,824,695

EXPENSES

Salaries, wages and benefits	1,409,151	553,742	4,252,071	327,272	370,623	7,274	17,421	6,937,554
Contracted and general services	603,599	451,707	1,033,536	44,083	172,384	168,810	69,000	2,543,119
Material, goods and utilities	212,449	226,662	2,210,636	149,573	1,716	5,111	14,332	2,820,479
Provision for allowances	602,629	-	-	-	-	-	-	602,629
Transfers to local boards and agencies	75,114	207,972	8,000	11,872	-	698,192	891,876	1,893,026
Interest and bank charges	15,863	-	-	-	-	32,772	-	48,635
Amortization of tangible capital assets	111,922	605,491	3,954,990	116,918	-	-	29,294	4,818,615
Machine expenses capitalized for construction	-	-	(1,639,395)	-	-	-	-	(1,639,395)
Loss on disposal of tangible capital assets	-	-	729,078	-	-	-	-	729,078
Other expenses	79,622	-	-	-	-	-	-	79,622
	3,110,349	2,045,574	10,548,916	649,718	544,723	912,159	1,021,923	18,833,362

OPERATING SURPLUS - BEFORE OTHER

	12,417,409	(524,260)	(8,828,530)	(251,290)	(420,985)	(243,901)	(157,110)	1,991,333
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OTHER

Contributed tangible capital assets	-	-	-	-	-	-	-	-
Government transfers (capital)	1,830,354	571,320	1,892,413	-	-	-	-	4,294,087

ANNUAL SURPLUS

	\$ 14,247,763	47,060	(6,936,117)	(251,290)	(420,985)	(243,901)	(157,110)	\$ 6,285,420
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VULCAN COUNTY

SCHEDULE OF SEGMENTED DISCLOSURE YEAR ENDED DECEMBER 31, 2021

SCHEDULE 7

	General Government	Protective Services	Transportation Services	Agricultural Services	Planning and Development Services	Community Services	Utility Services	2021 Total
REVENUE								
Net municipal taxes	\$ 12,146,284	773,205	-	-	-	486,576	783,730	\$ 14,189,795
Government transfers (operating)	16,579	45,000	10,726	123,907	146,982	192,341	-	535,535
Return on investment	351,328	-	2,537	-	-	-	-	353,865
Sale of goods, services and user charges	125,080	293,738	724,590	371,081	21,876	21,668	4,837	1,562,870
Rental income	7,100	325,354	95	5,824	-	-	-	338,373
Community aggregate levy	-	-	241,318	-	-	-	-	241,318
Penalties and other costs of taxes	502,498	-	-	-	-	-	-	502,498
Gain on disposal of tangible capital assets	-	5,100	2,397,382	25,500	-	-	-	2,427,982
Other revenues	-	34,697	-	-	-	-	-	34,697
	13,148,869	1,477,094	3,376,648	526,312	168,858	700,585	788,567	20,186,933

EXPENSES

Salaries, wages and benefits	1,114,494	566,876	4,007,062	329,200	333,670	98,832	19,883	6,470,017
Contracted and general services	565,792	407,809	940,757	81,117	309,404	205,849	91,951	2,602,679
Material, goods and utilities	273,023	191,099	1,966,944	168,806	-	1,142	5,586	2,606,600
Provision for allowances	3,202,579	-	-	-	-	-	-	3,202,579
Transfers to local boards and agencies	70,782	156,310	8,000	22,359	-	958,164	805,286	2,020,901
Interest and bank charges	13,669	-	-	-	-	35,089	-	48,758
Amortization of tangible capital assets	96,482	574,611	3,793,910	120,935	-	-	29,294	4,615,232
Machine expenses capitalized for construction	-	-	(1,351,472)	-	-	-	-	(1,351,472)
Loss on disposal of tangible capital assets	-	22,195	830,608	-	-	-	-	852,803
Other expenses	531,347	-	170,930	-	-	-	-	702,277
	5,868,168	1,918,900	10,366,739	722,417	643,074	1,299,076	952,000	21,770,374

OPERATING SURPLUS - BEFORE OTHER

	7,280,701	(441,806)	(6,990,091)	(196,105)	(474,216)	(598,491)	(163,433)	(1,583,441)
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OTHER

Contributed tangible capital assets	-	-	-	-	-	-	-	-
Government transfers (capital)	-	110,000	2,262,336	-	-	300,000	-	2,672,336

ANNUAL SURPLUS

	\$ 7,280,701	(331,806)	(4,727,755)	(196,105)	(474,216)	(298,491)	(163,433)	\$ 1,088,895
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VULCAN COUNTY

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Vulcan County (the "County") have been prepared in accordance with the Chartered Professional Accounting (CPA) Canadian Public Sector Accounting Standards (PSAS). The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

a) Reporting Entity

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

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

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

b) Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or 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) 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 measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

d) Cash and cash equivalents

Cash and cash equivalents include cash and investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value. These short-term investments generally have a maturity of three months or less at acquisition, or are redeemable, and are held for the purpose of meeting short-term cash commitments rather than for investing.

e) Investments

Investments are recorded at amortized cost. Investment premiums and discounts are amortized on the net present value basis over the term of the respective investment. When there has been a loss in value that is other than a temporary decline, the respective investment is written down to recognize the loss.

VULCAN COUNTY

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Land Held for Resale

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

g) Taxes and Grants-in-lieu Receivables

Current taxes and grants-in-lieu receivables consist of current tax levies which remain outstanding at December 31. Tax arrears and grants-in-lieu receivables consist of taxes that remain outstanding after December 31 of the year in which they were imposed.

h) Loans and Notes Receivables

Loan and notes receivables consist of loans provided to various non-profit organizations for the purpose of benefiting the County. Loan and notes receivables are recorded at the lower of cost and net recoverable value. Valuation allowances are determined using best estimates available and changes to these allowances are recognized as an expense in the period in which events give rise for the allowance to occur. Interest revenues are recognized when earned.

i) Requisition Over-levy and Under-levy

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

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

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

j) Tax Revenues

Taxes are recorded at estimated amounts when they meet the definition of an asset, have been authorized and the taxable event occurs. For property taxes, the taxable event is the period for which the tax is levied. As taxes recorded are initially based on management's best estimate of the taxes that will be received, it is possible that changes in future conditions, such as reassessments due to audits, appeals and court decisions, could result in a change in the amount of tax revenue recognized. Taxes receivable are recognized net of an allowance for anticipated uncollectable amounts.

k) Government Transfers

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



VULCAN COUNTY

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 (deficiency) of revenue over expenses, provides the 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 attributed 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 - 45
Buildings	25 - 50
Engineered structures	
Bridges	40 - 120
Communication towers	38
Roads	5 - 75
Machinery and equipment	3 - 25
Vehicles	5 - 20

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

Interest on debt used to purchase tangible capital assets is not capitalized.

ii. Contributions of Tangible Capital Assets

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

iii. Leases

Leases are classified as capital or operating leases. A lease that transfers substantially all of the benefits and risks incidental to the ownership of property are accounted for as capital leases. At the inception of a capital lease, an asset and an obligation are recorded at an amount equal to the lesser of the present value of the minimum lease payments and the property's fair value at the beginning of the lease. Assets recorded under capital lease are amortized. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

iv. Inventories

Inventories held for consumption are recorded at the lower of cost and replacement cost, with cost determined by the average cost method, except for fuel which is determined by the first-in, first-out method.

m) Restricted Surplus Funds for Future Expenditures

Restricted surplus funds are established at the discretion of Council and by the Municipal Government Act to set aside funds for future operations and capital expenditures.

n) Contaminated Sites Liability

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

VULCAN COUNTY

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

o) Measurement Uncertainty

The preparation of the financial statements in conformity with Canadian Public Sector Accounting Standards, requires management to make estimates and assumptions that affect the reporting amounts of assets and liabilities, and disclosure of contingent assets and liabilities, as at the date of the financial statements and the reported amounts of the revenues and expenses during the period. Items requiring the use of significant estimates include estimated employee benefit obligations, useful life of capital assets, rates of amortization and the allocation of costs for internally constructed assets.

Estimates are based on the best information available at the time of preparation of the financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these financial statements. Actual results could differ from these estimates.

The County maintains a number of gravel pits to service its needs relating to road construction and maintenance. The County is responsible for reclaiming the sites where these pits are located. There is uncertainty with respect to the measurement, where there may be a significant variance between the amount recognized in the financial statements and the actual future reclamation costs.

The County has internally constructed assets, a portion of the costs of which is from the use of the County's employees, machinery and equipment. A formula is used to allocate these costs to the constructed assets. The inputs into the formula are based on expected costs of construction, and are regularly assessed for accuracy. The actual costs of construction may differ from the allocated amounts.

p) Future Accounting Changes

The Public Sector Accounting Board has issued the following accounting standards:

PS 1201 Financial Statement Presentation (effective January 1, 2023)

The implementation of this standard requires a new statement of remeasurement gains and losses separate from the statement of operations. This new statement will include the unrealized gains and losses arising from the remeasurement of financial instruments and items denominated in a foreign currency.

PS 3280 Asset Retirement Obligations (effective January 1, 2023)

This standard provides guidance on how to account for and report liabilities for retirement of tangible capital assets. The County plans to adopt this standard on a modified retroactive basis, consistent with the transitional provisions in PS 3280, and information presented for comparative purposes will be restated.

PS 3450 Financial Instruments (effective January 1, 2023)

This standard provides guidance on how to account for all types of financial instruments and specifically addresses how to account for and report financial instruments. The standard requires fair value measurements of derivative instruments and equity instruments; all other financial instruments can be measured at either cost or fair value depending on the elections made by Vulcan County. Unrealized gains and losses will be presented on the new statement of remeasurement gains and losses arising from the adoption of PS 1201 (Financial Statement Presentation). As the County does not invest in derivatives or equity instruments based on its investment policy, it is anticipated that the adoption of this standard will have a minimal impact on the County.

PS 3400 Revenue (effective January 1, 2024)

This standard provides guidance on how to account for and report on revenue, and specifically, it addresses revenue arising from exchange transactions and non-exchange transactions.

Management is currently assessing the impact of these standards on the financial statements.



VULCAN COUNTY

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

2. CASH AND CASH EQUIVALENTS

	2022	2021
Cash and cash equivalents	\$ 1,932,025	\$ 2,138,809
	<u>\$ 1,932,025</u>	<u>\$ 2,138,809</u>

Cash and cash equivalents includes accounts for the Vulcan County Public Reserves Trust of \$236,641 (2021 - \$163,527) and for the Vulcan County Tax Sale Trust of \$158,977 (2021 - \$155,465).

The County has an available revolving line of credit facility up to \$300,000 with interest payable at prime minus 0.25%, and a credit card limit of \$49,000, with interest payable at 5.0%. As at December 31, 2022 the balance owing on these facilities is \$nil (2021 - \$nil).

3. TAX AND GRANTS IN LIEU RECEIVABLES

	2022	2021
Current taxes and grants in lieu of taxes	\$ 571,143	\$ 772,273
Arrears	272,181	818,755
Allowance for doubtful accounts	(79,945)	(677,357)
	<u>\$ 763,379</u>	<u>\$ 913,671</u>

During 2021 and 2022, Vulcan County had some larger oil and gas organization that went insolvent during the year, which were previously in good standings on their respective property tax payment plan agreements for balances owing on current taxes and arrears. These property taxes were no longer considered to be recoverable and therefore have either been written off or have been setup as an allowance for doubtful accounts. The write-off and allowance of these accounts have been recorded within the general government - provision for allowances.

4. TRADE AND OTHER RECEIVABLES

	2022	2021
Trade receivables	\$ 438,777	\$ 539,557
Requisition under-levies	58,232	58,232
Interest receivable	30,745	1,855
GST receivable	50,606	8,739
Government of Alberta receivable	-	4,736,914
Other receivables	40,790	2,293,772
Allowance for doubtful accounts	-	(74,861)
	<u>\$ 619,150</u>	<u>\$ 7,564,208</u>

As at December 31, 2021, the Government of Alberta receivable of \$4.74 million relates to the Municipal Sustainability Initiative (MSI) Capital Allocations of \$2.13 million from the 2020 allocation and \$2.61 million from the 2021 allocation; whereas, these allocations are receivable as the County has submitted eligible capital projects that were sufficient for the release of the MSI Capital Funding. The 2022 MSI Capital Funding and previous allocations were received in 2022.

As at December 31, 2021, the other receivables includes a \$2.22 million receivable on a land sale that finalized in late 2021 and received in 2022.

VULCAN COUNTY

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

5. PORTFOLIO INVESTMENTS

	2022	2021
Deposits and short-term securities	\$ 24,668,082	\$ 31,200,486
High interest savings	12,193,982	-
	<u>\$ 36,862,064</u>	<u>\$ 31,200,486</u>

Portfolio investments are short-term deposits with original maturities of one year or less, or are redeemable, with interest rates ranging from 2.20% to 5.10% (2021 - 1.00% to 1.10%). Included in portfolio investments is a restricted amount of \$1,603,791 (2021 - \$4,276,612) held exclusively for eligible projects and \$nil (2021 - \$nil) held for the obligation to the Vulcan County Health and Wellness Foundation for the Vulcan Hospital Expansion Project.

6. LONG TERM INVESTMENTS

	2022	2021
Guaranteed Investment Certificates	\$ 2,056,265	\$ -

Guaranteed Investment Certificates are long-term deposits with an interest rate at 1.85% with maturity dates in 2024.

7. LOANS AND NOTES RECEIVABLES

	2022	2021
Carmangay Curling Association	\$ 104,300	\$ 70,500
Mossleigh Water Co-op	17,541	24,094
Vulcan & District Waste Commission	97,659	112,601
	<u>\$ 219,500</u>	<u>\$ 207,195</u>

Loan receivables from Carmangay Curling Association are from two loans which are interest free (contributed by Vulcan County). The initial loan was issued in 2017, repayable over 10 years maturing in 2026, and has an annual payment of \$13,000. During 2022, the County provided an additional loan of \$52,000 to Carmangay Curling Association repayable over 10 years maturing in 2031 and has an annual payment of \$5,200.

Loan receivable from Mossleigh Water Co-op is interest free and has a semi-annual payment of \$3,277. Loan is repayable over 20 years, maturing in 2028.

Loan receivable from Vulcan & District Waste Commission has an interest rate of 2.45% and has an annual payment of \$17,700. Loan is repayable over 8 years, maturing in 2028.



VULCAN COUNTY

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

8. DEFERRED REVENUE

	2021	Externally Restricted Inflows	Revenues Earned	2022
Alberta Municipal Sustainability Initiative - Capital	\$ 3,993,621	\$ 1,118,228	\$ (3,696,544)	\$ 1,415,305
Alberta Municipal Sustainability Initiative - Operating	25,996	177,958	(177,958)	25,996
Inter-Municipal Development Plans - RCP	65,953		(65,953)	-
Canada Community-Building Fund	-	933,118	(933,118)	-
Surface Rights	73,853	78,301	(73,853)	78,301
Development Public Funds	173,865	62,776	-	236,641
Other	117,189	55,258	(88,258)	84,189
Total, invested in short term investments	\$ 4,450,477	\$ 2,425,639	\$ (5,035,684)	\$ 1,840,432

Alberta Municipal Sustainability Initiative - Capital

The Province provides conditional grant funding through this program to assist with various capital expenditures in the County. The use of these funds is restricted to eligible expenditures as approved under the funding agreement.

Alberta Municipal Sustainability Initiative - Operating

The Province provides conditional grant funding through this program to assist with various operating expenditures in the County. The use of these funds is restricted to eligible expenditures as approved under the funding agreement.

Inter-Municipal Development Plan - RCP

This Regional Collaboration Program (RCP) grant is for the development of inter-municipal development plans with municipalities that share a border. The use of these funds is restricted to eligible expenditures as approved under the funding agreement.

Canada Community-Building Fund

This Canada Community-Building Fund (CCBF), which is previously known as the Federal Gas Tax Fund, is a conditional grant funding through this program to assist with various capital expenditures in the County. The use of these funds is restricted to eligible expenditures as approved under the funding agreement.

Surface Rights

These monies represent amounts paid to the County by resource companies in exchange for surface rights in future periods.

Development Public Funds

These monies represent amounts set aside in the Vulcan County Public Reserves Trust account and funding contributions received for restricted purposes not spent. Municipal reserve funds may be used only for the purposes specified in the Municipal Government Act, section 671(4). Accordingly, these amounts are not available for current operations.

VULCAN COUNTY

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

9. EMPLOYEE BENEFIT OBLIGATIONS

	2022	2021
Accrued vacation payable	\$ 278,408	\$ 265,860
	<u>\$ 278,408</u>	<u>\$ 265,860</u>

The accrued vacation payable is comprised of the vacation that employees are deferring to future years. Employees have either earned the benefits or are entitled to these benefits within the next budgetary year.

10. LONG TERM DEBT

	2022	2021
Tax supported debentures	\$ 1,252,044	\$ 1,382,720
	<u>\$ 1,252,044</u>	<u>\$ 1,382,720</u>

The current portion of long term debt amounts to \$133,960 (2021 - \$130,676).

Principal and interest repayments are as follows:

	Principal	Interest	Total
2023	\$ 133,960	\$ 30,445	\$ 164,405
2024	137,327	27,077	164,404
2025	140,779	23,626	164,405
2026	144,318	20,087	164,405
2027	147,946	16,459	164,405
Thereafter	547,714	27,703	575,417
	<u>\$ 1,252,044</u>	<u>\$ 145,397</u>	<u>\$ 1,397,441</u>

Debenture debt is repayable to the Alberta Capital Finance Authority and bears interest at 2.498% per annum and matures on March 15, 2031. Debenture debt is issued on the credit and security of the County at large.

The Municipality has established an authorized overdraft for the purposes of financing operating expenditures with a limit of \$300,000. Interest is payable monthly at the prime rate minus 0.25%. The overdraft is secured by a general security agreement. The overdraft was undrawn as at December 31, 2022 (2021 - \$nil).

Interest on long term debt amounted to \$32,772 (2021 - \$35,089)

The Municipality's total cash payment for interest in 2022 was \$33,729 (2021 - \$36,933)

As at December 31, 2022, the County has not issued or provided any loan guarantees (2021 - \$nil) within the County nor provided to guarantee any other organizations.



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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

11. DEBT LIMITS

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

	2022	2021
Total debt limit	\$ 31,237,043	\$ 30,280,400
Total debt	1,252,044	1,382,720
Amount of debt limit unused	\$ 29,984,999	\$ 28,897,680
Debt servicing limit	\$ 5,206,174	\$ 5,046,733
Debt servicing	164,405	165,617
Amount of debt servicing limit unused	\$ 5,041,769	\$ 4,881,116

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

12. TANGIBLE CAPITAL ASSETS

	2022	2021
Tangible capital assets (schedule 2)	\$215,208,940	\$209,796,398
Accumulated amortization (schedule 2)	(107,142,047)	(102,691,664)
	\$108,066,893	\$107,104,734

Contributed tangible capital assets are recognized at fair value at the date of contribution. In 2022, the County received no contributions toward the purchase of a tangible capital asset (2021 - \$nil).

Capital lease assets are initially recognized at the lesser of the present value of the minimum lease payments and the property's fair value at the beginning of the lease. In 2016, the County entered into a capital lease arrangement for a vehicle where a leased tangible capital asset of \$62,764 was recognized. As at December 31, 2022, the leased tangible capital asset had \$43,401 of total accumulated amortization.

13. INVENTORIES FOR CONSUMPTION

	2022	2021
Inventory for consumption - gravel	\$ 8,562,044	\$ 7,212,505
Inventory for consumption - parts	541,182	635,362
	\$ 9,103,226	\$ 7,847,867

Gravel inventory includes purchased deposits not yet crushed, with a cost of \$4,046,215 (2021 - \$4,351,891).

VULCAN COUNTY

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

14. EQUITY IN TANGIBLE CAPITAL ASSETS

	2022	2021
Tangible capital assets (schedule 2, note 12)	\$215,208,940	\$209,796,398
Accumulated amortization (schedule 2, note 12)	(107,142,047)	(102,691,664)
	<u>\$108,066,893</u>	<u>\$107,104,734</u>

15. ACCUMULATED SURPLUS

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

	2022	2021
Unrestricted surplus	\$ 889,414	\$ 952,521
Restricted surplus (note 17)	46,636,284	41,249,916
Equity in tangible capital assets (note 14)	108,066,893	107,104,734
	<u>\$155,592,591</u>	<u>\$149,307,171</u>

16. BUDGET FIGURES

Budgeted information was prepared under the modified accrual method. This note provides a reconciliation between the approved budget figures and the budget figures disclosed in the financial statements.

	2022	2021
ANNUAL SURPLUS	\$ 3,531,436	\$ 136,376
ADD: Proceeds from sale of capital assets	193,596	410,500
ADD: Transfer from restricted surplus to operations	3,286,974	4,594,222
ADD: Amortization of tangible capital assets	4,684,267	4,684,267
LESS: Transfers to restricted surplus	(4,254,448)	(3,834,452)
LESS: Capital expenditures	(7,441,825)	(5,990,913)
Budget approved by Council	<u>\$ -</u>	<u>\$ -</u>



VULCAN COUNTY

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

17. RESTRICTED SURPLUS

	2022	2021
Capital Restricted Surplus		
General Government	\$ 66,580	\$ 66,580
Protective Equipment	7,919,875	7,565,964
Transportation Equipment	1,356,500	1,335,283
Road Construction	2,196,971	1,499,580
Bridge Construction	5,028,410	4,091,756
Gravel Crushing	215,355	148,249
Mossleigh Water Treatment Plant - Recovery	(438,255)	(454,793)
Environment Development Equipment	98,006	59,953
Air Transport	20,000	20,000
Capital Acquisition	12,596,801	9,230,371
Capital Contingency	970,682	970,682
	<u>30,030,925</u>	<u>24,533,625</u>
Operating Restricted Surplus		
Assessment Appeal	5,506	5,506
Community Enhancement	14,841	14,841
General Government Service	319,195	359,606
Protective Services	1,419,840	1,254,179
Transportation Contingency	1,773,349	1,674,544
Road Construction	738,011	903,366
Road Maintenance	777,244	645,378
Gravel Crushing	4,157,695	5,428,206
Uncrushed Gravel Inventory	4,046,215	4,351,891
Bridges	51,107	19,912
Water Management	36,670	38,829
Environment Treatment	45	45
Vulcan Hospital Project - Debenture Recovery	(1,258,374)	(1,382,720)
Planning and development	94,921	42,459
Agriculture Services	504,163	389,638
Recreation and Culture	743,402	752,515
Operating Contingency	3,181,529	2,218,096
	<u>16,605,359</u>	<u>16,716,291</u>
Total Restricted Surplus	<u>\$ 46,636,284</u>	<u>\$ 41,249,916</u>

In 2016, the County received a debenture for \$2,046,224 to fund the Vulcan Hospital Project. In 2019, County had contributed a total of \$2,046,224 of these funds towards this project, resulting in no amount remaining to be contributed based on the matching funds raised by the Vulcan County Health and Wellness Foundation. The debenture recovery for the Vulcan Hospital Project is a deficit from these contributions that is to be recovered by general tax levies at the same rate as the debenture principal repayments.

The upgrades to the Mossleigh Water Treatment Plant were a total of \$643,009 as at December 31, 2022. Council applied \$100,000 towards these upgrades, leaving \$543,009 in costs which will be recovered through an annual special water tax levy over a 20 year period. To date, there has been \$104,754 recovered by special water tax levies. The funds held in the Capital Acquisition Reserve were used to fund these upgrades and will be recovered by the special water tax levies.

VULCAN COUNTY

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

18. SEGMENTED INFORMATION

Vulcan County provides numerous services to its citizens, including protective, transportation, agricultural, planning and development, community and utility services. For management reporting and tracking purposes, these services are separated into departments. Certain departments that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

General Government

General Government includes legislative and administrative matters, including Council expenditures and administration costs required to operate Vulcan County. Activities within General Government include: general municipal expenditures, Council expenditures, financial statement preparation and reporting, accounts receivable and payable, payroll, information technology, geographical information systems (GIS), and property assessment and taxation.

Protective Services

Protective Services is comprised of emergency management, health and safety, bylaw enforcement and fire services. This department prepares and coordinates the Municipal Emergency Plan and related plans and programs. The Protective Services department administers the fire districts within Vulcan County, ensuring compliance as per the Quality Management Plan. Other services with respect to fire include public education and fire prevention. Bylaw enforcement is provided by Vulcan County's Community Peace Officer. This also includes the building rentals to AHS and the RCMP and the related costs to operate these facilities.

Transportation Services

The Transportation Department is responsible for the delivery of municipal public works services relating to the maintenance and construction of roadways and bridges. This department ensures appropriate agreements are in place (i.e. access agreements, pipeline crossings, road and rural addressing signage, etc.) to minimize liability concerns.

Agricultural Services

Agricultural Services provides advice and expertise with respect to weed and pest control, as well as soil and water conservation, campground maintenance and rental of specialized equipment. Working in conjunction with Alberta Agriculture, this department also provides field trials (insect counts, disease investigations, etc.).

Planning and Development Services

Planning and Development Services facilitates development in accordance with the Land Use Bylaw as approved by Vulcan Council. This department ensures compliance of existing development applications with the Land Use Bylaw, offers recommendations to Council for amendments and assists developers with requirements of area structure plans.

Community Services

Vulcan County contributes to many community service organizations, such as: the local Family Community Support Services, daycare and public health, tourism and economic development, recreation boards, cultural programs and library boards.

Utility Services

Vulcan County is a member of the Twin Valley Regional Water Commission and Vulcan District Waste Commission. Operations for the Mossleigh Water Treatment Plant are contracted to Rocky View Utility Corp.

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. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information.



VULCAN COUNTY

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

19. 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:

	2022			2021
	Salary / Per Diems	Benefits & Allowances	Total	Total
Councillors				
Division 1 - Gateman (October to December 2021)	\$ 16,725	\$ 4,507	\$ 21,232	\$ 5,802
Division 1 - Donovan (January to October 2021)	-	-	-	13,650
Division 2 - Cockwill	18,981	5,407	24,388	28,124
Division 3 - Schneider	30,090	4,807	34,897	40,217
Division 4 - Lyckman	32,658	4,507	37,165	36,931
Division 5 - Nelson (October to December 2021)	27,300	4,507	31,807	7,085
Division 5 - Monner (January to October 2021)	-	-	-	16,831
Division 6 - Northcott (October to December 2021)	20,955	2,086	23,041	6,605
Division 6 - Smith (January to October 2021)	-	-	-	20,468
Division 7 - Logan	23,634	4,507	28,141	32,218
Chief Administrative Officer - Petersen	\$ 173,760	\$ 31,087	\$ 204,847	\$ 215,013
Designated Officer(s)	131,272	28,868	160,140	156,611

Salary includes regular base pay, bonuses, overtime, lump sum payments, gross honoraria, and any other direct cash remuneration.

Benefits/allowances figures for Councillors include mileage for travel from their place of residence to the respective regular meetings and the employer's share of Canada Pension Plan and Health Care benefits.

Employer's share of all employee benefits and contributions or payments made on behalf of employees includes retirement pension, Canada Pension Plan, unemployment insurance, health care, group life insurance, accidental disability and dismemberment insurance, long term disability, professional memberships, workers compensation and tuition.

20. LOCAL AUTHORITIES PENSION PLAN

Employees of the County participate in the Local Authorities Pension Plan (LAPP), which is one of the plans covered by the Alberta Public Sector Pension Plans Act. The LAPP serves about 281,764 people and 435 employers. The LAPP is financed by employer and employee contributions and by investment earnings of the LAPP Fund.

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

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 12.80% 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 11.80% on pensionable salary above this amount.

Total current service contributions by the County to the LAPP in 2022 were \$450,041 (2021 - \$459,202). Total current service contributions by the employees of the County to the Local Authorities Pension Plan in 2022 were \$405,268 (2021 - \$426,177).

At December 31, 2021, the LAPP disclosed an actuarial surplus of \$11.922 billion dollars.

VULCAN COUNTY

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

21. CONTAMINATED SITES LIABILITY

The County has adopted PS3260 Liability for Contaminated Sites. The County did not identify any financial liabilities in 2022 (2021 - \$nil) as a result of this standard.

22. CONTINGENCIES

The County is a member of the Alberta Municipal Authorities Reciprocal Insurance Exchange. 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 the exchange. Any liability incurred would be accounted for as a current transaction in the year the losses are determined.

23. COMMITMENTS AND CONTRACTUAL OBLIGATIONS

The County is responsible for environmental reclamation costs of gravel pit sites. During the year, it was estimated that there was 259,740 cubic meters of exposed gravel pits for reclamation at an approximate cost of reclamation of \$2.42 per cubic meter. The estimated liability is based on the sum of discounted future cash flows for restoring the gravel pit; discounted at the County's borrowing rate of 6.20% and assuming annual inflation of 3.34%. The gravel pits have an estimated useful life ranging from 7 to 64 years depending on the quantity of gravel remaining in each pit. The gravel reclamation liability of \$270,007 is accrued under the other liabilities in the Statement of Financial Position. The reclamation is ongoing and the uncertainty inherent in the provision will thus be partially resolved each year. There are sufficiently funded gravel reserves to cover the costs of the reclamation.

The County also has the following other commitments and contractual obligations:

	2022	2021
Equipment and Vehicles	\$ 2,142,556	\$ 64,279
Service Providers	472,850	1,877,867
	<u>\$ 2,615,406</u>	<u>\$ 1,942,146</u>

Equipment and Vehicles: The County has committed for purchase orders of capital expenditures of \$2.14 million (2021 - \$64,279) that has been ordered but not received before December 31, 2022.

Service Providers: As of December 31, 2022, the County has \$472,850 (2021 - \$1.88 million) in commitments relating to service contracts, including assessment services, janitorial services, and other contracted services. The prior year included a large commitment relating to the 2021-2022 gravel crushing project.

The scheduled payments not including GST are as follows:

	Equipment and Vehicles	Service Providers
2023	\$ 2,442,556	\$ 223,525
2024	-	191,975
2025	-	57,350
	<u>\$ 2,442,556</u>	<u>\$ 472,850</u>

24. PRIOR YEAR FIGURES

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

25. APPROVAL OF FINANCIAL STATEMENTS

Council and Management have approved these financial statements.



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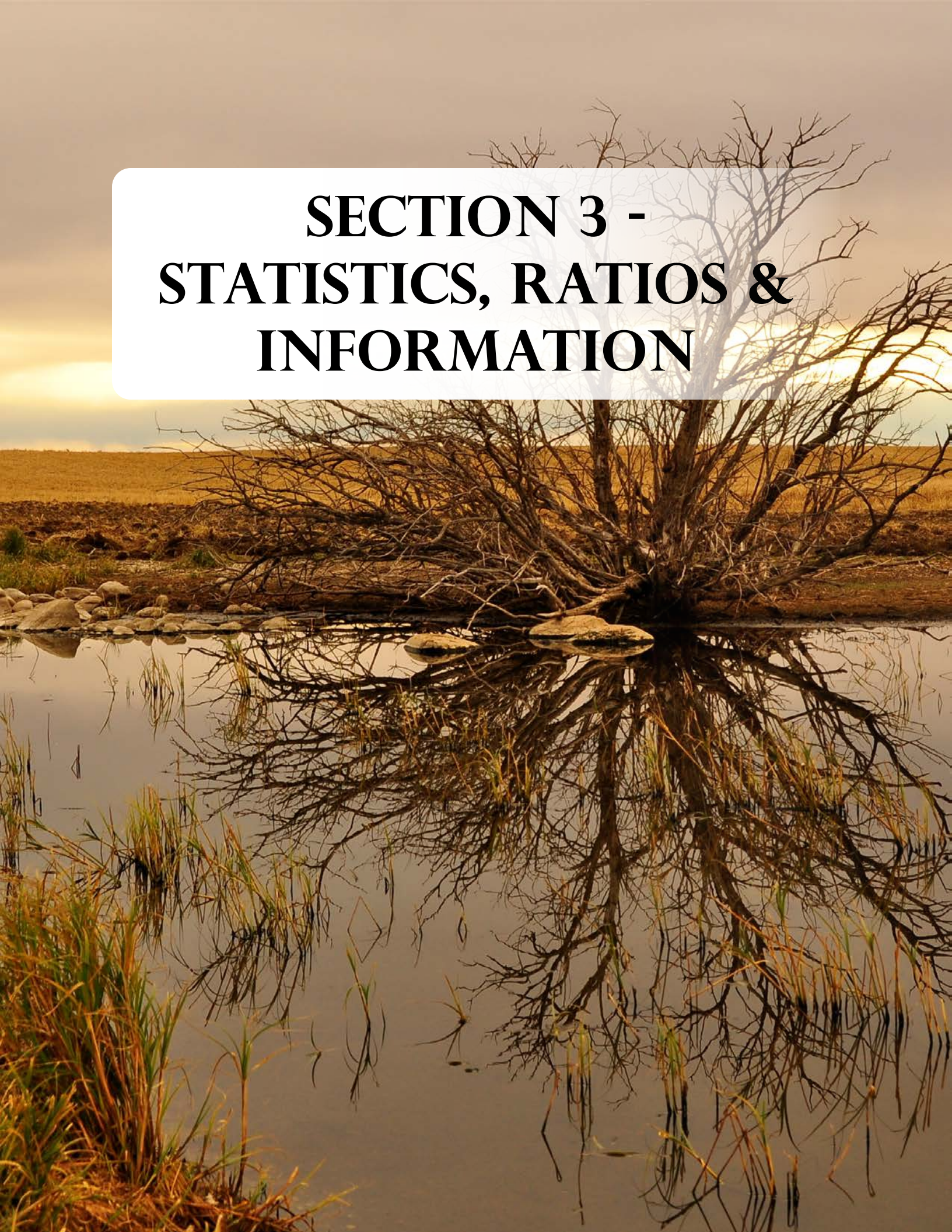
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A landscape photograph featuring a dead, gnarled tree with its roots exposed, situated in a calm body of water. The tree's intricate branches and roots are perfectly reflected in the still water. In the background, a flat, open landscape stretches to the horizon under a warm, golden sky, suggesting a sunset or sunrise. The overall mood is serene and contemplative.

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STATISTICS AND RATIOS

Demographics and Other Factors

	2018	2019	2020	2021	2022
POPULATION	3,984	3,984	3,984	4,237	4,237
NUMBER OF DWELLING UNITS	2,189	2,218	2,249	2,286	2,313
AREA OF MUNICIPALITY IN HECTARES	556,342	554,574	554,574	554,574	554,574
NUMBER OF HAMLETS	8	8	8	8	8
ROAD MAINTAINED (Km)	2,672	2,672	2,672	2,670	2,670
WATER PIPELINE (Km)	455	455	455	455	456
DEVELOPMENT PERMITS	48	45	57	132	77
SUBDIVISIONS APPLICATIONS	21	11	8	13	20
FULL TIME STAFF	51	49	49	49	50

OTHER VULCAN COUNTY STATISTICS:

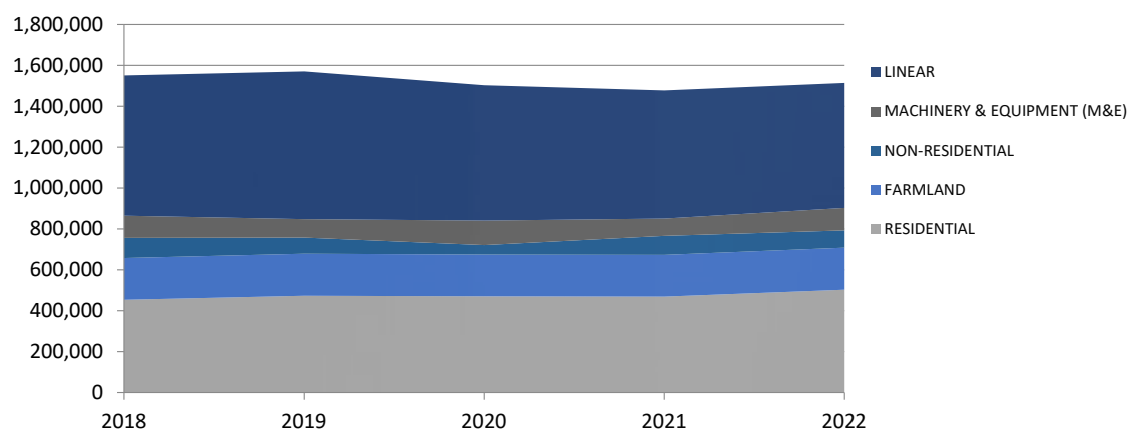
Source: <https://regionaldashboard.alberta.ca/region/vulcan-county/>

EMPLOYMENT RATE	64.9%	64.9%	64.9%	67.0%	67.0%
UNEMPLOYMENT RATE - OVERALL	4.0%	4.0%	4.0%	5.0%	5.0%
UNEMPLOYMENT RATE - FEMALE	4.9%	4.9%	4.9%	6.0%	6.0%
UNEMPLOYMENT RATE - MALE	3.2%	3.2%	3.2%	4.0%	4.0%

Property Assessment (in thousands)

	2018	2019	2020	2021	2022
RESIDENTIAL	453,456	473,806	469,990	468,930	503,479
FARMLAND	204,838	204,893	204,924	204,911	205,149
NON-RESIDENTIAL	98,060	78,916	46,161	92,825	84,272
MACHINERY & EQUIPMENT (M&E)	108,158	89,905	120,002	84,490	110,538
LINEAR	686,522	723,770	662,745	626,613	611,164

TOTAL ASSESSMENT	1,551,034	1,571,290	1,503,822	1,477,769	1,514,602
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Tax Rates (expressed in mills)

	2018	2019	2020	2021	2022
MUNICIPAL					
Residential	5.2100	5.2100	5.3660	5.3660	5.3660
Farmland	10.5075	10.5075	10.8230	10.8230	10.8230
Non-Residential, M&E, and Linear	9.1400	9.1400	9.4140	9.4140	9.4140
WASTE COMMISSION	0.4113	0.4334	0.4690	0.5197	0.5599
EDUCATION REQUISITION					
Residential and Farmland	2.5585	2.6079	2.5500	2.6137	2.6500
Non-Residential and Linear	3.8612	3.8532	3.7500	4.0890	3.9000
SENIOR FOUNDATION REQUISITION	0.1601	0.2556	0.2682	0.3399	0.3304
OTHER REQUISITION					
Royal Canadian Mounted Police	N/A	N/A	0.0822	0.1256	0.1633
Designated Industrial Properties	0.0341	0.0786	0.0760	0.0766	0.0766
SPECIAL LEVY - FIRE PROTECTION AREA					
Carmangay and District	1.8685	1.8324	1.4430	0.7673	0.9142
Champion and District	1.3935	1.4412	1.1067	0.8920	1.1036
Lomond and District	0.6503	0.6102	0.6864	0.4328	0.5241
Milo and District	0.6942	0.6454	1.2271	1.1928	1.2897
Vulcan and District	0.3730	0.1872	0.2896	0.2665	0.3299
Northwest	0.8504	0.8748	0.6261	0.8495	0.7425
Linear	0.3513	0.3618	0.3618	0.3618	0.3618
SPECIAL LEVY - RECREATIONAL AREA					
Carmangay and District	0.3061	0.6230	0.8548	0.6411	0.5859
Champion and District	0.3518	0.5261	0.5490	0.6420	0.7059
Lomond and District	0.1681	0.4521	0.3172	0.1623	0.0810
Milo and District	0.7426	0.7625	0.7724	0.6345	0.6163
Vulcan and District	0.7873	0.8070	0.7233	0.6580	0.6571
Northwest	0.2840	0.2814	0.2209	0.2835	0.2522
Linear	0.1348	0.1388	0.1388	0.1388	0.1388

Total Tax Collections

	2018	2019	2020	2021	2022
Net Municipal Taxes	14,777,202	15,720,229	15,373,853	14,189,795	15,079,227
School Requisitions	3,408,081	2,401,454	2,614,518	3,404,742	3,054,596
Seniors Requisitions	248,237	401,515	402,387	502,326	500,406
Other Requisitions	28,588	66,063	59,007	178,708	229,112
TOTAL TAX COLLECTIONS	18,462,108	18,589,261	18,449,765	18,275,571	18,863,341



Assets, Liabilities & Surplus

	2018	2019	2020	2021	2022
TAX RECEIVABLE AS % OF TAXES					
Tax Receivables	2,913,837	1,462,178	3,475,225	913,671	763,379
Total Tax Levies	18,462,108	18,589,261	18,449,765	18,275,571	18,863,341
Tax Receivable as % of Taxes	15.8%	7.9%	18.8%	5.0%	4.0%
Financial Assets	32,703,043	35,188,822	37,719,297	42,083,056	42,541,150
Financial Liabilities	(7,755,554)	(8,138,857)	(5,003,095)	(7,965,347)	(4,546,967)
NET FINANCIAL ASSETS	24,947,489	27,049,965	32,716,202	34,117,709	37,994,183
Tangible Capital Assets	107,455,248	108,371,002	107,985,733	107,104,734	108,066,893
Inventory Held for Consumption	8,244,446	7,729,636	7,253,675	7,847,867	9,103,226
Prepaid Expenses	193,446	262,965	262,666	236,861	428,289
ACCUMULATED SURPLUS	140,840,629	143,413,568	148,218,276	149,307,171	155,592,591
Unrestricted Surplus	1,493,730	4,340,307	954,934	952,521	889,414
Restricted Surplus (Reserves)	31,920,158	30,717,537	39,278,821	41,249,916	46,636,284
Equity in Tangible Capital Assets	107,426,741	108,355,724	107,984,521	107,104,734	108,066,893
ACCUMULATED SURPLUS	140,840,629	143,413,568	148,218,276	149,307,171	155,592,591

Revenues (by source)

	2018	2019	2020	2021	2022
Net Municipal Taxes	14,777,202	15,720,229	15,373,853	14,189,795	15,079,227
Government Transfers	958,531	813,131	1,185,684	535,535	1,403,059
Return on Investments	570,401	706,124	491,125	353,865	1,022,438
Charges	1,148,512	1,482,349	932,209	1,562,870	888,685
Rental Income	353,265	311,900	311,783	338,373	319,129
Community Aggregate Levy	203,956	193,941	134,670	241,318	212,993
Penalties and Costs of Taxes	739,321	610,397	417,452	502,498	228,725
Gain on Disposal of Capital Assets	209,326	330,186	2,306,556	2,427,982	1,430,054
Other Revenue	134,498	388,583	86,871	34,697	240,385
OPERATING REVENUES	19,095,012	20,556,840	21,240,203	20,186,933	20,824,695
Contributed Tangible Capital Assets	284,792	0	0	0	0
Government Transfers for Capital	2,717,012	2,953,380	533,134	2,672,336	4,294,087
TOTAL REVENUES	22,096,816	23,510,220	21,773,337	22,859,269	25,118,782

Expenses (by function and object)

	2018	2019	2020	2021	2022
EXPENSES BY FUNCTION					
Legislative	388,098	402,227	369,215	399,079	447,807
Administration	1,807,970	1,787,966	1,712,655	1,743,816	2,041,445
Protective services	2,403,045	1,808,897	1,856,185	1,918,900	2,045,574
Transportation services	10,575,050	9,916,821	9,257,939	10,366,739	10,548,916
Agricultural services	689,459	735,985	694,700	722,417	649,718
Planning and development services	599,308	577,232	640,093	643,074	544,723
Family and community support	447,923	220,570	218,639	236,248	217,118
Parks and recreation	842,564	879,716	877,590	937,291	671,001
Tourism and economic development	40,844	129,408	255,514	125,537	24,040
Utility Services	772,690	833,851	1,008,446	952,000	1,021,923
Other	3,512,840	3,644,608	77,653	3,725,273	621,097
TOTAL EXPENSES	22,079,791	20,937,281	16,968,629	21,770,374	18,833,362

* The term "function" refers to the grouping of expenses by department or service

EXPENSE BY OBJECT					
Salaries, wages and benefits	6,271,331	6,310,622	5,950,731	6,470,017	6,937,554
Contracted and general services	3,367,611	2,703,769	2,539,268	2,602,679	2,543,119
Materials, goods and utilities	2,450,240	2,473,000	2,171,230	2,606,600	2,820,479
Provision for allowances	3,434,955	3,649,993	58,189	3,202,579	602,629
Transfers to local boards and agencies	2,370,354	1,824,107	2,004,802	2,020,901	1,893,026
Interest and bank charges	62,460	55,706	51,505	48,758	48,635
Amortization of tangible capital assets	4,684,268	4,763,530	4,746,635	4,615,232	4,818,615
Machine expenses capitalized	(817,561)	(1,175,224)	(1,046,934)	(1,351,472)	(1,639,395)
Loss on disposal of capital assets	217,929	274,491	416,189	852,803	729,078
Other expenses	38,204	57,287	77,014	702,277	79,622
TOTAL EXPENSES	22,079,791	20,937,281	16,968,629	21,770,374	18,833,362

* The term "object" refers to the grouping by the nature or type of expense

Debt Supported by Taxes

	2018	2019	2020	2021	2022
Gross Debt (supported by tax)	1,784,341	1,649,815	1,511,404	1,382,720	1,252,044
County Population	3,984	3,984	3,984	4,237	4,237
LONG-TERM DEBT PER CAPITA	448	414	379	326	296

* Note: Net debt, defined as the difference between debt and "cash & cash equivalents", is zero for all years



Transfer to Local Boards and Agencies

	2018	2019	2020	2021	2022
TRANSFERS TO OTHER LOCAL GOVERNMENTS					
Vulcan District Waste Commission	631,808	674,640	696,573	768,040	852,340
Twin Valley Regional Water Commission	21,348	35,385	36,096	37,246	39,536
Vulcan Business Development Society	0	0	0	0	0
Vulcan and District Tourism Society	25,000	0	0	0	0
Vulcan Library Board	126,000	133,500	133,500	133,500	133,500
Fire Area Contributions	530,570	135,945	148,330	156,310	207,972
Recreation Area Contributions	584,748	628,806	711,541	772,875	507,912
Other local governments and organizations	450,880	215,831	278,762	152,930	151,766
	2,370,354	1,824,107	2,004,802	2,020,901	1,893,026

Note: The transfer to other local governments and organizations includes \$nil in matching contributions for the Vulcan Hospital Expansion project (2021 - \$nil). These matching contributions for the hospital expansion project starting in 2016 and finalized during 2018.

Annual Surplus and Allocations

	2018	2019	2020	2021	2022
TOTAL REVENUES	22,096,816	23,510,220	21,773,337	22,859,269	25,118,782
TOTAL EXPENSES	(22,079,791)	(20,937,281)	(16,968,629)	(21,770,374)	(18,833,362)
ANNUAL SURPLUS	17,025	2,572,939	4,804,708	1,088,895	6,285,420
ADD: Proceeds from Sale of Tangible Capital Assets	161,075	355,305	1,366,244	1,213,582	740,539
ADD: Transfer from Restricted Surplus to Operations	4,579,162	6,140,143	4,584,950	6,897,047	3,231,614
ADD: Amortization of Tangible Capital Assets	4,684,268	4,763,530	4,746,635	4,615,232	4,818,615
LESS: Transfers to Restricted Surplus	(5,539,875)	(4,937,522)	(13,146,234)	(8,868,142)	(8,617,982)
LESS: Capital Expenditures	(3,499,695)	(6,047,818)	(5,741,676)	(4,949,027)	(6,521,313)
ALLOCATION TO UNRESTRICTED SURPLUS	401,960	2,846,577	(3,385,373)	(2,413)	(63,107)

Principal Corporate Taxpayers and Industries

Top 10 Principal Corporate Taxpayers:

EDF RENEWABLES DEVELOPMENT
ALTALINK MANAGEMENT LTD
CANADIAN NATURAL RESOURCES
TAQA NORTH LTD
G3 CANADA LIMITED
HUTTERIAN BRETHREN CHURCH (MULTIPLE)
NOVA GAS TRANSMISSION LTD
RICHARDSON INTERNATIONAL L
JOURNEY ENERGY INC.
RAZOR ENERGY CORP

** These top 10 taxpayers represent 49.86% of the total tax base*

Top 10 Industries of Employment:

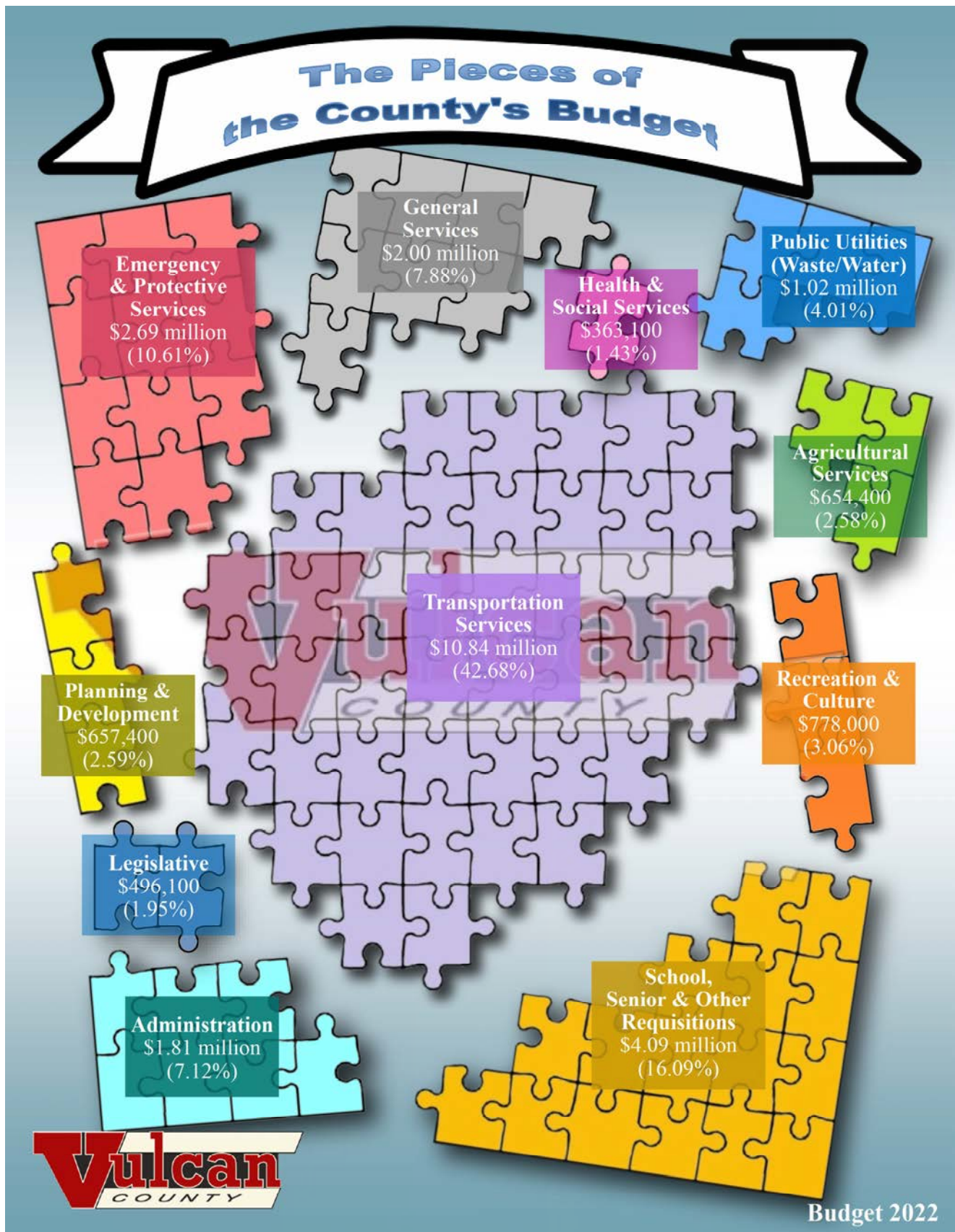
Agriculture, forestry, fishing and hunting
Health care and social assistance
Construction
Educational services
Other services (except public administration)
Public administration
Professional, scientific and technical services
Retail trade
Wholesale trade
Transportation and warehousing

Source: <https://regionaldashboard.alberta.ca/region/vulcan-county/labour-force/#/custom/industry/>



INFOGRAPHICS

The Pieces of the County's Budget - 2022



FINANCIAL CHARTS & GRAPHS



Introductory



Financial Analysis



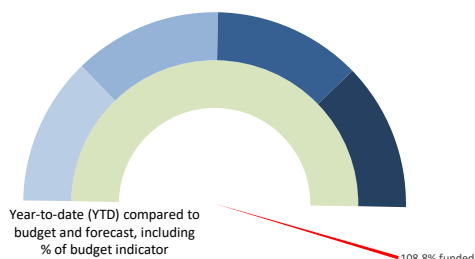
Financial Statements



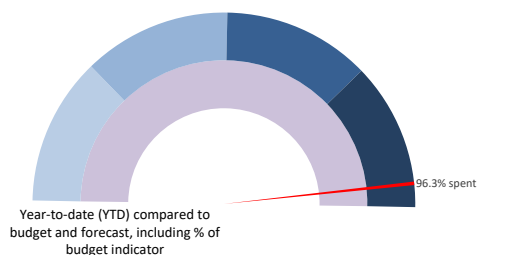
Statistics & Ratios

VULCAN COUNTY YEAREND OPERATING AND CAPITAL REPORT - FINANCIAL OVERVIEW YEAR ENDED DECEMBER 31, 2022

**Total Revenues
Tachometer:**

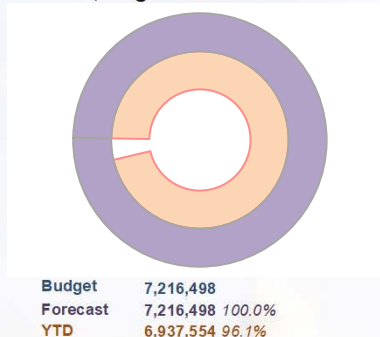


**Total Expenses
Tachometer:**

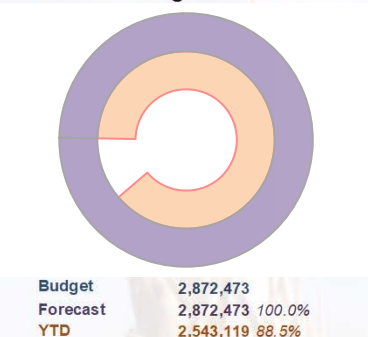


Summary of Significant Operating Expenses:

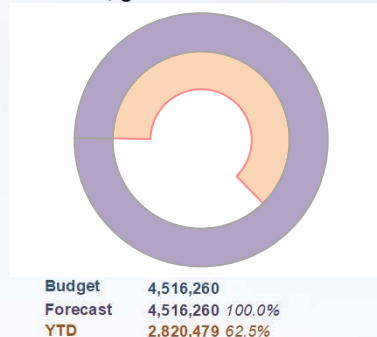
Salaries, wages and benefits



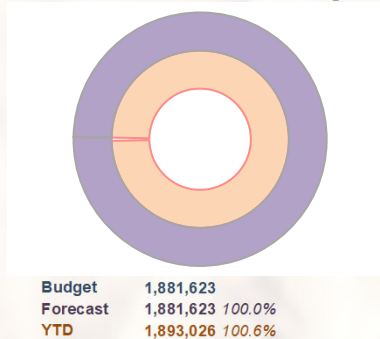
Contracted and general services



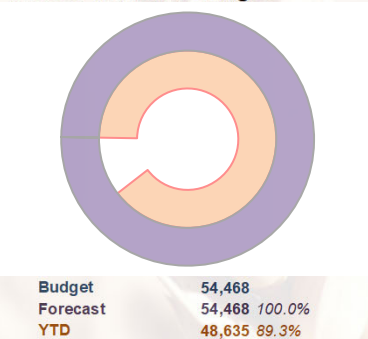
Materials, goods and utilities



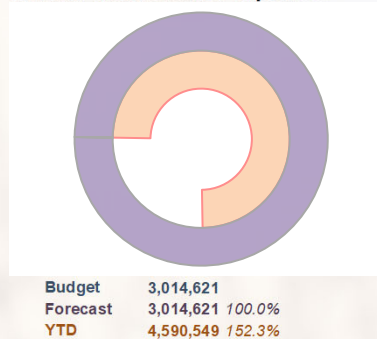
Transfers to local boards and agencies



Interest and bank charges



Amortization & other expenses



VULCAN COUNTY

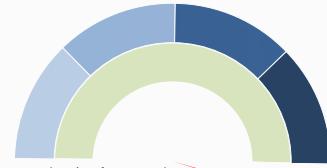
YEAREND OPERATING REPORT YEAR ENDED DECEMBER 31, 2022

Total Revenues

Financial Data as at April 11, 2023

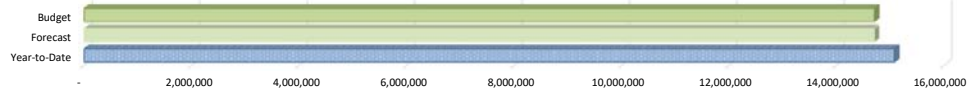
	Budget	Forecast	Year-to-Date	Variance	YTD %
Net municipal taxes	14,710,373	14,710,373	15,079,227	(368,854)	102.5%
Government transfers (operating)	919,889	919,889	1,403,059	(483,170)	152.5%
Return on investment	277,876	277,876	1,022,438	(744,562)	367.9%
Sale of goods, services and user charges	778,119	778,119	888,685	(110,566)	114.2%
Rental income	318,980	318,980	319,129	(149)	100.0%
Community aggregate levy	137,363	137,363	212,993	(75,630)	155.1%
Penalties and other costs of taxes	194,000	194,000	228,725	(34,725)	117.9%
Gain on disposal of tangible capital assets	1,053,000	1,053,000	1,430,054	(377,054)	135.8%
Other revenues	30,382	30,382	240,385	(210,003)	791.2%
	18,419,982	18,419,982	20,824,695	(2,404,713)	113.1%
	100.0%				
Contributed Assets	-	-	-	0	0.0%
Government transfers (capital)	4,667,397	4,667,397	4,294,087	373,310	92.0%
	23,087,379	23,087,379	25,118,782	(2,031,403)	108.8%
	100.0%				

Total Revenue Tachometer:

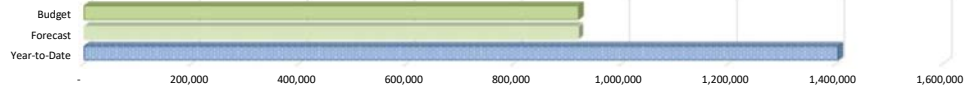


Year-to-date (YTD) compared to budget and forecast, including % of budget indicator

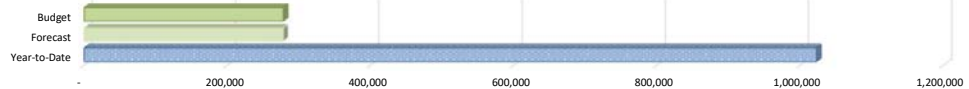
Net municipal taxes



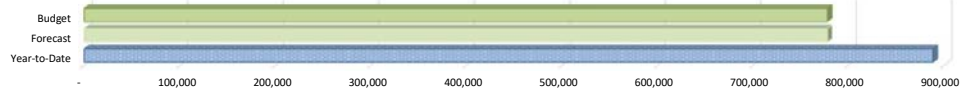
Government transfers (operating)



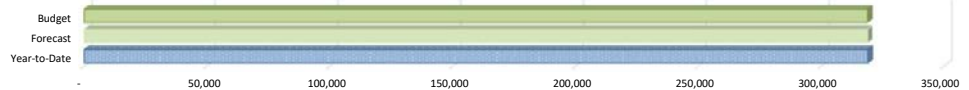
Return on investment



Sale of goods, services and user charges



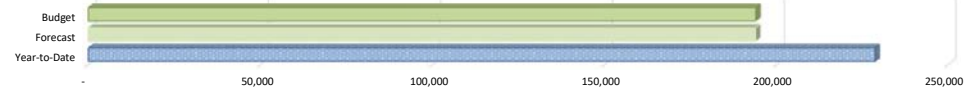
Rental income



Community aggregate levy



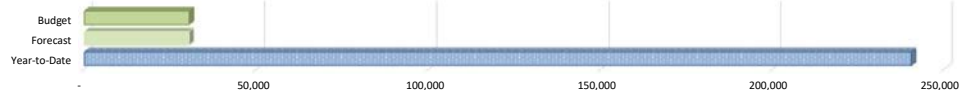
Penalties and other costs of taxes



Gain on disposal of tangible capital assets



Other revenues



VULCAN COUNTY

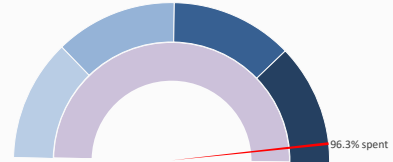
YEAREND OPERATING REPORT YEAR ENDED DECEMBER 31, 2022

Total Expenses

Financial Data as at April 11, 2023

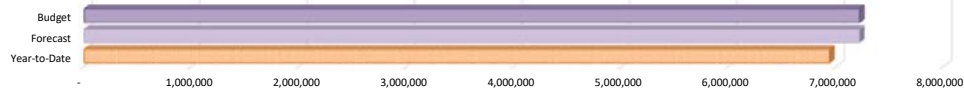
	Budget	Forecast	Year-to-Date	Variance	YTD %
Salaries, wages and benefits	7,216,498	7,216,498	6,937,554	278,944	96.1%
Contracted and general services	2,872,473	2,872,473	2,543,119	329,354	88.5%
Materials, goods and utilities	4,516,259	4,516,259	2,820,479	1,695,780	62.5%
Provision for allowances	12,453	12,453	602,629	(590,176)	4839.2%
Transfers to local boards and agencies	1,881,623	1,881,623	1,893,026	(11,403)	100.6%
Interest and bank charges	54,468	54,468	48,635	5,833	89.3%
Amortization of tangible capital assets	4,684,267	4,684,267	4,818,615	(134,348)	102.9%
Machine expenses capitalized	(1,709,808)	(1,709,808)	(1,639,395)	(70,413)	0.0%
Loss on disposal of tangible capital assets	-	-	729,078	(729,078)	N/A
Other expenses	27,709	27,709	79,622	(51,913)	287.4%
	19,555,942	19,555,942	18,833,362	722,580	96.3%

Total Expense Tachometer:

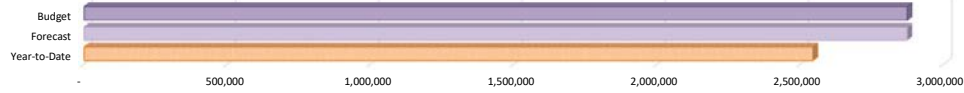


Year-to-date (YTD) compared to budget and forecast, including % of budget indicator

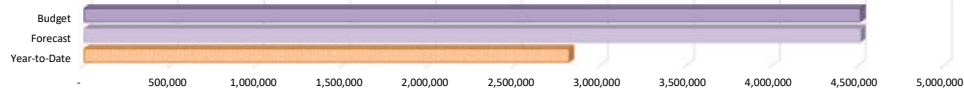
Salaries, wages and benefits



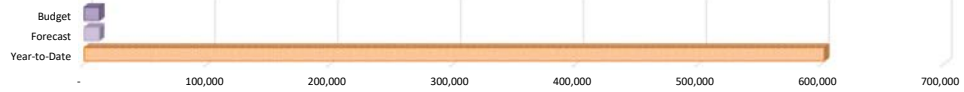
Contracted and general services



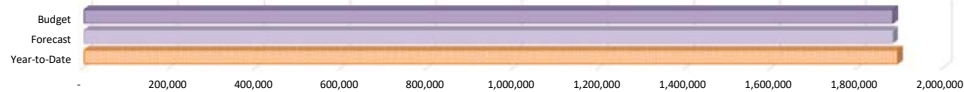
Materials, goods and utilities



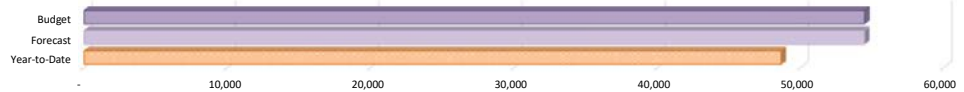
Provision for allowances



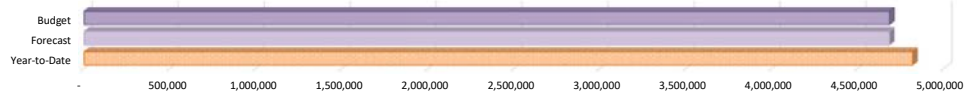
Transfers to local boards and agencies



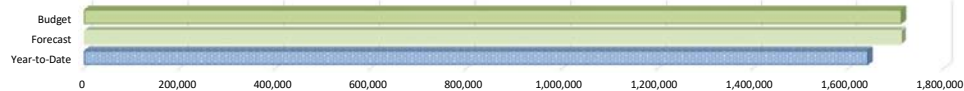
Interest and bank charges



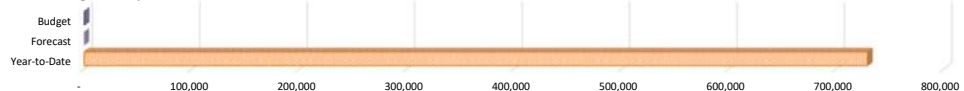
Amortization of tangible capital assets



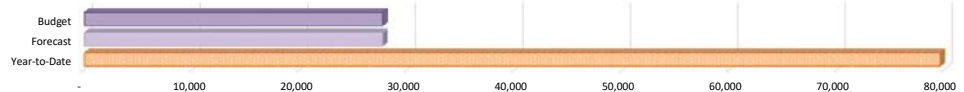
Machine expenses capitalized



Loss on disposal of tangible capital assets



Other expenses



Introductory



Financial Analysis



Financial Statements



Statistics & Ratios

VULCAN COUNTY

YEAREND OPERATING REPORT YEAR ENDED DECEMBER 31, 2022

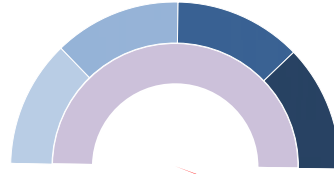
Analysis by Department/Segment

Expenses - General Government

Financial Data as at April 11, 2023

	Budget	Forecast	Year-to-Date	Variance	YTD %
Salaries, wages and benefits	1,374,309	1,374,309	1,409,151	(34,842)	102.5%
Contracted and general services	739,998	739,998	603,599	136,399	81.6%
Materials, goods and utilities	283,014	283,014	212,449	70,565	75.1%
Provision for allowances	12,453	12,453	602,629	(590,176)	4839.2%
Transfers to local boards and agencies	76,144	76,144	75,114	1,030	98.6%
Interest and bank charges	14,409	14,409	15,863	(1,454)	110.1%
Amortization of tangible capital assets	98,299	98,299	111,922	(13,623)	113.9%
Machine expenses capitalized	-	-	-	0	0.0%
Loss on disposal of tangible capital assets	-	-	-	0	0.0%
Other expenses	27,492	27,492	79,622	(52,130)	289.6%
	2,626,118	2,626,118	3,110,349	(484,231)	118.4%

Total Expense Tachometer:

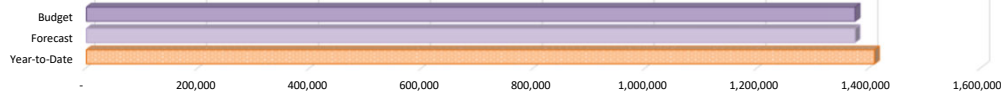


Year-to-date (YTD) compared to budget and forecast, including % of budget indicator

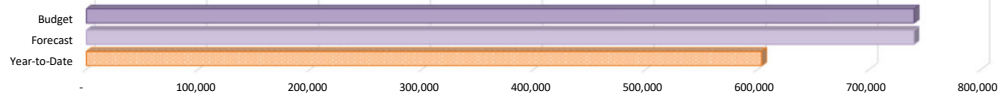
118.4% spent

The General Government segment includes legislation, administration, and other general government activities.

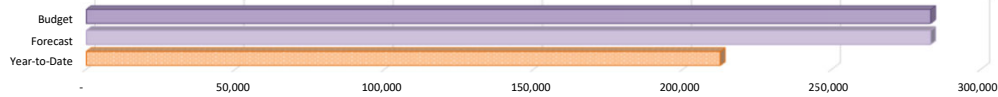
Salaries, wages and benefits



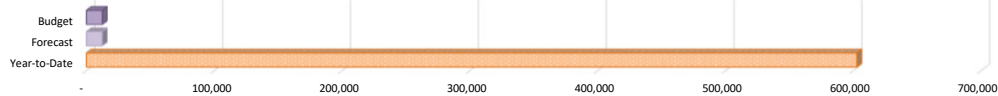
Contracted and general services



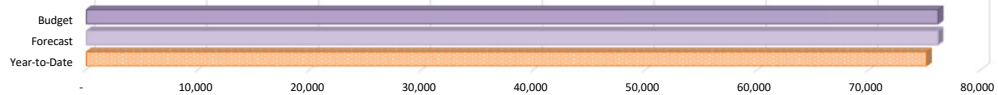
Materials, goods and utilities



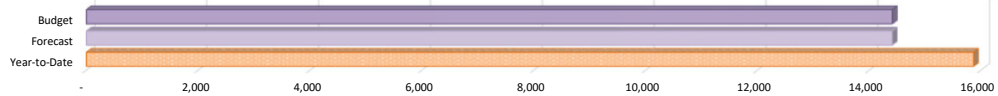
Provision for allowances



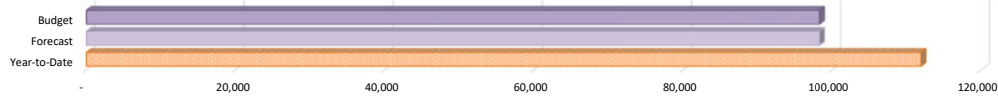
Transfers to local boards and agencies



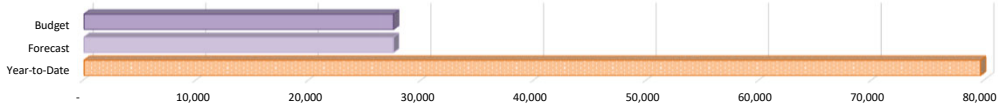
Interest and bank charges



Amortization of tangible capital assets



Other expenses



VULCAN COUNTY

YEAREND OPERATING REPORT YEAR ENDED DECEMBER 31, 2022

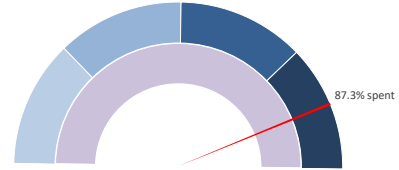
Analysis by Department/Segment

Expenses - Protective Services

Financial Data as at April 11, 2023

	Budget	Forecast	Year-to-Date	Variance	YTD %
Salaries, wages and benefits	703,270	703,270	553,742	149,528	78.7%
Contracted and general services	573,459	573,459	451,707	121,752	78.8%
Materials, goods and utilities	330,320	330,320	226,662	103,658	68.6%
Provision for allowances	-	-	-	0	0.0%
Transfers to local boards and agencies	173,473	173,473	207,972	(34,499)	119.9%
Interest and bank charges	-	-	-	0	0.0%
Amortization of tangible capital assets	562,263	562,263	605,491	(43,228)	107.7%
Machine expenses capitalized	-	-	-	0	0.0%
Loss on disposal of tangible capital assets	-	-	-	0	0.0%
Other expenses	94	94	-	94	0.0%
	2,342,879	2,342,879	2,045,574	297,305	87.3%

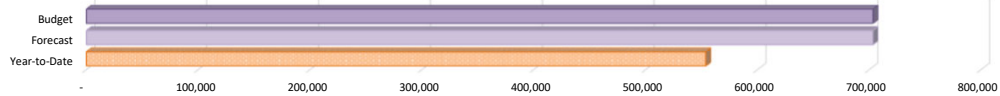
Total Expense Tachometer:



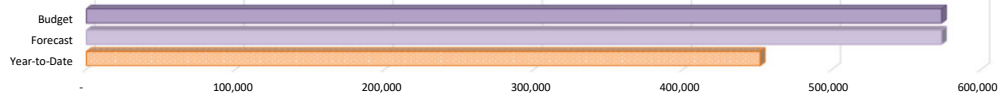
Year-to-date (YTD) compared to budget and forecast, including % of budget indicator

The Protective Services segment includes emergency management, health and safety, bylaw enforcement and fire services.

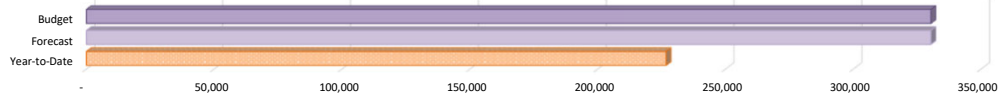
Salaries, wages and benefits



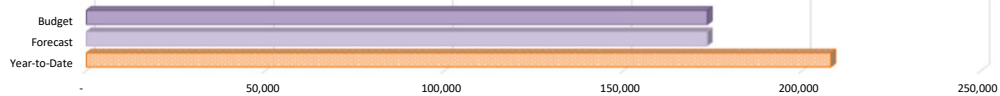
Contracted and general services



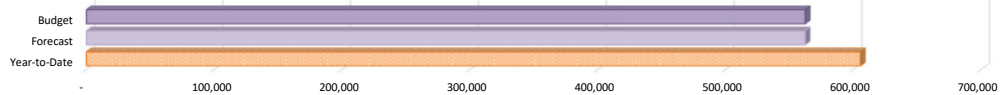
Materials, goods and utilities



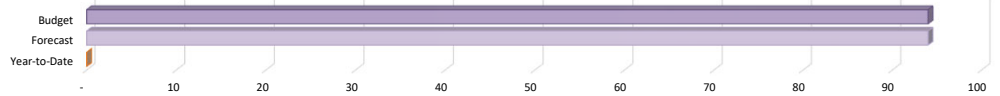
Transfers to local boards and agencies



Amortization of tangible capital assets



Other expenses



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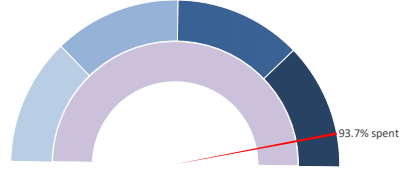
Analysis by Department/Segment

Expenses - Transportation Services

Financial Data as at April 11, 2023

	Budget	Forecast	Year-to-Date	Variance	YTD %
Salaries, wages and benefits	4,379,620	4,379,620	4,252,071	127,549	97.1%
Contracted and general services	979,554	979,554	1,033,536	(53,982)	105.5%
Materials, goods and utilities	3,693,219	3,693,219	2,210,636	1,482,583	59.9%
Provision for allowances	-	-	-	0	0.0%
Transfers to local boards and agencies	8,000	8,000	8,000	0	100.0%
Interest and bank charges	-	-	-	0	0.0%
Amortization of tangible capital assets	3,906,051	3,906,051	3,954,990	(48,939)	101.3%
Machine expenses capitalized	(1,709,808)	(1,709,808)	(1,639,395)	(70,413)	0.0%
Loss on disposal of tangible capital assets	-	-	729,078	(729,078)	N/A
Other expenses	-	-	-	0	0.0%
	11,256,636	11,256,636	10,548,916	707,720	93.7%

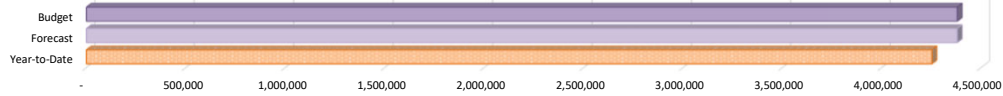
Total Expense Tachometer:



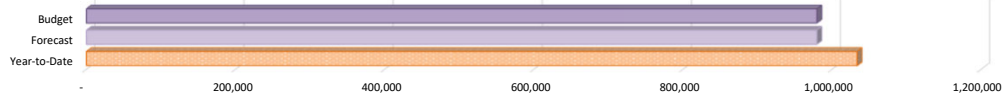
Year-to-date (YTD) compared to budget and forecast, including % of budget indicator

The Transportation Services segment includes common services, road transportation, road/bridge construction, road maintenance/graveling, and other transportation services.

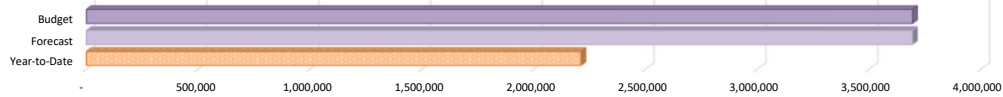
Salaries, wages and benefits



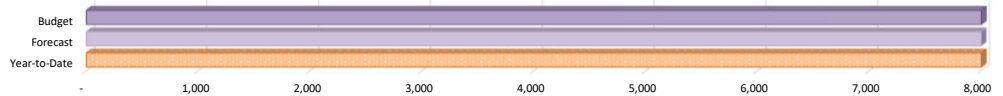
Contracted and general services



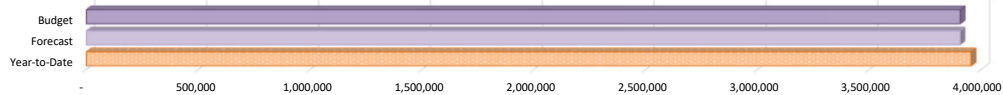
Materials, goods and utilities



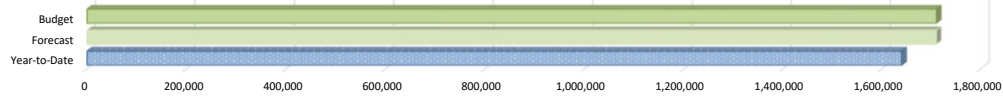
Transfers to local boards and agencies



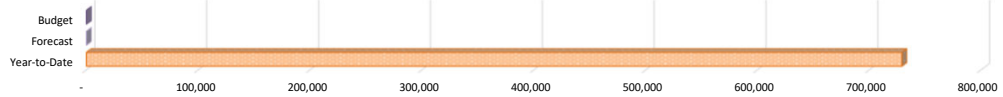
Amortization of tangible capital assets



Machine expenses capitalized



Loss on disposal of tangible capital assets



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YEAREND OPERATING REPORT YEAR ENDED DECEMBER 31, 2022

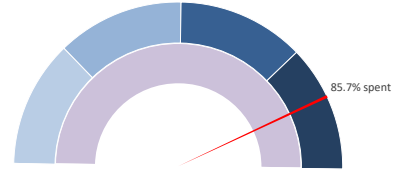
Analysis by Department/Segment

Expenses - Agricultural Services

Financial Data as at April 11, 2023

	Budget	Forecast	Year-to-Date	Variance	YTD %
Salaries, wages and benefits	352,317	352,317	327,272	25,045	92.9%
Contracted and general services	95,013	95,013	44,083	50,930	46.4%
Materials, goods and utilities	195,387	195,387	149,573	45,814	76.6%
Provision for allowances	-	-	-	0	0.0%
Transfers to local boards and agencies	24,372	24,372	11,872	12,500	48.7%
Interest and bank charges	-	-	-	0	0.0%
Amortization of tangible capital assets	90,640	90,640	116,918	(26,278)	129.0%
Machine expenses capitalized	-	-	-	0	0.0%
Loss on disposal of tangible capital assets	-	-	-	0	0.0%
Other expenses	-	-	-	0	0.0%
	757,729	757,729	649,718	108,011	85.7%

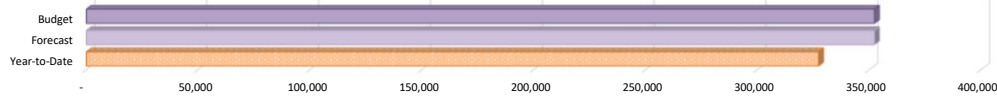
Total Expense Tachometer:



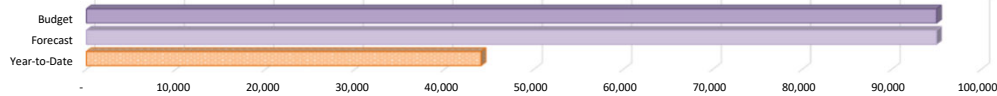
Year-to-date (YTD) compared to budget and forecast, including % of budget indicator

The Agricultural Services segment includes general agricultural services, training/tours, roadside spraying/weed control, roadside seeding, and other agricultural services.

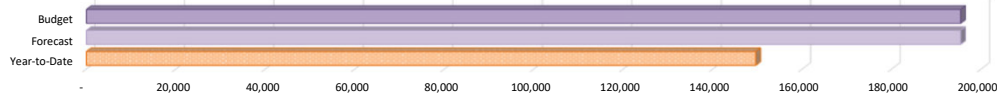
Salaries, wages and benefits



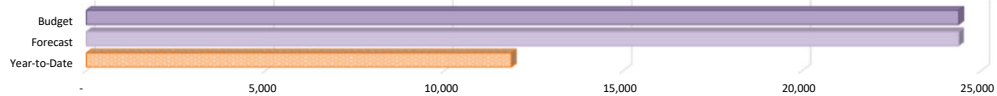
Contracted and general services



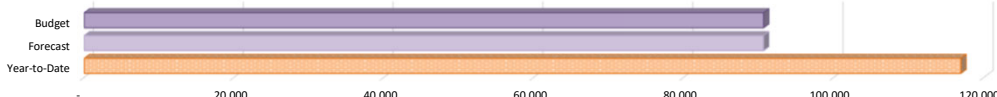
Materials, goods and utilities



Transfers to local boards and agencies



Amortization of tangible capital assets



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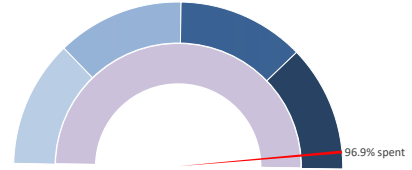
Analysis by Department/Segment

Expenses - Planning and Development Services

Financial Data as at April 11, 2023

	Budget	Forecast	Year-to-Date	Variance	YTD %
Salaries, wages and benefits	368,725	368,725	370,623	(1,898)	100.5%
Contracted and general services	191,086	191,086	172,384	18,702	90.2%
Materials, goods and utilities	2,300	2,300	1,716	584	74.6%
Provision for allowances	-	-	-	0	0.0%
Transfers to local boards and agencies	-	-	-	0	0.0%
Interest and bank charges	-	-	-	0	0.0%
Amortization of tangible capital assets	-	-	-	0	0.0%
Machine expenses capitalized	-	-	-	0	0.0%
Loss on disposal of tangible capital assets	-	-	-	0	0.0%
Other expenses	-	-	-	0	0.0%
	562,111	562,111	544,723	17,388	96.9%

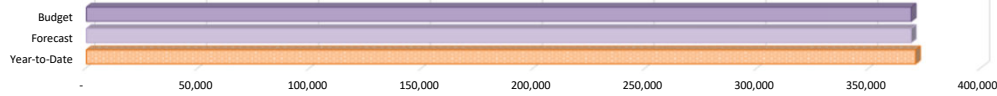
Total Expense Tachometer:



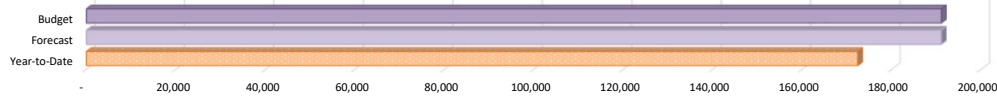
Year-to-date (YTD) compared to budget and forecast, including % of budget indicator

The Planning and Development Services segment includes planning, zoning, subdivision, and land development.

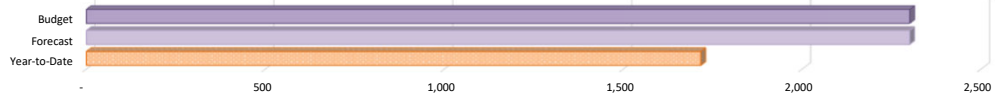
Salaries, wages and benefits



Contracted and general services



Materials, goods and utilities



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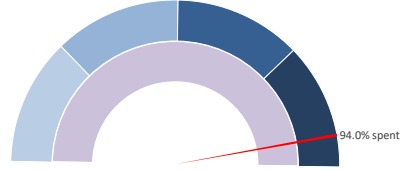
Analysis by Department/Segment

Expenses - Community Services

Financial Data as at April 11, 2023

	Budget	Forecast	Year-to-Date	Variance	YTD %
Salaries, wages and benefits	17,813	17,813	7,274	10,539	40.8%
Contracted and general services	196,352	196,352	168,810	27,542	86.0%
Materials, goods and utilities	5,210	5,210	5,111	99	98.1%
Provision for allowances	-	-	-	0	0.0%
Transfers to local boards and agencies	711,057	711,057	698,192	12,865	98.2%
Interest and bank charges	40,059	40,059	32,772	7,287	81.8%
Amortization of tangible capital assets	-	-	-	0	0.0%
Machine expenses capitalized	-	-	-	0	0.0%
Loss on disposal of tangible capital assets	-	-	-	0	0.0%
Other expenses	34	34	-	34	0.0%
	970,525	970,525	912,159	58,366	94.0%

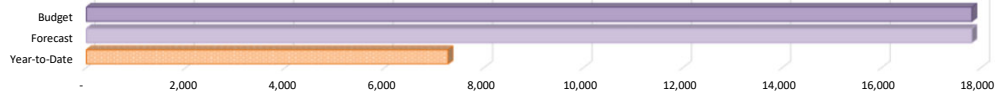
Total Expense Tachometer:



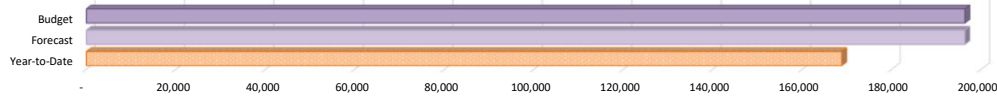
Year-to-date (YTD) compared to budget and forecast, including % of budget indicator

The Community Services segment includes Family Community Support Services, daycare and public health, tourism/economic development, recreation boards, cultural programs and library.

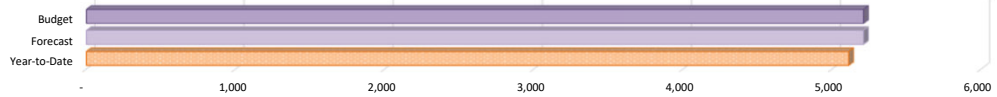
Salaries, wages and benefits



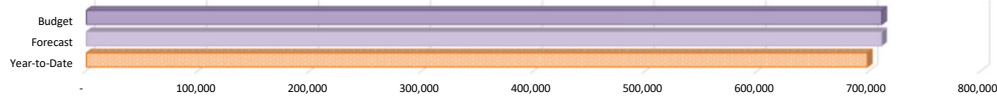
Contracted and general services



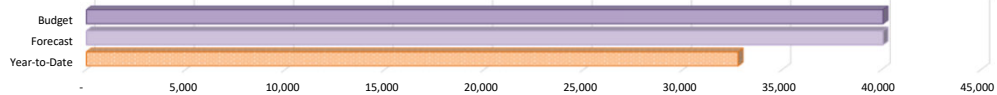
Materials, goods and utilities



Transfers to local boards and agencies



Interest and bank charges



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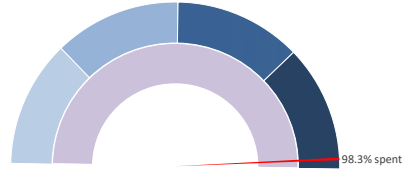
Analysis by Department/Segment

Expenses - Utility Services

Financial Data as at April 11, 2023

	Budget	Forecast	Year-to-Date	Variance	YTD %
Salaries, wages and benefits	20,444	20,444	17,421	3,023	85.2%
Contracted and general services	97,011	97,011	69,000	28,011	71.1%
Materials, goods and utilities	6,809	6,809	14,332	(7,523)	210.5%
Provision for allowances	-	-	-	0	0.0%
Transfers to local boards and agencies	888,577	888,577	891,876	(3,299)	100.4%
Interest and bank charges	-	-	-	0	0.0%
Amortization of tangible capital assets	27,014	27,014	29,294	(2,280)	108.4%
Machine expenses capitalized	-	-	-	0	0.0%
Loss on disposal of tangible capital assets	-	-	-	0	0.0%
Other expenses	89	89	-	89	0.0%
	1,039,944	1,039,944	1,021,923	18,021	98.3%

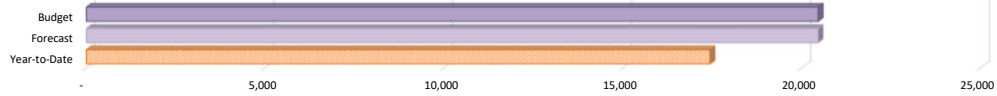
Total Expense Tachometer:



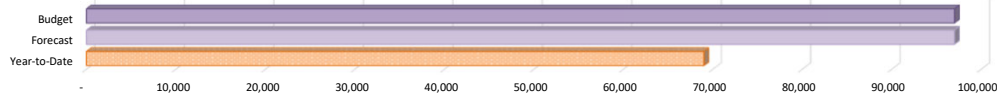
Year-to-date (YTD) compared to budget and forecast, including % of budget indicator

The Utility Services segment includes water supply/distribution, solid waste management, and storm sewer/drainage.

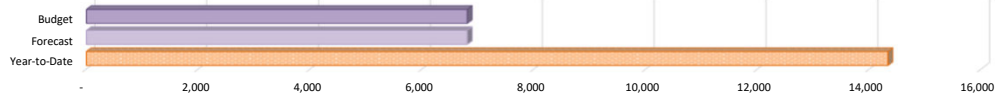
Salaries, wages and benefits



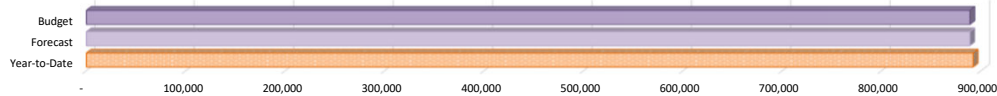
Contracted and general services



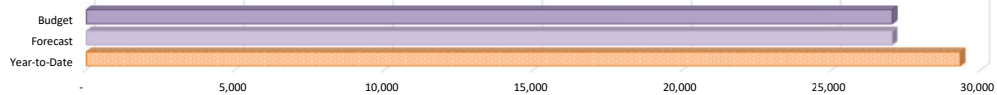
Materials, goods and utilities



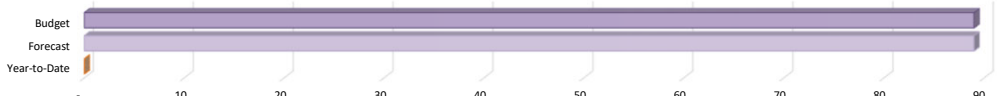
Transfers to local boards and agencies



Amortization of tangible capital assets



Other expenses



GLOSSARY & APPENDIX

Glossary of Terms

ACCRUAL BASIS ACCOUNTING

Accrual basis of accounting for recognizing transactions that occur over a longer time period; typically, extending over multiple budget years. These transactions are recognized in the budget based on when the transaction or service is provided (not based on exchange of cash).

ACCUMULATED SURPLUS

The overall surplus for the County that has been accumulated from year-to-year. The three (3) major components include Unrestricted Surplus, Restricted Surplus, and Equity in Tangible Capital Assets.

AMORTIZATION

The systematic allocation of an asset to expense over a certain period of time. This is a non-cash transaction, in which, an asset is expensed over its projected useful life.

APPROPRIATION

The act of setting money aside by formal action for a specific use, such as is the case with reserve allocations.

APPROVED BUDGET

The budget(s) that have been presented and have been approved by Council by way of Council Motion, which will govern the County's operations for the budget year. This may include interim or final budgets.

ASSESSMENT

The value established for property for use as a basis of levying taxes for municipal purposes. Assessment can be valued by market or regulated rates.

BALANCED BUDGET

A budget where the total budgeted revenues & transfers in match the total budgeted expenditures & transfers out.

BUDGET

An estimate of revenue and a plan for expenditures of an organization, either for a specific time period or for a specific project.

CAPITAL BUDGET

The planned capital revenues, expenditures, and transfers required for the acquisition/construction of the tangible capital assets for the County in the current budget year.

CAPITAL EXPENDITURES

Expenditures to acquire, develop or construct tangible capital assets.

CAPITALIZATION

The inclusion of expenditures into the cost of a tangible capital asset. Internally constructed capital assets include the capitalization of the related costs.

COUNCIL/COUNCILLORS

The governing body that is elected to represent the ratepayers of the County. Councillors are the individual members that make up the Council; in which, there are currently seven (7) Councillors on Council. Elections for Councillors occur every four (4) years.

CONTINGENCY FUNDS

The budgetary reserve/account set aside for emergencies or unforeseen expenditures (not otherwise budgeted).

CONTRACTED SERVICES

Services provided to the County by external organizations, individuals, or agencies. The County contracted out these services as the County does not have the expertise or resources to complete the work internally (i.e., engineering and legal services).

DEBT/DEBENTURE

A financial obligation resulting from the borrowing of money. A debenture is a certificate of indebtedness; typically issued by another governmental body (i.e., ACFA).

DEBT LIMITS

The regulated limits on the amount of debt that a municipality may borrow or the amount of annual repayment imposed to a municipality. Regulated by forms of legislation (i.e., MGA, Alberta Regulations).

DEFICIT

The result of expenditures/transfers out exceeding the revenues/transfers in (costs greater than revenues). The MGA requires that a municipality can not budget a deficit and if a deficit results in a period of three years that it has to be recovered in the following budget year.

DEPARTMENTS

The management responsible for an operation program or a group of related activities within a functional area. The County has multiple departments for the operations of the County; whereas, there may be multiple departments held within an operating segment.



EXPENDITURES/EXPENSE

The use of financial resources for cash outflows or transactions resulting in current or future cash outflows.

EQUITY IN TANGIBLE CAPITAL ASSETS

Equates to the net book value (NBV) of the Tangible Capital Assets less the related capital debt. This is included within the County's Accumulated Surplus

FEES FOR SERVICE

User charges and fees for services provided by the County.

FUND ACCOUNTING

The use of specific groups of funds/activities which are a self-balancing set of accounts containing inflows and outflows; which is tracked and funded separately. The County's fund accounting includes the Operating (general) funds, the Capital funds, and the Reserve funds.

GENERAL OPERATING FUND

The general operating fund provides the resources necessary to complete the day-to-day activities of a municipality, which includes operational and administrative activities.

GOVERNMENT GRANTS

A monetary contribution by a governmental unit to another governmental unit. Typically, the grants received by the County are from larger governmental bodies that are higher forms of government (i.e., Provincial and Federal).

INFLATION

The increase in price levels/costs caused by economic factors.

INFRASTRUCTURE

The facilities and assets used by the County to deliver the programs and services. These include (but are not limited to) roads, bridges, land, and buildings.

LINEAR ASSESSMENT

The assessment on properties such as cable, electrical power/generation, telecommunications, pipelines, and wells. These types of properties are assessed by the Provincial assessor's office.

OPERATING BUDGET

The planned operating revenues, expenditures and transfers required to deliver the programs and services that the County provides.

RATEPAYER

An individual or organization that owns assessable property in the County and as such, is taxed by the County.

RESERVES

The operating and capital funds held for a future use or for a specific purpose. These reserves are typically held for multiple budget years.

REVENUES

The financial resources received from cash inflows or transactions resulting in current or future cash inflows.

SPECIAL TAX LEVY

The tax levies issued for specific purposes under Section 382 of the MGA. The County currently utilizes the levies for fire protection, recreational areas, and waterworks.

SEGMENT

The overall management responsibility for an operation or a group of related operations within a functional area. An operating segment may include multiple departments.

SURPLUS

The result of revenues/transfers in exceeding the expenditures/transfers out (revenues greater than expenses). Surpluses are often transferred to reserves at the yearend to be used in future budget years.

TANGIBLE CAPITAL ASSETS

A capital asset that has a physical form. These tangible capital assets (TCA) include (but are not limited to) land, infrastructure, vehicles, and equipment.

TAXES

The compulsory charges levied by a government for the purpose of financing services for the common benefit of the government's ratepayers.

UNRESTRICTED SURPLUS

The accumulation of the County's surpluses from year-to-year that have not been specifically restricted (either internally or externally).

Glossary of Common Acronyms

ORGANIZATIONS:

ACFA - Alberta Capital Finance Authority
AHS - Alberta Health Services
CARLS - Chinook Arch Regional Library System
FCSS - Family and Community Support Services
RCMP - Royal Canadian Mounted Police
SAEWA - Sothern Alberta Energy from Waste Association
TVRWC - Twin Valley Regional Water Commission
VCHWF - Vulcan County Health and Wellness Foundation
VBDS - Vulcan Business Development Society

GRANTS:

ACP - Alberta Community Partnership grant
ASB - Agricultural Service Board grant
CCBF - Canadian Community-Building Fund grant
MSI - Municipal Sustainability Initiative grants (Operating and Capital)

OPERATIONS:

AOS - Accumulative Operating Surplus
A/P - Accounts Payable
A/R - Accounts Receivable
CAO - Chief Administrative Officer
COLA - Cost of Living Adjustment
CPO - Community Peace Officer
DIP - Designated Industrial Property
FTE - Full-Time Equivalent
GIS - Geographical Information Systems
HR - Human Resources
IT - Information Technology
MGA - Municipal Government Act
M&E - Machinery and Equipment
NBV - Net Book Value
PERC - Provincial Education Requisition Credit
TCA - Tangible Capital Assets

OTHER:

FSD&A - Financial Statement Discussion and Analysis
PSAS - Public Sector Accounting Standards





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Vulcan County

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