

Vulcan County

**FINANCIAL STATEMENTS
DECEMBER 31, 2024**

VULCAN COUNTY
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024

CONTENTS

Management's Responsibility for Reporting	1
Independent Auditor's Report	2
Financial Statements	
Statement of Financial Position	5
Statement of Operations	6
Statement of Remeasurement Gains and Losses	7
Statement of Changes in Net Financial Assets	8
Statement of Cash Flows	9
Schedule 1 - Schedule of Change in Accumulated Operating Surplus	10
Schedule 2 - Schedule of Tangible Capital Assets	11
Schedule 3 - Schedule of Property and Other Taxes	12
Schedule 4 - Schedule of Government Transfers	13
Schedule 5 - Schedule of Expenses by Object	14
Schedule 6 - 2024 Schedule of Segmented Disclosure	15
Schedule 7 - 2023 Schedule of Segmented Disclosure	16
Notes to Financial Statements	17-33

P.O. BOX 180
VULCAN, ALBERTA
T0L 2B0

TELEPHONE: 1-403-485-2241
TOLL FREE: 1-877-485-2299
FAX: 1-403-485-2920
www.vulcancounty.ab.ca

April 16, 2025

To the Reeve and Council Members of Vulcan County

Re: Management's Responsibility for Reporting

The management of Vulcan County acknowledges its responsibility for the preparation, accuracy, objectivity, and integrity of the accompanying financial statements and related notes. We believe that these financial statements present a fair representation of the County's financial position as of December 31, 2024, and the results of its operations for the year then ended.

These statements have been prepared in accordance with applicable legislation and the Canadian Public Sector Accounting Standards. A summary of the significant accounting policies is outlined in Note 1 to the financial statements. It is important to note that financial statements inherently include certain amounts based on estimates and judgments, which have been determined on a reasonable basis to ensure fair presentation in all material aspects.

In discharging its responsibilities and acknowledging the inherent limitations of any system, management has established and maintained a system of internal controls designed to produce reliable information that meets reporting requirements. This system is crafted to provide management with reasonable assurance regarding proper authorization of transactions, maintenance of reliable financial records, and appropriate accounting and safeguarding of assets. Regular monitoring and evaluation of these systems by management ensure the availability of reliable financial information for the preparation of financial statements.

County Council is entrusted with the oversight of management in fulfilling its financial reporting responsibilities and approving the financial statements. Council executes these duties by reviewing the financial information provided by management and engaging in discussions with the Audit Committee, management, and external auditors on pertinent matters. Council convenes meetings with management and external auditors to review the financial statements and discuss any significant financial reporting or internal control matters prior to approving the financial statements. Furthermore, Council is responsible for authorizing the appointment of the County's external auditors. The external auditors have unrestricted access to the Audit Committee, with or without the presence of management.

The financial statements have undergone an audit conducted by KPMG LLP, the independent external auditor appointed by County Council. Their accompanying Auditor's Report to the members of Vulcan County Council delineates their responsibilities, stating the scope of their examination and their opinion on the financial statements.

Respectfully,

A handwritten signature in blue ink, appearing to read "Nels Petersen".

Nels Petersen
Chief Administrative Officer

A handwritten signature in black ink, appearing to read "Mark DeBoer".

Mark DeBoer
Director of Corporate Services



KPMG LLP

3410 Fairway Plaza Road South
Lethbridge, AB T1K 7T5
Canada
Telephone 403 380 5700
Fax 403 380 5760

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, 2024
- the statement of operations for the year then ended
- re-measurement gains and losses for the year then ended;
- the statement of 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 (Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the County as at December 31, 2024, and its results of operations, its changes in net financial assets, its re-measurement gains and losses 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 auditor's 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.



Other Information

Management is responsible for the other information. Other information comprises:

The information, other than the financial statements and the auditor's report thereon, included in the Annual Financial Report. The Annual Financial Report is expected to be made available to us after the date of the auditor's report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

When we read the Annual Financial Report, if we conclude that there is a material misstatement of this other information, we are required to report the matter to those charged with governance.

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

Management is responsible for the preparation and fair presentation of the 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 the 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.
- 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.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P', with a small upward tick at the end.

Chartered Professional Accountants

Lethbridge, Canada

April 16, 2025

VULCAN COUNTY

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2024

	2024	2023
FINANCIAL ASSETS		
Cash and equivalents (note 2)	\$ 1,874,176	\$ 1,047,378
Taxes and grants in lieu receivable (note 3)	475,570	4,531,347
Trade and other receivables (note 4)	2,231,075	882,094
Portfolio investments (note 5)	39,676,702	27,125,041
Inventory held for resale (note 6)	1,000,787	67,111
Long term investments (note 7)	8,312,467	14,855,537
Loans and notes receivable (note 8)	134,569	179,439
Other	17,423	17,071
	53,722,769	48,705,018
LIABILITIES		
Accounts payable and accrued liabilities (note 9)	2,172,144	1,332,939
Deferred revenue (note 10)	1,305,492	1,252,204
Employee benefit obligations (note 11)	327,286	330,337
Long term debt (note 12)	980,757	1,118,084
Asset retirement obligations (note 13)	541,444	525,354
Other liabilities (note 15)	945,842	906,255
	6,272,965	5,465,173
NET FINANCIAL ASSETS	47,449,804	43,239,845
NON-FINANCIAL ASSETS		
Tangible capital assets (schedule 2, note 16)	107,848,680	107,687,527
Inventory for consumption (note 17)	8,269,813	8,720,764
Prepaid expenses	459,721	402,198
	116,578,214	116,810,489
ACCUMULATED SURPLUS	\$ 164,028,018	\$ 160,050,334
ACCUMULATED SURPLUS:		
Accumulated operating surplus (schedule 1, note 19)	163,868,218	160,050,334
Accumulated remeasurement gains	159,800	-
	\$ 164,028,018	\$ 160,050,334

Contingencies and commitments - See note 27 & 28.

Contractual rights - See note 29.

APPROVED BY:



VULCAN COUNTY
STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2024

	Budget (note 25)	2024	2023
REVENUE			
Net municipal taxes (schedule 3)	\$ 17,168,356	\$ 17,136,610	\$ 17,943,837
Government transfers (schedule 4)	1,015,544	1,176,124	1,104,191
Return on investments	726,824	2,260,512	2,063,059
Sale of goods, services and user charges	949,002	2,197,447	1,949,632
Rental income	320,680	325,203	320,565
Community aggregate levy	142,912	221,153	193,171
Penalties and costs of taxes	130,000	225,768	350,624
Gain on disposal of tangible capital assets	-	113,602	26,523
Other revenues	11,500	282,425	30,518
TOTAL REVENUE	20,464,818	23,938,844	23,982,120
EXPENSES			
Legislative	583,963	538,114	478,318
Administration	2,476,843	2,526,009	2,267,748
Protective services	3,323,332	3,095,384	2,627,286
Transportation services	10,545,984	11,657,736	11,290,788
Agricultural services	905,389	761,000	720,976
Planning and development services	825,947	954,793	691,937
Family and community support	219,763	203,445	219,469
Parks and recreation	725,363	741,448	696,646
Tourism and economic development	42,376	28,952	19,922
Utility Services	1,163,124	1,201,098	1,140,509
Other	236,483	610,075	632,309
TOTAL EXPENSES	21,048,567	22,318,054	20,785,908
OPERATING SURPLUS - BEFORE OTHER	(583,749)	1,620,790	3,196,212
OTHER			
Contributed tangible capital assets	-	684,977	-
Government transfers for capital (schedule 4)	2,234,582	1,512,117	1,756,668
ANNUAL SURPLUS	1,650,833	3,817,884	4,952,880
ACCUMULATED OPERATING SURPLUS, BEGINNING OF YEAR	160,050,334	160,050,334	155,097,454
ACCUMULATED OPERATING SURPLUS, END OF YEAR	\$ 161,701,167	\$ 163,868,218	\$ 160,050,334

The accompanying notes and supporting schedules to which the financial statements are cross-referenced are an integral part of these financial statements.

VULCAN COUNTY

STATEMENT OF REMEASUREMENT GAINS AND LOSSES YEAR ENDED DECEMBER 31, 2024

	<u>2024</u>	<u>2023</u>
UNREALIZED GAINS ATTRIBUTED TO:		
Derivatives - principal protected notes (note 7)	<u>\$ 159,800</u>	<u>\$ -</u>
	<u>159,800</u>	<u>-</u>
AMOUNTS RECLASSIFIED TO STATEMENT OF OPERATIONS:		
Derivatives - principal protected notes realized gains (note 7)	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
NET REMEASUREMENT GAINS FOR THE YEAR	159,800	-
ACCUMULATED REMEASUREMENT GAINS, BEGINNING OF YEAR	<u>-</u>	<u>-</u>
ACCUMULATED REMEASUREMENT GAINS, END OF YEAR	<u><u>\$ 159,800</u></u>	<u><u>\$ -</u></u>

The accompanying notes and supporting schedules to which the financial statements are cross-referenced are an integral part of these financial statements.

VULCAN COUNTY

STATEMENT OF CHANGES IN NET FINANCIAL ASSETS YEAR ENDED DECEMBER 31, 2024

	Budget (note 25)	2024	2023
ANNUAL SURPLUS	\$ 1,650,833	\$ 3,817,884	\$ 4,952,880
Acquisition of tangible capital assets	(7,676,408)	(5,565,122)	(4,704,172)
Contributed tangible capital assets	-	(684,977)	-
Tangible capital assets reclassified as inventory held for resale	-	1,023,083	-
Proceeds on disposal of tangible capital assets	-	157,756	216,952
Amortization of tangible capital assets	4,877,771	5,013,435	4,877,770
Net loss (gain) on disposal of tangible capital assets	-	(105,328)	8,162
	(2,798,637)	(161,153)	398,712
Net change in inventory for consumption	-	450,951	382,462
Acquisition of prepaid expenses	-	(459,721)	(402,198)
Use of prepaid expenses	-	402,198	428,289
Unrealized remeasurement gains	-	159,800	-
	-	553,228	408,553
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	(1,147,804)	4,209,959	5,760,145
NET FINANCIAL ASSETS, BEGINNING OF YEAR	43,239,845	43,239,845	37,479,700
NET FINANCIAL ASSETS, END OF YEAR	\$ 42,092,041	\$ 47,449,804	\$ 43,239,845

The accompanying notes and supporting schedules to which the financial statements are cross-referenced are an integral part of these financial statements.

VULCAN COUNTY
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2024

	2024	2023
NET INFLOW (OUTFLOWS) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Annual surplus	\$ 3,817,884	\$ 4,952,880
Non-cash items included in annual surplus:		
Amortization of tangible capital assets	5,013,435	4,877,770
Accretion of asset retirement obligations	20,760	19,291
Net loss (gain) on disposal of tangible capital assets	(105,328)	8,162
Tangible capital assets received as contributions	(684,977)	-
Tangible capital assets reclassified as inventory held for resale	1,023,083	-
Non-cash charges to operations (net change):		
Decrease (increase) in taxes and grants in lieu receivable	4,055,777	(3,767,968)
Increase in trade and other receivables	(1,348,981)	(262,944)
Decrease (increase) in inventory held for resale	(933,676)	5,226
Decrease in loans receivable	44,870	40,061
Increase in other financial assets	(352)	(641)
Decrease in inventory for consumption	450,951	382,462
Decrease (increase) in prepaid expenses	(57,522)	26,090
Increase in accounts payable	839,205	671,978
Increase (decrease) in deferred revenue	53,288	(588,228)
Increase (decrease) in employee benefit obligations	(3,051)	51,929
Decrease in asset retirement obligations	(4,670)	(16,819)
Increase in other liabilities	39,587	399,532
	12,220,283	6,798,781
Cash provided by operating transactions		
CAPITAL		
Acquisition of tangible capital assets	(5,565,122)	(4,704,172)
Proceeds on disposal of tangible capital assets	157,756	216,952
	(5,407,366)	(4,487,220)
Cash applied to capital transactions		
INVESTING		
Decrease (increase) in portfolio investments	(12,391,862)	9,737,024
Decrease (increase) in long term investments	6,543,070	(12,799,272)
	(5,848,792)	(3,062,248)
Cash applied to investing transactions		
FINANCING		
Long term debt repaid	(137,327)	(133,960)
	(137,327)	(133,960)
Cash applied to financing transactions		
CHANGE IN CASH AND EQUIVALENTS DURING THE YEAR	826,798	(884,647)
CASH AND EQUIVALENTS, BEGINNING OF YEAR	1,047,378	1,932,025
CASH AND EQUIVALENTS, END OF YEAR	\$ 1,874,176	\$ 1,047,378

The accompanying notes and supporting schedules to which the financial statements are cross-referenced are an integral part of these financial statements.

VULCAN COUNTY

SCHEDULE OF CHANGE IN ACCUMULATED OPERATING SURPLUS YEAR ENDED DECEMBER 31, 2024

				<i>SCHEDULE 1</i>	
	Unrestricted Surplus	Restricted Surplus (note 20)	Equity in Tangible Capital Assets (note 18)	2024	2023
BALANCE, BEGINNING OF YEAR	\$ 900,534	51,987,627	107,162,173	\$ 160,050,334	\$ 155,097,454
Annual surplus	\$ 3,817,884	-	-	\$ 3,817,884	\$ 4,952,880
Unrestricted funds designated for future use	(7,535,398)	7,535,398	-	-	-
Restricted funds used for operations	1,620,570	(1,620,570)	-	-	-
Restricted funds used for tangible capital assets	-	(2,245,636)	2,245,636	-	-
Current year funds used for tangible capital assets	(3,319,486)	-	3,319,486	-	-
Contributed tangible capital assets	(684,977)	-	684,977	-	-
Disposal of tangible capital assets	1,075,511	-	(1,075,511)	-	-
Annual amortization expense	5,013,435	-	(5,013,435)	-	-
Annual accretion ARO expense	20,760	-	(20,760)	-	-
ARO revision in estimates	(4,670)	-	4,670	-	-
Change in accumulated operating surplus	\$ 3,629	3,669,192	145,063	\$ 3,817,884	\$ 4,952,880
BALANCE, END OF YEAR	\$ 904,163	55,656,819	107,307,236	\$ 163,868,218	\$ 160,050,334

VULCAN COUNTY

SCHEDULE OF TANGIBLE CAPITAL ASSETS YEAR ENDED DECEMBER 31, 2024

SCHEDULE 2

	Land	Land Improvements	Buildings	Equipment	Vehicles	Engineered Structures	2024	2023
<u>HISTORICAL COST:</u>								
BALANCE, BEGINNING OF YEAR	\$ 6,526,755	1,876,326	12,133,742	21,301,054	8,050,796	168,553,636	\$218,442,309	\$215,278,739
Acquisition of tangible capital assets	27,000	58,580	-	2,481,560	1,220,310	1,762,624	5,550,074	4,431,496
New construction-in-progress	-	-	-	26,276	-	673,749	700,025	272,676
Disposition of tangible capital assets	(489,783)	(107,313)	-	(138,782)	(167,744)	(778,444)	(1,682,066)	(1,540,602)
BALANCE, END OF YEAR	<u>6,063,972</u>	<u>1,827,593</u>	<u>12,133,742</u>	<u>23,670,108</u>	<u>9,103,362</u>	<u>170,211,565</u>	<u>223,010,342</u>	<u>218,442,309</u>
<u>ACCUMULATED AMORTIZATION:</u>								
BALANCE, BEGINNING OF YEAR	\$ -	496,147	4,904,378	14,741,074	5,514,275	85,098,908	\$110,754,782	\$107,192,500
Annual amortization	-	57,521	298,219	1,726,506	547,039	2,384,150	5,013,435	4,877,770
Accumulated amortization on disposal	-	-	-	(138,782)	(161,037)	(306,736)	(606,555)	(1,315,488)
BALANCE, END OF YEAR	<u>-</u>	<u>553,668</u>	<u>5,202,597</u>	<u>16,328,798</u>	<u>5,900,277</u>	<u>87,176,322</u>	<u>115,161,662</u>	<u>110,754,782</u>
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	<u>\$ 6,063,972</u>	<u>1,273,925</u>	<u>6,931,145</u>	<u>7,341,310</u>	<u>3,203,085</u>	<u>83,035,243</u>	<u>\$107,848,680</u>	<u>\$107,687,527</u>
2023 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	<u>\$ 6,526,755</u>	<u>1,380,179</u>	<u>7,229,364</u>	<u>6,559,980</u>	<u>2,536,521</u>	<u>83,454,728</u>	<u>\$107,687,527</u>	

Land, equipment, vehicles, and engineered structures of \$684,977 (2023 - \$nil) were acquired as contributed tangible capital assets.

VULCAN COUNTY

SCHEDULE OF PROPERTY AND OTHER TAXES YEAR ENDED DECEMBER 31, 2024

SCHEDULE 3

	Budget (note 25)	2024	2023
TAXATION			
Real property taxes	\$ 7,440,871	\$ 7,438,613	\$ 7,661,085
Linear taxes	11,158,918	11,130,688	11,314,178
Commercial taxes	1,632,883	1,634,583	1,580,059
Government grants in lieu of taxes	21,661	19,475	19,745
Special levy	1,509,962	1,509,317	1,364,334
Well drilling tax	156	91	117
	21,764,451	21,732,767	21,939,518
REQUISITIONS			
School requisitions	3,588,907	3,588,907	3,138,040
Seniors foundation requisition	560,513	560,513	547,654
RCMP policing requisition	354,204	354,204	241,049
Provincial DIP assessment requisition	92,471	92,533	68,938
	4,596,095	4,596,157	3,995,681
NET MUNICIPAL TAXES	\$ 17,168,356	\$ 17,136,610	\$ 17,943,837

VULCAN COUNTY

SCHEDULE OF GOVERNMENT TRANSFERS YEAR ENDED DECEMBER 31, 2024

SCHEDULE 4

	Budget (note 25)	2024	2023
TRANSFERS FOR OPERATING			
Local government transfers	\$ 189,295	\$ 204,102	\$ 298,601
Provincial government transfers	576,844	672,705	556,185
Federal government transfers	249,405	299,317	249,405
	1,015,544	1,176,124	1,104,191
TRANSFERS FOR CAPITAL			
Local government transfers	-	-	39,016
Provincial government transfers	2,234,582	1,512,117	1,717,652
	2,234,582	1,512,117	1,756,668
TOTAL GOVERNMENT TRANSFERS	\$ 3,250,126	\$ 2,688,241	\$ 2,860,859

VULCAN COUNTY

SCHEDULE OF EXPENSES BY OBJECT YEAR ENDED DECEMBER 31, 2024

SCHEDULE 5

	Budget (note 25)	2024	2023
EXPENSES BY OBJECT			
Salaries, wages and benefits	\$ 9,312,253	\$ 9,054,113	\$ 7,798,714
Contracted and general services	3,370,418	3,552,002	3,375,964
Materials, goods and utilities	3,291,582	3,626,627	3,152,977
Provision for allowances	216,483	609,664	625,434
Transfers to local boards and agencies	2,025,374	2,046,646	2,002,831
Interest and bank charges	42,068	38,207	40,642
Amortization of tangible capital assets	4,876,656	5,012,320	4,876,655
Amortization of ARO tangible capital assets	1,115	1,115	1,115
Accretion ARO expenses	20,046	20,760	19,291
Machine expenses capitalized for construction	(2,134,920)	(1,722,616)	(1,423,600)
Loss on disposal of tangible capital assets	-	8,274	34,685
Other expenses	27,492	70,942	281,200
	\$ 21,048,567	\$ 22,318,054	\$ 20,785,908

VULCAN COUNTY

SCHEDULE OF SEGMENTED DISCLOSURE YEAR ENDED DECEMBER 31, 2024

SCHEDULE 6

	General Government	Protective Services	Transportation Services	Agricultural Services	Planning and Development Services	Community Services	Utility Services	2024 Total
REVENUE								
Net municipal taxes	\$ 14,715,001	1,004,881	-	-	-	487,898	928,830	\$ 17,136,610
Government transfers (operating)	31,919	351,501	394,153	166,247	-	232,304	-	1,176,124
Return on investment	2,260,512	-	-	-	-	-	-	2,260,512
Sale of goods, services and user charges	29,030	594,757	974,288	245,677	326,440	-	27,255	2,197,447
Rental income	6,000	308,954	-	10,249	-	-	-	325,203
Community aggregate levy	-	-	221,153	-	-	-	-	221,153
Penalties and other costs of taxes	225,768	-	-	-	-	-	-	225,768
Gain on disposal of tangible capital assets	2,347	-	77,545	33,710	-	-	-	113,602
Other revenues	269,491	12,934	-	-	-	-	-	282,425
	17,540,068	2,273,027	1,667,139	455,883	326,440	720,202	956,085	23,938,844
EXPENSES								
Salaries, wages and benefits	1,724,247	1,255,425	5,154,403	366,638	506,141	21,637	25,622	9,054,113
Contracted and general services	680,432	591,227	1,514,099	76,053	447,055	161,470	81,666	3,552,002
Material, goods and utilities	376,422	370,025	2,680,974	174,064	1,597	3,703	19,842	3,626,627
Provision for allowances	609,664	-	-	-	-	-	-	609,664
Transfers to local boards and agencies	84,379	167,744	8,675	12,886	-	760,963	1,011,999	2,046,646
Interest and bank charges	12,135	-	-	-	-	26,072	-	38,207
Amortization of tangible capital assets	128,019	710,854	3,981,011	130,495	-	-	61,941	5,012,320
Amortization of ARO tangible capital assets	394	26	590	99	-	-	6	1,115
Accretion ARO expenses	15,772	83	4,118	765	-	-	22	20,760
Machine expenses capitalized for construction	-	-	(1,722,616)	-	-	-	-	(1,722,616)
Loss on disposal of tangible capital assets	-	-	8,274	-	-	-	-	8,274
Other expenses	42,734	-	28,208	-	-	-	-	70,942
	3,674,198	3,095,384	11,657,736	761,000	954,793	973,845	1,201,098	22,318,054
OPERATING SURPLUS (DEFICIT) - BEFORE OTHER	13,865,870	(822,357)	(9,990,597)	(305,117)	(628,353)	(253,643)	(245,013)	1,620,790
OTHER								
Contributed tangible capital assets	-	684,976	-	-	-	-	1	684,977
Government transfers (capital)	-	-	1,330,141	181,976	-	-	-	1,512,117
ANNUAL SURPLUS (DEFICIT)	\$ 13,865,870	(137,381)	(8,660,456)	(123,141)	(628,353)	(253,643)	(245,012)	\$ 3,817,884

VULCAN COUNTY

SCHEDULE OF SEGMENTED DISCLOSURE YEAR ENDED DECEMBER 31, 2023

SCHEDULE 7

	General Government	Protective Services	Transportation Services	Agricultural Services	Planning and Development Services	Community Services	Utility Services	2023 Total
REVENUE								
Net municipal taxes	\$ 15,631,274	917,234	-	-	-	430,562	964,767	\$ 17,943,837
Government transfers (operating)	57,100	288,806	366,899	166,247	-	225,139	-	1,104,191
Return on investment	2,063,059	-	-	-	-	-	-	2,063,059
Sale of goods, services and user charges	59,514	308,473	877,279	341,910	336,172	7,800	18,484	1,949,632
Rental income	5,058	304,846	-	10,661	-	-	-	320,565
Community aggregate levy	-	-	193,171	-	-	-	-	193,171
Penalties and other costs of taxes	350,624	-	-	-	-	-	-	350,624
Gain on disposal of tangible capital assets	-	-	26,523	-	-	-	-	26,523
Other revenues	24,319	6,199	-	-	-	-	-	30,518
	<u>18,190,948</u>	<u>1,825,558</u>	<u>1,463,872</u>	<u>518,818</u>	<u>336,172</u>	<u>663,501</u>	<u>983,251</u>	<u>23,982,120</u>
EXPENSES								
Salaries, wages and benefits	1,514,480	928,768	4,569,874	363,945	392,040	5,356	24,251	7,798,714
Contracted and general services	672,880	564,814	1,536,048	62,607	298,813	168,571	72,231	3,375,964
Material, goods and utilities	262,744	283,629	2,416,792	160,935	1,084	5,881	21,912	3,152,977
Provision for allowances	625,434	-	-	-	-	-	-	625,434
Transfers to local boards and agencies	88,533	177,869	8,000	11,241	-	726,765	990,423	2,002,831
Interest and bank charges	11,178	-	-	-	-	29,464	-	40,642
Amortization of tangible capital assets	122,638	663,125	3,939,955	119,267	-	-	31,670	4,876,655
Amortization of ARO tangible capital assets	394	26	590	99	-	-	6	1,115
Accretion ARO expenses	15,018	61	3,526	670	-	-	16	19,291
Machine expenses capitalized for construction	-	-	(1,423,600)	-	-	-	-	(1,423,600)
Loss on disposal of tangible capital assets	12,890	8,994	10,589	2,212	-	-	-	34,685
Other expenses	52,186	-	229,014	-	-	-	-	281,200
	<u>3,378,375</u>	<u>2,627,286</u>	<u>11,290,788</u>	<u>720,976</u>	<u>691,937</u>	<u>936,037</u>	<u>1,140,509</u>	<u>20,785,908</u>
OPERATING SURPLUS (DEFICIT) - BEFORE OTHER	14,812,573	(801,728)	(9,826,916)	(202,158)	(355,765)	(272,536)	(157,258)	3,196,212
OTHER								
Contributed tangible capital assets	-	-	-	-	-	-	-	-
Government transfers (capital)	-	39,016	1,717,652	-	-	-	-	1,756,668
ANNUAL SURPLUS (DEFICIT)	<u>\$ 14,812,573</u>	<u>(762,712)</u>	<u>(8,109,264)</u>	<u>(202,158)</u>	<u>(355,765)</u>	<u>(272,536)</u>	<u>(157,258)</u>	<u>\$ 4,952,880</u>

VULCAN COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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, remeasurement gains and losses, 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 property and other taxes 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 in derivatives and equity instruments quoted in an active market are carried at fair value with transaction costs expensed upon initial recognition. Unrealized changes in fair value are recognized in the statement of remeasurement gains and losses. When the investment is disposed of the accumulated gains or losses are reclassified to the statement of operations. Investments in interest bearing securities are recorded at amortized cost. Investment premiums and discounts are amortized on the net present value basis over the term of the respective investments. When there has been a loss in value that is other than a temporary decline, the respective investment is written down to recognize the loss.

VULCAN COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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 Receivable

Current taxes and grants-in-lieu receivable 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) Asset Retirement Obligations

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

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

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

- (a) There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- (b) The past transaction or event giving rise to the liability has occurred;
- (c) It is expected that future economic benefits will be given up; and
- (d) A reasonable estimate of the amount can be made.

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

The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at year-end. The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods.

At each financial reporting date, the County reviews the carrying amount of the liability. The County recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recorded after specific thresholds are met; whereas, these changes to the liability are recognized as revenues or expenses, unless the factors for the liability increases above the original recognition, in which would create an increase to the carrying amount of the related tangible capital asset. The County continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

VULCAN COUNTY

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

k) 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.

l) Revenue Recognition

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

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

m) 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.

n) 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.

o) 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

VULCAN COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

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. If fair value cannot be reasonably determined, the tangible capital asset is recorded at nominal value.

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.

p) 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.

q) 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, asset retirement obligations settlement costs, timing of asset retirements, 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.

There is also measurement uncertainty relating to the estimated asset retirement obligations as they involve estimates in determining settlement amounts, discount rates used in present value techniques, and the timing of settlement. Changes in any of these estimates and assumptions may result in a change to the asset retirement obligations.

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.

VULCAN COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

r) Changes in Accounting Policies

Effective January 1, 2024, the County adopted the following new accounting standards approved by the Public Sector Accounting Board.

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. There were no changes to the measurement of revenues by the County on adoption of this new standard.

PSG 8 Purchased Intangibles (effective January 1, 2024)

This standard provides guidance on how to account for and report on identifiable non-monetary economic resources without physical substance acquired through an arm's length exchange transaction between knowledgeable, willing parties who are under no compulsion to act. Prior to adoption, purchased intangibles were expensed. The County does not have any purchased intangibles at the end of December 31, 2024.

PS 3160 Public Private Partnerships (effective January 1, 2024)

This standard provides guidance on how to account for public private partnerships between public and private sector entities, where the public sector entity procures infrastructure using a private sector partner. The County does not have any Public Private Partnerships (P3) agreements at the end of December 31, 2024.

s) Future Changes in Accounting Policies

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

The Conceptual Framework of Financial Reporting in the Public Sector

The Conceptual Framework is the foundation for public sector financial reporting standard setting. It replaces the conceptual aspects of Section PS 1000 Financial Statement Concepts and Section 1100 Financial Statement Objectives. The conceptual framework highlights considerations fundamental for the consistent application of accounting issues in the absence of specific standards.

PS 1202 Financial Statement Presentation (effective January 1, 2027)

This standard establishes general and specific requirements for the presentation of information in general purpose financial statements.

The County has not yet adopted these accounting standards. Management is currently assessing the impact of these standards on the financial statements.

2. CASH AND CASH EQUIVALENTS

	2024	2023
Cash and cash equivalents	\$ 1,874,176	\$ 1,047,378
	<u>\$ 1,874,176</u>	<u>\$ 1,047,378</u>

Cash and cash equivalents includes accounts for the Vulcan County Public Reserves Trust of \$340,774 (2023 - \$286,924) and for the Vulcan County Tax Sale Trust of \$168,484 (2023 - \$167,182).

The County has an available revolving line of credit facility up to \$500,000 with interest payable at prime minus 0.25%, and a credit card limit of \$65,000, with interest payable at 5.0%. As at December 31, 2024 the balance owing on these facilities is \$nil (2023 - \$nil).

VULCAN COUNTY

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

3. TAX AND GRANTS IN LIEU RECEIVABLE

	2024	2023
Current taxes and grants in lieu of taxes	\$ 540,061	\$ 4,587,973
Arrears	206,595	204,450
Allowance for doubtful accounts	(271,086)	(261,076)
	\$ 475,570	\$ 4,531,347

In 2023, Vulcan County issued supplementary property tax levies which was applied to all supplementary property assessment for the 2023 taxation year. The supplementary assessment roll was developed in late-2023 and most of the supplementary tax notices were issued late-2023 and most being payable subsequent to yearend. The County did not issue supplementary property tax levies for the 2024 taxation year. The total supplementary property tax levies were \$nil (2023 - \$4.033 million) and as at December 31, 2024, there was a balance remaining of \$nil (2023 - \$4.017 million).

4. TRADE AND OTHER RECEIVABLES

	2024	2023
Trade receivables	\$ 957,102	\$ 403,226
Interest receivable	930,486	427,302
GST receivable	45,195	52,299
Government of Alberta receivable	298,292	-
Allowance for doubtful accounts	-	(733)
	\$ 2,231,075	\$ 882,094

The Government of Alberta receivable of \$298,292 relates to the Canada Community-Building Fund (CCBF) allocation; whereas, these allocations are receivable as the County has submitted eligible capital projects that were sufficient for the release of the CCBF Funding. The interest receivable relates to Guaranteed Investment Certificates (GIC) that have accrued interest since the last interest payment and/or long-term GICs that accrued interest until maturity of the investment.

5. PORTFOLIO INVESTMENTS

	2024	2023
Deposits and short-term securities	\$ 21,152,241	\$ 15,536,940
High interest savings	18,524,461	11,588,101
	\$ 39,676,702	\$ 27,125,041

Portfolio investments are short-term deposits with original maturities of one year or less, or are redeemable, with interest rates ranging from 3.80% to 6.20% (2023 - 1.85% to 5.85%). Included in portfolio investments is a restricted amount of \$964,718 (2023 - \$965,280) held exclusively for eligible projects.

6. INVENTORY HELD FOR RESALE

	2024	2023
Tax forfeiture properties	\$ 10,339	\$ 18,514
Other lands held for resale properties	990,448	48,597
	\$ 1,000,787	\$ 67,111

During 2024, the County completed the land development and subdivision within the Vulcan County Industrial Park; whereas, these lots have been included in the Other Lands Held for Resale Properties. Cost includes costs for land acquisition and improvements required to prepare the land for servicing such as clearing, stripping and levelling charges.

VULCAN COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

7. LONG TERM INVESTMENTS

	2024	2023
Guaranteed investment certificates	\$ 6,152,667	\$ 12,855,537
Derivatives - principal protected notes	2,159,800	2,000,000
	\$ 8,312,467	\$ 14,855,537

The carrying costs of long-term investments is comprised of the following:

	2024		2023	
	Cost	Market Value	Cost	Market Value
Guaranteed investment certificates - amortized cost	\$ 6,152,667	\$ 6,152,667	\$ 12,855,537	\$ 12,855,537
Derivatives - principal protected notes - level 2	2,000,000	2,159,800	2,000,000	2,000,000
	\$ 8,152,667	\$ 8,312,467	\$ 14,855,537	\$ 14,855,537

Guaranteed investment certificates are long-term deposits with interest rates ranging from 5.25% to 5.55% (2023 - 5.25% to 6.20%) with maturity dates ranging from 2026 to 2028 (2023 - 2025 to 2028).

Derivative investments are carried at fair market value in which the measurements are derived from:

Level 1 - Quoted prices in active markets for identical assets

Level 2 - Fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the assets, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Derivative investments include principal protected notes that have stated interest rates of 9.00%, have an annual auto-callable options, with a maturity date of 2031 and carried at fair value with transaction costs expensed upon initial recognition. The principal protected notes were subsequently auto-called in early 2025.

Unrealized gains on derivatives - principal protected notes carried at fair value of \$159,800 (2023 - \$nil) have been recognized in the statement of remeasurement gains and losses.

8. LOANS AND NOTES RECEIVABLES

	2024	2023
Carmangay Curling Association	\$ 67,900	\$ 86,100
Mossleigh Water Co-op	-	10,988
Vulcan & District Waste Commission	66,669	82,351
	\$ 134,569	\$ 179,439

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 was repaid during 2024.

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.

These loan receivables are unsecured and do not have options nor conditions for loan forgiveness. Valuation allowances, if applicable, 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.

VULCAN COUNTY

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2024	2023
Trade payables	\$ 948,816	\$ 636,243
Government remittances	81,358	58,476
Deposit liabilities	935,200	516,602
Other payables and accrued liabilities	206,770	121,618
	\$ 2,172,144	\$ 1,332,939

Deposit liabilities include security and deposits for development permits that are held until the conditions of the development permit are met. These also include bonds for road use agreements / installation of sub-surface facilities and deposits held for the overpayment of tax levies.

10. DEFERRED REVENUE

	2023	Externally Restricted Inflows	Revenues Earned	2024
Municipal Sustainability Initiative - Capital	\$ 800,484	\$ 38,759	\$ (78,020)	\$ 761,223
Local Government Fiscal Framework - Capital	-	1,434,098	(1,434,098)	-
Local Government Fiscal Framework - Operating	-	355,916	(355,916)	-
Canada Community-Building Fund	-	298,292	(298,292)	-
Alberta Community Partnership	-	150,000	(95,861)	54,139
Surface Rights	82,066	91,864	(82,066)	91,864
Development Public Funds	286,924	53,850	-	340,774
Other	82,730	20,800	(46,038)	57,492
	\$ 1,252,204	\$ 2,443,579	\$ (2,390,291)	\$ 1,305,492

Municipal Sustainability Initiative (MSI) - 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. This program was replaced with the Local Government Fiscal Framework in 2024; whereas, the unspent Municipal Sustainability Initiative (MSI) capital funds as at December 31, 2024 remain available within the MSI program guidelines.

Local Government Fiscal Framework (LGFF) - Capital and Operating

The Province provides conditional grant funding through this Local Government Fiscal Framework (LGFF) program to assist with various capital and operating expenditures in the County. The use of these funds is restricted to eligible expenditures as approved under the funding agreement. The LGFF capital and operating programs started in 2024, replacing the prior Municipal Sustainability Initiative (MSI) programs.

Canada Community-Building Fund (CCBF)

This Canada Community-Building Fund (CCBF), which is previously known as the Federal Gas Tax Fund, is a conditional grant funded 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 Community Partnership (ACP)

This Alberta Community Partnership (ACP) grant is a conditional grant funded through this program to assist with specific approved projects. The use of these funds is restricted to eligible expenditures as approved under the funding agreement. During 2024, the County received approval for a \$200,000 Intermunicipal Collaboration ACP grant agreement to develop a Regional Transportation Master Plan.

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, 2024

11. EMPLOYEE BENEFIT OBLIGATIONS

	2024	2023
Accrued vacation payable	\$ 308,648	\$ 319,484
Accrued allowances	18,638	10,853
	\$ 327,286	\$ 330,337

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.

The accrued allowances are unused health and wellness account credits that employees are deferring to the following year. Employees have either earned the benefits and/or are entitled to these benefits within the next budgetary year.

12. LONG TERM DEBT

	2024	2023
Tax supported debentures	\$ 980,757	\$ 1,118,084
	\$ 980,757	\$ 1,118,084

The current portion of long term debt amounts to \$140,779 (2023 - \$137,327).

Principal and interest repayments are as follows:

	Principal	Interest	Total
2025	\$ 140,779	\$ 23,626	\$ 164,405
2026	144,318	20,087	164,405
2027	147,946	16,459	164,405
2028	151,664	12,741	164,405
2029	155,477	8,928	164,405
Thereafter	240,573	6,034	246,607
	\$ 980,757	\$ 87,875	\$ 1,068,632

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 County has established an authorized overdraft for the purposes of financing operating expenditures with a limit of \$500,000. 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, 2024 (2023 - \$nil).

Interest on long term debt amounted to \$26,072 (2023 - \$29,464).

The County's total cash payment for interest in 2024 was \$27,077 (2023 - \$30,445).

As at December 31, 2024, the County has not issued or provided any loan guarantees (2023 - \$nil) within the County nor provided to guarantee any other organizations.

VULCAN COUNTY

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

13. ASSET RETIREMENT OBLIGATIONS

	2024	2023
Asset Retirement Obligations, beginning of year	\$ 525,354	\$ 522,882
Accretion expense	20,760	19,291
Revision in estimates	(4,670)	(16,819)
Asset Retirement Obligations, end of year	\$ 541,444	\$ 525,354

The County has asset retirement obligations to remove hazardous asbestos fibre containing materials and other hazardous materials from various buildings under its control. Regulations require the County to handle and dispose of the asbestos in a prescribed manner when it is disturbed, such as when the building undergoes renovations or is demolished. Although timing of the asbestos removal is conditional on the building undergoing renovations or being demolished, regulations create an existing obligation for the County to remove the asbestos when asset retirement activities occur. The County is also responsible for environmental reclamation costs of gravel pit sites that are under the County's control.

Asset retirement obligations are initially measured as of the date the legal obligation was incurred, based on management's best estimate of the amount required to retire tangible capital assets and subsequently re-measured considering any new information and the appropriateness of assumptions used. The estimate of the liability is based on third-party quotes and professional judgement.

The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at year-end. The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods. The asset retirement obligations are based on the sum of discounted future cash flows for reclamation with remaining useful lives ranging from 2 to 44 years, undiscounted expenditures of \$1.197 million (2023 - \$1.178 million) assuming an annual inflation ranging from 0.50% to 4.12% (2023 - 0.50% to 4.14%), and an effective discount rate ranging from 3.87% to 7.49%, inclusive of inflationary factors (2023 - 3.70% to 7.34%). The estimated recoveries are \$nil for future reclamations.

14. CONTAMINATED SITES LIABILITY

The County has adopted PS3260 Liability for Contaminated Sites. The County did not identify any financial liabilities in 2024 (2023 - \$nil) as a result of this standard.

15. OTHER LIABILITIES

	2024	2023
Other gravel reclamations - non-controlled	\$ 518,831	\$ 490,624
Deposits held for community organizations	202,711	192,634
Other liabilities	224,300	222,997
	\$ 945,842	\$ 906,255

The County is responsible for environmental reclamation costs of gravel pit sites, including gravel pit sites that are not under the County's control. Gravel pit sites under the County's control are included within Asset Retirement Obligations. During the year, it was estimated that there was 243,818 cubic meters of exposed gravel pits for reclamation at an approximate cost of reclamation of \$3.20 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 discount rate of 7.49% and assuming annual inflation of 4.12%. The gravel pits have an estimated useful life ranging from 5 to 42 years depending on the quantity of gravel remaining in each pit. 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.

VULCAN COUNTY

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

16. TANGIBLE CAPITAL ASSETS

	2024	2023
Tangible capital assets (schedule 2)	\$ 223,010,342	\$ 218,442,309
Accumulated amortization (schedule 2)	(115,161,662)	(110,754,782)
	<u>\$107,848,680</u>	<u>\$107,687,527</u>

Contributed tangible capital assets are recognized at fair value at the date of contribution. In 2024, the County received a total of \$684,977 of contributed tangible capital assets (2023 - \$nil), including vehicles and equipment from the regionalization of the Milo Fire Department, a contributed vehicle for fire protection services, and the Mossleigh Water Distribution System. The fair value of the Mossleigh Water Distribution System was not reasonably determinable, therefore, it was recorded at a nominal value.

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, 2024, the leased tangible capital asset had \$55,960 of total accumulated amortization.

Capitalized asset retirement obligation (ARO) assets are recognized as an increase to the carrying amount of the related tangible capital assets and are initially measured as at the date the legal obligations occurred. As at December 31, 2024, the capitalized asset retirement obligation (ARO) assets had a total of \$69,799 of capitalized costs and \$52,684 of total accumulated amortization.

17. INVENTORIES FOR CONSUMPTION

	2024	2023
Inventory for consumption - gravel	\$ 7,633,911	\$ 8,131,698
Inventory for consumption - parts	635,902	589,066
	<u>\$ 8,269,813</u>	<u>\$ 8,720,764</u>

Gravel inventory includes purchased deposits not yet crushed, with a cost of \$4,046,215 (2023 - \$4,046,215). There was no gravel crushing completed in 2024; therefore, the uncrushed gravel deposits are unchanged from the prior year.

18. EQUITY IN TANGIBLE CAPITAL ASSETS

	2024	2023
Tangible capital assets (schedule 2, note 16)	\$ 223,010,342	\$ 218,442,309
Accumulated amortization (schedule 2, note 16)	(115,161,662)	(110,754,782)
	107,848,680	107,687,527
Asset Retirement Obligations (note 13)	(541,444)	(525,354)
	<u>\$107,307,236</u>	<u>\$107,162,173</u>

19. ACCUMULATED SURPLUS

	2024	2023
Unrestricted surplus	\$ 904,163	\$ 900,534
Restricted surplus (note 20)	55,656,819	51,987,627
Equity in tangible capital assets (note 18)	107,307,236	107,162,173
	<u>\$163,868,218</u>	<u>\$160,050,334</u>
Accumulated remeasurement gains	159,800	-
	<u>\$164,028,018</u>	<u>\$160,050,334</u>

VULCAN COUNTY

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

20. RESTRICTED SURPLUS

	2024	2023
Capital Restricted Surplus		
General Government	\$ 159,621	\$ 125,016
Protective Equipment	8,281,247	7,905,341
Transportation Equipment	2,260,749	1,794,527
Road Construction	1,985,713	2,614,730
Bridge Construction	6,034,102	5,531,256
Gravel Crushing	215,355	215,355
Mossleigh Water Treatment Plant - Recovery	(405,179)	(421,717)
McGregor Water Systems Project	1,881,433	-
Environment Development Equipment	183,718	110,754
Air Transport	20,000	20,000
Capital Acquisition	14,123,002	12,815,598
Capital Contingency	970,682	970,682
	35,710,443	31,681,542
Operating Restricted Surplus		
Assessment Appeal	5,506	5,506
Assessment Contingency	1,660,543	1,660,543
Community Enhancement	14,841	14,841
General Government Service	422,223	423,338
Protective Services	1,656,208	1,493,251
Transportation Contingency	1,594,584	1,798,903
Road Construction	656,050	843,798
Road Maintenance	1,016,615	1,008,675
Gravel Crushing	4,473,862	4,320,122
Uncrushed Gravel Inventory	4,046,215	4,046,215
Bridges	60,671	117,907
Water Management	20,009	30,865
Environment Treatment	168,822	225,096
Vulcan Hospital Project - Debenture Recovery	(980,757)	(1,134,028)
Planning and development	258,380	272,295
Agriculture Services	564,582	637,066
Recreation and Culture	1,023,855	889,670
Operating Contingency	3,284,167	3,652,022
	19,946,376	20,306,085
Total Restricted Surplus	\$ 55,656,819	\$ 51,987,627

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, 2024. 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 \$137,830 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.

During 2024, the County allocated \$1.889 million of reserves for the County's municipal contribution towards the McGregor Water Systems Project which is being managed by the Village of Milo. This project is part of a Water for Life grant program to build a regional water treatment plant in Village of Milo and waterlines to service the Village of Arrowwood, the hamlet of Mossleigh, and other potential residences in proximity to the waterlines. As at December 31, 2024, a total of \$7,458 of Vulcan County's municipal contribution has been accrued on eligible project expenditures.

VULCAN COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

21. 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, 2024

22. 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:

	2024			2023
	Salary / Per Diems	Benefits & Allowances	Total	Total
Councillors				
Division 1 - Gateman	\$ 27,520	\$ 8,873	\$ 36,393	\$ 22,773
Division 2 - Cockwill	21,738	10,263	32,001	27,596
Division 3 - Schneider	36,245	10,312	46,557	36,098
Division 4 - Lyckman	39,868	7,437	47,305	47,053
Division 5 - Nelson	37,908	10,099	48,007	41,071
Division 6 - Northcott	31,930	5,129	37,059	26,896
Division 7 - Logan	29,774	9,287	39,061	32,665
Chief Administrative Officer - Petersen	\$ 236,026	\$ 38,867	\$ 274,893	\$ 224,036
Designated Officer(s)	110,309	24,004	134,313	216,005

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.

23. 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 304,451 people and 444 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% (2023 - 8.45%) of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 11.65% (2023 - 12.23%) on pensionable earnings above this amount. Employees of the County are required to make current service contributions of 7.45% (2023 - 7.45%) of pensionable salary up to the year's maximum pensionable salary and 10.65% (2023 - 11.23%) on pensionable salary above this amount.

Total current service contributions by the County to the LAPP in 2024 were \$540,875 (2023 - \$479,489). Total current service contributions by the employees of the County to the Local Authorities Pension Plan in 2024 were \$474,914 (2023 - \$439,131).

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

VULCAN COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

24. FINANCIAL INSTRUMENTS

The County's financial instruments consist of cash and cash equivalents, investments, accounts receivable, accounts payable and accrued liabilities, and long-term debt. It is management's opinion that the County is not exposed to significant currency, liquidity, interest rate, market or other price risk arising from these financial instruments.

The County is exposed to credit risk with respect to receivables. Credit risk arises from the possibility that customers may experience financial difficulty and be unable to fulfil their obligations. The large number and diversity of customers minimizes the County's credit risk.

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

25. 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.

	<u>2024</u>	<u>2023</u>
ANNUAL SURPLUS	\$ 1,650,833	\$ 2,138,710
ADD: Proceeds from sale of capital assets	-	500,000
ADD: Transfer from restricted surplus to operations	4,822,109	4,951,621
ADD: Amortization of tangible capital assets	4,877,771	4,818,615
ADD: Accretion ARO expenses	20,046	-
LESS: Transfers to restricted surplus	(3,694,351)	(4,178,067)
LESS: Capital expenditures	(7,676,408)	(8,230,879)
Budget approved by Council	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

26. 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:

	<u>2024</u>	<u>2023</u>
Total debt limit	\$ 35,908,266	\$ 35,973,180
Total debt	980,757	1,118,084
Amount of debt limit unused	<u>\$ 34,927,509</u>	<u>\$ 34,855,096</u>
Debt servicing limit	\$ 5,984,711	\$ 5,995,530
Debt servicing	164,405	164,405
Amount of debt servicing limit unused	<u>\$ 5,820,306</u>	<u>\$ 5,831,125</u>

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.

VULCAN COUNTY

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

27. 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.

28. COMMITMENTS AND CONTRACTUAL OBLIGATIONS

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

	2024	2023
Equipment and Vehicles	\$ 2,878,821	\$ 2,082,602
Service Providers	1,367,000	249,325
Capital Project Agreements	1,881,433	-
	\$ 6,127,254	\$ 2,331,927

Equipment and Vehicles: The County has committed for purchase orders of capital expenditures of \$2.88 million (2023 - \$2.08 million) that has been ordered but not received before December 31, 2024.

Service Providers: As of December 31, 2024, the County has \$1,367,000 (2023 - \$249,325) in commitments relating to service contracts, including assessment services and other contracted services.

Capital Project Agreements: As of December 31, 2024, the County has \$1,881,433 (2023 - \$nil) in commitments relating to the construction of the McGregor Water Systems Project which is being managed by the Village of Milo. This project is part of a Water for Life grant program to build a regional water treatment plant in Village of Milo and waterlines to service the Village of Arrowwood, the hamlet of Mossleigh, and other potential residences in proximity to the waterlines. The County had committed to contribute up to a total of \$1,888,891 towards this project; whereas, as at December 31, 2024, a total of \$7,458 of Vulcan County's municipal contribution has been accrued on eligible project expenditures.

The scheduled payments not including GST are as follows:

	Equipment and Vehicles	Service Providers	Capital Project Agreements
2025	\$ 2,878,821	\$ 252,900	\$ 503,342
2026	-	260,150	1,032,893
2027	-	264,150	345,198
2028	-	268,150	-
2029	-	272,150	-
Thereafter	-	49,500	-
	\$ 2,878,821	\$ 1,367,000	\$ 1,881,433

VULCAN COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

29. CONTRACTUAL RIGHTS

Contractual rights are rights of the County to economic resources arising from contracts or agreements that will result in both assets and revenues in the future when the terms of those contracts or agreements are met.

	2024	2023
Contractual rights from facility leases	\$ 1,308,308	\$ 1,602,588
	<u>\$ 1,308,308</u>	<u>\$ 1,602,588</u>

Facility Leases: The County has long-term facility lease agreements with the Royal Canadian Mounted Police (RCMP) and Alberta Health Services (AHS). The RCMP lease agreement has an annual lease of \$206,000 and expires in March 2031. The AHS lease agreement has an annual lease of \$87,880 and expires in March 2025.

Estimated amounts that will be received or receivable are as follows:

		Facility Leases	
2025	\$	224,708	
2026		206,400	
2027		206,400	
2028		206,400	
2029		206,400	
Thereafter		258,000	
		\$ 1,308,308	

30. PRIOR YEAR FIGURES

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

31. APPROVAL OF FINANCIAL STATEMENTS

Council and Management have approved these financial statements.