



ANNUAL FINANCIAL REPORT 2024

FOR FISCAL YEAR ENDED DECEMBER 31, 2024
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

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





ANNUAL FINANCIAL REPORT

2024

FOR FISCAL YEAR ENDED DECEMBER 31, 2024
VULCAN COUNTY, ALBERTA, CANADA

PREPARED BY VULCAN COUNTY
CORPORATE SERVICES DEPARTMENT
JUNE 2025

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





Vulcan County

2024 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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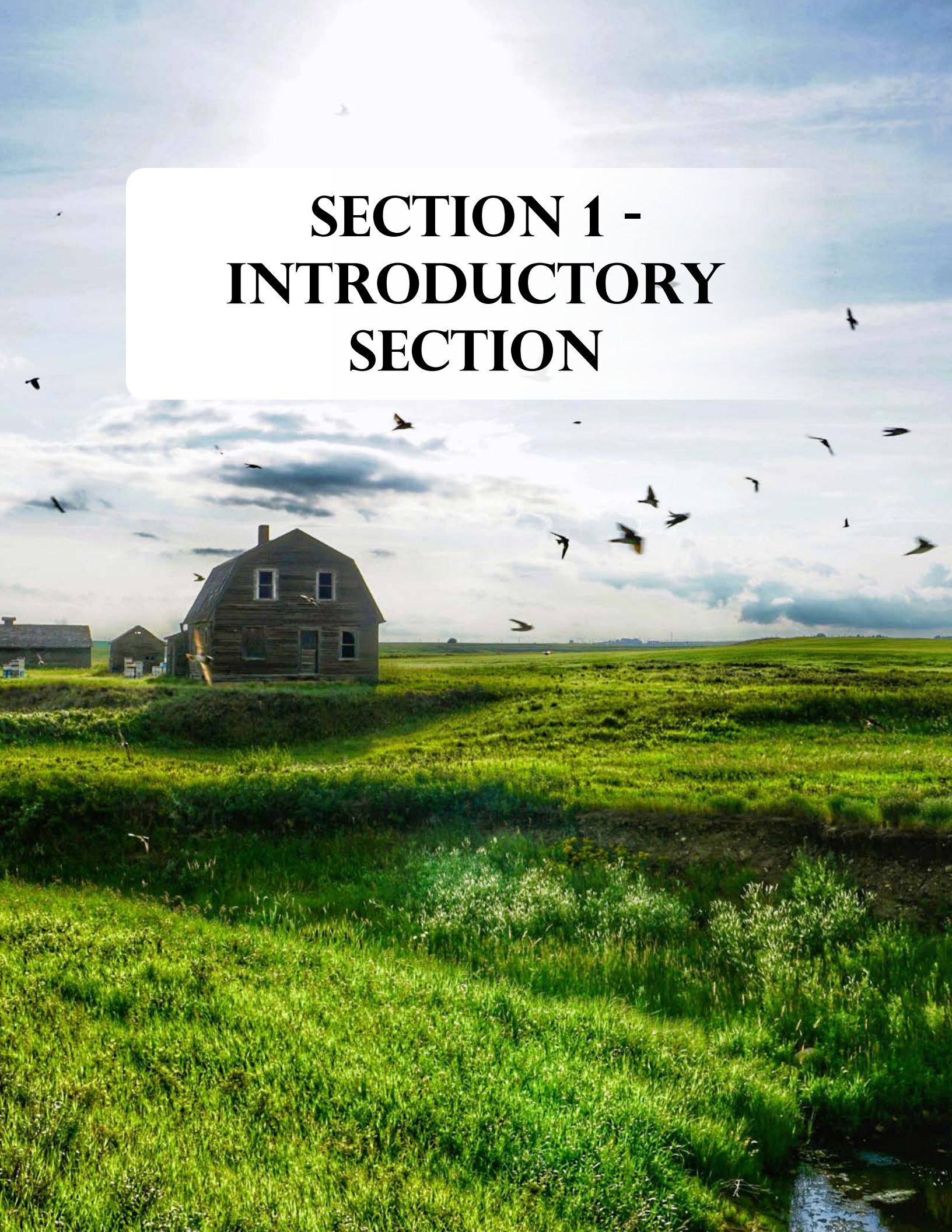
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SECTION 1 - INTRODUCTORY SECTION



Section 1 - INTRODUCTORY SECTION

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WELCOME TO OUR FINANCIAL REPORT



It is our pleasure to submit Vulcan County's 2024 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.

2024 Significant Factors:

The 2024 financial statements were impacted by some of the following major factors:

- There have been some significant new accounting standards that were required for the 2024 fiscal year, including but not limited to PS3400 for Revenues. The County undertook an in-depth analysis of all of the revenues that would be within scope of this new standard. There were no changes to the measurement of revenues by the County on the adoption of this standard as the revenues were either already recorded in-line with this new standard and/or were not applicable to certain operations of the County. See the "[New PSAS Accounting Standards Implemented](#)" within the Financial Statement Discussion & Analysis section for more information.
- During 2024, there were significant amount of contributed tangible capital assets relating to the Regionalization of the Milo Fire Department, the contribution of a truck to the fire department, and the County also acquiring the Mossleigh Water Distribution System.

The Regionalization of the Milo Fire Department (June 24, 2024) also updated the Operating Budget (for reporting purposes only - financial statements include the actual adopted budget); whereas, the County used reserves to fund an additional \$56,000 in operating costs from the date of regionalization to the yearend date (as these costs were not originally included in the budget). These included standard operating costs and equipment required for the remaining part of the year.

The acquisition of the Mossleigh Water Distribution System (October 1, 2024) also updated the Operating Budget; whereas, the County used reserves to fund an additional \$49,000 in operating and repair costs of the distribution system. The County also implemented the utilities software module in late-2024 (for utility billing to start in early-2025).

- 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.

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; whereas, in early-2023 the County also locked in some multi-year investments to take advantage of the higher rates available to the County (which continued into 2024 and subsequent years). This included the purchase of principal protected notes (derivative investments); whereas, there are unrealized gains/losses with the changes in the fair value of these investments (that are not realized until the investments are matured/sold).

- There is a large-scale energy project that is being constructed within Vulcan County, which includes a 494 megawatt (MW) Buffalo Plains Wind Farm that has been in construction in 2023/2024. The projected completion date is in early-2025 and is currently projected to have fully commissioned in mid-to-late 2025. There are significant cost recoveries on the wind farm construction project for road maintenance and dust abatement provided by the County, which results in increased revenues and expenses from these additional services being provided.
- 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 (within "inventory held for resale"). As the subdivision is now finalized, there was a pending lot sale that was able to be completed during 2024 (and additional lots sold in 2025).
- 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.

Although the County had some significant challenges over the past couple years, such as the economic factors for oil and gas industry, 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
June 24, 2025

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, 2023. 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 2024 fiscal year representing the period from January 1st, 2024 to December 31st, 2024.

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, 2023

Christopher P. Morrill

Executive Director/CEO

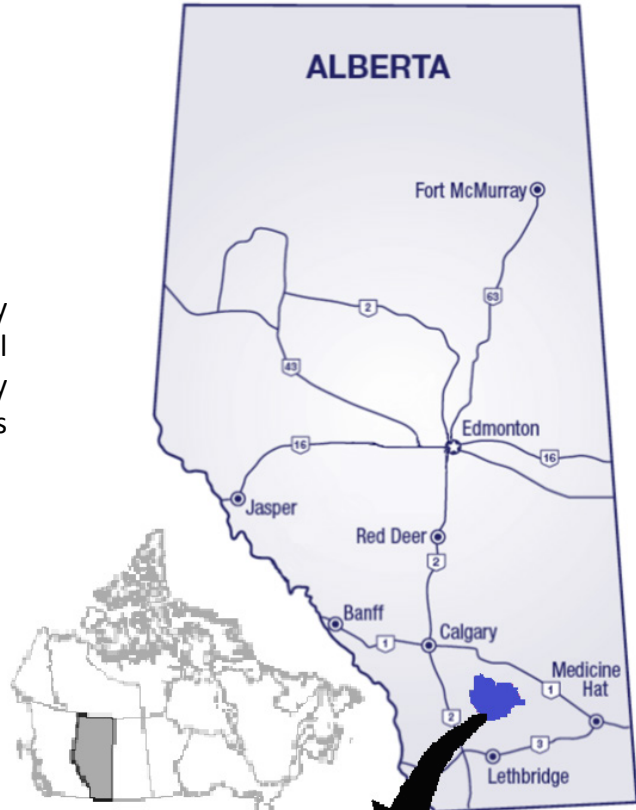
COUNTY PROFILE



Vulcan County is a rural municipality within Southern Alberta with a population of approximately 4,237 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).



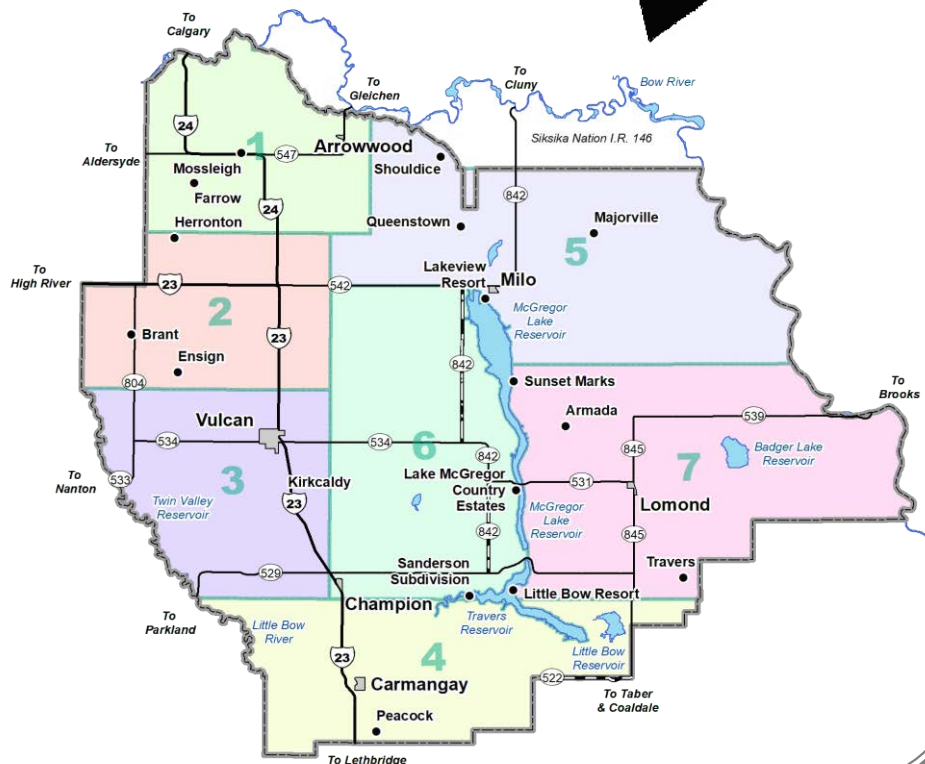
Geographical Location

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.

Oil and gas remain a vital industry in the County, supported by an extensive pipeline network that connects numerous active deposits. Concurrently, renewable energy is undergoing considerable expansion, leveraging the County's prime location for wind and solar development. Some of Canada's largest wind and solar facilities are located here, delivering significant economic benefits and exceeding 1,200 megawatts (MW) of renewable energy production. Additional projects are also being considered for development, which would further bolster the energy production of the region.



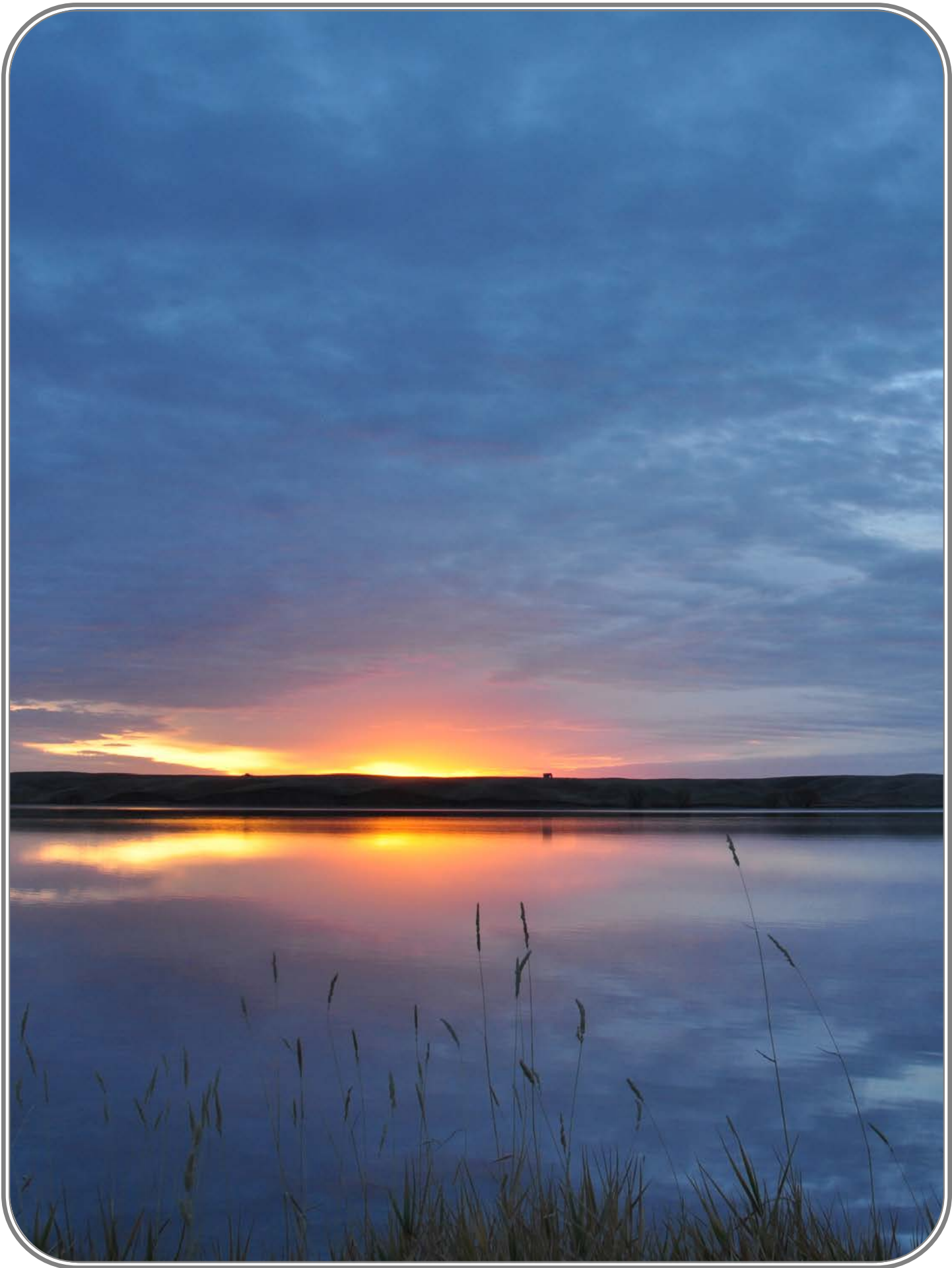
Recreation and Attractions



The County offers a diverse array of recreational opportunities for residents and visitors alike. Communities throughout the region have well maintained facilities, including playgrounds, community centres, senior drop-in centres, golf courses, ice arenas, swimming pools, and rodeo grounds.

Water based recreation is abundant, with destinations such as Travers Dam, Lake McGregor, Williams Lake, and Badger Lake. The County is also home to several provincial parks, including Little Bow Provincial Park, Little Bow Reservoir Provincial Recreation Area, McGregor Reservoir Provincial Recreation Area, Travers Reservoir Provincial Recreation Area, and Wyndham-Carseland Provincial Park, offering ample opportunities for outdoor activities like camping, fishing, and boating.

Historical attractions highlighting First Nations heritage include the Carmangay Tipi Rings, Majorville Medicine Wheel, and Sundial Medicine Wheel, while aviation enthusiasts can explore 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.



The next upcoming municipal election is October 2025, please see the County’s website for additional information and resources.

[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 lay out 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



Deanna Heather
Director of Agricultural Services



Anne Erickson
Manager of Development Services



Nathan Forsyth
Manager of Engineering & Infrastructure



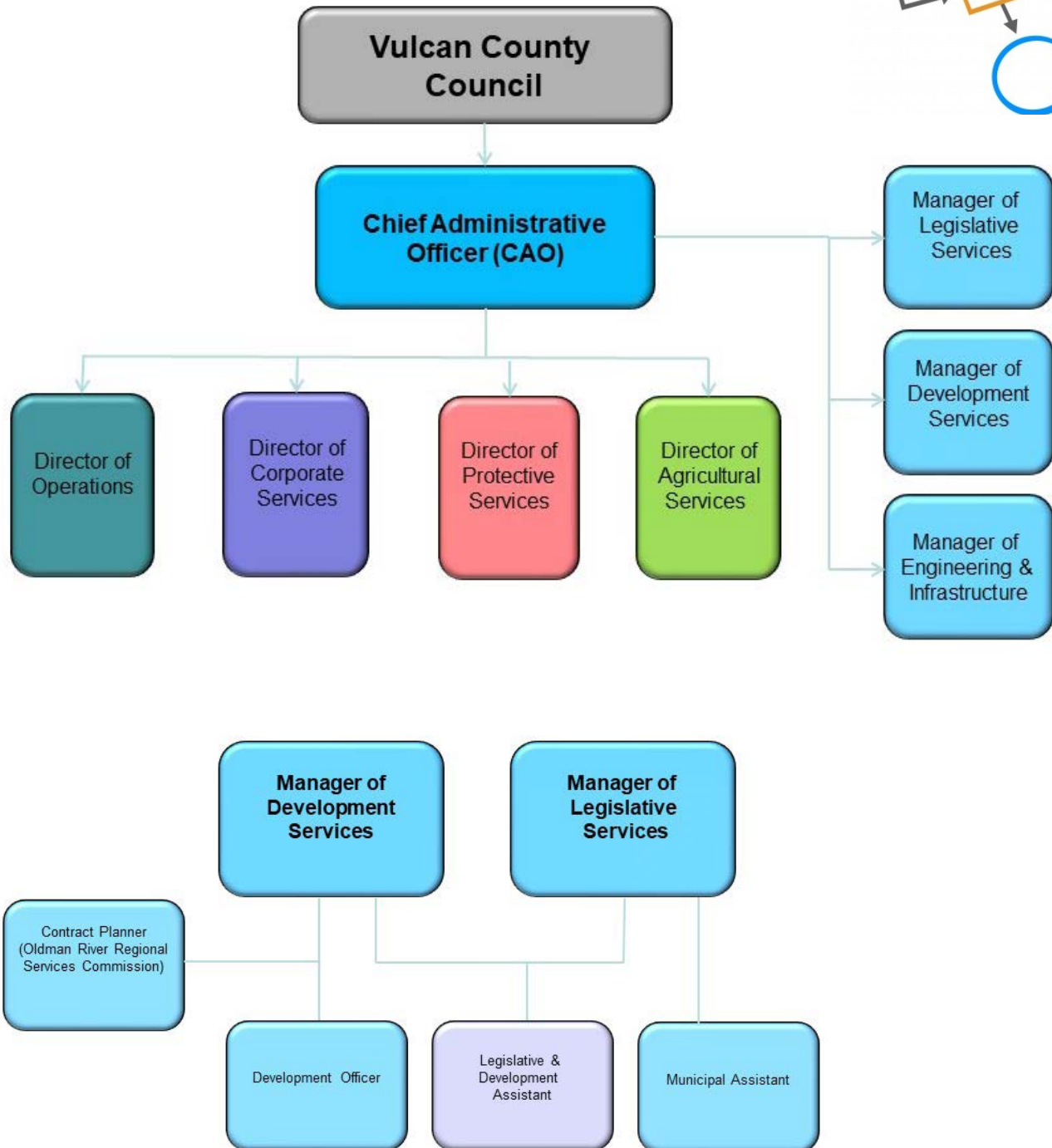
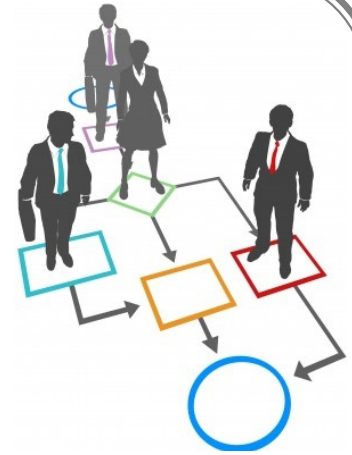
Lansey Middleton
Manager of Legislative Services

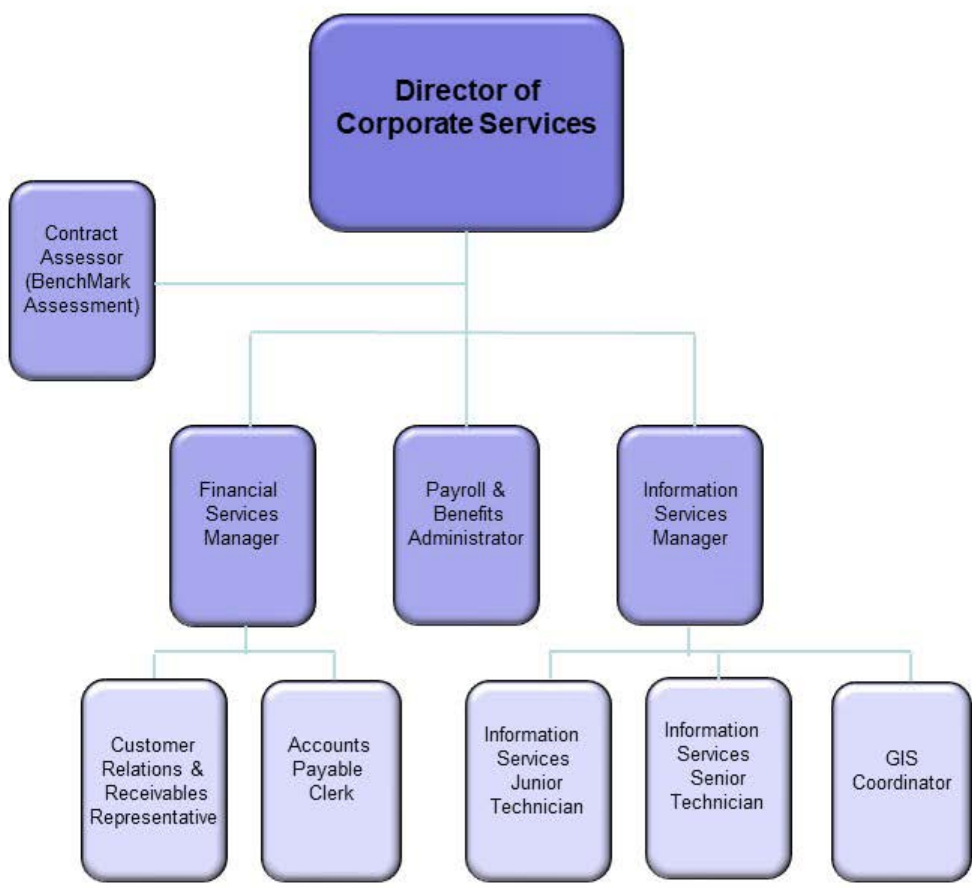
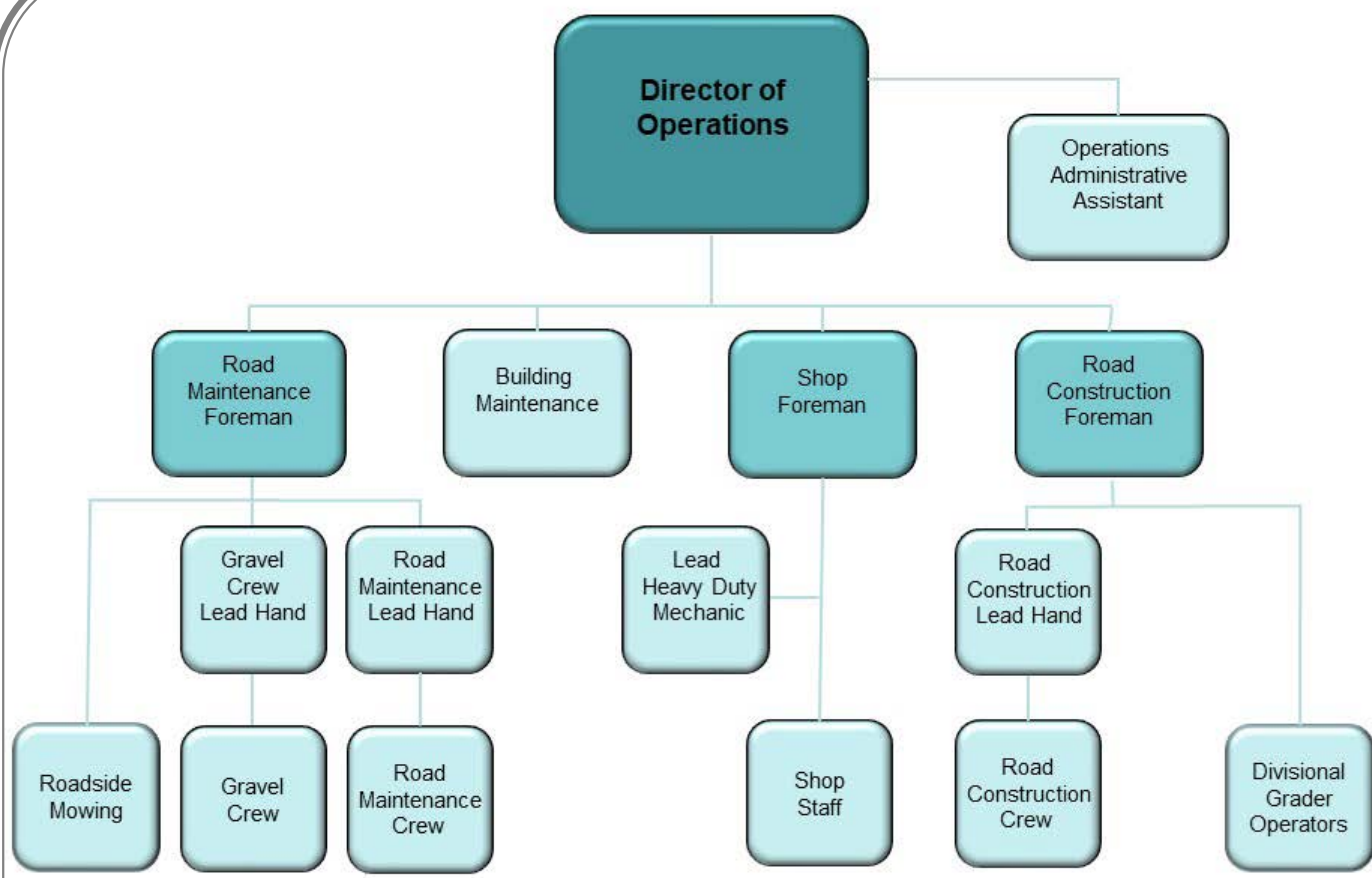
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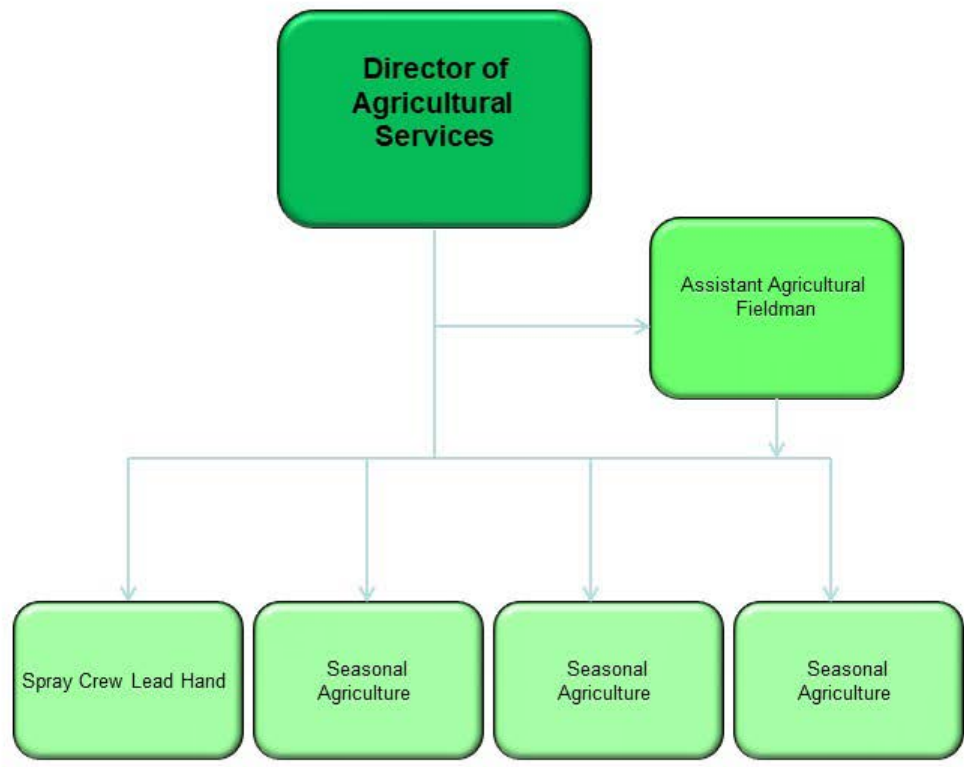
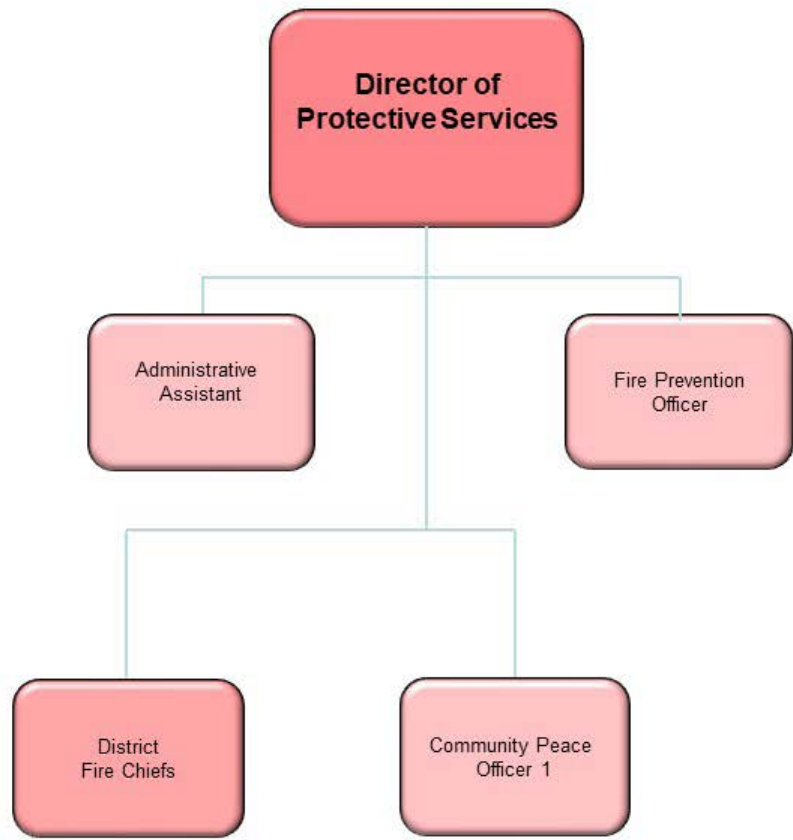
Organizational Structure/Charts

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

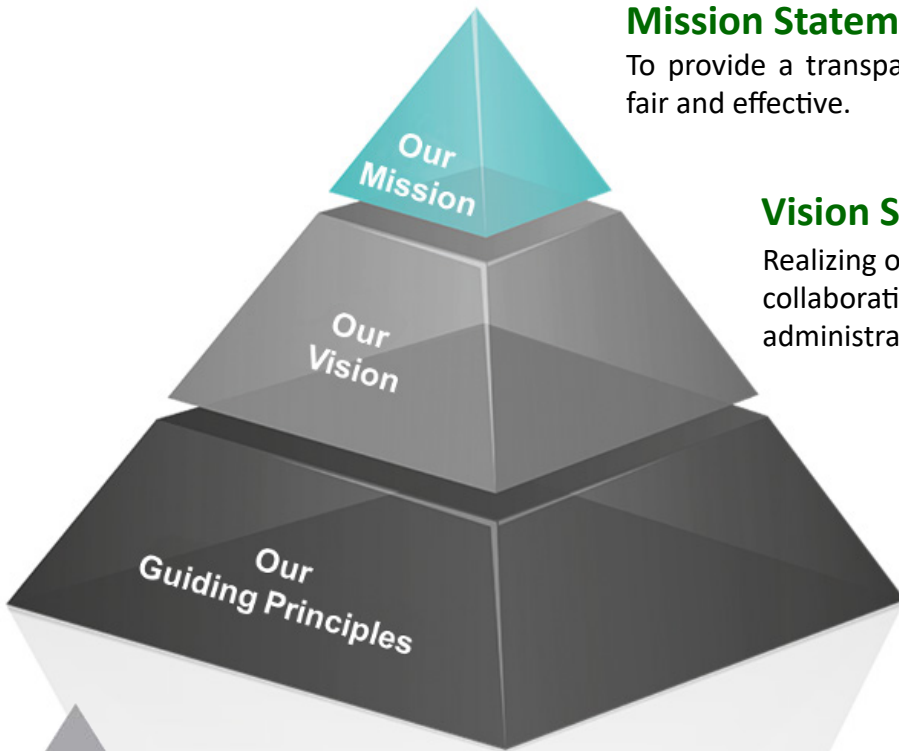
The following is the administrative/management structure of the County:







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



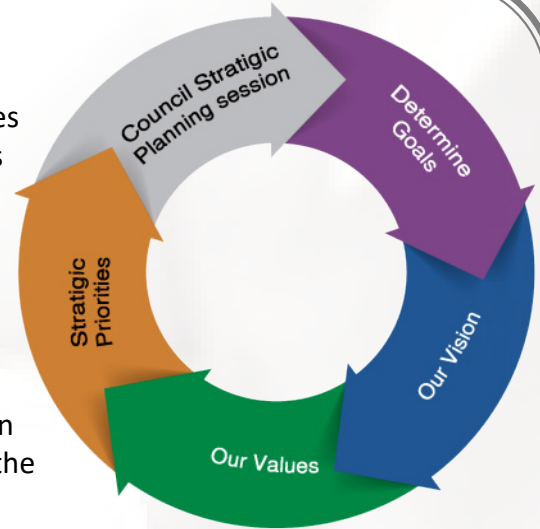
Every four years, as a new Council is elected, Vulcan County develops a new strategic plan and priorities that provide the roadmap and direction of what the County needs to achieve for the next four-year period and beyond.

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.
- Reinstigate 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, 5 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"





**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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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, 2024. 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 2024 fiscal year.

The FSD&A is a supplement to the 2024 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.

KPMG LLP has audited Vulcan County's 2024 Financial Statements and provided an unqualified opinion. County Council approved the audited financial statement on April 16th, 2025.



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)

** Policy 12-2214 - Tangible Capital Assets (TCA) policy was recently updated/amended to include formal guidance on the implementation and guidelines on Asset Retirement Obligations (ARO) related to the County's TCA.*

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, KPMG LLP, 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 2024 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 2024 audit, indicating the overall effectiveness of the controls that are already in place.

FINANCIAL STATEMENT DISCUSSION & ANALYSIS

Vulcan County's 2024 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



NEW

New PSAS Accounting Standards Implemented

The 2024 fiscal year had some significant changes in the Public Sector Accounting Standards (PSAS). These include the implementation of PS3400 - Revenues, PSG8 - Purchased Intangibles, and PS3160 - Public Private Partnerships. The following is an overview of these new standards and the impact on the County's 2024 Financial Statements.

PS3400 - Revenue

Effective January 1, 2024, the County adopted the new accounting standard for revenue in accordance with Public Sector Standard 3400 (PS3400). 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.

The County undertook an in-depth analysis of all the revenues that would be within the scope of this new standard. The following were the major revenue sources and if they were within scope of this standard:

- **Net municipal taxes** - Not in scope - included within PS3510 (Tax Revenue)
- **Government transfers** - Not in scope - included within PS3410 (Government Transfers)
- **Return on investments** - Not in scope - included within PS3450 (Financial Instruments)
- **Sale of goods, services and user charges** - Subject to PS3400 (Revenues)
- **Rental income** - Partially in scope - some included within PS3390 (Contractual Obligations)
- **Community aggregate levy** - Not in scope - included within PS3510 (Tax Revenue)
- **Penalties and costs of taxes** - Subject to PS3400 (Revenues)
- **Gain on disposal of tangible capital assets** - Subject to PS3400 (Revenues)
- **Other revenues** - Partially in scope - some included within PS4210 (Contributions)

For all of the "in scope" revenues subject to PS3400, the County undertook an in-depth analysis into each of the individual revenue streams within these major revenue sources and reviewed the related exchange transactions and the related performance obligation(s) for each of the revenues, comparing to the revenue recognition policies that are already in place.



There were no changes to the measurement of revenues by the County on adoption of this new standard as the revenues were either already recorded in-line with this new standard (based on performance obligations for exchange transactions) and/or were not applicable to certain operations of the County.



PSG8 - Purchased Intangibles

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.

The County does not have any purchased intangibles at the end of December 31, 2024. This has been reviewed by the County and there are no intangibles that have been acquired/purchased. Although there are no purchased intangibles, prior to adoption, any purchased intangibles would have been expensed (none noted in prior years).

PS3160 - Public Private Partnerships

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. This has been reviewed by the County and there are no infrastructure projects the has been through or partnered with a private sector partner.





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".

	2024	2023	Change
FINANCIAL ASSETS			
Cash and equivalents	1,874,176	1,047,378	826,798
Taxes and grants in lieu receivables	475,570	4,531,347	(4,055,777)
Trade and other receivables	2,231,075	882,094	1,348,981
Portfolio investments	39,676,702	27,125,041	12,551,661
Inventory held for resale	1,000,787	67,111	933,676
Long term investments	8,312,467	14,855,537	(6,543,070)
Loans and notes receivable	134,569	179,439	(44,870)
Other	17,423	17,071	352
	53,722,769	48,705,018	5,017,751
FINANCIAL LIABILITIES			
Accounts payable and accrued liabilities	2,172,144	1,332,939	839,205
Deferred revenue	1,305,492	1,252,204	53,288
Employee benefit obligations	327,286	330,337	(3,051)
Long term debt	980,757	1,118,084	(137,327)
Asset retirement obligations	541,444	525,354	16,090
Other liabilities	945,842	906,255	39,587
	6,272,965	5,465,173	807,792
NET FINANCIAL ASSETS	47,449,804	43,239,845	4,209,959
NON-FINANCIAL ASSETS			
Tangible capital assets	107,848,680	107,687,527	161,153
Inventory for consumption	8,269,813	8,720,764	(450,951)
Prepaid expenses	459,721	402,198	57,523
	116,578,214	116,810,489	(232,275)
ACCUMULATED SURPLUS	164,028,018	160,050,334	3,977,684
ACCUMULATED SURPLUS:			
Accumulated operating surplus	163,868,218	160,050,334	3,817,884
Accumulated remeasurement gains	159,800	-	159,800
	164,028,018	160,050,334	3,977,684



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:

- Cash and equivalents increased from the prior year as it relates increases in operating transactions with the reduction in the amounts of tax receivables as the large supplemental tax balance from the prior year has been collected, the increase in the payables with additional deposits, and from the related surplus generated in the year. These increases are partially offset by increases in overall investments and other receivables.
- Taxes and grants-in-lieu receivables decreased from the prior year as the County issued a supplementary property tax levies as a result of one of the largest solar projects in Canada being completed and commissioned during 2023. The prior year included a total supplementary property tax receivable of \$4.017 million (2024 - \$nil). These balances were collected in 2024. There was no supplementary issued in 2024. Overall the Tax Collection rate remained consistent with a slight increase from 97.40% to 97.51% (see the [Financial Indicators & Performance Measures](#) section for additional details).
- Trade and other receivables increased from the prior year with the accrued interest receivable as many of the funds are in GICs that are not paid out to the investment until the end of each year or at maturity. There was also a large road maintenance invoice issued in late 2024 on the wind project construction. There was also a 2024 CCBF grant that was receivable at yearend (received January 2025) included in “other receivables”.
- Portfolio investments and Long-term investments had a net increased from the prior year as the County was able to “lock-in” some of these short-term funds into long-term investments with higher investment rates (some of which moved to short-term investments during the year); therefore, although there was a \$12.55 million increase in Portfolio Investments, there was a \$6.54 million decrease in long-term investments.
- Inventory held for resale increased significantly from the prior year as the County’s Industrial Park was completed and subdivided in 2024; therefore, approx. \$1.02 million of cost base for the industrial lots being moved to “lands held for resale” (was previously in TCA land/land improvements). One of the lots had the sales finalize in 2024.
- Loans and notes receivable decreased from the prior year with receiving or invoicing for the applicable loan payments. These loans are unsecured and do not have options for loan forgiveness; whereas, there are no valuation allowances as at December 31, 2024.





Liabilities

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

- Accounts payable and accrued liabilities increased significantly from the prior year as there was an increase in the trade A/P with the capital projects being worked on and the timing of the County's payments. There was also a large increase in the deposits liabilities as there were some significant deposits added on lots sales for the industrial park and an increase in the overpayment on tax receivables (reclassified as a liability).
- Deferred revenue has increased from the prior year as there were increases in the Development Public Funds for municipal reserves (partial increase relating to the industrial park) and deferred grant funding on the Regional Transportation Master Plan (ACP Grant). There was minimal decrease to the MSI Capital funded projects as one large project was delayed; however, these funds will be fully spent at the beginning of 2025 with a reallocation of grant projects.
- Employee benefit obligations include accrued staff vacation time and allowances. Vacation time is allocated based on the County's Personnel Policy and/or specific employee contracts. The accrued allowances relates to the carry-forward health & wellness program credits based on the County's Health & Wellness Policy.
- Long-term debt decreased by the expected amount from two semi-annual debenture repayments during 2024. The debenture relates to the Vulcan Hospital Expansion Project.
- Asset Retirement Obligations (ARO) liabilities was a new accounting standard implemented in 2023 (PS3280); whereas, these AROs relate to reclamation liabilities for buildings/facilities and controlled gravel pits. The increase in the ARO liabilities relate to accretion expenses (as part of the a present value calculation) and this increase was partially offset by some remeasurement factors including ARO valuations and discount rates.
- Other liabilities include an estimated liability for gravel reclamation of gravel pit sites (non-controlled), tax sale trust accounts, deposits held for other community organizations, and other liabilities. There was an increase in the gravel reclamation liability with the updates in the ARO factors used in implementation.

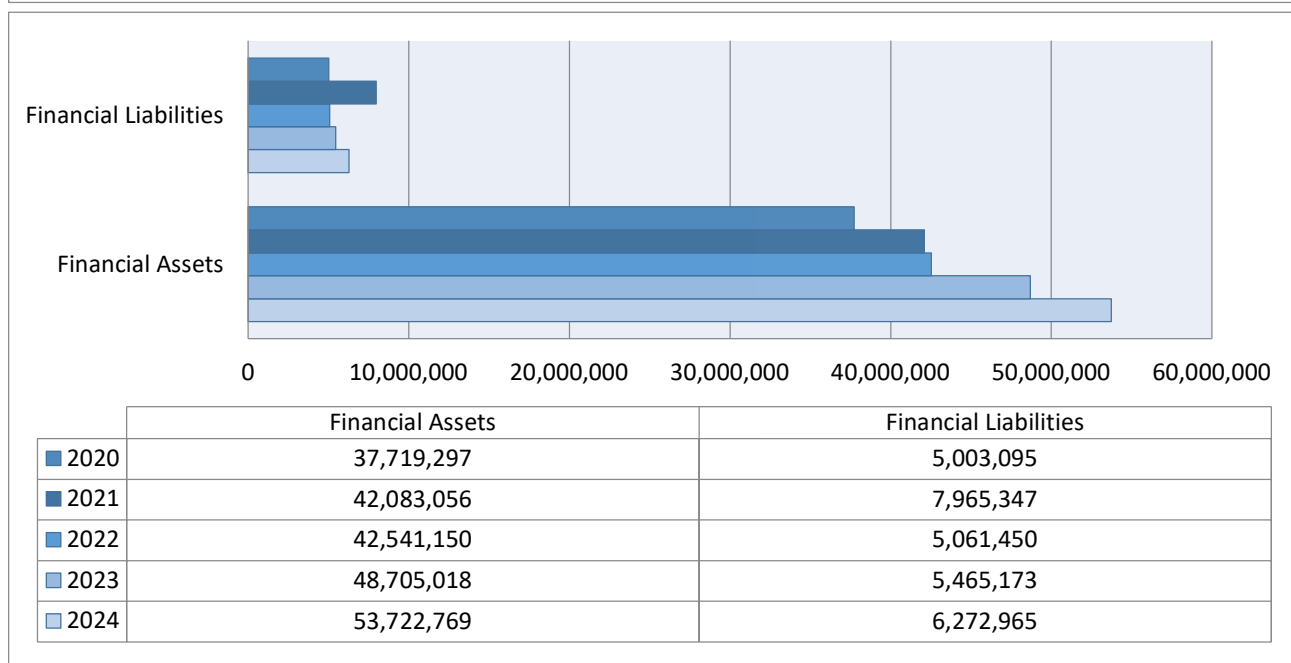
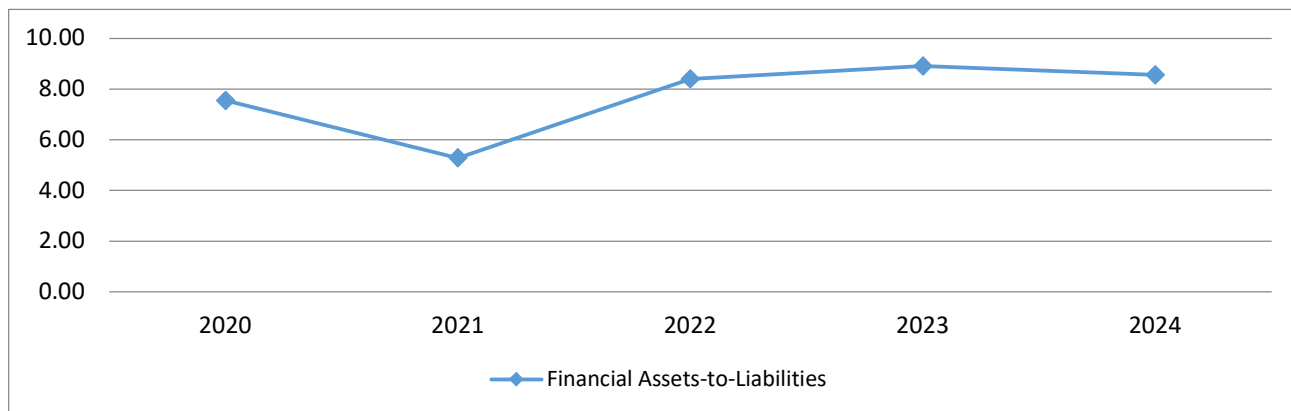
Net Financial Assets

Overall, the County maintains a positive net financial position (financial assets exceeding financial liabilities) of approx. \$47.45 million. This is an increase from the prior year of approx. \$43.24 million. A positive net financial position allows the County to cover its financial liabilities and commitments with its financial assets.

Overall, the Financial Assets-to-Liabilities ratio has remained relatively consistent for the last three (3) years with a slight decrease in 2024. Although there is a co-relation between the Financial Assets-to-Liabilities ratio and the Current/Liquidity ratio, the Current ratio slightly decreased from 12.35 to 12.21 (which are still higher rates) as the County has invested additional funds in long-term investments in early 2023/2024 as the investment rates are where towards the "peak" rates available for the County and allows the County to benefit from higher investment rates for the next 2-5 years (see the [Financial Indicators & Performance Measures](#) section for additional details).



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



	Financial Assets	Financial Liabilities
2020	37,719,297	5,003,095
2021	42,083,056	7,965,347
2022	42,541,150	5,061,450
2023	48,705,018	5,465,173
2024	53,722,769	6,272,965

	Financial Assets	Financial Liabilities	Ratio
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	5,061,450	8.40
2023 Financial Statements	48,705,018	5,465,173	8.91
2024 Financial Statements	53,722,769	6,272,965	8.56

The net financial assets and its related ratio is an indicator that the County continually monitors. There is a co-relation between the Financial Assets-to-Liabilities ratio and the Current/Liquidity ratio, which is a specific performance measure for the County.

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

Acquisition of Capital	\$ 5,550,074
New Construction in Progress	<u>700,025</u>
New TCA Increase	\$ 6,250,099
Amortization of TCA	\$ 5,013,435
Net Book Value of Disposals	<u>1,075,511</u>
Net TCA Reductions	\$ 6,088,946
Overall increase (decrease) to TCA	\$ 161,153
Change in capital debt (leases)*	N/A
Change in AROs	<u>(16,090)</u>
Overall change in Equity in TCA	\$ 145,063

*Capital leases were repaid during 2021.

- Inventory for consumption decreased from the prior year; whereas, the majority of the decrease directly relates to use of the gravel inventory for the road gravelling/maintenance programs and road/bridge construction during 2024. There were also some gravel sales in the year (revenue for the County).
- Prepaid expenses increased from the prior year as the “Prepaid Gravel Pit Fees” started in 2024 as part of the gravel crushing royalties that are being prepaid for future gravel crushing at specific gravel pits. These will remain as prepaids until the next gravel crushing program which will include these costs in the gravel inventory values. This increase was partially offset by decreases in “Other Prepaid Costs”.





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	2024	2023	Change
Unrestricted surplus	904,163	900,534	3,629
Restricted surplus (reserves)	55,656,819	51,987,627	3,669,192
Equity in tangible capital assets	107,307,236	107,162,173	145,063
Accumulative operating surplus	163,868,218	160,050,334	3,817,884

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 there of) 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:

	2024	2023	Change
Capital Reserves	35,710,443	31,681,542	4,028,901
Operating Reserves	19,946,376	20,306,085	(359,709)
Total Restricted Surplus (Reserves)	55,656,819	51,987,627	3,669,192
Net Financial Assets (<i>excluding ARO Liability</i>)	47,991,248	43,765,199	4,226,049
Inventory for Consumption	8,269,813	8,720,764	(450,951)
Total Funding Available	56,261,061	52,485,963	3,775,098

As shown above, the combination of the net financial assets (excluding ARO liabilities) and the inventory for consumption are sufficient to cover all reserves. Therefore, the County’s reserves are considered to be “fully funded” reserves.

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



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
	<u>35,710,443</u>	<u>31,681,542</u>
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
	<u>19,946,376</u>	<u>20,306,085</u>
Total Restricted Surplus	<u>\$ 55,656,819</u>	<u>\$ 51,987,627</u>

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.

In 2024, the County established a "McGregor Water Systems Project" reserve as part of the 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 \$1.88 million relates to the remaining municipal contribution to the project.



A **Performance Measure** for the County is 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.

Overall the AOS% of Expenses remained relatively consistent with a slight decrease from 254.44% to 253.43% as there was both an increase in the AOS and the level of annual expenses from the prior year (see the [Financial Indicators & Performance Measures](#) section for additional details). 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.

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):

	2024	2023	Change
Tangible Capital Assets - cost	223,010,342	218,442,309	4,568,033
Tangible Capital Assets - amortization	(115,161,662)	(110,754,782)	(4,406,880)
Tangible Capital Asset (NBV)	107,848,680	107,687,527	161,153
Asset Retirement Obligation	(541,444)	(525,354)	(16,090)
Equity in Tangible Capital Assets	107,307,236	107,162,173	145,063

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).

The “Equity in Tangible Capital Assets” include the effects on the Asset Retirement Obligations (ARO) liabilities as these obligations are a direct result of the related tangible capital assets (TCA), including the 2024 balance of \$541,444.



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.

	2024 - Budget	2024	2023
OPERATING REVENUE			
Net municipal taxes	17,168,356	17,136,610	17,943,837
Government transfers	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
	20,464,818	23,938,844	23,982,120
OPERATING EXPENSES			
Legislative	583,963	538,114	478,318
Administration	2,476,843	2,526,009	2,267,748
Protection 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
	21,048,567	22,318,054	20,785,908
OPERATING SURPLUS	(583,749)	1,620,790	3,196,212
CAPITAL REVENUES			
Contributed tangible capital assets	-	684,977	-
Government transfers for capital	2,234,582	1,512,117	1,756,668
TOTAL ANNUAL SURPLUS	1,650,833	3,817,884	4,952,880
ADD:			
Proceeds from sale of capital assets	-	1,180,839	216,952
Transfers from reserves to operations	4,822,109	3,866,206	3,099,759
Amortization of capital assets & ARO accretion	4,897,817	5,029,525	4,880,242
Net (gain) loss on disposal of capital assets		(105,328)	8,162
LESS:			
Transfer to reserves	(3,694,351)	(7,535,398)	(8,451,102)
Capital expenditures/purchases	(7,676,408)	(6,250,099)	(4,704,172)
NET EFFECT ON UNRESTRICTED SURPLUS	-	3,629	2,721

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.

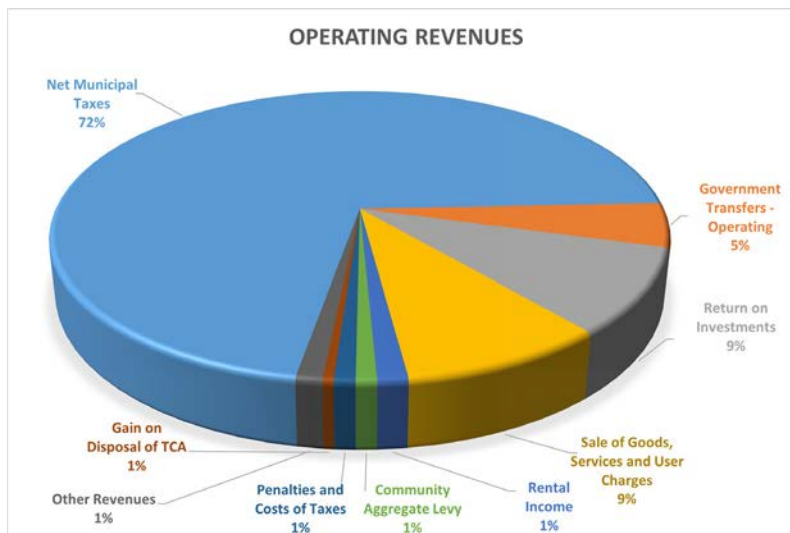
Operating Revenues



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:

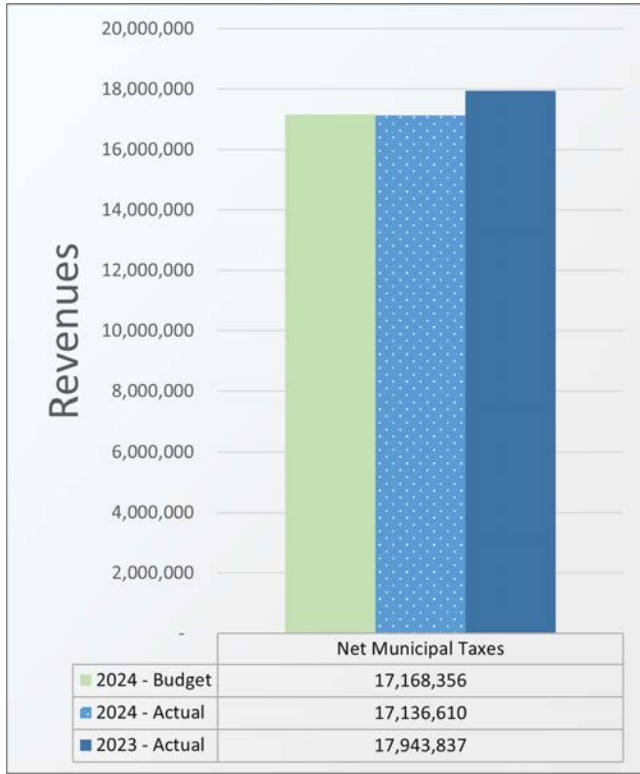
	2024 - Budget	2024	2023
OPERATING REVENUE			
Net municipal taxes	17,168,356	17,136,610	17,943,837
Government transfers	1,015,544	1,176,124	1,104,191
Return on investments	726,824	2,260,512	2,063,059
Sale of goods, services and user charges	949,002	2,197,447	1,949,632
Rental income	320,680	325,203	320,565
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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
	20,464,818	23,938,844	23,982,120



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 comparable to the budget as there was only a slight decrease relating to some small “305” assessment changes/updates after the assessment roll was closed which reduces the tax levy revenues.

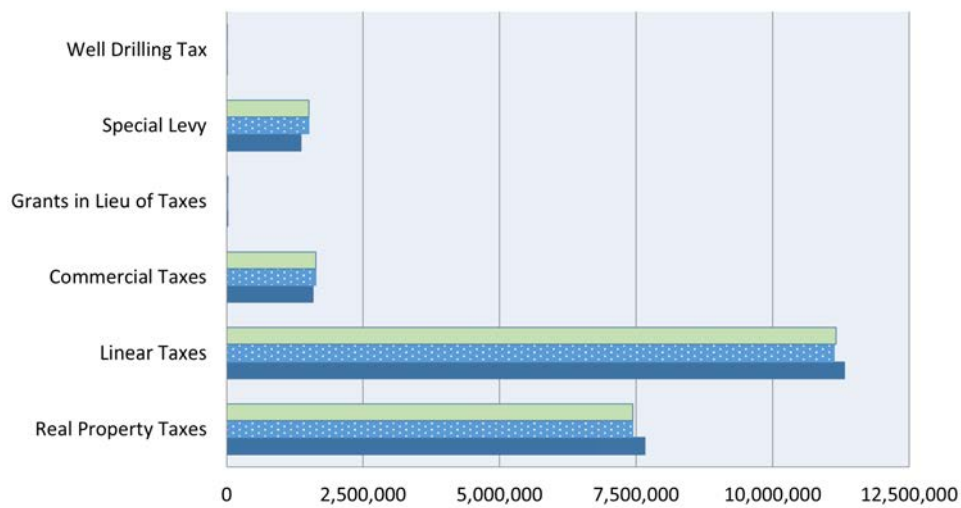
Budget 2024 included a total of \$21.76 million in tax levies which was comprised of a 20.40% increase in taxable assessment (mostly with the increased linear assessment growth); however, this reduction is offset by tax rate reductions, including a 31.67% reduction in the general municipal residential tax rate and a 4.45% reduction in the general municipal non-residential tax rates (as part of the County’s Strategic Planning - while maintaining a balanced budget).

The prior year had increased revenues as there was Supplementary Tax Levies of \$3.81 million (which was also significantly higher than budgeted in 2023) which created a surplus in the prior year which was allocated to establish an assessment contingency reserve for future assessment changes on estimates.

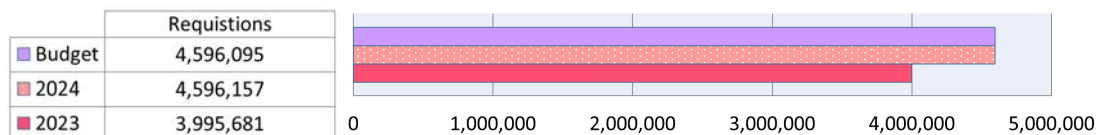
The following is an analysis on the Net Municipal Taxes compared to the budget and the prior year as outlined in the Schedule of Property and Other Taxes (Schedule 3):

	2024 - Budget	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

RCMP - Royal Canadian Mounted Police DIP - Designated Industrial Property



	Real Property Taxes	Linear Taxes	Commercial Taxes	Grants in Lieu of Taxes	Special Levy	Well Drilling Tax
Budget	7,440,871	11,158,918	1,632,883	21,661	1,509,962	156
2024	7,438,613	11,130,688	1,634,583	19,475	1,509,317	91
2023	7,661,085	11,314,178	1,580,059	19,745	1,364,334	117



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 97.40% to 97.51% (see the [Financial Indicators & Performance Measures](#) section for additional details).

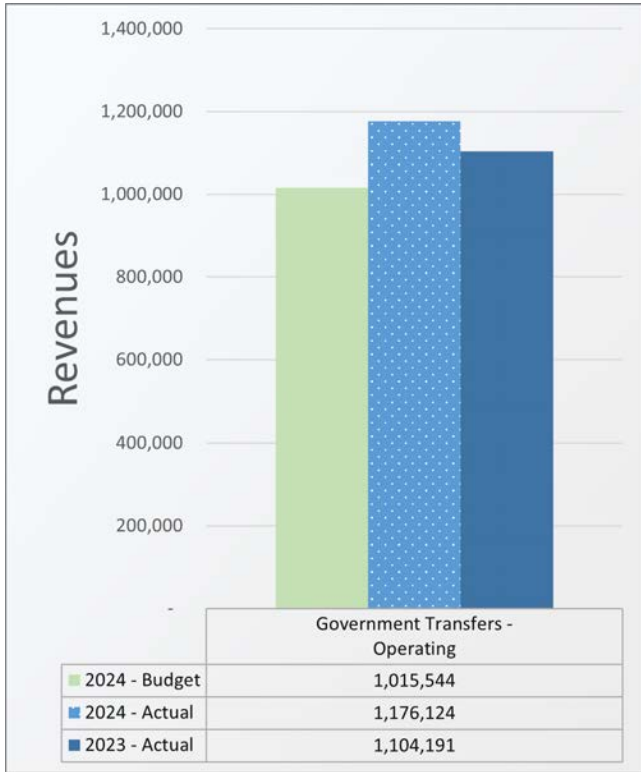
The following are the 2024 Tax Rate Bylaws that authorizes and establish the tax rates to be levied against assessable property:

- Bylaw 2024-005 - General Tax Rate Bylaw (General Municipal, Waste Commission, & Requisitions)
- Bylaw 2024-006 - Fire Protection Tax Rate Bylaw (Special Tax Levy - by district)
- Bylaw 2024-007 - Recreation Tax Rate Bylaw (Special Tax Levy - by district)
- Bylaw 2024-008 - Waterworks Tax Rate Bylaw (Special Tax Levy - by parcel)
- Bylaw 2024-009 - 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.

Budget 2024 has slightly increased from prior year as the AG Service Board Grant allocation increased from \$123,907 to \$166,247. There were also additional Search & Rescue and Medical First Responder programs for specific training and equipment.

Operating government transfers were greater than budget as the County was able to recognize and receive a Regional Transportation Master Plan grant which was not known nor included when the County developed the 2024 budget. There was also an increase in the Canada Community-Building Fund allocation.

The prior year also included a one-time grant of \$117,500 for the Airport Runway Re-Seal Project. The new Local Government Fiscal Framework (LGFF) replaced the previous Municipal Sustainability Initiative (MSI) Operating grant in 2024; however, the funding allocation remained at \$355,916.

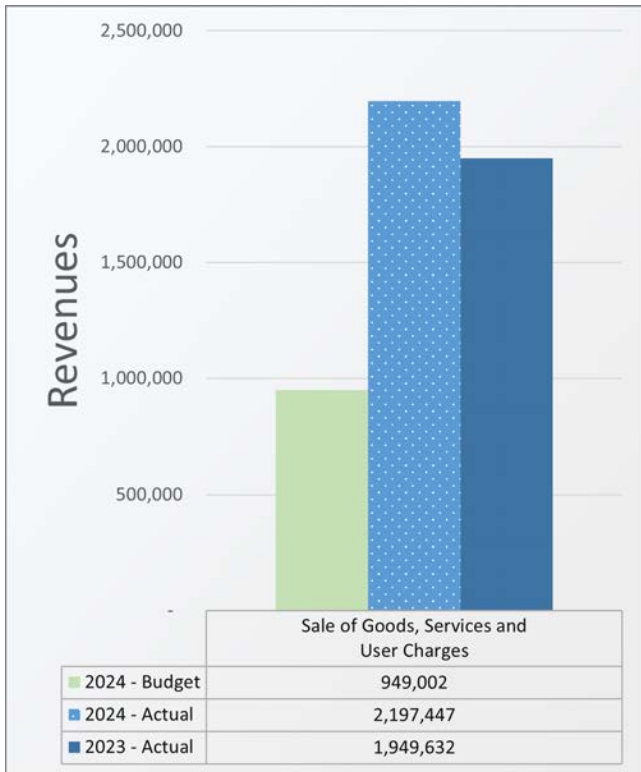
Return on Investments

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; whereas, most of the short-term investments and their related investment income is directly tied to the bank's prime rate. During 2022 and 2023, the prime rate increased from 2.45% to 7.20%, which in turn provided significant increases to the rate of return on investments. Note that during 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 (at "peak" rates). This will benefit the County for the next 2-5 years with these investments.

Typically, the County uses conservative budgeting for uncertainty regarding interest rates. Some of the investments, such as the high interest saving account and other term accounts are still tied directly to the bank's prime rate (which is budgeted conservatively as there has been significant fluctuations).





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. Typically, the County uses conservative budgeting for sales of goods, services, & user charges.

Overall, the 2023 & 2024 actuals were significantly higher than budget as these revenues are budgeted there were significant cost recoveries on a wind farm construction project for road maintenance and dust abatement. There were also significant cost recoveries from the Province for firefighters and equipment being used during the wildfires in the north of the Province.

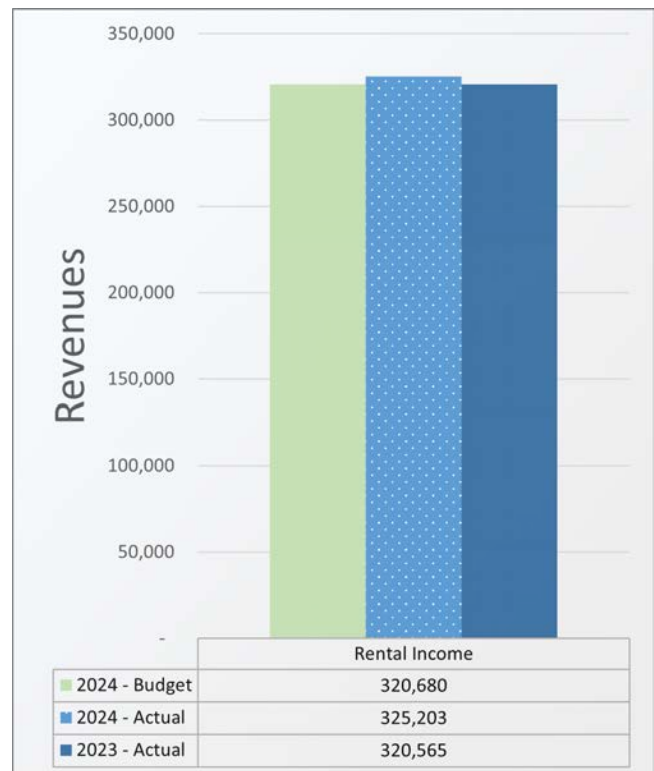
Note that the cost recoveries on a wind farm construction project for road maintenance and dust abatement will likely continue partially into 2025. There was also a significant increase in safety code revenues for increased development during the year (which increases the contracted costs of the safety codes).

Rental Income

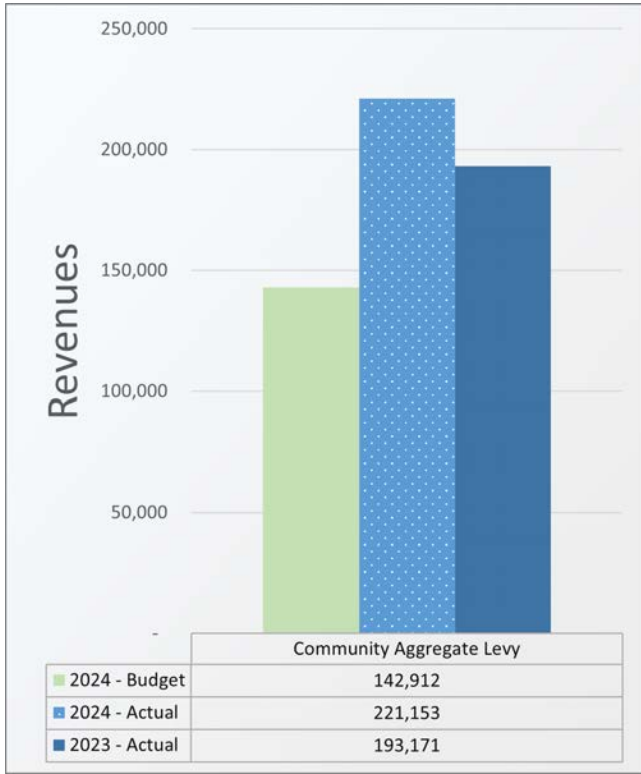
Rental income is mostly based on the terms held within the rental agreements for County buildings, including rental agreements with the RCMP and Alberta Health Services (AHS). There is also a portion that relates to rentals of the fire training tower and other equipment.

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 slight increase from the prior year with increases in the agricultural equipment rental and leases.



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.

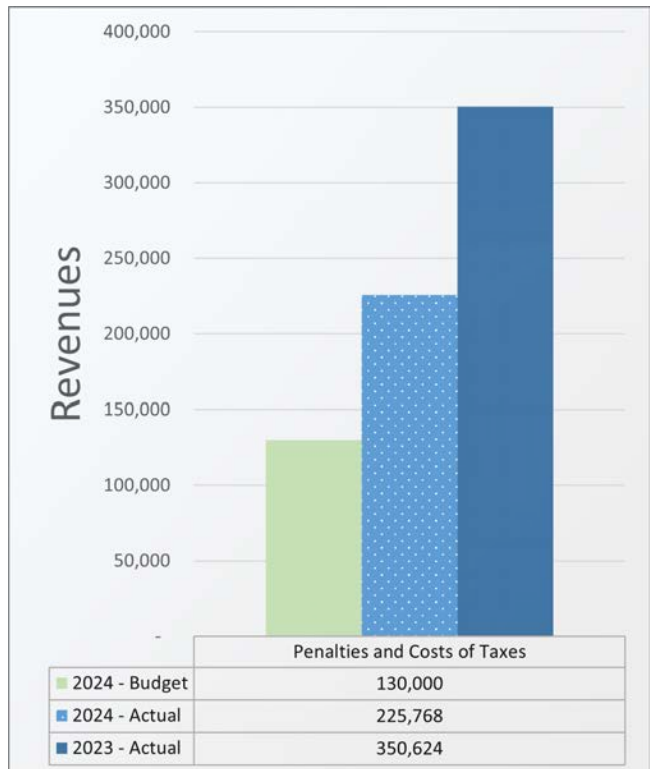
These revenues have effectively returned to “normal” as some of the prior years (2019-2020) were reduced as many other producers and their operations were effected during the COVID-19 pandemic and resulted in reductions of the amount of gravel being hauled.

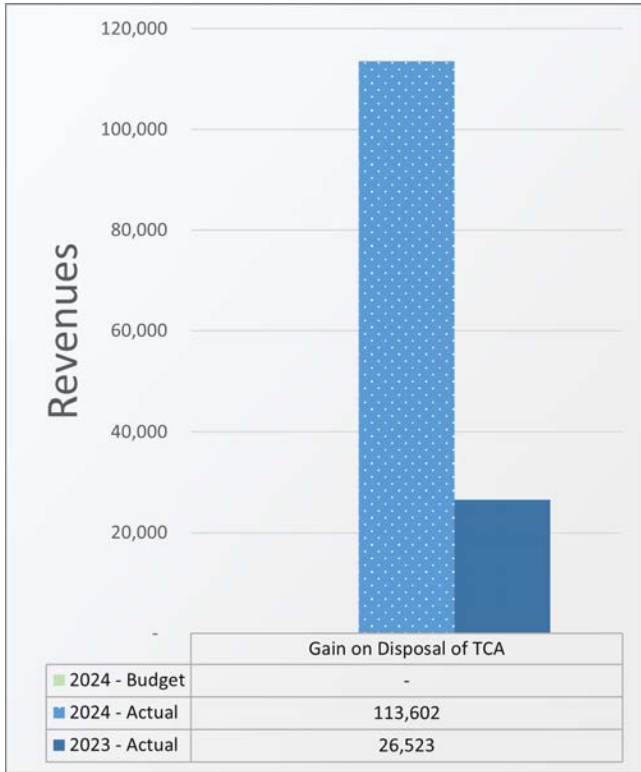
Penalties and Cost of Taxes

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 higher than the operating budget, as these revenues are budgeted on a relatively conservative basis. Many of these penalties relate to tax arrears for multiple oil & gas companies (that are currently reviewing potential insolvency), however, some of these revenues are offset by write-offs on uncollectable taxes included in the “provision for allowances” expense accounts.

Note that the prior year included a large August 1st, 2023 late penalty on a large tax balance by a specific ratepayer; whereas, the tax balance and related penalties were paid in during the year. This was a one-time penalty and the County has worked with the ratepayer to avoid these types of penalties in the future.





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 2024, the County had some vehicle and equipment sales that created gains on the disposals; whereas, the proceeds on disposals exceeded the remaining net book value of the assets (including some assets that were fully depreciated).

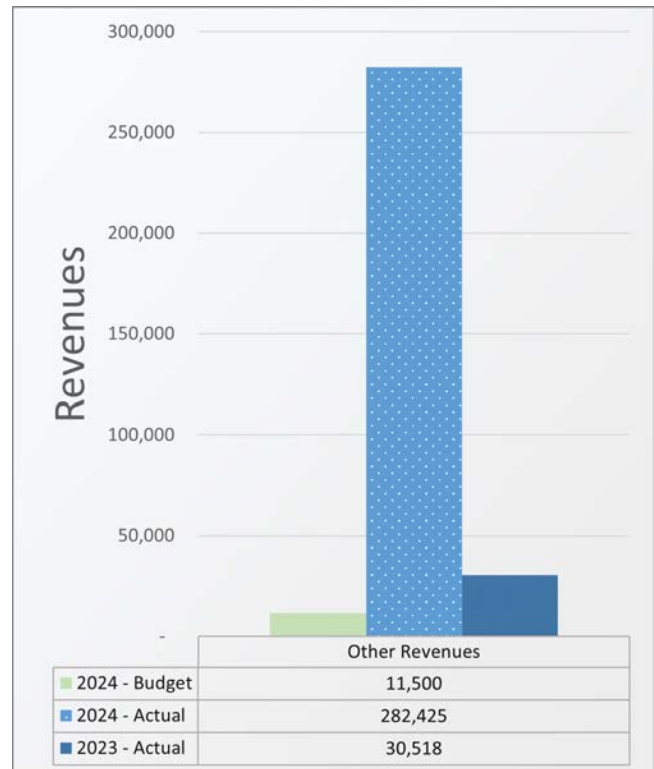
There were minimal gains on disposals in 2023 as majority of the assets disposed were similar or had proceeds less than the net book value of the assets (specifically with road/bridge construction as there are no proceeds on disposals).

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.

During 2024, the County had a land sale on one of the industrial park properties (classified as “lands held for resale” inventory in 2024 as these properties are now subdivided by Alberta Land Titles). As the proceeds on the sale exceeded the cost base of the property, it created a gain on sale of the property (which differs from the gains on disposals of TCA as it is not classified as TCA). There was also additional other revenues including a \$41,000 recovery of prior tax arrears that were previously considered uncollectable and were written off with an allowance for doubtful accounts (AFDA).

The prior year had some minimal revenues including fines, donations, and a revenue relating to the ARO remeasurement (based on changes in the related measurement factors).



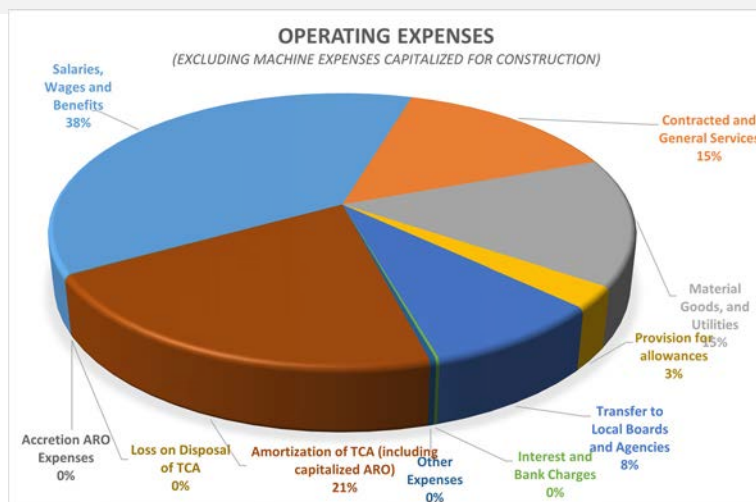


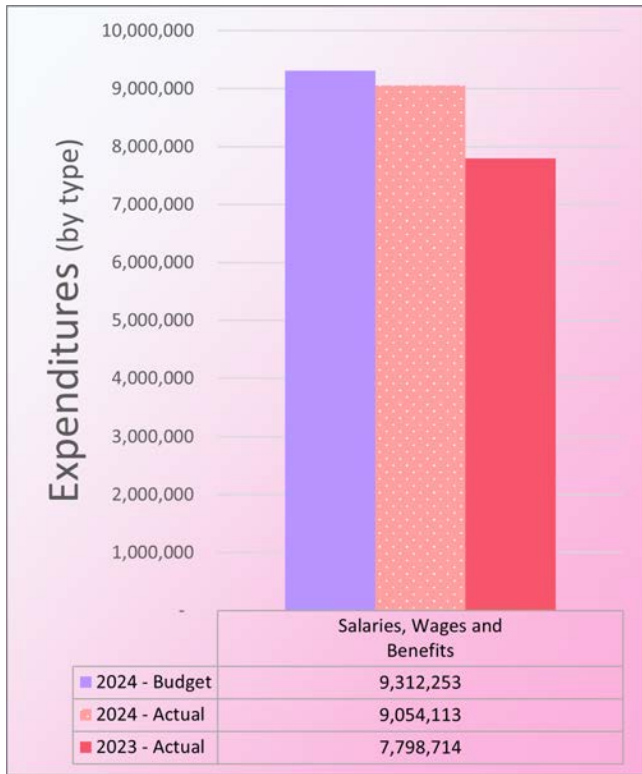
Operating Expenses (by type)

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:

	2024 - Budget	2024	2023
OPERATING EXPENSES (by type)			
Salaries, Wages and Benefits	9,312,253	9,054,113	7,798,714
Contracted and General Services	3,370,418	3,552,002	3,378,964
Material Goods, and Utilities	3,291,582	3,626,627	3,149,977
Provision for allowances	216,483	609,664	625,434
Transfer 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

OPERATING EXPENSES (by department)			
Legislative	583,963	538,114	478,318
Administration	2,476,843	2,526,009	2,267,748
Protection 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
	21,048,567	22,318,054	20,785,908





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 was staff vacancies in Transportation Services. There were saving on the volunteer firefighter benefit costs as the County budgets for a full complement at each department. Some increases in per diem costs for firefighters are offset by the increases in the revenues for the wildfires recoveries.

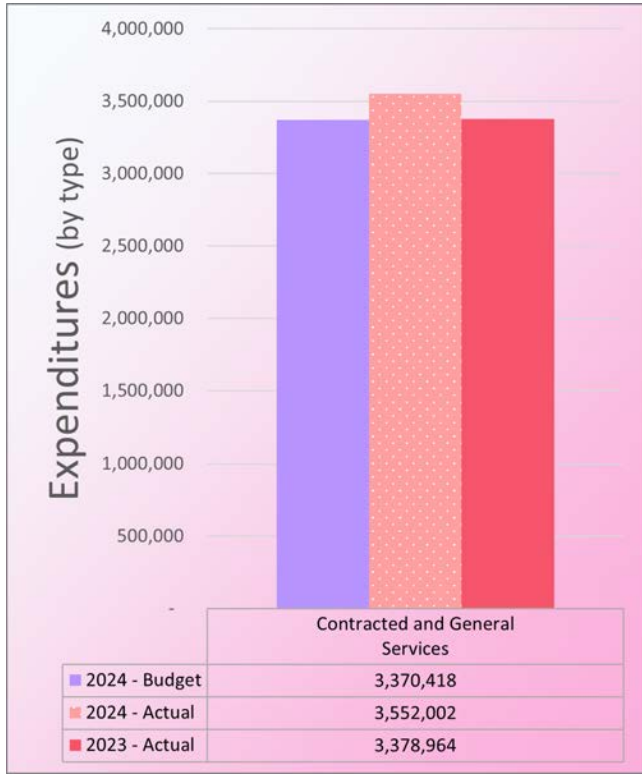
There was an overall increase from the prior years as there were increased for staffing experience grid movement of existing County staff and there was the cost of living adjustment (COLA) adjustment of 4.283% on the related salary grids. Budget 2024 included increases in the full-time equivalent (FTE), including a net increase of 4.04 FTE from the prior budget (Budget 2023). There were also increases in benefit costs from the prior year with increased benefit rates and the new federal Canadian Pension Plan (CPP2) contributions.

	2024		Variance from Budget	2023	Variance from Prior Year
	Budget	Actual		Actual	
SALARIES, WAGES AND BENEFITS (sub-categories):					
Salaries - Permanent Staff	5,853,697	5,810,599	43,099	4,940,350	870,249
Overtime - Permanent Staff	189,538	248,082	(58,544)	227,528	20,554
Salaries - Seasonal Staff	745,608	617,035	128,573	684,731	(67,696)
Overtime - Seasonal Staff	52,871	70,545	(17,674)	72,035	(1,490)
Health and Pension Benefits / WCB	2,025,177	1,866,214	158,963	1,468,029	398,185
Per Diems / Honorariums	445,362	441,638	3,724	406,041	35,597
	9,312,253	9,054,113	258,140	7,798,714	1,255,399

Full-Time Equivalent (FTE) Review:

- Increase of 4.04 FTE from prior year budget, including addition of 2nd Community Peace Officer (CPO), new automotive mechanic and apprentice heavy duty mechanic position, and a temporary development officer position to support with the Strategic Priorities and goals within the planning and development department.
- There was also increases from prior year actuals as certain positions that were budgeted in 2023 but vacant in the prior year were able to be filled/staffed.

Operating Expenses (by type) - Continued



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 increase from the budget is mainly due to the additional contracted service for road repairs including the Regional Transportation Master Plan (grant funded - not budgeted) and the significant increases in the amount of dust abatement application required on roads (wind farm construction project - cost recoveries fund the increased expenses). There were also increases in the costs of vehicle and equipment repairs with some of the staff vacancies. The safety code costs were higher than budget (correlates to increased safety code revenues). These increases were partially offset by savings in other contracted and general services.

The contracted and general services were increased from the prior year with the increase in equipment/vehicle repairs with staff vacancies, damages/deductibles with increases road construction, and the costs for the Regional Transportation Master Plan (consulting and engineering costs).

	2024		Variance from Budget	2023	Variance from Prior Year
	Budget	Actual		Actual	
CONTRACTED AND GENERAL SERVICES (sub-categories):					
Education and training	160,257	115,663	44,594	89,238	26,425
Travel and subsistence	153,977	99,254	54,723	86,829	12,425
Registrations and memberships	130,749	96,611	34,138	94,793	1,818
Telecommunications	87,803	77,432	10,372	82,051	(4,619)
Legal fees	76,500	118,408	(41,908)	38,894	79,514
Doctor retention program	141,460	126,158	15,302	127,814	(1,656)
Contracted Services	167,239	198,518	(31,279)	160,969	37,549
Consulting and engineering	624,515	720,944	(96,429)	604,805	116,139
Building repairs and maintenance	212,813	171,100	41,713	139,637	31,463
Equipment repairs and maintenance	356,337	436,279	(79,942)	317,706	118,573
Vehicle repairs and maintenance	277,143	263,750	13,392	308,820	(45,070)
Road repairs and maintenance	188,281	396,753	(208,472)	688,504	(291,751)
Damages and deductible costs	182,000	133,989	48,011	82,760	51,229
Insurance	228,800	248,450	(19,650)	228,826	19,624
Other services	382,544	348,693	33,852	327,318	21,375
	3,370,418	3,552,002	(181,584)	3,378,964	173,038



Material, Goods & Utilities

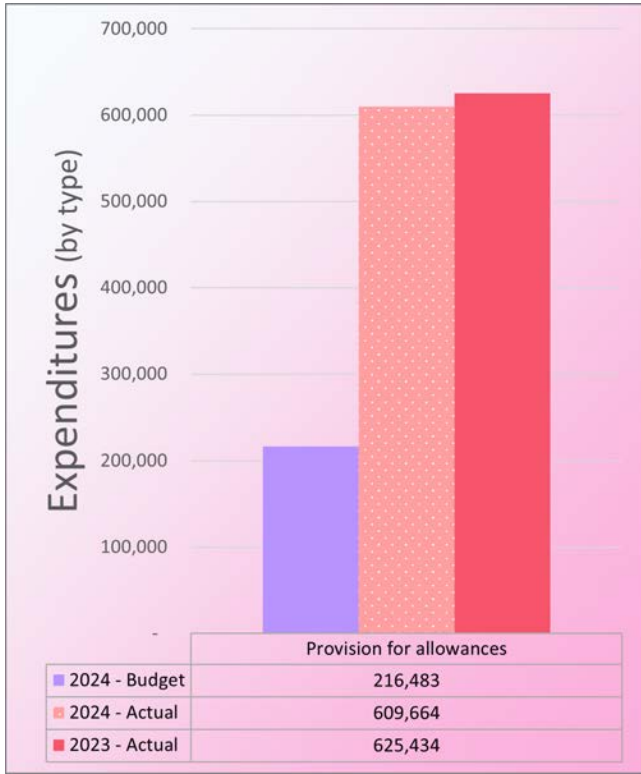
Materials, goods, and utilities includes the costs of supplies, utilities, information technology, diesel/fuel, gravel, herbicides, culverts, blades, tools, and other materials.

Blades, Tires & Culvert costs were less than budget based on the timing of purchases and recording the use of inventory. These cost savings were offset by an increase in the gravel costs from budget with the inventory adjustment for gravel inventory used on the road gravelling and construction projects. *Note that Budget 2025 is planned to be updated for the use of inventory (impacting gravel expense budgets to reflect actual accounting treatment).*

There were increases from the prior year as there was an increase in the amount of the road/bridge construction (as the prior year also included the completion of the industrial park), this included increases in use of diesel/fuel, gravel use, and other goods and materials.

	2024		Variance from Budget	2023	Variance from Prior Year
	Budget	Actual		Actual	
MATERIAL, GOODS AND UTILITIES (sub-categories):					
Parts and supplies	154,359	132,121	22,238	200,922	(68,801)
IT hardware and software	350,137	351,769	(1,632)	242,378	109,391
Diesel, fuel, and propane	1,304,411	1,327,973	(23,562)	1,191,729	136,244
Tires	161,298	97,623	63,675	133,689	(36,066)
Oil and lubricants	81,260	114,756	(33,496)	66,351	48,405
Gravel, pit run, and rip rap	108,759	557,788	(449,029)	451,152	106,636
Herbicides	105,000	93,328	11,672	90,106	3,222
Utilities	247,876	237,797	10,079	236,171	1,626
Culverts	146,342	129,410	16,932	119,649	9,761
Blades	146,795	125,326	21,469	133,024	(7,698)
Other goods and materials	485,345	458,736	26,609	284,806	173,930
	3,291,582	3,626,627	(335,045)	3,149,977	476,650

Operating Expenses (by type) - Continued



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 current year also includes write-offs on some insolvent oil & gas companies for their 2024 property tax levies (which had some residual taxable assessment into 2024 fiscal year as many were also insolvent in prior years - partial write-offs budgeted in 2024). Many of these relates to the same insolvent companies that were written off in 2022/2023.

There was a total of \$609,664 write-off on uncollectable taxes (mostly from insolvent oil & gas companies), which was written off by Council during 2024 (exceeding budget of \$216,483). This is relatively consistent to the amount written-off in the prior year.

Some assets within these insolvent oil & gas companies were sold off towards the end of 2024, so hopefully these taxable properties will be paid in future years.

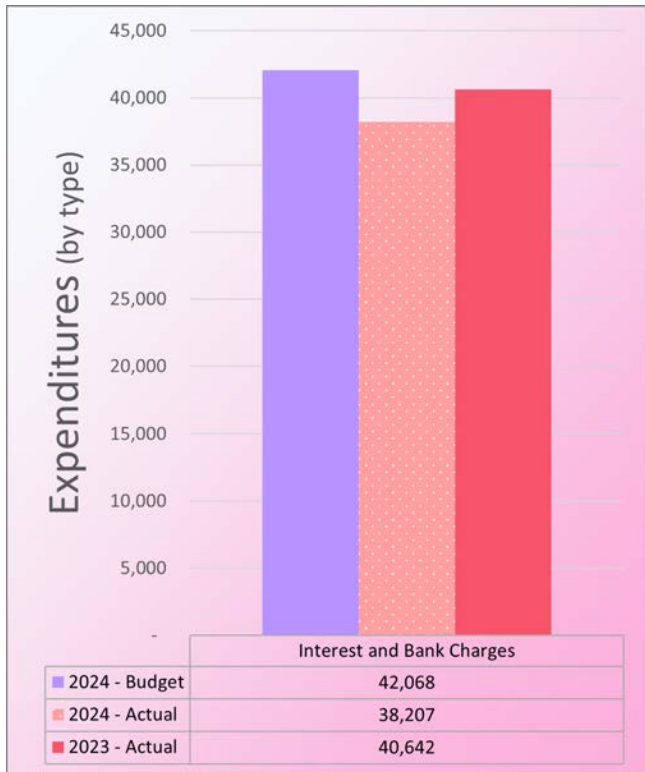
Transfers to Local Boards & Agencies

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.

The actual transfers to local boards and agencies were slightly more than budget as there was increased transfers relating to subsequent approval and payout of reserves for the History Book project through the Arrowwood Restoration Society, additional contribution to the cemetery/grave identification project, and the contributions to the McGregor Regional Water Systems project. These increases were partially offset by certain conditional agricultural grants or projects were not requested nor started during the year.

There was an increase from the prior year as a result of increases in the funding for the Waste Commission from \$948,800 to \$962,993 and there were approved increases within the recreation and cultural programming. These increases were partially offset by reductions in funding requested for fire protection services for fire associations.





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; whereas, the estimated interest decrease each year with the reduced principal balance outstanding (as the rates are locked-in for the duration of the debenture).

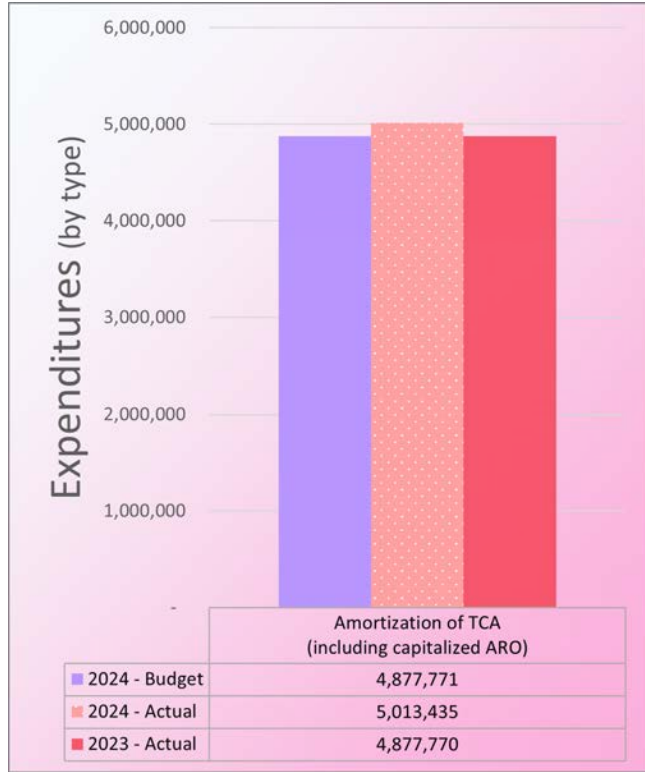
Overall, interest and bank charges were less than budget and the prior year.

Amortization of TCA (including ARO)

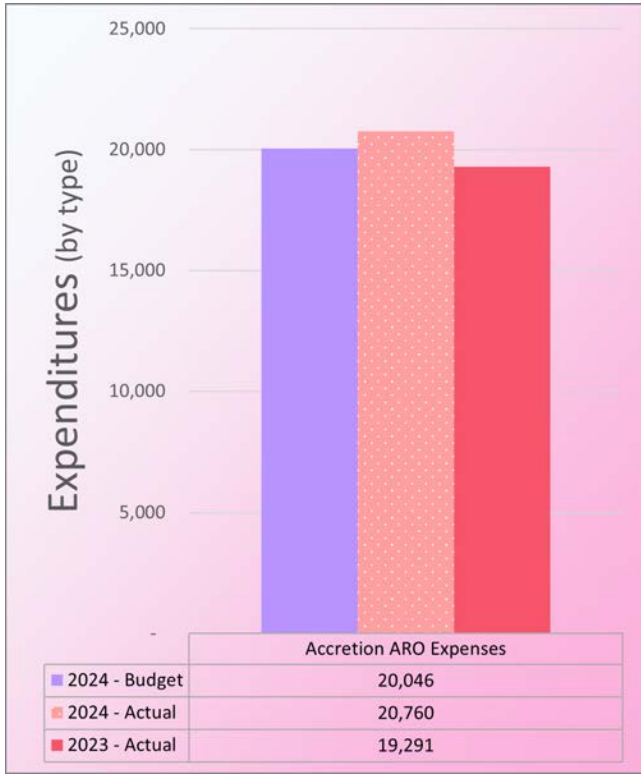
The amortization of Tangible Capital Assets (TCA) expenses are non-cash expenditures to reduce the net book value of the tangible capital assets (roads, buildings, equipment) over the course of their useful lives. To recognize assets and to determine amortization, the County has adopted a Tangible Capital 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. New additions include the tangible capital assets contributed through the regionalization of the Milo Fire Department.



Operating Expenses (by type) - Continued



Accretion ARO Expense

The Accretion ARO expense is the expense relating to the “passage of time” within an increase to the present value method in determining an Asset Retirement Obligation (ARO) liability. A present value calculation uses estimated remaining useful lives as a factor; therefore, as the remaining useful life decreases from year-to-year, this factor results in an increase to the estimated ARO liability from the prior year, which is expensed as an Accretion ARO Expense.

Budget 2024 included the initial projections (based on the 2023 ARO calculations factors). The 2024 actual accretion expenses were slightly higher than budget as a result of some remeasurement of the ARO liabilities.

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.

There was a decrease from the budget as the County had somewhat reduced the overall road construction program as the County completed 8.25 miles of road construction (compared to the typical 10 miles per year). This reduction is partially due to limitations on road construction with rain days during the construction season (limiting availability) and other factors.

There was an increase from the prior year as 2023 included relates a substantial amount of work in the construction of the Industrial Park (including re-leveling and building of roads) which limited the prior year’s amount of road construction (was a total of 4 mile of road and the industrial park in 2023).

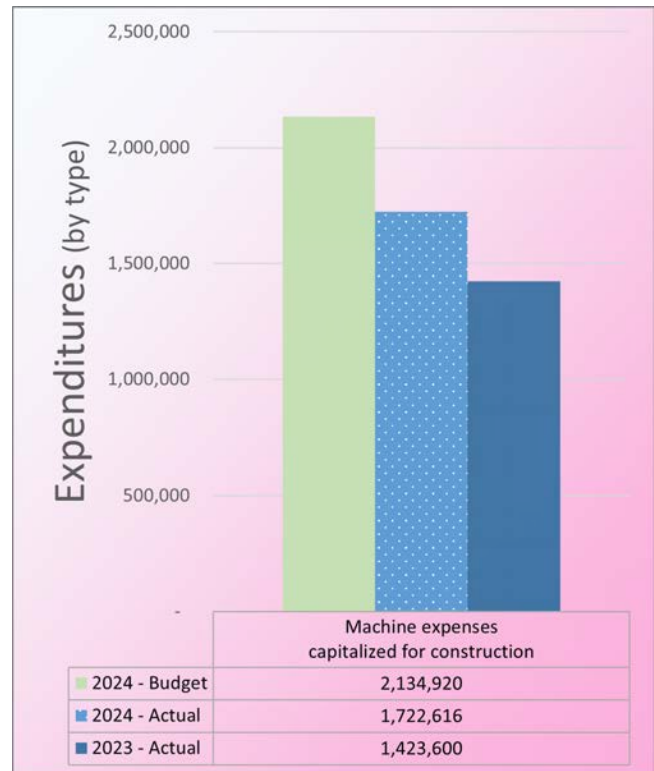
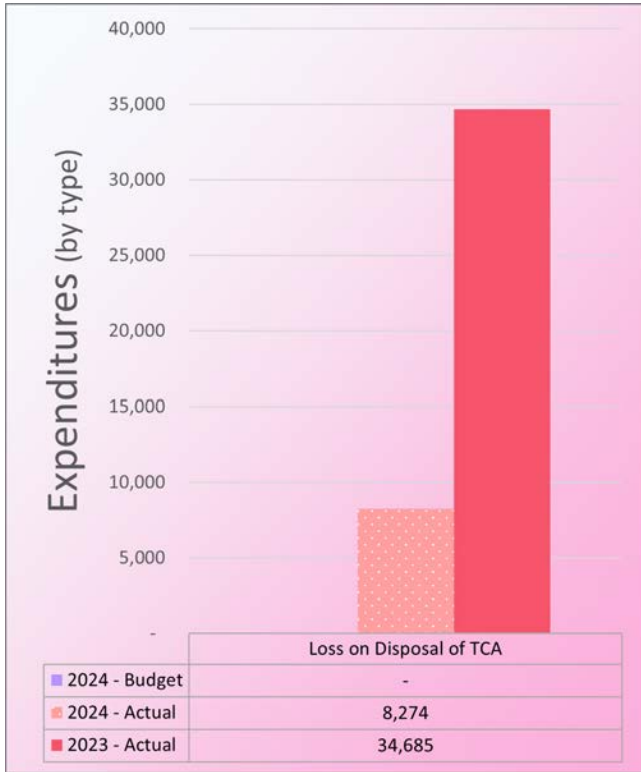


Chart shown in green/blue as it is a credit account.



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.

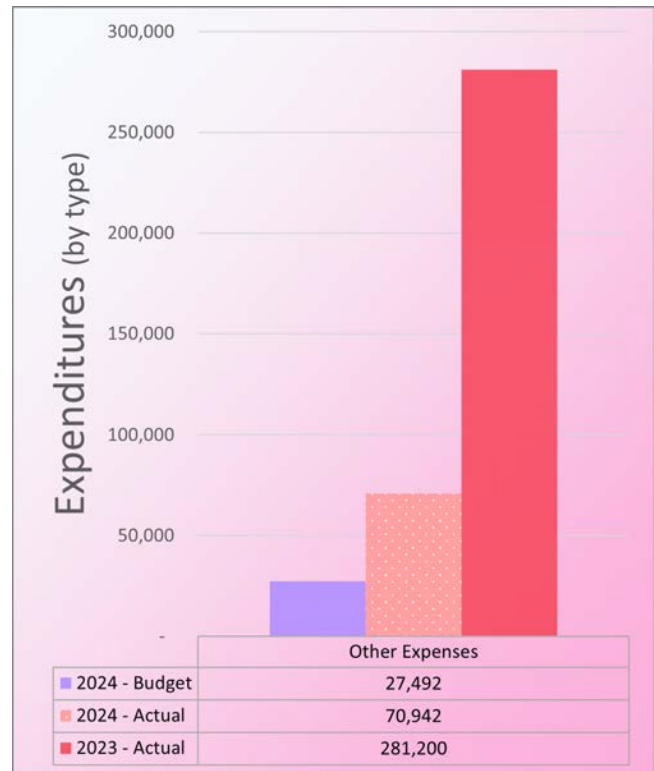
Loss on disposal of assets relating to road/bridge construction can vary significantly from year-to-year, depending on the timing of closing and the replacement of these roads and bridges. The prior year had increased losses on disposal of specific roads as these were replaced before the end of their estimated useful life due to the conditions of those specific roads.

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 and estimated contribution of interest.

The majority of the expenditure relates to the changes in the gravel reclamation liability (relating to non-controlled 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. These use similar factors to that of the Asset Retirement Obligations (ARO) which include controlled gravel pits.

This relates to \$28,200 for the current year (\$229,000 for 2023 fiscal year) with the changes in the factors. This is a significant increase from the prior year as the prior year had a reduced liability which is treated as an operating revenue instead of a negative expense.



Operating Expenses (by segment)



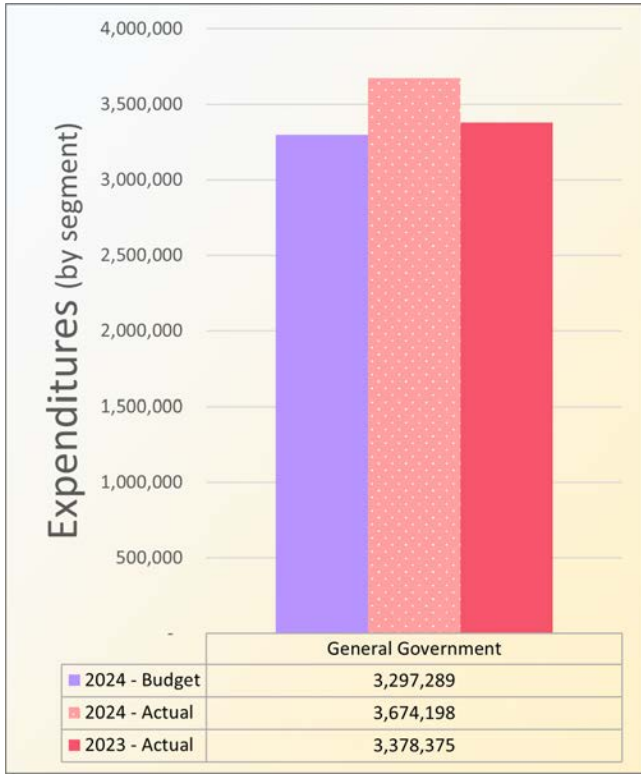
Schedules 6 and 7 (Schedules of Segment Disclosure) present the operating expenses by major segments which are a combination of the departments that have similar activities.

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):

	2024 - Budget	2024	2023
GENERAL GOVERNMENT			
Legislative	583,963	538,114	478,318
Administration	2,476,843	2,526,009	2,267,748
Other	236,483	610,075	632,309
	3,297,289	3,674,198	3,378,375
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
COMMUNITY SERVICES			
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
	987,502	973,845	936,037
UTILITY SERVICES	1,163,124	1,201,098	1,140,509
TOTAL OPERATING EXPENSES	21,048,567	22,318,054	20,785,908

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). See Note 21 to the 2024 Financial Statements for a detailed description of each segment and its activities.

Operating Expenses (by segment) - Continued



General Government

The General Government includes legislative and administrative matters, including Council expenditures and administration costs required to operate the County.

During 2024, there was approximately \$609,700 of tax receivables write-offs on insolvent oil & gas companies for their 2024 property tax levies (which had some residual taxable assessment from the prior year which had a total write-offs of approximately \$625,400). These are significant increase from budget of \$216,483. The County had exhausted all legal options for collection and was advised by legal counsel to complete the write-off.

General Government saw cost saving on contracted services, including consulting, memberships, education and training costs. These cost savings were partially offset by increased legal fees for tax recovery and additional contributions to the cemetery/grave identification project.

The majority of the increase from the prior year relates to the increased IT software implementation projects, consulting costs, and wages/benefits with increases in staffing grids.

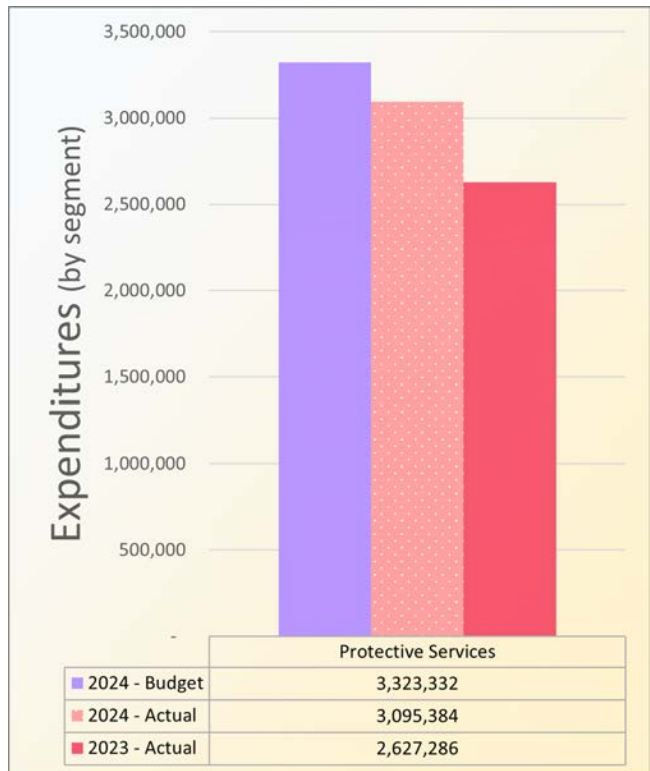
Protective Services

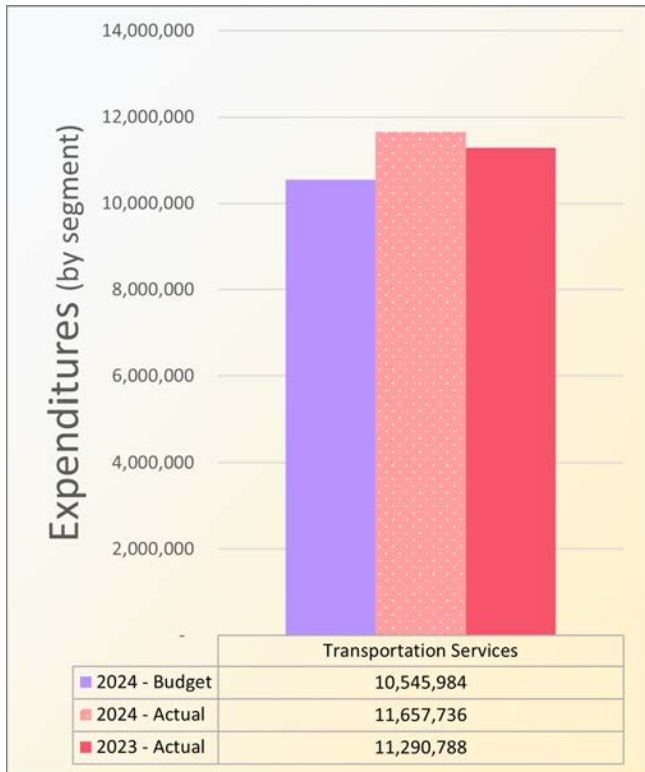
The Protective Services is comprised of emergency management, health and safety, bylaw enforcement and fire services.

There were saving on the volunteer firefighter benefit costs as the County budgets for a full complement at each department. These savings were partially offset by increases in per diem costs for firefighters which are funded by the increases in the revenues for the wildfires recoveries.

There was also savings within contracted/general services, building repairs, and materials/goods/utilities; however, these savings were effectively offset by increases in amortization costs (with increases in new capital assets from contributed assets from Milo Fire Department).

The increase from the prior year mostly relates to increase in the addition of the 2nd Community Peace Officer (CPO) position and increased to wages/benefits with increases in staffing grids. There was also increases in small tools/equipment costs from the prior year.





Transportation Services

The Transportation Services is responsible for the delivery of municipal public works services relating to the maintenance and construction of roadways and bridges.

The increases from budget mostly relates to increase in gravel costs, contracted/general services, including the Regional Transportation Master Plan (grant funded - not budgeted) and road repairs with the significant increases in the amount of dust abatement application required on roads (wind farm construction project - cost recoveries fund the increased expenses). There was also a reduction in the “machine expenses capitalized for construction” with the reduction in road construction (which increases the net expenses). There were also increases in the costs of equipment/vehicle repairs with staff vacancies of mechanics. These cost increases were partially offset by some specific staff vacancies in the department.

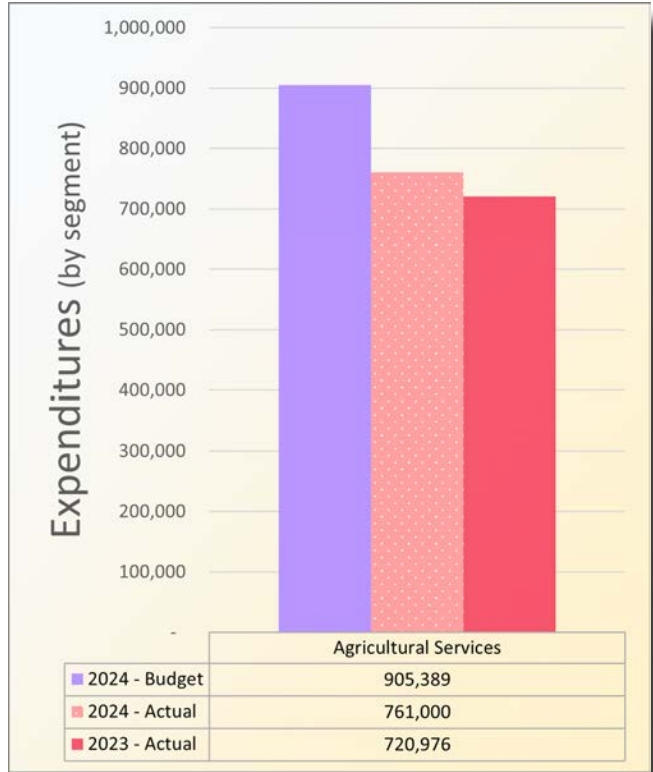
There were increases from the prior year with wages/benefits with increases in staffing grids and staff increases for new automotive mechanic and apprentice heavy duty mechanic position. There were also other increases in road construction costs for increase in the amount of miles constructed from the prior year.

Agricultural Services

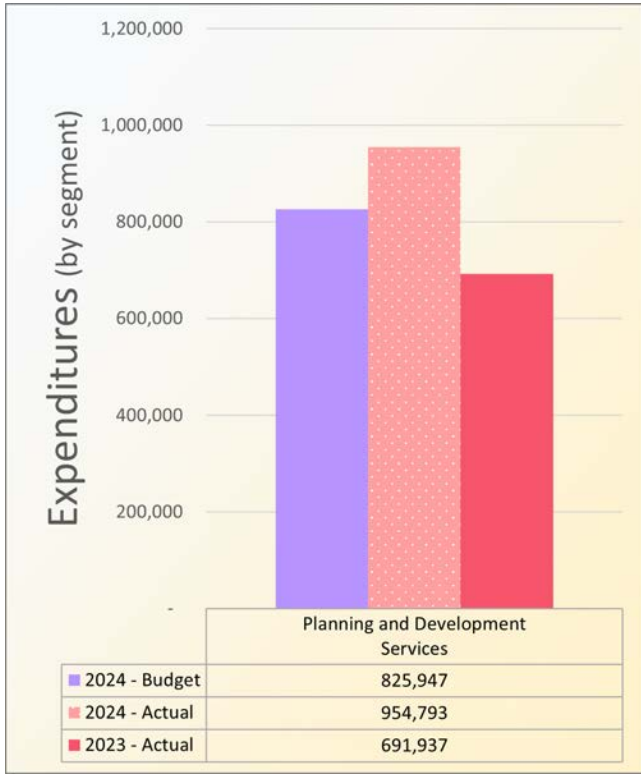
The Agricultural Services provides advice and expertise with respect to weed and pest control, as well as soil and water conservation, and rental of specialized equipment.

The decreases from the budget related to saving on wages/benefits, material/goods/utilities, and the transfers to board/agencies. The savings on wages/benefits relate savings on seasonal staffing than budgeted. The savings on material/goods/utilities relates to savings on herbicides and parts/supplies. The actual transfers to local boards and agencies were slightly less than budget as certain conditional agricultural grants or projects were not requested nor started during the year.

The increase from the prior year mostly relates wages/benefits with increases in staffing grids, contracted/general services (including equipment/vehicle repairs), parts/supplies, and other cost increases.



Operating Expenses (by segment) - Continued



Planning and Development Services

The Planning and Development Services facilitates development in accordance with the Land Use Bylaw as approved by County Council.

There was an increase from budget as there was a significant increase in safety code revenues/costs (as the service provider takes a percentage of the revenues to cover the service costs); whereas, this increases the related service costs.

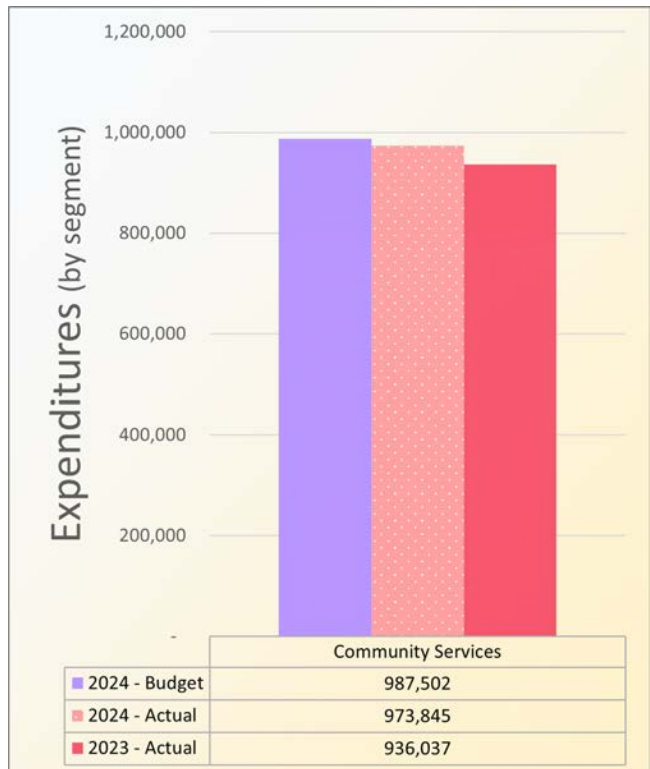
There were increases from the prior year with the significant increases in the safety codes program (increases in revenues and contracted services costs). There was also increases relating to wages/benefits with increases in staffing grids and the new temporary development officer position to support with the Strategic Priorities and goals within the planning and development department.

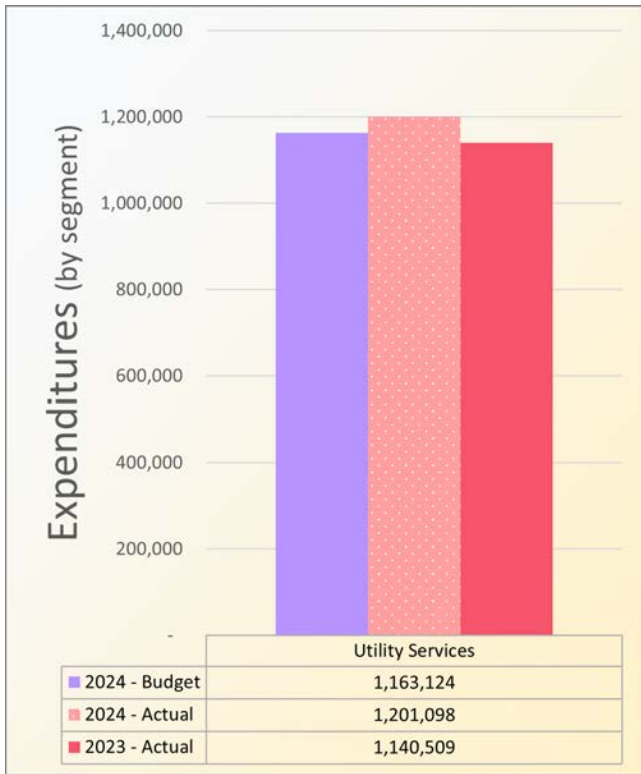
Community Services

The Community Services 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.

Overall, the actual costs are very comparable to budget as the vast majority of the costs were in-line with the budget; whereas, the variances related to the savings on the Doctor Retention Program as the actual costs were less than originally budgeted. These reductions were partially offset by increases to transfers to boards/agencies for the payout of reserves for the History Book project through the Arrowwood Restoration Society.

The increase from the prior year relates to the transfers to boards/agencies for transfers to recreation & culture activities throughout the County.





Utility Services

The Utility Services includes membership of the Twin Valley Regional Water Commission and the Vulcan District Waste Commission. Operations for the Mossleigh Water Treatment Plant are contracted to Rocky View Utility Corporation. During 2024, the County also assumed ownership/operations of the Mossleigh Water Distribution System.

Overall, the utility service costs are comparable to the prior year, as most of these costs are specifically determined as funding transfers in the budget process. There were increases with assuming ownership/operations of the Mossleigh Water Distribution System, including repair/maintenance costs.

The increase from the prior year mostly relates to the contribution to the increases in the 2024 Waste Commission contributions and the additional costs with the Mossleigh Water Distribution system.



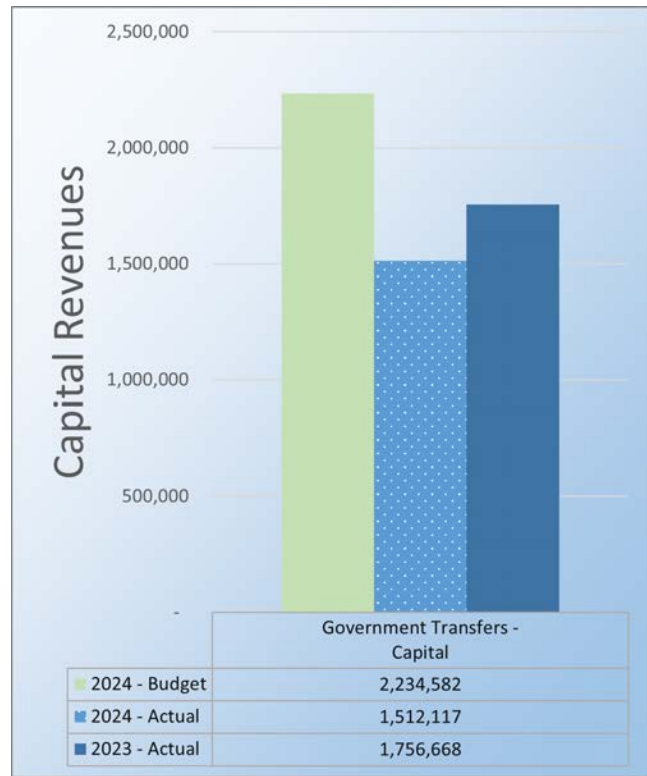
Capital Revenues & Expenses

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:

	2024 - Budget	2024	2023
CAPITAL REVENUE			
Contributed tangible capital assets	-	684,977	-
Government transfers for capital	2,234,582	1,512,117	1,756,668
	2,234,582	2,197,094	1,756,668



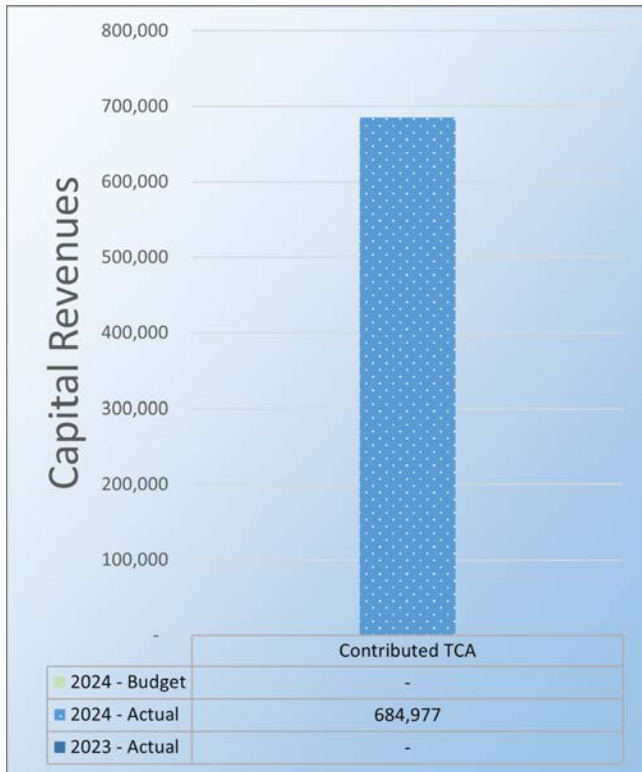
Government Transfers - Capital

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 the Mossleigh Drainage Project was not able to be started during 2024 which was budgeted at approximately \$652,300. These funds remain in deferred revenues for Municipal Sustainability Initiative (MSI) Capital (totalling \$761,223 - including interest accrual); whereas, with the transition to the Local Government Funding Framework (LGFF), the approved MSI Capital project can still be completed within 5-years (within the applicable MSI guidelines). The LGFF grant funding was fully utilized during 2024 on graders and the AG Tractor replacement.

The capital government transfers decreased significantly from the prior year as it included additional utilization of the remaining MSI Capital Grant funding for road/bridge construction (to try use up the remaining MSI Capital Funding available in 2023).

	2024 Budget	2024 Actual	
Carry-forward balance (MSI Capital)	800,484	800,484	
2024 Grant Allocation (LGFF allocation)	1,434,098	1,434,098	
Interest Allocation	-	38,758	
Available LGFF & MSI Funds	2,234,582	2,273,340	
	Budgeted cost	Grant Funded	2024 Actual
Mossleigh Drainage Project - Phase 2 (MSI)	652,300	652,300	-
Bridge and Road Engineering (MSI)	106,250	106,250	36,585
Grader Purchases (LGFF)	1,293,556	1,293,556	1,293,556
AG Tractor Purchase (LGFF & MSI)	216,500	182,476	181,976
	2,268,606	2,234,582	1,512,117
Unallocated LGFF & MSI Funds	-	761,223	



Contributed TCA

The Contributed Tangible Capital Assets (TCA) are non cash assets given to an organization, often without direct payment, such as donations of land, equipment, or infrastructure. There are not budgeted revenues.

During the year, the Regionalization of the Milo Fire Department include \$27,000 for land for the Fire Hall (owned by the County), \$500,000 for vehicles/fire trucks, and \$127,000 for equipment contributed to the County from the Milo Fire Association (for a total of \$654,000). The contribution of a truck to the fire department was estimated at \$30,976. These were all recorded at the estimated fair value based on the dates of acquisition and included in "Protective Services" segment of reporting.

The County also County acquiring the Mossleigh Water Distribution System in 2024. The fair value was determined to not be reasonably determined; therefore, a nominal value of \$1 was recognized in accordance with accounting standard PS3150.14 and included in "Utility Services" segment of reporting.

There were no contributed assets in the prior year.

Contributed Assets Review:

- On June 24, 2024, Milo & District Fire Association made motion and approved the regionalization within Vulcan County; whereas, they previously provided Fire Protection Services on a contracted basis as a separate entity. As part of the regionalization, they transfer/contribute control/ownership of all of the assets of the Association to Vulcan County.
- Effective October 1st, 2024, the Mossleigh Water Co-op, who previously owned/controlled the water distribution system in the hamlet of Mossleigh, dissolved operations and contributed the distribution system to the County. Prior to the dissolution of the water co-op, the County owned/controlled the Mossleigh Water Treatment Plant (WTP) and the Co-op owned the water distribution system (goes from the WTP to the houses).
- On October 8, 2024, an independent organization contributed a surplus pickup truck to the County's Fire Department for use in operations.





Reconciliation of 2024 Capital Funding and Expenses:

Government Transfers for Capital:		Capital Acquisitions:	
Local Government Fiscal Framework (LGFF)	1,434,098	Buildings	0
Municipal Sustainability Initiative (MSI)	78,019	Engineered Structures	2,436,373
Other Grants and Contributions	684,977	Equipment	2,507,836
	<u>2,197,094</u>	Land & Land Improvements	85,580
		Vehicles	<u>1,220,310</u>
Proceeds on Disposals	157,756		6,250,099
Allocation from Reserves	2,245,636	Allocation to Reserves	73,003
Allocation from Operations	1,722,616	Allocation to Operations	0
Total Capital Funding	<u>6,323,102</u>	Total Capital Expenses	<u>6,323,102</u>

The above is a reconciliation of the applicable capital revenues and expenses. Total Capital Funding of \$6.323 million includes the \$2.197 million of government transfers/grants and contributions, proceeds on disposals, and allocations from capital reserves and from operations.

The Capital Funding matches the total Capital Expenses of \$6.323 million, including \$6.250 million of Capital Acquisitions and some transfers to Capital Reserves. The County maintains a 20-year capital plan which outlines the replacement cycles of the capital assets being projected to be replaced within the applicable period. The Capital Acquisitions include the following:

Engineered Structures:

Includes \$2,436,373 of capital acquisitions, including the construction and replacements of roads and bridges within the County and the construction of the Industrial Park Reservoir & Water Supply Line.

Equipment:

Includes \$2,507,836 of capital acquisitions, including the purchase of graders, used scraper, AG Tractor, trailers, equipment from Milo Fire Department (part of regionalization), and other related equipment.

Land & Land Improvements:

Includes \$85,580 of capital acquisitions, including the additions and improvements to the County's Industrial Park and the contribution of land from Milo Fire Department (part of regionalization).

Vehicles:

Includes \$1,220,310 of capital acquisitions, including the contribution of fire trucks and vehicles from Milo Fire Department (part of regionalization), heavy-duty hauling truck, Community Peace Officer (CPO) unit, and other truck replacements throughout the County.

- Introductory
- Financial Analysis
- Financial Statements
- Statistics & Ratios



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 Remeasurement Gains and Losses

The Statement of Remeasurement Gains and Losses indicates the unrealized changes in the value of financial instruments (such as investment) being measured in the financial statements at fair market value.

Although this was a new statement included in 2023 (as part of the implementation of PS1201 - Financial Statement Presentation), this Statement of Remeasurement Gains and Losses is first applicable in 2024 as at yearend, the County held derivative investments that its fair value are derived from inputs other than quoted prices, including principal protected notes that have an annual auto-callable option.



As at December 31, 2024, the County held principal protected notes with a cost base of \$2,000,000 and a fair value of \$2,159,800. As these are carried at fair value (within “long term investments”) on the Statement of Financial Position, the increase in fair value is not recognized to revenues until the asset is matured/sold; therefore, the increase in the carrying value of \$159,800 is included in the unrealized gains on derivatives in the Statement of Remeasurement Gains and Losses (included within the Accumulated Remeasurement Gains).

Once the investment is matured/sold, the increase to fair value (up to the date of sale) is then removed from this Accumulated Remeasurement Gains and recognized as revenue in the Statement of Operations as “Return on Investments” revenues.

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 (2024)

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 (2023)

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



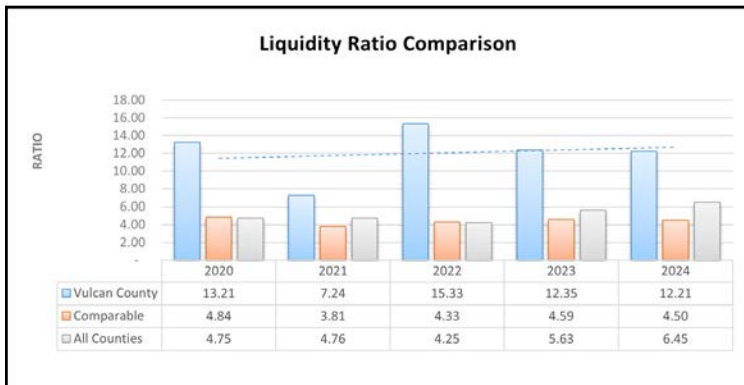
Financial Indicators & Performance Measures



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 2024 is only partially available (10 of 11 comparators have data currently 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

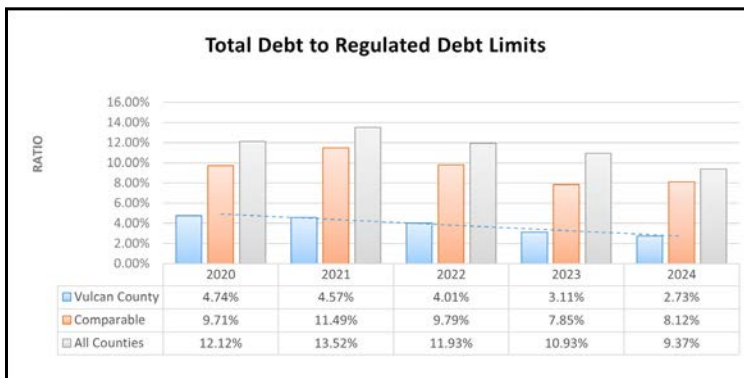


The Current/Liquidity Ratio is a measure to indicate that the County can meet its short-term obligations and that the County has the ability to better respond to rapidly changing circumstances (as often required). The Current Ratio is calculated by the ratio of current assets to current liabilities

The County has historically maintained a high current ratio (2024 ratio of 12.21) 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. 93.6%); therefore, further increasing the liquidity of the County. The ratio remained relatively consistent to the prior year (with a slight decrease from 2023).

Total Percentage of Debt Limit



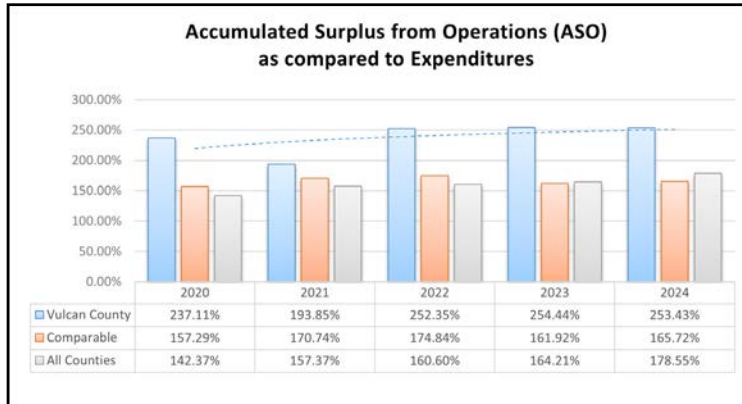
The Total % of Debt Limit Ratio is a measure to indicate the total amount of municipal borrowings, including long term capital leases, as a percentage of the total regulated debt limit available to the municipality. This is an indicator if the municipality has maintained reasonable levels of borrowing 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 (2024 ratio of 2.73%); 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

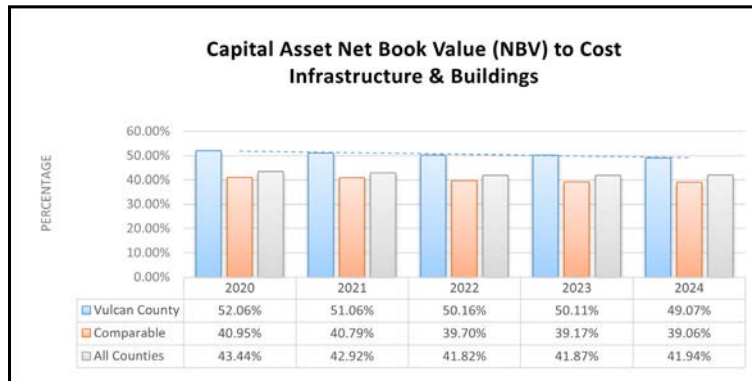


The Accumulated Operating Surplus (AOS) as a % of Expenses Ratio is a measure to indicate level Unrestricted Surplus and Reserves that are available to cover the annual costs of operations. The AOS represents the total Accumulated Surplus excluding the Equity in Tangible Capital Assets. This can be an 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 (2024 ratio of 253.43%).

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.

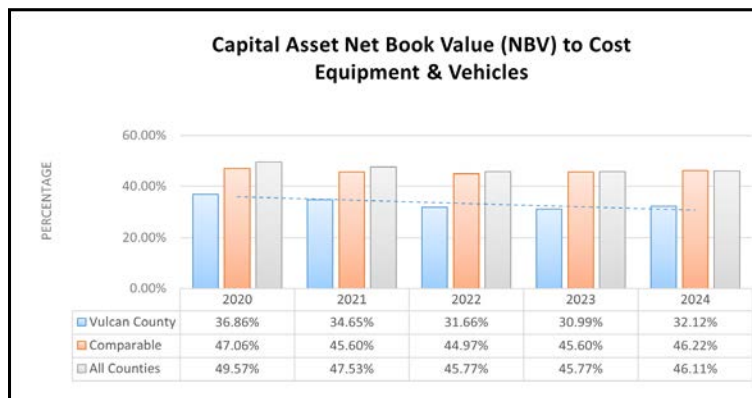
Capital Asset Net Book Value



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.

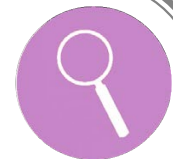
This ratio is calculated by the ratio of the net book value (NBV) of TCA as a percentage of the total original costs. The NBV is the original purchase cost less the accumulative amortization (depreciation).

The County has historically maintained a high Infrastructure and Buildings TCA ratio (2024 ratio of 49.07%) 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.

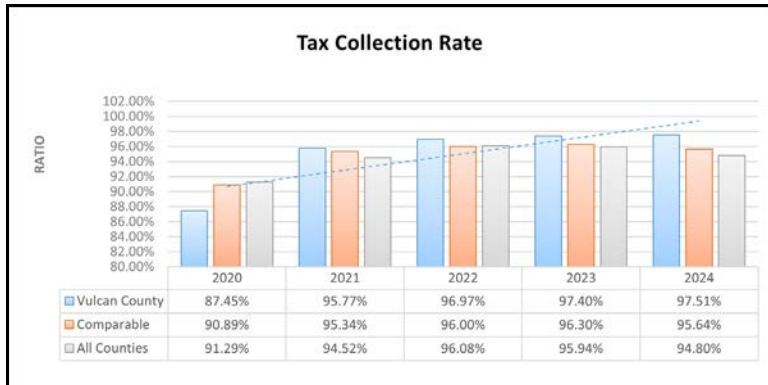


The County maintains a 20-year capital plan for the replacement of vehicles, and machinery & equipment (which can include multiple replacement cycles). The County has a lower ratio (2024 ratio of 32.12%) as the County often is able to effectively extend the useful life of the vehicles/equipment by appropriate 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-lieu-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 (2024 ratio of 97.51%); whereas, this ratio has been revised in the prior year to exclude the 2023 supplementary tax balances as they are not actually due to the following year (due in February 2024) and these balances should not be included in the applicable ratio for the 2023 yearend balances. The County continually monitors the tax receivable balances for collectability and outstanding balances.

Performance Measures 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](#)

Performance Measures Dashboard

Year: 2024

Welcome to Vulcan County's Performance Measures Dashboard.

**NOTE 2024* only has the data for 10/11 comparators and the remaining is using 2023 data for reference. The data is to be updated once the Provincial data is available.*

Category	Metric	Vulcan County	All Comparables	All Counties
Financial Position	Current Ratio	12.21	4.50	6.45
	Total % of Debt Limit	2.73%	8.12%	9.37%
	AOS% of Expenses	253.43%	165.72%	178.55%
Asset Aging	All Tangible Capital Assets	48.36%	43.94%	45.35%
	Infrastructure & Buildings	49.07%	39.06%	41.94%
	Vehicles, Machinery & Equipment	32.12%	46.22%	46.11%
Tax Analysis	Tax Base Balance	25.92%	32.88%	29.23%
	Tax Collection Rate	97.51%	95.64%	94.80%
	Municipal Tax Rates	3.6741	4.2034	4.3204

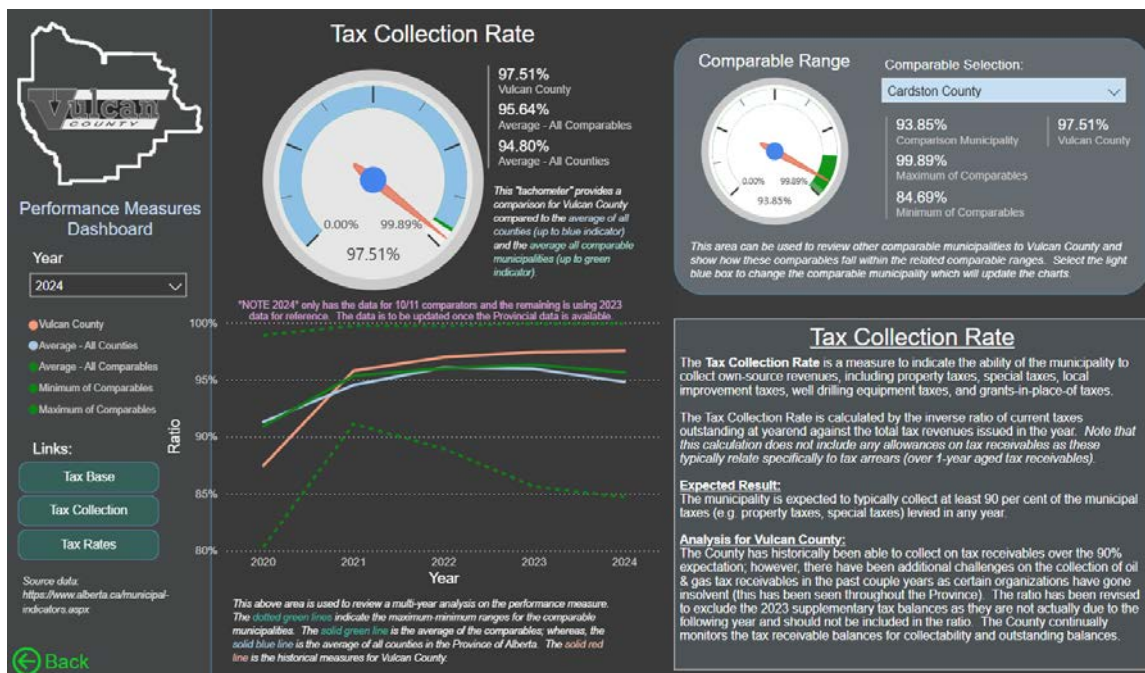
MOBILE VIEW

TAX RATE DETAILS



The Performance Measures Dashboard for an in-depth review of the County’s performance measures, including interactive approach of looking at historical trends, Provincial and other comparative data, and allows for a direct comparison to specific municipalities which are comparable municipalities to the County. *These correlate to the performance measures listed in this report.*

For example, the Dashboard allows you to drill down to specific types of performance measure (i.e., Tax Collection Rate) and the dashboard will provide an overview of the measure, expected results, and an analysis on the results. The dashboard will provide visuals on historical trends and provide options for reviewing comparable municipalities to the County.



This type of interactive dashboard analysis is available for each of the key performance measures:

Financial Position:

- Current Ratio
- Total % of Debt Limit
- AOS% of Expenses

Asset Aging:

- All Tangible Capital Assets
- Infrastructure & Buildings
- Vehicles, Machinery & Equipment

Tax Analysis:

- Tax Base Balance
- Tax Collection Rate
- Municipal Tax Rates*

* *Municipal Tax Rates also has additional tax rate details on other tax rates applicable for the County, including district specific rates and requisition tax rates.*

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.



Introductory



Financial Analysis



Financial Statements



Statistics & Ratios



Financial Reports and Financial Dashboards

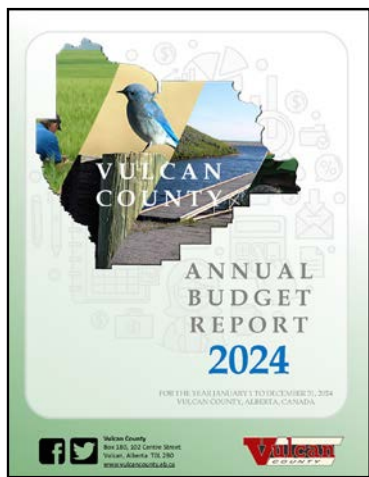
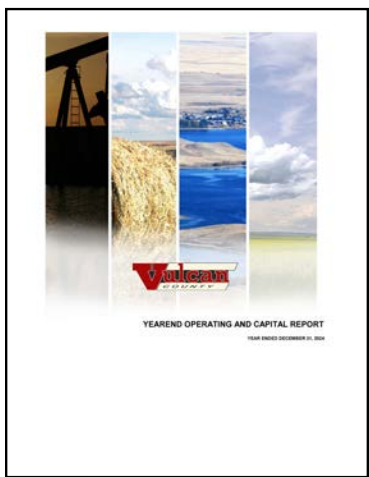
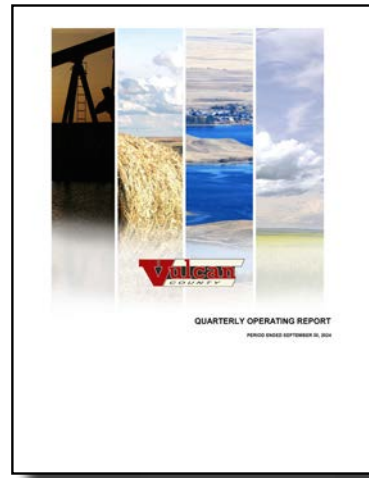
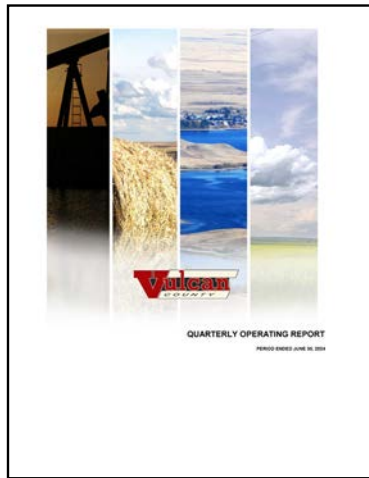
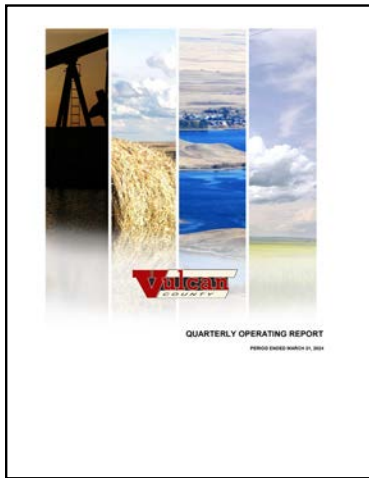


The County maintains additional financial reports and interactive financial reporting dashboards to provide useful information to understand the financial position and results of operations of the County which are included so that this reporting helps to provide additional data, accountability, and transparency.

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 2024 quarterly, yearend and budget reports which provide the details of the County's financial planning and progress throughout the year:



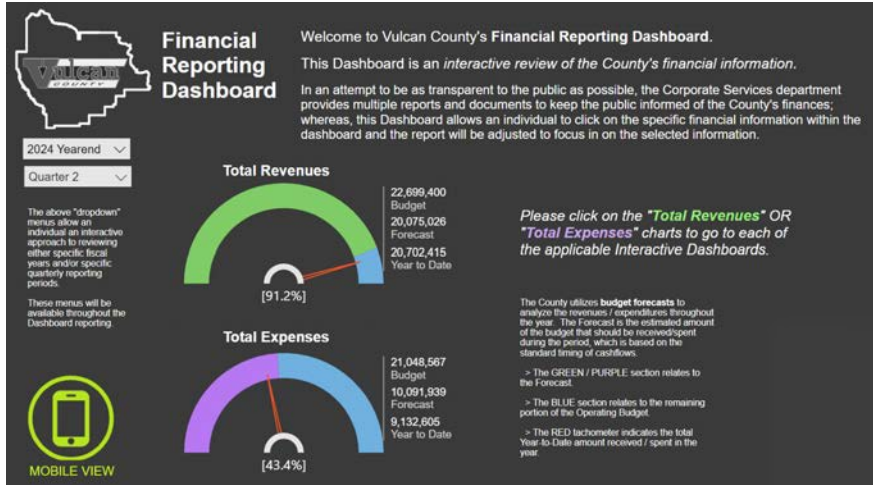
These financial reports and the other financial reporting and dashboards are located:

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

Click the Pages to go to the Reports Documents

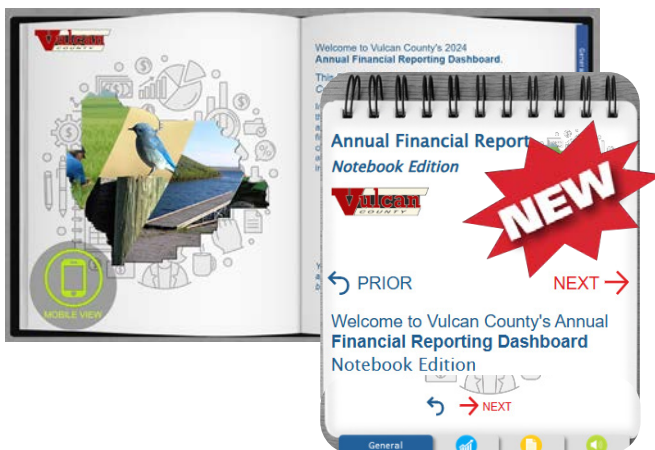
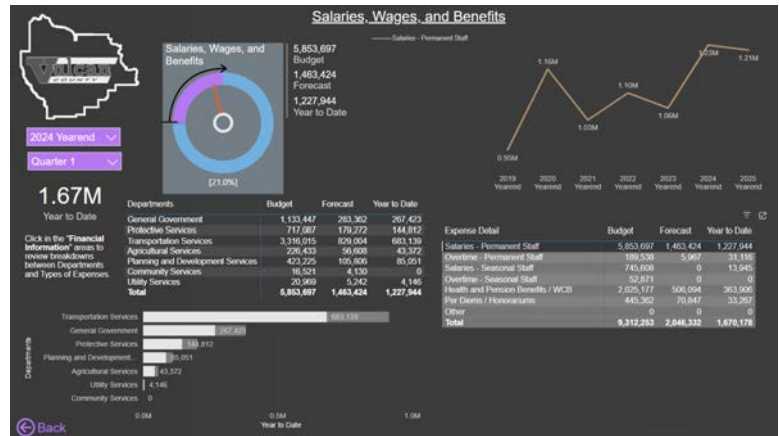
Financial Reporting Dashboards

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.



2024 Annual Financial Dashboard

The County also provides an interactive review of the 2024 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. A "Notebook Edition" has been added for a mobile friendly version of the dashboard.

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.

There multiple energy projects that will further increase the linear tax base within the County and further solidify Vulcan County as an area leader in the renewable energy sector:

- There is a 494 megawatt (MW) Buffalo Plains Wind Farm which received approval in 2022 and began construction in 2023 (continuing into 2024). The projected completion date is in early-2025 and is currently projected to have fully commissioned in mid-to-late 2025, which will then add approximately \$400-450 million of taxable assessment in future years. A supplementary tax bylaw has been applied for in budget 2025 so the County may start receiving tax revenues on these new taxable properties.



This equates to an approximate 20% 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).

With the use of the supplementary tax levies in 2023 allowed the County to maintain its current service levels while providing reduction in general municipal tax rates (40.0% reduction for residential and 5.5% reduction for non-residential). This methodology is projected to continue into future years with the increased tax assessment base; whereas, for Budget 2025 a portion of this new taxable assessment is included in the budget and mitigated tax rate increases.

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.

There have also been inflationary increases capital costs for equipment and vehicles; whereas, some equipment such as graders have seen significant cost increase over the last couple years. There is also an impact from the decline in the Canadian Dollar (in comparison to the US Dollar) on the purchase of heavy equipment. There are also unknown impacts from the tariffs being applied as many of the large US based purchases are done through procurement following the New West Partnership Trade Agreement (NWPTA) and the Canadian Free Trade Agreement (CFTA), so there is potential that some purchases may be exempt from the related tariffs. These have significant impacts on the capital replacement projections.

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, including a contingency should there be unexpected replacements and/or cost increases. From this plan, capital 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
June 24, 2025



A sunset over a body of water with reeds in the foreground. The sky is filled with orange and yellow clouds, and the water reflects the colors. The foreground shows the silhouettes of reeds.

SECTION 2 - FINANCIAL STATEMENTS

Section 2 - FINANCIAL STATEMENTS

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Financial Analysis



Financial Statements



Statistics & Ratios



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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,

Nels Petersen
Chief Administrative Officer

Mark DeBoer
Director of Corporate Services

Introductory

Financial Analysis

Financial Statements

Statistics & Ratios



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.

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:





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 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

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

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
	<u>(2,798,637)</u>	<u>(161,153)</u>	<u>398,712</u>
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	-
	<u>-</u>	<u>553,228</u>	<u>408,553</u>
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	<u>\$ 42,092,041</u>	<u>\$ 47,449,804</u>	<u>\$ 43,239,845</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 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
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)
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)
FINANCING		
Long term debt repaid	(137,327)	(133,960)
	(137,327)	(133,960)
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

	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

SCHEDULE 1



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**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	6,063,972	1,827,593	12,133,742	23,670,108	9,103,362	170,211,565	223,010,342	218,442,309
<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	-	553,668	5,202,597	16,328,798	5,900,277	87,176,322	115,161,662	110,754,782
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	\$ 6,063,972	1,273,925	6,931,145	7,341,310	3,203,085	83,035,243	\$107,848,680	\$107,687,527
2023 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	\$ 6,526,755	1,380,179	7,229,364	6,559,980	2,536,521	83,454,728	\$107,687,527	

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
	<u>21,764,451</u>	<u>21,732,767</u>	<u>21,939,518</u>
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
	<u>4,596,095</u>	<u>4,596,157</u>	<u>3,995,681</u>
NET MUNICIPAL TAXES	<u>\$ 17,168,356</u>	<u>\$ 17,136,610</u>	<u>\$ 17,943,837</u>



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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
	<u>1,015,544</u>	<u>1,176,124</u>	<u>1,104,191</u>
TRANSFERS FOR CAPITAL			
Local government transfers	-	-	39,016
Provincial government transfers	2,234,582	1,512,117	1,717,652
	<u>2,234,582</u>	<u>1,512,117</u>	<u>1,756,668</u>
TOTAL GOVERNMENT TRANSFERS	<u>\$ 3,250,126</u>	<u>\$ 2,688,241</u>	<u>\$ 2,860,859</u>

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
	<u>\$ 21,048,567</u>	<u>\$ 22,318,054</u>	<u>\$ 20,785,908</u>



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**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
Accretion ARO expenses	394	26	590	99	-	-	6	1,115
Machine expenses capitalized for construction	15,772	83	4,118	765	-	-	22	20,760
Loss on disposal of tangible capital assets	-	-	(1,722,616)	-	-	-	-	(1,722,616)
Other expenses	42,734	-	28,208	-	-	-	-	8,274
	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
	18,190,948	1,825,558	1,463,872	518,818	336,172	663,501	983,251	23,982,120
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
Accretion ARO expenses	394	26	590	99	-	-	6	1,115
Machine expenses capitalized for construction	15,018	61	3,526	670	-	-	16	19,291
Loss on disposal of tangible capital assets	-	-	(1,423,600)	-	-	-	-	(1,423,600)
Other expenses	12,890	8,994	10,589	2,212	-	-	-	34,685
	52,186	-	229,014	-	-	-	-	281,200
	3,378,375	2,627,286	11,290,788	720,976	691,937	936,037	1,140,509	20,785,908
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)	\$ 14,812,573	(762,712)	(8,109,264)	(202,158)	(355,765)	(272,536)	(157,258)	\$ 4,952,880



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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
	\$ 1,874,176	\$ 1,047,378

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	<u>(271,086)</u>	<u>(261,076)</u>
	<u>\$ 475,570</u>	<u>\$ 4,531,347</u>

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	<u>-</u>	<u>(733)</u>
	<u>\$ 2,231,075</u>	<u>\$ 882,094</u>

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	<u>18,524,461</u>	<u>11,588,101</u>
	<u>\$ 39,676,702</u>	<u>\$ 27,125,041</u>

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	<u>990,448</u>	<u>48,597</u>
	<u>\$ 1,000,787</u>	<u>\$ 67,111</u>

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.



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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
	<u>\$ 8,312,467</u>	<u>\$ 14,855,537</u>

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
	<u>\$ 8,152,667</u>	<u>\$ 8,312,467</u>	<u>\$ 14,855,537</u>	<u>\$ 14,855,537</u>

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
	<u>\$ 134,569</u>	<u>\$ 179,439</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 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
	<u>\$ 2,172,144</u>	<u>\$ 1,332,939</u>

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
	<u>\$ 1,252,204</u>	<u>\$ 2,443,579</u>	<u>\$ (2,390,291)</u>	<u>\$ 1,305,492</u>
Total, invested in portfolio investments				

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)
	\$ 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)
	<u>107,848,680</u>	<u>107,687,527</u>
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)	<u>107,307,236</u>	<u>107,162,173</u>
	<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
	<u>35,710,443</u>	<u>31,681,542</u>
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
	<u>19,946,376</u>	<u>20,306,085</u>
Total Restricted Surplus	<u>\$ 55,656,819</u>	<u>\$ 51,987,627</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, 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.



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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	<u>(7,676,408)</u>	<u>(8,230,879)</u>
Budget approved by Council	<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	<u>980,757</u>	<u>1,118,084</u>
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	<u>164,405</u>	<u>164,405</u>
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:

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

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	-
	<u>\$ 2,878,821</u>	<u>\$ 1,367,000</u>	<u>\$ 1,881,433</u>



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.

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

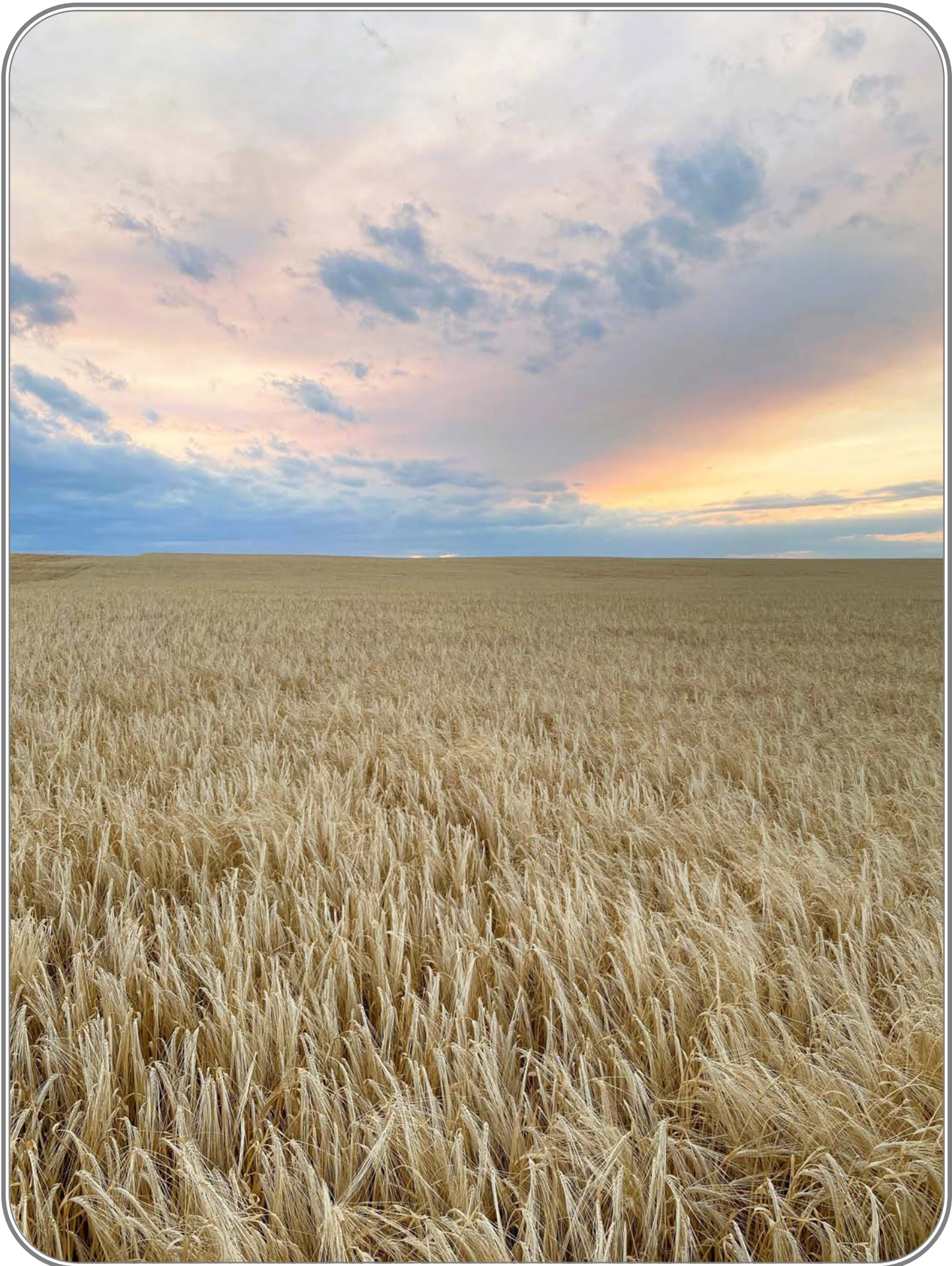
	<u>Facility Leases</u>
2025	\$ 224,708
2026	206,400
2027	206,400
2028	206,400
2029	206,400
Thereafter	<u>258,000</u>
	<u>\$ 1,308,308</u>

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.



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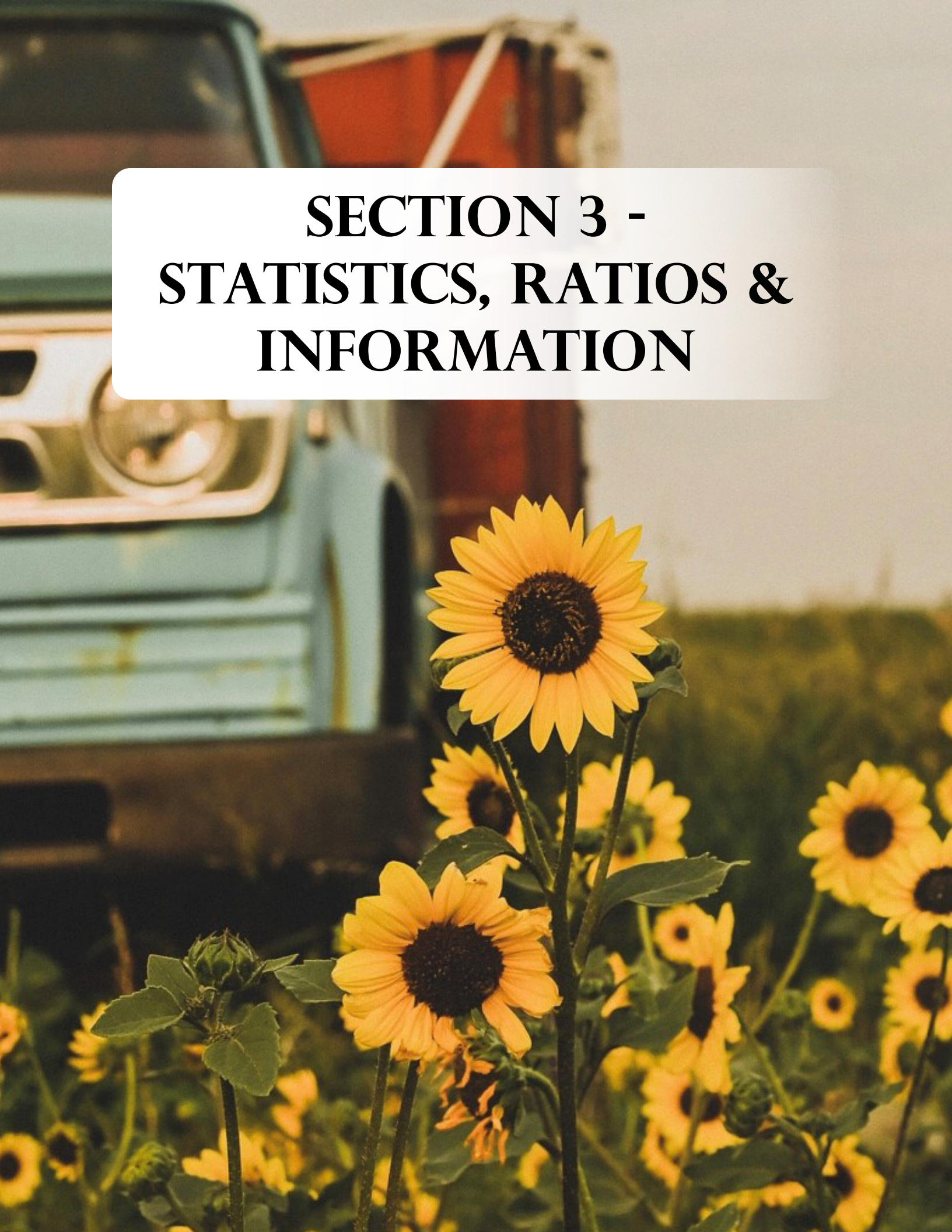
Financial Analysis



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Statistics & Ratios

A field of bright yellow sunflowers with dark brown centers. In the background, a vintage light blue car is partially visible, slightly out of focus. The scene is set outdoors under a clear sky.

**SECTION 3 -
STATISTICS, RATIOS &
INFORMATION**

Section 3 - STATISTICS, RATIOS & INFORMATION

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Statistics & Ratios



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STATISTICS AND RATIOS

Demographics and Other Factors

	2020	2021	2022	2023	2024
POPULATION	3,984	4,237	4,237	4,237	4,262
NUMBER OF DWELLING UNITS	2,249	2,286	2,313	2,365	2,396
AREA OF MUNICIPALITY IN HECTARES	554,574	554,574	554,574	554,574	554,642
NUMBER OF HAMLETS	8	8	8	8	8
ROAD MAINTAINED (Km)	2,672	2,670	2,670	2,672	2,672
WATER PIPELINE (Km)	455	455	456	456	460
DEVELOPMENT PERMITS	57	132	77	80	110
SUBDIVISIONS APPLICATIONS	8	13	20	16	14
FULL TIME STAFF	49	49	50	54	58

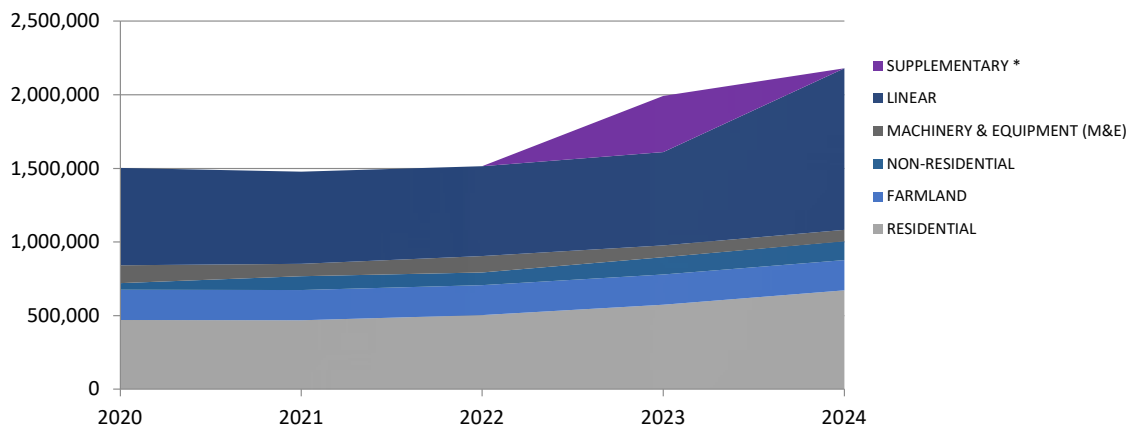
OTHER VULCAN COUNTY STATISTICS:

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

EMPLOYMENT RATE	64.9%	67.0%	67.0%	67.0%	67.0%
UNEMPLOYMENT RATE - OVERALL	4.0%	5.0%	5.0%	5.0%	5.0%
UNEMPLOYMENT RATE - FEMALE	4.9%	6.0%	6.0%	6.0%	6.0%
UNEMPLOYMENT RATE - MALE	3.2%	4.0%	4.0%	4.0%	4.0%
FAMILY INCOME - Average	\$ 99,000	\$ 99,000	\$ 99,000	\$ 99,000	\$ 99,000

Property Assessment (in thousands)

	2020	2021	2022	2023	2024
RESIDENTIAL	469,990	468,930	503,479	574,715	672,341
FARMLAND	204,924	204,911	205,149	205,106	205,081
NON-RESIDENTIAL	46,161	92,825	84,272	117,619	128,267
MACHINERY & EQUIPMENT (M&E)	120,002	84,490	110,538	78,621	77,382
LINEAR	662,745	626,613	611,164	634,671	1,097,080
TOTAL ASSESSMENT	1,503,822	1,477,769	1,514,602	1,610,732	2,180,151
SUPPLEMENTARY *	0	0	0	382,285	0
TAXABLE ASSESSMENT	1,503,822	1,477,769	1,514,602	1,993,017	2,180,151



* Supplementary Assessment is for all assessment classes; however, effectively applied for large linear projects.

Tax Rates (expressed in mills)

	2020	2021	2022	2023	2024
MUNICIPAL					
Residential	5.3660	5.3660	5.3660	3.2196	2.2000
Farmland	10.8230	10.8230	10.8230	10.8230	10.8230
Non-Residential, M&E, and Linear	9.4140	9.4140	9.4140	8.8962	8.5000
WASTE COMMISSION	0.4690	0.5197	0.5599	0.5887	0.4188
EDUCATION REQUISITION					
Residential and Farmland	2.5500	2.6137	2.6500	2.3470	2.3091
Non-Residential and Linear	3.7500	4.0890	3.9000	3.5283	3.5678
SENIOR FOUNDATION REQUISITION	0.2682	0.3399	0.3304	0.3360	0.2437
OTHER REQUISITION					
Royal Canadian Mounted Police	0.0822	0.1256	0.1633	0.1497	0.1636
Designated Industrial Properties	0.0760	0.0766	0.0766	0.0746	0.0765
SPECIAL LEVY - FIRE PROTECTION AREA					
Carmangay and District	1.4430	0.7673	0.9142	1.0187	0.9692
Champion and District	1.1067	0.8920	1.1036	1.3238	1.0364
Lomond and District	0.6864	0.4328	0.5241	0.4736	0.3158
Milo and District	1.2271	1.1928	1.2897	1.1777	1.0649
Vulcan and District	0.2896	0.2665	0.3299	0.3215	0.2496
Northwest	0.6261	0.8495	0.7425	0.7992	0.5764
Linear	0.3618	0.3618	0.3618	0.3618	0.3618
SPECIAL LEVY - RECREATIONAL AREA					
Carmangay and District	0.8548	0.6411	0.5859	0.5031	0.4825
Champion and District	0.5490	0.6420	0.7059	0.5994	0.5795
Lomond and District	0.3172	0.1623	0.0810	0.0571	0.2157
Milo and District	0.7724	0.6345	0.6163	0.6015	0.5531
Vulcan and District	0.7233	0.6580	0.6571	0.4569	0.4308
Northwest	0.2209	0.2835	0.2522	0.2340	0.2204
Linear	0.1388	0.1388	0.1388	0.1388	0.0823

Total Tax Collections

	2020	2021	2022	2023	2024
Net Municipal Taxes	15,373,853	14,189,795	15,079,227	17,943,837	17,136,610
School Requisitions	2,614,518	3,404,742	3,054,596	3,138,040	3,588,907
Seniors Requisitions	402,387	502,326	500,406	547,654	560,513
Other Requisitions	59,007	178,708	229,112	309,987	446,737
TOTAL TAX COLLECTIONS	18,449,765	18,275,571	18,863,341	21,939,518	21,732,767



Assets, Liabilities & Surplus

	2020	2021	2022	2023	2024
TAX RECEIVABLE AS % OF TAXES					
Tax Receivables	3,475,225	913,671	763,379	4,531,347	475,570
Supplementary Tax Receivables *	0	0	0	4,016,833	0
Effective Tax Receivables	3,475,225	913,671	763,379	514,514	475,570
Total Tax Levies	18,449,765	18,275,571	18,863,341	21,939,518	21,732,767
Tax Receivable as % of Taxes	18.8%	5.0%	4.0%	2.3%	2.2%
<i>* Supplementary Tax Levies are processed at the end of the year and not due for payment until the following year.</i>					
Financial Assets	37,719,297	42,083,056	42,541,150	48,705,018	53,722,769
Financial Liabilities	(5,003,095)	(7,965,347)	(5,061,450)	(5,465,173)	(6,272,965)
NET FINANCIAL ASSETS	32,716,202	34,117,709	37,479,700	43,239,845	47,449,804
Tangible Capital Assets	107,985,733	107,104,734	108,086,239	107,687,527	107,848,680
Inventory Held for Consumption	7,253,675	7,847,867	9,103,226	8,720,764	8,269,813
Prepaid Expenses	262,666	236,861	428,289	402,198	459,721
ACCUMULATED SURPLUS	148,218,276	149,307,171	155,097,454	160,050,334	164,028,018
Unrestricted Surplus	954,934	952,521	897,813	900,534	904,163
Restricted Surplus (Reserves)	39,278,821	41,249,916	46,636,284	51,987,627	55,656,819
Equity in Tangible Capital Assets	107,984,521	107,104,734	107,563,357	107,162,173	107,307,236
ACCUMULATED OPERATING	148,218,276	149,307,171	155,097,454	160,050,334	163,868,218
Accumulated Remeasurement Gain	0	0	0	0	159,800
ACCUMULATED SURPLUS	148,218,276	149,307,171	155,097,454	160,050,334	164,028,018

Revenues (by source)

	2020	2021	2022	2023	2024
Net Municipal Taxes	15,373,853	14,189,795	15,079,227	17,943,837	17,136,610
Government Transfers for Operating	1,185,684	535,535	1,403,059	1,104,191	1,176,124
Return on Investments	491,125	353,865	1,022,438	2,063,059	2,260,512
Sale of Goods/Services/User Charges	932,209	1,562,870	888,685	1,949,632	2,197,447
Rental Income	311,783	338,373	319,129	320,565	325,203
Community Aggregate Levy	134,670	241,318	212,993	193,171	221,153
Penalties and Costs of Taxes	417,452	502,498	228,725	350,624	225,768
Gain on Disposal of Capital Assets	2,306,556	2,427,982	1,430,054	26,523	113,602
Other Revenue	86,871	34,697	240,385	30,518	282,425
OPERATING REVENUES	21,240,203	20,186,933	20,824,695	23,982,120	23,938,844
Contributed Tangible Capital Assets	0	0	0	0	684,977
Government Transfers for Capital	533,134	2,672,336	4,294,087	1,756,668	1,512,117
TOTAL REVENUES	21,773,337	22,859,269	25,118,782	25,738,788	26,135,938

Expenses (by function and object)

	2020	2021	2022	2023	2024
EXPENSES BY FUNCTION					
Legislative	369,215	399,079	447,807	478,318	538,114
Administration	1,712,655	1,743,816	2,056,167	2,267,748	2,526,009
Protective services	1,856,185	1,918,900	2,045,659	2,627,286	3,095,384
Transportation services	9,257,939	10,366,739	10,552,481	11,290,788	11,657,736
Agricultural services	694,700	722,417	650,453	720,976	761,000
Planning and development services	640,093	643,074	544,723	691,937	954,793
Family and community support	218,639	236,248	217,118	219,469	203,445
Parks and recreation	877,590	937,291	671,001	696,646	741,448
Tourism and economic development	255,514	125,537	24,040	19,922	28,952
Utility Services	1,008,446	952,000	1,021,944	1,140,509	1,201,098
Other	77,653	3,725,273	621,097	632,309	610,075
TOTAL EXPENSES	16,968,629	21,770,374	18,852,490	20,785,908	22,318,054

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

EXPENSE BY OBJECT					
Salaries, wages and benefits	5,950,731	6,470,017	6,937,554	7,798,714	9,054,113
Contracted and general services	2,539,268	2,602,679	2,543,119	3,378,964	3,552,002
Materials, goods and utilities	2,171,230	2,606,600	2,820,480	3,149,977	3,626,627
Provision for allowances	58,189	3,202,579	602,629	625,434	609,664
Transfers to local boards and agencies	2,004,802	2,020,901	1,893,026	2,002,831	2,046,646
Interest and bank charges	51,505	48,758	48,635	40,642	38,207
Amortization of tangible capital assets	4,746,635	4,615,232	4,818,615	4,876,655	5,012,320
Amortization of ARO capital assets	0	0	1,115	1,115	1,115
Accretion ARO expenses	0	0	18,012	19,291	20,760
Machine expenses capitalized	(1,046,934)	(1,351,472)	(1,639,395)	(1,423,600)	(1,722,616)
Loss on disposal of capital assets	416,189	852,803	729,078	34,685	8,274
Other expenses	77,014	702,277	79,622	281,200	70,942
TOTAL EXPENSES	16,968,629	21,770,374	18,852,490	20,785,908	22,318,054

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

Debt Supported by Taxes

	2020	2021	2022	2023	2024
Gross Debt (supported by tax)	1,511,404	1,382,720	1,252,044	1,118,084	980,757
County Population	3,984	4,237	4,237	4,237	4,262
LONG-TERM DEBT PER CAPITA	379	326	296	264	230

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



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Transfer to Local Boards and Agencies

	2020	2021	2022	2023	2024
TRANSFERS TO OTHER LOCAL GOVERNMENTS					
Vulcan District Waste Commission	696,573	768,040	852,340	948,762	962,993
Twin Valley Regional Water Commission	36,096	37,246	39,536	41,662	41,548
Vulcan Library Board	133,500	133,500	133,500	145,000	145,000
Fire Area Contributions	148,330	156,310	207,972	177,869	167,744
Recreation Area Contributions	711,541	772,875	507,912	519,846	564,748
Other local governments and organizations	278,762	152,930	151,766	169,692	164,613
	2,004,802	2,020,901	1,893,026	2,002,831	2,046,646

Annual Surplus and Allocations

	2020	2021	2022	2023	2024
TOTAL REVENUES	21,773,337	22,859,269	25,118,782	25,738,788	26,135,938
TOTAL EXPENSES	(16,968,629)	(21,770,374)	(18,852,490)	(20,785,908)	(22,318,054)
ANNUAL SURPLUS	4,804,708	1,088,895	6,266,292	4,952,880	3,817,884
ADD: Proceeds from Sale of Tangible Capital Assets	1,366,244	1,213,582	740,539	225,114	1,075,511
ADD: Transfer from Restricted Surplus to Operations	4,584,950	6,897,047	3,231,614	3,099,759	3,866,206
ADD: Amortization of Tangible Capital Assets and ARO accretion	4,746,635	4,615,232	4,837,743	4,880,242	5,029,525
LESS: Transfers to Restricted Surplus	(13,146,234)	(8,868,142)	(8,617,982)	(8,451,102)	(7,535,398)
LESS: Capital Expenditures	(5,741,676)	(4,949,027)	(6,521,313)	(4,704,172)	(6,250,099)
ALLOCATION TO UNRESTRICTED SURPLUS	(3,385,373)	(2,413)	(63,107)	2,721	3,629

Principal Corporate Taxpayers and Industries

Top 10 Principal Corporate Taxpayers:

TRAVERS 3 SOLAR LP
EDF RENEWABLES DEVELOPMENT
CANADIAN NATURAL RESOURCES
ALTALINK MANAGEMENT LTD
TAQA NORTH LTD
G3 CANADA LIMITED
HUTTERIAN BRETHERN CHURCH
CONCORD VULCAN GP2 LTD.
NGTL GP LTD. / NOVA GAS TRANSMISSION LTD
RICHARDSON INTERNATIONAL LTD

** These top 10 taxpayers represent 57.21% 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

2024 Tax Rates & Assessment Information

2024 Tax Rates & Assessment Information

The following infographic is used to show the effects on 2024 Tax Levies and the related Market Assessment.

For more information on Budget and Tax information, please visit the County's Website: www.vulcancounty.ab.ca > Departments > Corporate Services

Strategic Planning Advancing Success (2022-2026)



Key Success Measure:
Financial Viability.



- > Diversification and strengthening of the assessment base.
- > Reasonable taxation and fee levels

Large-Scale Linear Projects

Recent large-scale linear projects, such as the Travers Solar Project, adds a significant diversification and growth to the County.



Tax Analysis



Within the Strategic Planning development and in Budget 2023 & 2024, Council and Administration reviewed many scenarios and analysis to prepare for the 2023 & 2024 Tax Rates.



2024 Budget

Although there were many challenges with Budget 2024, including inflationary costs that have a large impact, the County was able to minimize these costs and utilize assessment growth to strategically achieve tax rate reductions for 2024. Some of the major aspects include:

1) Assessment Growth

This allows the County to distribute tax revenues over a larger assessment pool and allow for tax planning strategies.

2) Not spending extra

With additional assessment and tax revenues, the County did not spend on new/extra programming or costs. The majority of cost increases were specific to inflationary increases.

2024 Tax Rates

The determination of the 2024 Tax Rates was done as a result of the Strategic Planning and what was fiscally viable through Budget 2024. These include:

↓ 31.67%

Reduction to the **General Municipal Residential Tax Rate**
(Results in average **18.62%** tax savings)

↓ 4.45%

Reduction to the **General Municipal Non-Residential Tax Rate**
(Results in average **5.00%** tax savings)

There are also various fluctuations in other tax rates, including special tax levies and requisitions tax levies. See the following page for more details.

2nd year in a row with significant general municipal tax rate reductions!



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2024 Residential Tax Rates

	Carmangay and District	Champion and District	Lomond and District	Milo and District	Vulcan and District	Northwest District	Average (Weighted)
Residential Rates:							
General Municipal Tax Rates	0.0022000	0.0022000	0.0022000	0.0022000	0.0022000	0.0022000	0.0022000
Waste Commission Tax Rates	0.0004188	0.0004188	0.0004188	0.0004188	0.0004188	0.0004188	0.0004188
Fire Protection Area Tax Rates	0.0009692	0.0010364	0.0003158	0.0010649	0.0002496	0.0005764	0.0005619
Recreation Area Tax Rates	0.0004825	0.0005795	0.0002157	0.0005531	0.0004308	0.0002204	0.0003718
Total Municipal	0.0040705	0.0042347	0.0031503	0.0042368	0.0032992	0.0034156	0.0035525
Overall Change from Prior Year	-23.63%	-26.12%	-27.40%	-24.17%	-28.07%	-29.45%	-27.07%
Requisitions:							
Education Requisition Rate	0.0023091	0.0023091	0.0023091	0.0023091	0.0023091	0.0023091	0.0023091
Senior Foundation Requisition Rate	0.0002437	0.0002437	0.0002437	0.0002437	0.0002437	0.0002437	0.0002437
RCMP Requisition Rate	0.0001636	0.0001636	0.0001636	0.0001636	0.0001636	0.0001636	0.0001636
Total Requisitions	0.0027164	0.0027164	0.0027164	0.0027164	0.0027164	0.0027164	0.0027164
Overall Change from Prior Year	-4.11%	-4.11%	-4.11%	-4.11%	-4.11%	-4.11%	-4.11%
Total Tax and Requisition Rates							
Overall Change from Prior Year	-16.86%	-18.84%	-18.20%	-17.42%	-18.92%	-20.10%	-18.62%

↓ 31.67%
Decrease from prior year

General Municipal Residential Tax Rate decreased:

2022 - 0.0053660
2023 - 0.0032196
(40.00% reduction)
2024 - 0.0022000
(31.67% reduction)

Although there is a 31.67% reduction in the General Municipal Rate, there are other rate impacts that will determine the overall property taxes.

* There are different special tax rates for Fire Protection and Recreation in each district. An average is used for an overall review and analysis.



Residential Assessment

↑ 11.51% Average Market Increase

Overall residential assessment increased by 16.99% including new construction and growth.

Tax Rates

↓ 31.67% Decrease in the General Municipal Tax Rate

This is the 2nd year in a row the County was able to reduce the residential general municipal tax rate (40% reduction in 2023). This results in an average net total tax rate reduction of 18.62% from the prior year (for all residential taxes).

Overall, the vast majority of residential properties will see a decrease in total taxes.

2024 Non-Residential Tax Rates

	Carmangay and District	Champion and District	Lomond and District	Milo and District	Vulcan and District	Northwest District	Average (Weighted)
Non-Residential Rates:							
General Municipal Tax Rates	0.0085000	0.0085000	0.0085000	0.0085000	0.0085000	0.0085000	0.0085000
Waste Commission Tax Rates	0.0004188	0.0004188	0.0004188	0.0004188	0.0004188	0.0004188	0.0004188
Fire Protection Area Tax Rates	0.0009692	0.0010364	0.0003158	0.0010649	0.0002496	0.0005764	0.0005619
Recreation Area Tax Rates	0.0004825	0.0005795	0.0002157	0.0005531	0.0004308	0.0002204	0.0003718
Total Municipal	0.0103705	0.0105347	0.0094503	0.0105368	0.0095992	0.0097156	0.0098525
Overall Change from Prior Year	-5.78%	-7.66%	-5.64%	-6.46%	-6.47%	-7.63%	-6.59%
Requisitions:							
Education Requisition Rate	0.0035678	0.0035678	0.0035678	0.0035678	0.0035678	0.0035678	0.0035678
Senior Foundation Requisition Rate	0.0002437	0.0002437	0.0002437	0.0002437	0.0002437	0.0002437	0.0002437
RCMP Requisition Rate	0.0001636	0.0001636	0.0001636	0.0001636	0.0001636	0.0001636	0.0001636
DIP Requisition Rate	0.0000765	0.0000765	0.0000765	0.0000765	0.0000765	0.0000765	0.0000765
Total Requisitions	0.0040516	0.0040516	0.0040516	0.0040516	0.0040516	0.0040516	0.0040516
Overall Change from Prior Year	-0.90%	-0.90%	-0.90%	-0.90%	-0.90%	-0.90%	-0.90%
Total Tax and Requisition Rates							
Overall Change from Prior Year	-4.46%	-5.87%	-4.27%	-4.98%	-4.89%	-5.75%	-5.00%

↓ 4.45%
Decrease from prior year

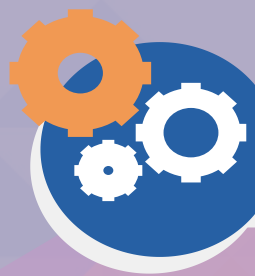
General Municipal Non-Residential Tax Rate decreased:

2022 - 0.0094140
2023 - 0.0088962
(5.50% reduction)
2024 - 0.0085000
(4.45% reduction)

Although there is a 4.45% reduction in the General Municipal Rate, there are other rate impacts that will determine the overall property taxes.

* DIP Requisition = Designated Industrial Properties (DIP) requisition for related DIP assessment.





Supplementary Information

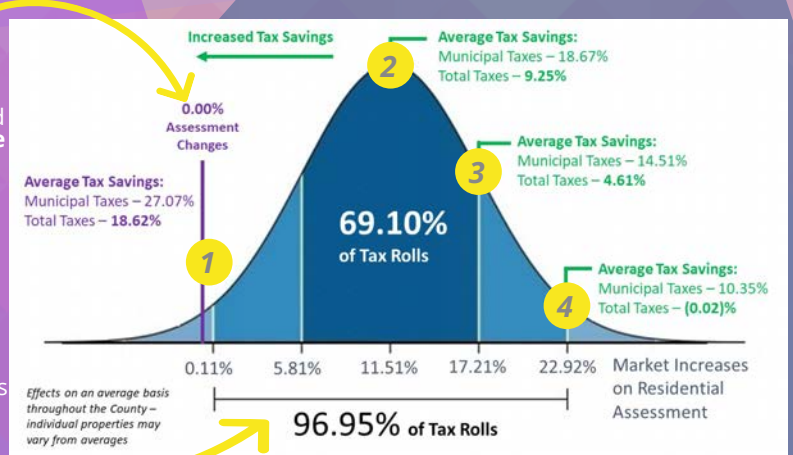
The following is supplementary information on the **2024 Tax Rates & Assessment**:

Overview on Residential Tax Rates & Assessment

A "bell curve" distribution is used to show the effects on the residential properties, including the effective market increases in residential assessment, the resulting effects on tax savings (with the reduced tax rates), and the amount of properties that are impacted throughout the County.

The majority of properties/tax rolls (69.10%) will fall within the navy area of the graph (in statistical terms, this is within one standard deviation from the average). The vast majority of residential properties (96.95%) will fall into the larger portion of the bell curve, which covers the navy and blue area of the graph:

- 1 If there were no increases in assessment, residential properties would be able to realize an **average tax savings of 18.62%** on total taxes.
- 2 The average market assessment increased by 11.51% in 2024, resulting in an **average tax savings of 9.25%** on total taxes.
- 3 Over 69% of residential properties will see market assessment changes ranging from 5.81% to 17.21% increase; whereas at the top of this range, there is an **average tax savings of 4.61%** on total taxes.
- 4 Approx. 97% of residential properties will see market assessment changes ranging from a 0.11% to 22.92% increase; whereas at the top of this range there will be effectively no increases on total taxes.



Increase in assessment (market increases) results in a decrease in tax savings on rates.

Overall, the vast majority of residential properties will see a decrease in total taxes.

Municipal Tax Rates - Performance Measures

Comparable Range



The County has recently updated and enhanced the **Performance Measures Dashboards** to include details on Municipal Tax Rates and Tax Rate Details.

This includes historical municipal tax rates, tax information, and comparison data to other similar municipalities.



For more information on Performance Measures, please visit the County's Website: www.vulcancounty.ab.ca > Departments > Corporate Services > Financial Plan & Reports

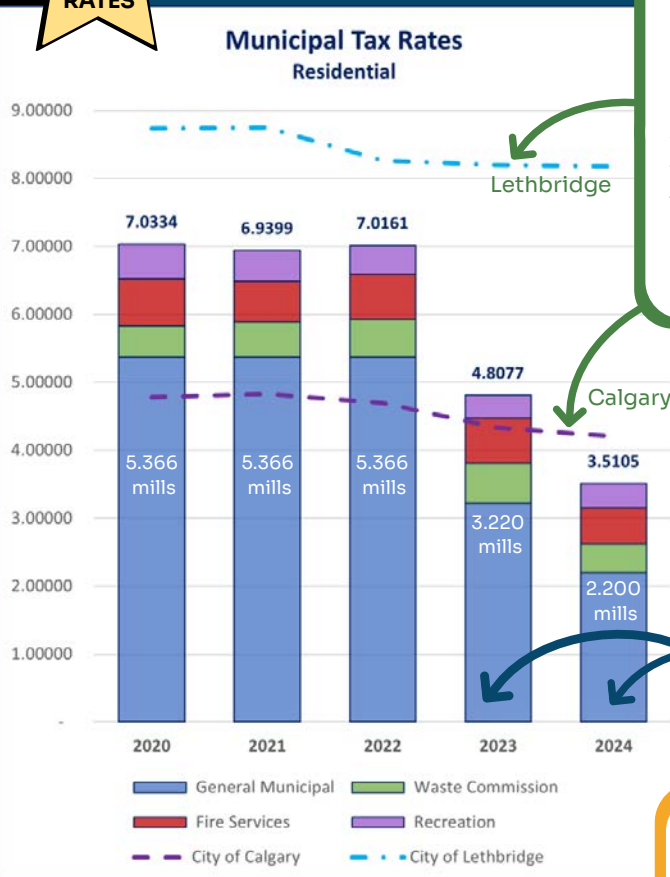


2024 Tax Rate Reductions

Vulcan County Tax Rate Reductions



Facts you need to know!



Large City Comparisons (close to Vulcan County)

Vulcan County's Residential Municipal Tax Rates have historically been lower than the **City of Lethbridge** (8.1763 mills - 2024), but are now even a lower municipal tax rate than the **City of Calgary** (4.2036 mills- 2024).



Residential Tax Rate Reductions

Through Strategic Planning and assessment growth, the County was able to **significantly reduce the General Municipal Tax Rates for Residential Properties, including 40.00% in 2023 and an additional 31.67% in 2024.**



Other Municipal Tax Rates

In addition to Residential Tax Rate Reductions, there were **also reductions in Non-Residential tax rates, including 5.50% in 2023 and an additional 4.45% in 2024.** Most other rates have had smaller fluctuations from year-to-year.



Municipal Taxes:

Vulcan County establishes a "General Municipal" tax rate for County Operations; whereas, for transparency purposes, the County also establishes separate tax rates for the Waste Commission, Fire Protection Services, and Recreational Services.

* Above chart only includes municipal tax rates (excludes requisitions)



For more information on Budget and Tax information, please see the County's Website: www.vulcancounty.ab.ca > Departments > Corporate Services



Introductory



Financial Analysis



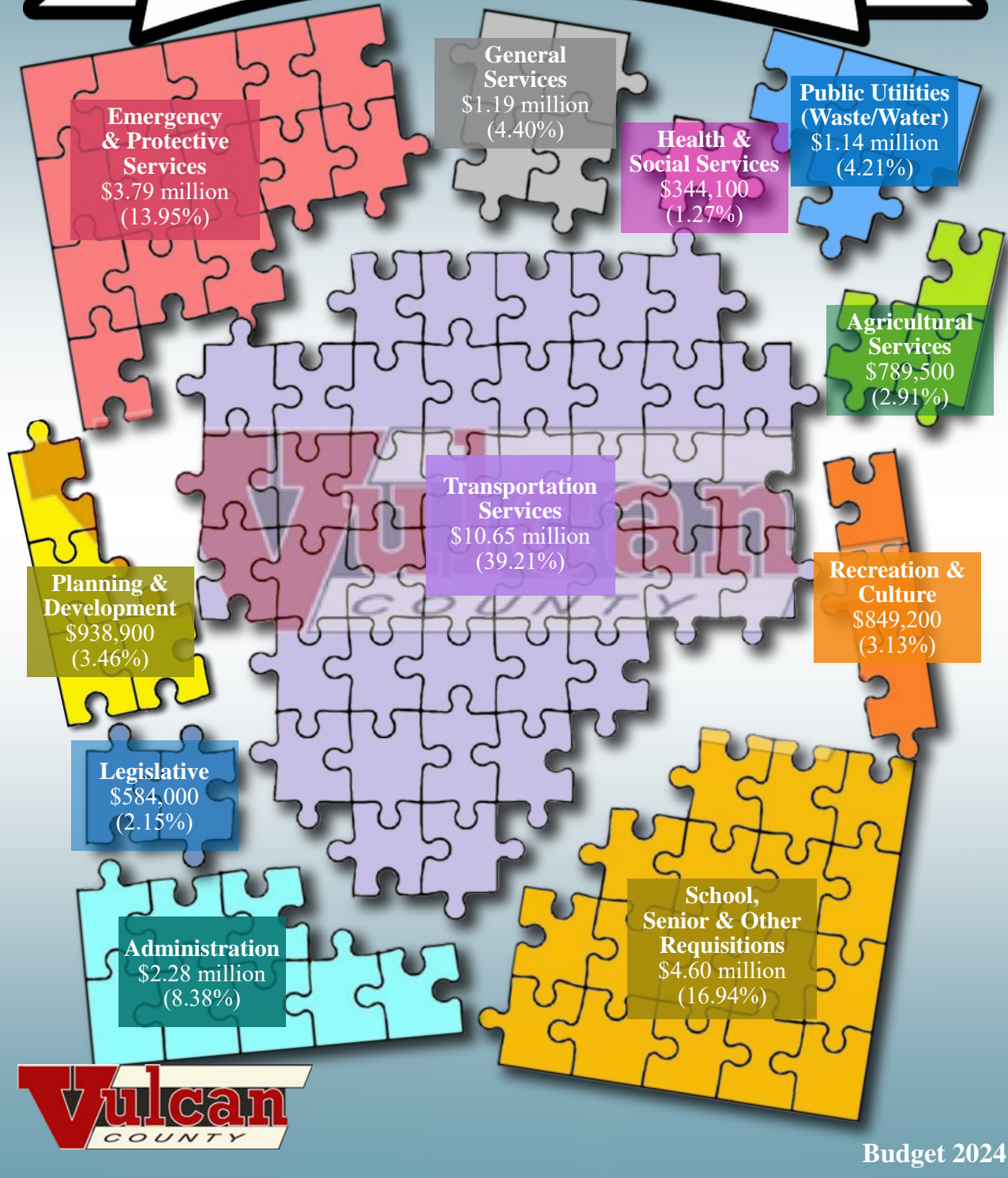
Financial Statements



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The Pieces of the County's Budget - 2024

The Pieces of the County's Budget



Budget 2024

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FINANCIAL CHARTS & GRAPHS



Introductory



Financial Analysis



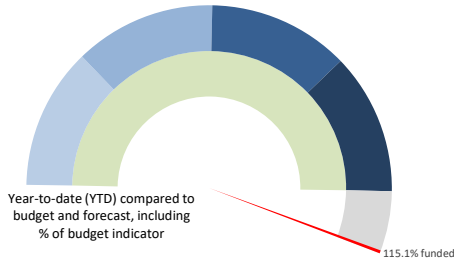
Financial Statements



Statistics & Ratios

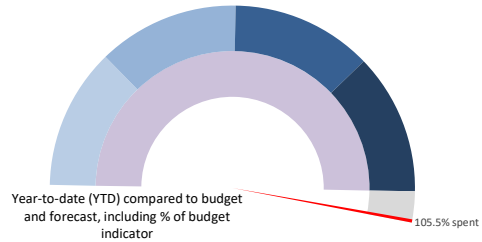
VULCAN COUNTY YEAREND OPERATING AND CAPITAL REPORT - FINANCIAL OVERVIEW YEAR ENDED DECEMBER 31, 2024

Total Revenues Tachometer:



Total Budget	22,699,400	
Forecast	22,699,400	100.0%
Year-to-Date	26,135,938	115.1%

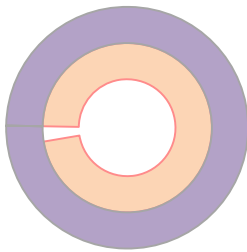
Total Expenses Tachometer:



Total Budget	21,153,621	
Forecast	21,153,621	100.0%
Year-to-Date	22,318,053	105.5%

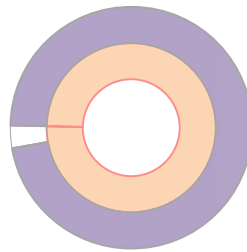
Summary of Significant Operating Expenses:

Salaries, wages and benefits



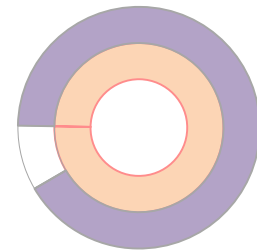
Budget	9,323,126	
Forecast	9,323,126	100.0%
YTD	9,054,113	97.1%

Contracted and general services



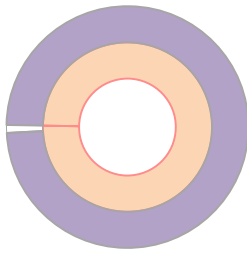
Budget	3,445,786	
Forecast	3,445,786	100.0%
YTD	3,552,002	103.1%

Materials, goods and utilities



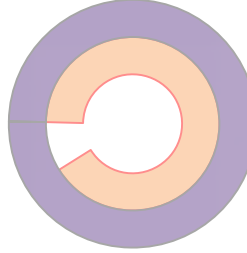
Budget	3,310,395	
Forecast	3,310,395	100.0%
YTD	3,626,627	109.6%

Transfers to local boards and agencies



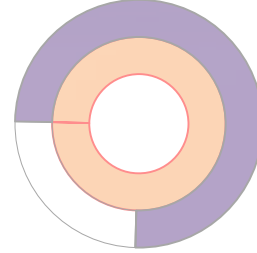
Budget	2,025,374	
Forecast	2,025,374	100.0%
YTD	2,046,646	101.1%

Interest and bank charges



Budget	42,068	
Forecast	42,068	100.0%
YTD	38,207	90.8%

Amortization & other expenses



Budget	3,006,872	
Forecast	3,006,872	100.0%
YTD	4,000,459	133.0%

VULCAN COUNTY

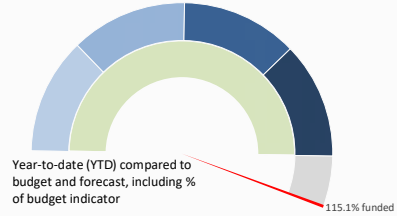
YEAREND OPERATING REPORT YEAR ENDED DECEMBER 31, 2024

Total Revenues

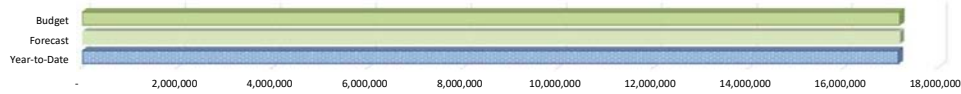
Financial Data as at March 12, 2025

	Budget	Forecast	Year-to-Date	Variance	YTD %
Net municipal taxes	17,168,356	17,168,356	17,136,610	31,746	99.8%
Government transfers (operating)	1,015,544	1,015,544	1,176,124	(160,580)	115.8%
Return on investment	726,824	726,824	2,260,512	(1,533,688)	311.0%
Sale of goods, services and user charges	949,002	949,002	2,197,447	(1,248,445)	231.6%
Rental income	320,680	320,680	325,203	(4,523)	101.4%
Community aggregate levy	142,912	142,912	221,153	(78,241)	154.7%
Penalties and other costs of taxes	130,000	130,000	225,768	(95,768)	173.7%
Gain on disposal of tangible capital assets	-	-	113,602	(113,602)	100.0%
Other revenues	11,500	11,500	282,425	(270,925)	2455.9%
Total	20,464,818	20,464,818	23,938,844	(3,474,026)	117.0%
Contributed Assets	-	-	684,977	(684,977)	100.0%
Government transfers (capital)	2,234,582	2,234,582	1,512,117	722,465	67.7%
Total	22,699,400	22,699,400	26,135,938	(3,436,538)	115.1%

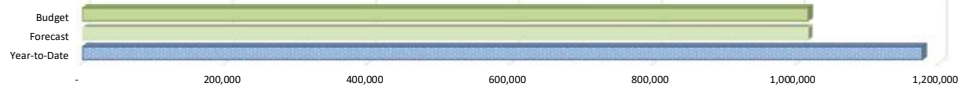
Total Revenue Tachometer:



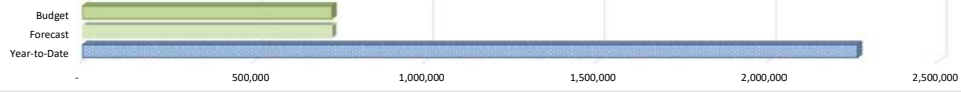
Net municipal taxes



Government transfers (operating)



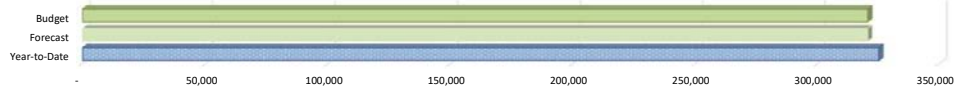
Return on investment



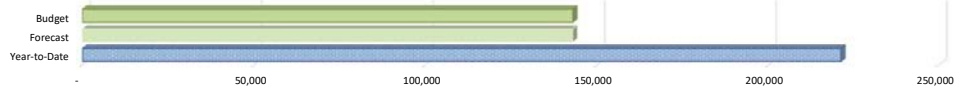
Sale of goods, services and user charges



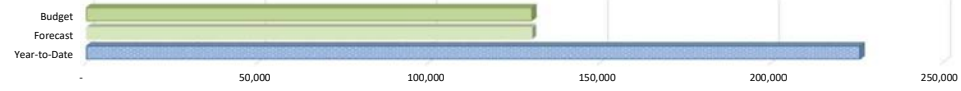
Rental income



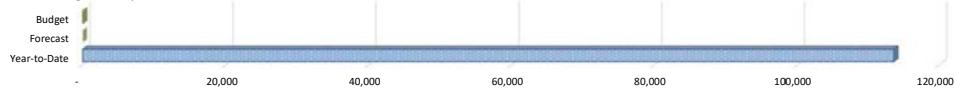
Community aggregate levy



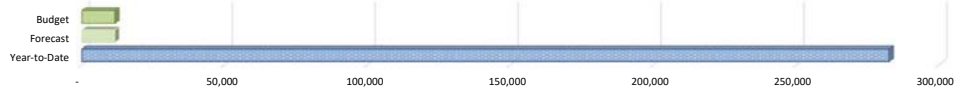
Penalties and other costs of taxes



Gain on disposal of tangible capital assets



Other revenues



VULCAN COUNTY

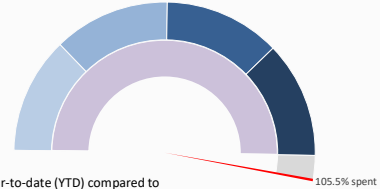
YEAREND OPERATING REPORT
YEAR ENDED DECEMBER 31, 2024

Total Expenses

Financial Data as at March 12, 2025

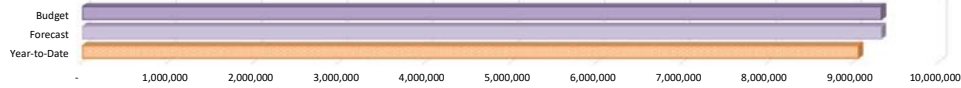
	Budget	Forecast	Year-to-Date	Variance	YTD %
Salaries, wages and benefits	9,323,126	9,323,126	9,054,112	269,014	97.1%
Contracted and general services	3,445,786	3,445,786	3,552,002	(106,216)	103.1%
Materials, goods and utilities	3,310,395	3,310,395	3,626,627	(316,232)	109.6%
Provision for allowances	197,111	197,111	609,664	(412,553)	309.3%
Transfers to local boards and agencies	2,025,374	2,025,374	2,046,646	(21,272)	101.1%
Interest and bank charges	42,068	42,068	38,207	3,861	90.8%
Amortization of tangible capital assets	4,877,771	4,877,771	5,013,434	(135,663)	102.8%
Machine expenses capitalized	(2,134,920)	(2,134,920)	(1,722,616)	(412,304)	0.0%
Loss on disposal of tangible capital assets	-	-	8,274	(8,274)	N/A
Other expenses	66,910	66,910	91,703	(24,793)	137.1%
Total	21,153,621	21,153,621	22,318,053	(1,164,432)	105.5%

Total Expense Tachometer:

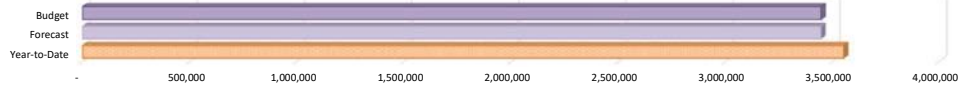


Year-to-date (YTD) compared to budget and forecast, including % of budget indicator

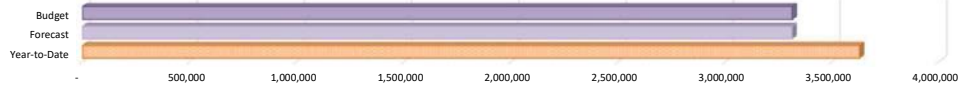
Salaries, wages and benefits



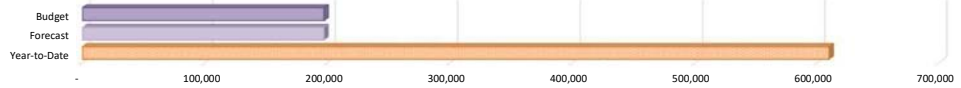
Contracted and general services



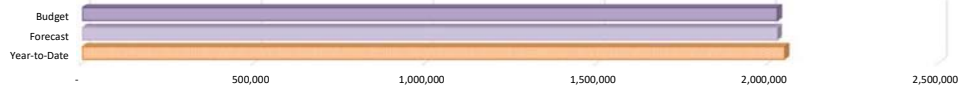
Materials, goods and utilities



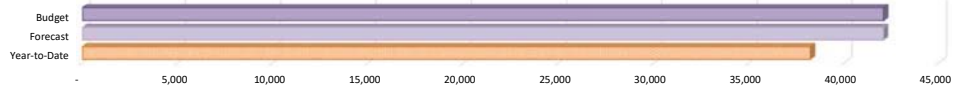
Provision for allowances



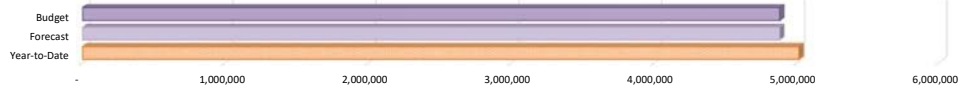
Transfers to local boards and agencies



Interest and bank charges



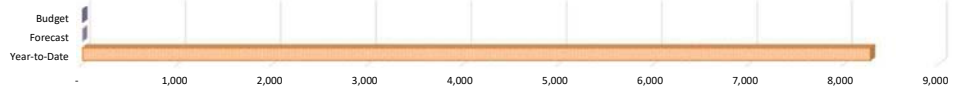
Amortization of tangible capital assets



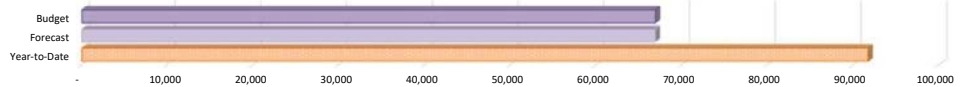
Machine expenses capitalized



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, 2024

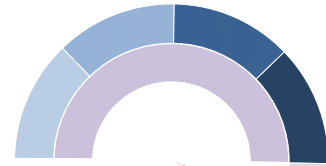
Analysis by Department/Segment

Expenses - General Government

Financial Data as at March 12, 2025

	Budget	Forecast	Year-to-Date	Variance	YTD %
Salaries, wages and benefits	1,701,975	1,701,975	1,724,247	(22,272)	101.3%
Contracted and general services	763,544	763,544	680,432	83,112	89.1%
Materials, goods and utilities	360,304	360,304	376,422	(16,118)	104.5%
Provision for allowances	197,111	197,111	609,664	(412,553)	309.3%
Transfers to local boards and agencies	73,896	73,896	84,379	(10,483)	114.2%
Interest and bank charges	14,990	14,990	12,135	2,855	81.0%
Amortization of tangible capital assets	123,032	123,032	128,412	(5,380)	104.4%
Machine expenses capitalized	-	-	-	0	0.0%
Loss on disposal of tangible capital assets	-	-	-	0	0.0%
Other expenses	49,283	49,283	58,507	(9,224)	118.7%
	3,284,135	3,284,135	3,674,198	(390,063)	111.9%

Total Expense Tachometer:

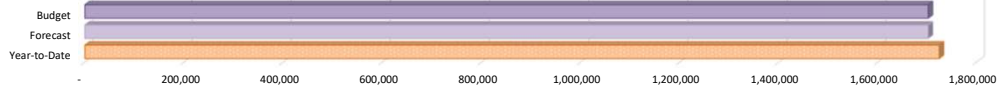


Year-to-date (YTD) compared to budget and forecast, including % of budget indicator

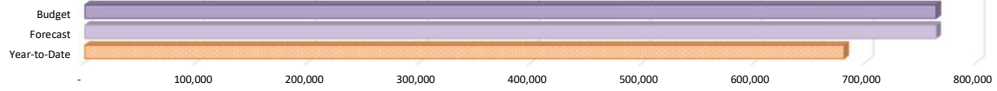
111.9% spent

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

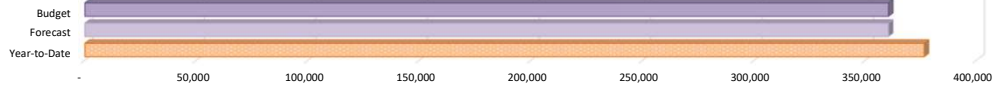
Salaries, wages and benefits



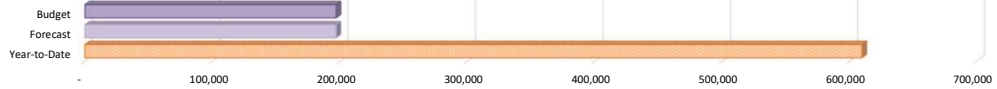
Contracted and general services



Materials, goods and utilities



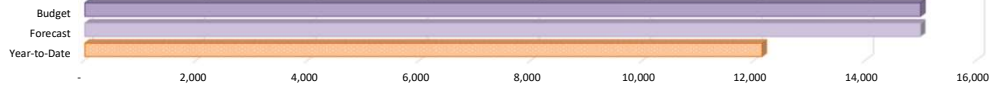
Provision for allowances



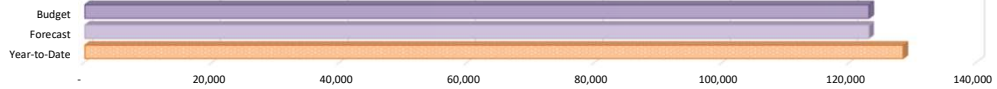
Transfers to local boards and agencies



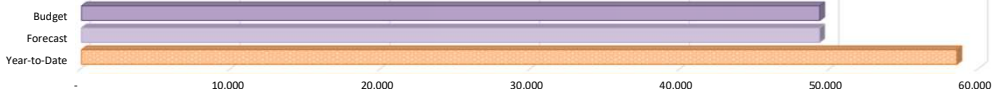
Interest and bank charges



Amortization of tangible capital assets



Other expenses



Supplementary Analysis on Expenses over Reporting Thresholds:

- > Provision for allowances of \$609,664 were greater than budget as it relates to write-off on uncollectable taxes mostly from insolvent oil & gas companies.
- > Transfers to local boards and agencies were greater than budget as there were additional contribution to the cemetery/grave identification project.

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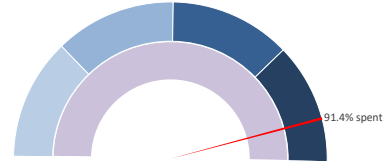
Analysis by Department/Segment

Expenses - Protective Services

Financial Data as at March 12, 2025

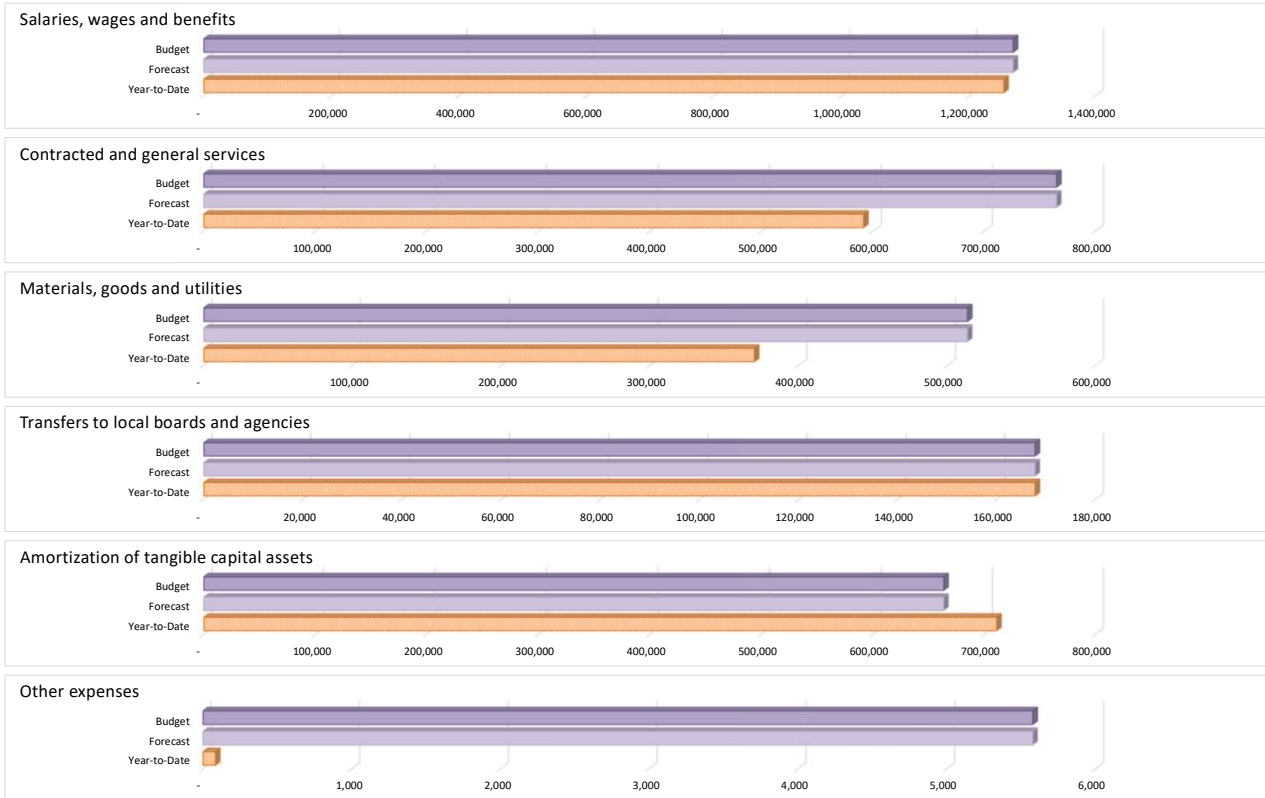
	Budget	Forecast	Year-to-Date	Variance	YTD %
Salaries, wages and benefits	1,270,125	1,270,125	1,255,425	14,700	98.8%
Contracted and general services	764,856	764,856	591,227	173,629	77.3%
Materials, goods and utilities	513,447	513,447	370,025	143,422	72.1%
Provision for allowances	-	-	-	0	0.0%
Transfers to local boards and agencies	167,745	167,745	167,744	1	100.0%
Interest and bank charges	-	-	-	0	0.0%
Amortization of tangible capital assets	663,150	663,150	710,880	(47,730)	107.2%
Machine expenses capitalized	-	-	-	0	0.0%
Loss on disposal of tangible capital assets	-	-	-	0	0.0%
Other expenses	5,578	5,578	83	5,495	1.5%
	3,384,901	3,384,901	3,095,384	289,517	91.4%

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.



Supplementary Analysis on Expenses over Reporting Thresholds:

> None exceeding threshold limits (exceeds budget by over \$10,000 and over 10%).

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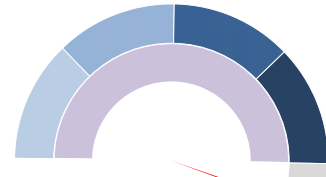
Analysis by Department/Segment

Expenses - Transportation Services

Financial Data as at March 12, 2025

	Budget	Forecast	Year-to-Date	Variance	YTD %
Salaries, wages and benefits	5,332,187	5,332,187	5,154,403	177,784	96.7%
Contracted and general services	1,195,018	1,195,018	1,514,099	(319,081)	126.7%
Materials, goods and utilities	2,199,779	2,199,779	2,680,974	(481,195)	121.9%
Provision for allowances	-	-	-	0	0.0%
Transfers to local boards and agencies	8,675	8,675	8,675	0	100.0%
Interest and bank charges	-	-	-	0	0.0%
Amortization of tangible capital assets	3,941,546	3,941,546	3,981,601	(40,055)	101.0%
Machine expenses capitalized	(2,134,920)	(2,134,920)	(1,722,616)	(412,304)	80.7%
Loss on disposal of tangible capital assets	-	-	8,274	(8,274)	N/A
Other expenses	3,699	3,699	32,326	(28,627)	873.9%
Total	10,545,984	10,545,984	11,657,736	(1,111,752)	110.5%

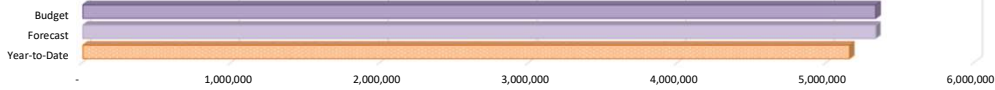
Total Expense Tachometer:



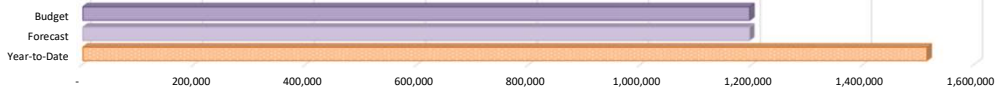
Year-to-date (YTD) compared to budget and forecast, including % of budget indicator

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

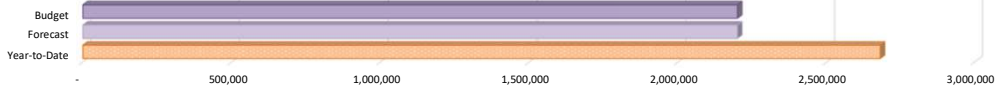
Salaries, wages and benefits



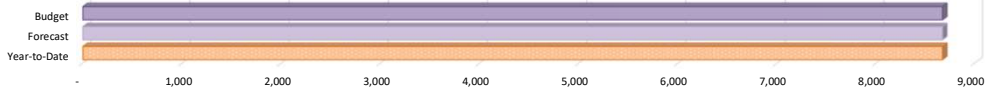
Contracted and general services



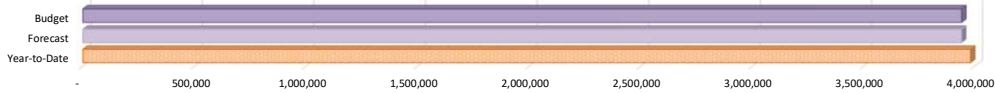
Materials, goods and utilities



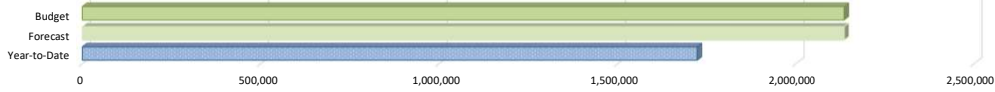
Transfers to local boards and agencies



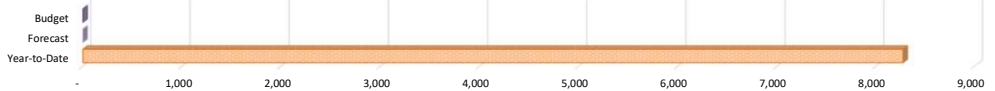
Amortization of tangible capital assets



Machine expenses capitalized



Loss on disposal of tangible capital assets



Supplementary Analysis on Expenses over Reporting Thresholds:

> Contracted and general services were greater than budget mostly due to increases in Road Repairs, Equipment/Vehicle Repairs, and Contracted Services. The increase in the Road Repairs relate to the dust abatement program and the additional application within the sale of materials and road use agreements for the wind project which is funded by cost recoveries. The increase in Equipment/Vehicle Repairs relate to the timing of repairs and that some repairs and inspections were required to be outsourced due to staff vacancies within the shop. The increase in the Contracted Services relate to the additional costs of the Regional Transportation Master Plan with the Village of Arrowwood (grant funded).

> Materials, goods and utilities were greater than budget mostly due to increases in Gravel Costs which relate to the inventory adjustment for gravel inventory used on the road gravelling and construction projects; whereas, there was no budgeted gravel crushing in the year.

> Other expenses were greater than budget mostly due to change in the gravel reclamation liability for non-controlled gravel pit as there was an increase in the estimated liability from the prior year.

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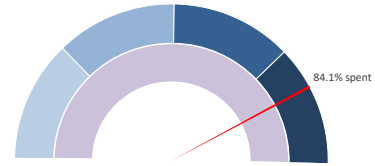
Analysis by Department/Segment

Expenses - Agricultural Services

Financial Data as at March 12, 2025

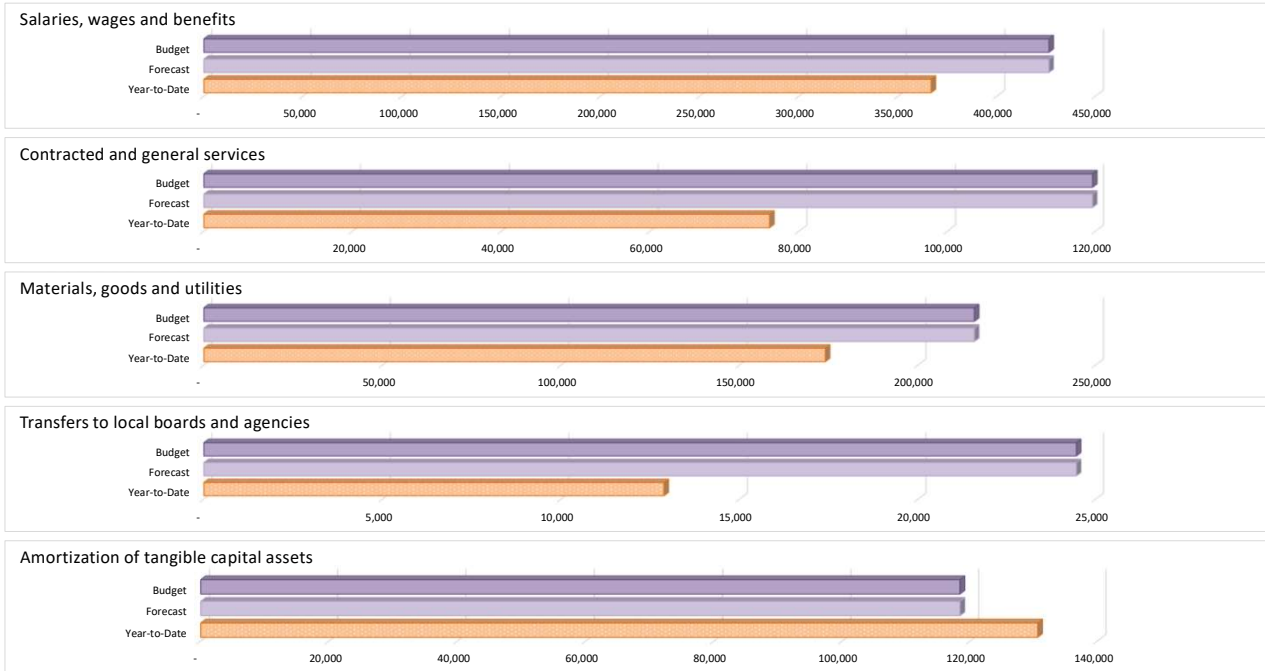
	Budget	Forecast	Year-to-Date	Variance	YTD %
Salaries, wages and benefits	426,402	426,402	366,638	59,764	86.0%
Contracted and general services	119,588	119,588	76,053	43,535	63.6%
Materials, goods and utilities	215,877	215,877	174,064	41,813	80.6%
Provision for allowances	-	-	-	0	0.0%
Transfers to local boards and agencies	24,461	24,461	12,886	11,575	52.7%
Interest and bank charges	-	-	-	0	0.0%
Amortization of tangible capital assets	118,367	118,367	130,594	(12,227)	110.3%
Machine expenses capitalized	-	-	-	0	0.0%
Loss on disposal of tangible capital assets	-	-	-	0	0.0%
Other expenses	694	694	765	(71)	110.2%
Total	905,389	905,389	761,000	144,389	84.1%

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.



Supplementary Analysis on Expenses over Reporting Thresholds:

> Amortization of tangible capital assets was more than the budgeted projections; however, as this is a non-cash transaction and transferred out to Equity in Tangible Capital Assets (in Schedule 1 of the Financial Statements), the variance has no impact on the Operating Surplus or Reserves.

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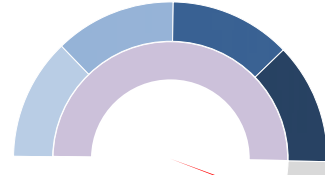
Analysis by Department/Segment

Expenses - Planning and Development Services

Financial Data as at March 12, 2025

	Budget	Forecast	Year-to-Date	Variance	YTD %
Salaries, wages and benefits	544,659	544,659	506,141	38,518	92.9%
Contracted and general services	278,988	278,988	447,055	(168,067)	160.2%
Materials, goods and utilities	2,300	2,300	1,597	703	69.4%
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%
	825,947	825,947	954,793	(128,846)	115.6%

Total Expense Tachometer:

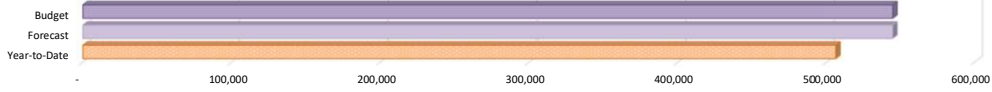


Year-to-date (YTD) compared to budget and forecast, including % of budget indicator

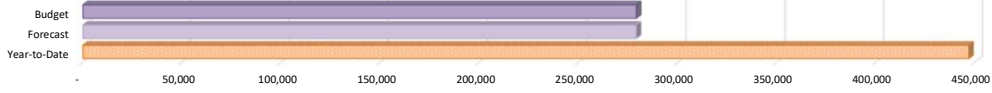
115.6% spent

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



Supplementary Analysis on Expenses over Reporting Thresholds:

> Contracted and general services were higher than budget for the safety codes that are within the Planning and Development Services departments, which are funded by the additional safety code fee revenues.

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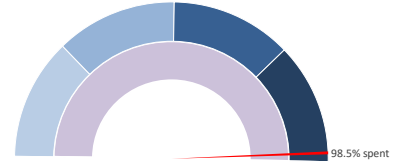
Analysis by Department/Segment

Expenses - Community Services

Financial Data as at March 12, 2025

	Budget	Forecast	Year-to-Date	Variance	YTD %
Salaries, wages and benefits	21,636	21,636	21,636	0	100.0%
Contracted and general services	187,970	187,970	161,470	26,500	85.9%
Materials, goods and utilities	6,030	6,030	3,703	2,327	61.4%
Provision for allowances	-	-	-	0	0.0%
Transfers to local boards and agencies	744,788	744,788	760,963	(16,175)	102.2%
Interest and bank charges	27,078	27,078	26,072	1,006	96.3%
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	1,255	1,255	-	1,255	0.0%
	988,757	988,757	973,844	14,913	98.5%

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.



Supplementary Analysis on Expenses over Reporting Thresholds:

> None exceeding threshold limits (exceeds budget by over \$10,000 and over 10%).



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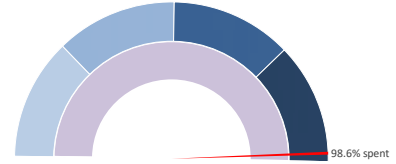
Analysis by Department/Segment

Expenses - Utility Services

Financial Data as at March 12, 2025

	Budget	Forecast	Year-to-Date	Variance	YTD %
Salaries, wages and benefits	26,142	26,142	25,622	520	98.0%
Contracted and general services	135,822	135,822	81,666	54,156	60.1%
Materials, goods and utilities	12,658	12,658	19,842	(7,184)	156.8%
Provision for allowances	-	-	-	0	0.0%
Transfers to local boards and agencies	1,005,809	1,005,809	1,011,999	(6,190)	100.6%
Interest and bank charges	-	-	-	0	0.0%
Amortization of tangible capital assets	31,676	31,676	61,947	(30,271)	195.6%
Machine expenses capitalized	-	-	-	0	0.0%
Loss on disposal of tangible capital assets	-	-	-	0	0.0%
Other expenses	6,401	6,401	22	6,379	0.3%
Total	1,218,508	1,218,508	1,201,098	17,410	98.6%

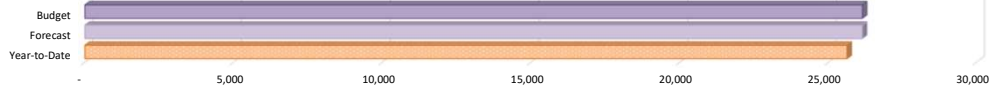
Total Expense Tachometer:



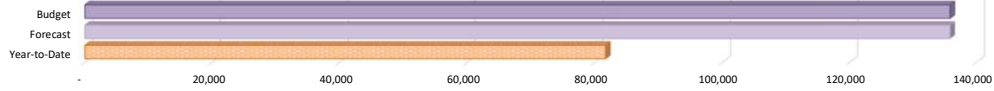
Year-to-date (YTD) compared to budget and forecast, including % of budget indicator

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

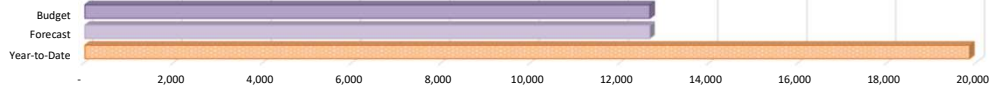
Salaries, wages and benefits



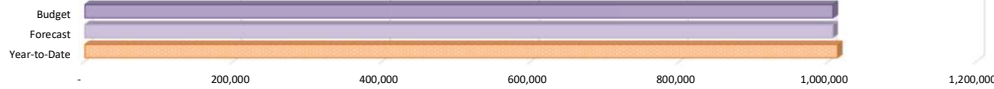
Contracted and general services



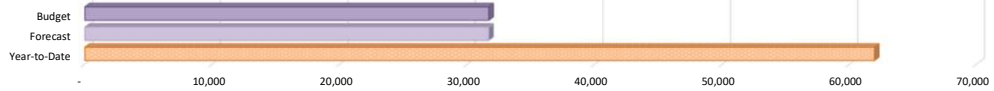
Materials, goods and utilities



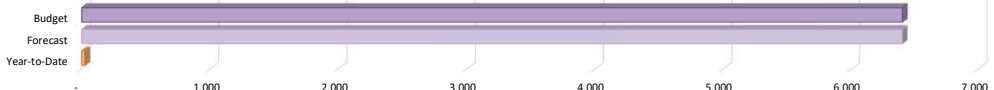
Transfers to local boards and agencies



Amortization of tangible capital assets



Other expenses



Supplementary Analysis on Expenses over Reporting Thresholds:

> Amortization of tangible capital assets was more than the budgeted projections; however, as this is a non-cash transaction and transferred out to Equity in Tangible Capital Assets (in Schedule 1 of the Financial Statements), the variance has no impact on the Operating Surplus or Reserves.

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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.

ARO ACCRETION EXPENSE

The periodic recognition of an expense a result of the passage of time, typically associated with an increase to the present value method in determining an Asset Retirement Obligation (ARO) liability.

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.

ASSET RETIREMENT OBLIGATION

The Asset Retirement Obligation (ARO) is a legal obligation associated with the retirement of a tangible capital asset.

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 - Southern 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
LGFF - Local Government Funding Framework (*Operating and Capital - replaced MSI in 2024*)
MSI - Municipal Sustainability Initiative grants (*Operating and Capital*)

OPERATIONS:

AOS - Accumulative Operating Surplus
ARO - Asset Retirement Obligation
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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