



ANNUAL FINANCIAL REPORT 2025

FOR FISCAL YEAR ENDED DECEMBER 31, 2025
VULCAN COUNTY, ALBERTA, CANADA



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



**Realizing opportunity and
growth through collaborative leadership
and accessible administration.**

- Vision Statement

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

-Purpose Statement

Save Paper, view our report online.

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For best results, choose “two-page display”
in your PDF reader.





ANNUAL FINANCIAL REPORT

2025

FOR FISCAL YEAR ENDED DECEMBER 31, 2025
VULCAN COUNTY, ALBERTA, CANADA

PREPARED BY VULCAN COUNTY
CORPORATE SERVICES DEPARTMENT
MAY 2026

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





Vulcan County

2025 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.

Section 1 - INTRODUCTORY SECTION	2
Welcome to Our Financial Report	4
Financial Reporting Recognition	6
Canadian Award for Financial Reporting	7
County Profile	8
County Services	9
Economics of the County	10
Recreation and Attractions	10
Municipal Governance	12
County Council	12
County Administration	14
Vision, Mission Statement, & Guiding Principles	18
Strategic Plan and Priorities	19
 Section 1A - FINANCIAL DISCUSSION & ANALYSIS	 24
Report from the Director of Corporate Services	26
Internal Financial Controls	26
Financial Policies	27
Administrative Procedures	27
Budget Process	28
External Audits	28
Financial Statement Discussion & Analysis	29
Statement of Financial Position	30
Accumulated Surplus	36
Statement of Operations	40
Other Statements, Schedules & Notes	67
Financial Indicators & Performance Measures	70
Financial Reports and Financial Dashboards	74
Future Outlooks for the County	76

Section 2 - FINANCIAL STATEMENTS

78

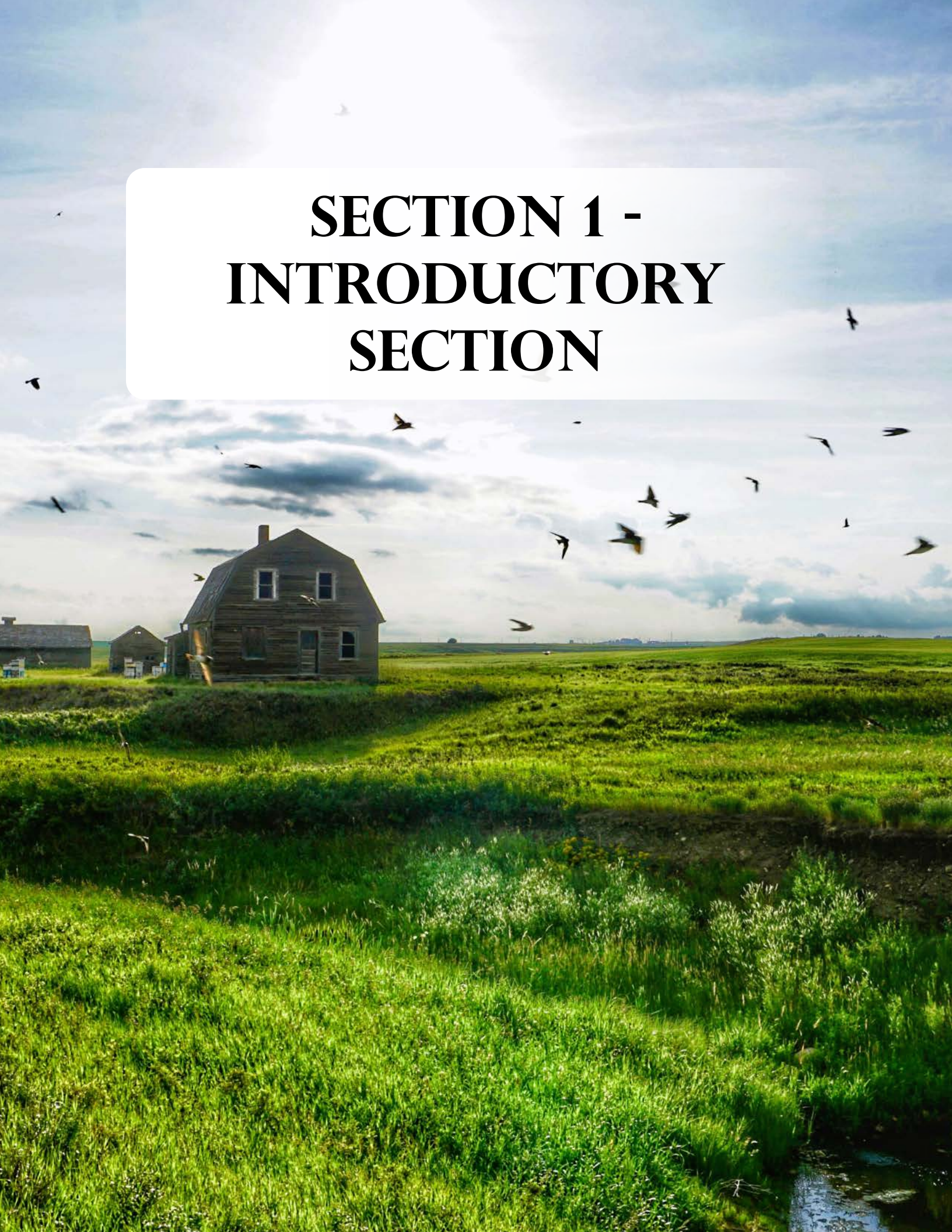
Management's Responsibility for Reporting	80
Independent Auditor's Report	81
Audited Financial Statements	84
Statement of Financial Position	84
Statement of Operations	85
Statement of Remeasurement Gains and Losses.....	86
Statement of Changes in Net Financial Assets.....	87
Statement of Cash Flows	88
Schedule 1 - Schedule of Change in Accumulated Operating Surplus	89
Schedule 2 - Schedule of Tangible Capital Assets	90
Schedule 3 - Schedule of Property and Other Taxes	91
Schedule 4 - Schedule of Government Transfers	92
Schedule 5 - Schedule of Expenses by Object.....	93
Schedule 6 - Schedule of Segmented Disclosure (2025)	94
Schedule 7 - Schedule of Segmented Disclosure (2024)	95
Notes to the Financial Statements	96

Section 3 - STATISTICS, RATIOS & INFORMATION

114

Statistics and Ratios	116
Demographics and Other Factors	116
Property Assessment (in thousands)	116
Tax Rates (expressed in mills).....	117
Total Tax Collections.....	117
Assets, Liabilities & Surplus	118
Revenues (by source)	118
Expenses (by function and object).....	119
Debt Supported by Taxes	119
Transfer to Local Boards and Agencies.....	120
Annual Surplus and Allocations	120
Remeasurement Gains and Losses.....	120
Principal Corporate Taxpayers and Industries	121
Infographics	122
2025 Tax Rates & Information.....	122
The Pieces of the County's Budget - 2025	124
Financial Charts & Graphs	125
Financial Overview	125
Total Revenues.....	126
Total Expenses.....	127
Glossary & Appendix	135
Glossary of Terms.....	135
Glossary of Common Acronyms	137

SECTION 1 - INTRODUCTORY SECTION



Section 1 - INTRODUCTORY SECTION

Welcome to Our Financial Report	4
Financial Reporting Recognition.....	6
Canadian Award for Financial Reporting.....	7
County Profile.....	8
• Geographical Location	8
County Services	9
Economics of the County	10
Recreation and Attractions.....	10
Municipal Governance	12
County Council	12
County Administration.....	14
• Organizational Structure/Charts	15
Vision, Mission Statement, & Guiding Principles	18
• Guiding Principles & Values	18
• Mission Statement	18
• Vision Statement	18
Strategic Plan and Priorities	19
• 1) Economic Resiliency	20
• 2) Continued Collaboration with Regional Partners	20
• 3) Continued Investment into Infrastructure and Required Equipment	21
• 4) Responsible & Transparent Leadership and Governance	21
• 5) Continued Support of our Agricultural Industry	22
• 6) Safe Communities	22
• 7) Attract, Engage, and Retain New & Existing Employees	23



WELCOME TO OUR FINANCIAL REPORT



It is our pleasure to submit Vulcan County's 2025 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.

2025 Significant Factors:

The 2025 financial statements were impacted by some of the following major factors:

- There is a large-scale energy project that was being constructed within Vulcan County, which includes a 494 megawatt (MW) Buffalo Plains Wind Farm that has been in construction in 2023-2025. The projected completion date was estimated for early-2025 and was projected to have fully commissioned in mid-to-late 2025. Budget 2025 included a total of \$1.88 million in projected supplementary taxes to be received on the project as it was estimated to be completed/operational in 2025.

There was a supplementary assessment provided by the Provincial Assessor based on the regulations and information available; however, the actual final project commissioning was not declared until after the taxable supplementary assessment timelines, therefore the supplementary taxable assessment is being appealed and it is yet to be determined if it can be realized within the 2025 financial statements (due to the nature of the Land & Property Rights Tribunal (LPRT) appeal, the relating revenues/receivables are not able to yet be recognized). The Assessment Contingency reserve was utilized to offset this funding deficit and will be replenished over the next couple years.

- During 2025, the County had a couple of "one-time" revenues received, including the sale of a lot within the Vulcan County Industrial Park and receiving \$414,600 of Disaster Recovery Program (DRP) grant funding relating to the prior submissions for the 2018 Overland Flooding (which was not determinable until the Province finalized the grant program and eligible funding submissions). The remaining funds in deferred revenues for Municipal Sustainability Initiative (MSI) Capital (replaced by Local Government Fiscal Framework (LGFF) program in 2024) was able to be fully utilized during the year for the Self-Contained Breathing Apparatus (SCBA) replacements.

- Rate changes and inflation have significant impacts on the variable costs for the County. Although increases in oil prices support with 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 2025 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).

- The timing of the McGregor Regional Water Systems project, which the regional water system being built in the north section of the County, will be shifted for construction to incur in the 2026/2027 fiscal year based on the timing of the project (which is being managed by the Village of Milo - budget based on original cashflow projections starting in 2025). These costs are specifically funded by a dedicated reserve to cover the County's share of the project costs.
- The County had projected to replace/rebuild 12 miles of road with an extended road construction season; however, this was not able to be fully completed due to limitations on road construction with rain days during the construction season (limiting availability) and other factors. This has an impact throughout the internal construction costs and the related machine expenses capitalized for construction.
- 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 with 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
May 25, 2026

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, 2024. 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 2025 fiscal year representing the period from January 1st, 2025 to December 31st, 2025.

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, 2024

Christopher P. Morill

Executive Director/CEO

COUNTY PROFILE



Vulcan County is a rural municipality within Southern Alberta with a population of approximately 4,262 and is conveniently located one hour from both Calgary and Lethbridge. The County covers an area of 554,642 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).

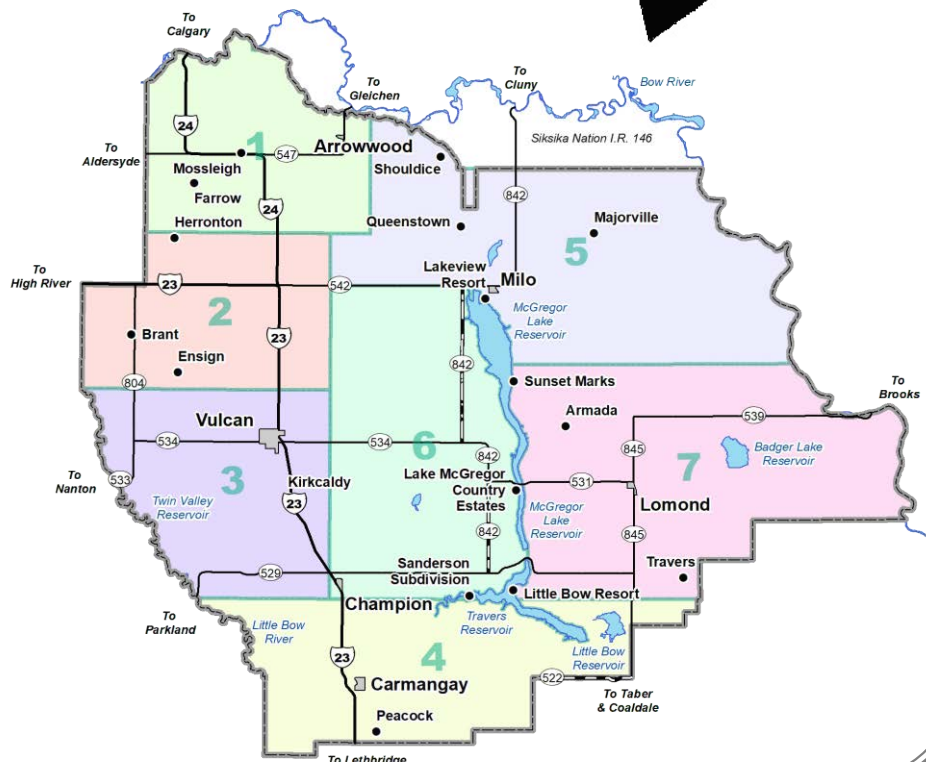
Geographical Location

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.

Vulcan County

Our County at a Glance

2025 County Highlights



Introductory



Financial Analysis



Financial Statements



Statistics & Ratios

2,672

Kilometers
of Roads
Maintained

554,642

Covering
Hectares
of Area

4,262

Population
within the
County

\$2.28B

Total Taxable
Assessment
(in Billions)

54.3%

Top 10
Taxpayers
Tax Base

\$92,510

Average
Family
Income

\$26.5M

Total
Revenues
Operating & Capital
(in Millions)

\$23.1M

Total
Expenses
Operating Expenses
(in Millions)

52.3%

spent on
Transportation
Services

74.6%

Net Tax
Revenues
(of Total Operating
Revenues)

\$7.39M

Capital
Expenditures
(in Millions)

60 FTE

Full-time
Staff
Positions



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 2025.



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 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 most recent municipal election was October 2025, Alex Horkoff was elected through acclamation for Division 2. An election was required for Division 4, whereas, Laurie Lyckman (incumbent) was elected according.

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

Vulcan County - Council Members:



Jason Schneider
Reeve / Division 3
2013-date



Alex Horkoff
Councillor / Division 2
2025-date



Jodie Gateman
Councillor / Division 1
2021-date



Laurie Lyckman
Deputy Reeve / 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 which provide governance on the County and its operations. Click on the binders below:



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



Introductory



Financial Analysis



Financial Statements



Statistics & Ratios

County Administration

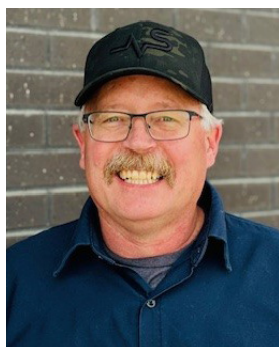


Nels Petersen
Chief Administrative
Officer (CAO)

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

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

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



Mike Kiemele
Director of
Operations



Mark DeBoer
Director of
Corporate Services



Doug Hendricks
Director of
Protective Services



Deanna Heather
Director of
Agricultural Services



Anne Erickson
Manager of
Development Services



Nathan Forsyth
Manager of
Engineering & Infrastructure



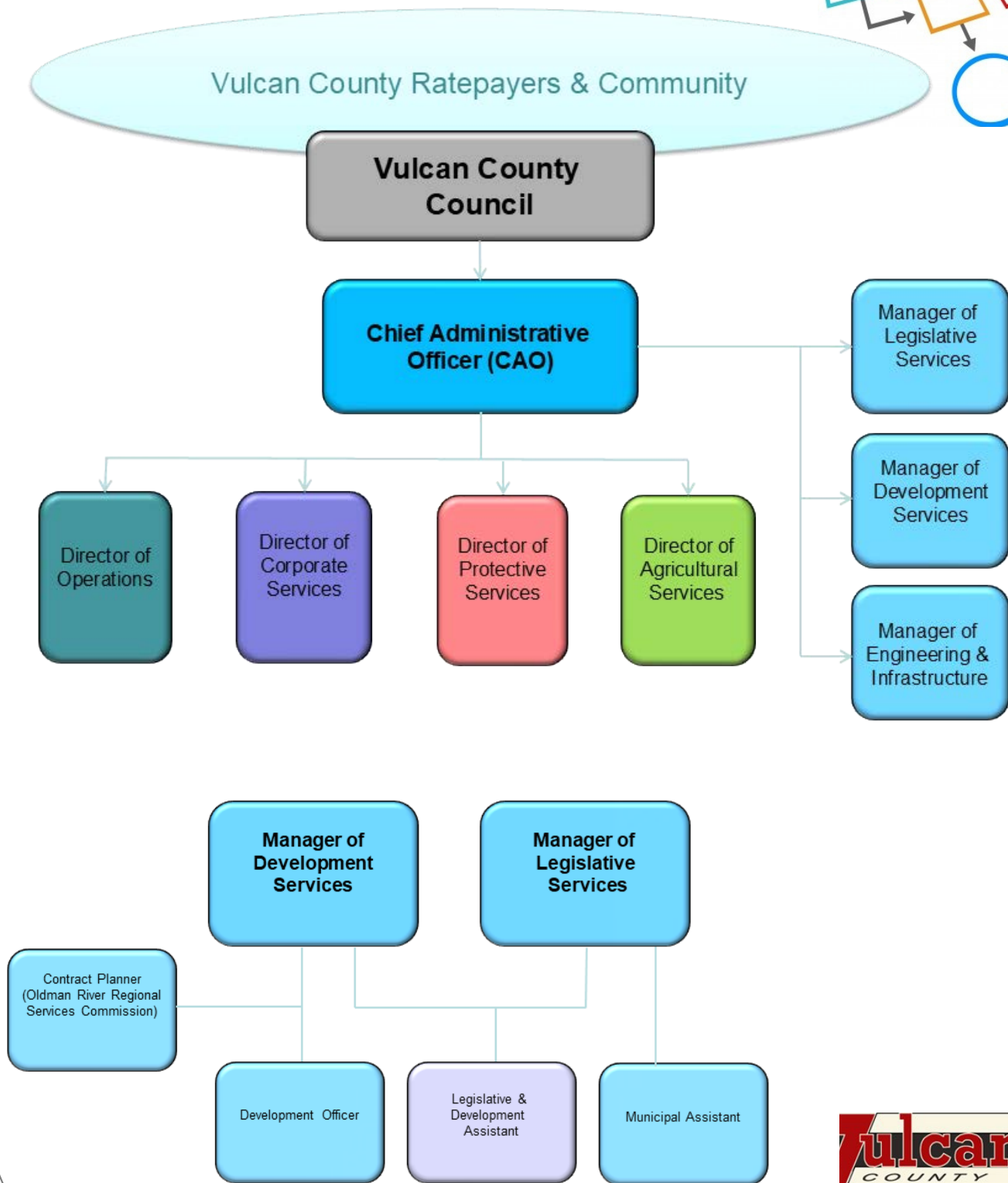
Lansey Middleton
Manager of
Legislative Services

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

Organizational Structure/Charts

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

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



Introductory



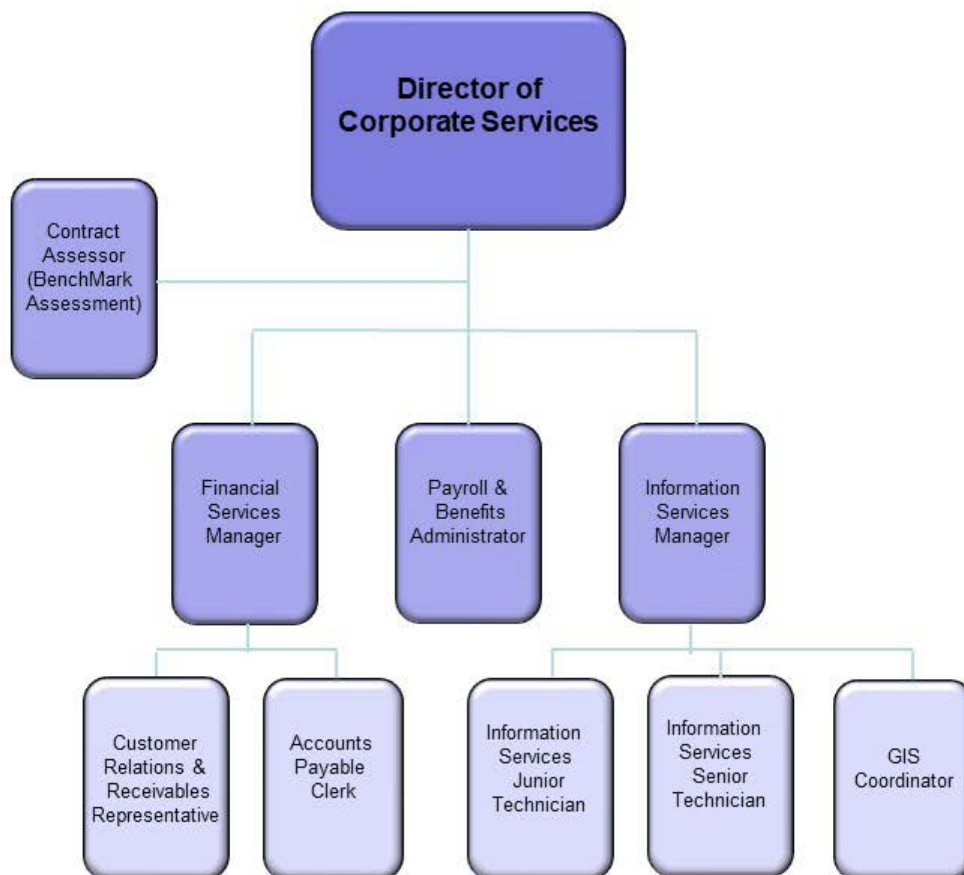
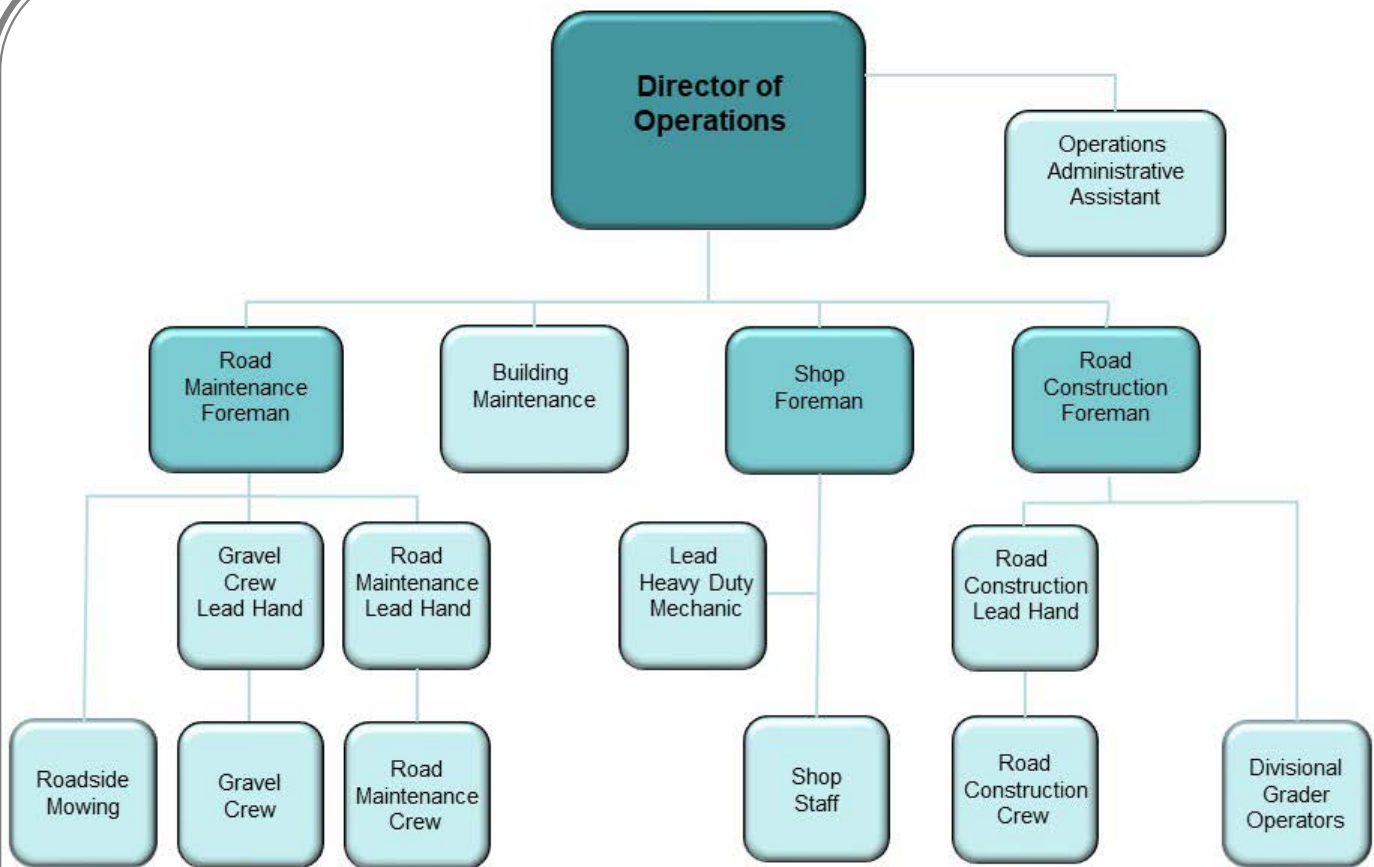
Financial Analysis

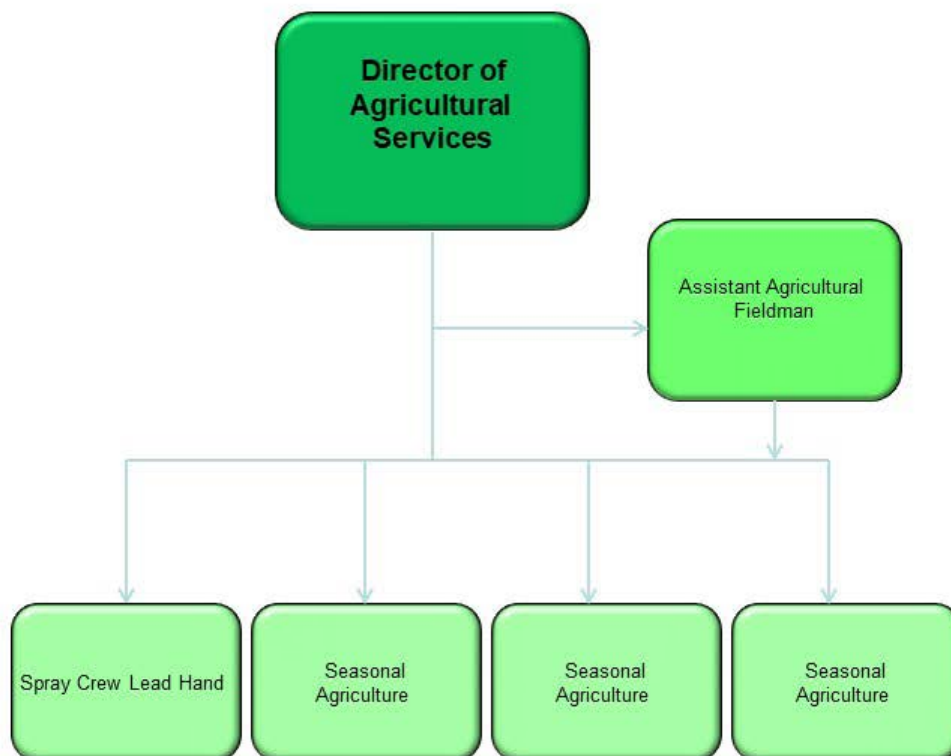
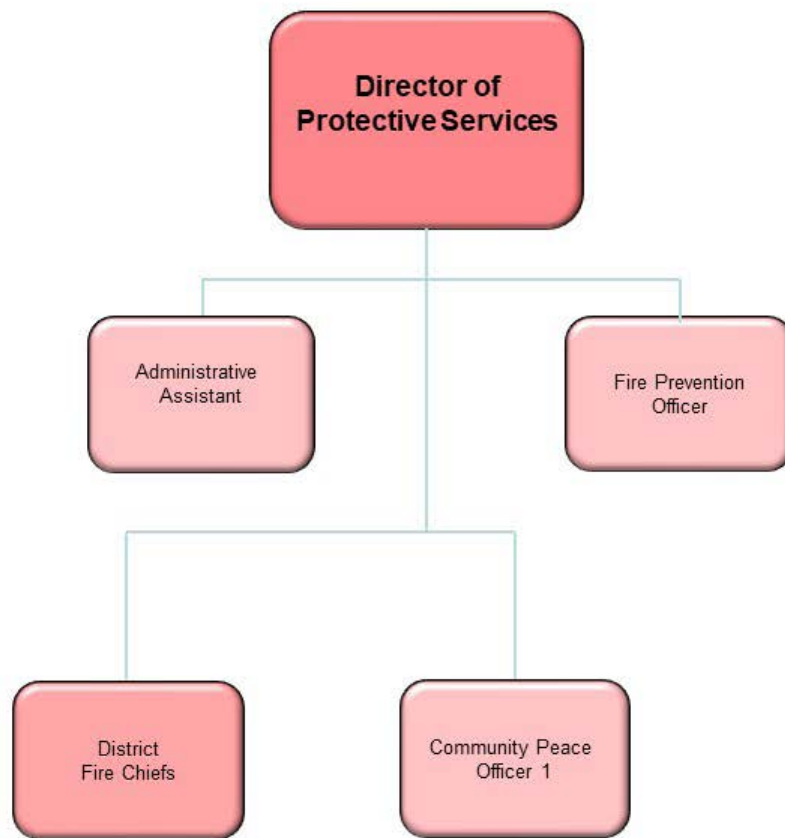


Financial Statements

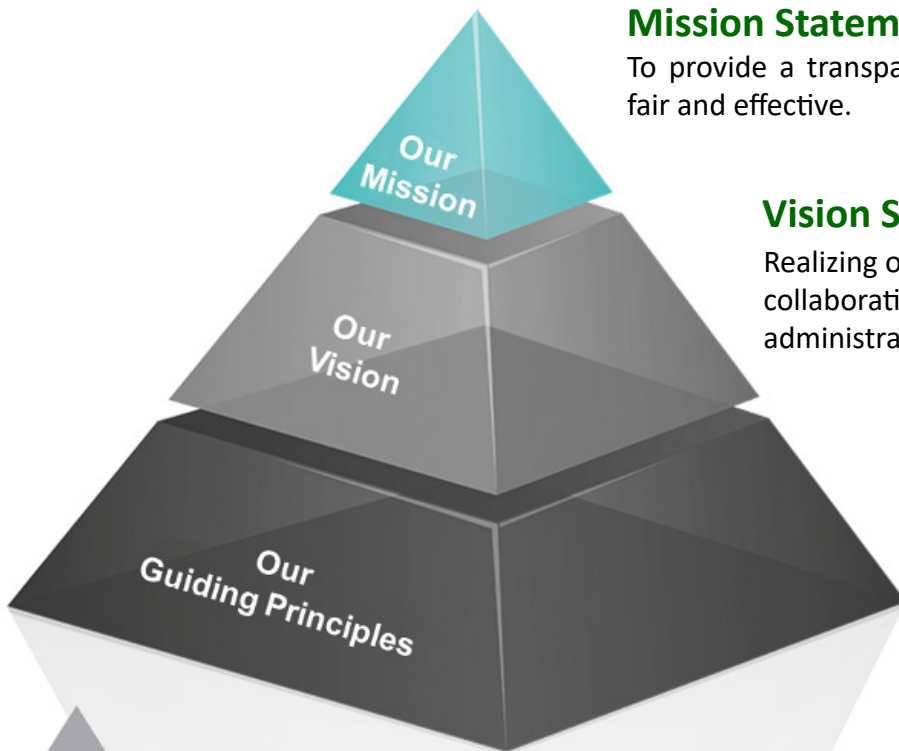


Statistics & Ratios





VISION, MISSION STATEMENT, & GUIDING PRINCIPLES



Mission Statement

To provide a transparent government that is fair and effective.

Vision Statement

Realizing opportunity and growth through collaborative leadership and accessible administration.



Guiding Principles & Values

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



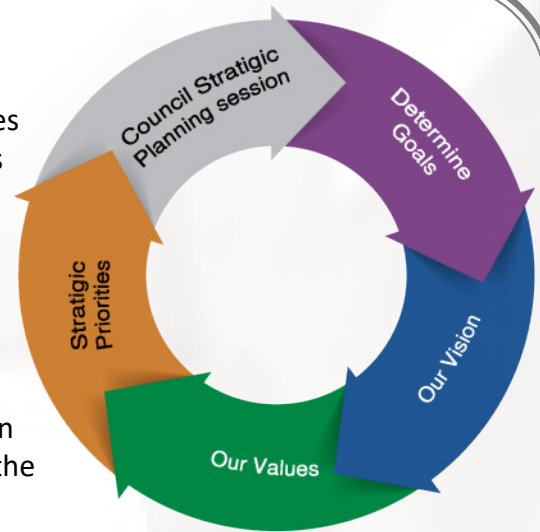
Every four years, as a new Council is elected, Vulcan County develops a new strategic plan and priorities that provide the roadmap and direction of what the County needs to achieve for the next four-year period and beyond.

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

STRATEGIC PLAN AND PRIORITIES

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

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



Economic Resiliency



Continued Collaboration with Regional Partners



Continued Investment into Infrastructure & Equipment



Responsible & Transparent Leadership and Governance



Continued Support of our Agricultural Industry



Safe Communities



Attract, Engage, and Retain New & Existing Employees

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



Introductory



Financial Analysis



Financial Statements



Statistics & Ratios



Economic Resiliency

1) Economic Resiliency

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

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



Continued Collaboration with Regional Partners

2) Continued Collaboration with Regional Partners

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

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



Continued Investment into Infrastructure & Equipment

3) Continued Investment into Infrastructure and Required Equipment

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

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



Responsible & Transparent Leadership and Governance

4) Responsible & Transparent Leadership and Governance

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

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



Continued Support of our Agricultural Industry

5) Continued Support of our Agricultural Industry

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

- Continue to have an active and engaged 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.

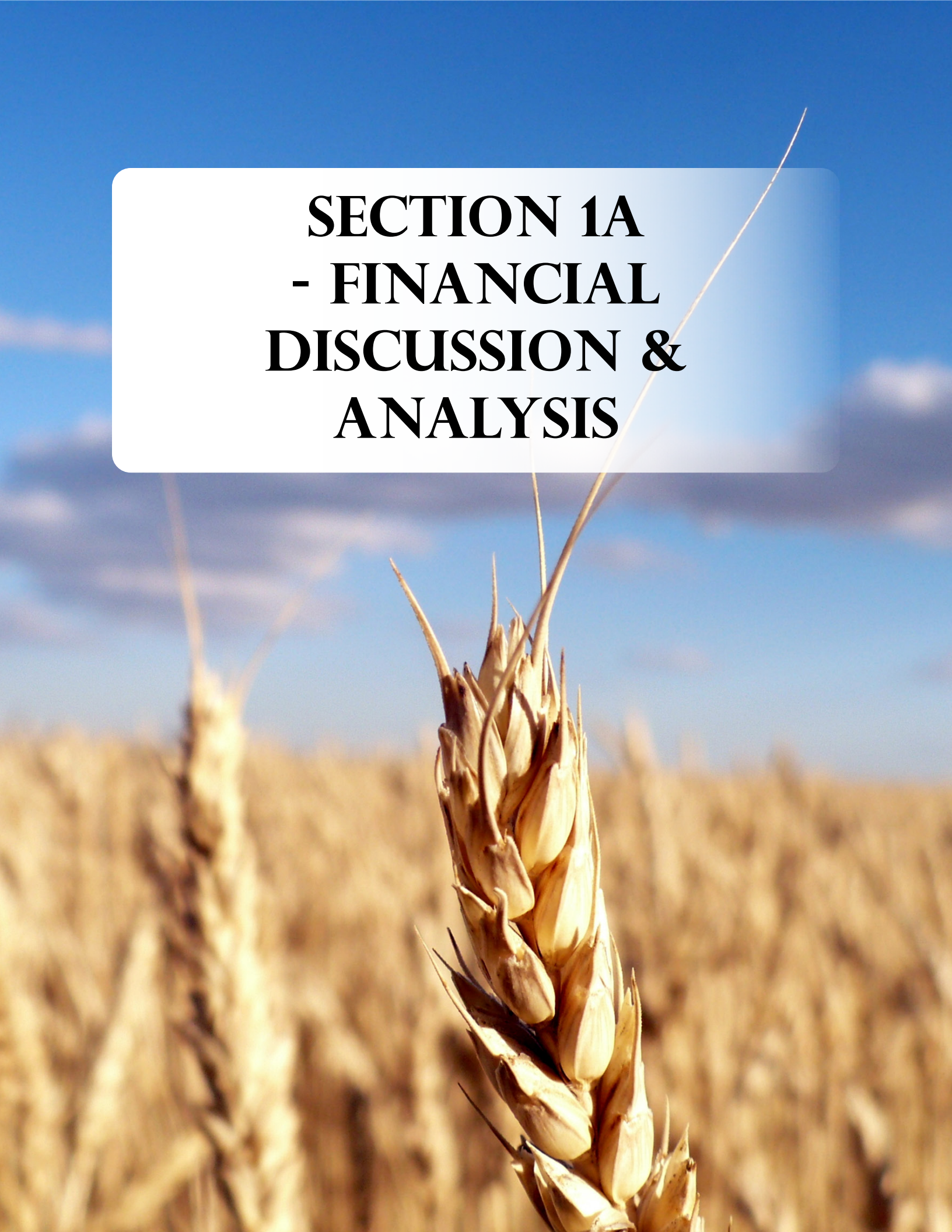
This Strategic Plan is a roadmap to the future and sets the direction for Administration to build work plans that will reach the fundamental vision as set by Vulcan County Council.

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"



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

SECTION 1A - FINANCIAL DISCUSSION & ANALYSIS

Section 1A - FINANCIAL DISCUSSION & ANALYSIS

Report from the Director of Corporate Services	26
Internal Financial Controls	26
Financial Policies.....	27
Administrative Procedures	27
Budget Process	28
External Audits	28
Financial Statement Discussion & Analysis	29
Statement of Financial Position	30
• Financial Assets	31
• Liabilities	32
• Net Financial Assets	32
• Non-Financial Assets	34
Accumulated Surplus.....	36
• Unrestricted Surplus	36
• Restricted Surplus (Reserves)	36
• Equity in Tangible Capital Assets	38
Statement of Operations	40
• Operating Revenues	43
• Operating Expenses (by type)	50
• Operating Expenses (by segment)	58
• Capital Revenues & Expenses	64
Other Statements, Schedules & Notes	67
• Statement of Remeasurement Gains and Losses	67
• Statement of Changes in Net Financial Assets	67
• Statement of Cash Flows	67
• Schedules to the Financial Statements	68
• Notes to the Financial Statements	69
Financial Indicators & Performance Measures.....	70
• Current/Liquidity Ratio Comparison	70
• Total Percentage of Debt Limit	70
• Accumulated Surplus from Operations	71
• Capital Asset Net Book Value	71
• Tax Collection Rate	72
• Performance Measures Dashboard	72
Financial Reports and Financial Dashboards	74
• Financial Reporting	74
• Financial Reporting Dashboards	75
Future Outlooks for the County.....	76

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.



[Back to Table of Contents](#)



Introductory



Financial Analysis



Financial Statements



Statistics & Ratios

REPORT FROM THE DIRECTOR OF CORPORATE SERVICES

It is our pleasure to submit Vulcan County's Annual Financial Report for the year ended December 31, 2025. 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 2025 fiscal year.

The FSD&A is a supplement to the 2025 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 2025 Financial Statements and provided an unqualified opinion. County Council approved the audited financial statement on April 22nd, 2026.



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 2025 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 identify any internal control deficiencies based on the procedures performed during the 2025 audit. Management believes this reflects the strength of the County's existing control environment.

FINANCIAL STATEMENT DISCUSSION & ANALYSIS

Vulcan County's 2025 financial statements are prepared by management in accordance with the Canadian Public Sector Accounting Standards (PSAS). County Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial statements. Council fulfills these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. Council is also responsible for authorizing the appointment of the County's external auditors.

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



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



Click the Icons to go to the related section



Introductory



Financial Analysis



Financial Statements



Statistics & Ratios

Statement of Financial Position



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

	2025	2024	Change
FINANCIAL ASSETS			
Cash and equivalents	2,439,681	1,874,176	565,505
Taxes and grants in lieu receivables	580,972	475,570	105,402
Trade and other receivables	1,386,939	2,231,075	(844,136)
Portfolio investments	22,082,959	39,676,702	(17,593,743)
Inventory held for resale	897,622	1,000,787	(103,165)
Long term investments	25,899,907	8,312,467	17,587,440
Loans and notes receivable	450,302	134,569	315,733
Other	17,626	17,423	203
	53,756,008	53,722,769	33,239
FINANCIAL LIABILITIES			
Accounts payable and accrued liabilities	1,265,108	2,172,144	(907,036)
Deferred revenue	613,792	1,305,492	(691,700)
Employee benefit obligations	319,383	327,286	(7,903)
Long term debt	839,977	980,757	(140,780)
Asset retirement obligations	620,126	541,444	78,682
Other liabilities	705,643	945,842	(240,199)
	4,364,029	6,272,965	(1,908,936)
NET FINANCIAL ASSETS	49,391,979	47,449,804	1,942,175
NON-FINANCIAL ASSETS			
Tangible capital assets	109,354,188	107,848,680	1,505,508
Inventory for consumption	8,156,837	8,269,813	(112,976)
Prepaid expenses	577,708	459,721	117,987
	118,088,733	116,578,214	1,510,519
ACCUMULATED SURPLUS	167,480,712	164,028,018	3,452,694
ACCUMULATED SURPLUS:			
Accumulated operating surplus	167,297,865	163,868,218	3,429,647
Accumulated remeasurement gains	182,847	159,800	23,047
	167,480,712	164,028,018	3,452,694



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 to increases in operating transactions with the reduction in the amounts of trade/other receivables as there was large invoices and the 2024 CCBF grant that was receivable from the prior year has been collected and from the related surplus generated in the year. These increases are partially offset by decreases in accounts payable and deferred revenues.
- Taxes/grants-in-lieu receivables increased from the prior year as the County issued a supplementary property tax levies in 2025; in which, there was \$136,615 outstanding as at yearend (which is due in 2026). There was no supplementary issued in 2024. There was an increase in the current tax receivables relating to a couple of oil & gas companies that are currently going through insolvency; however, the Allowance for Doubtful Accounts (AFDA) has been increased accordingly to offset these potential uncollectable accounts. Overall the Tax Collection rate remained consistent with a slight decrease from 97.51% to 96.46% (see the [Financial Indicators & Performance Measures](#) section for additional details).
- Trade and other receivables decreased from the prior year as the prior year included a large road maintenance invoice issued in late 2024 on the wind project construction. There was also a 2024 CCBF grant of \$298,292 that was collected in early 2025. The 2025 grant allocations were received during the year. Some of the investments with accrued interest matured during the 2025. The GST receivable increased from the prior year as a couple returns were not paid by CRA until January 2026.
- Portfolio investments and Long-term investments had effectively remained the same as the prior year as the County had multiple short-term GICs matured and were re-invested in long-term funds, including principle protected notes (PPNs). Overall there was a \$17.59 million decrease in Portfolio Investments and there was a \$17.59 million increase in Long-term Investments.
- Inventory held for resale decreased from the prior year as the County finalized a sale of an Industrial Park lot during 2025 which maintained a cost base of \$89,300; whereas, the net proceeds on the sale were allocated to reserves in accordance with Policy 69-1002 (Disposal of County Lands Policy). There were also multiple Tax Forfeiture properties that were sold during the year.
- Loans and notes receivable increased from the prior year with the issue of a \$350,000 loan to Lomond Community Centre Agricultural Society (LCCAS) to support with the completion of the arena project. This increase is partially offset by receiving or invoicing for the applicable loan payments to Carmangay Curling Association and Vulcan & District Waste Commission. 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 a decrease in the financial liabilities of the County. The main reasons for the various changes from the prior year were:

- Accounts payable and accrued liabilities decreased significantly from the prior year as there was also a large decrease in the deposits liabilities as there were some land sales deposits were recognized this year with the finalization of the land sales and there was a decrease in the overpayment on tax receivables (reclassified as a liability) which was recorded in the prior year. There was also a decrease in the trade A/P with the capital projects being worked on and the timing of the County's payments (has higher than typical in the prior year).
- Deferred revenue has decreased from the prior year as the MSI Capital grant funds were fully utilized at the beginning of 2025 with the replacement of the firefighter's SCBAs. The prior year's deferred grant funding on the Regional Transportation Master Plan (ACP Grant) of \$54,139 was able to be fully utilized this year with the completion of the project; whereas, the deferred ACP grant funding increased during 2025 with receiving the \$150,000 the Regional Stormwater Strategies grant.
- 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 relate 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 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. The Community Deposits also decreased as a specific local non-profit withdrew some of their funds for their operating purposes.

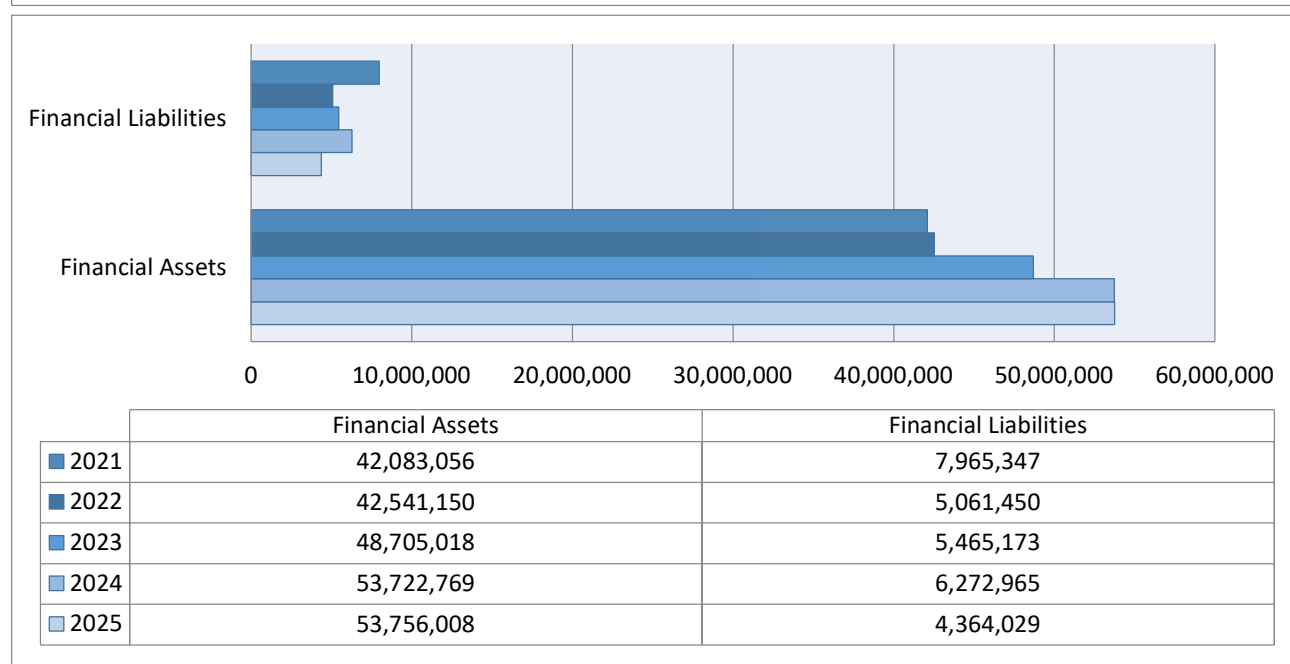
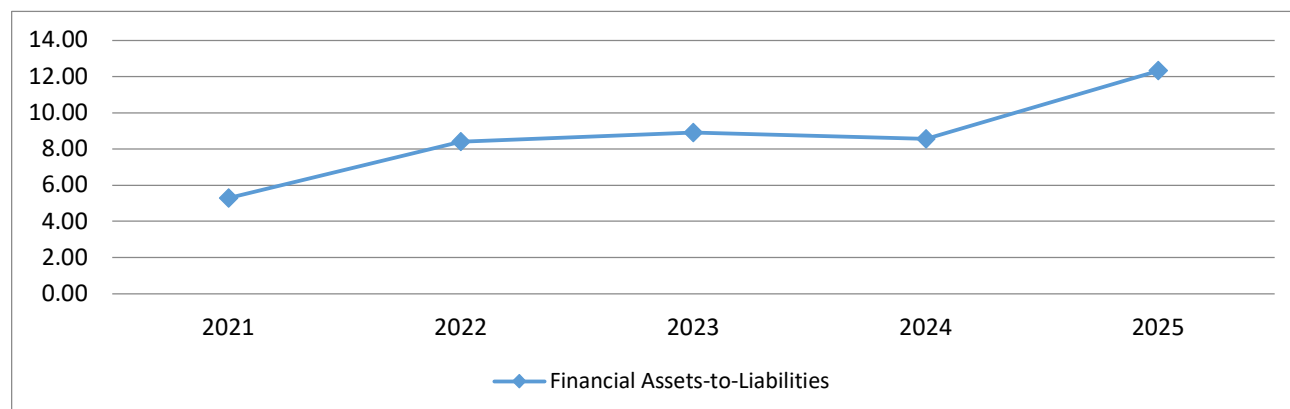
Net Financial Assets

Overall, the County maintains a positive net financial position (financial assets exceeding financial liabilities) of approx. \$49.39 million. This is an increase from the prior year of approx. \$47.45 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 increased in 2025 with the surplus that was generated, reductions in liabilities, and use of deferred grant funds for specific projects. There is a co-relation between the Financial Assets-to-Liabilities ratio and the Current/Liquidity ratio, the Current ratio slightly increased from 12.21 to 13.16 (which are still higher rates) as the County has invested additional funds in long-term investments in early 2023/2024 as the investment rates were 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	Ratio
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
2025 Financial Statements	53,756,008	4,364,029	12.32

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

Acquisition of Capital	\$ 6,264,388
New Construction in Progress	<u>1,124,698</u>
New TCA Increase	\$ 7,389,086
Amortization of TCA	\$ 5,384,383
Net Book Value of Disposals	<u>499,195</u>
Net TCA Reductions	\$ 5,883,578
Overall increase (decrease) to TCA	\$ 1,505,508
Change in capital debt (leases)*	N/A
Change in AROs	<u>(78,682)</u>
Overall change in Equity in TCA	\$ 1,426,826

*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 2025. 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” were paid during the year 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.



Vulcan County

Finance at a Glance

2025 Financial Position



Financial Assets

\$ 53,756,008

What the County owns, like cash, receivables (tax, trade, loans, etc.), investments, inventory for resale, etc.

Financial Liabilities

\$ 4,364,029

What the County owes, like accounts payable, deferred revenues, employee benefit obligations, long-term debt, asset retirement obligations, etc.

Net Financial Assets

\$ 49,391,979

Non-Financial Assets

\$ 118,088,733

Other assets including tangible capital assets (roads, buildings, machinery, vehicles, etc.), inventory for consumption, and prepaid expenses.

Accumulated Surplus

\$ 167,480,715

Includes the Unrestricted Surplus, Reserves (Operating & Capital), Equity in TCA, and the Accumulated Remeasurement of Gains/Losses.

96.46%

Tax Collection Rate

Ratio of collection on current tax levies (based on remaining tax receivables).

13.16

Current Ratio

Ratio of between current assets and liabilities (correlates to 12.32 ration for net financial assets ratio).

47.81%

TCA Asset Aging

Ratio of Net Book Value of ALL Tangible Capital Assets (TCA) to the original costs of the TCA.

253.88%

AOS% of Expenses

Ratio of the Unrestricted and Reserves compared to the Total Expenses. Reserves include both the specific/dedicated operating and capital reserves (part of 20-year capital plan).



Introductory



Financial Analysis



Financial Statements



Statistics & Ratios



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

	2025	2024	Change
Unrestricted surplus	905,573	904,163	1,410
Restricted surplus (reserves)	57,658,230	55,656,819	2,001,411
Equity in tangible capital assets	108,734,062	107,307,236	1,426,826
Accumulative operating surplus	167,297,865	163,868,218	3,429,647

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:

	2025	2024	Change
Capital Reserves	38,903,508	35,710,443	3,193,065
Operating Reserves	18,754,722	19,946,376	(1,191,654)
Total Restricted Surplus (Reserves)	57,658,230	55,656,819	2,001,411
Net Financial Assets (<i>excluding ARO Liability</i>)	50,012,105	47,991,248	2,020,857
Inventory for Consumption	8,156,837	8,269,813	(112,976)
Total Funding Available	58,168,942	56,261,061	1,907,881

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

	2025	2024
Capital Restricted Surplus		
General Government	\$ 218,057	\$ 159,621
Protective Equipment	8,591,102	8,281,247
Transportation Equipment	2,315,621	2,260,749
Road Construction	2,140,007	1,985,713
Bridge Construction	6,497,157	6,034,102
Gravel Crushing	215,355	215,355
Mossleigh Water Treatment Plant - Recovery	(388,641)	(405,179)
McGregor Water Systems Project	1,843,283	1,881,433
Environment Development Equipment	239,830	183,718
Air Transport	20,000	20,000
Capital Acquisition	16,241,055	14,123,002
Capital Contingency	970,682	970,682
	<u>38,903,508</u>	<u>35,710,443</u>
Operating Restricted Surplus		
Assessment Appeal	5,506	5,506
Assessment Contingency	39,965	1,660,543
Community Enhancement	14,841	14,841
General Government Service	837,081	422,223
Protective Services	1,649,405	1,656,208
Transportation Contingency	1,896,085	1,594,584
Road Construction	272,947	656,050
Road Maintenance	1,320,389	1,016,615
Gravel Crushing	4,347,952	4,473,862
Uncrushed Gravel Inventory	4,046,215	4,046,215
Bridges	465,334	60,671
Water Management	16,093	20,009
Environment Treatment	118,977	168,822
Vulcan Hospital Project - Debenture Recovery	(839,977)	(980,757)
Planning and development	301,255	258,380
Agriculture Services	614,736	564,582
Recreation and Culture	1,221,741	1,023,855
Operating Contingency	2,426,177	3,284,167
	<u>18,754,722</u>	<u>19,946,376</u>
Total Restricted Surplus	<u>\$ 57,658,230</u>	<u>\$ 55,656,819</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 \$1.84 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 increase from 253.43% to 253.88% 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.

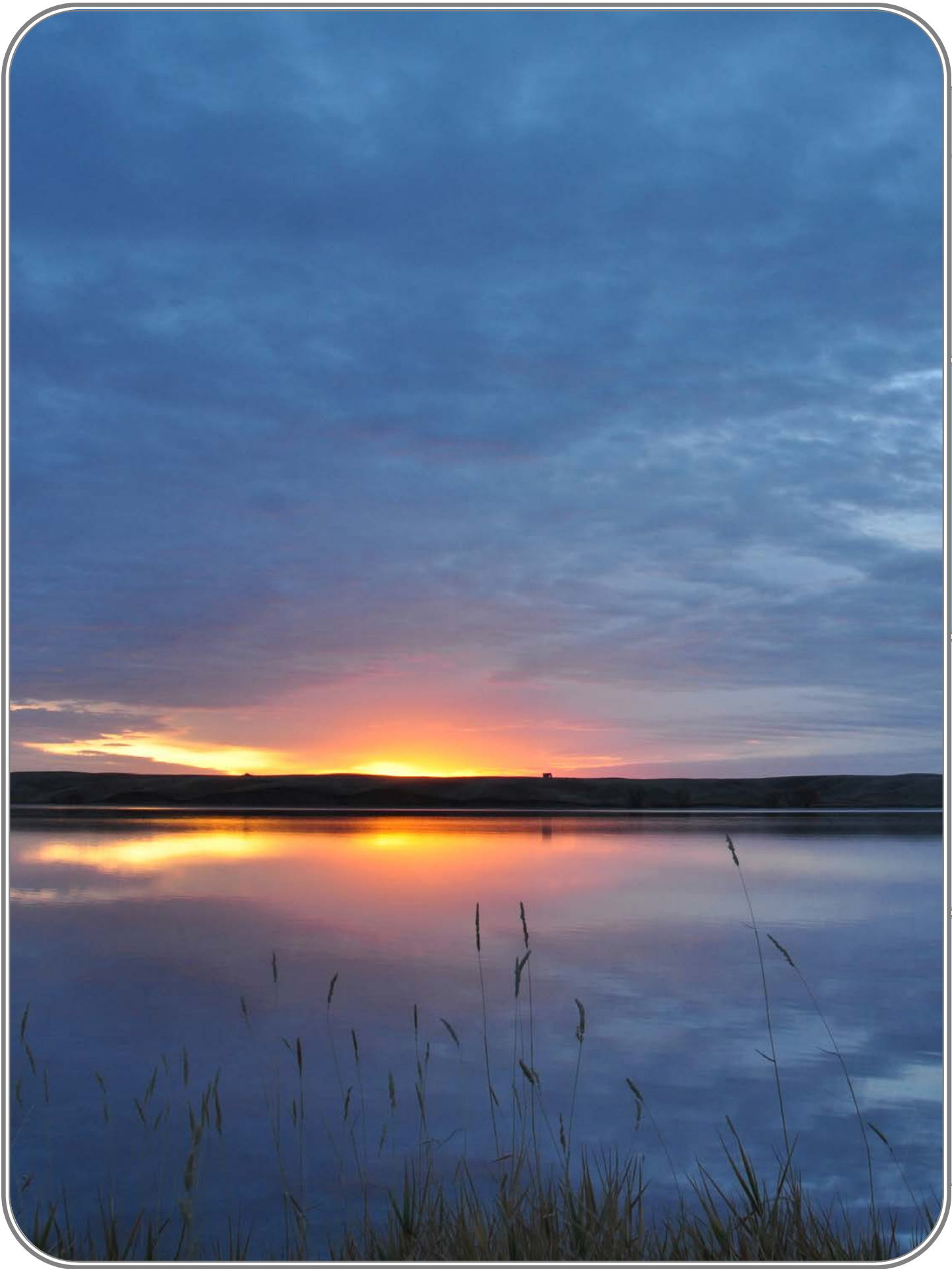
Equity in Tangible Capital Assets

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):

	2025	2024	Change
Tangible Capital Assets - cost	228,718,920	223,010,342	5,708,578
Tangible Capital Assets - amortization	(119,364,732)	(115,161,662)	(4,203,070)
Tangible Capital Asset (NBV)	109,354,188	107,848,680	1,505,508
Asset Retirement Obligation	(620,126)	(541,444)	(78,682)
Equity in Tangible Capital Assets	108,734,062	107,307,236	1,426,826

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 2025 balance of \$620,126.



Introductory



Financial Analysis



Financial Statements



Statistics & Ratios

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.

	2025 - Budget	2025	2024
OPERATING REVENUE			
Net municipal taxes	19,234,072	17,655,605	17,136,610
Government transfers	1,128,108	1,119,195	1,176,124
Return on investments	676,824	2,180,149	2,260,512
Sale of goods, services and user charges	817,906	1,499,071	2,197,447
Rental income	321,680	349,258	325,203
Community aggregate levy	142,912	201,831	221,153
Penalties and costs of taxes	130,000	174,579	225,768
Gain on disposal of tangible capital assets	-	222,494	113,602
Other revenues	11,500	276,556	282,425
	22,463,002	23,678,738	23,938,844
OPERATING EXPENSES			
Legislative	601,599	559,357	538,114
Administration	2,682,840	2,532,728	2,526,009
Protection services	3,518,537	3,341,878	3,095,384
Transportation services	12,043,712	12,065,825	11,657,736
Agricultural services	986,951	809,765	761,000
Planning and development services	830,796	851,184	954,793
Family and community support	216,631	200,288	203,445
Parks and recreation	788,566	798,860	741,448
Tourism and economic development	71,788	45,757	28,952
Utility Services	1,876,815	1,366,203	1,201,098
Other	302,997	495,598	610,075
	23,921,232	23,067,443	22,318,054
OPERATING SURPLUS	(1,458,230)	611,295	1,620,790
CAPITAL REVENUES			
Contributed tangible capital assets	-	-	684,977
Government transfers for capital	2,416,986	2,818,352	1,512,117
TOTAL ANNUAL SURPLUS	958,756	3,429,647	3,817,884
ADD:			
Proceeds from sale of capital assets	10,000	326,478	1,180,839
Transfers from reserves to operations	7,350,420	7,057,830	3,866,206
Amortization of capital assets & ARO accretion	5,034,269	5,463,065	5,029,525
Net (gain) loss on disposal of capital assets		172,717	(105,328)
LESS:			
Transfer to reserves	(3,637,301)	(9,059,241)	(7,535,398)
Capital expenditures/purchases	(9,716,144)	(7,389,086)	(6,250,099)
NET EFFECT ON UNRESTRICTED SURPLUS	-	1,410	3,629

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.

Vulcan County

Finance at a Glance

2025 Operations



Introductory



Financial Analysis

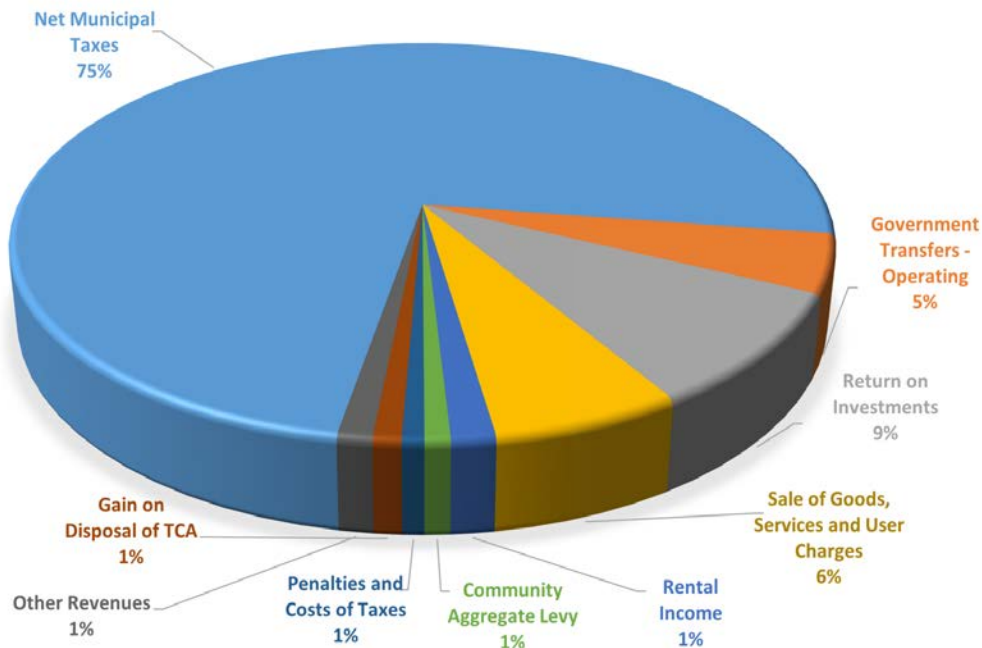


Financial Statements



Statistics & Ratios

OPERATING REVENUES



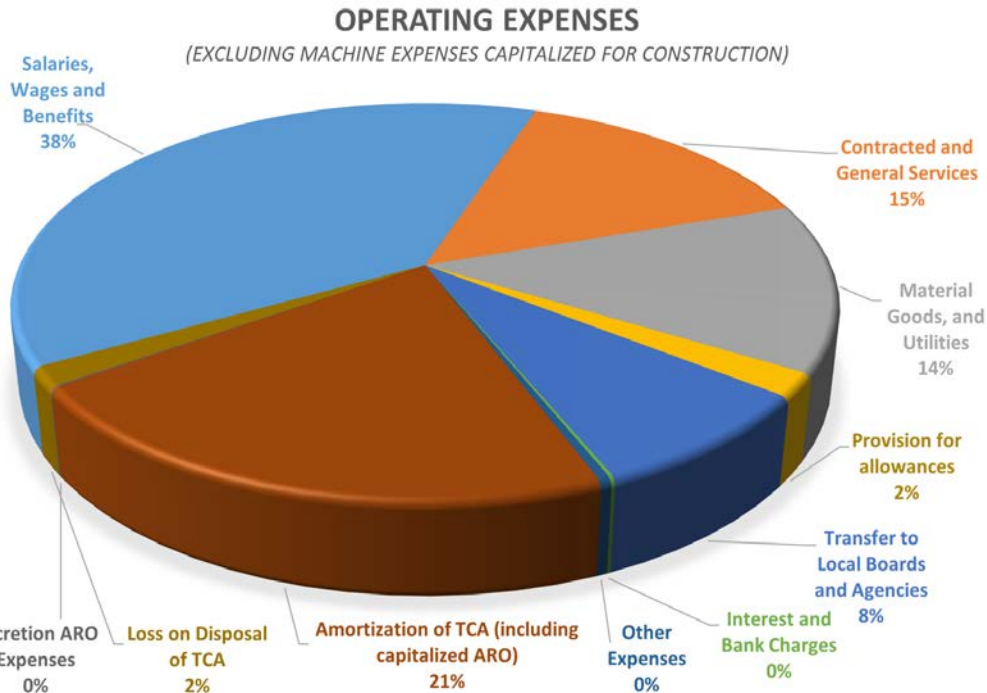
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CAPITAL REVENUE			
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Government transfers for capital	2,416,986	2,818,352	1,512,117
	2,416,986	2,818,352	2,197,094



Vulcan County

Finance at a Glance

2025 Operations



	2025 - Budget	2025	2024
OPERATING EXPENSES (by type)			
Salaries, Wages and Benefits	10,476,065	9,749,651	9,054,113
Contracted and General Services	4,100,806	3,736,547	3,552,002
Material Goods, and Utilities	4,148,875	3,495,682	3,626,627
Provision for allowances	282,997	474,030	609,664
Transfer to Local Boards and Agencies	2,550,291	2,086,404	2,046,646
Interest and Bank Charges	38,616	35,519	38,207
Amortization of Tangible Capital Assets	5,012,319	5,383,298	5,012,320
Amortization of ARO Tangible Capital Assets	1,116	1,085	1,115
Accretion ARO expenses	20,834	24,656	20,760
Machine expenses capitalized for construction	(2,738,179)	(2,411,182)	(1,722,616)
Loss on Disposal of Tangible Capital Assets	-	395,211	8,274
Other Expenses	27,492	96,542	70,942
	23,921,232	23,067,443	22,318,054



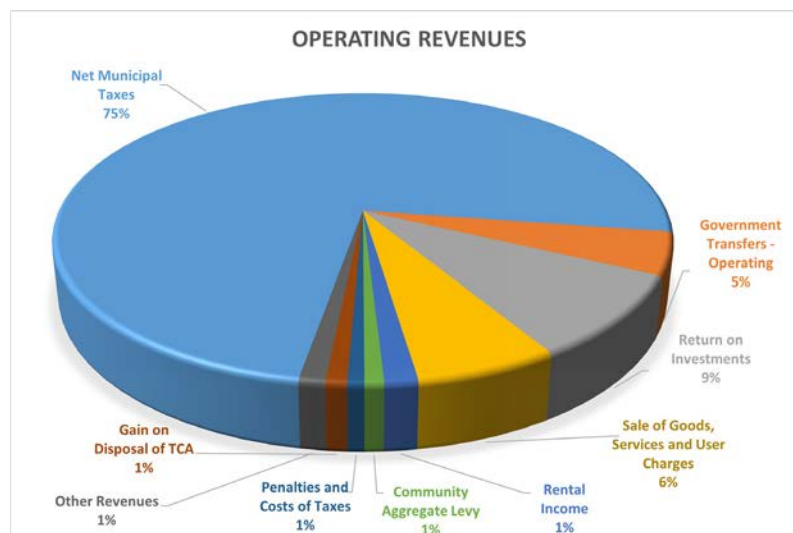
Operating Revenues



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:

	2025 - Budget	2025	2024
OPERATING REVENUE			
Net municipal taxes	19,234,072	17,655,605	17,136,610
Government transfers	1,128,108	1,119,195	1,176,124
Return on investments	676,824	2,180,149	2,260,512
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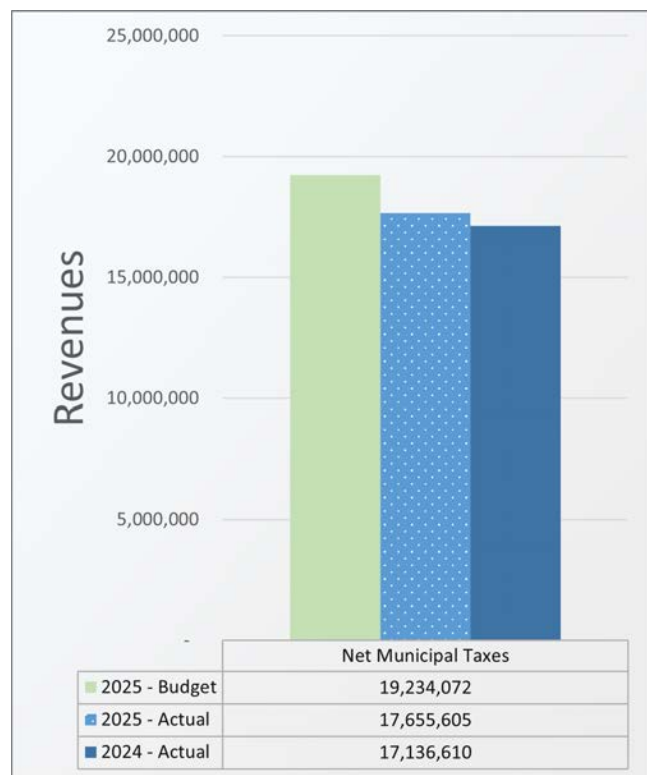


The Schedule(s) of Segment Disclosure (Schedule 6 & 7) provides additional analysis on the operating revenues by redisplaying the revenues by both type and segment (i.e., General Government, Protective Services, Transportation Services, Agricultural Services, Planning & Development Services, Community Services, and Utility Services).

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



Operating Revenues - Continued



Net Municipal Taxes

Represents the net amount of tax revenues after requisitions for funding municipal operations. The overall net municipal taxes are 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.

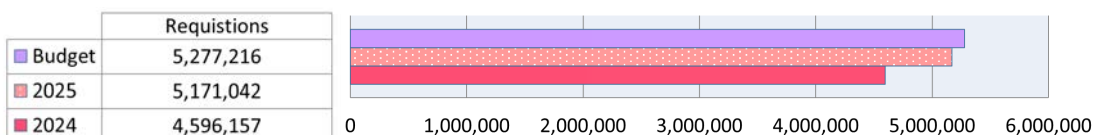
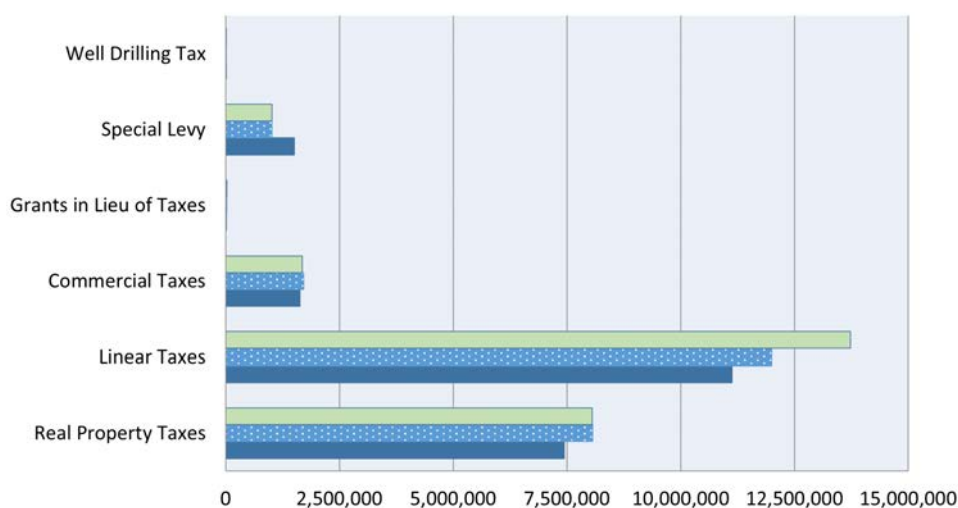
Budget 2025 included a total of \$1.88 million in projected supplementary taxes to be received with a large linear project that was projected to be completed/operational in 2025. This was yet to be determined if it can be realized; therefore, only \$125,000 of other supplementary taxes were received/recognized. The Assessment Contingency reserve was utilized to offset this funding deficit and will be replenished over the next couple years. There was some saving on School Requisitions as the County received a provincial credit for write-off in prior years.

There was an increase in net municipal taxes from the prior year as taxation revenues increased from an increase in the County's assessment base from \$2.180 billion to \$2.267 billion (excluding supplementary assessment) for the 2025 tax year.

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

	2025 - Budget	2025	2024
TAXATION			
Real Property Taxes	8,060,069	8,068,050	7,438,613
Linear Taxes	13,730,176	12,000,643	11,130,688
Commercial Taxes	1,683,422	1,715,865	1,634,583
Government Grants in Lieu of Taxes	21,661	23,137	19,475
Special Levy	1,015,804	1,018,875	1,509,317
Well Drilling Tax	156	77	91
	24,511,288	22,826,647	21,732,767
REQUISITIONS			
School Requisitions	4,192,061	4,069,895	3,588,907
Seniors Foundation Requisition	599,669	599,669	560,513
RCMP Policing Requisition	399,239	399,239	354,204
Provincial DIP Assessment Requisition	86,247	102,239	92,533
	5,277,216	5,171,042	4,596,157
NET MUNICIPAL TAXES	19,234,072	17,655,605	17,136,610

RCMP - Royal Canadian Mounted Police DIP - Designated Industrial Property



Tax revenues are recorded as revenue as of May 31st each year, and the associated tax receivables are shown as assets at the same time. Tax penalties are shown as revenue and assets as of the dates outlined in County Bylaw 2022-008 (Tax Payment Due Dates and Penalties Bylaw). Overall the Tax Collection rate slightly decreased from 97.51% to 96.46% (see the [Financial Indicators & Performance Measures](#) section for additional details).

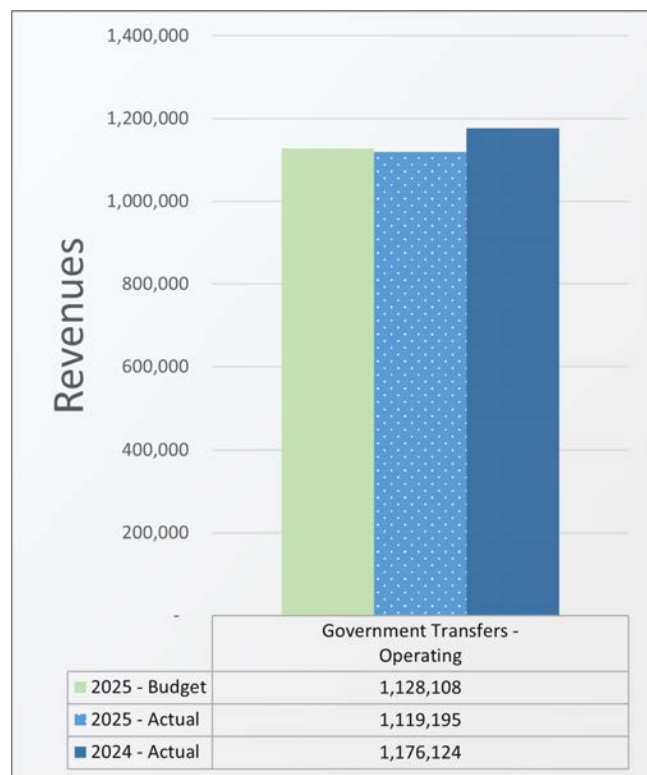
The following are the 2025 Tax Rate Bylaws that authorizes and establish the tax rates to be levied against assessable property:

- Bylaw 2025-013 - General Tax Rate Bylaw (General Municipal, Waste Commission, & Requisitions)
- Bylaw 2025-014 to 2025-019 - Special Tax Rate Bylaws (Special Tax Levy - by district)
(includes special tax levies for fire protection areas and recreational areas on a district by district basis)
- Bylaw 2025-020 - Waterworks Tax Rate Bylaw (Special Tax Levy - by parcel)
- Bylaw 2025-021 - Designated Industrial Property Tax Rate Bylaw
- Bylaw 2025-022 - Supplementary Tax Levies, Due Dates and Penalties 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 2025 has slightly decreased from prior year as the prior year included additional Search & Rescue and Medical First Responder programs for specific training and equipment.

Operating government transfers were overall comparable with budget 2025. The local government transfers were slightly less than budget relating to the Physician Recruitment & Retention program (as the costs were less than budget); however, this reduction is partially offset by an increase in the Canada Community-Building Fund allocation.

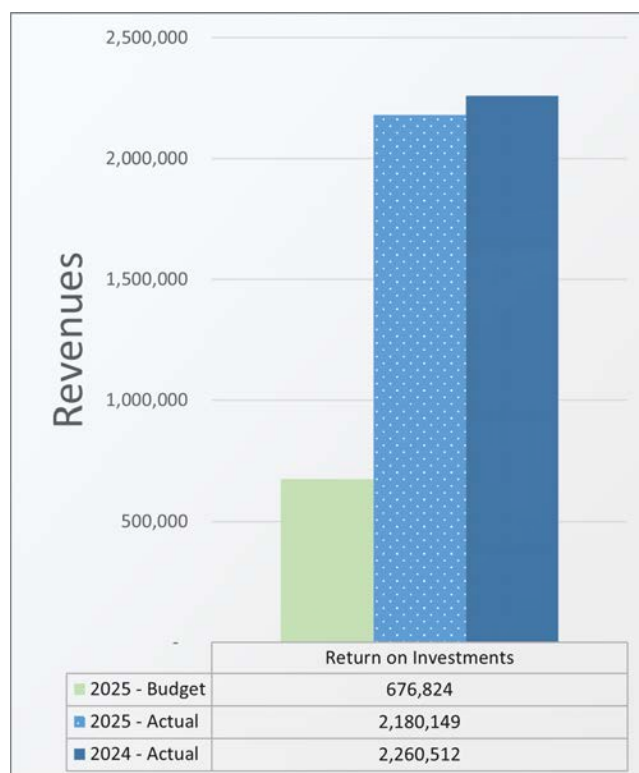
The new Local Government Fiscal Framework (LGFF) replaced the previous Municipal Sustainability Initiative (MSI) Operating grant in 2024; however, the funding allocation remained at \$355,916 for both 2024 and 2025 fiscal years.

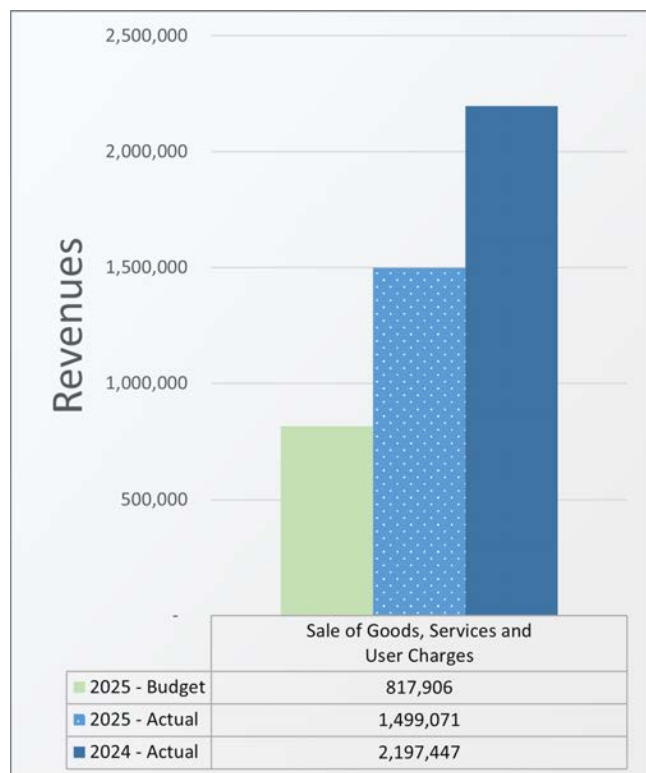
Return on Investments

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 the 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. As some of these investments are maturing, the available rates will likely be reduced in future years.

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 - 2025 actuals were significantly higher than budget as these revenues are budgeted conservatively and there were significant recoveries on a wind farm construction project for road maintenance and dust abatement. There was the recognition of specific Tax Sale Trust account funds moved into operations due to being held for over 10 years (per legislation). There were also significant cost recoveries from the Province for firefighters and equipment being used during the wildfires in the north of the Province.

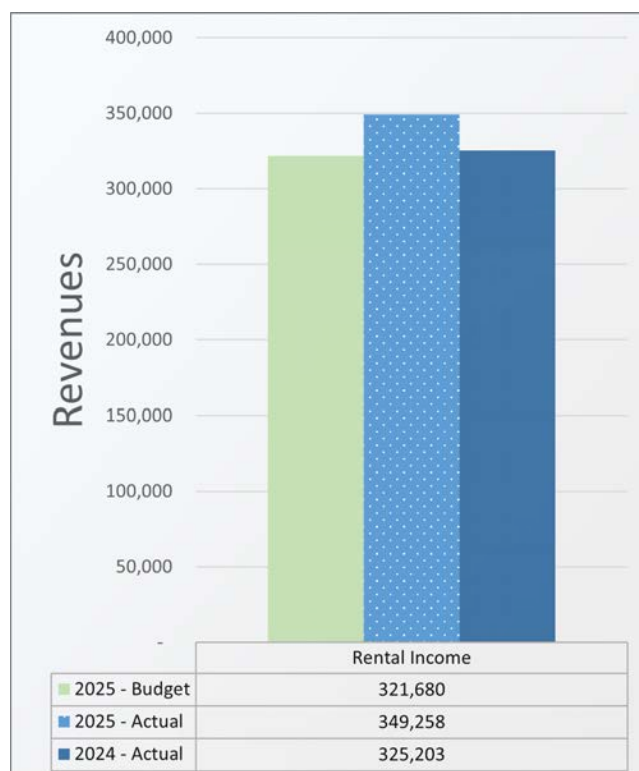
Note that the cost recoveries on a wind farm construction project for road maintenance and dust abatement was completed during 2025; therefore, these cost recoveries were reduced from what was provided during the prior year. There was also an increase in safety code revenues and related costs compared to budget 2025.

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.

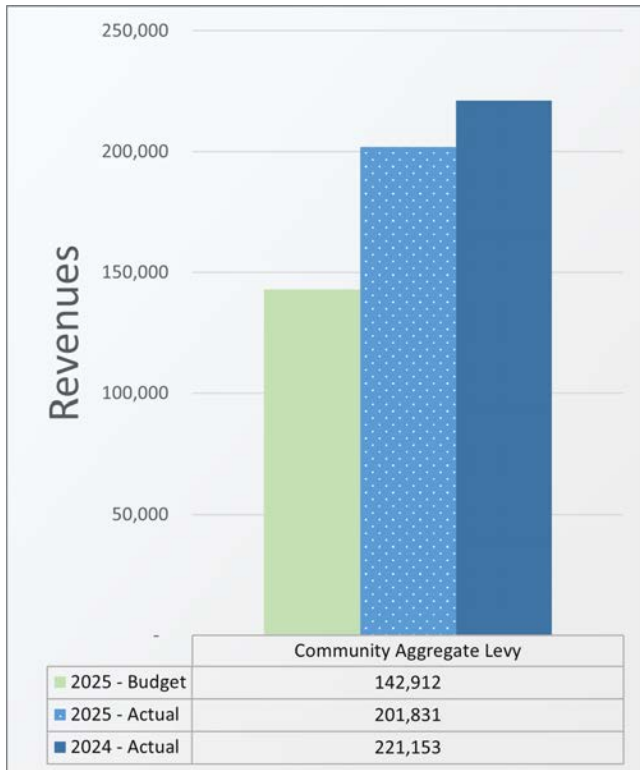
Overall, the rental income is comparable to the operating budget, with additional increases in the fire training tower rentals and agricultural equipment rental and leases. Most of the revenues are tied to building rental agreements, so majority is already determined during budget process.

There was an increase from the prior year which correlates to the increases from the operating budgets as a result of increased fire training tower rentals and 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.

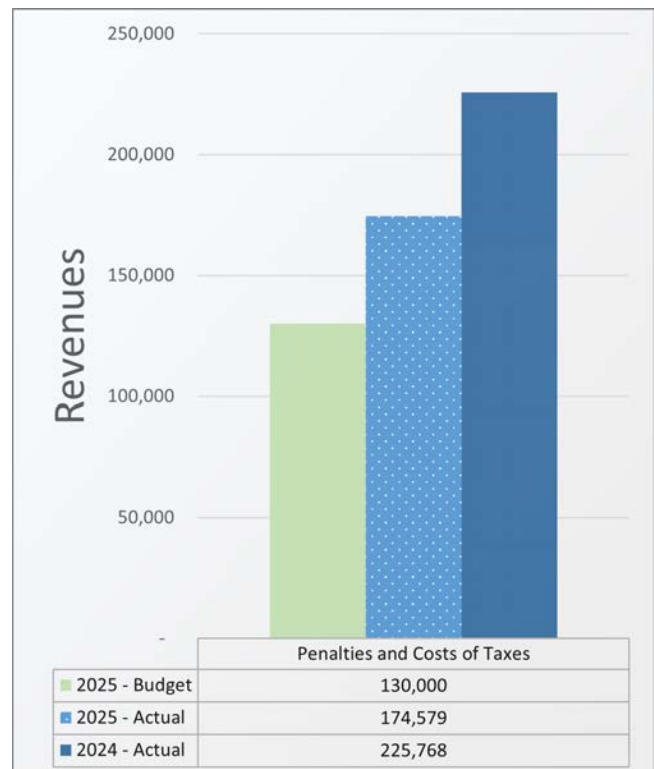
The reduction from the prior year specifically relates to a reduction in the total amount of aggregate (i.e., gravel, sand, etc.) transported during the year.

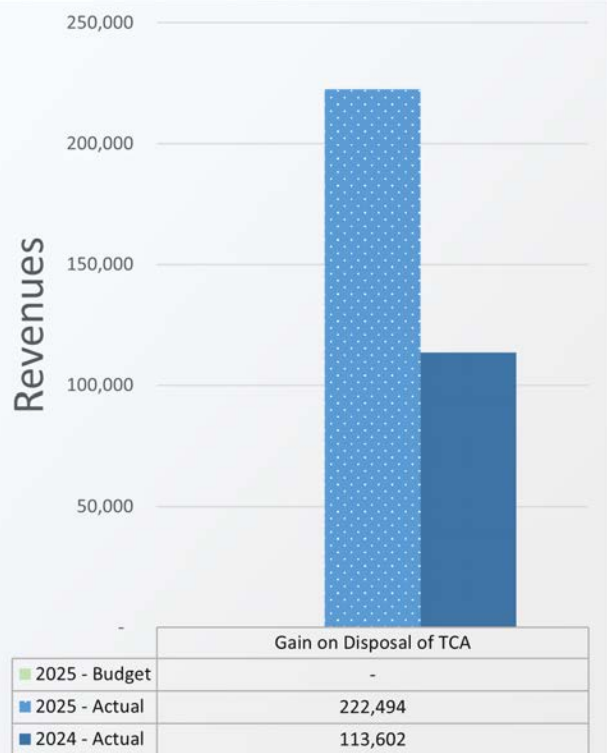
Penalties and Cost of Taxes

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.

Overall the Tax Collection rate slightly decreased from 97.51% to 96.46% (see the [Financial Indicators & Performance Measures](#) section for additional details). The County continually works to improve overall tax collections with its ratepayers to avoid these types of penalties (when possible) in the future by supporting with tax payment plan agreements, tax installment payment plans (TIPPs), and other methods available.





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 2025, 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). In 2025, this included the disposal of two fire trucks that were stolen/damaged and were replaced through insurance proceeds.

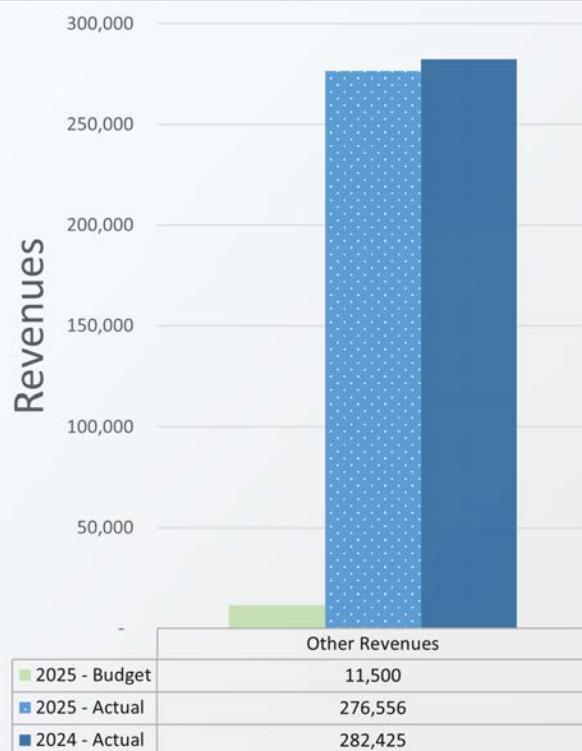
There were some gains on disposals in 2024 as majority of the assets disposed were similar or had proceeds less than the net book value of the assets (specifically with road/bridge construction as there are no proceeds on disposals - therefore classified as losses on these disposals).

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 & 2025, the County had land sales on lots within the industrial park properties (classified as "lands held for resale" inventory). 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 sale of lots that were held by the County; whereas, total land sales were increased from the prior year amounts received.

The prior year also had some 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) and a revenue relating to the ARO remeasurement (based on changes in the related measurement factors).



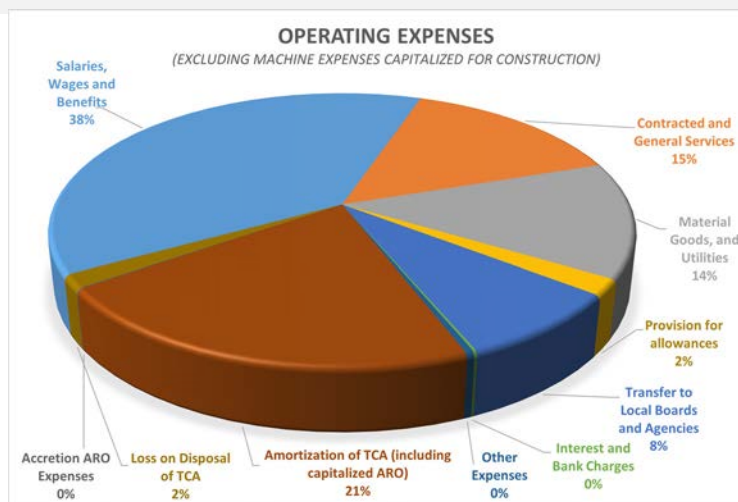


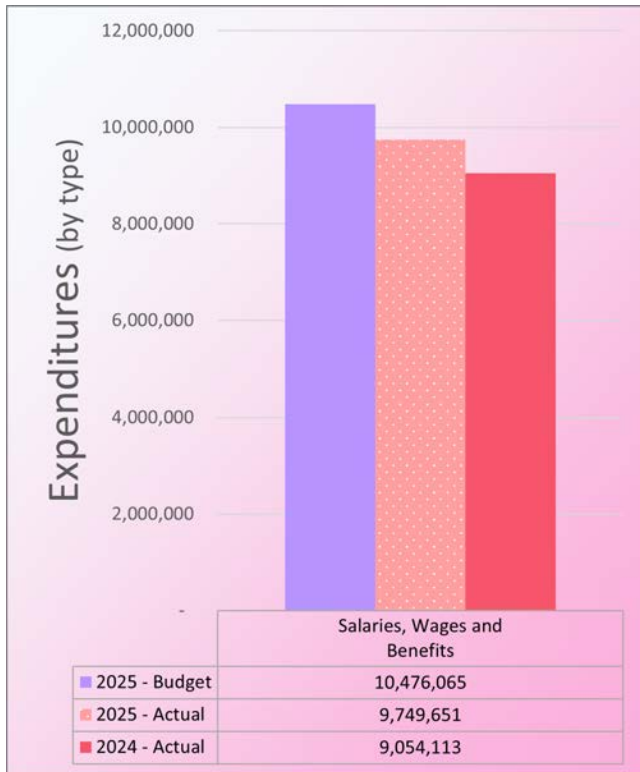
Operating Expenses (by type)

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:

	2025 - Budget	2025	2024
OPERATING EXPENSES (by type)			
Salaries, Wages and Benefits	10,476,065	9,749,651	9,054,113
Contracted and General Services	4,100,806	3,736,547	3,552,002
Material Goods, and Utilities	4,148,875	3,495,682	3,626,627
Provision for allowances	282,997	474,030	609,664
Transfer to Local Boards and Agencies	2,550,291	2,086,404	2,046,646
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Accretion ARO expenses	20,834	24,656	20,760
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Other Expenses	27,492	96,542	70,942
	23,921,232	23,067,443	22,318,054

OPERATING EXPENSES (by department)			
Legislative	601,599	559,357	538,114
Administration	2,682,840	2,532,728	2,526,009
Protection services	3,518,537	3,341,878	3,095,384
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Parks and recreation	788,566	798,860	741,448
Tourism and economic development	71,788	45,757	28,952
Utility Services	1,876,815	1,366,203	1,201,098
Other	302,997	495,598	610,075
	23,921,232	23,067,443	22,318,054





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 and reduced seasonal hours with rain days in Transportation Services. There were cost reductions 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 2.858% on the related salary grids. Budget 2025 included increases in the full-time equivalent (FTE), including a net increase of 4.96 FTE from the prior budget (Budget 2024), including an extended road construction season.

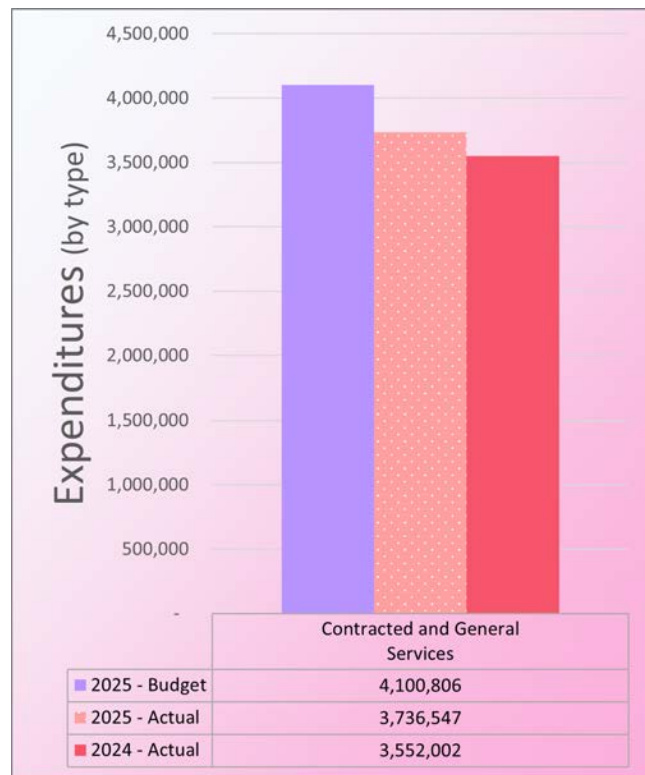
	2025		Variance from Budget	2024	
	Budget	Actual		Actual	Variance from Prior Year
SALARIES, WAGES AND BENEFITS (sub-categories):					
Salaries - Permanent Staff	6,286,270	5,997,020	289,250	5,810,599	186,421
Overtime - Permanent Staff	269,336	306,049	(36,713)	248,082	57,967
Salaries - Seasonal Staff	887,224	797,703	89,521	617,035	180,668
Overtime - Seasonal Staff	165,001	133,567	31,434	70,545	63,022
Health and Pension Benefits / WCB	2,353,238	2,035,075	318,163	1,866,214	168,861
Per Diems / Honorariums	514,996	480,237	34,759	441,638	38,599
	10,476,065	9,749,651	726,414	9,054,113	695,538

Full-Time Equivalent (FTE) Review:

- Increase of 4.96 FTE from prior year budget, including additional scrapper and packer operator (with the purchase of an additional scrapper in 2024), additional construction water truck driver, and additional staff hours for the extended road construction season to “catch up” on road projects. There was also an increases in a temporary administrative support in protective services to support a software implementation.
- There was also increases from prior year actuals as certain positions that were budgeted in 2024 but vacant in the prior year were able to be filled/staffed.



Operating Expenses (by type) - Continued



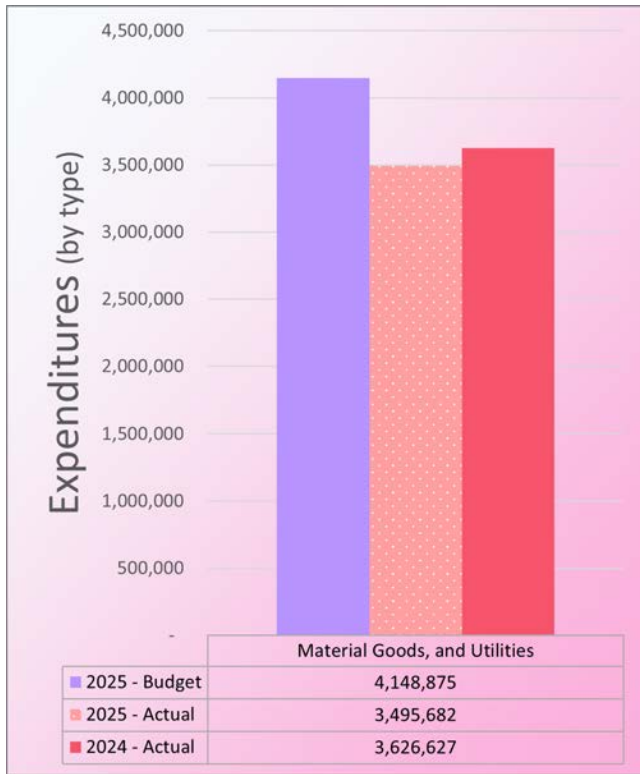
Contracted & General Services

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 contracted and general services were less than budget as there was savings in Education/Training and Travel/Registrations, legal fees, and contracted services. Road repairs were also less than budget as some projects were not completed or less than estimated during the year. These reductions are partially offset by increases in vehicle repairs (outsourced repairs and inspections with staff vacancies), crop damages/deductibles (increased crop damage rates), and safety codes services (increases revenues to offset).

The contracted and general services were increased from the prior year with the increase in equipment/vehicle repairs (including rebuilds to scrapper neck and differentials), the costs for the completion of the Regional Transportation Master Plan (contracted services), and other increases service costs. These increases are partially offset by reduction in road repair costs (as part of the wind farm construction project).

	2025		2024	
	Budget	Actual	Actual	Variance from Prior Year
		Variance from Budget		
CONTRACTED AND GENERAL SERVICES (sub-categories):				
Education and training	214,723	117,587	115,663	1,924
Travel and subsistence	158,590	89,940	99,254	(9,314)
Registrations and memberships	133,502	107,789	96,611	11,178
Telecommunications	96,661	91,212	77,432	13,780
Legal fees	110,910	67,842	118,408	(50,566)
Doctor retention program	141,460	126,158	126,158	0
Contracted Services	429,466	328,381	198,518	129,863
Consulting and engineering	637,377	633,475	720,944	(87,469)
Building repairs and maintenance	182,067	152,020	171,100	(19,080)
Equipment repairs and maintenance	486,642	436,220	436,279	(59)
Vehicle repairs and maintenance	354,789	454,984	263,750	191,234
Road repairs and maintenance	275,868	195,753	396,753	(201,000)
Damages and deductible costs	198,950	328,032	133,989	194,043
Insurance	253,418	258,818	248,450	10,368
Other services	426,383	348,336	348,693	(357)
	4,100,806	3,736,547	3,552,002	184,545



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.

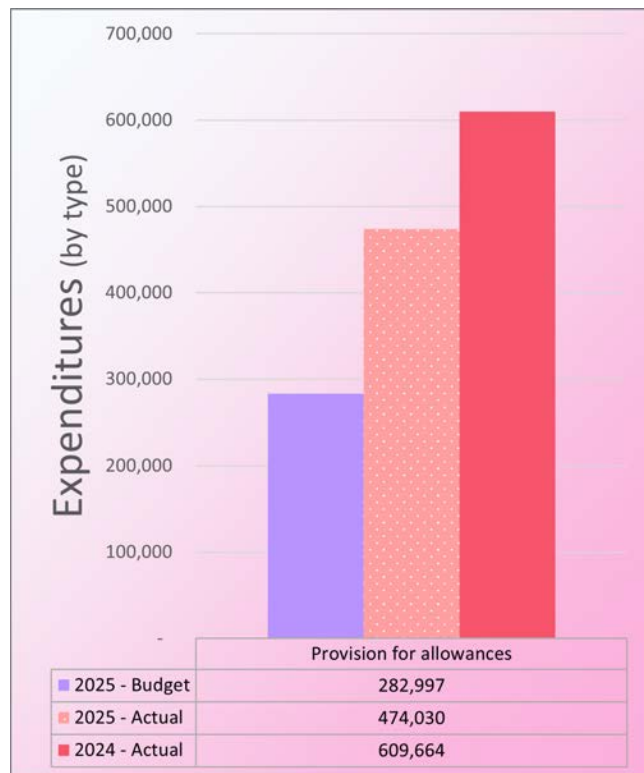
The materials, goods & utilities were less than budget as there was savings in diesel/fuel costs as the actual unit prices were less than projections (budgeted on a conservative basis) and parts/supplies, blades, tires & culvert costs were less than budget as some of these costs were contracted out through vehicle repairs and others were less than projections. Gravel costs are less than budget as the current year usage was less than the historic averages used for budgeting purposes.

The overall costs were reduced from the prior year as there were reductions in use of gravel, diesel/fuel, and other goods and materials. The quantity of gravel required for projects can vary from year-to-year depending on the amount required for the road gravelling program and required for the specific road/bridge projects (the total quantity used decreased from the prior year).

	2025			2024	
	Budget	Actual	Variance from Budget	Actual	Variance from Prior Year
MATERIAL, GOODS AND UTILITIES (sub-categories):					
Parts and supplies	173,171	184,148	(10,977)	132,121	52,027
IT hardware and software	438,423	340,048	98,375	351,769	(11,721)
Diesel, fuel, and propane	1,500,371	1,263,656	236,715	1,327,973	(64,317)
Tires	236,097	151,112	84,985	97,623	53,489
Oil and lubricants	101,950	66,748	35,202	114,756	(48,008)
Gravel, pit run, and rip rap	539,577	437,338	102,239	557,788	(120,450)
Herbicides	105,500	101,579	3,921	93,328	8,251
Utilities	271,132	253,781	17,351	237,797	15,984
Culverts	167,800	122,641	45,159	129,410	(6,769)
Blades	161,114	120,032	41,082	125,326	(5,294)
Other goods and materials	453,740	454,599	(859)	458,736	(4,137)
	4,148,875	3,495,682	653,193	3,626,627	(130,945)



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 2025 property tax levies (which had some residual taxable assessment into 2025 fiscal year as many were also insolvent in prior years - partial write-offs budgeted in 2025). Many of these related to the same insolvent companies that were written off in 2022-2024.

There was a total of \$474,030 write-off on uncollectable taxes (mostly from insolvent oil & gas companies), which was written off by Council during 2025 (exceeding budget of \$282,997). 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, which reduced the required write-offs into 2025 (a reduction from the 2024 amounts written off).

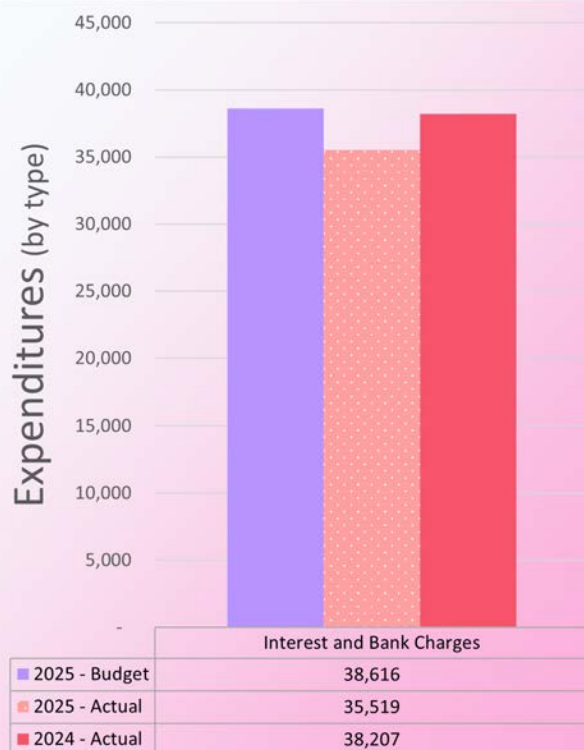
Transfers to Local Boards & Agencies

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 less than budget were mostly due to the McGregor Regional Water Systems project as some of these costs will be incurred in the 2026/2027 fiscal year based on the timing of the project (which is being managed by the Village of Milo - budget based on original cashflow projections). The budget included \$503,342; whereas, only \$38,715 was incurred in 2025.

The overall transfers to local boards and agencies was comparable to the prior year included addition recreational funding for Vulcan & District (including \$70,470 for the arena roof project); whereas, this is offset by the reduction in the contribution to the Milo Fire Department as it regionalized in late 2024 (changes from contribution to specific operational expenses such as per diems, services & supplies).





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).

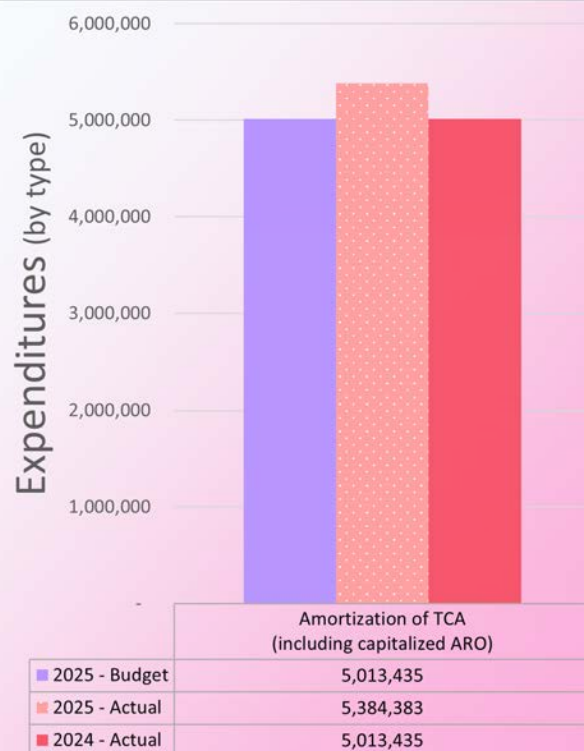
Overall, interest and bank charges were less than budget and the prior year.

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).

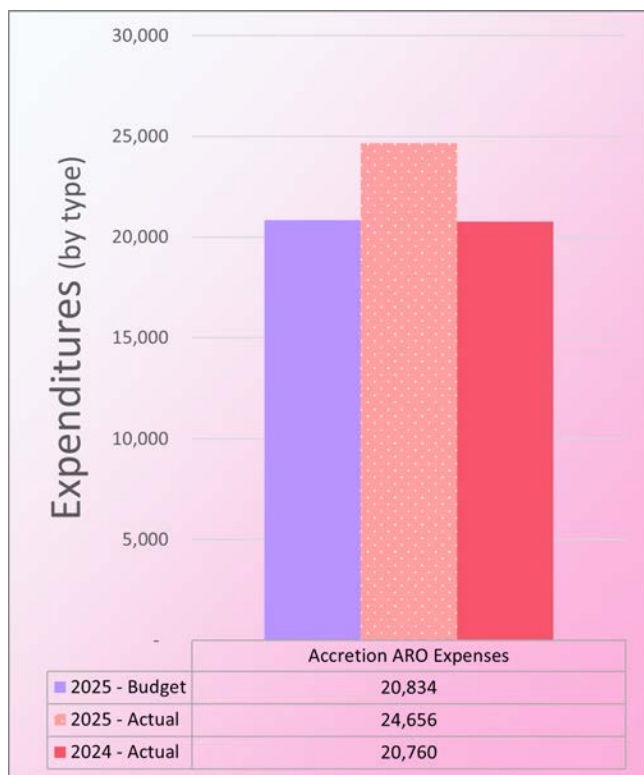
Amortization is currently budgeted based on the historical actuals as this provides a base for the estimated reduction in the net book value of the County’s tangible capital assets.

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 in late 2024 (full year of amortization in 2025) and other additional equipment and vehicles.





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 2025 included the initial projections (based on the 2024 ARO calculations factors). The 2025 actual accretion expenses were slightly higher than budget as a result of some remeasurement of the ARO liabilities as there was an increase in the projected ARO reclamation and liability costs.

Machine Expenses Capitalized

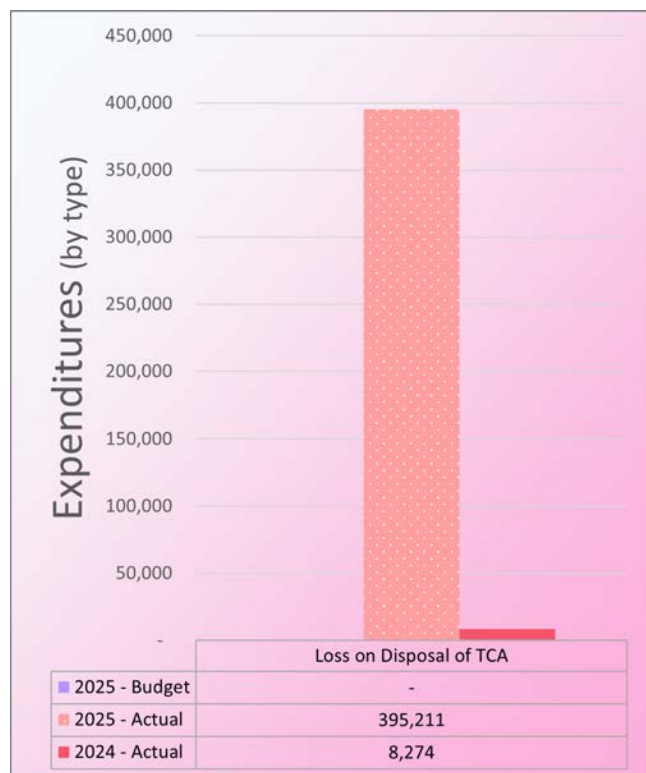
The machine expenses capitalized for construction relates to the capitalization of operating expenses used for the internal construction of roads and bridges. These operating costs are included in the other operating expenses, such as wages/benefits, engineering costs, gravel, culverts, crop damages 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 11 miles of road construction (compared to the budgeted 12 miles for 2025 - typically this is usually 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 2024 included the completion of 8.25 miles of road construction; whereas, the current year increased the road construction season to complete additional 2.75 miles of road compared to the prior year.



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.

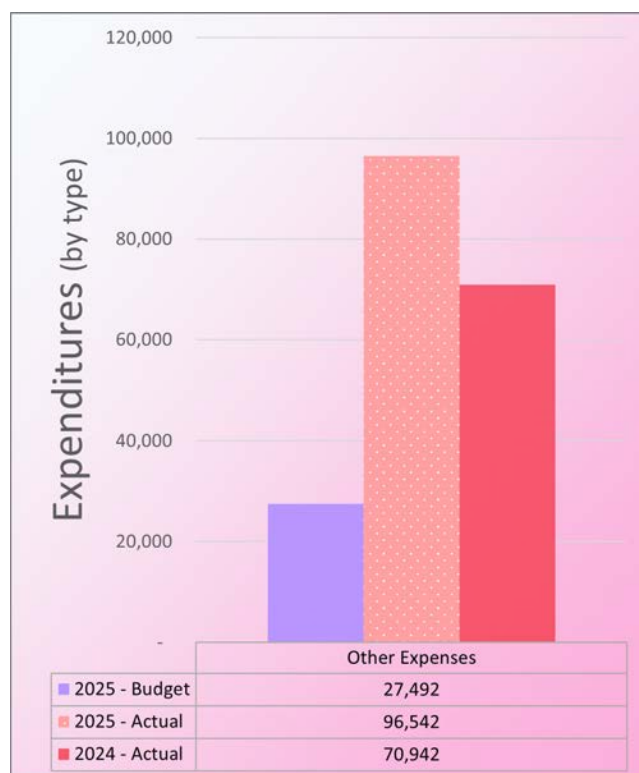
Loss on disposal of assets relating to road/bridge construction can vary significantly from year-to-year, depending on the timing of closing and the replacement of these roads and bridges. The prior year had minimal losses on disposal of specific roads as these were replaced subsequent to the end of 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 \$8,660 for the current year (\$28,200 for 2024 fiscal year) with the changes in the factors.

Other expenses also include a \$54,000 expense for the remeasurement of the Asset Retirement Obligation (ARO) liability as there was an increase in the projected ARO reclamation and liability costs.





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):

	2025 - Budget	2025	2024
GENERAL GOVERNMENT			
Legislative	601,599	559,357	538,114
Administration	2,682,840	2,532,728	2,526,009
Other	302,997	495,598	610,075
	3,587,436	3,587,683	3,674,198
PROTECTIVE SERVICES			
	3,518,537	3,341,878	3,095,384
TRANSPORTATION SERVICES			
	12,043,712	12,065,825	11,657,736
AGRICULTURAL SERVICES			
	986,951	809,765	761,000
PLANNING AND DEVELOPMENT SERVICES			
	830,796	851,184	954,793
COMMUNITY SERVICES			
Family and community support	216,631	200,288	203,445
Parks and recreation	788,566	798,860	741,448
Tourism and economic development	71,788	45,757	28,952
	1,076,985	1,044,905	973,845
UTILITY SERVICES			
	1,876,815	1,366,203	1,201,098
TOTAL OPERATING EXPENSES	23,921,232	23,067,443	22,318,054

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 2025 Financial Statements for a detailed description of each segment and its activities.

VULCAN COUNTY

SCHEDULE OF SEGMENTED DISCLOSURE YEAR ENDED DECEMBER 31, 2025

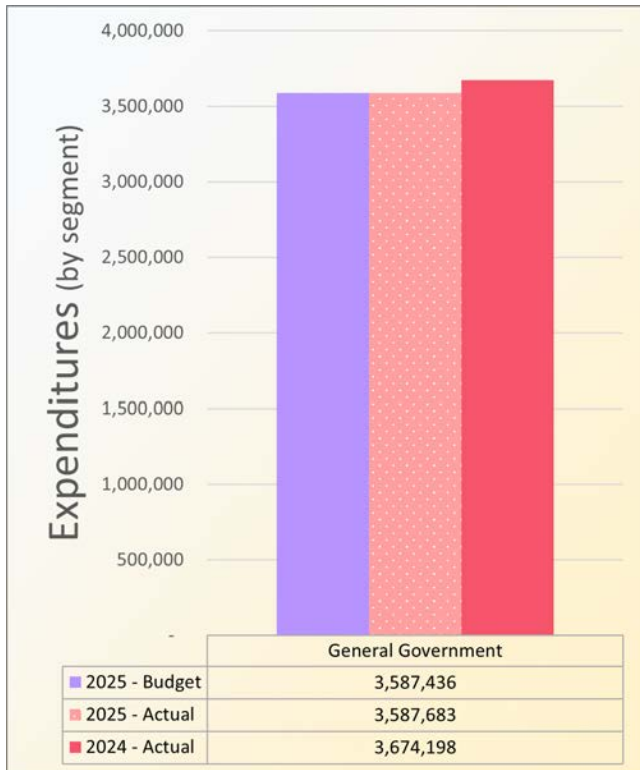
	SCHEDULE 6				
	18,597,368	1,724,239	936,593	439,566	243,151
				734,810	1,003,011
					23,678,738
EXPENSES					
Salaries, wages and benefits	1,816,645	1,311,014	5,660,459	396,570	521,055
Contracted and general services	639,614	695,579	1,645,916	66,865	329,396
Material, goods and utilities	329,343	395,620	2,535,990	193,671	733
Provision for allowances	474,030	-	-	-	-
Transfers to local boards and agencies	77,359	110,000	9,120	14,014	-
Interest and bank charges	12,922	2	-	-	-
Amortization of tangible capital assets	130,102	829,552	4,216,772	137,709	-
Amortization of ARO tangible capital assets	394	26	560	99	69,163
Accretion ARO expenses	19,391	85	4,320	837	6
Machine expenses capitalized for construction	-	-	(2,411,182)	-	23
Loss on disposal of tangible capital assets	-	-	395,211	-	-
Other expenses	87,883	-	8,659	-	-
	3,587,683	3,341,878	12,065,825	809,765	851,184
				1,044,905	1,366,203
					23,067,443

Note: the following is an extract of the "Schedule of Segment Disclosure" (Schedule 6 of the Financial Statements; whereas, this provides a reconciliation between the operating segments and the types of expenses (as previously listed)).





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 2025, there was approximately \$474,030 of tax receivables write-offs on insolvent oil & gas companies for their 2025 property tax levies (which had some residual taxable assessment from the prior year which had a total write-offs of approximately \$609,664). These are significant increase from budget of \$282,997. 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 and materials, including consulting, technology, legal, education and training costs. Other Expenses were greater than the budget with the approximately \$54,000 remeasurement of the Asset Retirement Obligation (ARO)

The majority of the decrease from the prior year relates to that the prior year had higher legal costs with insolvent oil & gas companies (in addition to the higher write-off of 2024 tax levies and tax arrears).

Protective Services

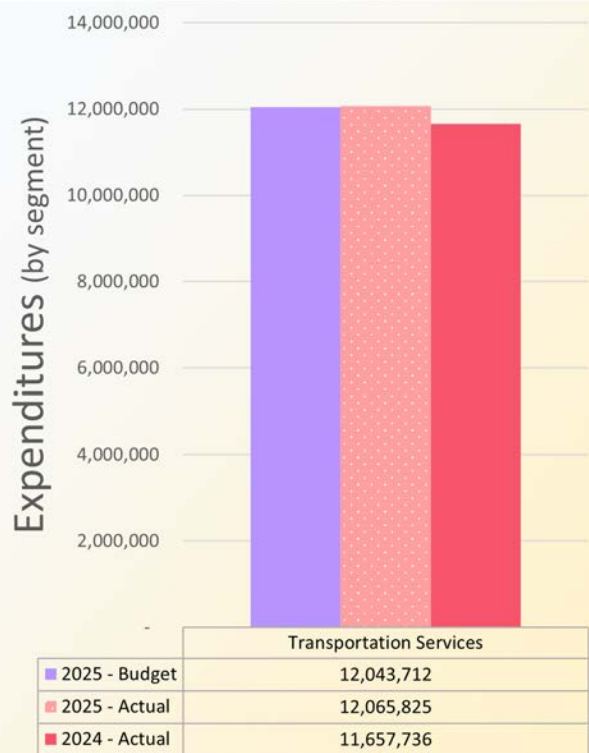
The Protective Services is comprised of emergency management, health and safety, bylaw enforcement and fire services.

There were cost reductions 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, education/training, 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 in late 2024 - full year in 2025).

The increase from the prior year mostly relates to additional staffing costs for the temporary administrative staff position, uniform replacements, and the additional vehicle repairs on the Northwest and Milo fire trucks.





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 2025 actuals were overall comparable to the budget. There were increases in expenses in the loss on disposal of TCA (not budgeted), increases in the costs of equipment/vehicle repairs, damage/deductibles and amortization expense. There was also a reduction in the “machine expenses capitalized for construction” with the reduction in road construction (which increases the net expenses). These increases were partially offset by some specific staff vacancies, contracted services, road repairs, diesel/fuel costs, and other operational costs.

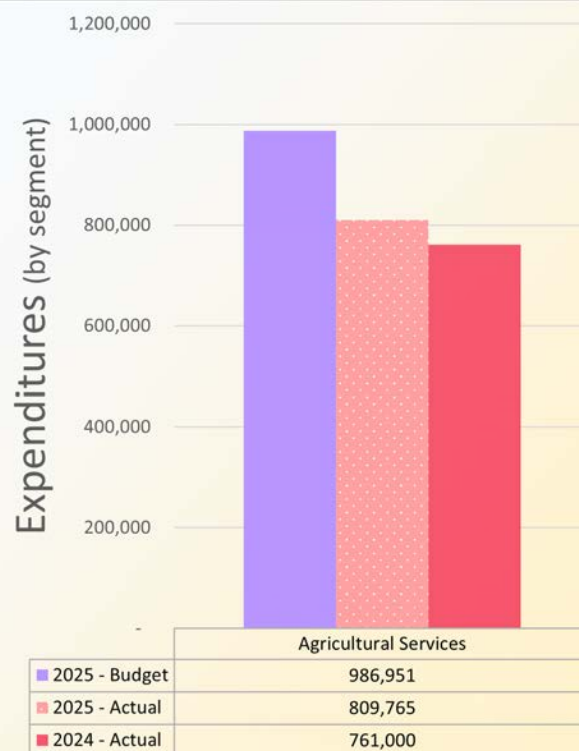
There were increases from the prior year with wages/benefits with increases in staffing grids and staff increases for new additional scraper and packer operator (with the purchase of an additional scraper in 2024), additional construction water truck driver, and additional staff hours for the extended road construction season to “catch up” on road projects. 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, contracted services, material/goods/utilities, and the transfers to board/agencies. The savings on wages/benefits relate savings on seasonal staffing than budgeted. There was reductions in contracted services with reduced vehicle/equipment repairs required during the year. The savings on material/goods/utilities relates to savings on diesel/fuel 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 to wages/benefits with increases in staffing grids, contracted/general services (including equipment/vehicle repairs), purchase of herbicides, 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.

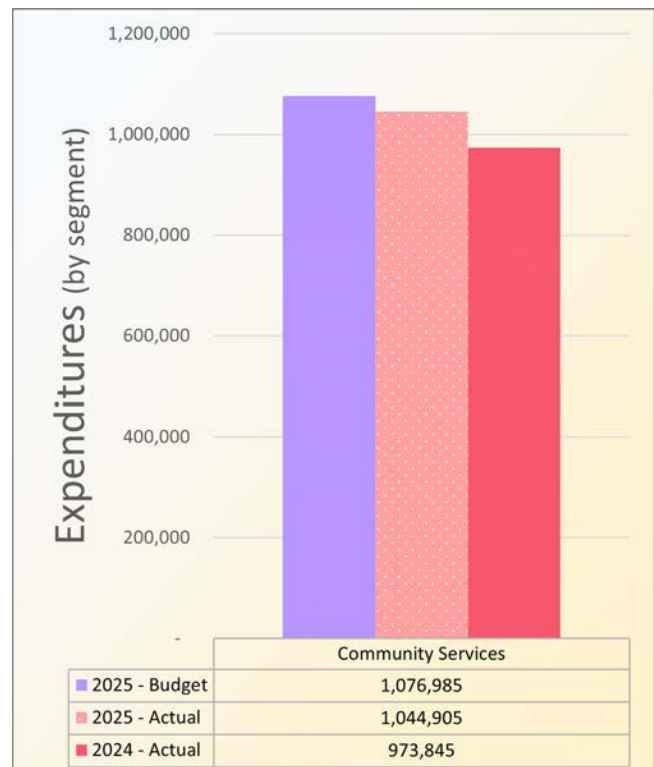
There were decreases from the prior year as the prior year included significant increases in the safety codes program (increases in revenues and contracted services costs) and that 2024 ORTHO mapping project was completed in the prior year.

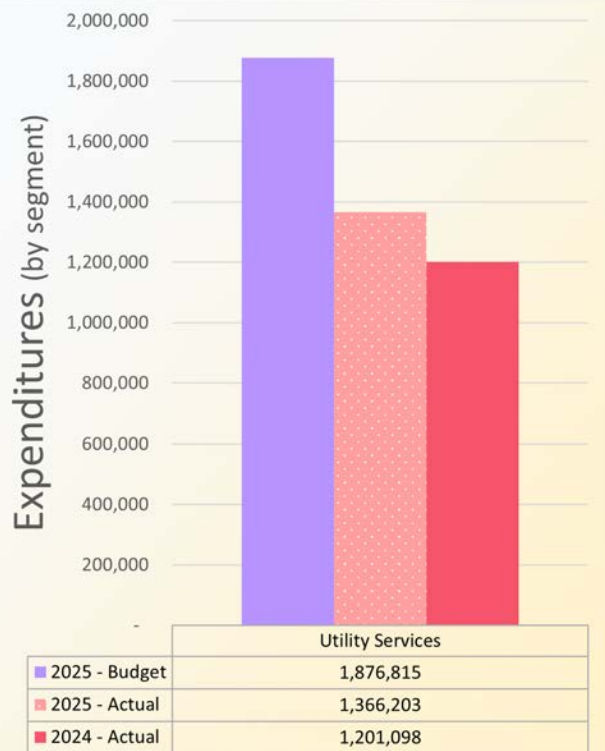
Community Services

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 Physician Recruitment & Retention program as the actual costs were less than originally budgeted.

The increase from the prior year relates to the transfers to boards/agencies for transfers to recreation & culture activities throughout the County. There was additional consulting costs relating to tourism and economic development (which were not done in 2024). There was also overall increases in the Physician Recruitment & Retention program from the prior year.





Utility Services

The Utility Services includes membership of the Twin Valley Regional Water Commission, the Vulcan District Waste Commission, and the operations for the Mossleigh Water Treatment Plant and Distribution System. The new McGregor Water System has started construction in late 2024 (managed by the Village of Milo) and is expected to be completed in 2027.

For the 2025 fiscal year, the actual expenses are significantly less than the budget as there was savings on contracted services and that some of the costs of the McGregor Regional Water Systems project will be incurred in the 2026/2027 fiscal year based on the timing of the project (which is being managed by the Village of Milo - budget based on original cashflow projections). The budget included \$503,342; whereas, only \$38,715 was incurred in 2025.

The increase from the prior year mostly relates to the contribution to the increases in the 2025 Waste Commission and McGregor Regional Water Systems project contributions and the installation of the Uly Dam Pipe Liner.



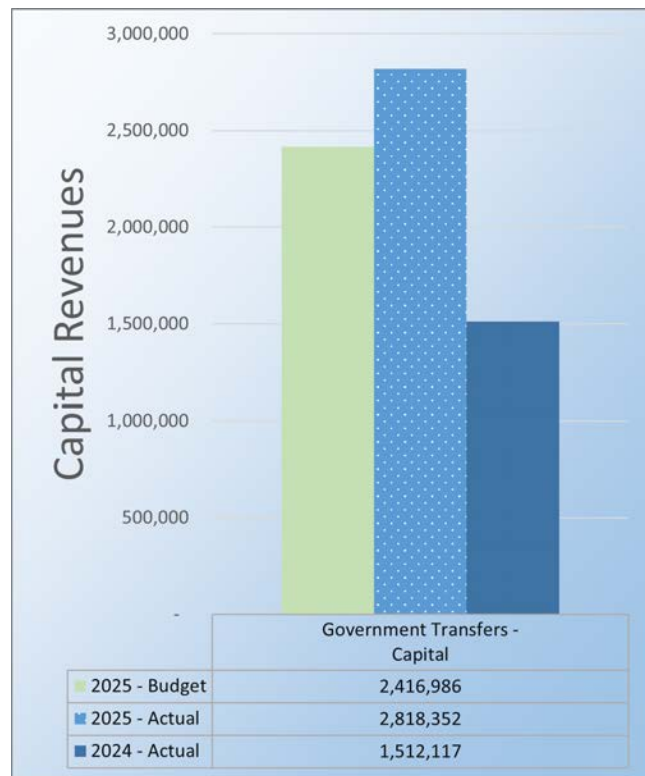


Capital Revenues & Expenses

The “Other” section on the Statement of Operations includes 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:

	2025 - Budget	2025	2024
CAPITAL REVENUE			
Contributed tangible capital assets	-	-	684,977
Government transfers for capital	2,416,986	2,818,352	1,512,117
	2,416,986	2,818,352	2,197,094



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 more than budget as the County received \$414,600 of Disaster Recovery Program (DRP) grant funding relating to the prior submissions for the 2018 Overland Flooding (which was not determinable until the Province finalized the grant program and eligible funding submissions).

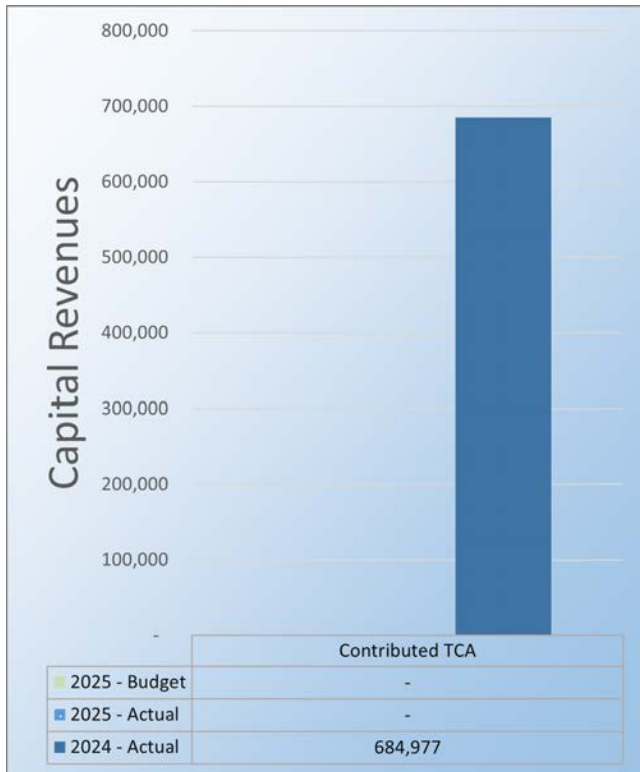
The remaining funds in deferred revenues for Municipal Sustainability Initiative (MSI) Capital (replaced by Local Government Fiscal Framework (LGFF) program) was able to be fully utilized during the year for the Self-Contained Breathing Apparatus (SCBA) replacements. The LGFF grant funding was fully utilized during 2025 on graders and the AG Tractor replacement.

The capital government transfers increased significantly from utilization of the MSI Capital Grant funding and receiving the \$414,600 of Disaster Recovery Program (DRP) grant funding as neither of these were available to be recognized in the prior year.

	2025 Budget	2025 Actual
Carry-forward balance (MSI Capital)	761,223	761,223
2025 Grant Allocation (LGFF allocation)	1,635,763	1,635,763
Interest Allocation	-	6,756
Available LGFF & MSI Funds	2,396,986	2,403,742

	Budgeted cost	Grant Funded	2025 Actual
Self Contained Breathing Apparatus (MSI)	787,775	761,223	767,979
Grader Purchases (LGFF)	1,432,000	1,432,000	1,432,000
Mack Semi Truck (LGFF)	257,198	203,763	203,763
	2,476,973	2,396,986	2,403,742

Unallocated LGFF & MSI Funds	-	-
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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. These are not budgeted revenues.

During 2024, 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 acquired 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 current year.





Reconciliation of 2025 Capital Funding and Expenses:

Government Transfers for Capital:		Capital Acquisitions:	
Local Government Fiscal Framework (LGFF)	1,635,763	Buildings	0
Municipal Sustainability Initiative (MSI)	767,979	Engineered Structures	3,626,718
Other Grants and Contributions	414,610	Equipment	2,926,253
	<u>2,818,352</u>	Land & Land Improvements	8,220
		Vehicles	<u>827,895</u>
Proceeds on Disposals	326,479		7,389,086
Allocation from Reserves	2,202,683	Allocation to Reserves	414,610
Allocation from Operations	2,456,182	Allocation to Operations	0
Total Capital Funding	<u>7,803,696</u>	Total Capital Expenses	<u>7,803,696</u>

The above is a reconciliation of the applicable capital revenues and expenses. Total Capital Funding of \$7.80 million includes the \$2.82 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 \$7.80 million, including \$7.39 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 \$3,626,718 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 and Lift Station. There were also line upgrades to the Mossleigh Water Distribution System.

Equipment:

Includes \$2,926,253 of capital acquisitions, including the purchase of graders, the Self-Contained Breathing Apparatus (SCBA) replacements, AG Tractor, trailers, motor replacement in a scrapper, security system added at fire halls, and other related equipment.

Land & Land Improvements:

Includes \$8,220 of capital acquisitions, including the start of the McGregor Marina project, which is to have most of its construction to be completed in 2026.

Vehicles:

Includes \$827,895 of capital acquisitions, including the replacement of fire trucks for the Champion Fire Department (replaced with insurance proceeds and use of reserves), heavy-duty hauling truck, and other truck replacements throughout the County.



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.



As at December 31, 2025, the County held principal protected notes with a cost base of \$8,327,000 and a fair value of \$8,509,847. 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 \$182,847 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. The principal protected notes held at the end of 2024 were sold during the year at a gain on disposal, in which the prior unrealized gains of \$159,800 were able to be recognized with the sale of these investments.

Statement of Changes in Net Financial Assets

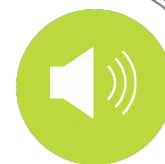
The Statement of Changes in Net Financial Assets reconciles the difference between opening and closing net financial assets as compared to the County’s net income for the year. It does this by showing how much money was spent on or recovered from non-financial assets, such as capital assets or inventory.

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 (2025)

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 (2024)

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

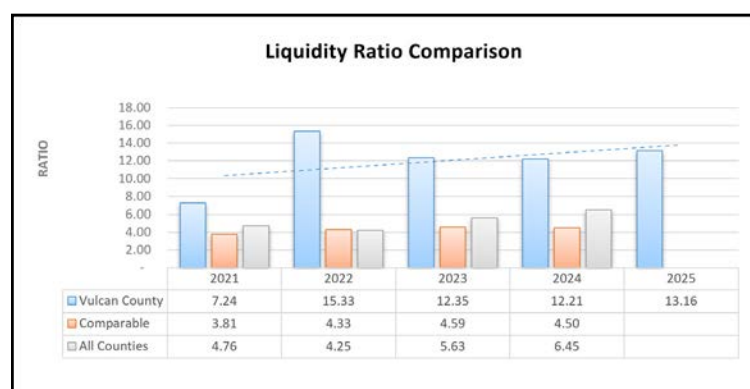


Financial Indicators & Performance Measures

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 2025 is not available at the time this report is created as the Provincial Government typically provides this data in June/July, 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 (2025 ratio of 13.16) 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. 91.0%); therefore, further increasing the liquidity of the County. The ratio remained relatively consistent to the prior year (with a slight increase from 2024).

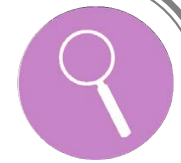
Total Percentage of Debt Limit



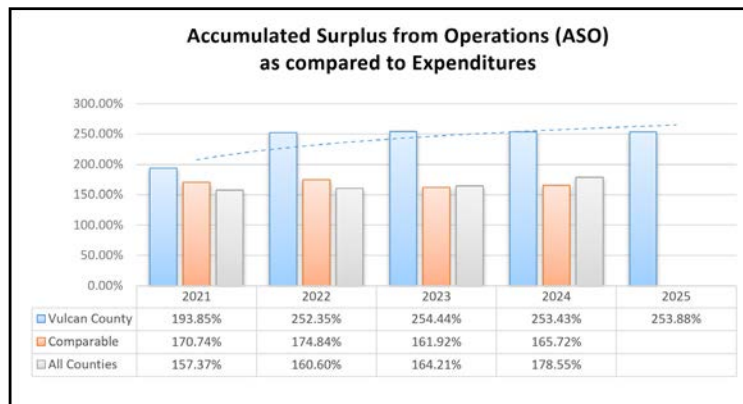
The Total % of Debt Limit Ratio is a measure to indicate the total amount of municipal borrowings, including long term capital leases, as a percentage of the total regulated debt limit available to the municipality. This is an indicator if the municipality has maintained reasonable levels of borrowing 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 (2025 ratio of 2.36%); 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

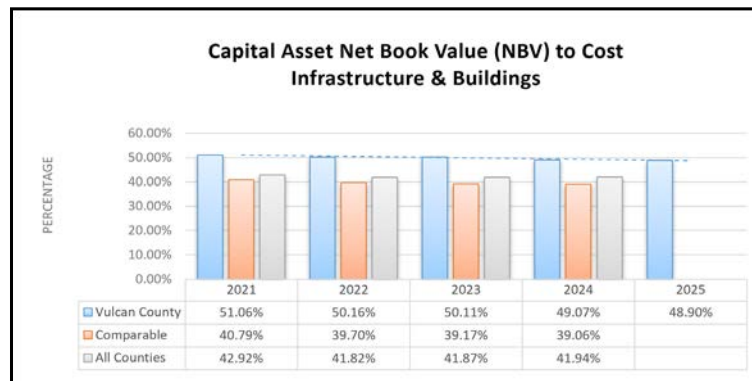


The Accumulated Operating Surplus (AOS) as a % of Expenses Ratio is a measure to indicate level Unrestricted Surplus and Reserves that are available to cover the annual costs of operations. The AOS represents the total Accumulated Surplus excluding the Equity in Tangible Capital Assets. This can be an 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 (2025 ratio of 253.88%).

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

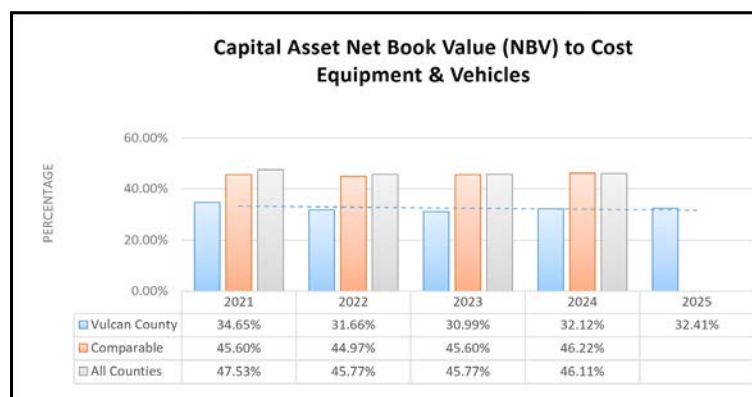
Capital Asset Net Book Value



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

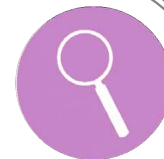
These ratios are calculated by the ratio of the net book value (NBV) of TCA as a percentage of the total original costs. The NBV is the original purchase cost less the accumulative amortization (depreciation).

The County has historically maintained a high Infrastructure and Buildings TCA ratio (2025 ratio of 48.90%) 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.

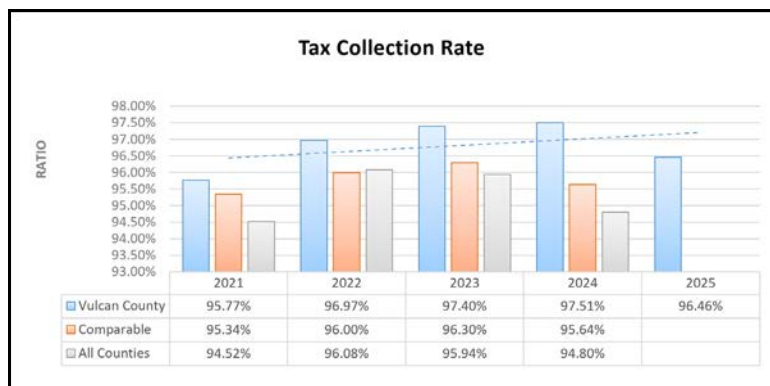


The County maintains a 20-year capital plan for the replacement of vehicles, and machinery & equipment (which can include multiple replacement cycles). The County has a lower ratio (2025 ratio of 32.41%) as the County often is able to effectively extend the useful life of the vehicles/equipment by appropriate 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).

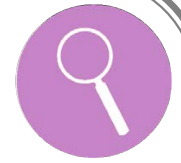
The County has historically been able to collect on tax receivables over the 90% expectation (2025 ratio of 96.46%); whereas, this ratio has been revised to exclude the 2023 & 2025 supplementary tax balances as they are not actually due to the following year (due in February of the following year) and these balances should not be included in the applicable ratio for the 2023 & 2025 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:

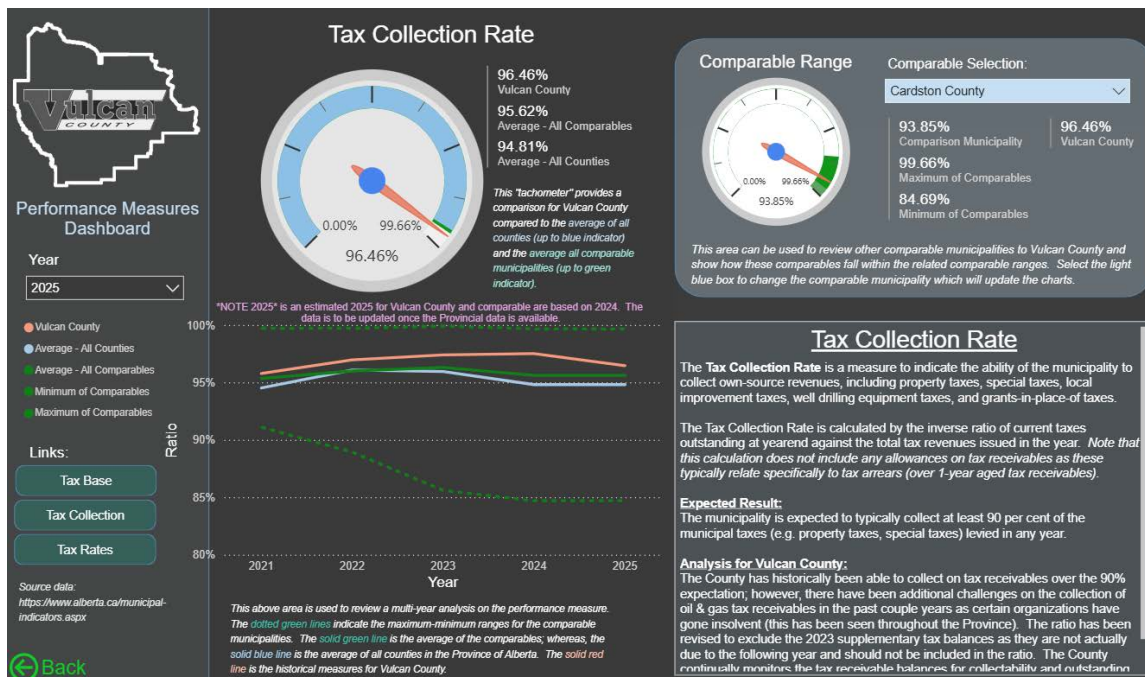
[Click the Dashboard for link](#)





The Performance Measures Dashboard is 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 is 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

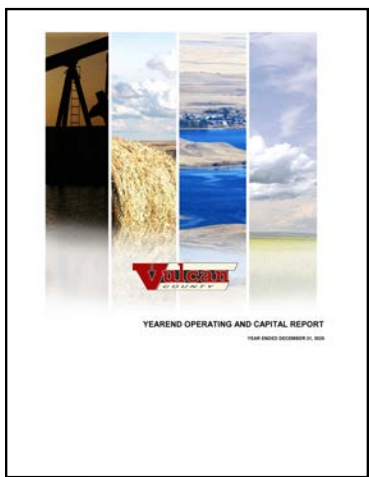
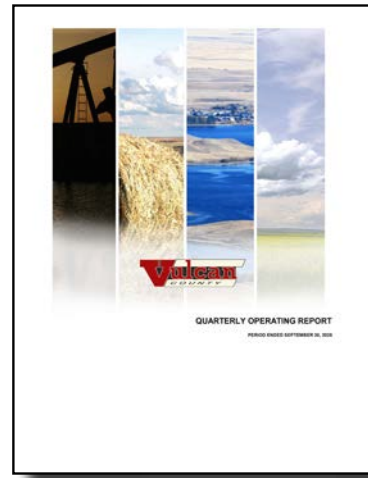
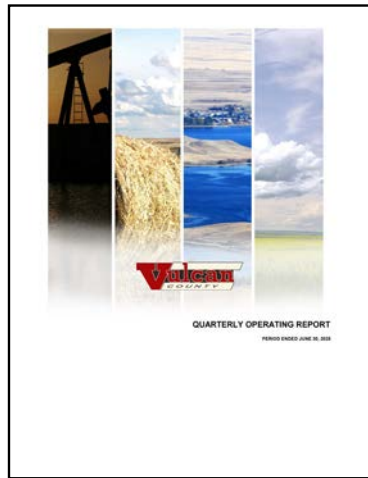
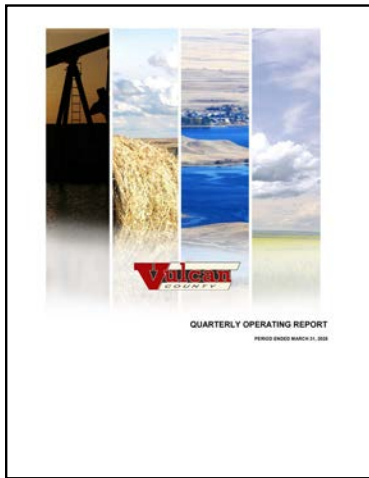


The County maintains additional financial reports and interactive financial reporting dashboards to provide useful information to understand the financial position and results of operations of the County which are included so that this reporting helps to provide additional data, accountability, and transparency.

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 2025 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:



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 will redisplay to indicate the amount and totals from each segment/department.



2025 Annual Financial Dashboard

The County also provides an interactive review of the 2025 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" is available 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 are 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 2024/2025). The project was fully commissioned in November 2025; therefore will be taxable in 2026 (either as part of linear assessment roll or as a supplementary assessment - depending on the outcome of the appeal process). For Budget 2026, this will equate to approximately \$625-700 million of taxable assessment; therefore, a supplementary tax bylaw has been applied for in Budget 2026 so the County ensures that the project is taxable for 2026.

This equates to an approximate 25% 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).

The construction of the McGregor Regional Water Systems project (regional water system being built in the north section of the County), will provide many additional opportunities to see potential growth as the enhanced water system allows for additional development and other growth opportunities.

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, world-wide conflicts, and the effects of the carbon tax increases also have significant impacts on fuel & diesel costs which are significant variable costs for the County.

There have also been inflationary and market increases capital costs for equipment and vehicles; whereas, some equipment such as graders and fire apparatuses 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.

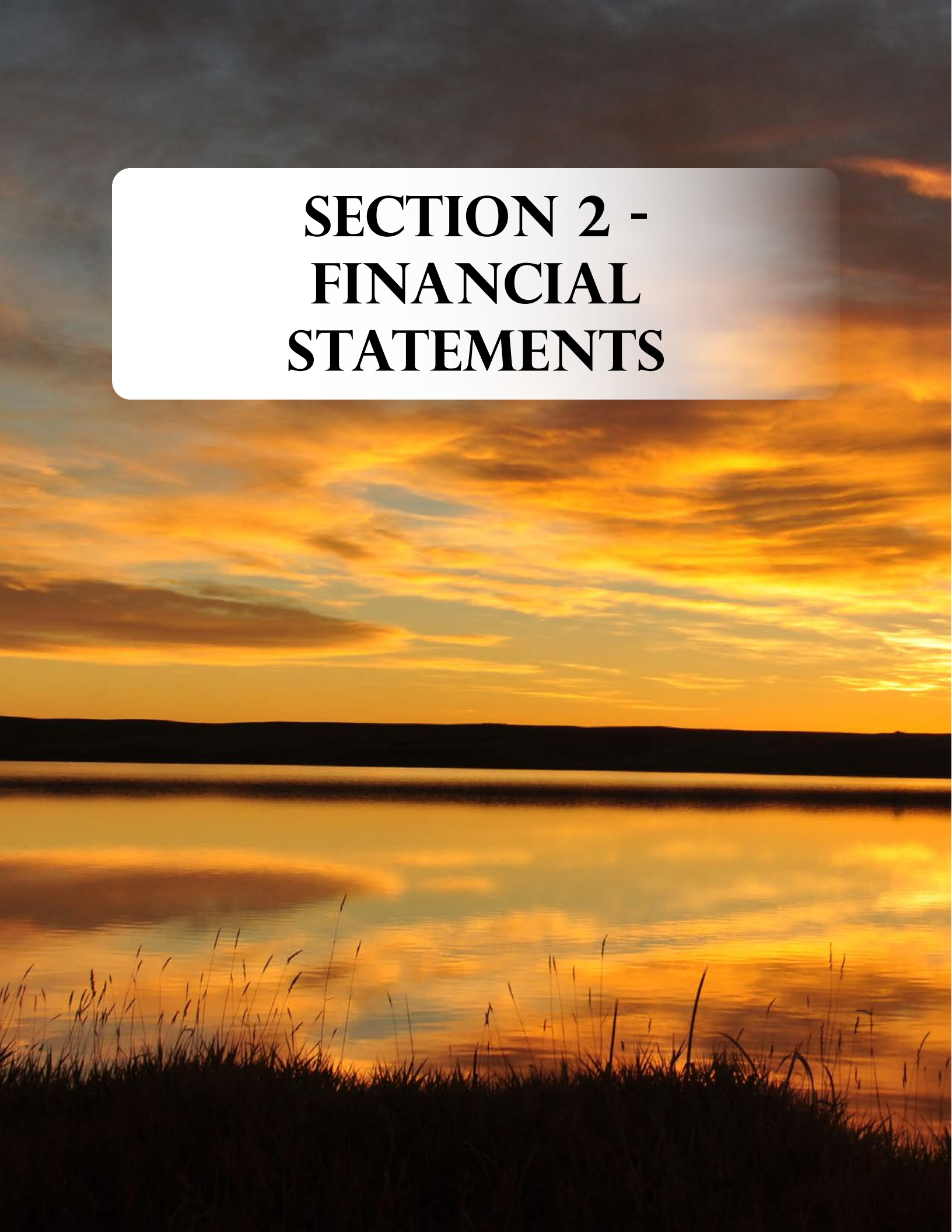
The County will continue to develop new strategies that aim to address the above goals and concerns in order to maintain the programs, services, and infrastructure provided by the County.

Respectfully submitted,



Mark DeBoer, CPA, CA, SFO
Director of Corporate Services
May 25, 2026



The background of the slide is a photograph of a sunset or sunrise. The sky is filled with clouds, illuminated from below by the sun, creating a warm orange and yellow glow. The sun is not directly visible but its light reflects on the water and clouds. The water is calm, acting as a mirror for the sky. In the foreground, there are dark silhouettes of reeds or tall grasses. A white rounded rectangle is positioned in the upper left quadrant, containing the section header text.

SECTION 2 - FINANCIAL STATEMENTS

Section 2 - FINANCIAL STATEMENTS

Management's Responsibility for Reporting.....	80
Independent Auditor's Report.....	81
Audited Financial Statements	84
Statement of Financial Position	84
Statement of Operations	85
Statement of Remeasurement Gains and Losses.....	86
Statement of Changes in Net Financial Assets	87
Statement of Cash Flows	88
Schedule 1 - Schedule of Change in Accumulated Operating Surplus	89
Schedule 2 - Schedule of Tangible Capital Assets	90
Schedule 3 - Schedule of Property and Other Taxes	91
Schedule 4 - Schedule of Government Transfers	92
Schedule 5 - Schedule of Expenses by Object	93
Schedule 6 - Schedule of Segmented Disclosure (2025)	94
Schedule 7 - Schedule of Segmented Disclosure (2024)	95
Notes to the Financial Statements	96
• 1. Significant Accounting Policies	96
• 2. Cash and Cash Equivalents	100
• 3. Tax and Grants in Lieu Receivables	100
• 4. Trade and Other Receivables	101
• 5. Portfolio Investments	101
• 6. Inventory Held For Resale	101
• 7. Long Term Investments	102
• 8. Loans and Notes Receivables	102
• 9. Accounts Payable and Accrued Liabilities	103
• 10. Deferred Revenue	103
• 11. Employee Benefit Obligations	104
• 12. Long Term Debt	104
• 13. Asset Retirement Obligations	105
• 14. Contaminated Sites Liability	105
• 15. Other Liabilities	105
• 16. Tangible Capital Assets	106
• 17. Inventories for Consumption	106
• 18. Equity in Tangible Capital Assets	106
• 19. Accumulated Surplus	106
• 20. Restricted Surplus	107
• 21. Segmented Information	108
• 22. Salary and Benefit Disclosure	109
• 23. Local Authorities Pension Plan	109
• 24. Financial Instruments	110
• 25. Budget Figures	110
• 26. Debt Limits	110
• 27. Contingencies	111
• 28. Commitments and Contractual Obligations	111
• 29. Contractual Rights	112
• 30. Approval of Financial Statements	112



[Back to Table of Contents](#)



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www.vulcancounty.ab.ca

April 22, 2026

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, 2025, 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 respects.

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

**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, 2025
- the statement of operations for the year then ended
- the statement of remeasurement gains and losses for the year then ended
- the statement of changes in net financial assets for the year then ended
- the statement of cash flows for the year then ended
- and notes and schedules 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, 2025, and its results of operations, its remeasurement gains and losses, its changes in net financial assets and its cashflows 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.



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 22, 2026



VULCAN COUNTY

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2025

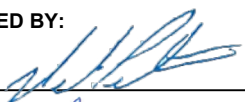
	2025	2024
FINANCIAL ASSETS		
Cash and equivalents (note 2)	\$ 2,439,681	\$ 1,874,176
Taxes and grants in lieu receivable (note 3)	580,972	475,570
Trade and other receivables (note 4)	1,386,939	2,231,075
Portfolio investments (note 5)	22,082,959	39,676,702
Inventory held for resale (note 6)	897,622	1,000,787
Long term investments (note 7)	25,899,907	8,312,467
Loans and notes receivable (note 8)	450,302	134,569
Other	17,626	17,423
	53,756,008	53,722,769
LIABILITIES		
Accounts payable and accrued liabilities (note 9)	1,265,108	2,172,144
Deferred revenue (note 10)	613,792	1,305,492
Employee benefit obligations (note 11)	319,383	327,286
Long term debt (note 12)	839,977	980,757
Asset retirement obligations (note 13)	620,126	541,444
Other liabilities (note 15)	705,643	945,842
	4,364,029	6,272,965
NET FINANCIAL ASSETS	49,391,979	47,449,804
NON-FINANCIAL ASSETS		
Tangible capital assets (schedule 2, note 16)	109,354,188	107,848,680
Inventory for consumption (note 17)	8,156,837	8,269,813
Prepaid expenses	577,708	459,721
	118,088,733	116,578,214
ACCUMULATED SURPLUS	\$ 167,480,712	\$ 164,028,018
ACCUMULATED SURPLUS:		
Accumulated operating surplus (schedule 1, note 19)	167,297,865	163,868,218
Accumulated remeasurement gains	182,847	159,800
	\$ 167,480,712	\$ 164,028,018

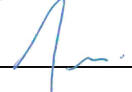
Contingencies (note 27)

Commitments and contractual obligations (note 28)

Contractual rights (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, 2025

	Budget (note 25)	2025	2024
REVENUE			
Net municipal taxes (schedule 3)	\$ 19,234,072	\$ 17,655,605	\$ 17,136,610
Government transfers (schedule 4)	1,128,108	1,119,195	1,176,124
Return on investments	676,824	2,180,149	2,260,512
Sale of goods, services and user charges	817,906	1,499,071	2,197,447
Rental income	321,680	349,258	325,203
Community aggregate levy	142,912	201,831	221,153
Penalties and costs of taxes	130,000	174,579	225,768
Gain on disposal of tangible capital assets	-	222,494	113,602
Other revenues	11,500	276,556	282,425
TOTAL REVENUE	22,463,002	23,678,738	23,938,844
EXPENSES (schedule 5)			
Legislative	601,599	559,357	538,114
Administration	2,682,840	2,532,728	2,526,009
Protective services	3,518,537	3,341,878	3,095,384
Transportation services	12,043,712	12,065,825	11,657,736
Agricultural services	986,951	809,765	761,000
Planning and development services	830,796	851,184	954,793
Family and community support	216,631	200,288	203,445
Parks and recreation	788,566	798,860	741,448
Tourism and economic development	71,788	45,757	28,952
Utility Services	1,876,815	1,366,203	1,201,098
Other	302,997	495,598	610,075
TOTAL EXPENSES	23,921,232	23,067,443	22,318,054
OPERATING SURPLUS - BEFORE OTHER	(1,458,230)	611,295	1,620,790
OTHER			
Contributed tangible capital assets	-	-	684,977
Government transfers for capital (schedule 4)	2,416,986	2,818,352	1,512,117
ANNUAL SURPLUS	958,756	3,429,647	3,817,884
ACCUMULATED OPERATING SURPLUS, BEGINNING OF YEAR	163,868,218	163,868,218	160,050,334
ACCUMULATED OPERATING SURPLUS, END OF YEAR	\$ 164,826,974	\$ 167,297,865	\$ 163,868,218

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, 2025

	2025	2024
UNREALIZED GAINS ATTRIBUTED TO:		
Derivatives - principal protected notes (note 7)	\$ 182,847	\$ 159,800
	<u>182,847</u>	<u>159,800</u>
AMOUNTS RECLASSIFIED TO STATEMENT OF OPERATIONS:		
Derivatives - principal protected notes realized gains (note 7)	(159,800)	-
	<u>(159,800)</u>	<u>-</u>
NET REMEASUREMENT GAINS FOR THE YEAR	23,047	159,800
ACCUMULATED REMEASUREMENT GAINS, BEGINNING OF YEAR	159,800	-
ACCUMULATED REMEASUREMENT GAINS, END OF YEAR	\$ 182,847	\$ 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, 2025

	Budget (note 25)	2025	2024
ANNUAL SURPLUS	\$ 958,756	\$ 3,429,647	\$ 3,817,884
Acquisition of tangible capital assets	(9,716,144)	(7,389,086)	(5,565,122)
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	10,000	326,478	157,756
Amortization of tangible capital assets	5,013,435	5,384,383	5,013,435
Net loss (gain) realized on investments	-	(159,800)	-
Net loss (gain) on disposal of tangible capital assets	-	172,717	(105,328)
	(4,692,709)	(1,665,308)	(161,153)
Net change in inventory for consumption	195,000	112,976	450,951
Acquisition of prepaid expenses	(75,150)	(577,708)	(459,721)
Use of prepaid expenses	-	459,721	402,198
Unrealized remeasurement gains	-	182,847	159,800
	119,850	177,836	553,228
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	(3,614,103)	1,942,175	4,209,959
NET FINANCIAL ASSETS, BEGINNING OF YEAR	47,449,804	47,449,804	43,239,845
NET FINANCIAL ASSETS, END OF YEAR	\$ 43,835,701	\$ 49,391,979	\$ 47,449,804

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



Introductory



Financial Analysis



Financial Statements



Statistics & Ratios

VULCAN COUNTY

STATEMENT OF CASH FLOWS YEAR ENDED DECEMBER 31, 2025

	2025	2024
NET INFLOW (OUTFLOWS) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Annual surplus	\$ 3,429,647	\$ 3,817,884
Non-cash items included in annual surplus:		
Amortization of tangible capital assets	5,384,383	5,013,435
Accretion of asset retirement obligations	24,656	20,760
Net loss (gain) on disposal of tangible capital assets	172,717	(105,328)
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	(105,402)	4,055,777
Decrease (increase) in trade and other receivables	844,136	(1,348,981)
Decrease (increase) in inventory held for resale	103,165	(933,676)
Decrease (increase) in loans receivable	(315,733)	44,870
Increase in other financial assets	(203)	(352)
Decrease in inventory for consumption	112,976	450,951
Increase in prepaid expenses	(117,988)	(57,522)
Increase (decrease) in accounts payable	(907,036)	839,205
Increase (decrease) in deferred revenue	(691,700)	53,288
Decrease in employee benefit obligations	(7,903)	(3,051)
Increase (decrease) in asset retirement obligations	54,026	(4,670)
Increase (decrease) in other liabilities	(240,199)	39,587
Cash provided by operating transactions	7,579,742	12,220,283
CAPITAL		
Acquisition of tangible capital assets	(7,389,086)	(5,565,122)
Proceeds on disposal of tangible capital assets	326,478	157,756
Cash applied to capital transactions	(7,062,608)	(5,407,366)
INVESTING		
Decrease (increase) in portfolio investments	17,776,591	(12,391,862)
Decrease (increase) in long term investments	(17,587,440)	6,543,070
Cash provided by (applied to) investing transactions	189,151	(5,848,792)
FINANCING		
Long term debt repaid	(140,780)	(137,327)
Cash applied to financing transactions	(140,780)	(137,327)
CHANGE IN CASH AND EQUIVALENTS DURING THE YEAR	565,505	826,798
CASH AND EQUIVALENTS, BEGINNING OF YEAR	1,874,176	1,047,378
CASH AND EQUIVALENTS, END OF YEAR	\$ 2,439,681	\$ 1,874,176

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, 2025

	Unrestricted Surplus	Restricted Surplus (note 20)	Equity in Tangible Capital Assets (note 18)	2025	2024
					SCHEDULE 1
BALANCE, BEGINNING OF YEAR	\$ 904,163	55,656,819	107,307,236	\$ 163,868,218	\$ 160,050,334
Annual surplus	\$ 3,429,647	-	-	\$ 3,429,647	\$ 3,817,884
Unrestricted funds designated for future use	(9,059,241)	9,059,241	-	-	-
Restricted funds used for operations	4,855,147	(4,855,147)	-	-	-
Restricted funds used for tangible capital assets	-	(2,202,683)	2,202,683	-	-
Current year funds used for tangible capital assets	(5,186,403)	-	5,186,403	-	-
Contributed tangible capital assets	-	-	-	-	-
Disposal of tangible capital assets	499,195	-	(499,195)	-	-
Annual amortization expense	5,384,383	-	(5,384,383)	-	-
Annual accretion ARO expense	24,656	-	(24,656)	-	-
ARO revision in estimates	54,026	-	(54,026)	-	-
Change in accumulated operating surplus	\$ 1,410	2,001,411	1,426,826	\$ 3,429,647	\$ 3,817,884
BALANCE, END OF YEAR	\$ 905,573	57,658,230	108,734,062	\$ 167,297,865	\$ 163,868,218





VULCAN COUNTY

SCHEDULE OF TANGIBLE CAPITAL ASSETS
YEAR ENDED DECEMBER 31, 2025

SCHEDULE 2

HISTORICAL COST:**BALANCE, BEGINNING OF YEAR**

Acquisition of tangible capital assets
New construction-in-progress
Disposition of tangible capital assets

	Land	Land Improvements	Buildings	Equipment	Vehicles	Engineered Structures	2025	2024
BALANCE, BEGINNING 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
Acquisition of tangible capital assets	-	-	-	2,926,253	827,895	2,510,240	6,264,388	5,550,074
New construction-in-progress	-	8,220	-	-	-	1,116,478	1,124,698	700,025
Disposition of tangible capital assets	-	-	-	(179,961)	(448,013)	(1,052,534)	(1,680,508)	(1,682,066)
BALANCE, END OF YEAR	6,063,972	1,835,813	12,133,742	26,416,400	9,483,244	172,785,749	228,718,920	223,010,342

ACCUMULATED AMORTIZATION:**BALANCE, BEGINNING OF YEAR**

Annual amortization
Accumulated amortization on disposal

BALANCE, BEGINNING OF YEAR	\$ -	553,668	5,202,597	16,328,798	5,900,277	87,176,322	\$115,161,662	\$110,754,782
Annual amortization	-	57,364	297,141	1,962,486	587,051	2,480,341	5,384,383	5,013,435
Accumulated amortization on disposal	-	-	-	(179,961)	(332,541)	(668,811)	(1,181,313)	(606,555)
BALANCE, END OF YEAR	-	611,032	5,499,738	18,111,323	6,154,787	88,987,852	119,364,732	115,161,662

**NET BOOK VALUE OF
TANGIBLE CAPITAL ASSETS**

2024 NET BOOK VALUE OF TANGIBLE
CAPITAL ASSETS

NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	\$ 6,063,972	1,224,781	6,634,004	8,305,077	3,328,457	83,797,897	\$109,354,188	\$107,848,680
2024 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	

Land, equipment, vehicles, and engineered structures of \$nil (2024 - \$684,977) were acquired as contributed tangible capital assets.

VULCAN COUNTY

SCHEDULE OF PROPERTY AND OTHER TAXES YEAR ENDED DECEMBER 31, 2025

SCHEDULE 3

	Budget (note 25)	2025	2024
TAXATION			
Real property taxes	\$ 8,060,069	\$ 8,068,050	\$ 7,438,613
Linear taxes	13,730,176	12,000,643	11,130,688
Commercial taxes	1,683,422	1,715,865	1,634,583
Government grants in lieu of taxes	21,661	23,137	19,475
Special levy	1,015,804	1,018,875	1,509,317
Well drilling tax	156	77	91
	<u>24,511,288</u>	<u>22,826,647</u>	<u>21,732,767</u>
REQUISITIONS			
School requisitions	4,192,061	4,069,895	3,588,907
Seniors foundation requisition	599,669	599,669	560,513
RCMP policing requisition	399,239	399,239	354,204
Provincial DIP assessment requisition	86,247	102,239	92,533
	<u>5,277,216</u>	<u>5,171,042</u>	<u>4,596,157</u>
NET MUNICIPAL TAXES	<u>\$ 19,234,072</u>	<u>\$ 17,655,605</u>	<u>\$ 17,136,610</u>



Introductory



Financial Analysis



Financial Statements



Statistics & Ratios

VULCAN COUNTY

SCHEDULE OF GOVERNMENT TRANSFERS YEAR ENDED DECEMBER 31, 2025

SCHEDULE 4

	Budget (note 25)	2025	2024
TRANSFERS FOR OPERATING			
Local government transfers	\$ 179,514	\$ 170,457	\$ 204,102
Provincial government transfers	650,302	639,879	672,705
Federal government transfers	298,292	308,859	299,317
	<u>1,128,108</u>	<u>1,119,195</u>	<u>1,176,124</u>
TRANSFERS FOR CAPITAL			
Local government transfers	20,000	-	-
Provincial government transfers	2,396,986	2,818,352	1,512,117
	<u>2,416,986</u>	<u>2,818,352</u>	<u>1,512,117</u>
TOTAL GOVERNMENT TRANSFERS	<u>\$ 3,545,094</u>	<u>\$ 3,937,547</u>	<u>\$ 2,688,241</u>

VULCAN COUNTY

SCHEDULE OF EXPENSES BY OBJECT YEAR ENDED DECEMBER 31, 2025

SCHEDULE 5

	Budget (note 25)	2025	2024
EXPENSES BY OBJECT			
Salaries, wages and benefits	\$ 10,476,065	\$ 9,749,651	\$ 9,054,113
Contracted and general services	4,100,806	3,736,547	3,552,002
Materials, goods and utilities	4,148,875	3,495,682	3,626,627
Provision for allowances	282,997	474,030	609,664
Transfers to local boards and agencies	2,550,291	2,086,404	2,046,646
Interest and bank charges	38,616	35,519	38,207
Amortization of tangible capital assets	5,012,319	5,383,298	5,012,320
Amortization of ARO tangible capital assets	1,116	1,085	1,115
Accretion ARO expenses	20,834	24,656	20,760
Machine expenses capitalized for construction	(2,738,179)	(2,411,182)	(1,722,616)
Loss on disposal of tangible capital assets	-	395,211	8,274
Other expenses	27,492	96,542	70,942
	<u>\$ 23,921,232</u>	<u>\$ 23,067,443</u>	<u>\$ 22,318,054</u>



Introductory



Financial Analysis



Financial Statements



Statistics & Ratios

VULCAN COUNTY

SCHEDULE OF SEGMENTED DISCLOSURE YEAR ENDED DECEMBER 31, 2025

SCHEDULE 6

	General Government	Protective Services	Transportation Services	Agricultural Services	Planning and Development Services	Community Services	Utility Services	2025 Total
REVENUE								
Net municipal taxes	\$ 15,702,660	495,831	-	-	-	506,506	950,608	\$ 17,655,605
Government transfers (operating)	34,739	280,238	409,667	166,247	-	228,304	-	1,119,195
Return on investments	2,180,149	-	-	-	-	-	-	2,180,149
Sale of goods, services and user charges	242,892	404,331	314,365	241,929	243,151	-	52,403	1,499,071
Rental income	3,600	318,506	-	27,152	-	-	-	349,258
Community aggregate levy	-	-	201,831	-	-	-	-	201,831
Penalties and costs of taxes	174,579	-	-	-	-	-	-	174,579
Gain on disposal of tangible capital assets	-	208,094	10,162	4,238	-	-	-	222,494
Other revenues	258,749	17,239	568	-	-	-	-	276,556
	18,597,368	1,724,239	936,593	439,566	243,151	734,810	1,003,011	23,678,738
EXPENSES								
Salaries, wages and benefits	1,816,645	1,311,014	5,660,459	396,570	521,055	17,239	26,669	9,749,651
Contracted and general services	639,614	695,579	1,645,916	66,865	329,396	184,854	174,323	3,736,547
Material, goods and utilities	329,343	395,620	2,535,990	193,671	733	3,216	37,109	3,495,682
Provision for allowances	474,030	-	-	-	-	-	-	474,030
Transfers to local boards and agencies	77,359	110,000	9,120	14,014	-	817,001	1,058,910	2,086,404
Interest and bank charges	12,922	2	-	-	-	22,595	-	35,519
Amortization of tangible capital assets	130,102	829,552	4,216,772	137,709	-	-	69,163	5,383,298
Amortization of ARO tangible capital assets	394	26	560	99	-	-	6	1,085
Accretion ARO expenses	19,391	85	4,320	837	-	-	23	24,656
Machine expenses capitalized for construction	-	-	(2,411,182)	-	-	-	-	(2,411,182)
Loss on disposal of tangible capital assets	-	-	395,211	-	-	-	-	395,211
Other expenses	87,883	-	8,659	-	-	-	-	96,542
	3,587,683	3,341,878	12,065,825	809,765	851,184	1,044,905	1,366,203	23,067,443
OPERATING SURPLUS (DEFICIT) - BEFORE OTHER	15,009,685	(1,617,639)	(11,129,232)	(370,199)	(608,033)	(310,095)	(363,192)	611,295
OTHER								
Contributed tangible capital assets	-	-	-	-	-	-	-	-
Government transfers (capital)	-	767,979	2,050,373	-	-	-	-	2,818,352
ANNUAL SURPLUS (DEFICIT)	\$ 15,009,685	(849,660)	(9,078,859)	(370,199)	(608,033)	(310,095)	(363,192)	\$ 3,429,647

VULCAN COUNTY

SCHEDULE OF SEGMENTED DISCLOSURE YEAR ENDED DECEMBER 31, 2024

SCHEDULE 7

	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 investments	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 costs of taxes	225,768	-	-	-	-	-	-	225,768
Gain on disposal of tangible capital assets	2,347	-	77,545	33,710	-	-	-	113,602
Other revenues	269,491	12,934	-	-	-	-	-	282,425
	17,540,068	2,273,027	1,667,139	455,883	326,440	720,202	956,085	23,938,844
EXPENSES								
Salaries, wages and benefits	1,724,247	1,255,425	5,154,403	366,638	506,141	21,637	25,622	9,054,113
Contracted and general services	680,432	591,227	1,514,099	76,053	447,055	161,470	81,666	3,552,002
Material, goods and utilities	376,422	370,025	2,680,974	174,064	1,597	3,703	19,842	3,626,627
Provision for allowances	609,664	-	-	-	-	-	-	609,664
Transfers to local boards and agencies	84,379	167,744	8,675	12,886	-	760,963	1,011,999	2,046,646
Interest and bank charges	12,135	-	-	-	-	26,072	-	38,207
Amortization of tangible capital assets	128,019	710,854	3,981,011	130,495	-	-	61,941	5,012,320
Amortization of ARO tangible capital assets	394	26	590	99	-	-	6	1,115
Accretion ARO expenses	15,772	83	4,118	765	-	-	22	20,760
Machine expenses capitalized for construction	-	-	(1,722,616)	-	-	-	-	(1,722,616)
Loss on disposal of tangible capital assets	-	-	8,274	-	-	-	-	8,274
Other expenses	42,734	-	28,208	-	-	-	-	70,942
	3,674,198	3,095,384	11,657,736	761,000	954,793	973,845	1,201,098	22,318,054
OPERATING SURPLUS (DEFICIT) - BEFORE OTHER	13,865,870	(822,357)	(9,990,597)	(305,117)	(628,353)	(253,643)	(245,013)	1,620,790
OTHER								
Contributed tangible capital assets	-	684,976	-	-	-	-	1	684,977
Government transfers (capital)	-	-	1,330,141	181,976	-	-	-	1,512,117
ANNUAL SURPLUS (DEFICIT)	\$ 13,865,870	(137,381)	(8,660,456)	(123,141)	(628,353)	(253,643)	(245,012)	\$ 3,817,884

VULCAN COUNTY

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

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. Measurement uncertainty is disclosed in Note 1(q) of the Financial Statements.

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, 2025

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, 2025

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, 2025

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, provision for impairment of accounts receivable and trade receivables, 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, 2025

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

r) 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. This is effective for fiscal years beginning on or after April 1, 2026. Early adoption is permitted.

PS 1202 Financial Statement Presentation

This standard establishes general and specific requirements for the presentation of information in general purpose financial statements. This is effective for fiscal years beginning on or after April 1, 2026. Earlier adoption is permitted only if the Conceptual Framework for Financial Reporting in the Public Sector is also adopted at the same time.

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

	2025	2024
Cash and cash equivalents	<u>\$ 2,439,681</u>	<u>\$ 1,874,176</u>

Cash and cash equivalents includes accounts for the Vulcan County Public Reserves Trust of \$357,902 (2024 - \$340,774) and for the Vulcan County Tax Sale Trust of \$65,401 (2024 - \$168,484).

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 \$70,000, with interest payable at 5.0%. As at December 31, 2025 the balance owing on these facilities is \$nil (2024 - \$nil).

3. TAX AND GRANTS IN LIEU RECEIVABLE

	2025	2024
Current taxes and grants in lieu of taxes	\$ 943,627	\$ 540,061
Arrears	327,707	206,595
Allowance for doubtful accounts	<u>(690,362)</u>	<u>(271,086)</u>
	<u>\$ 580,972</u>	<u>\$ 475,570</u>

In 2025, Vulcan County issued supplementary property tax levies which was applied to all supplementary property assessment for the 2025 taxation year. The supplementary assessment roll was developed in late-2025 and most of the supplementary tax notices were issued late-2025 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 \$144,500 (2024 - \$nil) and as at December 31, 2025, there was a balance remaining of \$136,600 (2024 - \$nil).

VULCAN COUNTY

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

4. TRADE AND OTHER RECEIVABLES

	2025	2024
Trade receivables	\$ 474,438	\$ 957,102
Interest receivable	801,856	930,486
GST receivable	110,645	45,195
Government of Alberta receivable	-	298,292
	<u>\$ 1,386,939</u>	<u>\$ 2,231,075</u>

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. As at December 31, 2024, the Government of Alberta receivable of \$298,292 relates to the Canada Community-Building Fund (CCBF) 2024 allocation for eligible projects which was received in 2025.

5. PORTFOLIO INVESTMENTS

	2025	2024
Deposits and short-term securities	\$ 16,104,053	\$ 21,152,241
High interest savings	5,978,906	18,524,461
	<u>\$ 22,082,959</u>	<u>\$ 39,676,702</u>

Portfolio investments are short-term deposits with original maturities of one year or less, or are redeemable, with interest rates ranging from 4.05% to 6.20% (2024 - 3.80% to 6.20%). Included in portfolio investments is a restricted amount of \$255,890 (2024 - \$964,718) held exclusively for eligible projects.

6. INVENTORY HELD FOR RESALE

	2025	2024
Tax forfeiture properties	\$ 1,121	\$ 10,339
Other lands held for resale properties	896,501	990,448
	<u>\$ 897,622</u>	<u>\$ 1,000,787</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. During 2025, tax forfeiture properties and an Industrial Park lot were sold during the year.



Introductory



Financial Analysis



Financial Statements



Statistics & Ratios

VULCAN COUNTY

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

7. LONG TERM INVESTMENTS

	2025	2024
Guaranteed investment certificates	\$ 17,390,060	\$ 6,152,667
Derivatives - principal protected notes	8,509,847	2,159,800
	<u>\$ 25,899,907</u>	<u>\$ 8,312,467</u>

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

	2025		2024	
	Cost	Market Value	Cost	Market Value
Guaranteed investment certificates - amortized cost	\$ 17,390,060	\$ 17,390,060	\$ 6,152,667	\$ 6,152,667
Derivatives - principal protected notes - level 2	8,327,000	8,509,847	2,000,000	2,159,800
	<u>\$ 25,717,060</u>	<u>\$ 25,899,907</u>	<u>\$ 8,152,667</u>	<u>\$ 8,312,467</u>

Guaranteed investment certificates are long-term deposits with interest rates ranging from 3.84% to 5.50% (2024 - 5.25% to 5.55%) with maturity dates ranging from 2027 to 2030 (2024 - ranging from 2026 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 ranging from 6.40% to 7.00% (2024 - 9.00%), have an annual auto-callable options, with a maturity date ranging from 2030 to 2035 (2024 - 2031) and carried at fair value with transaction costs expensed upon initial recognition.

Unrealized gains on derivatives - principal protected notes carried at fair value of \$182,847 (2024 - \$159,800) have been recognized in the statement of remeasurement gains and losses.

8. LOANS AND NOTES RECEIVABLES

	2025	2024
Carmangay Curling Association	\$ 49,700	\$ 67,900
Lomond Community Centre Agricultural Society	350,000	-
Vulcan & District Waste Commission	50,602	66,669
	<u>\$ 450,302</u>	<u>\$ 134,569</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 Lomond Community Centre Agricultural Society has an interest rate of 4.45% and has an annual payment of \$44,124 commencing in 2026. Loan is repayable over 10 years, maturing in 2035.

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, 2025

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2025	2024
Trade payables	\$ 665,969	\$ 948,816
Government remittances	101,737	81,358
Deposit liabilities	258,425	935,200
Other payables and accrued liabilities	238,977	206,770
	<u>\$ 1,265,108</u>	<u>\$ 2,172,144</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

	2024	Externally Restricted Inflows	Revenues Earned	2025
Municipal Sustainability Initiative - Capital	\$ 761,223	\$ 6,756	\$ (767,979)	\$ -
Local Government Fiscal Framework - Capital	-	1,635,763	(1,635,763)	-
Local Government Fiscal Framework - Operating	-	355,916	(355,916)	-
Canada Community-Building Fund	-	308,859	(308,859)	-
Alberta Community Partnership	54,139	196,669	(100,808)	150,000
Surface Rights	91,864	85,090	(91,864)	85,090
Development Public Funds	340,774	17,128	-	357,902
Other	57,492	20,800	(57,492)	20,800
Total	<u>\$ 1,305,492</u>	<u>\$ 2,626,981</u>	<u>\$ (3,318,681)</u>	<u>\$ 613,792</u>

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.

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 2025, the County received approval for a \$200,000 Intermunicipal Collaboration ACP grant agreement to develop a Regional Stormwater Strategy 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, 2025

11. EMPLOYEE BENEFIT OBLIGATIONS

	2025	2024
Accrued vacation payable	\$ 295,833	\$ 308,648
Accrued allowances	23,550	18,638
	<u>\$ 319,383</u>	<u>\$ 327,286</u>

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

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

	2025	2024
Tax supported debentures	<u>\$ 839,977</u>	<u>\$ 980,757</u>

The current portion of long term debt amounts to \$144,318 (2024 - \$140,779).

Principal and interest repayments are as follows:

	Principal	Interest	Total
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
2030	159,385	5,020	164,405
Thereafter	81,187	1,014	82,201
	<u>\$ 839,977</u>	<u>\$ 64,249</u>	<u>\$ 904,226</u>

Debenture debt is repayable to the Province of Alberta (formally 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, 2025 (2024 - \$nil).

Interest on long term debt amounted to \$22,595 (2024 - \$26,072).

The County's total cash payment for interest in 2025 was \$23,626 (2024 - \$27,077).

As at December 31, 2025, the County has not issued or provided any loan guarantees (2024 - \$nil) within the County nor provided to guarantee any other organizations.

VULCAN COUNTY

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

13. ASSET RETIREMENT OBLIGATIONS

	2025	2024
Asset Retirement Obligations, beginning of year	\$ 541,444	\$ 525,354
Accretion expense	24,656	20,760
Revision in estimates	54,026	(4,670)
Asset Retirement Obligations, end of year	<u>\$ 620,126</u>	<u>\$ 541,444</u>

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 5 to 43 years, undiscounted expenditures of \$1.339 million (2024 - \$1.197 million) assuming an annual inflation ranging from 0.50% to 3.66% (2024 - 0.50% to 4.12%), and an effective discount rate ranging from 4.04% to 7.20%, inclusive of inflationary factors (2024 - 3.87% to 7.49%). The estimated recoveries are \$nil for future reclamations.

14. CONTAMINATED SITES LIABILITY

The County did not identify any financial liabilities in 2025 (2024 - \$nil) as a result of contaminated sites.

15. OTHER LIABILITIES

	2025	2024
Other gravel reclamations - non-controlled	\$ 527,490	\$ 518,831
Deposits held for community organizations	56,936	202,711
Other liabilities	121,217	224,300
	<u>\$ 705,643</u>	<u>\$ 945,842</u>

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 \$3.22 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 7.20% and assuming annual inflation of 3.66%. The gravel pits have an estimated useful life ranging from 4 to 41 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, 2025

16. TANGIBLE CAPITAL ASSETS

	2025	2024
Tangible capital assets (schedule 2)	\$228,718,920	\$223,010,342
Accumulated amortization (schedule 2)	(119,364,732)	(115,161,662)
	<u>\$109,354,188</u>	<u>\$107,848,680</u>

Contributed tangible capital assets are recognized at fair value at the date of contribution. In 2025, the County received a total of \$nil of contributed tangible capital assets (2024 - \$684,977). The contributed tangible assets received in 2024 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.

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, 2025, the leased tangible capital asset had \$62,232 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, 2025, the capitalized asset retirement obligation (ARO) assets had a total of \$69,799 of capitalized costs and \$53,769 of total accumulated amortization.

17. INVENTORIES FOR CONSUMPTION

	2025	2024
Inventory for consumption - gravel	\$ 7,562,545	\$ 7,633,911
Inventory for consumption - parts	594,292	635,902
	<u>\$ 8,156,837</u>	<u>\$ 8,269,813</u>

Gravel inventory includes purchased deposits not yet crushed, with a cost of \$4,046,215 (2024 - \$4,046,215). There was no gravel crushing completed in 2025; therefore, the uncrushed gravel deposits are unchanged from the prior year.

18. EQUITY IN TANGIBLE CAPITAL ASSETS

	2025	2024
Tangible capital assets (schedule 2, note 16)	\$228,718,920	\$223,010,342
Accumulated amortization (schedule 2, note 16)	(119,364,732)	(115,161,662)
	<u>109,354,188</u>	<u>107,848,680</u>
Asset Retirement Obligations (note 13)	(620,126)	(541,444)
	<u>\$108,734,062</u>	<u>\$107,307,236</u>

19. ACCUMULATED SURPLUS

	2025	2024
Unrestricted surplus	\$ 905,573	\$ 904,163
Restricted surplus (note 20)	57,658,230	55,656,819
Equity in tangible capital assets (note 18)	<u>108,734,062</u>	<u>107,307,236</u>
	<u>\$167,297,865</u>	<u>\$163,868,218</u>
Accumulated remeasurement gains	182,847	159,800
	<u>\$167,480,712</u>	<u>\$164,028,018</u>

VULCAN COUNTY

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

20. RESTRICTED SURPLUS

	2025	2024
Capital Restricted Surplus		
General Government	\$ 218,057	\$ 159,621
Protective Equipment	8,591,102	8,281,247
Transportation Equipment	2,315,621	2,260,749
Road Construction	2,140,007	1,985,713
Bridge Construction	6,497,157	6,034,102
Gravel Crushing	215,355	215,355
Mossleigh Water Treatment Plant - Recovery	(388,641)	(405,179)
McGregor Water Systems Project	1,843,283	1,881,433
Environment Development Equipment	239,830	183,718
Air Transport	20,000	20,000
Capital Acquisition	16,241,055	14,123,002
Capital Contingency	970,682	970,682
	38,903,508	35,710,443
Operating Restricted Surplus		
Assessment Appeal	5,506	5,506
Assessment Contingency	39,965	1,660,543
Community Enhancement	14,841	14,841
General Government Service	837,081	422,223
Protective Services	1,649,405	1,656,208
Transportation Contingency	1,896,085	1,594,584
Road Construction	272,947	656,050
Road Maintenance	1,320,389	1,016,615
Gravel Crushing	4,347,952	4,473,862
Uncrushed Gravel Inventory	4,046,215	4,046,215
Bridges	465,334	60,671
Water Management	16,093	20,009
Environment Treatment	118,977	168,822
Vulcan Hospital Project - Debenture Recovery	(839,977)	(980,757)
Planning and development	301,255	258,380
Agriculture Services	614,736	564,582
Recreation and Culture	1,221,741	1,023,855
Operating Contingency	2,426,177	3,284,167
	18,754,722	19,946,376
Total Restricted Surplus	\$ 57,658,230	\$ 55,656,819

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, 2025. 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 \$154,368 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, 2025, a total of \$45,608 (2024 - \$7,458) of Vulcan County's municipal contribution has been accrued on eligible project expenditures.



Introductory



Financial Analysis



Financial Statements



Statistics & Ratios

VULCAN COUNTY

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

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, 2025

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:

	2025			2024
	Salary / Per Diems ①	Benefits & Allowances ②	Total	Total
Councillors				
Division 1 - Gateman	\$ 22,836	\$ 8,570	\$ 31,406	\$ 36,393
Division 2 - Cockwill (January to October 2025)	22,082	6,950	29,032	32,001
Division 2 - Horkoff (October to December 2025)	4,542	739	5,281	-
Division 3 - Schneider	34,892	9,170	44,062	46,557
Division 4 - Lyckman	37,734	8,570	46,304	47,305
Division 5 - Nelson	41,370	9,066	50,436	48,007
Division 6 - Northcott	29,452	3,797	33,249	37,059
Division 7 - Logan	27,028	8,570	35,598	39,061
 Chief Administrative Officer - Petersen	 \$ 248,602	 \$ 41,509	 \$ 290,111	 \$ 274,893
Designated Officer (1 position)	118,026	26,998	145,024	134,313

① Salary includes regular base pay, bonuses, overtime, lump sum payments, gross honoraria, and any other direct cash remuneration.

② 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 316,938 people and 453 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% (2024 - 8.45%) of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 11.65% (2024 - 11.65%) on pensionable earnings above this amount. Employees of the County are required to make current service contributions of 7.45% (2024 - 7.45%) of pensionable salary up to the year's maximum pensionable salary and 10.65% (2024 - 10.65%) on pensionable salary above this amount.

Total current service contributions by the County to the LAPP in 2025 were \$554,804 (2024 - \$540,875). Total current service contributions by the employees of the County to the Local Authorities Pension Plan in 2025 were \$496,058 (2024 - \$474,914).

At December 31, 2024, the LAPP disclosed an actuarial surplus of \$19.557 billion dollars (2023 - \$15.057 billion).



VULCAN COUNTY

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

24. FINANCIAL INSTRUMENTS

The County's financial instruments consist of cash and cash equivalents, investments, accounts receivable, loans 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 primarily exposed to credit risk on its cash and cash equivalents, investments, accounts receivable, and loans receivable. Credit risk is the risk of financial loss because a counter party to a financial instrument fails to discharge its contractual obligations. For these items recognized in the Statement of Financial Position, the carrying amounts best represents its maximum exposure to credit risk. Credit risk is measured through monitoring and evaluation of receivables and investments. If the evaluations indicate the other party may be unable to meet their obligations, the County will recognize an allowance. Allowances on receivables are disclosed in Note 3 of the Financial Statements.

All investments held by the County must comply with the Municipal Government Act (MGA), the Municipal Investment Regulation, and the County's Investment Policy (Policy 12-2204). The objective of the Council-approved investment policy is to ensure that the rate of return on its funds is competitive while giving strong attention to the fact that the investment of its funds must remain secure.

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.

	2025	2024
ANNUAL SURPLUS	\$ 958,756	\$ 1,650,833
ADD: Proceeds from sale of capital assets	10,000	-
ADD: Transfer from restricted surplus to operations	7,350,420	4,822,109
ADD: Amortization of tangible capital assets	5,013,435	4,877,771
ADD: Accretion ARO expenses	20,834	20,046
LESS: Transfers to restricted surplus	(3,637,301)	(3,694,351)
LESS: Capital expenditures	(9,716,144)	(7,676,408)
Budget approved by Council	\$ -	\$ -

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:

	2025	2024
Total debt limit	\$ 35,518,107	\$ 35,908,266
Total debt	839,977	980,757
Amount of debt limit unused	\$ 34,678,130	\$ 34,927,509
Debt servicing limit	\$ 5,919,685	\$ 5,984,711
Debt servicing	164,405	164,405
Amount of debt servicing limit unused	\$ 5,755,280	\$ 5,820,306

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, 2025

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.

The County has applied to be a complainant and/or intervenor in Land & Property Rights Tribunal (LPRT) hearing relating to a linear property assessment appeal, in accordance with Section 508 of the Municipal Government Act, specifically for a 2025 supplementary assessment on a large-scale electrical power system. Due to the nature of the LPRT appeal, the County has removed the relating supplementary taxes from the 2025 revenues and receivable balances as the outcome of the LPRT appeal is at present not determinable. The amount of any taxable assessment and revenues determined by through the LPRT appeal would be accounted for as a current transaction in the year of that the LPRT appeal decision is made.

28. COMMITMENTS AND CONTRACTUAL OBLIGATIONS

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

	2025	2024
Equipment and Vehicles	\$ 1,916,731	\$ 2,878,821
Service Providers	1,114,100	1,367,000
Capital Project Agreements	1,842,718	1,881,433
	<u>\$ 4,873,549</u>	<u>\$ 6,127,254</u>

Equipment and Vehicles: The County has committed for purchase orders of capital expenditures of \$1.917 million (2024 - \$2.878 million) that has been ordered but not received before December 31, 2025.

Service Providers: As of December 31, 2025, the County has \$1.114 million (2024 - \$1.367 million) in commitments relating to service contracts, including assessment services and other contracted services.

Capital Project Agreements: As of December 31, 2025, the County has \$1.843 million (2024 - \$1.881 million) 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, 2025, a total of \$46,173 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
2026	\$ 1,916,731	\$ 260,150	\$ 1,381,135
2027	-	264,150	461,583
2028	-	268,150	-
2029	-	272,150	-
2030	-	49,500	-
	<u>\$ 1,916,731</u>	<u>\$ 1,114,100</u>	<u>\$ 1,842,718</u>



VULCAN COUNTY

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

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.

	2025	2024
Contractual rights from facility leases	<u>\$ 1,892,830</u>	<u>\$ 1,308,308</u>

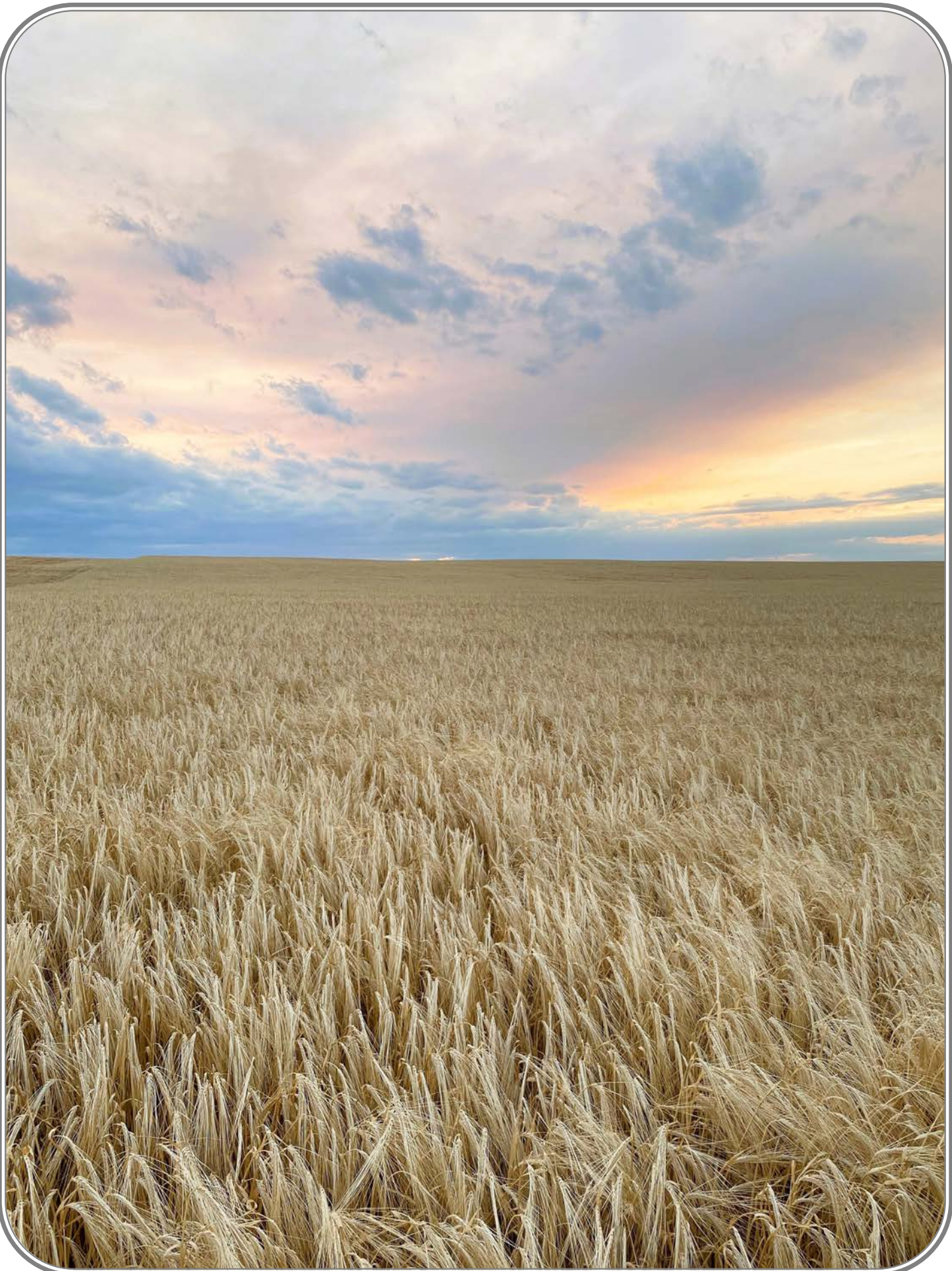
Facility Leases: The County has long-term facility lease agreements with the Royal Canadian Mounted Police (RCMP) and Alberta Health Services (AHS). The RCMP lease agreement has an annual lease of \$206,400 and expires in March 2031. The AHS lease agreement has an annual lease of \$87,880 and expires in March 2035.

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

	Facility Leases
2026	\$ 294,280
2027	294,280
2028	294,280
2029	294,280
2030	294,280
Thereafter	<u>421,430</u>
	<u>\$ 1,892,830</u>

30. APPROVAL OF FINANCIAL STATEMENTS

Council and Management have approved these financial statements.



Introductory



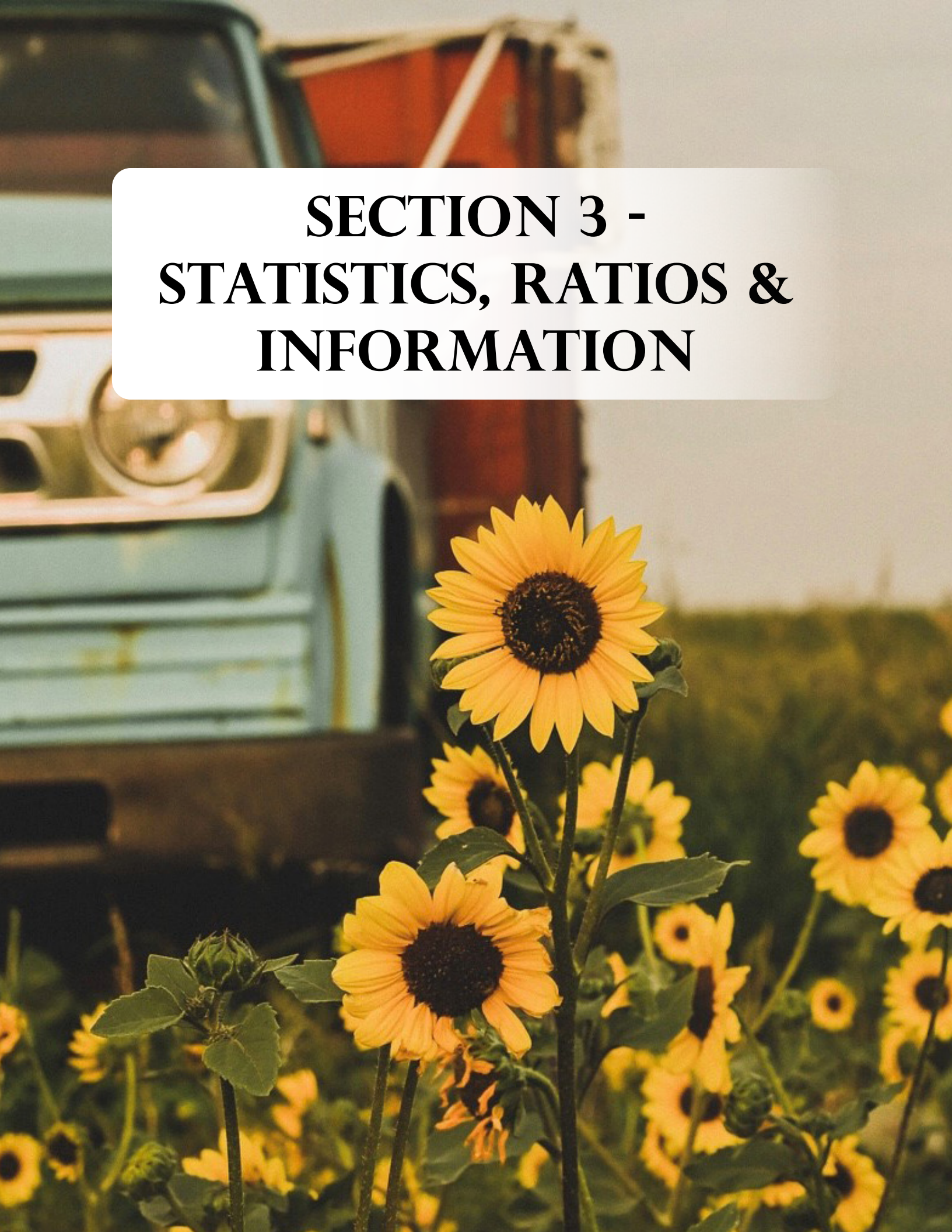
Financial Analysis



Financial Statements



Statistics & Ratios

A photograph of a field of yellow sunflowers in the foreground, with a vintage car (light blue/green) and a red structure in the background. The scene is captured in a warm, slightly desaturated color palette.

SECTION 3 - STATISTICS, RATIOS & INFORMATION

Section 3 - STATISTICS, RATIOS & INFORMATION

Statistics and Ratios	116
Demographics and Other Factors	116
• Population & Dwelling Units	116
• Area and Infrastructure	116
• Development and Subdivisions	116
• Staffing	116
• Other Statistics	116
Property Assessment (in thousands)	116
• Assessment Summary and Chart	116
Tax Rates (expressed in mills).....	117
• Municipal	117
• Waste Commission	117
• Education Requisition	117
• Senior Foundation Requisition	117
• Other Requisitions	117
• Special Levy - Fire Protection	117
• Special Levy - Recreation	117
Total Tax Collections	117
Assets, Liabilities & Surplus	118
• Tax Receivables as a % of Taxes	118
• Net Financial Assets	118
• Accumulated Surplus	118
Revenues (by source)	118
• Operating Revenues	118
• Capital Revenues	118
Expenses (by function and object).....	119
• Expenses (by function/department)	119
• Expenses (by object/type)	119
Debt Supported by Taxes	119
Transfer to Local Boards and Agencies	120
Annual Surplus and Allocations	120
Remeasurement Gains and Losses.....	120
Principal Corporate Taxpayers and Industries	121
• Top 10 Principal Corporate Ratepayers	121
• Top 10 Industries of Employment	121
Infographics	122
2025 Tax Rates & Information.....	122
The Pieces of the County's Budget - 2025	124
Financial Charts & Graphs.....	125
Financial Overview	125
Total Revenues	126
Total Expenses.....	127
• General Government	128
• Protective Services	129
• Transportation Services	130
• Agricultural Services	131
• Planning and Development Services	132
• Community Services	133
• Utility Services	134
Glossary & Appendix.....	135
Glossary of Terms	135
Glossary of Common Acronyms	137



[Back to Table of Contents](#)



Introductory



Financial Analysis



Financial Statements



Statistics & Ratios

STATISTICS AND RATIOS

Demographics and Other Factors

	2021	2022	2023	2024	2025
POPULATION	4,237	4,237	4,237	4,262	4,262
NUMBER OF DWELLING UNITS	2,286	2,313	2,365	2,396	2,428
AREA OF MUNICIPALITY IN HECTARES	554,574	554,574	554,574	554,642	554,642
NUMBER OF HAMLETS	8	8	8	8	8
ROAD MAINTAINED (Km)	2,670	2,670	2,672	2,672	2,672
WATER PIPELINE (Km)	455	456	456	460	460
DEVELOPMENT PERMITS	132	77	80	110	79
SUBDIVISIONS APPLICATIONS	13	20	16	14	13
FULL TIME STAFF	49	50	54	58	60

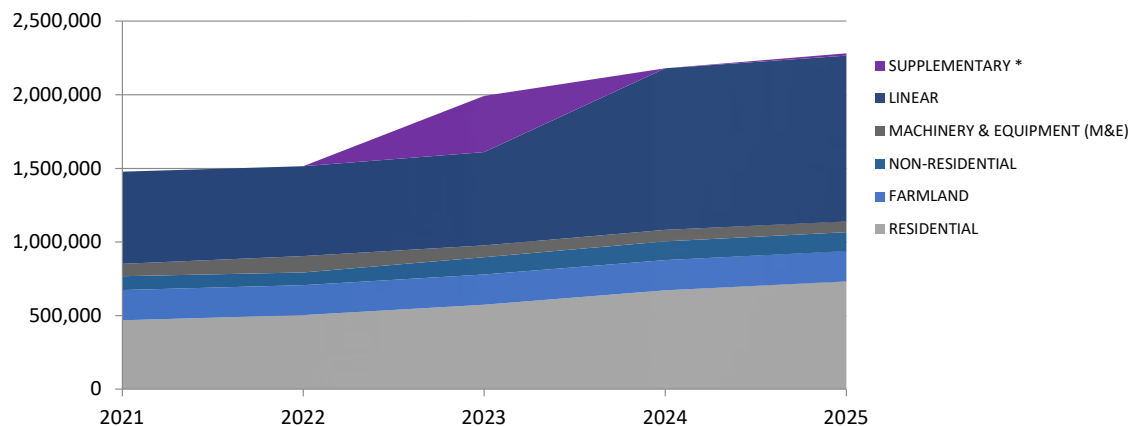
OTHER VULCAN COUNTY STATISTICS:

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

EMPLOYMENT RATE	67.0%	67.0%	67.0%	67.0%	67.0%
UNEMPLOYMENT RATE - OVERALL	5.0%	5.0%	5.0%	5.0%	5.0%
UNEMPLOYMENT RATE - FEMALE	6.0%	6.0%	6.0%	6.0%	6.0%
UNEMPLOYMENT RATE - MALE	4.0%	4.0%	4.0%	4.0%	4.0%
FAMILY INCOME - Average	\$ 86,503	\$ 83,520	\$ 92,510	\$ 92,510	\$ 92,510

Property Assessment (in thousands)

	2021	2022	2023	2024	2025
RESIDENTIAL	468,930	503,479	574,715	672,341	733,886
FARMLAND	204,911	205,149	205,106	205,081	205,050
NON-RESIDENTIAL	92,825	84,272	117,619	128,267	128,050
MACHINERY & EQUIPMENT (M&E)	84,490	110,538	78,621	77,382	73,436
LINEAR	626,613	611,164	634,671	1,097,080	1,126,448
TOTAL ASSESSMENT	1,477,769	1,514,602	1,610,732	2,180,151	2,266,870
SUPPLEMENTARY *	0	0	382,285	0	15,633
TAXABLE ASSESSMENT	1,477,769	1,514,602	1,993,017	2,180,151	2,282,503



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

Tax Rates (expressed in mills)

	2021	2022	2023	2024	2025
MUNICIPAL					
Residential	5.3660	5.3660	3.2196	2.2000	2.2000
Farmland	10.8230	10.8230	10.8230	10.8230	10.8230
Non-Residential, M&E, and Linear	9.4140	9.4140	8.8962	8.5000	8.7500
WASTE COMMISSION	0.5197	0.5599	0.5887	0.4188	0.4113
EDUCATION REQUISITION					
Residential and Farmland	2.6137	2.6500	2.3470	2.3091	2.6061
Non-Residential and Linear	4.0890	3.9000	3.5283	3.5678	3.9202
SENIOR FOUNDATION REQUISITION	0.3399	0.3304	0.3360	0.2437	0.2550
OTHER REQUISITION					
Royal Canadian Mounted Police	0.1256	0.1633	0.1497	0.1636	0.1776
Designated Industrial Properties	0.0766	0.0766	0.0746	0.0765	0.0701
SPECIAL LEVY - FIRE PROTECTION AREA					
Carmangay and District	0.7673	0.9142	1.0187	0.9692	0.7422
Champion and District	0.8920	1.1036	1.3238	1.0364	0.6138
Lomond and District	0.4328	0.5241	0.4736	0.3158	0.2366
Milo and District	1.1928	1.2897	1.1777	1.0649	0.8413
Vulcan and District	0.2665	0.3299	0.3215	0.2496	0.1497
Northwest	0.8495	0.7425	0.7992	0.5764	0.5669
Linear	0.3618	0.3618	0.3618	0.3618	0.0000
SPECIAL LEVY - RECREATIONAL AREA					
Carmangay and District	0.6411	0.5859	0.5031	0.4825	0.4518
Champion and District	0.6420	0.7059	0.5994	0.5795	0.5139
Lomond and District	0.1623	0.0810	0.0571	0.2157	0.4702
Milo and District	0.6345	0.6163	0.6015	0.5531	0.4807
Vulcan and District	0.6580	0.6571	0.4569	0.4308	0.5120
Northwest	0.2835	0.2522	0.2340	0.2204	0.2685
Linear	0.1388	0.1388	0.1388	0.0823	0.0000

Total Tax Collections

	2021	2022	2023	2024	2025
Net Municipal Taxes	14,189,795	15,079,227	17,943,837	17,136,610	17,655,605
School Requisitions	3,404,742	3,054,596	3,138,040	3,588,907	4,069,895
Seniors Requisitions	502,326	500,406	547,654	560,513	599,669
Other Requisitions	178,708	229,112	309,987	446,737	501,478
TOTAL TAX COLLECTIONS	18,275,571	18,863,341	21,939,518	21,732,767	22,826,647



Assets, Liabilities & Surplus

	2021	2022	2023	2024	2025
TAX RECEIVABLE AS % OF TAXES					
Tax Receivables	913,671	763,379	4,531,347	475,570	580,972
Supplementary Tax Receivables *	0	0	4,016,833	0	136,615
Effective Tax Receivables	913,671	763,379	514,514	475,570	444,357
Total Tax Levies	18,275,571	18,863,341	21,939,518	21,732,767	22,826,647
Tax Receivable as % of Taxes	5.0%	4.0%	2.3%	2.2%	1.9%
<i>* Supplementary Tax Levies are processed at the end of the year and not due for payment until the following year.</i>					
Financial Assets	42,083,056	42,541,150	48,705,018	53,722,769	53,756,008
Financial Liabilities	(7,965,347)	(5,061,450)	(5,465,173)	(6,272,965)	(4,364,029)
NET FINANCIAL ASSETS	34,117,709	37,479,700	43,239,845	47,449,804	49,391,979
Tangible Capital Assets	107,104,734	108,086,239	107,687,527	107,848,680	109,354,188
Inventory Held for Consumption	7,847,867	9,103,226	8,720,764	8,269,813	8,156,837
Prepaid Expenses	236,861	428,289	402,198	459,721	577,708
ACCUMULATED SURPLUS	149,307,171	155,097,454	160,050,334	164,028,018	167,480,712
Unrestricted Surplus	952,521	897,813	900,534	904,163	905,573
Restricted Surplus (Reserves)	41,249,916	46,636,284	51,987,627	55,656,819	57,658,230
Equity in Tangible Capital Assets	107,104,734	107,563,357	107,162,173	107,307,236	108,734,062
ACCUMULATED OPERATING	149,307,171	155,097,454	160,050,334	163,868,218	167,297,865
Accumulated Remeasurement Gain	0	0	0	159,800	182,847
ACCUMULATED SURPLUS	149,307,171	155,097,454	160,050,334	164,028,018	167,480,712

Revenues (by source)

	2021	2022	2023	2024	2025
Net Municipal Taxes	14,189,795	15,079,227	17,943,837	17,136,610	17,655,605
Government Transfers for Operating	535,535	1,403,059	1,104,191	1,176,124	1,119,195
Return on Investments	353,865	1,022,438	2,063,059	2,260,512	2,180,149
Sale of Goods/Services/User Charges	1,562,870	888,685	1,949,632	2,197,447	1,499,071
Rental Income	338,373	319,129	320,565	325,203	349,258
Community Aggregate Levy	241,318	212,993	193,171	221,153	201,831
Penalties and Costs of Taxes	502,498	228,725	350,624	225,768	174,579
Gain on Disposal of Capital Assets	2,427,982	1,430,054	26,523	113,602	222,494
Other Revenue	34,697	240,385	30,518	282,425	276,556
OPERATING REVENUES	20,186,933	20,824,695	23,982,120	23,938,844	23,678,738
Contributed Tangible Capital Assets	0	0	0	684,977	0
Government Transfers for Capital	2,672,336	4,294,087	1,756,668	1,512,117	2,818,352
TOTAL REVENUES	22,859,269	25,118,782	25,738,788	26,135,938	26,497,090

Expenses (by function and object)

	2021	2022	2023	2024	2025
EXPENSES BY FUNCTION					
Legislative	399,079	447,807	478,318	538,114	559,357
Administration	1,743,816	2,056,167	2,267,748	2,526,009	2,532,728
Protective services	1,918,900	2,045,659	2,627,286	3,095,384	3,341,878
Transportation services	10,366,739	10,552,481	11,290,788	11,657,736	12,065,825
Agricultural services	722,417	650,453	720,976	761,000	809,765
Planning and development services	643,074	544,723	691,937	954,793	851,184
Family and community support	236,248	217,118	219,469	203,445	200,288
Parks and recreation	937,291	671,001	696,646	741,448	798,860
Tourism and economic development	125,537	24,040	19,922	28,952	45,757
Utility Services	952,000	1,021,944	1,140,509	1,201,098	1,366,203
Other	3,725,273	621,097	632,309	610,075	495,598
TOTAL EXPENSES	21,770,374	18,852,490	20,785,908	22,318,054	23,067,443

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

EXPENSE BY OBJECT					
Salaries, wages and benefits	6,470,017	6,937,554	7,798,714	9,054,113	9,749,651
Contracted and general services	2,602,679	2,543,119	3,378,964	3,552,002	3,736,547
Materials, goods and utilities	2,606,600	2,820,480	3,149,977	3,626,627	3,495,682
Provision for allowances	3,202,579	602,629	625,434	609,664	474,030
Transfers to local boards and agencies	2,020,901	1,893,026	2,002,831	2,046,646	2,086,404
Interest and bank charges	48,758	48,635	40,642	38,207	35,519
Amortization of tangible capital assets	4,615,232	4,818,615	4,876,655	5,012,320	5,383,298
Amortization of ARO capital assets	0	1,115	1,115	1,115	1,085
Accretion ARO expenses	0	18,012	19,291	20,760	24,656
Machine expenses capitalized	(1,351,472)	(1,639,395)	(1,423,600)	(1,722,616)	(2,411,182)
Loss on disposal of capital assets	852,803	729,078	34,685	8,274	395,211
Other expenses	702,277	79,622	281,200	70,942	96,542
TOTAL EXPENSES	21,770,374	18,852,490	20,785,908	22,318,054	23,067,443

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

Debt Supported by Taxes

	2021	2022	2023	2024	2025
Gross Debt (supported by tax)	1,382,720	1,252,044	1,118,084	980,757	839,977
County Population	4,237	4,237	4,237	4,262	4,262
LONG-TERM DEBT PER CAPITA	326	296	264	230	197

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



Transfer to Local Boards and Agencies

	2021	2022	2023	2024	2025
TRANSFERS TO OTHER LOCAL GOVERNMENTS					
Vulcan District Waste Commission	768,040	852,340	948,762	962,993	981,005
Twin Valley Regional Water Commission	37,246	39,536	41,662	41,548	39,190
Fire Area Contributions	156,310	207,972	177,869	167,744	110,000
Recreation Area Contributions	772,875	507,912	519,846	564,748	614,787
Vulcan Library Board	133,500	133,500	145,000	145,000	151,000
McGregor Regional Water Project	0	0	0	7,458	38,715
Other local governments and organizations	152,930	151,766	169,692	157,155	151,707
	2,020,901	1,893,026	2,002,831	2,046,646	2,086,404

Annual Surplus and Allocations

	2021	2022	2023	2024	2025
TOTAL REVENUES	22,859,269	25,118,782	25,738,788	26,135,938	26,497,090
TOTAL EXPENSES	(21,770,374)	(18,852,490)	(20,785,908)	(22,318,054)	(23,067,443)
ANNUAL SURPLUS	1,088,895	6,266,292	4,952,880	3,817,884	3,429,647
ADD: Proceeds from Sale of Tangible Capital Assets	1,213,582	740,539	225,114	1,075,511	499,195
ADD: Transfer from Restricted Surplus to Operations	6,897,047	3,231,614	3,099,759	3,866,206	7,057,830
ADD: Amortization of Tangible Capital Assets and ARO accretion	4,615,232	4,837,743	4,880,242	5,029,525	5,463,065
LESS: Transfers to Restricted Surplus	(8,868,142)	(8,617,982)	(8,451,102)	(7,535,398)	(9,059,241)
LESS: Capital Expenditures	(4,949,027)	(6,521,313)	(4,704,172)	(6,250,099)	(7,389,086)
ALLOCATION TO UNRESTRICTED SURPLUS	(2,413)	(63,107)	2,721	3,629	1,410

Remeasurement Gains and Losses

	2021	2022	2023	2024	2025
Unrealized gains on Derivatives	0	0	0	159,800	182,847
Amounts reclassified to Operations	0	0	0	0	(159,800)
NET REMEASUREMENT GAINS	0	0	0	159,800	23,047
ACCUMULATED REMEASUREMENT GAINS, END OF YEAR	0	0	0	159,800	182,847

Principal Corporate Taxpayers and Industries

Top 10 Principal Corporate Taxpayers:

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

** These top 10 taxpayers represent 54.31% 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

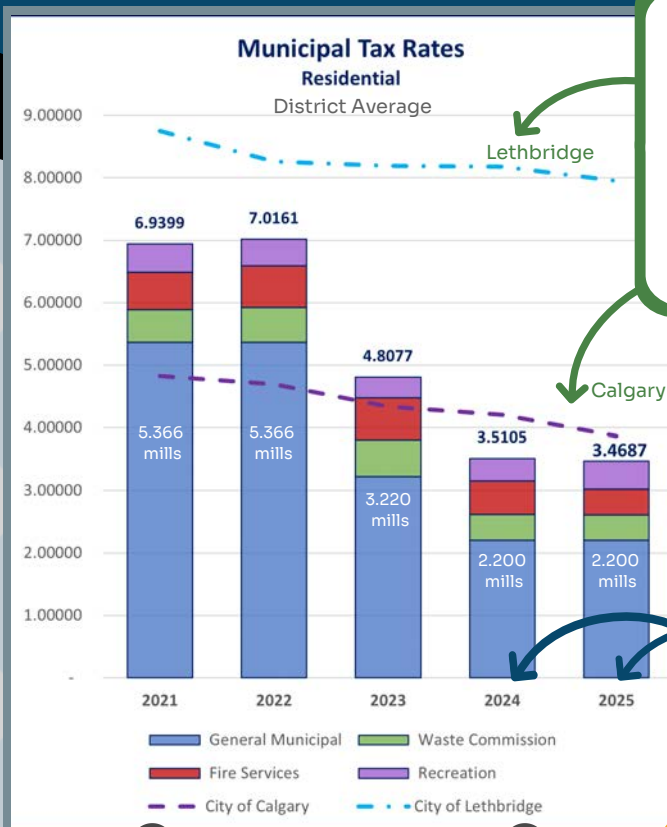
Source: <https://regionaldashboard.alberta.ca/region/vulcan-county/labour-force/#/custom/industry/>



INFOGRAPHICS

2025 Tax Rates & Information

Vulcan County Tax Rates and Information Facts you need to know for 2025!



Large City Comparisons

(close to Vulcan County)

Vulcan County's Residential Municipal Tax Rates have historically been lower than the **City of Lethbridge** (7.9541 mills - 2025), and are now even a lower municipal tax rate than the **City of Calgary** (3.8706 mills- 2025).



Residential Tax Rates

Through Strategic Planning and assessment growth, over the past couple years, the County was able to **significantly reduce the General Municipal Tax Rates for Residential Properties**. These highly competitive rates are as low as currently possible and we have **maintained these rates for 2025 tax year**.



Municipal Taxes:

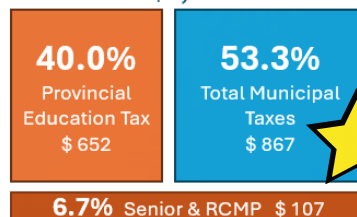
Vulcan County establishes a "General Municipal" tax rate for County Operations; whereas, for transparency purposes, the County also establishes separate tax rates for the Waste Commission, Fire Protection Services, and Recreational Services.

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

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



Total Property Tax \$1,626



The above is an example of a \$250,000 residential property. The **municipal taxes only represent 53.3%** of the total tax bill. The remaining are requisitions that the County has no control over.



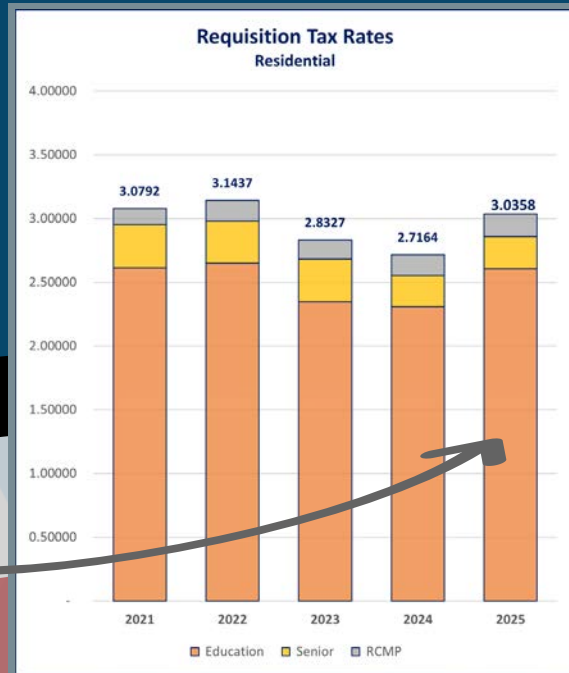
Requisition Tax Rates (Residential)

The **municipal taxes only represent 53.3%** of the total tax bill. The remaining are **requisitions that the County has no control over**. These requisitions include:

- > Provincial Education Tax Rate
- > Senior Foundation Tax Rate
- > RCMP Requisition Tax Rate *

All of the taxes collected for Education and RCMP are paid to the Province of Alberta and the taxes collected for Seniors are paid to the Marquis Foundation.

There is an **increase in Education Tax Rates in 2025** as the Provincial Rate was "frozen" for the last couple years; however, this brings the tax rates back to similar historical levels for the County.



* RCMP are separated for transparency purposes (even though not defined as a requisition by the MGA - County still has no control over annual costing).

Non-Residential Information



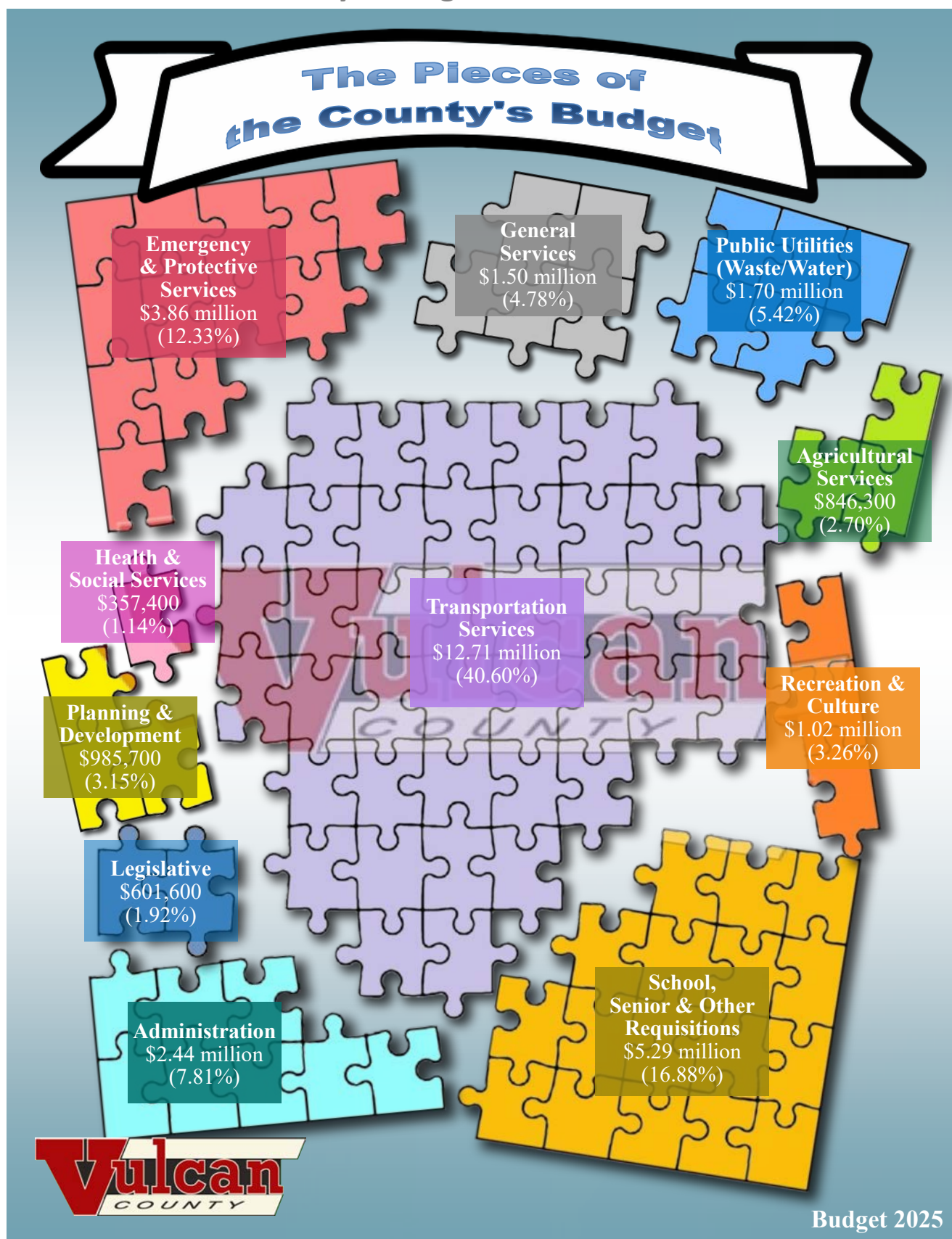
Non-Residential Tax Rates

Through Strategic Planning and assessment growth there were **also reductions in Non-Residential tax rates in 2023/2024**. For the 2025 tax year, there was also some updates in methodology, including:

- > Creation of a NEW assessment sub-class for "**Small Business Property**" which is able to have reduced rates (General Municipal Tax Rate of 7.500 mill for 2025).
- > Removal of special tax levies of fire and recreation on Linear Properties. **Only partial 2.94% increase in 2025 General Municipal Tax Rate** (other than small business rates).



The Pieces of the County's Budget - 2025



FINANCIAL CHARTS & GRAPHS



Introductory



Financial Analysis



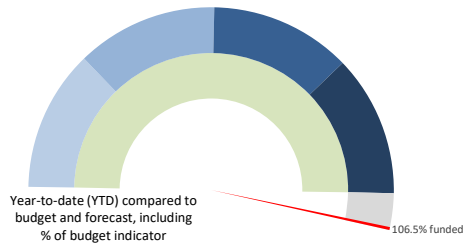
Financial Statements



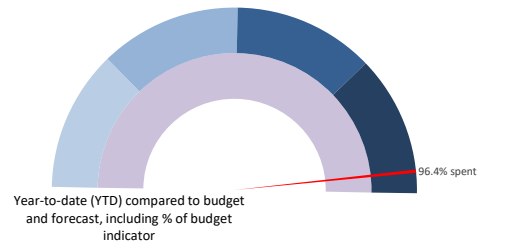
Statistics & Ratios

VULCAN COUNTY YEAREND OPERATING AND CAPITAL REPORT - FINANCIAL OVERVIEW YEAR ENDED DECEMBER 31, 2025

**Total Revenues
Tachometer:**

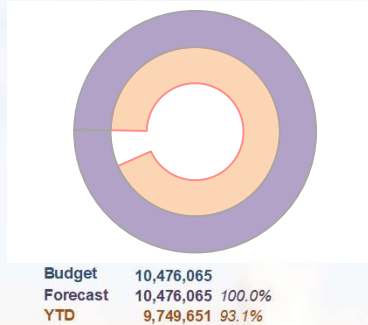


**Total Expenses
Tachometer:**

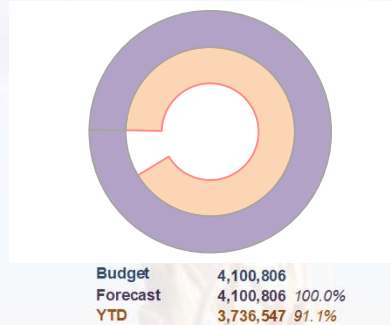


Summary of Significant Operating Expenses:

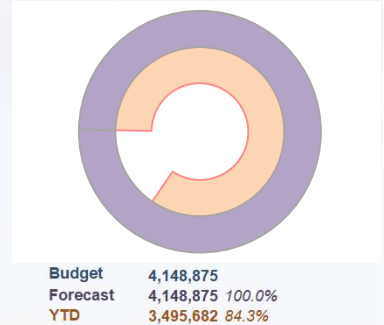
Salaries, wages and benefits



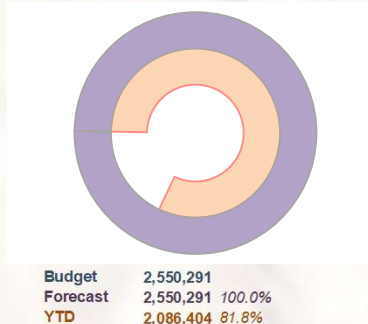
Contracted and general services



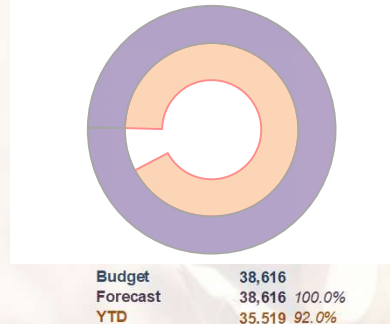
Materials, goods and utilities



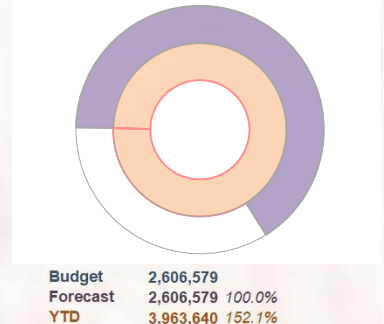
Transfers to local boards and agencies



Interest and bank charges



Amortization & other expenses



VULCAN COUNTY

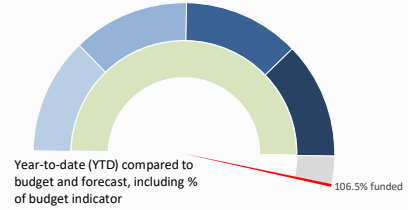
YEAREND OPERATING REPORT
YEAR ENDED DECEMBER 31, 2025

Total Revenues

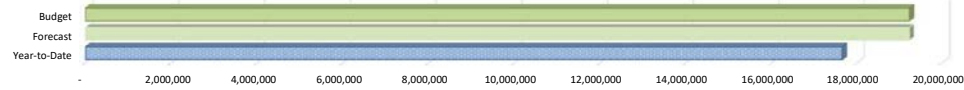
Financial Data as at March 5, 2026

	Budget	Forecast	Year-to-Date	Variance	YTD %
Net municipal taxes	19,234,072	19,234,072	17,655,605	1,578,467	91.8%
Government transfers (operating)	1,128,108	1,128,108	1,119,195	8,913	99.2%
Return on investment	676,824	676,824	2,180,149	(1,503,325)	322.1%
Sale of goods, services and user charges	817,906	817,906	1,499,071	(681,165)	183.3%
Rental income	321,680	321,680	349,258	(27,578)	108.6%
Community aggregate levy	142,912	142,912	201,831	(58,919)	141.2%
Penalties and other costs of taxes	130,000	130,000	174,579	(44,579)	134.3%
Gain on disposal of tangible capital assets	-	-	222,494	(222,494)	100.0%
Other revenues	11,500	11,500	276,556	(265,056)	2404.8%
	22,463,002	22,463,002	23,678,738	(1,215,736)	105.4%
		100.0%			
Contributed Assets	-	-	-	0	0.0%
Government transfers (capital)	2,416,986	2,416,986	2,818,352	(401,366)	116.6%
	24,879,988	24,879,988	26,497,090	(1,617,102)	106.5%
		100.0%			

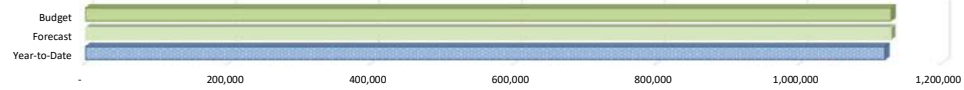
Total Revenue Tachometer:



Net municipal taxes



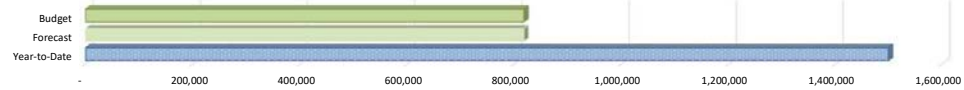
Government transfers (operating)



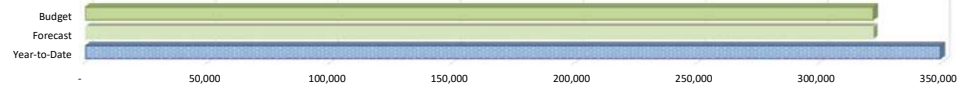
Return on investment



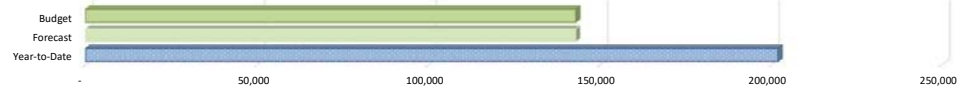
Sale of goods, services and user charges



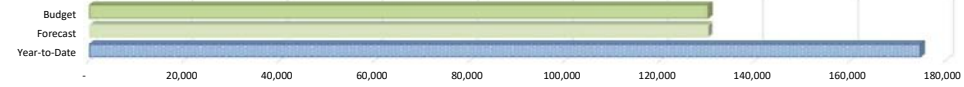
Rental income



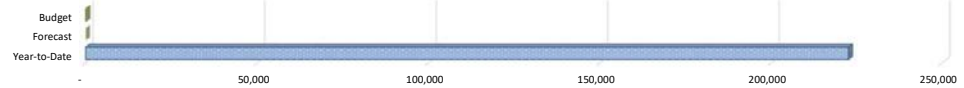
Community aggregate levy



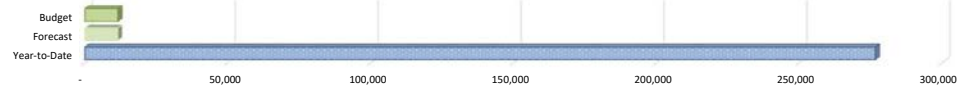
Penalties and other costs of taxes



Gain on disposal of tangible capital assets



Other revenues



VULCAN COUNTY

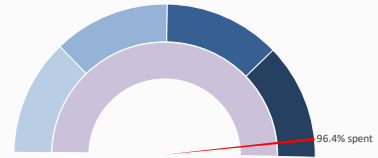
YEAREND OPERATING REPORT YEAR ENDED DECEMBER 31, 2025

Total Expenses

Financial Data as at March 5, 2026

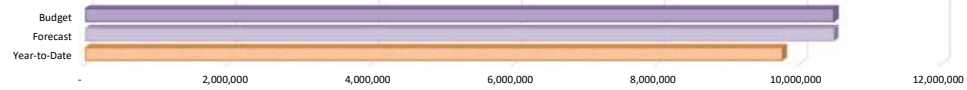
	Budget	Forecast	Year-to-Date	Variance	YTD %
Salaries, wages and benefits	10,476,065	10,476,066	9,749,650	726,416	93.1%
Contracted and general services	4,100,807	4,100,807	3,736,547	364,260	91.1%
Materials, goods and utilities	4,148,875	4,148,875	3,495,682	653,193	84.3%
Provision for allowances	282,997	282,997	474,030	(191,033)	167.5%
Transfers to local boards and agencies	2,550,291	2,550,291	2,086,404	463,887	81.8%
Interest and bank charges	38,616	38,616	35,519	3,097	92.0%
Amortization of tangible capital assets	5,013,435	5,013,435	5,384,383	(370,948)	107.4%
Machine expenses capitalized	(2,738,179)	(2,738,179)	(2,411,182)	(326,997)	0.0%
Loss on disposal of tangible capital assets	-	-	395,211	(395,211)	N/A
Other expenses	48,325	48,326	121,198	(72,872)	250.8%
	23,921,232	23,921,234	23,067,442	853,792	96.4%

Total Expense Tachometer:

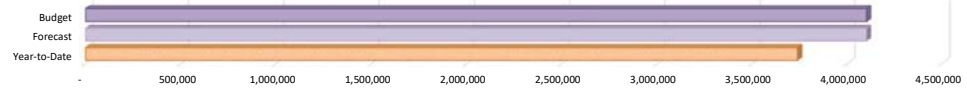


Year-to-date (YTD) compared to budget and forecast, including % of budget indicator

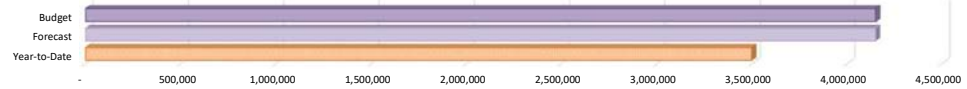
Salaries, wages and benefits



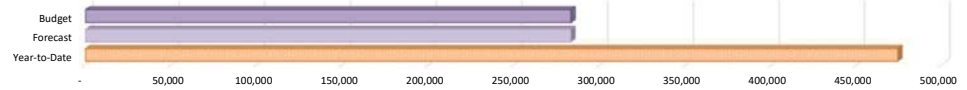
Contracted and general services



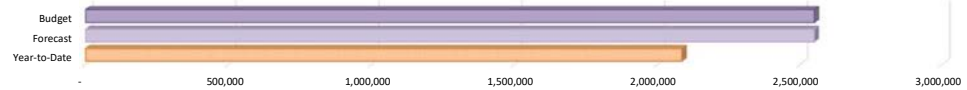
Materials, goods and utilities



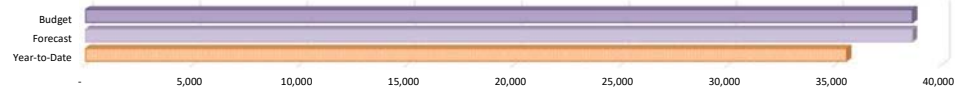
Provision for allowances



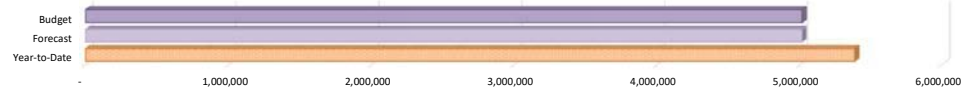
Transfers to local boards and agencies



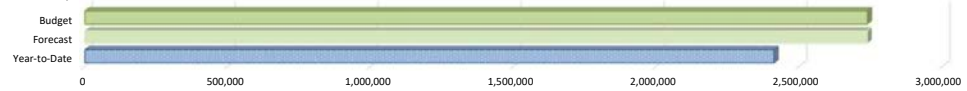
Interest and bank charges



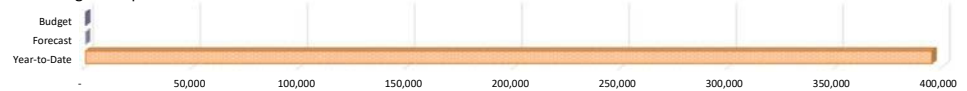
Amortization of tangible capital assets



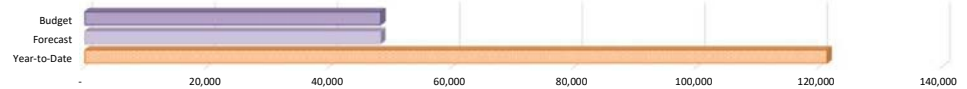
Machine expenses capitalized



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, 2025

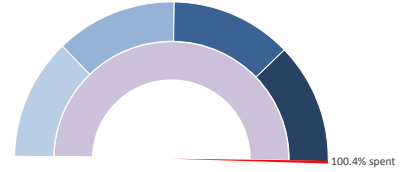
Analysis by Department/Segment

Expenses - General Government

Financial Data as at March 5, 2026

	Budget	Forecast	Year-to-Date	Variance	YTD %
Salaries, wages and benefits	1,819,609	1,819,609	1,816,645	2,964	99.8%
Contracted and general services	802,501	802,501	639,614	162,887	79.7%
Materials, goods and utilities	421,391	421,391	329,343	92,048	78.2%
Provision for allowances	269,823	269,823	474,030	(204,207)	175.7%
Transfers to local boards and agencies	73,896	73,896	77,359	(3,463)	104.7%
Interest and bank charges	14,990	14,990	12,922	2,068	86.2%
Amortization of tangible capital assets	128,412	128,412	130,496	(2,084)	101.6%
Machine expenses capitalized	-	-	-	0	0.0%
Loss on disposal of tangible capital assets	-	-	-	0	0.0%
Other expenses	43,640	43,641	107,274	(63,633)	245.8%
	3,574,262	3,574,263	3,587,683	(13,420)	100.4%

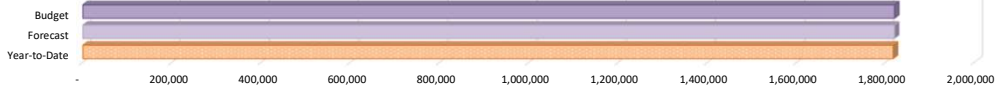
Total Expense Tachometer:



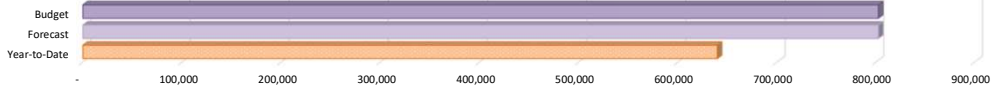
Year-to-date (YTD) compared to budget and forecast, including % of budget indicator

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

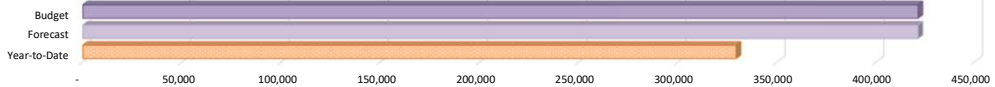
Salaries, wages and benefits



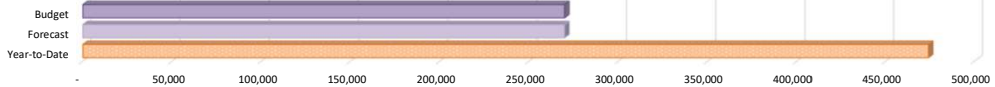
Contracted and general services



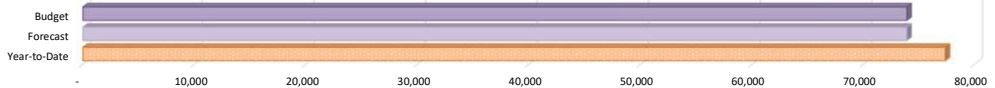
Materials, goods and utilities



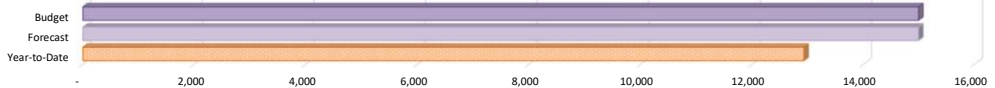
Provision for allowances



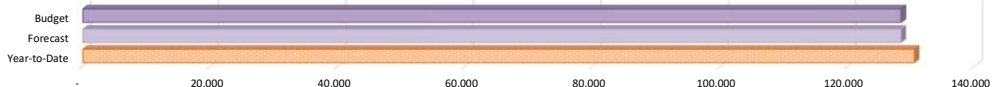
Transfers to local boards and agencies



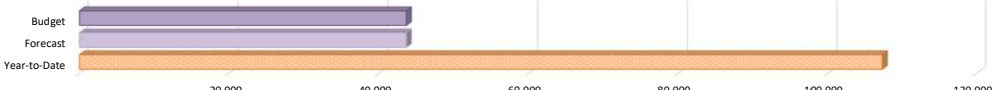
Interest and bank charges



Amortization of tangible capital assets



Other expenses



Supplementary Analysis on Expenses over Reporting Thresholds:

> Other Expenses were greater than the budget with the utilization of contingency funds relating to the top-up contribution to FCSS for Rural Development Network program (as approved by Council) and approximately \$54,000 remeasurement of the Asset Retirement Obligation (ARO).

>Provision for allowances are higher than budget with the additional oil & gas properties that are potentially uncollectable as the organizations are either insolvent or going through creditor protection.

VULCAN COUNTY

YEAREND OPERATING REPORT

YEAR ENDED DECEMBER 31, 2025

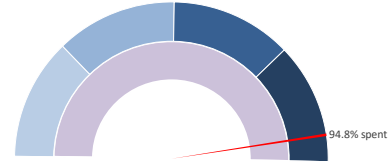
Analysis by Department/Segment

Expenses - Protective Services

Financial Data as at March 5, 2026

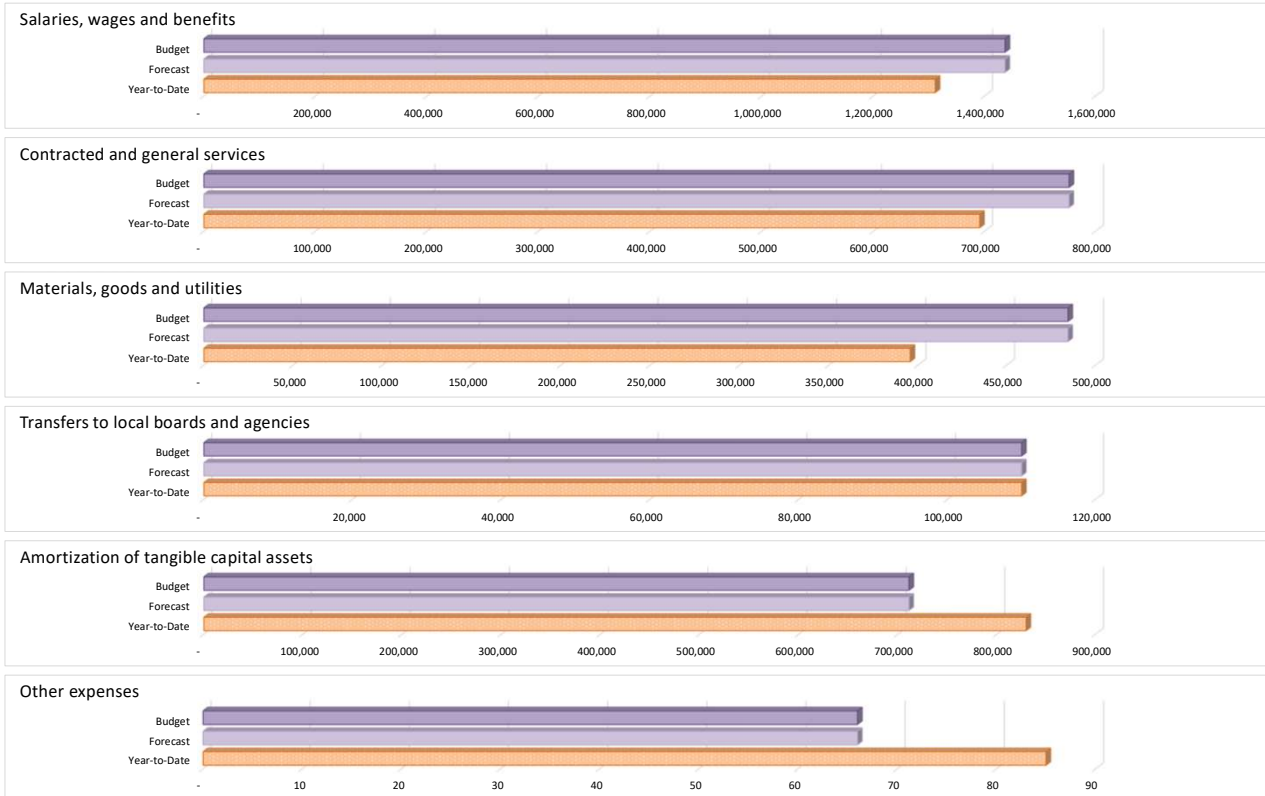
	Budget	Forecast	Year-to-Date	Variance	YTD %
Salaries, wages and benefits	1,436,917	1,436,918	1,311,014	125,904	91.2%
Contracted and general services	776,164	776,164	695,579	80,585	89.6%
Materials, goods and utilities	484,510	484,510	395,620	88,890	81.7%
Provision for allowances	5,515	5,515	-	5,515	0.0%
Transfers to local boards and agencies	110,000	110,000	110,000	0	100.0%
Interest and bank charges	-	-	2	(2)	N/A
Amortization of tangible capital assets	710,880	710,880	829,578	(118,698)	116.7%
Machine expenses capitalized	-	-	-	0	0.0%
Loss on disposal of tangible capital assets	-	-	-	0	0.0%
Other expenses	66	66	85	(19)	128.8%
	3,524,052	3,524,053	3,341,878	182,175	94.8%

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:

> Salary, Wages, & Benefits were overall less than budget; however, within this category there were some costs that are exceeding forecast including Overtime & Per Diems. These increases related to the from the staffing supporting with the forest fires and other emergency deployments (these costs are cost recovery).

> Contracted and general services were overall less than budget; however, within this category there were some costs that are exceeding budget including Vehicle Repairs and Consulting. The increase in Vehicle Repairs relate to the timing of repairs and that some repairs for Northwest and Milo fire trucks. These increases were offset by the decreases in other Contracted and General Services.



Introductory



Financial Analysis



Financial Statements



Statistics & Ratios

VULCAN COUNTY

YEAREND OPERATING REPORT YEAR ENDED DECEMBER 31, 2025

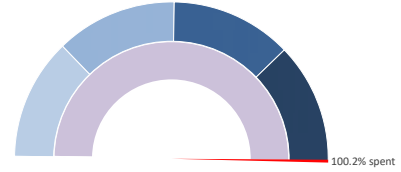
Analysis by Department/Segment

Expenses - Transportation Services

Financial Data as at March 5, 2026

	Budget	Forecast	Year-to-Date	Variance	YTD %
Salaries, wages and benefits	6,109,592	6,109,592	5,660,459	449,133	92.6%
Contracted and general services	1,687,520	1,687,520	1,645,916	41,604	97.5%
Materials, goods and utilities	2,990,175	2,990,175	2,535,990	454,185	84.8%
Provision for allowances	-	-	-	0	0.0%
Transfers to local boards and agencies	9,120	9,120	9,120	0	100.0%
Interest and bank charges	-	-	-	0	0.0%
Amortization of tangible capital assets	3,981,602	3,981,602	4,217,332	(235,730)	105.9%
Machine expenses capitalized	(2,738,179)	(2,738,179)	(2,411,182)	(326,997)	88.1%
Loss on disposal of tangible capital assets	-	-	395,211	(395,211)	N/A
Other expenses	3,882	3,882	12,979	(9,097)	334.3%
	12,043,712	12,043,712	12,065,825	(22,113)	100.2%

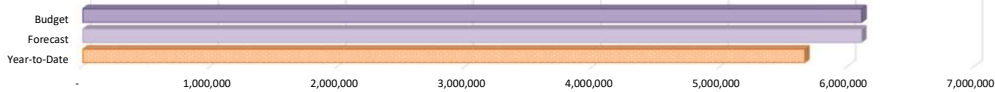
Total Expense Tachometer:



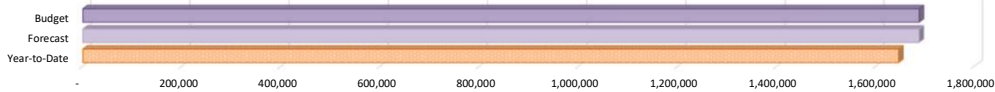
Year-to-date (YTD) compared to budget and forecast, including % of budget indicator

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

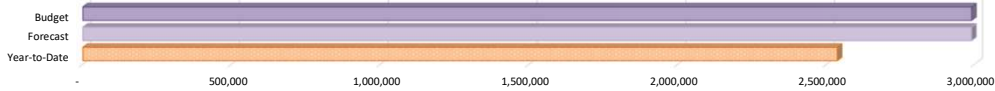
Salaries, wages and benefits



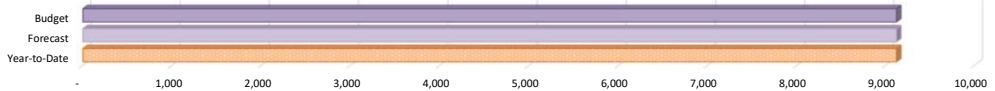
Contracted and general services



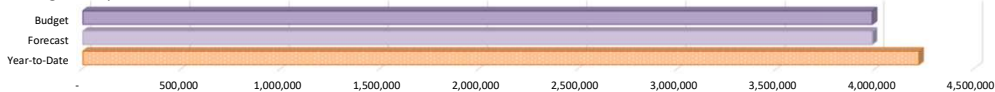
Materials, goods and utilities



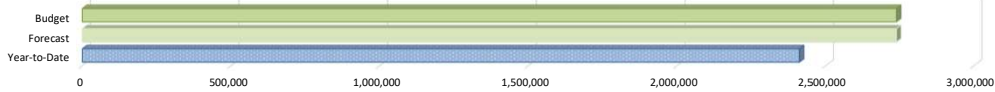
Transfers to local boards and agencies



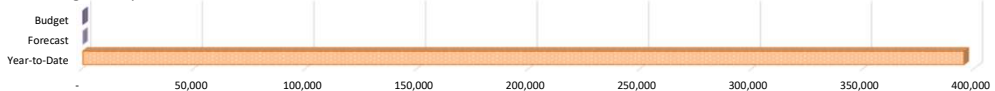
Amortization of tangible capital assets



Machine expenses capitalized



Loss on disposal of tangible capital assets



Supplementary Analysis on Expenses over Reporting Thresholds:

> Contracted and general services were overall less than budget; however, within this category there were some costs that are exceeding budget including Equipment/Vehicle Repairs and Damages/Deductibles. 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 Damages/Deductibles relate to increase in the crop damage rates and return of Road Use Agreement funding. These increases were offset by the decreases in Road Repairs (Dust Abatement) and other Contracted and General Services.

> Materials, goods and utilities were overall comparable to budget; however, within this category there were some costs that are exceeding budget including costs for parts & supplies for the repairs and servicing on vehicles and equipment and other goods and services. These increases were offset by savings in multiple other materials, goods, and utilities.

> Loss on disposals of tangible capital assets are not specifically budgeted; whereas, the losses relate to the replacement of roads and bridges that were required to be replaced before the end of their useful lives for accounting and amortization purposes.

VULCAN COUNTY

YEAREND OPERATING REPORT
YEAR ENDED DECEMBER 31, 2025

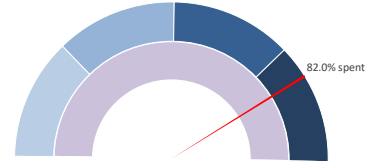
Analysis by Department/Segment

Expenses - Agricultural Services

Financial Data as at March 5, 2026

	Budget	Forecast	Year-to-Date	Variance	YTD %
Salaries, wages and benefits	477,886	477,886	396,570	81,316	83.0%
Contracted and general services	122,462	122,462	66,865	55,597	54.6%
Materials, goods and utilities	230,201	230,201	193,671	36,530	84.1%
Provision for allowances	-	-	-	0	0.0%
Transfers to local boards and agencies	25,088	25,088	14,014	11,074	55.9%
Interest and bank charges	-	-	-	0	0.0%
Amortization of tangible capital assets	130,594	130,594	137,808	(7,214)	105.5%
Machine expenses capitalized	-	-	-	0	0.0%
Loss on disposal of tangible capital assets	-	-	-	0	0.0%
Other expenses	720	720	837	(117)	116.3%
	986,951	986,951	809,765	177,186	82.0%

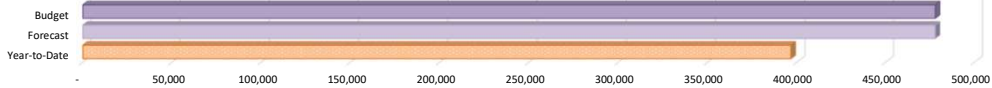
Total Expense Tachometer:



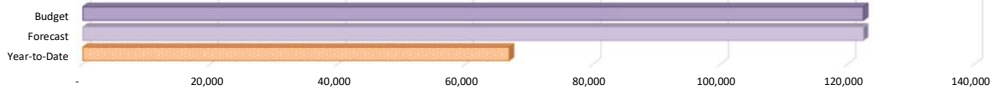
Year-to-date (YTD) compared to budget and forecast, including % of budget indicator

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

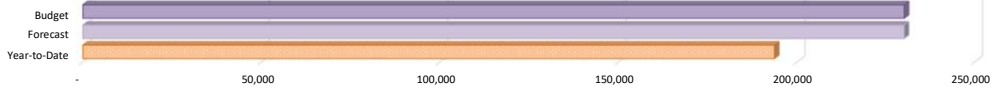
Salaries, wages and benefits



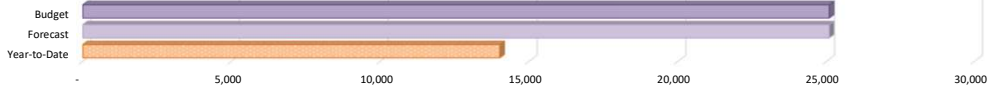
Contracted and general services



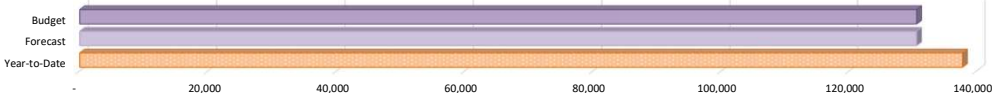
Materials, goods and utilities



Transfers to local boards and agencies



Amortization of tangible capital assets



Supplementary Analysis on Expenses over Reporting Thresholds:

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



Introductory



Financial Analysis



Financial Statements



Statistics & Ratios

VULCAN COUNTY

YEAREND OPERATING REPORT YEAR ENDED DECEMBER 31, 2025

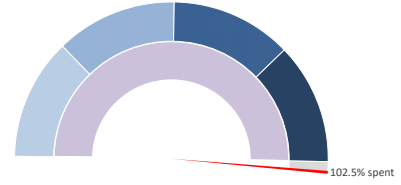
Analysis by Department/Segment

Expenses - Planning and Development Services

Financial Data as at March 5, 2026

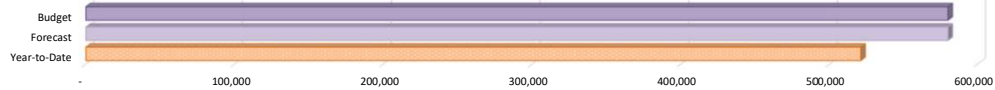
	Budget	Forecast	Year-to-Date	Variance	YTD %
Salaries, wages and benefits	580,050	580,050	521,055	58,995	89.8%
Contracted and general services	248,399	248,399	329,396	(80,997)	132.6%
Materials, goods and utilities	2,347	2,347	733	1,614	31.2%
Provision for allowances	-	-	-	0	0.0%
Transfers to local boards 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%
	830,796	830,796	851,184	(20,388)	102.5%

Total Expense Tachometer:

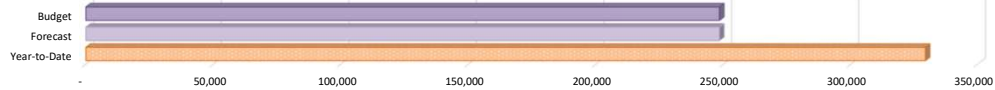


The Planning and Development Services segment includes planning, zoning, subdivision, and land development.

Salaries, wages and benefits



Contracted and general services



Materials, goods and utilities



Supplementary Analysis on Expenses over Reporting Thresholds:

> Contracted and general services were overall comparable to budget; however, within this category there were some costs that are exceeding budget including safety codes that are within the Planning and Development Services departments, which are funded by the additional safety code fee revenues. These increases were partially offset by savings in other contracted and general services.

VULCAN COUNTY

YEAREND OPERATING REPORT YEAR ENDED DECEMBER 31, 2025

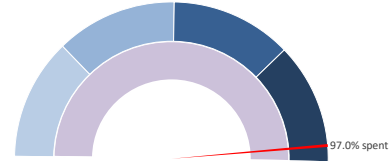
Analysis by Department/Segment

Expenses - Community Services

Financial Data as at March 5, 2026

	Budget	Forecast	Year-to-Date	Variance	YTD %
Salaries, wages and benefits	23,609	23,609	17,238	6,371	73.0%
Contracted and general services	215,409	215,409	184,854	30,555	85.8%
Materials, goods and utilities	6,350	6,350	3,216	3,134	50.6%
Provision for allowances	-	-	-	0	0.0%
Transfers to local boards and agencies	807,991	807,991	817,001	(9,010)	101.1%
Interest and bank charges	23,626	23,626	22,595	1,031	95.6%
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%
	1,076,985	1,076,985	1,044,904	32,081	97.0%

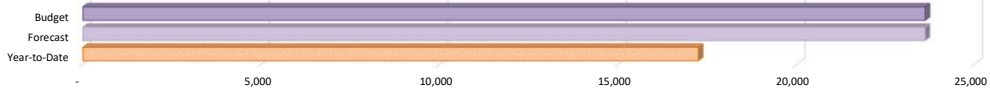
Total Expense Tachometer:



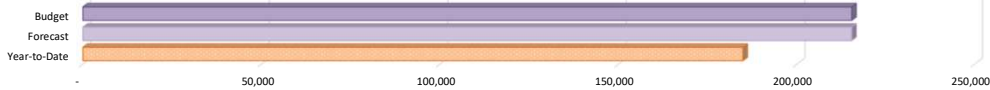
Year-to-date (YTD) compared to budget and forecast, including % of budget indicator

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

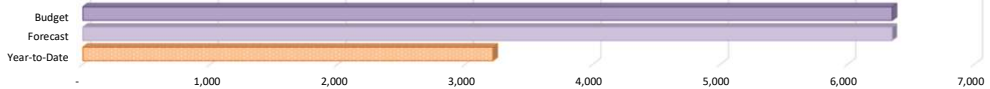
Salaries, wages and benefits



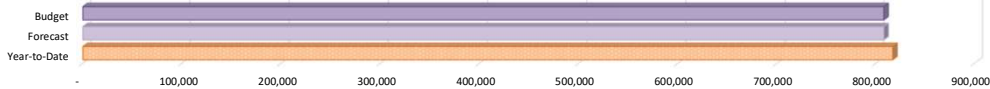
Contracted and general services



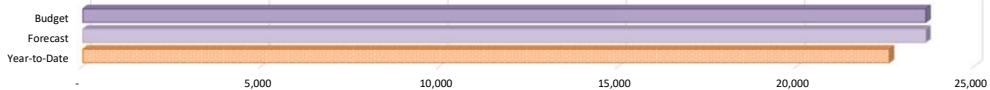
Materials, goods and utilities



Transfers to local boards and agencies



Interest and bank charges



Supplementary Analysis on Expenses over Reporting Thresholds:

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



Introductory



Financial Analysis



Financial Statements



Statistics & Ratios

VULCAN COUNTY

YEAREND OPERATING REPORT YEAR ENDED DECEMBER 31, 2025

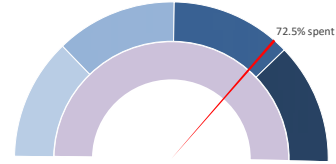
Analysis by Department/Segment

Expenses - Utility Services

Financial Data as at March 5, 2026

	Budget	Forecast	Year-to-Date	Variance	YTD %
Salaries, wages and benefits	28,402	28,402	26,669	1,733	93.9%
Contracted and general services	248,352	248,352	174,323	74,029	70.2%
Materials, goods and utilities	13,901	13,901	37,109	(23,208)	267.0%
Provision for allowances	7,659	7,659	-	7,659	0.0%
Transfers to local boards and agencies	1,524,196	1,524,196	1,058,910	465,286	69.5%
Interest and bank charges	-	-	-	0	0.0%
Amortization of tangible capital assets	61,947	61,947	69,169	(7,222)	111.7%
Machine expenses capitalized	-	-	-	0	0.0%
Loss on disposal of tangible capital assets	-	-	-	0	0.0%
Other expenses	17	17	23	(6)	135.3%
	1,884,474	1,884,474	1,366,203	518,271	72.5%

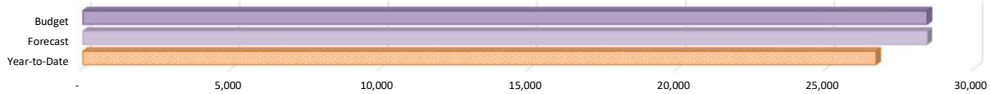
Total Expense Tachometer:



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.

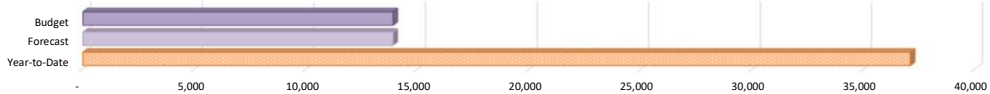
Salaries, wages and benefits



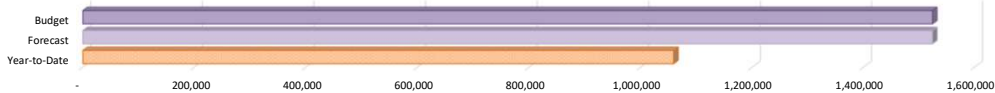
Contracted and general services



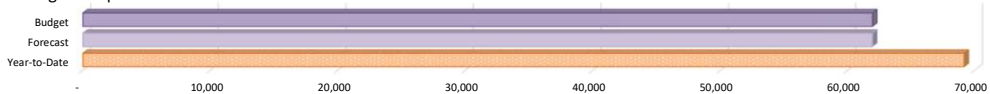
Materials, goods and utilities



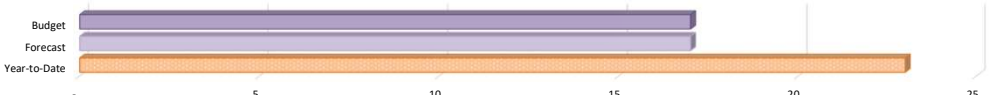
Transfers to local boards and agencies



Amortization of tangible capital assets



Other expenses



Supplementary Analysis on Expenses over Reporting Thresholds:

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

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





Special thanks to Rick Beck, EDF EN Canada, Photo Contest submissions, and various other photographers for providing pictures of the County used in this report.



Vulcan County

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