

**FLAGSTAFF COUNTY**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

## MANAGEMENTS' RESPONSIBILITY FOR FINANCIAL REPORTING

Management of Flagstaff County is responsible for the preparation, accuracy, objectivity and integrity of the accompanying financial statements and all other information contained within this Financial Report. Management believes that the financial statements present fairly the county's financial position as at December 31, 2024 and the results of its operations for the year then ended.

The financial statements have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards (PSAS).

The financial statements include certain amounts based on estimates and judgements. Such amounts have been determined on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

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

These systems are monitored and evaluated by management and reliable financial information is available for preparation of the financial statements.

The county Council carries out its responsibilities for review of the financial statements principally through council meetings. They meet with management and the external auditors to discuss the results of audit examinations and financial reporting matters.

The external auditors have full access to Council with and without the presence of management. The county Council has approved the financial statements.

The financial statements have been audited by Gitzel & Company, Chartered Professional Accountants, independent external auditors appointed by the county. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the county's financial statements.

  
\_\_\_\_\_  
Chief Administrative Officer

April 16, 2025  
Date

  
\_\_\_\_\_  
Financial Officer

April 16, 2025  
Date



\*Scott St. Arnaud, CPA, CA   \*Jolene P. Kobi, CPA, CA   \*Justin J. Tanner, CPA, CA  
\*Peggy Weinzierl, CPA, CA (Associate)

## INDEPENDENT AUDITORS' REPORT

TO:    Reeve and Council  
      Flagstaff County

### Opinion

We have audited the financial statements of Flagstaff County, which comprise the statement of financial position as at December 31, 2024 and the statements of operations, changes in net financial assets (debt) and cash flows for the year then ended, and notes and schedules to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the county as at December 31, 2024, the results of its operations, change in its net financial assets (debt) and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Municipal Financial Statements* section of our report. We are independent of the county in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of Matter

Significant areas requiring the use of management's estimates were the gravel inventory and the gravel reclamation valuation and the useful life of the county's tangible capital assets. Significant changes in the value of gravel and reclamation costs could result in changes in inventory and liability amounts. Significant changes in the useful life of the tangible capital assets would affect the carrying value of these assets and equity in tangible capital assets.

### 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 ability of the county 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 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.

## Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- 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 purposes 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 auditors' 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 the auditors' report. However, future events or conditions may cause the county to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Stettler, Alberta  
April 16, 2025

*Gitzel & Company*  
CHARTERED PROFESSIONAL ACCOUNTANTS

**FLAGSTAFF COUNTY**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2024**

	<b>2024</b>	<b>2023</b>
<b>FINANCIAL ASSETS</b>		
Cash and short term investments (Note 3)	\$ 74,993,136	\$ 66,023,452
Taxes and grants in place of taxes receivable (Note 4)	2,016,147	1,869,436
Trade and other receivables	4,733,831	8,177,412
Long-term investments (Note 5)	<u>1,937,420</u>	<u>1,292,245</u>
	<u>83,680,534</u>	<u>77,362,545</u>
 <b>LIABILITIES</b>		
Accounts payable and accrued liabilities	1,194,052	1,022,898
Deposit liabilities	-	25,000
Employee future benefit obligation (Note 6)	328,764	396,941
Trust funds (Note 7)	88,972	79,672
Deferred revenue (Note 8)	9,471,502	10,579,325
Gravel reclamation liability (Note 9)	895,388	957,996
Capital lease obligation (Note 10)	43,269	95,190
Asset retirement obligation (Note 12)	<u>893,126</u>	<u>860,996</u>
	<u>12,915,073</u>	<u>14,018,018</u>
 <b>NET FINANCIAL ASSETS (DEBT)</b>	 <u>70,765,461</u>	 <u>63,344,527</u>
 <b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 2)	77,578,415	76,991,091
Inventory of materials and supplies	21,208,756	20,958,640
Prepaid expenses	287,820	271,514
Inventory for resale	<u>39,077</u>	<u>46,840</u>
	<u>99,114,068</u>	<u>98,268,085</u>
 <b>ACCUMULATED SURPLUS (Schedule 1)</b>	 \$ <u>169,879,529</u>	 \$ <u>161,612,612</u>
Contingencies - See Note 19		

**APPROVED ON BEHALF OF THE COUNCIL:**

  
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**FLAGSTAFF COUNTY**  
**STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

	Budget (Unaudited)	2024	2023
<b>REVENUES</b>			
Net municipal property taxes (Schedule 3)	\$ 22,590,450	\$ 22,550,010	\$ 22,574,544
Sales and user fees	999,900	994,189	938,202
Government transfers for operating (Schedule 4)	1,965,050	1,934,025	824,383
Investment income	2,515,000	3,710,176	3,320,576
Penalties and costs on taxes	2,000,000	2,211,956	2,459,177
Licenses and permits	29,500	30,930	39,621
Rentals	26,300	26,576	26,301
Gain on disposal of tangible capital assets	61,500	103,295	215,991
Fines and other	<u>94,800</u>	<u>110,612</u>	<u>83,346</u>
Total revenue	<u>30,282,500</u>	<u>31,671,769</u>	<u>30,482,141</u>
<b>EXPENSES (Schedule 5)</b>			
Legislative	464,550	443,236	395,444
Administration	3,689,700	3,272,885	3,097,386
Protective services	1,687,900	1,583,347	1,467,467
Public works and airport	13,327,650	12,474,242	12,077,915
Water and Waste management	1,036,600	1,099,757	980,281
Family, Community and Public Health	526,650	528,985	454,887
Ag services and development	2,339,350	2,143,759	1,806,615
Recreation, parks and culture	1,051,300	1,054,370	1,032,068
Provision for uncollectable taxes	<u>2,645,000</u>	<u>3,282,224</u>	<u>2,762,178</u>
Total expenses	<u>26,768,700</u>	<u>25,882,805</u>	<u>24,074,241</u>
<b>EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES – BEFORE CAPITAL REVENUE</b>	3,513,800	5,788,964	6,407,900
<b>CAPITAL REVENUE</b>			
Government transfers for capital (Schedule 4)	<u>3,076,800</u>	<u>2,477,953</u>	<u>2,019,702</u>
<b>EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES</b>	\$ <u>6,590,600</u>	<u>8,266,917</u>	<u>8,427,602</u>
<b>ACCUMULATED SURPLUS – BEGINNING OF YEAR</b>		<u>161,612,612</u>	<u>153,185,010</u>
<b>ACCUMULATED SURPLUS – END OF YEAR</b>		\$ <u>169,879,529</u>	\$ <u>161,612,612</u>

# FLAGSTAFF COUNTY

## STATEMENT OF CHANGES IN NET FINANCIAL ASSETS (DEBT)

FOR THE YEAR ENDED DECEMBER 31, 2024

	Budget (Unaudited)	2024	2023
<b>EXCESS (SHORTFALL) OF REVENUES OVER EXPENSES</b>	\$ <u>6,590,600</u>	\$ <u>8,266,917</u>	\$ <u>8,427,602</u>
Acquisition of tangible capital assets	(7,057,700)	(5,949,063)	(3,831,168)
Proceeds on disposal of tangible capital assets	588,000	628,226	801,883
Amortization of tangible capital assets	4,538,100	4,495,801	4,512,161
Net (Gain) loss on sale of tangible capital assets	<u>143,500</u>	<u>237,711</u>	<u>148,975</u>
	<u>(1,788,100)</u>	<u>(587,325)</u>	<u>1,631,851</u>
Net use (acquisition) of supplies inventories	-	(250,115)	(322,497)
Net use (acquisition) of prepaid assets	-	(16,306)	(40,225)
Net disposition (acquisition) of land for resale	<u>-</u>	<u>7,763</u>	<u>(8,664)</u>
	<u>-</u>	<u>(258,658)</u>	<u>(371,386)</u>
<b>INCREASE (DECREASE) IN NET FINANCIAL ASSETS</b>	\$ <u>4,802,500</u>	7,420,934	9,688,067
<b>NET FINANCIAL ASSETS (DEBT) - BEGINNING OF YEAR</b>		<u>63,344,527</u>	<u>53,656,460</u>
<b>NET FINANCIAL ASSETS (DEBT) - END OF YEAR</b>		\$ <u>70,765,461</u>	\$ <u>63,344,527</u>

**FLAGSTAFF COUNTY**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

	2024	2023
<b>OPERATING ACTIVITIES</b>		
Excess (shortfall) of revenues over expenses	\$ 8,266,917	\$ 8,427,602
Non-cash items included in excess (shortfall) of revenues over expenses:		
Amortization of tangible capital assets	4,495,801	4,512,161
Net (gain) loss on disposal of tangible capital assets	237,711	148,975
Non-cash changes to operations (net change):		
Taxes and receivables	3,296,870	(1,652,863)
Prepaid expenses	(8,542)	(48,889)
Inventory	(250,115)	(322,498)
Accounts payable and accrued liabilities	77,976	52,636
Trust funds	9,300	501
Deferred revenue	(1,107,823)	(292,183)
Gravel reclamation liability	<u>(62,608)</u>	<u>30,356</u>
Net cash provided by (used in) operating activities	<u>14,955,487</u>	<u>10,855,798</u>
<b>CAPITAL ACTIVITIES</b>		
Acquisition of tangible capital assets	(5,949,063)	(3,831,168)
Proceeds on sale of tangible capital assets	<u>628,226</u>	<u>801,883</u>
Cash applied to capital transactions	<u>(5,320,837)</u>	<u>(3,029,285)</u>
<b>INVESTING ACTIVITIES</b>		
Decrease (increase) in restricted cash or cash equivalents	(2,523,512)	1,073,182
Long term investments	<u>(645,175)</u>	<u>(559,338)</u>
Net cash provided by (used in) investing activities	<u>(3,168,687)</u>	<u>513,844</u>
<b>FINANCING ACTIVITIES</b>		
Asset retirement obligation	32,130	85,254
Repayment of capital lease obligation	<u>(51,921)</u>	<u>(51,921)</u>
Net cash provided by (used in) financing activities	<u>(19,791)</u>	<u>33,333</u>
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>		
<b>- DURING THE YEAR</b>	6,446,172	8,373,690
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<u>63,281,502</u>	<u>54,907,812</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u><u>69,727,674</u></u>	<u><u>63,281,502</u></u>
<b>CASH AND CASH EQUIVALENTS IS MADE UP OF:</b>		
Cash and short term investments (Note 3)	74,993,136	66,023,452
Less: Restricted portion of cash and short term investments (Note 3)	<u>(5,265,462)</u>	<u>(2,741,950)</u>
	<u>\$ 69,727,674</u>	<u>\$ 63,281,502</u>



# FLAGSTAFF COUNTY

## SCHEDULE 1 - CHANGES IN ACCUMULATED SURPLUS

FOR THE YEAR ENDED DECEMBER 31, 2024

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2024	2023
<b>BALANCE - BEGINNING OF YEAR</b>	\$ 21,101,141	\$ 64,476,566	\$ 76,034,905	\$ 161,612,612	\$ 153,185,010
Excess (deficiency) of revenues over expenses	8,266,917	-	-	8,266,917	8,427,602
Unrestricted funds designated for future use	(7,700,323)	7,700,323	-	-	-
Restricted funds used for operations	-	-	-	-	-
Restricted funds used for tangible capital assets	-	(1,060,226)	1,060,226	-	-
Current year funds used for tangible capital assets	(4,888,837)	-	4,888,837	-	-
Disposal of tangible capital assets	228,433	628,226	(856,659)	-	-
Accretion of Asset Retirement Obligations	41,409	-	(41,409)	-	-
Annual amortization expense	4,495,801	-	(4,495,801)	-	-
Capital lease obligation repaid	(51,921)	-	51,921	-	-
Change in accumulated surplus	391,479	7,268,323	607,115	8,266,917	8,427,602
<b>BALANCE - END OF YEAR</b>	\$ 21,492,620	\$ 71,744,889	\$ 76,642,020	\$ 169,879,529	\$ 161,612,612

# FLAGSTAFF COUNTY

## SCHEDULE 2 – SCHEDULE OF TANGIBLE CAPITAL ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2024

	Land and Improvements	Buildings	Engineered Structures	Machinery and Equipment	Vehicles	2024	2023
<b>COST:</b>							
BALANCE - BEGINNING OF YEAR	\$ 1,896,813	\$ 20,449,680	\$ 141,070,980	\$ 16,931,874	\$ 4,764,143	\$ 185,113,490	\$ 183,931,270
Acquisition of tangible capital assets	56,638	236,814	2,850,488	2,216,375	588,748	5,949,063	3,831,168
Disposal of tangible capital assets	-	(73,818)	(2,136,690)	(1,310,466)	(159,802)	(3,680,776)	(2,648,948)
BALANCE - END OF YEAR	<u>1,953,451</u>	<u>20,612,676</u>	<u>141,784,778</u>	<u>17,837,783</u>	<u>5,193,089</u>	<u>187,381,777</u>	<u>185,113,490</u>
<b>ACCUMULATED AMORTIZATION:</b>							
BALANCE - BEGINNING OF YEAR	435,064	5,878,293	89,015,974	9,165,290	3,627,778	108,122,399	105,308,327
Annual amortization	50,889	462,908	2,659,617	1,087,939	234,448	4,495,801	4,512,161
Accumulated amortization on disposals	-	(66,265)	(1,772,093)	(825,078)	(151,402)	(2,814,838)	(1,698,089)
BALANCE - END OF YEAR	<u>485,953</u>	<u>6,274,936</u>	<u>89,903,498</u>	<u>9,428,151</u>	<u>3,710,824</u>	<u>109,803,362</u>	<u>108,122,399</u>
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<u>1,467,498</u>	<u>14,337,740</u>	<u>51,881,280</u>	<u>8,409,632</u>	<u>1,482,265</u>	<u>77,578,415</u>	<u>76,991,091</u>
<b>2023 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<u>\$ 1,467,856</u>	<u>\$ 14,581,381</u>	<u>\$ 52,038,905</u>	<u>\$ 7,766,584</u>	<u>\$ 1,136,365</u>	<u>\$ 76,991,091</u>	

# FLAGSTAFF COUNTY

## SCHEDULE 3 – PROPERTY AND OTHER TAXES

FOR THE YEAR ENDED DECEMBER 31, 2024

	Budget (Unaudited)	2024	2023
<b>TAXATION</b>			
Real property taxes	\$ 7,858,250	\$ 7,928,841	\$ 7,794,922
Linear, designated industrial and machinery and equipment property taxes	18,617,750	18,642,713	18,565,471
Government grants in place of property taxes	<u>300</u>	<u>294</u>	<u>321</u>
	<u>26,476,300</u>	<u>26,571,848</u>	<u>26,360,714</u>
<b>REQUISITIONS</b>			
Flagstaff Foundation	267,950	267,925	191,450
Alberta Education Funds	3,547,700	3,683,694	3,547,723
Provincial assessment	<u>70,200</u>	<u>70,219</u>	<u>46,997</u>
	<u>3,885,850</u>	<u>4,021,838</u>	<u>3,786,170</u>
<b>NET MUNICIPAL PROPERTY TAXES</b>	\$ <u>22,590,450</u>	\$ <u>22,550,010</u>	\$ <u>22,574,544</u>

## SCHEDULE 4 – GOVERNMENT TRANSFERS

FOR THE YEAR ENDED DECEMBER 31, 2024

	Budget (Unaudited)	2024	2023
<b>TRANSFERS FOR OPERATING:</b>			
Provincial government	\$ 1,911,050	\$ 1,838,978	\$ 799,383
Federal government	<u>54,000</u>	<u>95,047</u>	<u>25,000</u>
	<u>1,965,050</u>	<u>1,934,025</u>	<u>824,383</u>
<b>TRANSFERS FOR CAPITAL</b>			
Provincial government	<u>3,076,800</u>	<u>2,477,953</u>	<u>2,019,702</u>
<b>TOTAL GOVERNMENT TRANSFERS</b>	\$ <u>5,041,850</u>	\$ <u>4,411,978</u>	\$ <u>2,844,085</u>

# FLAGSTAFF COUNTY

## SCHEDULE 5 –EXPENSES BY OBJECT

FOR THE YEAR ENDED DECEMBER 31, 2024

	Budget (Unaudited)	2024	2023
<b>EXPENSES BY OBJECT</b>			
Salaries, wages and benefits	\$ 8,308,000	\$ 7,744,633	\$ 7,312,621
Contracted and general services	4,860,250	4,101,762	3,514,628
Materials, goods, supplies and utilities	4,247,850	3,989,543	3,791,446
Provision for (recovery of) allowances	2,645,000	3,285,057	2,762,177
Transfers to other governments, local boards and individuals	1,909,050	1,874,365	1,767,299
Bank charges and short-term interest	10,900	9,228	10,161
Accretion of Asset Retirement Obligations	39,550	41,409	38,782
Amortization of tangible capital assets	4,538,100	4,495,801	4,512,161
Loss on disposal of tangible capital assets	<u>205,000</u>	<u>341,007</u>	<u>364,966</u>
	\$ <u>26,763,700</u>	\$ <u>25,882,805</u>	\$ <u>24,074,241</u>

# FLAGSTAFF COUNTY

## SCHEDULE 6 - SEGMENTED DISCLOSURE

FOR THE YEAR ENDED DECEMBER 31, 2024

	General Government	Protective Services	Transportation	Water & Waste Management	Family, Community & Public Health	Ag Service & Development	Recreation & Parks	Total
<b>REVENUE</b>								
Net municipal taxes	\$ 22,550,010	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,550,010
Sales and user fees	17,156	4,019	434,359	442,793	-	81,950	13,912	994,189
Government transfers	441,352	5,500	125,403	103,895	453,093	381,689	423,093	1,934,025
Investment income	3,710,176	-	-	-	-	-	-	3,710,176
Penalties and costs on taxes	2,211,956	-	-	-	-	-	-	2,211,956
Other revenues	70,575	42,781	14,220	-	5,124	35,418	-	168,118
	<u>29,001,225</u>	<u>52,300</u>	<u>573,982</u>	<u>546,688</u>	<u>458,217</u>	<u>499,057</u>	<u>437,005</u>	<u>31,568,474</u>
<b>EXPENSES</b>								
Salaries, wages and benefits	1,710,836	409,967	4,392,199	149,859	-	994,726	87,046	7,744,633
Contract and general services	1,556,262	1,049,562	578,429	158,930	11,624	718,025	28,930	4,101,762
Materials, goods, supplies and utilities	167,358	50,567	3,358,101	48,820	-	290,080	65,080	3,980,006
Transfers	-	-	-	513,983	517,360	41,508	801,514	1,874,365
Provision for allowances	3,282,222	-	-	-	-	-	-	3,282,222
Other expenses	5,522	6,541	-	-	-	9,537	-	21,600
	<u>6,722,200</u>	<u>1,516,637</u>	<u>8,328,729</u>	<u>871,592</u>	<u>528,984</u>	<u>2,053,876</u>	<u>982,570</u>	<u>21,004,588</u>
<b>NET REVENUE, BEFORE AMORTIZATION AND OTHER</b>	22,279,025	(1,464,337)	(7,754,747)	(324,904)	(70,767)	(1,554,819)	(545,565)	10,563,886
Capital government transfers	-	-	2,358,577	75,126	-	-	44,250	2,477,953
Gain on disposal of capital assets	-	10,978	85,767	-	-	6,550	-	103,295
(Loss) on disposal of capital assets	-	(40,966)	(251,068)	(48,973)	-	-	-	(341,007)
Amortization expense	(276,142)	(32,284)	(3,846,494)	(179,191)	-	(89,889)	(71,801)	(4,495,801)
Accretion of asset retirement obligations	-	-	(41,409)	-	-	-	-	(41,409)
<b>EXCESS OF REVENUE OVER EXPENSES</b>	\$ 22,002,883	\$ (1,526,609)	\$ (9,449,374)	\$ (477,942)	\$ (70,767)	\$ (1,638,158)	\$ (573,116)	\$ 8,266,917

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

**1. SIGNIFICANT ACCOUNTING POLICIES**

The financial statements are the representations of management prepared in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting and Auditing Board of the Chartered Professional Accountants of Canada.

The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of significant accounting policies adopted as follows:

**(a) Reporting Entity**

The financial statements reflect the assets, liabilities, revenues and expenditures, changes in fund balances and change in financial position of the reporting entity which comprises all the organizations that are accountable for the administration of their financial affairs and resources to the council and are owned or controlled by the municipality.

The schedule of taxes levied also includes operating requisitions for many educational, health care, 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 are eliminated.

**(b) Basis of Accounting**

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

Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

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

**(c) Use of Estimates**

The preparation of financial statements in conformity with Canadian generally accepted accounting principles 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 expenditure during the period. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

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

**1. SIGNIFICANT ACCOUNTING POLICIES – Continued**

(c) Use of Estimates - Continued

Significant areas requiring the use of management's estimates were the gravel inventory and the gravel reclamation valuations. Significant changes in the value of gravel and gravel reclamation costs could result in large changes in inventory and liability amounts.

Amortization is based on the estimated useful lives of property and equipment. These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the periods in which they become known.

There is measurement uncertainty related to asset retirement obligations. Determining settlement amounts, discount rates and timing of settlement involves estimation. Changes to any of these estimates and assumptions may result in a change to the obligation.

There is measurement uncertainty related to the county's long-term investments as the date they can or will be converted to cash is unknown.

(d) 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.

(e) Tax Revenue

Tax revenues are recognized when the tax has been authorized by bylaw and the taxable event has occurred.

Requisitions operate as a flow through and are excluded from municipal revenue.

(f) 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.

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

**1. SIGNIFICANT ACCOUNTING POLICIES – Continued**

**(g) Government Transfers**

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

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

**(h) Interest on Long-Term Debt**

Interest on long-term debt is recorded as an expenditure as payment is made and is accrued for long-term debt interest payable at the end of the year.

**(i) Pension Expenditure**

The county participates in a multi-employer defined benefit pension plan. The plan is accounted for as a defined contribution plan.

Contributions for current and past service pension benefits are recorded as expenditures in the year in which they become due.

**(j) Taxes and Grants in Place of Taxes Receivables**

Current and arrears taxes and grants in place of taxes receivables consist of current tax levies and tax levies of prior years which remain outstanding at December 31st.

**(k) Investments**

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

**(l) Inventories of Materials and Supplies**

Inventories of materials and supplies are valued at the lower of cost and replacement cost with cost determined by the average cost method.

**(m) Allowances for Operating Assets**

Allowances for asset valuations are netted against the related asset. Increases in allowances are recorded as an expenditure while decreases in allowances are recorded as a revenue in the operating fund.



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

**1. SIGNIFICANT ACCOUNTING POLICIES – Continued**

(n) Gravel Reclamation Liability

Pursuant to the Alberta Environmental Protection and Enhancement Act, the County is required to fund the reclamation of its gravel pits. Closure and post-closure activities include the final clay cover, landscaping and visual inspection. The requirement is being accrued based on the usable tonnes of gravel as it is crushed at these sites and is reduced by reclamation work performed during the year.

(o) Asset retirement obligations

Asset retirement obligations are legal obligations associated with the retirement of a tangible capital asset. A liability for an asset retirement obligation is recognized as an estimate of the amount required to retire a tangible capital asset at the financial statement date when there is a legal obligation for the county to incur retirement costs, the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made.

The estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at year-end. These may include, but are not limited to, decommissioning or dismantling a tangible capital asset that was acquired, constructed or developed; remediation of contamination of a tangible capital asset created by its normal use; post-retirement activities such as monitoring; and constructing other tangible capital assets to perform post-retirement activities.

The 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.

When a liability for an asset retirement obligation is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related tangible capital asset. The asset retirement cost is amortized over the useful life of the related asset. Asset retirement obligations which are incurred incrementally with use of the asset are recognized in the period incurred with a corresponding asset retirement cost expensed in the period.

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 recognized as an increase or decrease 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.

(p) Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, accounts with banks and short-term, highly liquid investments.

# FLAGSTAFF COUNTY

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

### 1. SIGNIFICANT ACCOUNTING POLICIES – Continued

#### (q) Requisition Over-levies and Under-levies

Over-levies and under-levies arise from the difference between the actual 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. When the actual levy is less than the requisition amount, the under-levy is accrued as a receivable and as property taxes. Requisition tax rates in the subsequent year are adjusted for any over-levies or under-levies of the prior year.

#### (r) Non-Financial Assets

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

#### (i) Tangible Capital Assets

Tangible capital assets are recorded at cost, which includes all amounts that are directly attributable to acquisition, construction, development, improvement, betterment or retirement 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
Buildings	25 - 50
Engineered structures	
Roads	40
Bridges	Variable
Machinery and equipment	5 – 15
Vehicles	10 – 25

The annual amortization charge in the year of acquisition is pro-rated based on the number of months that the asset was owned during the year. Assets under construction are not amortized until the asset is available for productive use. Assets are not amortized in the year of disposal.

#### (ii) Contributions of Tangible Capital Assets

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

#### (iii) Leases

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

# FLAGSTAFF COUNTY

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2024

#### 2. ACCOUNTING PRONOUNCEMENTS PUBLISHED BUT NOT YET ADOPTED - Continued

The following accounting standards have been issued by the Chartered Professional Accountants of Canada but are not yet effective. Management is currently evaluating the effect of adopting these standards on the financial statements.

(a) The Conceptual Framework for Financial Reporting in the Public Sector

The Conceptual Framework is a coherent set of interrelated concepts underlying accounting and financial reporting standards, prescribes the nature, function and limits of financial accounting and reporting, and is the foundation on which standards are developed and professional judgment is applied. Effective for the fiscal years beginning on or after April 1, 2026.

(b) Section PS 1202 – Financial Statement Presentation

This section sets out general and specific requirements for the presentation of information in general purpose financial statements. This new standard will effectively replace PS 1201 – Financial Statement Presentation. Effective for the fiscal years beginning on or after April 1, 2026.

#### 3. CASH AND SHORT TERM INVESTMENTS

	2024	2023
Cash	\$ <u>74,993,136</u>	\$ <u>66,023,452</u>
Included in cash are the following restricted amounts:		
Restricted to cover trust liabilities (Note 7)	88,971	79,672
Received from Provincial grants and held exclusively for approved projects (Note 8)	<u>5,176,491</u>	<u>2,662,278</u>
	\$ <u>5,265,462</u>	\$ <u>2,741,950</u>

#### 4. TAXES RECEIVABLE

	2024	2023
Current	\$ 3,739,719	\$ 3,541,542
Arrears	11,970,765	12,233,135
Allowance for doubtful accounts	<u>(13,694,337)</u>	<u>(13,905,241)</u>
	\$ <u>2,016,147</u>	\$ <u>1,869,436</u>

During the year bad debts expense in the amount of \$3,282,224 (2023 - \$2,762,177) has been recorded relating to management estimates of uncollectable taxes.

#### 5. LONG-TERM INVESTMENTS

	2024	2023
Vision Credit Union - patronage shares	\$ 1,890,276	\$ 1,247,238
United Farms of Alberta - co-operative equity	2,439	2,439
Sedgewick Co-operative - patronage equity	<u>44,705</u>	<u>42,568</u>
	\$ <u>1,937,420</u>	\$ <u>1,292,245</u>

# FLAGSTAFF COUNTY

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

### 6. EMPLOYEE BENEFIT OBLIGATION

	2024	2023
Long term incentive program	\$ -	\$ 67,177
Vacation	<u>328,764</u>	<u>329,764</u>
	<u>\$ 328,764</u>	<u>\$ 396,941</u>

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

### 7. TRUST FUNDS

The Flagstaff County administers the following trusts:

	2024	2023
Community Reserve Trust	\$ 77,529	\$ 69,696
FLHAR Trust	<u>11,442</u>	<u>9,976</u>
	<u>\$ 88,971</u>	<u>\$ 79,672</u>

### 8. DEFERRED REVENUE

	2024	2023
Local Government Fiscal Framework – Capital	\$ 1,431,877	\$ -
Other Miscellaneous	849	850
Northern and Regional Economic Development Program	97,305	-
Historical Sites	-	1,473
Travel Alberta grant	-	84,700
Canada Community Building Fund	1,208,207	1,310,237
Municipal Sustainability Initiative - Operating	-	480,341
Municipal Sustainability Initiative – Capital	<u>6,733,264</u>	<u>8,701,724</u>
	<u>\$ 9,471,502</u>	<u>\$ 10,579,325</u>

Deferred revenue funding in the amount of \$9,470,653 (2023 - \$10,577,002) is from provincial grants. The use of these funds is restricted to eligible capital projects, as approved under the funding agreement, which are scheduled for completion in future years. Unexpended funds related to the advance are supported by cash of \$5,176,491 (2023 - \$2,662,278) and accounts receivable of \$4,294,162 (2023 – \$7,914,724) held exclusively for these projects (Note 3).

### 9. GRAVEL RECLAMATION LIABILITY

The accrued liability has been estimated for the closure and post-closure of gravel sites. This cost has been allocated over the usable tonnes of gravel at these sites and is being accrued at rates of \$0.50 to \$1.50 per tonne and is reduced by reclamation work performed during the year.

# FLAGSTAFF COUNTY

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2024

#### 10. CAPITAL LEASE OBLIGATION

	2024	2023
Capital lease obligations	\$ <u>43,269</u>	\$ <u>95,190</u>

The long term debt was borrowed for capital purposes. Capital leases, bear interest at 0% and mature 2025. They are secured by equipment with a carrying value of \$37,710.

#### 11. DEBT LIMITS

Section 276(2) of the Municipal Government Act requires that debt and debt limits as defined by regulation for the municipality be disclosed as follows:

	2024	2023
Total debt limit	\$ 47,507,654	\$ 45,723,212
Total debt	<u>43,269</u>	<u>95,190</u>
Amount total debt limit unused	<u>47,464,385</u>	<u>45,628,022</u>
Service on debt limit	7,917,942	7,620,535
Service on debt	<u>51,921</u>	<u>51,921</u>
Amount service on debt limit unused	\$ <u>7,866,021</u>	\$ <u>7,568,614</u>

The debt limit is calculated at 1.5 times 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 guideline used by Alberta Municipal Affairs to identify municipalities that could be at financial risk if further debt is acquired. The calculation taken alone does not represent the financial stability of the municipality. Rather, the financial statements must be interpreted as a whole.

#### 12. ASSET RETIREMENT OBLIGATION

The county owns certain buildings which contain asbestos and, therefore, the county is legally required to perform abatement activities upon renovation or demolition of these buildings. Abatement activities include handling and disposing of the asbestos in a prescribed manner when it is disturbed. Undiscounted future cash flows expected are abatement costs in 2025 to 2029 of \$1,053,275. The estimated total liability of \$893,126 (2024 - \$860,996) is based on the sum of discounted future cash flows for abatement activities using a discount rate of 4.18% to 4.80% and assuming annual inflation of 2%. The county has not designated assets for settling the abatement activities.

	2024	2023
Balance, beginning of year	\$ 860,996	\$ 775,742
Liabilities settled	(11,599)	-
Change in estimated cash flows	2,320	46,472
Accretion expense	<u>41,409</u>	<u>38,782</u>
	\$ <u>893,126</u>	\$ <u>860,996</u>

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

**13. FINANCIAL INSTRUMENTS**

A financial instrument is any contract that gives rise to a financial asset of one party and a financial liability or equity instrument of another party.

The county's financial instruments consist of cash, receivables, long term investments, accounts payable, deposit liabilities, royalties payable, reclamation liabilities, and capital lease obligation. In management's opinion these financial instruments are not exposed to significant interest rate or currency risks.

The county is exposed to various risks through its financial instruments. The following analysis provides a measure of the county's risk exposure and concentrations at the balance sheet date.

**Market Risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. It is management's opinion that the county is not exposed to significant currency or other price risk.

**Credit Risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The county is subject to credit risk with respect to taxes and grants in place of taxes receivables and trade and other receivables. Credit risk arises from the possibility that taxpayers and entities to which the county provides services may experience financial difficulty and be unable to fulfill their obligations. The large number and diversity of taxpayers and customers minimizes the credit risk. The carrying value of accounts receivable reflects management's assessment of credit risk.

**Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The county has floating rate investments which are subject to interest rate risk, as the rates will fluctuate as a result of changes in market rates.

The county has fixed rate debt which is subject to fair value risk, as the value will fluctuate as a result of changes in market rates.

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

# FLAGSTAFF COUNTY

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

### 14. SEGMENTED DISCLOSURE

General government includes council and other legislative, and general administration. Protective services includes bylaw enforcement, police and fire. Transportation includes roads, streets, walks, lighting and airport. Environmental use and protection includes water supply and distribution, wastewater treatment and disposal, and waste management. Planning and development includes land use planning, zoning and subdivision land and development. Public health and welfare includes family and community support. Recreation and culture includes parks and recreation, libraries, museums and halls.

### 15. RESTRICTED SURPLUS

Reserves for operating and capital activities changed as follows:

	2023	Increases	Decreases	2024
Operating reserves:				
General	\$ 16,382,979	\$ 1,930,150	\$ -	\$ 18,313,129
Mill rate stabilization	3,445,400	-	-	3,445,400
Administration	844,296	130,000	-	974,296
Special projects	8,690,082	950,000	-	9,640,082
Public Works Projects	1,081,000	65,000	-	1,146,000
Agriculture	472,269	-	-	472,269
Public Works (Gravel)	3,651,253	250,000	-	3,901,253
Recreation / Parks	999,661	250,000	-	1,249,661
Economic Development	1,579,872	45,800	-	1,625,672
Cemetery Grants	4,986	20,200	-	25,186
Airport	121,587	500,000	-	621,587
Hamlet Water and Sewer	766,100	100,000	-	866,100
	<u>38,039,485</u>	<u>4,241,150</u>	<u>-</u>	<u>42,280,635</u>
Capital reserves:				
Fleet Management	5,773,842	1,320,000	317,000	6,776,842
Engineered Structures - Roads/Streets	11,625,169	-	-	11,625,169
Engineered Structures - Bridges	4,883,200	895,000	-	5,778,200
Buildings - Municipal Services	1,919,715	1,000,000	115,000	2,804,715
Fire Capital	446,855	-	-	446,855
Buildings - Administration	500,000	100,000	-	600,000
Infrastructure Reserve (Hamlets)	1,288,300	144,173	-	1,432,473
	<u>26,437,081</u>	<u>3,459,173</u>	<u>432,000</u>	<u>29,464,254</u>
Total	\$ <u>64,476,566</u>	\$ <u>7,700,323</u>	\$ <u>432,000</u>	\$ <u>71,744,889</u>

# FLAGSTAFF COUNTY

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

### 16. EQUITY IN TANGIBLE CAPITAL ASSETS

	2024	2023
Tangible capital assets (Schedule 2)	\$ 187,381,777	\$ 185,113,490
Accumulated amortization (Schedule 2)	(109,803,362)	(108,122,399)
Asset retirement obligation (Note 12)	(893,126)	(860,996)
Capital long term debt (Note 10)	<u>(43,269)</u>	<u>(95,190)</u>
	<u>\$ 76,642,020</u>	<u>\$ 76,034,905</u>

### 17. SALARY & BENEFITS DISCLOSURE

Disclosure of salaries and benefits for elected municipal officials, the chief administrative officer and designated officers as required by provincial regulation is as follows:

	2024			2023
	Salary(1)	Benefits Allowances(2&3)	Total	Total
Councillor Division 1	\$ 43,165	\$ 754	\$ 43,919	\$ 42,346
Councillor Division 2	43,165	6,978	50,143	48,349
Councillor Division 3	43,165	6,978	50,143	48,349
Councillor Division 4	43,165	4,401	47,566	45,868
Councillor Division 5	47,482	7,622	55,104	53,189
Councillor Division 6	43,165	4,401	47,566	45,868
Councillor Division 7	43,165	6,978	50,143	48,349
Chief Administrative Officer	232,241	13,847	246,088	236,891
Designated Officers ( 2 positions)	\$ 327,136	\$ 19,412	\$ 346,548	\$ 346,098

(a) Salary includes regular base pay and gross honoraria.

(b) Benefits and allowances figures for the Chief Administrative and Designated officers include the employer's share of Canada pension, employment insurance, Local Authorities pension, health care, dental coverage, dependent life insurance, accidental disability and dismemberment insurance, and long term disability insurance.

(c) Benefits and allowances figures for the councilors include the employer's share of Canada pension, WCB and the additional taxable benefit of group life insurance paid for by the employer as well as the RRSP Contribution County portion.

### 18. LOCAL AUTHORITIES PENSION PLAN

Employees of the Flagstaff County participate in the Local Authorities Pension Plan (L.A.P.P.), which is covered by the Public Sector Pension Plans Act. The plan serves about 304,451 people and 444 employers. It is financed by employer and employee contributions and investment earnings of the L.A.P.P. Fund.

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



# FLAGSTAFF COUNTY

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

### 18. LOCAL AUTHORITIES PENSION PLAN - Continued

The Flagstaff County is required to make current service contributions to the Plan of 8.45% of pensionable earnings up to the CPP maximum reasonable earnings and 12.23% of any excess earnings. Employees of the Flagstaff County are required to make current service contributions of 7.45% of pensionable salary up to the year's maximum pensionable salary and 11.23% on pensionable salary above this amount.

Total current and past service contributions by the Flagstaff County to the Local Authorities Pension Plan in 2024 were \$432,222 (2023 - \$421,757). Total current and past service contributions by the employees of the Flagstaff County to the Local Authorities Pension Plan in 2024 were \$385,562 (2023 – \$376,012).

At December 31, 2023, the Plan disclosed an actuarial surplus of \$15.057 billion.

### 19. CONTINGENCIES

The County is a member of the Genesis 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 is the defendant in a lawsuit related to certain property taxes levied. At present, the outcome is not determinable. The amount of any future settlement would be accounted for as a current transaction in the year of the settlement.

### 20. COMMITMENTS

The County is committed to the following payments subsequent to year end:

Software systems contracts	\$	271,000
Assessment contract	\$	188,000
Machinery, equipment and vehicles ordered	\$	1,976,600

The County, and all other incorporated municipalities within the geographical boundaries of the County provide funds for the operation of the Waste Management Authority. The Authority is accumulating reserves to fund any future site cleanup obligations. The member municipalities may be liable for future costs in excess of the reserves.

The County through joint agreement provides funds for the operation of the Family and Community Support services. The amounts presented in this financial statement represent only the County portion of contributions made to F.C.S.S.

The County, along with other municipalities in the geographical area, receives requisitions from the Flagstaff Housing Authority. The County unilaterally determines these amounts, and they may vary dependent upon projected funding requirements.

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

**20. COMMITMENTS - Continued**

The County, along with other incorporated municipalities within the geographical boundaries of the County, provide funds to assist with firefighting equipment and operations through the Flagstaff Regional Emergency Services Society. The amounts presented in this financial statement represent only the County portion of contributions made to F.R.E.S.S.

**21. APPROVAL OF FINANCIAL STATEMENTS**

Council and Management have approved these financial statements.

**22. BUDGET AMOUNTS**

Budget figures for the year ended December 31, 2024 were approved by Council on May 8, 2024 and are for information purposes. These amounts have not been audited.