

FOR THE YEAR ENDED DECEMBER 31, 2015 VULCAN COUNTY, ALBERTA, CANADA





ANNUAL FINANCIAL REPORT 2015

FOR THE YEAR ENDED DECEMBER 31, 2015 VULCAN COUNTY, ALBERTA, CANADA

PREPARED BY VULCAN COUNTY: CORPORATE SERVICES DEPARTMENT





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WELCOME TO VULCAN COUNTY

Vulcan County is a rural municipality within Southern Alberta with a population of approx. 3,893 and is conveniently located one hour from both Calgary and Lethbridge. The County covers an area of 556,342 hectares and encompasses the following:

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

GEOGRAPHICAL INFORMATION:

Location:

Southern Alberta

Major Highways:

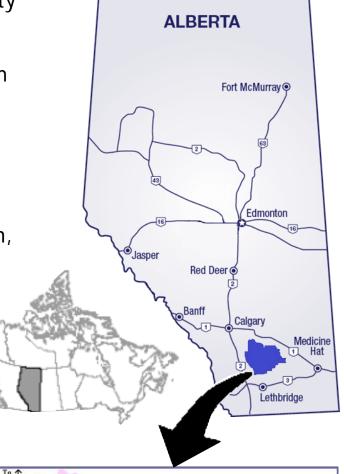
Highway 23 & 24

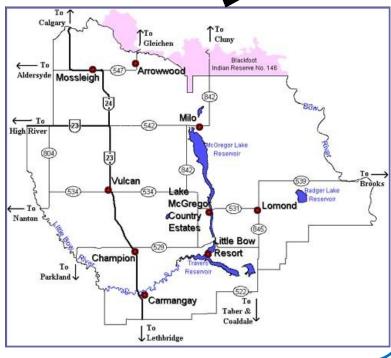
Secondary Highways:

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





COUNTY PROFILE

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 (3) operational grain elevators in Vulcan County; two (2) just south of the Town of Vulcan, and one (1) in the Town of Vulcan.

Geophysical drilling and pipeline activity have become increasingly important, with many oil and gas deposits put into production.



RECREATION AND ATTRACTIONS:

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

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

County historical attractions that focus on the First Nations heritage are the Carmangay Tipi Rings and the Majorville Medicine Wheel; while the aviation related attractions include the Royal Canadian Air Force Monument at the Vulcan Industrial Airport. The Federal Government actually named the original air training base Kirkcaldy, but after pressure from the Town of Vulcan, it was changed to Vulcan. After World War II, the County purchased the property from Crown Assets Corporation and had the property subdivided.

Stop in at the Vulcan Tourism & Trek Station and pick up one of their new brochures that gives information on all the out-of-this-world attractions that Vulcan County has to offer.

VISION, MISSION STATEMENT, & VALUES

VISION

Striving towards innovation in agriculture and development while respecting our roots and history

MISSION STATEMENT

To provide collaborative leadership, governance and municipal services

VALUES

- Fairness & Equality
- Respect & Trust
- Ethics
- Honesty

It is important to the Council of Vulcan County that these statements reflect the collaborative spirit that will enhance their own and their neighbours' initiatives and prospects for the future, and support the cooperative initiatives that will provide more cost effective municipal and other services within the region. (2014-2017 Strategic Plan)



COUNTY COUNCIL AND THE CAO



(left to right)

FRONT: Leo Ludwig, Chief Administrative Officer

Derrick Annable (Division 4), Councillor / Reeve (up to October 2015)

Murray McLean (Division 6), Councillor

BACK: Glen Gateman (Division 1), Councillor

Rod Ruark (Division 2), Councillor / Reeve (starting October 2015)

Jason Schneider (Division 3), Councillor Roy Lucas (Division 7), Deputy Reeve Michael Monner (Division 5), Councillor

Vulcan County Council consists of seven (7) Councillors elected from each division of Vulcan County. As of 2013, Municipal elections are held every four (4) years in the month of October. The position of Reeve and Deputy Reeve are determined at each of the annual Organizational Meetings held in October of each year. The position of Chief Administrative Officer (CAO) is the administrative head of the organization and reports directly to Council.

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 the 1st and 3rd Wednesday of each month.
- 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.

ADMINISTRATION

The Chief Administrative Officer (CAO) is the administrative head of the organization and reports directly to Council. Reporting to the CAO are the five (5) directors of each of the County's departments and the Executive Assistant position. The following are the departments of the County:

- Operations department includes road construction, road maintenance, graveling, bridges, and fleet maintenance.
- Corporate Services department includes information technology, geographical integrated systems (GIS), and finances (i.e. assessment, taxation, receivables, payables, payroll, etc.).
- Protective Services department includes fire protection services and bylaw enforcement.
- Agricultural Services department includes seeding, weed control / spraying, pest control, agricultural rentals, and operations of the County's campground.
- Human Resources department includes both the human resources for the County staff and manages the planning/development for the County.



Nels Peterson, Director of Operations



Mark DeBoer, Director of Corporate Services



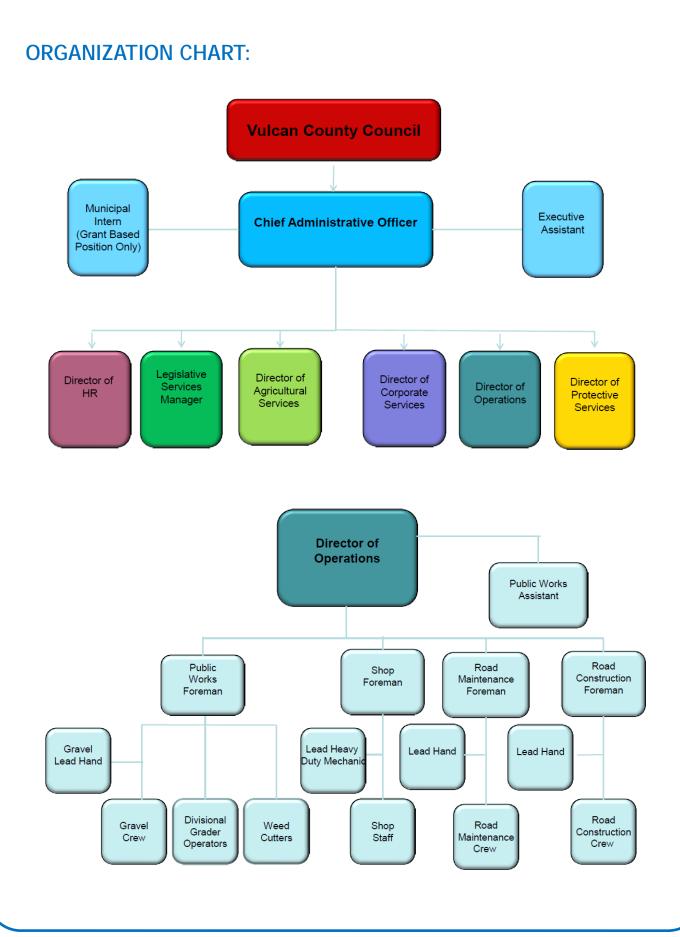
Stuart Larson, Director of Protective Services



Kelly Malmberg, Director of Agricultural Services

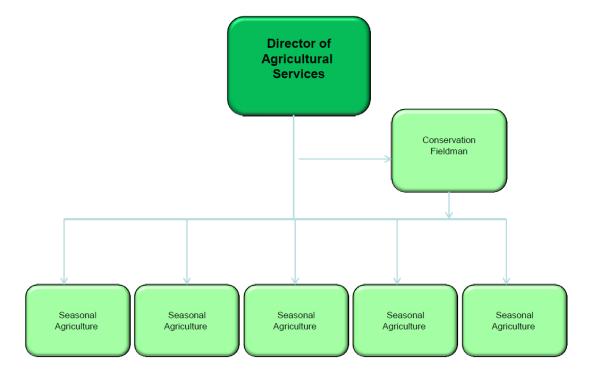


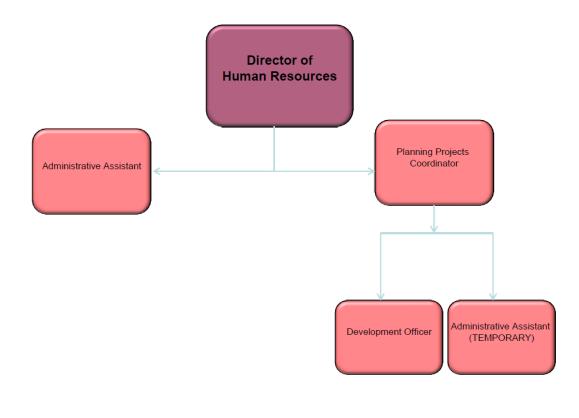
Tara Linklater, Director of Human Resources



ORGANIZATION CHART (CONTINUED): Director of **Corporate Services** Contract Assessor (BenchMark Assessment Information Accounts Customer Payroll & Benefits GIS Municipal Payable Service Services Coordinator Administrator Accountant Representative Coordinator **Director of Protective Services** Administrative Assistant Community Peace Volunteer Regional Deputy Fire Chiefs Officer 1 Fire Chief (Coordination Role)

ORGANIZATION CHART (CONTINUED):





STRATEGIC PLAN

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 aligned with effective implementation is vital to the success of Vulcan County. To achieve this, Vulcan County developed the 2014-2017 Strategic Plan, including the following seven (7) key goals:

1) TRANSPORTATION NETWORKS

Long-term cost effective road maintenance and rehabilitation plan, including the following strategies:

- Investigate new funding for bridge repair/replacement
- Bylaw enforcement of roadway irrigation
- Continue with the shoulder pull program
- Maintain equipment replacement program
- · Long-term plan for road rebuilding and rehabilitation
- Qualified operators

2) RECRUITMENT AND RETAIN QUALIFIED STAFF

Improve recruitment and retention of qualified staff, including the following strategies:

- Participate in the Municipal Intern Program
- Continue in the Apprenticeship Program with Operations
- · Partner with high schools and colleges
- Bi-annual benefit and salary review
- Social interaction across organization
- Mutual respect between Council and Administration





3) GROWTH AND DEVELOPMENT

To support the development of a business park with hotel/restaurant and waterfront development, including the following strategies:

Business park with hotel/restaurant

- Collaborate with an urban municipality or developer (or independently)
- Business assessment: communicate with possible hotels and restaurants to find interest
- Investigate potential loans or tax breaks

Waterfront development

- Streamline the development process
- Have sufficient staff for planning and development
- · Potential collaboration with other group or groups for staffing
- Marketing

4) COLLABORATION FOR DOCTOR RECRUITMENT AND RETENTION

Doctor recruitment and retention, including the following strategies:

- Lobby provincial and federal governments
- Investigate communities with success stories
- Consider a specialty hospital
- Rural physician training program

5) PROTECTIVE SERVICES

Regionalization of fire services and to provide timely protective services to stakeholders, including the following strategies:

Regionalization of fire services

- Complete the transition with those already regionalized
- Build confidence with existing departments to help ease frustration with the other departments not regionalized

Provide timely protective services to stakeholders

- Hire qualified personnel
- Orientate personnel as to the mandate of the program as it relates to the County and other municipal partner needs



6) GOVERNANCE

Timely communication to ratepayers and consolidation of shop and administration in new building and yard, including the following strategies:

Timely communication to ratepayers

- Improve Website
- More timely information
- Utilize social media
- Newspaper advertisement
- Quarterly newsletter

Consolidation of shop and administration in new building

- Financial Plan
- External Stakeholders to have agreements
- · Establishing working committee

7) WATER AND WASTE MANAGEMENT, SUPPLY AND INNOVATION

To forward the SAEWA Project, connect Kirkcaldy to the waterline by 2017, and develop a feasibility study for the northern part of the County, including the following strategies:

<u>To forward the Southern Alberta Energy from Waste Association</u> (SAEWA) Project

 Meet with Council and communities to get buy-in to forward SAEWA host community proposal

Connect Kirkcaldy to the waterline by 2017

 Get buy-in from the residents of Kirkcaldy and the existing water commission

<u>Develop feasibility study for the northern part of the County (Milo, Mossleigh, Arrowwood, & Brant)</u>

- · Research grant funding for the feasibility study
- Get buy-in from landowners
- Talk to the villages to find their interest in project



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, 2015. The purpose of this Annual Financial Report is to provide our ratepayers with a clear and transparent insight into the financial information and results of the County. It also provides an opportunity to analyze and comment on the financial highlights and information of the County.

INTERNAL ACCOUNTING CONTROLS

Vulcan County maintains a system of internal accounting controls designed to provide reasonable assurances for the safeguarding of assets and the reliability of the financial records. The controls are subject to regular reviews and revisions (if required). These controls include, but are not limited to, the financial policies set by Council, administrative procedures, external audits, and the budget 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, the Canadian Public Sector Accounting Standards, and other related legislation. The following are some of the policies that are in place:

Policy

- Signing Authority
- Tender Process Policy
- Purchasing Authority
- Investment Policy
- Corporate Credit Card
- Tangible Capital Assets
- Reserves Policy

There are multiple other policies in place in which, all of these policies are publically available on our website.

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 allow for ensuring that the proper steps are taken for recording financial transactions to ensure accuracy, consistency, and that policies are being followed appropriately.

The County utilizes a centralized accounting process; where the Corporate Services department is responsible for the common financial and computer systems used to record the financial transactions and information. The Corporate Services department, in conjunction with all other departments, provides the annual financial statements and financial reporting to Council and the management of the County.

EXTERNAL AUDITS

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

The auditors have full access to all of the County's financial records and information and they 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 2015 Financial Statement audit, our auditors expressed a "clean" audit opinion, indicating that the financial statements are presented fairly.



The auditors also did not have any management letter points for recommendations of improvements on the internal controls of the County for the 2015 audit; thus indicating the effectiveness of the improvements that the County has implemented over the prior years.

BUDGET PROCESS

In accordance with the Municipal Government Act, Sections 242 & 245; 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. The Final Budget is usually approved in April as the final budget items are received, property assessments are finalized, and requisitions for schools and senior foundations are received.

There is currently a 20-year Capital Plan, which assists in the development of the annual capital budget, outlining the capital replacement plan during the 20-year period. This 20-year Capital Plan is currently funded by capital reserves and projected contributions to the capital reserves. This methodology of long-term budgeting allows for stable tax rates to fund capital purchases, compared to significant highs and lows required to fund the capital projects and equipment.

The operating budget is currently done on an annual basis, taking into account up-coming operating projects and is calculated on a line-by-line item basis, compared to using gross figures to determine the budget. The budget takes into account the current economic conditions, provincial policy changes, and service needs within the County. Starting in 2017, the County plans to implement a 3-year operating budget.

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



FINANCIAL STATEMENT DISCUSSION & ANALYSIS

The County's 2015 financial statements are prepared by management in accordance with the Canadian Public Sector Accounting Standards. Management is responsible for the preparation, accuracy, objectivity, and integrity of the financial statements and notes thereto. Management believes that the financial statements present fairly the County's financial position as at December 31, 2015, and the results of its operations for the year then ended.

The following Financial Statement Discussion & Analysis 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.

STATEMENT OF FINANCIAL POSITION

The Statement of Financial Position highlights the financial assets / 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.

Overall, the County maintains a positive net financial position (financial assets exceeding financial liabilities) of approx. \$23.1 million. This is a decrease from the prior year of approx. \$24.2 million; however, it is shown that there has also been an increase in the non-financial assets, specifically in the tangible capital assets and inventory for consumption. Therefore, there is an overall increase in the financial and non-financial net assets.

	2015	2014
Financial Assets	26,065,387	27,972,864
Financial Liabilities	(2,915,709)	(3,761,554)
Net Financial Assets	23,149,678	24,211,310
Tangible Capital Assets (NBV)	107,791,397	104,637,218
Inventory for Consumption & Prepaids	7,141,458	4,569,138
Non-Financial Assets	114,932,855	109,206,356
Accumulative Surplus	138,082,533	133,417,666

STATEMENT OF FINANCIAL POSITION - continued

As shown in Schedule 1 (Schedule of Change in Accumulated Surplus), the Accumulated Surplus is made up of three (3) components:

Schedule 1	2015	2014
Unrestricted Surplus	897,409	896,650
Restricted Surplus (Reserves)	29,393,727	27,883,798
Equity in Tangible Capital Assets	107,791,397	104,637,218
Accumulative Surplus	138,082,533	133,417,666

The Restricted Surplus is the combination of both the capital and operating reserves:

	2015	2014
Capital Reserves	12,524,474	9,783,079
Operating Reserves	16,869,253	18,100,719
Total Restricted Surplus (Reserves)	29,393,727	27,883,798
Net Financial Assets	23,149,678	24,211,310
Inventory for Consumption	6,939,867	4,385,346
Total Funding Available	30,089,545	28,596,656

As shown in the above, the combination of the net financial assets and the inventory for consumption are sufficient to cover both of the capital and

operating reserves; therefore, the County's reserves are considered to be "fully funded" reserves.

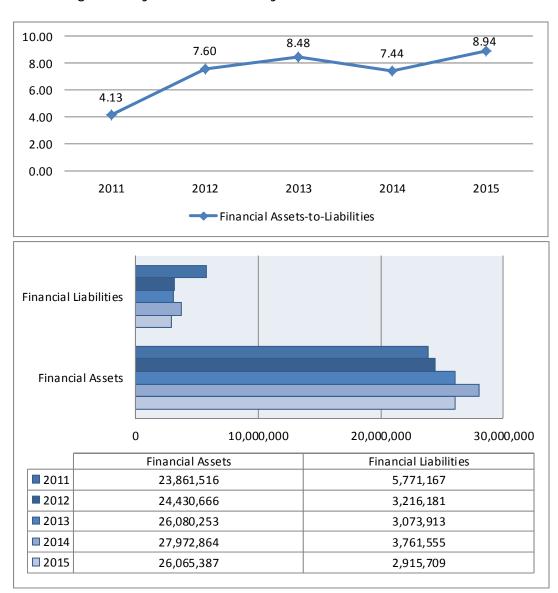


The Tangible Capital Assets net book value equates to the Equity in Tangible Capital Assets, as described in Schedule 2 (Schedule of Tangible Capital Assets); which have both increased due to the following:

Capital Asset Additions	7,896,176
Disposal of Capital Assets (net)	(727,572)
Amortization of Capital Assets	(4,014,425)
Increase in Tangible Capital Assets	3,154,179

STATEMENT OF FINANCIAL POSITION - continued

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



As shown in the above, the County is in a positive net financial asset position (financial assets exceed financial liabilities) and therefore is able to cover the financial liabilities and commitments.

There has been an overall increase in the net financial assets over the past years, where the financial assets have been on average increasing and the financial liabilities have been reducing. The only decrease in the financial assets in 2015 related to the use of approx. \$2.5 million of long-term investments to acquire the gravel pit (non-financial asset).

STATEMENT OF FINANCIAL POSITION - continued

As at December 31, 2015, there was no debenture/long-term debt in 2015; however, during the year the County had committed to funding the Vulcan Hospital Expansion Project of \$2,046,224, in which the debenture is to be taken in the spring of 2016.

Over the last couple years, there has also been a change in the investment strategies, where additional funds are being invested in short-term investments (i.e. GICs and term deposits) instead of the high interest savings account and bond accounts. This strategy has been able to generate an increase in investment income and a reduction in fees.

Therefore, this change in investment strategy reallocates the financial assets, where the long-term investments are decreasing and the cash and short-term investments are increasing.



The following are the other major changes in the Statement of Financial Position for 2015:

- The overall decrease in the total financial assets and the increase in the inventory for consumption is due to the acquisition of a new gravel pit for approx. \$2.5 million.
- Increase in tax receivable to approx. \$1.4 million (approx. increase of \$593,000) from increases in tax arrears on mostly oil & gas properties.
- Increase in other receivables to approx. \$2.3 million (approx. increase of \$440,000) from increases in the disaster recovery receivable relating to the 2013 flood (to be collected in 2016).
- Decreases in accounts payable to approx. \$845,000 (approx. decrease of \$380,000) as there were large payables at the end of the prior year relating to the disaster recovery program.

STATEMENT OF OPERATIONS

The Statement of Operations highlights the revenues and expenses of the County. This statement is mostly used to evaluate these revenues and expenses to the approved budget. It also provides the prior year data for comparative purposes.

	Budget	2015
Operating Revenues	18,423,751	18,660,895
Operating Expenses	(20,218,209)	(17,889,231)
Operating Net Income	(1,794,458)	771,664
Capital Revenues	4,016,134	3,893,203
Total Net Income	2,221,676	4,664,867

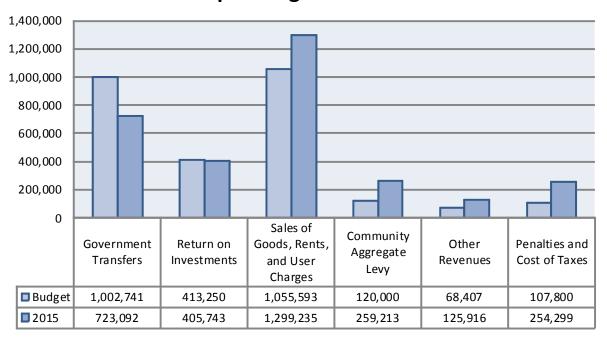
The total net income (referred to a Excess of Revenues over Expenses) can be further examined and reviewed by the transfers to/from reserves and the contributions to/from capital:

_	Budget	2015
Total Net Income	2,221,676	4,664,867
Add:		
Proceeds from Sale of Capital Assets	185,020	316,510
Transfers from Reserves to Operations	7,853,694	8,229,029
Amortization of Capital Assets	3,722,578	4,014,425
Loss on Disposal of Capital Assets	0	411,062
Less:		
Transfers to Reserves	(3,452,077)	(9,738,958)
Capital Expenditures / Purchases	(10,528,032)	(7,896,176)
Total Net Effect of Income	2,859	759

The total net effect represents the allocation to the unrestricted surplus (also known as retained earnings). The increase in the transfers to reserves relate to the purchase of the gravel pit and allocating the surpluses to reserves for projects not completed in the year to be used in the subsequent years (i.e. gravel crushing program).

The operating revenues were relatively consistent with the budgeted figures. The following is an analysis on revenues compared to budget (excluding Net Municipal Taxes):

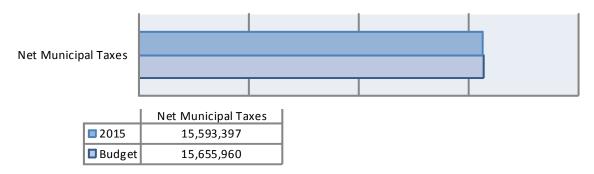
Operating Revenues



The following are the other major changes in the operating revenues:

- Government transfers (Grant Funds) were less than budget as the County did not complete projects such as the rural inter-municipal development plan, Council governance training, and flood mitigation; therefore, the grant revenues were also not recognized fully as budgeted.
- Sales of goods, rents, and user charges were greater than budget as the budget is done on a conservative basis and that additional revenues were received for renegotiating building rentals, increases in dust abatement program, and other cost recoveries.
- Community aggregate levies were greater than budget as the budget is done on a conservative basis.
- Penalties and cost of taxes were greater than budget with the increases in the tax arrears, specifically on oil & gas properties.

The following is an analysis on Net Municipal Taxes compared to budget:



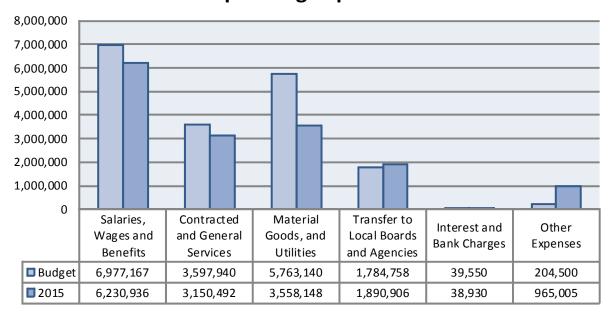
The net municipal taxes are relatively consistent with budget; however, the tax revenues are slightly less than budgeted due to the changes in assessment from budget. The following are the details of the tax revenues as displayed in Schedule 3 (Schedule of Property and other taxes):



The majority of the changes relate to the changes in the assessment from the budget, where the assessment is changed after the budget was determined. This occurs if there are "305" changes to the assessment and/or if there are assessment appeals.

The operating expenses are presented on the Statement of Operations by each separate department; however, they are also redisplayed by the type of expense in Schedule 5 (Schedule of Expenses by Object). The following is an analysis on the expenses compared to budget, excluding capital type items (amortization, loss on disposal, & capitalized costs):

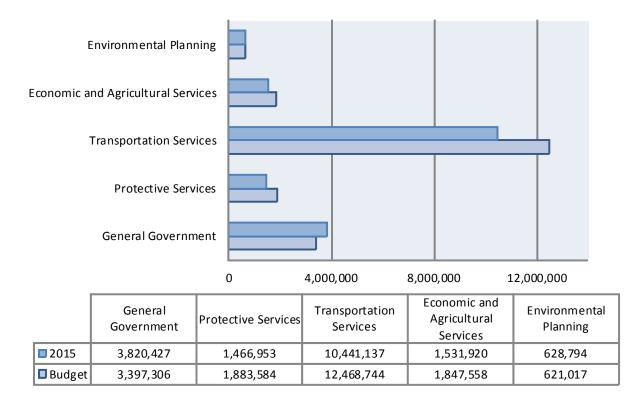
Operating Expenses



The following are the other major changes in the operating expenses:

- Salary, wages, and benefits were less than budgeted as there were multiple staffing vacancies during the year caused by either not being able to fill the position or terminations in the position.
- Contracted and general services were less than budget as some of the projects did not occur or were partially completed, such as the rural inter-municipal development plan, Council governance training, and flood mitigation.
- Materials, goods, and utilities were less than budget as some of the major projects were not completed during the year (gravel crushing program) and some expenses were less than expected (i.e. diesel pricing).
- Other expenses were greater than budget due to write-offs of tax arrears from oil & gas companies becoming insolvent/bankrupt (becoming un-collectable).

Schedule 6 (Schedule of Segment Disclosure) presents the operating expenses by major segments, which is a combination of the separate departments that are similar in activities. The segments include: General Government, Protective Services, Transportation Services, Economic & Agricultural Services, and Environmental Planning.



The variances from the budget are the same as previously discussed; whereas, it would be allocated to each of the operational segments.

The County also has been providing detailed reports on the operating revenues and expenses, which are available to the public on our website (www.vulcancounty.ab.ca). These reports are located:

Home > Departments > Corporate Services > Financial Statements

STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

The Statement of Changes in Net Financial Assets summarizes the changes in the Net Financial Assets. It reconciles the Net Financial Assets of the County from the prior year using the operating revenues & expenses, capital funding and expenditures, and changes in the other non-financial assets such as inventory for consumption and prepaid expenses.

STATEMENT OF CASH FLOWS

The Statement of Cash Flows summarizes the sources and uses of cash and cash equivalents. It reconciles the cash position of the County from the prior year using the operating revenues & expenses, capital funding and expenditures, and investment transactions.

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

SCHEDULES OF THE FINANCIAL STATEMENTS

There are currently seven (7) schedules in the financial statements, which are used to provide detail to the financial statements. These schedules include:

- Schedule 1 Schedule of Changes in Accumulative Surplus
- Schedule 2 Schedule of Tangible Capital Assets
- Schedule 3 Schedule of Property and Other Taxes
- Schedule 4 Schedule of Government Transfers
- Schedule 5 Schedule of Expenses by Object
- Schedule 6 2015 Schedule of Segmented Disclosures
- Schedule 7 2014 Schedule of Segmented Disclosures

Schedule 1—2 provides additional details on the accumulative surplus and the tangible capital assets as presented in the Statement of Financial Position.

Schedule 3—7 provides additional details on the revenues and expenses as presented in the Statement of Operations.

NOTES TO THE FINANCIAL STATEMENTS

The notes to the financial statements provide additional details for the financial statements.

These notes can include the details of the significant accounting policies, financial statement balances, determination of segment reporting, and disclosure of additional information not recorded in the financials (i.e. Council and CAO remuneration, commitments, contingencies, subsequent events, etc.)

FUTURE OUTLOOKS

The County will continue to maintain its strong financial position. In looking ahead, the biggest challenges facing the County will be to balance fiscal responsibility with the service levels needed by our ratepayers and to collect on the tax arrears from the oil & gas companies that are struggle paying in these difficult times.

The use of long-term budgets will assist Administration in the challenges of meeting the necessary service levels, where the County already has created a 20-year Capital Plan and will be looking forward to implementing the 3-year operating budget. The potential of entering into additional tax payment plans may be considered to assist the oil & gas companies on paying off their tax arrears.

The County will continue to develop strategies and seek the necessary funding to undertake projects required to maintain the programs, services, and infrastructure provided by the County.

Respectfully submitted,

Mark DeBoer, CPA, CA

Director of Corporate Services

August 4, 2016



FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2015



VULCAN COUNTY FINANCIAL STATEMENTS

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April 6, 2016

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To the Reeve and Council Members of Vulcan County

Re: Management's Responsibility for Reporting

Management of Vulcan County is responsible for the preparation, accuracy, objectivity, and integrity of the accompanying financial statements and the notes thereto. Management believes that the financial statements present fairly the County's financial position as at December 31, 2015, and the results of its operations for the year then ended.

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

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

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

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

Respectfully,

Leo Ludwig, CLGM Chief Administrative Officer Mark DeBoer, CPA, CA Director of Corporate Services

her source



Tel: 403 328 5292 Fax: 403 328 9534 www.bdo.ca BDO Canada LLP 600 Lethbridge Centre Tower 400 - 4 Avenue South Lethbridge AB T1J 4E1 Canada

Independent Auditor's Report

To the Reeve and Members of Council of Vulcan County

We have audited the accompanying financial statements of Vulcan County, which comprise the statement of financial position as at December 31, 2015, and the statements of operations, change in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Vulcan County as at December 31, 2015 and the results of its operations, change in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

BDO Canada UP

Chartered Professional Accountants

Lethbridge, Alberta April 6, 2016

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2015

	2015	2014
FINANCIAL ASSETS		
Cash and investments (note 2)	\$ 12,354,971	\$ 10,424,813
Taxes and grants in lieu receivables (note 3)	1,439,354	846,191
Trade and other receivables (note 4)	2,308,259	1,868,997
Inventory held for resale	179,809	237,490
Long term investments (note 5)	8,979,929	13,714,432
Loans and notes receivable (note 6)	456,364	565,031
Other	346,701	315,910
	26,065,387	27,972,864
LIABILITIES		
Accounts payable and accrued liabilities	844,864	1,224,736
Deferred revenue (note 7)	1,313,451	1,896,359
Employee benefit obligations (note 8)	203,216	205,410
Other liabilities	554,178	435,049
	2,915,709	3,761,554
NET FINANCIAL ASSETS	23,149,678	24,211,310
NON-FINANCIAL ASSETS		
Tangible capital assets (schedule 2, note 9)	107,791,397	104,637,218
Inventory for consumption (note 10)	6,939,867	4,385,346
Prepaid expenses	201,591	183,792
	114,932,855	109,206,356
ACCUMULATED SURPLUS (schedule 1, note 11)	\$ 138,082,533	\$ 133,417,666

Contingencies and commitments - See note 20 and 21

APPROVED BY

STATEMENT OF OPERATIONS YEAR ENDED DECEMBER 31, 2015

		Budget	2015		2014
		(note 12)			
REVENUE					
Net municipal taxes (schedule 3)	\$	15,655,960 \$	15,593,397	\$	12,419,677
Government transfers (schedule 4)		1,002,741	723,092		903,191
Return on investments		413,250	405,743		395,617
Sale of goods, rents, and user charges		1,055,593	1,299,235		1,295,239
Community aggregate levy		120,000	259,213		282,789
Other revenue		68,407	125,916		299,051
Penalties and costs of taxes		107,800	254,299		163,343
TOTAL REVENUE	_	18,423,751	18,660,895	_	15,758,907
EXPENSES					
Legislative		389,153	365,768		287,864
Administration		2,017,898	1,763,226		1,927,001
Protection services		1,883,584	1,466,953		1,381,614
Transportation services		12,468,744	10,441,137		9,803,242
Environmental use and protection		621,017	628,794		615,296
Family and community support		217,839	214,943		186,720
Community planning and development		495,762	342,962		305,813
Economic and agricultural development		1,351,796	1,188,958		1,029,299
Parks and recreation		582,416	684,775		500,852
Other	_	190,000	791,715	_	65,993
TOTAL EXPENSES	_	20,218,209	17,889,231		16,103,694
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES - BEFORE OTHER		(1,794,458)	771,664		(344,787)
OTHER					
Contributed tangible capital assets		•	-		
Government transfers for capital (schedule 4)		4,016,134	3,893,203	_	2,524,342
EXCESS OF REVENUE OVER EXPENSES		2,221,676	4,664,867		2,179,555
ACCUMULATED SURPLUS, BEGINNING OF YEAR	_	133,417,666	133,417,666	_	131,238,111
ACCUMULATED SURPLUS, END OF YEAR	\$	135,639,342 \$	138,082,533	\$	133,417,666

STATEMENT OF CHANGES IN NET FINANCIAL ASSETS YEAR ENDED DECEMBER 31, 2015

		Budget	2015		2014
		(note 12)			
EXCESS OF REVENUE OVER EXPENSES	\$	2,221,676 \$	4,664,867	\$	2,179,555
Acquisition of tangible capital assets		(10,528,032)	(7,896,176)		(6,371,336)
Contributed tangible capital assets		•			
Proceeds on disposal of tangible capital assets		185,020	316,510		786,854
Amortization of tangible capital assets		3,722,578	4,014,425		3,722,577
Loss on disposal of tangible capital assets			411,062		176,194
		(6,620,434)	(3,154,179)		(1,685,711)
Net change in inventory for consumption			(2,554,521)		725,334
Acquisition of prepaid expenses			(201,591)		(183,792)
Use of prepaid expenses		-	183,792		169,585
	_		(2,572,320)	_	711,127
INCREASE (DECREASE) IN NET FINANCIAL ASSETS		(4,398,758)	(1,061,632)		1,204,971
NET FINANCIAL ASSETS, BEGINNING OF YEAR		24,211,310	24,211,310		23,006,339
NET FINANCIAL ASSETS, END OF YEAR	\$	19,812,552 \$	23,149,678	\$	24,211,310

STATEMENT OF CASH FLOWS YEAR ENDED DECEMBER 31, 2015

		2015		2014
NET INFLOW (OUTFLOWS) OF CASH RELATED TO				
THE FOLLOWING ACTIVITIES:				
OPERATING			_	
Excess of revenue over expenses	\$	4,664,867	\$	2,179,555
Non-cash items included in excess of revenues over expenses:		4 014 405		3,722,577
Amortization of tangible capital assets		4,014,425 411,062		176,194
Loss on disposal of tangible capital assets		411,002		170,194
Tangible capital assets received as contributions		•		•
Non-cash charges to operations (net change): Decrease (increase) in taxes and grants in lieu receivable		(593,163)		119,320
Decrease (increase) in trade and other receivables		(439,262)		824,189
Increase in inventory held for resale		57,681		51,928
Decrease in loans receivable		108,667		107,483
Increase in other financial assets		(30,791)		(124,375)
Decrease (increase) in inventory for consumption		(2,554,521)		725,334
Increase in prepaid expenses		(17,799)		(14,207)
Increase (decrease) in accounts payable		(379,872)		389,525
Increase (decrease) in deferred revenue		(582,908)		569,358
Decrease in employee benefit obligations		(2,194)		(4,818)
Increase (decrease) in other liabilities		119,129		(266,425)
Cash provided by operating transactions	_	4,775,321		8,455,638
CAPITAL				
Acquisition of tangible capital assets		(7,896,176)		(6,371,336)
Proceeds on disposal of tangible capital assets		316,510		786,854
Cash applied to capital transactions		(7,579,666)		(5,584,482)
INVESTING				
Decrease in investments, being				
cash provided by investing transactions		4,734,503		4,461,603
CHANGE IN CASH AND EQUIVALENTS DURING THE YEAR		1,930,158		7,332,759
		10,424,813		3,092,054
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR		10,424,013	_	3,032,034
CASH AND CASH EQUIVALENTS, END OF YEAR	\$	12,354,971	\$	10,424,813

SCHEDULE OF CHANGE IN ACCUMULATED SURPLUS YEAR ENDED DECEMBER 31, 2015

SCHEDULE 1

		Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2015	 2014
BALANCE, BEGINNING OF YEAR	\$	896,650	27,883,798	104,637,218 \$	133,417,666	\$ 131,238,111
Excess of revenues over expenses		4,664,867	-		4,664,867	2,179,555
Unrestricted funds designated for future use		(9,738,958)	9,738,958	-		-
Restricted funds used for operations		5,095,630	(5,095,630)	-		-
Restricted funds used for tangible capital assets		-	(3,133,399)	3,133,399	· -	-
Current year funds used for tangible capital assets		(4,762,777)	-	4,762,777	-	-
Contributed tangible capital assets		-	-		-	-
Disposal of tangible capital assets		727,572	-	(727,572)	-	-
Annual amortization expense	_	4,014,425	-	(4,014,425)	-	
Change in accumulated surplus	_	759	1,509,929	3,154,179	4,664,867	 2,179,555
BALANCE, END OF YEAR	\$	897,409	29,393,727	107,791,397 \$	138,082,533	\$ 133,417,666

VULCAN COUNTY

SCHEDULE OF TANGIBLE CAPITAL ASSETS YEAR ENDED DECEMBER 31, 2015

			Land				Engineered			
		Land	Improvements	Buildings	Equipment	Vehicles	Structures	2015		2014
соѕт:										
BALANCE, BEGINNING OF YEAR	\$	5,635,375	1,226,249	10,198,174	14,185,317	3,979,929	149,103,067 \$	184,328,111	\$	180,425,981
Acquisition of tangible capital assets		110,160	- '	16,907	2,265,763	536,482	4,326,907	7,256,219		5,374,300
New construction-in-progress		-	-	-	173,228	-	466,729	639,957		997,036
Disposition of tangible capital assets		(7,449)	-	(14,558)	(980,112)	(189,401)	(1,033,565)	(2,225,085)		(2,469,206)
BALANCE, END OF YEAR		5,738,086	1,226,249	10,200,523	15,644,196	4,327,010	152,863,138	189,999,202	_	184,328,111
ACCUMULATED AMORTIZATION:										
BALANCE, BEGINNING OF YEAR	\$	-	155,017	2,295,743	6,431,240	1,717,496	69,091,397 \$	79,690,893	\$	77,474,474
Annual amortization		-	33,725	274,296	1,242,479	382,113	2,081,812	4,014,425		3,722,577
Accumulated amortization on disposal		-	-	(11,306)	(561,253)	(180,544)	(744,410)	(1,497,513)		(1,506,158)
BALANCE, END OF YEAR	_	-	188,742	2,558,733	7,112,466	1,919,065	70,428,799	82,207,805		79,690,893
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	\$	5,738,086	1,037,507	7,641,790	8,531,730	2,407,945	82,434,339 \$	107,791,397	\$_	104,637,218
2014 NET BOOK VALUE OF TANGIB CAPITAL ASSETS	LE \$	5,635,375	1,071,232	7,902,431	7,754,077	2,262,433	80,011,670 \$	104,637,218		

SCHEDULE OF PROPERTY AND OTHER TAXES YEAR ENDED DECEMBER 31, 2015

SCHEDULE 3

	_	Budget	2015		2014
TAXATION					
Real property taxes	\$	6,918,501 \$	6,908,469	\$	6,977,022
Linear taxes		10,587,729	10,544,750		7,478,257
Commercial taxes		1,017,583	1,004,038		950,972
Government grants in lieu of taxes		5,500	17,062		16,750
Special levy		1,020,550	1,017,943		847,893
Well drilling tax		45,000	40,038	_	75,897
	_	19,594,863	19,532,300	_	16,346,791
REQUISITIONS					
School requisitions		3,718,658	3,718,658		3,715,034
Seniors foundation	_	220,245	220,245		212,080
		3,938,903	3,938,903	_	3,927,114
NET MUNICIPAL TAXES	\$	15,655,960 \$	15,593,397	\$	12,419,677

VULCAN COUNTY

SCHEDULE OF GOVERNMENT TRANSFERS YEAR ENDED DECEMBER 31, 2015

	 Budget	2015	 2014
TRANSFERS FOR OPERATING Provincial government transfers	\$ 791,174 \$		\$ 691,624
Federal government transfers	 211,567 1,002,741	204,082 723,092	 211,567 903,191
TRANSFERS FOR CAPITAL Provincial government transfers	4,016,134	3,893,203	2,524,342
TOTAL GOVERNMENT TRANSFERS	\$ 5,018,875	\$ 4,616,295	\$ 3,427,533

SCHEDULE OF EXPENSES BY OBJECT YEAR ENDED DECEMBER 31, 2015

		Budget	2015	_	2014
EXPENSES BY OBJECT					
Salaries, wages and benefits	\$	6,977,167	\$ 6,230,936	\$	5,774,452
Contracted and general services		3,597,940	3,150,492		2,935,673
Materials, goods and utilities		5,763,140	3,558,148		3,417,437
Transfers to local boards and agencies		1,784,758	1,890,906		1,531,577
Interest and bank charges		39,550	38,930		50,626
Other expenses		204,500	965,005		207,959
Amortization of tangible capital assets		3,722,578	4,014,425		3,722,577
Loss on disposal of tangible capital assets			411,062		176,194
Machine expenses capitalized for construction	_	(1,871,424)	 (2,370,673)		(1,712,801)
	\$	20,218,209	\$ 17,889,231	\$	16,103,694

SCHEDULE OF SEGMENTED DISCLOSURE YEAR ENDED DECEMBER 31, 2015

SCHEDULE	6
JULIEDULE	•

	General Government	Protective Services	Transportation Services	Economic and Agricultural Services	Environmental Planning	2015 Total
REVENUE Net taxes Sale of goods, services and regulatory fees Government transfers Other	\$ 14,418,572 123,695 145,534 775,665 15,463,466	\$ 641,39 398,41 511,12 7,87	9 349,657 2 3,629,812 8 259,213	\$ - 425,115 329,491 2,415 757,021	\$ 533,428 2,349 336 - 536,113	\$ 15,593,397 1,299,235 4,616,295 1,045,171 22,554,098
EXPENSES Salaries, wages and benefits Goods and services Interest and bank charges Transfers to local boards and agencies Amortization Machine expenses capitalized for construction Loss on disposal of tangible capital assets Other	1,046,912 974,495 38,928 820,308 79,720 - - 860,064	460,33 385,35 247,45 373,80 - - - - 1,466,95	9 4,617,239 2 - 0 8,000 4 3,448,446 (2,370,673) 411,062 104,941	685,195 - 258,488 104,899) - -	46,352 - 556,660 7,556 - - -	6,230,936 6,708,640 38,930 1,890,906 4,014,425 (2,370,673) 411,062 965,005
NET REVENUE	\$ 11,643,039	\$ 91,86				\$ 4,664,867

SCHEDULE OF SEGMENTED DISCLOSURE YEAR ENDED DECEMBER 31, 2014

REVENUE	General Government	Protective Services	Transportation Services	Economic and Agricultural Services	Environmental Planning	2014 Total
Net taxes	\$ 11,348,279	\$ 550,517	\$ -	\$ -	\$ 520,881	\$ 12,419,677
Sale of goods, services and regulatory fees	102,643	360,863	346.680	482,947	2,106	1,295,239
Government transfers	437,088	247,982	,	253,474	7,238	3,427,533
Other	831,747	11,000	282,789	15,264	-	1,140,800
	12,719,757	1,170,362	3,111,220	751,685	530,225	18,283,249
EXPENSES						
Salaries, wages and benefits	1,064,488	449,532	3,834,798	399,474	26,160	5,774,452
Goods and services	954,256	332,503	4,356,520	656,517	53,314	6,353,110
Interest and bank charges	50,626	-	-	-	-	50,626
Transfers to local boards and agencies	605,704	216,380	8,000	173,227	528,266	1,531,577
Amortization	88,556	383,199	3,137,372	105,894	7,556	3,722,577
Machine expenses capitalized for construction	-	-	(1,712,801)	-	-	(1,712,801)
Loss on disposal of tangible capital assets	-	-	176,194	-	-	176,194
Other	204,800	-	3,159	-	-	207,959
	2,968,430	1,381,614	9,803,242	1,335,112	615,296	16,103,694
NET REVENUE	\$ 9,751,327	\$ (211,252)	\$ (6,692,022)	\$ (583,427)	\$ (85,071)	\$ 2,179,555

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2015

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Vulcan County are the representations of management prepared in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Significant aspects of the accounting policies adopted by Vulcan County are as follows:

a) Reporting Entity

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

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

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

b) Basis of Accounting

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

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

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

Use of Estimates

The preparation of financial statements in conformity with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the period. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2015

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Cash and cash equivalents

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

e) Investments

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

f) Land Held for Resale

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

g) Taxes and Grants-in-lieu Receivables

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

h) 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.

i) 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 as the stipulation liabilities are settled.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2015

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

i) 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 - 100
Communication towers	38
Roads	5 - 75
Machinery and equipment	2 - 25
Vehicles	6 - 10

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

Contributions of Tangible Capital Assets

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

iii. Leases

Leases are classified as capital or operating leases. 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.

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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2015

SIGNIFICANT ACCOUNTING POLICIES (continued)

k) 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, at the date of the financial statements and the reported amounts of the revenues and expenses during the period. Items requiring the use of significant estimates include estimated employee benefit obligations, useful life of capital assets, rates of amortization and the allocation of costs for internally constructed assets.

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

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

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

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.

m) 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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2015

2. CASH AND INVESTMENTS

	2015	2014
Cash Temporary investments	\$ 2,010,001 10,344,970	\$ 866,905 9,557,908
	\$ 12,354,971	\$ 10,424,813

Temporary investments are short-term deposits with original maturities of one year or less, or are redeemable, with interest rates ranging from 1.65% to 1.75% (2014 - 1.84% to 2.05%).

Included in temporary investments is a restricted amount of \$1,313,451 (2014 - \$1,897,562) held exclusively for eligible projects.

The County has an available revolving line of credit facility up to \$300,000 with interest payable at prime minus 0.25%, and a credit card limit of \$30,000, with interest payable at 5.0%. As at December 31, 2015 the balance owing on these facilities is \$nil (2014 - \$nil).

3. TAX AND GRANTS IN LIEU RECEIVABLES

	2015	 2014
Current taxes and grants in lieu of taxes Arrears Allowance for doubtful accounts	\$ 1,769,175 443,329 (773,150)	\$ 567,652 350,915 (72,376)
	\$ 1,439,354	\$ 846,191

4. TRADE AND OTHER RECEIVABLES

Trade receivables	162,931	446,605
Requisition under-levies	149,724	-
Interest receivable	45,437	72,827
GST receivable	32,739	72,080
Other receivables	1,918,001	1,280,420
Allowance for doubtful accounts	(573)	(2,935)
	\$ 2,308,259	\$ 1,868,997

2015

2014

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2015

5. LONG TERM INVESTMENTS

	_	2015		2014				
		Cost		Market Value		Cost		Market Value
High interest savings Bonds and other investments	\$	1,507,133 7,472,796	\$	1,507,133 7,789,955	\$	5,848,085 7,866,347	\$	5,848,085 8,186,584
	\$	8,979,929	\$	9,297,088	\$	13,714,432	\$	14,034,669

Bonds and other investments have stated interest rates ranging from 2.05% to 6.02% with maturity dates ranging from 2016 to 2023 and held at amortized cost. High interest savings include investment savings accounts held at ATB Securities Inc.

6. LOANS AND NOTES RECEIVABLES

	2015			2014
Carmangay Fire Association - annual pmt \$10,000, matures 2020	\$	50,000	\$	60,000
Champion Fire Association - annual pmt \$10,000, matures 2016		10,000		20,000
Milo Fire Association - annual pmt \$10,000, matures 2015		-		10,000
Vulcan Fire Co-op - annual pmt \$10,000, matures 2021		60,000		70,000
Northwest Fire Protection Assoc annual pmt \$25,000, matures 2018		75,000		100,000
Milo Seed Cleaning Association		158,196		182,106
Blackie & District Seed Cleaning Association		43,031		56,235
Mossleigh Water Co-op		60,137	_	66,690
	\$	456,364	\$	565,031

Loans receivable from the various Fire Associations within the County are for assistance in the purchase of equipment, the loans are interest free and repayable over 10 year terms.

Loan receivable from Blackie & District Seed Cleaning Association, has an annual blended loan payment of \$15,565, maturing in 2018, carrying interest at 4.2%.

Loan receivable from Milo Seed Cleaning Association, has an annual blended loan payment of \$29,009, maturing in 2021, carrying interest at 2.8%.

Loans receivable from Mossleigh Water Co-op, are interest free and have combined semi-annual payments of \$3,277. Loans are repayable over 20 years.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2015

7. DEFERRED REVENUE

	2015	2014	
Alberta Municipal Sustainability Initiative - Capital Alberta Municipal Sustainability Initiative - Operating Information Technology Remote Backup - RCP Inter-Municipal Development Plan - RCP Surface Rights Other	\$ 954,456 52,297 73,771 83,332 91,035 58,560	\$ 1,421,391 96,439 81,503 166,666 87,747 42,613	
Total, invested in short term investments	\$ 1,313,451	\$ 1,896,359	

Alberta Municipal Sustainability Initiative - Capital

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

Alberta Municipal Sustainability Initiative - Operating

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

Information Technology Remote Backup - RCP

This grant is for the development of an information technology remote backup system with another municipality. The use of these funds is restricted to eligible expenditures as approved under the funding agreement.

Inter-Municipal Development Plan - RCP

This grant is for the development of an inter-municipal development plan with municipalities that share a border. The use of these funds is restricted to eligible expenditures as approved under the funding agreement.

Surface Rights

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

8. EMPLOYEE BENEFIT OBLIGATIONS

	 2015	 2014
Accrued vacation payable	\$ 203,216	\$ 205,410
	\$ 203,216	\$ 205,410

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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2015

9. EQUITY IN TANGIBLE CAPITAL ASSETS

٠.		2015	2014
	Tangible capital assets (schedule 2) Accumulated amortization (schedule 2)	\$ 189,999,202 (82,207,805)	\$ 184,328,111 (79,690,893)
		\$ 107,791,397	\$ 104,637,218
10.	INVENTORIES FOR CONSUMPTION	2015	2014
	Inventory for consumption - gravel Inventory for consumption - parts	\$ 6,353,160 586,707	\$ 3,704,455 680,891
		\$ 6,939,867	\$ 4,385,346

Gravel inventory includes purchased deposits not yet crushed, with a cost of \$4,791,508.

11. ACCUMULATED SURPLUS

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

\$ 897,409 29,393,727	\$ 896,650 27,883,798
	\$ 133,417,666

12. 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.

	2015	2014
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES	\$ 2,221,676	\$ (1,151,386)
ADD: Proceeds from sale of capital assets	185,020	259,000
ADD: Transfer from restricted surplus to operations	7,853,694	2,503,502
ADD: Amortization of tangible capital assets	3,722,578	3,823,831
LESS: Transfers to restricted surplus	(3,452,077)	(377,323)
LESS: Capital expenditures	(10,528,032)	(5,053,734)
Budget approved by Council	\$ 2,859	\$ 3,890

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2015

13. RESTRICTED SURPLUS

	2015	2014
Capital Restricted Surplus		
General Government	\$ 100,329	\$ 100,329
Protective Equipment	1,283,197	271,401
Transportation Equipment	1,498,587	1,280,637
Road Construction	714,386	237,150
Bridge Construction	863,226	
Gravel Crushing	129,542	129,542
Environment Treatment		1,924,862
Environment Development Equipment	107,080	50,855
Campground	22,500	22,500
Capital Acquisition	6,805,627	5,765,803
Capital Contingency	1,000,000	
	12,524,474	9,783,079
Operating Restricted Surplus		
Assessment Appeal	107,054	
Debt Reduction		1,000,000
CPR Discontinuance		1,646,698
Community Enhancement	50,000	25,000
General Government Service	760,575	612,575
Protective Services	741,380	823,895
Transportation Contingency	1,457,590	1,429,590
Road Construction	1,631,329	1,651,329
Road Maintenance	375,000	220,000
Gravel Crushing	5,073,761	6,115,309
Uncrushed Gravel Inventory	4,791,508	2,524,655
Bridges	82,459	82,459
Water Management	126,463	126,463
Environment Treatment	1,892	1,892
Planning and development	313,344	229,344
Agriculture Services	376,272	397,772
Campground	66,578	40,578
Recreation and Culture	289,543	271,698
Operating Contingency	624,505	901,462
Operating Contingency	021,000	00.,702
	16,869,253	18,100,719
Total Restricted Surplus	\$ 29,393,727	\$ 27,883,798

During the year, Vulcan County transferred \$2.525 million from the Capital Acquisition Reserve to the Uncrushed Gravel Inventory Reserve in relation to funding the opening balances of the uncrushed gravel inventory. The prior year figures were also reclassified to conform to the current year's presentation.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2015

14. SEGMENTED INFORMATION

Vulcan County provides numerous services to its citizens, including protective services, planning, public works and agricultural 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. Also, included in the segment are community services such as parks, recreational services, other cultural services and family services.

Protective Services

Protective services is comprised of bylaw enforcement and fire services. The Municipal Emergency Agency acts as the agent of Council to carry out its statutory powers and obligations under the Emergency Management Act. This department prepares and coordinates the Municipal Emergency Plan and related plans and programs. Ambulance services are provided to Vulcan County as contracted by Alberta Health Services. The primary function of the protective services department is to administer and operate municipal bylaws and health and safety programs.

Transportation Services

The transportation department is responsible for the delivery of municipal public works services related to planning, development and maintenance of roadway and water systems, the maintenance of parks, and open space.

Economic and Agricultural Services

Economic and agricultural services provide initiatives which assist in the prosperity of the County; agricultural advice and expertise, weed and pest control, and development of new services.

Environmental Planning

The function of the planning department is to steward effective land use and orderly growth of the community, in order to sustain and enhance the quality of life for both current and future citizens of Vulcan County.

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. The General Revenue Fund reports on municipal services that are funded primarily by taxation such as property and business tax revenues.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2015

15. 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:

	2015	2014
Total debt limit Total debt	\$ 27,991,343 	\$ 23,638,361
Amount of debt limit unused	27,991,343	23,638,361
Debt servicing limit Debt servicing limit	4,665,224	3,939,727
Amount of debt servicing limit unused	\$ 4,665,224	\$ 3,939,727

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.

16. 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:

		2	2015			2014
	alary / r Diems		nefits & wances	Total		Total
Councillors			4.470		•	17.005
Division 1 - Gateman	\$ 15,875	\$	4,173	\$ 20,048	\$	17,925
Division 2 - Ruark	22,583		4,357	26,940		20,586
Division 3 - Schneider	26,750		4,814	31,564		23,731
Division 4 - Annable	25,167		4,455	29,622		31,831
Division 5 - Monner	14,000		3,764	17,764		23,501
Division 6 - McLean	18,125		4,213	22,338		20,771
Division 7 - Lucas	17,250		4,196	21,446		21,261
Chief Administrative Officer	\$ 175,730	\$	34,222	\$ 209,952	\$	191,852

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

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

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2015

17. 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 237,612 people and 423 employers. The LAPP is financed by employer and employee contributions and by investment earnings of the LAPP

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 11.39% of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 15.84% on pensionable earnings above this amount. Employees of the County are required to make current service contributions of 10.39% of pensionable salary up to the year's maximum pensionable salary and 14.84% on pensionable salary above this amount.

Total current service contributions by the County to the LAPP in 2015 were \$484,166 (2014 - \$405,722). Total current service contributions by the employees of the County to the Local Authorities Pension Plan in 2015 were \$446,576 (2014 - \$373,936).

At December 31, 2014, the LAPP disclosed an actuarial deficiency of \$2.455 billion.

18. FINANCIAL INSTRUMENTS

The County's financial instruments consist of cash and temporary investments, accounts receivable, long term investments, loans and notes receivable, accounts payable and accrued liabilities. It is management's opinion that the County is not exposed to significant interest or currency risks arising from these financial instruments.

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.

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

19. CONTAMINATED SITES LIABILITY

On January 1, 2015, the County adopted PS3260 Liability for Contaminated Sites. The Standard was applied on a retroactive basis and did not result in any adjustments to the financial liabilities, tangible capital assets, nor accumulative surplus of the County.

20. 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 is a defendant in a claim regarding relocation of fence posts and negligence regarding drainage and flooding issues amounting to \$375,000. 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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2015

21. COMMITMENTS

Vulcan County is responsible for environmental reclamation costs of gravel pit sites. The estimated liability is based on the total cubic meters of exposed gravel pits multiplied by the price per cubic meter to reclaim the sites. During the year it was estimated that there was 512,560 cubic meters of exposed gravel pits for reclamation at an approximate cost of reclamation of \$1.34 per cubic meter, for a total liability of \$222,979 based on the discounted future cash flows of restoring the gravel pits. The gravel pits have an estimated useful life ranging from 14 to 71 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 sufficient funded gravel reserves to cover the costs of the reclamation.

During the year, the County had committed to the purchase of equipment and vehicles valued at a total of \$1,698,513. This equipment will be received in the subsequent fiscal year.

22. PRIOR YEAR FIGURES

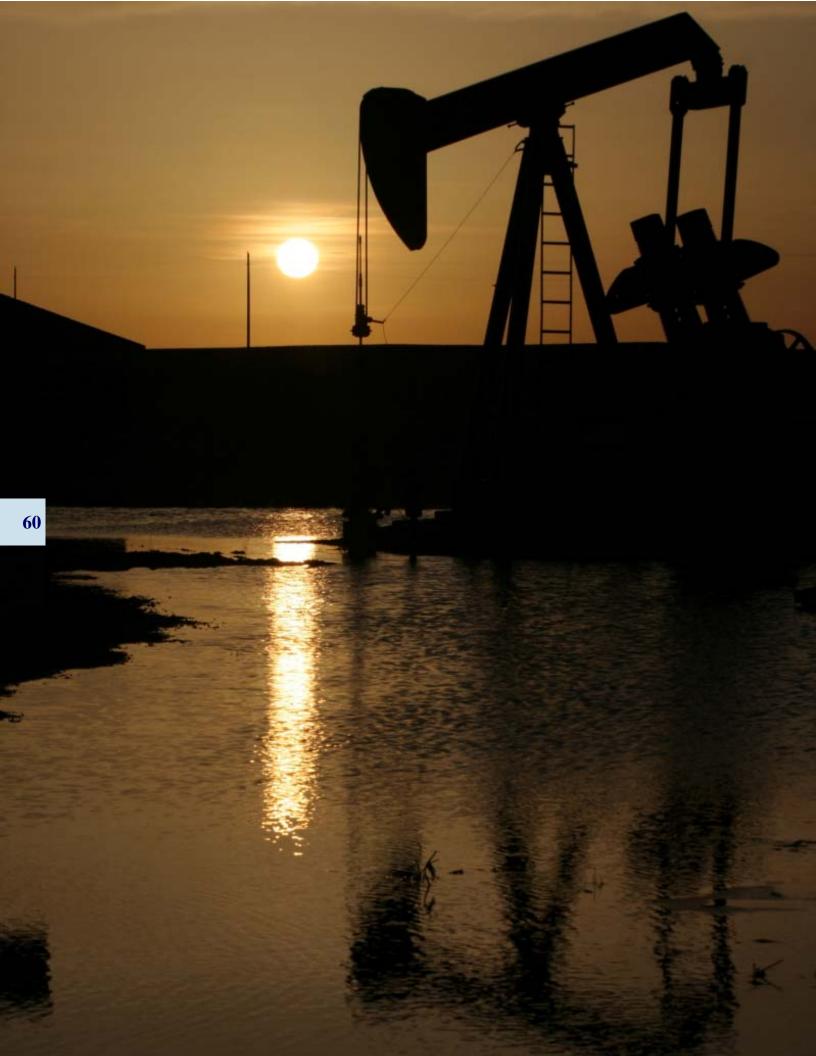
Certain prior year figures have been reclassified to conform to the current year's presentation.

23. SUBSEQUENT EVENTS

Subsequent to the fiscal year end, the County has applied for \$2,046,224 of debenture funding from Alberta Capital Finance Authority for the purpose of funding Vulcan County's contribution towards the Vulcan Hospital Expansion Project.

24. APPROVAL OF FINANCIAL STATEMENTS

Council and Management have approved these financial statements.



STATISTICS

YEAR ENDED DECEMBER 31, 2015



DEMOGRAPHICS, AREA, & OTHER

	2015	2014	2013	2012	2011
POPULATION	3,893	3,893	3,893	3,893	3,830
NUMBER OF DWELLING UNITS	2,125	2,065	2,218	2,008	1,993
AREA OF MUNICIPALITY IN HECTARES	556,342	556,342	556,342	556,342	556,342
NUMBER OF HAMLETS	8	8	8	8	8
ROAD MAINTAINED (Km)	2,672	2,672	2,672	2,646	2,643
WATER PIPELINE (Km)	454	454	454	452	452
DEVELOPMENT PERMITS	54	66	71	54	57
SUBDIVISIONS APPLICATIONS	20	20	18	18	17
FULL TIME STAFF	59	56	57	47	46

PROPERTY ASSESSMENT (in thousands)

<u>-</u>	2015	2014	2013	2012	2011
RESIDENTIAL	416,179	381,027	361,476	349,923	322,660
FARMLAND	204,199	204,147	204,178	204,173	203,534
NON-RESIDENTIAL	76,883	72,395	70,296	68,260	61,440
MACHINERY & EQUIPMENT (M&E)	135,065	144,018	163,222	166,535	164,009
LINEAR	858,761	541,310	540,645	515,921	508,274
TOTAL ASSESSMENT	1,691,087	1,342,897	1,339,817	1,304,811	1,259,917
1,800,000					
1,600,000 -				LINEAR	
1,400,000 -					
1,200,000 -				■ MACHINERY (M&E)	& EQUIPMENT
1,000,000 -				■ NON-RESIDE	NΤΙΛΙ
800,000 -				INOIN-RESIDE	NIIAL
600,000 -				■ FARMLAND	
400,000 -				,	
200,000 -				■ RESIDENTIAL	
0 	2013	2012	20) 11	

TAX RATES (expressed in mills)

	2015	2014	2013	2012	2011
MUNICIPAL					
Residential	5.7600	5.7600	5.7600	5.7600	5.7600
Farmland	9.1400	9.1400	9.1400	9.1400	9.1400
Non-Residential, M&E, and Linear	9.1400	9.1400	9.1400	9.1400	9.1400
WASTE COMMISSION	0.3164	3.8820	0.3791	0.3796	0.3485
EDUCATION REQUISITION					
Residential and Farmland	2.3668	2.4610	2.6075	2.2396	2.3500
Non-Residential and Linear	3.6489	3.6943	3.7357	3.9606	4.0300
SENIOR FOUNDATION REQUISITION	0.1302	0.1579	0.1461	0.1260	0.1320
SPECIAL LEVY - FIRE PROTECTION ARE	ΕA				
Carmangay and District	1.0661	1.3652	0.6912	0.5828	0.5100
Champion and District	0.6115	0.6509	0.2383	0.3638	0.3700
Lomond and District	0.4195	0.2987	0.1481	0.1132	0.1200
Milo and District	0.2269	0.3442	0.2536	0.1565	0.1700
Vulcan and District	0.2437	0.3378	0.1262	0.2884	0.2600
Northwest	0.6180	0.6399	0.4732	0.6551	0.7100
Linear	0.3216	0.3122	0.3031	0.2893	0.2900
SPECIAL LEVY - RECREATIONAL AREA					
Carmangay and District	0.3440	0.6478	0.0162	0.0521	0.0600
Champion and District	0.5561	0.6179	0.3357	0.2035	0.2100
Lomond and District	0.1515	0.1406	0.1082	0.1039	0.1200
Milo and District	0.3122	0.3572	0.2621	0.5076	0.0200
Vulcan and District	0.6771	0.3897	0.2389	0.1587	0.1900
Northwest	0.0000	0.0027	0.0000	0.0295	0.0300
Linear	0.1271	0.1234	0.1198	0.1198	0.1200

ASSETS, LIABILITIES, & SURPLUS

	2015	2014	2013	2012	2011
TAX RECEIVABLE AS % OF TAXES					
Tax Receivables	1,439,354	846,191	965,511	617,723	378,472
Total Tax Levies	19,532,301	16,346,790	16,082,860	15,675,596	15,119,534
Tax Receivable as % of Taxes	7.4%	5.2%	6.0%	3.9%	2.5%
Financial Assets	26,065,387	27,972,864	26,080,253	24,430,666	23,861,516
Financial Liabilities	(2,915,709)	(3,761,555)	(3,073,913)	(3,216,181)	(5,771,167)
NET FINANCIAL ASSET	23,149,678	24,211,309	23,006,340	21,214,485	18,090,349
Tangible Capital Assets	107,791,397	104,637,218	102,951,507	103,110,604	101,549,801
Inventory Held for Consumption	6,939,868	4,385,348	5,110,680	5,117,653	4,859,463
Prepaid Expenses	201,591	183,792	169,585	123,994	58,574
ACCUMULATIVE SURPLUS	138,082,534	133,417,667	131,238,112	129,566,736	124,558,187
Unresticted Surplus	897,409	896,650	7,908,695	7,898,893	5,687,250
Restricted Surplus (Reserves)	29,393,728	27,883,799	20,377,910	18,557,239	17,321,136
Equity in Tangible Capital Assets	107,791,397	104,637,218	102,951,507	103,110,604	101,549,801
ACCUMULATIVE SURPLUS	138,082,534	133,417,667	131,238,112	129,566,736	124,558,187

REVENUES (by source)

_	2015	2014	2013	2012	2011
Net Municipal Taxes	15,593,397	12,419,678	12,132,072	11,958,937	11,420,450
Government Transfers	723,092	903,191	851,863	738,649	1,322,408
Return on Investments	405,743	395,617	434,653	509,692	126,256
Sale of Goods, Rents, and User Charges	1,299,236	1,295,240	1,152,643	1,657,255	1,400,842
Community Aggregate Levy	259,213	282,789	127,522	224,683	290,903
Other Revenue	125,916	299,051	105,592	60,499	875,299
Penalties and Costs of Taxes	254,299	163,343	134,472	144,952	116,037
OPERATING REVENUES	18,660,896	15,758,909	14,938,817	15,294,667	15,552,195
Contributed Tangible Capital Assets	0	0	836,725	379,230	0
Government Transfers for Capital	3,893,203	2,524,342	3,581,616	3,107,459	2,093,560
TOTAL REVENUES	22,554,099	18,283,251	19,357,158	18,781,356	17,645,755

EXPENSES (by function and object)

_	2015	2014	2013	2012	2011
EXPENSES BY FUNCTION					
Legislative	365,768	287,864	284,849	248,944	263,247
Administration	1,763,226	1,927,001	1,992,912	2,004,109	2,409,326
Protection Services	1,466,953	1,381,614	1,182,048	1,185,357	1,029,103
Transportation Services	10,441,137	9,803,242	10,764,909	8,317,267	7,957,028
Environmental Use and Protection	628,794	615,296	601,140	563,411	857,823
Family and Community Support	214,943	186,720	178,870	106,575	55,087
Community Planning and Development	342,962	305,813	295,493	308,858	125,946
Economic and Agricultural Developmen	1,188,958	1,029,299	898,635	914,327	555,890
Parks and Recreation	684,775	500,852	405,422	384,408	202,594
Other	791,715	65,993	811,035	10,015	0
TOTAL EXPENSES	17,889,231	16,103,694	17,415,313	14,043,271	13,456,044

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

EXPENSE BY OBJECT					
Salaries, Wages and Benefits	6,230,936	5,774,452	5,385,996	5,009,245	4,852,692
Contracted and General Services	3,150,492	2,935,673	3,720,869	2,124,337	1,737,884
Materials, Goods and Utilities	3,558,148	3,417,437	3,282,721	3,442,774	2,871,671
Transfers to Local Boards and Agencies	1,890,906	1,531,577	1,401,961	1,525,834	1,355,953
Interest and Bank Charges	38,930	50,626	52,535	58,318	29,664
Other Expenses	965,005	207,959	925,915	10,625	28,116
Amortization of Tangible Capital Asset:	4,014,425	3,722,577	3,663,080	3,602,966	3,504,164
Loss on Disposal of Capital Assets	411,062	176,194	403,140	136,959	9,212
Machine Expenses Capitalized for	(2,370,673)	(1,712,801)	(1,420,904)	(1,867,787)	(933,312)
Construction	((, , , , _ , , , , , , , , , , , , , ,	(1,1=0,100)	(1,001,101,	(100)
TOTAL EXPENSES	17,889,231	16,103,694	17,415,313	14,043,271	13,456,044

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

TRANSFERS TO LOCAL BOARDS AND AGENCIES

	2015	2014	2013	2012	2011		
TRANSFERS TO OTHER LOCAL GOVERNMENTS							
Vulcan District Waste Commission	529,804	504,665	497,247	485,880	439,011		
Twin Valley Regional Water Commission	26,856	23,601	24,540	21,962	0		
Vulcan Business Development Society	154,159	89,078	75,000	75,000	75,000		
Vulcan and District Tourism Society	89,679	80,000	80,000	80,000	80,000		
Vulcan Library Board	79,000	76,700	76,700	25,700	25,700		
Fire Area Contributions	247,450	216,380	195,380	334,380	386,781		
Recreation Area Contributions	494,089	359,440	252,315	312,396	144,683		
Other local governments and organizations	269,869	181,713	200,779	190,516	204,778		
	1,890,906	1,531,577	1,401,961	1,525,834	1,355,953		

ANNUAL SURPLUS

_	2015	2014	2013	2012	2011
TOTAL REVENUES	22,554,099	18,283,251	19,357,158	18,781,356	17,645,755
TOTAL EXPENSES	(17,889,231)	(16,103,694)	(17,415,313)	(14,043,271)	(13,456,044)
ANNUAL SURPLUS	4,664,868	2,179,557	1,941,845	4,738,085	4,189,711
ADD: Proceeds from Sale of Tangible Capital Assets	316,510	786,854	1,236,768	343,821	0
ADD: Transfer from Restricted Surplus to Operations	8,640,090	2,991,304	3,655,821	1,027,104	(961,060)
ADD: Amortization of Tangible Capital Assets	4,014,425	3,722,577	3,663,080	3,602,966	3,504,164
LESS: Transfers to Restricted Surplus	(9,738,958)	(10,320,999)	(5,068,774)	(2,263,222)	0
LESS: Capital Expenditures	(7,896,176)	(6,371,335)	(5,148,470)	(5,508,187)	(1,478)
ALLOCATION TO UNRESTRICTED SURPLUS	759	(7,012,042)	280,270	1,940,567	6,731,337





CONTACT INFORMATION

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