



ANNUAL FINANCIAL REPORT 2020

FOR THE YEAR ENDED DECEMBER 31, 2020
VULCAN COUNTY, ALBERTA, CANADA





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VULCAN COUNTY, ALBERTA, CANADA

PREPARED BY VULCAN COUNTY
CORPORATE SERVICES DEPARTMENT
FEBRUARY 2022





TABLE OF CONTENTS

SECTION ONE

WELCOME TO VULCAN COUNTY

- 8 Welcome to Vulcan County
- 9 County Profile
- 10 Vision, Mission Statement, & Values
- 11 County Council and the CAO
- 12 Administration
- 13 Organizational Chart
- 16 Strategic Plan
- 19 Report from the Director of Corporate Services
 - 19 > Internal Accounting Controls
 - 21 > GFOA Canadian Award for Financial Reporting (2019)
 - 22 > Financial Statement Discussion & Analysis
 - 22 - Statement of Financial Position (Assets & Liabilities)
 - 26 - Statement of Operations (Revenues & Expenses)
 - 35 - Other Statements, Schedules, and Notes
 - 36 > Future Outlooks

SECTION TWO

FINANCIAL STATEMENTS

- 40 Management's Responsibility for Reporting
- 41 Independent Auditor's Report
- 43 Statement of Financial Position
- 44 Statement of Operations
- 45 Statement of Changes in Net Financial Assets
- 46 Statement of Cash Flows
- 47 Schedules to the Financial Statements
 - 47 > Schedule 1 - Schedule of Change in Accumulated Surplus
 - 47 > Schedule 2 - Schedule of Tangible Capital Assets
 - 48 > Schedule 3 - Schedule of Property and Other Taxes
 - 48 > Schedule 4 - Schedule of Government Transfers
 - 49 > Schedule 5 - Schedule of Expenses by Object
 - 49 > Schedule 6 - 2020 Schedule of Segmented Disclosure
 - 50 > Schedule 7 - 2019 Schedule of Segmented Disclosure
- 51 Notes to the Financial Statements

SECTION THREE

STATISTICS

- 68 Demographics, Area, & Other
- 68 Property Assessment
- 69 Tax Rates
- 70 Assets, Liabilities, & Surplus
- 70 Revenues by Source
- 71 Expenses by Function & Object
- 71 Debt Supported by Taxes
- 72 Transfers to Local Boards and Agencies
- 72 Annual Surplus





WELCOME TO VULCAN COUNTY

7



WELCOME TO VULCAN COUNTY

Vulcan County is a rural municipality within Southern Alberta with a population of approximately 3,984 and is conveniently located one hour from both Calgary and Lethbridge. The County covers an area of 563,420 hectares and encompasses the following:

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

GEOGRAPHICAL INFORMATION:

Location:

Southern Alberta

Major Highways:

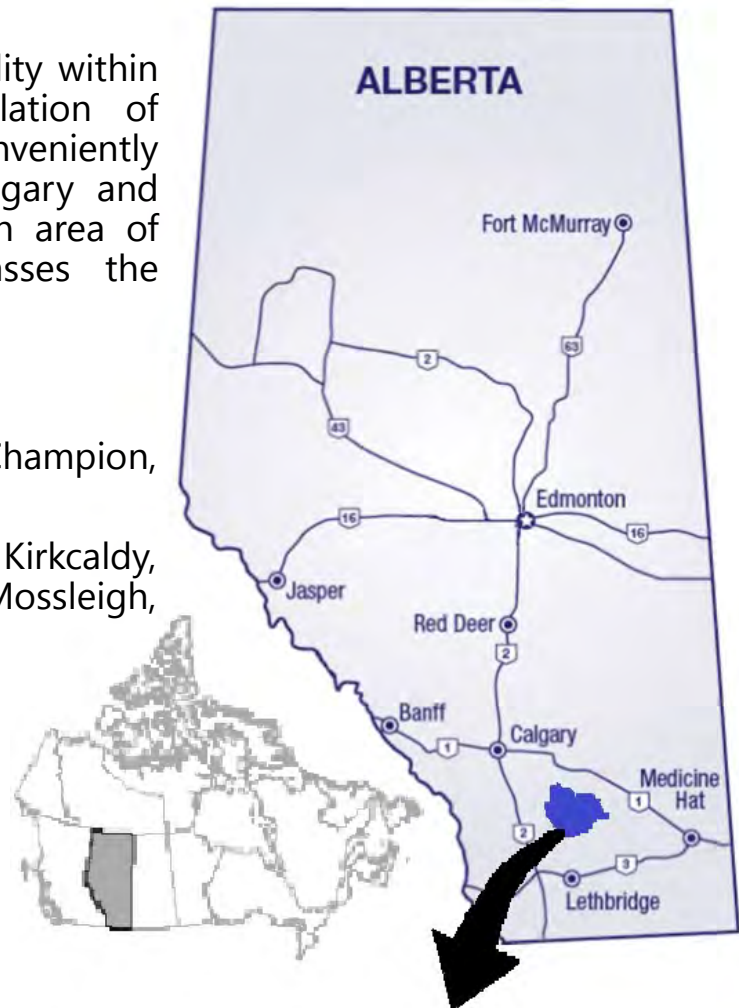
Highway 23 & 24

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

COUNTY SERVICES:

Vulcan County provides a number of services to its residents, either directly or jointly with other municipalities and commissions. These services include the following:

- General Government - including general administration and legislation;
- Protective Services - including fire protection, bylaw enforcement and safety;
- Transportation Services - including road maintenance, fleet repairs and construction of roads and bridges;
- Agricultural Services - including weed and pest control, Ag equipment rentals, provision of surface leases and other general agricultural services;
- Planning and Development Services - including development permits, zoning, subdivision and land-use bylaws;
- Community Services - including supporting FCSS, recreational and cultural activities, tourism and economic development;
- Utility Services—including garbage disposal (with the Vulcan and District Waste Commission) and water services (with Twin Valley Regional Water Commission and Mossleigh Water Coop).



ECONOMICS OF THE COUNTY:

The largest industry in Vulcan County is agriculture, encompassing approximately 444,000 hectares of farmland. The County is a member of the Foothills Little Bow Association and is part of the Bow River Irrigation District. There are three operational inland grain terminals in Vulcan County; two just south of the Town of Vulcan, and one southwest of the Village of Carmangay.

Renewable energy production are becoming increasingly important over the last 5 years, with large scale wind and solar projects being developed, which will produce 700MW of clean energy.

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.

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, the Majorville Medicine Wheel, and the Sundial Medicine Wheel; while the aviation related attractions include the Royal Canadian Air Force Monument at the Vulcan Industrial Airport.

VISION, MISSION STATEMENT, & VALUES

- **VISION**

To provide opportunity and growth through cooperation, progressive leadership, and accessible administration.

- **MISSION STATEMENT**

To provide a transparent government that is fair and effective.

- **VALUES**

- Accountability
- Leadership & Integrity
- Fiscal Responsibility
- Collaboration & Accessibility

Every four years, as a new Council is elected, Vulcan County develops a new strategic plan and priorities that provide the roadmap and direction of what the County needs to achieve for the next four-year period and beyond. Work done by previous Councils and Administrations are built on, keeping key stakeholders in mind. *(2018-2022 Strategic Plan)*



COUNTY COUNCIL AND THE CAO

Vulcan County Council consists of Councillors elected from each of the 7 divisions of Vulcan County. Municipal elections are held every 4 years; whereas, the most recent municipal election took place in October 2017. 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. The following are the elected Council members as of October 2017 and the County's CAO:



Jason Schneider
Reeve
Division 3



Shane Cockwill
Deputy Reeve
Division 2



Serena Donovan
Councillor
Division 1



Laurie Lyckman
Councillor
Division 4



Michael Monner
Councillor
Division 5



Ryan Smith
Councillor
Division 6



Doug Logan
Councillor
Division 7



Nels Petersen
Chief Administrative Officer

Council holds two types of meetings: Council Meetings and Governance & Priorities Committee Meetings.

Council Meetings are more formal and where Council makes the actual decisions on important matters in the community. These Council Meetings are typically held on the 1st and 3rd Wednesday of each month and are always open to the public and media.

Governance & Priorities Committee Meetings are typically less formal and provide Administration opportunities to share information, discuss issues, and obtain direction from Council. This can include, but is not limited to, Budget Committee Meetings and Organizational Meetings.

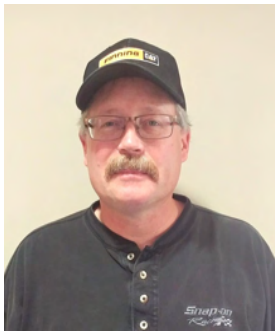
The following election is scheduled for October 2021.

ADMINISTRATION

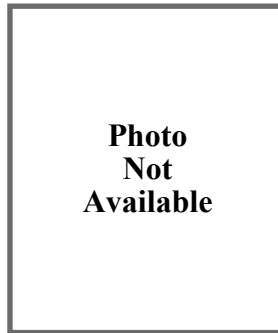
The Chief Administrative Officer (CAO) is the administrative head of the organization and reports directly to Council. Reporting to the CAO in 2020 were four directors in charge of each of the County's departments, the Manager of Development Services, Economic Development Officer and the Manager of Legislative Services.

The following are the departments of the County:

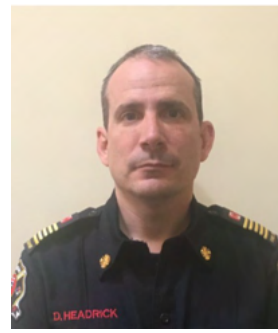
- **Operations** - department includes road construction, road maintenance, graveling, bridge construction, and fleet maintenance.
- **Corporate Services** - department includes information technology, geographic information systems (GIS), and finance (assessment, taxation, receivables, payables and payroll).
- **Protective Services** - department includes fire protection services and bylaw enforcement.
- **Agricultural Services** - department includes seeding, weed control, spraying, pest control and agricultural rentals.
- **Development Services** - department includes development permitting, subdivision of lands, building and safety code review, and statutory document creation.



Mike Kiemele
Director of
Operations



Nick Fai
Director of Corporate
Services



Doug Headrick
Director of Protective
Services

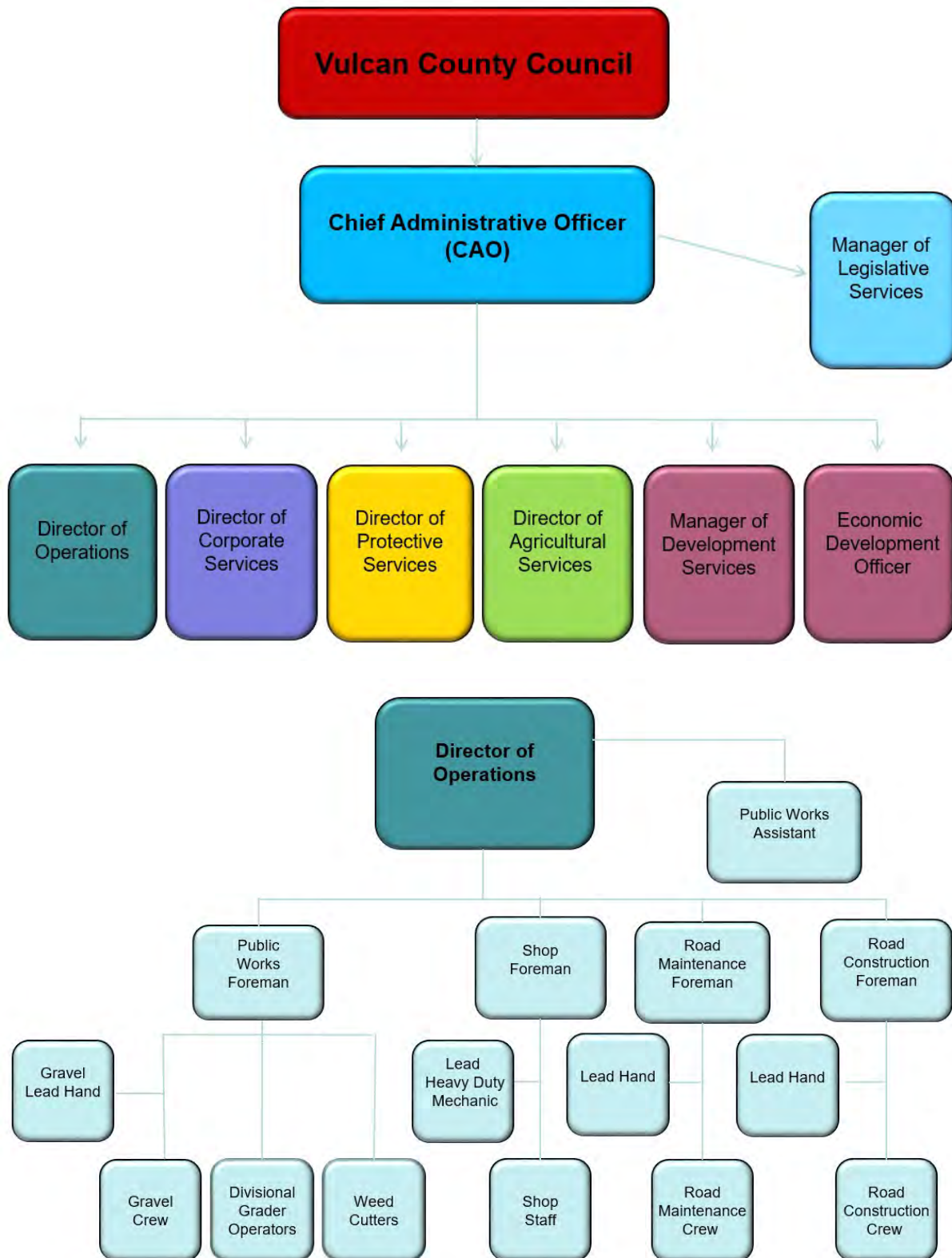


Kelly Malmberg
Director of Agricultural
Services

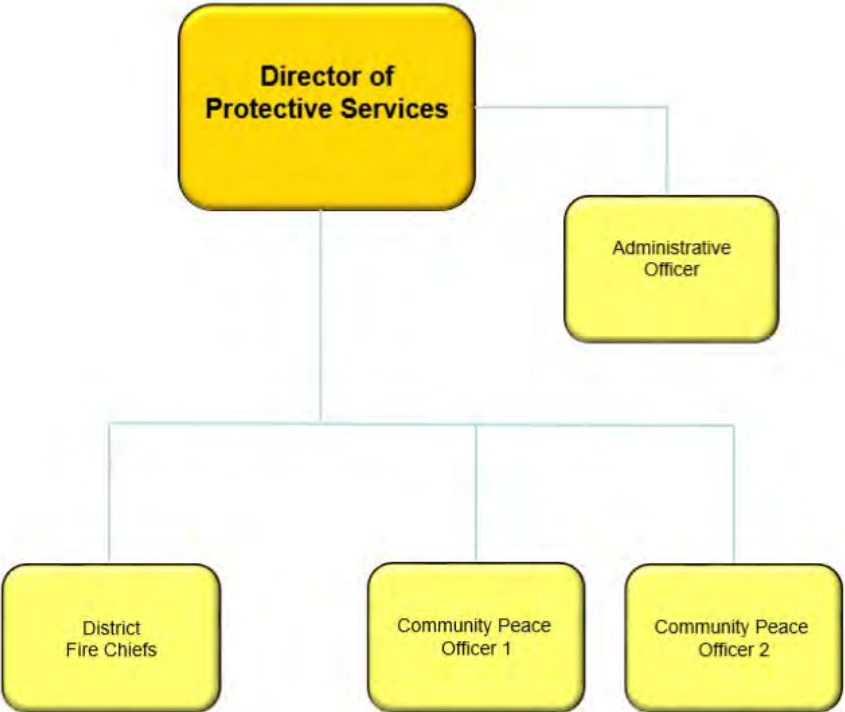
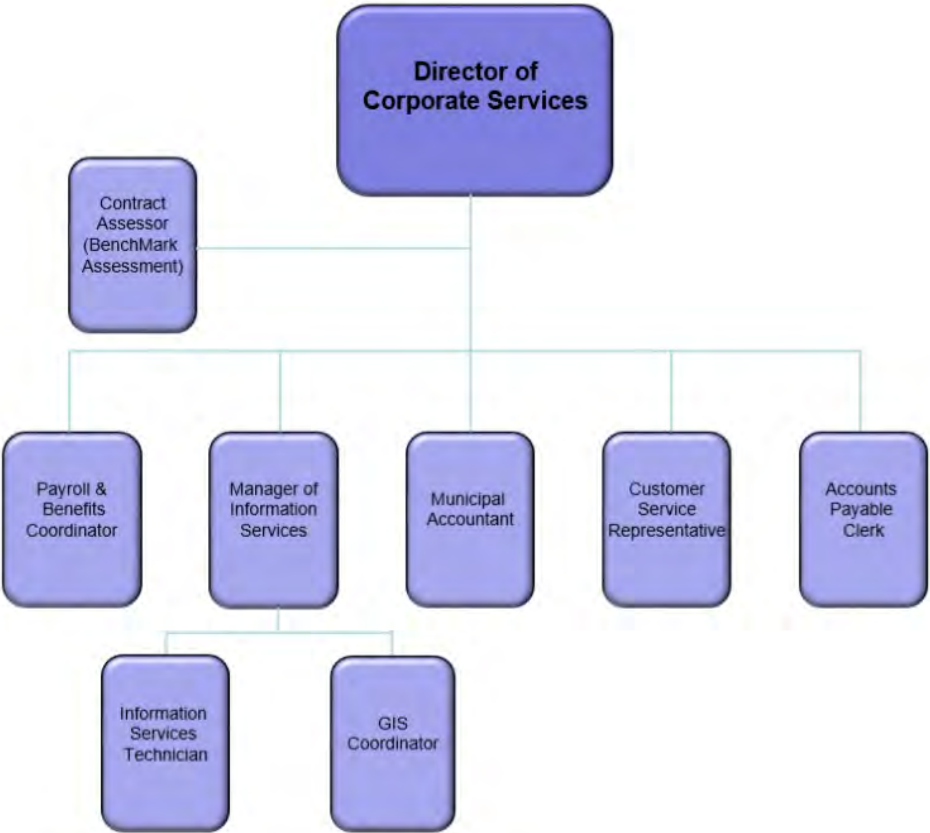


Anne Erickson
Manager of Development
Services

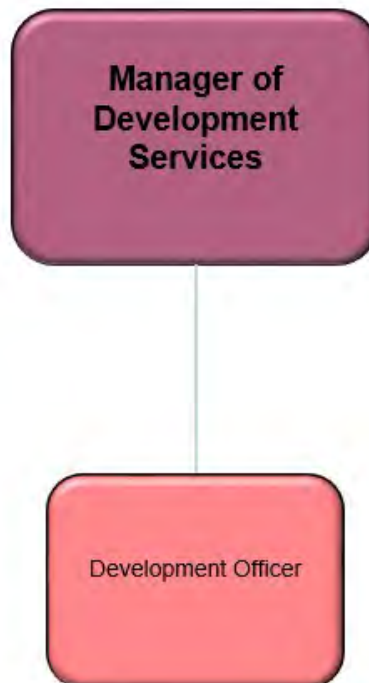
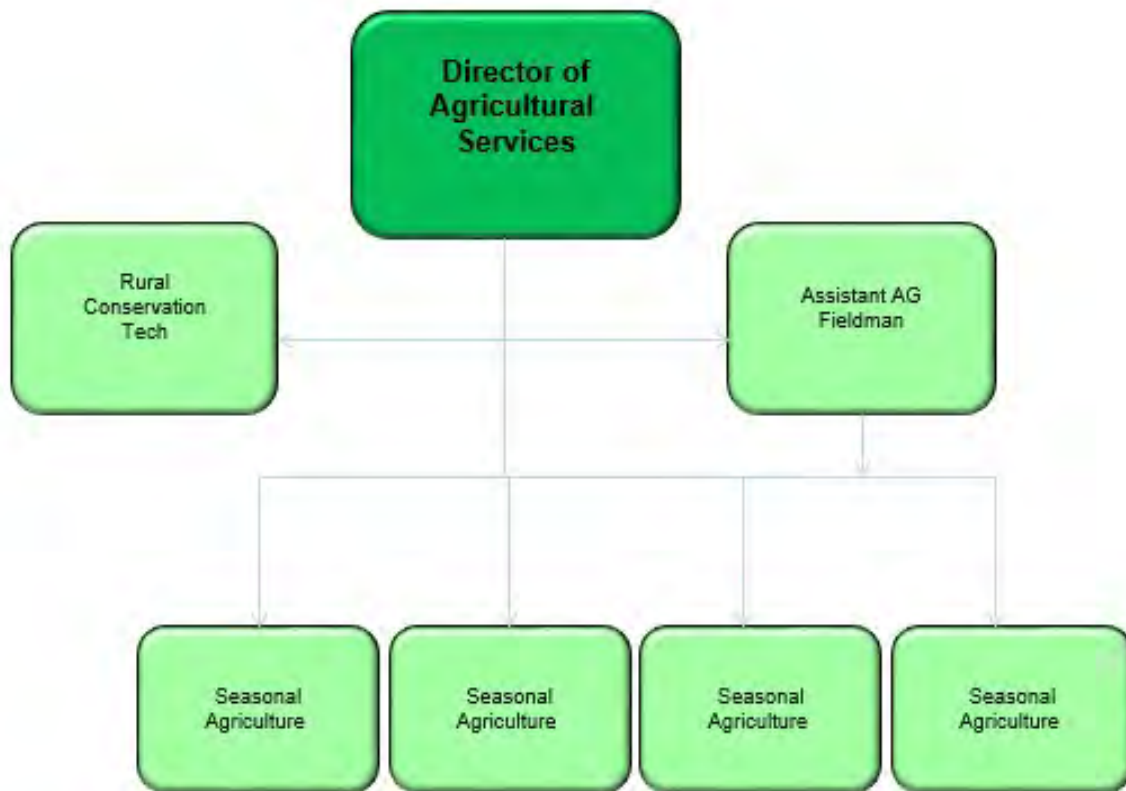
ORGANIZATION CHART:



ORGANIZATION CHART (CONTINUED):



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 for effective implementation is vital to the success of Vulcan County. To achieve this, Vulcan County developed the *2018-2022 Strategic Plan*, which includes the following six key goals:

1) INCREASED AND DIVERSIFIED ECONOMIC DEVELOPMENT

Active pursuit of opportunities to diversify our assessment base to support the services we provide to our residents, including the following strategies:

- Hire an in-house Economic Development Officer
- Re-write the Vulcan County Land Use Bylaw to ensure a good planning process while allowing for innovative land use without hindering growth
- Establishment of an economic development reserve fund
- Industrial / commercial park development
- Providing a receptive environment for renewable energy producers
- Updating our Municipal Development Plan and Reservoir Area Structure Plan to allow for further growth and improved planning
- Working with businesses to identify areas which may inhibit growth
- Expanding the County's marketing presence
- Exploring economic incentives which can be offered to potential new business or residential developments

2) FOSTER A COLLABORATIVE ENVIRONMENT

Vulcan County recognizes that we cannot action all of our objectives alone. To realize these objectives, the County has begun utilizing the following strategies:

- Creation of Inter-Municipal Development Plans with urban municipalities within the boundaries of Vulcan County
- Amendments to existing Inter-Municipal Development Plans with neighbouring rural municipalities
- Inter-municipal Collaborative Framework creation with our rural and urban neighbours
- Establish annual meetings with the Bow River Irrigation District to review capital projects and maintenance priorities
- Review and establish cost-sharing formulas for services that are equitable to all parties
- Institute annual meetings with the Siksika Nation to investigate opportunities for partnerships



3) MAINTAIN ROAD AND BRIDGE INFRASTRUCTURE

As a County, the majority of municipal activities typically relate to road and bridge infrastructure, making up approximately 52% of County expenditures. Vulcan County is committed to maintaining these assets by using the following strategies:

- Continued refinement and review of the 5-year and 20-year capital plans for equipment and infrastructure replacement and repairs
- Review and approve 4-year road and bridge construction programs that recognize efficiencies in engineering, construction, and project tendering
- Continue capital equipment replacement based on life cycle asset management that ensures a balance between maintenance costs and down time
- Further investigate potential new aggregate sources within the County to secure surfacing gravel requirements



17

4) RESPONSIBLE & TRANSPARENT LEADERSHIP AND GOVERNANCE

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

- Invest in and support a proficient and motivated workforce
- Provide levels of service that balance ratepayer needs with organizational capacity
- Build community confidence through responsible governance for long-term sustainability
- Promote community engagement in decision making and planning
- Develop a public participation policy
- Ensure timely compliance with regulatory and statutory obligations
- Continue to promote excellence through the production and submission of Annual Budget Reports and Annual Financial Reports to the Government Finance Officers Association
- Improve public communication through our website, social media accounts, and printed media
- Continued review of taxation rates in order to remain competitive with our rural neighbours

5) CONTINUED SUPPORT OF OUR AGRICULTURAL INDUSTRY

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

- Continue to have an active and engages Agricultural Service Board that reviews and investigates new programming and services which are of benefit to the agricultural industry
- Initiate delivery of the ALUS program (Alternative Land Use Systems) to the County
- Work with the Vulcan and District Waste Commission on the collection of herbicide/pesticide containers in a way which works for all stakeholders
- Continue to support and participate in the Southern Alberta Weed Coordinator Program
- Increase weed control measures and awareness throughout the County
- Develop a digital weed database for Vulcan County

6) SAFE COMMUNITIES

Protection of our community is accomplished by 6 fire departments, 4 RCMP detachments, and the Vulcan County Community Peace Officer Program. To provide safe communities, the County will undertake the following initiatives:

- Hire a second Community Peace Officer to provide proactive patrols in all areas of the County
- Continue with education as a primary value in regards to law enforcement
- Create a partnership with the RCMP to assist in providing a School Resource Officer to area schools
- Complete all appendices for the Emergency Management Plan
- Ensure proper emergency management training is provided for all staff and regional partners
- Certify that all fire departments within Vulcan County are meeting the required levels of training for our service levels
- Implement a Community Crime Map in conjunction with the RCMP, which will allow users to know where criminal activity is happening.

In October 2017, the Alberta Municipal Elections were held. Subsequent to the election, County Council and Administration reviewed the Strategic Plan in March of 2018. The plan is reviewed every 4 years to allow each new Council an opportunity to set its goals and priorities for the length of their term.



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, 2020. The purpose of this Annual Financial Report is to provide our ratepayers with clear and transparent insight into the financial information and results of the County. The report also gives us an opportunity to analyze and provide commentary on the financial information contained within.

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 financial records. The controls are subject to regular reviews and revisions (as required). These controls include, but are not limited to, the financial policies set by Council, administrative procedures, external audits, and the budgeting process.

FINANCIAL POLICIES

Vulcan County has a number of policies relating to the financials that are reviewed and approved by Council. These policies are designed to ensure that there are appropriate controls in place to safeguard the County and to ensure that the County is compliant with the Alberta Municipal Government Act, Canadian Public Sector Accounting Standards, and all other applicable legislation. Some of the key areas addressed by current policies are:

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

There are multiple other policies in place as well. All of these policies are publicly 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 ensure that the proper steps are taken for the recording of financial transactions to promote accuracy, consistency, and that policies are being followed appropriately.



The County utilizes a centralized accounting process. In this process, the Corporate Services Department is responsible for all common financial and computer systems used to record financial information. This information is then used to provide financial reports to Council, and is also used to create the County's year end financial statements which are audited by an external audit firm.

EXTERNAL AUDITS

In accordance with Section 280 of the Municipal Government Act, 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 Canadian Public Sector Accounting Standards.



The auditors have full access to all of the County's financial records and information, and will meet with staff, management, and the Reeve to discuss matters relating to the audit. The auditors also provide the County with a management letter providing comments on the internal controls.

For the 2020 Financial Statement audit, our auditors expressed a "clean" audit opinion, indicating that the financial statements are presented fairly in all material respects. The auditors did not have any recommendations for improvements to the County's internal controls during the 2020 audit, indicating the overall effectiveness of the controls that are already in place.

BUDGET PROCESS

In accordance with Sections 242 and 245 of the Municipal Government Act, County Council approves an operating and capital budget on an annual basis. Typically, the majority of the budget is developed in September to November of the year prior to the budget, and approved as the Interim Budget in December. The Final Budget is usually approved in April when the last budget items are received, property assessments are finalized, and requisitions for schools and senior foundations are available.

There is currently a 20-year Capital Plan which assists in the development of the annual capital budget by outlining the County's long-term capital replacement requirements. The Plan is currently funded by existing capital reserves and projected contributions to those reserves. This methodology of long-term budgeting allows for more stable tax rates over time since rates would not have to be increased in years when large projects must be completed.

The County prepares a 3-year operating budget each year. The upcoming year is planned in great detail, with the 2 subsequent years being based on estimates. As each subsequent year arrives, it is also reviewed in detail before being implemented. The County takes into account several factors while budgeting including current economic conditions, provincial policy changes, and service requirements within the County.



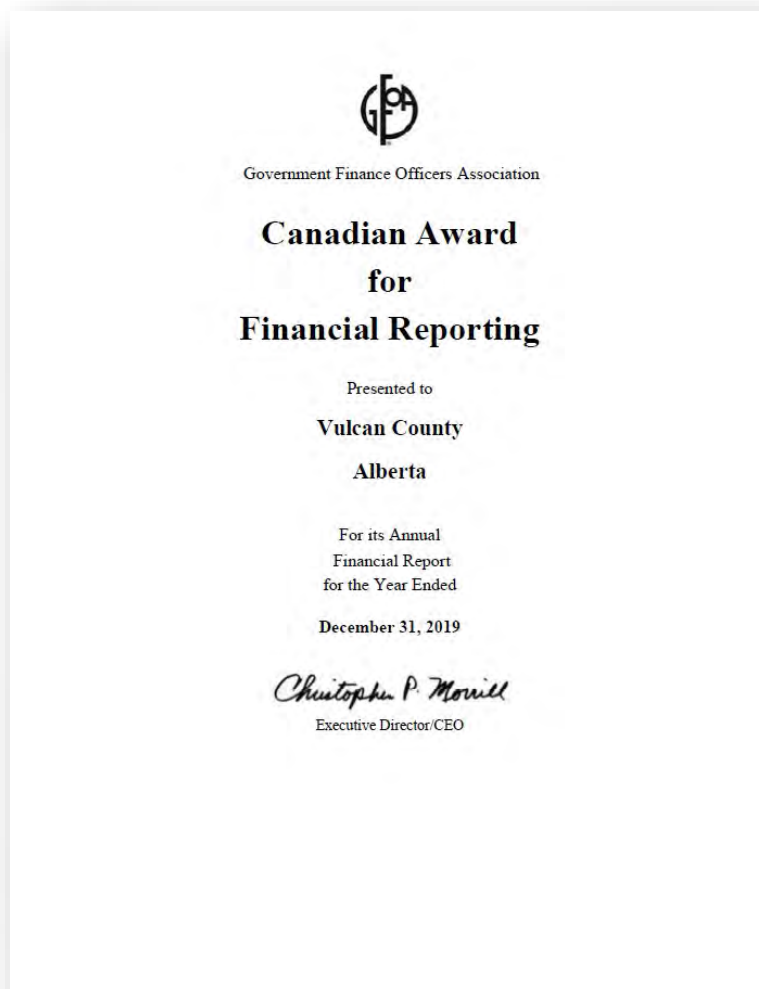
After the budget is approved by Council, expenditures are controlled by formal purchasing policies, financial systems, and financial reporting designed to prevent budget overruns.

GFOA CANADIAN AWARD FOR FINANCIAL REPORTING

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Canadian Award for Financial Reporting to Vulcan County for its annual Report for the fiscal year ended December 31, 2019. The Canadian Award for Financial Reporting program was established to encourage municipal governments throughout Canada to publish high quality financial reports and provide peer recognition and technical guidance for officials preparing these reports.

In order to be awarded a Canadian Award for Financial Reporting, a government unit must publish an easily readable and efficiently organized annual financial report, whose contents conform to program standards. Such reports should go beyond the minimum requirements of generally accepted accounting principals and demonstrate an effort to clearly communicate the municipal government's financial picture, enhance an understanding of financial reporting by municipal governments, and address user needs.

A Canadian Award for Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the Canadian Award for Financial Reporting program requirements, and are submitting it to GFOA.



FINANCIAL STATEMENT DISCUSSION & ANALYSIS

The County's 2020 financial statements are prepared in accordance with 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, 2020, and the results of its operations for the year then ended.

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

STATEMENT OF FINANCIAL POSITION

The Statement of Financial Position highlights the financial assets and liabilities, the non-financial assets, and the accumulated surplus. This statement is used to evaluate the County's ability to finance its financial liabilities and commitments.

	2020	2019	Change
FINANCIAL ASSETS			
Cash and investments	33,299,079	29,021,783	4,277,296
Taxes and grants in lieu receivables	3,475,225	1,462,178	2,013,047
Trade and other receivables	616,273	1,770,970	(1,154,697)
Inventory held for resale	37,249	37,249	-
Long term investments	-	2,541,984	(2,541,984)
Loans and notes receivable	114,147	338,201	(224,054)
Other	177,324	16,457	160,867
	<u>37,719,297</u>	<u>35,188,822</u>	<u>2,530,475</u>
FINANCIAL LIABILITIES			
Accounts payable and accrued liabilities	216,901	715,808	(498,907)
Deferred revenue	2,493,040	3,308,645	(815,605)
Employee benefit obligations	308,003	258,667	49,336
Obligations to other organizations	-	1,733,333	(1,733,333)
Obligations under capital lease	1,212	15,278	(14,066)
Long term debt	1,510,192	1,634,537	(124,345)
Other liabilities	473,747	472,589	1,158
	<u>5,003,095</u>	<u>8,138,857</u>	<u>(3,135,762)</u>
NET FINANCIAL ASSETS	<u>32,716,202</u>	<u>27,049,965</u>	<u>5,666,237</u>
NON-FINANCIAL ASSETS			
Tangible capital assets	107,985,733	108,371,002	(385,269)
Inventory for consumption	7,253,675	7,729,636	(475,961)
Prepaid expenses	262,666	262,965	(299)
	<u>115,502,074</u>	<u>116,363,603</u>	<u>(861,529)</u>
ACCUMULATED SURPLUS	<u>148,218,276</u>	<u>143,413,568</u>	<u>4,804,708</u>

STATEMENT OF FINANCIAL POSITION - continued

FINANCIAL ASSETS:

Overall, there has been an increase in the County's financial assets, but not uniformly across all asset types. The main reasons for the various changes from the prior year were:

- Cash and short-term investments increased compared to the prior year. This is mainly due to the timing of when certain investments mature; investments maturing within 1-year are classified as short-term investments. There is a comparable reduction in long-term investments offsetting this.
- Tax receivables increased, mainly due to the economic climate in the oil & gas industry. There has been an increase in taxes owing on current balances and on tax arrears; in which, some of these companies have entered in to tax payment plan agreements for the repayment on balances owing.
- Trades and other receivable decreased, primarily due that there was a large grant receivable for the Strategic Transportation Infrastructure Program (STIP) that was receivable at the end of 2019.

FINANCIAL LIABILITIES:

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

- The balance in deferred revenue decreased mainly due to that many of the bridge projects from 2019 were rescheduled and partially completed in 2020.
- The obligations to other organizations includes the County's holdings to be put toward the Hospital Expansion Project at the Vulcan Hospital. This is a 2:1 matching agreement with the Vulcan County Health and Wellness Foundation (VCHWF); whereas, all the matching funding has been paid to VCHWF. See note 9 to the financial statements for more information.
- Long-term debt decreased by the expected amount from two semi-annual debenture repayments.

NON-FINANCIAL ASSETS:

Non-financial assets are assets that are not available to "pay off" existing liabilities and are held to provide services for the County. This includes capital assets (road/bridge infrastructure, vehicles, equipment, etc.) and gravel inventory. The following changes occurred during the year:

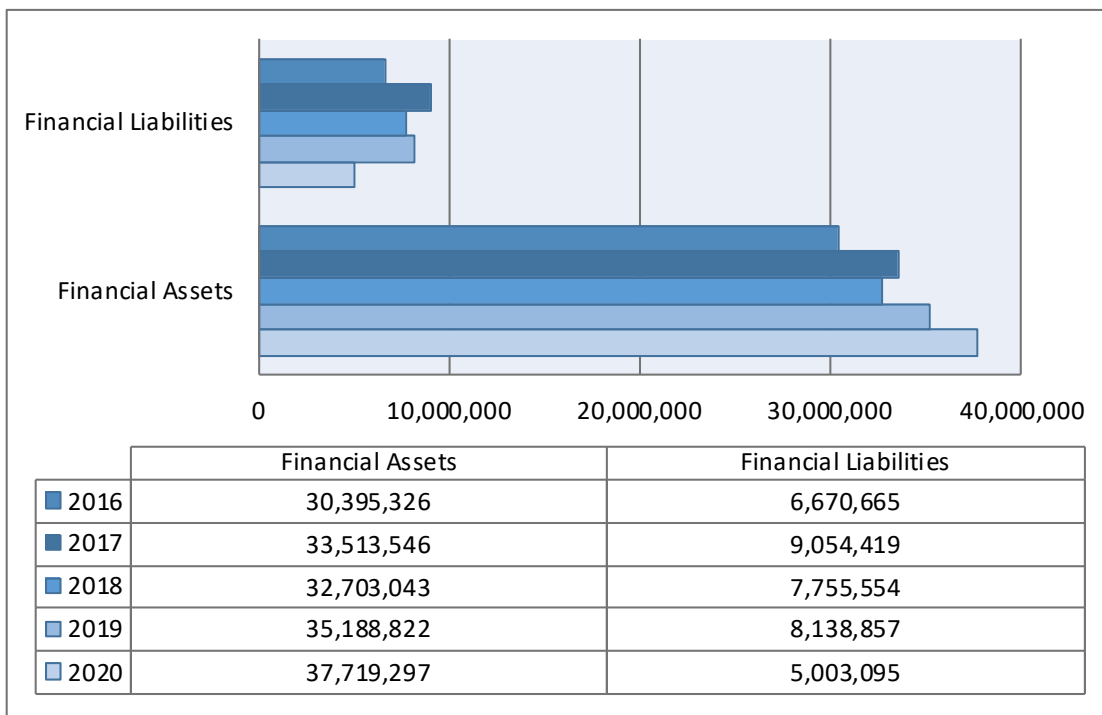
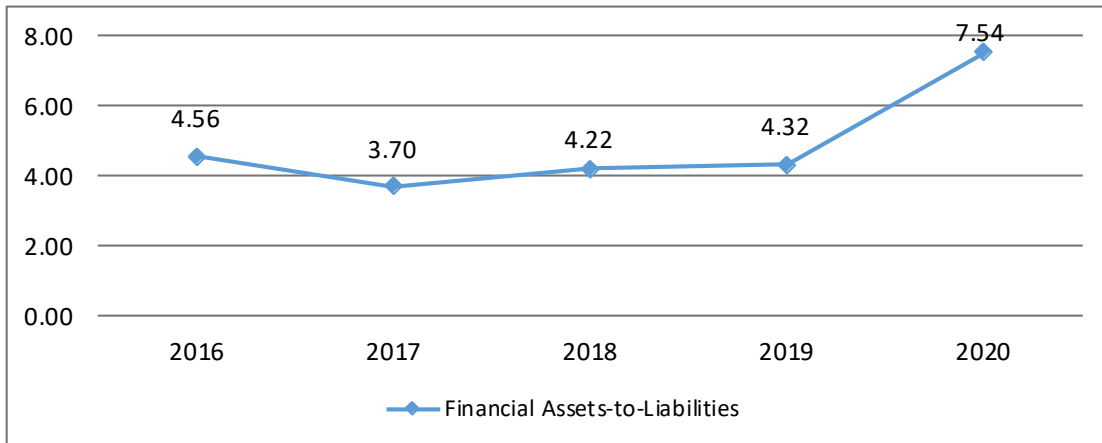
- Capital asset value decreased during the year since annual amortization expense was more than the value of new assets purchased, leading to decreased combined net book value of tangible capital assets.
- Inventory for consumption decreased, primarily as a result of previously crushed gravel being used during road construction.



STATEMENT OF FINANCIAL POSITION - continued

Overall, the County maintains a positive net financial position (financial assets exceeding financial liabilities) of approx. \$32.7 million. This is an increase from the prior year of approx. \$27.0 million. A positive net financial position allows the County to cover its financial liabilities and commitments with its financial assets.

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



As shown above, there was an overall increase in both the net financial position as there were decreases in long-term debt and obligations; whereas, the increase in financial assets exceeded the increases in the deferred revenue, resulting from the cash and investments. Overall, the Financial Assets-to-Liabilities ratio remained relatively consistent with the prior year.

Note: During 2016, the County obtained a larger debenture to support the Vulcan Hospital Expansion Project; this reduced the Financial Assets-to-Liabilities ratio.

STATEMENT OF FINANCIAL POSITION - continued

ACCUMULATED SURPLUS:

The accumulated surplus is made up of three components; Unrestricted Surplus, Restricted Surplus (Reserves), and Equity in Tangible Capital Assets as outlined in Schedule 1 of the Financial Statements.

Schedule 1	2020	2019
Unrestricted Surplus	954,934	4,340,307
Restricted Surplus (Reserves)	39,278,821	30,717,537
Equity in Tangible Capital Assets	107,984,521	108,355,724
Accumulative Surplus	148,218,276	143,413,568

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

	2020	2019
Capital Reserves	20,246,807	18,418,246
Operating Reserves	19,032,014	12,299,291
Total Restricted Surplus (Reserves)	39,278,821	30,717,537
Net Financial Assets	32,716,202	27,049,965
Inventory for Consumption	7,253,675	7,729,636
Total Funding Available	39,969,877	34,779,601

As shown above, the combination of the net financial assets and the inventory for consumption are sufficient to cover all reserves. Therefore, the County's reserves are considered to be "fully funded" reserves.

The Equity in Tangible Capital Assets equates to the net book value (NBV) of the Tangible Capital Assets as described in Schedule 2 (Schedule of Tangible Capital Assets) less the capital debt (Capital Lease Obligation):

	2020	2019
Tangible Capital Assets - cost	207,544,329	204,381,309
Tangible Capital Assets - amortization	(99,558,596)	(96,010,307)
Tangible Capital Asset (NBV)	107,985,733	108,371,002
Capital Lease Obligation	(1,212)	(15,278)
Equity in Tangible Capital Assets	107,984,521	108,355,724

Note: the long-term debt acquired does not relate to the acquisition of tangible capital assets and therefore is not included in the capital debt amount in determining the equity in tangible capital assets.

STATEMENT OF OPERATIONS

The Statement of Operations highlights the revenues and expenses of the County. This statement is mainly used to evaluate County operations as compared to the budget and the prior year.

	2020 - Budget	2020	2019
OPERATING REVENUE			
Net municipal taxes	14,658,637	15,373,853	15,720,229
Government transfers	1,059,488	1,185,684	813,131
Return on investments	512,214	491,125	706,124
Sale of goods, services and user charges	1,024,284	932,209	1,482,349
Rental income	311,880	311,783	311,900
Community aggregate levy	220,000	134,670	193,941
Penalties and costs of taxes	160,500	417,452	610,397
Gain on disposal of tangible capital assets	136,877	2,306,556	330,186
Other revenues	26,500	86,871	388,583
	<u>18,110,380</u>	<u>21,240,203</u>	<u>20,556,840</u>
OPERATING EXPENSES			
Legislative	454,363	369,215	402,227
Administration	1,874,457	1,712,655	1,787,966
Protection services	2,260,023	1,856,185	1,808,897
Transportation services	9,473,658	9,257,939	9,916,821
Agricultural services	868,635	694,700	735,985
Planning and development services	786,774	640,093	577,232
Family and community support	233,776	218,639	220,570
Parks and recreation	736,823	877,590	879,716
Tourism and economic development	302,459	255,514	129,408
Utility Services	851,970	1,008,446	833,851
Other	58,033	77,653	3,644,608
	<u>17,900,971</u>	<u>16,968,629</u>	<u>20,937,281</u>
OPERATING NET INCOME	209,409	4,271,574	(380,441)
CAPITAL REVENUES			
Contributed tangible capital assets	-	-	-
Government transfers for capital	2,617,600	533,134	2,953,380
TOTAL NET INCOME	2,827,009	4,804,708	2,572,939
ADD:			
Proceeds from sale of capital assets	388,232	3,256,611	411,000
Transfers from reserves to operations	2,247,331	4,584,950	6,140,143
Amortization of capital assets	4,684,267	4,746,635	4,763,530
Net (gain) loss on disposal of capital assets	-	(1,890,367)	(55,695)
LESS:			
Transfer to reserves	(3,903,611)	(13,146,234)	(4,937,522)
Capital expenditures/purchases	(6,243,228)	(5,741,676)	(6,047,818)
NET EFFECT ON UNRESTRICTED SURPLUS	-	(3,385,373)	2,846,577

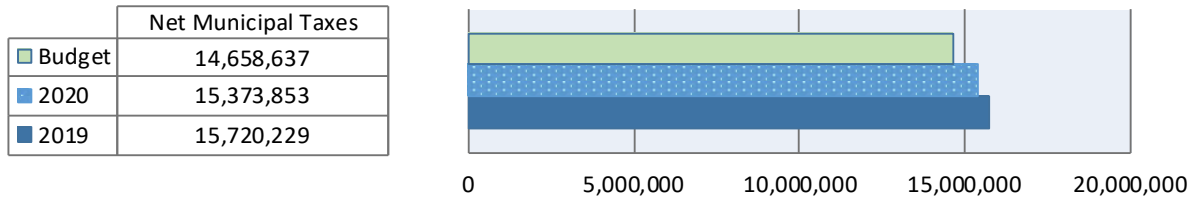
The total net effect of income represents the allocation to the Unrestricted Surplus. As shown above, this is determined by taking the total net income as well as the effects of the transfers to/from reserves and the contributions to/from capital.

STATEMENT OF OPERATIONS - Continued

OPERATING REVENUES

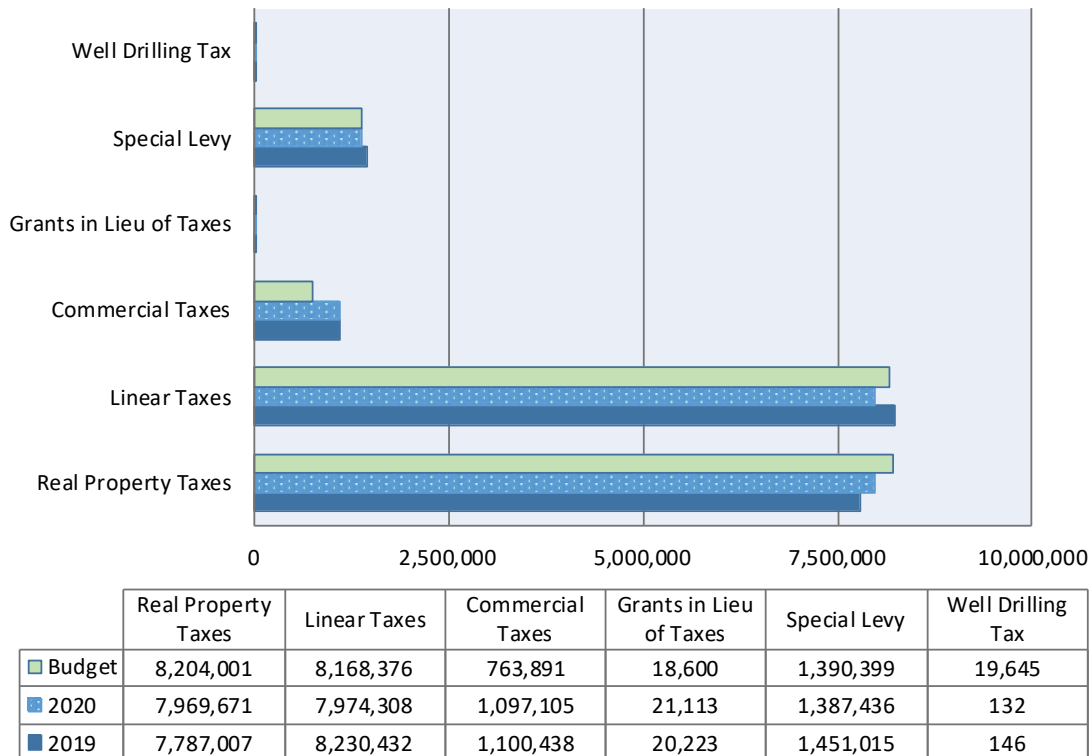
Operating revenues include all of the revenues for the County other than capital grants and contributions. The majority of operating revenue includes net municipal tax revenues (net of requisitions), operating grants, and other revenues from the operations of the County (i.e. investment income, user charges, rentals, etc.).

The following is an analysis on the net municipal taxes compared to the budget and the prior year:



The overall net municipal taxes are greater than the budget. This is due to a reduction in the required school requisitions having a Provincial Education Requisition Credit (PERC) provided by the Provincial Government, which a PERC credit was also applied in 2019.

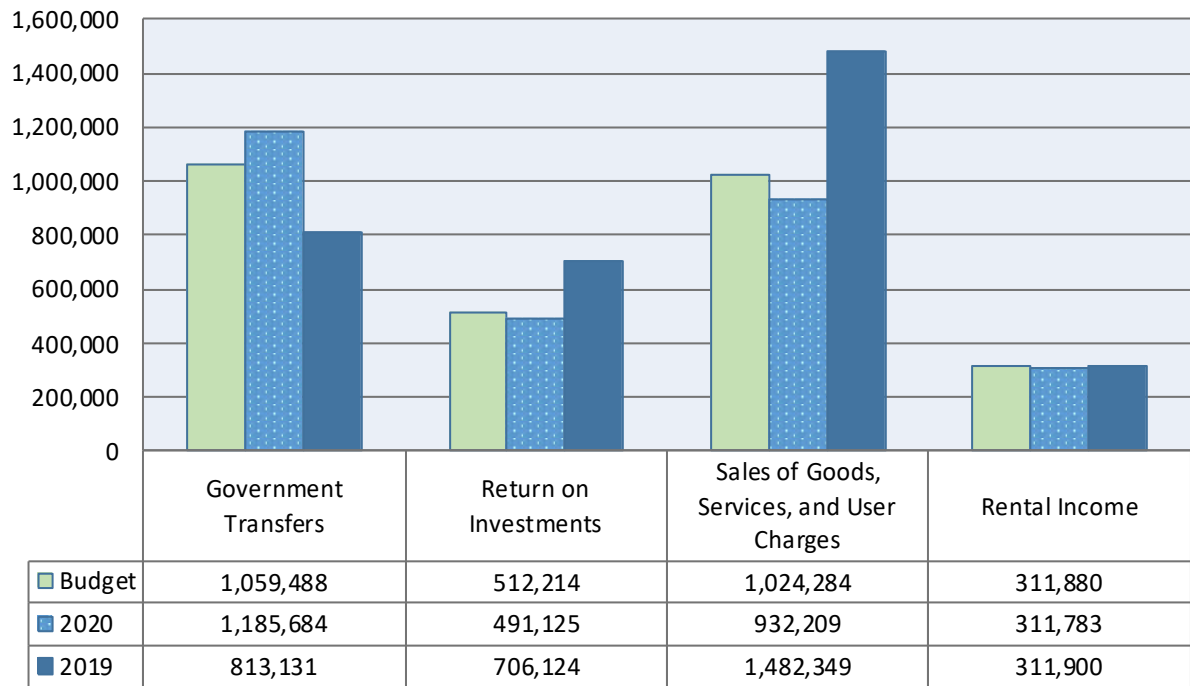
Tax revenues are recorded as revenue as of May 31st each year, and the associated tax receivables are shown as assets at the same time. Tax penalties are shown as revenue and assets as of the dates outlined in County Bylaw 2016-019. The following are the details of the tax revenues as displayed in Schedule 3 of the financial statements (not shown net of requisitions):



STATEMENT OF OPERATIONS - Continued

OPERATING REVENUES - continued

The following is an analysis of operating grants revenue and some of the other revenues from operations compared to the budget and the prior year:



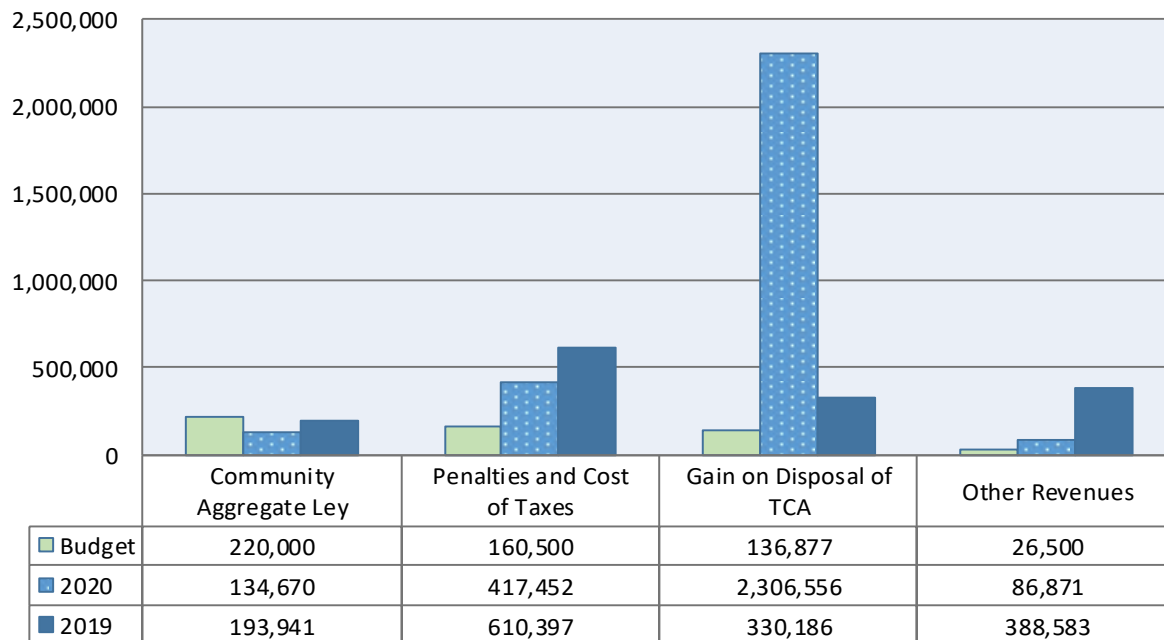
Some of the major variances from budget and the prior year include:

- Operating government transfers were more than budget as 2020 included an additional \$408,400 Municipal Operating Support Transfer (MOST) as a relief from impacts of COVID-19. These increases were partially offset by the Regional Inter-Municipal Development Plan (IMDP) grant were planned; however, these were deferred to the following year as these projects were not able to be completed during the year.
- Investment income was slightly less than budget; whereas, although the County uses conservative budgeting for uncertainty regarding interest rates; the reduction in the market rates had significant impact on the County's investment income. Investment income also decreased from the prior year with the reduction in the market rates.
- Sales of Goods, Services, and User Charges are lower than budget as certain cost recoveries and fees were less than budget during the year. These revenues were also less than the prior year as the prior year included large gravel sales and increased cost recovery charges were realized for emergency response services.
- Rental Income was overall comparable to both the budget and the prior year.

STATEMENT OF OPERATIONS - Continued

OPERATING REVENUES - continued

The following is an analysis on the remaining other revenues from operations compared to the budget and the prior year:



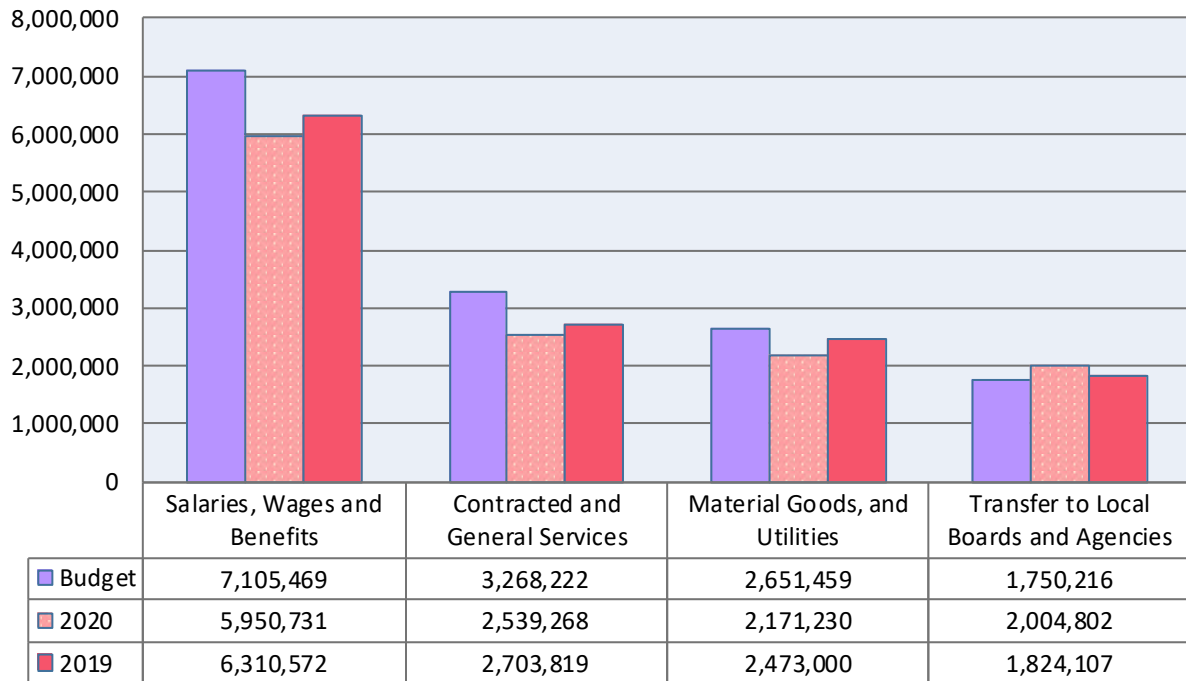
Some of the major variances from budget and the prior year include:

- The Community Aggregate Levy was less than the budget and prior year. This relates to the reduction in the related the reduction in the shipment of sand and gravel; whereas, many other producers were effected by the COVID-19 pandemic.
- The majority of the budget variance for Penalties and Costs of Taxes relates to the penalties for non-payment of property tax by some oil and gas companies, as was the case in the prior year. The budget here is generally done on a very conservative basis since the expectation is for tax to be paid promptly.
- Gains on disposal of assets can vary significantly from year-to-year and are not budgeted for in operating income. Estimates of value are included when preparing the capital budget as they are used on the capital side to help fund new acquisitions. During 2020, there was some very large sales of County owned lands that resulted in large gains on disposals.
- Other Revenues had decreased from the prior year as the prior year included the County received approximately \$355,000 from the Milo Fire Association, as a repayment for a fire apparatus. Other revenues were more than the current year budget.

STATEMENT OF OPERATIONS - Continued

OPERATING EXPENSES

The operating expenses are presented on the Statement of Operations by each separate department. They are also redisplayed by the type of expense in Schedule 5 (Schedule of Expenses by Object). The following is an analysis of some of the expenses compared to budget and the prior year (excluding capitalization costs):



Some of the major variances from budget and the prior year include:

- Reduction of staffing expense compared to budget is due to a few factors: newer hires starting lower on the pay grid than departing staff, vacancies caused by departing staff that were not filled, positions being budgeted for a full year but not hired until part way through the year, and less overtime required overall.

Many of these reductions from budget and the prior year were due to limited operations as a result of the COVID-19 pandemic, including maintenance and construction project delays during the year.

STATEMENT OF OPERATIONS - Continued

OPERATING EXPENSES - continued

Some of the major variances from budget and the prior year (continued):

- The decrease in Contracted Services from budget is due to that many services were not completed during the year and that certain service costs being less than projected.

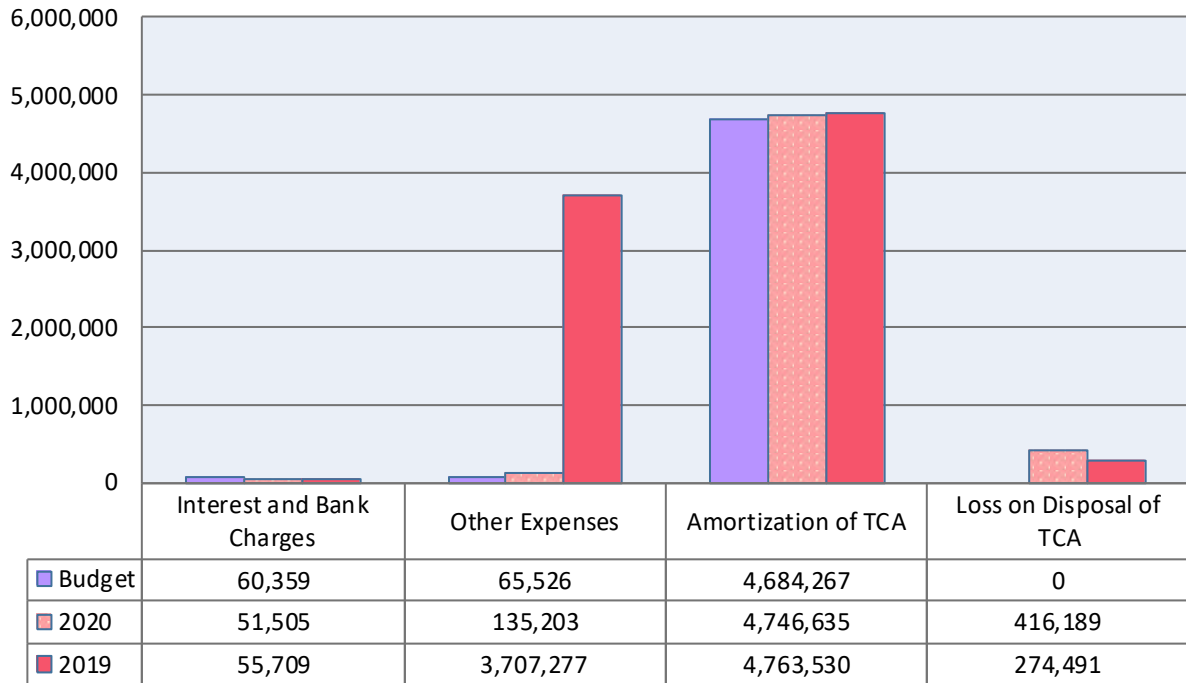
There were certain contracted services that were not completed during the year such as consulting and engineering costs from not completing the Regional Inter-Municipal Development Plan (IMDP) projects and from the reduction in the bridge files completed. There were also many maintenance and capital projects that were not completed during the year due to delays as a result of the COVID-19 pandemic.

- Materials, Goods, and Utilities expenses were lower than the budget as many purchases were not required during the year and that there were certain costs being less than projected. There include the costs include diesel/fuel, tires, blades, and other parts and supplies. The reductions in diesel/fuel costs relates to the reduced amounts of the road and bridge projects.
- Transfers to Local Boards and Agencies was comparable to budget and the prior year. There was an increase from budget and the prior year relating to the contribution for the Waste Commission expenses.

STATEMENT OF OPERATIONS - Continued

OPERATING EXPENSES - continued

The following is an analysis of the remaining expenses compared to budget and the prior year (excluding capitalization costs).



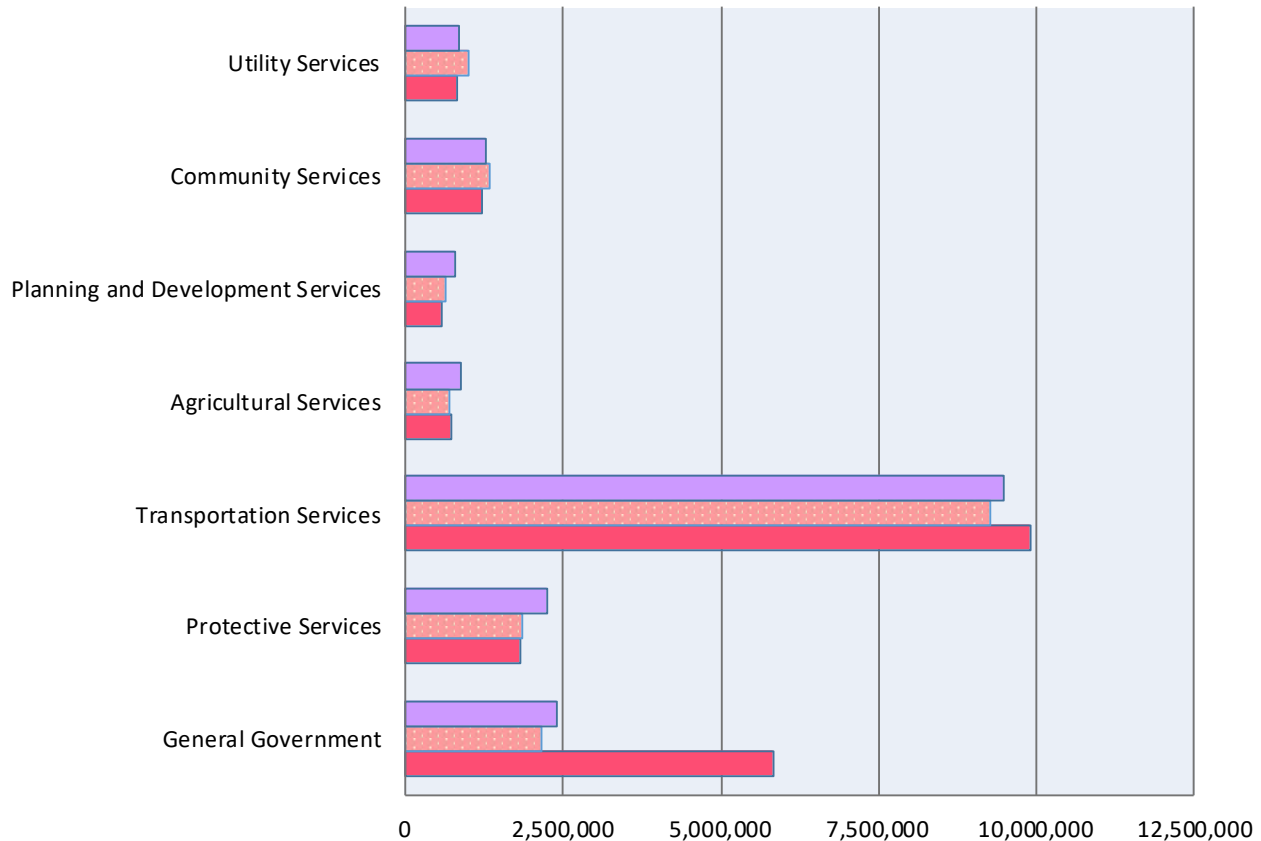
Some of the major variances from budget and the prior year include:

- Interest is comparable to prior year and budget. Slight reduction from budget and prior year is due to lower bank service charges than expected.
- Other Expenses are significantly lower than the prior year as the prior year included the write off significant amounts owing from oil & gas companies for property taxes which were determined to be uncollectible. The County had attempted to collect these amounts through legal means, but legal options ran out in 2019, forcing the expense shown here. This expense was expected to be partially offset by credits from the province with respect to the education portion of these taxes.
- Amortization of Tangible Capital Assets is overall comparable to both the budget and the prior year as the budget was largely based on the prior year.
- Losses on Capital Asset disposal are not budgeted and can fluctuate greatly from year-to-year depending on what's being disposed of. The current year had a higher loss on disposal, relating to the replacement of roads and bridges.

STATEMENT OF OPERATIONS - Continued

OPERATING EXPENSES - continued

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



	General Government	Protective Services	Transportation Services	Agricultural Services	Planning and Development Services	Community Services	Utility Services
Budget	2,386,853	2,260,023	9,473,658	868,635	786,774	1,273,058	851,970
2020	2,159,523	1,856,185	9,257,939	694,700	640,093	1,351,743	1,008,446
2019	5,834,801	1,808,897	9,916,821	735,985	577,232	1,229,694	833,851

Two segments had significant variances between budget and actual figures:

- Transportation Services showed less actual expense than budget relating to reductions with the maintenance and construction project delays as a result of the COVID-19 pandemic.
- General Government saw significantly decrease compared to the prior year. During 2019, the County had significant write offs of tax receivables from insolvent oil & gas companies in these years. The County had exhausted all legal options for collection and was advised by legal counsel to complete the write off.

See Note 18 to the 2020 Financial Statements for a detailed description of each segment and its activities.

STATEMENT OF OPERATIONS - Continued

OPERATING EXPENSES - continued

The following is a breakdown of the departments included in each of the major segments, as shown in Schedule 6 and 7 (Schedule of Segmented Disclosure):

	2020 - Budget	2020	2019
GENERAL GOVERNMENT			
Legislative	454,363	369,215	402,227
Administration	1,874,457	1,712,655	1,787,966
Other	58,033	77,653	3,644,608
	<u>2,386,853</u>	<u>2,159,523</u>	<u>5,834,801</u>
PROTECTIVE SERVICES	2,260,023	1,856,185	1,808,897
TRANSPORTATION SERVICES	9,473,658	9,257,939	9,916,821
AGRICULTURAL SERVICES	868,635	694,700	735,985
PLANNING AND DEVELOPMENT SERVICES	786,774	640,093	577,232
COMMUNITY SERVICES			
Family and community support	233,776	218,639	220,570
Parks and recreation	736,823	877,590	879,716
Tourism and economic development	302,459	255,514	129,408
	<u>1,273,058</u>	<u>1,351,743</u>	<u>1,229,694</u>
UTILITY SERVICES	851,970	1,008,446	833,851
TOTAL OPERATING EXPENSES	<u>17,900,971</u>	<u>16,968,629</u>	<u>20,937,281</u>

The variances from budget and prior year above are the same as previously discussed in this report. See Schedules 6 and 7 (Schedule of Segmented Disclosure) for a detailed breakdown of each segment by type (both revenues and expenses).

The County has been providing detailed financial reports throughout the year. These are available to the public on our website at <http://www.vulcancounty.ab.ca>. To find these reports, navigate to the following section of the website:

Your County > Departments > Corporate Services > Financial Statements & Reporting

STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

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

STATEMENT OF CASH FLOWS

The Statement of Cash Flows summarizes the sources and uses of cash and cash equivalents. It reconciles the opening and closing cash positions of the County using the operating revenues and expenses, capital funding and expenditures, investment and financing transactions.

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

SCHEDULES OF THE FINANCIAL STATEMENTS

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

- Schedule 1 - Schedule of Changes in Accumulated 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 - 2020 Schedule of Segmented Disclosure
- Schedule 7 - 2019 Schedule of Segmented Disclosure

Schedules 1 and 2 provide additional details on the accumulated surplus and tangible capital assets as presented in the Statement of Financial Position.

Schedules 3 to 7 provide additional details on the revenues and expenses as presented in the Statement of Operations.

NOTES TO THE FINANCIAL STATEMENTS

The notes to the financial statements provide additional detail. These notes include the following:

- Significant accounting policies
- Details of Financial Statement balances
- Segment reporting details
- Disclosure of additional information not recorded in the financials
 - Debt limits
 - Council and CAO remuneration
 - Local Authorities Pension Plan
 - Commitments and contingencies

FUTURE OUTLOOKS

Going forward, the County will seek to continue to deliver the municipal services that are expected by ratepayers, while improving in several key ways. New funding sources are being explored which could help alleviate the tax burden from County residents, and efficiencies are continually being sought out in order to reduce expenditure while improving service.

The 465 megawatt (MW) Travers Solar Project which received approval in 2020, will further increase the linear tax base within the County. This project which is slated to begin construction in early 2021 will create both short and long term employment opportunities, and further solidify Vulcan County as an area leader in the renewable energy sector.

There are challenges facing the County as well. The current economic climate can create difficulty in terms of tax collection, particularly in the oil and gas industry. The County will use every means at its disposal to collect on these debts.

In order to help realize its objectives, the County makes use of long-term budgets to carefully plan out future revenues and expenditures. The County has developed a 3-year written plan for budgeting operating activities and a 5-year written plan for budgeting capital acquisitions.

- The 3-year operating plan effectively creates a multi-year budget for upcoming operating activities, including large operating projects and projecting cost fluctuations.
- The 5-year capital plan is developed out of the County's 20-year capital funding plan. The 20-year plan includes all County assets and their estimated replacement dates over the next 20-years. From this plan, reserves can be built and used as needed which allows for less variation in tax rates from one year to the next.

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

Respectfully submitted,



Nels Petersen
Chief Administrative Officer
February 2, 2022



FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020



VULCAN COUNTY FINANCIAL STATEMENTS

TABLE OF CONTENTS

Year ended December 31, 2020

- 40** - Management's Responsibility for Reporting
- 41-42** - Independent Auditor's Report

FINANCIAL STATEMENTS

- 43** - Statement of Financial Position
- 44** - Statement of Operations
- 45** - Statement of Changes in Net Financial Assets
- 46** - Statement of Cash Flows
- 47** - Schedule 1 - Schedule of Changes in Accumulative Surplus
- 47** - Schedule 2 - Schedule of Tangible Capital Assets
- 48** - Schedule 3 - Schedule of Schedule of Property and Other Taxes
- 48** - Schedule 4 - Schedule of Government Transfers
- 49** - Schedule 5 - Schedule of Expenses by Object
- 49** - Schedule 6 - 2020 Schedule of Segmented Disclosures
- 50** - Schedule 7 - 2019 Schedule of Segmented Disclosures
- 51-65** - Notes to the Financial Statements



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www.vulcancounty.ab.ca

December 1, 2021

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, 2020, 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,

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

Nels Petersen
Chief Administrative Officer

A handwritten signature in blue ink, appearing to read "Nancy Beck".

Nancy Beck
Financial Services Manager



Tel: 403-328-5292
Fax: 403-328-9534
www.bdo.ca

BDO Canada LLP
600 Melcor Centre
400-4 Avenue South
Lethbridge, Alberta
T1J 4E1

Independent Auditor's Report

To the Reeve and Members of Council of Vulcan County

Opinion

We have audited the financial statements of Vulcan County (the County), which comprise the statement of financial position as at December 31, 2020, and the statements of operations, change in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the County as at December 31, 2020, 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.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of 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.

In preparing the financial statements, management is responsible for assessing the County's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the County or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the County's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of 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 control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the County's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the County to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

BDO Canada LLP

BDO Canada LLP
Chartered Professional Accountants

Lethbridge, Alberta
December 1, 2021


VULCAN COUNTY

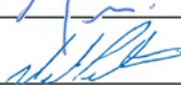
STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2020

	2020	2019
FINANCIAL ASSETS		
Cash and investments (note 2)	\$ 33,299,079	\$ 29,021,783
Taxes and grants in lieu receivables (note 3)	3,475,225	1,462,178
Trade and other receivables (note 4)	616,273	1,770,970
Inventory held for resale	37,249	37,249
Long term investments (note 5)	-	2,541,984
Loans and notes receivable (note 6)	114,147	338,201
Other	177,324	16,457
	37,719,297	35,188,822
LIABILITIES		
Accounts payable and accrued liabilities	216,901	715,808
Deferred revenue (note 7)	2,493,040	3,308,645
Employee benefit obligations (note 8)	308,003	258,667
Obligations to other organizations (note 9)	-	1,733,333
Obligations under capital lease (note 10)	1,212	15,278
Long term debt (note 11)	1,510,192	1,634,537
Other liabilities	473,747	472,589
	5,003,095	8,138,857
NET FINANCIAL ASSETS	32,716,202	27,049,965
NON-FINANCIAL ASSETS		
Tangible capital assets (schedule 2, note 12)	107,985,733	108,371,002
Inventory for consumption (note 13)	7,253,675	7,729,636
Prepaid expenses	262,666	262,965
	115,502,074	116,363,603
ACCUMULATED SURPLUS (schedule 1, note 15)	\$148,218,276	\$143,413,568

Contingencies and commitments - See note 24 & 25.

APPROVED BY:





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

VULCAN COUNTY

STATEMENT OF OPERATIONS YEAR ENDED DECEMBER 31, 2020

	Budget (note 16)	2020	2019
REVENUE			
Net municipal taxes (schedule 3)	\$ 14,658,637	\$ 15,373,853	\$ 15,720,229
Government transfers (schedule 4)	1,059,488	1,185,684	813,131
Return on investments	512,214	491,125	706,124
Sale of goods, services and user charges	1,024,284	932,209	1,482,349
Rental income	311,880	311,783	311,900
Community aggregate levy	220,000	134,670	193,941
Penalties and costs of taxes	160,500	417,452	610,397
Gain on disposal of tangible capital assets	136,877	2,306,556	330,186
Other revenues	26,500	86,871	388,583
TOTAL REVENUE	18,110,380	21,240,203	20,556,840
EXPENSES			
Legislative	454,363	369,215	402,227
Administration	1,874,457	1,712,655	1,787,966
Protective services	2,260,023	1,856,185	1,808,897
Transportation services	9,473,658	9,257,939	9,916,821
Agricultural services	868,635	694,700	735,985
Planning and development services	786,774	640,093	577,232
Family and community support	233,776	218,639	220,570
Parks and recreation	736,823	877,590	879,716
Tourism and economic development	302,459	255,514	129,408
Utility Services	851,970	1,008,446	833,851
Other	58,033	77,653	3,644,608
TOTAL EXPENSES	17,900,971	16,968,629	20,937,281
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES - BEFORE OTHER	209,409	4,271,574	(380,441)
OTHER			
Contributed tangible capital assets	-	-	-
Government transfers for capital (schedule 4)	2,617,600	533,134	2,953,380
EXCESS OF REVENUE OVER EXPENSES	2,827,009	4,804,708	2,572,939
ACCUMULATED SURPLUS, BEGINNING OF YEAR	143,413,568	143,413,568	140,840,629
ACCUMULATED SURPLUS, END OF YEAR	\$ 146,240,577	\$ 148,218,276	\$ 143,413,568

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

VULCAN COUNTY

STATEMENT OF CHANGES IN NET FINANCIAL ASSETS YEAR ENDED DECEMBER 31, 2020

	Budget (note 16)	2020	2019
EXCESS OF REVENUE OVER EXPENSES	\$ 2,827,009	\$ 4,804,708	\$ 2,572,939
Acquisition of tangible capital assets	(6,243,228)	(5,727,610)	(6,034,589)
Proceeds on disposal of tangible capital assets	388,232	3,256,611	411,000
Amortization of tangible capital assets	4,684,267	4,746,635	4,763,530
Net Gain on disposal of tangible capital assets	-	(1,890,367)	(55,695)
	(1,170,729)	385,269	(915,754)
Net change in inventory for consumption	-	475,961	514,810
Acquisition of prepaid expenses	-	(262,666)	(262,965)
Use of prepaid expenses	-	262,965	193,446
	-	476,260	445,291
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	1,656,280	5,666,237	2,102,476
NET FINANCIAL ASSETS, BEGINNING OF YEAR	27,049,965	27,049,965	24,947,489
NET FINANCIAL ASSETS, END OF YEAR	\$ 28,706,245	\$ 32,716,202	\$ 27,049,965

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

VULCAN COUNTY

STATEMENT OF CASH FLOWS YEAR ENDED DECEMBER 31, 2020

	2020	2019
NET INFLOW (OUTFLOWS) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Excess of revenue over expenses	\$ 4,804,708	\$ 2,572,939
Non-cash items included in excess of revenues over expenses:		
Amortization of tangible capital assets	4,746,635	4,763,530
Net Gain on disposal of tangible capital assets	(1,890,367)	(55,695)
Tangible capital assets received as contributions	-	-
Non-cash charges to operations (net change):		
Decrease in taxes and grants in lieu receivable	(2,013,047)	1,451,659
Increase in trade and other receivables	1,154,697	(927,715)
Decrease in inventory held for resale	-	4,627
Decrease (increase) in loans receivable	224,054	54,553
Increase in other financial assets	(160,867)	(175)
Decrease in inventory for consumption	475,961	514,810
Decrease (increase) in prepaid expenses	299	(69,519)
Increase (decrease) in accounts payable	(498,907)	(99,860)
Increase (decrease) in deferred revenue	(815,605)	1,633,149
Increase in employee benefit obligations	49,336	12,562
Decrease in obligations to other organizations	(1,733,333)	(1,066,667)
Decrease in obligations under capital lease	(14,066)	(13,229)
Increase in other liabilities	1,158	38,645
Cash provided by operating transactions	4,330,656	8,813,614
CAPITAL		
Acquisition of tangible capital assets	(5,727,610)	(6,034,589)
Proceeds on disposal of tangible capital assets	3,256,611	411,000
Cash applied to capital transactions	(2,470,999)	(5,623,589)
INVESTING		
Decrease in long term investments	2,541,984	1,018,557
Cash provided by investing transactions	2,541,984	1,018,557
FINANCING		
Long term debt repaid	(124,345)	(121,297)
Cash applied to financing transactions	(124,345)	(121,297)
CHANGE IN CASH AND EQUIVALENTS DURING THE YEAR	4,277,296	4,087,285
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	29,021,783	24,934,498
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 33,299,079	\$ 29,021,783

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

VULCAN COUNTY

SCHEDULE OF CHANGE IN ACCUMULATED SURPLUS YEAR ENDED DECEMBER 31, 2020

SCHEDULE 1

	Unrestricted Surplus	Restricted Surplus (note 17)	Equity in Tangible Capital Assets (note 14)	2020	2019
BALANCE, BEGINNING OF YEAR	\$ 4,340,307	30,717,537	108,355,724	\$ 143,413,568	\$ 140,840,629
Excess of revenues over expenses	\$ 4,804,708	-	-	\$ 4,804,708	\$ 2,572,939
Unrestricted funds designated for future use	(13,146,234)	13,146,234	-	-	-
Restricted funds used for operations	716,060	(716,060)	-	-	-
Restricted funds used for tangible capital assets	-	(3,868,890)	3,868,890	-	-
Current year funds used for tangible capital assets	(1,872,786)	-	1,872,786	-	-
Contributed tangible capital assets	-	-	-	-	-
Disposal of tangible capital assets	1,366,244	-	(1,366,244)	-	-
Annual amortization expense	4,746,635	-	(4,746,635)	-	-
Change in accumulated surplus	\$ (3,385,373)	8,561,284	(371,203)	\$ 4,804,708	\$ 2,572,939
BALANCE, END OF YEAR	\$ 954,934	39,278,821	107,984,521	\$ 148,218,276	\$ 143,413,568

VULCAN COUNTY

SCHEDULE OF TANGIBLE CAPITAL ASSETS YEAR ENDED DECEMBER 31, 2020

SCHEDULE 2

	Land	Land Improvements	Buildings	Equipment	Vehicles	Engineered Structures	2020	2019
COST:								
BALANCE, BEGINNING OF YEAR AS REPORTED	\$ 5,744,547	1,997,461	10,901,948	17,698,894	6,441,992	161,596,467	\$ 204,381,309	\$ 199,974,015
Acquisition of tangible capital assets	-	633,026	714,155	1,527,530	377,578	1,375,075	4,627,364	5,210,800
New construction-in-progress	-	-	-	-	-	1,100,246	1,100,246	823,789
Disposition of tangible capital assets	-	(879,643)	-	(401,079)	(237,047)	(1,046,821)	(2,564,590)	(1,627,295)
BALANCE, END OF YEAR	5,744,547	1,750,844	11,616,103	18,825,345	6,582,523	163,024,967	207,544,329	204,381,309
ACCUMULATED AMORTIZATION:								
BALANCE, BEGINNING OF YEAR AS REPORTED	\$ -	288,536	3,732,978	10,835,090	3,666,072	77,487,631	\$ 96,010,307	\$ 92,518,767
Annual amortization	-	35,324	274,449	1,565,253	532,143	2,339,466	4,746,635	4,763,530
Accumulated amortization on disposal	-	-	-	(400,199)	(155,612)	(642,535)	(1,198,346)	(1,271,990)
BALANCE, END OF YEAR	-	323,860	4,007,427	12,000,144	4,042,603	79,184,562	99,558,596	96,010,307
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	\$ 5,744,547	1,426,984	7,608,676	6,825,201	2,539,920	83,840,405	\$ 107,985,733	\$ 108,371,002
2019 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	\$ 5,744,547	1,708,925	7,168,970	6,863,804	2,775,920	84,108,836	\$ 108,371,002	

VULCAN COUNTY

SCHEDULE OF PROPERTY AND OTHER TAXES YEAR ENDED DECEMBER 31, 2020

SCHEDULE 3

	Budget (note 16)	2020	2019
TAXATION			
Real property taxes	\$ 8,204,001	\$ 7,969,671	\$ 7,787,007
Linear taxes	8,168,376	7,974,308	8,230,432
Commercial taxes	763,891	1,097,105	1,100,438
Government grants in lieu of taxes	18,600	21,113	20,223
Special levy	1,390,399	1,387,436	1,451,015
Well drilling tax	19,645	132	146
	<u>18,564,912</u>	<u>18,449,765</u>	<u>18,589,261</u>
REQUISITIONS			
School requisitions	3,504,760	2,673,525	2,467,517
Seniors foundation	401,515	402,387	401,515
	<u>3,906,275</u>	<u>3,075,912</u>	<u>2,869,032</u>
NET MUNICIPAL TAXES	<u>\$ 14,658,637</u>	<u>\$ 15,373,853</u>	<u>\$ 15,720,229</u>

VULCAN COUNTY

SCHEDULE OF GOVERNMENT TRANSFERS YEAR ENDED DECEMBER 31, 2020

SCHEDULE 4

	Budget (note 16)	2020	2019
TRANSFERS FOR OPERATING			
Local government transfers	\$ 148,157	\$ 104,228	\$ 146,954
Provincial government transfers	691,597	861,722	446,443
Federal government transfers	219,734	219,734	219,734
	<u>1,059,488</u>	<u>1,185,684</u>	<u>813,131</u>
TRANSFERS FOR CAPITAL			
Provincial government transfers	2,617,600	533,134	2,953,380
TOTAL GOVERNMENT TRANSFERS	<u>\$ 3,677,088</u>	<u>\$ 1,718,818</u>	<u>\$ 3,766,511</u>

VULCAN COUNTY

SCHEDULE OF EXPENSES BY OBJECT YEAR ENDED DECEMBER 31, 2020

SCHEDULE 5

	Budget (note 16)	2020	2019
EXPENSES BY OBJECT			
Salaries, wages and benefits	\$ 7,105,469	\$ 5,950,731	\$ 6,310,572
Contracted and general services	3,268,222	2,539,268	2,703,819
Materials, goods and utilities	2,651,459	2,171,230	2,473,000
Transfers to local boards and agencies	1,750,216	2,004,802	1,824,107
Interest and bank charges	60,359	51,505	55,709
Amortization of tangible capital assets	4,684,267	4,746,635	4,763,530
Machine expenses capitalized for construction	(1,684,547)	(1,046,934)	(1,175,224)
Loss on disposal of tangible capital assets	-	416,189	274,491
Other expenses	65,526	135,203	3,707,277
	<u>\$ 17,900,971</u>	<u>\$ 16,968,629</u>	<u>\$ 20,937,281</u>

VULCAN COUNTY

SCHEDULE OF SEGMENTED DISCLOSURE YEAR ENDED DECEMBER 31, 2020

SCHEDULE 6

	General Government	Protective Services	Transportation Services	Agricultural Services	Planning and Development Services	Community Services	Utility Services	2020 Total
REVENUE								
Net municipal taxes	\$ 13,282,454	841,235	-	-	-	530,056	720,108	\$ 15,373,853
Government transfers (operating)	454,647	56,072	219,734	123,907	37,500	293,824	-	1,185,684
Return on investment	486,031	-	-	-	-	5,094	-	491,125
Sale of goods, services and user charges	33,463	363,325	280,537	171,210	82,275	-	1,399	932,209
Rental income	9,800	297,369	-	4,314	-	300	-	311,783
Community aggregate levy	-	-	134,670	-	-	-	-	134,670
Penalties and other costs of taxes	417,452	-	-	-	-	-	-	417,452
Gain on disposal of tangible capital assets	2,113,136	-	189,921	3,499	-	-	-	2,306,556
Other revenues	-	86,871	-	-	-	-	-	86,871
	<u>16,796,983</u>	<u>1,644,872</u>	<u>824,862</u>	<u>302,930</u>	<u>119,775</u>	<u>829,274</u>	<u>721,507</u>	<u>21,240,203</u>
EXPENSES								
Salaries, wages and benefits	1,051,095	547,975	3,526,416	380,957	318,398	106,937	18,953	5,950,731
Contracted and general services	563,309	390,869	806,129	58,696	321,464	301,834	96,967	2,539,268
Material, goods and utilities	228,081	189,334	1,611,701	132,501	231	6,083	3,299	2,171,230
Transfers to local boards and agencies	74,139	148,330	8,000	17,650	-	896,830	859,853	2,004,802
Interest and bank charges	10,785	661	-	-	-	40,059	-	51,505
Amortization of tangible capital assets	96,911	579,016	3,942,397	98,937	-	-	29,374	4,746,635
Machine expenses capitalized for construction	-	-	(1,046,934)	-	-	-	-	(1,046,934)
Loss on disposal of tangible capital assets	-	-	410,230	5,959	-	-	-	416,189
Other expenses	135,203	-	-	-	-	-	-	135,203
	<u>2,159,523</u>	<u>1,856,185</u>	<u>9,257,939</u>	<u>694,700</u>	<u>640,093</u>	<u>1,351,743</u>	<u>1,008,446</u>	<u>16,968,629</u>
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES - BEFORE OTHER	<u>14,637,460</u>	<u>(211,313)</u>	<u>(8,433,077)</u>	<u>(391,770)</u>	<u>(520,318)</u>	<u>(522,469)</u>	<u>(286,939)</u>	<u>4,271,574</u>
OTHER								
Contributed tangible capital assets	-	-	-	-	-	-	-	-
Government transfers (capital)	61,774	-	471,187	-	-	-	173	533,134
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES	<u>\$ 14,699,234</u>	<u>(211,313)</u>	<u>(7,961,890)</u>	<u>(391,770)</u>	<u>(520,318)</u>	<u>(522,469)</u>	<u>(286,766)</u>	<u>\$ 4,804,708</u>

VULCAN COUNTY

SCHEDULE OF SEGMENTED DISCLOSURE YEAR ENDED DECEMBER 31, 2019

SCHEDULE 7

	General Government	Protective Services	Transportation Services	Agricultural Services	Planning and Development Services	Community Services	Utility Services	2019 Total
REVENUE								
Net municipal taxes	\$ 13,599,902	854,739	-	-	-	580,130	685,458	\$ 15,720,229
Government transfers (operating)	101,520	70,446	219,734	168,359	1,519	251,553	-	813,131
Return on investment	646,921	-	-	-	-	59,203	-	706,124
Sale of goods, services and user charges	36,433	238,337	749,683	235,889	134,006	83,855	4,146	1,482,349
Rental income	11,000	297,912	-	2,688	-	300	-	311,900
Community aggregate levy	-	-	193,941	-	-	-	-	193,941
Penalties and other costs of taxes	610,397	-	-	-	-	-	-	610,397
Gain on disposal of tangible capital assets	-	-	323,186	7,000	-	-	-	330,186
Other revenues	4,587	383,996	-	-	-	-	-	388,583
	15,010,760	1,845,430	1,486,544	413,936	135,525	975,041	689,604	20,556,840
EXPENSES								
Salaries, wages and benefits	1,148,834	530,124	3,833,132	403,574	376,543	-	18,415	6,310,622
Contracted and general services	610,255	375,393	1,096,495	75,019	200,563	273,687	72,357	2,703,769
Material, goods and utilities	236,253	181,264	1,877,115	157,714	126	14,488	6,040	2,473,000
Transfers to local boards and agencies	60,846	135,945	8,000	9,992	-	899,299	710,025	1,824,107
Interest and bank charges	11,458	2,031	-	-	-	42,220	-	55,709
Amortization of tangible capital assets	94,668	584,140	3,968,022	89,686	-	-	27,014	4,763,530
Machine expenses capitalized for construction	-	-	(1,175,224)	-	-	-	-	(1,175,224)
Loss on disposal of tangible capital assets	-	-	274,491	-	-	-	-	274,491
Other expenses	3,672,487	-	34,790	-	-	-	-	3,707,277
	5,834,801	1,808,897	9,916,821	735,985	577,232	1,229,694	833,851	20,937,281
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES - BEFORE OTHER	9,175,959	36,533	(8,430,277)	(322,049)	(441,707)	(254,653)	(144,247)	(380,441)
OTHER								
Contributed tangible capital assets	-	-	-	-	-	-	-	-
Government transfers (capital)	18,436	24,831	2,813,303	-	-	-	96,810	2,953,380
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES	\$ 9,194,395	61,364	(5,616,974)	(322,049)	(441,707)	(254,653)	(47,437)	\$ 2,572,939

VULCAN COUNTY

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

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 Chartered Professional Accountants of Canada. 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.

c) Use of Estimates

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

VULCAN COUNTY

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

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) Loans and Notes Receivables

Loan and notes receivables consist of loans provided to various non-profit organizations for the purpose of benefiting the County. Loan and notes receivables are recorded at the lower of cost and net recoverable value. Valuation allowances are determined using best estimates available and changes to these allowances are recognized as an expense in the period in which events give rise for the allowance to occur. Interest revenues are recognized when earned.

i) Requisition Over-levy and Under-levy

Over-levies and under-levies arise from the difference between the actual property tax levy made to cover each requisition and the actual amount requisitioned.

If the actual levy exceeds the requisition, the over-levy is accrued as a liability and property tax revenue is reduced. Where the actual levy is less than the requisition amount, the under-levy is accrued as a receivable and as property tax revenue.

Requisition tax rates in the subsequent year are adjusted for any over-levies or under-levies of the prior year.

j) Government Transfers

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

Government transfers are recognized as revenues in the financial statements when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when stipulations give rise to a liability. Transfer revenue is recognized in the Statement of Operations when the stipulation liabilities are settled.

VULCAN COUNTY

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

k) Non-Financial Assets

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

i. Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributed to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over the estimated useful life as follows:

	Years
Land improvements	15 - 45
Buildings	25 - 50
Engineered structures	
Bridges	40 - 120
Communication towers	38
Roads	5 - 75
Machinery and equipment	3 - 25
Vehicles	5 - 20

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

Interest on debt used to purchase tangible capital assets is not capitalized.

ii. Contributions of Tangible Capital Assets

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

iii. Leases

Leases are classified as capital or operating leases. A lease that transfers substantially all of the benefits and risks incidental to the ownership of property are accounted for as capital leases. At the inception of a capital lease, an asset and an obligation are recorded at an amount equal to the lesser of the present value of the minimum lease payments and the property's fair value at the beginning of the lease. Assets recorded under capital lease are amortized. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

iv. Inventories

Inventories held for consumption are recorded at the lower of cost and replacement cost, with cost determined by the average cost method, except for fuel which is determined by the first-in, first-out method.

VULCAN COUNTY

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

l) Measurement Uncertainty

The preparation of the financial statements in conformity with Canadian Public Sector Accounting Standards, requires management to make estimates and assumptions that affect the reporting amounts of assets and liabilities, and disclosure of contingent assets and liabilities, as at the date of the financial statements and the reported amounts of the revenues and expenses during the period. Items requiring the use of significant estimates include estimated employee benefit obligations, useful life of capital assets, rates of amortization 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.

m) 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.

n) 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.

VULCAN COUNTY

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

2. CASH AND INVESTMENTS

	2020	2019
Cash	\$ 2,219,887	\$ 3,249,811
High interest savings	-	-
Temporary investments	28,478,451	25,771,972
Guaranteed Investment Certificates	2,600,741	-
	<u>\$ 33,299,079</u>	<u>\$ 29,021,783</u>

Temporary investments are short-term deposits with original maturities of one year or less, or are redeemable, with interest rates ranging from 1.00% to 1.10% (2019 - 2.15% to 2.73%). High interest savings include investment savings accounts held at ATB Securities Inc.

Included in temporary investments is a restricted amount of \$2,327,787 (2019 - \$3,149,017) held exclusively for eligible projects and \$nil (2019 - \$1,733,333) held for the obligation to the Vulcan County Health and Wellness Foundation for the Vulcan Hospital Expansion Project.

Guaranteed Investment Certificates have been reclassified as short-term investments as they have maturities of one year or less with interest rates ranging from 2.30% to 2.40%.

Cash and investments includes accounts for the Vulcan County Public Reserves Trust of \$162,725 (2019 - \$159,628) and for the Vulcan County Tax Sale Trust of \$154,568 (2019 - \$153,306).

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 \$49,000, with interest payable at 5.0%. As at December 31, 2020 the balance owing on these facilities is \$nil (2019 - \$nil).

3. TAX AND GRANTS IN LIEU RECEIVABLES

	2020	2019
Current taxes and grants in lieu of taxes	\$ 2,315,694	\$ 994,497
Arrears	1,159,531	467,681
Allowance for doubtful accounts	-	-
	<u>\$ 3,475,225</u>	<u>\$ 1,462,178</u>

4. TRADE AND OTHER RECEIVABLES

	2020	2019
Trade receivables	374,058	390,077
Requisition under-levies	56,594	56,594
Interest receivable	66,171	52,411
GST receivable	99,559	43,178
Other receivables	20,464	1,229,283
Allowance for doubtful accounts	(573)	(573)
	<u>\$ 616,273</u>	<u>\$ 1,770,970</u>

VULCAN COUNTY

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

5. LONG TERM INVESTMENTS

	2020	2019
Guaranteed Investment Certificates	\$ -	\$ 2,541,984

Guaranteed Investment Certificates were long-term deposits with interest rates ranging from 2.30% to 2.40% with maturity dates in 2021. These Guaranteed Investment Certificates have been reclassified to Cash and Investments as they have maturities of one year or less.

6. LOANS AND NOTES RECEIVABLES

	2020	2019
Carmangay Fire Association	\$ -	\$ 10,000
Carmangay Curling Association - annual pmt \$13,000, matures in 2026	83,500	91,000
Milo Seed Cleaning Association	-	200,000
Mossleigh Water Co-op	30,647	37,201
	<u>\$ 114,147</u>	<u>\$ 338,201</u>

Loans receivable from the various Fire Associations within the County are for assistance in the purchase of equipment and the construction of buildings. These loans are interest free and repayable over 10 year terms. The County levies the specific fire protection area that the Fire Association operates in by way of special tax levy for the annual repayment amount of the loan.

Loan receivable from Carmangay Curling Association is interest free (contributed by Vulcan County) and has an annual payment of \$13,000. Loan is repayable over 10 years.

Loan receivable from Milo Seed Cleaning Association was repaid during 2020.

Loan receivable from Mossleigh Water Co-op is interest free and has a semi-annual payment of \$3,277. Loan is repayable over 20 years.

VULCAN COUNTY

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

7. DEFERRED REVENUE

	2019	Externally Restricted Inflows	Revenues Earned	2020
Alberta Municipal Sustainability Initiative - Capital	\$ 2,384,121	\$ 57,550	\$ (533,134)	\$ 1,908,537
Alberta Municipal Sustainability Initiative - Operating	15,397	176,891	(160,046)	32,242
Inter-Municipal Development Plans - RCP	250,435		(37,500)	212,935
Municipal Operating Support Transfer	-	408,416	(408,416)	-
Surface Rights	76,802	78,159	(76,802)	78,159
Federal Gas Tax Fund	230,460		(219,734)	10,726
Development Public Funds	159,628	5,625	-	165,253
Other	191,802	47,238	(153,852)	85,188
Total, invested in short term investments	\$ 3,308,645	\$ 773,879	\$ (1,589,484)	\$ 2,493,040

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 agreement.

Inter-Municipal Development Plan - RCP

This Regional Collaboration Program (RCP) grant is for the development of inter-municipal development plans with municipalities that share a border. The use of these funds is restricted to eligible expenditures as approved under the funding agreement.

Municipal Operating Support Transfer

The Government of Canada and the province are providing funding to support municipalities as relief from impacts of COVID-19. The use of these funds is restricted to eligible expenditures.

Surface Rights

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

VULCAN COUNTY

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

8. EMPLOYEE BENEFIT OBLIGATIONS

	2020	2019
Accrued vacation payable	\$ 308,003	\$ 258,667
	<u>\$ 308,003</u>	<u>\$ 258,667</u>

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

9. OBLIGATIONS TO OTHER ORGANIZATIONS

	2020	2019
VCHWF - Hospital Expansion Project - County contributions	\$ -	\$ 1,182,263
VCHWF - Hospital Expansion Project - Town contributions	-	551,070
	<u>\$ -</u>	<u>\$ 1,733,333</u>

During 2016, Vulcan County and the Town of Vulcan agreed to contribute to the Vulcan Hospital Expansion Project. Vulcan County and the Town of Vulcan would jointly contribute two dollars for every one dollar raised by the Vulcan County Health and Wellness Foundation (VCHWF), up to a maximum of \$3,000,000 in aggregate. As Vulcan County is the managing municipality, the contributions are held by Vulcan County until they are to be released.

10. OBLIGATIONS UNDER CAPITAL LEASE

	2020	2019
Capital lease obligation	\$ 1,212	\$ 15,278
	<u>\$ 1,212</u>	<u>\$ 15,278</u>

Interest on the lease is 6.15% per year with blended monthly payments of \$1,212. The lease is secured by a specific tangible capital asset and is due January 1, 2021. The following is a schedule of future minimum lease payments under capital lease:

2021	1,212
Total minimum lease payments	1,212
Less: imputed interest	-
	<u>\$ 1,212</u>

VULCAN COUNTY

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

11. LONG TERM DEBT

	2020	2019
Tax supported debentures	\$ 1,510,192	\$ 1,634,537
	\$ 1,510,192	\$ 1,634,537

The current portion of long term debt amounts to \$127,471 (2019 - \$124,346).

Principal and interest repayments are as follows:

	Principal	Interest	Total
2021	\$ 127,471	\$ 36,933	\$ 164,404
2022	130,676	33,729	164,405
2023	133,960	30,445	164,405
2024	137,327	27,077	164,404
2025	140,779	23,626	164,405
Thereafter	839,979	64,250	904,229
	\$ 1,510,192	\$ 216,060	\$ 1,726,252

Debenture debt is repayable to the Alberta Capital Finance Authority and bears interest at 2.498% per annum and matures on March 15, 2031. Debenture debt is issued on the credit and security of the County at large.

The Municipality has established an authorized overdraft for the purposes of financing operating expenditures with a limit of \$300,000. Interest is payable monthly at the prime rate minus 0.25%. The overdraft is secured by a general security agreement. The overdraft was undrawn as at December 31, 2020 (2019 - \$nil).

Interest on long term debt amounted to \$40,059 (2019 - \$42,220)

The Municipality's total cash payment for interest in 2020 was \$40,059 (2019 - \$43,108)

12. TANGIBLE CAPITAL ASSETS

	2020	2019
Tangible capital assets (schedule 2)	\$207,544,329	\$ 204,381,309
Accumulated amortization (schedule 2)	(99,558,596)	(96,010,307)
	\$ 107,985,733	\$ 108,371,002

Contributed tangible capital assets are recognized at fair value at the date of contribution. In 2020, the County received no contributions toward the purchase of a tangible capital asset (2019 - \$nil).

Capital lease assets are initially recognized at the lesser of the present value of the minimum lease payments and the property's fair value at the beginning of the lease. In 2016, the County entered into a capital lease arrangement for a vehicle where a leased tangible capital asset of \$62,764 was recognized. As at December 31, 2020, the leased tangible capital asset had \$30,858 of total accumulated amortization.

VULCAN COUNTY

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

13. INVENTORIES FOR CONSUMPTION

	2020	2019
Inventory for consumption - gravel	\$ 6,702,221	\$ 7,169,461
Inventory for consumption - parts	551,454	560,175
	<u>\$ 7,253,675</u>	<u>\$ 7,729,636</u>

Gravel inventory includes purchased deposits not yet crushed, with a cost of \$4,351,891 (2019 - \$4,351,891).

14. EQUITY IN TANGIBLE CAPITAL ASSETS

	2020	2019
Tangible capital assets (note 12)	\$ 107,985,733	\$ 108,371,002
Capital lease obligation (note 10)	(1,212)	(15,278)
	<u>\$ 107,984,521</u>	<u>\$ 108,355,724</u>

15. ACCUMULATED SURPLUS

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

	2020	2019
Unrestricted surplus	\$ 954,934	\$ 4,340,307
Restricted surplus (note 17)	39,278,821	30,717,537
Equity in tangible capital assets (note 14)	107,984,521	108,355,724
	<u>\$ 148,218,276</u>	<u>\$ 143,413,568</u>

16. 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.

	2020	2019
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES	\$ 2,827,009	\$ 4,403,342
ADD: Proceeds from sale of capital assets	388,232	301,330
ADD: Transfer from restricted surplus to operations	2,247,331	3,707,926
ADD: Amortization of tangible capital assets	4,684,267	4,328,196
LESS: Transfers to restricted surplus	(3,903,611)	(3,660,994)
LESS: Capital expenditures	(6,243,228)	(9,079,800)
Budget approved by Council	<u>\$ -</u>	<u>\$ -</u>

VULCAN COUNTY

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

17. RESTRICTED SURPLUS

	2020	2019
Capital Restricted Surplus		
General Government	\$ 77,667	\$ 77,667
Protective Equipment	6,439,268	5,363,718
Transportation Equipment	1,436,688	2,188,888
Road Construction	1,480,040	1,597,855
Bridge Construction	2,962,375	1,941,126
Gravel Crushing	148,249	148,249
Mossleigh Water Treatment Plant - Recovery	(471,331)	(442,203)
Environment Development Equipment	50,726	144,793
Air Transport	20,000	20,000
Capital Acquisition	7,132,443	6,407,471
Capital Contingency	970,682	970,682
	<u>20,246,807</u>	<u>18,418,246</u>
Operating Restricted Surplus		
Assessment Appeal	5,506	5,506
Community Enhancement	14,841	14,841
General Government Service	539,374	234,980
Protective Services	1,285,034	484,401
Transportation Contingency	1,527,992	670,011
Road Construction	893,822	410,673
Road Maintenance	466,402	185,261
Gravel Crushing	5,831,904	5,515,761
Uncrushed Gravel Inventory	4,351,891	4,351,891
Bridges	25,325	9,338
Water Management	39,706	39,706
Environment Treatment	561	561
Vulcan Hospital Project - Debenture Recovery	(1,510,191)	(1,634,537)
Planning and development	129,537	149,157
Agriculture Services	423,202	257,916
Recreation and Culture	689,734	678,769
Operating Contingency	4,317,374	925,056
	<u>19,032,014</u>	<u>12,299,291</u>
Total Restricted Surplus	<u>\$ 39,278,821</u>	<u>\$ 30,717,537</u>

In 2016, the County received a debenture for \$2,046,224 to fund the Vulcan Hospital Project. In 2019, County had contributed a total of \$2,046,224 of these funds towards this project, resulting in no amount remaining to be contributed based on the matching funds raised by the Vulcan County Health and Wellness Foundation. The debenture recovery for the Vulcan Hospital Project is a deficit from these contributions that is to be recovered by general tax levies at the same rate as the debenture principal repayments.

The upgrades to the Mossleigh Water Treatment Plant were a total of \$643,009 as at December 31, 2020. Council applied \$100,000 towards these upgrades, leaving \$543,009 in costs which will be recovered through an annual special water tax levy over a 20 year period. To date, there has been \$71,678 recovered by special water tax levies. The funds held in the Capital Acquisition Reserve were used to fund these upgrades and will be recovered by the special water tax levies.

VULCAN COUNTY

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

18. SEGMENTED INFORMATION

Vulcan County provides numerous services to its citizens, including protective, transportation, agricultural, planning and development, community and utility services. For management reporting and tracking purposes, these services are separated into departments. Certain departments that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

General Government

General Government includes legislative and administrative matters, including Council expenditures and administration costs required to operate Vulcan County. Activities within General Government include: general municipal expenditures, Council expenditures, financial statement preparation and reporting, accounts receivable and payable, payroll, information technology, GIS, and property assessment and taxation.

Protective Services

Protective Services is comprised of emergency management, health and safety, bylaw enforcement and fire services. This department prepares and coordinates the Municipal Emergency Plan and related plans and programs. The Protective Services department administers the fire districts within Vulcan County, ensuring compliance as per the Quality Management Plan. Other services with respect to fire include public education and fire prevention. Bylaw enforcement is provided by Vulcan County's Community Peace Officer. This also includes the building rentals to AHS and the RCMP and the related costs to operate these facilities.

Transportation Services

The Transportation Department is responsible for the delivery of municipal public works services relating to the maintenance and construction of roadways and bridges. This department ensures appropriate agreements are in place (i.e. access agreements, pipeline crossings, road and rural addressing signage, etc.) to minimize liability concerns.

Agricultural Services

Agricultural Services provides advice and expertise with respect to weed and pest control, as well as soil and water conservation, campground maintenance and rental of specialized equipment. Working in conjunction with Alberta Agriculture, this department also provides field trials (insect counts, disease investigations, etc.).

Planning and Development Services

Planning and Development Services facilitates development in accordance with the Land Use Bylaw as approved by Vulcan Council. This department ensures compliance of existing development applications with the Land Use Bylaw, offers recommendations to Council for amendments and assists developers with requirements of area structure plans.

Community Services

Vulcan County contributes to many community service organizations, such as: the local Family Community Support Services, daycare and public health, tourism and economic development, recreation boards, cultural programs and library

Utility Services

Vulcan County is a member of the Twin Valley Regional Water Commission and Vulcan District Waste Commission. Operations for the Mossleigh Water Treatment Plant are contracted to Rocky View Utility Corp.

For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information.

VULCAN COUNTY

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

19. 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:

	2020	2019
Total debt limit	\$ 31,860,305	\$ 30,835,260
Total debt	1,511,404	1,649,815
Amount of debt limit unused	\$ 30,348,901	\$ 29,185,445
Debt servicing limit	\$ 5,310,051	\$ 5,139,210
Debt servicing	165,616	178,944
Amount of debt servicing limit unused	\$ 5,144,435	\$ 4,960,266

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.

20. 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:

	2020			2019
	Salary / Per Diems	Benefits & Allowances	Total	Total
Councillors				
Division 1 - Donovan	\$ 16,621	\$ 4,995	\$ 21,616	\$ 26,253
Division 2 - Cockwill	21,968	4,395	26,363	27,113
Division 3 - Schneider	43,999	4,995	48,994	40,901
Division 4 - Lyckman	33,559	4,645	38,204	33,003
Division 5 - Monner	21,290	4,360	25,650	26,343
Division 6 - Smith	23,431	4,395	27,826	23,753
Division 7 - Logan	24,784	4,395	29,179	26,603
Chief Administrative Officer - Petersen	\$ 181,302	\$ 31,617	\$ 212,919	\$ 206,524
Designated Officer(s)	128,323	27,647	155,970	142,424

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

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

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

VULCAN COUNTY

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

21. 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 275,863 people and 433 employers. The LAPP is financed by employer and employee contributions and by investment earnings of the LAPP Fund.

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

The County is required to make current service contributions to the LAPP of 9.39% of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 13.84% on pensionable earnings above this amount. Employees of the County are required to make current service contributions of 8.39% of pensionable salary up to the year's maximum pensionable salary and 12.84% on pensionable salary above this amount.

Total current service contributions by the County to the LAPP in 2020 were \$481,191 (2019 - \$462,239). Total current service contributions by the employees of the County to the Local Authorities Pension Plan in 2020 were \$437,423 (2019 - \$421,144).

At December 31, 2020, the LAPP disclosed an actuarial surplus of \$4.961 billion dollars.

22. 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 fulfil 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.

23. CONTAMINATED SITES LIABILITY

The County has adopted PS3260 Liability for Contaminated Sites. The County did not identify any financial liabilities in 2020 (2019 - \$nil) as a result of this standard.

24. 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.

VULCAN COUNTY

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

25. COMMITMENTS

Vulcan County is responsible for environmental reclamation costs of gravel pit sites. During the year, it was estimated that there was 247,347 cubic meters of exposed gravel pits for reclamation at an approximate cost of reclamation of \$2.45 per cubic meter. The estimated liability is based on the sum of discounted future cash flows for restoring the gravel pit; discounted at the County's borrowing rate of 2.2% and assuming annual inflation of 0.72%. The gravel pits have an estimated useful life ranging from 9 to 66 years depending on the quantity of gravel remaining in each pit. The gravel reclamation liability of \$319,179 is accrued under the other liabilities in the Statement of Financial Position. The reclamation is ongoing and the uncertainty inherent in the provision will thus be partially resolved each year. There are sufficiently funded gravel reserves to cover the costs of the reclamation.

26. UNCERTAINTIES DUE TO COVID-19

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a global pandemic, which continues to spread in Canada and around the world.

This pandemic is evolving and Vulcan County continues to respond with public health measures and financial assistance as necessary. The ongoing impact of the pandemic presents uncertainty over future cash flows, may have a significant impact on future operations including decreases in revenue, impairment of receivables, and reduction in investment income. The duration and potential impacts of COVID-19 are unknown at this time. As a result, we are unable to estimate the effect of these developments on the financial statements.

27. PRIOR YEAR FIGURES

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

28. APPROVAL OF FINANCIAL STATEMENTS

Council and Management have approved these financial statements.



STATISTICS

YEAR ENDED DECEMBER 31, 2020

67

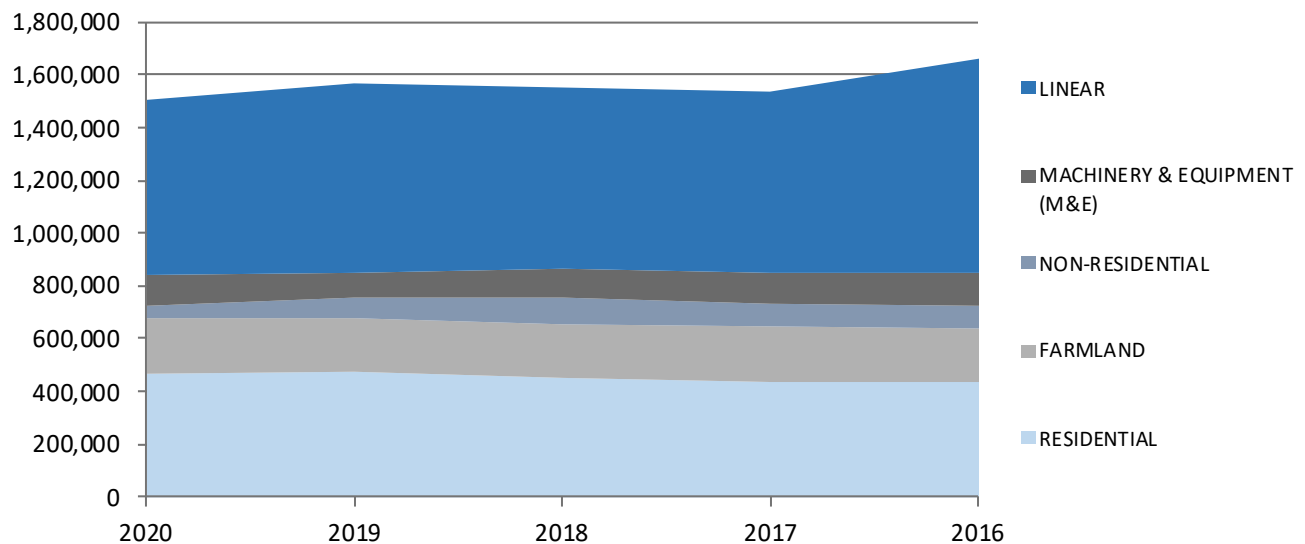


DEMOGRAPHICS, AREA, & OTHER

	2020	2019	2018	2017	2016
POPULATION	3,984	3,984	3,984	3,984	3,984
NUMBER OF DWELLING UNITS	2,249	2,218	2,189	2,145	2,138
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	2,672	2,672
WATER PIPELINE (Km)	455	455	455	455	454
DEVELOPMENT PERMITS	45	45	48	60	69
SUBDIVISIONS APPLICATIONS	11	11	21	18	11
FULL TIME STAFF	49	49	51	49	64

PROPERTY ASSESSMENT (in thousands)

	2020	2019	2018	2017	2016
RESIDENTIAL	469,990	473,806	453,456	439,255	436,186
FARMLAND	204,924	204,893	204,838	204,306	204,013
NON-RESIDENTIAL	46,161	78,916	98,060	87,609	83,524
MACHINERY & EQUIPMENT (M&E)	120,002	89,905	108,158	116,822	123,016
LINEAR	662,745	723,770	686,522	689,076	814,329
TOTAL ASSESSMENT	1,503,822	1,571,290	1,551,034	1,537,068	1,661,068



TAX RATES (expressed in mills)

	2020	2019	2018	2017	2016
MUNICIPAL					
Residential	5.3660	5.2100	5.2100	5.7600	5.7600
Farmland	10.8230	10.5075	10.5075	10.0769	9.5970
Non-Residential, M&E, and Linear	9.4140	9.1400	9.1400	9.1400	9.1400
WASTE COMMISSION	0.4690	0.4334	0.4113	0.3980	0.3412
EDUCATION REQUISITION					
Residential and Farmland	2.5500	2.6079	2.5585	2.5229	2.4130
Non-Residential and Linear	3.7500	3.8532	3.8612	4.6660	3.9729
SENIOR FOUNDATION REQUISITION	0.2682	0.2556	0.1601	0.1662	0.1387
SPECIAL LEVY - FIRE PROTECTION AREA					
Carmangay and District	1.4430	1.8324	1.8685	2.2602	1.6896
Champion and District	1.1067	1.4412	1.3935	1.5369	0.9387
Lomond and District	0.6864	0.6102	0.6503	0.6584	0.5250
Milo and District	1.2271	0.6454	0.6942	0.6649	0.5690
Vulcan and District	0.2896	0.1872	0.3730	0.4071	0.0893
Northwest	0.6261	0.8748	0.8504	0.6917	0.6910
Linear	0.3618	0.3618	0.3513	0.3411	0.3312
SPECIAL LEVY - RECREATIONAL AREA					
Carmangay and District	0.8548	0.6230	0.3061	0.0000	0.1165
Champion and District	0.5490	0.5261	0.3518	0.5720	0.6788
Lomond and District	0.3172	0.4521	0.1681	0.2436	0.1680
Milo and District	0.7724	0.7625	0.7426	0.5046	0.2566
Vulcan and District	0.7233	0.8070	0.7873	0.6131	0.5944
Northwest	0.2209	0.2814	0.2840	0.0167	0.0305
Linear	0.1388	0.1388	0.1348	0.1348	0.1309

TOTAL TAX COLLECTIONS

	2020	2019	2018	2017	2016
Net Municipal Taxes	14,658,637	15,720,229	14,777,202	14,658,890	15,491,243
School Requisitions	3,504,760	2,467,517	3,436,669	3,717,875	3,789,172
Seniors Requisitions	401,515	401,515	248,237	252,098	227,124
TOTAL TAX COLLECTIONS	18,564,912	18,589,261	18,462,108	18,628,863	19,507,539

ASSETS, LIABILITIES, & SURPLUS

	2020	2019	2018	2017	2016
TAX RECEIVABLE AS % OF TAXES					
Tax Receivables	3,475,225	1,462,178	2,913,837	3,969,857	2,716,399
Total Tax Levies	18,449,765	18,589,261	18,462,108	18,628,863	19,507,539
Tax Receivable as % of Taxes	18.8%	7.9%	15.8%	21.3%	13.9%
Financial Assets	37,719,297	35,188,822	32,703,043	33,513,546	30,395,326
Financial Liabilities	(5,003,095)	(8,138,857)	(7,755,554)	(9,054,418)	(6,670,665)
NET FINANCIAL ASSETS	32,716,202	27,049,965	24,947,489	24,459,128	23,724,661
Tangible Capital Assets	107,985,733	108,371,002	107,455,248	107,659,792	108,487,392
Inventory Held for Consumption	7,253,675	7,729,636	8,244,446	8,522,618	7,570,991
Prepaid Expenses	262,666	262,965	193,446	182,065	232,196
ACCUMULATED SURPLUS	148,218,276	143,413,568	140,840,629	140,823,603	140,015,240
Unrestricted Surplus	954,934	4,340,307	1,493,730	1,091,769	1,187,942
Restricted Surplus (Reserves)	39,278,821	30,717,537	31,920,158	32,112,991	30,392,556
Equity in Tangible Capital Assets	107,984,521	108,355,724	107,426,741	107,618,843	108,434,742
ACCUMULATED SURPLUS	148,218,276	143,413,568	140,840,629	140,823,603	140,015,240

REVENUES (by source)

	2020	2019	2018	2017	2016
Net Municipal Taxes	15,373,853	15,720,229	14,777,202	14,658,890	15,491,243
Government Transfers	1,185,684	813,131	958,531	624,347	839,002
Return on Investments	491,125	706,124	570,401	579,400	733,530
Sale of Goods, Services, and User Charges	932,209	1,482,349	1,148,512	1,052,435	864,215
Rental Income	311,783	311,900	353,265	352,634	355,410
Community Aggregate Levy	134,670	193,941	203,956	222,955	149,287
Penalties and Costs of Taxes	417,452	610,397	739,321	484,573	497,496
Gain on Disposal of Capital Assets	2,306,556	330,186	209,326	101,059	26,813
Other Revenue	86,871	388,583	134,498	676,208	752,963
OPERATING REVENUES	21,240,203	20,556,840	19,095,012	18,752,501	19,709,959
Contributed Tangible Capital Assets	0	0	284,792	0	0
Government Transfers for Capital	533,134	2,953,380	2,717,012	767,378	2,769,481
TOTAL REVENUES	21,773,337	23,510,220	22,096,816	19,519,879	22,479,440

EXPENSES (by function and object)

	2020	2019	2018	2017	2016
EXPENSES BY FUNCTION					
Legislative	369,215	402,227	388,098	324,110	285,775
Administration	1,712,655	1,787,966	1,807,970	1,806,441	1,962,577
Protective services	1,856,185	1,808,897	2,403,045	2,746,165	1,720,869
Transportation services	9,257,939	9,916,821	10,575,050	9,948,597	10,863,798
Agricultural services	694,700	735,985	689,459	803,018	810,091
Planning and development services	640,093	577,232	599,308	414,237	534,207
Family and community support	218,639	220,570	447,923	956,894	2,338,374
Parks and recreation	877,590	879,716	842,564	671,616	733,948
Tourism and economic development	255,514	129,408	40,844	236,010	243,172
Utility Services	1,008,446	833,851	772,690	768,346	740,853
Other	77,653	3,644,608	3,512,840	36,083	313,069
TOTAL EXPENSES	16,968,629	20,937,281	22,079,791	18,711,517	20,546,733

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

EXPENSE BY OBJECT					
Salaries, wages and benefits	5,950,731	6,310,622	6,271,331	6,158,349	6,503,365
Contracted and general services	2,539,268	2,703,769	3,367,611	2,960,101	2,960,984
Materials, goods and utilities	2,171,230	2,473,000	2,450,240	2,987,785	3,008,920
Transfers to local boards and agencies	2,004,802	1,824,107	2,370,354	3,150,296	4,055,775
Interest and bank charges	51,505	55,706	62,460	65,821	76,968
Amortization of tangible capital assets	4,746,635	4,763,530	4,684,268	4,480,221	4,328,198
Machine expenses capitalized for construction	(1,046,934)	(1,175,224)	(817,561)	(1,174,071)	(1,846,498)
Loss on disposal of capital assets	416,189	274,491	217,929	87,080	837,220
Other expenses	135,203	3,707,280	3,473,159	(4,065)	621,801
TOTAL EXPENSES	16,968,629	20,937,281	22,079,791	18,711,517	20,546,733

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

DEBT SUPPORTED BY TAXES

	2020	2019	2018	2017	2016
Gross Debt (supported by tax)	1,511,404	1,649,815	1,784,341	1,915,106	2,042,229
County Population	3,984	3,984	3,984	3,984	3,984
LONG-TERM DEBT PER CAPITA	379	414	448	481	513

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

TRANSFERS TO LOCAL BOARDS AND AGENCIES

	2020	2019	2018	2017	2016
TRANSFERS TO OTHER LOCAL GOVERNMENTS					
Vulcan District Waste Commission	823,758	674,640	631,808	605,702	554,000
Twin Valley Regional Water Commission	36,096	35,385	21,348	50,069	66,516
Vulcan Business Development Society	0	0	0	127,200	146,430
Vulcan and District Tourism Society	0	0	25,000	86,595	86,595
Vulcan Library Board	133,500	133,500	126,000	109,000	91,000
Fire Area Contributions	148,330	135,945	530,570	779,244	262,700
Recreation Area Contributions	711,541	628,806	584,748	442,774	465,045
Other local governments and organizations	151,577	215,831	450,880	949,712	2,383,489
	<u>2,004,802</u>	<u>1,824,107</u>	<u>2,370,354</u>	<u>3,150,296</u>	<u>4,055,775</u>

Note: The transfer to other local governments and organizations includes \$nil in matching contributions for the Vulcan Hospital Expansion project (2019 - \$nil). These matching contributions for the hospital expansion project starting in 2016 and finalized during 2018.

72

ANNUAL SURPLUS

	2020	2019	2018	2017	2016
TOTAL REVENUES	21,773,337	23,510,220	22,096,816	19,519,879	22,479,440
TOTAL EXPENSES	(16,968,629)	(20,937,281)	(22,079,791)	(18,711,517)	(20,546,733)
ANNUAL SURPLUS	4,804,708	2,572,939	17,025	808,362	1,932,707
ADD: Proceeds from Sale of Tangible Capital Assets	1,366,244	355,305	161,075	101,262	178,443
ADD: Transfer from Restricted Surplus to Operations	4,584,950	6,140,143	4,579,162	3,097,216	8,044,072
ADD: Amortization of Tangible Capital Assets	4,746,635	4,763,530	4,684,268	4,480,221	4,328,198
LESS: Transfers to Restricted Surplus	(13,146,234)	(4,937,522)	(5,539,875)	(7,998,816)	(8,232,494)
LESS: Capital Expenditures	(5,741,676)	(6,047,818)	(3,499,695)	(584,419)	(5,960,393)
ALLOCATION TO UNRESTRICTED SURPLUS	(3,385,373)	2,846,577	401,960	(96,174)	290,533





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