Vulcan County

FINANCIAL STATEMENTS DECEMBER 31, 2020

FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2020

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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,

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Nels Petersen Chief Administrative Officer

nay Buck

Nancy Beck Financial Services Manager

STATEMENT OF OPERATIONS YEAR ENDED DECEMBER 31, 2020

	Budget	2020	2019
	(note 16)		
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

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 Proceeds on disposal of tangible capital assets Amortization of tangible capital assets Net Gain on disposal of tangible capital assets	(6,243,228) 388,232 4,684,267 	(5,727,610) 3,256,611 4,746,635 (1,890,367) 385,269	(6,034,589) 411,000 4,763,530 (55,695) (915,754)
Net change in inventory for consumption Acquisition of prepaid expenses Use of prepaid expenses		475,961 (262,666) 262,965 476,260	514,810 (262,965) 193,446 445,291
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

STATEMENT OF CASH FLOWS YEAR ENDED DECEMBER 31, 2020

	2020	2019
NET INFLOW (OUTFLOWS) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
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

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
\$ 4,340,307	30,717,537	108,355,724	\$143,413,568	\$140,840,629
\$ 4,804,708	-	-	\$ 4,804,708	\$ 2,572,939
(13,146,234)	13,146,234	-	-	-
716,060	(716,060)	-	-	-
-	(3,868,890)	3,868,890	-	-
(1,872,786)	-	1,872,786	-	-
-	-	-	-	-
1,366,244	-	(1,366,244)	-	-
4,746,635	-	(4,746,635)	-	
\$ (3,385,373)	8,561,284	(371,203)	\$ 4,804,708	\$ 2,572,939
\$ 954,934	39,278,821	107,984,521	\$148,218,276	\$143,413,568
	Surplus \$ 4,340,307 \$ 4,804,708 (13,146,234) 716,060 - (1,872,786) - 1,366,244 4,746,635 \$ (3,385,373)	Surplus Surplus (note 17) \$ 4,340,307 30,717,537 \$ 4,804,708 - (13,146,234) 13,146,234 716,060 (716,060) - (3,868,890) (1,872,786) - - - 1,366,244 - 4,746,635 - \$ (3,385,373) 8,561,284	Unrestricted Surplus Restricted Surplus Tangible Capital Assets (note 17) (note 14) \$ 4,340,307 30,717,537 108,355,724 \$ 4,804,708 - - (13,146,234) 13,146,234 - 716,060 (716,060) - - (3,868,890) 3,868,890 (1,872,786) - 1,872,786 - - - 1,366,244 - (1,366,244) 4,746,635 - - \$ (3,385,373) 8,561,284 (371,203)	Unrestricted Surplus Restricted Surplus Tangible Capital Assets 2020 (note 17) (note 14) \$ 4,340,307 30,717,537 108,355,724 \$143,413,568 \$ 4,804,708 - - \$ 4,804,708 (13,146,234) 13,146,234 - - 716,060 (716,060) - - - (3,868,890) 3,868,890 - (1,872,786) - 1,372,786 - - - - - - 1,366,244 - (1,366,244) - - 4,746,635 - (4,746,635) - - \$ (3,385,373) 8,561,284 (371,203) \$ 4,804,708

SCHEDULE OF TANGIBLE CAPITAL ASSETS YEAR ENDED DECEMBER 31, 2020

SCHEDULE 2

		Land				Engineered		
	Land	Improvements	Buildings	Equipment	Vehicles	Structures	2020	2019
COST:								
BALANCE, BEGINNING OF YEAR AS REPORTED	\$ 5,744,5	47 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 New construction-in-progress	-	633,026	714,155	1,527,530	377,578	1,375,075 1,100,246	4,627,364 1,100,246	5,210,800 823,789
Disposition of tangible capital assets		(879,643)	-	(401,079)	(237,047)	(1,046,821)	(2,564,590)	(1,627,295)
BALANCE, END OF YEAR	5,744,5	47 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	\$ 5,744,5	47 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	\$ 5,744,5	47 1,708,925	7,168,970	6,863,804	2,775,920	84,108,836	\$108,371,002	

9.

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

	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
	18,564,912	18,449,765	18,589,261
REQUISITIONS			
School requisitions	3,504,760	2,673,525	2,467,517
Seniors foundation	401,515	402,387	401,515
	3,906,275	3,075,912	2,869,032
NET MUNICIPAL TAXES	\$ 14,658,637	\$ 15,373,853	\$ 15,720,229

SCHEDULE OF GOVERNMENT TRANSFERS YEAR ENDED DECEMBER 31, 2020

	 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
	1,059,488	1,185,684	813,131
TRANSFERS FOR CAPITAL			
Provincial government transfers	 2,617,600	 533,134	 2,953,380
TOTAL GOVERNMENT TRANSFERS	\$ 3,677,088	\$ 1,718,818	\$ 3,766,511

SCHEDULE OF EXPENSES BY OBJECT YEAR ENDED DECEMBER 31, 2020

	Budget	2020	2019
	(note 16)		
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
	\$ 17,900,971	\$ 16,968,629	\$ 20,937,281

SCHEDULE OF SEGMENTED DISCLOSURE YEAR ENDED DECEMBER 31, 2020

	General	Protective	Transportation	Agricultural	Planning and Development	Community	Utility	2020 Totol
REVENUE	Government	Services	Services	Services	Services	Services	Services	Total
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
	16,796,983	1,644,872	824,862	302,930	119,775	829,274	721,507	21,240,203
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
	2,159,523	1,856,185	9,257,939	694,700	640,093	1,351,743	1,008,446	16,968,629
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES - BEFORE OTHER	14,637,460	(211,313)	(8,433,077)	(391,770)	(520,318)	(522,469)	(286,939)	4,271,574
OTHER								
Contributed tangible capital assets	-	-	-	-	-	-	-	-
Government transfers (capital)	61,774	-	471,187	-	-	-	173	533,134
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES	\$ 14,699,234	(211,313)	(7,961,890)	(391,770)	(520,318)	(522,469)	(286,766)	\$ 4,804,708

SCHEDULE OF SEGMENTED DISCLOSURE YEAR ENDED DECEMBER 31, 2019

					Planning and			
	General	Protective	Transportation	Agricultural	Development	Community	Utility	2019
	Government	Services	Services	Services	Services	Services	Services	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

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.

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.

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.

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

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

I) 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.

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	-
	\$ 33,299,079	\$ 29,021,783

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 Heath 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

4.

	2020	2019
Current taxes and grants in lieu of taxes Arrears Allowance for doubtful accounts	\$ 2,315,694 1,159,531 -	\$ 994,497 467,681 -
	\$ 3,475,225	\$ 1,462,178
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)
	\$ 616,273	\$ 1,770,970

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
	\$ 114,147	\$ 338,201

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.

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

7. DEFERRED REVENUE

		xternally	-		
	2019	 estricted Inflows	F	Revenues Earned	2020
-	 2010			Lamou	
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.

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

8. EMPLOYEE BENEFIT OBLIGATIONS

	 2020	2019		
Accrued vacation payable	\$ 308,003	\$	258,667	
	\$ 308,003	\$	258,667	

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

	202	0	 2019
VCHWF - Hospital Expansion Project - County contributions VCHWF - Hospital Expansion Project - Town contributions	\$	-	\$ 1,182,263 551,070
	\$	-	\$ 1,733,333

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
	\$	1,212	\$ 15,278

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 Total minimum lease payments	 1,212 1,212
Less: imputed interest	
	\$ 1,212

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		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 over draft 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.

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

13. INVENTORIES FOR CONSUMPTION

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

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

. EQUIT IN TANGIDLE CAPITAL ASSETS	2020	2019
Tangible capital assets (note 12) Capital lease obilgation (note 10)	\$107, 9 85,733 (1,212)	\$108,371,002 (15,278)
	\$107,984,521	\$108,355,724

15. ACCUMULATED SURPLUS

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

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

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	\$ -	\$	_	

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

17. RESTRICTED SURPLUS

. RESTRICTED SURFLUS	0000	0040
Capital Restricted Surplus	2020	2019
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
	20,246,807	18,418,246
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
	19,032,014	12,299,291
Total Restricted Surplus	\$ 39,278,821	\$ 30,717,537

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.

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.

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 Total debt	\$:	31,860,305 1,511,404	\$ 30,835,260 1,649,815
Amount of debt limit unused	\$ 3	30,348,901	\$ 29,185,445
Debt servicing limit Debt servicing	\$	5,310,051 165,616	\$ 5,139,210 178,944
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.

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.

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.