

**Lacombe County
Consolidated Financial Statements
For the year ended December 31, 2020**

Lacombe County
Consolidated Financial Statements
For the year ended December 31, 2020

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Independent Auditor's Report

To the Members of Council of Lacombe County

Opinion

We have audited the consolidated financial statements of Lacombe County and its controlled or owned organizations (the Group), which comprise the consolidated statement of financial position as at December 31, 2020, and the consolidated statement of operations, consolidated statement of changes in net financial assets, and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2020 and its consolidated financial performance and its cash flows for the year then ended in accordance with 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 Group in accordance with the ethical requirements that are relevant to our audit of the consolidated 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with 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 consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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.

Independent Auditor's Report - continued

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 consolidated 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 Group'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 Group'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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Chartered Professional Accountants
Red Deer, Alberta
April 22, 2021

Lacombe County
Consolidated Statement of Financial Position

December 31	2020	2019
Financial assets		
Cash and cash equivalents (Note 1)	\$ 58,480,440	\$ 63,804,733
Investments (Note 2)	20,119,068	23,749,705
Taxes receivable (Note 3)	573,290	292,218
Accounts receivable (Note 4)	9,226,702	5,668,940
Inventories for resale (Note 5)	436,567	443,405
	<u>88,836,067</u>	<u>93,959,001</u>
Liabilities		
Accounts payable and accrued liabilities	2,917,447	2,407,904
Employee benefit obligation (Note 6)	1,180,201	1,165,563
Deposit liabilities	1,724,301	2,103,961
Deferred revenue (Note 7)	6,910,252	9,617,994
	<u>12,732,201</u>	<u>15,295,422</u>
Net financial assets	<u>76,103,866</u>	<u>78,663,579</u>
Non-financial assets		
Tangible capital assets (Note 8)	297,432,533	295,919,406
Prepaid expenses and inventories of supplies (Note 9)	6,445,060	6,749,269
	<u>303,877,593</u>	<u>302,668,675</u>
Accumulated surplus (Note 10)	<u>\$ 379,981,459</u>	<u>\$ 381,332,254</u>
Contingencies and commitments (Note 19)		
Liability for contaminated sites (Note 20)		
Funds held in trust (Note 21)		

Lacombe County
Consolidated Statement of Operations

For the year ended December 31	Budget 2020	2020	2019
Revenues			
Taxation - net (Note 12)	\$ 31,411,180	\$ 31,423,528	\$ 31,303,213
Taxation - other (Note 13)	775,000	989,582	1,153,666
Government transfers (Note 14)	10,322,220	10,076,224	5,859,746
Sales, user charges and costs recovered	2,315,600	2,196,467	2,239,571
Sales to other governments	1,219,720	1,516,541	941,159
Permits, licenses, fines, penalties and rentals	574,170	728,658	738,487
Interest, royalties and patronage allocations	1,340,820	1,404,140	2,010,207
Gain on sale of tangible capital assets	-	929,942	935,994
Contributed assets	-	498,911	2,267,543
Development levies	87,500	155,194	(49,078)
Other	26,570	83,057	532,771
	<u>48,072,780</u>	<u>50,002,244</u>	<u>47,933,279</u>
Expenditures (Note 15)			
General government	5,816,540	6,037,180	6,610,126
Protective services	3,223,558	2,705,783	2,421,155
Transportation services	30,362,475	29,852,846	30,431,259
Environmental services	2,774,452	3,244,653	6,339,882
Cemetery	68,260	45,700	55,527
Social and family services	384,690	459,693	349,384
Recreation and cultural services	3,118,109	4,374,069	2,567,224
Planning and development	1,056,220	844,600	1,163,488
Agriculture services	1,221,426	1,046,526	1,106,761
Write-down of tangible capital assets	-	2,671,771	1,678,848
Loss on sale of tangible capital assets	-	70,218	140,383
	<u>48,025,730</u>	<u>51,353,039</u>	<u>52,864,037</u>
Deficiency of revenue over expenditures	<u>47,050</u>	<u>(1,350,795)</u>	<u>(4,930,758)</u>
Accumulated surplus, beginning of year	<u>381,332,254</u>	<u>381,332,254</u>	<u>386,263,012</u>
Accumulated surplus, end of year	<u>\$ 381,379,304</u>	<u>\$ 379,981,459</u>	<u>\$ 381,332,254</u>

Lacombe County
Consolidated Statement of Change in Net Financial Assets

For the year ended December 31	Budget 2020	2020	2019
Deficiency of revenue over expenditures	\$ 47,050	\$ (1,350,795)	\$ (4,930,758)
Acquisition of tangible capital assets	(33,546,220)	(27,393,353)	(15,775,461)
Acquisition of contributed assets	-	(498,911)	(2,267,543)
Amortization of tangible capital assets	23,307,730	23,307,730	23,113,315
Gain on sale of tangible capital assets	-	(929,942)	(935,994)
Loss on sale of tangible capital assets	-	70,218	140,383
Proceeds on sale of tangible capital assets	1,051,610	1,259,360	988,994
Write-downs of tangible capital assets	-	2,671,771	1,678,848
	(9,139,830)	(2,863,922)	2,011,784
Change in prepaid expenses and inventory of supplies	64,620	304,209	(240,684)
Net change in net financial assets	(9,075,210)	(2,559,713)	1,771,100
Net financial assets, beginning of year	78,663,579	78,663,579	76,892,479
Net financial assets, end of year	\$ 69,588,369	\$ 76,103,866	\$ 78,663,579

Lacombe County
Consolidated Statement of Cash Flows

For the year ended December 31	2020	2019
Operating transactions		
Excess (deficiency) of revenue over expenditures	\$ (1,350,795)	\$ (4,930,758)
Items not involving cash		
Contributed assets	(498,911)	(2,267,543)
Amortization	23,307,730	23,113,315
Gain on disposal of tangible capital assets	(929,942)	(935,994)
Write-down of tangible capital asset	2,671,771	1,678,848
Loss on disposal of tangible capital assets	70,218	140,383
Changes in non-cash operating balances		
Taxes receivable	(281,072)	393,750
Accounts receivable	(3,557,762)	(362,777)
Inventories for resale	6,838	(94,853)
Prepaid expenses and inventories of supplies	304,209	(240,684)
Accounts payable and accrued liabilities	509,543	(315,918)
Employee benefit obligation	14,638	109,374
Deposit liabilities	(379,660)	(129,109)
Deferred revenue	(2,707,742)	1,682,624
	<u>17,179,063</u>	<u>17,840,658</u>
Capital transactions		
Acquisition of tangible capital assets	(27,393,353)	(15,775,461)
Proceeds on sale of tangible capital assets	1,259,360	988,994
	<u>(26,133,993)</u>	<u>(14,786,467)</u>
Investing transactions		
Increase of investments	3,630,637	6,609,583
Restricted cash balances	6,732,018	(384,750)
	<u>10,362,655</u>	<u>6,224,833</u>
Net change in cash and cash equivalents	1,407,725	9,279,024
Cash and cash equivalents, beginning of year	53,251,544	43,972,520
Cash and cash equivalents, end of year	\$ 54,659,269	\$ 53,251,544
Cash and cash equivalents is comprised of:		
Cash and cash equivalents	\$ 58,480,440	\$ 63,804,733
Less: restricted (Note 1)	(3,821,171)	(10,553,189)
	<u>\$ 54,659,269</u>	<u>\$ 53,251,544</u>

Lacombe County
Summary of Significant Accounting Policies

December 31, 2020

**Management's
Responsibility for the
Financial Statements**

The consolidated financial statements of the County are the responsibility of management. They have been prepared in accordance with Canadian generally accepted accounting principles established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

Basis of Consolidation

The financial statement reflect the assets, liabilities, revenue and expenses of all municipal organizations, committees and Boards which are owned or controlled by the County.

The following entities have been proportionately consolidated:

City of Lacombe Shared Fire Fund	50%
Town of Bentley Shared Fire Fund	60%
Town of Blackfalds Shared Fire Fund	50%
Town of Eckville Shared Fire Fund	60%
Village of Alix Shared Fire Fund	60%
Village of Clive Shared Fire Fund	60%

**Cash and Cash
Equivalents**

Management considers all highly liquid investments with a maturity of 12 months or less from the year end to be cash equivalents.

Investments

Investments are recorded at cost unless there has been a decline in the market value which is other than temporary in nature in which case the investments are written down to market value.

Inventory for Resale

Inventory for resale includes land and bridge materials. Land held for resale is recorded at 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 leveling 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 their respective function. Bridge materials inventory is recorded at the lower of cost or net realizable value.

Inventory of Supplies

Inventories of materials and supplies for consumption are valued at the lower of cost or replacement cost.

Inventory of Gravel

Inventories of gravel for consumption are valued at the lower of cost or replacement cost. Cost is determined per tonne and includes the raw material, extraction, crushing, transportation and reclamation costs.

Lacombe County
Summary of Significant Accounting Policies

December 31, 2020

Tangible Capital Assets

Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as revenue. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset commencing once the asset is available for productive use as follows:

Land improvements	20 to 25 years
Buildings	4 to 50 years
Roads	20 to 40 years
Bridges	22 to 87 years
Machinery and equipment	5 to 50 years
Water infrastructure	23 to 47 years
Sewer infrastructure	17 to 75 years
Vehicles	10 to 20 years

Excess Collections and Under-levies

Excess collections arise from the difference between the actual levy made to cover each requisition and the actual amount requisitioned. If the actual levy exceeds the requisition, the excess collection is accrued as a liability and as a reduction in property tax revenue. Requisition tax rates in the subsequent year are adjusted for any excess collections

Collection of Taxes on Behalf of Other Taxation Authorities

The County collects taxation revenue on behalf of other entities. Such levies, other revenues, expenses, assets and liabilities with respect to the operations of entities are not reflected in these financial statements.

The entities the County collects taxation revenue on behalf of are:
Alberta School Foundation Fund
Lacombe Foundation

Trust Funds

Trust funds held in trust by the County, and their related operations, are not included in these financial statements. The financial activity and position of the trust funds are reported separately.

Lacombe County
Summary of Significant Accounting Policies

December 31, 2020

**Retirement Benefits and
Other Employee
Benefit Plans**

The County's contributions due during the period to its multi-employer defined benefit plan are expensed as incurred.

Deferred Revenue

Funds received for specific purposes which are externally restricted by legislation, regulation or agreement and are not available for general municipal purposes are accounted for as deferred revenue on the consolidated statement of financial position. The revenue is recognized in the consolidated statement of operations in the year in which it is used for the specified purpose.

Government Transfers

Government transfers, which include legislative grants, are recognized in the financial statements in the period in which events giving rise to the transfers occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amount can be made.

Revenue Recognition

Taxes are recognized as revenue in the year they are levied.

Charges for sewer and water usage are recorded as user fees. Connection fee revenues are recognized when the connection has been established.

Conditional grant revenue is recognized to the extent the conditions imposed on it have been fulfilled. Unconditional grant revenue is recognized when monies are receivable.

Grants for the acquisition of tangible capital assets are recognized in the period in which eligible expenditures are made.

Sales of service and other revenue is recognized on an accrual basis.

Use of Estimates

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

**Liability for
Contaminated Sites**

A contaminated site is a site at which substances occur in concentrations that exceed the maximum acceptable amounts under an environmental standard. Sites that are currently in productive use are only considered a contaminated site if an unexpected event results in contamination. A liability for remediation of contaminated sites is recognized when the organization is directly responsible or accepts responsibility; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made. The liability includes all costs directly attributable to the remediation activities including post remediation operations, maintenance and monitoring. The liability is recorded at net of any expected recoveries.

Lacombe County
Notes to Consolidated Financial Statements

December 31, 2020

1. Cash and Cash Equivalents

	2020	2019
Current account (bank prime less 1.85%)	\$ 19,203,499	\$ 6,168,093
GIC investments with interest rates varying from 0.66% to 3.11% and maturing in 2021	37,593,061	55,569,480
Security deposits	1,683,880	2,067,160
	\$ 58,480,440	\$ 63,804,733

The County has an undrawn line of credit with a limit of \$15 million that carries an interest rate of prime less 0.50%. The line of credit is secured by a general lien on County assets. As at December 31, 2020 the prime rate was 2.45% (2019 - 3.95%)

Included in the above amounts are the following amounts that are externally restricted. Externally restricted amounts include amounts received from the Province of Alberta and Government of Canada as conditional grants held exclusively for specific future projects, amounts held in lieu of reserve lands, and deposit liabilities repayable to third parties upon satisfactory completion of the terms of the specific development agreement.

	2020	2019
Municipal Sustainability Initiative	1,882,918	8,360,730
ACP	875	24,336
FCSS	25,312	63,972
Municipal Operating Support Transfer	187,750	-
Other	15	190
Deposit liabilities	1,724,301	2,103,961
	\$ 3,821,171	\$ 10,553,189

2. Investments

	2020	2019
Stripped coupons, residual bonds and accrual notes purchased at discounts yielding effective annual rates of 1.52% to 3.47% to maturity at cost	\$ 19,065,976	\$ 22,789,484
Estimated accrued interest	938,983	960,041
AMFC shares	-	180
MuniSERP	114,109	-
	\$ 20,119,068	\$ 23,749,705

The market value of the County's marketable securities was \$20,445,839 (2019 - \$23,880,554).

Lacombe County
Notes to Consolidated Financial Statements

December 31, 2020

3. Taxes Receivable

	2020	2019
Current taxes and grants in place	\$ 1,261,389	\$ 560,756
Non-current taxes and grants in place	833,152	423,549
	2,094,541	984,305
Allowance for doubtful accounts	(1,521,251)	(692,087)
	\$ 573,290	\$ 292,218

4. Accounts Receivable

Included in accounts receivable are the following receivables with terms over one year.

	2020	2019
Development levies at 5% per year	\$ 436,016	\$ 513,420
Development levy at prime + 1%	1,715,238	1,715,238
Development levy received in the year	-	960,480
	\$ 2,151,254	\$ 3,189,138

The receivables are secured by a caveat on the title of the land to be developed.

5. Inventories for Resale

	2020	2019
Bridge materials	\$ 435,660	\$ 442,498
Land held for resale	907	907
	\$ 436,567	\$ 443,405

Lacombe County
Notes to Consolidated Financial Statements

December 31, 2020

6. Employee Benefit Obligation

	2020	2019
Sick leave benefits	\$ 500,000	\$ 500,000
Vacation and overtime	680,201	665,563
	<u>\$ 1,180,201</u>	<u>\$ 1,165,563</u>

Sick Leave Benefits

Sick leave benefits accumulate at a rate of 1 sick day per month worked to a maximum of 100 days. Employees are entitled to sick leave benefits for the lesser of 90 calendar days or their accrued sick leave balance. After 90 calendar days, eligible employees would be placed on the County's long-term disability plan. Sick leave benefits are not paid out at termination or retirement.

A portion of sick leave benefits that have accumulated to December 31, 2020 are expected to be utilized in future years and the estimated liability has been accrued.

Vacation and Overtime

Vacation and overtime consist of amounts that employees are deferring to future years. Employees have either earned the benefits or are entitled to these benefits within the next budgetary year.

Lacombe County
Notes to Consolidated Financial Statements

December 31, 2020

7. Deferred Revenue

	Opening balance	Contributions received	Investment income	Revenue recognized	Ending balance
ASB	\$ -	183,907	-	(183,907)	\$ -
MSI Operating	-	148,006	-	(148,006)	-
MSI Capital	8,360,731	3,588,918	63,258	(6,546,070)	5,466,837
FCSS	63,972	328,968	-	(367,628)	25,312
FGTF	1,168,765	591,637	166	(1,760,568)	-
MOST	-	1,052,322	-	(864,572)	187,750
MSP	-	1,229,463	-	-	1,229,463
City of Lacombe	-	120,041	-	(120,041)	-
ACP	24,336	-	152	(23,613)	875
Other grants	-	66,819	-	(66,819)	-
Other	190	15	-	(190)	15
	<u>\$ 9,617,994</u>	<u>7,310,096</u>	<u>63,576</u>	<u>(10,081,414)</u>	<u>\$ 6,910,252</u>

Grants

Under various grant agreements with the Government of Canada and the Province of Alberta, the County is required to account for grants provided and to complete the projects or program in accordance with standards detailed in the various agreements. If these requirements are not adhered to, grants provided, along with any investment returns will become repayable to the source government. Unexpended funds are repayable to the source government upon final accounting. Funds are deferred until related expenditures under the specific grant agreement have been incurred.

Lacombe County
Notes to Consolidated Financial Statements

December 31, 2020

8. Tangible Capital Assets - 2020

	Land	Land Improvements	Buildings	Equipment	Roads	Bridges	Water, Sewer and Other	Vehicles	Total
Cost, beginning of year	\$ 27,406,362	\$ 4,945,376	\$ 21,085,836	\$ 21,585,029	\$ 644,997,639	\$ 22,975,351	\$ 20,543,993	\$ 8,074,477	\$ 771,614,063
Additions	84,524	155,107	100,307	3,602,580	13,528,399	2,536,986	7,066,156	818,205	27,892,264
Disposals	-	-	-	(2,384,431)	-	-	-	(823,778)	(3,208,209)
Write-downs	(555,310)	-	-	-	(11,275,421)	(362,444)	-	-	(12,193,175)
Cost, end of year	\$ 26,935,576	\$ 5,100,483	\$ 21,186,143	\$ 22,803,178	\$ 647,250,617	\$ 25,149,893	\$ 27,610,149	\$ 8,068,904	\$ 784,104,943
Accumulated amortization, beginning of year	\$ -	\$ 1,488,350	\$ 4,644,086	\$ 10,946,265	\$ 445,783,117	\$ 7,031,079	\$ 1,747,772	\$ 4,053,988	\$ 475,694,657
Amortization	-	254,832	425,686	3,023,424	18,356,667	419,970	278,181	548,970	23,307,730
Disposals	-	-	-	(2,228,708)	-	-	-	(579,865)	(2,808,573)
Write-downs	-	-	-	-	(9,239,508)	(281,896)	-	-	(9,521,404)
Accumulated amortization, end of year	\$ -	\$ 1,743,182	\$ 5,069,772	\$ 11,740,981	\$ 454,900,276	\$ 7,169,153	\$ 2,025,953	\$ 4,023,093	\$ 486,672,410
Net carrying amount, end of year	\$ 26,935,576	\$ 3,357,301	\$ 16,116,371	\$ 11,062,197	\$ 192,350,341	\$ 17,980,740	\$ 25,584,196	\$ 4,045,811	\$ 297,432,533

Lacombe County
Notes to Consolidated Financial Statements

December 31, 2020

8. Tangible Capital Assets (continued) - 2019

	Land	Land Improvements	Buildings	Equipment	Roads	Bridges	Water, Sewer and other	Vehicles	Total
Cost, beginning of year	\$ 25,687,677	\$ 4,795,440	\$ 21,085,836	\$ 20,262,512	\$644,312,170	\$ 21,110,349	\$ 18,552,096	\$ 7,565,839	\$763,371,919
Additions	1,718,685	149,936	-	2,964,854	8,005,272	2,176,718	1,991,897	1,035,642	18,043,004
Disposals	-	-	-	(1,642,337)	-	-	-	(527,004)	(2,169,341)
Write-downs	-	-	-	-	(7,319,803)	(311,716)	-	-	(7,631,519)
Cost, end of year	<u>\$ 27,406,362</u>	<u>\$ 4,945,376</u>	<u>\$ 21,085,836</u>	<u>\$ 21,585,029</u>	<u>\$644,997,639</u>	<u>\$ 22,975,351</u>	<u>\$ 20,543,993</u>	<u>\$ 8,074,477</u>	<u>\$771,614,063</u>
Accumulated amortization, beginning of year	\$ -	\$ 1,245,465	\$ 4,218,902	\$ 9,709,834	\$433,094,418	\$ 6,903,084	\$ 1,473,599	\$ 3,864,669	\$460,509,971
Amortization	-	242,885	425,184	2,875,202	18,383,021	386,344	274,173	526,506	23,113,315
Disposals	-	-	-	(1,638,771)	-	-	-	(337,187)	(1,975,958)
Write-downs	-	-	-	-	(5,694,322)	(258,349)	-	-	(5,952,671)
Accumulated amortization, end of year	<u>\$ -</u>	<u>\$ 1,488,350</u>	<u>\$ 4,644,086</u>	<u>\$ 10,946,265</u>	<u>\$445,783,117</u>	<u>\$ 7,031,079</u>	<u>\$ 1,747,772</u>	<u>\$ 4,053,988</u>	<u>\$475,694,657</u>
Net carrying amount, end of year	<u>\$ 27,406,362</u>	<u>\$ 3,457,026</u>	<u>\$ 16,441,750</u>	<u>\$ 10,638,764</u>	<u>\$199,214,522</u>	<u>\$ 15,944,272</u>	<u>\$ 18,796,221</u>	<u>\$ 4,020,489</u>	<u>\$295,919,406</u>

The net book value of tangible capital assets not being amortized because they are under construction is \$8,882,821 (2019 - \$4,239,954). \$498,911 (2019 - \$2,267,543) in contributed assets was recognized in the financial statements during the year.

Lacombe County
Notes to Consolidated Financial Statements

December 31, 2020

9. Prepaid Expenses and Inventories of Supplies

	<u>2020</u>	<u>2019</u>
Crushed gravel	\$ 1,276,174	\$ 1,670,257
Undeveloped gravel pits	4,136,366	4,158,141
Materials and supplies	680,177	616,405
Prepaid expenses	352,343	304,466
	<u>\$ 6,445,060</u>	<u>\$ 6,749,269</u>

Lacombe County
Notes to Consolidated Financial Statements

December 31, 2020

10. Accumulated Surplus

	2020	2019
Equity in tangible capital assets	\$ 297,432,533	\$ 295,919,406
Equity in other non-financial assets	6,445,060	6,749,269
Unrestricted surplus	2,712,878	427,604
Restricted surplus (Reserves) - detail below	73,390,988	78,235,975
	379,981,459	381,332,254
 <u>Restricted surplus (Reserves)</u>		
Main Road	20,900,264	17,795,375
Public Works Equipment	13,347,291	12,493,719
Municipal Facilities	2,287,501	1,378,338
Airport Capital	37,657	17,747
Assessment Equipment	8,980	-
Planning Equipment	4,150	-
Protective Services	4,779,179	4,322,519
Gravel	2,878,039	2,678,039
Subdivision Pavement	4,243,411	3,933,051
Land Development	444,201	416,437
Recreation Capital Assistance	2,730,712	3,200,464
Funds in Lieu of Reserve Land	1,157,826	1,083,874
Subdivision Road Development	1,900,116	1,519,273
Agriculture Equipment	996,601	895,726
Peace Officers Equipment	192,255	111,055
Disaster Services	500,000	500,000
Hamlet Street Improvement	298,936	232,616
Tax Rate Stabilization	4,147,000	4,147,000
Shared Fire Funds	165,081	268,457
Lake Access	937,357	859,857
Hamlet of Mirror Utility System	261,721	214,514
Community Aggregate Levy	2,768,387	4,358,164
Water - Waste Water	1,754,641	6,484,738
New Pavement	373,368	846,845
Trails	424,573	454,848
Bridge	1,382,876	5,708,318
Shores Water-Sewer	42,406	42,406
Slopes Water-Sewer	53,125	53,125
Operational	3,800,131	3,642,778
Cemetery	344,360	318,500
Lakeview Estates Water	53,430	47,028
Gull Lake Stabilization	175,413	211,164
	73,390,988	78,235,975

The investment in tangible capital assets represents amounts already spent and invested in infrastructure. The investment in other non-financial assets represents amounts already spent and invested in supplies for future use. Reserve funds represent funds set aside by bylaw or council resolution for specific purposes.

Lacombe County
Notes to Consolidated Financial Statements

December 31, 2020

11. Change in Accumulated Surplus

	Unrestricted surplus		Equity in other non-financial assets		Restricted surplus		Equity in tangible capital assets		2020	2019		
Balance, beginning of year	\$	427,604	\$	6,749,269	\$	78,235,975	\$	295,919,406	\$	381,332,254	\$	386,263,012
Excess (deficiency) of revenue over expenses		(1,350,795)		-		-		-		(1,350,795)		(4,930,758)
Operating transfers to restricted surplus		(15,997,064)		-		15,997,064		-		-		-
Operating transfers from restricted surplus		6,889,911		-		(6,889,911)		-		-		-
Capital transfers from restricted surplus		13,952,140		-		(13,952,140)		-		-		-
Acquisition of capital		(27,393,353)		-		-		27,393,353		-		-
Contributed assets		(498,911)		-		-		498,911		-		-
Disposals and write-down of assets		3,071,407		-		-		(3,071,407)		-		-
Amortization		23,307,730		-		-		(23,307,730)		-		-
Change in non-financial assets		304,209		(304,209)		-		-		-		-
Change in current year accumulated surplus	\$	2,285,274	\$	(304,209)	\$	(4,844,987)	\$	1,513,127	\$	(1,350,795)	\$	(4,930,758)
Balance, end of year	\$	2,712,878	\$	6,445,060	\$	73,390,988	\$	297,432,533	\$	379,981,459	\$	381,332,254

Lacombe County
Notes to Consolidated Financial Statements

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12. Taxation - Net

	Budget 2020	2020	2019
Real property	\$ 14,950,080	\$ 14,829,033	\$ 13,851,243
Machinery and equipment	112,020	107,389	86,120
Linear property	7,168,350	7,166,161	7,741,545
Government grants in place of property taxes	133,860	130,467	140,142
Designated Industrial Property	21,774,040	21,790,596	22,191,959
	44,138,350	44,023,646	44,011,009
Requisitions			
Alberta School Foundation Fund	11,995,650	11,868,603	11,963,488
Lacombe Foundation	408,240	408,239	405,990
Designated Industrial Property	323,280	323,276	338,318
	12,727,170	12,600,118	12,707,796
Available for general municipal purposes	\$ 31,411,180	\$ 31,423,528	\$ 31,303,213

13. Taxation - other

	Budget 2020	2020	2019
Community Aggregate Payment Levy	\$ 700,000	\$ 718,520	\$ 727,358
Well Drilling Tax	75,000	271,062	426,308
	775,000	989,582	1,153,666

The Community Aggregate Payment Levy is authorized through the Municipal Government Act and established through an approved bylaw. The levy is imposed in respect of all sand and gravel businesses operating in the municipality to raise revenue to be used toward the payment of infrastructure and other costs of the municipality. The amount of revenue generated fluctuates from year to year based upon sand and gravel activity. The levy rate applied is \$0.40 per tonne of sand or gravel hauled.

The Well Drilling Equipment Tax is authorized through the Municipal Government Act and established through an approved bylaw. The revenue generated is based upon the amount of well drilling activity from year to year and rates set by Alberta Regulation.

Lacombe County
Notes to Consolidated Financial Statements

December 31, 2020

14. Government Transfers

	Budget 2020	2020	2019
Operating			
General government	\$ 138,480	\$ 1,012,577	\$ 146,010
Protective services	58,780	49,941	46,541
Transportation services	523,560	472,473	505,281
Environmental services	58,000	60,000	58,000
Public health and welfare	303,650	367,628	253,639
Planning and development	48,750	40,491	151,244
Agriculture services	122,320	123,907	174,301
	<u>\$ 1,253,540</u>	<u>\$ 2,127,017</u>	<u>\$ 1,335,016</u>
Capital			
Transportation services	9,068,680	7,829,166	3,985,973
Environmental services	-	120,041	538,757
	<u>\$ 9,068,680</u>	<u>\$ 7,949,207</u>	<u>\$ 4,524,730</u>
Total government transfers	<u>\$ 10,322,220</u>	<u>\$ 10,076,224</u>	<u>\$ 5,859,746</u>

15. Expenses by Object

	Budget 2020	2020	2019
Salaries and wages	\$ 12,470,510	\$ 11,744,533	\$ 11,898,557
Contracted and general services	3,561,710	2,725,747	3,578,791
Goods, materials and supplies	3,204,090	2,653,393	2,891,462
Transfers to other organizations	5,218,390	6,962,448	8,159,783
Purchases from other governments	256,690	239,530	228,530
Cancellations and uncollectible	6,610	977,669	1,174,368
Amortization	23,307,730	23,307,730	23,113,315
Write-downs and losses on capital	-	2,741,989	1,819,231
	<u>\$ 48,025,730</u>	<u>\$ 51,353,039</u>	<u>\$ 52,864,037</u>

The budget figure for amortization has been adjusted from the budget approved by council May 14, 2020 (Note 22). Amortization is not funded by the County.

Lacombe County
Notes to Consolidated Financial Statements

December 31, 2020

16. Municipal Employees Pension Plans and Retirement Benefits

Local Authorities Pension Plan

Certain employees of the County are eligible to be members of the Local Authorities Pension Plan (LAPP), a multi-employer pension plan which is covered by the Public Sector Pension Plans Act. The plan provides defined pension benefits to employees based on their length of service and rates of pay. Contributions for the year were:

	2020	2019
Employer contributions	\$ 800,871	\$ 781,485
Employee contributions	728,086	699,593
	\$ 1,528,957	\$ 1,481,078

As this is a multi-employer pension plan, these contributions are the County's pension benefit expense. No pension liability for this type of plan is included in the County's financial statements. The most recent valuation as at December 31, 2019 indicates a surplus of \$7.913 billion (2018 surplus - \$3.469 million) for basic pension benefits. The actuary does not attribute portions of the unfunded liability to individual employers.

Alberta Urban Municipalities Association Apex Supplementary Pension Plan

Certain employees of the County are eligible to be members of the Alberta Urban Municipalities Association APEX Supplementary Pension Plan (APEX), a multi-employer pension plan. This plan provides defined pension benefits to employees based on their length of service and rates of pay.

	2020	2019
Employer contributions	\$ 29,762	\$ 28,568
Employee contributions	20,177	21,464
	\$ 49,939	\$ 50,032

As this is a multi-employer pension plan, these contributions are the County's pension benefit expense. No pension liability for this type of plan is included in the County's financial statements. The most recent valuation as at December 31, 2019 indicates a deficit of \$0.61 million (2018 - 7.90 million) for basic pension benefits. The actuary does not attribute portions of the unfunded liability to individual employers.

Lacombe County
Notes to Consolidated Financial Statements

December 31, 2020

16. Municipal Employees Pension Plans and Retirement Benefits (continued)

Alberta Urban Municipalities Association Municipal Supplemental Employee Retirement Plan

The County is a participant in the Alberta Urban Municipalities Association MuniSERP retirement plan, a multiple-employer defined benefit plan. The County has made this plan available to certain employees to enrol as members. The benefit liability to the County is calculated on an individual member basis. This plan provides a supplemental retirement defined benefit to employees based on their length of service and rates of pay.

	2020	2019
Employer contributions	\$ 39,853	\$ 36,605

The accrued benefit liability as at December 31, 2020 was \$90,963 (2019 - \$67,114). The benefit liability as at December 31, 2020 was over funded by \$23,146 (2019 - unfunded \$1,672).

17. Remuneration Disclosure

Disclosure of remuneration for municipal officials, the chief administrative officer and designated officers as required by Alberta Regulation 313/2000 is as follows:

	Compensation	Benefits & Allowances	Total 2020	Total 2019
Councillors:				
Division 1	\$ 52,914	\$ 12,085	\$ 64,999	\$ 77,495
Division 2	66,883	12,030	78,913	86,206
Division 3	52,717	6,334	59,051	75,485
Division 4 - Reeve	66,287	10,533	76,820	93,952
Division 5	58,029	7,464	65,493	85,904
Division 6	50,750	6,906	57,656	69,850
Division 7	56,062	10,930	66,992	77,374
Administration:				
County Manager	254,696	61,296	315,992	316,874
Designated Officer	149,595	9,848	159,443	154,984

Council Compensation: includes base pay and per diem.

Council Benefits and Allowances: includes the County's contribution for health, dental and insurance benefits, convention expenses, and mileage paid for attending meetings and other Council functions.

County Manager and Designated Officer Salary: includes regular base pay.

County Manager and Designated Office Benefits and Allowances: includes the County's contribution for Canada Pension Plan, Employment Insurance, health, dental and insurance benefits, pension, professional memberships, tuition and mileage.

Lacombe County
Notes to Consolidated Financial Statements

December 31, 2020

18. Debt Limits

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

	2020	2019
Total debt limit	\$ 62,331,189	\$ 61,711,509
Total debt	-	-
Total debt limit available	<u>62,331,189</u>	<u>61,711,509</u>
Debt servicing limit	10,388,532	10,285,252
Debt servicing	-	-
Total debt servicing limit available	<u>10,388,532</u>	<u>10,285,252</u>

The debt limit is calculated at 1.5 times revenue of the County (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, which 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.

19. Contingencies and Commitments

The County is a member of the Genesis Reciprocal Insurance Exchange. Under the terms of membership, the County could become liable for its proportionate share of any claim losses in excess of the funds held by the exchange. Any liability incurred would be accounted for as a current transaction in the year the losses are determined.

The County has entered into an agreement with the Town of Blackfalds to purchase water and wastewater services from the Town of Blackfalds to serve the Joint Economic Area. Rates are set on an annual basis. The agreement will expire in 2054 with an option for renewal. Either party may terminate this agreement with three years written notice.

Lacombe County
Notes to Consolidated Financial Statements

December 31, 2020

20. Liability for Contaminated Sites

Effective for years beginning on or after April 1, 2014, municipalities and other public sector entities were required to account for and report liabilities related to the remediation of contaminated sites (Section PS 3260).

In 2015, County management undertook steps to identify sites that would fall under this accounting standard including a comprehensive review of all properties owned and controlled by the County. No sites were identified that would fall under this standard.

Management reviewed the prior year analysis and 2020 activity in the County and determined that no sites met the criteria to be reported as a liability.

21. Funds Held in Trust

Certain assets have been conveyed or assigned to the County to be administered as directed by agreement or statute. The County holds the assets for the benefit of and stand in fiduciary relationship to the beneficiaries. The following trust funds and assets are excluded from the County's financial statements:

	2020	2019
Tax Sale Surplus	\$ 32,333	\$ 46,247
Scholarships	37,672	37,672
Alternative Land Uses Services Fund	-	11,290
Mirror Cemetery Perpetual Care Fund	17,215	16,815
Drainage Maintenance Funds	45,974	46,664
Lacombe Regional Waste Services Commission	(190)	-
Shared Fire Equipment Funds	120,512	205,953
	<u>\$ 253,516</u>	<u>\$ 364,641</u>

The Shared Fire Equipment Funds consist of various agreements between the Municipality and municipalities within Lacombe County who have agreed to share the costs of operating jointly owned fire equipment.

The County holds land in lieu of cash as a security deposit. The County has agreed to not sell lots titled to the County unless the developer defaults on the development agreement.

Lacombe County
Notes to Consolidated Financial Statements

December 31, 2020

22. Budget

The budget adopted by Council on May 14, 2020 was not prepared on a basis consistent with that used to report actual results (Public Sector Accounting Standards). The budget was prepared on a modified accrual basis while Public Sector Accounting Standards now require a full accrual basis. The budget anticipated a deficit after transfers to reserve to account for the change in inventory. In addition, the budget expensed all tangible capital expenditures rather than including amortization expense. As a result, the budget figures presented in the statements of operations and change in net financial assets represent the budget adopted by Council on May 14, 2020 with adjustments as follows:

	Budget	Amortization Allocation	Budget per Financial Statements	Actual per Financial Statements
Total Revenues	\$ 48,072,780	-	48,072,780	\$ 50,002,244
General government	5,532,100	284,440	5,816,540	6,037,180
Protective services	2,864,280	359,278	3,223,558	2,705,783
Transportation services	8,416,200	21,946,275	30,362,475	29,852,846
Environmental services	2,428,300	346,152	2,774,452	3,244,653
Cemetery	68,260	-	68,260	45,700
Social and family services	384,690	-	384,690	459,693
Recreation and cultural services	2,897,540	220,569	3,118,109	4,374,069
Planning and development	1,054,150	2,070	1,056,220	844,600
Agriculture services	1,072,480	148,946	1,221,426	1,046,526
Write-down of capital assets	-	-	-	2,671,771
Loss on sale of capital assets	-	-	-	70,218
Total Expenditures	24,718,000	23,307,730	48,025,730	51,353,039
Excess of revenues over expenditures	23,354,780	(23,307,730)	47,050	(1,350,795)

Lacombe County
Notes to Consolidated Financial Statements

December 31, 2020

23. Reconciliation of Operating Results to Budget

	Budget 2020	2020	2019
Excess (deficiency) of revenue over expenditures, per financial statements	\$ 47,050	\$ (1,350,795)	\$ (4,930,758)
Add back:			
Amortization expense	23,307,730	23,307,730	23,113,315
Proceeds on disposal of capital assets	1,051,610	1,259,360	988,994
Loss on sale of capital assets	-	70,218	140,383
Write-downs of capital assets	-	2,671,771	1,678,848
Net transfers (to) from reserves	9,075,000	4,844,987	(1,722,114)
Use (purchase) of inventory	64,620	304,209	(240,684)
Deduct:			
Tangible capital asset purchases	(33,546,220)	(27,393,353)	(15,775,461)
(Gain) loss on disposal of capital assets	-	(929,942)	(935,994)
Contributed assets	-	(498,911)	(2,267,543)
Results of operations	\$ (210)	\$ 2,285,274	\$ 48,986

The budget figure for amortization has been adjusted from the budget approved by Council May 14, 2020 (Note 22). Amortization is not funded by the County.

December 31, 2020

24. Segmented Information

The County is a diversified municipal government institution that provides a wide range of services to its citizens. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and the activities they encompass are as follows:

General government

Provides legislative and administrative oversight for the entire County.

Protective services

Provides fire, ambulance, safety, community peace officer, and bylaw services for the entire County.

Transportation services

Manages the County's fleet of equipment as well as maintain and improve the County's infrastructure.

Environmental services

Provides water, wastewater, solid waste and recycling services.

Cemetery

Provides support and funding for various cemetery groups in the County.

Social and family services

Provides family and community support services.

Recreation and cultural services

Provides funding to recreation groups including other local municipalities within the County.

Planning and development

Provides services related to all property development plans through its application process.

Agriculture services

Provides services for weed and pest control as well as horticulture and soil conservation.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. In measuring and reporting segment revenue from transactions with other segments, inter-segment transfers have been eliminated. The revenues and expenses that are directly attributable to a particular segment are allocated to that segment. Taxation revenue is revenue of the County as a whole and has not been allocated to individual segments. It has been allocated in its entirety to general government.

Lacombe County
Notes to Consolidated Financial Statements

December 31, 2020

24. Segmented Information (continued) - 2020

For the year ended December 31	General government	Protective services	Transportation services	Environmental services	Cemetery	Social and family services	Recreation and cultural service	Planning and development	Agriculture services	2020 Total
Revenue										
Taxation	\$ 32,413,111	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32,413,111
Government transfers	1,012,578	49,941	8,301,639	180,041	-	367,628	-	40,491	123,907	10,076,225
User fees and service charges	25,483	35,351	1,199,808	860,211	1,860	-	-	42,196	31,559	2,196,468
Sales to other governments	273,195	377,584	423,269	390,216	-	-	35,870	-	16,407	1,516,541
Permits, licenses, fines and rentals	461,283	134,910	88,512	-	-	-	-	42,250	1,700	728,655
Investment income	1,404,140	-	-	-	-	-	-	-	-	1,404,140
Gain on sale of assets	-	29,512	872,680	-	-	-	-	-	27,750	929,942
Contributed assets	-	204,441	99,000	29,250	-	-	166,220	-	-	498,911
Other	221,954	-	2,950	-	-	-	2,057	-	11,290	238,251
	<u>35,811,744</u>	<u>831,739</u>	<u>10,987,858</u>	<u>1,459,718</u>	<u>1,860</u>	<u>367,628</u>	<u>204,147</u>	<u>124,937</u>	<u>212,613</u>	<u>50,002,244</u>
Expenses										
Salaries and wages	3,376,659	1,214,305	5,091,579	689,477	-	14,334	-	741,222	616,957	11,744,533
Contracted and general services	685,241	284,262	930,490	237,677	17,988	-	409,605	91,361	69,123	2,725,747
Goods, materials and supplies	168,449	216,326	1,882,151	94,544	759	-	97,543	6,902	186,719	2,653,393
Transfers to other organizations	546,722	631,612	2,351	1,635,273	26,953	445,359	3,646,353	3,045	24,780	6,962,448
Cancellations and uncollectible	975,669	-	-	2,000	-	-	-	-	-	977,669
Purchases from other gov't	-	-	-	239,530	-	-	-	-	-	239,530
Amortization	284,440	359,278	21,946,275	346,152	-	-	220,569	2,070	148,946	23,307,730
Loss on sale of capital assets	3,212	-	2,737,717	-	-	-	-	-	1,060	2,741,989
	<u>6,040,392</u>	<u>2,705,783</u>	<u>32,590,563</u>	<u>3,244,653</u>	<u>45,700</u>	<u>459,693</u>	<u>4,374,070</u>	<u>844,600</u>	<u>1,047,585</u>	<u>51,353,039</u>
Net surplus (deficit)	\$ 29,771,352	\$ (1,874,044)	\$ (21,602,705)	\$ (1,784,935)	\$ (43,840)	\$ (92,065)	\$ (4,169,923)	\$ (719,663)	\$ (834,972)	\$ (1,350,795)

Lacombe County
Notes to Consolidated Financial Statements

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24. Segmented Information (continued) - 2019

For the year ended December 31	General government	Protective services	Transportation services	Environmental services	Cemetery	Social and family services	Recreation and cultural service	Planning and development	Agriculture services	2019 Total
Revenue										
Taxation	\$ 32,456,879	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32,456,879
Government transfers	146,010	46,541	4,491,254	596,757	-	253,639	-	151,244	174,301	5,859,746
User fees and service charges	75,218	41,938	1,225,273	842,917	2,880	-	-	35,905	15,440	2,239,571
Sales to other governments	268,712	277,053	190,324	172,121	-	-	21,500	-	11,449	941,159
Permits, licenses, fines, rentals	285,436	238,297	173,011	-	-	-	-	40,500	1,243	738,487
Investment income	2,010,207	-	-	-	-	-	-	-	-	2,010,207
Gain on sale of assets	-	-	935,994	-	-	-	-	-	-	935,994
Contributed assets	-	-	739,523	1,284,170	-	-	243,850	-	-	2,267,543
Other	445,861	-	29,380	-	-	-	2,057	-	6,395	483,693
	35,688,323	603,829	7,784,759	2,895,965	2,880	253,639	267,407	227,649	208,828	47,933,279
Expenses										
Salaries and wages	3,511,120	1,150,567	5,039,593	620,965	-	13,703	-	904,450	658,159	11,898,557
Contracted and general services	824,746	317,220	1,515,130	222,309	18,094	-	338,322	246,090	96,880	3,578,791
Goods, materials and supplies	231,296	220,934	2,074,353	84,982	-	-	67,534	8,423	203,940	2,891,462
Transfers to other organizations	569,811	411,553	2,200	4,837,462	37,433	335,681	1,950,748	3,145	11,750	8,159,783
Cancellations and uncollectible	1,172,368	-	-	2,000	-	-	-	-	-	1,174,368
Purchases from other gov't	-	-	-	228,530	-	-	-	-	-	228,530
Amortization	300,785	320,881	21,799,983	343,634	-	-	210,620	1,380	136,032	23,113,315
Write-down of capital assets	-	-	1,678,848	-	-	-	-	-	-	1,678,848
Loss on sale of capital assets	3,566	15,487	121,330	-	-	-	-	-	-	140,383
	6,613,692	2,436,642	32,231,437	6,339,882	55,527	349,384	2,567,224	1,163,488	1,106,761	52,864,037
Net surplus (deficit)	\$ 29,074,631	\$ (1,832,813)	\$ (24,446,678)	\$ (3,443,917)	\$ (52,647)	\$ (95,745)	\$ (2,299,817)	\$ (935,839)	\$ (897,933)	\$ (4,930,758)

Lacombe County
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December 31, 2020

25. COVID - 19

The COVID-19 outbreak was declared a pandemic by the World Health Organization in March 2020 and has had a significant impact worldwide. As the impacts of COVID-19 continue, there could be further impact on the County, its residents, employees, suppliers and other third party business associates that could impact the timing and amounts realized on the County's assets and future ability to deliver services and projects. At this time, the full potential impact of COVID-19 on the County is not known. Although the disruption from the virus is expected to be temporary, given the dynamic nature of these circumstances, the duration of disruption and the related financial impact cannot be reasonably estimated at this time. The County's ability to continue delivering non-essential services and employ related staff will depend on the legislative mandates from the various levels of government. The County will continue to focus on collecting receivables, managing expenditures, and leveraging existing reserves and available credit facilities to ensure it is able to continue providing essential services to its residents.

26. Comparative Figures

Wherever necessary, comparative figures have been reclassified to conform with current year financial statement presentation.

27. Approval of Financial Statements

Council and Management approved these financial statements.
