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FORT SASKATCHEWAN
ALBERTA

Consolidated Financial Statements

For the Year Ended December 31, 2020

City of Fort Saskatchewan
Consolidated Financial Statements
For the Year Ended December 31, 2020

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Management’s Responsibility for Financial Reporting

The accompanying consolidated financial statements of the City of Fort Saskatchewan (“City”) are the responsibility of the City’s management and have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards. The preparation of financial statements necessarily involves the use of estimates based on management’s judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The City’s management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by management.

Council met with management and the external auditors to review the consolidated financial and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements

The consolidated financial statements have been audited by PricewaterhouseCoopers LLP, independent external auditors appointed by the City. The accompanying Independent Auditors’ Report outlines their responsibilities, the scope of their examination and their opinion on the City’s consolidated financial statements.



Independent auditor's report

To the City Council of City of Fort Saskatchewan

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of City of Fort Saskatchewan and its subsidiary (together, the City) as at December 31, 2020 and the results of its operations, changes in its net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

What we have audited

The City's consolidated financial statements comprise:

- the consolidated statement of financial position as at December 31, 2020;
- the consolidated statement of operations for the year then ended;
- the consolidated statement of changes in net financial assets for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

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 consolidated financial statements* section of our report.

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

Independence

We are independent of the City in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control

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as management determines is necessary to enable the preparation of consolidated 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 City'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 City or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the City'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 consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 City'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 City'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 consolidated 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 City 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 City 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.

PricewaterhouseCoopers LLP

Chartered Professional Accountants

Edmonton, Alberta
April 27, 2021

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Consolidated Statement of Financial Position

<i>In thousands of Canadian Dollars</i>	Note	As at December 31	
		2020	2019
Financial Assets			
Cash and Cash Equivalents	2	48,619	49,324
Revenues Receivable			
Property Taxes Receivable	3	1,792	1,124
Government Transfers Receivable	4	873	1,530
Trade and Other Receivables	5	2,078	2,151
Inventory Held for Resale	6	1,269	1,306
Investments	7	27,408	17,014
		82,039	72,449
Liabilities			
Accounts Payable and Accrued Liabilities			
Trade Payables		(6,624)	(6,572)
Employee Benefit Obligations	8	(1,535)	(1,432)
Payroll and Remittances		(956)	(718)
Interest Payable		(172)	(228)
Liability for Contaminated Sites	9	(1,609)	(1,602)
Deposits on Account		(1,374)	(2,039)
Deferred Revenue	10	(7,787)	(9,328)
Long-Term Debt	11,12	(31,726)	(35,138)
		(51,783)	(57,057)
Net Financial Assets		30,256	15,392
Tangible Capital Assets	13	502,269	502,977
Prepaid Expenses		398	481
Inventory of Supplies		747	573
		503,414	504,031
Accumulated Surplus	14	533,670	519,423

Additional information

Commitments and Contingencies – Note 25

Annexation - Note 27

COVID-19 Impact – Note 28

Subsequent Events – Note 29

These Consolidated Financial Statements were approved by Council on April 27, 2021.

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Consolidated Statement of Operations

<i>In thousands of Canadian Dollars</i>	Note	For the years ended December 31		
		Budget (Note 19)	2020	2019 (Note 26)
Revenue				
Property Taxes	15	48,198	48,192	46,872
Utility User Rates		18,670	18,352	17,142
User Fees & Charges		7,227	4,730	7,091
Fines and Penalties		2,277	1,635	3,071
Investment Income		1,280	1,105	1,535
Government Transfers - Operating	28	1,941	4,792	2,149
Other Revenue		75	301	450
		79,668	79,107	78,310
Expenses	16			
Infrastructure & Planning Services				
Public Works		(16,892)	(16,716)	(16,789)
Fleet, Facilities, & Engineering		(9,526)	(8,440)	(9,638)
Planning & Development		(2,150)	(1,843)	(2,010)
Economic Development		(809)	(874)	(891)
		(29,377)	(27,873)	(29,328)
Community & Protective Services				
Culture & Recreation		(9,170)	(6,318)	(9,251)
Protective Services		(8,013)	(6,809)	(7,077)
Fire		(3,966)	(3,708)	(2,706)
Family & Community Support Services		(1,408)	(1,271)	(1,527)
Emergency Management		(191)	(338)	(6)
		(22,748)	(18,444)	(20,567)
Corporate Services				
Information Technology		(2,998)	(2,982)	(2,919)
Legislative Services		(1,514)	(1,515)	(1,469)
Financial Services		(1,375)	(1,363)	(1,400)
People Services		(1,497)	(1,156)	(1,404)
Corporate Communications		(779)	(674)	(752)
		(8,163)	(7,690)	(7,944)
Senior Leadership		(2,025)	(1,997)	(1,850)
Elected Officials		(495)	(405)	(461)
Fiscal Services		(1,181)	(2,047)	(1,821)
Utility Operations		(17,583)	(17,303)	(16,762)
Public Library		(1,271)	(1,300)	(1,440)
		(82,843)	(77,059)	(80,173)
Surplus (Deficit) Before Other Items		(3,175)	2,048	(1,863)
Other Items				
Contributed Tangible Capital Assets		4,204	2,326	1,559
Government Transfers - Capital		6,335	9,350	7,982
Community Capital Funding		541	556	352
Developer Levies		-	378	205
Loss from Annexation	27	-	(411)	-
		11,080	12,199	10,098
Surplus from Operations		7,905	14,247	8,235
Accumulated Surplus, Beginning		519,423	519,423	511,188
Accumulated Surplus, Ending		527,328	533,670	519,423

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Consolidated Statement of Changes in Net Financial Assets

<i>In thousands of Canadian Dollars</i>	Note	For the years ended December 31		
		Budget (Note 19)	2020	2019
Surplus from Operations		7,905	14,247	8,235
Changes due to Tangible Capital Assets				
Purchased Additions	13	(14,241)	(12,343)	(16,453)
Contributed Additions	13	(4,204)	(2,326)	(1,559)
Annexed Additions	13,27	-	(130)	-
Amortization Expense	13,16	14,799	15,214	15,052
Loss on Disposals	13,16	-	142	686
Proceeds from Disposals		-	151	217
		(3,646)	708	(2,057)
Changes due to Other Non-Financial Assets				
Purchased Materials and Supplies		(3,235)	(3,409)	(3,048)
Use of Materials and Supplies		3,235	3,235	3,148
Prepayment of Expenses		-	(398)	(481)
Use of Prepaid Expenses		-	481	485
		-	(91)	104
Increase in Net Financial Assets		4,259	14,864	6,282
Beginning Net Financial Assets		15,392	15,392	9,110
Ending Net Financial Assets		19,651	30,256	15,392

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Consolidated Statement of Cash Flows

<i>In thousands of Canadian Dollars</i>	Note	As at December 31	
		2020	2019 (Note 26)
Cash Provided by Operating Activities			
Surplus from Operations		14,247	8,235
Items Not Involving Cash			
Amortization of Tangible Capital Assets	13,16	15,214	15,052
Contributed Tangible Capital Assets	13	(2,326)	(1,559)
Loss on Disposal of Tangible Capital Assets	13,16	142	686
Annexed Tangible Capital Assets	13,27	(130)	-
Changes in Non-Cash Assets and Liabilities			
Revenues Receivable		62	184
Inventory Held for Resale		37	(7)
Accounts Payable and Accrued Liabilities		344	1,710
Deposits on Account		(665)	(746)
Deferred Revenue		(1,541)	744
Inventory of Supplies		(174)	100
Prepaid Expenses		83	4
Net Cash Generated from Operating Activities		25,293	24,403
Cash Provided by Investing Activities			
Purchase of Investments		(22,394)	(18,959)
Proceeds from Sale of Investments		12,000	13,993
Net Cash Generated from (Used for) Investing Activities		(10,394)	(4,966)
Cash Provided by Financing Activities			
Repayment of Long Term Debt		(3,458)	(3,236)
Proceeds from Long Term Debt		46	1,078
Net Cash Used for Financing Activities		(3,412)	(2,158)
Cash Provided by Capital Activities			
Acquisition of Tangible Capital Assets	13	(12,343)	(16,453)
Proceeds on Disposal of Tangible Capital Assets		151	217
Net Cash Used for Capital Activities		(12,192)	(16,236)
Net Increase in Cash and Cash Equivalents		(705)	1,043
Beginning Cash and Cash Equivalents		49,324	48,281
Ending Cash and Cash Equivalents		48,619	49,324
Cash paid for interest		1,213	1,322
Cash received from interest		1,143	1,720

Notes

1. Significant Accounting Policies

Significant accounting policies of the City are as follows:

a. Basis of Accounting

These consolidated financial statements have been prepared in accordance with the Canadian Public Sector Accounting Standards that are applicable for governments.

The City follows the accrual method of accounting for revenues and expenses. Revenues are recognized in the year in which they are earned and are measurable. Expenses are recognized as they are incurred and are measurable based upon receipt of goods or services and/or the legal obligation to pay.

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

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 fees and charges 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.

Property tax revenue is recognized on the accrual basis using the approved tax mill rates and the anticipated assessment related to the current year.

b. Reporting Entity

These consolidated financial statements are prepared for the City of Fort Saskatchewan ("City") and reflect the consolidated assets, liabilities, revenues, expenses and accumulated surplus of the reporting entity.

The reporting entity includes all divisions and departments that comprise City operations and the City of Fort Saskatchewan Library Board ("Library Board"). Inter-departmental and inter-entity transactions have been eliminated.

The City is a member of various other boards, commissions and other organizations that are not part of the government reporting entity, including but not limited to the Heartland Housing Foundation, the Alberta Capital Region Wastewater Commission, the Capital Region Northeast Water Services Commission, the Capital Region Assessment Services Commission, and the Edmonton Metropolitan Region Board.

Property taxes levied include requisitions for education, affordable housing, and the assessment of designated industrial properties, which are collected on behalf of organizations that are not part of the reporting entity.

c. Inter Entity Transactions

Inter entity transactions between the City and the Library Board have been eliminated upon consolidation.

d. Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the period. Actual results could differ from these estimates.

Significant financial statement areas requiring the use of management estimates include:

- accrued receivables;
- allowances for doubtful accounts;
- valuation of inventory;
- accrued liabilities;
- employee benefit obligations;
- liabilities for contaminated sites;
- useful life of tangible capital assets; and
- valuation of contributed tangible capital assets.

e. Future Accounting Standards

The following summarizes upcoming substantial changes to Public Sector Accounting Standards and their expected impact on the City's financial statements. Early adoption is permitted, however certain standards must be adopted concurrently.

i. Amendments effective for years beginning on or after April 1, 2022:

Standard	Details	Expected Impact
PS3280 – Asset Retirement Obligations	Establishes standards on how to account for and report a liability for asset retirement obligations	Impact is still being assessed.
PS1201 – Financial Statement Presentation PS2601 – Foreign Currency Translation PS3450 – Financial Instruments	Establishes new recognition, measurement, and disclosure requirements for financial instruments and the presentation of associated gains and losses, as well as related amendments. These standards must be adopted concurrently.	Impact is still being assessed.
PS3041 – Portfolio Investments	Replaces PS3030 – Temporary Investments and PS3040 – Portfolio Investments, expands scope to include interests in pooled investment funds. Effective upon adoption of PS1201, PS2601, and PS3450.	Impact is still being assessed.

ii. Amendments effective for years beginning on or after April 1, 2023:

Standard	Details	Expected Impact
PS3400 – Revenue	Establishes standards on how to account for and report revenue.	Impact is still being assessed.
PSG-8 – Purchased Intangibles	Establishes new recognition and disclosure requirements for purchased intangibles. Earlier adoption is encouraged.	Impact is still being assessed.

f. Financial Instruments

The City's financial instruments consist of cash and cash equivalents, revenues receivable, investments, accounts payable and accrued liabilities, liability for contaminated sites, and long-term debt.

The City is subject to credit risk with respect to property taxes and other revenues receivables. Credit risk arises from the possibility that property tax payers and customers who use municipal services may experience financial difficulty and be unable to fulfill their obligations. The large number and diversity of property tax payers and customers, coupled with collection measures available to the City under the Municipal Government Act minimizes the risk.

The City is also subject to interest rate risk arising from cash and cash equivalents and investments. The City mitigates interest rate risk on its investments by investing in securities that mature at various times over an eight year period and earn a fixed rate of interest. However, the City's cash and cash equivalents are held for short term cash flow purposes and earn variable rates of interest. A change in variable interest rates of 0.25% would impact the City's annual surplus by \$122,000 (2019 – \$123,000).

The City is not exposed to significant liquidity risk or other market risks arising from its financial instruments.

Unless otherwise noted, the carrying values of all the City's financial instruments approximate their fair value.

g. Cash and Cash Equivalents

Cash includes cash equivalents, which are highly marketable securities with a maturity of three months or less when purchased. Cash equivalents are held to maturity and valued at cost.

h. Inventory Held for Resale

Inventory held for resale are items that are held for resale in the ordinary course of operations and, therefore, are expected to provide resources to discharge existing liabilities or finance future operations.

Land and other assets may be classified as inventory held for resale when Council commits to selling the assets, the asset is in a condition to be sold, the asset is publicly seen to be for sale, there is an active market for the asset, there is a plan in place to sell the asset, and it is reasonably expected that the asset will be sold to a purchaser external to the City within one year of the financial statement date. Land held for resale is recorded at the lower of cost and net realizable value. Cost includes amounts for land acquisition and improvements to prepare the land for sale or servicing.

i. Investments

Investments are recorded at amortized cost less amounts written off to reflect other than temporary declines in value. Investment premiums and discounts are amortized on the net present value basis over the term of the respective investments. The City invests its funds pursuant to authorized investments allowed by the Municipal Government Act.

Investment income is reported as revenue in the period earned. When required by agreement or legislation, investment income on deferred revenue is added to the investment and forms part of the deferred revenue balance.

j. Employee Future Benefits

The City is a member of defined benefit multiemployer and multiple-employer pension plans.

Multiemployer pension plans are accounted for similarly to defined contribution plans where contributions are recorded as expenses in the year in which they become due.

Multiple-employer pension plans are accounted for as defined benefit plans. As employees render services, the value of the retirement benefits attributed to those services are recorded as a liability within accounts payable and accrued liabilities and expensed within salaries, wages, and benefits along with other forms of current compensation. The value of the pension liability is determined actuarially using the projected benefit method. Actuarial gains and losses are amortized over the average estimated remaining years of service of the employees.

k. Deferred Revenue

Deferred revenue represent amounts received for which the related activities have yet to be performed. These amounts will be recognized as revenues in the period that the activities are performed.

l. Contaminated Site Liabilities

The City recognizes contaminated sites liabilities when sites that are not in productive use and sites in productive use where an unexpected event resulted in contamination being introduced in air, soil, water, or sediment of a chemical, organic, or radioactive material or live organism that exceeds an environmental standard.

The City records a liability at the estimated cost of remediation of these sites when contamination exceeds an existing environmental standard, either the City is directly responsible or it accepts responsibility for the contamination, and a reasonable estimate of the amount can be made.

m. Non-Financial Assets

i. Tangible Capital Assets

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

Assets	Useful Life - Years
Land Improvements	15 - 25
Engineering Structures	5 - 80
Buildings	10 - 50
Machinery and Equipment	3 - 25
Vehicles	10 - 25

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

ii. Contributions of Tangible Capital Assets

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

iii. Works of Art and Cultural and Historic Assets

Works of art and cultural and historic assets are not recorded as assets in these consolidated financial statements.

iv. Leased Tangible Capital Assets

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

v. Inventory of Supplies

Inventory of supplies held for consumption are recorded at the lower of cost and replacement cost.

n. Requisition Over-levies and Under-levies

Over-levies and under-levies arise from the difference between the actual levy made to cover each requisition and the actual amount requisitioned. If the actual levy exceeds the requisition, the over-levy is accrued as a liability and property tax revenue is reduced. 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 from the prior year.

o. Government Transfers

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

Government transfers are recognized in the financial statements as revenue in the period that the events giving rise to the transfer occurs, providing the transfers are authorized, any eligibility criteria have been met by the City, and reasonable estimates of the amounts can be made. Amounts to be recognized in future periods are recorded as deferred revenue

p. Segmented Disclosure

The segmented information in note 17 has been identified based on the types of services provided by the City to its residents. The types of services provided are identified in the Consolidated Statement of Operations. The total revenue for all segments reconciles to the revenue per the Statement of Operations, the total expenses for each segments reconciles to the expenses per the Statement of Operations, and the total expenses by object for all segments reconciles to note 16.

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2. Cash and Cash Equivalents

	As at December 31			
	2020 Interest Rate	2019 Interest Rate	2020 \$000	2019 \$000
Operating Accounts	0.79%	2.36%	4,331	6,306
Short Term Deposits	1.09%	2.59%	44,288	43,018
	1.06%	2.56%	48,619	49,324

Short term deposits require between 31 and 90 days notice of demand to redeem and are held in accounts guaranteed by the Province of Alberta. Interest on short term deposits is accrued daily and paid monthly.

3. Property Taxes Receivable

	As at December 31	
	2020 \$000	2019 \$000
Current	1,753	918
Arrears	212	206
Allowance for Doubtful Accounts	(173)	-
	1,792	1,124

As at December 31, 2020, the current balance of property taxes receivable included grants in place of taxes receivable from the Province of Alberta in the amount of \$340,000 (2019 - \$Nil).

4. Government Transfers Receivable

	As at December 31	
	2020 \$000	2019 \$000
Federal Government	240	403
Provincial Government	633	1,127
	873	1,530

5. Trade and Other Receivables

	As at December 31	
	2020 \$000	2019 \$000
Utilities Receivable	1,114	1,247
Developer Levies Receivable	303	303
Other Trade Receivables	661	601
	2,078	2,151

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6. Inventory Held for Resale

	As at December 31	
	2020 \$000	2019 \$000
Land for Resale	1,244	1,244
Other Inventory for Resale	25	62
	1,269	1,306

7. Investments

	As at December 31			
	Market Value \$000	2020 Book Value \$000	Market Value \$000	2019 Book Value \$000
Guaranteed Investment Certificates	25,575	25,384	15,042	14,980
Corporate Bonds	2,040	1,964	1,977	1,979
Other	60	60	55	55
	27,675	27,408	17,074	17,014

Guaranteed investment certificates had a weighted average interest rate of 2.37% (2019 – 2.70%).
Corporate bonds had a weighted average interest rate of 2.61% (2019 – 2.61%).

8. Employee Benefit Obligations

	As at December 31	
	2020 \$000	2019 \$000
Accrued Leave	(1,486)	(1,381)
Other Benefits	(49)	(51)
	(1,535)	(1,432)

The City offers defined retirement benefits to its employees under three plans, the Local Authorities Pension Plan ("LAPP"), the APEX Supplementary Pension Plan ("APEX"), and the MuniSERP Supplemental Executive Employee Retirement Program ("MuniSERP").

LAPP and APEX are multiemployer plans sponsored by the Province of Alberta and Alberta Urban Municipalities Association ("AUMA") respectively. LAPP is available to substantively all of its employees, while APEX is available only to a specified class of employees. Employees and the City each make contributions to the plans based on specified rates set by the sponsors. In 2020, the City recognized current service costs in the statement of operations equal to \$2,036,000 (2019 - \$1,932,000) for LAPP and \$24,000 (2019 - \$15,000) for APEX. In 2020, the City contributed \$2,020,000 (2019 - \$1,921,000) to LAPP and \$24,000 (2019 - \$15,000) to APEX. Employees contributed in 2020 \$1,831,000 (2019 - \$1,728,000) to LAPP and \$16,000 (2019 - \$11,000) to APEX.

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According to its latest annual report dated December 31, 2019, LAPP held a surplus of net assets available for benefits in the amount of \$7,913,261,000 (2018 - \$3,469,347,000). Valuation of LAPP's net assets and benefit obligations are actuarially determined at the beginning of each year basis using the projected benefit method pro-rated on service and extrapolated to year end.

According to AUMA's latest annual report dated December 31, 2019, APEX held a deficiency of net assets available for benefits in the amount of \$605,000 (2018 - \$7,900,000). Valuation of APEX's net assets and benefit obligations are actuarially determined every three years using the projected benefit method pro-rated on service and extrapolated for the current period. The latest actuarial valuation was conducted for December 31, 2018.

MuniSERP is an unfunded Multiple-Employer defined benefit retirement plan managed by the Alberta Municipal Services Corporation ("AMSC"). The plan supplements the LAPP and APEX, providing retirement benefits to a prescribed class of employees in excess of the maximum allowable pensionable amount under the Income Tax Act. Pursuant to an Advance Tax Ruling, the City earmarks assets in an investment fund managed by AMSC equal to the accrued benefit obligation. At December 31, 2020, the City earmarked \$60,000 (2019 - \$55,000) in the investment fund.

The MuniSERP liability at December 31 was:

	<u>As at December 31</u>	
	<u>2020</u>	<u>2019</u>
	<u>\$000</u>	<u>\$000</u>
Accrued Benefit Obligation	40	21
Unamortized Actuarial Gains	10	30
	<u>50</u>	<u>51</u>

Movements in the accrued benefit obligation are as follows.

	<u>2020</u>	<u>2019</u>
	<u>\$000</u>	<u>\$000</u>
Beginning Accrued Benefit Obligation	21	30
Service Costs		
Current Service Costs	-	19
Amortization of Actuarial Gains	(2)	-
Interest Expense	1	2
Defined Benefit Expense Included in Statement of Operations	<u>(1)</u>	<u>21</u>
Unamortized Actuarial Gains (Losses)	20	(30)
Ending Accrued Benefit Obligation	<u>40</u>	<u>21</u>

Significant actuarial assumptions were as follows:

	<u>2020</u>	<u>2019</u>
Discount Rate	4.45%	4.60%
Inflation Rate	2.25%	2.25%
Salary Growth Rate	2.75%	2.75%

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9. Liability for Contaminated Sites

Management completed an internal assessment of its contaminated sites and determined that management's best estimate of the cost of future remediation required an adjustment for inflation compared to prior years.

	As at December 31	
	2020 \$000	2019 \$000
Public Works Yard	1,425	1,409
Old Snow Dump Site	184	193
	1,609	1,602

10. Deferred Revenue

Deferred revenue is comprised of the funds noted below, the use of which, together with any earnings thereon, is restricted by agreement. These funds are recognized as revenue in the period they are used for the purpose specified.

	2019 \$000	Received \$000	Recognized \$000	2020 \$000
Capital Government Transfers				
Provincial	(6,289)	(6,077)	8,756	(3,610)
Federal	(2,141)	(1,591)	594	(3,138)
	(8,430)	(7,668)	9,350	(6,748)
Operating Government Transfers				
Provincial	(255)	(4,663)	4,669	(249)
Federal	(13)	(128)	123	(18)
	(268)	(4,791)	4,792	(267)
Other Deferred Amounts	(630)	(1,777)	1,635	(772)
	(9,328)	(14,236)	15,777	(7,787)

11. Long Term Debt

	As at December 31	
	2020 \$000	2019 \$000
Debentures Supported By:		
Property Taxes	(27,079)	(29,508)
Utility User Rates	(4,321)	(5,216)
	(31,400)	(34,724)
Capital Lease Obligations	(326)	(414)
	(31,726)	(35,138)

Debentures are payable in semi-annual or annual amounts up to the year 2036, with accompanying interest rates ranging from 2.226% to 6.375%. Debenture debt is issued on the credit and security of the City at large. Capital leases have monthly or annual payments up to the year 2024 with implied interest rates ranging from 2.285% to 9.161%.

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Principal and interest payment obligations for long term debt are as follows:

	Principal \$000	Interest \$000	Total \$000
2021	3,408	1,077	4,485
2022	3,506	947	4,453
2023	3,381	814	4,195
2024	2,120	681	2,801
2025	2,175	614	2,789
Subsequent	17,136	2,481	19,617
	31,726	6,614	38,340

12. Debt Limits

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

	As at December 31	
	2020 \$000	2019 \$000
Debit Limit	120,257	116,895
Outstanding Debentures	(31,400)	(34,724)
Debit Limit in Excess of Outstanding Debt	88,857	82,171

	As at December 31	
	2020 \$000	2019 \$000
Service on Debit Limit	20,043	19,483
Service on Outstanding Debentures	(4,343)	(4,663)
Service on Debit Limit in Excess of Service on Outstanding Debt	15,700	14,820

The debt limit is calculated at 1.5 times revenue of the City (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.

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13. Tangible Capital Assets

	2019*	Additions	Disposals	2020
Historic Cost	\$000	\$000	\$000	\$000
Engineering Structures				
Roadway Systems	209,068	4,058	(659)	212,467
Water Systems	60,737	313	-	61,050
Wastewater Systems	63,872	-	-	63,872
Storm Systems	70,127	1,177	(2)	71,302
Fibre Optics	1,438	-	-	1,438
Construction In Progress	7,332	3,403	(30)	10,705
Buildings	91,349	2,666	-	94,015
Machinery and Equipment	21,298	921	(432)	21,787
Land	113,465	140	-	113,605
Land Improvements	26,137	48	-	26,185
Vehicles	6,274	2,073	(548)	7,799
	671,097	14,799	(1,671)	684,225
	2019*	Additions	Disposals	2020
Accumulated Amortization	\$000	\$000	\$000	\$000
Engineering Structures				
Roadway Systems	(83,288)	(6,806)	581	(89,513)
Water Systems	(11,336)	(968)	-	(12,304)
Wastewater Systems	(12,114)	(1,014)	-	(13,128)
Storm Systems	(11,154)	(988)	1	(12,141)
Fibre Optics	(864)	(23)	-	(887)
Construction In Progress	-	-	-	-
Buildings	(22,281)	(2,104)	-	(24,385)
Machinery and Equipment	(10,755)	(1,894)	248	(12,401)
Land	-	-	-	-
Land Improvements	(12,886)	(873)	-	(13,759)
Vehicles	(3,442)	(544)	548	(3,438)
	(168,120)	(15,214)	1,378	(181,956)
	2019*			2020
Net Book Value	\$000			\$000
Engineering Structures				
Roadway Systems	125,780			122,954
Water Systems	49,401			48,746
Wastewater Systems	51,758			50,744
Storm Systems	58,973			59,161
Fibre Optics	574			551
Construction In Progress	7,332			10,705
Buildings	69,068			69,630
Machinery and Equipment	10,543			9,386
Land	113,465			113,605
Land Improvements	13,251			12,426
Vehicles	2,832			4,361
	502,977			502,269

* See Note 26

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14. Accumulated Surplus

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

	As at December 31	
	2020 \$000	2019 \$000
Equity in Tangible Capital Assets	(470,543)	(467,839)
Reserves	(63,127)	(51,584)
	(533,670)	(519,423)

15. Property Taxes

	Budget (Note 19) \$000	2020 \$000	2019 \$000
Revenues			
Residential Land and Improvements	29,457	29,491	28,679
Non-Residential			
Land and Improvements	16,047	16,008	15,593
Machinery and Equipment	15,559	15,611	15,438
Linear Property	1,457	1,457	1,292
Railway	2	2	4
Farm Land	11	11	7
Federal and Provincial Grants in Place of Taxes	682	342	499
Local Improvement Levies	-	52	-
	63,215	62,974	61,512
Requisitions			
Alberta School Fund Foundation	(12,569)	(12,358)	(12,282)
Elk Island Catholic Separate Regional District	(1,703)	(1,676)	(1,650)
Heartland Housing Foundation	(602)	(602)	(565)
Designated Industrial Properties Assessment	(143)	(146)	(143)
	(15,017)	(14,782)	(14,640)
	48,198	48,192	46,872

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16. Expenses by Object

	Budget (Note 19) \$000	2020 \$000	2019 (Note 26) \$000
Salaries, Wages and Benefits	31,034	28,919	29,361
Purchases from Other Governments (Note 18)	14,867	14,094	13,746
Contracted Services	6,789	5,201	6,825
Service Maintenance Contracts	4,111	3,670	3,841
Utilities	2,930	2,743	2,793
Materials and Supplies	3,212	2,856	3,235
Transfers to Individuals and Organizations	482	496	402
Interest on Long Term Debt	1,226	1,157	1,294
Insurance	752	705	661
Training & Development	831	259	621
Memberships	504	540	488
Advertising & Printing	624	327	493
Phones & Postage	440	385	403
Amortization of Tangible Capital Assets (Note 13)	14,799	15,214	15,052
Loss on Disposal of Tangible Capital Assets	-	142	686
Other Expenses	242	351	272
	82,843	77,059	80,173

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17. Segmented Disclosure

<i>In thousands of Canadian Dollars</i>	Municipal Operations							Utility Operations	Public Library	2020
	Infrastructure & Planning Services	Community & Protective Services	Corporate Services	Senior Leadership	Elected Officials	Fiscal Services	Total Municipal Operations			
Revenue										
Property Taxes	-	-	-	-	-	48,192	48,192	-	-	48,192
Utility User Rates	-	-	-	-	-	-	-	18,352	-	18,352
User Fees & Charges	2,404	1,375	1	-	-	209	3,989	738	3	4,730
Fines and Penalties	11	1,045	-	-	-	521	1,577	55	3	1,635
Investment Income	-	-	4	-	-	1,090	1,094	-	11	1,105
Government Transfers - Operating	346	1,501	18	-	-	2,733	4,598	53	141	4,792
Other Revenue	151	41	17	-	-	45	254	27	20	301
	2,912	3,962	40	-	-	52,790	59,704	19,225	178	79,107
Expenses										
Salaries, wages and benefits	(8,727)	(10,594)	(4,613)	(1,403)	(380)	-	(25,717)	(2,299)	(903)	(28,919)
Purchases from other Governments	(545)	(4,166)	-	-	-	(415)	(5,126)	(8,888)	(80)	(14,094)
Contracted Services	(2,230)	(834)	(1,016)	(73)	-	(32)	(4,185)	(996)	(20)	(5,201)
Service Maintenance Contracts	(1,020)	(309)	(40)	(26)	-	-	(1,395)	(2,261)	(14)	(3,670)
Utilities	(2,229)	(400)	-	-	-	-	(2,629)	(114)	-	(2,743)
Materials and Supplies	(1,576)	(743)	(109)	(74)	(1)	-	(2,503)	(309)	(44)	(2,856)
Transfers to Individuals and Organizations	(147)	(124)	-	-	-	(225)	(496)	-	-	(496)
Interest on Long Term Debt	-	-	(9)	-	-	(1,016)	(1,025)	(131)	(1)	(1,157)
Insurance	-	-	(677)	-	-	-	(677)	(24)	(4)	(705)
Training & Development	(56)	(85)	(53)	(30)	(4)	-	(228)	(30)	(1)	(259)
Memberships	(291)	(50)	(20)	(95)	(1)	-	(457)	(17)	(66)	(540)
Advertising & Printing	(38)	(60)	(167)	(6)	(13)	-	(284)	(38)	(5)	(327)
Phones & Postage	(55)	(79)	(91)	(35)	(6)	-	(266)	(109)	(10)	(385)
Amortization of Tangible Capital Assets	(10,837)	(1,010)	(894)	(244)	-	-	(12,985)	(2,079)	(150)	(15,214)
Loss on Disposal of Tangible Capital Assets	(122)	19	-	(11)	-	(28)	(142)	-	-	(142)
Other Expenses	-	(9)	(1)	-	-	(331)	(341)	(8)	(2)	(351)
	(27,873)	(18,444)	(7,690)	(1,997)	(405)	(2,047)	(58,456)	(17,303)	(1,300)	(77,059)
Other Items										
Contributed Tangible Capital Assets	1,873	-	-	-	-	140	2,013	313	-	2,326
Government Transfers - Capital	7,146	2,094	-	-	-	-	9,240	110	-	9,350
Community Capital Funding	541	15	-	-	-	-	556	-	-	556
Developer Levies	378	-	-	-	-	-	378	-	-	378
Loss from Annexation	-	-	-	-	-	(411)	(411)	-	-	(411)
	9,938	2,109	-	-	-	(271)	11,776	423	-	12,199
	(15,023)	(12,373)	(7,650)	(1,997)	(405)	50,472	13,024	2,345	(1,122)	14,247

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<i>In thousands of Canadian Dollars</i>	Municipal Operations							Utility Operations	Public Library (Note 26)	2019
	Infrastructure & Planning Services	Community & Protective Services	Corporate Services	Senior Leadership	Elected Officials	Fiscal Services	Total Municipal Operations			
Revenue										
Property Taxes	-	-	-	-	-	46,872	46,872	-	-	46,872
Utility User Rates	-	-	-	-	-	-	-	17,142	-	17,142
User Fees & Charges	2,941	3,223	8	-	1	203	6,376	697	18	7,091
Fines and Penalties	8	2,488	-	-	-	478	2,974	81	16	3,071
Investment Income	-	-	6	-	-	1,503	1,509	-	26	1,535
Government Transfers - Operating	338	1,521	64	-	-	64	1,987	16	146	2,149
Other Revenue	131	90	-	-	-	221	442	2	6	450
	3,418	7,322	78	-	1	49,341	60,160	17,938	212	78,310
Expenses										
Salaries, wages and benefits	(8,707)	(11,238)	(4,707)	(1,182)	(391)	-	(26,225)	(2,146)	(990)	(29,361)
Purchases from other Governments	(664)	(4,094)	(14)	-	-	(408)	(5,180)	(8,468)	(98)	(13,746)
Contracted Services	(3,370)	(1,387)	(1,098)	(148)	-	(31)	(6,034)	(757)	(34)	(6,825)
Service Maintenance Contracts	(963)	(435)	(21)	(38)	-	-	(1,457)	(2,370)	(14)	(3,841)
Utilities	(2,177)	(500)	-	-	-	-	(2,677)	(116)	-	(2,793)
Materials and Supplies	(1,655)	(1,046)	(57)	(127)	-	-	(2,885)	(310)	(40)	(3,235)
Transfers to Individuals and Organizations	(40)	(361)	-	-	-	-	(401)	(1)	-	(402)
Interest on Long Term Debt	-	-	(16)	(1)	-	(1,136)	(1,153)	(140)	(1)	(1,294)
Insurance	(1)	(1)	(632)	-	-	-	(634)	(24)	(3)	(661)
Training & Development	(168)	(184)	(133)	(55)	(37)	-	(577)	(35)	(9)	(621)
Memberships	(259)	(51)	(20)	(83)	(1)	-	(414)	(19)	(55)	(488)
Advertising & Printing	(52)	(120)	(237)	(18)	(26)	-	(453)	(27)	(13)	(493)
Phones & Postage	(51)	(97)	(94)	(36)	(6)	-	(284)	(112)	(7)	(403)
Amortization of Tangible Capital Assets	(10,655)	(1,050)	(906)	(161)	-	-	(12,772)	(2,181)	(99)	(15,052)
Loss on Disposal of Tangible Capital Assets	(566)	-	(6)	-	-	-	(572)	(39)	(75)	(686)
Other Expenses	-	(3)	(3)	(1)	-	(246)	(253)	(17)	(2)	(272)
	(29,328)	(20,567)	(7,944)	(1,850)	(461)	(1,821)	(61,971)	(16,762)	(1,440)	(80,173)
Other Items										
Contributed Tangible Capital Assets	1,559	-	-	-	-	-	1,559	-	-	1,559
Government Transfers - Capital	7,850	132	-	-	-	-	7,982	-	-	7,982
Community Capital Funding	246	106	-	-	-	-	352	-	-	352
Developer Levies	205	-	-	-	-	-	205	-	-	205
	9,860	238	-	-	-	-	10,098	-	-	10,098
	(16,050)	(13,007)	(7,866)	(1,850)	(460)	47,520	8,287	1,176	(1,228)	8,235

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18. Purchases from Other Governments

	Budget (Note 19) \$000	2020 \$000	2019 (Note 26) \$000
Wastewater Management Services	(4,936)	(5,071)	(4,729)
Policing Services	(4,656)	(4,093)	(4,019)
Water Supply Services	(4,099)	(3,817)	(3,738)
Commuter Transit Services	(585)	(545)	(659)
Assessment Services	(417)	(414)	(407)
Other	(174)	(154)	(194)
	(14,867)	(14,094)	(13,746)

19. Budget Data

The budget data presented in these consolidated financial statements is based upon the City's 2020 operating and capital budgets approved by Council on December 10, 2019, as amended April 28, 2020, and the 2020 Library budget approved by the Library Board on September 9, 2019, with budget amendments reviewed May 11, 2020. The City's budgets are prepared on a modified cash flows basis in accordance with the Municipal Government Act.

A reconciliation of the consolidated operating budget prepared on the modified cash flow basis and the budget prepared in these financial statements in accordance with Canadian Public Sector Accounting Standards has been provided in the table below. The table below also includes a reconciliation of the 2020 and 2019 annual surpluses from operations for financial statement purposes to the surpluses for operating budget purposes.

	Budget \$000	2020 \$000	2019 (Note 26) \$000
Surplus from Operations	7,905	14,247	8,235
Capital Items Affecting Surplus From Operations			
Amortization of Tangible Capital Assets	14,799	15,214	15,052
Loss on Disposal of Tangible Capital Assets	-	142	686
Contributed Tangible Capital Assets	(4,204)	(2,326)	(1,559)
Government Transfers - Capital	(6,335)	(9,350)	(7,982)
Community Capital Funding	(541)	(556)	(352)
Developer Levies	-	(378)	(205)
Loss from Annexation	-	(411)	-
Other Capital Items	-	-	(100)
Surplus from Operations before Capital Items	11,624	16,582	13,775
Net Operating Transfers to Reserves	(8,168)	(9,383)	(7,708)
Repayment of Long Term Debt	(3,456)	(3,458)	(3,236)
Operating Budget Surplus	-	3,741	2,831

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20. Salaries and Benefits Disclosure

The following disclosure of salaries and benefits for elected municipal officials, the chief administrative officer, and designated officers is presented on a cash flows basis as required by Supplementary Accounting Principles and Standards Regulation (Alta. Reg. 313/2000).

	Salary ^(a)	Benefits & Allowances ^(b)	2020	2019
Elected Officials				
Mayor Katchur	97,377	8,090	105,467	105,645
Councillor Harris	39,784	5,964	45,748	48,020
Councillor Abitoye	39,484	6,280	45,764	47,929
Councillor Lennox	39,784	6,295	46,079	47,495
Councillor Makin	39,484	6,280	45,764	47,495
Councillor Sperling	39,684	4,940	44,624	46,474
Councillor Kelly	39,484	6,259	45,743	45,183
	335,081	44,108	379,189	388,241
Officers				
Chief Administrative Officer	219,396	38,918	258,314	257,161
Designated Officers ^(c)	306,495	57,044	363,539	458,051

- a) Salary includes regular base pay, bonuses, overtime, lump sum payments, gross honoraria, and any other direct cash remuneration.
- b) Benefits and allowances include the employer's share of all employee benefits and contributions or payments made on behalf of employees including retirement pension, Canada Pension Plan, employment insurance, health care, dental coverage, vision coverage, group life insurance, accidental disability and dismemberment insurance, and long term disability plans. Benefits and allowances figures also include the employer's share of the costs of additional taxable benefits including car allowances.
- c) The City had the following designated officers in 2020 and 2019: City Treasurer, Assessment Complaints Manager, two Municipal Assessors, Clerk of the Subdivision Development Appeals Board, and one Development Authority. The Assessment Complaints Manager and two Municipal Assessors are paid by the Capital Region Assessment Services Commission and the individual's pay is not separately identifiable.

21. Transactions with Related Parties

The City is a related party with its key management personnel and their close family members. The City may enter into transactions with these entities and individuals in the normal course of operations and under normal terms. The revenues and expenses recognized from transactions with related party have been included in the consolidated statement of operations, but have not been separately quantified. These transactions are:

- The City leases land for nominal annual fees to one not-for-profit organization where a close family member of the City's key management personnel serves as a board member.
- Pursuant to the Community Partners grant program approved through the budget process, the City transferred \$60,000 (2019 - \$50,000) to a not-for-profit organization where a close family member of the City's key management personnel serves as board member.

22. Contingent Assets

The City has no material contingent assets as of December 31, 2020 or 2019.

23. Contractual Rights

Contractual rights are rights of the City to economic resources arising from existing contracts or agreements that will result in either assets or revenues in the future when the terms of those contracts or agreements are met.

At December 31, 2020, the City was entitled to an estimated \$22,417,000 (2019 - \$21,978,000) in future contributed assets and levies as result of existing developer agreements.

Over the next five years, the City expects to recognize the following revenues from existing contracts:

	User Fees & Charges \$000	Other Revenue \$000	Total \$000
2021	356	123	479
2022	239	123	362
2023	235	123	358
2024	108	123	231
2025	96	123	219
Subsequent	384	129	513
	1,418	744	2,162

The estimates does not include two contracts in which revenue cannot be estimated, as they are dependent on actual sales or costs.

24. Letters of Credit

In 2020, the City held 36 (2019 - 48) Letters of Credit totaling \$6,807,000 (2019 - \$7,897,000) in the City's favour as security for property development.

25. Commitments and Contingent Liabilities

The City is party to various claims and legal proceedings in the normal course of its business. While the final outcome with respect to the claims and legal proceedings pending at December 31, 2020 cannot be determined at certainty, it is the opinion of management that their resolution will not have material adverse effects on the City's financial position or results of operations.

The City regularly reviews its environmental objectives and liabilities for its activities and properties as well as any potential reclamation obligations. The City inventoried properties that the City is responsible for to identify potential remediation obligations. All known and measurable liabilities have been recognized (Note 9).

26. Comparative Information

Certain 2019 comparative information has been reclassified to conform to the financial statement presentation adopted for the current year.

27. Annexation

On January 1, 2020 and pursuant to order in council 274/2019, the City annexed 952 hectares of land from Strathcona County. Under the terms of the annexation:

- a) Any taxes owing to Strathcona County at December 31, 2019 in respect of the annexed lands and the assessable improvements became payable to the City. No taxes were outstanding at December 31, 2019.
- b) Owners of the annexed land will pay the lower of Strathcona County's and the City's tax rate from 2020 until 2049 payable to the City.
- c) The City paid Strathcona County the sum of \$541,000 on June 25, 2020 in accordance with the order of Council and as compensation for lost future property taxes.
- d) Upon annexation, the City assumed ownership of roadways having an estimated net book value of approximately \$130,000.

Subsequent to the annexation on September 24, 2020, Strathcona County granted the City \$541,000 to fund roadway improvements on Township 543.

Within the statement of operations, the net effect of the restructuring is recognized as a loss from annexation of \$411,000, and the Strathcona County grant is recognized as Community Capital Funding.

28. COVID-19 Impact

In response to the Covid-19 pandemic, the City closed or reduced services at its facilities in accordance with public health orders issued by the Government of Alberta on or after March 15, 2020.

During the closure there were material impacts to the City revenues caused by program and event cancellations, waived user fees and charges and deferral of penalties for late payments of taxes and utilities. The City restricted non-essential spending during this time and reduced staff size and staff hours to decrease operating expenses to mitigate the loss of revenues.

Council authorized the City to borrow up to \$40,000,000 for the purpose of funding ongoing operations. As at December 31, 2020 the City had not borrowed any funds pursuant to the Line of Credit Bylaw C18-20.

The City received \$2,870,000 in transfers and \$25,000 in-kind donations from other levels of government since the COVID-19 pandemic was declared through the Provincial Municipal Operating Support Transfer, Canadian Heritage Emergency Support Fund, Family and Community Support Services Association of Alberta, and COVID-19 supplies donated from the Province.

The City continues to monitor and actively manage the developing impacts from COVID-19 and the resulting impacts on the operations and financial position of the City.

29. Subsequent Events

Subsequent to the end of the year, certain City facilities closed due to increased cases of COVID 19 as per guidelines from the Government of Alberta. If COVID-19 restrictions continue for another significant time period it could result in a material impact on the operations and financial position of the City.