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FORT SASKATCHEWAN
ALBERTA

Consolidated Financial Statements

For the Year Ended December 31, 2021

City of Fort Saskatchewan
Consolidated Financial Statements
For the Year Ended December 31, 2021

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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 KPMG 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.



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INDEPENDENT AUDITORS' REPORT

To the Mayor and Members of Council of the City of Fort Saskatchewan

Opinion

We have audited the consolidated financial statements of the City of Fort Saskatchewan (the "City"), which comprise:

- the consolidated statement of financial position as at December 31, 2021
- the consolidated statement of operations and accumulated surplus 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 notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the City as at December 31, 2021, and its consolidated results of operations, its consolidated changes in net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

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

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

Other Matter – Comparative Information

The financial statements for the year ended December 31, 2020 were audited by another auditor who expressed an unmodified opinion on these financial statements on April 27, 2021.



Other Information

Management is responsible for the other information. Other information comprises:

- the information, other than the financial statements and the auditors' report thereon, included in the Annual Report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information, other than the financial statements and the auditors' report thereon, included in Annual Report as at the date of this auditors' report.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report. We have nothing to report in this regard.

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

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

In preparing the financial statements, management is responsible for assessing the 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.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 the financial statements.

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



We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 auditors' 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 auditors' 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font. Below the signature is a single, long, horizontal, slightly wavy line that serves as a flourish or underline.

Chartered Professional Accountants

Edmonton, Canada

April 26, 2022

City of Fort Saskatchewan
Consolidated Financial Statements
For the Year Ended December 31, 2021

Consolidated Statement of Financial Position

<i>In thousands of Canadian Dollars</i>	Note	As at December 31	
		2021	2020
Financial Assets			
Cash and Cash Equivalents	2	46,763	48,619
Revenues Receivable			
Property Taxes Receivable	3	1,471	1,792
Government Transfers Receivable	4	2,841	873
Trade and Other Receivables	5	4,117	2,482
Inventory Held for Resale	6	1,268	1,269
Investments	7	29,491	27,004
		85,951	82,039
Liabilities			
Accounts Payable and Accrued Liabilities			
Trade Payables		(9,013)	(6,624)
Employee Benefit Obligations	8	(1,489)	(1,535)
Payroll and Remittances		(1,154)	(956)
Interest Payable		(167)	(172)
Liability for Contaminated Sites	9	(1,420)	(1,609)
Deposits on Account		(1,953)	(1,374)
Deferred Revenue	10	(7,011)	(7,787)
Long-Term Debt	11,12	(28,324)	(31,726)
		(50,531)	(51,783)
Net Financial Assets		35,420	30,256
Tangible Capital Assets	13	514,483	502,269
Prepaid Expenses		469	398
Inventory of Supplies		681	747
		515,633	503,414
Accumulated Surplus	14	551,053	533,670

Additional information

Commitments and Contingencies – Note 25

Annexation - Note 26

COVID-19 Impact – Note 27

Subsequent Events – Note 28

These Consolidated Financial Statements were approved by Council on April 26, 2022.

City of Fort Saskatchewan
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Consolidated Statement of Operations

		For the years ended December 31		
<i>In thousands of Canadian Dollars</i>	Note	Budget (Note 19)	2021	2020
Revenue				
Property Taxes	15	48,653	48,322	48,192
Utility User Rates		19,426	19,232	18,352
User Fees and Charges		5,857	5,731	4,730
Fines and Penalties		2,272	2,298	1,635
Investment Income		1,010	1,133	1,105
Government Transfers - Operating	27	1,759	2,011	4,792
Other Revenue		31	274	301
		79,008	79,001	79,107
Expenses	16			
Infrastructure and Planning Services				
Public Works		(16,965)	(17,507)	(16,716)
Fleet, Facilities, and Engineering		(8,763)	(7,774)	(7,993)
Planning and Development		(1,690)	(1,816)	(1,843)
Economic Development		(897)	(855)	(874)
		(28,315)	(27,952)	(27,426)
Community and Protective Services				
Culture and Recreation		(9,016)	(6,867)	(6,765)
Protective Services		(8,175)	(8,664)	(6,809)
Fire		(3,906)	(3,719)	(3,708)
Family and Community Support Services		(1,389)	(1,297)	(1,271)
Emergency Management		(190)	(193)	(338)
		(22,676)	(20,740)	(18,891)
Corporate Services				
Information Technology		(3,285)	(3,050)	(2,982)
Legislative Services		(1,588)	(1,725)	(1,515)
Financial Services		(1,370)	(1,378)	(1,363)
People Services		(1,402)	(1,264)	(1,156)
Corporate Communications		(780)	(627)	(674)
		(8,425)	(8,044)	(7,690)
Senior Leadership		(2,111)	(1,950)	(1,997)
Elected Officials		(485)	(414)	(405)
Fiscal Services		(1,090)	(2,018)	(2,047)
Utility Operations		(18,506)	(18,196)	(17,303)
Public Library		(1,254)	(1,298)	(1,300)
		(82,862)	(80,612)	(77,059)
(Deficit) Surplus Before Other Items		(3,854)	(1,611)	2,048
Other Items				
Contributed Tangible Capital Assets		2,511	7,866	2,326
Government Transfers - Capital		3,387	9,264	9,350
Community Capital Funding		200	-	556
Developer Levies		-	1,864	378
Loss from Annexation	26	-	-	(411)
		6,098	18,994	12,199
Surplus from Operations		2,244	17,383	14,247
Accumulated Surplus, Beginning		533,670	533,670	519,423
Accumulated Surplus, Ending		534,692	551,053	533,670

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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)	2021	2020
Surplus from Operations		2,244	17,383	14,247
Changes due to Tangible Capital Assets				
Purchased Additions	13	(10,328)	(20,815)	(12,343)
Contributed Additions	13	(2,511)	(7,866)	(2,326)
Annexed Additions	13, 26	-	-	(130)
Amortization Expense	13, 16	15,449	15,789	15,214
Loss on Disposals	13, 16	-	405	142
Proceeds from Disposals		-	273	151
		2,610	(12,214)	708
Changes due to Other Non-Financial Assets				
Purchased Materials and Supplies		(2,856)	(2,790)	(3,409)
Use of Materials and Supplies		2,856	2,856	3,235
Prepayment of Expenses		-	(469)	(398)
Use of Prepaid Expenses		-	398	481
		-	(5)	(91)
Increase in Net Financial Assets		4,854	5,164	14,864
Beginning Net Financial Assets		30,256	30,256	15,392
Ending Net Financial Assets		35,110	35,420	30,256

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Consolidated Statement of Cash Flows

<i>In thousands of Canadian Dollars</i>	Note	As at December 31	
		2021	2020
Cash Provided by Operating Activities			
Surplus from Operations		17,383	14,247
Items Not Involving Cash			
Amortization of Tangible Capital Assets	13,16	15,789	15,214
Contributed Tangible Capital Assets	13	(7,866)	(2,326)
Loss on Disposal of Tangible Capital Assets	13,16	405	142
Annexed Tangible Capital Assets		-	(130)
Changes in Non-Cash Assets and Liabilities			
Revenues Receivable		(3,267)	(342)
Inventory Held for Resale		1	37
Accounts Payable and Accrued Liabilities		2,347	344
Deposits on Account		579	(665)
Deferred Revenue		(776)	(1,541)
Inventory of Supplies		66	(174)
Prepaid Expenses		(71)	83
Net Cash Generated from Operating Activities		24,590	24,889
Cash Provided by Investing Activities			
Purchase of Investments		(8,503)	(21,990)
Proceeds from Sale of Investments		6,000	12,000
Net Cash Generated from (Used for) Investing Activities		(2,503)	(9,990)
Cash Provided by Financing Activities			
Repayment of Long Term Debt		(3,401)	(3,458)
Proceeds from Long Term Debt		-	46
Net Cash Used for Financing Activities		(3,401)	(3,412)
Cash Provided by Capital Activities			
Acquisition of Tangible Capital Assets	13	(20,815)	(12,343)
Proceeds on Disposal of Tangible Capital Assets		273	151
Net Cash Used for Capital Activities		(20,542)	(12,192)
Net Increase in Cash and Cash Equivalents		(1,856)	(705)
Beginning Cash and Cash Equivalents		48,619	49,324
Ending Cash and Cash Equivalents		46,763	48,619
Cash paid for interest		1,079	1,213
Cash received from interest		666	738

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, the Edmonton Metropolitan Transit 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
PS3280 – Asset Retirement Obligations	Establishes standards on how to account for and report a liability for asset retirement obligations
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.
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.

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

Standard	Details
PS3400 – Revenue	Establishes standards on how to account for and report revenue.
PSG-8 – Purchased Intangibles	Establishes new recognition and disclosure requirements for purchased intangibles. Earlier adoption is encouraged.
PS3160 – Public Private Partnerships	Establishes standards on how to account for public private partnership arrangements. Earlier adoption is encouraged.

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.

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.

2. Cash and Cash Equivalents

	As at December 31			
	2021		2020	
	\$000	Interest Rate	\$000	Interest Rate
Operating Accounts	6,394	0.74%	4,331	0.79%
Short Term Deposits	40,369	0.98%	44,288	1.09%
	46,763	0.95%	48,619	1.06%

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	
	2021	2020
	\$000	\$000
Current	894	1,753
Arrears	577	212
Allowance for Doubtful Accounts	-	(173)
	1,471	1,792

As at December 31, 2021, the current balance of property taxes receivable included grants in place of taxes receivable from the Province of Alberta in the amount of \$16,000 (2020 - \$340,000).

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4. Government Transfers Receivable

	As at December 31	
	2021	2020
	\$000	\$000
Federal Government	367	240
Provincial Government	2,474	633
	2,841	873

As at December 31, 2021, the current balance of the provincial government receivable included the Municipal Sustainability Initiative grant funding of \$1,610,000 that was received in January 2022.

5. Trade and Other Receivables

	As at December 31	
	2021	2020
	\$000	\$000
Utilities Receivable	1,353	1,114
Developer Levies Receivable	303	303
Other Trade Receivables	2,461	1,065
	4,117	2,482

6. Inventory Held for Resale

	As at December 31	
	2021	2020
	\$000	\$000
Land for Resale	1,244	1,244
Other Inventory for Resale	24	25
	1,268	1,269

7. Investments

	As at December 31			
	Market Value	2021 Book Value	Market Value	2020 Book Value
	\$000	\$000	\$000	\$000
Guaranteed Investment Certificates	28,622	27,480	25,575	24,980
Corporate Bonds	1,982	1,949	2,040	1,964
Other	62	62	60	60
	30,666	29,491	27,675	27,004

Guaranteed investment certificates had a weighted average interest rate of 2.45% (2020 – 2.37%).
Corporate bonds had a weighted average interest rate of 2.61% (2020 – 2.61%).

8. Employee Benefit Obligations

	As at December 31	
	2021	2020
	\$000	\$000
Accrued Leave	(1,426)	(1,486)
Other Benefits	(63)	(49)
	<u>(1,489)</u>	<u>(1,535)</u>

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 and where the Employer rate is equal to the Employee rate plus 1%. In 2021, the City recognized current service costs in the statement of operations equal to \$2,006,000 (2020 - \$2,036,000) for LAPP and \$25,000 (2020 - \$24,000) for APEX. In 2021, the City contributed \$1,981,000 (2020 - \$2,020,000) to LAPP and \$25,000 (2020 - \$24,000) to APEX. Employees contributed in 2021 \$1,794,000 (2020 - \$1,831,000) to LAPP and \$17,000 (2020 - \$16,000) to APEX.

According to its latest annual report dated December 31, 2020, LAPP held a surplus of net assets available for benefits in the amount of \$4,961,337,000 (2019 - \$7,913,261,000). 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, 2020, APEX held a deficiency of net assets available for benefits in the amount of \$2,624,000 (2019 - \$605,000). 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, 2021, the City earmarked \$62,000 (2020 - \$60,000) in the investment fund.

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As at December 31, the MuniSERP liability was:

	2021 \$000	2020 \$000
Accrued Benefit Obligation	62	40
Unamortized Actuarial Gains	1	10
	<u>63</u>	<u>50</u>

Movements in the accrued benefit obligation are as follows.

	2021 \$000	2020 \$000
Beginning Accrued Benefit Obligation	40	21
Service Costs		
Current Service Costs	12	-
Amortization of Actuarial Gains	(1)	(2)
Interest Expense	2	1
Defined Benefit Surplus (Expense) Included in Statement of Operations	<u>13</u>	<u>(1)</u>
Unamortized Actuarial Gains	9	20
Ending Accrued Benefit Obligation	<u>62</u>	<u>40</u>

Significant actuarial assumptions were as follows:

	2021	2020
Discount Rate	4.20%	4.45%
Inflation Rate	2.00%	2.25%
Salary Growth Rate	2.75%	2.75%

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9. Liability for Contaminated Sites

The City completed \$231,000 in remediation at the Public Works yard.

	As at December 31	
	2021	2020
	\$000	\$000
Public Works Yard	1,192	1,425
Old Snow Dump Site	228	184
	1,420	1,609

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.

	2020	Received	Recognized	2021
	\$000	\$000	\$000	\$000
Capital Government Transfers				
Provincial	(3,610)	(4,756)	6,874	(1,492)
Federal	(3,138)	(3,367)	2,390	(4,115)
	(6,748)	(8,123)	9,264	(5,607)
Operating Government Transfers				
Provincial	(249)	(1,932)	1,831	(350)
Federal	(18)	(175)	180	(13)
	(267)	(2,107)	2,011	(363)
Other Deferred Amounts	(772)	(6,705)	6,436	(1,041)
	(7,787)	(16,935)	17,711	(7,011)

11. Long Term Debt

	As at December 31	
	2021	2020
	\$000	\$000
Debentures Supported By:		
Property Taxes	(24,545)	(27,079)
Utility User Rates	(3,581)	(4,321)
	(28,126)	(31,400)
Capital Lease Obligations	(198)	(326)
	(28,324)	(31,726)

Debentures are payable in semi-annual or annual amounts up to the year 2036, with accompanying interest rates ranging from 2.226% to 5.750%. 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
2022	3,510	947	4,457
2023	3,383	814	4,197
2024	2,120	681	2,801
2025	2,175	614	2,789
2026	2,244	545	2,789
Subsequent	14,892	1,936	16,828
	28,324	5,537	33,861

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	
	2021	2020
	\$000	\$000
Debt Limit	121,298	120,257
Outstanding Debentures	(28,126)	(31,400)
Debt Limit in Excess of Outstanding Debt	93,172	88,857

	As at December 31	
	2021	2020
	\$000	\$000
Service on Debt Limit	20,216	20,043
Service on Outstanding Debentures	(4,343)	(4,343)
Service on Debt Limit in Excess of Service on Outstanding Debt	15,873	15,700

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

	2020	Additions	Disposals	2021
Historic Cost	\$000	\$000	\$000	\$000
Engineering Structures				
Roadway Systems	212,467	9,615	(932)	221,150
Water Systems	61,050	1,860	-	62,910
Wastewater Systems	63,872	1,009	-	64,881
Storm Systems	71,302	2,626	-	73,928
Fibre Optics	1,438	41	-	1,479
Construction In Progress	10,705	3,716	(230)	14,191
Buildings	94,015	1,959	(12)	95,962
Machinery and Equipment	21,787	3,739	(339)	25,187
Land	113,605	1,738	(16)	115,327
Land Improvements	26,185	1,656	(78)	27,763
Vehicles	7,799	722	(467)	8,054
	684,225	28,681	(2,074)	710,832
Accumulated Amortization	2020	Additions	Disposals	2021
	\$000	\$000	\$000	\$000
Engineering Structures				
Roadway Systems	(89,513)	(7,228)	761	(95,980)
Water Systems	(12,304)	(1,010)	-	(13,314)
Wastewater Systems	(13,128)	(1,020)	-	(14,148)
Storm Systems	(12,141)	(1,048)	-	(13,189)
Fibre Optics	(887)	(22)	-	(909)
Construction In Progress	-	-	-	-
Buildings	(24,385)	(2,100)	11	(26,474)
Machinery and Equipment	(12,401)	(1,828)	127	(14,102)
Land	-	-	-	-
Land Improvements	(13,759)	(936)	30	(14,665)
Vehicles	(3,438)	(597)	467	(3,568)
	(181,956)	(15,789)	1,396	(196,349)
Net Book Value	2020			2021
	\$000			\$000
Engineering Structures				
Roadway Systems	122,954			125,170
Water Systems	48,746			49,596
Wastewater Systems	50,744			50,733
Storm Systems	59,161			60,739
Fibre Optics	551			570
Construction In Progress	10,705			14,191
Buildings	69,630			69,488
Machinery and Equipment	9,386			11,085
Land	113,605			115,327
Land Improvements	12,426			13,098
Vehicles	4,361			4,486
	502,269			514,483

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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	
	2021	2020
	\$000	\$000
Equity in Tangible Capital Assets	(486,159)	(470,543)
Reserves	(64,894)	(63,127)
	(551,053)	(533,670)

15. Property Taxes

	Budget (Note 19) \$000	2021 \$000	2020 \$000
Revenues			
Residential Land and Improvements	29,724	29,515	29,491
Non-Residential			
Land and Improvements	15,827	15,647	16,008
Machinery and Equipment	16,054	16,059	15,611
Linear Property	1,521	1,521	1,457
Railway	2	2	2
Farmland	43	43	11
Federal and Provincial Grants in Place of Taxes	251	329	342
Local Improvement Levies	30	12	52
	63,452	63,128	62,974
Requisitions			
Alberta School Fund Foundation	(12,363)	(12,369)	(12,358)
Elk Island Catholic Separate Regional District	(1,711)	(1,711)	(1,676)
Heartland Housing Foundation	(602)	(603)	(602)
Designated Industrial Properties Assessment	(123)	(123)	(146)
	(14,799)	(14,806)	(14,782)
	48,653	48,322	48,192

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16. Expenses by Object

	Budget (Note 19) \$000	2021 \$000	2020 \$000
Salaries, Wages and Benefits	30,120	28,869	28,919
Purchases from Other Governments (Note 18)	15,712	15,868	14,094
Amortization of Tangible Capital Assets (Note 13)	15,449	15,789	15,214
Contracted Services	6,673	5,946	5,201
Service Maintenance Contracts	3,854	3,978	3,670
Materials and Supplies	3,352	2,998	2,856
Utilities	2,976	2,798	2,743
Interest on Long Term Debt	1,087	1,074	1,157
General Administration	954	933	925
Insurance	730	757	705
Training & Development	635	225	259
Advertising & Printing	581	232	327
Transfers to Individuals and Organizations	498	532	496
Other Expenses	241	208	351
Loss on Disposal of Tangible Capital Assets	-	405	142
	82,862	80,612	77,059

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17. Segmented Disclosure

<i>In thousands of Canadian Dollars</i>	Municipal Operations						Total Municipal Operations	Utility Operations	Public Library	2021
	Infrastructure & Planning Services	Community & Protective Services	Corporate Services	Senior Leadership	Elected Officials	Fiscal Services				
Revenue										
Property Taxes	-	-	-	-	-	48,322	48,322	-	-	48,322
Utility User Rates	-	-	-	-	-	-	-	19,232	-	19,232
User Fees & Charges	2,881	1,773	-	-	-	158	4,812	913	6	5,731
Fines and Penalties	8	1,664	-	-	-	564	2,236	62	-	2,298
Investment Income	-	-	2	-	-	1,121	1,123	-	10	1,133
Government Transfers - Operating	194	1,482	62	-	-	-	1,738	137	136	2,011
Other Revenue	5	42	-	-	-	215	262	-	12	274
	3,088	4,961	64	-	-	50,380	58,493	20,344	164	79,001
Expenses										
Salaries, wages and benefits	(8,209)	(10,807)	(4,827)	(1,364)	(392)	-	(25,599)	(2,427)	(843)	(28,869)
Purchases from other Governments	(322)	(5,601)	-	-	-	(393)	(6,316)	(9,440)	(112)	(15,868)
Contracted Services	(2,773)	(942)	(1,154)	(65)	-	(38)	(4,972)	(951)	(23)	(5,946)
Service Maintenance Contracts	(1,119)	(470)	(54)	(27)	-	(2)	(1,672)	(2,293)	(13)	(3,978)
Utilities	(2,227)	(447)	-	-	-	-	(2,674)	(124)	-	(2,798)
Materials and Supplies	(1,557)	(618)	(276)	(40)	(1)	-	(2,492)	(457)	(49)	(2,998)
Transfers to Individuals and Organizations	(121)	(95)	-	(72)	-	(244)	(532)	-	-	(532)
Interest on Long Term Debt	-	-	-	(1)	-	(958)	(959)	(115)	-	(1,074)
Insurance	-	(1)	(726)	-	-	-	(727)	(26)	(4)	(757)
Training & Development	(52)	(89)	(50)	(12)	(6)	-	(209)	(13)	(3)	(225)
Advertising & Printing	(21)	(60)	(107)	(8)	(9)	-	(205)	(22)	(5)	(232)
General Administration	(338)	(141)	(156)	(128)	(6)	-	(769)	(96)	(68)	(933)
Amortization of Tangible Capital Assets	(11,039)	(1,474)	(688)	(233)	-	-	(13,434)	(2,184)	(171)	(15,789)
Loss on Disposal of Tangible Capital Assets	(174)	-	-	-	-	(200)	(374)	(30)	(1)	(405)
Other Expenses	-	5	(6)	-	-	(183)	(184)	(18)	(6)	(208)
	(27,952)	(20,740)	(8,044)	(1,950)	(414)	(2,018)	(61,118)	(18,196)	(1,298)	(80,612)
Other Items										
Contributed Tangible Capital Assets	4,029	-	-	-	-	1,738	5,767	2,099	-	7,866
Government Transfers - Capital	6,256	(4)	-	161	-	-	6,413	2,851	-	9,264
Community Capital Funding	-	-	-	-	-	-	0	-	-	-
Developer Levies	1,864	-	-	-	-	-	1,864	-	-	1,864
	12,149	(4)	-	161	-	1,738	14,044	4,950	-	18,994
	(12,715)	(15,783)	(7,980)	(1,789)	(414)	50,100	11,419	7,098	(1,134)	17,383

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<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)
Advertising & Printing	(38)	(60)	(167)	(6)	(13)	-	(284)	(38)	(5)	(327)
General Administration	(346)	(123)	(111)	(130)	(7)	-	(723)	(126)	(76)	(925)
Amortization of Tangible Capital Assets	(10,427)	(1,420)	(894)	(244)	-	-	(12,985)	(2,079)	(150)	(15,214)
Loss on Disposal of Tangible Capital Assets	(85)	(18)	-	(11)	-	(28)	(142)	-	-	(142)
Other Expenses	-	(9)	(1)	-	-	(331)	(341)	(8)	(2)	(351)
	(27,426)	(18,891)	(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
	(14,576)	(12,820)	(7,650)	(1,997)	(405)	50,472	13,024	2,345	(1,122)	14,247

18. Purchases from Other Governments

	Budget (Note 19) \$000	2021 \$000	2020 \$000
Wastewater Management Services	(5,568)	(5,108)	(5,071)
Policing Services	(4,815)	(5,528)	(4,093)
Water Supply Services	(4,194)	(4,331)	(3,817)
Commuter Transit Services	(531)	(321)	(545)
Assessment Services	(435)	(393)	(414)
Other	(169)	(187)	(154)
	(15,712)	(15,868)	(14,094)

19. Budget Data

The budget data presented in these consolidated financial statements is based upon the City's 2021 operating and capital budgets approved by Council on December 8, 2020, including amendments up to May 11, 2021, and the 2021 Library budget approved by the Library Board on September 14, 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 presented 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 2021 and 2020 annual surpluses from operations for financial statement purposes to the surpluses for operating budget purposes.

	Budget \$000	2021 \$000	2020 \$000
Surplus from Operations	2,244	17,383	14,247
Capital Items Affecting Surplus From Operations			
Amortization of Tangible Capital Assets	15,449	15,789	15,214
Loss on Disposal of Tangible Capital Assets	-	405	142
Contributed Tangible Capital Assets	(2,511)	(7,866)	(2,326)
Government Transfers - Capital	(3,387)	(9,264)	(9,350)
Community Capital Funding	(200)	-	(556)
Developer Levies	-	(1,864)	(378)
Gain (Loss) from Annexation	-	-	(411)
Other Capital Items	(155)	(189)	147
Surplus from Operations before Capital Items	11,440	14,394	16,729
Net Operating Transfers to Reserves	(8,028)	(8,256)	(9,530)
Repayment of Long Term Debt	(3,412)	(3,401)	(3,458)
Operating Budget Surplus	-	2,737	3,741

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)	2021	2020
Elected Officials				
Mayor Katchur	97,377	9,747	107,124	105,467
Councillor Harris	42,784	4,744	47,528	45,748
Councillor Abitoye	41,784	6,904	48,688	45,764
Councillor Lennox	33,230	5,758	38,988	46,079
Councillor Makin	40,984	6,861	47,845	45,764
Councillor Sperling	33,030	4,536	37,566	44,624
Councillor Kelly	40,484	4,819	45,303	45,743
Councillor Blizzard	8,203	1,644	9,847	-
Councillor Noyen	8,603	1,666	10,269	-
	346,479	46,679	393,158	379,189
Officers				
Chief Administrative Officer	222,689	52,409	275,098	258,314
Designated Officers ^(c)	398,271	78,817	477,088	363,539

- 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 2021 and 2020: 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 \$50,000 (2020 - \$60,000) 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, 2021 or 2020.

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.

In 2021, the City was allocated Municipality Sustainability Initiative capital funding of \$7,653,000. These funds were received in January 2022.

At December 31, 2021, the City was entitled to an estimated \$31,278,000 (2020 - \$22,417,000) 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
2022	314
2023	251
2024	125
2025	108
2026	93
Subsequent	282
	1,173

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

24. Letters of Credit

In 2021, the City held 38 (2020 - 36) Letters of Credit totaling \$10,727,000 (2020 - \$6,807,000) 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, 2021 cannot

be determined with 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. 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.

27. COVID-19 Impact

In response to the COVID-19 pandemic, the City restricted access to facilities during the year while following the guidelines as set out by the Government of Alberta.

In 2020, 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.

Council authorized the City to borrow up to \$40,000,000 for the purpose of funding ongoing operations. As at December 31, 2021 the City had not borrowed any funds pursuant to the Line of Credit Bylaw C18-20.

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.

28. Subsequent Events

Subsequent to year end, pursuant to the order in council 363/2021, the City annexed Range Road 223 from Strathcona County on January 1, 2022. The City will assume ownership of the roadway having an estimated book value of approximately \$30,000.