



ROCKY VIEW COUNTY

2021 ANNUAL REPORT

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MESSAGE FROM THE MAYOR

Rocky View County stands out as a place of choice to work, live, and operate a business. As a council, we are committed to upholding and advancing the high-quality of services Rocky View County residents enjoy.

This past year was filled with challenges and uncertainty as we continued to navigate the COVID-19 pandemic. Throughout building closures and work from home mandates, staff continued to offer the required services to residents with the help of new initiatives such as transitioning to online applications and payments. Using webinars, we supported our rural residents through 18 virtual workshops offering advice and support on everything from septic systems to farm succession planning.

Rocky View County remains a model of financial sustainability with one of the lowest tax rates in the province. Council has approved growth in the residential, commercial, and industrial sectors, to support future investments, for example, we have adopted a *Balzac East Area Structure Plan* to provide the potential for an additional 465 acres of land available for business in the area.

Investment in infrastructure, emergency facilities, and recreational amenities continues to benefit County residents. CrossIron Drive was successfully twinned to improve road access in the area, the new Langdon Emergency Services Building was constructed, and four new baseball diamonds at Iron Horse Fields were completed.

This past year, Rocky View County conducted a safe municipal election. As a newly elected Mayor, I am grateful to be elected to such a strong, vibrant, and promising municipality. Council is committed to addressing our challenges and achieving our goals as required.

Despite the adversity of a public health crisis, Rocky View County residents, staff, and members of the business community have continued to demonstrate resilience, ingenuity, and solidarity. These values form the backbone of our shared story.

This 2021 annual report highlights our successes and challenges as we service and develop our communities.



Mayor Don Kochan



Mayor Don Kochan

GOVERNANCE AND ACCOUNTABILITY



*Standing (L to R): Division 2: Don Kochan (Mayor), Division 5: Greg Boehlke, Division 3: Crystal Kissel (Deputy Mayor), Division 7: Al Schule
Seated (L to R): Division 6: Sunny Samra, Division 4: Samanntha Wright, Division 1: Kevin Hanson*

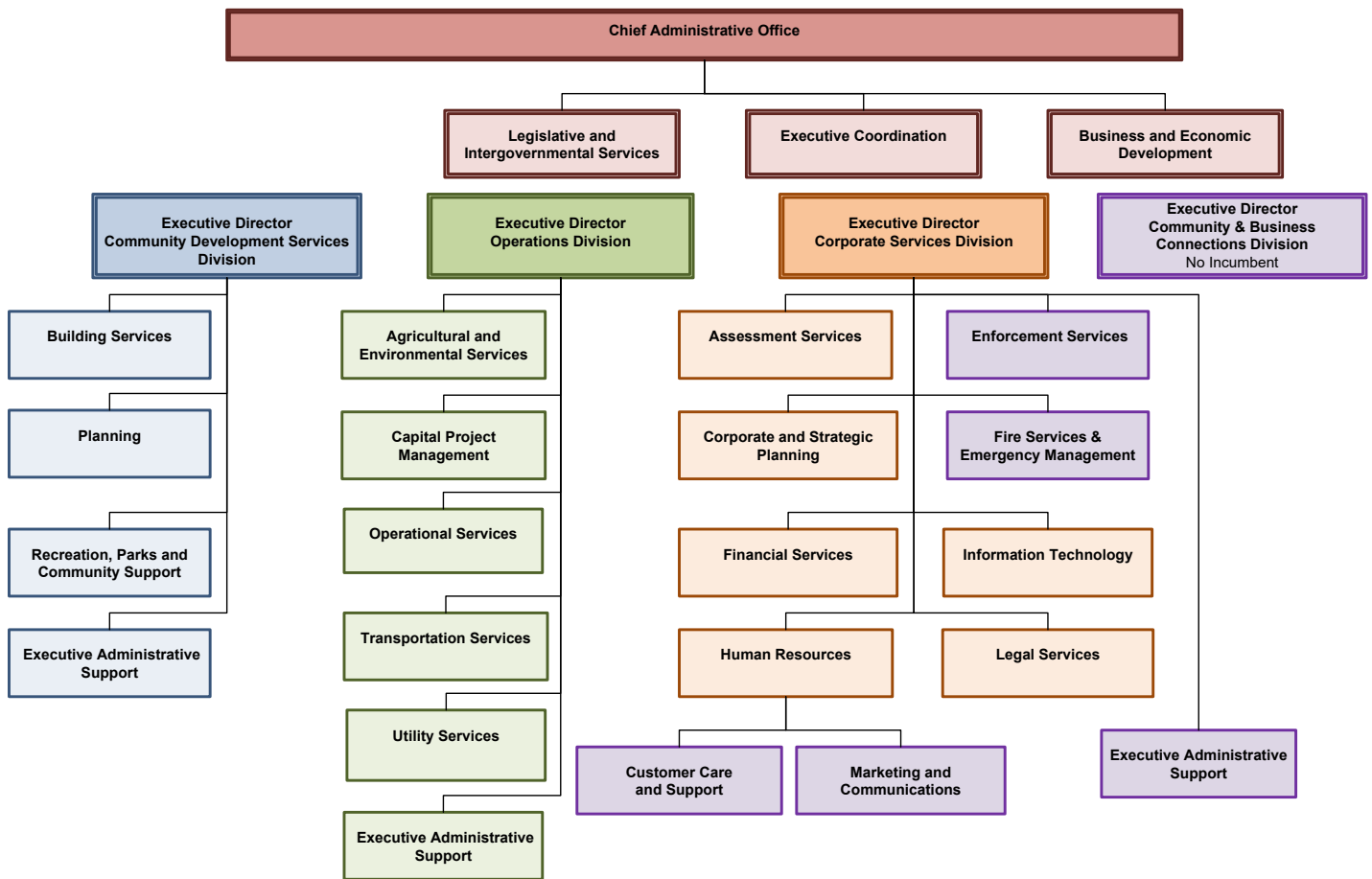
A seven-member elected Council governs Rocky View County, with each Councillor representing an electoral division. Every second year, Council elects a mayor to chair Council meetings and be the public spokesperson for Council and the municipality.

The *Municipal Government Act*, the *Procedure Bylaw*, and the *Council Code of Conduct Bylaw* define the role and responsibility of Council and each individual member.

Council has also established committees to facilitate County business. Each committee has a specific mandate defined in its bylaws or terms of reference.

The following is a list of Council Committees for 2021:

- Agricultural Service Board
- ALUS Partnership Advisory Committee
- Assessment Review Board
- Bragg Creek FireSmart Committee
- Enforcement Appeal Committee
- Family and Community Support Services Board
- Municipal Planning Commission
- Municipal Emergency Advisory Committee
- Public Presentation Committee
- Recreation Governance Committee
- Subdivision & Development Appeal Board



Administration is accountable for the effective delivery of County services in accordance with the policies and bylaws approved by Council.

The County has approximately 310 permanent employees in addition to temporary, seasonal, and paid-per-call fire fighters. Some County services are delivered in partnership with community organizations and the private sector.



Brock Beach
Interim Executive Director –
Community Development Services



Byron Riemann
Executive Director – Operations



Kent Robinson
Executive Director – Corporate Services

COUNCIL'S STRATEGIC PLAN

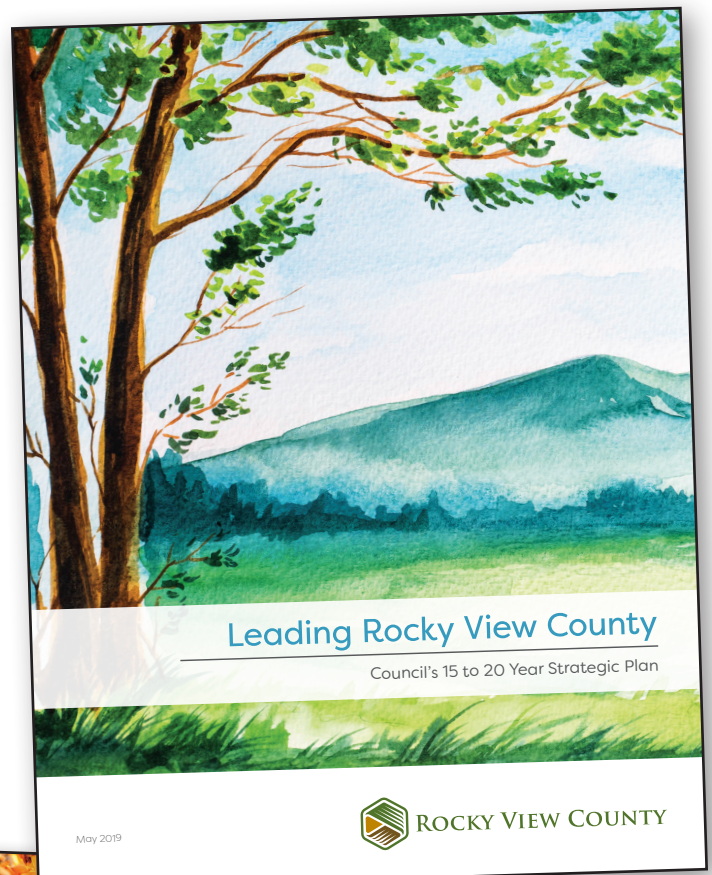
Council released its Strategic Plan in May 2019.

Three strategic themes underpin the plan that identifies Council's vision for community success. The themes are:

Service Excellence — commitment to listening to customers and reviewing policies and procedures so that customers are able to navigate our process easily and efficiently.

Financial Health — provide transparency in our financial decision-making and share how we will mitigate economic risk. The County will find ways to manage and recover costs while saving for the County's future needs.

Responsible Growth — having a vision for growth and a clear understanding of how decisions affect the County's finances, infrastructure, and environment for current and future generations.



Population/Demographics

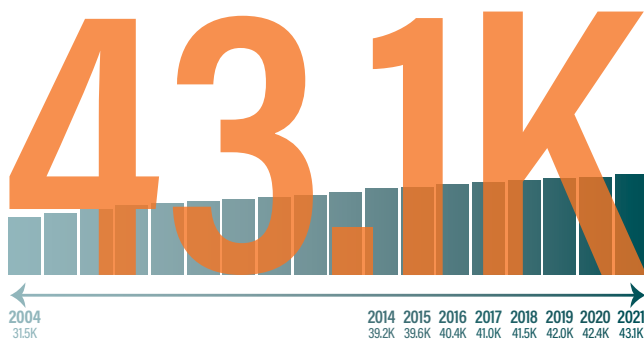
Rocky View County's population steadily increased over the past ten years at an average rate of 2.1 per cent. Today, the County's population sits at just over 43,000 according to the Alberta Municipal Affairs Population List, which uses a combination of Statistics Canada and municipal census data.

Despite some of the recent economic challenges in Alberta, the county continues to see positive population growth.

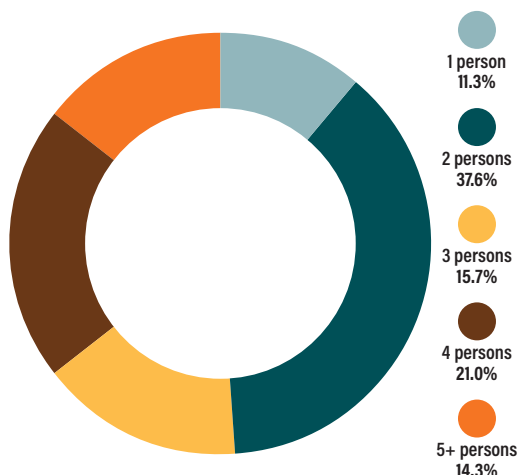
In addition to the County's population growth, we have also seen an increased level of diversity in the population. Since 2006, the number of visible minorities calling the County home has increased from approximately seven per cent in 2006 to approximately 11 per cent in 2016 according to the most recent Statistics Canada census data.

The largest cohort of the County's population are those between the ages of 40 – 65. Population growth and the demographic changes of that population are important considerations for how the County delivers and plans future services for its residents.

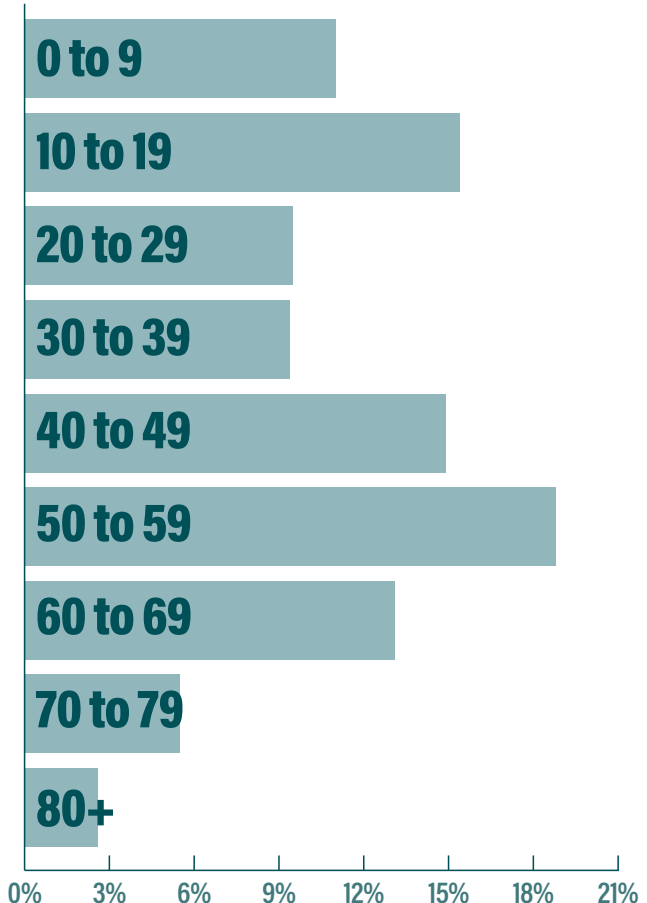
Population



Household Size Distribution



Age Distribution



Source: rockyview.ca/community-profile

2021 ACCOMPLISHMENTS

Agriculture

Rocky View County is proud of its rural identity and the innovative world-class farms and businesses located and founded within County borders. In support of this significant industry, Agricultural Services provides residents with a range of information and services aimed at protecting and enhancing agriculture and rural living within the County.

Weed and pest control programs assist residents through recommendations, information, and services in resolving control issues. In 2021, 2,670 weed inspections were conducted throughout the County, as well as a Purple Loosestrife survey.

Agricultural Services also provide residents with a number of learning opportunities related to the agriculture industry. In 2021, over 1,100 participants attended 18 Rocky View County hosted virtual workshops.

Mosquito monitoring programs were conducted in the communities of Langdon and Church Ranches from May-September, with the goal to reduce the mosquito populations using safe methods while protecting our natural spaces. Data collection methods included visual inspections, larvae counts, and pheromone trap counts. Infestation was determined to be severe, and therefore monitoring will continue in 2022.

Assessment

Rocky View County continues to have the fifth highest equalized assessment in Alberta. 2021 saw positive growth in new residential and non-residential development in the County. Residential Assessment growth was approximately \$190 million and Non-Residential Assessment growth was approximately \$257 million. The growth, combined with market increases, saw the County's assessment base increase by approximately \$1.39 billion from the previous year.

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Langdon Emergency Services Building

Capital

Several key projects came to completion in 2021, including the Langdon Emergency Services Building, a \$9.3M project completed on budget; the Iron Horse Baseball Fields in Langdon, also completed on budget; and the twinning of CrossIron Drive from Dwight McLellan Drive to Range Road 292, a \$2.25M road project substantially completed at the end of 2021 on budget.

Customer Care

Throughout 2021, the COVID-19 pandemic continued to dramatically alter many facets of life for the residents and business community of Rocky View County. While navigating throughout a myriad of unforeseen pandemic-related restrictions and directives, the county maintained consistent and reliable services through phone, online, and in-person. Despite a large increase in calls to the County, customer service standards did not alter, and staff continued to offer excellent customer service.

Despite a large increase in calls to the County, customer service standards did not alter, and staff continued to offer excellent customer service.

2021 ACCOMPLISHMENTS

Enforcement Services

With endorsement from County Council and approval from the Alberta Justice and Solicitor General, County peace officers were granted full authority to enforce the *Traffic Safety Act* on all roadways within Rocky View County. With this new scope, Community Peace Officers gained full ability to deal with speeding, distracted driving, running stop signs, and other *Traffic Safety Act* violations on any road, including primary highways; which, up until May 2021, was restricted.



Financial

Despite the continued financial impact of the pandemic on the economy, the County's 2021 budget resulted in a 0% tax freeze for business and residential properties in the County. Council worked with Administration to ensure that property taxes provide great value while helping residents and businesses deal with the prevalent economic situation by not raising their tax burden.

The County's solid and sustainable financial situation allowed for such a move, with the economic well-being of Rocky View County residents and businesses remaining a priority during these unprecedented and disruptive times.

Rocky View County continued to maintain some of the lowest property tax rates in the region.

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Despite the continued financial impact of the pandemic on the economy, the County's 2021 budget resulted in a 0% tax freeze for business and residential properties in the County.

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Legislative

Amid changing expectations and requirements related to COVID-19 pandemic, the provincial municipal election was held in October 2021. For the County, this included councillor selection, along with the facilitation of voting for Rocky View School trustees, and the provincial senate election and referendum question.

The 2021 municipal election completed the implementation of significant differences following a 2020 comprehensive review of the County's electoral divisions that reduced the number of councillors from nine to seven and modified the titles of Reeve and Deputy Reeve to Mayor and Deputy Mayor.

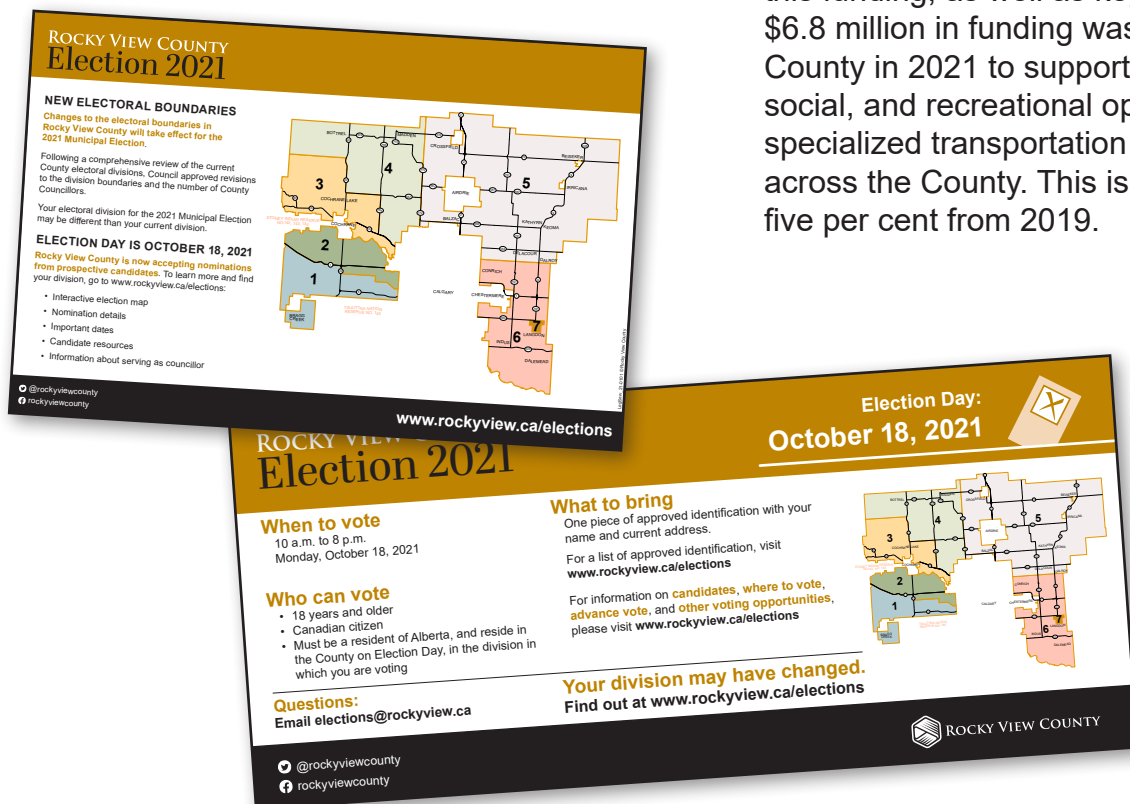
The final count for electors who voted was 12,006, a 35 per cent turnout of the number of eligible voters in the County which is estimated to be 34,269. This represented a five per cent increase over the 2017 election.

Planning

Through a continued strategic vision for growth in the County, including consideration of the use of land that is beneficial to the County as a whole, Planning Services advanced several key planning agreements. These included the adoption of the Rocky View County and Wheatland County Intermunicipal Development Plan, guiding growth and development within these two municipalities; and the adoption of the *Balzac East Area Structure Plan* amendments, providing the potential for an additional 465 acres of business uses in the area.

Recreation

Each year, Rocky View County provides grant funding to County community groups, organizations, and businesses providing services and programs that enhance the quality of life for residents. The County is proud to support the many efforts of these organizations through this funding, as well as key partnerships. Over \$6.8 million in funding was approved by the County in 2021 to support the delivery of cultural, social, and recreational opportunities, along with specialized transportation services to residents across the County. This is an increase of nearly five per cent from 2019.



FINANCIAL HIGHLIGHTS

County Revenue

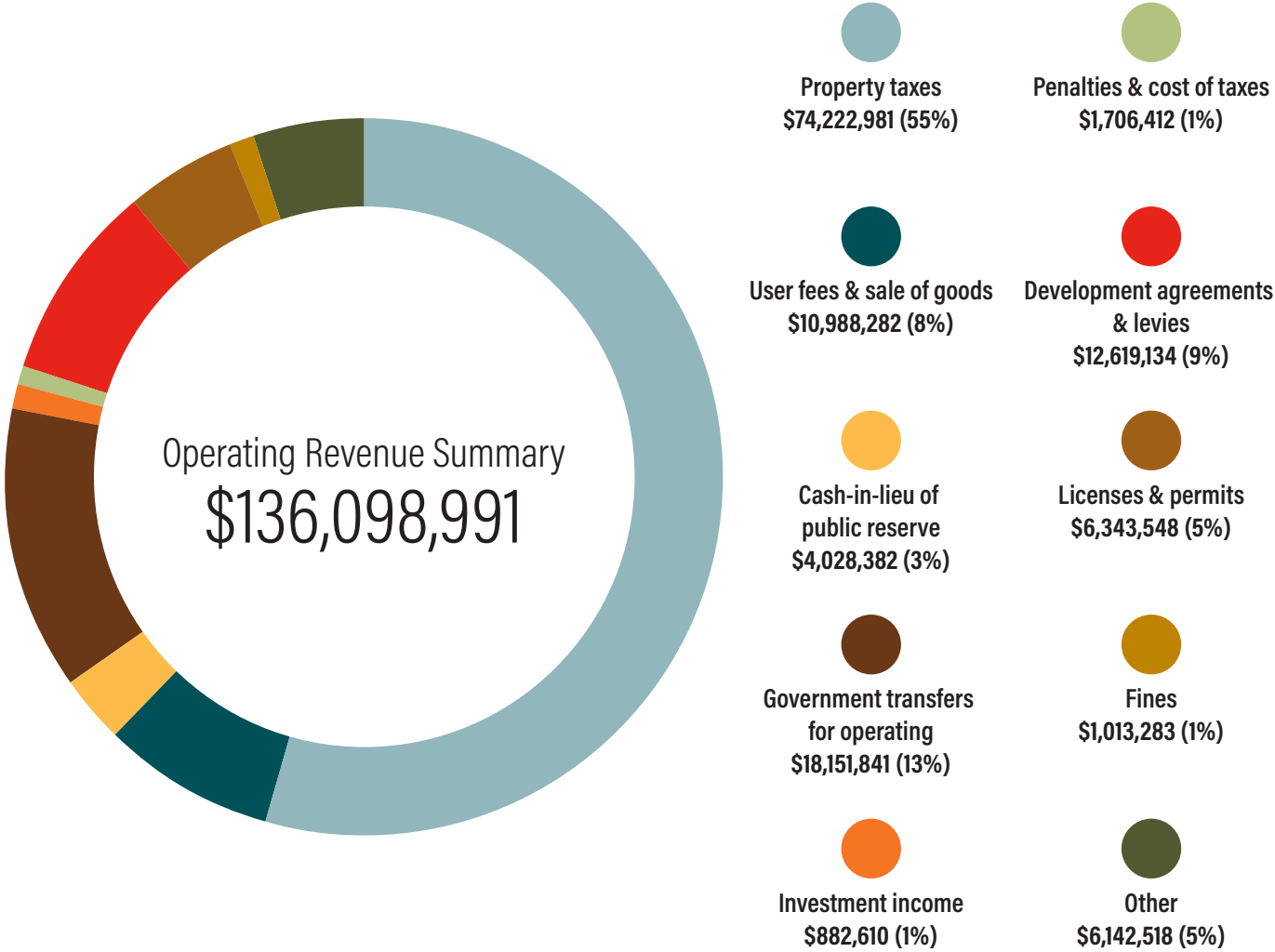
Approximately 55% of the County’s revenue comes from property taxes.

The County also collects user fees on a wide-range of services. Waste collection, wastewater, subdivision applications and other fees make up approximately 8% of the County’s revenue.

A proportion of the County’s operating revenue comes from the provincial government.

The County receives funding through levies and development agreements to offset the costs arising from new growth. While growth is a positive for the County, it is important to understand that it also comes with costs.

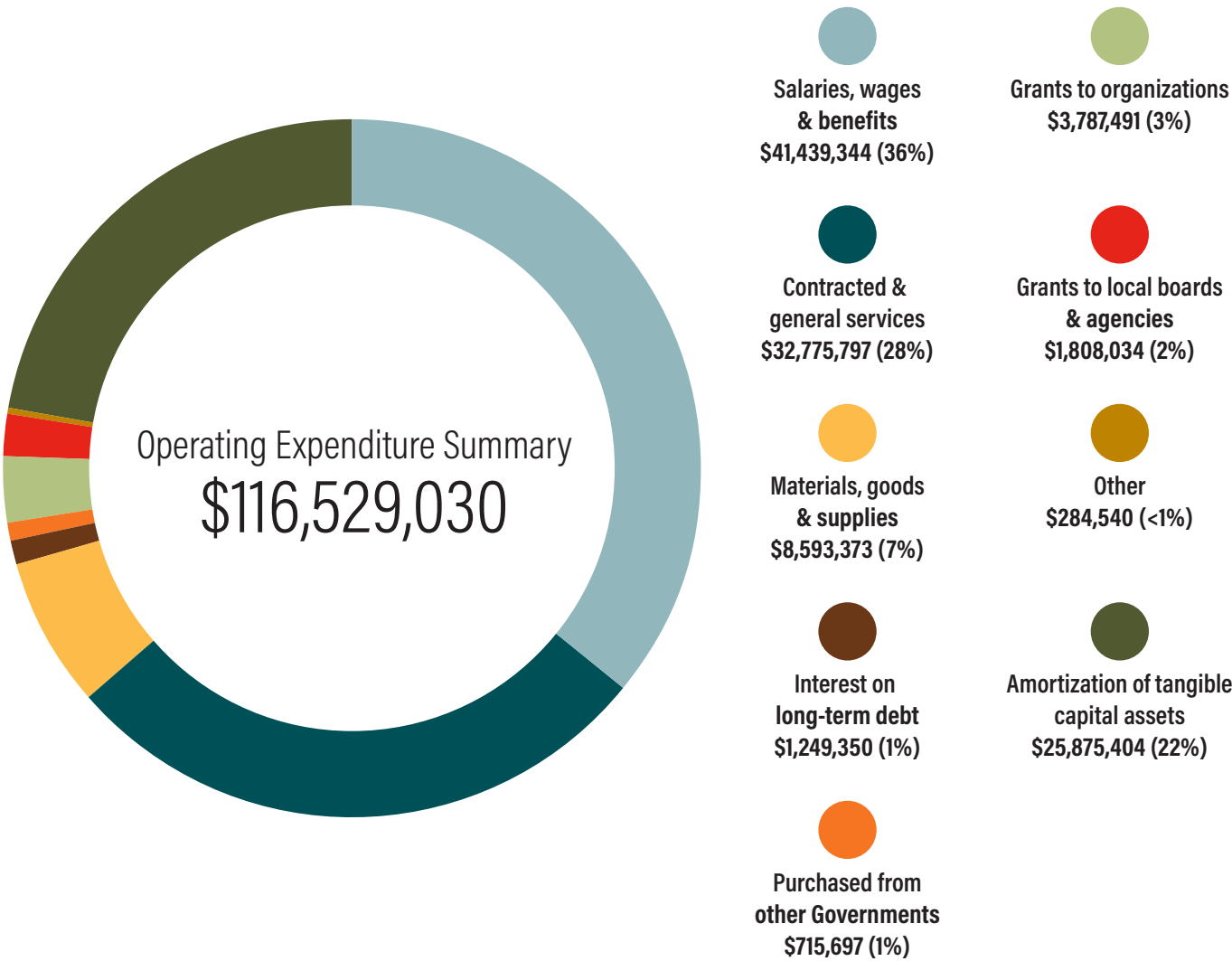
When the County grows, so does the demand for infrastructure and services. The fees collected from new development allow the County to fund the new infrastructure and services necessary to accommodate growth.



County Expenses

Approximately 36% of the County’s operating costs come from employee salaries, wages, and benefits. Contracted services, which includes costs for contractors, engineering consultants, and other external resources, is the second largest operating cost to the County.

The County spent just under \$1,250,000 million dollars in 2021, on the interest for its long-term debt.



FINANCIAL HIGHLIGHTS

Debt Management

The *Municipal Government Act* and related provincial regulations establish the amount of debt that the County can carry. The County's debt limit is set at 1.5 times total revenue and the debt service limit is calculated at 0.25 times revenue. As of December 31, 2019, the County has used 31% of its borrowing capacity and 25% of its debt service limit.

	December 31, 2021
Total Debt Limit	\$204,148,487
Total short term debt	—
Total long term debt	(53,984,552)
Total amount of debt limit available	\$150,163,935

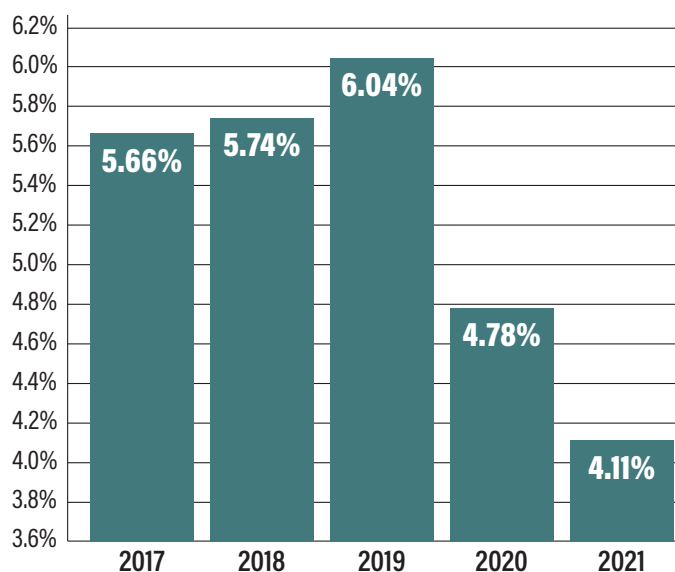
The majority of the County's debt obligations are for water and wastewater infrastructure. The County built the East Balzac wastewater system in 2003, a wastewater pipeline to Cochrane Lake in 2006, and the East Balzac water system in 2009. These three projects cost approximately \$80 million and were funded through a combination of debt and external grants. Developer levies collected throughout the year fund the debt; however, in some years there are insufficient levies collected to fully service the debt. In those cases, Council has funded that debt through a combination of tax supported payments and reserves.

Financial Flexibility

Measures the degree to which an organization can change its debt and still meet its existing financial and service obligations.

It measures the proportion of total revenue that is required to pay interest and principal on the debt.

Debt Charges to Total Revenue Ratio



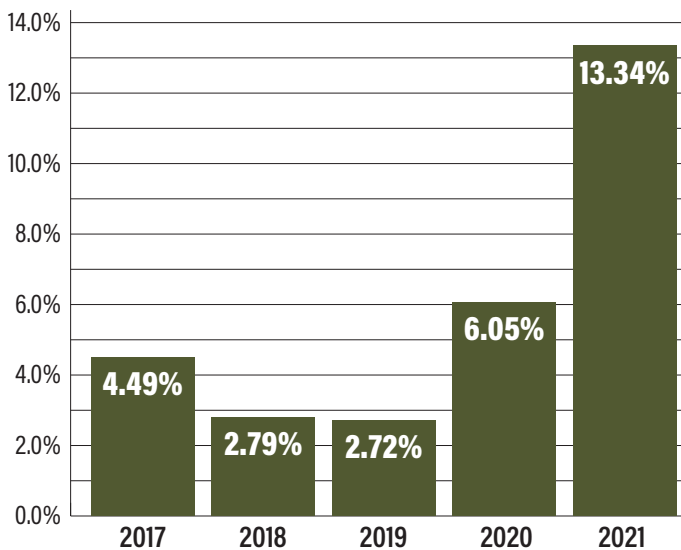
Financial Vulnerability

Measures the degree to which government is dependent on, and therefore vulnerable to, sources of funding outside of its control.

The risk of relying on outside funding is that the County does not directly control or influence either the amount or timing of the revenues.

The County has required less operating funding from other governments, which lessens its vulnerability to changes in funding. This does not include capital funding programs that the County uses to fund infrastructure.

Government Transfers to Total Revenue



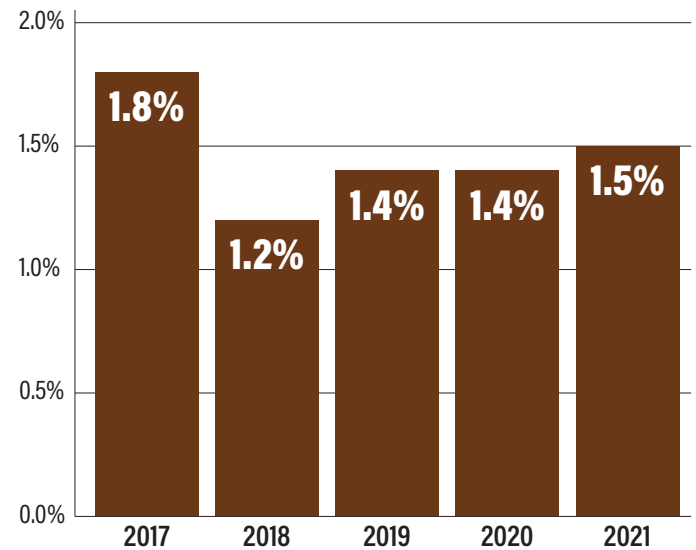
Financial Sustainability

Measures the degree to which the County can maintain its existing financial obligations without increase debt or its tax burden.

A number lower than 1.0 indicates liabilities exceed financial assets and future revenues will be required to pay for past transactions and events.

The County's ratio has improved over the past three years.

Financial Assets to Liabilities Ratio



AUDITED FINANCIAL STATEMENTS

Rocky View County
Audited Financial Statements
December 31, 2021

To the Mayor and Members of Council of Rocky View County:

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the financial statements of Rocky View County (the "County"), which comprise the statement of financial position as at December 31, 2021, and the statements of operations, changes in net financial assets, cash flows and the related schedules for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

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

Responsibilities of Management 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 County's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the County or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that

are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the County's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the County to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Debt Limit Regulation

In accordance with Alberta regulation 255/2000, we confirm that the County is in compliance with the Debt Limit Regulation. A detailed account of the County's debt limit can be found in Note 12.

Supplementary Accounting Principles and Standards Regulation

In accordance with Alberta regulation 313/2000, we confirm that the County is in compliance with the Supplementary Accounting Principles and Standards Regulation and note the information required can be found in Note 15.

Red Deer, Alberta

April 26, 2022

MNP LLP

Chartered Professional Accountants

ROCKY VIEW COUNTY
Statement of Financial Position
As at December 31, 2021

	2021 \$	2020 \$
FINANCIAL ASSETS		
Cash (Note 3)	145,559,273	7,815,156
Temporary investments (Note 2)	4,998	97,525,501
Receivables		
Taxes and grants in place of taxes (Note 4)	4,992,005	5,224,266
Trade and other receivables (Note 4)	7,993,598	13,202,922
Debt charges recoverable (Note 5)	467,275	530,087
	<u>159,017,149</u>	<u>124,297,932</u>
LIABILITIES		
Accounts payable and accrued liabilities	19,036,751	19,282,799
Deposit liabilities	7,379,484	7,040,970
Deferred revenue (Note 6)	22,848,195	14,136,709
Employee benefit obligations (Note 7)	1,296,898	1,695,552
Landfill closure and post-closure costs (Note 16)	382,180	424,335
Long-term debt (Note 8)	53,984,552	47,261,615
	<u>104,928,060</u>	<u>89,841,980</u>
NET FINANCIAL ASSETS	<u>54,089,089</u>	<u>34,455,952</u>
NON- FINANCIAL ASSETS		
Tangible capital assets (Schedule 2)	692,637,608	652,974,774
Resource asset	18,375,000	16,375,000
Inventory for consumption	2,356,916	2,736,308
Prepaid expenses	1,385,700	1,308,656
	<u>714,755,224</u>	<u>673,394,738</u>
ACCUMULATED SURPLUS (Schedule 1, Note 13)	<u>768,844,313</u>	<u>707,850,690</u>

Commitments and contingencies - See Note 10 and 11

The accompanying notes are an integral part of these financial statements

ROCKY VIEW COUNTY
Statement of Operations
For the Year Ended December 31, 2021

	Budget \$ (Note 21)	2021 \$	2020 \$ (Note 20)
REVENUE			
Net municipal taxes (Schedule 3)	74,558,800	74,222,981	72,764,077
User fees and sales of goods	9,543,000	10,988,282	10,007,164
Cash-In-Lieu of Public Reserve	670,000	4,028,382	1,078,189
Government transfers for operating (Schedule 4)	15,143,600	18,151,841	6,287,523
Investment income	1,250,000	882,610	1,567,839
Penalties and cost of taxes	996,500	1,706,412	1,557,874
Development agreements and levies	7,853,900	12,619,134	5,704,682
Licenses and permits	3,231,000	6,343,548	2,863,693
Fines	1,009,500	1,013,283	818,492
Other	7,190,900	6,142,518	1,304,211
Total Revenue	<u>121,447,200</u>	<u>136,098,991</u>	<u>103,953,744</u>
EXPENSES			
Legislative	1,154,300	945,103	936,398
Administration	21,955,900	18,928,840	20,457,318
Fire	14,496,200	15,196,323	15,877,281
Disaster services	936,600	424,504	513,183
Bylaw enforcement	7,837,700	6,806,720	6,964,963
Transportation and field services	60,986,500	45,687,804	42,605,176
Water supply and distribution	4,896,700	5,064,789	4,838,476
Wastewater treatment and disposal	7,951,600	7,832,033	7,330,741
Waste management	2,553,000	2,267,731	2,487,532
Family and community support	1,067,600	1,004,233	1,070,478
Cemetery	1,135,500	1,407,369	1,431,421
Planning and development	5,435,900	3,655,643	3,938,926
Recreation, parks and community services	9,860,200	7,307,938	10,063,521
Total Expenses	<u>140,267,700</u>	<u>116,529,030</u>	<u>118,515,414</u>
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES BEFORE OTHER	<u>(18,820,500)</u>	<u>19,569,961</u>	<u>(14,561,670)</u>
OTHER			
Contributed assets	-	21,431,752	9,091,723
Government transfers for capital (Schedule 4)	33,179,000	19,991,910	24,733,998
Total Other	<u>33,179,000</u>	<u>41,423,662</u>	<u>33,825,721</u>
EXCESS OF REVENUE OVER EXPENSES	14,358,500	60,993,623	19,264,051
ACCUMULATED SURPLUS, BEGINNING OF YEAR	707,850,690	707,850,690	688,586,639
ACCUMULATED SURPLUS, END OF YEAR	<u>722,209,190</u>	<u>768,844,313</u>	<u>707,850,690</u>

The accompanying notes are an integral part of these financial statements

ROCKY VIEW COUNTY
Statement of Change in Net Financial Assets
For the Year Ended December 31, 2021

	Budget \$ (Note 21)	2021 \$	2020 \$
EXCESS OF REVENUE OVER EXPENSES	14,358,500	60,993,623	19,264,051
Acquisition of tangible capital assets	(55,690,200)	(45,128,679)	(36,954,578)
Contributed tangible capital assets	-	(21,431,752)	(9,091,723)
Proceeds on disposal of tangible capital assets	-	1,152,163	85,814
Amortization of tangible capital assets	25,545,700	25,875,404	25,409,974
(Gain) loss on sale of tangible capital assets	-	(129,970)	207,197
	<u>(30,144,500)</u>	<u>(39,662,834)</u>	<u>(20,343,316)</u>
Use of (acquisition of) supplies inventories	-	379,392	(1,146,350)
Use of (acquisition of) prepaid assets	-	(77,044)	(306,973)
Use of (acquisition of) resource assets	-	(2,000,000)	-
	<u>-</u>	<u>(1,697,652)</u>	<u>(1,453,323)</u>
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	(15,786,000)	19,633,137	(2,532,588)
NET FINANCIAL ASSET, BEGINNING OF YEAR	<u>34,455,952</u>	<u>34,455,952</u>	<u>36,988,540</u>
NET FINANCIAL ASSETS, END OF YEAR	<u><u>18,669,952</u></u>	<u><u>54,089,089</u></u>	<u><u>34,455,952</u></u>

The accompanying notes are an integral part of these financial statements

ROCKY VIEW COUNTY
Statement of Cash Flows
For the Year Ended December 31, 2021

	2021 \$	2020 \$
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING ACTIVITIES		
Excess of revenue over expenses	60,993,623	19,264,051
Non-cash items included in excess of revenue over expenses:		
Amortization of tangible capital assets	25,875,404	25,409,974
(Gain) loss on disposal of tangible capital assets	(129,970)	207,197
Tangible capital assets received as contributions	(21,431,752)	(9,091,723)
Non-cash charges to operations (net change):		
Decrease (Increase) in taxes and grants in place of taxes	232,261	(1,158,082)
Decrease (Increase) decrease in trade and other receivables	5,209,324	(4,390,654)
Decrease (Increase) in inventory for consumption	379,392	(1,146,350)
(Increase) in prepaid expenses	(77,044)	(306,973)
(Decrease) Increase in accounts payable and accrued liabilities	(246,048)	11,007,222
Increase in accounts payable amount applied to capital	1,805,450	4,782,166
Increase (Decrease) in deposit liabilities	338,514	(416,038)
Increase (Decrease) in deferred revenue	8,711,486	(18,557,499)
(Decrease) Increase in employee benefit obligations	(398,654)	233,928
(Decrease) in provision for landfill closure and post-closure costs	(42,155)	(13,821)
Cash provided by (applied to) operating transactions	81,219,831	25,823,398
CAPITAL		
Accounts payable amount applied to capital	(1,805,450)	(4,782,166)
Acquisition of assets	(47,128,679)	(36,954,578)
Sale of tangible assets	1,152,163	85,814
Cash provided by (applied to) capital transactions	(47,781,966)	(41,650,930)
INVESTING		
Decrease in investments	97,520,503	17,151,352
FINANCING		
Debt charges recovered	62,812	59,777
Long-term debt repaid	(13,402,282)	(3,750,123)
Long-term debt raised	20,125,219	1,860,635
Cash provided by (applied to) financing transactions	6,785,749	(1,829,711)
CHANGE IN CASH DURING YEAR	137,744,117	(505,891)
CASH AT BEGINNING OF YEAR	7,815,156	8,321,047
CASH AT END OF YEAR	145,559,273	7,815,156

Cash - See Note 3

The accompanying notes are an integral part of these financial statements

ROCKY VIEW COUNTY
Schedule of Changes in Accumulated Surplus
For the Year Ended December 31, 2021
Schedule 1

	Unrestricted Surplus (Deficit)	Restricted Surplus	Equity in Other Assets	Equity in Tangible Capital Assets	2021 \$	2020 \$
BALANCE, BEGINNING OF YEAR,	340,335	84,892,109	16,375,000	606,243,246	707,850,690	688,586,639
Excess (deficiency) of revenue over expenses	60,993,623	-	-	-	60,993,623	19,264,051
Unrestricted funds designated for future use	(39,158,474)	39,158,474	-	-	-	-
Restricted funds used for operations	5,700,236	(5,700,236)	-	-	-	-
Restricted funds use for tangible capital assets	-	(9,731,362)	-	9,731,362	-	-
Current year funds used for assets	(17,272,098)	-	1,366,212	15,905,886	-	-
Long term debt for purchase of tangible capital assets	(20,125,219)	-	633,788	19,491,431	-	-
Contributed tangible capital assets	(21,431,752)	-	-	21,431,752	-	-
Disposal of tangible capital assets	1,022,193	-	-	(1,022,193)	-	-
Annual amortization expenses	25,875,404	-	-	(25,875,404)	-	-
Long term debt issued	20,125,219	-	-	(20,125,219)	-	-
Long term debt repaid net of debt charges recovered	(13,339,470)	-	-	13,339,470	-	-
Change in accumulated surplus	2,389,662	23,726,876	2,000,000	32,877,085	60,993,623	19,264,051
BALANCE, END OF YEAR	2,729,997	108,618,985	18,375,000	639,120,331	768,844,313	707,850,690

The accompanying notes are an integral part of these financial statements

ROCKY VIEW COUNTY
Schedule of Tangible Capital Assets
For the Year Ended December 31, 2021
Schedule 2

	Land	Land Improvements	Buildings	Engineered Structures	Machinery and Equipment	Vehicles	2021 \$	2020 \$ (Note 20)
COST:								
BALANCE, BEGINNING OF YEAR	134,919,607	7,723,815	83,441,339	985,952,751	20,810,438	17,628,711	1,250,476,661	1,205,203,039
Acquisition of tangible capital assets	6,935,587	718,965	7,312,960	37,713,410	866,454	293,173	53,840,549	24,454,774
Construction-in-progress, net	(952,646)	1,606,967	(6,454,500)	18,697,563	(96,358)	(81,144)	12,719,882	21,591,527
Disposal of tangible capital assets	(26,427)	-	(17,690)	(1,095,330)	(173,698)	(728,070)	(2,041,215)	(772,679)
BALANCE, END OF YEAR	140,876,121	10,049,747	84,282,109	1,041,268,394	21,406,836	17,112,670	1,314,995,877	1,250,476,661
ACCUMULATED AMORTIZATION:								
BALANCE, BEGINNING OF YEAR	-	587,642	12,607,493	561,660,256	12,795,626	9,850,870	597,501,887	572,571,581
Annual Amortization	-	279,554	2,227,242	20,592,355	1,550,736	1,225,517	25,875,404	25,409,974
Accumulated amortization on disposals	-	-	-	(161,997)	(143,697)	(713,328)	(1,019,022)	(479,668)
BALANCE, END OF YEAR	-	867,196	14,834,735	582,090,614	14,202,665	10,363,059	622,358,269	597,501,887
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	140,876,121	9,182,551	69,447,374	459,177,780	7,204,171	6,749,611	692,637,608	652,974,774
2020 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	134,919,607	7,136,173	70,833,846	424,292,495	8,014,812	7,777,841	652,974,774	

The accompanying notes are an integral part of these financial statements

ROCKY VIEW COUNTY
Schedule of Property and Other Taxes
For the Year Ended December 31, 2021
Schedule 3

	Budget \$ (Note 21)	2021 \$	2020 \$
TAXATION			
Real property taxes	113,086,104	112,784,372	110,359,779
Linear property taxes	13,774,882	13,738,128	13,453,758
Government grants in place of property taxes	119,214	118,896	85,559
Special assessments and local improvement taxes	433,900	433,216	433,042
	<u>127,414,100</u>	<u>127,074,612</u>	<u>124,332,138</u>
 REQUISITIONS FROM OTHER AUTHORITIES			
Alberta School Foundation Fund	47,630,100	49,143,956	46,767,643
Calgary Roman Catholic Separate School District	4,067,100	2,549,436	3,992,021
Rocky View Seniors Foundation	1,020,200	1,020,185	675,246
Designated Industrial Property Tax	137,900	138,054	133,151
	<u>52,855,300</u>	<u>52,851,631</u>	<u>51,568,061</u>
 NET MUNICIPAL TAXES	<u>74,558,800</u>	<u>74,222,981</u>	<u>72,764,077</u>

The accompanying notes are an integral part of these financial statements

ROCKY VIEW COUNTY
Schedule of Government Transfers
For the Year Ended December 31, 2021
Schedule 4

	Budget \$ (Note 21)	2021 \$	2020 \$
TRANSFERS FOR OPERATING:			
Provincial Government	15,026,500	17,996,546	6,287,523
Federal Government	117,100	155,295	-
	<u>15,143,600</u>	<u>18,151,841</u>	<u>6,287,523</u>
TRANSFERS FOR CAPITAL:			
Provincial Government	28,012,600	16,772,443	24,215,731
Federal Government	5,166,400	3,219,467	518,267
	<u>33,179,000</u>	<u>19,991,910</u>	<u>24,733,998</u>
TOTAL GOVERNMENT TRANSFERS	<u>48,322,600</u>	<u>38,143,751</u>	<u>31,021,521</u>

The accompanying notes are an integral part of these financial statements

ROCKY VIEW COUNTY
Schedule of Expenses by Object
For the Year Ended December 31, 2021
Schedule 5

	Budget \$ (Note 21)	2021 \$	2020 \$ (Note 20)
EXPENSES BY OBJECT			
Salaries, wages and benefits	44,029,100	41,439,344	43,801,947
Contracted and general services	50,113,800	32,775,797	28,860,050
Materials, goods and supplies	10,575,400	8,593,373	9,650,577
Interest on long-term debt	1,761,800	1,249,350	1,318,812
Purchased from other Governments	648,000	715,697	707,029
Grants to organizations	5,263,600	3,787,491	6,568,221
Grants to local boards and agencies	2,143,000	1,808,034	1,656,942
Other	187,300	284,540	334,665
Amortization of tangible capital assets	25,545,700	25,875,404	25,409,974
Loss on disposal of tangible capital assets	-	-	207,197
TOTAL EXPENSES	<u>140,267,700</u>	<u>116,529,030</u>	<u>118,515,414</u>

The accompanying notes are an integral part of these financial statements

ROCKY VIEW COUNTY
Schedule of Segmented Disclosure
For the Year Ended December 31, 2021
Schedule 6

	General Government	Emergency Services	I & O Services	Planning & Development	Community Services	Total \$
REVENUE						
Net municipal taxes	74,222,981	-	-	-	-	74,222,981
Government transfers	10,456,516	1,993,746	22,385,191	-	3,308,298	38,143,751
User fees and sales of goods	327,033	464,286	8,578,720	1,618,243	-	10,988,282
Investment income	882,610	-	-	-	-	882,610
Contributed assets	-	-	16,140,052	-	5,291,700	21,431,752
Other revenues	5,996,978	1,412,960	10,984,549	13,451,790	7,000	31,853,277
	91,886,118	3,870,992	58,088,512	15,070,033	8,606,998	177,522,653
EXPENSES						
Salaries, wages and benefits	10,731,699	13,375,843	11,355,282	5,504,393	472,127	41,439,344
Contracted and general services	5,153,291	986,980	24,661,330	1,269,149	705,047	32,775,797
Materials, goods and supplies	408,283	627,744	7,510,482	43,250	3,614	8,593,373
Transfers to local boards and organizations	458,122	79,000	9,500	-	5,048,903	5,595,525
Long-term debt interest	-	30,093	1,219,257	-	-	1,249,350
Other expenses	92,404	715,697	192,136	-	-	1,000,237
	16,843,799	15,815,357	44,947,987	6,816,792	6,229,691	90,653,626
NET REVENUE, BEFORE AMORTIZATION	75,042,319	(11,944,365)	13,140,524	8,253,243	2,377,307	86,869,029
Amortization expenses	603,988	1,065,688	23,970,899	1,579	233,250	25,875,404
EXCESS (DEFFICIENCY) OF REVENUE OVER EXPENSES	74,438,332	(13,010,053)	(10,830,375)	8,251,662	2,144,057	60,993,623

The accompanying notes are an integral part of these financial statements

ROCKY VIEW COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

These financial statements of Rocky View County (the "County") are the representations of management prepared in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Professional Accountants. Significant aspects of the accounting policies adopted by the County are outlined as follows:

Reporting Entity

The financial statements reflect the assets, liabilities, revenues and expenditures, changes in fund balances and change in financial position of Rocky View County.

The schedule of taxes levied also includes requisitions for education, health, social and other external organizations that are not part of Rocky View County.

The financial statements exclude trust assets that are administered for the benefit for external parties. Interdepartmental and organizational transactions and balances are eliminated.

Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or the legal obligation to pay.

Revenue Recognition

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

Government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used for certain programs, in the completion of specific work, or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred, services performed or the tangible capital assets are acquired. Revenue on investments, fines and penalties are recognized when earned.

Tax Revenue

The County recognized taxes as assets and revenue when they meet the definition of an asset, are authorized by bylaw, and the taxable event has occurred. Tax Revenue is initially measured at administrations best estimate of the amount resulting from the original taxable event in accordance with legislation. The related tax receivable is initially recognized at its realizable value at the date of acquisition.

ROCKY VIEW COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

Requisitions operate as a flow through and are excluded from municipal revenue.

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 in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be determined.

Use of Estimates

The preparation of financial statements in conformity with Canadian Generally Accepted Accounting Principles (GAAP) and in conjunction with the Public Services Accounting Board (PSAB) requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditure during the period. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

Accounts receivable are stated after evaluation as to their collectability. Amortization is based on the estimated useful lives of tangible assets. Reclamation, closure and post-closure liabilities are calculated based on management's best estimates of costs and timing. The valuation of inventory for consumption is subject to estimation uncertainty.

Investments

Investments are recorded at amortized cost. Investment premiums and discounts are amortized on the net present value basis over the term of the respective investments. When there has been a loss in value that is other than a temporary decline, the respective investment is written down to recognize the loss.

Debt Charges Recoverable

Debt charges recoverable consist of amounts that are recoverable from municipal agencies or other local governments with respect to outstanding debentures or other long-term debt pursuant to annexation orders or joint capital undertakings. These recoveries are recorded at a value that equals the offsetting portion of the un-matured long-term debt.

Local Improvement Charges

Construction and borrowing costs associated with local improvement projects are recovered through annual special assessments during the period of related borrowings. These levies are collectable from property owners for work performed by Rocky View County.

ROCKY VIEW COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

Inventories

Inventories held for consumption are recorded at the lower of cost or net realizable value with the cost determined by the average cost method.

Landfill Closure and Post-Closure Liability

Pursuant to the Alberta Environment Protection and Enhancement Act, the County is required to fund the closure of its landfill sites and provide for post-closure care of the facility. Closure and post-closure activities include the final clay cover, landscaping, as well as surface and ground water monitoring, leachate control, and visual inspection. The requirement is being provided for over the estimated remaining life of the landfill sites based on usage.

Liability for Contaminated Sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of a contaminated site is recognized when a site is not in productive use and is management's estimate of the cost of post remediation including operation, maintenance and monitoring.

Non-Financial Assets

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

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 of the tangible capital assets is amortized on a straight-line basis over the estimated useful life as follows:

	YEARS
Land Improvements	15-25
Buildings	10-50
Engineered structures	
Water system	30-75
Wastewater system	30-75
Other engineered structures	5-30
Machinery and equipment (owned and leased)	3-10
Vehicles	8-20

ROCKY VIEW COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

One-half of the annual amortization is charged in the year of acquisition and in the year of disposal. 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 fair value at the date of receipt and also are recorded as revenue.

iii) Resource Asset

The water licenses are recorded at cost and have been assessed with an indefinite life. The assets will not be amortized and impairment will be reviewed when there are indicators of a decline in value.

iv) Leases

Leases are classified as capital or operating leases. Lease that transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. At the inception of a capital lease, an asset and payment obligation is recorded at an amount equal to the lesser of the present value of the minimum lease payments and the property's fair market value.

All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

An arrangement contains a lease where the arrangement conveys a right to use the underlying tangible asset, and whereby its fulfilment is dependent on the use of the specific tangible asset. After the inception of the arrangement, a reassessment of whether the arrangement contains a lease is made only in the event that:

- There is a change in contractual terms;
- A renewal option is exercised or an extension is agreed upon by the parties to the arrangement;
- There is a change in the determination of whether the fulfilment of the arrangement is dependent on the use of the specific tangible asset; or
- There is a substantial physical change to the specified tangible asset.

Requisition Over-levy and Under-levy

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

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

ROCKY VIEW COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

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

Pensions

The County participates in two pension plans. The plans are accounted for as defined benefits plan. Contributions for current services are recorded as expenditures in the year in which they become due.

Funds Held in Trust

The County held \$1,056,403 in a Cemetery Perpetual Care Trust Account as at December 31, 2021 (2020 - \$915,953).

The County held \$824,541 in a Tax Recovery Trust account as at December 31, 2021 (2020 - \$158,000).

NOTE 2: INVESTMENTS

	<u>2021</u>	<u>2020</u>
Investments	<u>\$4,998</u>	<u>\$97,525,501</u>

Investments and deposits have an effective interest rate of 0.85% (2020 – 0.65% to 1.18%) and mature in less than one year.

NOTE 3: CASH

	<u>2021</u>	<u>2020</u>
Cash in bank	\$147,409,116	\$12,753,262
Outstanding cheques	<u>(1,849,843)</u>	<u>(4,938,106)</u>
Cash	<u><u>\$145,559,273</u></u>	<u><u>\$7,815,156</u></u>

Cash consists of petty cash and cash in bank accounts. Included in cash is a restricted amount for grants of \$18,466,463 (2020 - \$4,153,220), which includes \$6,607,918 (2020 - \$1,997,530) received from the Municipal Sustainability Initiative held exclusively for approved projects (Note 6).

ROCKY VIEW COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 4: RECEIVABLES

	<u>2021</u>	<u>2020</u>
Property Taxes		
Current taxes and grants in place of taxes	\$3,611,163	\$3,894,473
Arrears taxes	<u>1,380,842</u>	<u>1,329,793</u>
	<u>\$4,992,005</u>	<u>\$5,224,266</u>
Other		
Trade accounts	\$5,492,994	\$4,906,515
Government Transfers	<u>2,500,604</u>	<u>8,296,407</u>
	<u>\$7,993,598</u>	<u>\$13,202,922</u>
Total	<u>\$12,985,603</u>	<u>\$18,427,188</u>

NOTE 5: DEBT CHARGES RECOVERABLE

	<u>2021</u>	<u>2020</u>
Current debt charges recoverable	\$66,001	\$62,812
Non-current debt charges recoverable	<u>401,274</u>	<u>467,275</u>
	<u>\$467,275</u>	<u>\$530,087</u>

The County has secured long-term financing on behalf of several community organizations for joint projects within the County. This debt is recoverable from the organizations at interest rates from 4.758% to 5.250%. The debts mature and will be fully recovered starting in the year 2023 and ending in 2032.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$66,001	\$22,385	\$88,386
2023	69,353	19,033	88,386
2024	31,900	15,510	47,410
2025	33,450	13,960	47,410
2026	35,075	12,335	47,410
Thereafter	<u>231,496</u>	<u>36,264</u>	<u>267,760</u>
	<u>\$467,275</u>	<u>\$119,487</u>	<u>\$586,762</u>

ROCKY VIEW COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 6: DEFERRED REVENUE

	<u>2021</u>	<u>2020</u>
Prepaid property tax	\$391,149	\$369,123
Municipal Sustainability Initiative – capital	6,607,918	1,997,530
AB Environment & Sustainable Resource Grant	5,317,674	2,066,017
Municipal Stimulus Program	109,643	-
Strategic Transportation Infrastructure Program	3,254	-
AB Community Resilience Program	7,766,658	6,865,695
Other operating grants	333,737	434,630
Developer contributions	207,956	208,712
Other deferred revenue	2,110,206	2,195,002
	<u>\$22,848,195</u>	<u>\$14,136,709</u>

NOTE 7: EMPLOYEE BENEFIT OBLIGATIONS

	<u>2021</u>	<u>2020</u>
Vacation	<u>\$1,296,898</u>	<u>\$1,695,552</u>

The vacation liability is comprised of the vacation that employees are deferring to future years. Employees have either earned the benefit (and are vested) or are entitled to these benefits within the next budgetary year.

NOTE 8: LONG-TERM DEBT

	<u>2021</u>	<u>2020</u>
Operating debt, maturing between 2023 and 2032, bearing interest at rates between 4.758% and 5.250%	\$467,275	\$530,087
Capital debt, maturing between 2023 and 2050, bearing interest at rates between 1.288% and 3.973%	<u>53,517,277</u> <u>\$53,984,552</u>	<u>46,731,528</u> <u>\$47,261,615</u>
Funding for future payments from:		
General Tax	\$1,986,778	\$1,440,063
Emergency Services Tax	898,652	1,039,483
Local Improvement Tax	5,235,139	5,418,851
Special Levies	41,830,643	39,313,209
User Fees	4,033,340	50,009
	<u>\$53,984,552</u>	<u>\$47,261,615</u>

ROCKY VIEW COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

Principal and interest repayments are as follows:

	<u>Capital</u>	<u>Interest</u>	<u>Operating</u>	<u>Interest</u>	<u>Total</u>
2022	\$4,238,571	\$1,269,952	\$66,001	\$22,385	\$5,596,909
2023	4,252,619	1,171,840	69,353	19,033	5,512,845
2024	4,155,992	1,073,270	31,900	15,510	5,276,672
2025	4,051,336	977,848	33,450	13,960	5,076,594
2026	2,709,731	885,767	35,075	12,335	3,642,908
Remainder	<u>34,109,028</u>	<u>6,424,740</u>	<u>231,496</u>	<u>36,263</u>	<u>40,801,527</u>
Total	<u>\$53,517,277</u>	<u>\$11,803,417</u>	<u>\$467,275</u>	<u>\$119,486</u>	<u>\$65,907,455</u>

Of the \$467,275 in principal payments to be made in future years on operating debt, all will be paid from tax levies and local improvement tax.

Of the \$53,517,277 in principal payments to be made in future years on capital debt, all will be paid from user fees, special levies, local improvement tax and tax levies.

Interest expense on long-term debt amounted to \$1,249,350 (2020 - \$1,318,812). The County's total cash payments for interest were \$1,289,205 (2020 - \$1,326,397).

The County has a \$5,000,000 (2020 - \$5,000,000) unsecured operating line of credit with ATB Financial. This line of credit bears interest, when utilized, at ¼ % below the prime lending rate as established by ATB Financial. \$1,000,000 of this \$5,000,000 can be utilized for Letters of Credit. Three Letters of Credit were issued in 2019 totalling \$853,340, which currently puts the overall line of credit at an available balance of \$4,146,660.

These letters were issued to the Receiver General of Canada on behalf of Fisheries and Oceans Canada, for the purpose of constructing and monitoring flood mitigation structures built in segments along Bragg Creek and the Elbow River.

NOTE 9: PENSION PLANS

Local Authorities Pension Plan (LAPP)

Employees of the County participate in the Local Authorities Pension Plan ("LAPP" or the "Plan"), which is covered by the Public Sector Pension Plans Act. This plan is financed by employer and employee contributions and by investment earnings of the LAPP Fund. Contributions for current service are recorded as expenditures in the year in which they become due.

Rocky View County is required to make current service contributions to the Plan of 9.39% of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan ("CPP"), and 13.84% of pensionable earnings above this amount. Employees of the County are required to make current service contributions of 8.39% of pensionable earnings up to the year's maximum pensionable earnings and 12.84% on pensionable earnings above this amount.

ROCKY VIEW COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

Total employer contributions by Rocky View County to the LAPP in 2021 were \$2,390,685 (2020 - \$2,684,911). Total contributions by the employees of Rocky View County to the LAPP in 2021 were \$2,153,732 (2020 - \$2,388,544).

At December 31, 2020, the date of the most recent actuarial valuation, the Plan disclosed an actuarial surplus of \$4,961 million (2019 - \$7,913 million surplus).

APEX Supplementary Pension Plan

The APEX Supplementary Pension Plan, an Alberta Urban Municipality Association (AUMA) sponsored defined benefit pension plan covered under the provisions of the Alberta Employment Pensions Plans Act, commenced in 2008 and provides supplementary pension plan benefits. The plan supplements the Local Authorities Pension Plan.

The Chief Administrative Officer and Executive Directors of the County can participate in the APEX Supplementary Pension Plan. APEX is financed by Employer and Employee contributions and investment earnings of the APEX fund. Contributions for current service are recorded as expenditures in the year in which they become due.

Rocky View County makes current service contributions to the plan of 3.85% of pensionable earnings up to the APEX maximum earnings of \$154,611. Eligible employees of the County can make current service contributions of 2.61% of earnings up to the APEX maximum earnings of \$154,611. Total employer contributions by Rocky View County to APEX in 2021 amounted to \$18,358 (2020 - \$25,872). Total contributions by employees of the County to APEX amounted to \$12,445 for the 2021 year (2020 - \$17,538).

The cost of post-retirement benefits earned by employees is actuarially determined using the projected benefit method prorated on service and administration's best estimate of salary and benefit escalation and retirement ages of employees. The costs of post-retirement benefits are fully funded.

NOTE 10: COMMITMENTS & CONTINGENCIES

No provision has been made on the statement of financial position for the various lawsuits and legal claims filed against the County as the extent of the lawsuits and legal claims are not determinable at December 31, 2021. The amount of any future settlement would be accounted for in the year the losses are determined.

The commitments for the next 4 years are as follows:

	Operating
2022	\$3,021,330
2023	\$4,050,722
2024	\$4,026,763
2025	\$4,030,163

ROCKY VIEW COUNTY
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The County has entered into agreements for the following projects, (1) Bragg Creek Flood Mitigation, \$3,609,670 (2) West Balzac Servicing, \$2,196,034 (3) Prince of Peace Phase 2, \$339,000 (4) Blazer Water System Acquisition \$9,000,000 (5) Dwight McLellan Trail Traffic Lights \$500,000 (6) Glenmore Trail and Garden \$3,721,808 (7) Secondary Highway 566 Twinning \$995,648 and (8) Dwight McLellan Trail Stormwater \$2,466,991.

NOTE 11: RECIPROCAL INSURANCE EXCHANGE MEMBERSHIPS

The County was a member of the Genesis Reciprocal Insurance Exchange and the Jubilee Reciprocal Insurance Exchange as at December 31, 2021. Under the terms of the membership, the County could become liable for its proportionate share of any claim losses in excess of the funds held by the exchange. Any liability incurred would be accounted for as a current transaction in the year the losses are determined.

NOTE 12: DEBT LIMITS

Section 276 (2) of the Municipal Government Act and related provincial regulations require that the debt and debt limits, as defined by Alberta Regulation 255/00, for the County, be disclosed as follows:

	<u>2021</u>	<u>2020</u>
Total debt limit	\$204,148,487	\$155,930,616
Total long term debt	<u>(53,984,552)</u>	<u>(47,261,615)</u>
Total amount of debt limit unused	<u>\$150,163,935</u>	<u>\$108,669,001</u>
Debt Servicing Limit	\$34,024,748	\$25,988,436
Debt Servicing	<u>(5,596,909)</u>	<u>(4,972,951)</u>
Amount of Debt Servicing Limit unused	<u>\$28,427,839</u>	<u>\$21,015,485</u>

The debt limit is calculated at 1.5 times revenue of the County (as defined in Alberta Regulation 255/00) and the debt service limit is calculated at 0.25 times such revenue. Incurring debt beyond these limitations requires approval by the Minister of Municipal Affairs. These thresholds are guidelines used by Alberta Municipal Affairs to identify municipalities that could be at financial risk if further debt is acquired. The calculation taken alone does not represent the financial stability of the County; rather, the financial statements must be interpreted as a whole.

ROCKY VIEW COUNTY
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NOTE 13: ACCUMULATED SURPLUS

	2021	2020
Unrestricted surplus	\$10,697,240	\$7,449,682
Capital deficit	(7,967,243)	(7,109,347)
	<u>\$2,729,997</u>	<u>\$340,335</u>
Restricted surplus		
Reserve funds		
General operating	\$4,815,565	\$3,478,683
Roads	4,151,990	3,873,468
Offsite levies	33,284,992	28,546,248
Tax stabilization	36,040,455	32,580,622
Utility	910,194	856,449
Public	14,241,646	10,817,691
Equipment	4,245,143	3,887,798
Recreation – Springbank	10,000,000	-
Voluntary recreation	929,000	851,150
Equity in water license	18,375,000	16,375,000
Equity in tangible capital assets (Note 18)	639,120,331	606,243,246
	<u>\$768,844,313</u>	<u>\$707,850,690</u>

NOTE 14: FINANCIAL INSTRUMENTS

The County's financial instruments consist of cash and temporary investments, accounts receivable, investments, debt charges recoverable, bank indebtedness, accounts payable and accrued liabilities, employee benefit obligations, deposit liabilities, long-term debt, and capital lease obligations. It is management's opinion that the County is not exposed to significant interest or currency risks arising from these financial instruments.

The County is subject to credit risk with respect to taxes and grants in place of taxes, accounts receivable and debt charges recoverable. Credit risk arises from the possibility that taxpayers and entities to which the County provides services may experience financial difficulty and be unable to fulfil their obligations. The large number and diversity of taxpayers and customers minimizes the credit risk.

Unless otherwise noted, the carrying value of the financial instrument approximates fair value.

ROCKY VIEW COUNTY
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 15: SALARY AND BENEFIT DISCLOSURE

Salaries and benefits for elected Municipal Officials, the Chief Administrative Officer and the Designated Officers as required by Alberta Regulation 313/2000, is disclosed as follows:

	No. of Persons	Salary \$	Benefits & Allowances \$	2021 Total \$	2020 No. of Persons	2020 Total \$
Councillors:						
Division 1	2	85,787	13,121	98,907	1	96,783
Division 2	2	92,229	1,144	93,373	1	97,416
Division 3	1	85,990	13,479	99,469	1	82,728
Division 4	1	83,599	13,121	96,720	1	99,701
Division 5	1	83,599	10,565	94,164	1	97,379
Division 6	2	84,446	10,569	95,015	1	123,299
Division 7	1	83,599	9,707	93,306	1	104,632
Division 8	1	95,771	12,414	108,184	1	82,728
Division 9	1	69,773	11,591	81,365	1	84,762
CAO	2	406,720	42,580	449,300	1	345,312
Designated Officers	2	255,644	221,506	477,150	2	295,011

- (1) Salary includes regular base pay, bonuses, overtime, lump sum payments, gross honoraria and any other direct cash remuneration.
- (2) Elected Officials: Benefits & Allowances include the County's contribution and payments for Canada Pension Plan (CPP), Workers Compensation Board (WCB), dental coverage, vision coverage, group life insurance, accidental disability and dismemberment insurance, travel allowance and general expense allowance.
- (3) Chief Administrative Officer/Designated Officers: Benefits & Allowances include the County's contribution and payments for Canada Pension Plan (CPP), Workers Compensation Board (WCB), employment insurance, extended health care, dental coverage, vision coverage, group life insurance, accidental disability and dismemberment insurance, local authorities pension plan (LAPP), and APEX Supplementary Pension Plan.

ROCKY VIEW COUNTY
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NOTE 16: LANDFILL CLOSURE AND POST-CLOSURE LIABILITY

Pursuant to the Alberta Environment Protection and Enhancement Act, the County is required to fund the closure of its landfill sites and provide for post-closure care of the facility. Closure and post-closure activities include the final clay cover, landscaping, pumping of ground water and leachates from the site, and ongoing environmental monitoring, site inspection and maintenance.

The County is responsible for landfill sites which have been capped and closed with no further useful life and capacity. No performance bonds have been paid on the sites and no assets have been specifically allocated to these sites.

The estimated total liability is based on the sum of discounted future cash flows of post closure activities for the remainder of the terms (between 13 years and 16 years) using a discount rate of 2.87% (2020 – 2.92%).

The total estimated liability is \$382,180, of which \$382,180 has been accrued as a liability.

	<u>2021</u>	<u>2020</u>
Estimated post-closure costs	<u>\$382,180</u>	<u>\$424,335</u>
Estimated total liability	<u><u>\$382,180</u></u>	<u><u>\$424,335</u></u>

NOTE 17: CONTAMINATED SITES LIABILITY

On January 1, 2015, the County adopted PS 3260 Liability for Contaminated Sites. The standard was applied on a retroactive basis and did not result in any adjustments to the financial liabilities, tangible capital assets or accumulated surplus of the County. During 2021 the County did not identify any sites that qualify as contaminated under PS 3260 and therefore no Contaminated Sites Liability was required.

NOTE 18: EQUITY IN TANGIBLE CAPITAL ASSETS

	<u>2021</u>	<u>2020</u>
Tangible Capital Assets	\$1,314,995,877	\$1,250,476,661
Accumulated Amortization	(622,358,269)	(597,501,887)
Long Term Debt	(53,984,552)	(47,261,615)
Debt Charges Recoverable	467,275	530,087
	<u><u>\$639,120,331</u></u>	<u><u>\$606,243,246</u></u>

ROCKY VIEW COUNTY
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 19: SEGMENTED DISCLOSURE

The County conducts its business through a number of reportable segments. The operating segments are established by management and facilitate the achievement of long-term objectives and aid in resource allocation decision. For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements.

Refer to the Schedule of Segmented Disclosure (Schedule 6).

General Government includes council, other legislative and general administration.

Emergency Services includes fire, police and traffic enforcement.

I&O Services includes roads, capital projects, asset management, fleet, cemetery, water, wastewater, and waste & recycling.

Planning & Development includes planning services, building services, engineering services, economic development, and development compliance.

Community Services includes recreation & community support, family and community support services (FCSS).

NOTE 20: COMPARATIVE FIGURES

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

NOTE 21: BUDGET

The budget figures presented in these financial statements are based on the budget approved by council on April 13, 2021 and subsequent budget adjustments are not included.

NOTE 22: COVID-19

The COVID-19 pandemic is causing significant financial market and social dislocation. The situation is dynamic with various levels of government around the world responding in different ways to address the outbreak. The County continues to monitor its operations and assess the impact COVID-19 will have on its business activities. The extent of the effect of the COVID-19 pandemic on the County is uncertain.

ROCKY VIEW COUNTY
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NOTE 23: APPROVAL OF FINANCIAL STATEMENTS

Council and Management have approved these financial statements.