

**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**

|   | <b>2021</b>               | <b>2020</b>        |
|---|---------------------------|--------------------|
|   | <b>\$</b>                 | <b>\$</b>          |
| <b>FINANCIAL ASSETS</b>                           |                           |                    |
| Cash (Note 3)                                     | <b>145,559,273</b>        | 7,815,156          |
| Temporary investments (Note 2)                    | <b>4,998</b>              | 97,525,501         |
| Receivables                                       |                           |                    |
| Taxes and grants in place of taxes (Note 4)       | <b>4,992,005</b>          | 5,224,266          |
| Trade and other receivables (Note 4)              | <b>7,993,598</b>          | 13,202,922         |
| Debt charges recoverable (Note 5)                 | <b>467,275</b>            | 530,087            |
|   | <b><u>159,017,149</u></b> | <u>124,297,932</u> |
| <b>LIABILITIES</b>                                |                           |                    |
| Accounts payable and accrued liabilities          | <b>19,036,751</b>         | 19,282,799         |
| Deposit liabilities                               | <b>7,379,484</b>          | 7,040,970          |
| Deferred revenue (Note 6)                         | <b>22,848,195</b>         | 14,136,709         |
| Employee benefit obligations (Note 7)             | <b>1,296,898</b>          | 1,695,552          |
| Landfill closure and post-closure costs (Note 16) | <b>382,180</b>            | 424,335            |
| Long-term debt (Note 8)                           | <b>53,984,552</b>         | 47,261,615         |
|   | <b><u>104,928,060</u></b> | <u>89,841,980</u>  |
| <b>NET FINANCIAL ASSETS</b>                       | <b><u>54,089,089</u></b>  | <u>34,455,952</u>  |
| <b>NON- FINANCIAL ASSETS</b>                      |                           |                    |
| Tangible capital assets (Schedule 2)              | <b>692,637,608</b>        | 652,974,774        |
| Resource asset                                    | <b>18,375,000</b>         | 16,375,000         |
| Inventory for consumption                         | <b>2,356,916</b>          | 2,736,308          |
| Prepaid expenses                                  | <b>1,385,700</b>          | 1,308,656          |
|   | <b><u>714,755,224</u></b> | <u>673,394,738</u> |
| <b>ACCUMULATED SURPLUS</b> (Schedule 1, Note 13)  | <b><u>768,844,313</u></b> | <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<br>\$<br>(Note 21) | 2021<br>\$                | 2020<br>\$<br>(Note 20) |
|---|---------------------------|---------------------------|-------------------------|
| <b>REVENUE</b>  |                           |                           |                         |
| Net municipal taxes (Schedule 3)                                | 74,558,800                | <b>74,222,981</b>         | 72,764,077              |
| User fees and sales of goods                                    | 9,543,000                 | <b>10,988,282</b>         | 10,007,164              |
| Cash-In-Lieu of Public Reserve                                  | 670,000                   | <b>4,028,382</b>          | 1,078,189               |
| Government transfers for operating (Schedule 4)                 | 15,143,600                | <b>18,151,841</b>         | 6,287,523               |
| Investment income   | 1,250,000                 | <b>882,610</b>            | 1,567,839               |
| Penalties and cost of taxes                                     | 996,500                   | <b>1,706,412</b>          | 1,557,874               |
| Development agreements and levies                               | 7,853,900                 | <b>12,619,134</b>         | 5,704,682               |
| Licenses and permits  | 3,231,000                 | <b>6,343,548</b>          | 2,863,693               |
| Fines   | 1,009,500                 | <b>1,013,283</b>          | 818,492                 |
| Other   | 7,190,900                 | <b>6,142,518</b>          | 1,304,211               |
| <b>Total Revenue</b>  | <u>121,447,200</u>        | <u><b>136,098,991</b></u> | <u>103,953,744</u>      |
| <b>EXPENSES</b>   |                           |                           |                         |
| Legislative   | 1,154,300                 | <b>945,103</b>            | 936,398                 |
| Administration  | 21,955,900                | <b>18,928,840</b>         | 20,457,318              |
| Fire  | 14,496,200                | <b>15,196,323</b>         | 15,877,281              |
| Disaster services   | 936,600                   | <b>424,504</b>            | 513,183                 |
| Bylaw enforcement   | 7,837,700                 | <b>6,806,720</b>          | 6,964,963               |
| Transportation and field services                               | 60,986,500                | <b>45,687,804</b>         | 42,605,176              |
| Water supply and distribution                                   | 4,896,700                 | <b>5,064,789</b>          | 4,838,476               |
| Wastewater treatment and disposal                               | 7,951,600                 | <b>7,832,033</b>          | 7,330,741               |
| Waste management  | 2,553,000                 | <b>2,267,731</b>          | 2,487,532               |
| Family and community support                                    | 1,067,600                 | <b>1,004,233</b>          | 1,070,478               |
| Cemetery  | 1,135,500                 | <b>1,407,369</b>          | 1,431,421               |
| Planning and development  | 5,435,900                 | <b>3,655,643</b>          | 3,938,926               |
| Recreation, parks and community services                        | 9,860,200                 | <b>7,307,938</b>          | 10,063,521              |
| <b>Total Expenses</b>   | <u>140,267,700</u>        | <u><b>116,529,030</b></u> | <u>118,515,414</u>      |
| <b>EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES BEFORE OTHER</b> | <u>(18,820,500)</u>       | <u><b>19,569,961</b></u>  | <u>(14,561,670)</u>     |
| <b>OTHER</b>  |                           |                           |                         |
| Contributed assets  | -                         | <b>21,431,752</b>         | 9,091,723               |
| Government transfers for capital (Schedule 4)                   | 33,179,000                | <b>19,991,910</b>         | 24,733,998              |
| <b>Total Other</b>  | <u>33,179,000</u>         | <u><b>41,423,662</b></u>  | <u>33,825,721</u>       |
| <b>EXCESS OF REVENUE OVER EXPENSES</b>                          | 14,358,500                | <b>60,993,623</b>         | 19,264,051              |
| <b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>                   | 707,850,690               | <b>707,850,690</b>        | 688,586,639             |
| <b>ACCUMULATED SURPLUS, END OF YEAR</b>                         | <u>722,209,190</u>        | <u><b>768,844,313</b></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<br>\$<br>(Note 21) | 2021<br>\$                      | 2020<br>\$               |
|--|---------------------------|---------------------------------|--------------------------|
| <b>EXCESS OF REVENUE OVER EXPENSES</b>             | 14,358,500                | <b>60,993,623</b>               | 19,264,051               |
| Acquisition of tangible capital assets             | (55,690,200)              | <b>(45,128,679)</b>             | (36,954,578)             |
| Contributed tangible capital assets                | -                         | <b>(21,431,752)</b>             | (9,091,723)              |
| Proceeds on disposal of tangible capital assets    | -                         | <b>1,152,163</b>                | 85,814                   |
| Amortization of tangible capital assets            | 25,545,700                | <b>25,875,404</b>               | 25,409,974               |
| (Gain) loss on sale of tangible capital assets     | -                         | <b>(129,970)</b>                | 207,197                  |
|  | <u>(30,144,500)</u>       | <u><b>(39,662,834)</b></u>      | <u>(20,343,316)</u>      |
| Use of (acquisition of) supplies inventories       | -                         | <b>379,392</b>                  | (1,146,350)              |
| Use of (acquisition of) prepaid assets             | -                         | <b>(77,044)</b>                 | (306,973)                |
| Use of (acquisition of) resource assets            | -                         | <b>(2,000,000)</b>              | -                        |
|  | <u>-</u>                  | <u><b>(1,697,652)</b></u>       | <u>(1,453,323)</u>       |
| <b>INCREASE (DECREASE) IN NET FINANCIAL ASSETS</b> | (15,786,000)              | <b>19,633,137</b>               | (2,532,588)              |
| <b>NET FINANCIAL ASSET, BEGINNING OF YEAR</b>      | <u>34,455,952</u>         | <u><b>34,455,952</b></u>        | <u>36,988,540</u>        |
| <b>NET FINANCIAL ASSETS, END OF YEAR</b>           | <u><u>18,669,952</u></u>  | <u><u><b>54,089,089</b></u></u> | <u><u>34,455,952</u></u> |

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

|  | <b>2021</b>         | <b>2020</b>  |
|--|---------------------|--------------|
|  | <b>\$</b>           | <b>\$</b>    |
| <b>NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:</b> |                     |              |
| <b>OPERATING ACTIVITIES</b>  |                     |              |
| Excess of revenue over expenses  | <b>60,993,623</b>   | 19,264,051   |
| Non-cash items included in excess of revenue over expenses:              |                     |              |
| Amortization of tangible capital assets                                  | <b>25,875,404</b>   | 25,409,974   |
| (Gain) loss on disposal of tangible capital assets                       | <b>(129,970)</b>    | 207,197      |
| Tangible capital assets received as contributions                        | <b>(21,431,752)</b> | (9,091,723)  |
| Non-cash charges to operations (net change):                             |                     |              |
| Decrease (Increase) in taxes and grants in place of taxes                | <b>232,261</b>      | (1,158,082)  |
| Decrease (Increase) decrease in trade and other receivables              | <b>5,209,324</b>    | (4,390,654)  |
| Decrease (Increase) in inventory for consumption                         | <b>379,392</b>      | (1,146,350)  |
| (Increase) in prepaid expenses   | <b>(77,044)</b>     | (306,973)    |
| (Decrease) Increase in accounts payable and accrued liabilities          | <b>(246,048)</b>    | 11,007,222   |
| Increase in accounts payable amount applied to capital                   | <b>1,805,450</b>    | 4,782,166    |
| Increase (Decrease) in deposit liabilities                               | <b>338,514</b>      | (416,038)    |
| Increase (Decrease) in deferred revenue                                  | <b>8,711,486</b>    | (18,557,499) |
| (Decrease) Increase in employee benefit obligations                      | <b>(398,654)</b>    | 233,928      |
| (Decrease) in provision for landfill closure and post-closure costs      | <b>(42,155)</b>     | (13,821)     |
|  | <b>81,219,831</b>   | 25,823,398   |
| <b>CAPITAL</b>   |                     |              |
| Accounts payable amount applied to capital                               | <b>(1,805,450)</b>  | (4,782,166)  |
| Acquisition of assets  | <b>(47,128,679)</b> | (36,954,578) |
| Sale of tangible assets  | <b>1,152,163</b>    | 85,814       |
|  | <b>(47,781,966)</b> | (41,650,930) |
| <b>INVESTING</b>   |                     |              |
| Decrease in investments  | <b>97,520,503</b>   | 17,151,352   |
| <b>FINANCING</b>   |                     |              |
| Debt charges recovered   | <b>62,812</b>       | 59,777       |
| Long-term debt repaid  | <b>(13,402,282)</b> | (3,750,123)  |
| Long-term debt raised  | <b>20,125,219</b>   | 1,860,635    |
|  | <b>6,785,749</b>    | (1,829,711)  |
| <b>CHANGE IN CASH DURING YEAR</b>  | <b>137,744,117</b>  | (505,891)    |
| <b>CASH AT BEGINNING OF YEAR</b>   | <b>7,815,156</b>    | 8,321,047    |
| <b>CASH AT END OF YEAR</b>   | <b>145,559,273</b>  | 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<br>Surplus (Deficit) | Restricted<br>Surplus | Equity in<br>Other Assets | Equity in Tangible<br>Capital Assets | 2021<br>\$         | 2020<br>\$         |
|--|-----------------------------------|-----------------------|---------------------------|--------------------------------------|--------------------|--------------------|
| <b>BALANCE, BEGINNING OF YEAR,</b>                     | <b>340,335</b>                    | <b>84,892,109</b>     | <b>16,375,000</b>         | <b>606,243,246</b>                   | <b>707,850,690</b> | <b>688,586,639</b> |
| 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         |
| <b>BALANCE, END OF YEAR</b>                            | <b>2,729,997</b>                  | <b>108,618,985</b>    | <b>18,375,000</b>         | <b>639,120,331</b>                   | <b>768,844,313</b> | <b>707,850,690</b> |

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

|  | Land               | Land<br>Improvements | Buildings         | Engineered<br>Structures | Machinery and<br>Equipment | Vehicles         | 2021<br>\$         | 2020<br>\$<br>(Note 20) |
|--|--------------------|----------------------|-------------------|--------------------------|----------------------------|------------------|--------------------|-------------------------|
| <b>COST:</b>   |                    |                      |                   |                          |                            |                  |                    |                         |
| 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           |
| <b>ACCUMULATED AMORTIZATION:</b>                     |                    |                      |                   |                          |                            |                  |                    |                         |
| 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             |
| <b>NET BOOK VALUE OF<br/>TANGIBLE CAPITAL ASSETS</b> | <b>140,876,121</b> | <b>9,182,551</b>     | <b>69,447,374</b> | <b>459,177,780</b>       | <b>7,204,171</b>           | <b>6,749,611</b> | <b>692,637,608</b> | <b>652,974,774</b>      |
| 2020 NET BOOK VALUE OF<br>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<br>\$<br>(Note 21) | 2021<br>\$                | 2020<br>\$         |
|---|---------------------------|---------------------------|--------------------|
| <b>TAXATION</b>                                 |                           |                           |                    |
| Real property taxes                             | 113,086,104               | <b>112,784,372</b>        | 110,359,779        |
| Linear property taxes                           | 13,774,882                | <b>13,738,128</b>         | 13,453,758         |
| Government grants in place of property taxes    | 119,214                   | <b>118,896</b>            | 85,559             |
| Special assessments and local improvement taxes | 433,900                   | <b>433,216</b>            | 433,042            |
|   | <u>127,414,100</u>        | <u><b>127,074,612</b></u> | <u>124,332,138</u> |
| <b>REQUISITIONS FROM OTHER AUTHORITIES</b>      |                           |                           |                    |
| Alberta School Foundation Fund                  | 47,630,100                | <b>49,143,956</b>         | 46,767,643         |
| Calgary Roman Catholic Separate School District | 4,067,100                 | <b>2,549,436</b>          | 3,992,021          |
| Rocky View Seniors Foundation                   | 1,020,200                 | <b>1,020,185</b>          | 675,246            |
| Designated Industrial Property Tax              | 137,900                   | <b>138,054</b>            | 133,151            |
|   | <u>52,855,300</u>         | <u><b>52,851,631</b></u>  | <u>51,568,061</u>  |
| <b>NET MUNICIPAL TAXES</b>                      | <u>74,558,800</u>         | <u><b>74,222,981</b></u>  | <u>72,764,077</u>  |

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

|                                   | Budget<br>\$<br>(Note 21) | 2021<br>\$               | 2020<br>\$        |
|-----------------------------------|---------------------------|--------------------------|-------------------|
| <b>TRANSFERS FOR OPERATING:</b>   |                           |                          |                   |
| Provincial Government             | 15,026,500                | <b>17,996,546</b>        | 6,287,523         |
| Federal Government                | 117,100                   | <b>155,295</b>           | -                 |
|                                   | <u>15,143,600</u>         | <u><b>18,151,841</b></u> | <u>6,287,523</u>  |
| <b>TRANSFERS FOR CAPITAL:</b>     |                           |                          |                   |
| Provincial Government             | 28,012,600                | <b>16,772,443</b>        | 24,215,731        |
| Federal Government                | 5,166,400                 | <b>3,219,467</b>         | 518,267           |
|                                   | <u>33,179,000</u>         | <u><b>19,991,910</b></u> | <u>24,733,998</u> |
| <b>TOTAL GOVERNMENT TRANSFERS</b> | <u>48,322,600</u>         | <u><b>38,143,751</b></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<br>\$<br>(Note 21) | 2021<br>\$                | 2020<br>\$<br>(Note 20) |
|---|---------------------------|---------------------------|-------------------------|
| <b>EXPENSES BY OBJECT</b>                   |                           |                           |                         |
| Salaries, wages and benefits                | 44,029,100                | <b>41,439,344</b>         | 43,801,947              |
| Contracted and general services             | 50,113,800                | <b>32,775,797</b>         | 28,860,050              |
| Materials, goods and supplies               | 10,575,400                | <b>8,593,373</b>          | 9,650,577               |
| Interest on long-term debt                  | 1,761,800                 | <b>1,249,350</b>          | 1,318,812               |
| Purchased from other Governments            | 648,000                   | <b>715,697</b>            | 707,029                 |
| Grants to organizations                     | 5,263,600                 | <b>3,787,491</b>          | 6,568,221               |
| Grants to local boards and agencies         | 2,143,000                 | <b>1,808,034</b>          | 1,656,942               |
| Other                                       | 187,300                   | <b>284,540</b>            | 334,665                 |
| Amortization of tangible capital assets     | 25,545,700                | <b>25,875,404</b>         | 25,409,974              |
| Loss on disposal of tangible capital assets | -                         | -                         | 207,197                 |
| <b>TOTAL EXPENSES</b>                       | <u>140,267,700</u>        | <u><b>116,529,030</b></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**

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

*The accompanying notes are an integral part of these financial statements*

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

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**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**

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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**

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**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:

---

|  | <b>YEARS</b> |
|--|--------------|
| 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**

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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 fulfillment 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 fulfillment 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**

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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**

|             | <b>2021</b> | <b>2020</b>  |
|-------------|-------------|--------------|
| Investments | \$4,998     | \$97,525,501 |

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**

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

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<br>between 2023 and 2032,<br>bearing interest at rates<br>between 4.758% and 5.250% | \$467,275           | \$530,087           |
| Capital debt, maturing<br>between 2023 and 2050,<br>bearing interest at rates<br>between 1.288% and 3.973%   | <u>53,517,277</u>   | <u>46,731,528</u>   |
|  | <u>\$53,984,552</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**

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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:

|      | <b>Operating</b> |
|------|------------------|
| 2022 | \$3,021,330      |
| 2023 | \$4,050,722      |
| 2024 | \$4,026,763      |
| 2025 | \$4,030,163      |

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

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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**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

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**NOTE 13: ACCUMULATED SURPLUS**

|   | <b>2021</b>                 | <b>2020</b>                 |
|---|-----------------------------|-----------------------------|
| Unrestricted surplus                        | \$10,697,240                | \$7,449,682                 |
| Capital deficit                             | (7,967,243)                 | (7,109,347)                 |
|   | <b><u>\$2,729,997</u></b>   | <b><u>\$340,335</u></b>     |
| 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                 |
|   | <b><u>\$768,844,313</u></b> | <b><u>\$707,850,690</u></b> |

**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**  
**DECEMBER 31, 2021**

**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:

|                     | <b>No. of<br/>Persons</b> | <b>Salary<br/>\$</b> | <b>Benefits &amp;<br/>Allowances<br/>\$</b> | <b>2021<br/>Total<br/>\$</b> | <b>2020<br/>No. of<br/>Persons</b> | <b>2020<br/>Total<br/>\$</b> |
|---------------------|---------------------------|----------------------|---|------------------------------|------------------------------------|------------------------------|
| 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**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

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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>\$382,180</u> | <u>\$424,335</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>\$639,120,331</u> | <u>\$606,243,246</u> |

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

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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**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

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**NOTE 23: APPROVAL OF FINANCIAL STATEMENTS**

Council and Management have approved these financial statements.