

**COUNTY OF GRANDE PRAIRIE NO. 1**  
**Consolidated Financial Statements**  
**December 31, 2021**

**COUNTY OF GRANDE PRAIRIE NO. 1**  
**Index to Consolidated Financial Statements**  
**Year Ended December 31, 2021**

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## MANAGEMENT REPORT

The accompanying consolidated financial statements and other information contained in this Financial Report are the responsibility of the management of the County of Grande Prairie No. 1.

These consolidated financial statements have been prepared by management within reasonable limits of materiality and within the framework of Canadian public sector accounting standards established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

In carrying out its responsibilities, management maintains appropriate systems of internal and administrative controls designed to provide reasonable assurance that transactions are executed in accordance with proper authorization, that assets are properly accounted for and safeguarded, and that the financial information produced is relevant and reliable.

The elected Council of the County of Grande Prairie No. 1 is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements. The Council approves the engagement or re-appointment of the external auditors, and reviews the quarterly financial reports.

The consolidated financial statements have been audited by Metrix Group LLP Chartered Professional Accountants, the external auditors, in accordance with Canadian auditing standards on behalf of Council, residents and ratepayers of the County.

Joulia Whittleton  
Chief Administrative Officer  
May 2, 2022

Mark Schonken  
Director of Financial Services  
May 2, 2022

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## INDEPENDENT AUDITORS' REPORT

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To the Reeve and Council of the County of Grande Prairie No. 1

### *Opinion*

We have audited the accompanying consolidated financial statements of the County of Grande Prairie No. 1 (the County), which comprise the statement of financial position as at December 31, 2021, and the statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the consolidated 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 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 *Auditors' Responsibilities for the Audit of the Consolidated 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 consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Other Information*

Management is responsible for the other information. The other information comprises the information included in the *Annual Report* but does not include the consolidated financial statements and our auditors' report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

(continues)



Independent Auditors' Report to the Reeve and Council of the County of Grande Prairie No. 1 (continued)

In preparing the consolidated 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.

*Auditors' Responsibilities for the Audit of the Consolidated Financial Statements*

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control.
- Evaluate the appropriateness of accounting policies 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 auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

**METRIX GROUP LLP**

Chartered Professional Accountants

Edmonton, Alberta


May 2, 2022

**COUNTY OF GRANDE PRAIRIE NO. 1**  
**Consolidated Statement of Financial Position**  
**As at December 31, 2021**

		2021	2020
			<i>(Restated - Note 30)</i>
<b>FINANCIAL ASSETS</b>			
Cash and cash equivalents	<i>(Note 2)</i>	\$ 16,222,490	\$ 34,387,761
Receivables	<i>(Note 3)</i>	23,052,356	28,368,542
Loans to other government	<i>(Note 4)</i>	141,999	221,999
Loans receivable	<i>(Note 5)</i>	2,077,439	2,311,850
Land held for resale	<i>(Note 6)</i>	4,573,192	4,567,086
Investments	<i>(Note 7)</i>	170,971,704	120,320,260
		<b>217,039,180</b>	<b>190,177,498</b>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	<i>(Note 9)</i>	16,080,131	8,462,355
Deposit liabilities	<i>(Note 10)</i>	2,864,735	2,277,251
Deferred revenue	<i>(Note 11)</i>	15,192,499	9,210,060
Landfill closure and post-closure costs	<i>(Note 12)</i>	708,340	726,774
TD operating line of credit	<i>(Note 13)</i>	75,500	106,500
Long-term debt	<i>(Note 14)</i>	45,232,736	47,904,944
		<b>80,153,941</b>	<b>68,687,884</b>
<b>NET FINANCIAL ASSETS</b>		<b>136,885,239</b>	<b>121,489,614</b>
<b>NON-FINANCIAL ASSETS</b>			
Tangible capital assets	<i>(Schedule 2)</i>	480,247,831	471,815,394
Inventory for consumption	<i>(Note 16)</i>	1,339,618	1,211,708
Prepaid expenditures		800,089	868,715
		<b>482,387,538</b>	<b>473,895,817</b>
<b>ACCUMULATED SURPLUS</b>	<i>(Schedule 1, Note 18)</i>	<b>\$ 619,272,777</b>	<b>\$ 595,385,431</b>
Contingent Liabilities	<i>(Note 22)</i>		

**APPROVED ON BEHALF OF COUNCIL:**

  
 Peter Harris (May 2, 2022 14:40 MDT)

  
 Leanne Beupre (May 2, 2022 14:41 MDT)

*The accompanying notes form an integral part of these consolidated financial statements.*

**COUNTY OF GRANDE PRAIRIE NO. 1**  
**Consolidated Statement of Operations and Accumulated Surplus**  
**For the Year Ended December 31, 2021**

	2021 <i>(Budget - Note 28)</i>	2021 <i>(Actual)</i>	2020 <i>(Restated - Note 30)</i>
<b>REVENUE</b>			
Net municipal taxes	(Schedule 3) \$ 90,201,206	\$ 90,895,631	\$ 86,730,433
User fees and sale of goods	(Schedule 6) 7,510,367	7,353,199	7,126,858
Government transfers	(Schedule 4) 3,035,539	16,549,655	7,006,087
Investment income	2,881,862	4,482,731	4,503,235
Penalties and costs of taxes	511,000	1,304,697	1,026,275
Insurance proceeds	20,000	15,607	34,871
Development levies	347,420	590,602	694,452
Licenses, permits, fines and rentals	1,519,300	2,788,145	3,928,496
Other	273,062	2,732,983	1,649,217
<b>TOTAL REVENUE</b>	<b>106,299,756</b>	<b>126,713,250</b>	<b>112,699,924</b>
<b>EXPENSES</b>			
Legislative	1,293,027	939,907	963,911
Other general	18,937,962	23,752,766	8,162,779
Corporate and administrative services	12,666,795	12,671,874	11,878,186
Community services			
Agriculture services	2,788,316	2,555,239	2,472,785
Family and community support services	3,203,033	2,968,184	2,829,192
Recreation, cultural, library and park services	15,474,662	14,281,647	12,743,751
Regional enforcement services	3,716,877	4,390,348	3,358,033
Regional fire services	9,386,468	9,793,820	9,308,296
Transportation and field services	47,946,505	44,504,061	46,142,892
Water and wastewater services	635,770	742,101	628,716
Solid waste management and recycling	3,144,171	2,974,915	2,991,716
Planning and economic development			
Planning and development	3,690,231	2,442,935	2,829,598
Economic development	1,021,087	622,744	622,122
<b>TOTAL EXPENSES</b>	<b>123,904,904</b>	<b>122,640,541</b>	<b>104,931,977</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES BEFORE OTHER ITEMS</b>	<b>(17,605,148)</b>	<b>4,072,709</b>	<b>7,767,947</b>
<b>OTHER ITEMS</b>			
Contributed assets	-	3,203,677	8,346,196
Government transfers for capital	(Schedule 4) 25,515,806	6,899,699	10,575,912
Net subsidiary operations - Aquatera Utilities Inc.	(Note 25) -	2,882,336	3,474,605
Transfer of assets to Aquatera Utilities Inc.	-	723,549	(1,617,576)
Gain (loss) on disposal of tangible capital assets	-	(1,321,941)	(2,158,272)
Restructuring	(Note 17) -	7,427,317	-
	<b>25,515,806</b>	<b>19,814,637</b>	<b>18,620,865</b>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>7,910,658</b>	<b>23,887,346</b>	<b>26,388,812</b>
<b>ACCUMULATED SURPLUS - BEGINNING OF YEAR</b>	<b>595,385,431</b>	<b>595,385,431</b>	<b>568,996,619</b>
<b>ACCUMULATED SURPLUS - END OF YEAR</b>	<b>\$ 603,296,089</b>	<b>\$ 619,272,777</b>	<b>\$ 595,385,431</b>

*The accompanying notes form an integral part of these consolidated financial statements.*

**COUNTY OF GRANDE PRAIRIE NO. 1**  
**Consolidated Statement of Changes in Net Financial Assets**  
**Year Ended December 31, 2021**

	2021 <i>(Budget - Note 28)</i>	2021 <i>(Actual)</i>	2020 <i>(Restated - Note 30)</i>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	\$ 7,910,658	\$ 23,887,346	\$ 26,388,812
<b>Tangible capital assets related</b>			
Acquisition of tangible capital assets	(74,170,960)	(27,522,178)	(26,700,061)
Tangible capital assets acquired - restructuring	-	(7,016,197)	-
Contributed assets	-	(3,203,677)	(8,346,196)
Proceeds on disposal of tangible capital assets	408,000	1,156,622	856,089
Amortization of tangible capital assets	27,237,228	26,831,049	26,368,061
Loss (gain) on disposal of tangible capital assets	-	1,321,941	2,158,272
	<u>(46,525,732)</u>	<u>(8,432,440)</u>	<u>(5,663,835)</u>
<b>Other non-financial assets</b>			
Use (acquisition) of prepaid expenditures	-	68,628	1,417,647
Use (acquisition) of inventory for consumption	-	(127,909)	44,099
	<u>-</u>	<u>(59,281)</u>	<u>1,461,746</u>
<b>INCREASE (DECREASE) IN NET FINANCIAL ASSETS</b>	(38,615,074)	15,395,625	22,186,723
<b>NET FINANCIAL ASSETS - BEGINNING OF YEAR</b>	<u>121,489,614</u>	<u>121,489,614</u>	<u>99,302,891</u>
<b>NET FINANCIAL ASSETS - END OF YEAR</b>	<u>\$ 82,874,540</u>	<u>\$ 136,885,239</u>	<u>\$ 121,489,614</u>

*The accompanying notes form an integral part of these consolidated financial statements.*



**COUNTY OF GRANDE PRAIRIE NO. 1**  
**Consolidated Statement of Cash Flows**  
**Year Ended December 31, 2021**

	2021	2020 <i>(Restated - Note 30)</i>
<b>OPERATING</b>		
Excess of revenue over expenses	\$ 23,887,346	\$ 26,388,812
Non-cash items included in Excess of revenue over expenses:		
Amortization of tangible capital assets	26,831,049	26,368,061
Loss on disposal of tangible capital assets	1,321,942	2,158,270
Tangible capital assets received as contributions	(3,203,676)	(8,346,196)
Restructuring	(5,520,915)	-
Non-cash charges to operations (net change):		
Decrease (increase) in receivables	8,686,262	(7,313,436)
Decrease in loans to other government	80,000	80,000
Increase in receivable from other governments	(6,106)	(2,847,218)
Decrease in loans receivable	234,411	106,567
Decrease in prepaid expenditures	68,628	1,417,647
Decrease (increase) in inventory for consumption	(127,909)	44,099
Increase (decrease) in accounts payable and accrued liabilities	4,247,699	(1,435,746)
Increase (decrease) in deposit liabilities	587,484	(455,256)
Increase (decrease) in provision for landfill closure and post-closure costs	(18,434)	107,014
Increase (decrease) in deferred revenue	5,982,439	(255,175)
Cash provided by operating activities	<u>63,050,220</u>	<u>36,017,443</u>
<b>CAPITAL</b>		
Acquisition of tangible capital assets	(27,522,177)	(26,700,061)
Proceeds on disposal of tangible capital assets	<u>1,156,622</u>	<u>856,089</u>
Cash used for capital activities	<u>(26,365,555)</u>	<u>(25,843,972)</u>
<b>INVESTING</b>		
Purchase (sale) of investments	(47,045,560)	7,513,265
Investment in Aquatera Utilities Inc.	<u>(3,605,884)</u>	<u>(5,333,156)</u>
Cash (applied to) provided by investing activities	<u>(50,651,444)</u>	<u>2,180,109</u>
<b>FINANCING</b>		
Bank loan repaid	(31,000)	(36,000)
Long-term debt issued	2,288,439	-
Long-term debt repaid	<u>(6,455,931)</u>	<u>(6,216,572)</u>
Cash applied to financing transactions	<u>(4,198,492)</u>	<u>(6,252,572)</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS DURING YEAR</b>	<b>(18,165,271)</b>	<b>6,101,008</b>
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>34,387,761</u>	<u>28,286,753</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$ 16,222,490</b>	<b>\$ 34,387,761</b>

*The accompanying notes form an integral part of these consolidated financial statements.*

(Schedule 1)

**COUNTY OF GRANDE PRAIRIE NO. 1**  
**Consolidated Schedule of Changes in Accumulated Surplus**  
**Year Ended December 31, 2021**

	Unrestricted Surplus	Restricted Surplus	Equity in Aquatera Utilities Inc.	Equity in Tangible Capital Assets	2021	2020
BALANCE, BEGINNING OF YEAR	\$ 2,757,514	\$ 132,455,484	\$ 30,987,796	\$ 434,306,645	\$ 600,507,439	\$ 568,996,619
Prior period adjustment (Note 30)	-	-	-	(5,122,008)	(5,122,008)	-
BALANCE, BEGINNING OF YEAR, AS RESTATED	2,757,514	132,455,484	30,987,796	429,184,637	595,385,431	568,996,619
Excess of revenues over expenses	23,887,346	-	-	-	23,887,346	26,388,812
Unrestricted funds designated for future use	(83,787,015)	83,787,015	-	-	-	-
Restricted funds used for operations	35,732,182	(35,732,182)	-	-	-	-
Net subsidiary operations - Aquatera Utilities Inc.	(2,882,336)	-	2,882,336	-	-	-
Transfer of assets to Aquatera Utilities Inc.	200,000	-	723,548	(923,548)	-	-
Restricted funds used for tangible capital assets	-	(39,718,512)	-	39,718,512	-	-
Current year funds used for tangible capital asset	12,196,335	-	-	(12,196,335)	-	-
Contributed assets	(3,203,677)	-	-	3,203,677	-	-
Disposal of tangible capital assets	1,555,015	-	-	(1,555,015)	-	-
Amortization of tangible capital assets	26,831,049	-	-	(26,831,049)	-	-
Long-term debt repaid	(6,455,931)	-	-	6,455,931	-	-
Levied portion of local improvements	596,310	-	-	(596,310)	-	-
Restructuring (Note 17)	(7,003,832)	887,962	-	6,115,870	-	-
Change in accumulated surplus	(2,334,554)	9,224,283	3,605,884	13,391,733	23,887,346	26,388,812
<b>BALANCE, END OF YEAR</b>	<b>\$ 422,960</b>	<b>\$ 141,679,767</b>	<b>\$ 34,593,680</b>	<b>\$ 442,576,369</b>	<b>\$ 619,272,777</b>	<b>\$ 595,385,431</b>

*The accompanying notes form an integral part of these consolidated financial statements.*

(Schedule 2)

**COUNTY OF GRANDE PRAIRIE NO. 1**  
**Consolidated Schedule of Tangible Capital Assets**  
**Year Ended December 31, 2021**

	Land	Site Improvements	Buildings	Engineered Structures	Machinery and Equipment	Vehicles	Construction in Progress	2021 \$	2020 \$
<b>COST</b>									
BALANCE, BEGINNING OF YEAR	\$ 83,738,567	\$ 21,942,923	\$ 99,826,353	\$ 476,535,044	\$ 40,494,963	\$ 17,767,883	\$ 11,663,976	\$ 751,969,709	\$ 719,028,262
Prior period adjustment (Note 30)	-	-	-	(2,883,292)	-	-	(2,385,432)	(5,268,724)	-
<b>BALANCE, BEGINNING OF YEAR, AS RESTATED</b>	<b>83,738,567</b>	<b>21,942,923</b>	<b>99,826,353</b>	<b>473,651,752</b>	<b>40,494,963</b>	<b>17,767,883</b>	<b>9,278,544</b>	<b>746,700,985</b>	<b>719,028,262</b>
Acquisition of tangible capital assets	60,191	76,479	23,319	10,126,246	6,061,887	394,027	10,780,029	27,522,178	26,700,061
Contributed assets	1,398,920	-	-	1,804,755	2	-	-	3,203,677	8,346,196
Transfer of construction in progress	534	215,223	-	3,899,545	133,716	1,156,655	(5,405,673)	-	-
Restructure - assets	404,517	222,274	1,550,306	8,145,810	646,478	465,404	-	11,434,789	-
Disposals of tangible capital assets	-	-	(21,563)	(1,720,608)	(1,861,474)	(1,132,952)	(970,858)	(5,707,455)	(7,373,534)
<b>BALANCE, END OF YEAR</b>	<b>85,602,729</b>	<b>22,456,899</b>	<b>101,378,415</b>	<b>495,907,500</b>	<b>45,475,572</b>	<b>18,651,017</b>	<b>13,682,042</b>	<b>783,154,174</b>	<b>746,700,985</b>
<b>ACCUMULATED AMORTIZATION</b>									
BALANCE, BEGINNING OF YEAR	-	9,339,854	19,459,291	214,055,658	22,658,272	9,519,232	-	275,032,307	252,876,703
Prior period adjustment	-	-	-	(146,716)	-	-	-	(146,716)	-
<b>BALANCE, BEGINNING OF YEAR, AS RESTATED</b>	<b>-</b>	<b>9,339,854</b>	<b>19,459,291</b>	<b>213,908,942</b>	<b>22,658,272</b>	<b>9,519,232</b>	<b>-</b>	<b>274,885,591</b>	<b>252,876,703</b>
Annual amortization	-	1,141,602	2,270,184	17,524,645	4,508,648	1,385,970	-	26,831,049	26,368,061
Restructuring - accumulated amortization	-	156,031	634,445	2,928,532	454,743	244,841	-	4,418,592	-
Accumulated amortization on disposals	-	-	(2,765)	(857,272)	(1,286,741)	(1,082,111)	-	(3,228,889)	(4,359,173)
<b>BALANCE, END OF YEAR</b>	<b>-</b>	<b>10,637,487</b>	<b>22,361,155</b>	<b>233,504,847</b>	<b>26,334,922</b>	<b>10,067,932</b>	<b>-</b>	<b>302,906,343</b>	<b>274,885,591</b>
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<b>\$ 85,602,729</b>	<b>\$ 11,819,412</b>	<b>\$ 79,017,260</b>	<b>\$ 262,402,653</b>	<b>\$ 19,140,650</b>	<b>\$ 8,583,085</b>	<b>\$ 13,682,042</b>	<b>\$ 480,247,831</b>	<b>\$ 471,815,394</b>
<b>2020 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<b>\$ 83,738,567</b>	<b>\$ 12,603,069</b>	<b>\$ 80,367,062</b>	<b>\$ 259,742,810</b>	<b>\$ 17,836,691</b>	<b>\$ 8,298,651</b>	<b>\$ 9,278,544</b>	<b>\$ 471,865,394</b>	
Construction in progress allocation	\$ -	\$ 2,485,452	\$ 800	\$ 9,237,892	\$ 1,866,591	\$ 91,307	\$ -	\$ 13,682,042	

The accompanying notes form an integral part of these consolidated financial statements.

(Schedule 3)

**COUNTY OF GRANDE PRAIRIE NO. 1**  
**Consolidated Schedule of Property and Other Taxes**  
**Year Ended December 31, 2021**

	2021 <i>(Budget - Note 28)</i>	<b>2021 <i>(Actual)</i></b>	2020 <i>(Actual)</i>
<b>TAXATION</b>			
Real property taxes	\$ 88,313,539	\$ <b>90,169,680</b>	\$ 86,270,008
Linear property taxes	25,460,556	<b>26,059,621</b>	24,473,286
Government grants in place of property taxes	69,491	<b>70,759</b>	73,810
Local improvement taxes	178,739	<b>178,739</b>	199,153
	<u>114,022,325</u>	<u><b>116,478,799</b></u>	<u>111,016,257</u>
<b>LESS: REQUISITIONS</b>			
Alberta School Foundation Fund	(22,067,978)	<b>(23,792,463)</b>	(22,576,897)
Designated Industrial Properties	(264,366)	<b>(262,013)</b>	(235,919)
Grande Prairie Roman Catholic Separate School District No. 28	(1,058,388)	<b>(1,105,297)</b>	(1,054,266)
Grande Spirit Foundation	(430,387)	<b>(423,395)</b>	(418,742)
	<u>(23,821,119)</u>	<u><b>(25,583,168)</b></u>	<u>(24,285,824)</u>
<b>NET MUNICIPAL TAXES</b>	<u>\$ 90,201,206</u>	<u>\$ <b>90,895,631</b></u>	<u>\$ 86,730,433</u>

*The accompanying notes form an integral part of these consolidated financial statements.*

(Schedule 4)

**COUNTY OF GRANDE PRAIRIE NO. 1**  
**Consolidated Schedule of Government Transfers**  
**Year Ended December 31, 2021**

	2021 <i>(Budget - Note 28)</i>	2021 <i>(Actual)</i>	2020 <i>(Actual)</i>
<b>TRANSFERS FOR OPERATING:</b>			
Federal transfers	\$ -	\$ 5,366,647	\$ 210,831
Municipal Sustainability Initiative	1,293,678	1,304,571	1,295,597
Provincial transfers	1,729,361	9,866,413	5,291,031
Local government transfers	12,500	12,024	208,628
	<u>3,035,539</u>	<u>16,549,655</u>	<u>7,006,087</u>
<b>TRANSFERS FOR CAPITAL:</b>			
Canada Community Building Fund	1,347,336	463,984	1,812,918
Municipal Sustainability Initiative	9,718,939	3,827,766	3,800,841
Provincial transfers	14,449,531	2,607,949	4,962,153
	<u>25,515,806</u>	<u>6,899,699</u>	<u>10,575,912</u>
	<u>\$ 28,551,345</u>	<u>\$ 23,449,354</u>	<u>\$ 17,581,999</u>

*The accompanying notes form an integral part of these consolidated financial statements.*

**COUNTY OF GRANDE PRAIRIE NO. 1**  
**Consolidated Schedule of Segmented Disclosure**  
**Year Ended December 31, 2021**

	General Government	Community Services	Public Works & Technical Services	Planning and Economic Development	Corporate Services	Administrative Services	2021	2020 <i>(Restated - Note 30)</i>
<b>REVENUE</b>								
Net municipal taxes	\$ 90,895,631	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 90,895,631	\$ 86,730,433
Government transfers	13,424,370	1,579,886	8,275,649	100,444	69,006	-	23,449,355	17,581,999
User fees and sale of goods	590,918	2,015,546	4,221,332	72,020	452,777	606	7,353,199	7,126,858
Investment income	4,448,994	-	33,737	-	-	-	4,482,731	4,503,235
Contributed assets	-	795,291	2,023,145	-	385,240	-	3,203,676	8,346,196
Net subsidiary operations - Aquatera Utilities Inc.	2,882,336	-	-	-	-	-	2,882,336	3,474,605
Restructuring	6,685,921	-	741,395	-	-	-	7,427,316	-
Other revenues	2,113,095	371,130	3,922,531	964,934	37,867	22,476	7,432,033	7,333,313
<b>Total Revenue</b>	<b>121,041,265</b>	<b>4,761,853</b>	<b>19,217,789</b>	<b>1,137,398</b>	<b>944,890</b>	<b>23,082</b>	<b>147,126,277</b>	<b>135,096,639</b>
<b>EXPENSES</b>								
Contracted and general services	478,435	3,877,521	9,117,429	714,851	2,173,559	845,349	17,207,144	18,358,598
Salaries, wages and benefits	747,687	14,822,746	10,696,424	2,168,056	6,478,140	2,337,011	37,250,064	36,347,883
Materials, goods and utilities	476,275	2,731,255	6,136,856	79,192	294,763	163,249	9,881,590	9,870,095
Transfers to other governments, local boards and agencies	20,739,406	7,478,039	48,854	38,627	-	-	28,304,926	10,721,458
Purchases from other governments	-	1,350,121	-	-	-	-	1,350,121	556,024
Interest on long-term debt	1,506,528	-	-	-	-	-	1,506,528	1,692,177
Transfer of assets to Aquatera Utilities Inc.	(723,549)	-	-	-	-	-	(723,549)	1,617,576
Other expenses	196,016	69,218	1,277,103	(1,656)	56,981	33,396	1,631,058	3,175,955
<b>Total Expenses</b>	<b>23,420,798</b>	<b>30,328,900</b>	<b>27,276,666</b>	<b>2,999,070</b>	<b>9,003,443</b>	<b>3,379,005</b>	<b>96,407,882</b>	<b>82,339,766</b>
<b>NET REVENUE, BEFORE AMORTIZATION</b>	<b>97,620,467</b>	<b>(25,567,047)</b>	<b>(8,058,877)</b>	<b>(1,861,672)</b>	<b>(8,058,553)</b>	<b>(3,355,923)</b>	<b>50,718,395</b>	<b>52,756,873</b>
Amortization of tangible capital assets	(553,377)	(3,686,032)	(22,209,010)	(57,742)	(309,731)	(15,157)	(26,831,049)	(26,368,061)
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	<b>\$ 97,067,090</b>	<b>\$ (29,253,079)</b>	<b>\$ (30,267,887)</b>	<b>\$ (1,919,414)</b>	<b>\$ (8,368,284)</b>	<b>\$ (3,371,080)</b>	<b>\$ 23,887,346</b>	<b>\$ 26,388,812</b>

*The accompanying notes form an integral part of these consolidated financial statements.*

(Schedule 6)

**COUNTY OF GRANDE PRAIRIE NO. 1**  
**Consolidated Schedule of User Fees and Sale of Goods**  
**For the Year Ended December 31, 2021**

	2021 <i>(Note 28)</i>	2021 <i>(Actual)</i>	2020 <i>(Actual)</i>
<b>CONSOLIDATED USER FEES AND SALE OF GOODS</b>			
Landfill, recycling, and waste collection	\$ 2,953,949	\$ 2,796,631	\$ 2,861,720
Transportation fees	526,300	1,181,149	946,236
Parks and Recreation	1,823,539	1,055,071	1,050,406
Aquatera franchise fees	365,000	524,950	477,058
Corporate and administrative	421,939	453,383	461,346
Enforcement services	462,420	429,334	398,713
Family and community support services	465,461	373,278	372,488
Fire services	179,450	135,867	182,342
Wastewater services	54,849	135,531	53,220
Water services	72,060	108,021	82,483
Multi modal lease	151,000	71,927	146,788
Atco Franchise Fees	-	55,925	-
Other fees	34,400	22,089	44,657
Hythe Net Distribution Fees	-	10,043	-
Planning and development	-	-	40,403
Disaster services	-	-	8,998
<b>TOTAL USER FEES AND SALE OF GOODS</b>	<b>\$ 7,510,367</b>	<b>\$ 7,353,199</b>	<b>\$ 7,126,858</b>

*The accompanying notes form an integral part of these consolidated financial statements.*

**COUNTY OF GRANDE PRAIRIE NO. 1**  
**Notes to the Consolidated Financial Statements**  
**Year Ended December 31, 2021**

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the County of Grande Prairie No. 1 (the "County") are the representations of management prepared in accordance with accounting standards established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. Significant aspects of the accounting policies adopted by the County are as follows:

Reporting entity

The consolidated financial statements reflect the assets, liabilities, revenues and expenditures, changes in fund balances and change in financial position of the reporting entity. This entity is comprised of the municipal operations plus all of the organizations that are owned or controlled by the municipality and are, therefore, accountable to the County for the administration of their financial affairs and resources. Included in these consolidated financial statements are the financial activities of the County of Grande Prairie Library Board and the County's proportionate share of the financial activities of the West Grande Prairie County Solid Waste Management Authority, as disclosed in Note 27.

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

The schedule of taxes levied also includes requisitions for education and other external organization that are not part of the municipal reporting entity.

Basis of accounting

The consolidated 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.

Revenues are accounted for in the period in which the transactions or events occurred that gave rise to the revenues are reliably measured and reasonably estimated. Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

Expenses are recognized in the period the goods or services are acquired and a liability is incurred or transfers are due.

Use of estimates

The preparation of consolidated financial statements in conformity with Canadian Public Sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenditure during the period. Where measurement uncertainty exists, the consolidated financial statements have been prepared within reasonable limits of materiality. Such estimates include the provisions for uncollectible accounts receivable, provision for amortization of tangible capital assets, provision for landfill closure and post-closure liability, amortization of deferred revenue and the fair value of contributed tangible capital assets. Actual results could differ from those estimates.

Cash and cash equivalents

Cash and cash equivalents include items that are readily convertible to known amounts of cash, are subject to an insignificant risk of change in value and have a maturity of one year or less at acquisition.



**COUNTY OF GRANDE PRAIRIE NO. 1**  
**Notes to the Consolidated Financial Statements**  
**Year Ended December 31, 2021**

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments

Investments are recorded at amortized cost. Investment premiums and discounts are amortized 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. Gains on corporate bonds are recognized as income when sold.

The County's investment in Aquatera Utilities Inc., is accounted for on a modified equity basis, consistent with the Canadian Public Sector accounting standards for government business enterprises. Under the modified equity basis, entire business enterprise is not consolidated, its accounting policies are not adjusted to conform with those of the County and the inter-organizational transactions and balances are not eliminated.

Employee future benefits

Selected employees of the Municipality are members of the Local Authorities Pension Plan ("LAPP"), a multi-employer defined benefit pension plan. The President of the Alberta Treasury Board and the Minister of Finance are the legal trustees and administrators of the Plan, which is governed by a Board of Trustees. Since the plan is a multi-employer plan, it is accounted for as a defined contribution plan and, accordingly, the Municipality does not recognize its share of any plan surplus or deficit. Contributions for current and past service pension benefits are recorded as expenses in the year in which they become due.

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 requisitioned amount, the under-levy is accrued as a receivable and as property tax revenue.

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

Landfill closure and post-closure liability

Pursuant to the *Environmental Protection and Enhancement Act* (Alberta), the County is required to fund the closure of its landfill site and provide for post-closure care of the facility. Closure and post-closure activities include the final clay cover and 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 site based on usage.

The annual provision is reported as an operating expense in solid waste and recycling services and the accumulated provision is reported as a liability on the consolidated statement of financial position.

Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They 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 consolidated change in net financial assets for the year.

**COUNTY OF GRANDE PRAIRIE NO. 1**  
**Notes to the Consolidated Financial Statements**  
**Year Ended December 31, 2021**

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Tangible capital assets

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

Site improvements	10- 50 years
Buildings	20- 50 years
Engineered structures	
Water system	25 - 75 years
Wastewater system	45 - 75 years
Other engineered structures	10 - 100 years
Machinery and equipment	4 - 20 years
Vehicles	4 - 20 years

One half of the annual amortization is charged in the year of acquisition. Assets under construction are not amortized until the asset is available for productive use.

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.

Leases

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

Inventories

Inventories consist of materials and supplies for consumption and are valued at the lower of cost and replacement cost with cost determined by the average cost method.

Cultural and historical tangible capital assets

Works of art for display are not recorded as tangible capital assets.

Equity in Aquatera Utilities Inc. and tangible capital assets

Equity in Aquatera Utilities Inc. represents the County's net accumulated investment in its minority holding of Aquatera Utilities Inc. The amount consists of the investment in common and preferred shares, plus the County's share of earnings less any dividends received.

Equity in tangible capital assets represents the County's net investment in its capital assets, after deducting the portion financed by third parties through debenture, bond and mortgage debts, long-term capital borrowing and capitalized leases and other capital liabilities which will be repaid by the County.

**COUNTY OF GRANDE PRAIRIE NO. 1**  
**Notes to the Consolidated Financial Statements**  
**Year Ended December 31, 2021**

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Tax revenue

Property tax revenue is based on assessments determined in accordance with the Municipal Government Act. Tax rates are established annually. Taxation revenues are recorded at the time tax billings are issued. Assessments are subject to appeal.

Construction and borrowing costs associated with local improvement projects are recovered through annual special property assessments during the period of the related borrowing. These levies are collectible from property owners for work performed by the County. Under the accrual basis of accounting, revenues to be received from local improvement assessments are recognized in full in the period the local improvement project costs are incurred and the passing of the related imposition by-law.

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 consolidated 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.

Future accounting standard pronouncements

The following summarizes upcoming changes to Canadian public sector accounting standards ("PSAS"). The County will continue to assess the impact and prepare for the adoption of these standards.

(a) Financial Statement Presentation

PSAS 1201, Financial Statement Presentation, requires a new statement of re-measurement gains and losses separate from the statement of operations. Included in this new statement are the unrealized gains and losses arising from the re-measurement of financial instruments and items denominated in foreign currencies, as well as the government's proportionate share of other comprehensive income that arises when a government includes the results of government business enterprises and partnerships. This standard is applicable for fiscal years beginning on or after April 1, 2022.

(b) Foreign Currency Translation

PSAS 2601, Foreign Currency Translation, requires that monetary assets and liabilities denominated in a foreign currency be adjusted to reflect the exchange rates in effect at the financial statement dates. Unrealized gains and losses are to be presented in the new statement of re-measurement gains and losses. This standard must be adopted in conjunction with PSAS 2601 and PSAS 3450 and is applicable for fiscal years beginning on or after April 1, 2022.

**COUNTY OF GRANDE PRAIRIE NO. 1**  
**Notes to the Consolidated Financial Statements**  
**Year Ended December 31, 2021**

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Future accounting standard pronouncements (continued)

(c) Portfolio Investments

PSAS 3041, Portfolio Investments, has removed the distinction between temporary and portfolio investments and amended to conform to PSAS 3405. This standard must be adopted in conjunction with PSAS 1201, PSAS 2601, and PSAS 3450 and is applicable for fiscal years beginning on or after April 1, 2022.

(d) Financial Instruments

PSAS 3450, Financial Instruments, established recognition, measurement and disclosure requirements for derivative and non-derivative financial instruments. The standard requires fair value measurement of derivative and equity instruments; all other financial instruments can be measured at cost/amortized cost or fair value at the election of the government. Unrealized gains and losses are presented in a new statement of re-measurement gains and losses. There is the requirement to disclose the nature and extent of risks arising from financial instruments and clarification is given for the de-recognition of financial liabilities. This standard is applicable for fiscal years beginning on or after April 1, 2022.

(e) Asset Retirement Obligations

PSAS 3280, Asset Retirement Obligations, establishes standards on how to account and report for legal obligations associated with the retirement of certain tangible capital assets including solid waste landfill sites. As a result, PSAS 3270, Solid Waste Landfill Closure and Post-Closure Liability has been withdrawn but will remain in effect until the adoption of PSAS 3280. This standard is applicable for fiscal years beginning on or after April 1, 2022.

(f) Revenue

PSAS 3400, Revenue, establishes standards on how to account for and report revenue differentiating between revenue arising from transactions that include performance obligations and transactions that do not. This standard is applicable to fiscal years beginning on or after April 1, 2023.

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**COUNTY OF GRANDE PRAIRIE NO. 1**  
**Notes to the Consolidated Financial Statements**  
**Year Ended December 31, 2021**

2. CASH AND CASH EQUIVALENTS

	2021	2020
Cash on hand	\$ 1,690	\$ 3,905
Cash in banks	9,317,618	9,111,665
Cash equivalents	6,903,182	25,272,191
	\$ 16,222,490	\$ 34,387,761

Cash equivalents are readily convertible to cash, consist of investment savings account bearing interest at 1.00%.

3. RECEIVABLES

	2021	2020
		<i>(Restated - Note 30)</i>
Current taxes and grants in place of taxes	\$ 3,874,909	\$ 5,076,984
Non-current taxes and grants in place of taxes	3,328,240	2,648,734
	7,203,149	7,725,718
Allowance for doubtful accounts	(1,177,489)	(996,598)
Taxes receivable	6,025,660	6,729,120
Trade and other receivables	7,519,513	7,599,406
Government grants	4,260,853	8,132,854
Goods and Services Tax receivable	638,400	678,015
Local improvements	4,677,878	5,274,188
Allowance for doubtful accounts	(69,948)	(45,041)
	\$ 23,052,356	\$ 28,368,542

4. LOANS TO OTHER GOVERNMENTS

	2021	2020
Loan to Town of Wembley	\$ 141,999	\$ 221,999

Loan to the Town of Wembley consists of a non-interest bearing loan in the amount of \$381,999 related to Township Road 712 road improvements. The loan is to be repaid over a 5 year term with 4 annual instalments of \$80,000 and a final payment of \$61,999. As at December 31, 2021 two payments remain.

**COUNTY OF GRANDE PRAIRIE NO. 1**  
**Notes to the Consolidated Financial Statements**  
**Year Ended December 31, 2021**

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5. LOANS RECEIVABLE

	<b>2021</b>	2020
Grande Prairie Regional Ag. & Exhibition Society (TEC Centre)	<b>\$ 1,826,256</b>	\$ 2,028,546
Bezanson Agricultural Society	<b>137,657</b>	137,500
Hilltop Estates Homeowners Association	<b>113,526</b>	145,804
	<b>\$ 2,077,439</b>	\$ 2,311,850

Advances to the Grande Prairie Regional Agricultural & Exhibition Society are unsecured and bear interest from 3.70% to 4.75%. Advance #1, with a balance of \$1,046,307, consists of principal and accrued interest for 2009 through 2021, bears interest at 4.75% and is repayable in blended annual payments of \$179,188. Advance #2, with a balance of \$779,949, consists of principal and accrued interest for 2010 through 2021, bears interest at 4.75% and is repayable in blended annual payments of \$119,458.

By motion of Council, 2021, annual repayments of \$298,646, representing interest and principal were offset by a grant from the County. Under the terms of the motion, this arrangement is for a period of ten years, and is subject to annual review. Accrued interest on the loans total \$73,629 at December 31, 2021 and is included under trade and other receivables. Advance #1 is to be fully repaid by January 31, 2028, Advance #2 is to be fully repaid by January 31, 2029.

Advance to Bezanson Agricultural Society for the completion of Bezanson Community Centre is unsecured, bears interest at the bank's prime rate and is repayable in full on or before November 16, 2033. By motion of Council a corresponding loan agreement was obtained from TD Bank. See Note 13.

Advance to Hilltop Estates Homeowners Association for the construction of a new water treatment system is unsecured, bears interest at the bank's prime rate and is repayable in full on or before February 28, 2031.

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6. LAND HELD FOR RESALE

The County of Grande Prairie holds lands in the amount of \$4,573,192 (2020 - \$4,567,086) representing costs related to the Multi Modal site (\$1,719,867), Nautical land site (\$2,853,175) and \$150 in Hythe Cemetary Plots. The County has entered into an option agreement with the developer to dispose of the assembled land in parcels.

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**COUNTY OF GRANDE PRAIRIE NO. 1**  
**Notes to the Consolidated Financial Statements**  
**Year Ended December 31, 2021**

7. INVESTMENTS

	2021	2020
Investments ( <i>market value \$139,354,721, 2020</i> <i>\$93,951,896</i> )	<b>\$ 136,378,024</b>	<b>\$ 89,332,464</b>
Aquatera Utilities Inc. - 18.69% ownership		
12,736 Class A common shares (2020 - 12,012)	127	120
20,295 Class C common shares (2020 - 17,413)	203	174
7,962 Class D common shares (2020 - 7,962)	7,961,695	7,961,695
4,773 Class F common shares (2020 - 4,049)	4,772,448	4,048,900
20,545 Class H common shares (2020 - 17,622)	20,544,788	17,662,488
Cumulative share of earnings	30,004,108	26,356,980
Cumulative share of dividends declared	(28,689,689)	(25,042,561)
Total equity in Aquatera Utilities Inc. <span style="float: right;"><i>(Note 18)</i></span>	<b>34,593,680</b>	<b>30,987,796</b>
Total investments	<b>\$ 170,971,704</b>	<b>\$ 120,320,260</b>

Investments consist of fixed income investments including long-term notes, deposits, and Schedule 1 bank bonds. Long-term notes and deposits bear effective interest rates between 2.36% and 3.23% with maturity dates between November 2022 and July 2024. Bank bonds have rates of return between 0.64% and 2.64% with maturity dates between September 2023 and December 2026.

Portfolio investment interest receivable of \$3,828,649 has been recorded and included in the County's receivables amount.

The market value of the bonds are based on quoted market values. The market value of the bonds fluctuate with changes in market interest rates and indices. 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. Market values are based on market conditions at a certain point in time and as such, may not be reflective of future fair values.

An asset transfer occurred on December 31, 2021 to Aquatera Utilities Inc. from the the County. Immediately prior to the asset transfer, Aquatera Utilities Inc. declared a stock dividend, under which the County received 724 Class A common shares and Class F preferred shares with a carrying value of \$723,548 in aggregate.

8. LINE OF CREDIT

The County has a revolving demand credit facility of \$10,000,000. The demand loan bears interest at the bank's prime rate minus 0.75% per annum, was not drawn on at December 31, 2021 (2020 - \$NIL ) and is unsecured.

**COUNTY OF GRANDE PRAIRIE NO. 1**  
**Notes to the Consolidated Financial Statements**  
**Year Ended December 31, 2021**

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<b>2021</b>	2020
Trade payables	<b>\$ 13,984,343</b>	\$ 6,574,011
Vacation and overtime	<b>2,095,788</b>	1,888,344
	<b>\$ 16,080,131</b>	\$ 8,462,355

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

10. DEPOSIT LIABILITIES

	<b>2021</b>	2020
Subdivision approach and development agreement deposits	<b>\$ 1,440,206</b>	\$ 1,274,564
Public works approach/performance deposits	<b>530,633</b>	576,633
West Grande Prairie County Solid Waste Management Authority	<b>500,455</b>	378,548
General deposits	<b>26,675</b>	21,428
Safety codes council fees	<b>2,418</b>	906
Funds held in trust	<b>71,669</b>	25,172
Tax sale surplus	<b>292,679</b>	-
	<b>\$ 2,864,735</b>	\$ 2,277,251



**COUNTY OF GRANDE PRAIRIE NO. 1**  
**Notes to the Consolidated Financial Statements**  
**Year Ended December 31, 2021**

11. DEFERRED REVENUE

Deferred revenue is comprised of the following amounts, which have been received from various third parties and are restricted to the eligible operating and capital projects as approved in the funding agreements for a specified purpose. These amounts are recognized as revenue in the period in which the related expenditures are incurred.

	2020	Amounts Received and Receivable	Interest and Other	Amounts Recognized	2021
<b>Government transfers capital</b>					
Municipal Sustainability Initiative	\$ 4,567,724	\$ 9,104,056	\$ 212,236	\$ 4,906,565	\$ 8,977,451
Canada Community Building Fund	-	2,777,806	59,087	463,984	2,372,909
Alberta Municipal Water/Wastewater Partnership	3,925,875	6,114,184	30,185	9,897,531	172,713
Alberta Community Partnership Grant	-	950,000	-	-	950,000
Municipal Stimulus Program	-	2,674,793	-	2,253,360	421,433
Strategic Transportation Infrastructure Program	-	1,855,000	-	34,921	1,820,079
	<b>8,493,599</b>	<b>23,475,839</b>	<b>301,508</b>	<b>17,556,361</b>	<b>14,714,585</b>
<b>Government transfers operating</b>					
Municipal Sustainability Initiative	-	283,595	-	283,595	-
Other deferred amounts	716,461	276,075	-	514,622	477,914
	<b>716,461</b>	<b>559,670</b>	<b>-</b>	<b>798,217</b>	<b>477,914</b>
	<b>\$ 9,210,060</b>	<b>\$ 24,035,509</b>	<b>\$ 301,508</b>	<b>\$ 18,354,578</b>	<b>\$ 15,192,499</b>

**COUNTY OF GRANDE PRAIRIE NO. 1**  
**Notes to the Consolidated Financial Statements**  
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12. LANDFILL CLOSURE AND POST-CLOSURE LIABILITY

Alberta environmental law requires closure and post-closure care of landfill sites, which includes final covering and landscaping, pumping of ground water and leachate from the site and ongoing environmental monitoring, site inspections and maintenance.

The estimated total liability is based on the sum of discounted future cash flows for closure and post-closure activities for 25 years after closure using a long-term borrowing rate of 3.46% and assuming annual inflation of 2%.

The accrued liability for closure and post-closure of the Clairmont landfill is based on the cumulative capacity used at year-end compared to the estimated total landfill capacity. The total capacity of the site is estimated 1,027,573 cubic meters. The estimated remaining capacity of the landfill site is approximately 131,648 (2020 - 180,477) cubic meters. In 2010, an additional 90,726 cubic meters of airspace was added, in 2011, an additional 188,800 cubic meters of air space was added and in 2016, an additional 576,672 cubic meters of air space was added. In 2017, an adjustment of 88,736 cubic meters of airspace was required. The existing landfill site is expected to reach capacity in approximately 2 years.

The County has not yet designated assets for settling closure and post-closure liabilities.

The following represents the net present value of the estimated total expenditures for closure and post-closure care:

	<b>2021</b>	<b>2020</b>
Estimated closure costs	<b>\$ 662,665</b>	\$ 642,190
Estimated post-closure costs	<b>60,939</b>	68,694
Estimated total liability	<b>\$ 723,604</b>	\$ 710,884
Estimated capacity remaining	<b>13 %</b>	18 %
Portion of total liability remaining to be recognized	<b>\$ 92,704</b>	\$ 129,184
Estimated capacity used	<b>87 %</b>	82 %
Post closure liability Clairmont landfill	<b>\$ 630,900</b>	\$ 581,700
Accrued liability portion - West Grande Prairie County Solid Waste Management Authority	<b>77,440</b>	145,074
Total accrued liability	<b>\$ 708,340</b>	\$ 726,774

**COUNTY OF GRANDE PRAIRIE NO. 1**  
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13. TERM FACILITY

	<b>2021</b>	2020
TD operating line of credit	<b>\$ 75,500</b>	\$ 106,500

The term facility has been obtained to assist in financing the construction of the Bezanson Community Center. The term facility bear interest at prime plus 0.0%, is repayable in annual instakkmnts and is due on demand. The County holds a corresponding loan receivable from Bezanson Agricultural Society as disclosed in Note 5.

14. LONG-TERM DEBT

	<b>2021</b>	2020
General tax levy supported debentures	<b>\$ 26,760,552</b>	\$ 25,872,130
Other self supported debentures	<b>13,685,214</b>	16,640,240
Local improvement supported debentures	<b>4,786,970</b>	5,392,574
	<b>45,232,736</b>	47,904,944
Total long-term debt	<b>45,232,736</b>	47,904,944
Less: current portion	<b>(7,392,382)</b>	(6,434,446)
	<b>\$ 37,840,354</b>	\$ 41,470,498

Estimated principal and interest repayments due in each of the next five years and thereafter are as follows:

	Principal	Interest	Total
2022	\$ 7,392,382	\$ 1,308,702	\$ 8,701,084
2023	6,662,202	1,087,419	7,749,621
2024	6,490,410	896,247	7,386,657
2025	5,530,142	715,065	6,245,207
2026	5,703,414	539,205	6,242,619
Thereafter	13,454,186	1,134,278	14,588,464
	<b>\$ 45,232,736</b>	<b>\$ 5,680,916</b>	<b>\$ 50,913,652</b>

Debenture debt in the amount of \$45,232,736 is repayable to the Province of Alberta and bears interest at varying rates ranging from 0.84% to 5.15% per annum and mature between 2021 and 2050. Debenture debt is issued on the credit and security of the County of Grande Prairie No. 1.

Interest on long-term debt amounted to \$1,506,528 (2020 - 1,692,177).

The County's total cash payments for interest were \$1,511,877 (2020 - \$1,707,139).

**COUNTY OF GRANDE PRAIRIE NO. 1**  
**Notes to the Consolidated Financial Statements**  
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15. DEBT LIMITS

Section 276(2) of the Municipal Government Act requires that debt and debt limits as defined by Alberta Regulation 255/00 for the County of Grande Prairie be disclosed as follows:

	<b>2021</b>	<b>2020</b>
		<i>(Restated - Note 30.)</i>
Total debt limit	<b>\$ 185,014,763</b>	\$ 169,049,886
Total debt	<b>(45,308,236)</b>	(48,011,444)
Amount of debt limit available	<b>139,706,527</b>	121,038,442
Debt servicing limit	<b>30,835,794</b>	28,174,981
Debt servicing	<b>(8,701,084)</b>	(7,924,312)
Service on debt limit available	<b>\$ 22,134,710</b>	\$ 20,250,669

The debt limit is calculated at 1.5 times revenue of the Municipality (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 Municipality. Rather, the consolidated financial statements must be interpreted as a whole.

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16. INVENTORY FOR CONSUMPTION

	<b>2021</b>	<b>2020</b>
Gravel	<b>\$ 527,732</b>	\$ 755,031
Material and supplies	<b>811,886</b>	456,677
	<b>\$ 1,339,618</b>	\$ 1,211,708

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**COUNTY OF GRANDE PRAIRIE NO. 1**  
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**Year Ended December 31, 2021**

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17. DISSOLUTION

Pursuant to a Government of Alberta Order in Council the the Village of Hythe (the "Village") was dissolved effective July 01, 2021. The Village's assets, liabilities, and accumulated surplus as at June 30, 2021 were transferred to the County of Grande Prairie No. 1 effective July 01, 2021 as follows:

	<b>2021</b>
<b>Financial Assets</b>	
Cash and cash equivalents	\$ 349,052
Receivables	1,547,612
Investments	387,732
Land held for resale	<u>150</u>
	<u>2,284,546</u>
 <b>Financial Liabilities</b>	
Accounts payable and accrued liabilities	227,020
Deposit liabilities	522,546
Deferred revenue	180,808
Landfill closure and post-closure costs	54,403
Long term debt	<u>900,326</u>
	<u>1,885,103</u>
 Net Financial Assets	 <u>399,443</u>
 <b>Non-Financial Assets</b>	
Tangible capital assets	7,016,196
Prepaid expenditures	<u>11,678</u>
	<u>7,027,874</u>
 Accumulated Surplus	 <u>\$ 7,427,317</u>

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**COUNTY OF GRANDE PRAIRIE NO. 1**  
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18. ACCUMULATED SURPLUS

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

	<b>2021</b>	<b>2020</b>
	<i>(Restated - Note 30)</i>	
Unrestricted surplus		
County of Grande Prairie No. 1	\$ 404,266	\$ 2,743,918
West Grande Prairie County Solid Waste Management Authority	<b>18,694</b>	13,596
	<b>422,960</b>	2,757,514
Restricted surplus (reserves)		
Carry forward project completions	26,032,926	-
Financial stabilization	8,915,591	15,686,720
Project debt repayment	6,233,085	9,651,582
Future grants	2,324,949	1,275,168
Future operational projects	13,384,354	2,945,024
Future capital projects	61,602,654	82,952,181
Future equipment replacement	17,143,604	15,878,266
Municipal reserve	2,625,430	2,938,067
Hythe reserves	1,553,252	-
West Grande Prairie County Solid Waste Management Authority reserve (55% consolidation)	<b>1,863,922</b>	1,128,476
	<b>141,679,767</b>	132,455,484
Equity in Aquatera Utilities Inc. <span style="float: right;"><i>(Note 7)</i></span>	<b>34,593,680</b>	30,987,796
Equity in tangible capital assets		
Equity in tangible capital assets	447,065,920	434,414,583
Amounts to recover <span style="float: right;"><i>(Note 19)</i></span>	<b>(4,489,551)</b>	(5,229,946)
	<b>442,576,369</b>	429,184,637
	<b>\$ 619,272,777</b>	\$ 595,385,431

**COUNTY OF GRANDE PRAIRIE NO. 1**  
**Notes to the Consolidated Financial Statements**  
**Year Ended December 31, 2021**

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19. AMOUNTS TO BE RECOVERED

Amounts to be recovered represent the unfunded portion of liabilities established for accrual accounting purposes. The County has adopted a plan whereby these amounts are to be funded from future years' budgetary allocations and transfers from reserve funds. The amounts to be recovered are a result of the County incurring debt for the installation of water lines and a capital grant to the Grande Prairie Regional Agricultural and Exhibition Society for the Trade, Exhibition and Conference Centre.

	<u>2021</u>	<u>2020</u>
Evergreen Park Trade, Exhibition and Convention (TEC) Centre	\$ 1,597,898	\$ 1,875,312
Waterline installation	<u>2,891,653</u>	<u>3,354,634</u>
	<u>\$ 4,489,551</u>	<u>\$ 5,229,946</u>

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**COUNTY OF GRANDE PRAIRIE NO. 1**  
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20. SALARY AND BENEFITS DISCLOSURE

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

COUNTY COUNCIL	Division	2021				2020	
		Salary (1)	Benefits (2)	Subtotal	Travel Cost and Allowances (3)	Total	Total
Reeve - L. Beaupre	3	\$ 95,480	\$ 16,858	\$ 112,338	\$ 7,254	\$ 119,592	\$126,684
A. Frayn	1	16,476	4,184	20,660	1,936	<b>22,596</b>	-
H. Bulford	1	40,704	9,010	49,714	2,546	<b>52,260</b>	82,603
K. Balderson	2	16,314	4,146	20,460	1,571	<b>22,031</b>	-
D. Beeston	2	51,688	11,345	63,033	3,145	<b>66,178</b>	85,350
S. Zimmerman	4	18,301	2,345	20,646	2,819	<b>23,465</b>	-
R. Sutherland	4	48,933	4,857	53,790	4,546	<b>58,336</b>	89,656
B. Marshall	5	71,233	14,842	86,075	6,356	<b>92,431</b>	93,294
P. Harris	6	70,780	9,982	80,762	8,753	<b>89,515</b>	86,250
B. Peterson	7	16,799	4,080	20,879	6,110	<b>26,989</b>	-
L. Waddy	7	45,550	9,723	55,273	4,342	<b>59,615</b>	83,763
K. Rosvold	8	73,979	15,123	89,102	10,563	<b>99,665</b>	104,233
B. Chrenek	9	15,829	3,875	19,704	2,009	<b>21,713</b>	-
C. Beck	9	50,234	7,682	57,916	6,504	<b>64,420</b>	102,811
		<b>632,300</b>	<b>118,052</b>	<b>750,352</b>	<b>68,454</b>	<b>818,806</b>	<b>854,644</b>
<b>OFFICERS</b>	<b>Positions</b>						
Chief Administrative Officer	1	255,350	36,563	291,913	9,109	<b>301,022</b>	289,160
Designated Officers	2	286,012	60,455	346,467	2,324	<b>348,791</b>	354,873
		<b>\$ 541,362</b>	<b>\$ 97,018</b>	<b>\$ 638,380</b>	<b>\$ 11,433</b>	<b>\$ 649,813</b>	<b>\$644,033</b>

- (1) Salary includes regular base pay, bonuses, overtime, lump sum payments, gross honoraria and any other direct cash remuneration.
- (2) Employer's share of all County Council benefits and contributions or payments made on behalf of County Council including Canada Pension Plan, health care, dental coverage, vision coverage, group life insurance, accidental death and dismemberment insurance and registered retirement savings plan contributions. Employer's share of all Officers benefits and contributions or payments made on behalf of Officers including pension, health care, dental coverage, vision coverage, group life insurance, accidental death and dismemberment insurance and employment insurance.
- (3) Travel allowances and travel costs including mileage and airfare.



**COUNTY OF GRANDE PRAIRIE NO. 1**  
**Notes to the Consolidated Financial Statements**  
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21. LOCAL AUTHORITIES PENSION PLAN

Employees of the County participate in the Local Authorities Pension Plan ("LAPP"), which is one of the plans covered by the Alberta Public Sector Pension Plans Act. The LAPP 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.

The County is required to make current service contributions to LAPP of 9.39% of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 13.84% on pensionable earnings above this amount. Employees of the County are required to make current service contributions of 8.39% of pensionable salary up to the year's maximum pensionable salary and 12.84% on pensionable salary above this amount.

Total current service contributions by the County to LAPP in 2021 were \$2,439,307 (2020 - \$2,520,022). Total current service contributions by the employees of the County of Grande Prairie No. 1 to the Local Authorities Pension Plan in 2021 were \$2,188,829 (2020 - \$2,314,626).

At December 31, 2020, the Plan disclosed an actuarial surplus of \$4.96 billion (2019 - \$7.91 billion surplus).

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22. CONTINGENT LIABILITIES

The County is a member of the Jubilee Insurance Reciprocal Exchange (Genesis). 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.

The County has been named defendant in various lawsuits as at December 31, 2021. While it is not possible to estimate the ultimate liability with respect to the pending litigation, based on evaluation and correspondence with the County's legal counsel, management indicates that it is unlikely that there will be a materially adverse effect on the financial position of the County. The ultimate settlement of these lawsuits, if any, will be recorded in the period details become known.

Under Provincial legislation, the County is required to reclaim lands used for the extraction of aggregate material (gravel pits). Reclamation requirements have been defined in accordance with industry standards and include re-vegetation of sites upon closure. The County owns and operates a number of gravel pits. The aggregate material from these gravel pits are used for road maintenance and construction projects within the County. At this time, it is not possible to estimate the potential closure costs of these gravel pits and therefore no provision has been made in the financial statements.

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23. COMMITMENTS

Operating leases

The County has entered into various leases in respect to photocopiers, printers, computer hardware, and office space requiring total payments of \$281,039 expiring in March, 2026. The County has extended its office space lease from November 2020 to Oct 2023.

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**COUNTY OF GRANDE PRAIRIE NO. 1**  
**Notes to the Consolidated Financial Statements**  
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24. SEGMENTED DISCLOSURE

Segmented information has been identified based upon lines of service provided by the County. County services are provided by departments and their activities are reported by functional area in the body of the consolidated financial statements. Certain lines of service that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

(a) General Government

General Government is comprised of County Council, General Revenues/Expenses, and Net Taxes for Municipal.

Council makes decisions regarding service delivery and service levels on behalf of the County in order to balance the needs and wants of County residents in a financially responsible manner.

(b) Community Services

Community Services is comprised of Regional Enforcement Services, Regional Fire Services, Disaster Services, Family and Community Support Services, Public Transportation, Recreation, Parks, and Library services.

Regional Enforcement Services provide bylaw and enhanced policing enforcement that ranges from community standards, to traffic safety, to animal control as well as provincial statute enforcement with authorities granted by the Solicitor General of Alberta. Regional Fire Services is responsible to provide fire suppression services; fire prevention programs; training and education related to fire prevention; and detection or extinguishment of fires. The mandate of Disaster Services to help maintain safe communities and public safety in disaster situations. The Family and Community Services area provides services mandated by Family and Community Support Services Alberta through a shared funding model between the Province of Alberta and the County. Public Transportation consists of a rural transportation pilot project through a funding model between the Province of Alberta and the County. Recreation provide recreational services and activities which promote the well-being of its citizens, this area also acts as a liaison between community groups and provides grant funding to the community. Parks provides maintenance for the parks, playgrounds, facilities, and green spaces of the County. Library services provides community grants to libraries within the County as well as operating multiple community libraries.

(c) Public Works & Technical Services

Public Works & Technical Services is comprised of Public Works Operations, Water and Wastewater services, and Solid Waste Management.

Public Works Operations are responsible for the construction of roadways and storm system as well as maintenance of the roadway and storm systems of the County. Water and Wastewater services operates water and sewer services within multiple of the County's communities. Solid Waste Management includes waste collection, recycling pickup and curbside services, as well as landfill operation and management services.

(d) Planning and Economic Development

Planning and Development work with developers in planning the growth of the of the County in a sustainable manner. Economic Development works with businesses in the County to encourage investment and attraction as well as economic sustainability.

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24. SEGMENTED DISCLOSURE (continued)

(e) Corporate Services

Corporate Services is comprised of Assessment, Financial Services, Information Systems, Legislative Services, Records Management, Asset Management, Facilities, Risk and Insurance, and Procurement.

(f) Administrative Services

Administrative Services is comprised of the Chief Administrative Officer, Communications, Human Resources, and Health and Safety.

Certain allocation methodologies are employed in the preparation of segmented financial information. Net municipal taxes are unallocated to segments and are presented under General Government. Sales and user charges have been allocated to the segment based upon the segment that generated the revenue. Government transfers have been allocated to the segment based upon the purpose for which the transfer was made.

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**COUNTY OF GRANDE PRAIRIE NO. 1**  
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25. AQUATERA UTILITIES INC. SUMMARY OF CONDENSED FINANCIAL INFORMATION

Aquatera Utilities Inc. was established in 2003 to provide water, wastewater and solid waste management services to the City of Grande Prairie, County of Grande Prairie No. 1, Town of Sexsmith, other municipalities and commercial users.

The following is a summary of condensed financial information related to the County's proportionate share (2021 - 18.69%; 2020 - 17.82%) in Aquatera Utilities Inc. for the year ended December 31, 2021:

	<u>2021</u>	<u>2020</u>
<b>Financial Position:</b>		
Financial assets	\$ 17,428,384	\$ 17,767,355
Tangible capital assets	<u>73,002,102</u>	<u>65,051,162</u>
Total assets	<u>90,430,486</u>	<u>82,818,517</u>
Liabilities	17,053,753	20,579,105
Deferred revenue of capital contributions	38,565,320	34,252,410
Landfill closure and post-closure liability	<u>1,136,173</u>	<u>1,174,204</u>
Total liabilities	<u>56,755,246</u>	<u>56,005,719</u>
Accumulated surplus	<u>\$ 33,675,240</u>	<u>\$ 26,812,798</u>
<b>Results of Operations:</b>		
Revenue	\$ 11,958,864	\$ 10,962,531
Amortization expense	(1,987,573)	(1,833,945)
Finance costs	(335,474)	(375,441)
Net subsidiary operations	(15,016)	(257,201)
Expenses and other income	<u>(5,973,673)</u>	<u>(5,601,754)</u>
Net earnings from operations, current year	3,647,128	2,894,190
Shares issued	36	5,554,563
Less: dividends declared	<u>(3,647,128)</u>	<u>(3,115,597)</u>
Subsidiary operations	<u>\$ 36</u>	<u>\$ 5,333,156</u>

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**COUNTY OF GRANDE PRAIRIE NO. 1**  
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26. RELATED PARTY TRANSACTIONS

The following summarizes the related party transactions between the County and Aquatera Utilities Inc., a company in which the County exerts significant influence. All transactions are in the normal course of business and are measured by the exchange amounts, which is the amount of consideration established and agreed to by all parties. Disclosure of utility franchise agreement annual revenues as required by Alberta Regulation 313/2000 included below:

	2021	2020
Aquatera Utilities Inc.		
Aquatera franchise fees	\$ 524,950	\$ 477,058
Utility rate subsidy	(425,000)	(200,000)
General, administrative and contracted services expense	86,924	408,404
Transfers to other governments, local boards and agencies	9,695,244	2,169,327

27. GOVERNMENT PARTNERSHIP

In accordance with the Canadian public sector accounting recommendations PS 3060 Government Partnerships, the financial position of the County has been consolidated with the County's proportionate 55% share of the West Grande Prairie County Solid Waste Management Authority.

The following is a summary of the County's share in this government partnership:

	2021	2020
<u>Financial Position:</u>		
Assets		
Financial assets and inventory	\$ 1,907,907	\$ 1,452,260
Tangible capital assets	1,072,451	834,350
Total assets	2,980,358	2,286,610
Liabilities		
Landfill closure and post-closure liability	31,259	33,619
Total liabilities	77,440	145,073
Total liabilities	108,699	178,692
Accumulated surplus	2,871,659	2,107,918
<u>Results of Operations:</u>		
Revenue	\$ 468,733	\$ 334,541
Amortization expense	(74,780)	(64,478)
Expenses and other income	(157,334)	(282,425)
Proportionate share of earnings	\$ 236,619	\$ (12,362)

**COUNTY OF GRANDE PRAIRIE NO. 1**  
**Notes to the Consolidated Financial Statements**  
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28. RECONCILIATION OF OPERATING RESULTS TO BUDGETING SYSTEM

The 2021 budget reflects all of the County activities including capital projects and reserve transfers. The financial reporting requirements as set out in the Canadian public sector accounting standards for financial statements are accrual based, as described in Note 1. The differences in the requirements for the Budget and the financial statements result in different items being recognized as revenues and expenditures. The reconciliation below is provided to encompass these items and is provided for information purposes only. It should not be used as a replacement for the consolidated statement of financial activities and accumulated surplus and users should note that this information may not be appropriate for their purposes.

	Budget	2021	2020 <i>(Restated - Note 30)</i>
<b>Statement of Operations, Surplus</b>	\$ 7,910,658	\$ 23,887,346	\$ 26,388,812
Add back non-cash items:			
Contributed capital assets	-	<b>(3,203,677)</b>	(8,346,196)
Amortization of tangible capital assets	27,237,228	<b>26,831,049</b>	26,368,061
Disposal of tangible capital assets	408,000	<b>1,555,015</b>	3,014,360
Debt proceeds	8,171,853	-	-
Debt principal repayments	(6,434,446)	<b>(6,455,931)</b>	(6,216,572)
Capital expenditures	(74,170,960)	<b>(27,522,178)</b>	(26,700,061)
Levied portion of local improvements	596,310	<b>596,310</b>	711,869
Net transfer (to) from reserves (restricted surplus)	36,281,357	<b>(8,336,320)</b>	(9,873,807)
Net transfer (to) from equity in Aquatera (restricted surplus)	-	<b>(2,682,336)</b>	(5,333,156)
Restructuring	-	<b>(7,003,832)</b>	-
	<b>\$ -</b>	<b>\$ (2,334,554)</b>	<b>\$ 13,310</b>

**COUNTY OF GRANDE PRAIRIE NO. 1**  
**Notes to the Consolidated Financial Statements**  
**Year Ended December 31, 2021**

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29. FINANCIAL INSTRUMENTS

The County's financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, deposit liabilities, bank loan and long-term debt.

(a) Credit risk

Credit risk arises from the potential that a customer will fail to perform its obligations. The County is exposed to credit risk from its customers. In order to reduce this risk, the County conducts regular reviews of its existing customers' credit performance. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information.

The two most significant revenue sources for the County are property taxes and government transfers. The County has a significant number of taxpayers which minimizes concentration of credit risk. No one taxpayer makes up a significant portion of such revenue. The majority of government transfers are received from the provincial and federal government agencies. Due to the nature of these payers, the County is not exposed to significant credit risk on such transactions.

(b) Interest rate risk

The County is not exposed to significant interest rate risk as a result of fixed-rate investments held, as outlined in Note 2 and Note 7, bank loan held, as outlined in Note 13, and the issuance of fixed-rate debentures, as outlined in Note 14.

(c) Currency risk

Currency risk is the risk to the County's surplus that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. It is management's opinion that the County is not exposed to significant currency risks arising from transactions in its US bank account.

(d) Fair values of financial instruments

The County's carrying value of cash and cash equivalents, taxes and grants in place of taxes receivable, trade and other receivables, loans receivable and accounts payable and accrued liabilities approximates its fair value due to the immediate or short-term liquidity of these instruments.

The carrying value of long-term debt approximates fair value as the interest rates are consistent with the current rates available for instruments with similar terms.

Unless otherwise noted, it is management's opinion that the County is not exposed to significant other price risks arising from these financial instruments.

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**COUNTY OF GRANDE PRAIRIE NO. 1**  
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**Year Ended December 31, 2021**

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30. RESTATEMENT

The County has adjusted certain financial statement accounts as of December 31, 2020 due to the following:

Land and Building Acquisition

During 2020 and prior the County transfer assets to Aquatera that were not removed from County asset value and the County incorrectly capitalized intersection improvements costs that were incurred on provincial roads as opposed to County owned.

The above change have been applied retroactively and the 2020 comparative figures have been restated as follows.

	As Previously Stated	Restatements	As Restated
<b>Statement of Financial Position</b>			
Tangible capital assets	\$ 476,937,402	\$ (5,122,008)	\$ 471,815,394
Accumulated Surplus	600,507,439	(5,122,008)	595,385,431
<b>Statement of Operations and Accumulated Surplus</b>			
Acquisition of tangible capital assets	(29,583,353)	2,883,292	(26,700,061)
Amortization of tangible capital assets	26,514,777	(146,716)	26,368,061
(Gain) loss on disposal of tangible capital assets	(227,160)	2,385,432	2,158,272
Excess of revenue over expenses	31,510,820	(5,122,008)	26,388,812

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31. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

Council and Management have approved these financial statements on May 2, 2022.

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32. COMPARATIVE INFORMATION

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

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