

TOWN OF WHITECOURT

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021



INDEPENDENT AUDITORS' REPORT

To the Mayor and Council of the Town of Whitecourt

Opinion

We have audited the consolidated financial statements (the “financial statements”) of the Town of Whitecourt (the “Town”), which comprise the consolidated statement of financial position as at December 31, 2021, and the consolidated statements of operations, change in net financial assets and cash flows 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 Town as at December 31, 2021, and the results of its operations, changes in 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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Town 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 those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of the 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 Town'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 Town or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (Council) are responsible for overseeing the Town's financial reporting process.

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Auditors' Responsibilities for the Audit of the Financial Statements

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

METRIX GROUP LLP

Chartered Professional Accountants

Edmonton, Alberta
April 25, 2022

TOWN OF WHITECOURT
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2021

	2021	2020
FINANCIAL ASSETS		
Cash and cash equivalents (note 2)	\$ 40,614,215	\$ 40,638,175
Trade and other receivables (note 3)	12,958,126	8,430,913
Local improvement receivables (note 4)	2,078,131	2,154,574
Loans receivable (note 5)	1,471,165	1,555,973
Inventory for resale	17,315	27,778
Land held for resale	1,281,183	1,281,183
	58,420,135	54,088,596
LIABILITIES		
Accounts payable and accrued liabilities	3,474,801	2,362,959
Deposit liabilities	372,005	298,405
Employee benefit obligations (note 6)	1,503,056	1,409,564
Deferred revenue (note 7)	16,906,961	14,206,965
Provision for landfill closure and post-closure costs (note 8)	593,872	524,507
Long-term debt (note 9)	12,398,280	14,015,217
	35,248,975	32,817,617
NET FINANCIAL ASSETS	23,171,160	21,270,979
NON-FINANCIAL ASSETS		
Tangible capital assets (schedule 1)	150,897,282	148,117,983
Inventory for consumption	820,740	784,765
Prepaid expenses	267,656	80,248
	151,985,678	148,982,996
ACCUMULATED SURPLUS (schedule 6, note 12)	\$ 175,156,838	\$ 170,253,975
Contingencies (note 20)		
Contractual Rights and Obligations (note 22)		

TOWN OF WHITECOURT
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2021

	Budget (note 16)	2021	2020
REVENUES			
Net municipal taxes (schedule 2)	\$ 14,462,598	\$ 14,482,754	\$ 14,074,130
Sales and user charges	9,770,350	7,893,430	7,890,440
Fine revenue	728,200	682,856	669,520
Government transfers (schedule 3)	3,707,884	3,408,022	5,687,792
Penalties and costs on taxes	212,688	303,423	229,874
Franchise and concession contracts (note 13)	1,497,533	1,409,387	1,178,650
Development levies	-	80,009	4,956
Investments income	392,058	347,431	444,210
Rentals	490,891	339,854	323,907
Other revenues	364,524	248,731	880,405
	<u>31,626,726</u>	<u>29,195,897</u>	<u>31,383,884</u>
EXPENDITURES			
Operating			
Legislative	487,817	369,783	356,890
Administration	3,426,899	3,184,063	2,800,365
Policing and bylaw	2,890,273	3,392,478	3,069,974
Fire	1,764,775	1,237,755	1,892,807
Disaster	336,660	441,088	656,141
Roads, streets, walks, lighting & storm sewers	9,262,851	6,402,830	7,434,486
Water supply and distribution	2,617,806	2,263,053	2,328,397
Wastewater treatment and disposal	2,095,268	1,775,830	1,683,981
Waste management	1,962,024	1,691,552	1,734,524
Community support, public transit and cemetery	1,941,718	1,828,328	1,554,176
Planning and development	2,230,006	1,657,959	1,905,961
Recreation, parks and culture	9,716,803	7,308,702	8,133,739
	<u>38,732,900</u>	<u>31,553,421</u>	<u>33,551,441</u>
ANNUAL DEFICIT- BEFORE OTHER	(7,106,174)	(2,357,524)	(2,167,557)
OTHER			
Gain (Loss) on disposal of tangible capital assets	-	(118,472)	(59,305)
Contributed tangible capital assets (schedule 1)	-	-	1,027,415
Government transfers for capital (schedule 3)	8,921,639	7,378,859	2,636,714
	<u>8,921,639</u>	<u>7,260,387</u>	<u>3,604,824</u>
ANNUAL SURPLUS (DEFICIT)	1,815,465	4,902,863	1,437,267
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>170,253,975</u>	<u>170,253,975</u>	<u>168,816,708</u>
ACCUMULATED SURPLUS, END OF YEAR	<u>\$ 172,069,440</u>	<u>\$ 175,156,838</u>	<u>\$ 170,253,975</u>

TOWN OF WHITECOURT
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2021

	Budget (note 16)	2021	2020
ANNUAL SURPLUS (DEFICIT)	\$ 1,815,465	\$ 4,902,863	\$ 1,437,267
Purchase of tangible capital assets	(8,354,790)	(8,791,942)	(4,137,569)
Contributed tangible capital assets	-	-	(1,027,415)
Proceeds on disposal of tangible capital assets	27,500	53,885	101,150
Amortization of tangible capital assets	6,320,988	5,840,286	6,456,872
Loss on disposal of tangible capital assets	-	118,472	59,306
	<u>(2,006,302)</u>	<u>(2,779,299)</u>	<u>1,452,344</u>
Decrease (increase) in inventory for consumption	-	(35,975)	(73,326)
Decrease (increase) in prepaid expenses	-	(187,408)	121,283
	<u>-</u>	<u>(223,383)</u>	<u>47,957</u>
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	(190,837)	1,900,181	2,937,568
NET FINANCIAL ASSETS, BEGINNING OF YEAR	<u>21,270,979</u>	<u>21,270,979</u>	<u>18,333,411</u>
NET FINANCIAL ASSETS, END OF YEAR	<u>\$ 21,080,142</u>	<u>\$ 23,171,160</u>	<u>\$ 21,270,979</u>

TOWN OF WHITECOURT
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>2021</u>	<u>2020</u>
OPERATING		
ANNUAL SURPLUS (DEFICIT)	\$ 4,902,863	\$ 1,437,267
Non-cash items included in annual surplus:		
Amortization of tangible capital assets	5,840,286	6,456,872
Loss on disposal of tangible capital assets	118,472	59,305
Contributed tangible capital assets	-	(1,027,415)
Changes in non-cash working capital balances related to operations:		
Decrease (increase) in trade and other receivables	(4,527,213)	(2,594,992)
Decrease (increase) in local improvement receivable	76,443	75,388
Decrease (increase) in loans receivable	84,808	32,441
Decrease (increase) in inventory for resale	10,463	(2,726)
Decrease (increase) in land held for resale	-	352,061
Decrease (increase) in inventory for consumption	(35,975)	(73,326)
Decrease (increase) in prepaid expenses	(187,408)	121,283
Increase (decrease) in accounts payable and accrued liabilities	1,111,842	(548,570)
Increase (decrease) in deposit liabilities	73,600	(161,265)
Increase (decrease) in employee benefit obligations	93,492	78,104
Increase (decrease) in provision for landfill closure/post-closure	69,365	49,720
Increase (decrease) in deferred revenue	2,699,996	(642,601)
Cash provided by operating transactions	<u>10,331,034</u>	<u>3,611,546</u>
 CAPITAL		
Purchase of tangible capital assets	(8,791,942)	(4,137,569)
Proceeds on disposal of tangible capital assets	53,885	101,150
Cash applied to capital transactions	<u>(8,738,057)</u>	<u>(4,036,419)</u>
 FINANCING		
Long-term debt repaid	<u>(1,616,937)</u>	<u>(1,672,072)</u>
Cash applied to financing transactions	<u>(1,616,937)</u>	<u>(1,672,072)</u>
 CHANGE IN CASH AND CASH EQUIVALENTS DURING THE YEAR	(23,960)	(2,096,945)
 CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>40,638,175</u>	<u>42,735,120</u>
 CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 40,614,215</u>	<u>\$ 40,638,175</u>

TOWN OF WHITECOURT
SCHEDULE OF TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2021
(Schedule 1)

	Land	Buildings	Engineered Structures	Machinery and Equipment	Vehicles	2021	2020
COST:							
BALANCE, BEGINNING OF YEAR	\$ 26,884,827	\$ 61,835,093	\$ 164,820,726	\$ 8,678,392	\$ 12,112,080	\$ 274,331,118	\$ 269,844,751
Purchase of tangible capital assets	437,455	1,457,080	6,475,330	268,339	153,738	8,791,942	4,137,569
Contributed tangible capital assets	-	-	-	-	-	-	1,027,415
Disposal of tangible capital assets	-	(195,434)	-	(21,060)	(353,954)	(570,448)	(678,617)
BALANCE, END OF YEAR	<u>27,322,282</u>	<u>63,096,739</u>	<u>171,296,056</u>	<u>8,925,671</u>	<u>11,911,864</u>	<u>282,552,612</u>	<u>274,331,118</u>
ACCUMULATED AMORTIZATION:							
BALANCE, BEGINNING OF YEAR	-	18,302,553	96,771,502	5,329,701	5,809,379	126,213,135	120,274,424
Annual amortization	-	1,243,452	3,680,440	361,229	555,165	5,840,286	6,456,872
Accumulated amortization on disposals	-	(58,622)	-	(18,639)	(320,830)	(398,091)	(518,161)
BALANCE, END OF YEAR	<u>-</u>	<u>19,487,383</u>	<u>100,451,942</u>	<u>5,672,291</u>	<u>6,043,714</u>	<u>131,655,330</u>	<u>126,213,135</u>
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	<u>\$ 27,322,282</u>	<u>\$ 43,609,356</u>	<u>\$ 70,844,114</u>	<u>\$ 3,253,380</u>	<u>\$ 5,868,150</u>	<u>\$ 150,897,282</u>	<u>\$ 148,117,983</u>

Cost includes construction in progress of \$5,898,387 (2020 - \$556,645). These amounts are not amortized until the asset is completed and in use. No assets were contributed to the Town in 2021 (2020 - \$1,027,415) and were recorded at their fair value at the time received.

TOWN OF WHITECOURT
SCHEDULE OF PROPERTY AND OTHER TAXES
FOR THE YEAR ENDED DECEMBER 31, 2021
(Schedule 2)

	Budget (note 16)	2021	2020
TAXATION			
Real property taxes	\$ 16,965,746	\$ 16,930,934	\$ 16,920,649
Designated industrial property taxes	2,926,117	2,971,187	2,710,738
Government grants in place of property taxes	171,266	171,267	120,258
	<u>20,063,129</u>	<u>20,073,388</u>	<u>19,751,645</u>
REQUISITIONS			
Alberta School Foundation	4,705,487	4,755,978	4,770,733
Living Waters Catholic Regional Division No. 42	472,430	412,007	478,497
Seniors Foundation	404,601	404,635	410,381
Designated Industrial Property	18,013	18,014	17,904
	<u>5,600,531</u>	<u>5,590,634</u>	<u>5,677,515</u>
NET MUNICIPAL PROPERTY TAXES	<u>\$ 14,462,598</u>	<u>\$ 14,482,754</u>	<u>\$ 14,074,130</u>

SCHEDULE OF GOVERNMENT TRANSFERS
FOR THE YEAR ENDED DECEMBER 31, 2021
(Schedule 3)

	Budget (note 16)	2021	2020
TRANSFERS FOR OPERATING			
Federal Government	\$ 721,996	\$ 171,898	\$ 790,230
Provincial Government	569,790	1,615,250	3,198,539
Other Local Governments	2,416,098	1,620,874	1,699,023
	<u>3,707,884</u>	<u>3,408,022</u>	<u>5,687,792</u>
TRANSFERS FOR CAPITAL			
Federal Government	2,261,831	2,043,931	510,406
Provincial Government	6,581,509	5,255,145	1,979,869
Other Local Governments	78,299	79,783	146,439
	<u>8,921,639</u>	<u>7,378,859</u>	<u>2,636,714</u>
TOTAL GOVERNMENT TRANSFERS	<u>\$ 12,629,523</u>	<u>\$ 10,786,881</u>	<u>\$ 8,324,506</u>

TOWN OF WHITECOURT
SCHEDULE OF CONSOLIDATED EXPENDITURES BY OBJECT
FOR THE YEAR ENDED DECEMBER 31, 2021
(Schedule 4)

Expenditures	Budget (note 16)	2021	2020
Salaries, wages and benefits	\$ 13,736,702	\$ 13,077,840	\$ 13,272,043
Contracted and general services	11,510,805	7,331,512	8,398,347
Materials, goods, supplies and utilities	4,737,376	4,121,362	4,149,863
Transfers to local boards and agencies	1,914,859	642,491	645,156
Bank charges and short term interest	66,900	68,266	65,053
Interest on long term debt	387,020	392,356	459,583
Other	58,250	79,308	104,524
Amortization of tangible capital assets	6,320,988	5,840,286	6,456,872
	<u>\$ 38,732,900</u>	<u>\$ 31,553,421</u>	<u>\$ 33,551,441</u>

TOWN OF WHITECOURT
SCHEDULE OF SEGMENTED DISCLOSURE
FOR THE YEAR ENDED DECEMBER 31, 2021
(Schedule 5)

	General Government	Protective Services	Transportation Services	Environmental Services	Public Health and Welfare	Planning & Development	Recreation & Culture	Total
REVENUES								
Net municipal taxes	\$ 14,482,754	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,482,754
Sales, user charges and fines	219,392	959,513	82,722	6,185,938	68,258	35,808	1,024,655	8,576,286
Government transfers	26,200	1,058,111	199,898	32,372	844,797	263,776	982,868	3,408,022
Penalties and costs on taxes	288,185	-	-	15,238	-	-	-	303,423
Franchise and concession contracts	1,409,387	-	-	-	-	-	-	1,409,387
Development levies	-	-	40,805	39,204	-	-	-	80,009
Investments income	250,387	-	73,664	22,674	-	-	706	347,431
Rentals	-	44,497	-	-	-	23,471	271,886	339,854
Other revenues	12,444	27,492	-	-	79,772	-	129,023	248,731
	<u>16,688,749</u>	<u>2,089,613</u>	<u>397,089</u>	<u>6,295,426</u>	<u>992,827</u>	<u>323,055</u>	<u>2,409,138</u>	<u>29,195,897</u>
EXPENDITURES								
Salaries, wages and benefits	2,208,642	1,584,008	2,055,232	1,780,682	1,193,137	879,380	3,376,759	13,077,840
Contracted and general services	971,734	2,881,123	848,390	1,430,887	185,447	391,595	622,336	7,331,512
Materials, goods, supplies and utilities	195,972	516,904	466,581	1,331,631	263,765	45,282	1,301,227	4,121,362
Transfers to local boards and agencies	-	31,805	40,000	-	33,060	92,431	445,195	642,491
Bank charges and short term interest	58,444	997	-	1,908	-	-	6,917	68,266
Interest on long term debt	-	-	69,213	23,558	-	226,942	72,643	392,356
Other	58,305	-	-	20,944	-	-	59	79,308
	<u>3,493,097</u>	<u>5,014,837</u>	<u>3,479,416</u>	<u>4,589,610</u>	<u>1,675,409</u>	<u>1,635,630</u>	<u>5,825,136</u>	<u>25,713,135</u>
NET REVENUE (DEFICIT), BEFORE AMORTIZATION	13,195,652	(2,925,224)	(3,082,327)	1,705,816	(682,582)	(1,312,575)	(3,415,998)	3,482,762
Amortization of tangible capital assets	60,749	56,482	2,923,414	1,140,825	152,920	22,329	1,483,567	5,840,286
NET REVENUE (DEFICIT)	<u>\$ 13,134,903</u>	<u>\$ (2,981,706)</u>	<u>\$ (6,005,741)</u>	<u>\$ 564,991</u>	<u>\$ (835,502)</u>	<u>\$ (1,334,904)</u>	<u>\$ (4,899,565)</u>	<u>\$ (2,357,524)</u>

TOWN OF WHITECOURT
 SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS
 FOR THE YEAR ENDED DECEMBER 31, 2021
 (Schedule 6)

	Unrestricted Surplus (Deficit)	Restricted Surplus	Equity in Tangible Capital Assets	2021	2020
BALANCE, BEGINNING OF YEAR	\$ -	\$ 32,003,749	\$ 138,250,226	\$ 170,253,975	\$ 168,816,708
Annual Surplus (Deficit)	4,902,863	-	-	4,902,863	1,437,267
Unrestricted funds designated for future use	(9,335,739)	9,335,739	-	-	-
Restricted funds used for tangible capital assets	-	(8,546,543)	8,546,543	-	-
Current year funds used for tangible capital assets	(245,400)	-	245,400	-	-
Contributed tangible capital assets	-	-	-	-	-
Net book value of tangible capital assets disposed of	172,358	-	(172,358)	-	-
Annual amortization expense	5,840,286	-	(5,840,286)	-	-
Long term debt repaid - recoverable	23,278	-	(23,278)	-	-
Long term debt repaid - capital	(1,357,646)	-	1,357,646	-	-
Change in accumulated surplus	-	789,196	4,113,667	4,902,863	1,437,267
BALANCE, END OF YEAR	\$ -	\$ 32,792,945	\$ 142,363,893	\$ 175,156,838	\$ 170,253,975

TOWN OF WHITECOURT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Town of Whitecourt are the representations of management prepared in accordance with Public Sector Accounting Standards. Significant aspects of the accounting policies adopted by the Town are as follows:

a. Reporting Entity

The consolidated financial statements reflect the assets, liabilities, revenues and expenditures, changes in fund balances, and changes 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 Town and, therefore, accountable to the Town Council for the administration of their financial affairs and resources. Included with the municipality are the following:

The Town accounts for government partnerships using the proportionate consolidation method. Under this method, the Town's proportionate share of assets, liabilities, revenues, expenditures and changes in the fund balances and financial position are included in the consolidated financial statements. The consolidated financial statements include the Town's share of the Whitecourt Regional Solid Waste Management Authority (the "Authority"). Condensed financial information is included in Note 22.

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

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

b. 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. Expenditures are recognized as they are incurred and measurable based upon receipt of goods or services and/or the legal obligation to pay.

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

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 expenditures are incurred, services performed or the tangible capital assets are acquired.

c. Use of Estimates

The preparation of financial statements in conformity with Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures 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.

TOWN OF WHITECOURT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

d. Cash and cash equivalents

Cash and cash equivalents includes items that are readily convertible to known amounts of cash and are subject to an insignificant change in value.

e. 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.

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

f. 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, less actuarial requirements for the retirement of any sinking fund debentures.

g. Inventories for Resale

Land held for resale is recorded at the lower of cost or net realizable value. Cost includes costs for land acquisition and improvements required to prepare the land for servicing such as clearing, stripping and services, roads, sidewalks and street lighting which are recorded as physical assets under their respective function.

h. Tax Revenue

Tax revenues are recognized when the tax has been authorized by bylaw and the taxable event has occurred.

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

i. Local Improvement

Construction and borrowing costs associated with local improvement projects are recovered through annual special assessments during the period of the related borrowings. These levies are collectable from property owners for work performed by the municipality. Revenues to be received from the local improvement levies are recognized in full in the period in which the local improvement project is completed.

TOWN OF WHITECOURT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

j. 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.

k. New Accounting Standards not yet Adopted

Effective for fiscal years beginning on or after April 1, 2022, PS 3280 Asset Retirement Obligations provides guidance on how to account for and report liabilities for retirement of tangible capital assets. Effective for fiscal years beginning on or after April 1, 2023, PS 3400 Revenue provides guidance on how to account for and report revenue, and specifically, it addresses revenue arising from exchange transactions and non-exchange transactions.

l. Landfill Closure and Post-Closure Liability

Pursuant to the Alberta Environmental Protection and Enhancement Act, the Town 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, 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.

m. Contaminated Sites

Contaminated sites are defined as the result of contamination being introduced in the air, soil, water or sediment of a chemical, organic, or radioactive material or live organism that exceeds an environmental standard. A liability for remediation on contaminated sites is recognized, net of any recoveries, when an environmental standard exists, contamination exceeds the environmental standard, the Town is directly responsible for or accepts responsibility for the liability, future economic benefits will be given up, and a reasonable estimate of the liability can be made.

TOWN OF WHITECOURT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

n. 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 annual surplus, provides the consolidated Change in Net Financial Assets 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, less residual value, of the tangible capital assets is amortized on the straight-line basis over the estimated useful life as follows:

	YEARS
Land improvements	15-25
Buildings	25-50
Engineered structures	
Roadway system	5-60
Water system	45-75
Wastewater system	45-75
Storm system	45-75
Machinery and equipment	5-40
Vehicles	10-25

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. Contributed 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. Inventories

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

iv. Cultural and Historical Tangible Capital Assets

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

TOWN OF WHITECOURT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

2. CASH AND CASH EQUIVALENTS	<u>2021</u>	<u>2020</u>
Cash	\$ 14,777,638	\$ 15,073,963
Temporary investments	25,836,577	25,564,212
	<u>\$ 40,614,215</u>	<u>\$ 40,638,175</u>

Cash and temporary investments have an average effective interest rate of 0.80% (2020 - 1.05%)

3. TRADE & OTHER RECEIVABLES	<u>2021</u>	<u>2020</u>
<u>Property Taxes</u>		
Current Taxes	\$ 632,251	\$ 723,276
Arrears	448,153	249,752
Allowance for doubtful accounts	(135,643)	(77,338)
	<u>\$ 944,761</u>	<u>\$ 895,690</u>
<u>Other</u>		
Trade receivables	\$ 806,514	\$ 883,405
Government grants	10,075,668	5,661,900
Utilities	808,986	802,526
Goods and Services Tax	322,197	187,392
	<u>\$ 12,013,365</u>	<u>\$ 7,535,223</u>
	<u>\$ 12,958,126</u>	<u>\$ 8,430,913</u>

4. LOCAL IMPROVEMENTS	<u>2021</u>	<u>2020</u>
Local improvements Bylaw 1465 with maturity date of 2041 earning interest at a rate of 3.245%	<u>\$ 2,078,131</u>	<u>\$ 2,154,574</u>

TOWN OF WHITECOURT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

5. LOANS RECEIVABLE

	2021	2020
Whitecourt Golf & Country Club Loan	\$ 1,133,256	\$ 1,173,652
Stark Sport Society	276,923	323,077
Friends of Whitecourt Society - Physician Loans	22,982	65
Community Lunch Box Society	18,992	36,792
Tennille's Hope Kommunity Kitchen	14,344	17,719
Pumpjack Players	4,668	4,668
	\$ 1,471,165	\$ 1,555,973

Under the authority of Bylaw 1456, the Town incurred indebtedness by the issuance of a debenture in the amount of \$1,748,000 for the purpose of lending money to a non-profit organization for the construction of a new golf course clubhouse, the appropriate site and course improvements, and the retiring of existing debt. The debenture is for a period of 20 years ending in 2030. The Town will receive funds from the Whitecourt Golf and Country Club in each year sufficient to pay the indebtedness, with the exception of an interest free portion of the loan. The Town has acquired adequate security in case of default. The loan to Whitecourt Golf & Country Club is repayable in semi-annual payments of \$64,596 to June 1, 2032 including interest at 4.124%. The balance outstanding at December 31, 2021 is \$1,133,256.

The Town of Whitecourt entered into renovation contribution agreement with Stark Sports Society to share the cost of constructing a dressing room for use by the Whitecourt Wolverines Junior A Hockey Team at the Scott Safety Centre. On July 15, 2021 the Team was purchased by SG Saints NFP Society and the renovation contribution agreement was transferred to the new owner. The final cost of the project is \$800,000 with the club's 50% share at \$400,000 on a reimbursement payment schedule of quarterly interest-free payments over 6.5 years upon completion. The balance outstanding at December 31, 2021 is \$276,923.

Under the authority of Bylaw 1405, the Town is committed to providing up to six interest free loans of \$25,000 each to the Friends of Whitecourt Society. The Society will use these loans to attract and retain medical practitioners. Currently there is one outstanding loan to Friends of Whitecourt Society, The balance outstanding at December 31, 2021 is \$22,982.

Under the authority of Bylaw 1529, the Town of Whitecourt has issued a loan of \$72,792 at 0% to The Community Lunch Box Society, a non-profit society, to assist with purchase and renovation of the support centre. Community Lunch Box Society will repay the Town in equal monthly payments over a ten year period ending December 1, 2027. The balance outstanding at December 31, 2021 is \$18,992.

Under the authority of Bylaw 1441 & 1512, the Town of Whitecourt has loaned two amounts totaling \$51,000 at 0% to Tennille's Hope Kommunity Kitchen a non-profit society to assist with capital upgrades to the building to facilitate its use as a community kitchen. Tennille's Hope Kommunity Kitchen will repay the Town in annual equal installments over a ten year period ending 2026. The balance outstanding at December 31, 2021 is \$14,344.

The Town of Whitecourt issued a loan of \$5,000 at 0% on May 15, 2008 to the Pumpjack Players a non-profit society for operating expenditures. The balance outstanding at December 31, 2021 is \$4,668.

TOWN OF WHITECOURT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

6. EMPLOYEE BENEFIT OBLIGATIONS	<u>2021</u>	<u>2020</u>
Vacation and overtime	\$ 775,846	\$ 693,635
Sick leave benefits	<u>727,210</u>	<u>715,929</u>
	<u>\$ 1,503,056</u>	<u>\$ 1,409,564</u>

Vacation

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 (and are vested) or are entitled to these benefits within the next budgetary year.

Sick leave benefits

Under the sick leave benefit plan, certain employees can accumulate unused sick leave and may become entitled to a cash payment when they leave the employment of the Town of Whitecourt.

TOWN OF WHITECOURT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

7. DEFERRED REVENUE

Deferred revenue is comprised of the following amounts, which have been received from third parties for a specified purpose. Additions are comprised of both contributions and interest earned during the year. These amounts are recognized as revenue in the period in which the related costs are incurred.

	<u>2021</u>	<u>2020</u>
Government grants	\$ 16,767,483	\$ 14,115,037
Other	137,615	91,835
Requisition over-levy	1,863	93
	<u>\$ 16,906,961</u>	<u>\$ 14,206,965</u>

Deferred Government grants comprise funding from the following sources:

	<u>2020</u>	<u>Additions</u>	<u>Revenue recognized</u>	<u>2021</u>
Municipal Sustainability Initiative (MSI) Operating & Capital Grant	\$ 12,314,369	\$ 3,085,531	\$ (850,202)	\$ 14,549,698
Canada Community Building Fund	253,001	1,196,815	(406,327)	1,043,489
Alberta Community Partnership (ACP)- Water Upgrades	203,874	1,631	(205,505)	-
ACP - Regional Recreation and Culture Integration Plan	162,768	-	(162,768)	-
ACP - Geothermal	125,296	998	(101,363)	24,931
Targeted Industrial Diversification	35,000	-	(35,000)	-
Fire Hazard- FRIAA	26,217	103	(16,533)	9,787
Flood Mitigation	22,426	-	(22,426)	-
Alberta Labour Market	10,536	-	(10,536)	-
Pine Beetle Grant	2,882	15,231	-	18,113
ACP - Regional Business Park Feasibility Study	6,806	1,683	(6,806)	1,683
Family Community Support Services (FCSS)	951,862	624,423	(456,503)	1,119,782
	<u>\$ 14,115,037</u>	<u>\$ 4,926,415</u>	<u>\$ (2,273,969)</u>	<u>\$ 16,767,483</u>

TOWN OF WHITECOURT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

8. 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 leachates 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 discount rate of 3% and assuming annual inflation of 2%.

The accrued liability portion is based on the cumulative capacity used at year end compared to the estimated total landfill capacity. The landfill operating plan includes 6 phases, which will be closed and reclaimed as they are filled. The estimated remaining capacity of the landfill site is 1.40 million cubic metres. The redesigned landfill site is expected to reach capacity in approximately 2057.

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

	<u>2021</u>	<u>2020</u>
Estimated closure costs	\$ 3,366,810	\$ 3,350,151
Estimated post-closure costs	1,363,705	1,345,102
Estimated total liability	<u>4,730,515</u>	<u>4,695,253</u>
Estimated capacity remaining	87.446%	88.829%
Portion of total liability remaining to be recognized	<u>4,136,646</u>	<u>4,170,746</u>
Estimated capacity used	12.554%	11.171%
Accrued liability portion	<u>\$ 593,872</u>	<u>\$ 524,507</u>

TOWN OF WHITECOURT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

9. LONG TERM DEBT

	2021	2020
Supported by general tax levies	\$ 8,978,997	\$ 10,343,643
Supported by utility rates	1,341,152	1,520,598
Supported by special levies - operating	2,078,131	2,150,976
	\$ 12,398,280	\$ 14,015,217

The current portion of the long-term debt amounts to \$1,079,522 (2020 - \$1,616,937). Operating Debt is \$3,516,986 (2020 - \$3,776,277). Capital Debt is \$8,881,294 (2020 - \$10,238,940). (note 11)

Principal and interest repayments are due as follows:	Principal	Interest	Total
2022	\$ 1,079,522	\$ 363,364	\$ 1,442,886
2023	786,978	330,012	1,116,990
2024	810,071	306,919	1,116,990
2025	833,867	283,122	1,116,989
2026	802,747	258,601	1,061,348
Thereafter	8,085,095	1,350,769	9,435,864
	\$ 12,398,280	\$ 2,892,787	\$ 15,291,067

Debenture debt is repayable to Government of Alberta and bears interest at rates ranging from 2.081% to 4.614% per annum, and mature in periods 2022 through 2041. Debenture debt is issued on the credit and security of the Town of Whitecourt at large.

Total cash payments on long-term debt interest amounted to \$421,169 (2020 - \$484,701). Interest on long-term debt expense amounted to \$392,357 (2020 - \$459,583).

10. DEBT LIMITS

Section 276 (2) of the *Municipal Government Act* requires that debt and debt limits as defined by Alberta Regulation 255/2000 for the Town of Whitecourt be disclosed as follows:

	2021	2020
Total debt limit	\$ 43,793,846	\$ 47,075,826
Total debt	12,398,280	14,015,217
Amount of debt limit unused	\$ 31,395,566	\$ 33,060,609
Debt servicing limit	\$ 7,298,974	\$ 7,845,971
Debt servicing	1,442,886	2,038,106
Amount of debt servicing limit unused	\$ 5,856,088	\$ 5,807,865

The debt limit is calculated at 1.5 times revenue of the municipality (as defined in Alberta Regulation 255/2000) 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 financial statements must be interpreted as a whole.

TOWN OF WHITECOURT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

11. EQUITY IN TANGIBLE CAPITAL ASSETS

	2021	2020
Tangible capital assets (Schedule 1)	\$ 282,552,612	\$ 274,331,118
Accumulated amortization (Schedule 1)	(131,655,330)	(126,213,135)
Long term debt - capital (note 9)	(8,881,294)	(10,238,940)
Debt charges recoverable	347,905	371,183
	\$ 142,363,893	\$ 138,250,226

12. ACCUMULATED SURPLUS

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

	2021	2020
Restricted surplus		
Tax rate stabilization	\$ 8,438,151	\$ 9,440,792
Land fund and reclamation of gravel pit	588,871	60,658
Utility offsite levy and infrastructure	10,122,633	10,450,322
Equipment replacement	3,790,371	2,962,208
Committed expenditures	2,245,976	1,913,909
Major recreational land and facility	7,436,856	7,007,746
Municipal in Lieu	87,520	86,814
Parking levy	82,567	81,300
	32,792,945	32,003,749
Equity in tangible capital assets (note 11)	142,363,893	138,250,226
Accumulated surplus	\$ 175,156,838	\$ 170,253,975

13. FRANCHISE FEES

Disclosure of franchise fees under each utility franchise agreement entered into by the Town as required by Alberta Regulation 313/2000 is as follows:

	Budget (note 16)	2021	2020
Fortis Alberta	\$ 627,769	\$ 622,477	\$ 429,528
ATCO Gas Ltd.	869,764	786,910	749,122
	\$ 1,497,533	\$ 1,409,387	\$ 1,178,650

TOWN OF WHITECOURT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

14. SALARY & 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:

	2021			2020
	Salary ¹	Benefits & Allowances ²	Total	Total
Councillors:				
Baker	\$ 10,601	\$ 1,245	\$ 11,846	\$ -
Chichak	64,234	4,955	69,189	82,238
Chauvet	32,539	5,578	38,117	39,038
Lanctot	10,001	1,027	11,028	-
Lapointe	8,851	817	9,668	-
McAree	33,739	3,518	37,257	37,803
Schlosser	42,372	2,721	45,093	34,102
Pickard	47,595	4,389	51,984	47,252
Hilts	33,802	5,016	38,818	41,334
Connell	29,689	1,986	31,675	32,311
Chief Administrative Officer	\$ 250,200	\$ 40,495	\$ 290,695	\$ 287,959

(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 employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, vision coverage, group life insurance, accidental disability, vehicle and dismemberment insurance.

15. FINANCIAL INSTRUMENTS

The Town's financial instruments consist of cash and cash equivalents, accounts receivable, trade and other receivables, local improvement receivable, loans receivable, inventory for resale, land for resale, accounts payable and accrued liabilities, deposit liabilities, employee benefit obligations, deferred revenue, provision for landfill closure and post-closure costs and long-term debt. It is management's opinion that the Town is not exposed to significant interest or currency risks arising from these financial instruments.

The Town is subject to credit risk with respect to accounts receivable and loans receivable. Credit risk arises from the possibility that taxpayers and entities to which the Town provides services may experience financial difficulty and be unable to fulfill 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.

TOWN OF WHITECOURT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

16. BUDGET

The budget data presented in these financial statements is based on the operating and capital budgets approved by the Town of Whitecourt Council on April 26, 2021. The chart below reconciles the approved financial plan to the figures reported in these consolidated financial statements.

	2021
Annual surplus (per consolidated statement of operations)	\$ 1,815,465
Amortization of tangible capital assets	6,320,988
Acquisition of tangible capital assets	(8,354,790)
Debenture repayment	(1,543,734)
Total transfers from restricted surplus (per below)	1,762,071
	\$ -
Acquisition of tangible capital assets funded from restricted surplus	\$ 1,476,983
Net other transfers from restricted surplus	285,088
Total transfers from restricted surplus	\$ 1,762,071

17. LOCAL AUTHORITIES PENSION PLAN

Employees of the Town 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 services are recorded as expenditures in the year in which they become due.

The Town is required to make current service contributions to the 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 Town 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 and past service contributions by the Town to the LAPP in 2021 were \$850,327 (2020 - \$847,605). Total current and past service contributions by the employees of the Town to the LAPP in 2021 were \$778,790 (2020 - \$769,154).

At December 31, 2020 the Plan disclosed an actuarial surplus of \$5.0 billion (2019 - \$7.9 billion).

TOWN OF WHITECOURT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

18. SUPPLEMENTARY RETIREMENT PLANS

APEX

The APEX supplementary pension plan, an Alberta Municipalities sponsored defined benefit plan, covered under the provisions of the Alberta Employment Pension Plans Act, commenced in 2005 and provides supplementary pension plan benefits to a prescribed class of employees. The plan supplements the Local Authorities Pension Plan.

The Town of Whitecourt is required to make current service contributions to APEX of 3.85% of employment income. Employees of the Town of Whitecourt are required to make current service contributions of 2.61% of employment income.

The current service contributions by the Town of Whitecourt to APEX in 2021 were \$29,604 (2020 - \$28,780). Total current service contributions by the employees of the Town of Whitecourt to APEX for 2021 were \$20,069 (2020 - \$19,511).

The cost of the 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 cost of post retirement benefits are fully funded.

MUNISERP

The Town of Whitecourt joined the MuniSERP supplemental employee retirement plan, a plan sponsored by Alberta Municipalities. MuniSERP is a voluntary, non-contributory plan that provides benefits to a prescribed class of employees. Included in accrued liabilities in 2021 is \$388,957 (2020 - \$324,418) held by the Town on the behalf of the beneficiary. The actuarial valuation of the plan for service accrued to December 31, 2021 is estimated to be \$387,100 (2020 - \$373,607).

19. SEGMENTED DISCLOSURE

The Town of Whitecourt provides a range of services to its ratepayers. For each reported segment, revenues and expenditures 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 as disclosed in Note 1.

Refer to the Schedule of Segmented Disclosure (Schedule 5).

TOWN OF WHITECOURT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

20. CONTINGENCIES

The Town of Whitecourt is a member of the Alberta Municipal Insurance Exchange (MUNIX). Under the terms of the membership, the Town of Whitecourt 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 Town of Whitecourt is involved in various legal disputes at December 31, 2021, the outcomes of which are not determinable at the year end. Any related settlements not covered by insurance will be recorded as an expense, when the amount can be reasonably estimated and settlement is likely.

The Town has issued an irrevocable standby letter of credit in the amount of \$ 1,066,035 to Fisheries and Oceans Canada for Athabasca riverbank protection in the event of default on payments. The letter of credit has not been utilized to date.

21. GOVERNMENT PARTNERSHIPS

The Town's financial statements include its share of operations (68.2%) of the Whitecourt Regional Solid Waste Management Authority. The Town previously included local cost share transfer from the Authority's partner in Solid waste charges and salvage fees revenue. The comparative Solid waste charges and salvage fees revenue has been reduced from as previously stated by \$359,096.

	<u>2021</u>	<u>2020</u> (restated)
FINANCIAL ASSETS		
Due from Partners	\$ 36,225	\$ 460,997
Receivables	89,551	99,212
	<u>125,776</u>	<u>560,209</u>
FINANCIAL LIABILITIES		
Long-term debt	1,341,152	1,414,355
Landfill closure and post-closure	856,483	769,072
	<u>2,197,635</u>	<u>2,183,427</u>
NET DEBT	<u>(2,071,859)</u>	<u>(1,623,218)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets	<u>3,252,999</u>	<u>3,428,642</u>
ACCUMULATED SURPLUS	<u>\$ 1,181,140</u>	<u>\$ 1,805,424</u>
REVENUE		
Solid waste charges and salvage fees	\$ 1,035,363	\$ 1,201,206
Gain on disposal of tangible capital assets	7,527	-
	<u>1,042,890</u>	<u>1,201,206</u>
EXPENDITURES		
Landfill operations	909,525	1,016,407
General administration	147,691	161,760
Transfer station operations	250,384	239,152
Provision for landfill closure and post-closure	101,709	72,903
Interest on long-term debt	34,150	35,908
Amortization	223,715	239,991
	<u>1,667,174</u>	<u>1,766,121</u>
ANNUAL SURPLUS (DEFICIT)	<u>\$ (624,284)</u>	<u>\$ (564,915)</u>

TOWN OF WHITECOURT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

22 CONTRACTUAL RIGHTS AND OBLIGATIONS

The Town enters into several Sponsorship Agreements with various local sponsors providing naming rights within the local recreation centres. The terms range between 2 - 5 years, are renewable with 90 days written notice, and payment terms and dates vary based on contract. No future receipts have been accrued in these financial statements.

Anticipated future receipts under these agreements are:

2022	\$ 70,891
2023	67,891
2024	46,550
Thereafter	69,650
	<u>\$ 254,982</u>

The Town Council as of December 31, 2020, awarded contracts for \$4,238,276 for the completion of the water system upgrade project. \$3,087,438 was completed in 2021 with the remainder to be completed in 2022.

23 CREDIT FACILITY

The Town is approved for a revolving demand loan of \$5,000,000 that is available, if needed, for operating cash flow. The interest is set at prime minus 1.0%. The loan has not been drawn upon. The loan is secured by the cash and cash equivalents of the Town.

24. APPROVAL OF FINANCIAL STATEMENTS

Council and Management have approved these financial statements.