

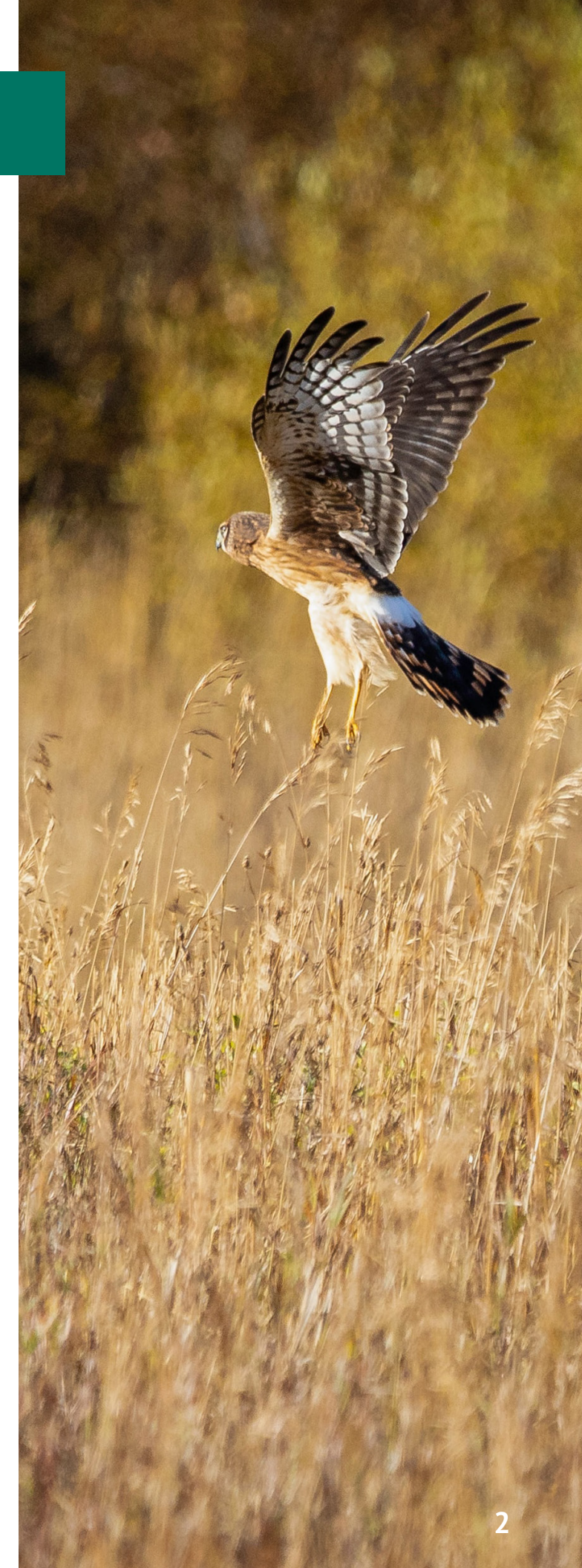


2020 Annual

REPORT

INSIDE

A Message from the Reeve	3
2020 Council	4
Our Organization	5
The Saddle Hills Advantage	7
Boards and Committees	9
2020 Department Highlights	
Operations	10
Water	11
Rural Development	13
Protective Services	15
Planning & Development	17
Where does your money go?	18
Grant Programs	19
Financial Statements	20



A MESSAGE FROM THE REEVE

2020 was a challenging year for all, including Saddle Hills County. COVID-19 and the resulting economic downturn forced us to make some tough decisions to effectively manage the County's business on behalf of our residents, businesses and industry.

In order to fulfill our obligations, maintain the financial viability of the County, and protect our ratepayers interests, Council prioritised the services we provide so that we could maintain the highest possible levels of service and maintain viable infrastructure for the future.

The road network we all rely on continued to be our number one priority representing about 48 % of our annual operating budget and 17% of the annual capital budget. We continued our Rural Water Initiative by laying the pipelines required to provide potable water to residents of Bonanza and Bay Tree and completed the construction of the new Savanna Water Treatment Plant and Truckfill. 2020 also saw the construction of the Woking Fire Hall.

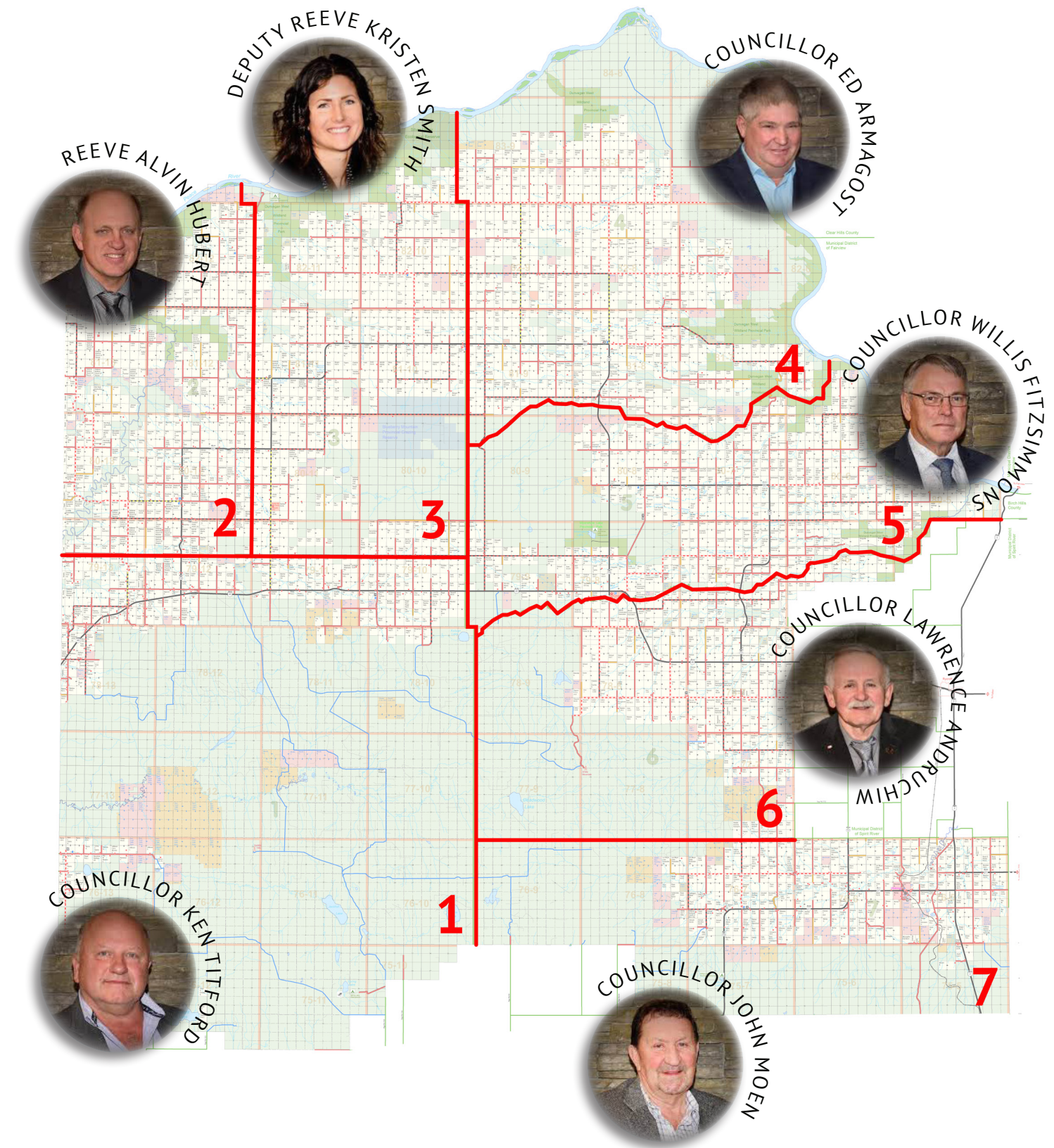
Our efforts to secure a licence to draw water from the Peace River were rewarded in 2020. With \$36 million for this \$40 million project coming from Federal and Provincial governments, Saddle Hills County will be able to begin construction on the Central Peace Regional Water project (Phase 1 and 2).

This will include a new water supply intake and lift station from the Peace River as well as approximately 36 kms of new raw water pipeline to the Central Peace.

Working with our neighbouring municipalities in the Central Peace, we will be able to provide a reliable source of water to residents, businesses and industry for years to come.

2020 was a year during which we accomplished a great deal on the issues which our residents and ratepayers have told us matter to them and remained focused on building for a secure and prosperous future.

Alvin Hubert
REEVE



2020 COUNCIL

OUR ORGANIZATION

Covid-19 has impacted many organizations and companies across the country and Saddle Hills County wasn't exempt from feeling the effects of this global pandemic. Strategic changes have been implemented throughout county infrastructure to ensure that we are managing our operations in a way that best benefits the community.



BACK L TO R: COUNCILLORS LAWRENCE ANDRUCHIW, WILLIS FITZSIMMONS, ED ARMAGOST, KEN TITFORD, JOHN MOEN
FRONT, L TO R: DEPUTY REEVE KRISTEN SMITH, REEVE ALVIN HUBERT

Saddle Hills County is committed to being a transparent and accountable government. We commit to perform our duties diligently while working towards the best outcome for our ratepayers. We will continue providing regular updates by reporting to our ratepayers through the Saddle Hills County Annual Report and the County Living Newsletter, which was introduced in 2018.



LEGISLATIVE SERVICES

- Council & CAO Report
- FOIP
- Health and Safety
- Records Management
- Policies and Bylaws
- Local Government Elections
- Legislative Services, SDAB & ARB Clerk

CORPORATE SERVICES

- Finance
- Budget
- Information Technology
- Insurance/Asset Management
- Human Resources
- Grants
- Assessment
- Project Development

OPERATIONS

- Roads and Bridges
- Aggregate Fleet Management
- Water Treatment Plants
- Rural Water
- Wastewater
- Solid Waste
- GIS
- Fleet Management
- Project Development

COMMUNICATIONS & INTER-MUNICIPAL RELATIONSHIPS

- Communications and Social Media
- Annual Report
- Public Communication
- Inter-Municipal Communication
- Promotional Materials

PROTECTIVE SERVICES

- Fire Departments
- Enforcement
- Facilities Maintenance
- Regional Emergency Planning

RURAL DEVELOPMENT

- Agriculture
- Veterinary Services
- Roadside Maintenance
- Grounds Maintenance
- Weed & Pest Control

PLANNING & DEVELOPMENT

- Planning and Development
- Municipal Planning Commission

THE SADDLE HILLS COUNTY ADVANTAGE



We are situated in the Central Peace region of northwestern Alberta along the southern banks of the Peace River, right at the centre of the Montney Gas Formation.

With convenient transportation by road, rail or air and a ready workforce, Saddle Hills County represents an ideal opportunity for petrochemical manufacturers, companies that service the oil and gas industry, agriculture or the forest industry.

The Alberta Petrochemical Incentive Program is offering up to 12 percent eligible capital costs for new projects in the province. Saddle Hills County is an ideal location for such investment.

MONTNEY PLAY - FACTS

- One of the largest known gas reserves in the world
- 12,719 billion m³ of marketable natural gas*
- 2,308 million m³ of marketable NGLs
- 179 million m³ of marketable oil
- *145 years of Canada's 2012 consumption

PIPELINES

Saddle Hills County is connected with the North American pipeline network through TC Energy Corporation and the Coastal Gaslink pipeline to the west coast will only enhance our connectivity.

THE REGION

The larger region, including Dawson Creek and Fort St. John, BC, Grande Prairie and Fairview, AB, represents a diverse economic environment which includes:

- manufacturing and warehousing
- transportation and logistics
- oil and gas

CENTRAL PEACE REGIONAL WATER PROJECT

Saddle Hills County is in the process of constructing a new raw water supply intake on the Peace River as well as approximately 36km of new raw water pipeline.

The \$40 million project announced in September includes \$16 million in funding from the federal government and \$20 million from the provincial government with Saddle Hills County providing the balance.

HIGHLIGHTS AND FEATURES

Economy

The larger region offers population of some 42,445 with a workforce of approximately 30,772. We are home to a thriving oil and gas industry with access to national and international markets.

Infrastructure

Saddle Hills County is connected by major road networks such as Highways 2 and 49 (AB) and Highway 97 (BC) to the major ports and centres of western Canada. Additionally, rail service by CN is close by in Dawson Creek, Rycroft and Woking.

Water and wastewater infrastructure is in place to serve the local population and we have the ability and desire to invest and expand to meet the needs of industry.

We are a short distance from airports at Grande Prairie, Dawson Creek and Fort St. John.

12% INCENTIVE

Up to 12% of eligible capital costs for new projects covered by the Alberta Government

Business Advantages

- No business tax or licensing fees
- Low provincial and local taxes
- Cost-competitiveness

Demographics

The larger region includes: cities of Grande Prairie, Dawson Creek and Fort St. John as well as the municipalities of Fairview and the Central Peace Region.

Our Community

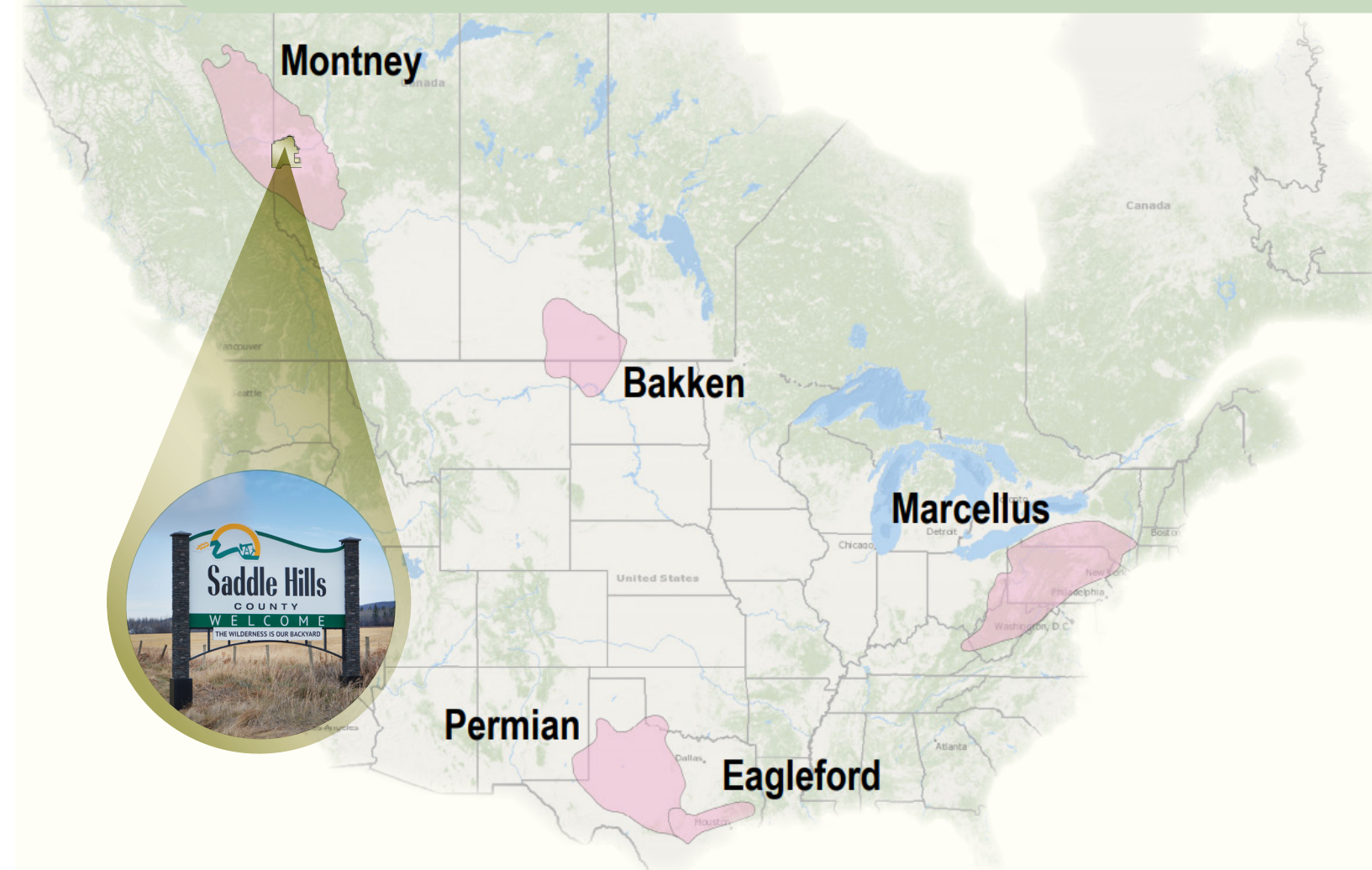
In addition to our long history of working with the oil and gas industry, Saddle Hills County is home to a diverse agricultural community which produces crops including; pulses, cereals, canola, legumes as well as bison, elk, goats and sheep. The most common livestock is cattle, with an estimated 26,429 head.



For more information contact:
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www.saddlehills.ab.ca

CENTRE OF THE MONTNEY PLAY

AN IDEAL OPPURTUNITY FOR PETROCHEMICAL MANUFACTURERS



LET US HELP YOU MAKE YOUR NEXT MOVE

Call our CAO, Cary Merritt: 780.864.3760, ext. 122



admin@saddlehills.ab.ca

saddlehills.ab.ca

[saddlehillscounty](https://www.facebook.com/saddlehillscounty)

[saddlehillsab](https://twitter.com/saddlehillsab)

BOARDS AND COMMITTEES



Boards and committees are created to deal with specific issues in the community. They learn about current problems, develop solutions, and make recommendations to Council. Most of our committees are made up of at least one Councillor and several knowledgeable residents of the County. Public involvement in the issues facing the County is an important part of Council's governance model and helps us to build and maintain a strong and healthy community.

GOVERNANCE AND LEADERSHIP

- Audit Committee
- Central Peace Assessment Review Board
- Strategic Planning Committee
- Intermunicipal Collaboration & Planning Committee
- Intermunicipal (G5) Economic Development Advisory Committee

MUNICIPAL SERVICES

- Agricultural Service Board
- Agricultural Appeal Committee
- Agricultural Appeal Committee
- Central Peace Emergency Management Committee (CPREM)
- Central Peace Regional Waste Management Commission
- G5/Central Peace Medical Clinic Committee
- Central Peace Medical Services Corporation
- Grande Spirit Foundation
- Peace Library System Board
- Saddle Hills County Municipal Library Board

ENVIRONMENTAL STEWARDSHIP

- Municipal Planning Commission
- Subdivision & Development Appeal Board

COMMUNITY DEVELOPMENT

- Industry Liaison Committee

EXTERNAL

- Central Peace Recruitment & Retention Committee
- Environmental Advisory Committee to International Paper
- Forestry Issues, Weyerhaeuser Ainsworth, Canfor
- Grande Prairie Regional Tourism Association
- Mighty Peace Watershed Alliance
- Northern Alberta Elected Leaders
- Northern Alberta Mayors and Reeves Committee
- Northwest Species at Risk Committee
- Peace Air Shed Zone Association
- Peace Regional Water Study Committee
- Peace Region Economic Development Alliance, Northwest Transportation Advisory Bureau
- Peace Valley Conservation, Recreation and Tourism Society
- Seniors Assisted Living Committee
- V.S.I Service (1980) Ltd.
- Water North Coalition

During 2020 the Operations department was busy maintaining and repairing roads, bridges and culverts throughout the County including over 600km of regravelling, several km of road reshaping, the completion of culvert replacements and the issuing of over 400 D56 oil and gas permits.



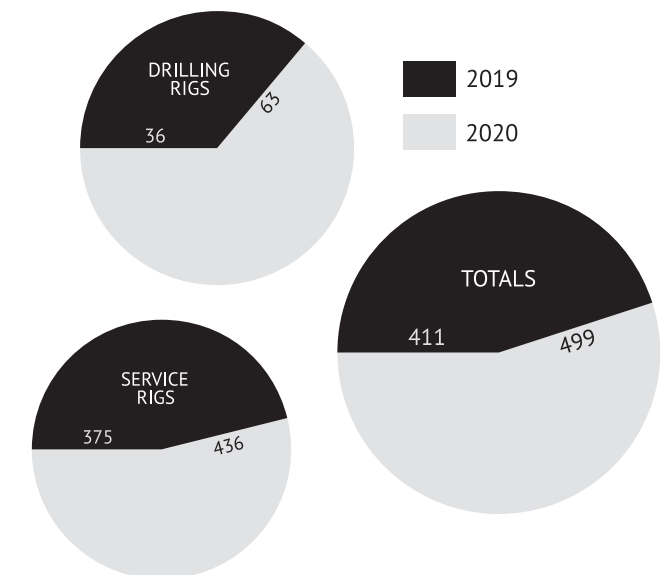
2020 brought major floods to the County impacting local infrastructure, residences and our road network. Operations completed over 150 road, bridge and culvert repairs last year, some due to July's heavy rainfall induced flooding, including 4 slide repairs.

In 2019 Tourmaline approached the County to request help with constructing a turning lane at the intersection of Highway 49 and Range Road 95 to help improve traffic safety. Alberta Transportation and Tourmaline completed construction on the road in 2020, with the County contributing its share of the cost to AB Transportation.

The main projects completed by the department included replacing a large culvert on Township Road 810, west of Range Road 112 at a cost of \$366,000, the reconstruction of Range Road 134, south of Highway 49 at a cost of \$3,000,000 and the completion of the Range Road 72 road reconstruction project, north of Township Road 764, at a total cost of \$2,100,000. All the projects completed have

helped the County maintain and expand our road network, creating sustainable transportation links for future projects and generations to come.

Smaller projects completed by the County included the construction of 1km of new road (Range Road 63) and several shoulder pulls. Temporary repairs on a large culvert failure on Township Road 775, near Range Road 72 at a cost of \$300,000 were also completed.



2020 OPERATIONS HIGHLIGHTS



2020 marked the end of construction of the greatly anticipated Savanna Water Treatment Plant and Truckfill. Members of the public, Councillors, contractors who helped build the new plant and County staff were all on hand for the ribbon cutting ceremony on Monday, October 26, 2020. The \$12 million project represents another step in the County's plan to provide potable water to residents, businesses and industry through an integrated system, with focus on efficiency, growth and accessibility. Construction began in the summer of 2019 and the plant was commissioned and began providing water in early 2021.



"This Water Treatment Plant and Truckfill represents another major investment in the future of Saddle Hills County. With this new plant, we are extending our Rural Potable Water Initiative to one more section of the County." - Reeve Alvin Hubert



The \$2,600,000 Bonanza - Bay Tree water line project, from the Bonanza Water Treatment Plant to the Bay Tree Truckfill with modification of the plant, was completed this year with service lines connected to local residents and businesses, providing yet more Saddle Hills County residents with convenient access to potable water. As of the end of December 2020 36km of rural potable water line had been installed and the County has 47 rural water customers. The County currently owns and operates four water treatment plants and truckfills in the County for residents to access for safe potable water. There is a budgeted \$2,500,000 for expansions in 2021, 10.8km in Bonanza and 14.38km in Ksituan.



RURAL DEVELOPMENT



2020 was a wet and hectic year for our Agricultural Services team. Five seasonal staff were hired, trained, and stationed to various duties within the County. Labourers worked on maintaining vegetation at the County Complex, fire halls, ditches, and tower sites when the weather permitted. All five employees were appointed as weed and pest inspectors, with over 2,000 inspections occurring throughout the summer. Only 46 weed notices were issued, down from 57 last year. Saddle Hills County staff would like to thank residents for their cooperation regarding weed issues throughout 2020. The most common 'problem weeds' of 2020 can be seen below:



YELLOW TOADFLAX



DAMES ROCKET



CHAMOMILE



ORANGE HAWKWEED



OXEYE DAISY



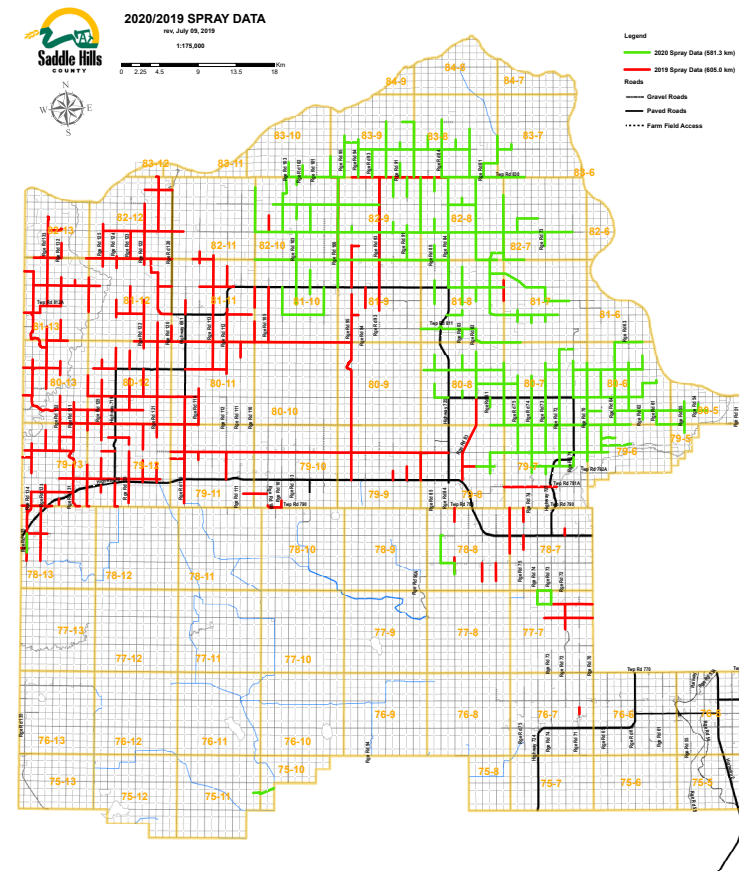
PEST INSPECTION

Over 30 canola fields were inspected for virulent black leg and clubroot this year, as per policy. No clubroot, and very low levels of virulent black leg were found. 70 soil samples were also taken with negative results for clubroot spores. Spot sampling from local landowners also resulted in negative tests for *Fusarium Graminearum*. Grasshopper populations were at an all time low and pea disease levels were also low at the time of survey, although crop conditions were poor overall.

OUTREACH AND EDUCATION

February 2020 saw Neil Blue from Alberta Agriculture and Forestry give an update on the grain, pulse and oilseeds market, and Brian Perillat from Canfax talk about North American cattle prices at the Market Outlook evening held at the Savanna Rec Plex. An Environmental Farm Plan Workshop was held later in the month, alongside the Peace Country Beef and Forage Association, helping producers from the area work on their environmental farm plans.

Whilst a large part of Saddle Hills County's outreach for the year focused on resident farmers, in March of 2020 Rural Development staff also visited the grade 4 class at the local Bonanza School to give an educational presentation on agriculture throughout the world.



VEGETATION MANAGEMENT AND MOWING

Roadside herbicide application was completed in-house. 1257 hectares were sprayed with Navius Flex, a three year residual broadleaf herbicide, up from last years 1200 hectares. Various other locations also received spot-spraying to help control small infestations of prohibited noxious weeds and brush.

All roadsides within the County received shoulder mowing, beginning mid-July, and all arterial roads received a full right of way mow with additional mowing occurring on designated roads, completing all roadside mowing by mid-August.

RECOMMENDATIONS FOR 2021

A large focus for 2020 was the management of weeds on summer fallowed acres, or fields that experienced very poor yield due to excesses moisture early in the growing season.

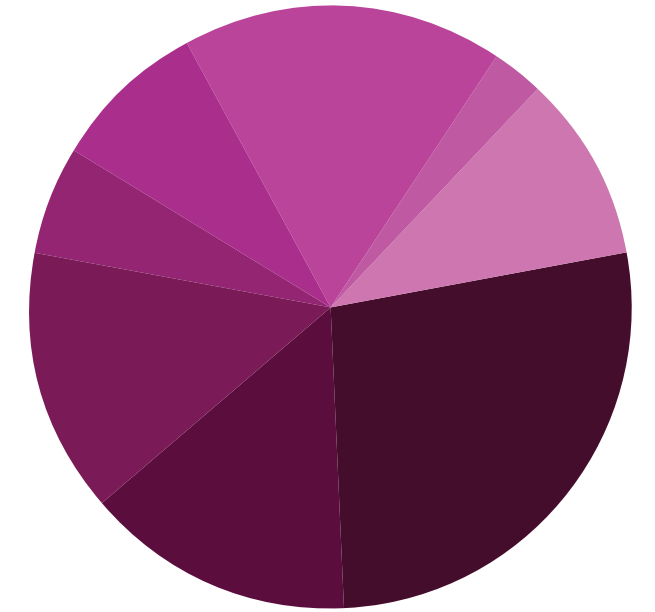
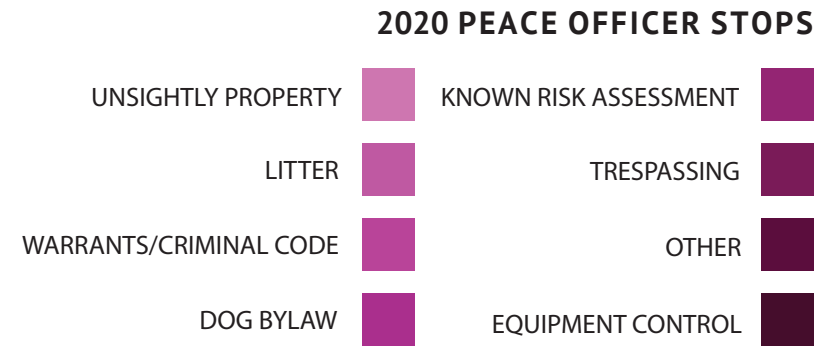
Going forward, work needs to continue on improving ratepayer interactions in regards to various aspects of the agricultural programs such as weeds and pests. In 2019, there was a focus on ratepayers with weed issues having conversations and discussions with the Agricultural Coordinator and Agricultural Foreman verses the weed inspectors to create that consistency in communication. In 2020, more focus will need to be put on enforcing problem weed issues early in the spring when spray applications are more feasible. This should help reduce the likeliness that large infestations will need to be picked. With the recent submission to the Canadian Agricultural Partnership program for funding for an Emergency Management Plan, 2020 will be a big year on developing the emergency management plan for livestock in the County and the Central Peace.

Another focus for the Rural Development Department will be finding ways to connect with the producers in the County regarding Agriculture. Potential opportunities would be taking over the County's Twitter account during seeding, spraying and harvest, when the majority of the Agricultural Community is active, along with what we are hearing and seeing in the field that will be shared on social media through various platforms.

PROTECTIVE SERVICES

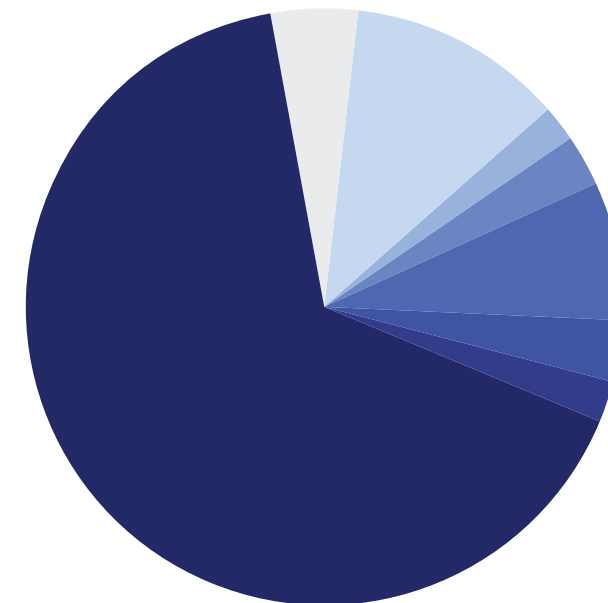
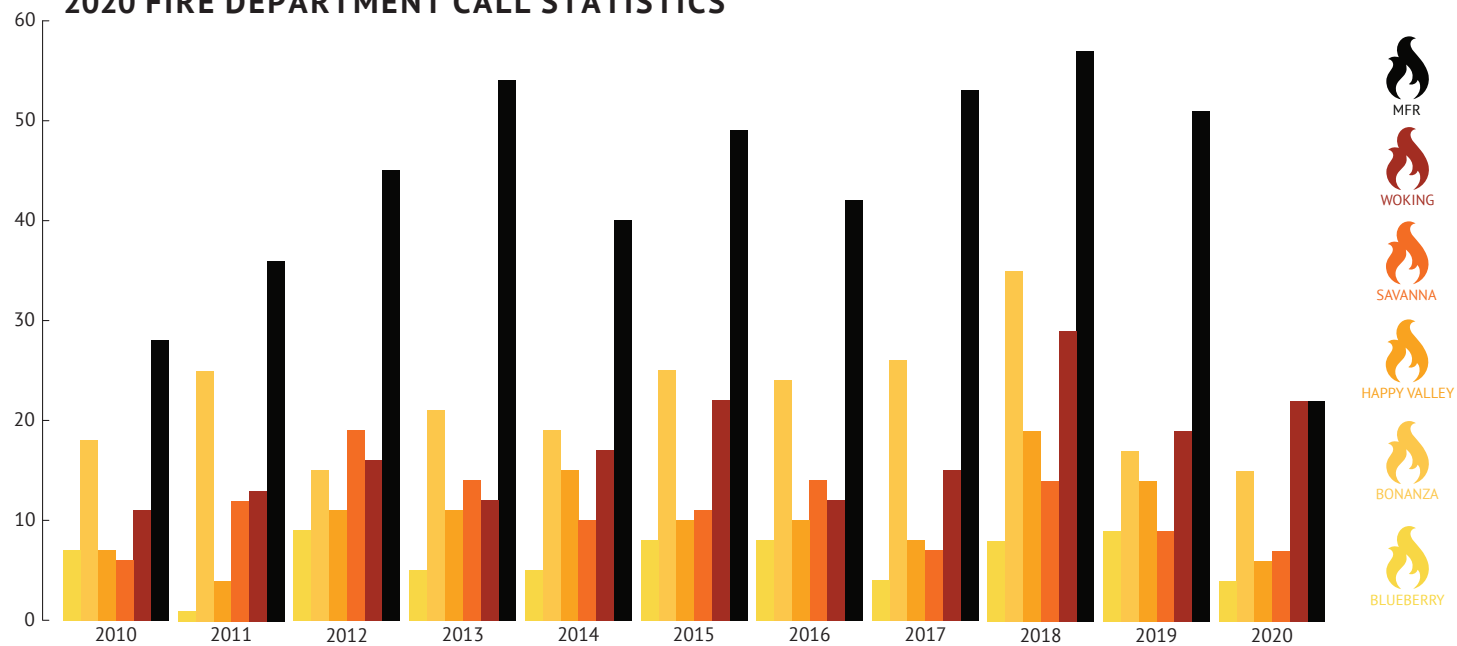


2020 saw the completion of the Woking Fire Hall representing another achievement in Saddle Hill County Council's commitment to providing residents, firefighters and first responders with the best in equipment, training and facilities. Due to the retirement of 25 year County staff member Brian Ballard, Saddle Hills County welcomed a new Manager of Protective Services, Brice Daly, at the end of 2020. Brice comes to us with years of experience in fire protection and emergency management and is a great asset to the Saddle Hills County team.

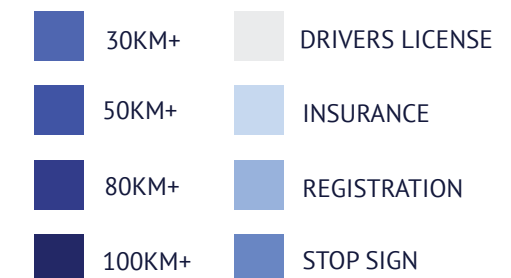


Saddle Hills County's Community Peace Officer's responsibilities have changed over the past year due to Covid-19 restrictions and the associated staffing reductions. Whilst public education is a big part of the enforcement program at the County due to the pandemic we were not able to focus on attending the 8 community events this past year as would be normal practice, instead refocusing the Peace Officer's responsibilities to other areas, including commercial vehicle weight monitoring and permit compliance with road use agreements. The enforcement program continues to be implemented in a careful and systematic manner with a focus on education, Vision Zero, Safe Roads Alberta and the Central Peace Traffic Safety Coalition.

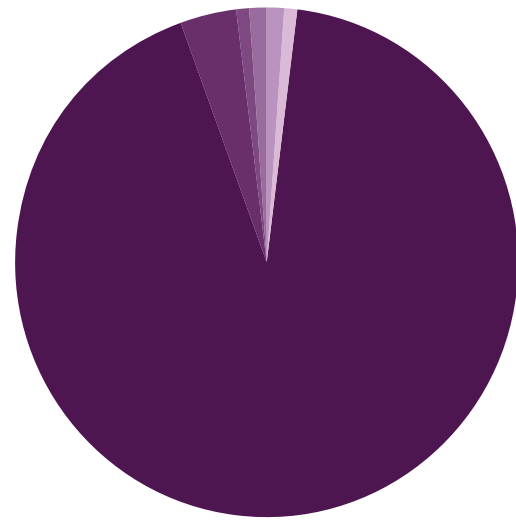
2020 FIRE DEPARTMENT CALL STATISTICS



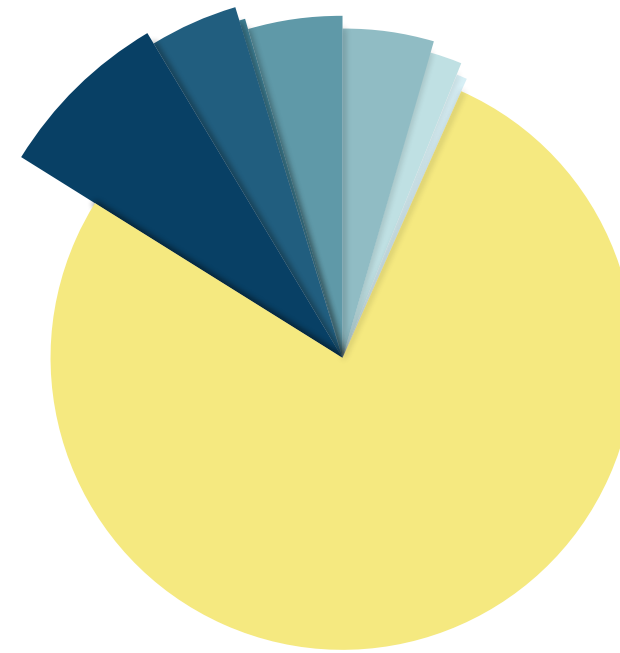
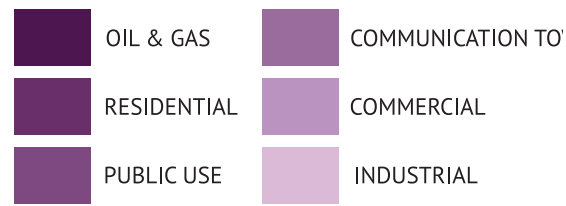
2020 TRAFFIC INCIDENTS



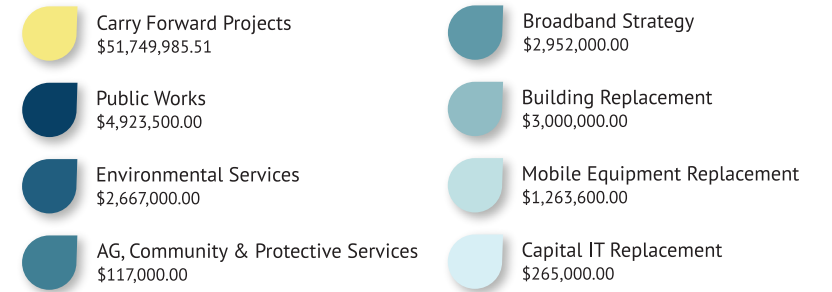
PLANNING & DEVELOPMENT



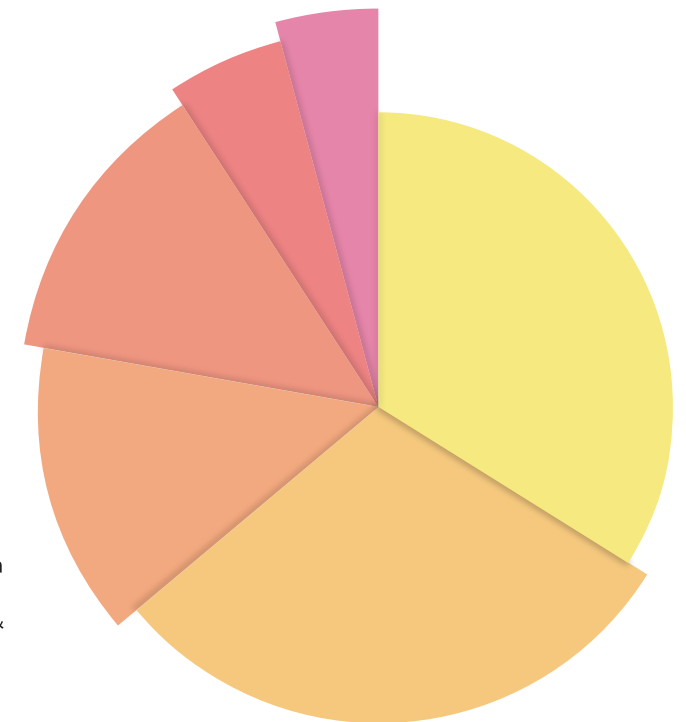
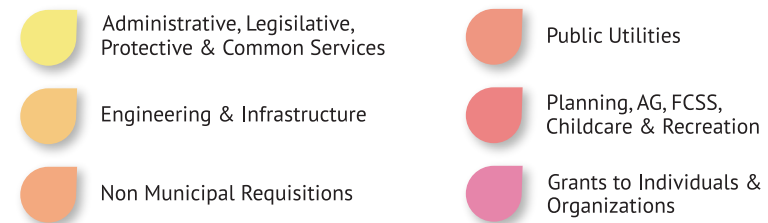
2020 DEVELOPMENT PERMITS BY SECTOR



2021 CAPITAL PROJECTS



**2021 OPERATING EXPENSES
\$48,564,700**



WHERE DOES YOUR MONEY GO?



CAPITAL GRANTS PROGRAM

Bay Tree Community Park Association	\$20,000
Bonanza & District AG Society	\$42,580
Fourth Creek Community Association	\$40,710
Friends of the Rycroft Community Hall	\$5,000
Gordondale Community Club	\$150,000
Happy Valley AG & Rec. Society	\$99,000
Kakut Lake Resort	\$3,500
Rycroft AG Society	\$22,325
Savanna AG Society	\$23,500
Spirit River Municipal Library	\$3,165
Spirit River Settlement Historical Society	\$48,000
Westmark Farmer's League	\$20,318
	\$478,098

OPERATING GRANTS PROGRAM

Bay Tree Community Park Association	\$600
Blueberry Mountain Goodwill Society	\$13,700
Bonanza & District AG Society	\$32,700
Cotillion Butte Recreation Society	\$8,000
Fourth Creek Community Association	\$10,700
Gordondale Community Club	\$17,100
Happy Hour Club of Spirit River	\$4,000
Happy Valley AG & Rec. Society	\$3,400
Royal Canadian Legion Auxiliary #72	\$4,000
Rycroft AG Society	\$10,000
Rycroft Municipal Library	\$3,600
Savanna AG Society	\$56,900
Silver Valley Community Club	\$4,100
Spirit River District AG Society	\$15,000
Spirit River Municipal Library	\$900
Spirit River Settlement Historical Society	\$5,000
Town of SR (Hall, Arena, Curling, Pool)	\$35,000
	\$232,300

CEMETERY GRANTS PROGRAM

15 Cemeteries at \$500 each **\$7,500**

PROGRAM AND ACTIVITY GRANTS PROGRAM

Central Peace 4-H District	\$5,000
Central Peace Early Childhood Coalition	\$2,712
Cotillion Butte Recreation Society	\$1,000
Happy Valley AG & Rec. Club	\$1,750
Savanna AG Society	\$2,000
Savanna Creations	\$2,500
Savanna School Extra-Curricular Programs	\$22,517
SR Regional Academy G6 Field Trip	\$5,000
St. Marie Micro Society	\$10,000
Village of Rycroft Library Board	\$1,000
Westmark Hall Association	\$6,300
	\$59,779

INDEPENDENT AUDITORS REPORT

To the Audit Committee of Saddle Hills County:

Opinion

We have audited the consolidated financial statements of Saddle Hills County (the "Municipality"), which comprise the consolidated statement of financial position as at December 31, 2020, consolidated statements of operations, consolidated accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Municipality as at December 31, 2020, and the results of its operations, net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the 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 the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Municipality'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 Municipality or to cease operations, or has no realistic alternative but to do so.

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

Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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 Municipality'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 Municipality's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 auditor's report. However, future events or conditions may cause the Municipality 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 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Peace River, Alberta

April 13, 2021

MNP LLP

Chartered Professional Accountants

**SADDLE HILLS COUNTY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR
THE YEAR ENDED DECEMBER 31, 2020**

	2020 \$	2019 \$
FINANCIAL ASSETS		
Cash and cash equivalents (Note 2)	2,898,905	7,485,501
Accounts receivable (Note 3) Long-term investments (Note 4)	8,181,425	7,527,849
Land held for resale	-	352,711
	<u>83,204,523</u>	<u>81,889,032</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 5) Deferred revenue (Note 6)	5,042,185	5,054,541
Landfill closure and post-closure costs (Note 7)	532,409	344,038
	<u>5,742,381</u>	<u>5,546,435</u>
	<u>11,316,975</u>	<u>10,945,014</u>
NET FINANCIAL ASSETS	<u>71,887,548</u>	<u>70,944,018</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 2)	149,204,528	138,540,928
Inventory for consumption (Note 8)	1,139,164	1,510,273
Prepaid expenses	409,775	447,003
	<u>150,753,467</u>	<u>140,498,204</u>
ACCUMULATED SURPLUS (Schedule 1, Note 9)	<u>222,641,015</u>	<u>211,442,222</u>

Contingencies and Commitments - See Note 12 and 13

**SADDLE HILLS COUNTY
CONSOLIDATED STATEMENT OF OPERATIONS FOR
THE YEAR ENDED DECEMBER 31, 2020**

	Budget \$	2020 \$	2019 \$
REVENUE			
Net municipal property taxes (Schedule 3)	31,277,164	31,367,142	33,069,475
Oil well drilling equipment tax	1,500,000	1,257,961	1,415,605
Return on investments	1,302,000	1,586,373	1,815,798
Other	154,600	1,190,844	811,097
Government transfers for operating (Schedule 4) User fees and sale of goods	611,600	477,503	588,097
Penalties and costs on taxes	569,189	609,212	780,862
	<u>95,000</u>	<u>200,071</u>	<u>97,073</u>
Total revenues	<u>35,509,553</u>	<u>36,689,106</u>	<u>38,578,007</u>
EXPENSES			
Operating			
Road and bridge projects Administrative	11,646,141	12,822,280	14,761,666
Agriculture and land development	7,026,671	5,046,990	5,582,764
Protective services	2,181,243	1,703,138	2,170,415
Water and wastewater	1,548,546	1,641,686	1,650,584
Recreation and culture	1,919,844	1,998,148	1,811,039
Legislative	884,319	471,055	3,714,457
Waste management	3,556,460	3,059,968	2,860,623
Common services	788,446	986,495	862,034
Family and community support services	1,191,553	990,089	1,220,968
	<u>-</u>	<u>-</u>	<u>35,104</u>
Total Expenses	<u>30,743,223</u>	<u>28,719,849</u>	<u>34,669,654</u>
EXCESS OF REVENUE OVER EXPENSES - BEFORE OTHER	4,766,330	7,969,257	3,908,353
OTHER			
Government transfers for capital (Schedule 4) Gain (loss) on disposal of tangible capital assets	101,100	3,172,408	7,206,970
	<u>-</u>	<u>57,128</u>	<u>151,824</u>
EXCESS OF REVENUE OVER EXPENSES	4,867,430	11,198,793	11,267,147
ACCUMULATED SURPLUS, BEGINNING OF YEAR	211,442,222	211,442,222	200,175,075
ACCUMULATED SURPLUS, END OF YEAR	<u>216,309,652</u>	<u>222,641,015</u>	<u>211,442,222</u>

See accompanying notes to the financial statements

** accompanying notes to the financial statements can be found on our website - www.saddlehills.ab.ca/financial, or included separately with this report

**SADDLE HILLS COUNTY
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS FOR THE
YEAR ENDED DECEMBER 31, 2020**

	Budget \$	2020 \$	2019 \$
EXCESS OF REVENUES OVER EXPENSES	<u>4,867,430</u>	<u>11,198,793</u>	<u>11,267,147</u>
Acquisition of tangible capital assets Proceeds on disposal of tangible capital assets	(27,351,980)	(15,451,000)	(18,298,643)
Amortization of tangible capital assets	(183,000)	273,607	173,167
(Gain) loss on sale of tangible capital assets	-	4,570,921	4,656,285
	-	(57,128)	(151,825)
	<u>(27,534,980)</u>	<u>(10,663,600)</u>	<u>(13,621,016)</u>
Acquisition of supplies inventories	-	(1,139,164)	(1,510,273)
Use of supplies inventories	-	1,510,273	555,555
Acquisition of prepaid assets	-	(409,775)	(447,003)
Use of prepaid assets	-	447,003	357,088
	-	408,337	(1,044,633)
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	(22,667,550)	943,530	(3,398,502)
NET FINANCIAL ASSETS, BEGINNING OF YEAR NET FINANCIAL ASSETS, END OF YEAR	<u>70,944,018</u>	<u>70,944,018</u>	<u>74,342,520</u>
	<u>48,276,468</u>	<u>71,887,548</u>	<u>70,944,018</u>

**SADDLE HILLS COUNTY
CONSOLIDATED STATEMENT OF CASH FLOWS FOR
THE YEAR ENDED DECEMBER 31, 2020**

	2020 \$	2019 \$
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Excess of revenues over expenses	11,198,793	11,267,147
(Gain) loss on sale of tangible capital assets	(57,128)	(151,824)
Non-cash items included in excess (shortfall) of revenues over expenses:		
Amortization of tangible capital assets	4,570,921	4,656,285
Non-cash charges to operations (net change):		
Decrease (increase) in trade and other receivables	(653,575)	(1,894,962)
Decrease (increase) in inventory for consumption	371,109	(954,718)
Decrease (increase) in prepaid expenses	37,228	(89,915)
Decrease (increase) in land held for resale	352,711	(352,711)
Increase (decrease) in accounts payable and accrued liabilities	(12,357)	1,856,263
Increase (decrease) in deferred revenue	188,371	(2,007,649)
Increase (decrease) in provision for landfill closure and post-closure (Note 7)	195,946	83,079
Cash provided by operating transactions	<u>16,192,019</u>	<u>12,410,995</u>
CAPITAL		
Acquisition of tangible capital assets Sale of tangible capital assets	(15,451,000)	(18,298,643)
Cash applied to capital transactions	273,607	173,167
	<u>(15,177,393)</u>	<u>(18,125,476)</u>
INVESTING		
Decrease (increase) in investments	<u>(5,601,222)</u>	<u>(2,942,678)</u>
CHANGE IN CASH AND EQUIVALENTS DURING THE YEAR CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR CASH AND CASH EQUIVALENTS, END OF YEAR	<u>(4,586,596)</u>	<u>(8,657,159)</u>
	<u>7,485,501</u>	<u>16,142,660</u>
	<u>2,898,905</u>	<u>7,485,501</u>
See accompanying notes to the financial statements		
	2020 \$	2019 \$
Cash and cash equivalents is made up of: Cash and temporary investments (Note 2)	<u>2,898,905</u>	<u>7,485,501</u>

**SADDLE HILLS COUNTY
CONSOLIDATED SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS FOR THE
YEAR ENDED DECEMBER 31, 2020
SCHEDULE 1**

	2020 \$	2019 \$
BALANCE, BEGINNING OF YEAR	211,442,222	200,175,075
Excess of revenues over expenses	11,198,793	11,267,147
Unrestricted funds designated for future use	(535,193)	-
Restricted funds used for operations	535,193	-
Current year funds used for tangible capital assets	(15,451,000)	-
Disposal of assets (at net book value)	216,479	-
Annual amortization expense	4,570,921	-
Long term debt repaid	-	-
Change in accumulated surplus	11,198,793	11,267,147
BALANCE, END OF YEAR	222,641,015	211,442,222

See accompanying notes to the financial statements

**SADDLE HILLS COUNTY
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL
ASSETS FOR THE YEAR ENDED DECEMBER 31, 2020
SCHEDULE 2**

	2020 \$	2019 \$
COST:		
BALANCE, BEGINNING OF YEAR	198,128,346	180,584,490
Acquisition of tangible capital assets	15,451,000	18,298,643
Disposal of tangible capital assets	(1,307,490)	(754,787)
BALANCE, END OF YEAR	212,271,856	198,128,346
ACCUMULATED AMORTIZATION:		
BALANCE, BEGINNING OF YEAR	59,587,418	55,664,578
Annual amortization	4,570,921	4,656,285
Accumulated amortization on disposals	(1,091,011)	(733,445)
BALANCE, END OF YEAR	63,067,328	59,587,418
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	149,204,528	138,540,928
2019 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	138,540,928	

See accompanying notes to the financial statements

**SADDLE HILLS COUNTY
CONSOLIDATED SCHEDULE OF PROPERTY TAXES LEVIED
FOR THE YEAR ENDED DECEMBER 31, 2020
SCHEDULE 3**

	Budget \$	2020 \$	2019 \$
TAXATION			
Real property taxes	19,076,278	19,206,770	21,117,748
Linear property taxes	18,829,373	18,824,968	18,138,133
Government grants in place of property taxes	6,224	6,224	9,644
Early payment discount	-	-	-
	<u>37,911,875</u>	<u>38,037,962</u>	<u>39,265,525</u>
REQUISITIONS			
Alberta School Foundation Fund	6,302,871	6,339,319	5,879,182
Seniors Foundation Designated	128,313	128,285	117,558
Industrial Property	<u>203,527</u>	<u>203,216</u>	<u>199,310</u>
	<u>6,634,711</u>	<u>6,670,820</u>	<u>6,196,050</u>
NET MUNICIPAL TAXES	<u>31,277,164</u>	<u>31,367,142</u>	<u>33,069,475</u>

See accompanying notes to the financial statements

**SADDLE HILLS COUNTY
CONSOLIDATED SCHEDULE OF GOVERNMENT
TRANSFERS FOR THE YEAR ENDED DECEMBER 31, 2020
SCHEDULE 4**

	Budget \$	2020 \$	2019 \$
TRANSFERS FOR OPERATING:			
Provincial Government	611,600	477,503	588,097
Federal Government	-	-	-
	<u>611,600</u>	<u>477,503</u>	<u>588,097</u>
TRANSFERS FOR CAPITAL:			
Provincial Government	101,100	3,172,408	7,206,970
Federal Government	-	-	-
	<u>101,100</u>	<u>3,172,408</u>	<u>7,206,970</u>
TOTAL GOVERNMENT TRANSFERS	<u>712,700</u>	<u>3,649,911</u>	<u>7,795,067</u>

See accompanying notes to the financial statements

**SADDLE HILLS COUNTY
CONSOLIDATED SCHEDULE OF EXPENSES BY OBJECT FOR
THE YEAR ENDED DECEMBER 31, 2020 SCHEDULE 5**

	Budget \$	2020 \$	2019 \$
CONSOLIDATED EXPENSES BY OBJECT			
Salaries, wages and benefits	8,944,725	8,498,248	8,722,356
Contracted and general services	9,810,568	7,028,574	8,256,460
Materials, goods, supplies and utilities	3,922,147	3,368,803	4,317,497
Transfers to governments, agencies and organizations	7,440,800	4,687,345	8,402,666
Amortization of tangible capital assets	-	4,570,921	4,656,285
Other expenses	624,983	565,958	314,390
	<u>30,743,223</u>	<u>28,719,849</u>	<u>34,669,654</u>

See accompanying notes to the financial statements

**SADDLE HILLS COUNTY
CONSOLIDATED SCHEDULE OF SEGMENTED DISCLOSURE
FOR THE YEAR ENDED DECEMBER 31, 2020
SCHEDULE 6**


	General Government	Protective Services	Transportation Services	Planning & Development	Recreation & Culture	Environmental Services	Other	Total \$
REVENUE								
Net municipal taxes Government transfers	31,367,142	-	-	-	-	-	-	31,367,142
Oil well drilling equipment taxes	230,301	-	1,237,227	128,792	90,717	1,962,874	-	3,649,911
User fees and sales of goods	-	-	1,257,961	-	-	-	-	1,257,961
Investment income	188,124	39,557	118,219	1,478	7,164	254,670	-	609,212
Other revenues	1,586,373	-	-	-	-	-	-	1,586,373
	513,219	-	281,985	30,201	77,657	571	487,282	1,390,915
	33,885,159	39,557	2,895,392	160,471	175,538	2,218,115	487,282	39,861,514
EXPENSES								
Contract & general services	817,336	311,005	4,823,469	342,083	116,947	518,630	99,104	7,028,574
Salaries & wages	2,200,229	501,382	3,461,062	978,328	119,163	1,238,084	-	8,498,248
Goods & supplies	234,255	188,283	2,332,480	199,727	56,807	357,229	22	3,368,803
Transfers to governments, agencies and organizations	2,703,203	325,500	-	78,241	163,426	66,975	1,350,000	4,687,345
Other expenses	370,011	-	-	-	-	195,947	-	565,958
	6,325,034	1,326,170	10,617,011	1,598,379	456,343	2,376,865	1,449,126	24,148,928
NET REVENUE BEFORE AMORTIZATION	27,560,125	(1,286,613)	(7,721,619)	(1,437,908)	(280,805)	(158,750)	(961,844)	15,712,586
Amortization expense Gain (Loss) on disposal of tangible capital assets	(271,284)	(315,518)	(3,195,361)	(104,758)	(14,713)	(607,778)	(61,509)	(4,570,921)
	-	-	57,128	-	-	-	-	57,128
NET REVENUE	27,288,841	(1,602,131)	(10,859,852)	(1,542,666)	(295,518)	(766,528)	(1,023,353)	11,198,793


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