



2021 Annual

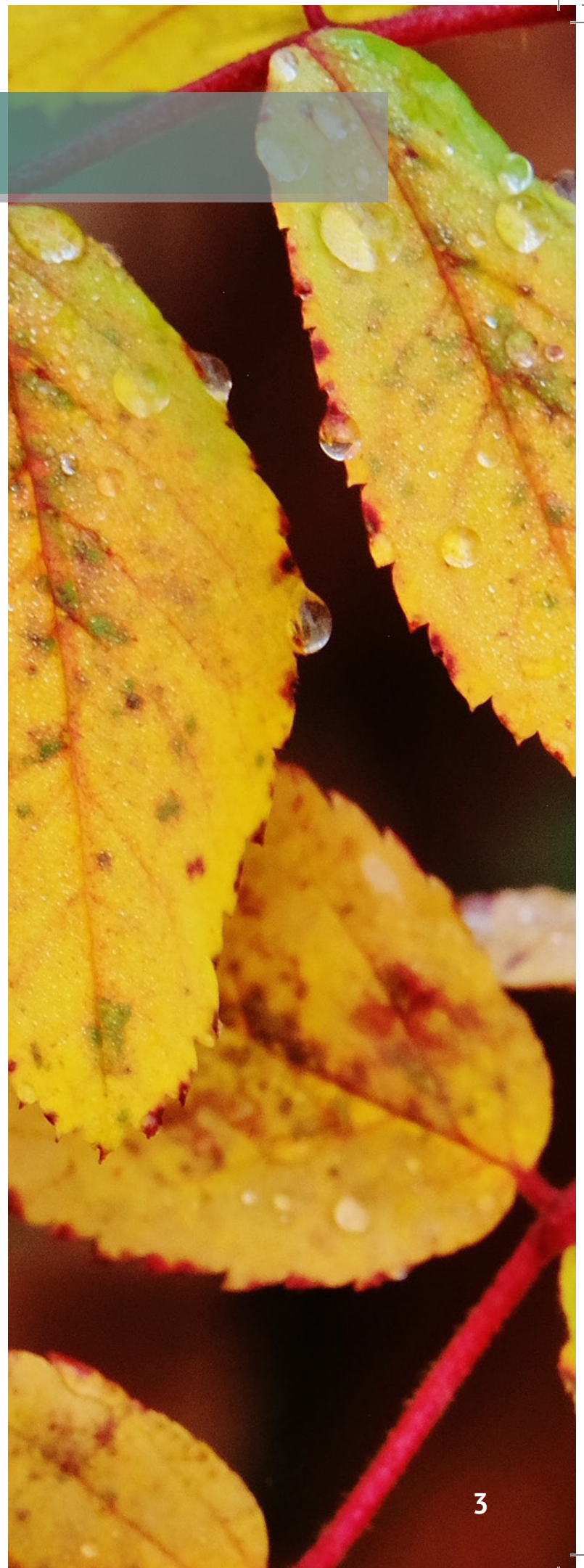
# REPORT





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# A MESSAGE FROM THE REEVE

The County's finances and future are on solid ground. With the help of good partners and the good citizens who have supported us, the County was able to maintain the highest possible levels of service in 2021 while maintaining and continuing to grow our infrastructure for the future.


Our road network continued to be our number one priority and our rural water initiative has continued to grow as we expand the availability of potable water to as many properties as possible throughout the County.

The new Woking Firehall was opened in 2021 and the County invested in campground improvements at Spring Lake. Council commissioned four new signs for our campgrounds and the Savanna toboggan hill, and we introduced the 'Community Signs' grant which provides funding for registered non-profit societies and community groups for the purchase of community signs in order to contribute to community pride and promote tourism opportunities.

Building on our established relationships with our friends in our neighbouring municipalities, we continue to be committed to the economic growth and prosperity of the Central Peace. The County continues to work on the Regional Potable Water Initiative which will provide a reliable source of raw water drawn from the Peace River. With \$36 million for this \$40 million project coming from Federal and Provincial governments, construction will soon begin 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.

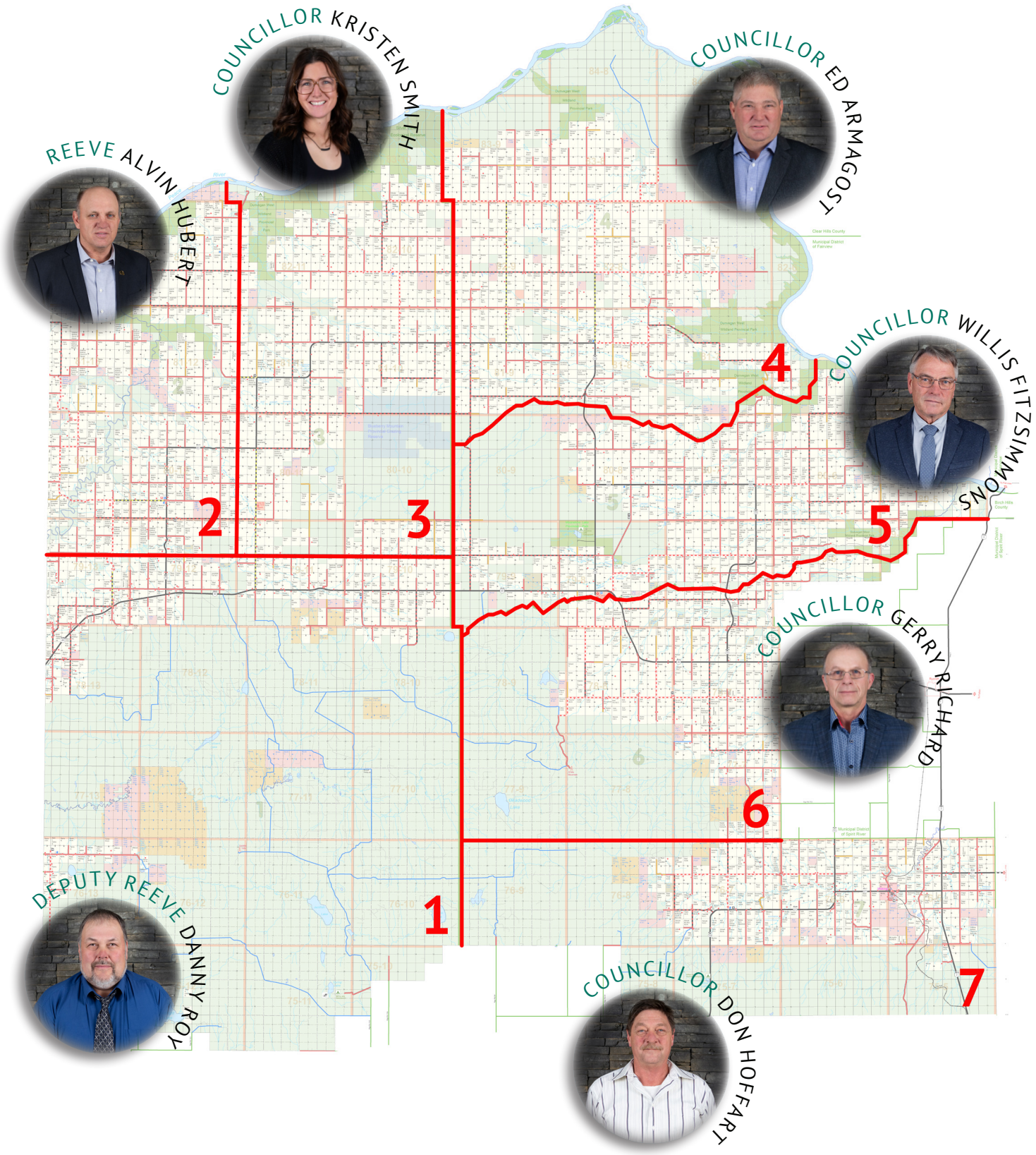
2021 was an election year. Councillors Ken Titford, Lawrence Andruchiw and John Moen were instrumental in making 2021 a successful year for the County through their tireless devotion to the people and businesses of their wards and the County as a whole. Four incumbent Councillors returned including Alvin Hubert (Ward 1), Kristen Smith (Ward 3), Ed Armagost (Ward 4) and Willis Fitzsimmons (ward 5). Three new Councillors joined Council including Danny Roy (Ward 1), Don Hoffart (Ward 7) and Gerry Richard (Ward 6).

We accomplished a great deal on issues which our residents and ratepayers have told us matter to them and we remained focused on building for a secure and prosperous future for Saddle Hills County.



REEVE





2021 COUNCIL

# OUR ORGANIZATION

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.

## **SADDLE HILLS COUNTY DEPARTMENTAL RESPONSIBILITIES**

### **Agricultural Services**

Agriculture, Veterinary Services, Roadside Maintenance, Facilities Maintenance (Grounds), Weed & Pest Control

### **Communications & Inter-municipal Relationships**

Communications & Social Media, Annual Report, Public Consultation, Inter-municipal Communications, Promotional Materials

### **Corporate Services**

Finance, Budget, Insurance/Asset Management, Human Resources, Grants, Assessment, Project Development

### **Legislative Services**

Council & CAO Support, Legislative Services, SDAB & ARB Clerk, FOIP, Safety, Records Management, Policies & Bylaws, Local Government Elections

### **Information Technology**

Information Technology, Utility Communications Network

### **Operations**

Roads & Bridges, Aggregate, Fleet Management, Water Treatment Plants, Rural Water, Wastewater, Solid Waste, GIS, Project Development

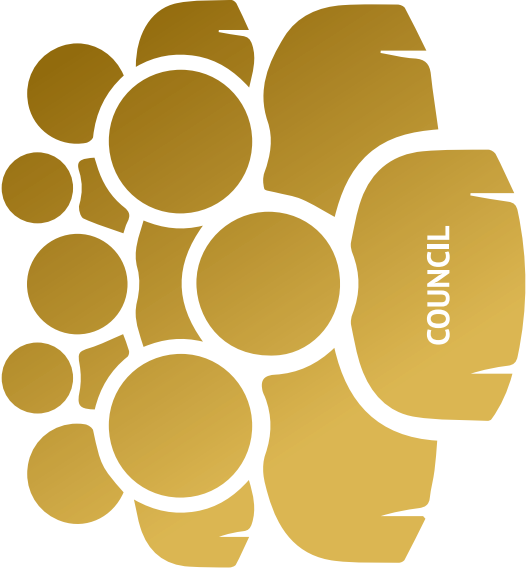
### **Planning & Development**

Development Permits, Subdivision Applications, Rezoning Applications, Road Lease, Licensing and Sale Applications, Rural Addressing, Land Use Bylaw Compliance & Enforcement

### **Protective Services**

Fire Services, Enforcement, Facilities Maintenance (excluding Grounds), Regional Emergency Management, Campgrounds





# SEIZE THE OPPORTUNITY



SOLAR ENERGY



PETROCHEMICAL  
MANUFACTURING

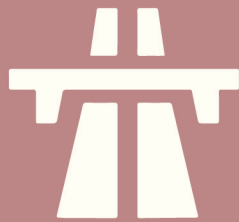
AGRICULTURAL  
COMMODITY PROCESSING



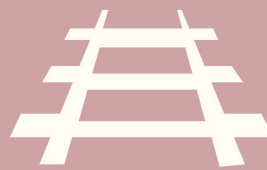
MINING



GRANDE PRAIRIE  
DAWSON CREEK  
FORT ST. JOHN



49 2



WOKING  
RYCROFT  
DAWSON CREEK



TC ENERGY NORTH AMERICAN  
PIPELINE NETWORK  
COASTAL GASLINK PIPELINE



12,719 billion m<sup>3</sup> of marketable natural gas\*  
\*145 years of Canada's 2012 consumption

2,308 million m<sup>3</sup> of marketable NGLs

179 million m<sup>3</sup> of marketable oil

## Central Peace Regional Water Project

CONSTRUCTION OF NEW RAW WATER SUPPLY INTAKE  
36KM OF NEW RAW WATER PIPELINE





# Regional Warehousing, Transportation, Logistics



No Business Tax or Licensing Fees



Low Provincial and Local Taxes



Cost-competitiveness



42,445

REGIONAL POPULATION



30,772

REGIONAL WORKFORCE



LITHIUM  
VANADIUM



1,200 - 1,250 KWH OF ENERGY  
PER KW, PER YEAR



581 FARMS  
535,279 ACRES  
OF FARMLAND



PEAS  
29,141 Metric Tonnes



CANOLA  
15,765 Metric Tonnes



Junction of HWY 49 & HWY 725  
RR1, Spirit River, AB T0H 3G0  
Cary Merritt, CAO: 780.864.3760

@saddlehillscounty  
 @saddlehillscounty

@saddlehillsab  
 www.saddlehills.ab.ca

# 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. For a full description of each committees responsibilities please visit our website.

## INTERNAL

- Agricultural Appeal Committee
- Agricultural Service Board
- Audit Committee
- Central Peace Assessment Review Board
- Central Peace Medical Services Corporation
- Central Peace Regional Emergency Management Committee (CP-REM)
- Central Peace Regional Water System Collaboration Committee
- Central Peace Regional Waste Management Commission
- Industry Liason Committee
- Intermunicipal Collaboration and Planning Committee (ICPC)
- Intermunicipal (G5) Economic Development Advisory Committee (IEDAC)
- Municipal Planning Commission
- Saddle Hills Municipal Library Board
- Strategic Planning Committee
- Subdivision and Development Appeal Board

## EXTERNAL

- Central Peace Attraction and Retention Committee
- CANFOR Grande Prairie Forest Management Advisory Committee (FMAC)
- Environmental Advisory Committee to International Paper
- Grande Prairie Regional Tourism Association
- Grande Spirit Foundation
- Mighty Peace Watershed Alliance
- Northern Alberta Elected Leaders
- Northern Alberta Mayors and Reeves Committee
- Northwest Species at Risk Committee
- Peace Aid Shed Zone Association
- Peace Library System Board
- Peace Region Economic Development Alliance, Northwest Transportation Advisory Bureau
- Peace Valley Conservation Recreation and Tourism Society
- Seniors Housing Committee
- South Peace Regional Archives
- Veterinarian Service Incorporated (V.S.I) Service (1980) Ltd.
- Water North Coalition



## CONTINUED GROWTH FOR RURAL WATER INITIATIVE IN 2021

2021 saw a continued growth for Saddle Hills County's Rural Water Initiative. The initiative is expanding as residents are hooked up in areas where the mainline has been extended; pipelines are added to new areas of the County; easements are signed making way for future growth.

In 2021 28 properties were hooked up to the County potable water system as the mainline was extended into the area west of Bay Tree including Saddle Oaks Estates. Easements were obtained for properties which will allow the County to install more miles of pipeline.

Residents need to apply for rural water hook up in order to help the County determine interest, and the most beneficial and cost-effective way to proceed as we continue to build our rural potable water system.

While this project will proceed over a decade or more, if property owners would like to take advantage of the opportunity to have your property hooked up to the County's expanding rural potable water system, please let us know by filling out a Rural Potable Water Servicing Agreement on the County website or by calling Manager of Environmental Services Darren Lubeck at the County office.

Many County residents continue to use the County's four Truck Fill Stations in Woking, Ksituan, Bonanza and Savanna.

Residents can set up a secure prepaid Potable Water Account at the County Complex. Once you have set up your account you can manage it remotely 24/7. If you need assistance setting up or managing your online water account please contact us.



*"We're so happy we hooked up to the County's potable water supply. They made it easy and now we don't have to drive to the truck fill to haul water every month" - Larry and Janice Rudy, Bonanza*

To apply for potable water to be hooked up to your property please fill out the form on our website or call Darren Lubeck at 780-864-3760



# OPERATIONS

The Operations Department had a successful year making use of the disaster relief funding from the drought as an opportunity to complete many maintenance projects within the County as there were little hold-ups for weather and dry road and ditch conditions during the year.

Approximately 1/3 of the County (600 kms of road) received crushed gravel in 2021. To replenish the gravel stockpiles used over the last two seasons a contractor completed crushing of 70,000 tonnes at the Cotillion gravel pit and, at year-end, had 10,000 tonnes crushed of 300,000 tonnes in the Fourth Creek gravel pit. Exploration to identify future unmined gravel in these areas was also undertaken for management of the pit operational plans and future planning.



Both Twp. Rd. 822 into the Fourth Creek Pit saw a major reshaping of 6 km and the paved section of the Pillsworth Road and Rge. Rd. 120 into the Cotillion Pit saw a large pavement overlay patch to alleviate the rutting in the hauling lanes. This is a temporary repair until future overlays are scheduled.

Due to required reviews and requirements, the County is still making repairs to infrastructure related to the 2018 and 2020 flooding events. Some projects uncovered additional, unforeseen underground challenges. In some cases culvert supply chain delays have put off the work until 2022.

Other significant slides are still having to meet referral criteria and approvals for disaster funding before any repairs can be made.

The County has 178 bridges which are monitored by the Alberta Transportation Bridge Information and Maintenance System. Twenty bridges received major work beginning in March and wrapped up December 5th. A number of these included placement of large heavy rock rip rap to prevent erosion and scouring, construction of concrete end caps and concrete floors, clay seal replacement and general items like deck cleaning, guardrail and signage.

The County has five major truss bridges which each received extra inspections in 2021 as they are made to expand and contract by load and heat; with the 40 C weather the bridges had expanded to their maximum length. These bridges are an expensive asset requiring continual upkeep to extend their life as long as possible.

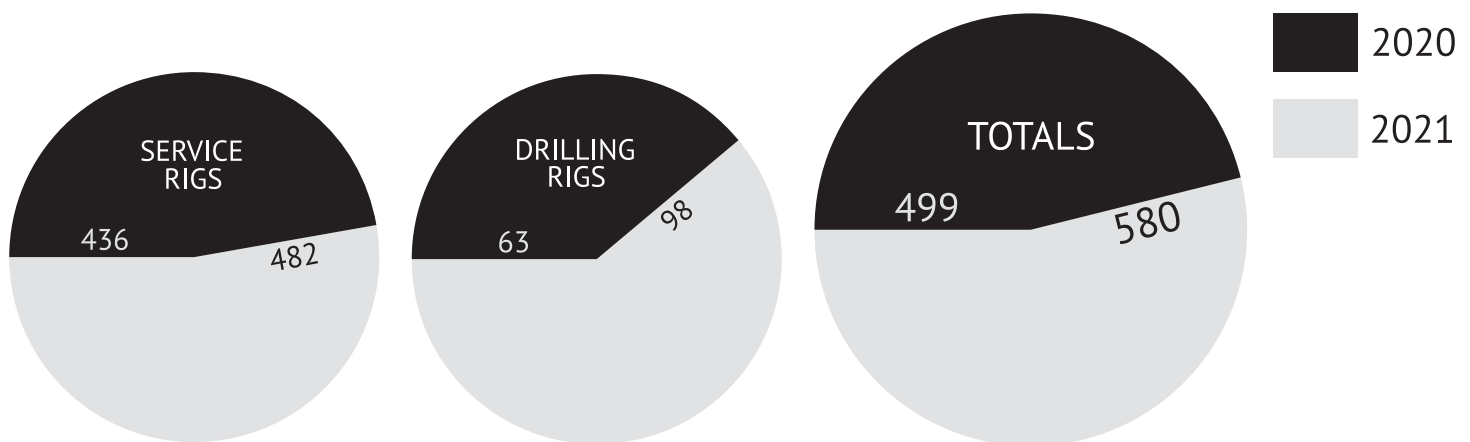
There were 110 centerline and approach culverts installed and improved in 2021. Thirty kilometers of ditch maintenance was undertaken to improve drainage of the road infrastructure. Eight applications were processed for approaches and 11 applications for permission to improve drainage by ratepayers applying for and receiving approvals to upgrade their own ditching and approaches within the County rights of way. Every attempt was made in 2021 to get these approvals into the ratepayers' hands within a few days. Range Road 72 from TWP 775 was reconstructed south for 2.4 km to where it meets the Spirit Ridge Road at a bid cost of \$658,256.00. This upgrade required the movement of the powerline and significant pipeline crossings.

Approximately 25 acres of brush mulching for visibility and safety was completed. Six kilometers of trail that was on statutory road allowance was accepted by Council onto the County Road network and upgraded to standard for better access and safety using contract equipment.

Grader maintenance of roads was operated on four 10-hour days during the summer and fall with half the crew working Monday through Thursday and the other half Tuesday through Friday so there was always coverage and more efficient use of the longer day length.

Upgrades to Pillsworth Shop grounds and dugout were undertaken to provide better access to the water for both calcium and dust control applications. Our Oilfield activities within the County were also very active in all locations.

The operations staff worked diligently to keep up with sign replacements, regular maintenance, and the mechanical shop supported them in keeping our fleet operational and available.







2021 was a very hot, dry and busy year for the department. Five seasonal staff were hired and trained, before being assigned to various duties and areas within the County. The weed inspectors travelled the County, completing inspections for noxious and prohibited noxious weeds, and doing practical surveys for diseases like clubroot and blackleg, while the labourers maintained County infrastructure including fire halls, ditches, tower sites, the County complex and areas within the Hamlet of Woking.



## PEST INSPECTION

Over 60 canola fields were inspected for both Virulent Blackleg and Clubroot in 2021, as outlined in Policy AG15 - Clubroot of Canola and AG19 - Virulent Blackleg of Canola. No clubroot was found, and very low levels of virulent blackleg were reported. In collaboration with Dr. Mike Harding and Alberta Agriculture, ten soil samples were also taken, to be tested for the presence of clubroot spores, to investigate the relationship between clubroot spore load within the soil and the presence of visual clubroot symptoms. All 10 soil samples came back with negative results.

Since the removal of *Fusarium Graminearum* from the *Agricultural Pests Act* in 2020, sampling and testing of this is no longer required by the province. A new program has been implemented where interested producers can request that their fields be sampled by the County and sent for testing. Despite the removal of *Fusarium Graminearum* from the APA, Saddle Hills County participated in a provincial study looking at ergot, kernel bunt, dwarf bunt and deoxynivalenol (DON) mycotoxin. Five cereal fields were sampled, and sent away for testing, as part of this study.

County staff also assisted Alberta Agriculture and Forestry with the provincial Grasshopper Survey in late July and early August. Numbers varied widely across the County but the overall average population was determined to be below the economic threshold. While completing the surveys inspectors did notice high counts of lygus bugs throughout the County.

Two Bertha Armyworm traps were erected in the County in 2021, one in Cotillion and one in Woking. The Woking trap consistently had few to no moths present within it whereas, during the six weeks of monitoring, the Cotillion trap had high numbers of moths present each week. In light of this, Saddle Hills County Administration encouraged producers to monitor all their fields to ensure the economic threshold for any insect was reached before taking action.

## OUTREACH & EXTENSION EVENTS

Agricultural Services staff focused heavily on outreach in 2021. Several surveys were conducted throughout the year in order to facilitate communication between County staff and local producers on several important issues, such as crop conditions and elk damages to forage and crops.

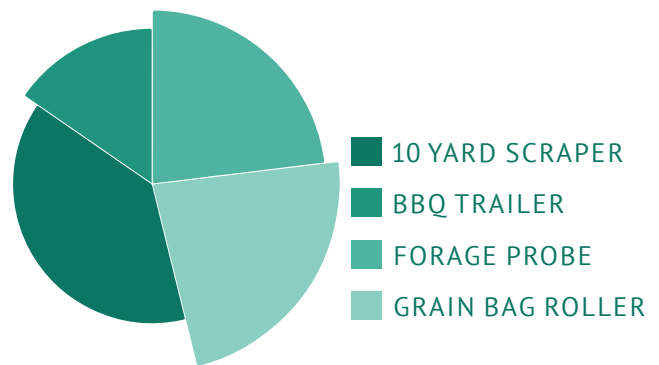
The ASB, working alongside a local wildlife biologist and ministerial bodies, composed a letter to the Minister of Agriculture regarding ongoing issues with elk damage being experienced by local producers.

A resolution was developed regarding elk depredation in the County, requesting that money be allocated in order for ungulate surveys to be done annually. This resolution passed at the Regional ASB Conference in November and is being taken to the Provincial ASB Conference in January of 2022.

Staff also worked on developing a stronger social media presence throughout the summer months, hosting a weekly 'Trivia Tuesday', and posting about relevant policies and initiatives to help educate the public on the work carried out by County staff.

## RENTAL EQUIPMENT

No additions were made to the rental fleet in 2021, as it was another slow years for equipment rentals. The 10-yard scraper was the most frequently rented piece of equipment, with a total of 5 requests. Other traditionally popular items, such as the barbeque trailer, grain bag roller and forage probe were also rented.



## RECOMMENDATIONS FOR 2022

In the spring and summer of 2021 the main focus was dealing with historically problematic weed locations early. As the summer continued, the hot, dry weather made herbicide application and the control of seedlings and small weeds difficult, with applications taking place after the passing of the heat wave.

Going forward more work needs to be done educating ratepayers on the various County and provincial policies and improving interactions in regards to stubborn weed issues.

In 2022 staff recommend that more focus will need to be directed towards encouraging development of agricultural programs within the County, continuing aggressive right-of-way vegetation management and expanding pest monitoring to include species such as lygus and sclerotinia.

Agricultural Services will strive to achieve the goals outlined in the 2020-2024 Agricultural Service Board Strategic Plan, such as developing and delivering collaborative environmental stewardship initiatives within the grain and livestock industry in the County, as well as participating in opportunities for collaboration and inter-municipal initiatives at the federal, provincial and municipal levels.



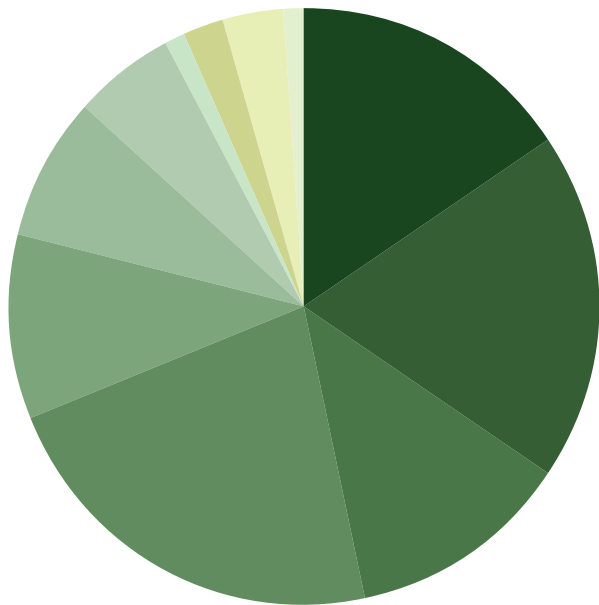
# PROTECTIVE SERVICES

## 2021 CAMPGROUND USER STATISTICS

Cotillion Park Campground had **267** bookings made in 2021

Hilltop Lake Campground had **150** bookings made in 2021

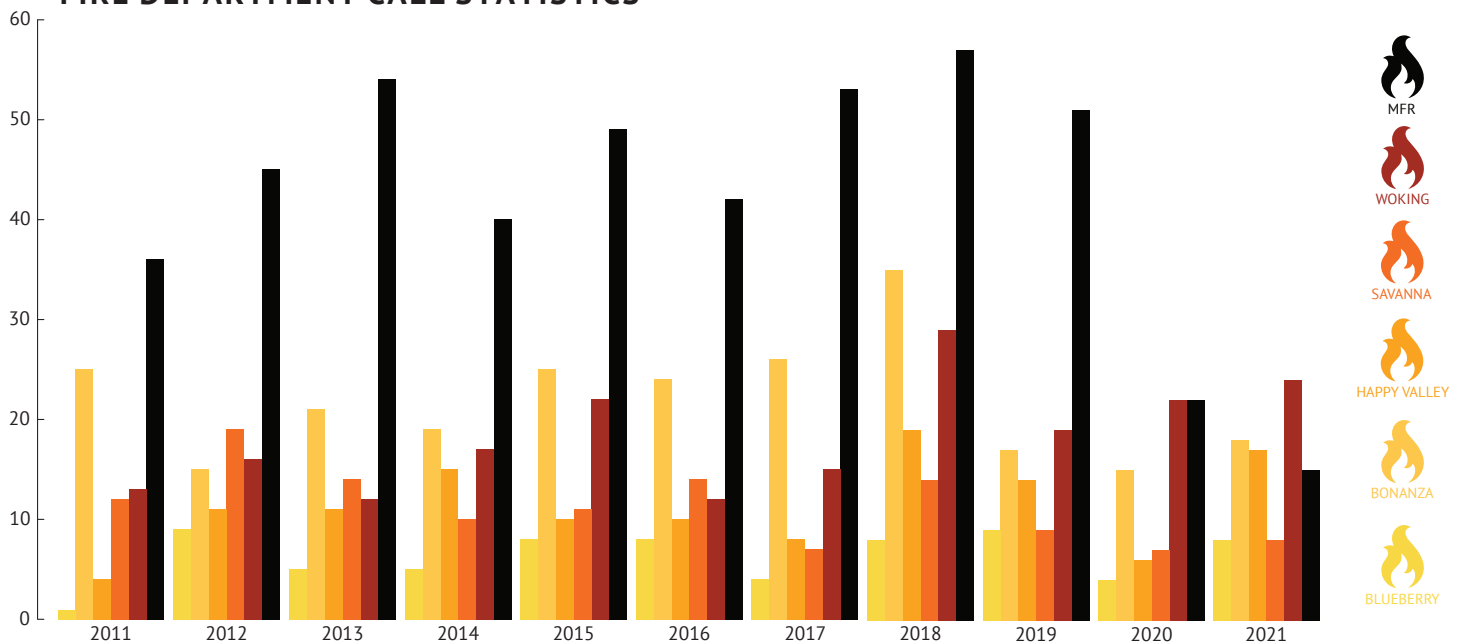
Spring Lake Campground had **580** bookings made in 2021



## 2021 CALL-TYPE BREAKDOWN

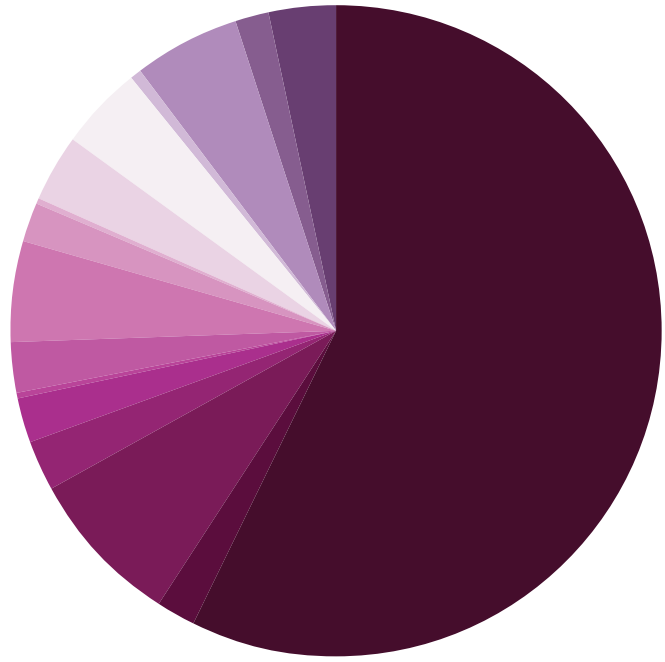
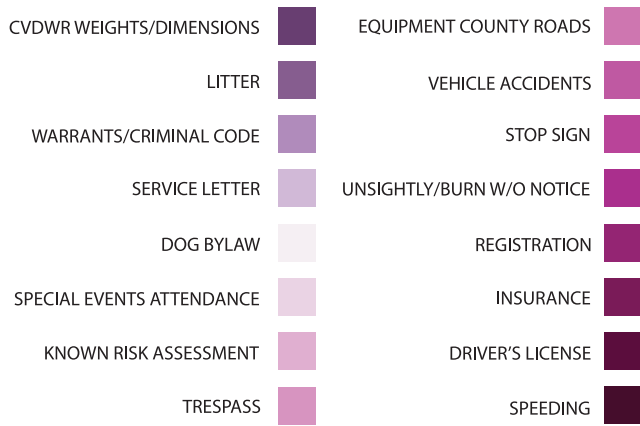
- VEHICLE/MACHINERY FIRES
- STRUCTURE FIRES
- MOTOR VEHICLE COLLISIONS
- MEDICAL/LIFT ASSIST
- MUTUAL AID
- OUTDOOR FIRES
- OTHER
- SMOKE INVESTIGATION
- UTILITY EMERGENCIES
- DANGEROUS GOODS
- ALARMS RINGING

## FIRE DEPARTMENT CALL STATISTICS





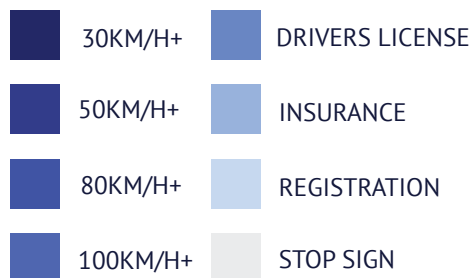
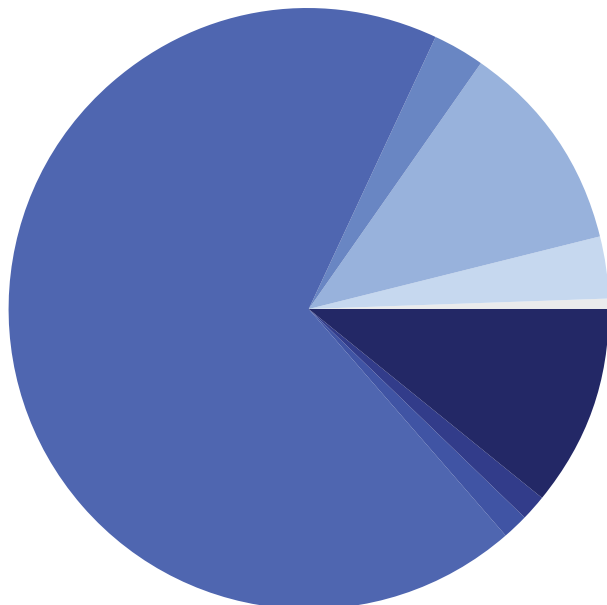
### 2021 PEACE OFFICER STOPS



Due to Covid 19 restrictions, our Education/prevention program was restricted to attending one Community Event across Saddle Hills County this past year. The Saddle hills County Enforcement program continues to be implemented in a careful and systematic manner with a significant focus on education, Vision Zero, 2020, Safe Roads Alberta and the Central Peace Traffic Safety Coalition. The vast majority of traffic stops resulted in written warnings being issued rather than violation tickets, except for repeat offenders and extreme offenses.

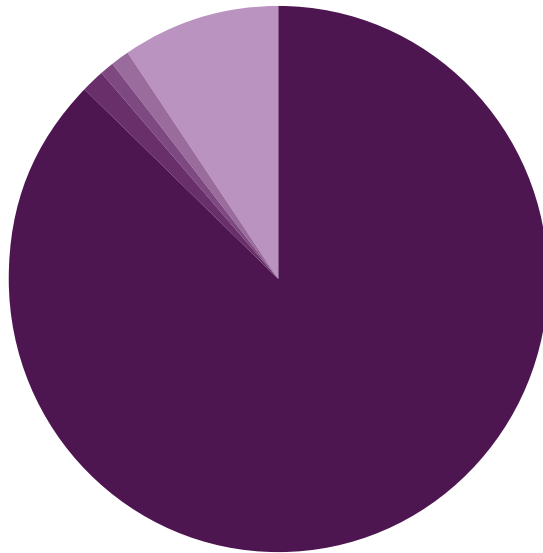
The County's Enforcement Services, Compliance Assurance Model continues to use education, and prevention as the key drivers of the triangular approach with enforcement as a last resort to compliance. The community Peace Officer works a 40-hour week consisting of mornings, day time, evening and weekend shifts to achieve the 95% compliance rate.

### 2021 TRAFFIC INCIDENTS

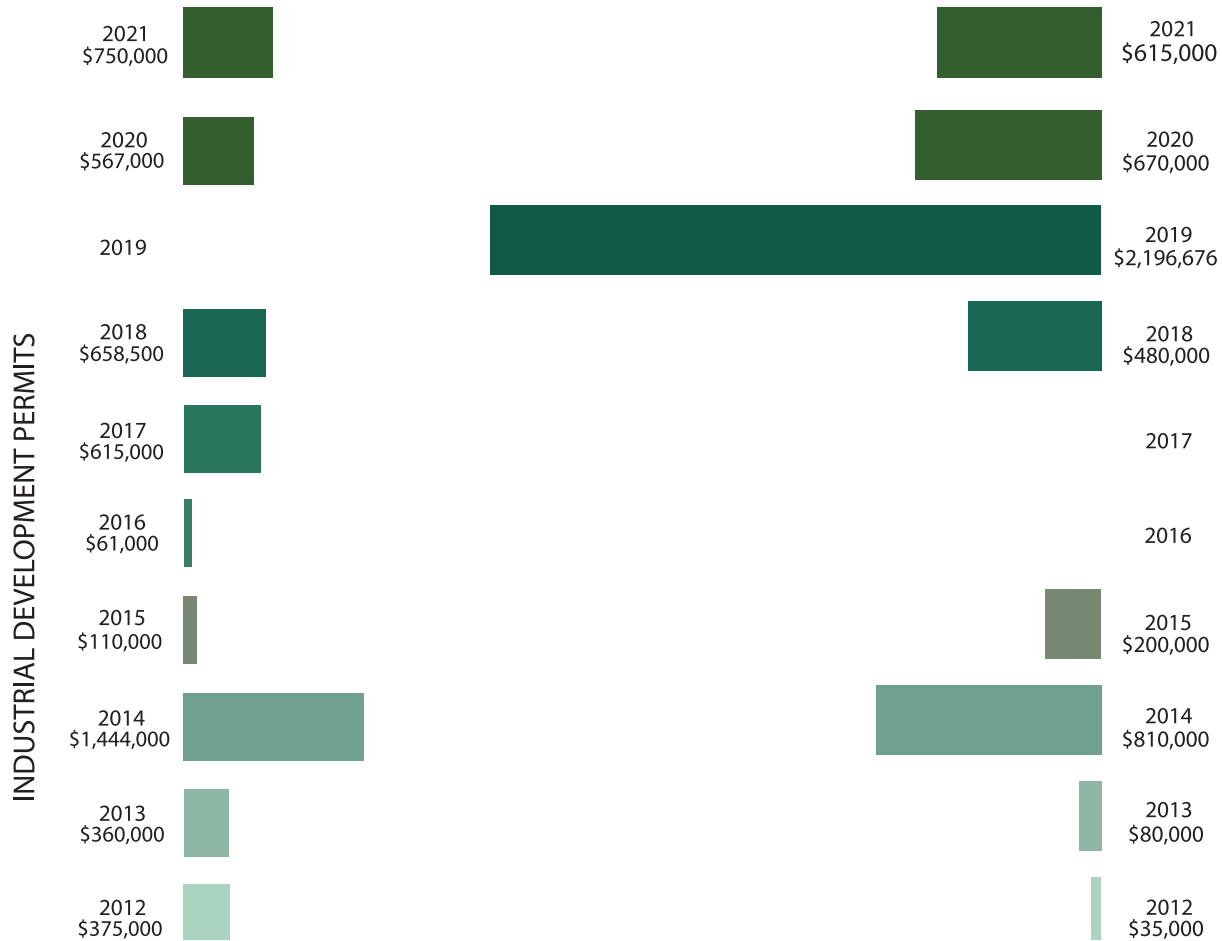


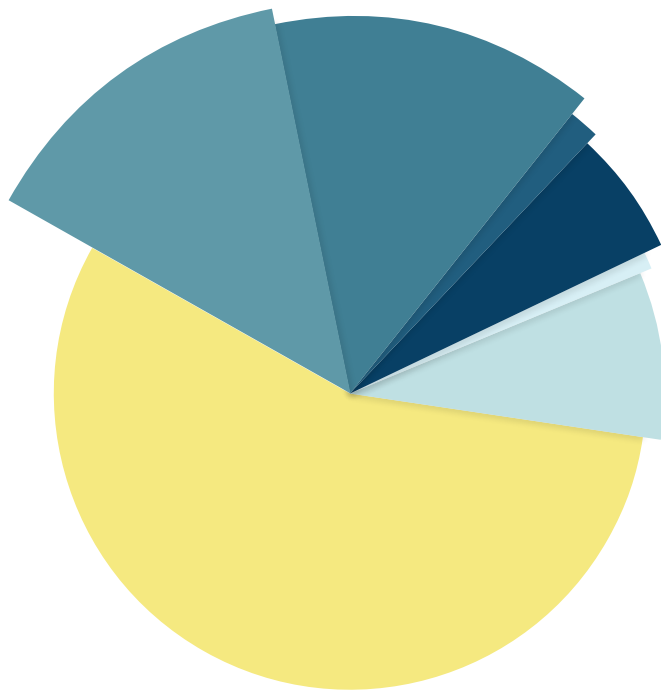


# PLANNING & DEVELOPMENT

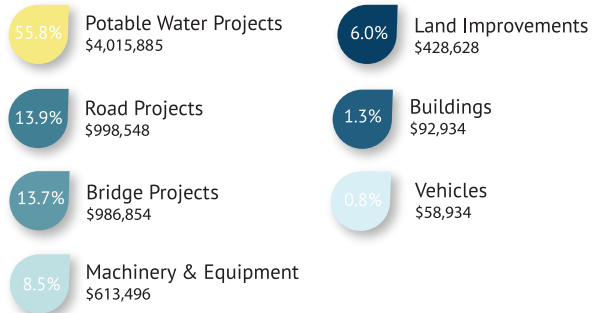


**2021 DEVELOPMENT PERMITS BY SECTOR**

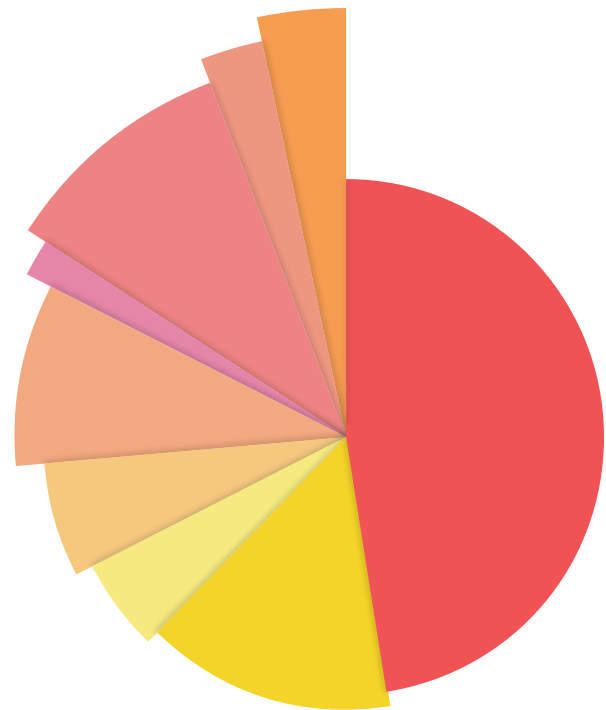
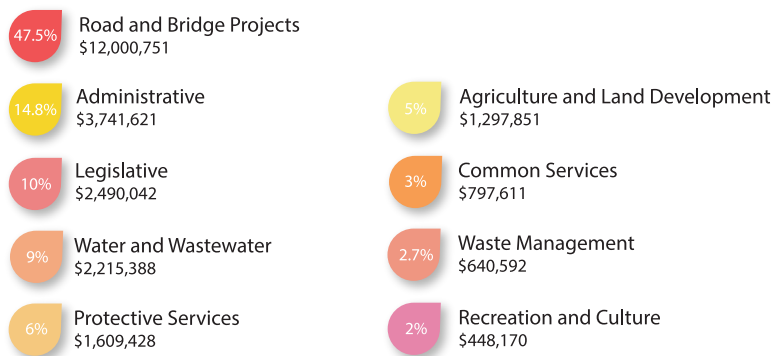




## 2021 CAPITAL EXPENDITURES \$7,195,279



## 2021 OPERATING EXPENSES \$25,241,454



WHERE DOES YOUR MONEY GO?





# GRANT PROGRAMS

## CAPITAL GRANTS PROGRAM

Bay Tree Community Park Association	\$6,500
Bonanza & District AG Society	\$22,850
Dunvegan River Rats	\$5,578
Gordondale Community Club	\$357,298
Happy Valley AG & Rec. Club	\$90,200
Rycroft AG Society	\$20,000
Rycroft Baseball Association	\$8,000
Savanna AG Society	\$52,401
Spirit River Settlement	\$48,000
	<b>\$610,828</b>

## OPERATING GRANTS PROGRAM

Blueberry Mountain Goodwill Society	\$10,800
Bonanza & District AG Society	\$35,250
Cotillion Butte Recreation Society	\$7,875
Fourth Creek Community Association	\$8,813
Friends of Rycroft Community Hall Assoc.	\$6,000
Gordondale Community Club	\$9,225
Happy Hour Club of Spirit River	\$5,000
Happy Valley AG & Rec. Club	\$5,783
Royal Canadian Legion Auxiliary #72	\$5,000
Rycroft AG Society	\$10,000
Savanna AG Society	\$46,279
Silver Valley Community Club	\$3,750
Spirit River Settlement	\$5,000
Spirit River District AG Society	\$10,000
Spring Lake Ski Hill Association	\$6,546
Town of Spirit River	\$15,000
Village of Rycroft Library Board	\$3,000
Westmark Farmers League	\$5,813
Woking Skating Rink Association	\$2,230
Woking Willing Workers	\$5,700
	<b>\$207,063</b>

## CEMETERY GRANTS PROGRAM

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

## PROGRAM AND ACTIVITY GRANTS PROGRAM

Grande Prairie Paliative Care Society	\$30,000
Happy Valley AG & Rec. Club	\$2,450
Rycroft Library Board	\$1,500
Savanna School	\$10,000
Sexsmith Football Club	\$4,000
Spirit River Regional Academy	\$10,000
Spirit River Seawolves Swim Club	\$7,500
	<b>\$65,450</b>

# INDEPENDENT AUDITORS REPORT

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To the Audit Committee of Saddle Hills County:

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of Saddle Hills County (the "Municipality"), which comprise the consolidated statement of financial position as at December 31, 2021, and the consolidated statements of operations and accumulated operating surplus, changes 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 Municipality as at December 31, 2021, and the results of its operations, its remeasurement gains and losses, changes in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### Basis for Opinion

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

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

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

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



## Report on Other Legal and Regulatory Requirements

### Debt Limit Regulation

In accordance with Alberta regulation 255/2000, we confirm that the Municipality is in compliance with the Debt Limit Regulation. A detailed account of the Municipality's debt limit can be found in note 11.

### Supplementary Accounting Principles and Standards Regulation

In accordance with Alberta regulation 313/2000, we confirm that the Municipality is in compliance with the Supplementary Accounting Principles and Standards Regulation.

Peace River, Alberta

April 12, 2022

*MNP LLP*

Chartered Professional Accountants

### SADDLE HILLS COUNTY CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED DECEMBER 31, 2021

	2021	2020
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents (Note 2)	1,919,764	2,972,301
Accounts receivable (Note 3) Long-term investments (Note 4)	2,564,408	8,181,425
	97,290,819	72,124,193
	<u>101,774,991</u>	<u>83,277,919</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 5)	3,278,460	5,042,185
Deferred revenue (Note 6)	10,391,862	532,409
Landfill closure and post-closure costs (Note 7)	5,653,409	5,742,381
	<u>19,323,731</u>	<u>11,316,975</u>
<b>NET FINANCIAL ASSETS NON-</b>	<u>82,451,260</u>	<u>71,960,944</u>
<b>FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 2)	151,601,302	149,204,528
Inventory for consumption (Note 8)	1,764,961	1,139,164
Prepaid expenses	379,593	336,379
	<u>153,745,856</u>	<u>150,680,071</u>
<b>ACCUMULATED SURPLUS (Schedule 1, Note 9)</b>	<u>236,197,116</u>	<u>2,22,641,015</u>

Contingencies and Commitments - See Note 12 and 13

**SADDLE HILLS COUNTY  
CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS FOR THE  
YEAR ENDED DECEMBER 31, 2021**

	Budget	2021	2020
	\$	\$	\$
<b>REVENUE</b>			
Net municipal property taxes (Schedule 3)	33,272,600	<b>33,225,523</b>	31,367,142
Oil well drilling equipment tax	-	-	1,257,961
Return on investments	1,502,000	<b>720,047</b>	1,586,373
Other	185,600	<b>495,884</b>	1,190,844
Government transfers for operating (Schedule 4)	295,000	<b>409,971</b>	477,503
User fees and sale of goods	625,100	<b>1,209,180</b>	609,212
Penalties and costs on taxes	95,000	<b>82,004</b>	200,071
<b>Total revenues</b>	<u>35,975,300</u>	<u><b>36,142,609</b></u>	<u>36,689,106</u>
<b>EXPENSES</b>			
<b>Operating</b>			
Road and bridge projects Administrative	11,743,900	<b>12,000,751</b>	12,822,280
Agriculture and land development	5,629,900	<b>3,741,621</b>	5,046,990
Protective services	1,670,900	<b>1,297,851</b>	1,703,138
Water and wastewater	1,429,500	<b>1,609,428</b>	1,641,686
Recreation and culture	2,177,100	<b>2,215,388</b>	1,998,148
Legislative	549,100	<b>448,170</b>	471,055
Waste management	3,495,500	<b>2,490,042</b>	3,059,968
Common services	879,300	<b>640,592</b>	986,495
Family and community support services	1,215,000	<b>797,611</b>	990,089
	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Expenses</b>	<u>28,790,200</u>	<u><b>25,241,454</b></u>	<u>28,719,849</u>
<b>EXCESS OF REVENUE OVER EXPENSES - BEFORE OTHER</b>	7,185,100	<b>10,901,155</b>	7,969,257
<b>OTHER</b>			
Government transfers for capital (Schedule 4)	76,100	<b>2,695,320</b>	3,172,408
Gain (loss) on disposal of tangible capital assets	-	<b>(40,374)</b>	57,128
<b>EXCESS OF REVENUE OVER EXPENSES</b>	7,261,200	<b>13,556,101</b>	11,198,793
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	222,641,015	<b>222,641,015</b>	211,442,222
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<u><u>229,902,215</u></u>	<u><u><b>236,197,116</b></u></u>	<u><u>222,641,015</u></u>

See accompanying notes to the financial statements

**SADDLE HILLS COUNTY**  
**CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS FOR THE**  
**YEAR ENDED DECEMBER 31, 2021**

	Budget \$	2021 \$	2020 \$
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<u>7,261,200</u>	<u>13,556,101</u>	<u>11,198,793</u>
Acquisition of tangible capital assets Proceeds on disposal of tangible capital assets	(63,679,086)	<b>(7,195,279)</b>	(15,451,000)
Amortization of tangible capital assets	-	<b>71,405</b>	273,607
(Gain) loss on sale of tangible capital assets	-	<b>4,686,726</b>	4,570,921
	<u>-</u>	<u>40,374</u>	<u>(57,128)</u>
	<u>(63,679,086)</u>	<u>(2,396,774)</u>	<u>(10,663,600)</u>
Acquisition of supplies inventories	-	<b>(1,764,961)</b>	(1,139,164)
Use of supplies inventories	-	<b>1,139,164</b>	1,510,273
Acquisition of prepaid assets	-	<b>(379,593)</b>	(336,379)
Use of prepaid assets	-	<b>336,379</b>	447,003
	<u>-</u>	<u>(669,011)</u>	<u>481,733</u>
<b>INCREASE IN NET FINANCIAL ASSETS</b>	(56,417,886)	<b>10,490,316</b>	1,016,926
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR NET</b>	<u>71,960,944</u>	<u>71,960,944</u>	<u>70,944,018</u>
<b>FINANCIAL ASSETS, END OF YEAR</b>	<u>15,543,058</u>	<u>82,451,260</u>	<u>71,960,944</u>

**SADDLE HILLS COUNTY  
CONSOLIDATED STATEMENT OF CASH FLOWS FOR  
THE YEAR ENDED DECEMBER 31, 2021**

	2021	2020
	\$	\$
<b>NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:</b>		
<b>OPERATING</b>		
Excess of revenues over expenses	13,556,101	11,198,793
(Gain) loss on sale of tangible capital assets	40,374	(57,128)
Non-cash items included in excess (shortfall) of revenues over expenses:		
Amortization of tangible capital assets	4,686,726	4,570,921
Non-cash charges to operations (net change):		
Decrease (increase) in trade and other receivables	5,617,018	(653,575)
Decrease (increase) in inventory for consumption	(625,797)	371,109
Decrease (increase) in prepaid expenses	(43,214)	110,624
Decrease (increase) in land held for resale	-	352,711
Increase (decrease) in accounts payable and accrued liabilities	(1,763,726)	(12,357)
Increase (decrease) in deferred revenue	9,859,453	188,371
Increase (decrease) in provision for landfill closure and post-closure (Note 7)	(88,972)	195,946
Cash provided by operating transactions	<u>31,237,963</u>	<u>16,265,415</u>
<b>CAPITAL</b>		
Acquisition of tangible capital assets	(7,195,279)	(15,451,000)
Sale of tangible capital assets	71,405	273,607
Cash applied to capital transactions	<u>(7,123,874)</u>	<u>(15,177,393)</u>
<b>INVESTING</b>		
Decrease (increase) in investments	<u>(25,166,626)</u>	<u>(5,601,222)</u>
<b>CHANGE IN CASH AND EQUIVALENTS DURING THE YEAR</b>	<b>(1,052,537)</b>	<b>(4,513,200)</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>2,972,301</u>	<u>7,485,501</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>1,919,764</u>	<u>2,972,301</u>
See accompanying notes to the financial statements		
	2021	2020
	\$	\$
<b>Cash and cash equivalents is made up of:</b>		
Cash and temporary investments (Note 2)	<u>1,919,764</u>	<u>2,972,301</u>



**SADDLE HILLS COUNTY  
CONSOLIDATED SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS FOR THE  
YEAR ENDED DECEMBER 31, 2021  
SCHEDULE 1**

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2021 \$	2020 \$
<b>BALANCE, BEGINNING OF YEAR</b>	-	73,436,487	149,204,528	<b>222,641,015</b>	211,442,222
Excess of revenues over expenses	13,556,101	-	-	<b>13,556,101</b>	11,198,793
Unrestricted funds designated for future use	(11,159,327)	11,159,327	-	-	-
Restricted funds used for operations	-	-	-	-	-
Current year funds used for tangible capital assets	(7,195,279)	-	7,195,279	-	-
Disposal of assets (at net book value)	111,779	-	(111,779)	-	-
Annual amortization expense	4,686,726	-	(4,686,726)	-	-
Long term debt repaid	-	-	-	-	-
Change in accumulated surplus	-	11,159,327	2,396,774	<b>13,556,101</b>	11,198,793
<b>BALANCE, END OF YEAR</b>	-	84,595,814	151,601,302	<b>236,197,116</b>	222,641,015

See accompanying notes to the financial statements

**SADDLE HILLS COUNTY  
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS FOR THE  
YEAR ENDED DECEMBER 31, 2021  
SCHEDULE 2**

	Land	Land Improvements	Buildings	Engineered Structures	Machinery and Equipment	Vehicles	2021 \$	2020 \$
<b>COST:</b>								
<b>BALANCE, BEGINNING OF YEAR</b>	1,503,706	4,454,087	27,413,162	164,299,309	12,925,626	1,675,966	212,271,856	198,128,346
Acquisition of tangible capital assets	-	428,628	92,934	6,001,287	613,496	58,934	7,195,279	15,451,000
Disposal of tangible capital assets	-	-	-	(348,311)	(411,193)	-	(759,504)	(1,307,490)
<b>BALANCE, END OF YEAR</b>	1,503,706	4,882,715	27,506,096	169,952,285	13,127,929	1,734,900	218,707,631	212,271,856
<b>ACCUMULATED AMORTIZATION:</b>								
<b>BALANCE, BEGINNING OF YEAR</b>	-	685,664	2,912,898	52,906,957	5,491,645	1,070,164	63,067,328	59,587,418
Annual amortization	-	184,035	515,121	2,789,155	1,006,770	191,645	4,686,726	4,570,921
Accumulated amortization on disposals	-	-	-	(303,440)	(344,285)	-	(647,725)	(1,091,011)
<b>BALANCE, END OF YEAR</b>	-	869,699	3,428,019	55,392,672	6,154,130	1,261,809	67,106,329	63,067,328
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	1,503,706	4,013,016	24,078,077	114,559,613	6,973,799	473,091	151,601,302	149,204,528
<b>2020 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	1,503,706	3,768,423	24,500,264	111,392,352	7,433,981	605,802	149,204,528	

See accompanying notes to the financial statements

**SADDLE HILLS COUNTY  
CONSOLIDATED SCHEDULE OF PROPERTY TAXES LEVIED FOR THE  
YEAR ENDED DECEMBER 31, 2021  
SCHEDULE 3**

	Budget \$	2021 \$	2020 \$
<b>TAXATION</b>			
Real property taxes	21,228,100	<b>21,245,472</b>	19,206,770
Linear property taxes	18,954,800	<b>18,953,779</b>	18,824,968
Government grants in place of property taxes	6,300	<b>6,211</b>	6,224
Early payment discount	-	-	-
	<u>40,189,200</u>	<u><b>40,205,462</b></u>	<u>38,037,962</u>
<b>REQUISITIONS</b>			
Alberta School Foundation Fund	6,581,800	<b>6,645,163</b>	6,339,319
Seniors Foundation Designated	129,300	<b>129,292</b>	128,285
Industrial Property	205,500	<b>205,484</b>	203,216
	<u>6,916,600</u>	<u><b>6,979,939</b></u>	<u>6,670,820</u>
<b>NET MUNICIPAL TAXES</b>	<u>33,272,600</u>	<u><b>33,225,523</b></u>	<u>31,367,142</u>

See accompanying notes to the financial statements

**SADDLE HILLS COUNTY  
CONSOLIDATED SCHEDULE OF GOVERNMENT TRANSFERS FOR THE  
YEAR ENDED DECEMBER 31, 2021  
SCHEDULE 4**

	Budget \$	2021 \$	2020 \$
<b>TRANSFERS FOR OPERATING:</b>			
Provincial Government	295,000	<b>409,971</b>	477,503
Federal Government	-	-	-
	<u>295,000</u>	<u><b>409,971</b></u>	<u>477,503</u>
<b>TRANSFERS FOR CAPITAL:</b>			
Provincial Government	76,100	<b>2,695,320</b>	3,172,408
Federal Government	-	-	-
	<u>76,100</u>	<u><b>2,695,320</b></u>	<u>3,172,408</u>
<b>TOTAL GOVERNMENT TRANSFERS</b>	<u>371,100</u>	<u><b>3,105,291</b></u>	<u>3,649,911</u>

See accompanying notes to the financial statements

**SADDLE HILLS COUNTY  
CONSOLIDATED SCHEDULE OF EXPENSES BY OBJECT FOR THE  
YEAR ENDED DECEMBER 31, 2021 SCHEDULE 5**

	Budget \$	2021 \$	2020 \$
<b>CONSOLIDATED EXPENSES BY OBJECT</b>			
Salaries, wages and benefits	8,077,000	<b>6,933,624</b>	8,498,248
Contracted and general services	10,321,400	<b>6,996,269</b>	7,028,574
Materials, goods, supplies and utilities	4,041,500	<b>3,257,167</b>	3,368,803
Transfers to governments, agencies and organizations	5,822,600	<b>2,825,426</b>	4,687,345
Amortization of tangible capital assets	-	<b>4,686,726</b>	4,570,921
Other expenses	527,700	<b>542,242</b>	565,958
	<u>28,790,200</u>	<u><b>25,241,454</b></u>	<u>28,719,849</u>

See accompanying notes to the financial statements

**SADDLE HILLS COUNTY  
CONSOLIDATED SCHEDULE OF SEGMENTED DISCLOSURE FOR THE  
YEAR ENDED DECEMBER 31, 2021  
SCHEDULES**

	General Government	Protective Services	Transportation Services	Planning & Development	Recreation & Culture	Environmental Services	Other	Total \$
<b>REVENUE</b>								
Net municipal taxes	33,225,523	-	-	-	-	-	-	<b>33,225,523</b>
Government transfers	50,000	-	2,228,599	124,327	199,870	502,495	-	<b>3,105,291</b>
Oil well drilling equipment taxei User fees and sales of goods Investment income	189,496 720,047	34,115 -	675,239 -	1,200 -	4,243 -	304,887 -	-	<b>1,209,180</b> <b>720,047</b>
Other revenues	131,217	19,269	121,207	26,550	47,106	177,946	54,593	<b>577,888</b>
	<u>34,316,283</u>	<u>53,384</u>	<u>3,025,045</u>	<u>152,077</u>	<u>251,219</u>	<u>985,328</u>	<u>54,593</u>	<u><b>38,837,929</b></u>
<b>EXPENSES</b>								
Contract & general services	810,574	381,766	4,809,796	383,021	74,290	461,408	75,414	<b>6,996,269</b>
Salaries & wages	2,036,424	356,662	2,628,878	564,345	33,048	1,314,267	-	<b>6,933,624</b>
Goods & supplies Transfers to governments, agencies and organizations	179,129 2,040,835	155,622 302,309	2,349,134 -	165,353 81,086	73,511 237,864	321,259 98,332	13,159 65,000	<b>3,257,167</b> <b>2,825,426</b>
Other expenses	631,214	-	-	-	-	(88,972)	-	<b>542,242</b>
	<u>5,698,176</u>	<u>1,196,359</u>	<u>9,787,808</u>	<u>1,193,805</u>	<u>418,713</u>	<u>2,106,294</u>	<u>153,573</u>	<u><b>20,554,728</b></u>
<b>NET REVENUE BEFORE AMORTIZATION</b>	28,618,107	(1,142,975)	(6,762,763)	(1,041,728)	(167,494)	(1,120,966)	(98,980)	<b>18,283,201</b>
Amortization expense Gain (Loss) on disposal of tangible capital assets	(318,400)	(413,070)	(3,010,557)	(104,046)	(29,458)	(749,686)	(61,509)	<b>(4,686,726)</b>
	<u>-</u>	<u>-</u>	<u>(40,374)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u><b>(40,374)</b></u>
<b>NET REVENUE</b>	<u>28,299,707</u>	<u>(1,556,045)</u>	<u>(9,813,694)</u>	<u>(1,145,774)</u>	<u>(196,952)</u>	<u>(1,870,652)</u>	<u>(160,489)</u>	<u><b>13,556,101</b></u>

**SADDLE HILLS COUNTY  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR  
THE YEAR ENDED DECEMBER 31, 2021**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The consolidated financial statements of Saddle Hills County are the representations of management prepared in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board of the Canadian Institute of Chartered Professional Accountants. Significant aspects of the accounting policies adopted by Saddle Hills County are as follows:

**a) Reporting entity**

The consolidated financial statements reflect the assets, liabilities, revenues and expenditures, changes in net financial assets and cash flows of the reporting entity. This entity is comprised of the municipal operations plus all of the organizations that are owned or controlled by the County and are, therefore, accountable to the Council for administration of their financial affairs and resources.

They include the County's proportionate share of the Central Peace Regional Waste Management Commission (25%).

The schedule of taxes levied also includes requisitions for education and housing 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. Expenses 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 expenses are incurred, services performed or the tangible capital assets are acquired.

**c) Deferred Revenue**

Government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation and agreement and may only be used in completion of certain programs, in the completion of specific work, or for the purchase of tangible capital assets. These funds and the earnings thereon are accounted for as deferred revenue until the related expenses are incurred, the services are performed or the tangible capital assets are acquired.

**d) Use of Estimates**

The preparation of 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 disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the period. Where management uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. These estimates and assumptions are based on the County's best information and judgement and actual results could differ from these estimates.



**SADDLE HILLS COUNTY  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR  
THE YEAR ENDED DECEMBER 31, 2021**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**e) Cash and Cash Equivalents**

Cash and cash equivalents consist of cash on hand, balances with the banks net of outstanding cheques and term deposits with original maturities of 90 days or less at the date of acquisition and are recorded at cost.

**f) Investments**

Investments consist of deposit notes, coupons, securities, mutual funds and guaranteed investment certificates. Deposit notes, coupons, securities, mutual funds and guaranteed investment certificates 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 the value that is other than a temporary decline, the respective investment is written down to recognize the loss.

**g) 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.

**h) Requisition Over-levies and Under-Levies**

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.

**i) Landfill Closure and Post- Closure Liability**

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

**j) Contaminated Sites**

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

**SADDLE HILLS COUNTY  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**m) Accumulated Surplus**

Accumulated surpluses are established at the discretion of Council to set aside funds for future operating and capital expenditures. Transfers to and/or from reserves are reflected as an adjustment to the respective fund.

Equity in capital assets consist of the net investments in total capital assets after deducting the portion financed by third parties.

**2. CASH AND INVESTMENTS**

	<u>2021</u>	<u>2020</u>
	<u>\$</u>	<u>\$</u>
Cash	1,850,352	2,603,534
Restricted deposits	69,412	73,396
Temporary investments	-	295,371
	<u>1,919,764</u>	<u>2,972,301</u>

Cash held in deposit accounts earn interest at tiered rates between 0.35% and 0.50%.

A portion of the cash balances above are restricted for reserves and deferred revenue. The total restricted capital, including long-term investments is \$94,987,676 (2020 - \$73,968,896).

**3. ACCOUNTS RECEIVABLE**

	<u>2021</u>	<u>2020</u>
	<u>\$</u>	<u>\$</u>
Accrued interest receivable - investments	1,430,978	2,961,112
Trade	763,656	4,189,688
Property taxes	281,193	1,315,220
Goods and Services Tax	99,813	126,571
	<u>2,575,640</u>	<u>8,592,591</u>
Less: Allowance for doubtful accounts	(11,232)	(411,166)
	<u>2,564,408</u>	<u>8,181,425</u>

**SADDLE HILLS COUNTY  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**4. LONG-TERM INVESTMENTS**

Investments have carrying and market values as follows:

	<u>2021</u> <u>Carrying</u> <u>Amount</u> <u>\$</u>	<u>2021</u> <u>Market</u> <u>Value</u> <u>\$</u>	<u>2020</u> <u>Carrying</u> <u>Amount</u> <u>\$</u>	<u>2020</u> <u>Market</u> <u>Value</u> <u>\$</u>
Rural Municipalities of Alberta Member's Equity	856	856	856	856
RBC Investment Portfolio				
Cash Accounts	137,798	137,798	106,567	106,567
Guaranteed Investment Certificates	66,044,892	66,044,892	54,750,073	54,750,073
Coupons	17,940,478	17,779,077	5,880,702	6,508,371
Securities	1,049,999	1,028,716	-	-
Mutual Funds	12,116,796	12,116,796	11,385,995	11,385,995
	<u>97,290,819</u>	<u>97,108,135</u>	<u>72,124,193</u>	<u>72,751,862</u>

RBC investment portfolio has effective interest rates ranging from 0.500% to 2.600% (2020 - 1.000% to 2.600%) with maturity dates from January 31, 2022 to December 3, 2026.

Market values are based on quoted market values received on December 31, 2021. The market values fluctuate with changes in market interest rates. Should there be a loss in value that is not considered temporary, the respective investment is written down to recognize the loss.

**5. ACCOUNTS PAYABLE & ACCRUED LIABILITIES**

	<u>2021</u> <u>\$</u>	<u>2020</u> <u>\$</u>
Trade	1,914,122	3,771,326
Vacation, sick leave and overtime	1,224,927	1,141,321
Security deposits	139,411	129,538
	<u>3,278,460</u>	<u>5,042,185</u>

The vacation, sick leave and overtime liability is comprised of the vacation, sick leave 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.



**SADDLE HILLS COUNTY  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**6. DEFERRED REVENUE**

Deferred revenue consists of the following amounts, which have been restricted by third parties for a specified purpose. These amounts are recognized as revenue in the period in which the related expenses are incurred.

	2020	Additions	Revenue Recognized	2021
	\$	\$	\$	\$
Municipal Stimulus Program	264,484	-	-	<b>264,484</b>
Alberta Community Partnership	119,276	-	119,276	-
Capital for Emergent Projects	109,213	-	-	<b>109,213</b>
Peace Region Water Study	39,436	-	39,436	-
Central Peace Regional Water-Phase 1 & 2	-	10,000,000	-	<b>10,000,000</b>
Family and Community Support Services	-	18,165	-	<b>18,165</b>
	<u>532,409</u>	<u>10,018,165</u>	<u>158,712</u>	<u><b>10,391,862</b></u>

**7. LANDFILL CLOSURE AND POST-CLOSURE COSTS**

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, ongoing environmental monitoring, and site inspections and maintenance.

The estimated total liability represents the net present value of the discounted cash flows of the total estimated cost for closure and post-closure activities for 25 years after closing using a discount rate of 3.46% and assuming annual inflation of 3.00%.

The accrued liability is based on the cumulative capacity used at year end compared to the total estimated landfill capacity. The total capacity of the sites is estimated at 952,000 cubic metres. All of the sites are at full capacity.

The County stopped receiving municipal solid waste at these landfills in prior years. Some of these unused landfills were converted to waste transfer stations. The County intends to commence closure work for a portion of these unused landfills in the near future.

The County obtained revised cost estimates related to its closure and post-closure obligations during the year. These revised cost estimates result in a decrease of \$88,972 (2020 - \$195,945) to the closure and post-closure obligations, which is included in waste management expense on the Statement of Operations.

	2021	2020
	\$	\$
Estimate closure costs	<u>3,905,110</u>	3,889,494
Estimate post-closure costs	<u>1,748,299</u>	1,852,887
	<u>5,653,409</u>	5,742,381
Portion of liability remaining to be recognized	-	-
Accrued liability portion	<u><b>5,653,409</b></u>	<u>5,742,381</u>



**SADDLE HILLS COUNTY  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**8. INVENTORY FOR CONSUMPTION**

	2021	2020
	\$	\$
Gravel	1,173,630	575,506
Parts, culverts and other	591,331	563,658
	<u>1,764,961</u>	<u>1,139,164</u>

**9. ACCUMULATED SURPLUS**

	2021	2020
	\$	\$
Unrestricted surplus	-	-
Restricted surplus:		
Operating reserves:		
Operating fund	2,417,722	2,694,522
Gravel usage	1,175,169	975,169
Saddle Hills advantage	500,000	500,000
Grant programs	255,820	772,524
Community recreation	47,477	47,477
Due to others	10,398	10,878
	<u>4,406,586</u>	<u>5,000,570</u>
Capital reserves:		
Paving overlay	10,265,107	12,860,059
Current county facilities	10,157,624	5,164,972
Capital carry forward	9,317,054	10,043,284
Mobile equipment	9,036,174	7,610,163
General capital	8,450,884	8,050,191
Rural water	6,978,047	3,332,913
New county facilities	6,412,014	4,384,476
Utility communication network	6,087,063	3,714,010
Infrastructure development	4,585,485	4,599,542
Environmental services	4,033,933	4,050,944
Well drilling equipment tax	3,124,797	3,105,293
Computer and information technology	816,624	584,594
Emergency command centre	752,156	752,156
G5 clinic	151,242	162,429
Municipal development	21,024	20,891
	<u>80,189,228</u>	<u>68,435,917</u>
	<u>84,595,814</u>	<u>73,436,487</u>
Equity in tangible capital assets	<u>151,601,302</u>	<u>149,204,528</u>
	<u>236,197,116</u>	<u>222,641,015</u>

**SADDLE HILLS COUNTY  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**10. 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:

	2021			2020
	Salary <sup>1</sup>	Benefits & allowances <sup>2</sup>	Expense reimbursement <sup>3</sup>	Total
<b>Councillors</b>				
Division 1	37,765	2,383	2,749	42,897
Division 2	46,700	2,553	2,903	52,156
Division 3	41,285	2,392	1,833	45,510
Division 4	39,030	3,142	2,788	44,960
Division 5	45,030	2,375	2,848	50,253
Division 6	41,250	5,178	3,418	49,846
Division 7	42,330	2,541	3,654	48,525
Chief Administrative Officer	223,759	27,901	-	251,660
Designated Officer	130,495	17,319	-	147,814
	<u>647,644</u>	<u>65,784</u>	<u>20,193</u>	<u>733,621</u>
				<u>673,880</u>

1 Salary includes regular base pay, bonuses, per diems and any other direct cash remuneration.

2 Benefits and allowances include the employer's share of the employee benefits and contributions or payments made on behalf of employees including pension and health care benefits.

3 Direct reimbursement of expenses.

**11. 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 County be disclosed as follows:

	2021	2020
	\$	\$
Total debt limit	<u>54,213,914</u>	55,033,659
Total debt	-	-
Amount of debt limit unused	<u>54,213,914</u>	<u>55,033,659</u>
Debt servicing limit	<u>9,035,652</u>	9,172,277
Debt servicing	-	-
Amount of debt servicing limit unused	<u>9,035,652</u>	<u>9,172,277</u>

The debt limit is calculated at 1.50 times revenue of the County (as defined in Alberta Regulation 255/00) and the debt service limit is calculated at 0.25 times such revenue. Incurring debt beyond these limitations requires approval by the Minister of Municipal Affairs. These thresholds are guidelines used by Alberta Municipal Affairs to identify municipalities that could be at financial risk if further debt is acquired. The calculation taken alone does not represent the financial stability of the County. Rather, the financial statements must be interpreted as a whole.



**SADDLE HILLS COUNTY  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

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**12. CONTINGENCIES**

(a) MUNIX

The County is a member of the Alberta Municipal Insurance Exchange ("MUNIX"). Under the terms of membership, the County could become liable for its proportionate share of any claim losses in excess of the funds held by MUNIX. Any liability incurred would be accounted for as a current transaction in the year the losses are determined.

(b) Legal Claims

The County is defendant in various lawsuits as at December 31, 2021. Where the occurrence of future events is considered likely to result in a loss with respect to an existing condition, and the amount of the loss can be reasonably estimated, amounts have been included in accrued liabilities. Where the resulting losses, if any, cannot be determined or the occurrence of future events is unknown, amounts have not been recorded.

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**13. COMMITMENTS**

As at December 31, 2021, the County has the following outstanding commitments:

(a) Construction of two TELUS towers and completion of one Co-locate on County towers, of approximately \$2,072,000.

(b) Rural Waterlines Project, of approximately \$1,654,465.

(c) Regional Raw Water Line Project, of approximately \$3,942,500.

(d) Savanna Agricultural Society, Splash Park, of approximately \$529,000.

(e) Bridge File 71648, of approximately \$520,000.

(f) Bridge File 72464, of approximately \$2,500,000.

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**14. LOCAL AUTHORITIES PENSION PLAN**

Employees of the County participate in the Local Authorities Pension Plan (LAPP), which is covered by the Alberta Public Sector Pension Plans Act. Contributions are collected from employees and employers and the money is invested in equities, bonds and other investment vehicles. The investment income and the contributions are used to pay pension benefits to LAPP retirees, now and in the future.

The County 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 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 the LAPP in 2021 were \$440,461 (2020 - \$544,968). Total current service contributions by the employees of the County to the LAPP in 2021 were \$400,889 (2020 - \$495,463).

At December 31, 2020, the LAPP disclosed a surplus of \$4.96 billion (2019 - \$7.91 billion surplus).

**SADDLE HILLS COUNTY  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

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**15. FINANCIAL INSTRUMENTS**

The County's financial instruments consist of cash and cash equivalents, accounts receivables, long-term investments, accounts payable and accrued liabilities, deferred revenue and provision for landfill closure. It is management's opinion that the County is not exposed to significant interest, currency or credit risk arising from these financial instruments.

The County is subject to credit risk with respect to taxes and grants in lieu of taxes receivable and trade and other accounts receivables. Credit risk arises from the possibility that taxpayers and entities to which the County provides services may experience financial difficulty and be unable to fulfil their obligation. The large number and diversity of taxpayers and customers minimizes the credit risk.

The County is subject to interest rate risk with respect to its cash equivalents and long-term investments. Interest rate risk arises from the risk that the fair value of financial instruments or future cash flows associated with instruments will fluctuate due to changes in market interest rates. The County manages this risk by investing in diverse and low risk assets.

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

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**16. SEGMENTED DISCLOSURE**

Saddle Hills County provides a range of services to its residents. For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 1.

For additional information see the Schedule of Segmented Disclosure (Schedule 6).

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**17. COMPARATIVE FINANCIAL STATEMENTS**

Certain comparative figures have been reclassified to conform with the current year's financial statement presentation.

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**18. APPROVAL OF FINANCIAL STATEMENTS**

These financial statements were approved by Council and management.

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**19. IMPACT ON OPERATIONS**

During the year, there was a global outbreak of COVID-19, which has had a significant impact on municipal government operations through the restrictions put in place by the Canadian and provincial governments as well as municipal governments regarding travel, isolation/quarantine orders, closures of County facilities, cancellation/postponement of programs and tax and utility deferral programs. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the County as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the virus, and the duration isolation/quarantine measures that are currently, or may be put, in place by Canada and other countries to fight the virus.









Junction of Highway 49 and Highway 725, RR 1, Spirit River, Alberta, Canada, T0H 3G0

Phone: (780) 864-3760 | Fax: (780) 864-3904 | Toll Free: 1 (888) 864-3760

Monday to Friday 8:15 AM to 4:30 PM



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