



# 2022 ANNUAL REPORT

For year ending  
December 31, 2022

May 2023

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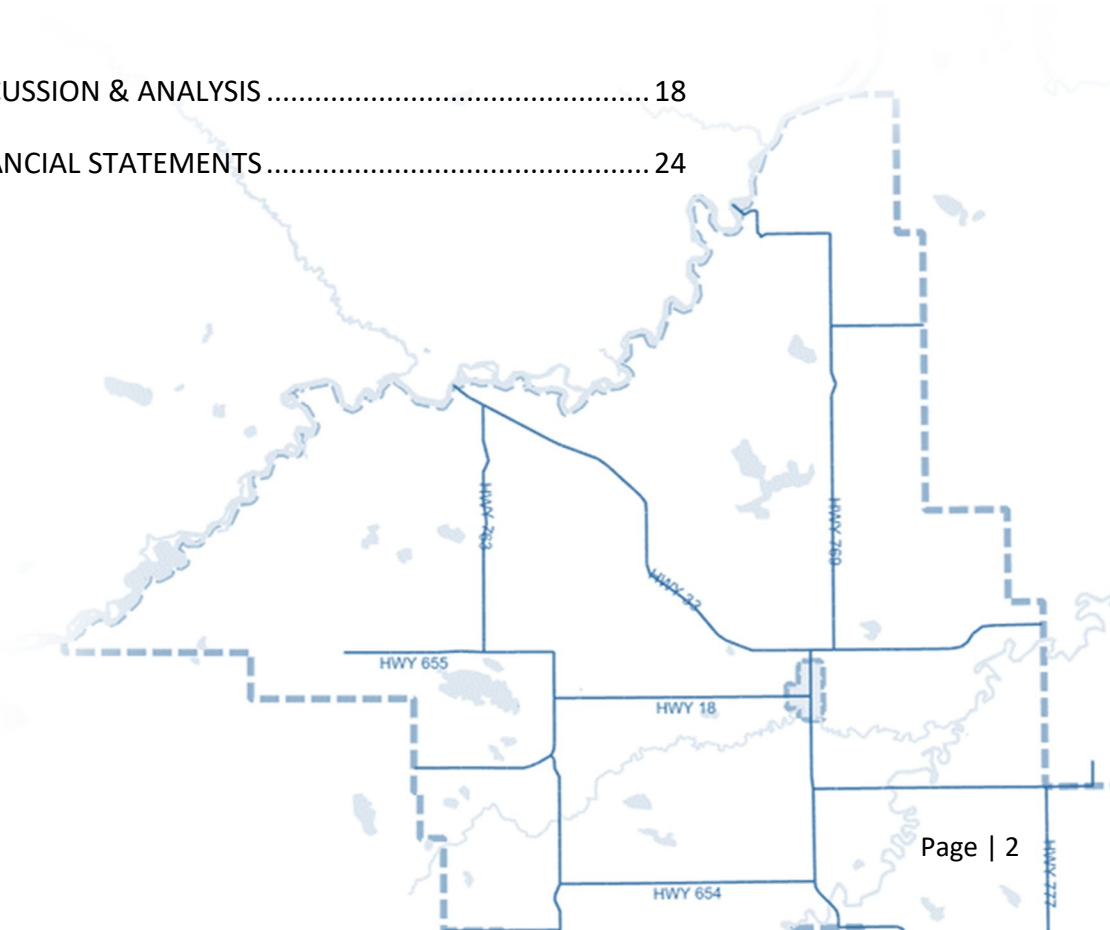
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# 2022 COUNTY COUNCIL



## ***Vision:***

*"To Foster a Strong, Healthy and Proud Rural Community"*

## ***Mission:***

*"Provide Good Governance and Sustainable Services to Enhance our Municipality"*

## ***Values:***

*Service Excellence*  
*Fiscally Responsible*  
*Accountable Integrity*  
*Collaborative*  
*Innovative*



**Doug Drozd**

Reeve, Division 1  
Councillor

Thank you for taking the time to read the 2022 Annual Report for the County of Barrhead. Ensuring transparency in decision making and accurate spending reports to the public are among the most important tasks of an effective Council. This report includes accurate accounting of the past year's activities provided by County Manager Debbie Oyarzun and her staff. Council thanks them for all their hard work.

County's investment in the Kiel Industrial Park encourages economic development in the County of Barrhead and broadens the tax base. Council was pleased to have sold 2 lots (with an option for a 3rd) to GFR Ingredients of Barrhead. As well, County leased 2 lots to Benedict Pipelines for laydown equipment during their construction of the Keyera Pipelines.

County of Barrhead partnered with MCSNet on a 58 km expansion of their fibre network and the installation of GigAir technology. This project will improve fixed wireless services in the County, and extends services to Kiel Industrial Park, Neerlandia, Manola, Barrhead Johnson Airport, Thunder Lake and areas around Lac La Nonne. This investment in infrastructure is critical for economic development, engaging in the digital economy, and working or learning from home.

A goal of Council is to develop a Strategy regarding the future of Community Halls. Beginning in 2022, the County engaged Community Halls to better understand their challenges, focus on solutions, explore opportunities to support viability and sustainability, and discuss centralization potential for those interested. This process will continue in 2023. If you missed the opportunity to contribute to prior engagement sessions and would like to comment, please reach out to administration.

In 2022, County of Barrhead responded to workforce concerns from local businesses by partnering with the Town of Barrhead to receive a Community Designation under the provincial "Rural Renewal" immigration stream of the Alberta Advantage Immigration Program (AAIP). This designation allows the County & Town to attract qualified newcomers to fill full-time, permanent positions in the community. Qualified newcomers can be nominated for permanent residency in Alberta, allowing them to stay working, living, and contributing to our community. This program is just getting underway, and we look forward to continuing to work together to develop a strong local workforce in 2023.

County of Barrhead has also taken the lead in discussions with the Town of Barrhead and the Government of Alberta regarding potential uses of the vacant Alberta Distance Learning Centre (ADLC). The County and Town jointly applied for a grant from the province to conduct a feasibility study on the merit of using the ADLC for municipal offices. We were successful in receiving that grant and are looking forward to the report.

Land line phones are being discouraged by major telecoms in rural Alberta. You cannot receive a new installation, and may no longer be able to have your existing line repaired. One proposed solution is to encourage residents to switch to cell phones. While this seems to be a logical solution, large parts of the County of Barrhead can't get a decent signal as there are not enough cell towers in key locations, and telecoms seem unable or unwilling to solve the problem. For this reason, Council put a resolution forward to Rural Municipalities of Alberta to advocate to the Canadian Radio & Television Commission to address this issue.

In closing, I would like to ask for your help by getting engaged with your municipality. Public input helps guide Council in making informed decisions. Throughout 2023, Council will be looking for public input on the Land Use Bylaw and other projects. Council would like to thank those who participated in the Community Hall Strategy engagement sessions, as well as residents who completed the County Budget Priorities Survey. Council values your input.

On behalf of Council, take care of yourself and your families and have the best summer ever!

Douglas Drozd, Reeve  
County of Barrhead

# COUNTY MANAGER'S REPORT



**Debbie Oyarzun**  
County Manager

Council annually sets the direction for Administration through the approval of the County's Strategic Priorities as captured in the Strategic Plan and the associated resources allocated to those priorities in the Operating and Capital Budgets.

In addition to regular municipal operations, Council identified several priority projects for 2022 under each of the 4 pillars of the Strategic Plan. Further details on these projects are included in this annual report under the respective departments.

A few examples include – 1) Construction of the Neerlandia Lagoon and twinning of the lines to increase overall capacity of the system, address growth and ensure compliance which falls under the "Municipal Infrastructure & Services" Pillar; 2) Initiating the review of the County's 2010 Land Use Bylaw which falls under the "Economic Growth & Diversity Pillar". This work involves extensive public engagement and is expected to wrap up in 2023; 3) Explore the feasibility of becoming an Authorized Employer in order to be able to operate our own full-time Community Peace Officer (CPO) Program which falls under the "Rural Lifestyle" Pillar. This was in response to increasing contract fees for 80 hours per month which no longer meets the County's need to be more responsive in addressing landowner concerns for enforcement. Council considered the report, with the change to be implemented in 2023; 4) Implementation of a Records & Information Management System to ensure compliance, mitigate risk, improve decision-making, and overall create efficiencies which falls under the "Governance & Leadership Pillar. Due to the sheer volume of records both paper and electronic, this project will extend into 2023.

Although the municipal mill rate increased by 1% to achieve the goals set for 2022, this was the 1<sup>st</sup> increase to the mill rate since 2019, despite the escalating costs of products and services being experienced by everyone. This level of increase brought approximately \$88,000 additional revenue to the County.

Despite past challenges with the collection of oil and gas taxes, the recent collection of some previously uncollectible oil and gas taxes has given the County greater confidence that the majority of those taxes will be collected or paid under a Tax Installment Payment Program (TIPP) which is the same Program that is offered to residents.

The County continues to support a user-pay approach for utility services achieving a 95% cost recovery in 2022. User-pay was the preferred approach identified by respondents in the 2022 Budget Priorities Survey for the best strategy to balance the budget.

County contribution in 2022 to the provincial police costing model was \$250,334 which is an increase from \$183,660 in 2021. This amount is expected to continue to increase until 2024, where it plateaus at approximately \$400,000 unless a new model is developed by the province.

While the focus is always on being fiscally responsible, the County is making progress on attracting investment to the community and supporting existing businesses to explore opportunities for growth and expansion. In 2022 the County finalized the sale of 2 lots in Kiel Industrial Park, temporary lease of 2 additional lots, and continued promotion of the Non-Residential Tax Incentive Program to existing businesses and investors.

We are a small team of dedicated staff that will continue to support Council's vision of a "strong, healthy and proud rural community." If you have any questions, concerns or suggestions for the County please do not hesitate to reach out to me directly.

Take care,  
Debbie Oyarzun, M.Sc.  
County Manager (CAO)



# COUNTY PROFILE

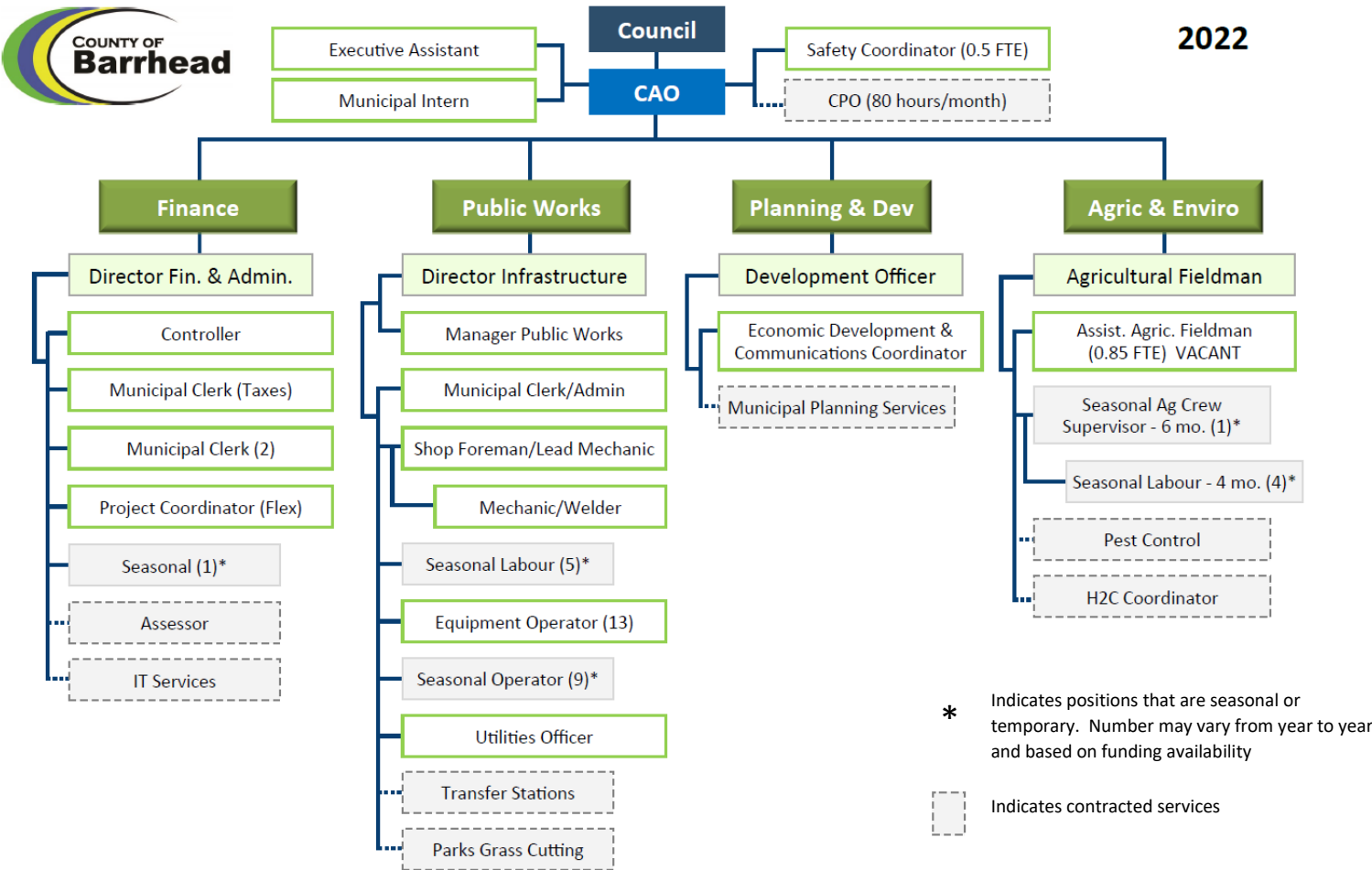
County of Barrhead is a progressive and well-served rural municipality with a population of 6,357. Located approximately one hour from Edmonton and St. Albert, the area has excellent opportunities for experiencing a rural lifestyle, including sports, culture, trails systems, hunting, fishing, a local airport, as well as numerous festivals and rodeos.

In 2022, the County had an annual operating budget of approximately \$17.5 million and a capital budget of approximately \$9.4 million. County is led by a Council of 7 elected officials representing 7 divisions, 1 of whom is appointed as Reeve. For more information about the County of Barrhead, visit [www.countybarrhead.ab.ca](http://www.countybarrhead.ab.ca).

## Administration

County Administration is led by the Chief Administrative Officer (CAO), also known as the County Manager, who is the only employee of Council. CAO is responsible for the overall management of County operations, and oversees the staff regarding day-to-day tasks.

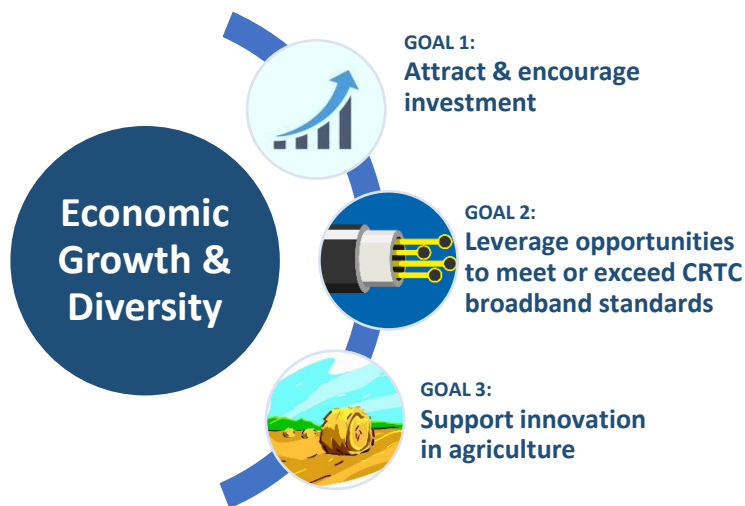
County of Barrhead has a total of 31.5 permanent positions, an additional 19 seasonal staff and 8 contracted positions as needed. In 2022, the County was fortunate to add additional capacity to the team by extending the term of a Municipal Intern.



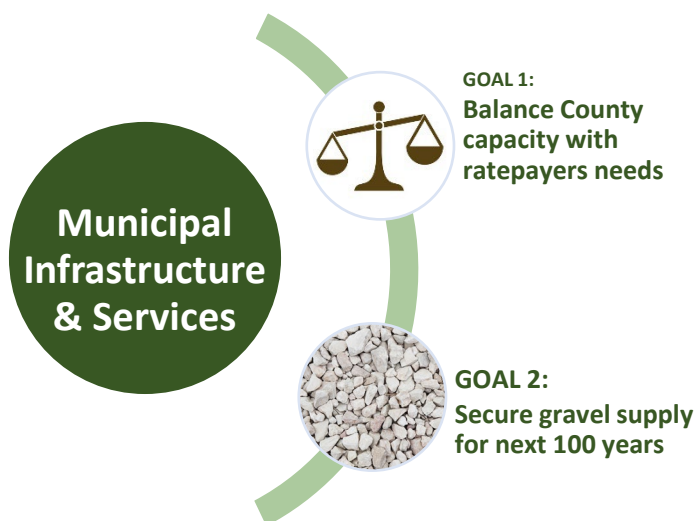
# STRATEGIC PLAN REPORT CARD

In 2022, County of Barrhead kicked off their 5-year Strategic Plan for 2022-2026. The Strategic Plan provides high-level direction for the County by setting the focus and goals of Council and Staff until the end of 2026. Since the conclusion of the 2018-2021 Strategic Plan, the County has reflected on accomplishments and incorporated any remaining work into the 2022-2026 Plan.

2022-2026 Strategic Plan can be found on the County's website ([www.countybarrhead.ab.ca/p/strategic-plan](http://www.countybarrhead.ab.ca/p/strategic-plan)). It outlines the goals and priority actions that align with the County's vision, mission, and values. A few key accomplishments in 2022 are highlighted below.



Accomplished
Sale of 2 lots at Kiel Industrial Park; with option on a 3 <sup>rd</sup> lot
Temporary lease of 2 lots at Kiel Industrial Park
Adoption of an Economic Development Plan
Partnership with MCSNet for installation of 58 km of open access fiber backbone in the County including access to GigAir
Successful application to Alberta Advantage Immigration Program, Rural Renewal Stream to assist with labour shortages in the County & Town as a Designated Community
Negotiated agreement with oil & gas to complete site reclamation to increase saleability of Kiel Industrial Park lots
Joint application with Town for provincial funding to conduct a Feasibility Study to repurpose ADLC as a joint civic center
Broadband Policy developed
Initiated review of Land Use Bylaw



Accomplished
Implementation of Road Maintenance & Reconstruction Program (547 km gravel; 13 km County dust control; 3.2 km road reconstruction; 10.5 km road reconditioning)
Gravel pit compliance
Gravel pit volume testing
Upgrades of Manola Truck fill payment system and rebuild of facility.
Sounding of Thunder Lake Lagoon
Expansion of Neerlandia Lagoon including the addition of a truck dump area and twinning of force main to add capacity, support growth and ensure compliance.

# STRATEGIC PLAN REPORT CARD



Accomplished
Continued partnership with Athabasca County, Westlock County in further development of the ALUS program (conservation)
Explored feasibility of County becoming an Authorized Employer for a Community Peace Officer Program
Escalated timelines on Community Hall Strategy and held 1 <sup>st</sup> engagement session with 14/15 halls participating
Partnered with ACA on a Peanut Lake Aeration Project



Accomplished
Participated in discussion with ICF neighbors on a variety of topics including regional sewer, planning & development, enforcement, mutual aid.
Partnership with Town to pursue grant application for Feasibly Study to repurpose ADLC as a joint civic center
Implementation of Records & Information Management System
Advanced capabilities in Asset Management which will ultimately support Pillar 2: Municipal Infrastructure & Services and Pillar 4: Governance & Leadership



# AGRICULTURAL SERVICES

Agricultural Services Department is guided by an Agricultural Service Board (ASB), which is mandated by the Province of Alberta to uphold and enforce on 4 separate Acts: *Weed Control Act*, *Agricultural Pest Act*, *Soil Conservation Act*, and the *Animal Health Act*. County delivers programs and services in alignment with mandated legislation and other program offerings that meet the needs of the community.

## Weed Control Program

- **2,300 km sprayed** with large spray trucks.
  - 1 pass for brush and 1 pass to address Canada thistle and other weeds of concern.
  - Handgun spray crew was kept busy with controlling emergent areas of weed infestations.
  - Spot weed control was arranged on some provincial highways to limit spread of Leafy Spurge, Field Scabious and Toadflax to adjacent properties.
- **4,000 Leafy Spurge Beetles** were released on a developing patch where Leafy Spurge control options are limited due to topography.
- **164 properties inspected** by County Weed Inspector for Prohibited Noxious and Noxious weeds.
  - 75 of these properties required action by the landowner, 27 of which requested County assistance with weed eradication.
  - County continues to use GPS mapping, which allows us to keep digital records of inspections, including weed type, land size, weed area, recommendations, and automatically generate letters if required.
- **Spot Spray Program:** “See a Weed, Spray a Weed” motto keeps our weed control program cost efficient, by only spraying where weeds are present.
  - County practice is to avoid spraying within 30 m of apiary sites, driveways, yards, waterways, or susceptible crops (i.e. canola, peas, etc.).



Leafy Spurge Beetles used to control Leafy Spurge population on a developing patch

## Crop Surveys

- 83 fields were inspected for Clubroot, Fusarium, Black Leg, and Grasshoppers. Data from pest inspections are shared with Alberta Agriculture & Forestry to improve the quality of provincial data to develop forecasts and programs.
- Grasshopper & Bertha Armyworm surveys indicate that population levels are extremely low in the County.

## Environmental Farm Plans (EFP)

Completion of an EFP is important to help implement best practices on the farm and ensure eligibility for various grants, such as the upcoming Sustainable Canadian Agricultural Partnership (SCAP) program. In 2022, EFP workshops returned to an in-person delivery style.

- **13 EFPs** were completed in 2022 to support local producers with environmental stewardship and to take advantage of government programs and funds; another 2 are still in progress.



## Beavers & Pest Control

Flooded land resulting from beaver activity occasionally impacts agricultural operations. If this is the case, the County may assist with mitigation as outlined in *Beaver Program Policy AG-001*. However, due to the drought in 2022, beaver activity was extremely low with very little flooding throughout the County caused by beavers.

- 16 nuisance beavers removed from flooded agricultural land and blocked drainage ditches.
- Pond levelers can be used to maintain consistent water levels without having to remove the beaver.
  - County scouted for areas to install pond levelers, but no ideal sites were found due to low moisture. Potential pond leveler sites will be reassessed in 2023.
- County assisted 6 producers in the control of nuisance coyotes.

## Extension & Other Programs

- **2022 Shelterbelt Tree Program** was extremely successful: County distributed 660 Hemp Squares for mulch applications and 4,355 seedling trees for shelterbelt, ornamental, and pollinator purposes.
- **Alberta Open Farms Days:** County supported 6 local producers with promotion of this provincial program to help make the weekend a success.
- **Hosted extension workshops** for:
  - Working Well: 60 attendees
  - Septic Sense: 43 attendees
  - Bat House Building: 49 attendees
  - EFP workshops: 9 attendees
  - Pruning: 26 attendees
  - Horticultural Crops: 55 attendees
- **County Tour** returned after 3 years: 126 people joined us for the day, taking in 7 presentations from local points of interest and agricultural operations.
- **Communities in Bloom:** County continued partnership with Town of Barrhead.
  - This international program highlights heritage conservation, environmental action, community appearance, tree management, and landscape displays of municipalities that take part.
- **3 aerators** installed in Peanut Lake over the winter, to increase dissolved oxygen in the water and promote fish survival and biodiversity over winter.
  - This is the 2<sup>nd</sup> year that the County partnered with Alberta Conservation Association on this project.
- **ALUS approved 13 conservation projects** across the Barrhead-Westlock-Athabasca region for a total of approximately 259 acres with approximately 154 of those acres in the County
  - Completed 1<sup>st</sup> year as a member of ALUS, a charitable organization with an innovative community-developed and farmer-delivered program that produces, enhances, and maintains ecosystem services on agricultural lands.



# PLANNING & DEVELOPMENT

Due to recent changes in planning & development legislation under the *Municipal Government Act*, the County has updated and streamlined the application and permitting processes. To further align with new provincial policy and legislation, the County started background research for a Land Use Bylaw Review in late 2022. Reviewing this Bylaw helps the County align with recent economic shifts in Alberta. This project will continue into 2023, with extensive public engagement prior to drafting the Bylaw.

## Development Activity

In 2022, the County received 3 more development permit applications than the previous year, for a total of 82 permits issued. Assessment value of development increased by \$1,003,671 over 2021 with a total assessed value of new development being \$15,520,825. In 2022, 1 development application was denied during appeal by a decision of the Subdivision & Development Appeal Board.

	2022		2021	
	# of Permits	Value of Development	# of Permits	Value of Development
<i>Residences</i>	23	\$10,017,275	17	\$6,152,000
<i>Cottages</i>	6	\$210,000	11	\$2,280,000
<i>Manufactured Homes</i>	9	\$1,375,000	9	\$1,815,000
<i>Additions, Decks, Renos</i>	4	\$505,550	7	\$210,154
<i>Garages, Shops, Hangars</i>	18	\$1,448,000	18	\$1,530,500
<i>Commercial / Industrial</i>	14	\$1,615,000	6	\$459,000
<i>Institutional</i>	0	-	2	\$1,725,500
<i>Temporary 2<sup>nd</sup> Residence</i>	6	\$51,000	5	\$345,000
<i>Application Withdrawn</i>	0	-	4	-
<b>TOTAL</b>	<b>82</b>	<b>\$15,520,825</b>	<b>79</b>	<b>\$14,517,154</b>

## Subdivision Activity

In 2022, County Council issued decisions on 23 subdivision applications, a slight decrease from 28 decisions in 2021. Majority of applications were for yard site separations, boundary adjustments, or 80-acre splits.

There were 28 new subdivision plans registered in 2022 (12 more than 2021), as well as 2 consolidations.

	Yard Site Separations	80-Acre Splits	Vacant Residential	Boundary Adjustments	Road Plans	Institutional	TOTAL
<b>2022</b>	16	4	3	5	-	-	<b>28</b>
<b>2021</b>	10	2	1	-	2	1	<b>16</b>

# ECONOMIC DEVELOPMENT

In 2022, the County made its commitment to economic development clear by formalizing an Economic Development Strategy. This Strategy serves as a tool that the County can use to set a clear path towards long-term and sustainable growth for business and provide clarity on implementation and regulation of economic development policies, programs, and priorities. The Strategy is guided by 3 main areas of focus:

## 1. Marketing & Attraction

- **Kiel Industrial Park:** continued marketing, including advertisement in the *Invest Alberta* magazine to provide national exposure
  - Kiel industrial park offers fully serviced commercial & industrial land ready for new or expanding business, and allows the County to offer a low-cost solution with negotiable terms to meet business needs
- **MCSnet Partnership** to improve broadband internet service
  - 58 km extension of transit fiber cable in the County will contribute to improving broadband accessibility for residents & businesses
  - All fiber built through this project is open access to other Internet Service Providers



Laying broadband fiber for MCSnet partnership

## 2. Retention & Expansion

- **Non-Residential Tax Incentive** program: new or expanding businesses can benefit from municipal tax exemptions on new equipment & improvements
  - Offers excellent investment incentives to business; improves County's competitiveness in the region
  - In 2022, 3 businesses were eligible for this program, but only 1 business applied
- **Workforce Development:** County partnered with the Town of Barrhead to receive Community Designation under the Alberta Advantage Immigration (AAIP) Rural Renewal Stream
  - Community Designation allows the "Barrhead Community" (both County & Town) to help attract qualified newcomers to fill vacant, full-time, permanent jobs in the community
  - Qualified newcomers can be "fast-tracked" for permanent residency in Alberta, allowing them to stay working, living, and contributing to our community

## 3. Engagement & Partnerships

- **Travelling Business Incubator** provided space for experts to work with entrepreneurs & small businesses, hosted by Community Futures Yellowhead East (CFYE)
- **Strengthened Partnerships** with stakeholders, such as the Chamber of Commerce, Business Support Network, CFYE, and various provincial government ministries.
- **County Events** showcased local businesses, entrepreneurs, & cottage industry, such as the County Appreciation Dinner, County Tour, and Alberta Day.



Local craft sale & farmers' market during Alberta Day

# PUBLIC WORKS

Public Works department provides road maintenance and construction for all local roads, 2 hamlets, and several multi-parcel subdivisions. County of Barrhead maintains:

- 1,334 km graveled roads
- 65 km oiled roads (MC250)
- 57 km paved roads
- 10 km magnesium chloride
- 140 standard bridges
- 6 major bridges

Public Works manages 6 waste transfer stations, Barrhead Johnson Airport, and provides maintenance support to the Barrhead Regional Landfill. Public Works also maintains 4 campgrounds, located at Dolberg Lake, Holmes Crossing, Klondyke Ferry, and Peanut Lake. County campgrounds are operated on a 1<sup>st</sup>-come, 1<sup>st</sup>-serve basis with self-registration on site.

In 2022, site preparation was completed at the Fort Assiniboine gravel pit, using County equipment. Removal of topsoil and overburden at this site allowed for 250,000 tonnes of gravel to be crushed by a private contractor in 2022.

## Road Maintenance

In 2022, Public Works carried out many projects, including:

- **547 km roads gravelled**, utilizing County trucks and numerous local contract trucks
- **13 km magnesium chloride (MG30)** used as a dust suppression on high traffic roadways
- **Private Dust Control Program:** a County subsidized user-pay program that applies dust suppression in front of residences
  - 60 residents purchased dust control under this program, for a total of 11 km
- **1,300 km roadside mowing** completed by the County
  - Roadside mowing and rock removal from ditches improves the safety of the travelling public, as well as helps control weeds, improves drainage, and enhances the aesthetics of an area
- **3.2 km road rehabilitation (reconstruction)** using County equipment
  - Roads are selected for rehabilitation to sustain added traffic, larger or heavier trucks, and equipment that regularly frequents our roadways
- **10.5 km road reconditioning (shoulder pulls)**
  - As local roads age, they often become “pushed out” due to traffic and regular maintenance
  - When a gravel road top exceeds 9 m wide, it becomes difficult to maintain and properly crown, which can lead to a poor driving surface
- **67.2 km line painting** was completed on County paved roadways
- **74.3 km crack sealing** was on local County paved roadways
  - Crack sealing was also completed at the Barrhead Johnson Airport





# PUBLIC WORKS (continued)

## Construction & Repairs

2022 provided great weather for road work, allowing the County to complete most of the scheduled construction and maintenance projects. 2022 construction projects included:

- **Repaired Bridge File #73046** (within NW 23-61-4-W5) under the Government of Alberta Strategic Transportation Infrastructure Program (STIP)
  - Alberta Transportation funded 75% of the cost, with the County funding the remaining 25%
- **Culvert repairs & ditch maintenance** conducted throughout 2022, which is essential to improving drainage in wet areas

## New Equipment

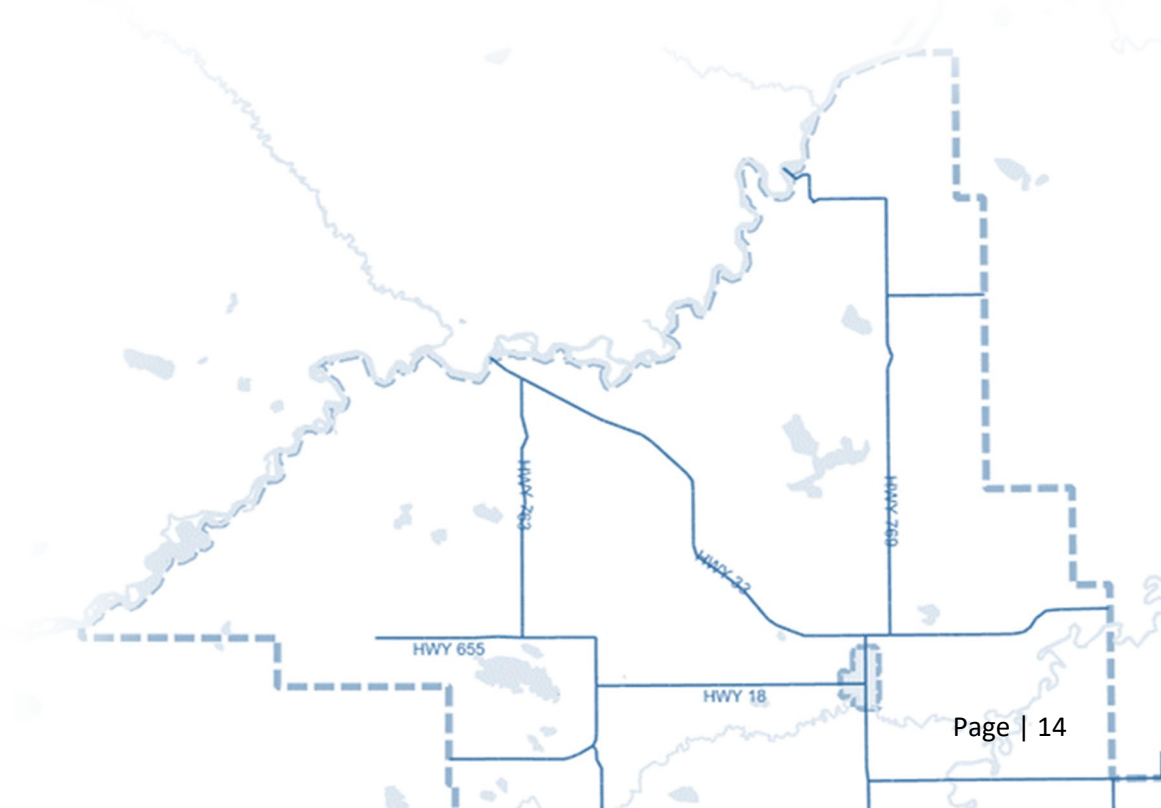
In alignment with the Capital Plan, Public Works purchased a ¾ ton truck in 2022. County also added a Caterpillar excavator and UTV to the fleet to supplement existing equipment.



Bridge repair on Rge Rd 32



Culvert installation on Rge Rd 40

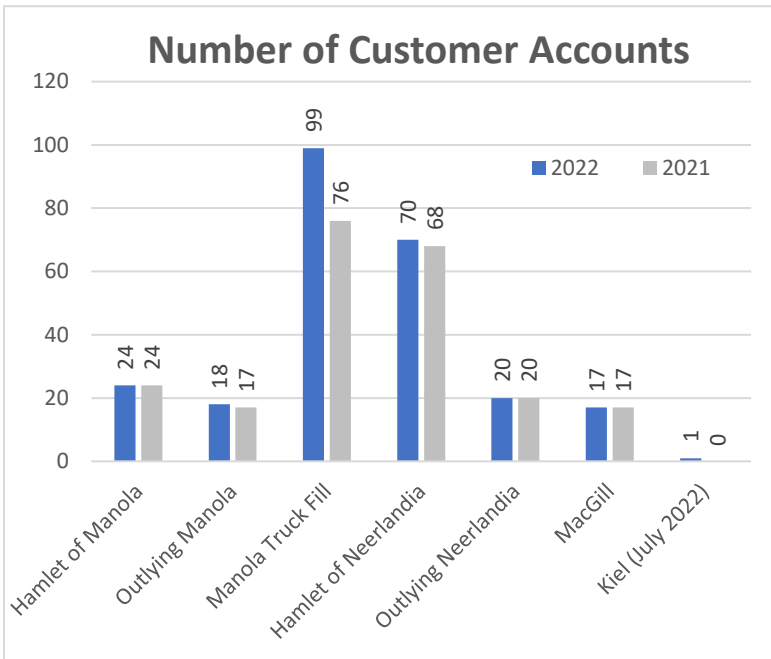
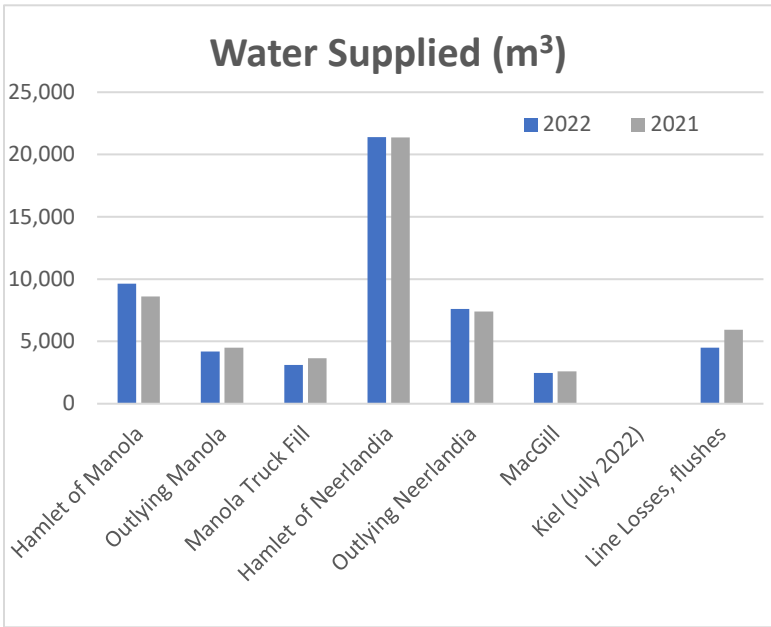


County of Barrhead Utilities Officer maintains and operates rural water distribution for the Barrhead Regional Water Commission, as well as operation and maintenance of 2 water treatment plants, located in Neerlandia and Manola.

County of Barrhead is responsible for operations and maintenance of 4 wastewater lagoons, located in Neerlandia, Manola, Thunder Lake, & Lac La Nonne (Dunstable).

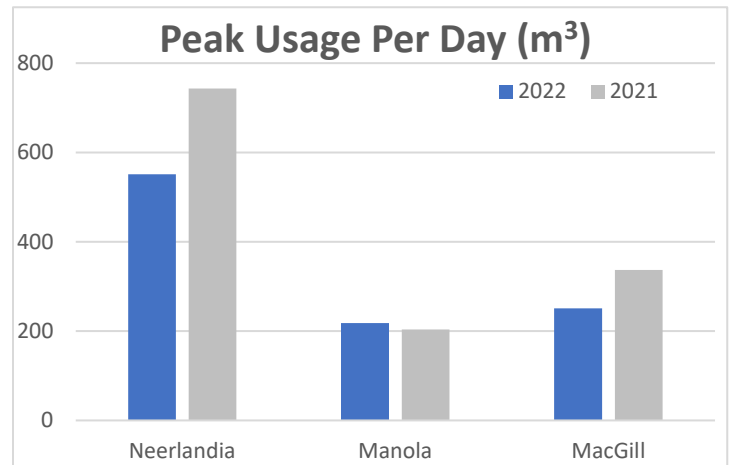
## Municipal Water Supply: Barrhead Regional Water Commission (BRWC)

- BRWC is a partnership between the County of Barrhead & Town of Barrhead
- BRWC supplied 52,979 m<sup>3</sup> of water to the County in 2022; which reflects approximately a 2% decrease from 2021
- Charts to the right reflect water volumes supplied to various areas in the County and the number of customer accounts in those areas for 2022 compared to 2021
  - Manola Line** supplies 16,957 m<sup>3</sup> of water to 24 customers in the Hamlet, 18 outlying customers and 99 County truck fill customers
  - Neerlandia Line** supplies 29,049 m<sup>3</sup> of water to 70 customers in the Hamlet, 20 outlying customers, and 1 customer at Kiel Industrial Park
  - MacGill Estates** Line supplies 2,465 m<sup>3</sup> of water to 17 customers in the subdivision
  - Volume lost to line losses and flushes was approximately 4,508 m<sup>3</sup> of water which is 24% less than in 2021
- County inspects and services BRWC waterlines in the County, and associated infrastructure such as hydrants, fire pump, booster station and meter vaults



## Peak Usage

- Peak usage of water across the system ranged from 218 - 551 m<sup>3</sup> per day.
- Chart to the right reflects the peak usage volumes per day on the 3 water lines for 2022 compared to 2021.



## Municipal Wastewater

### Manola Lagoon/Wastewater

- In late summer 2022, the sewer main line developed a blockage between the Hamlet of Manola and the lagoon. County drained all residential septic tanks to allow time to perform the needed repairs which included exposing the line to install an isolation valve and flushing point.
- Private haulers disposed of approximately 1,386 m<sup>3</sup> of sewage effluent into the Manola Lagoon in 2022

### Neerlandia Lagoon/Wastewater

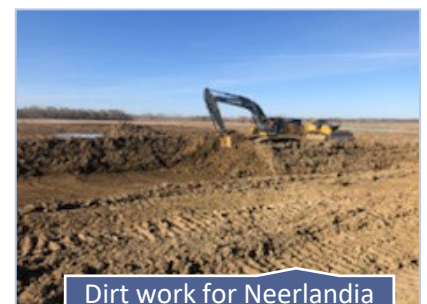
- Neerlandia wastewater lagoon was rebuilt in 2022 to accommodate growth of the hamlet and mitigate inlet restrictions from the main line.
  - Project added a 2<sup>nd</sup> cell for facultative treatment to update the system to current standards, twinned inlet line from the hamlet, and installed a truck dump station.
  - Total project cost & land purchase was \$1,670,381.88. This was paid for through a combination of Alberta Municipal Water/Wastewater Partnership Grant (\$892,011.51), Canada Community-Building Fund (\$598,716.81), and municipal reserves (\$179,653.56).
- Lagoon received approximately 8,550 m<sup>3</sup> of sewage effluent from customers connected to the lagoon.

### Thunder Lake Lagoon / Wastewater

- Sounding of the Thunder Lake Lagoon took place in 2022 to provide data on capacity and life cycle of the facility.
- Private haulers disposed of approximately 5,653 m<sup>3</sup> of sewage effluent

### Lac La Nonne (Dunstable) Lagoon

- Lagoon was closed July 15, 2022 – February 1, 2023 due to excess volumes of sewage effluents and high amounts of rainfall throughout the early part of 2022.
- Private haulers disposed of approximately 4,147 m<sup>3</sup> of sewage effluent.



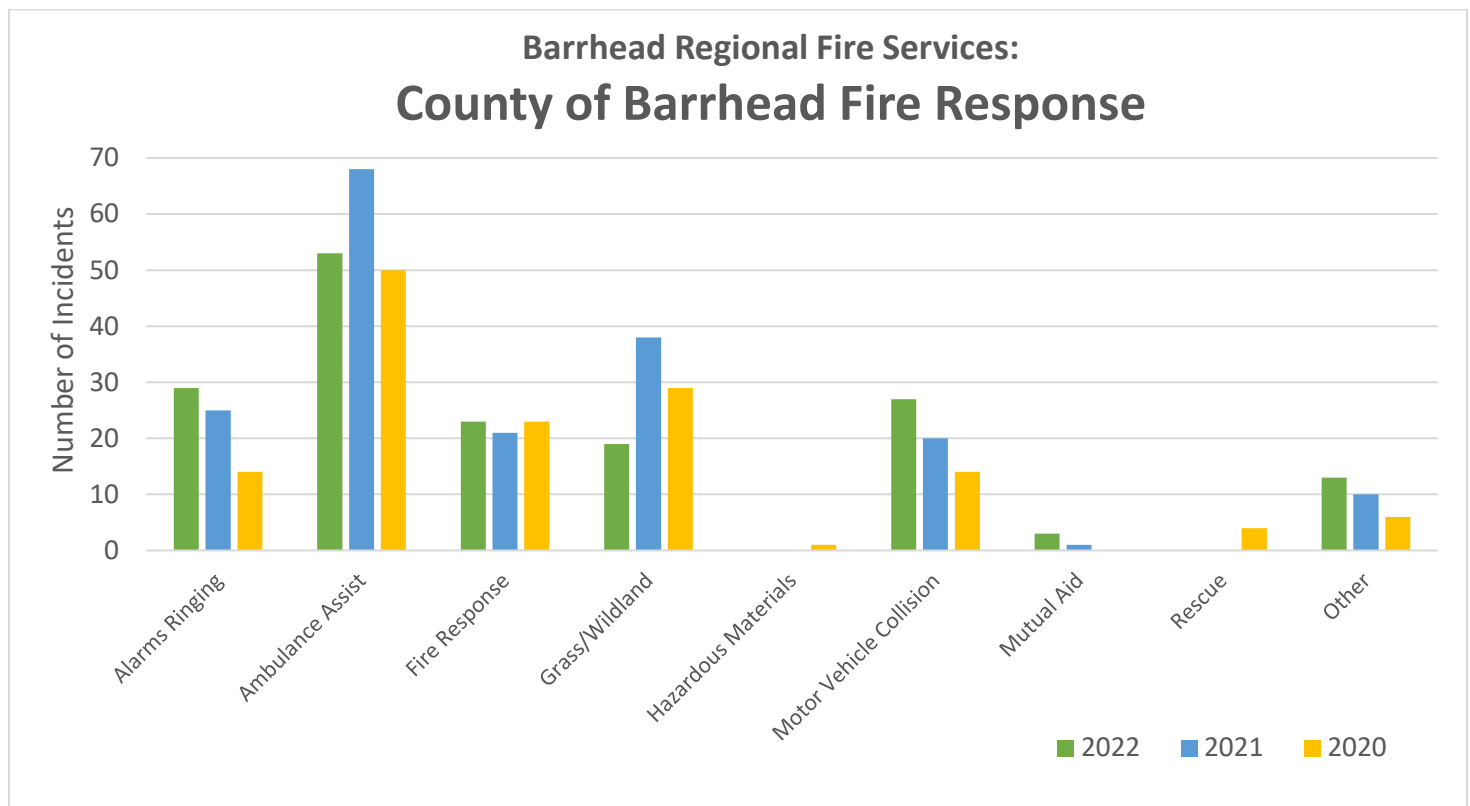
# BARRHEAD REGIONAL FIRE SERVICES

Barrhead Regional Fire Services (BRFS) is a partnership between the County of Barrhead and Town of Barrhead to provide fire & rescue services to the region, operating from the Emergency Response Center in the Town of Barrhead. BRFS also provides other services, including fire prevention, public education, loss prevention inspections, investigations, and public relations.

- County pays 50% of core functions for facility and staff.
- Each municipality pays for responses in their own jurisdiction.
  - County is able to recover some of this cost by charging up to a maximum of \$3,000 per response as per policy, expecting that properties are insured.
  - However, full cost of fire response may be charged to the landowner if they are deemed to be non-compliant with permits or law.

## Fire Response

- **168 fire response calls** in the County of Barrhead.
  - Accounts for 45% of all calls to BRFS in 2022 (370 calls total, between County & Town of Barrhead).
  - Calls in the County reflected an 8.7% decrease from previous year (2021 had 184 calls).
- **281 hours** of fire response was spent in the County of Barrhead.
  - Accounts for 71% of all time that BRFS spent on calls in 2022 (393 hours total, between County & Town of Barrhead).
  - Greater time spent in the County can be primarily attributed to longer travel time.



# FINANCIAL STATEMENT DISCUSSION & ANALYSIS

County's Auditor, Greilach Lussier LLP, has audited the financial statements and provided the accompanying Independent Auditor's Report. Financial statements and auditor's report satisfy a legislative reporting requirement as set out the by *Municipal Government Act (MGA)*.

Discussion and analysis presented below should be read in conjunction with the audited financial statements, schedules, and accompanying notes, which follow this discussion.

County's 2022 Financial Statements include:

- **Statement of Financial Position**

This statement reports financial assets, liabilities, net financial assets, non-financial assets, and accumulated surplus at December 31. This statement is used to evaluate the County's ability to finance its activities and satisfy its obligations and commitments.

- **Statement of Operations**

This statement reports revenues earned, expenses incurred and results of the fiscal year as well as annual surplus. Statement of operations also summarizes the change in accumulated surplus.

- **Statement of Changes in Net Financial Assets**

This statement reports the changes in net financial assets at year end and provides information regarding the extent to which operating and capital expenditures in the year were met by revenues recognized in the year. It is a key indicator of financial health.

- **Statement of Cash Flows**

This statement reports how cash was generated and used in the year and classifies cash activities into operating, capital, investing, and financing activities. Net change in cash and cash equivalents are reflected in this statement.

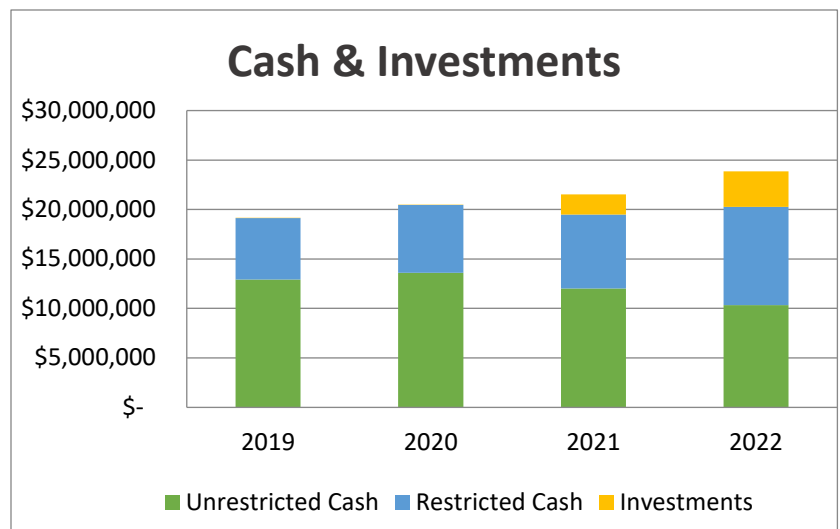
## Statement of Financial Position

Financial assets are resources that are considered cash or could be turned into cash if required to fund the day-to-day operations of the County. Financial assets include cash and temporary investments, taxes and grants in place of tax receivable, trade and other receivables, agreements receivable, land held for resale, investments, and other financial assets.

Net financial assets decreased by \$1,403,819 in 2022, which included an increase in financial assets of \$1,419,284 offset by an increase in liabilities of \$2,823,103.

Unrestricted cash decreased by \$1,646,135 and restricted cash increased by \$2,414,174 for a net increase of \$768,039 (2021: decrease of \$953,402). At December 31, 2022, cash on hand was \$20,265,455 (2021: \$19,497,416).

A summary of cash and investments are shown in the adjacent chart:





Outstanding taxes and grants in-lieu at year end were \$843,751 (2021: \$1,668,721) with an allowance for doubtful accounts of \$100,000 (2021: \$600,000) applied for a net estimated collectible of \$743,751 (2021: \$1,068,721). Collection of taxes levied on oil and gas companies has been a challenge for the County in previous years. However, the Tax Instalment Payment Plan (TIPP) program, along with a recovery in the oil and gas industry, has resulted in the collection of the majority of outstanding oil and gas unpaid taxes.

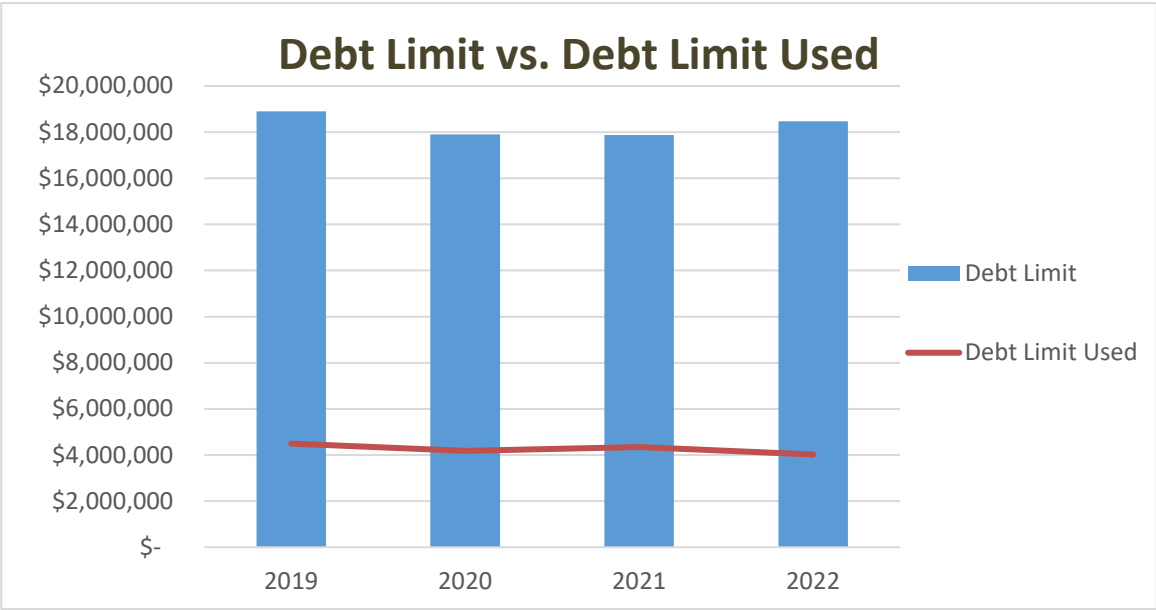
Trade and other receivables decreased by \$329,263 and is primarily due to timing.

Liabilities include accounts payable and accrued liabilities, deposit liabilities, employee benefit obligations, deferred revenues, long term debt, and landfill closure and post-closure liabilities. At year end, liabilities increased by \$2,823,103, of which deferred revenue and deposit liabilities made up 80% of the change.

Deferred revenue increased by \$743,317 and represents unexpended conditional grants which the County plans to use for projects scheduled for completion in 2023 - 2024.

Deposit liabilities increased by \$1,505,026 and investments increased by \$1,538,779 and primarily relates to donated funds that are held in trust until the County and the Donor determine a suitable project for the funds.

Long term debt is from the \$5 million capital contribution the County made to the Town of Barrhead’s pool. County makes bi-annual debenture payments in a blended principal and interest payment of \$281,974. The loan matures in 2041 and bears interest at 2.881%. The Municipal Government Act sets the maximum debt level and debt servicing limits of municipalities. Debt limit is calculated at 1.5 times the revenue of the municipality and the debt service limit is calculated at 0.25 times the revenue. As at December 31, 2022, the County has \$14,451,993 (2021: \$13,691,807) of unused debt limit.



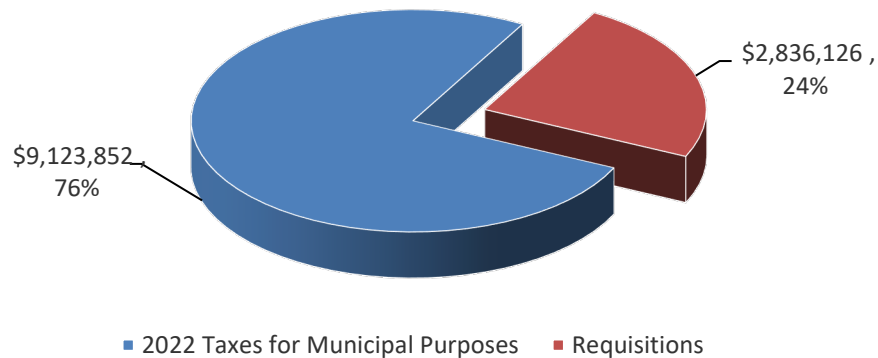
Non-financial assets are assets that have an economic life that extends beyond the current year and are intended for consumption in the normal course of operations. They are converted into an expense in future periods and include tangible capital assets, inventories, and prepaid expenses.

Tangible capital assets increased by \$1,249,095 from 2021 for a total balance of \$51,489,263. County acquired \$4,566,404 in assets, had \$164,864 of construction in progress which was offset by assets sold in 2022 with a net book value of \$256,398. Amortization of \$3,225,775 (2021: \$3,104,576) was expensed during the current year.

Inventories held for consumption increased by \$1,559,315 due to aggregate crushing activities in 2022.

## Statement of Operations

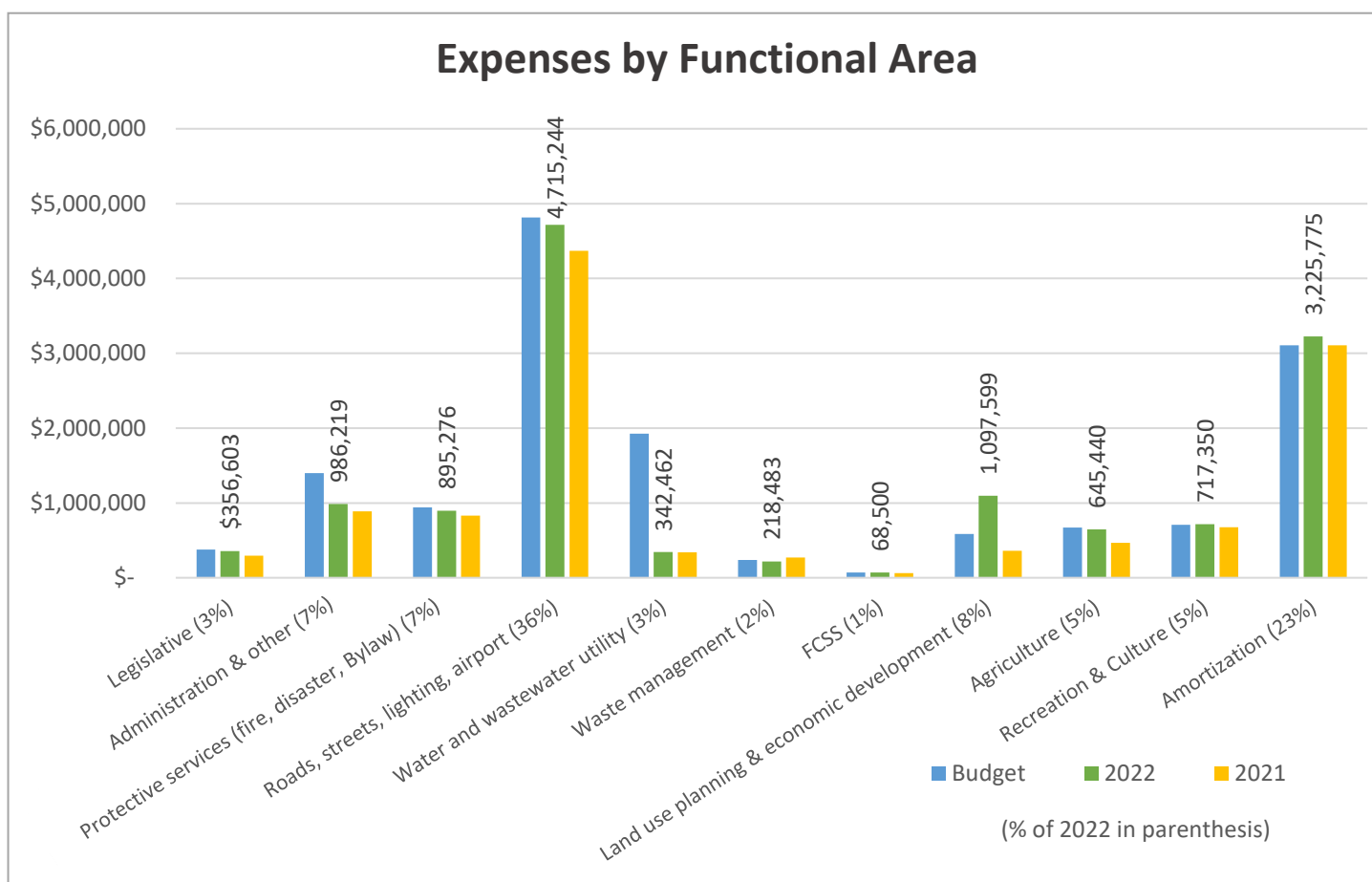
Net taxes available for municipal purposes were \$9,123,852 (2021: \$8,909,495). An additional \$2,836,126 (2021: \$2,653,018) was levied for school, social housing, and designated industry properties and was paid to the requisitioning authority. Requisitioned taxes are collected on behalf of 3rd parties and are paid directly to those parties.



Total revenue for 2022 was \$12,315,838, which was \$251,977 (or 2.09%) higher than budget and \$398,400 (or 3.34%) higher than 2021. Penalties and costs were \$132,288 lower than budget due to collection of taxes in arrears. Investment income was \$247,324 higher than budget due to increased interest rate and the delay of certain capital purchases. Other increases compared to budget were \$53,486 in net municipal taxes, and an increase in other revenues of \$84,555 which related to dirt sales at the Neerlandia lagoon and overhead recognized for the ALUS program.

Expenses for 2022 were \$13,268,951, which was \$1,564,486 (or 10.55%) lower than budget and \$1,608,486 (or 13.79%) higher than 2021. Most department's expenses were lower than budget. There are two notable differences: Water & Wastewater being \$1,550,811 lower than budgeted and Planning & Development being \$510,601 higher than budgeted. Water & wastewater budget included a \$1,500,000 contribution to the Town for Sani Pre-treatment and \$55,000 tie in work at Kiel Industrial Park that did not occur in 2022. Planning & Development actual expenses include a contribution to an organization for fibre installation (broadband) that was approved by Council after the budget was approved.

In addition to the above expense differences, provision for allowances was \$417,531 lower than budgeted. As tax arrears for oil and gas companies decreased in the current year, the allowance decreased rather than increased.



Shortfall of revenue over expenses was budgeted to be \$337,620, while actual was an excess of \$1,394,314, for a difference of \$1,731,934. In addition to the revenue and expense variances noted above, the government transfers for capital were \$316,028 lower than budget. Capital grants from the Government of Alberta and Canada can only be recognized as revenue as the work is completed on the projects the grant funds have been designated to. The Budget included 3 bridges, which are funded 75% by grant funding. Bridges are included in the Capital Budget but are only completed if provincial funding is approved. In 2022, one bridge was approved for funding and constructed. A 2<sup>nd</sup> bridge was approved for funding but was approved too late in the season to construct and will be carried forward into the 2023 Capital Budget.

## Accumulated Surplus

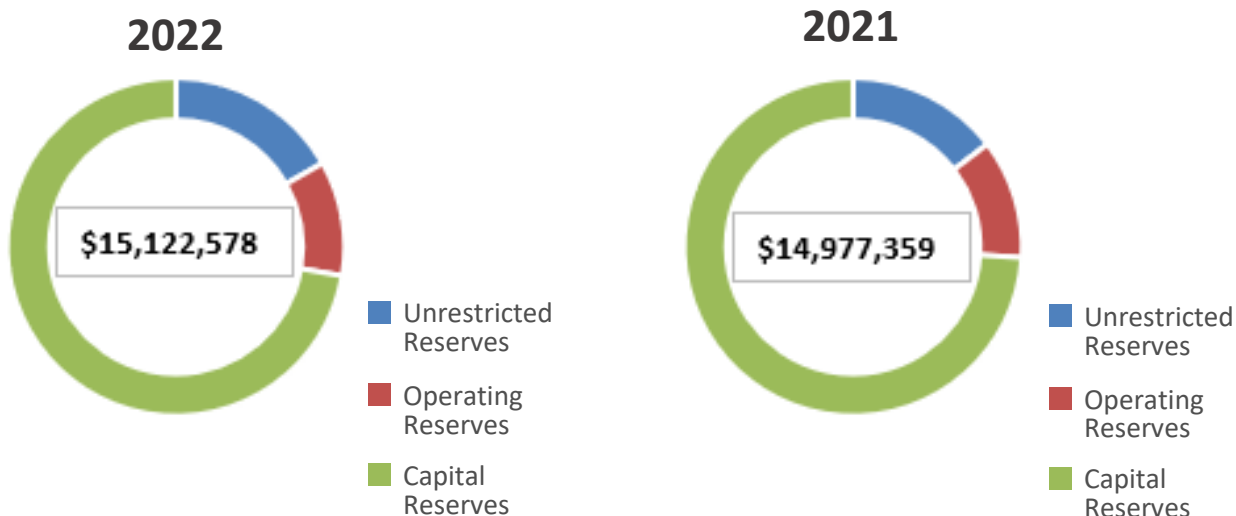
Reserves, or accumulated surpluses, are set aside to fund future operational costs and capital expenditures. The purpose of reserves is to promote financial stability and flexibility, provide for future capital expenditures, smooth operating expenditures that would cause fluctuations in the operating budget, and adhere to statutory requirements.

## Example of Reserves:

**Operational Reserve:** used for operational expenditures that do not occur on an annual basis. For example, aerial photographs are a useful tool in planning and development. New photographs are not required annually; instead, they are usually retaken every 7 years. Rather than budgeting for the expenditure once every 7 years, the County sets aside an amount every year to ensure there are funds to cover the aerial photographs when it is required.

**Capital Reserve:** funds set aside for the purchase of capital equipment such as graders for road maintenance. An amount is set aside each year to ensure enough funds are available to make capital purchases as outlined in the Capital Plan.

County has \$15,122,578 (2021: \$14,977,359) in unrestricted and restricted reserves. Unrestricted reserves account for 17%, operating reserves account for 11%, and capital reserves account for 72% of the 2022 reserves. Unrestricted reserves will help cover projected budget shortfalls in future years as well as fund the debenture planned for contribution to the Town of Barrhead for Sani Pre-treatment.



## Key Performance Indicators

County tracks several Key Performance Indicators (KPIs). The KPIs being tracked were determined by Alberta Municipal Affairs and measure a specific aspect of a municipality's governance, finances, or community. Benchmarks established are a good rule of thumb to assess the viability of the County of Barrhead as well as confirming that Council is responsible and accountable.

In 2022, the County exceeded all benchmarks set.

Municipal Affairs publishes the indicators on an annual basis. The following chart summarizes Municipal Affairs published results for 2021 and 2020. The KPIs presented for 2022 were prepared by the County.

Key Performance Indicator	Benchmark	2022	2021	2020
<b>TAX BASE BALANCE:</b> Percentage of total tax revenue collected from residential and farmland properties. At risk when > 95% of municipality's tax revenue comes from residential and farmland properties.	< 95%	63.62%	60.18%	63.35%
<b>TAX COLLECTION RATE:</b> Percentage of property taxes collected. At risk when a municipality collects < 90% of property taxes it levies in a reporting year.	> 90%	95.05%	90.71%	89.37%
<b>POPULATION CHANGE:</b> Percentage of population change in the municipality over a 10 year period. At risk when a municipality's population declines by 20%.	risk when decline of 20%	data unavailable	(3.59)%	7.58%
<b>CURRENT RATIO:</b> Ratio of current assets compared to current liabilities. At risk when result is < 1.	> 1	2.13	2.92	3.20
<b>ACCUMULATED SURPLUS/DEFICIT:</b> Total assets minus liabilities of the municipality excluding capital assets and related debt. Should not be < 0.	> 0	\$ 15,122,578	\$ 14,977,359	\$ 13,716,303
<b>ON-TIME FINANCIAL REPORTING:</b> Municipalities are required to submit year-end audited financial statements and financial information returns to Municipal Affairs by May 1st of the reporting year.	Submitted by May 1	Yes	Yes	Yes
<b>DEBT TO REVENUE PERCENTAGE:</b> Total borrowings as a percentage of total revenue. At risk when a municipality's debt is > 120% of its total revenue.	< 120%	32.66%	35.11%	36.38%
<b>DEBT SERVICE TO REVENUE PERCENTAGE:</b> Annual principal and interest payments as a percentage of total revenue. At risk when principal and interest payments on borrowings is > 20% of a municipality's total revenue.	< 20 %	1.32%	1.36%	1.32%
<b>INVESTMENT IN INFRASTRUCTURE:</b> Ratio of new investment in capital assets compared to the amortization of existing assets over a 5-year period. At risk when a municipality's capital spending is < the depreciation of its assets (result of < 1).	> 1	1.15	1.03	1.21
<b>INFRASTRUCTURE AGE:</b> Depreciated (amortized) value of tangible capital assets as a percentage of original cost. At risk when net book value of tangible capital assets is < 40% of original cost.	> 40%	53.86%	54.93%	55.31%
<b>INTEREST IN MUNICIPAL OFFICE:</b> Election votes are only held if there are more candidates than positions. At risk when no vote is held because all councillors are acclaimed. A result of N/A indicates that no election or by-election occurred within the reporting year.	Vote held	N/A	2	N/A



# COUNTY OF BARRHEAD FINANCIAL STATEMENTS

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**For the Year Ending December 31, 2022**

Signed Audited Financial Statements are attached in following pages.

# **County of Barrhead No. 11**

## **Financial Statements**

For the Year Ended December 31, 2022

**County of Barrhead No. 11**  
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**For the Year Ended December 31, 2022**

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## Management's Responsibility

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To the Reeve and Councilors of County of Barrhead No. 11:

The accompanying financial statements of County of Barrhead No. 11 are the responsibility of management and have been approved by Council.

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgements and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of the financial statements.

Council is composed entirely of individuals who are neither management nor employees of the County. Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial statements. Council fulfills these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. Council is also responsible for recommending the appointment of the County's external auditors.

Greilach Lussier LLP is appointed by Council to audit the financial statements and report directly to them; their report follows. The external auditors have full access to, and meet periodically and separately with, both Council and management to discuss their audit findings.

April 4, 2023

ORIGINAL SIGNED - D. OYARZUN

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Chief Administrative Officer



# Greilach Lussier LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Joseph S. Greilach, CPA, CA \*Partner  
Jeffery T. Toivonen, CPA, CA

Bradley G. Lussier, CPA \*Partner  
Blake D. Rogerson, CPA, CA

\*Denotes Professional Corporation

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## INDEPENDENT AUDITOR'S REPORT

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To the Reeve and Council of County of Barrhead No. 11

### *Opinion*

We have audited the financial statements of County of Barrhead No. 11 (the County), which comprise the statement of financial position as at December 31, 2022, and the statements of operations, changes in accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes and schedules to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the County as at December 31, 2022, and the results of its operations and cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAS).

### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the County in accordance with 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.

### *Other Matter - Supplementary Information*

We draw attention to the fact that the supplementary budget information included in Note 24 does not form part of the financial statements. We have not audited or reviewed this supplementary information and, accordingly, we do not express an opinion, a review conclusion or any other form of assurance on this supplementary information.

### *Other Information*

Our opinion on the financial statements does not cover Management's Annual Report and we do not express any form of assurance conclusion thereon.

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PSAS, 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.

(continues)



In preparing the financial statements, management is responsible for assessing the County's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the County or to cease operations, or has no realistic alternative but to do so.

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

*Auditor's Responsibilities for the Audit of the Financial Statements*

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the County's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the County to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Greilach Lussier LLP  
Chartered Professional Accountants

Barrhead, Alberta  
April 4, 2023

**County of Barrhead No. 11**  
**Statement of Financial Position**  
**As at December 31, 2022**

	<u>2022</u>	<u>2021</u>
<b>FINANCIAL ASSETS</b>		
Cash and temporary investments <i>(Note 2)</i>	\$ 20,265,455	\$ 19,497,416
Taxes and grants in place of taxes receivable <i>(Note 3)</i>	743,751	1,068,721
Trade and other receivables <i>(Note 4)</i>	1,077,050	1,406,313
Agreements receivable <i>(Note 5)</i>	358,788	425,407
Land for resale <i>(Note 6)</i>	610,322	776,846
Investments <i>(Note 7)</i>	3,578,354	2,039,575
Other financial assets	1,830	1,988
	<u>\$ 26,635,550</u>	<u>\$ 25,216,266</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities <i>(Note 8)</i>	\$ 1,963,403	\$ 1,288,905
Deposit liabilities	1,590,663	85,637
Employee benefit obligations <i>(Note 9)</i>	164,958	132,535
Deferred revenues <i>(Note 10)</i>	6,746,753	6,003,436
Long term debt <i>(Note 11)</i>	4,021,764	4,184,350
Landfill closure and post-closure liability <i>(Note 12)</i>	365,100	334,675
	<u>\$ 14,852,641</u>	<u>\$ 12,029,538</u>
<b>NET FINANCIAL ASSETS</b>	<u>\$ 11,782,909</u>	<u>\$ 13,186,728</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets <i>(Schedule II)</i>	\$ 51,489,263	\$ 50,240,168
Inventory for consumption <i>(Note 13)</i>	3,186,640	1,627,325
Prepaid expenses	153,029	163,306
	<u>\$ 54,828,932</u>	<u>\$ 52,030,799</u>
<b>ACCUMULATED SURPLUS <i>(Schedule I, Note 14)</i></b>	<u><u>\$ 66,611,841</u></u>	<u><u>\$ 65,217,527</u></u>

Commitments *(Note 21)*

Contingencies *(Note 22)*

Approved on behalf of Council:

ORIGINAL SIGNED - D. DROZD Reeve

ORIGINAL SIGNED - M. SCHATZ Deputy Reeve

The accompanying notes are an integral part of the financial statements.

**County of Barrhead No. 11**  
**Statement of Operations**  
**For the Year Ended December 31, 2022**

	Budget (Unaudited) (Note 24)	2022	2021
<b>REVENUE</b>			
Net municipal taxes (Schedule III)	\$ 9,070,366	\$ 9,123,852	\$ 8,909,495
User fees and sales of goods	1,172,344	1,305,341	903,396
Penalties and costs on taxes	300,000	167,712	325,645
Licenses and permits	17,329	17,371	23,731
Investment income	208,590	455,914	151,593
Government transfers for operating (Schedule IV)	1,250,608	1,113,484	1,543,404
Development levies	-	2,985	-
Other revenues	44,624	129,179	60,174
<b>Total Revenue</b>	<b>\$ 12,063,861</b>	<b>\$ 12,315,838</b>	<b>\$ 11,917,438</b>
<b>EXPENSES</b>			
Legislative	\$ 377,247	\$ 356,603	\$ 294,056
Administration	1,436,465	1,029,053	928,248
Protective Services	1,048,380	999,255	935,476
Transportation	7,652,724	7,640,671	7,209,107
Water and wastewater	1,992,902	442,091	405,951
Waste management	259,438	239,582	289,904
Family and community support (FCSS)	68,500	68,500	61,000
Planning and development	588,925	1,099,526	364,006
Agriculture	699,223	673,259	492,876
Recreation & culture	709,633	720,411	679,841
<b>Total Expenses</b>	<b>\$ 14,833,437</b>	<b>\$ 13,268,951</b>	<b>\$ 11,660,465</b>
<b>EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES - BEFORE OTHER</b>	<b>\$ (2,769,576)</b>	<b>\$ (953,113)</b>	<b>\$ 256,973</b>
<b>OTHER</b>			
Contributed assets	-	4,814	22,000
Insurance proceeds	-	66,721	23,337
Government transfers for capital (Schedule IV)	2,609,494	2,293,466	1,939,119
Loss on disposal of tangible capital assets	(177,538)	(17,574)	(112,911)
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>\$ (337,620)</b>	<b>\$ 1,394,314</b>	<b>\$ 2,128,518</b>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<b>63,089,009</b>	<b>65,217,527</b>	<b>63,089,009</b>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<b>\$ 62,751,389</b>	<b>\$ 66,611,841</b>	<b>\$ 65,217,527</b>

The accompanying notes are an integral part of the financial statements.

**County of Barrhead No. 11**  
**Statement of Change in Net Financial Assets**  
**For the Year Ended December 31, 2022**

	Budget (Unaudited)	2022	2021
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<u>\$ (337,620)</u>	<u>\$ 1,394,314</u>	<u>\$ 2,128,518</u>
Acquisition of tangible capital assets	(7,639,165)	<b>(4,726,454)</b>	(5,230,739)
Contributed tangible capital assets	-	<b>(4,814)</b>	(22,000)
Amortization of tangible capital assets	3,104,576	<b>3,225,775</b>	3,104,576
Proceeds on disposal of tangible capital assets	796,225	<b>238,824</b>	1,073,350
Gain on sale of tangible capital assets	<u>177,538</u>	<u><b>17,574</b></u>	<u>112,911</u>
	<u>\$ (3,560,826)</u>	<u><b>\$ (1,249,095)</b></u>	<u>\$ (961,902)</u>
Acquisition of supplies inventories	\$ (2,405,000)	<b>\$ (2,528,290)</b>	\$ (850,549)
Acquisition of prepaid assets	(175,000)	<b>(153,029)</b>	(163,306)
Use of supplies inventories	1,200,000	<b>968,975</b>	1,144,041
Use of prepaid assets	<u>175,000</u>	<u><b>163,306</b></u>	<u>159,362</u>
	<u>\$ (1,205,000)</u>	<u><b>\$ (1,549,038)</b></u>	<u>\$ 289,548</u>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	<u>\$ (5,103,446)</u>	<u><b>\$ (1,403,819)</b></u>	<u>\$ 1,456,164</u>
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>	<u>\$ 13,186,728</u>	<u><b>\$ 13,186,728</b></u>	<u>\$ 11,730,564</u>
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	<u><u>\$ 8,083,282</u></u>	<u><u><b>\$ 11,782,909</b></u></u>	<u><u>\$ 13,186,728</u></u>

The accompanying notes are an integral part of the financial statements.

**County of Barrhead No. 11**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2022**

	<u>2022</u>	<u>2021</u>
<b>OPERATING</b>		
Excess of revenue over expenses	\$ 1,394,314	\$ 2,128,518
Non-cash items included in excess of revenues over expenses:		
Amortization of tangible capital assets	3,225,775	3,104,576
Gain on disposal of tangible capital assets	17,574	112,911
Tangible capital assets received as contributions	(4,814)	(22,000)
Non-cash charges to operations (net change):		
Decrease (increase) in taxes and grants in place of taxes	324,970	(267,729)
Decrease (increase) in trade and other receivables	329,263	(683,140)
Decrease (increase) in agreement receivable	66,619	(56,311)
Decrease in land held for resale	166,524	-
Decrease in other current assets	158	2,128
(Increase) decrease in inventory for consumption	(1,559,315)	293,491
Decrease (increase) in prepaid expenses	10,277	(3,944)
Increase in accounts payable and accrued liabilities	674,498	198,283
Increase in deposit liabilities	1,505,026	2,058
Increase in deferred revenue	743,317	485,908
Increase in employee benefit obligation	32,423	34,537
Increase in provision for landfill closure/post-closure	30,425	30,425
Cash provided by operating transactions	<u>\$ 6,957,034</u>	<u>\$ 5,359,711</u>
<b>CAPITAL</b>		
Acquisition of tangible capital assets	\$ (4,726,454)	\$ (5,230,739)
Sale of tangible capital assets	238,824	1,073,350
Cash applied to capital transactions	<u>\$ (4,487,630)</u>	<u>\$ (4,157,389)</u>
<b>INVESTING</b>		
Increase in restricted cash and temporary investments	\$ (2,414,174)	\$ (655,936)
Increase in investments	(1,538,779)	(1,997,723)
Cash applied to investing transactions	<u>\$ (3,952,953)</u>	<u>\$ (2,653,659)</u>
<b>FINANCING</b>		
Long term debt repaid	(162,586)	(158,001)
Cash applied to financing transactions	<u>\$ (162,586)</u>	<u>\$ (158,001)</u>
<b>DECREASE IN CASH AND CASH EQUIVALENTS DURING YEAR</b>	<u>\$ (1,646,135)</u>	<u>\$ (1,609,338)</u>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>\$ 11,988,862</u>	<u>\$ 13,598,200</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u><u>\$ 10,342,727</u></u>	<u><u>\$ 11,988,862</u></u>
<b>Cash and cash equivalents is made up of:</b>		
Cash and temporary investments (Note 2)	\$ 20,265,455	\$ 19,497,416
Less: restricted portion of cash and temporary investments (Note 2)	(9,922,728)	(7,508,554)
	<u><u>\$ 10,342,727</u></u>	<u><u>\$ 11,988,862</u></u>

The accompanying notes are an integral part of the financial statements.

**County of Barrhead No. 11**  
**Schedule of Changes in Accumulated Surplus**  
**For the Year Ended December 31, 2022**  
**Schedule I**

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	<b>2022</b>	2021
<b>BALANCE, BEGINNING OF YEAR</b>	<b>\$ 2,187,757</b>	<b>\$ 12,789,602</b>	<b>\$ 50,240,168</b>	<b>\$ 65,217,527</b>	\$ 63,089,009
Excess of revenues over expenses	\$ 1,394,314	\$ -	\$ -	<b>\$ 1,394,314</b>	\$ 2,128,518
Unrestricted funds designated for future use	(2,541,708)	2,541,708	-	-	-
Restricted funds used for operations	733,335	(733,335)	-	-	-
Restricted funds used for tangible assets	-	(2,009,884)	2,009,884	-	-
Current year funds used for tangible capital assets	(2,716,570)	-	2,716,570	-	-
Contributed tangible capital assets	(4,814)	-	4,814	-	-
Disposal of tangible capital assets	256,398	-	(256,398)	-	-
Annual amortization expense	3,225,775	-	(3,225,775)	-	-
Change in accumulated surplus	<u>\$ 346,730</u>	<u>\$ (201,511)</u>	<u>\$ 1,249,095</u>	<u><b>\$ 1,394,314</b></u>	<u>\$ 2,128,518</u>
<b>BALANCE, END OF YEAR</b>	<u><b>\$ 2,534,487</b></u>	<u><b>\$ 12,588,091</b></u>	<u><b>\$ 51,489,263</b></u>	<u><b>\$ 66,611,841</b></u>	<u>\$ 65,217,527</u>

The accompanying notes are an integral part of the financial statements.



**County of Barrhead No. 11**  
**Schedule of Tangible Capital Assets**  
**For the Year Ended December 31, 2022**  
**Schedule II**

	Land	Land Improvements	Buildings	Engineered Structures	Machinery & Equipment	Vehicles	2022	2021
<b>COST:</b>								
BALANCE, BEGINNING OF YEAR	\$ 2,314,368	\$ 1,224,616	\$ 2,089,648	\$ 72,136,699	\$ 9,882,069	\$ 3,812,623	\$ 91,460,023	\$ 88,753,812
Acquisition of tangible capital assets	64,112	69,908	16,065	2,223,270	2,057,689	135,360	4,566,404	5,106,341
Construction-in-progress	-	-	-	122,370	42,494		164,864	146,398
Disposal of tangible capital assets	(2,586)	-	-	(59,721)	(452,593)	(79,703)	(594,603)	(2,546,528)
Write down of tangible capital assets	-	-	-	-	-	-	-	-
BALANCE, END OF YEAR	\$ 2,375,894	\$ 1,294,524	\$ 2,105,713	\$ 74,422,618	\$ 11,529,659	\$ 3,868,280	\$ 95,596,688	\$ 91,460,023
<b>ACCUMULATED AMORTIZATION:</b>								
BALANCE, BEGINNING OF YEAR	\$ -	\$ 932,995	\$ 949,068	\$ 33,342,658	\$ 3,947,925	\$ 2,047,209	\$ 41,219,855	\$ 39,475,545
Annual amortization	-	37,519	43,984	2,167,229	791,147	185,896	3,225,775	3,104,576
Accumulated amortization on disposals	-	-	-	(59,721)	(237,324)	(41,160)	(338,205)	(1,360,266)
BALANCE, END OF YEAR	\$ -	\$ 970,514	\$ 993,052	\$ 35,450,166	\$ 4,501,748	\$ 2,191,945	\$ 44,107,425	\$ 41,219,855
<b>NET BOOK VALUE OF, END OF YEAR</b>	<b>\$ 2,375,894</b>	<b>\$ 324,010</b>	<b>\$ 1,112,661</b>	<b>\$ 38,972,452</b>	<b>\$ 7,027,911</b>	<b>\$ 1,676,335</b>	<b>\$ 51,489,263</b>	<b>\$ 50,240,168</b>
<b>NET BOOK VALUE, BEGINNING OF YEAR</b>	<b>\$ 2,314,368</b>	<b>\$ 291,621</b>	<b>\$ 1,140,580</b>	<b>\$ 38,794,041</b>	<b>\$ 5,934,144</b>	<b>\$ 1,765,414</b>	<b>\$ 50,240,168</b>	<b>\$ 49,278,267</b>

The accompanying notes are an integral part of the financial statements.

**County of Barrhead No. 11**  
**Schedule of Property and Other Taxes Levied**  
**For the Year Ended December 31, 2022**  
**Schedule III**

	Budget (Unaudited)	<b>2022</b>	2021
<b>TAXATION</b>			
Real property taxes	\$ 9,186,033	<b>\$ 9,234,798</b>	\$ 8,786,413
Linear property taxes	2,583,493	<b>2,575,720</b>	2,643,166
Government grants in lieu of property taxes	15,208	<b>15,247</b>	14,972
Special assessments and local improvement taxes	121,885	<b>134,213</b>	117,962
	<u>\$ 11,906,619</u>	<u><b>\$ 11,959,978</b></u>	<u>\$ 11,562,513</u>
<b>REQUISITIONS</b>			
Alberta School Foundation Fund	\$ 2,677,388	<b>\$ 2,677,388</b>	\$ 2,577,379
Evergreen Catholic Separate Regional Division #2	25,280	<b>25,280</b>	23,546
Barrhead & District Social Housing	121,115	<b>121,115</b>	39,624
Municipal Affairs	12,470	<b>12,343</b>	12,469
	<u>\$ 2,836,253</u>	<u><b>\$ 2,836,126</b></u>	<u>\$ 2,653,018</u>
<b>NET MUNICIPAL TAXES</b>	<u><u>\$ 9,070,366</u></u>	<u><u><b>\$ 9,123,852</b></u></u>	<u><u>\$ 8,909,495</u></u>

**County of Barrhead No. 11**  
**Schedule of Government Transfers**  
**For the Year Ended December 31, 2022**  
**Schedule IV**

	Budget (Unaudited)	<b>2022</b>	2021
<b>TRANSFERS FOR OPERATING:</b>			
Federal government	\$ 3,000	\$ 1,472	\$ 22,050
Provincial government	1,201,455	1,070,534	1,484,053
Other local governments	46,153	41,478	37,301
	<u>\$ 1,250,608</u>	<u>\$ 1,113,484</u>	<u>\$ 1,543,404</u>
<b>TRANSFERS FOR CAPITAL:</b>			
Federal government	\$ 1,202,245	\$ 1,195,584	\$ 198,057
Provincial government	1,407,249	1,097,882	1,741,062
	<u>\$ 2,609,494</u>	<u>\$ 2,293,466</u>	<u>\$ 1,939,119</u>
<b>TOTAL GOVERNMENT TRANSFERS</b>	<u><u>\$ 3,860,102</u></u>	<u><u>\$ 3,406,950</u></u>	<u><u>\$ 3,482,523</u></u>

**County of Barrhead No. 11**  
**Schedule of Expenses by Object**  
**For the Year Ended December 31, 2022**  
**Schedule V**

	Budget (Unaudited)	<b>2022</b>	2021
<b>EXPENSES BY OBJECT</b>			
Salaries, wages, and benefits	\$ 3,904,800	<b>\$ 3,875,618</b>	\$ 3,645,065
Materials, goods, supplies and utilities	2,318,098	<b>2,309,074</b>	1,693,357
Contracted and general services	2,048,342	<b>1,846,404</b>	1,806,644
Transfers to other governments	2,689,339	<b>1,152,559</b>	1,049,105
Purchases from other governments	296,845	<b>297,897</b>	359,359
Transfers to local boards and agencies	156,916	<b>157,621</b>	149,744
Interest on long-term debt	119,388	<b>119,183</b>	123,773
Provision (recovery) for allowances	83,425	<b>(334,106)</b>	(309,575)
Transfers to individuals and organizations	107,738	<b>605,555</b>	33,513
Bank charges and short term interest	1,970	<b>1,255</b>	788
Other expenses	1,999	<b>12,116</b>	4,116
Amortization of tangible capital assets	3,104,576	<b>3,225,775</b>	3,104,576
	<u><u>\$ 14,833,436</u></u>	<u><u>\$ 13,268,951</u></u>	<u><u>\$ 11,660,465</u></u>

**County of Barrhead No. 11**  
**Schedule of Segmented Disclosure**  
**For the Year Ended December 31, 2022**  
**Schedule VI**

	General Government	Administration & Legislative	Protective Services	Transportation Services	Utilities & Waste Management	Planning & Development	Agriculture Services	Recreation & Culture	Community Support Services	Total
<b>REVENUE</b>										
Net municipal taxes	\$ 8,989,639	\$ -	\$ -	\$ 112,328	\$ 21,885	\$ -	\$ -	\$ -	\$ -	\$ 9,123,852
Government transfers for operating	4,830	34,333	38,071	644,541		-	244,379	147,330	-	1,113,484
User fees and sales of goods	-	12,044	93,623	298,350	395,695	311,632	204,053	10,300	-	1,325,697
Penalties and costs on taxes	167,712	-	-	-	-	-	-	-	-	167,712
Investment income	413,546	-	-	5,448	22,872	10,590	-	3,458	-	455,914
Other revenues	2,068	46,309	9,127	29,100	-	33,838	5,437	3,300	-	129,179
	<b>9,577,795</b>	<b>92,686</b>	<b>140,821</b>	<b>1,089,767</b>	<b>440,452</b>	<b>356,060</b>	<b>453,869</b>	<b>164,388</b>	<b>-</b>	<b>12,315,838</b>
<b>EXPENSES</b>										
Salaries & wages	-	1,180,836	48,162	1,990,503	124,165	198,087	310,009	23,856	-	3,875,618
Goods & supplies	-	65,918	3,908	1,770,062	58,258	281,806	113,431	15,691	-	2,309,074
Contract & general services	-	447,227	13,015	954,679	145,337	119,199	147,568	19,379	-	1,846,404
Transfers to other governments	-	-	822,904	-	202,760	-	3,598	352,694	68,500	1,450,456
(Recovery) provision for allowances	(364,531)	-	-	-	30,425	-	-	-	-	(334,106)
Transfers to local boards, agencies, and individuals	-	-	7,287	-	-	498,508	70,834	186,547	-	763,176
Long-term debt interest	-	-	-	-	-	-	-	119,183	-	119,183
Bank charges & shortterm interest	-	1,255	-	-	-	-	-	-	-	1,255
Other expenses	12,116	-	-	-	-	-	-	-	-	12,116
<b>Segment Expenses before</b>										
<b>Amortization and Other</b>	<b>(352,415)</b>	<b>1,695,236</b>	<b>895,276</b>	<b>4,715,244</b>	<b>560,945</b>	<b>1,097,600</b>	<b>645,440</b>	<b>717,350</b>	<b>68,500</b>	<b>10,043,176</b>
Amortization expense	-	42,835	103,979	2,925,427	120,728	1,926	27,819	3,061	-	3,225,775
<b>(Shortfall) Excess of Revenue</b>										
<b>Over Expenses - Before Other</b>	<b>9,930,210</b>	<b>(1,645,385)</b>	<b>(858,434)</b>	<b>(6,550,904)</b>	<b>(241,221)</b>	<b>(743,466)</b>	<b>(219,390)</b>	<b>(556,023)</b>	<b>(68,500)</b>	<b>(953,113)</b>
Contributed assets	2,137	-	-	2,677	-	-	-	-	-	4,814
Insurance proceeds	-	-	-	62,077	-	-	4,644	-	-	66,721
Government transfers for capital	-	-	-	1,252,326	1,041,140	-	-	-	-	2,293,466
(Loss) gain on disposal of capital assets	-	-	-	(18,894)	-	57	1,263	-	-	(17,574)
<b>Excess (Shortfall) of Revenue</b>										
<b>over Expenses</b>	<b>\$ 9,932,347</b>	<b>\$ (1,645,385)</b>	<b>\$ (858,434)</b>	<b>\$ (5,252,718)</b>	<b>\$ 799,919</b>	<b>\$ (743,409)</b>	<b>\$ (213,483)</b>	<b>\$ (556,023)</b>	<b>\$ (68,500)</b>	<b>\$ 1,394,314</b>

The accompanying notes are an integral part of the financial statements.

**County of Barrhead No. 11**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2022**

**1. SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the County of Barrhead No. 11 (the County) are the representations of management prepared in accordance with Canadian public sector accounting standards.

**Reporting entity**

The financial statements reflect the assets, liabilities, revenues, and expenditures, changes in fund balances and change in financial position of the County.

The schedule of taxes levied also includes operating requisitions for educational and other external organizations that are not controlled by the municipal reporting entity.

The statements exclude trust assets that are administered for the benefit of external parties.

**Basis of accounting**

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or the legal obligation to pay.

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 assets are acquired.

**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 date of the financial statements, and the reported amounts of revenue and expenditure during the period. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

The County has used estimates to determine an allowance for doubtful accounts, landfill closure and post-closure accrued liability, and useful lives of tangible capital assets.

**Cash and temporary investments**

Cash includes cash and temporary investments maturing within 90 days. Temporary investments are valued at cost plus accrued interest. The carrying amount approximates fair market value.



**County of Barrhead No. 11**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2022**

**Investments**

Investments are recorded at cost. Where there has been a loss in value that is other than a temporary decline, the respective investment is written down to recognize the loss.

**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.

**Local improvement charges**

Construction and borrowing costs associated with local improvement projects are recovered through annual special assessments during the period of the related borrowings. These levies are collectable from property owners for work performed by the municipality.

**Tax revenue**

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

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

**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 site and provide for post-closure care of the facility. Closure and post-closure activities include the final clay cover, landscaping, as well as surface and ground water monitoring, leachate control, and visual inspection. The requirement is being provided for over the estimated remaining life of the landfill site based on usage. The County is responsible for 50% of the total costs.

**Contaminated sites liability**

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

**County of Barrhead No. 11**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2022**

**Non-financial assets**

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the Change of Net Financial Assets for the year.

**a) Tangible capital assets**

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

<b>Tangible Capital Asset</b>	<b>Years</b>
Land Improvements	15-45
Buildings	25-50
Engineered Structures	
Roadway system	5-65
Water system	45-75
Wastewater system	45-75
Machinery and Equipment	5-24
Vehicles	10-40

Annual amortization is charged in the year of acquisition. No depreciation is charged in year of disposal. Assets under construction are not amortized until the asset is available for productive use.

**b) Contribution of tangible capital assets**

Tangible capital assets received as contributions are recorded at fair value at the date of receipt and also recorded as revenue.

**c) Leases**

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

**d) Inventories**

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

**County of Barrhead No. 11**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2022**

**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.

**Recent accounting pronouncements published but not yet adopted**

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

**PS 3450 Financial Instruments**, establishes guidance on the recognition, measurement, presentation and disclosure of financial instruments, including derivatives. In conjunction with this new section, section PS 1201, section PS 2601, and section PS 3041 have been amended as a consequence of the introduction of new financial instruments standards. These amendments were required to present the associated gains and losses with financial instruments recognized under the new section. The new section and the related amendments are effective for fiscal periods beginning on or after April 1, 2022. Early adoption is permitted.

**PS 3280 Asset Retirement Obligations**, establishes guidance on the recognition, measurement, presentation and disclosure of a liability for retirement of a tangible capital asset. As this standard includes solid waste landfill sites active and post-closing obligations upon adoption of this new standard, existing Solid Waste Landfill Closure and Post-Closure Liability section PS 3270 will be withdrawn. This new section applies to fiscal years beginning on or after April 1, 2022. Early adoption is permitted.

**PS 3400 Revenue**, establishes standards on how to account for and report revenue differentiating between revenue arising from transactions that include performance obligations and transactions that do not. The new section applies to fiscal years beginning on or after April 1, 2023. Early adoption is permitted.

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**2. CASH AND TEMPORARY INVESTMENTS**

	<u>2022</u>	<u>2021</u>
Cash	\$ 2,447,862	\$ 1,799,274
Temporary investments	17,817,593	17,698,142
	<u>\$ 20,265,455</u>	<u>\$ 19,497,416</u>

**County of Barrhead No. 11**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2022**

**2. CASH AND TEMPORARY INVESTMENTS, continued**

Temporary investments are short-term deposits with original maturities of three months or less bearing interest at rates of prime less 1.55% to prime less 1.90% maturing during 2023. Included in the above balances are \$9,922,728 (2021 - \$7,508,554) of funds which are restricted.

These funds that are restricted in use are as follows:

	<u>2022</u>	<u>2021</u>
Unexpended conditional grant monies (Note 10)	<b>\$ 6,746,753</b>	\$ 6,003,436
Levies collected under legislation	<b>1,572,576</b>	1,416,612
Deposits and trust accounts	<b>1,603,399</b>	88,506
	<u><b>\$ 9,922,728</b></u>	<u>\$ 7,508,554</u>

**3. TAXES AND GRANT IN LIEU OF RECEIVABLES**

	<u>2022</u>	<u>2021</u>
Current taxes and grants in place of taxes	<b>\$ 591,546</b>	\$ 1,074,302
Arrears taxes	<b>252,205</b>	594,419
Less: allowance for doubtful accounts	<b>(100,000)</b>	(600,000)
	<u><b>\$ 743,751</b></u>	<u>\$ 1,068,721</u>

**4. TRADE AND OTHER RECEIVABLES**

	<u>2022</u>	<u>2021</u>
Due from other governments	<b>\$ 799,755</b>	\$ 911,588
Goods and services tax recoverable	<b>135,419</b>	78,598
Trade and other receivables	<b>129,026</b>	275,798
Due from related party (Note 19)	<b>29,843</b>	146,063
Less: allowance for doubtful accounts	<b>(16,992)</b>	(5,734)
	<u><b>\$ 1,077,050</b></u>	<u>\$ 1,406,313</u>

**5. AGREEMENTS RECEIVABLE**

	<u>2022</u>	<u>2021</u>
Range road 53 upgrades	<b>\$ 168,765</b>	\$ 222,351
Golf course loan receivable	<b>109,053</b>	115,250
Net investment in capital lease (Note 19)	<b>80,969</b>	87,806
	<u><b>\$ 358,788</b></u>	<u>\$ 425,407</u>

**County of Barrhead No. 11**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2022**

**5. AGREEMENTS RECEIVABLE, continued**

Range road 53 upgrades loan receivable is unsecured, bearing interest at 2.45%, repayable in blended annual principal and interest payments of \$59,034, and matures in 2025.

The golf course loan receivable is unsecured, bearing interest at 3.0%, repayable in blended annual principal and interest payments of \$9,654, and matures in 2036.

The net investment in capital lease bears interest at 2.881%, repayable in blended annual principal and interest payments of \$9,521 and matures in 2032.

**6. LAND HELD FOR RESALE**

	<u>2022</u>	<u>2021</u>
Kiel Industrial Park, Phase I	<u>\$ 610,322</u>	<u>\$ 776,846</u>

Land held for resale includes acquisition costs of the land and the improvements to prepare the land for sale or servicing. Related development costs incurred to provide infrastructure are reported as tangible capital assets under their respective function.

**7. INVESTMENTS**

	<u>2022</u>	<u>2021</u>
Term deposits – Canadian Western Bank	<u>\$ 2,064,769</u>	\$ 2,010,184
Term deposit – Scotiabank	<u>1,503,551</u>	-
Neerlandia Co-op member equity	<u>9,959</u>	4,326
Other	<u>75</u>	25,000
	<u><u>\$ 3,578,354</u></u>	<u><u>\$ 2,039,510</u></u>

The Canadian Western Bank term deposit that requires 93 days notice to withdraw. It bears interest at a rate of prime less 0.95% (2021 – 1.05%).

The Scotiabank term deposit is a guaranteed investment certificate, bearing interest at 5.40%, maturing on June 16, 2024.

At December 31, 2022 the prime rate was 6.45%.

**County of Barrhead No. 11**  
**Notes to the Financial Statements**  
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**8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<b>2022</b>	2021
Accounts payable and accrued liabilities	<b>\$ 1,293,250</b>	\$ 408,550
Due to related party (Note 19)	<b>7,886</b>	7,004
Payables to other governments	<b>662,267</b>	873,351
	<b><u>\$ 1,963,403</u></b>	<u>\$ 1,288,905</u>

**9. EMPLOYEE BENEFIT OBLIGATIONS**

	<b>2022</b>	2021
Retirement allowance	<b>\$ 29,994</b>	\$ 28,451
Vacation	<b>134,964</b>	104,084
	<b><u>\$ 164,958</u></b>	<u>\$ 132,535</u>

Employees have either earned the benefits (and are vested) or are entitled to these benefits within the next budgetary year. The retirement allowance is comprised of a benefit to retiring employees who are over 55 years old with a minimum balance of 10 years of service. The vacation liability is comprised of vacation entitlement that employees are deferring to future years. The County does not provide post-employment benefits to employees.

**10. DEFERRED REVENUE**

Deferred revenues are unexpended federal and provincial transfers which are restricted to eligible projects, as approved under the funding agreements. These projects are scheduled for completion in 2023 – 2024.

	2021	Contributions	Interest Earned	Contributions Recognized	<b>2022</b>
Canada Community-Building Fund (formerly Federal Gas Tax)	\$ 2,553,649	\$ 736,254	\$ 59,191	\$ (1,195,584)	<b>\$ 2,153,510</b>
Municipal Sustainability Initiative	3,284,184	2,385,384	105,801	(1,182,326)	<b>4,593,043</b>
Alberta Municipal Water and Wastewater Program	145,829	439,200	1,327	(583,356)	-
STIP	5,441	133,163	-	(138,604)	-
Agricultural Services Board Program	-	215,907	-	(215,907)	-
Other	14,333	79,481	-	(93,614)	-
	<b><u>\$ 6,003,436</u></b>	<b><u>\$ 3,989,389</u></b>	<b><u>\$ 166,319</u></b>	<b><u>\$ (3,412,391)</u></b>	<b><u>\$ 6,746,753</u></b>

Unexpended funds related to the deferred revenues are supported by temporary investments of \$6,746,753 (2021 - \$6,003,436) which are disclosed in the financial statements as subject to restricted uses as per Note 2.



**County of Barrhead No. 11**  
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**For the Year Ended December 31, 2022**

**11. LONG-TERM DEBT**

	<u>2022</u>	<u>2021</u>
Debenture – Town of Barrhead Pool	<u><b>\$ 4,021,764</b></u>	<u><b>\$ 4,184,350</b></u>

Principal and interest repayments are due as follows:

	Principal	Interest	Total
2023	\$ 167,303	\$ 114,671	\$ 281,974
2024	172,158	109,816	281,974
2025	177,154	104,820	281,974
2026	182,294	99,680	281,974
2027	187,584	94,390	281,974
Thereafter	3,135,271	671,380	3,806,651
	<u><b>\$ 4,021,764</b></u>	<u><b>\$ 1,194,757</b></u>	<u><b>\$ 5,216,521</b></u>

Debenture debt is repayable to the Province of Alberta and bears interest at a rate of 2.881% per annum and matures in 2041. Debenture debt is issued on the credit and security of the County of Barrhead at large.

The County's total cash payments for the debenture principal in 2022 were \$162,586 (2021 - \$158,001). The County's total cash payments for the debenture interest in 2022 were \$119,183 (2021 - \$123,973).

**12. LANDFILL CLOSURE AND POST-CLOSURE LIABILITY**

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

The estimated total liability is based on the sum of discounted future cash flows for closure and post-closure activities for 25 years after closure using a discount rate of 4% and assuming annual inflation of 2%.

The accrued liability portion is based on the cumulative capacity used at year end compared to the estimated total landfill capacity determined by the 2011 Closure and Post-Closure Assessment by Omni-McCann Consultants Ltd. The estimated total remaining capacity of the landfill site in 2011 is 235,300 cubic metres. The existing landfill is expected to reach capacity in approximately the year 2030.

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

**County of Barrhead No. 11**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2022**

**12. LANDFILL CLOSURE AND POST-CLOSURE LIABILITY, continued**

	<u>2022</u>	<u>2021</u>
Estimated closure costs	\$ 315,260	\$ 315,260
Estimated post-closure costs	<u>431,750</u>	<u>431,750</u>
	<u>\$ 747,010</u>	<u>\$ 747,010</u>
Estimated capacity remaining	51%	55%
Portion of total liability remaining to be recognized	<u>\$ 381,910</u>	<u>\$ 412,335</u>
Estimated capacity used	49%	45%
Accrued liability portion	<u>\$ 365,100</u>	<u>\$334,675</u>

**13. INVENTORY FOR CONSUMPTION**

	<u>2022</u>	<u>2021</u>
Gravel	\$ 2,507,940	\$ 1,065,440
Materials and supplies	<u>678,700</u>	<u>561,885</u>
	<u>\$ 3,186,640</u>	<u>\$ 1,627,325</u>

**14. ACCUMULATED SURPLUS**

Accumulated surplus consists of restricted and unrestricted amounts and equity in tangible capital assets.

	<u>2022</u>	<u>2021</u>
Unrestricted surplus	\$ 2,534,487	\$ 2,187,757
Restricted surplus		
Tax rate stabilization	1,661,684	1,709,019
Roads	2,848,072	2,852,080
Water & wastewater	1,978,590	1,991,070
Building replacement & renovations	1,698,813	1,638,010
Land & land improvements	1,214,220	1,204,675
General equipment replacement	<u>3,186,712</u>	<u>3,394,748</u>
	12,588,091	12,789,602
Equity in tangible capital assets	<u>51,489,263</u>	<u>50,240,168</u>
	<u>\$ 66,611,841</u>	<u>\$ 65,217,527</u>

**County of Barrhead No. 11**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2022**

**15. EQUITY IN TANGIBLE CAPITAL ASSETS**

	<b>2022</b>	2021
Tangible capital assets (Schedule II)	<b>\$ 95,596,688</b>	\$ 91,460,023
Accumulated amortization (Schedule II)	<b>(44,107,425)</b>	(41,219,855)
	<b><u>\$ 51,489,263</u></b>	<u>\$ 50,240,168</u>

**16. DEBT LIMITS**

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

	<b>2022</b>	2021
Total debt limit	<b>\$ 18,473,757</b>	\$ 17,876,157
Total debt	<b>4,021,764</b>	4,184,350
Amount of debt limit unused	<b><u>\$ 14,451,993</u></b>	<u>\$ 13,691,807</u>
 Service on debt limit	 <b>3,078,960</b>	 2,979,360
Service on debt	<b>167,303</b>	162,586
Amount of debt serving limit unused	<b><u>\$ 2,911,657</u></b>	<u>\$ 2,816,774</u>

The debt limit is calculated at 1.5 times revenue of the municipality (as defined in Alberta Regulation 255/00) and the debt service limit is calculated at 0.25 times such revenue. Incurring debt beyond these limitations requires approval by the Minister of Municipal Affairs. These thresholds are guidelines used by Alberta Municipal Affairs to identify municipalities that could be at financial risk if further debt is acquired. The calculation alone does not represent the financial stability of the municipality. Rather, the financial statements must be interpreted as a whole.

**17. LOCAL AUTHORITIES PENSION PLAN**

Employees of the County participate in the Local Authorities Pension Plan, which is covered by the Alberta Public Sector Pensions Plan Act. The Plan serves about 281,764 people and about 435 employers. It is financed by employer and employee contributions and by investment earnings of the LAPP fund.

Contributions for current service are recorded as expenditures in the years which they become due. The County is required to make current service contributions to the plan of 8.45% of pensionable earnings up the Canada Pension Plan's Yearly Maximum Pensionable Earnings and 12.80% for the excess.

Total contributions by the County to the LAPP in 2022 were \$245,133 (2021 - \$250,523). Total contributions by the employees of the County to the LAPP in 2022 were \$219,570 (2021 - \$226,947).

**County of Barrhead No. 11**  
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**17. LOCAL AUTHORITIES PENSION PLAN, continued**

At December 31, 2021, LAPP disclosed an actuarial surplus of \$11.9 billion (2020 - \$4.96 billion).

**18. SALARY AND BENEFIT DISCLOSURE**

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

	2022			2021
	Salary (1)	Benefits & Allowance (2)	Total	Total
Councillors				
Division 1 – Douglas Drozd (Reeve)	\$ 41,343	\$ 8,169	\$ 49,512	\$ 44,140
Division 2 – Marvin Schatz (Deputy)	38,009	7,922	45,931	42,336
Division 3 – Ron Kleinfeldt	30,969	7,352	38,321	34,308
Division 4 – William Lane	36,248	5,982	42,230	36,043
Division 5 – Paul Properzi	28,064	7,185	35,249	7,343
Division 6 – Walter Preugschas	33,909	5,942	39,851	32,130
Division 7 – Jared Stoik	26,107	7,040	33,147	5,212
County Manager – Debbie Oyarzun	181,750	27,187	208,937	199,691

- 1) Salary includes regular base pay, bonuses, overtime, lump sum payments, gross honoraria, and any other direct cash remuneration.
- 2) Benefits and allowances figures include employer's share of all employee benefits and contributions, or payments made on behalf of employees including pension, health care, dental coverage, group life insurance, accidental disability and dismemberment insurance, long term disability plans, Canada Pension Plan, employment insurance, and WCB.

**19. RELATED PARTY TRANSACTIONS**

The County is a member of the Barrhead Regional Water Commission.

Transactions and balances by the Barrhead Regional Water Commission to the County are based on actual service utilization during the year. Amounts receivable from the Barrhead Regional Water Commission have arisen from the operational costs of the County to provide operational service to the Barrhead Regional Water Commission. In the current year, amounts receivable also include the Barrhead Regional Water Commission's share of capital costs for the SCADA monitoring system.

	2022	2021
Barrhead Regional Water Commission – service fees charged	\$ 125,559	\$ 126,337

**County of Barrhead No. 11**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2022**

**19. RELATED PARTY TRANSACTIONS, continued**

At December 31, 2022, the County had a balance payable of \$7,886 (2021 - \$7,004) and a balance receivable of \$29,843 (2021 - \$146,063) to/from the Barrhead Regional Water Commission.

Included in Agreements Receivable is \$80,969 (2021 - \$87,806) for water pipeline payments receivable from Barrhead Regional Water Commission.

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**20. SEGMENTED INFORMATION**

The County provides a range of services to its ratepayers and conducts its business through a number of reportable segments which facilitate management in the achievement of the County's long-term objectives and aid in resource allocation decisions and to assess operational performance. For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in Note 1. Certain segments, along with the services they provide are as follows:

**a) Administration**

Administration is responsible for the administration of the County as a whole. Administration includes assessment services, financial services, records management, and general administration.

**b) Protective services**

Protective services comprises policing, enforcement services, fire, disaster, and emergency management. The mandate of Protective Services is to maintain safe communities and to manage risk.

**c) Transportation**

Transportation provides and maintains a safe and reliable road network for the travelling public. Transportation is responsible for summer and winter road maintenance as well as bridge maintenance. The County's road construction program operates through the summer months.

**d) Utilities and waste management**

The County is responsible for environmental programs which includes water supply and distribution within the County of Barrhead as well as wastewater treatment and disposal activities. Waste management activities, including transfer stations and a regional landfill are also included in this segment.

**e) Planning and development**

Planning and development manages current and long-term planning, and subdivision development permits. This segment also supports economic development.

**County of Barrhead No. 11**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2022**

**20. SEGMENTED INFORMATION, continued**

**f) Agriculture services**

Agriculture services is responsible for implementing and enforcing legislative requirements, promoting the agriculture industry, addressing agricultural concerns and the development and delivery of environment extension programming.

**g) Recreation and culture**

Recreation and culture provides recreational and cultural services that promote the health and well-being of its citizens, and activities related to parks maintenance and operation.

**21. COMMITMENTS**

The County has contractual liabilities that will result in liabilities in the future when the terms of the contracts are met. The estimated aggregate amount payable for the unexpired terms of these contractual obligations for the next three years are as follows:

	Capital Projects	Service Contracts	Recreation Agreement*	Total
2023	\$ 2,785,615	\$ 176,278	\$ 330,700	\$ 3,292,593
2024	-	177,513	*	177,513
2025	-	17,160	*	17,160
	<b>\$ 2,785,615</b>	<b>\$ 370,951</b>	<b>\$ 330,700</b>	<b>\$ 3,487,266</b>
Total at Dec 31, 2021	\$ 2,085,200	\$ 485,462	\$ 326,625	\$ 2,897,287

\* The County is committed to provide an Annual Contribution to the Town of Barrhead towards the core operating costs of the aquatic centre, arena and curling rink until December 31, 2027. The Annual Contribution is based on a funding formula that is the greater of either \$312,679 or the sum calculated according to the formula:

- a) in 2018, a sum equal to 0.03403% of the County's 2017 total taxable assessment;
- b) in 2019, a sum equal to 0.03403% of the County's total taxable assessments for 2017 and 2018;
- c) in each year from 2020 to 2027, a sum equal to 0.03403% of the average of the County's total taxable assessments for the three prior years.

The minimum Annual Contribution the County must make will never be less than \$312,679. If in any year, the sum calculated using the formula falls below \$312,679, the County will instead pay the minimum. The Annual Contribution is in addition to the County's debenture payments for the capital costs for construction of the aquatic centre as disclosed in Note 11.



**County of Barrhead No. 11**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2022**

**21. COMMITMENTS, continued**

The County's total taxable assessment is as follows:

2020	\$964,471,680
2021	\$966,337,730
2022	\$984,558,430

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**22. CONTINGENCIES**

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

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**23. FINANCIAL INSTRUMENTS**

The County's financial instruments consist of cash and temporary investments, receivables, investments, accounts payable and accrued liabilities, deposit liabilities, requisition over-levy and long-term debt. It is management's opinion that the County is not exposed to significant interest or currency risks arising from these financial instruments.

The County is subject to credit risk with respect to taxes and grants in place of taxes receivables and trade and other 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 fulfill their obligations. The large number and diversity of taxpayers and customers minimizes the credit risk.

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

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**County of Barrhead No. 11**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2022**

**24. BUDGET DATA**

The budget data presented in these financial statements is based upon the 2022 operating and capital budgets approved by Council. The chart below reconciles the approved budgets to the budget figures reported in these financial statements.

**Revenue**

Operating budget	\$ 17,481,440
Capital budget	9,361,508
Less:	
Requisitions	(2,836,253)
Allocation for in-house equipment rental	(544,204)
Debenture proceeds	(1,900,000)
Transfer from other funds:	
Operating budget	(537,122)
Capital budget	(5,555,788)
Proceeds on the sale of tangible capital assets	(973,763)
<b>Total Revenue</b>	<b>14,495,818</b>

**Expenditures**

Operating budget	17,481,440
Capital budget	9,361,508
Add: Amortization expense	3,104,576
Less:	
Requisitions	(2,836,253)
Allocation for in-house equipment rental	(544,204)
Transfer from other funds:	
Operating budget	(2,209,536)
Capital budget	(9,361,507)
Debt principal payments	(162,586)
<b>Total expenses</b>	<b>14,833,438</b>
<b>Shortfall of revenues over expenses</b>	<b>\$ (337,620)</b>

The budget information was approved by Council on April 19, 2022 and has not been audited.

**25. APPROVAL OF FINANCIAL STATEMENTS**

Council and Management have approved these financial statements.