



ANNUAL REPORT

#GOBIGLAKES

2019



BIGLAKESCOUNTY.CA

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**BIG LAKES COUNTY
ADMINISTRATION OFFICES**

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KINUSO FCSS OFFICE

Ph: (780) 775-3666
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ENILDA FCSS OFFICE

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FAUST FCSS OFFICE

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Fax: (780) 355-3000

GROUARD FCSS OFFICE

Ph: (780) 751-3806
Fax: (780) 751-3807

HIGH PRAIRIE FCSS OFFICE

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WELCOME TO BIG LAKES COUNTY

Big Lakes County is a welcoming and thriving community. Situated just a few hours north of Alberta's major cities, our residents enjoy the freedom of the great outdoors. With a service area population of 12,731, Big Lakes expands over 13,942 square kilometers and neighbours the Town of High Prairie, Town of Swan Hills, East Prairie Métis Settlement, Gift Lake Métis Settlement, Peavine Métis Settlement, Driftpile First Nation, Kapawe'no First Nation, Sucker Creek First Nation, Whitefish River First Nation, and Swan River First Nation.

We are proud of our beautiful lakes, forests, and rolling countryside. We are equally proud of our diverse and talented workforce who have helped expand opportunities in Big Lakes. Our abundance of natural resources — oil and gas, agriculture, and forestry — continue to expand and strengthen our economy. We've also just scratched the surface in exploring opportunities in tourism, transportation and logistics, education, construction, health, retail, and information and communications technology. The possibilities are endless in Big Lakes for those with the vision to help see them grow.

Thank you for calling Big Lakes County home.



COUNCIL INFORMATION

MESSAGE FROM THE REEVE & COUNCIL

On behalf of Council, I am pleased to present the 2019 Annual Report, which highlights growth, opportunity, and progress in our County and what we are working towards for 2020. Each of our projects is part of a larger story – the story of how we are striving to accomplish Council's vision of building a sustainable County.

I want to thank all County staff and my colleagues for their dedicated work over the past year. I also want to recognize the nearly 13,000 residents served by Big Lakes County who contribute to making our community a welcoming, inclusive environment for everyone, and a place where we are proud to call home.

I am happy to report that Council has continued to build positive relationships with the provincial and federal government representatives in our region. Furthermore, we will continue to work cooperatively with the Town of High Prairie and the Town of Swan Hills in addition to strengthening our regional partnerships with neighbouring First Nations and Métis Settlements.

2019 was another busy year! Not only did we help raise \$22,000 for three charities at our Annual Charity Golf Tournament, but we published a book featuring the stories of 50 County residents called, *In Our Own Words, Hard Times and Good Times in Northern Alberta's Big Lakes County*.

The County strived to improve our services, which helped to expand our business and recreational opportunities in 2019. Through continued lobbying efforts made by Council and staff, the County received several provincial and federal grants totalling more than \$2 million to repair and upgrade our roads and bridges and expand our municipal initiatives.

Big Lakes County was able to utilize \$720,695 from the Strategic Transportation Infrastructure Program allocated through the Alberta Government to renovate the High Prairie Airport. Upgrades included: LED lighting, a 120-meter runway extension, overlay, apron extension, and wider access road from Highway 749.

We also used nearly \$250,000 of our Municipal Sustainability Initiative from the Alberta Government to renovate the Gilwood Transfer Station located N.W. 24-74-18-W5M. The completely redesigned transfer station will enhance operational efficiencies by reducing overall transportation costs, air emissions, energy use, truck traffic, and road wear and tear. Subsequently, saving ratepayers from Big Lakes County and the Town of High Prairie money.

In 2019, we also were awarded \$107,200 in funding from the Federation of Canadian Municipalities' Climate Change Staff grants initiative to help address staffing gaps and increase our capacity to adapt to the effects of climate change, reduce greenhouse gas emissions, and find efficiencies. Big Lakes County was among 59 communities across Canada who benefited from this initiative.

Like any community, we also have our challenges. Still, our commitment to being financially stable for the future is a good illustration of how we are working diligently to identify savings and increase revenues with the needs of the community in mind. As we move into 2020, I am confident that our Council and staff will continue to keep things moving forward. As always, your feedback on how we can make the County better is greatly appreciated and will only make us stronger and more resilient moving forward.

Richard Simard
Reeve

ELECTED REPRESENTATIVES



DAVID MARX
Ward 1: Heart River/Salt Prairie
780-523-2498
ward1@biglakescounty.ca



FERN WELCH
Ward 2: Grouard
780-523-1077
ward2@biglakescounty.ca



KEN MATTHEWS
Ward 3: Gilwood North/Triangle
780-523-4073
ward3@biglakescounty.ca



KEN KILLEEN
Ward 4: Kinuso
780-775-2234
ward4@biglakescounty.ca



ROBERT NYGAARD
Ward 5: Faust
780-355-2735
ward5@biglakescounty.ca



RICHARD SIMARD
Ward 6: Joussard
780-523-1812
ward6@biglakescounty.ca



DONALD BISSELL
Ward 7: Enilda/Big Meadow
780-523-2209
ward7@biglakescounty.ca



DON CHARROIS
Ward 8: Banana Belt/HP East
780-523-4037
ward8@biglakescounty.ca



ANN STEWART
Ward 9: Sunset House/Gilwood South
780-523-2590
ward9@biglakescounty.ca



MESSAGE FROM THE CHIEF ADMINISTRATIVE OFFICER

I am proud to present Big Lakes County's 2019 Annual Report. This update to our community looks at not only the daily operations of our County but also the new growth and progress that helps shape our culture of constant improvement. It's exciting to share with you our success on the road of building a great County.

It is our mission here at Big Lakes County, to deliver high level of services that make the lives of our residents and visitors better. Throughout 2019, we continued to focus our attention on implementing initiatives to promote growth while ensuring we continue to be financially sustainable to provide value to our community for years to come.

Looking back on 2019, I am incredibly proud of our collective accomplishments. Although this report will focus on those achievements over the last year, it also represents the culmination

of years of passionate councils, staff, volunteers, and residents that have made these projects and initiatives possible. We certainly could not do the things we do without the support of our community.

I am very proud to work every day with my fellow colleagues and Councillors who consistently demonstrate their commitment to public service and take pride in delivering quality services to County residents. We hope you find this report informative and feel a sense of pride for the community we are all collectively building.
Sincerely,

Jordan Panasiuk
Chief Administrative Officer



BOARDS & COMMITTEES

External Boards/Committees

Alberta CARE
 Barrhead Social Housing
 Big Lakes County Library Board
 Community Futures Lesser Slave Lake Region
 CHWC Community Partnership Committee
 FCSS Advisory Committee
 Golden Triangle Consortia
 Grouard/Peace River Trail Committee
 Heart River Housing
 High Prairie Aboriginal Interagency
 High Prairie Chamber of Commerce
 High Prairie & District Children's Resource Council
 High Prairie & District Recreation Board
 High Prairie Municipal Library Board
 High Prairie & District Regional Solid Waste Management Authority
 High Prairie Seed Cleaning Co-op
 Lesser Slave Lake Forest

Resource Advisory Committee

Lesser Slave Watershed Council
 Little Smoky Recreation
 Northern Alberta Elected Leaders
 Northern Lakes College Community Education Committee
 Northwest Species at Risk
 Peace Region Economic Development Alliance
 Peace Airshed Zone Association
 Peace Library System
 Smoky Applied Research & Demonstration Assoc.
 Swan Hills Special Waste Liaison Committee
 Tolko Forest Resource Advisory Committee
 Veterinary Services Incorporated
 Water North Coalition
 Fire Budget Review Committee
 Recreation Budget Review Committee
 Library Budget Review Committee

Inter-Municipal Committees

Town of High Prairie
 Town of Swan Hills
 Municipal District of Greenview
 Municipal District of Smoky River No. 130.
 Municipal District of Lesser Slave River
 Northern Sunrise County

Internal Boards/Committees

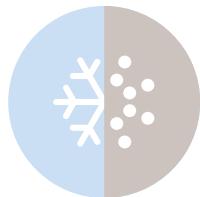
Agricultural Service Board
 Assessment Review Board
 Emergency Management Committee
 Economic Development
 Finance Committee
 High Prairie Airport Committee
 Inter-Governmental Relations Committee
 Municipal Planning Commission
 Peavine Métis Settlement Agreement Committee
 Intermunicipal Subdivision and Development Appeal Board
 Weed & Pest Control Appeal Board



PUBLIC WORKS

Big Lakes County provides a variety of operational services year around. The following information is intended to provide a glimpse into the daily operations of our County services.

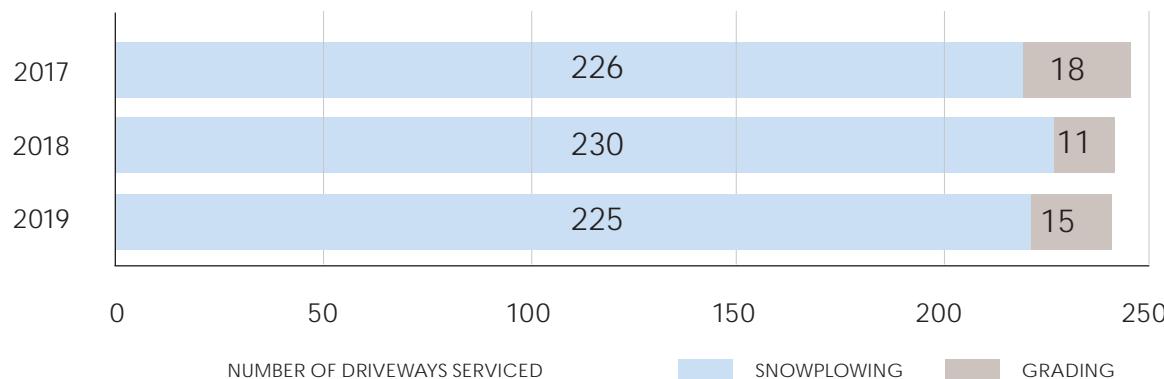




PRIVATE DRIVEWAY SNOWPLOWING & GRADING AGREEMENTS

Private driveway snowplowing and private driveway grading is provided to residents who have entered into an agreement for these services.

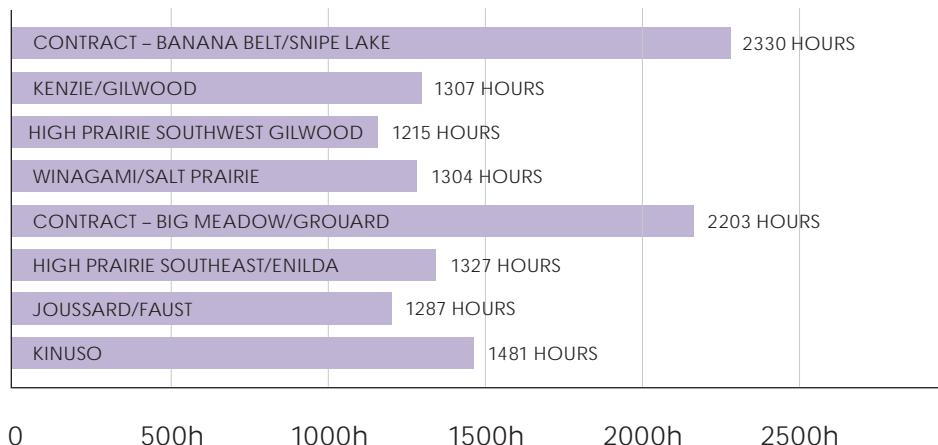
In 2019, grading and snowplowing services were provided on a cost recovery basis for a minimum charge \$68.00 plus GST.



GRADER BEAT HOURS

The County has eight grader beats including two contract graders. Their hours of operation are indicated on the graph below.

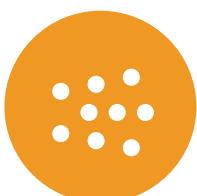
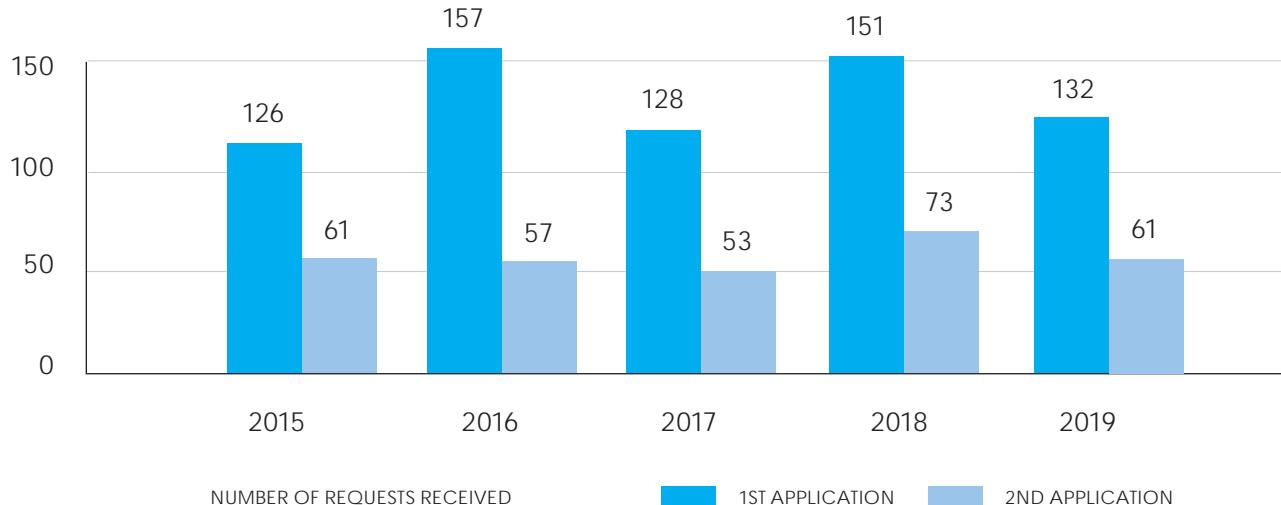
The variances in unit hours are due to weather, number of dust controlled areas and km of roadway in each area.





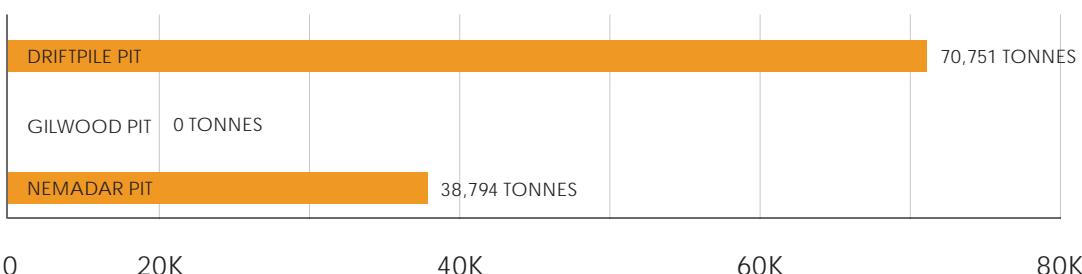
DUST CONTROL APPLICATIONS

The County applies calcium chloride dust control at its own cost along gravel roads within the Hamlets as per the Dust Control Policy. Rural residents within the County may also apply to have 150m of dust control applied in front of their residence. This service was provided twice last year at a subsidized cost of \$270.00 for the first application of the year and \$135.00 for the second application of the year. The graph below indicates the number of applications received from rural residents in the last five years. In 2019, the County applied 28.71 km of dust control for rural residents.



QUANTITY OF GRAVEL PLACED ON COUNTY ROADS

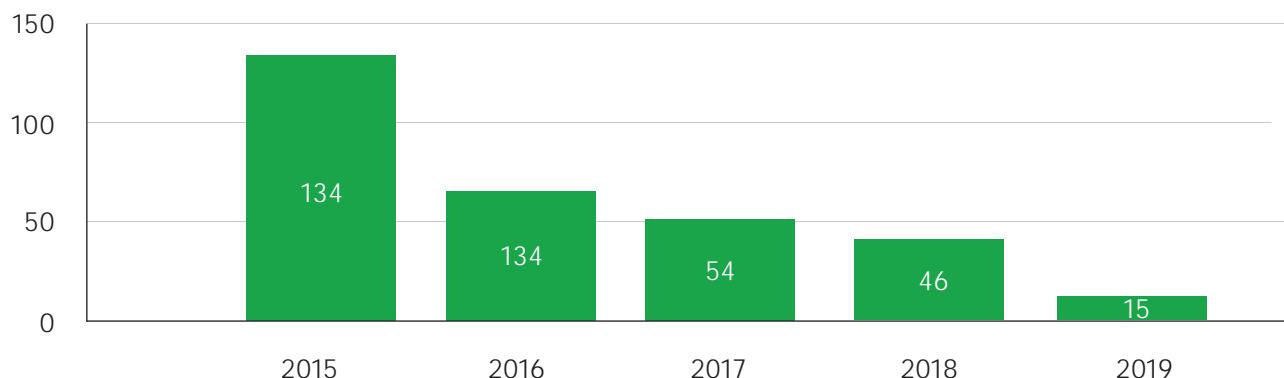
The County is continually working on securing aggregate resources for future road maintenance. The graph below shows the tonnes of gravel placed on county roads in 2019 and the gravel pit that the gravel was hauled from.





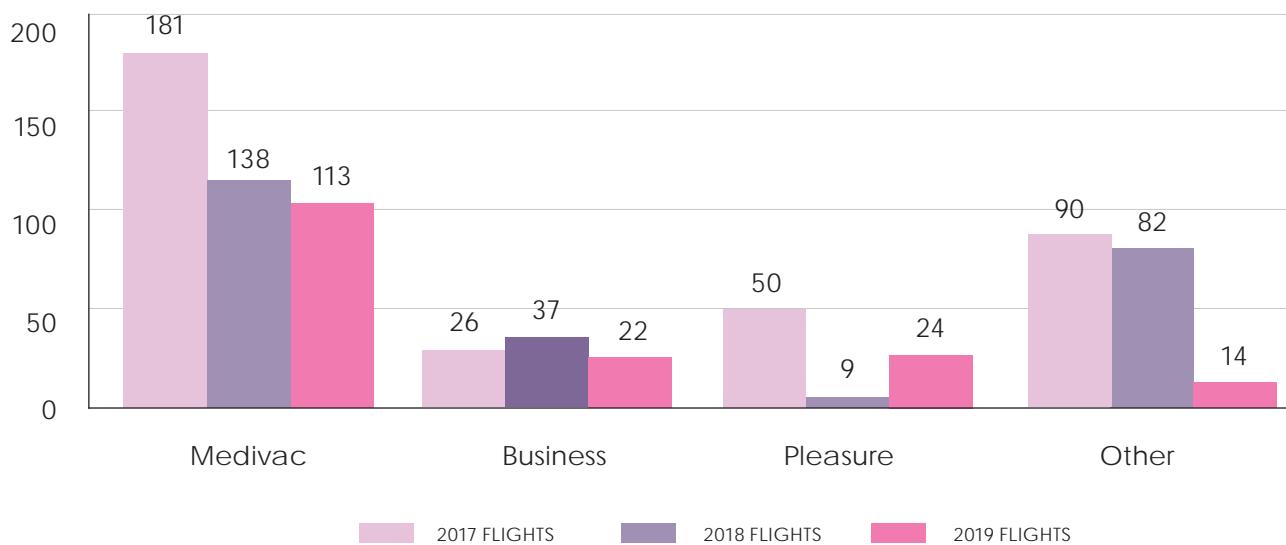
NUMBER OF FLIGHTS RECORDED AT THE SWAN HILLS AERODROME

The Swan Hills Aerodrome, located approximately 4km south of the Town of Swan Hills, is under the management and control of Big Lakes County. This Aerodrome is a Self-Register Aerodrome as this is an unmanned facility. Pilots are asked to record their flight details on the Airport Register.



NUMBER AND TYPE OF FLIGHTS RECORDED AT THE HIGH PRAIRIE AERODROME

In 2017, Big Lakes County took over ownership of the High Prairie Aerodrome located 2km south of the Town of High Prairie. This Aerodrome is also a Self-Register Aerodrome.



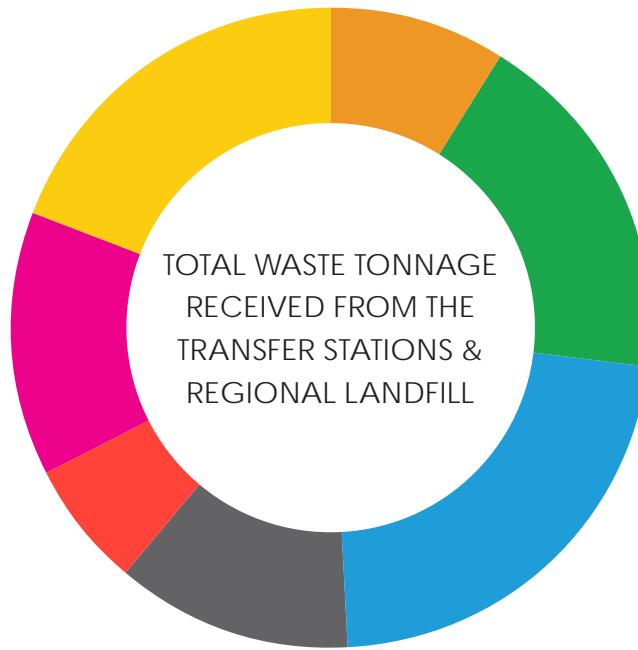


WASTE MANAGEMENT

Public Works administers Waste Management, which includes a Regional Landfill and seven Waste Transfer Stations with a full time Landfill Manager to accept your waste and recycling. In 2019, the Gilwood Transfer Station was upgraded to a manned site.

The Landfill Manager reports to the High Prairie & District Regional Solid Waste Management Authority and the Director of Public Works, and ensures that the policies and objectives of the Waste Authority are implemented.

The total tonnage received from all Transfer Stations, including the Regional Landfill in 2019 = **8,589.42**



- Banana Belt ■ Enilda ■ Gilwood ■ Grouard ■ Heart River ■ Joussard ■ Faust & Kinuso

RECYCLING

Currently, there are recycling bins available to our residents in all Hamlets, as well as the ones located in High Prairie.

From there, GFL Environmental Inc. picks up our recyclable material and ships it to a facility in Edmonton where everything gets sorted and baled. By separating our recyclable material into bins, we make the sorting a bit easier on the back end.

Once a full truck load of each sorted and baled material is ready, they are shipped off to end markets and processed into new raw materials.



UTILITIES

The Utility department administers water and wastewater services to five hamlets, nine rural areas, one water co-op and two First Nations.

The department has nine full time staff consisting of the Director of Public Works, Utilities Manager, Utilities Foremen/Operator, Utilities Coordinator, and five full time Utilities Operators.

In 2019, the County assumed ownership of the Kinuso Rural Water Co-op.

MAJOR PROJECTS THAT WERE COMPLETED IN 2019

- › Grouard Reservoir Expansion
- › Enilda Reservoir Expansion
- › Kinuso Reservoir and Pump Station
- › Upgrades to all the Hamlet Truck Fill Stations

REMAINING 2019 INFRASTRUCTURE PROJECTS ARE STILL IN VARIOUS STAGES OF COMPLETION

- › Joussard Water Treatment Plant & Reservoir Expansion (near completion)
- › Triangle Area Water Extension (design stage)
- › Prairie Echo Waterline Expansion (design stage)
- › Grouard Water (conceptual design stage)

2019 REVIEW

- | | |
|--|--|
| <ul style="list-style-type: none"> › 10 curb stop repairs › 3 water mainline repairs › 1 sewer line repairs › 8 flush point installed/replaced › 254 meter installations/replacements | <ul style="list-style-type: none"> › 10 rural Installations › 14kms of sewer mains flushed › 9 lift stations cleaned › 500+ water samples taken from 11 systems › 110 fire hydrants flushed and inspected twice |
|--|--|

AGRICULTURAL SERVICES

Big Lakes County Agricultural Services aims to improve and support the economic viability and vibrancy of the agricultural industry within our County. This is done through the implementation of Agricultural Service Board programs and priorities, participation in provincial agricultural surveys, support and delivery of sustainable agriculture education, collaboration through extension organizations, and meeting municipal responsibilities of the following provincial acts: *Weed Control Act, Agricultural Pest Act, and Soil Conservation Act.*

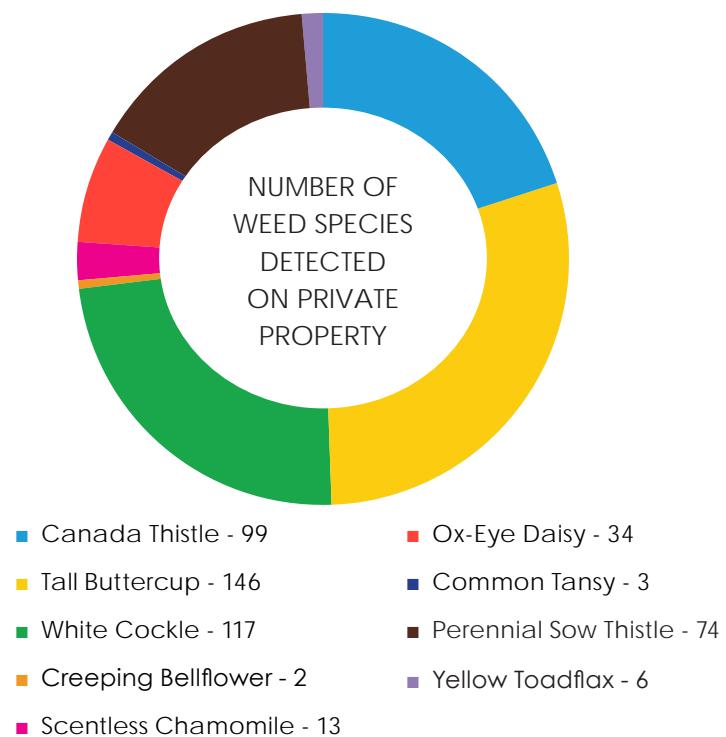
The County conducts agricultural pest surveys annually for fusarium, clubroot, virulent blackleg, and grasshopper. In 2019, 254 canola fields were checked for clubroot with three positive findings. While this is good news, please scout your fields for clubroot as we cannot control it if we are unaware of it. As well 50 fields were surveyed for fusarium and although no incidence were found, we encourage producers to be diligent in monitoring for this disease. Test your seed prior to planting and monitor your fields for signs of fusarium.

Additionally, Big Lakes County participated in the provincial pea leaf weevil, pea root rot, peace regional clubroot spore surveillance initiative, and bertha armyworm surveys. These surveys contribute to ensuring the County can recognize issues early, protecting market access for our producers.

In 2019, a substantial portion of the CN Rail line through the County was controlled for weeds. We look forward to continuing this progress with CN in the coming years.

We thank our residents for dealing with their weed infestations diligently - weeds are everyone's concern, and it takes a team effort to get them under control. In 2019, a 26% reduction in the occurrence of weed infestations was recorded. Of the 494 private land infestations, 130 files have been closed with two years of no re-occurrence. This is an incredible step towards ensuring our fields are agriculturally productive and aesthetically pleasing.

The Agricultural Service Board is focused on providing quality services and assistance to our ratepayers. The following programs were administered in 2019: vegetative control, spray exemption program, pest management, agricultural equipment rental program, weed and pest inspection, identification services, shelterbelt program, veterinary services incorporated, and wolf hunting incentive.





MESSAGE FROM THE AGRICULTURAL SERVICE BOARD CHAIRMAN

As we look back on a roller coaster year, as usual, our agriculture producers were very resilient. Seeding and germination went well. Hay crops were slow; mother nature kept us on our toes. Summer and fall caused a lot of stress by drowned out crops and poor-quality hay. Rail strikes, blockades, and feedlots reluctant to place calves because of so much mud were other obstacles.

In January, our Agricultural Service Board convention in Calgary was very productive. In February, on behalf of the Economic Development Authority, a trip to Dubai took place. Promoting our County was a success and is ongoing. The spring zone meeting, semi-annual meetings, and the fall zone meeting have kept us busy.

Funding for the year was up in the air due to the upcoming election and having to make some last-minute budget adjustments.

Throughout the year, Sheila Kaus, Agricultural Fieldman was very busy with weed control in the Hamlets, the Town of Swan Hills, and the Town of High Prairie. In 2019, 2200km of roadside spraying, plus an additional 618km of highway

spraying, was also achieved. Field inspections for clubroot, blackleg, pea-leaf weevil, fusarium, and grasshoppers, kept the staff extremely busy.

The County hosted numerous successful extension workshops throughout the year, such as the Shelterbelt Program, Clubroot Update, and an Invasive Species Workshop.

Ms. Kaus' achievements and passion for her work are outstanding and ongoing. I cannot stress enough how important her role is for the sustainability of Agriculture. The hours she spends are crucial to the health of our industry.

As Chair of the Agricultural Service Board, I would like to thank my fellow board members, past and present, for their dedication. The decisions that we make are essential to the health and wealth of our County. A huge thank you to the Big Lakes County Council for your support.

Doug Meneice
Agricultural Service Board Chairman



FIRE SERVICES

Big Lakes County Fire Services has 67 dedicated volunteer firefighters that are stationed out of the Enilda, Grouard, Joussard, Faust, and Kinuso Fire Districts. The Fire Departments in the Town of Swan Hills and the Town of High Prairie also assist the County and are responsible for the geographic area directly adjacent to their respective boundaries. Together they provide an effective and efficient response for all Big Lakes County residents.

In 2019, Big Lakes County, the Town of High Prairie, and the Town of Swan Hills Fire Services attended a wide variety of calls that saw 176 emergency responses. See graph below.

In February, Fire Services held an inaugural Awards Banquet for its service members. In total, 13 medals and 22 service bars were given to firefighters for their 5 to 40 years of service.

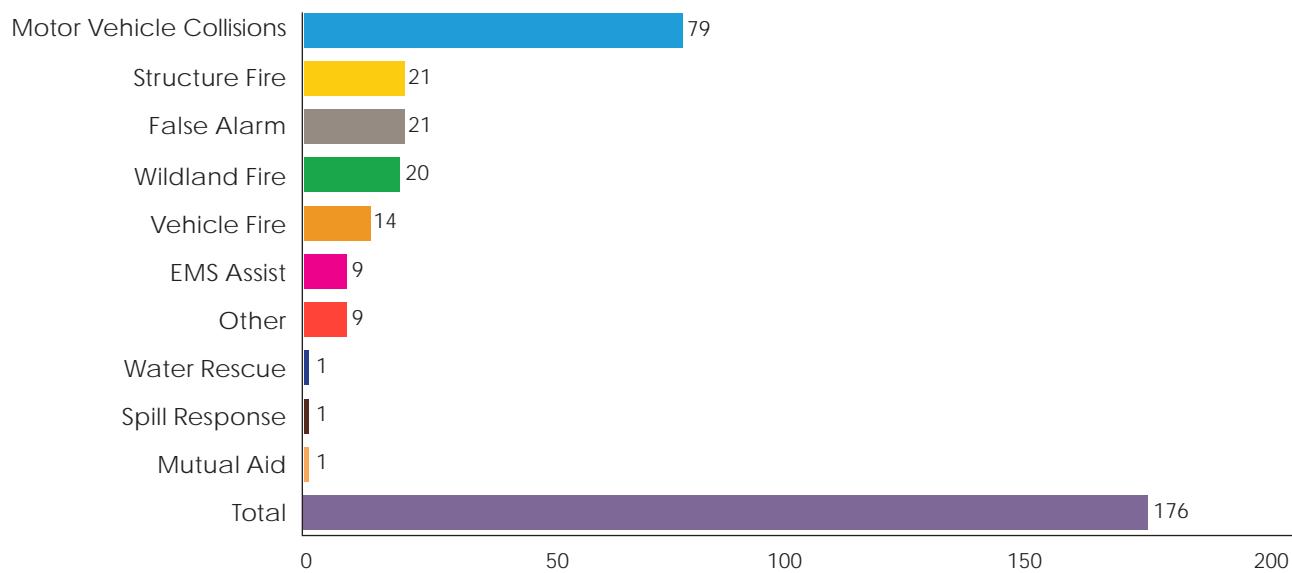
In 2019, Fire Services joined the Alberta First Responder Radio Communication System, which is a reliant, effective, and efficient communications system that is maintained by the province.

As part of the Medical First Responder program, Fire Services was given the approval to respond to Fire Response Codes, EMS, and cardiac calls within the Hamlets. The County has also been working closely with Alberta Health Services (AHS) to provide First Aid training for our members. AHS has since provided trauma bags at no cost to the County and has committed to restocking the supplies as needed.

This year, we focused on training and certification for all County firefighters. We had nine firefighters certified in National Fire Protection Association (NFPA) 1001 Level I & II training. Currently, our focus is to ensure our training program follows the NFPA requirements for 1001, which is a nationally recognized program. The goal is to have 80% of our firefighters trained to this standard by 2023.

Fire Services is committed to ensuring the safety of all County residents and we're dedicated to enhancing our firefighters knowledge and capabilities for the future. We are looking forward to another year of growth in 2020.

EMERGENCY RESPONSE CALLS





ECONOMIC DEVELOPMENT

The Big Lakes County Economic Development Authority (EDA) entered its fourth year in 2019. The committee includes Councillor Robert Nygaard (Chair), Deputy Reeve Ken Matthew, and Councillor Don Charrois. In 2019, Lisa Baroldi continued to serve as the EDA's contracted executive director, while Joyce Stokes was its contracted business resources advisor. Activities were partially funded by \$215,000 in provincial government grants.

From 2016 to 2019, Alberta was in an economic downturn. During this time, Big Lakes County still saw investments and job creation, particularly in forestry.

\$165M

In major private sector investments

\$26.7M

In public sector investments
(grants) *\$26,672,906

284

Estimated quality jobs created/saved

In 2019, at least \$28 million in known public and private investments were made for generating geothermal power, seeking alternative crops, creating a rural digital economy, and improving the visitor experience to encourage more spending in the local economy.

2019 MILESTONES

The EDA focused on increasing our capacity to support more local businesses and bring together partners to make progress in four sectors: tourism, agriculture, information and communications technology (ICT), and energy. In 2019 The EDA:

- › Tripled our annual capacity to support local businesses
- › 247 businesses and organizations received support in the form of information, introductions, advice, guidance, tools and resources, and participation in events. The per sector breakdown is 8% construction, 14% agriculture, 1% health, 4% transportation, 1% education, 21% retail, 23% tourism, 1% forestry, 2% ICT, 25% energy. With our support, we can confidently say that 7 existing businesses remained open another year, 10 existing businesses grew, and 11 new businesses started.
- › 84 known jobs created or saved by the companies the EDA helped
- › 42 communities in North West Alberta either partnered with the EDA, supported us, or benefited from our work
- › 6 new formal partnerships formed
- › 80 small businesses were surveyed and follow up tools and resources were sent to each
- › 31 red flag businesses were offered support
- › 19 green flag businesses were offered support
- › 2 other projects: The Small Business Website project in partnership with GoDaddy and a project concept called Next Generation Labour Project with Tolko Industries Inc. and Alberta Labour
- › 5 small businesses made their own websites with our support and more than \$4,700 of in-kind investment from GoDaddy

AGRICULTURE: CROP & MARKET DIVERSIFICATION

February: Local farmers face shrinking margins, crop disease, rapid technology changes, trade disputes, and other issues. To address some of these issues, the EDA tapped into its exclusive networks to coordinate a crop and market diversification trade mission to Gulfood in Dubai, United Arab Emirates (UAE). The EDA and three local producers gathered invaluable market intelligence by attending the show and meetings arranged by the Canada-UAE Business Council.

April and September: The Big Lakes County Dubai delegation presented its findings to the Agricultural Service Board in April. In September, they presented to the Peace Region Economic Development Alliance (PREDA) when Big Lakes County and PREDA co-hosted an agriculture symposium for more than 50 people. Carlo Dade, from the Canada West Foundation spoke at the symposium and toured white wheat and fava bean test crops. Samples from those crops have since been sent to buyers in Dubai for feedback. Big Lakes and PREDA also entered into a partnership to work more collaboratively on international market opportunities in 2020 and 2021.

September: The EDA and the Agricultural Service Board continue to explore alternative crops such as oats, white wheat, fava beans, and hemp. Transportation and logistics remain hurdles that we are working with industry and governments to address.

TOURISM: IMPROVING THE VISITOR EXPERIENCE

April: In tourism, the EDA's milestone project was completing a Visitor Friendly Assessment (VFA) of Big Lakes County, the Town of High Prairie, the Town of Swan Hills, and some of the First Nations and Métis Settlements along Highway 2. The VFA, which was partially funded by the Government of Alberta grant award from 2018,

TOURISM: CONTINUED

was conducted by expert “mystery tourists” and provided scores in five key areas: visual appeal (42%), wayfinding and signage (46%), public services and visitor amenities (58%), quality of service (68%), and visitor information (38%).

The highest scores were in quality service and public services and visitor amenities. Big Lakes County stood out for being very friendly and helpful. Our lowest scores were in signage and wayfinding, visitor information services, and visual appeal. An action plan will be implemented with continued industry input to bring all five scores to 75% over the next two years. Partnerships are underway with the Town of High Prairie, Town of Swan Hills, M.D of Smoky River, and other communities in the area.

ENERGY: IMPROVING COMMUNICATIONS

October: The EDA followed through with an action item from the 2017 energy sector tour to host an Energy Sector Appreciation Reception in Calgary. The reception allowed council and staff to thank energy companies for their contributions to the local economy over the years, and to discuss approaches to current challenges in the industry.

Big Lakes County has some of the highest geothermal energy capacity in the province. In 2019, energy companies announced investments into geothermal power generation projects within or near the county limits. One project within Big Lakes County received \$7 million in federal and provincial funding. The company announced that they would invest another \$15 to \$20 million to establish what could be Canada's first co-produced geothermal electricity project (between 3 to 5 MW) using active oil and gas operations.

DIGITAL ECONOMY: BUSINESS REQUIRES DIGITAL INFRASTRUCTURE & SKILLS

March: The EDA partnered with USA-based website company, GoDaddy, to give local companies access to a free one-year website hosting and an easy-to-use website builder. The unique pilot project was GoDaddy's first in North America. According to the Business Development Bank of Canada, digitally mature companies have higher sales, higher profits, and are more likely to export and innovate. Unfortunately, many small businesses with fewer than five employees miss out on attracting customers and talent because they do not have a strong online presence.

September: The County's broadband project continued into 2019. This year, we hosted an American expert, Roberto Gallardo to help bridge the rural-urban digital divide and gained access to new tools and insights. The EDA also partnered with Northern Lakes College to host a broadband regional information sharing session. We also established a Linked-In group for Northern Alberta to share information and best practices and stay connected to advocate for more digital capacity in northern communities.

NEXT STEPS

November: The EDA applied for its third Government of Alberta CARES grant for 2020 - 2021 funding and Peace Region Economic Development Alliance (PREDA) funding. If successful, the funding will go towards supporting a project to accelerate growth in tourism and agriculture specifically, while the EDA continues to support high-potential opportunities and businesses in all sectors.

“Many thanks to Big Lakes County for inviting Razor to their Energy Sector Appreciation Reception in Calgary. Nice to see a County that understands the needs of their constituents and taking a new approach to local economic development. We look forward to future positive relations and collaboration as Razor develops our South Swan Hills Geothermal Power Project.” – Razor Energy



PLANNING & DEVELOPMENT

Planning & Development is a diverse department here at Big Lakes County. It combines many different sectors and professions to improve our communities and to help build a better future. Together we strive to make a difference in our communities today and tomorrow.



In 2019, the Planning and Development department consisted of the following staff: Director of Planning & Development, Development Officer, Animal Control Officer/Safety Coordinator, Bylaw Enforcement Officer, Administrative Support, and the Family & Community Support Services Program (FCSS). FCSS is made up of the FCSS Manager, three FCSS Outreach Workers, Administrative Support, contracted Home Support and Youth Program Workers, and a Bus Driver.

The Planning and Development component administers the County's statutory planning documents such as the Municipal Development Plan, Land Use Bylaw, and Area Structure Plans. The department is also responsible for providing recommendations to the Subdivision & Development Authority (Municipal Planning Commission) and Council on applications such as development permits, subdivision approvals, and Land Use Bylaw amendments.

When seeking subdivision or development approval, our department must ensure that you have a suitable building site, adequate water and mechanisms to dispose of waste. The *Municipal Government Act* (MGA) provides direction on many aspects of planning and development, and all of our policies, bylaws, and procedures must comply with the legislation within the MGA.

The economic climate of 2019 is reflected in the residential development permit statistics. Residential development permits were the lowest since 2014. Consequently, the estimated value of residential development was the lowest we have seen since 2011. On the other hand, commercial growth was considerably higher in 2019 in value and number of permits than it was in 2018. In 2019, while slightly less in permit numbers, the value of industrial development

in 2019 was the highest we have seen in many years. This can be attributed to Razor Energy Ltd.'s geothermal power plant valued at \$40 million. While overall, there was a decrease in development permit numbers, the value of development permits issued in 2019 was much higher than in previous years.

Residential Development by Number of Permit Applications

	2016	2017	2018	2019
Single Family				
Dwellings*	48	51	31	14
Manufactured				
Homes	15	14	20	14
Cabins**	5	11	8	4
Garages	12	10	10	8
Other (decks, sheds)	24	33	47	56
Total	104	119	116	96

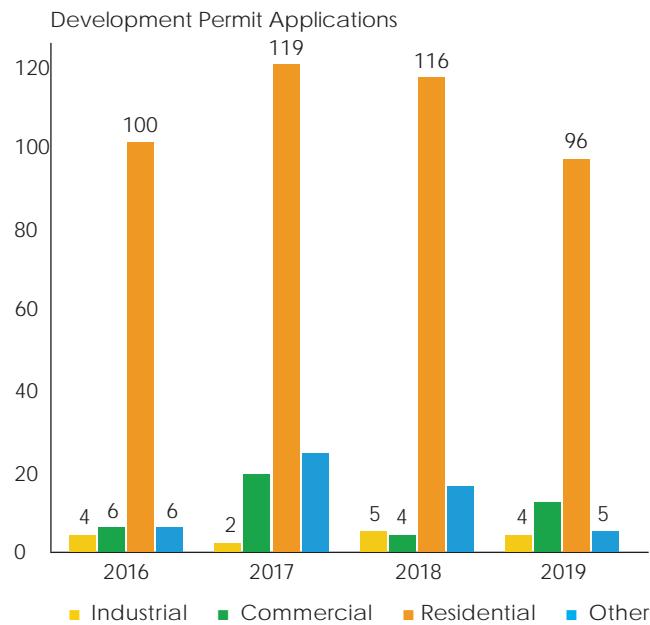
*Includes additions

**Cabin is a dwelling (not single detached) used as a temporary residence (until May 2017 had a maximum square footage of 600 sq. ft.)

Development Application by Construction Value

	2016	2017	2018	2019
Industrial	220,000	90,000	2,125,000	40,100,000
Commercial	673,410	435,770	55,000	1,368,000
Residential**	14,245,365	16,015,550	11,751,940	7,298,275
Other*	490,000	5,038,950	11,321,000	741,500
Total	15,628,775	21,580,270	25,252,940	49,407,775

*Other – Public use/institutional facilities, shops, signs, wind turbines, hangar, propane storage (not for sale), family campground, water reservoir, and water treatment plant. The spike in industrial construction value in 2017 was a result of the Kinuso Water Reservoir & Pump Station/Truck Fill and shop at High Prairie Airport; 2018 the spike was due to Joussard Water Treatment Facility.



Subdivision applications were slightly higher in 2019 over the previous year due to the County's subdivision project, which accounted for the five hamlet subdivisions. There were 16 subdivision applications for rural acreages in 2019. By year-end, 23 new rural lots in the County were registered at the Alberta Land Titles Office.

The County contracts Superior Safety Codes Inc. to review and process building, electrical, gas, plumbing, and private sewage disposal permit applications, issue these safety codes permits, and inspect the work completed within the County. This agency also provides code advice and consultations, conducts investigations in conjunction with various local and provincial regulatory agencies, and investigates safety codes related complaints.

In 2019, we commenced a new project in the Hamlet of Grouard to close unnecessary rights-of-way for consolidation with adjacent properties and subdivide and/or consolidate County-owned surplus lands to create larger parcels. Five large parcels were created. It was a busy year in the department for Intermunicipal Development Plans (IDP). We completed three IDP's with our neighbours - the Town of High Prairie, M.D. of Greenview, and the M.D. of Smoky River. Numerous public open houses and workshops were held, giving residents opportunities to provide their input. The adopted plans can be found on the County's website.

At long last, our history book project "In Our Own Words, Hard Times & Good Times in Big Lakes County" was published with grant funding from the Alberta Historical Resources Foundation. Three successful book launch events were held in December, and many copies of the book have been sold.

Subdivision Applications

	2016	2017	2018	2019
Urban (Hamlet)	3	1	0	5
Rural	12	17	18	16
Rural Multi-Lot	5	0	0	0
Bareland				
Condominium	2	1	0	0
Total	22	19	18	21

Completed Subdivisions by Number of Lots

	2016	2017	2018	2019
Urban (Hamlet)	2	2	0	0
Rural	4	8	21	20
Rural Multi-lot	3	3	0	3
Bareland				
Condominium	0	2	0	0
Total	9	15	21	23

BYLAW ENFORCEMENT

The Bylaw Enforcement Officer enforces County bylaws that have been implemented by the Big Lakes County Council.

Where ratepayer's activities or property conditions don't meet acceptable County standards, the Bylaw Enforcement Officer provides education, warnings, inspections, and applies penalties if need be. Bylaw Enforcement works with ratepayers in all areas of the County to ensure that basic community standards are maintained to a reasonable level.

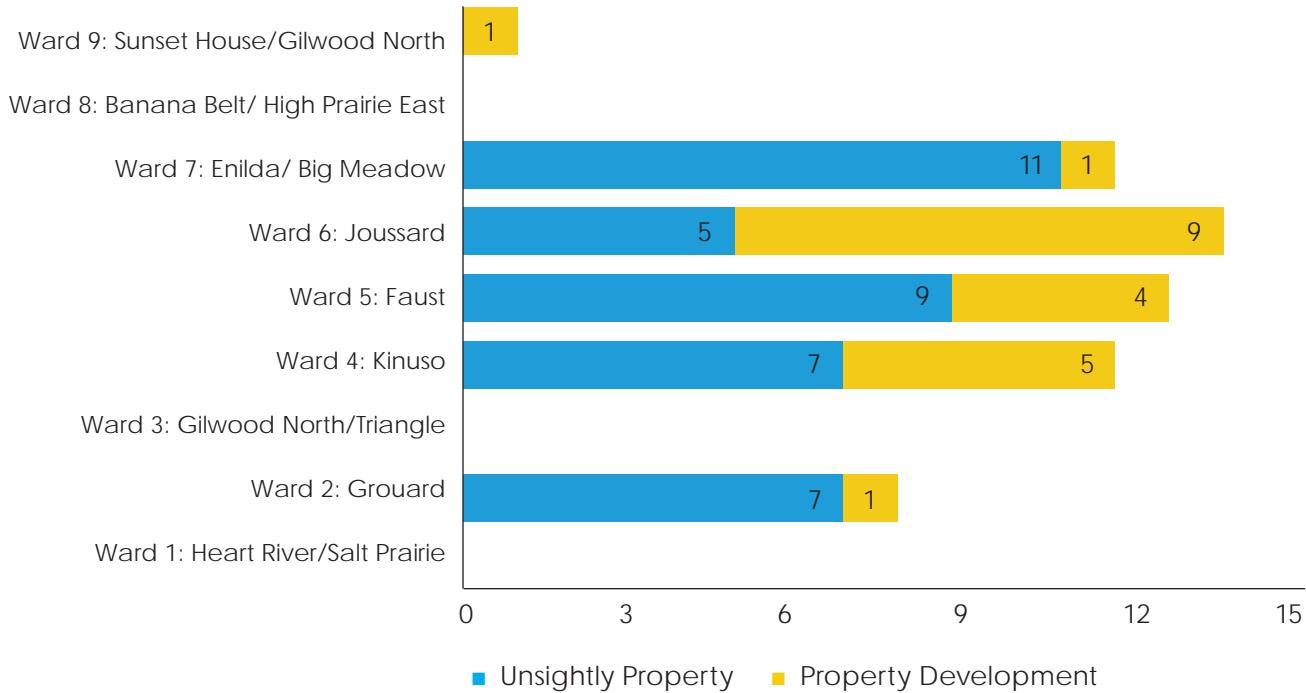
The Bylaw Enforcement Officer is responsible for enforcing bylaws to deal with common complaints such as:

1. Unsightly Properties in hamlets and country residential subdivisions, which can include uncut long grass and or weeds, garbage

storage, the presence of wrecked and or dismantled vehicles, including vehicles that are inoperable and or not registered and insured on the ratepayers properties.
BYLAW NO. 06-2019

2. Recreational vehicle parking in the hamlets. One RV can be stored on a ratepayer's property and additional RV's shall require a development permit. LAND USE BYLAW SECTION 6.34
3. Development permits are required for all new development. This includes new accessory buildings/structures such as a shed (larger than 107.6 square feet in size), sea can or deck. Farm buildings, such as barns and granaries, and most agricultural operations are exempt from requiring a development permit. LAND USE BYLAW SECTION 3.1,3.2, AND 6.1.

TYPES OF FILES GENERATED PER WARD



ANIMAL CARE & CONTROL

Big Lakes County's Animal Care & Control program serves the community through enforcement of the Animal Control Bylaw as well as the Livestock Bylaw. This typically means responding to complaints about animals that are at-large, being neglected or abandoned, nuisance animals, and sometimes dangerous animals. Animal Care & Control also assists residents in identifying the best animal husbandry practices and assists residents with problems they may be experiencing with their pets.

TYPES OF CASES HANDLED IN 2019

DOG

	Other	
Abandoned Dogs		  
Animal Cruelty		
Nuisance Barking		 
Dog Bite - Human		 
Dog Bite - Domestic Animal		    
Animal Neglect		    
Surrendered Animal		    
Animal At Large		                                 

Nearly 70 case files were opened and resolved in 2019, which resulted in almost 60 dogs being picked up by officers. In 2019, we focused on reconnecting owners to their pets, and we saw an increase in the return to owner rate from 15.6% in 2018 to 26.8% in 2019. We plan to continue this trend into 2020.

The Big Lakes County website now showcases an "Animals in our Care" page which includes

pictures and details of dogs that are in the Animal Care Facility to help residents reconnect with their lost pets.

In 2019, our most significant accomplishment was building the new Animal Care Facility. This facility features 12 pens, a quarantine room, and a washroom/supply room. The new facility allows Big Lakes County to provide a much higher level of care to the animals in terms of capacity, cleanliness, stress reduction, and safety features. The facility officially opens in 2020.



IN THE WOODS ANIMAL RESCUE SOCIETY

Big Lakes County has worked very closely with "ITWARS" over the past five years with all animals either unclaimed or surrendered being brought to this wonderful not-for-profit organization. The animals are then spayed or neutered, micro-chipped, receive vaccinations, and are adopted to approved homes. What a wonderful resource to have near our community!



FAMILY & COMMUNITY SUPPORT SERVICES

Big Lakes FCSS is a partnership between the Province of Alberta, Big Lakes County, and the Town of High Prairie. Provincially, FCSS is mandated to provide preventative social services under the Alberta FCSS legislation.

In 2019, the FCSS Outreach staff assisted residents 4,097 times. This assistance was provided through their six offices located throughout the County. Outreach staff provided confidential and free assistance in completing government paperwork, referrals to other agencies, preparing income tax returns, and so much more.

COMMUNITY INCOME TAX PROGRAM (CVITP)

By providing services to low-income residents under the CVITP, FCSS has helped ensure that over \$2 million per year comes into the community. This includes federal income supplements, working income tax benefits, income tax refunds, and child tax benefits. Through this program, FCSS can also ensure that seniors are receiving proper support.

CHRISTMAS ANGELS PROGRAM

FCSS, with the continued generosity of donations and support from residents, is able to provide Christmas hampers to families in need within the County. In 2019, we provided 61 families with hampers.

YOUTH PROGRAMS, HOME SUPPORT & EVENTS

FCSS provides successful youth programs as well as home support services to residents in need, which often allows people to remain in their own homes and communities for longer. Furthermore, we host several events throughout the year on behalf of the Province of Alberta, Big Lakes County, and the Town of High Prairie. Events include volunteer appreciation, Family Day, and Seniors Week.

RURAL TRANSPORTATION PROGRAM

In April 2019, the Big Lakes Rural Public Transportation Program began. This service provides transportation to any County resident on a first-come-first-served basis; however, medical trips receive priority.



CORPORATE SERVICES

Big Lakes County's Corporate Services department provides supports to residents and ratepayers as well as other departments within the County. Corporate Services includes Financial Services, Taxation, Geographic Information Systems, Information Technology, Grants, and Sustainability Projects.



SUSTAINABILITY

The Sustainability Officer was a grant funded position in 2019 and works to reduce the County's emissions as well as promote environmental sustainability in the County. 2019 was a busy year for the department who completed milestones 1 and 2 of the Partners for Climate Protection program (PCP) as well as oversaw the beginning stages of a large solar project to offset nearly 100% energy use from the county office and public works shop.

PCP PROGRAM

The PCP program was created by the Federation of Canadian Municipalities in 1994 with the aim of helping municipalities reduce their greenhouse gas (GHG) emissions. The PCP program is made up of 5 milestones and currently over 350 Canadian municipalities have joined the program.

Milestone 1: Complete a GHG emissions inventory and forecast

- › Completed July 8 2019
- › Emissions 3,410.78 tonnes of CO₂ equivalent

Milestone 2: Set a GHG reduction target

- › Completed August 28 2019
- › Target of 25% below 2018 emissions levels by 2028
- › Did you know? Only 14 Alberta municipalities have reached or passed Milestone 2 of the PCP program since 1994?

Milestone 3: Develop a local action plan

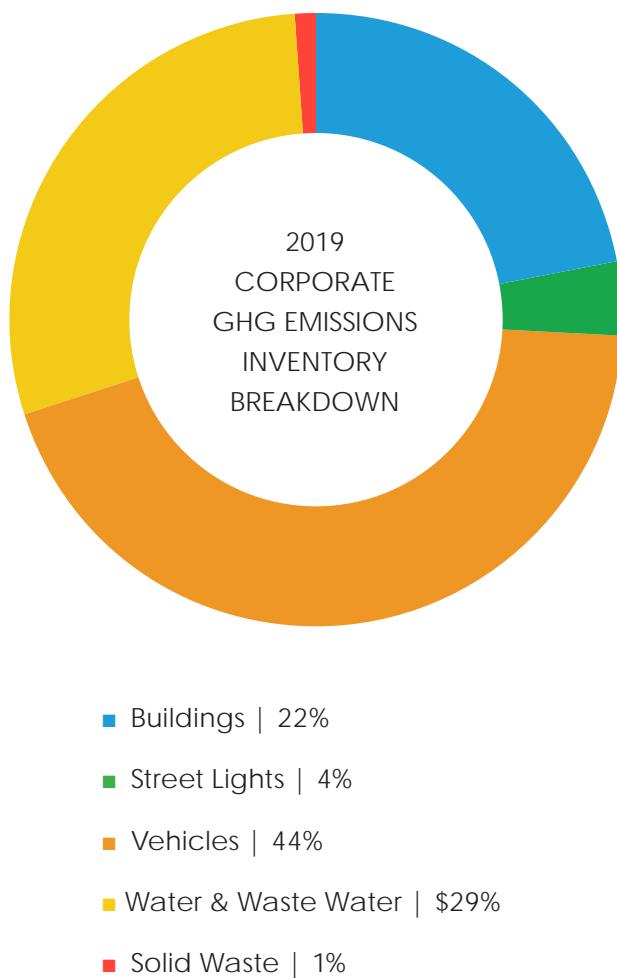
- › Pending

Milestone 4: Implement the local action plan

Milestone 5: Monitor progress and report results

CARBON EMISSIONS SOURCES

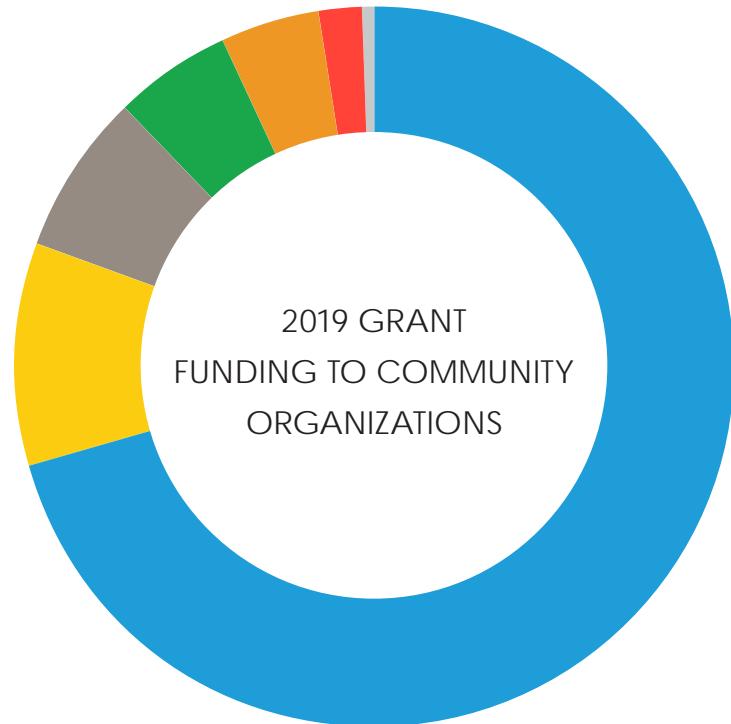
The emissions inventory is made up of 5 sectors which fall under municipal control. By completing a GHG inventory Big Lakes County is able to monitor emissions levels and track yearly progress towards our emissions reduction target of 25% below 2018 emissions levels by 2028. Emissions inventories are conducted at the end of the year when all data is available and are therefore published 1 year in lieu.



GRANTS

The Grants department is responsible for both grants where the County distributes funding to local community groups and non-profit organizations, as well as grants where the County receives funding from other levels of government for capital projects and other initiatives.

- Recreation | \$964,890
- Community Halls | \$138,027
- Museums | \$95,000
- Community Capital Projects | \$74,489
- Events & Sponsorships | \$59,650
- Seniors Grants | \$26,500
- Other | \$6,000



Local Non-Profit Support

In 2019, Big Lakes County supported our community organizations with a total of \$1,364,566 in grant funds. These funds were given to community organizations to increase the amount availability of social, physical and educational opportunities for our residents.

Our various grant programs support community organizations and benefit residents by subsidizing community halls' annual operating expenses to make their facilities more accessible, supporting cultural and recreation opportunities for residents, increasing access to historic and educational services, repairing or improving their facilities to create a safer or more enjoyable spaces, and by supporting local events and initiatives that benefit our residents.

GRANTS AWARDED TO THE COUNTY

Big Lakes County strives to provide high quality services to our ratepayers at the lowest cost possible. That's why we actively seek grant funding opportunities that allow us to pursue projects and new initiatives at a reduced cost to our ratepayers.

The Big Lakes County Grants Department assisted in grant application submissions, securing new funding in the amount of \$570,887. Additionally, Big Lakes County received \$1,117,872 in MSI funding and \$463,642 in Gas Tax Fund funding. Some of the notable grants awarded in 2019 include:

EMERGENCY MANAGEMENT PREPAREDNESS PROGRAM (EMPP)

EMPP serves a vital function within the County. A one-time payment of \$5,000 was made to the County for table-top exercises meant to test the newly revised emergency resource plan, ensuring that staff have a greater understanding of their roles and responsibilities in the event of hazard or disaster.

FEDERATION OF CANADIAN MUNICIPALITIES

Municipalities for Climate Change Innovation: MCIP – Sustainability Officer Big Lakes County was selected to partake in the two year, MCIP program. Contributing \$107,200 towards Green House Gas (GHG) emission reduction, the Sustainability Office engages with the community and council on the creation of suitable measures for long term reduction of GHG emissions.

AGRICULTURAL SERVICE BOARD

As part of a three-year program, Big Lakes County partnered with Peace Country Beef and Forage Association and the Lesser Slave Lake Watershed Council to further environmental initiatives, stewardship and viable economics for producers.

MUNICIPAL ASSET MANAGEMENT PROGRAM (MAMP)

Big Lakes County was approved for funding under the MAMP. Funding provides a needs assessment, committee training and implementation of integrated software. The County aims to improve the productivity and efficiency of management systems while increasing the return on investments for a more fiscally responsible infrastructure.

WATERSHED RESILIENCY AND RESTORATION PROGRAM

Big Lakes County was selected to partake in the Alternative Land Use Program - Pilot Program for flood mitigation and critical flood-prevention work, receiving a grant for \$148,700.

ALBERTA COMMUNITY PARTNERSHIP

Municipal Internship: the County supports the growth of future municipal leaders in partnership with the ACP Municipal Internship Program. This is a two-year commitment in which administration mentors and provide hands on experience in local governments, management and supervisory training.



GEOGRAPHIC INFORMATION SERVICES

More than just mapping, this department uses specialized software to visualize data and record key locational information. In 2019 the GIS department recorded and mapped GPS coordinates for all culverts within the County in order to support inventory and maintenance planning. These maintenance plans in turn direct the work of the County for years to come. Some key projects undertaken within 2019 were:

- › Assigning and correcting residential and commercial addresses and facilitating the installation of correct signage.
- › Preliminary work for the creation of a comprehensive asset management system, which will allow for more detailed decision-making regarding the County's infrastructure and more timely investments into our infrastructure to ensure the lowest total cost of ownership. For instance, the asset management program will allow County staff to track specific lengths of water mains and provide information about composition, age, expected useful life, and expected replacement cost, which will facilitate better planning.
- › Developed both maps and online applications for field staff, including agriculture, utilities, and public works.



YOU HAVE QUESTIONS, WE HAVE ANSWERS

The Taxation department works closely with our contracted assessors to ensure that property values are properly recorded, and that taxes charged are correct. The department also manages the collection of outstanding taxes, as well as payment of requisitions collected on behalf of the Alberta School Foundation Fund and local seniors' housing foundations. Here are just a few answers to some of the questions we get asked throughout the year.

How are my taxes calculated?

Taxes are calculated based on the assessed value of your property (the assessed value is an estimate of your property's market value, or the amount that a willing buyer and willing seller would agree on). For most properties, three separate tax rates are applied to the assessed value:

- › The municipal tax levy is the rate that Big Lakes County applies to property values in order to fund County expenditures.
- › The Alberta School Foundation Fund (ASFF) is an amount that the County is required to charge property owners on behalf of Alberta Education. The amounts collected are used to fund education programming in Alberta.
- › The Seniors' Requisition is an amount that the County is required to charge property owners on behalf of local seniors' support

organizations – Heart River Housing and Barrhead and District Social Housing. The amounts collected are used to fund seniors' housing facilities.

What would cause my property assessment to change, when I have not changed anything on my property?

As properties are assessed every year based on a mass appraisal approach, market values will have an effect on the assessed value. Even though you may not have changed anything on your property, assessed values change based on the change in market values year to year.

I think my taxes are too high. What can I do?

You cannot appeal your tax rate, as tax rates are set by Big Lakes County's Council. However, you can appeal your property's assessment. Check the back of your tax notice or contact taxes@biglakescounty.ca for more information on how to file an appeal.

Why do I have to pay school taxes, when I don't have any children in school?

The Provincial Government has mandated that all municipalities will collect school taxes on behalf of the provincial government. Every property owner in the province pays school taxes, regardless of whether they have school age children or not.



FINANCIAL STATEMENT DISCUSSION & ANALYSIS

Combined with the County's consolidated financial statements, the Financial Statement Discussion and Analysis (FSD&A) section of the Annual Report is prepared by management in accordance with the principles and standards established by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada, as well as the *Municipal Government Act* and provincial and federal regulations.

The FSD&A aims to provide commentary on the past year's financial results, including a summary of the sources, allocation and use of the economic resources, while capturing significant differences between the reported year and previous year as well as budgeted and actual results.

Management has made every effort to ensure the financial statements present a fair accounting of the County's consolidated operating and capital activities for the fiscal year ended December 31, 2019. The County's financial results are recognized and reported in observation of the County's policies and bylaws, where Council provides governance and guidance to policy and bylaw changes and approval.

OPERATING REVENUES & EXPENSES

The County's revenue totaled \$29.3 million in 2019; an increase of 10.1% from the prior year. Most of the revenue that the County collects comes from property taxes, and the majority of property tax revenue is generated from linear properties as discussed below. Expenses totaled \$38.7 million in 2019, an increase of 16.7% from 2018.

■ Property taxes	79%
■ User fees & sales of goods	9%
■ Government transfers for operating.4%
■ Interest & investment income	3%
■ Oil well drilling taxes	1%
■ Other	4%



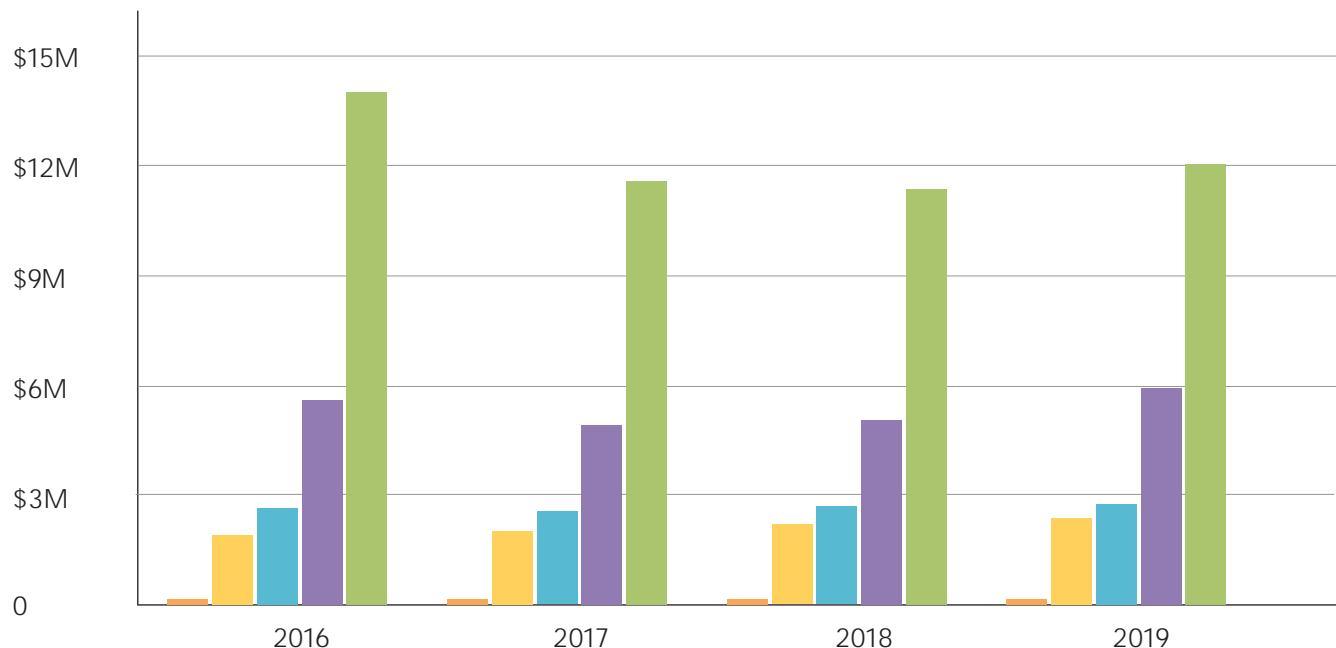


TAX REVENUE TRENDS - BY SOURCE*

Revenue from property taxes continues to comprise nearly 80% of the County's operating revenues. Taxation revenue increased by 8% in 2019 resulting from a combination of increases in the property assessment base, as well as an increase in tax rates. Most of Big Lakes County's tax revenue is generated from non-residential, machinery and equipment and linear properties, many of which are a part of the oil and gas sector. User fees and sales of goods make up another significant source of revenue; most of these amounts come from water and sewer charges. Unfortunately, revenue from penalties and costs on taxes also increased, from \$341,000 in 2018 to \$1.2 million in 2019.

TAX REVENUE TRENDS

	2016	2017	2018	2019
Farmland	\$ 151,141	\$ 151,477	\$ 153,272	\$ 158,587
Residential	1,893,852	2,002,192	2,187,042	2,354,842
Non-residential	2,649,955	2,542,760	2,682,392	2,744,312
Machinery & Equipment	5,583,914	4,918,988	5,054,900	5,935,188
Linear Properties	14,033,582	11,582,505	11,371,980	12,055,457
Total	\$24,312,444	\$21,197,922	\$21,449,586	\$23,055,457



* Tax revenues include grants received in place of taxes, but exclude requisitions for seniors and schools



ASSESSMENT & MILL RATE

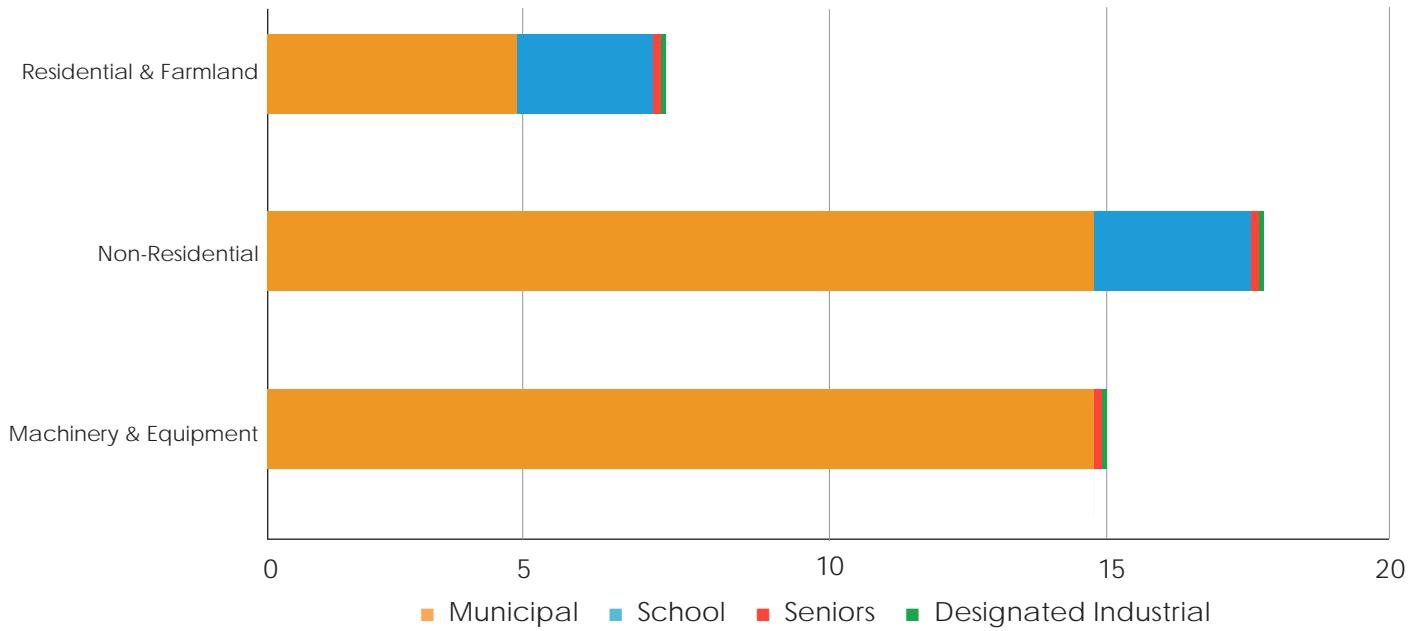
In 2019, Big Lakes County increased municipal taxes for residential and farmland properties slightly to 4.435 "mills" or an effective tax rate of 0.004435% per \$1,000 of assessed value. This means that if a property was assessed at \$100,000, the municipal taxes payable would have been \$443.50. The increase to residential and farmland properties was a 3% increase over 2018 mill rates.

Non-residential and machinery & equipment municipal tax rates increased to 14.72 mills, which represents a 1.5% increase over 2018 tax rates for these property types.

While the municipal tax rate is the only one that's controlled by Big Lake County, landowners are also charged taxes to support the Alberta School Foundation Fund (ASFF), local seniors' housing foundations, and for some specialized designated industrial properties, an additional requisition. Amounts collected for ASFF, seniors' foundations and for designated industrial properties are requisitioned by these organizations – Big Lakes County is given a dollar amount to collect, and the amount is allocated among all the assessed property value within the County.

2019 COMBINED TAX RATES

	Municipal	School	Senior	Designated Industrial	Total
Residential & Farmland	4.435	2.4331	0.1495	0.0786	7.0962
Non-residential	14.720	3.7950	0.1495	0.0786	18.7431
Machinery & Equipment	14.720	0.0000	0.1495	0.0786	14.9481



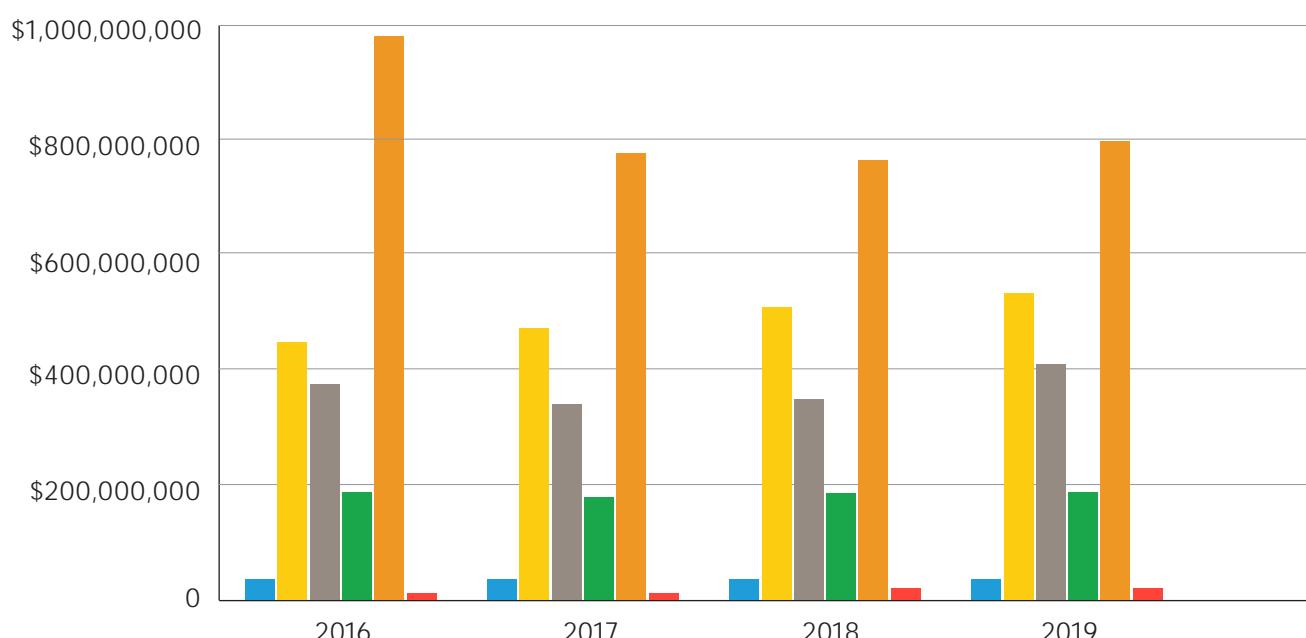


PROPERTY VALUE – TRENDS

Property values within the county continued their overall slight trend upward in 2019. In particular, linear property value (largely represented by oil and gas infrastructure) remained stable – which is of particular importance given that those properties generate a significant amount of taxes for Big Lakes County.

ASSESSED VALUES - BY PROPERTY TYPE

	2016	2017	2018	2019
■ Farmland Property	\$ 35,615,610	\$ 35,636,830	\$ 35,603,170	\$ 35,735,890
■ Residential Property	447,061,490	471,905,700	508,023,540	532,253,290
■ Machinery & Equipment	374,070,230	340,141,610	348,613,850	409,322,480
■ Non-residential	186,652,330	177,649,180	184,992,560	186,824,190
■ Linear — Regular Property	979,573,050	777,148,810	763,681,760	797,832,110
■ Linear — Power Generation	11,011,910	10,698,060	20,592,680	20,428,790
Total	\$ 2,033,984,620	\$ 1,813,180,190	\$ 1,861,507,560	\$ 1,982,396,750

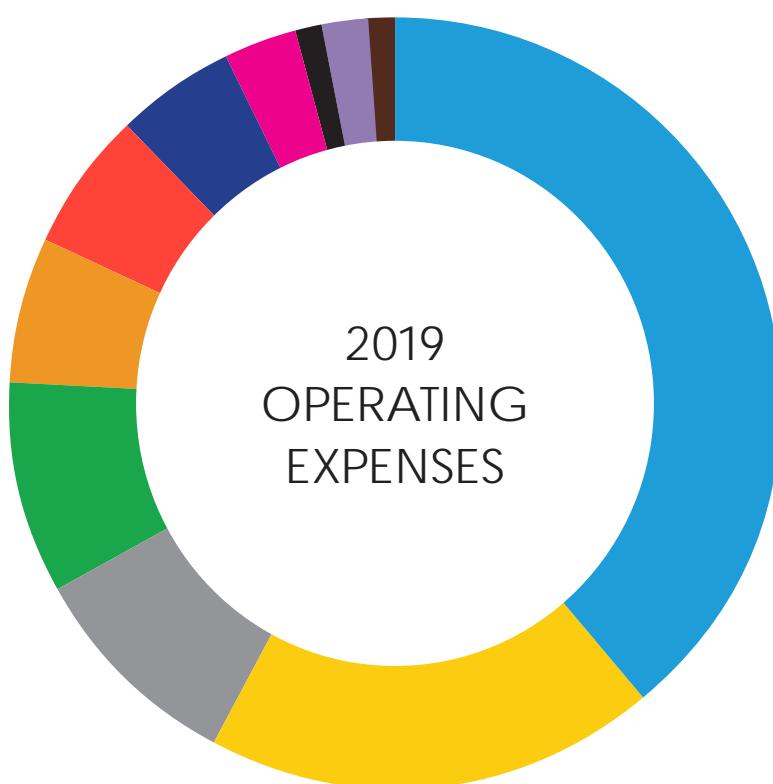




OPERATING EXPENSE COMPOSITION

Of all the services that the County provides for residents and ratepayers, transportation services come at the highest overall cost. Big Lakes County maintains 1,351 kilometres of roadways, and transportation costs include both summer and winter road maintenance, graveling, bridge inspections and maintenance, as well as clearing brush and ditches.

Other significant costs include the treatment, distribution, and management of potable water and wastewater, as well administrative services and cost-sharing agreements.



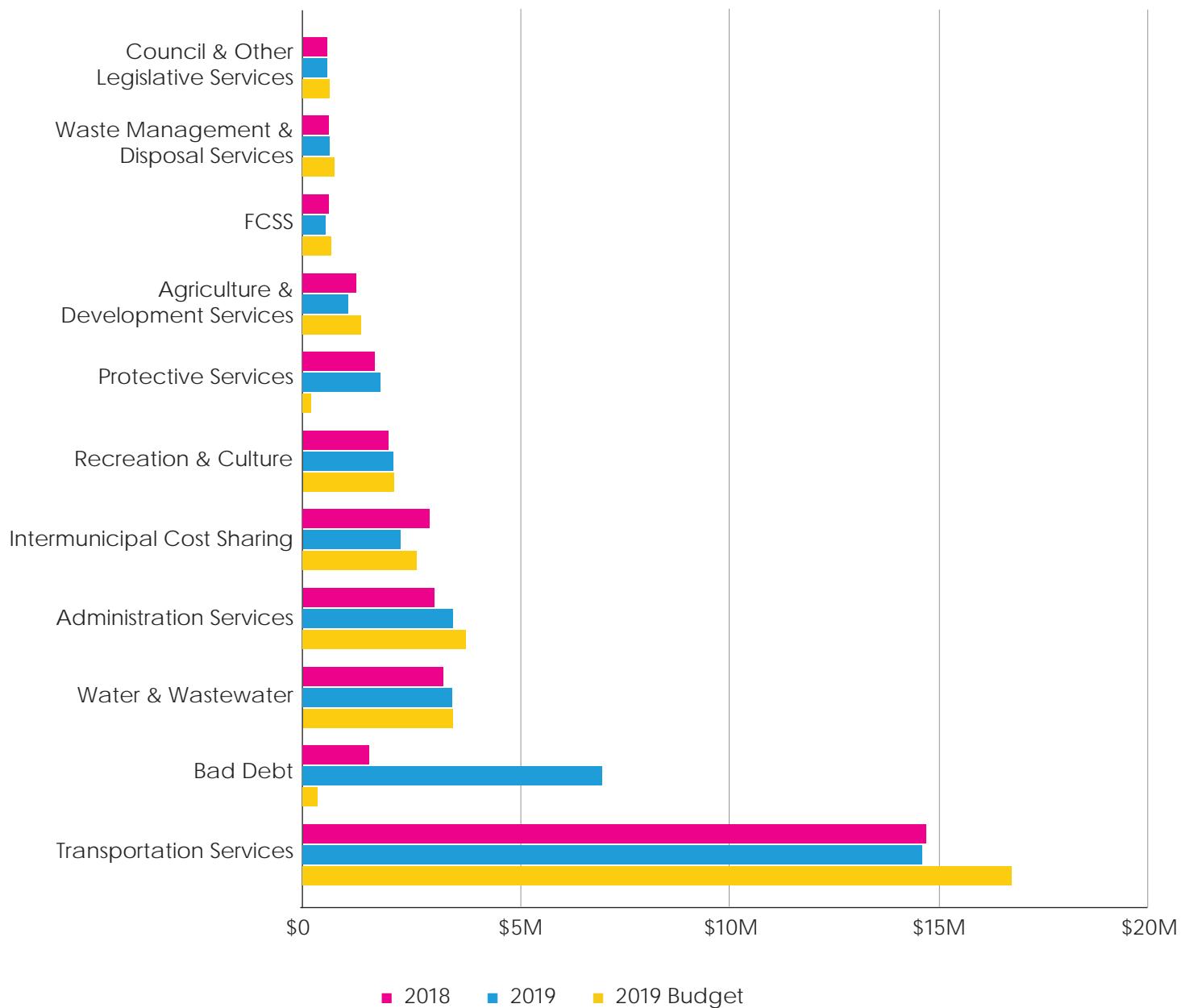
- Transportation Services 39%
- Bad Debt 19%
- Water & Wastewater 9%
- Administration Services 9%
- Intermunicipal Cost Sharing 6%
- Recreation & Culture 6%
- Protective Services 5%
- Agriculture & Development Services 3%
- FCSS 1%
- Waste Management & Disposal Services 2%
- Council & Other Legislative Services 1%



EXPENSE TRENDS

Generally, expenses in 2019 were consistent with both budgeted amounts and with the prior year. The most significant variances were that administration services came in \$6.6 million over budget due to the unexpected write-downs of taxes receivable. Despite some recovery in the oil and gas sector in 2019, many local oil companies elected not to pay their property taxes, resulting in significant penalties. This variance was partially offset by transportation services coming in \$2.1 million under budget due to wet weather delaying projects.

EXPENSE TRENDS: 2019 BUDGET VS. 2019 ACTUAL & 2018 ACTUALS





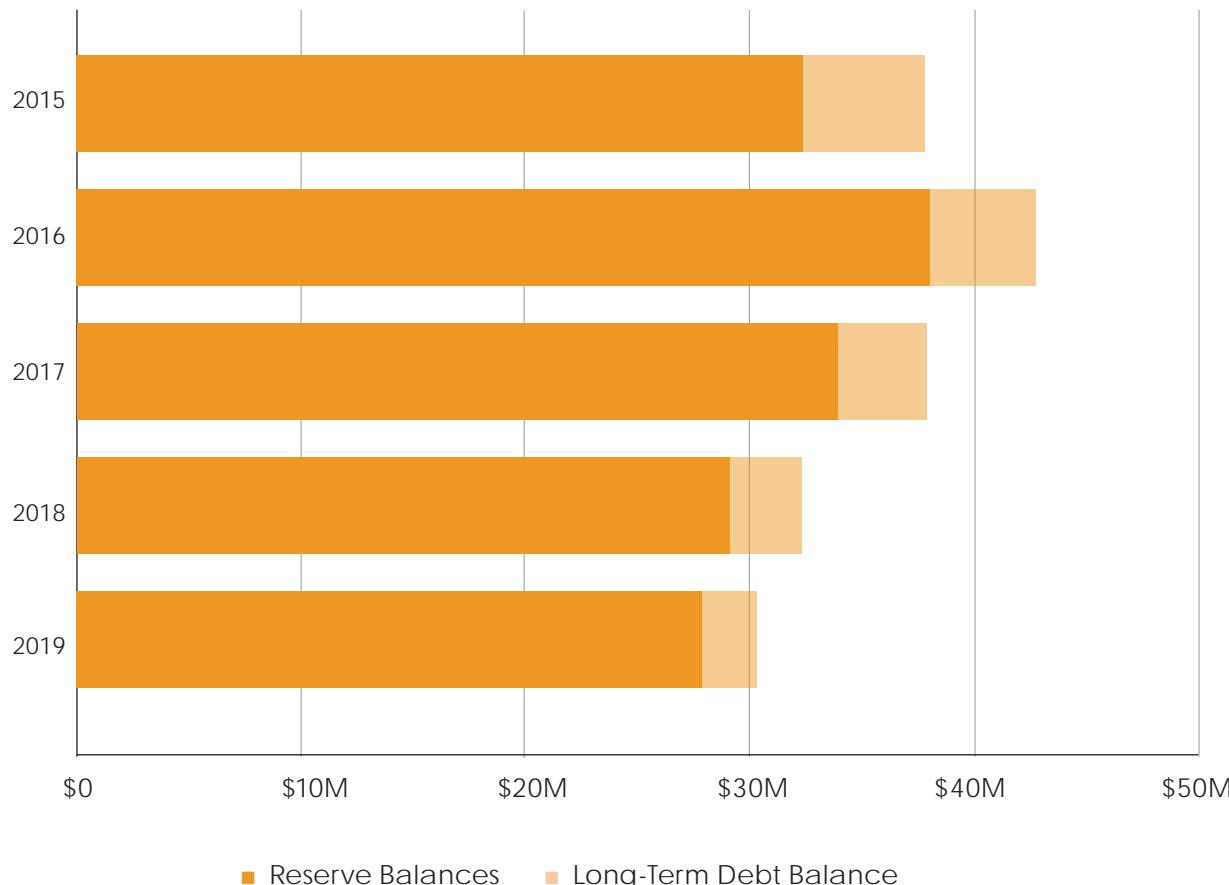
DEBT & RESERVES

While operating revenue in 2019 increased by 10.1% from 2018, expenses increased by 16.7%. These combined trends mean that the County generated a deficit of \$9.4 million before other revenue and expenses. A deficit occurs when a municipality's expenditures are greater than its revenues – it cannot bring in enough income to cover its costs. When a deficit occurs, the shortfall must be funded by either drawing funds from reserves (savings, or surplus funds from good years), or taking on debt.

Reserve funds are set aside by Council to fund specific projects or initiatives. The County continued to draw from reserves to fund both operations and capital projects in 2019, resulting in a \$10.2 million decrease from the highest reserve balances in 2016.

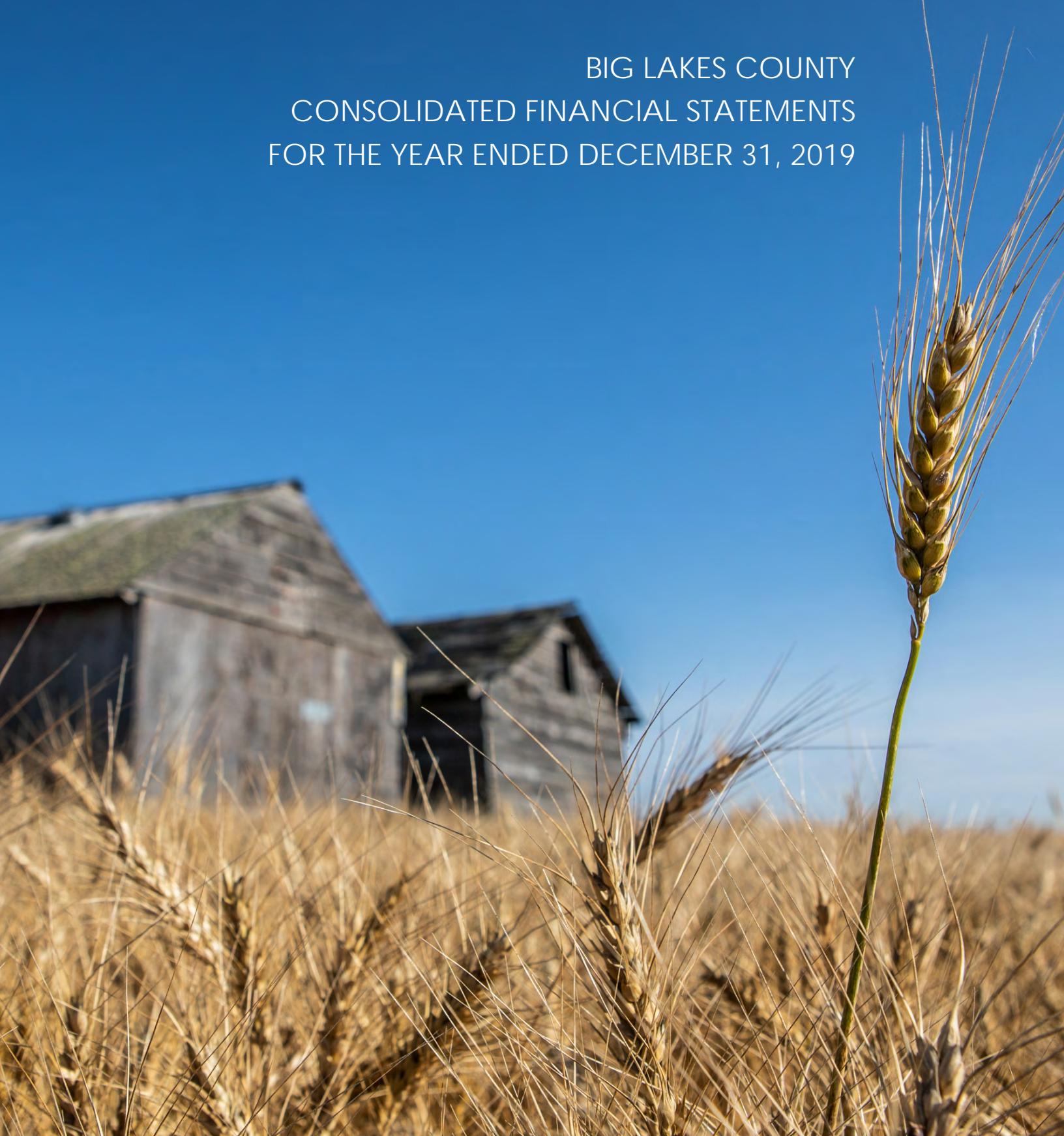
Most municipalities in Alberta borrow from the Alberta Capital Finance Authority (ACFA) when they don't have sufficient funds, particularly for larger infrastructure projects like new roads and bridges.

The Municipal Government Act regulates the amount of debt that municipalities are allowed to take on, as it is important that municipalities have the capacity to repay debt when it is due. Big Lakes County continues to carry a very low debt load, and as at December 31, 2019 has only used 5.5% of its available debt limit.





BIG LAKES COUNTY
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019



INDEPENDENT AUDITORS' REPORT

To the Reeve and Council of Big Lakes County

We have audited the accompanying consolidated financial statements of Big Lakes County (the County), which comprise the consolidated statement of financial position as at December 31, 2019, and the consolidated statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the County as at December 31, 2019, the consolidated results of its operations and accumulated surplus, changes in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditors' report.

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

In connection with our audit of the 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 Consolidated Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

METRIX GROUP LLP

Chartered Professional Accountants

May 13, 2020

Edmonton, Alberta

**MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL REPORTING**

To the Reeve and Council of Big Lakes County
High Prairie, Alberta

The integrity, relevance and comparability of the data in the accompanying consolidated financial statements are the responsibility of management.

The consolidated financial statements are prepared by management, in accordance with Canadian public sector accounting standards. They necessarily include some amounts that are based on the best estimates and judgments of management.

To assist in its responsibility, management maintains accounting, budget and other controls to provide reasonable assurance that transactions are appropriately authorized, that assets are properly accounted for and safeguarded, and that financial records are reliable for preparation of the consolidated financial statements.

Metrix Group LLP, Chartered Professional Accountants, have been appointed by the Big Lakes County Council to express an opinion on the Big Lakes County consolidated financial statements.

Original signed by _____

Jordan Panasiuk
Chief Administrative Officer

Original signed by _____

Heather Nanninga, CPA, CA
Director of Corporate Services

BIG LAKES COUNTY
Consolidated Statement of Financial Position
As at December 31, 2019

	2019	2018
FINANCIAL ASSETS		
Cash and cash equivalents (<i>Note 2</i>)	\$ 753,117	\$ 323,636
Investments (<i>Note 3</i>)	<u>30,304,322</u>	33,498,996
Receivables (<i>Note 4</i>)	<u>4,096,851</u>	12,930,937
Loan receivable (<i>Note 5</i>)	<u>85,800</u>	197,249
Land held for resale	<u>214,025</u>	249,025
	<u>35,454,115</u>	47,199,843
LIABILITIES		
Accounts payable and accrued liabilities (<i>Note 6</i>)	4,522,819	5,228,855
Deposits	<u>141,564</u>	137,224
Deferred revenue (<i>Note 7</i>)	<u>2,336,982</u>	2,035,335
Long-term debt (<i>Note 8</i>)	<u>2,436,751</u>	3,220,197
	<u>9,438,116</u>	10,621,611
NET FINANCIAL ASSETS	<u>26,015,999</u>	36,578,232
NON-FINANCIAL ASSETS		
Tangible capital assets (<i>Note 10</i>)	296,939,985	288,988,268
Inventories for consumption (<i>Note 9</i>)	<u>688,588</u>	553,638
Prepaid expenses and other assets	<u>217,992</u>	183,970
	<u>297,846,565</u>	289,725,876
ACCUMULATED SURPLUS (<i>NOTE 11</i>)	<u>\$323,862,564</u>	\$326,304,108
Contingencies (<i>Note 14</i>)		

ON BEHALF OF COUNCIL:

BIG LAKES COUNTY
Consolidated Statement of Operations and Accumulated Surplus
For the Year Ended December 31, 2019

	2019 (Budget) (Note 23)	2019 (Actual)	2018 (Actual)
REVENUE			
Net taxation (<i>Schedule 2</i>)	\$ 23,360,476	\$ 23,225,741	\$ 21,473,792
User fees and sales of goods	2,650,270	2,587,269	2,642,236
Penalties and costs on taxes	557,000	1,167,632	340,640
Government transfers for operating (<i>Schedule 3</i>)	1,037,527	995,191	944,183
Interest and investment income	402,000	987,423	729,772
Oil well drilling taxes	250,000	220,622	369,549
Rentals	50,900	54,669	50,065
Other	20,050	22,093	22,633
Fines, licenses and permits	13,000	13,334	12,099
	28,341,223	29,273,974	26,584,969
EXPENSES			
Transportation services	17,109,874	14,960,169	15,043,363
Administration services (<i>Note 4</i>)	4,282,543	10,859,838	4,762,582
Water and wastewater services	3,612,649	3,608,234	3,382,011
Intermunicipal cost sharing (<i>Note 17 (a)</i>)	2,746,894	2,347,899	3,052,945
Recreation and culture services	2,192,373	2,174,780	2,058,532
Protective services	2,029,912	1,872,700	1,734,134
Agriculture and development services	1,410,181	1,085,172	1,293,621
Waste management and disposal services	766,978	641,002	626,771
Council and other legislative services	646,500	593,598	577,730
Family and Community Support Services	679,088	549,975	628,598
	35,476,992	38,693,367	33,160,287
ANNUAL DEFICIT BEFORE OTHER REVENUE (EXPENSES)	(7,135,769)	(9,419,393)	(6,575,318)
OTHER REVENUE (EXPENSES)			
Government transfers for capital (<i>Schedule 3</i>)	13,283,984	5,783,484	6,622,642
Gain (loss) on disposal of tangible capital assets	449,736	367,008	(162,860)
Restructuring (<i>Note 24</i>)	-	827,357	-
	13,733,720	6,977,849	6,459,782
ANNUAL SURPLUS (DEFICIT)	6,597,951	(2,441,544)	(115,536)
ACCUMULATED SURPLUS, BEGINNING OF YEAR	326,304,108	326,304,108	326,419,644
ACCUMULATED SURPLUS, END OF YEAR	\$332,902,059	\$323,862,564	\$326,304,108

BIG LAKES COUNTY
Schedule of Equity in Tangible Capital Assets
For the Year Ended December 31, 2019

Schedule 1

	2019	2018
BALANCE, BEGINNING OF YEAR	\$285,768,071	\$280,192,824
Purchase of tangible capital assets	16,515,587	13,257,241
Cost of tangible capital assets disposed of	(1,825,223)	(1,649,570)
Accumulated amortization of tangible capital assets disposed of	1,534,089	1,185,630
Restructuring - tangible capital assets (<i>Note 24</i>)	509,357	-
Amortization of tangible capital assets	(8,782,093)	(7,972,925)
Long-term debt repayments	783,446	754,871
BALANCE, END OF YEAR	\$294,503,234	\$285,768,071
Equity in Tangible Capital Assets is Comprised of the Following:		
Tangible capital assets (net book value)	\$296,939,985	\$288,988,268
Capital long-term debt	<u>(2,436,751)</u>	<u>(3,220,197)</u>
	\$294,503,234	\$285,768,071

BIG LAKES COUNTY
Consolidated Statement of Cash Flows
For the Year Ended December 31, 2019

	2019	2018
OPERATING ACTIVITIES		
Annual surplus (deficit)	\$ (2,441,544)	\$ (115,536)f
Non-cash items included in annual surplus		
Loss on disposal of tangible capital assets	(367,008)	162,860
Amortization of tangible capital assets	8,782,093	7,972,925
Restructuring - tangible capital assets (<i>Note 24</i>)	(509,357)	-
Change in non-cash working capital balances		
Receivables	8,834,087	(3,938,271)
Prepaid expenses	(34,022)	10,461
Inventories for consumption	(134,950)	334,746
Accounts payable and accrued liabilities	(706,036)	774,813
Deposit liabilities	4,340	4,728
Deferred revenue	301,647	378,093
Land held for resale	35,000	(35,000)
Loan receivable	111,449	108,168
	<u>13,875,699</u>	<u>5,657,987</u>
INVESTING ACTIVITIES		
Disposal of investments	9,759,214	14,884,424
Purchase of investments	<u>(6,564,541)</u>	<u>(13,265,229)</u>
	<u>3,194,673</u>	<u>1,619,195</u>
FINANCING ACTIVITIES		
Long-term debt repayments	<u>(783,446)</u>	<u>(754,871)</u>
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(16,515,587)	(13,257,241)
Proceeds on disposal of tangible capital assets	<u>658,142</u>	<u>301,080</u>
	<u>(15,857,445)</u>	<u>(12,956,161)</u>
INCREASE IN CASH AND CASH EQUIVALENTS DURING YEAR	<u>429,481</u>	<u>(6,433,850)</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>323,636</u>	<u>6,757,486</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 753,117</u>	<u>\$ 323,636</u>

BIG LAKES COUNTY
Schedule of Equity in Tangible Capital Assets
For the Year Ended December 31, 2019

Schedule 1

	2019	2018
BALANCE, BEGINNING OF YEAR	\$285,768,071	\$280,192,824
Purchase of tangible capital assets	16,515,587	13,257,241
Cost of tangible capital assets disposed of	(1,825,223)	(1,649,570)
Accumulated amortization of tangible capital assets disposed of	1,534,089	1,185,630
Restructuring - tangible capital assets (<i>Note 24</i>)	509,357	-
Amortization of tangible capital assets	(8,782,093)	(7,972,925)
Long-term debt repayments	783,446	754,871
BALANCE, END OF YEAR	\$294,503,234	\$285,768,071
Equity in Tangible Capital Assets is Comprised of the Following:		
Tangible capital assets (net book value)	\$296,939,985	\$288,988,268
Capital long-term debt	(2,436,751)	(3,220,197)
	\$294,503,234	\$285,768,071

BIG LAKES COUNTY
Schedule of Net Taxation
For the Year Ended December 31, 2019

Schedule 2

	2019 (Budget)	2019 (Actual)	2018 (Actual)
TAXATION			
Real property taxes	\$ 15,482,267	\$ 15,260,600	\$ 14,075,765
Linear property taxes	12,044,800	12,055,457	11,371,987
Government grants in place of property taxes	1,114,493	1,113,908	1,105,483
Designated industrial property taxes	102,164	102,193	43,701
Local improvement taxes	21,365	(44,927)	22,039
	28,765,089	28,487,231	26,618,975
REQUISITIONS			
Alberta School Foundation Fund	5,017,434	4,882,983	4,818,226
Heart River Housing	285,015	277,153	283,256
Designated industrial property	102,164	101,354	43,701
	5,404,613	5,261,490	5,145,183
NET MUNICIPAL TAXES	\$ 23,360,476	\$ 23,225,741	\$ 21,473,792

BIG LAKES COUNTY
Schedule of Government Transfers
For the Year Ended December 31, 2019

Schedule 3

	2019 (Budget)	2019 (Actual)	2018 (Actual)
TRANSFERS FOR OPERATING			
Provincial government	\$ 826,844	\$ 811,118	\$ 750,102
Local governments	210,683	184,073	194,081
	<hr/>	<hr/>	<hr/>
	1,037,527	995,191	944,183
TRANSFERS FOR CAPITAL			
Provincial government	13,143,606	5,642,277	6,353,198
Local governments	140,378	140,378	-
Federal government	-	829	269,444
	<hr/>	<hr/>	<hr/>
	13,283,984	5,783,484	6,622,642
TOTAL GOVERNMENT TRANSFERS	<hr/> \$ 14,321,511	<hr/> \$ 6,778,675	<hr/> \$ 7,566,825

BIG LAKES COUNTY
Schedule of Segmented Information
For the Year Ended December 31, 2019

	Administration Services	Transportation Services	Protective Services	Utility Services	Recreation and Culture Services	All Other	Total
REVENUE							
Taxation	\$ 10,317,388	\$ 7,593,039	\$ 1,375,077	\$ 1,253,325	\$ 2,067,522	\$ 619,390	\$ 23,225,741
User fees and sales of goods	182,825	468,035	158,638	1,621,425	735	155,610	2,587,268
Government transfers	107,035	13,390	60,000	-	102,011	712,755	995,191
All other	4,813	8,068	2,679	6,045	4,512	2,439,657	2,465,774
	10,612,061	8,082,532	1,596,394	2,880,795	2,174,780	3,927,412	29,273,974
EXPENSES							
Materials, goods, and contracted and general services	1,231,455	4,642,235	759,334	1,665,735	415,216	974,187	9,688,162
Salaries, wages, and benefits	2,005,767	2,943,391	473,813	815,232	162,438	1,154,500	7,555,141
Bad debts - provision for allowances	7,229,210	-	-	-	-	-	7,229,210
Transfers to other governments	-	-	147,455	22,868	1,596,564	2,430,399	4,197,286
Utilities	60,818	175,133	49,285	204,377	-	74	489,687
Repairs and maintenance	20,997	139,893	117,410	143,669	-	5,246	427,215
Insurance	63,814	68,603	49,097	21,634	562	307	204,017
Interest on long-term debt	-	113,277	-	7,280	-	-	120,557
Amortization	247,775	6,877,639	276,306	1,368,440	-	11,932	8,782,092
	10,859,836	14,960,171	1,872,700	4,249,235	2,174,780	4,576,645	38,693,367
NET REVENUE (DEFICIT)	\$ (247,775)	\$ (6,877,639)	\$ (276,306)	\$ (1,368,440)	\$ -	\$ (649,233)	\$ (9,419,393)

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

BIG LAKES COUNTY
Schedule of Segmented Information
For the Year Ended December 31, 2018

Schedule 5

	Administration Services	Transportation Services	Protective Services	Utility Services	Recreation and Culture Services	All Other	Total
REVENUE							
Taxation	\$ 2,859,066	\$ 8,097,902	\$ 1,328,624	\$ 1,179,202	\$ 1,959,137	\$ 6,049,861	\$ 21,473,792
User fees and sales of goods	111,645	645,312	49,760	1,620,025	540	214,954	2,642,236
Government transfers	22,969	19,876	100,000	-	97,627	703,711	944,183
All other	3,279	36,681	2,422	7,069	1,228	1,474,079	1,524,758
	2,996,959	8,799,771	1,480,806	2,806,296	2,058,532	8,442,605	26,584,969
EXPENSES							
Materials, goods, and contracted and general services	932,360	5,470,096	790,701	1,579,092	532,882	1,097,155	10,402,286
Salaries, wages, and benefits	1,806,591	2,836,227	362,520	867,754	254,884	1,266,953	7,394,929
Transfers to other governments	-	-	135,845	17,244	1,270,231	3,170,535	4,593,855
Bad debts - provision for allowances	1,597,709	-	-	-	-	-	1,597,709
Repairs and maintenance	37,305	124,661	100,224	138,296	-	10,020	410,506
Utilities	59,879	170,985	49,685	174,708	-	-	455,257
Insurance	63,118	54,312	41,831	20,820	535	332	180,948
Interest on long-term debt	-	143,490	-	8,382	-	-	151,872
Amortization	265,622	6,243,592	253,328	1,202,485	-	7,898	7,972,925
	4,762,584	15,043,363	1,734,134	4,008,781	2,058,532	5,552,893	33,160,287
NET REVENUE (DEFICIT)	\$ (1,765,625)	\$ (6,243,592)	\$ (253,328)	\$ (1,202,485)	\$ -	\$ 2,889,712	\$ (6,575,318)

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

9.

BIG LAKES COUNTY
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2019

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of Big Lakes County (the "County") are the representations of the County's management prepared in accordance with Canadian public sector accounting standards. Significant aspects of the accounting policies adopted by the County are as follows:

(a) Reporting Entity

These consolidated financial statements include the assets, liabilities, revenue and expenses and changes in net financial assets of the County. This entity is comprised of all the organizations that are owned or controlled by the County and are, therefore, accountable to the Council for the administration of their financial affairs and resources. These consolidated financial statements include the Big Lakes County Library Board financial statements.

The schedule of taxes levied includes requisitions for education and seniors foundations that are not part of the municipal reporting entity.

(b) Basis of Accounting

The County follows the accrual basis of accounting. Revenues are recognized in the year in which they are earned and measurable.

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 are recognized in the financial statements as revenue in the period in which the events giving rise to the transfer occurred, providing the transfers are authorized, any eligibility criteria have been met by the municipality, and reasonable estimates of the amounts can be made.

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

(c) Cash and Cash Equivalents

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

(d) Investments

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

(e) Inventories for Consumption

Inventories of materials and supplies for consumption are recorded at the lower of cost or net realizable value with cost determined using the average cost method.

(f) Land Held for Resale

Land held for resale is recorded at the lower of cost or net realizable value. Cost includes costs for land acquisition and improvements required to prepare the land for servicing. Related development costs incurred to provide infrastructure such as water and wastewater services, roads, sidewalks and street lighting are recorded as tangible capital assets under their respective function. The cost of land is written off against equity in land held for resale as it is sold.

(CONT'D)

BIG LAKES COUNTY
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2019

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) *Loans Receivable*

Loans receivable are recorded at cost. Interest revenue is recognized as revenue in the year it is earned.

(h) *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 their estimated useful lives as follows:

Buildings	20 - 50 years
Engineered structures	
Paved roadways	
Top	20 years
Base	80 years
Gravel roadways	
Top	15 years
Base	30 years
Concrete	25 years
Bridges	12 - 58 years
Wastewater systems	50 & 75 years
Water systems	50 & 75 years
Machinery and equipment	5 - 20 years
Vehicles	5 - 30 years

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

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

(i) *Tax Revenue*

Property taxes are recognized in the year in which they are levied.

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

(j) *Requisition Over-levies and Under-levies*

Over-levies and under-levies arise from the difference between the actual 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.

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

(CONT'D)

BIG LAKES COUNTY
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2019

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) *Contaminated Sites*

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

(l) *Use of Estimates*

The preparation of the consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the period. Where measurement uncertainty exists, the consolidated 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, accrued liabilities, the useful lives of tangible capital assets and liabilities for remediation on contaminated sites.

(m) *New Accounting Standards not yet Adopted*

Effective for fiscal years beginning on or after April 1, 2021, PS 3280 Asset Retirement Obligations provides guidance on how to account for and report liabilities for retirement of tangible capital assets.

Effective for fiscal years beginning on or after April 1, 2022, PS 3400 Revenue provides guidance on how to account for and report revenue, and specifically, it addresses revenue arising from exchange transactions and unilateral transactions.

2. CASH AND CASH EQUIVALENTS

	2019	2018
Operating bank accounts	750,012	320,781
Cash on hand	3,105	2,855
	<hr/> \$ 753,117	<hr/> \$ 323,636

BIG LAKES COUNTY
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2019

3. INVESTMENTS

	2019	2018
Guaranteed Investment Certificates	\$ 17,426,390	\$ 13,782,553
Government and corporate bonds	12,877,871	19,667,459
Other	61	61
Cash on hand	-	48,923
	\$ 30,304,322	\$ 33,498,996

Guaranteed Investment Certificates bear interest at rates ranging from 1.60% to 2.82% per annum and mature at dates between September 2020 - September 2024.

Government and corporate bonds bear interest at rates between 1.87% - 2.36% per annum, maturing between September 2020 - November 2022. The market value of the government and corporate bonds at December 31, 2019 was \$12,920,434 (2018 - \$19,667,459).

Included in cash and cash equivalents are restricted amounts aggregating \$2,336,982 (2018 - \$2,035,335) to be used for specific capital and other projects, as detailed in Note 7.

4. RECEIVABLES

	2019	2018
Trade and other	\$ 3,206,629	\$ 9,668,595
Taxes and grants in place of taxes	3,152,270	4,268,953
Goods and Services Tax	186,371	518,542
Utilities	173,258	162,209
	6,718,528	14,618,299
Less: Allowance for doubtful accounts	(2,621,677)	(1,687,362)
	\$ 4,096,851	\$ 12,930,937

The change in the allowance for doubtful accounts is included in Administration Services expenses on the Consolidated Statement of Operations and Accumulated Surplus.

5. LOAN RECEIVABLE

The County passed Bylaw 04-2010 on March 10, 2010 authorizing Council to lend \$1,000,000 to Heart River Housing for the purposes of lodge and renovation projects at the Pleasantview Lodge in the Town of High Prairie and the Red Willow Lodge in the Town of Valleyview. The loan is unsecured, bears interest at 0.50% above the Royal Bank five year term Guaranteed Investment Certificate rate which is currently 3.00%, and is payable in quarterly blended amounts of \$29,030, due August 15, 2020.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2019	2018
Trade and other accounts payable	\$ 4,048,448	\$ 4,779,083
Earned vacation liability	464,692	438,469
Accrued interest on long-term debt	9,679	11,303
	\$ 4,522,819	\$ 5,228,855

BIG LAKES COUNTY
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2019

7. DEFERRED REVENUE

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

	2018	Additions	Revenue Recognized	2019
Federal Gas Tax Fund	\$ 617,503	\$ 463,242	\$ -	1,080,745
Municipal Sustainability Initiative	1,134,802	12,751	(315,240)	832,313
Alberta Transportation	-	460,000	(82,222)	377,778
Other	28,338	30,094	(28,516)	29,916
Alberta Community Partnership	140,090	-	(123,860)	16,230
Community and Regional Economic Support	108,101	-	(108,101)	-
Visitor Friendly Assessment	6,501	-	(6,501)	-
	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 2,035,335	\$ 966,087	\$ (664,440)	\$ 2,336,982

8. LONG-TERM DEBT

	2019	2018
Alberta Capital Financing Authority debentures	\$ 2,436,751	\$ 3,220,197

Debenture debt is issued on the credit and security of the County at large, bears interest at rates ranging from 3.973% to 6.000% per annum and matures in years 2023 through 2027.

The County's cash payments for interest in 2019 were \$122,182 (2018 - \$150,757).

Principal and interest payments are due as follows:

	Principal	Interest	Total
2020	\$ 451,197	\$ 95,509	\$ 546,706
2021	469,809	76,897	546,706
2022	489,196	57,510	546,706
2023	509,392	37,314	546,706
2024	496,246	16,277	512,523
Thereafter	20,911	2,558	23,469
	<hr/>	<hr/>	<hr/>
	\$ 2,436,751	\$ 286,065	\$ 2,722,816

9. INVENTORIES FOR CONSUMPTION

	2019	2018
Gravel	\$ 383,061	\$ 307,054
Material and supplies	<hr/>	<hr/>
	\$ 305,527	\$ 246,584
	<hr/>	<hr/>
	\$ 688,588	\$ 553,638

BIG LAKES COUNTY
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2019

10. TANGIBLE CAPITAL ASSETS

	2019 Net Book Value	2018 Net Book Value		
Engineered structures				
Roadways and bridges	\$ 207,276,566	\$ 211,659,054		
Water systems	27,825,499	21,839,439		
Wastewater systems	16,688,490	17,219,537		
Drainage systems	3,779,037	3,944,035		
Airport	470,118	510,303		
	256,039,710	255,172,368		
Buildings	12,286,175	12,681,479		
Construction in progress	13,313,123	7,181,560		
Machinery and equipment	6,032,703	5,275,492		
Land	4,722,815	4,710,140		
Vehicles	3,098,104	2,688,734		
Land improvements	1,447,355	1,278,495		
	\$ 296,939,985	\$ 288,988,268		
Cost Beginning of Year	Additions	Disposals	Transfers	Cost End of Year
Engineering structures				
Roadways and bridges	\$ 310,943,348	\$ 833,553	\$ -	\$ 311,776,901
Water systems	33,276,228	6,566,905	-	39,843,133
Wastewater systems	23,450,825	-	-	23,450,825
Drainage systems	7,319,078	-	-	7,319,078
Airports	4,355,755	-	-	4,355,755
	379,345,234	7,400,458	-	386,745,692
Machinery and equipment	10,528,912	2,105,771	(1,236,803)	- 11,397,880
Vehicles	5,550,644	1,021,455	(478,167)	- 6,093,932
Buildings	18,292,718	100,609	(110,253)	- 18,283,074
Land	4,710,140	12,675	-	4,722,815
Land improvements	2,276,912	252,413	-	2,529,325
Construction in progress	7,181,560	6,131,563	-	13,313,123
	\$ 427,886,120	\$ 17,024,944	\$ (1,825,223)	- \$ 443,085,841
Accumulated Amortization Beginning of Year	Current Amortization	Disposals	Transfers	Accumulated Amortization End of Year
Engineering structures				
Roadways and bridges	\$ 99,284,294	\$ 5,216,041	\$ -	\$ 104,500,335
Water systems	11,436,789	580,845	-	12,017,634
Wastewater systems	6,231,288	531,047	-	6,762,335
Airports	3,845,452	40,185	-	3,885,637
Drainage systems	3,375,043	164,998	-	3,540,041
	124,172,866	6,533,116	-	130,705,982
Machinery and equipment	5,253,420	1,136,260	(1,024,503)	- 5,365,177
Buildings	5,611,239	446,912	(61,252)	- 5,996,899
Vehicles	2,861,910	582,252	(448,334)	- 2,995,828
Land improvements	998,417	83,553	-	1,081,970
	\$ 138,897,852	\$ 8,782,093	\$ (1,534,089)	- \$ 146,145,856

BIG LAKES COUNTY
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2019

11. ACCUMULATED SURPLUS

	2019	2018
Unrestricted surplus	\$ 1,494,879	\$ 11,442,239
Restricted surplus		
Operating reserves (<i>Note 12</i>)	8,182,789	8,135,003
Capital reserves (<i>Note 12</i>)	19,681,662	20,958,795
Equity in tangible capital assets (<i>Schedule 1</i>)	<u>294,503,234</u>	<u>285,768,071</u>
	\$323,862,564	\$326,304,108

12. RESTRICTED SURPLUS

	2019	2018
Operating Reserves		
Working capital	\$ 5,543,854	\$ 5,543,854
Resurfacing	960,786	960,786
Community facilities	384,142	384,142
Contingency	293,913	293,913
Medical equipment	258,500	258,500
Recreation	183,295	157,595
Winter maintenance control	104,387	104,387
Community Enhancement Fund	100,000	100,000
Culture	92,865	99,479
Enhanced policing	82,000	82,000
Family and Community Support Services	81,547	81,547
Water offsite levies	39,400	39,400
Cemeteries	26,700	-
Sewer offsite levies	25,400	25,400
Planning and development	6,000	4,000
	\$ 8,182,789	\$ 8,135,003
Capital Reserves		
Transportation	\$ 8,451,610	\$ 3,817,159
Sewer	4,016,234	4,016,234
Gravel source and pit reclamation	2,381,858	2,152,334
Equipment replacement	2,295,137	3,519,961
Fire facility	1,380,847	1,301,904
Fire equipment	1,195,570	974,284
Building	405,715	602,199
Computer equipment	292,396	270,098
Recreation and cultural	255,710	255,710
Waste transfer stations	239,684	239,684
Economic Development	173,719	287,403
High Prairie airport reserve	96,692	(1,218)
Big Meadow Water Co-op	78,917	78,917
ASB equipment	71,669	65,029
Other	5,543	5,543
Water	<u>(1,659,639)</u>	<u>3,373,554</u>
	\$ 19,681,662	\$ 20,958,795

BIG LAKES COUNTY
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2019

13. CREDIT FACILITY

The County has access to a revolving line of credit with a limit of \$6,000,000, bearing interest at prime rate. At December 31, 2019, the balance owing was \$NIL (2018 - \$NIL).

14. CONTINGENCIES

In June 1994, the County entered into an agreement with Alberta Transportation to take over the responsibilities related to the transportation function of the former Improvement District. Under this agreement, the County has assumed a contingent liability estimated at \$324,953, related to gravel pits and stock pile reclamation. This contingency has not been accrued in these financial statements; however, should the liability be realized, the County has established a reserve to fund these costs.

15. SALARY AND BENEFITS DISCLOSURE

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

	Salary	Benefits and Allowances	2019	2018
Councillors:				
Ward 6 - Simard (Reeve)	\$ 30,500	\$ 19,800	\$ 50,300	\$ 38,850
Ward 3 - Matthews	31,225	16,200	47,425	53,250
Ward 9 - Stewart	26,000	15,000	41,000	39,300
Ward 2 - Welch	21,250	15,000	36,250	29,425
Ward 5 - Nygaard	19,250	15,000	34,250	29,300
Ward 7 - Bissell	18,000	15,000	33,000	35,800
Ward 4 - Killeen	17,750	15,000	32,750	29,300
Ward 1 - Marx	16,750	15,000	31,750	34,050
Ward 8 - Charrois	16,250	15,000	31,250	28,550
	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 196,975	\$ 141,000	\$ 337,975	\$ 317,825
Designated officers (7) (2018 - 7)				
Designated officers (7) (2018 - 7)	<hr/>	<hr/>	<hr/>	<hr/>
Chief Administrative Officer	\$ 741,913	\$ 141,235	\$ 883,148	\$ 916,383
Chief Administrative Officer	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 174,830	\$ 29,903	\$ 204,733	\$ 263,328

Salary includes regular base pay, bonuses, lump sum payments, honoraria and any other direct cash remuneration.

Benefits and allowances include the employer's share of all employee benefits and contributions or payments made on behalf of employees including pension, retiring allowance, health care, dental coverage, vision coverage, group life insurance, accidental disability and dismemberment insurance, long and short-term disability plans, and professional membership and tuition.

BIG LAKES COUNTY
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2019

16. LOCAL AUTHORITIES PENSION PLAN

Employees of the County participate in the Local Authorities Pension Plan (LAPP), which is one of the plans covered by the *Public Sector Pension Plans Act*. The LAPP is financed by employer and employee contributions and investment earnings of the LAPP Fund.

Contributions for current service are recorded as expenses in the year in which they become due.

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

Total current service contributions by the County to the LAPP in 2019 were \$553,609 (2018 - \$588,736). Total current service contributions by the employees of the County to the LAPP in 2019 were \$502,104 (2018 - \$538,609).

At December 31, 2018 the Plan disclosed an actuarial surplus of \$3.469 billion (2017 - \$4.835 billion).

17. CONTRACTUAL OBLIGATIONS

(a) **Town of Swan Hills Viability Intermunicipal Funding Agreement**

Under the terms of this agreement the County is required to provide conditional and unconditional grants to the Town of Swan Hills for 20 years with extensions as mutually agreed upon ending on December 31, 2034. The agreement will be open for review on the fifth and every proceeding five year anniversary or as mutually agreed by the parties.

In the years 2017 to 2034, the County agrees to pay the Town of Swan Hills \$950,000 annually for projects to be determined by the Town of Swan Hills. Additionally, starting in 2017, the County agrees to pay an annual capital grant to the Town of Swan Hills based on the following formula: the County's the total linear assessment for that year shall be compared with the 2016 total linear assessment for the County, and the percentage increase or decrease, as the case may be, shall be the percentage increase or decrease of this capital grant with the base amount of \$1,000,000 for that year.

(b) **Town of High Prairie Intermunicipal Collaboration Framework Agreement**

Under the terms of this agreement the County is committed to pay 50% of the net operating costs of the High Prairie Municipal Library Board, High Prairie and District Fire Department, High Prairie and District Recreation Board, 90% of the High Prairie and District Municipal Airport, 20% of the reclamation costs and annual monitoring costs of the High Prairie Landfill Site, and 50% of the annual recycling contract and toxic waste roundup.

Furthermore, the County has committed financial support to the Town of High Prairie annually for capital projects that are mutually beneficial based on the following formula: the County's the total linear assessment for that year shall be compared with the 2016 total linear assessment for the County, and the percentage increase or decrease, as the case may be, shall be the percentage increase or decrease of this capital grant with the base amount of \$1,000,000 for that year.

This Agreement is permanent in accordance with the *Municipal Government Act*.

BIG LAKES COUNTY
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2019

18. 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:

	2019	2018
Total debt limit	\$ 43,910,961	\$ 39,877,454
Total debt (<i>Note 8</i>)	(2,436,751)	(3,220,197)
Amount of debt limit unused	\$ 41,474,210	\$ 36,657,257
Service on debt limit	\$ 7,318,494	\$ 6,646,242
Service on debt (<i>Note 8</i>)	(546,706)	(905,628)
Amount of service on debt limit unused	\$ 6,771,788	\$ 5,740,614

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

19. FINANCIAL INSTRUMENTS

The County's financial instruments consist of cash and cash equivalents, receivables, loan receivable, accounts payable and accrued liabilities, and long-term debt. It is management's opinion that the County is not exposed to significant interest or currency risk arising from these financial instruments.

The County is subject to credit risk with respect to receivables and loan receivable. Credit risk arises from the possibility that the County's customers may experience financial difficulty and be unable to fulfill their obligations. The large number and diversity of customers minimizes the County's credit risk.

Unless otherwise noted, the fair values of these financial instruments approximate their carrying values.

20. RELATED PARTY TRANSACTIONS

Accounts payable includes \$65,138 due to (2018 - \$52,253 due to) the High Prairie and District Regional Solid Waste Management Authority.

Other revenue includes management fees of \$10,000 (2018 - \$10,000) from the High Prairie and District Regional Solid Waste Management Authority.

These transactions are recorded at their exchange amounts as agreed to by the related parties.

21. FUNDS HELD IN TRUST

As trust assets are not owned by the County, the trusts have been excluded from the financial statements. A summary of trust funds held by the County is as follows:

	2019	2018
Tax sale surplus	\$ 35,568	\$ 34,864

22. SEGMENTED INFORMATION

The County provides a wide range of services to its citizens. 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. For additional information see the Schedule of Segment Disclosure (Schedule 4).

23. BUDGET FIGURES

The 2019 budget data presented in these financial statements is based on the operating and capital budgets approved by Council on June 18, 2018. The chart below reconciles the approved financial plan to the figures reported in these financial statements.

	2019 (Budget)	2019 (Actual)
Annual Surplus	\$ 6,597,951	\$ (2,441,544)
Add back (deduct):		
Amortization expense	7,952,658	8,782,093
Transfers from capital reserves	8,804,830	1,277,133
Transfers from / (to) operating reserves	1,474,057	(47,786)
Purchase of tangible capital assets	(24,046,050)	(16,515,587)
Principal debt repayments	(783,446)	(783,446)
	<hr/>	<hr/>
	\$ -	\$ (9,729,137)

24. RESTRUCTURING

Under the terms of an Asset Purchase Agreement (the "Agreement") dated October 15, 2019, the County purchased all the assets of Kinuso Water Co-op Ltd. for a purchase price of \$1 payable upon execution of the Agreement. The County agreed to use its best efforts to supply a regular uninterrupted supply of water with adequate pressure. The County did not assume and shall not be liable or responsible for any known or unknown liabilities, debts or obligations of the Kinuso Water Co-op Ltd.

The carrying value of the assets and liabilities purchased by the County were as follows:

Cash	\$ 318,000
Tangible Capital Assets	509,357
Water engineering system	<hr/>
	\$ 827,357

25. APPROVAL OF FINANCIAL STATEMENTS

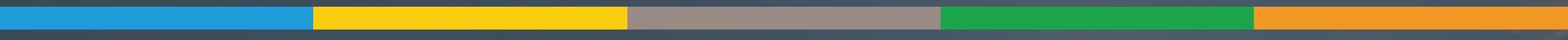
These financial statements were approved by Council.

26. COMPARATIVE FIGURES

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

27. SUBSEQUENT EVENT

On March 11, 2020, the COVID-19 outbreak was declared a global pandemic by the World Health Organization and on March 17, 2020 the Province of Alberta declared a public health emergency. Many businesses and individuals in a vast array of sectors may experience an economic loss due to COVID-19 which may have a financial effect on the County. An estimate of the potential financial impact cannot be made at this time.



OUR MISSION & VISION

MISSION STATEMENT

Big Lakes County will endeavor to enhance our overall community by encouraging responsible development that supports our resource based industries, our agriculture base and the overall education of our people. This means investing in core services like infrastructure, communities, and other County services. Through Council policy and resolutions, we will promote responsible development, environmental security, positive Inter-Municipal relations, safety and work with the private, public and governmental partners.

VISION

Building a Sustainable County.

BUILDING

- › Through Council's leadership, building, and diversifying Big Lakes County's economy and strengthening the County's role as a leader of rural municipalities.

SUSTAINABLE

- › Striving for sustainability in Big Lakes County by setting the stage for continued innovation, education, diversification, and good government.

COUNTY

- › Maintaining the rural landscape in Big Lakes County by protecting agricultural resources and significant natural environments for future generations.





BIGLAKESCOUNTY.CA

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