

STRATHCONA COUNTY
CONSOLIDATED
FINANCIAL STATEMENTS
Year ended December 31, 2017

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Consolidated Financial Statements
Year ended December 31, 2017

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MANAGEMENT REPORT

The accompanying consolidated financial statements are the responsibility of the management of Strathcona County.

These consolidated financial statements have been prepared by management. Financial statements are not precise in nature as they include certain amounts based on estimates and judgements. Management has determined such amounts within reasonable limits of materiality in order to provide that the financial statements are presented fairly in all material respects.

The County maintains systems of internal accounting and administrative controls that are designed to provide reasonable assurance that the financial information is relevant, reliable, accurate, and that the County's assets are properly accounted for and adequately safeguarded.

The elected Council of Strathcona County is ultimately responsible to oversee management's fulfillment of the financial reporting obligations, and for reviewing and approving the financial statements. Council generally meets twice a year with management and the external auditors to discuss internal controls, auditing matters, financial reporting issues, and to satisfy itself that each party is properly discharging its responsibilities. Council approves the engagement or reappointment of the external auditors. In addition to the above, quarterly financial reports are presented to Council.

The consolidated financial statements have been audited by KPMG LLP, the external auditors, in accordance with Canadian Generally Accepted Auditing Standards on behalf of Council, residents and ratepayers of the County. KPMG LLP has full and free access to Council.

Gregory J. Yeomans, CPA, CGA, MBA
Chief Financial Officer

April 24, 2018



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INDEPENDENT AUDITORS' REPORT

To the Mayor and Members of Council of Strathcona County

We have audited the accompanying consolidated financial statements of Strathcona County, which comprise the consolidated statement of financial position as at December 31, 2017, the consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Strathcona County as at December 31, 2017, and its consolidated results of operations, its consolidated change in its net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Professional Accountants

April 24, 2018
Edmonton, Canada

STRATHCONA COUNTY
Consolidated Statement of Financial Position
As at December 31, 2017 (in thousands of dollars)

	2017	2016
FINANCIAL ASSETS		
Cash and Cash Equivalents	\$ 7,042	\$ 5,718
Accounts Receivable		
Property Taxes	5,262	4,050
Government Transfers	12,117	9,510
Trade and Other	15,191	16,114
Development Levies and Charges	3,190	1,617
Investments (Note 2)	344,256	306,498
Investment Interest Receivable	10,589	10,071
	397,647	353,578
LIABILITIES		
Accounts Payable and Accrued Liabilities (Note 3)	53,023	41,047
Deposit Liabilities	17,325	16,082
Deferred Revenue (Note 4)	82,712	65,747
Long-Term Debt (Note 5)	165,423	166,140
	318,483	289,016
NET FINANCIAL ASSETS	79,164	64,562
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Note 7)	1,886,035	1,841,834
Inventories of Materials and Supplies	1,028	947
Prepaid Expenses	2,903	2,329
	1,889,966	1,845,110
ACCUMULATED SURPLUS (Note 9)	\$ 1,969,130	\$ 1,909,672
Operating and Acquisition Lines of Credit (Note 10)		
Commitments and Contingencies (Note 11)		

See accompanying Notes to Consolidated Financial Statements.

STRATHCONA COUNTY
Consolidated Statement of Operations and Accumulated Surplus
Year ended December 31, 2017 (in thousands of dollars)

	2017 Budget (Note 12)	2017	2016
OPERATING REVENUE			
Property Taxes (Note 13)	\$ 220,530	\$ 221,359	\$ 221,963
Utility User Rates	54,184	52,521	52,553
User Fees and Charges	40,071	41,099	39,055
Investment Income	5,691	8,385	7,168
Government Transfers – Operating (Note 14)	6,190	7,717	7,282
Penalties and Fines	5,862	7,001	6,372
Other	8,383	10,039	17,742
TOTAL OPERATING REVENUE	340,911	348,121	352,135
EXPENSES			
Infrastructure and Planning Services			
Economic Development and Tourism	1,557	1,590	1,486
Planning and Development Services	10,175	9,451	9,036
Transportation and Agriculture Services	31,671	27,346	25,683
Transportation Planning and Engineering	4,273	4,675	4,028
Utilities	57,350	54,854	54,520
	105,026	97,916	94,753
Community Services			
Emergency Services	34,732	33,546	33,486
Family and Community Services	8,393	8,650	8,364
RCMP and Enforcement Services	24,632	23,504	25,461
Recreation, Parks and Culture	43,733	42,946	41,920
Strathcona Transit	19,069	18,048	17,914
	130,559	126,694	127,145
Corporate Services	37,981	37,024	31,865
Elected Officials	1,348	1,280	1,170
Financial and Strategic Management	8,271	7,149	7,190
Fiscal Services	50,966	56,484	54,907
Senior Administration	5,470	5,085	5,065
Strathcona County Library	10,435	10,224	9,942
	114,471	117,246	110,139
TOTAL EXPENSES	350,056	341,856	332,037
SURPLUS (DEFICIT) BEFORE CAPITAL REVENUE	(9,145)	6,265	20,098
CAPITAL REVENUE			
Government Transfers – Capital (Note 14)	54,748	26,648	20,740
Contributed Tangible Capital Assets (Note 7)	-	18,167	32,711
Other Capital Revenues (Note 15)	40,503	8,378	11,494
TOTAL CAPITAL REVENUE	92,251	53,193	64,945
ANNUAL SURPLUS	86,106	59,458	85,043
ACCUMULATED SURPLUS, BEGINNING OF YEAR	1,909,672	1,909,672	1,824,629
ACCUMULATED SURPLUS, END OF YEAR (Note 9)	\$ 1,995,778	\$ 1,969,130	\$ 1,909,672

See accompanying Notes to Consolidated Financial Statements.

STRATHCONA COUNTY
Consolidated Statement of Change in Net Financial Assets
Year ended December 31, 2017 (in thousands of dollars)

	2017 Budget (Note 12)	2017	2016
ANNUAL SURPLUS	\$ 86,106	\$ 59,458	\$ 85,043
Acquisition of Tangible Capital Assets	(190,730)	(84,518)	(96,906)
Contributed Tangible Capital Assets	-	(18,167)	(32,711)
Amortization of Tangible Capital Assets	55,592	57,292	54,469
(Gain) Loss on Disposal of Tangible Capital Assets	-	(1,110)	661
Proceeds from Disposal of Tangible Capital Assets	-	2,302	244
	<u>(49,032)</u>	<u>15,257</u>	<u>10,800</u>
Acquisition of Inventories of Materials and Supplies	-	(1,798)	(1,359)
Acquisition of Prepaid Expenses	-	(3,437)	(3,439)
Use of Inventories of Materials and Supplies	-	1,717	1,387
Use of Prepaid Expenses	-	2,863	3,848
	<u>-</u>	<u>(655)</u>	<u>437</u>
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	(49,032)	14,602	11,237
NET FINANCIAL ASSETS, BEGINNING OF YEAR	<u>64,562</u>	<u>64,562</u>	<u>53,325</u>
NET FINANCIAL ASSETS, END OF YEAR	<u>\$ 15,530</u>	<u>\$ 79,164</u>	<u>\$ 64,562</u>

See accompanying Notes to Consolidated Financial Statements.

STRATHCONA COUNTY
Consolidated Statement of Cash Flows
Year ended December 31, 2017 (in thousands of dollars)

	2017	2016
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Annual Surplus	\$ 59,458	\$ 85,043
Items Not Involving Cash:		
Contributed Tangible Capital Assets	(18,167)	(32,711)
Amortization of Tangible Capital Assets	57,292	54,469
Amortization of Premium on Investments	64	65
(Gain) Loss on Disposal of Tangible Capital Assets	(1,110)	661
Gain on Disposal of Investments	(944)	(732)
Changes to Non-Cash Assets and Liabilities:		
Property Taxes Receivable	(1,212)	777
Government Transfers Receivable	(2,607)	343
Trade and Other Receivables	923	(2,484)
Development Levies and Charges Receivable	(1,573)	1,199
Land Held for Resale	-	2,632
Accounts Payable and Accrued Liabilities	11,976	(3,730)
Deposit Liabilities	1,243	(2,557)
Deferred Revenue	16,965	1,659
Inventories of Materials and Supplies	(81)	28
Prepaid Expenses	(574)	409
Cash Provided by Operating Activities	121,653	105,071
CAPITAL		
Proceeds from Disposal of Tangible Capital Assets	2,302	244
Acquisition of Tangible Capital Assets	(84,518)	(96,906)
Cash Applied to Capital Activities	(82,216)	(96,662)
INVESTING		
Purchase of Investments	(257,256)	(274,454)
Proceeds from Sale/Maturity of Investments	220,378	259,916
Change to Investment Interest Receivable	(518)	(1,854)
Cash Applied to Investing Activities	(37,396)	(16,392)
FINANCING		
Long-Term Debt Issued	9,850	19,347
Capital Leases Repaid	-	(108)
Long-Term Debt Repaid	(10,567)	(9,752)
Cash (Applied to) Provided by Financing Activities	(717)	9,487
INCREASE IN CASH AND CASH EQUIVALENTS	1,324	1,504
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	5,718	4,214
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 7,042	\$ 5,718
Cash Paid for Interest	\$ 6,603	\$ 6,570
Cash Received from Interest	\$ 8,241	\$ 5,729

See accompanying Notes to Consolidated Financial Statements.

STRATHCONA COUNTY
Notes to Consolidated Financial Statements
Year ended December 31, 2017 (in thousands of dollars)

Strathcona County (the County) is a specialized municipality in the Province of Alberta and operates under the provisions of the Municipal Government Act (MGA), R.S.A. 2000, c. M-26, as amended.

1. SIGNIFICANT ACCOUNTING POLICIES

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

a) Reporting Entity

The consolidated financial statements reflect the assets, liabilities, revenues, expenses, and accumulated surplus of the reporting entity. The reporting entity is comprised of all organizations which are owned or controlled by the County, and are, therefore, accountable for the administration of their financial affairs and resources.

The reporting entity includes all divisions and departments that comprise County operations, the Strathcona County Library Board (Library) and the Pioneer Housing Foundation (PHF). Inter-organizational transactions and balances between these entities have been eliminated.

The County is associated with various other boards, commissions and other organizations that are not part of the government reporting entity, including the Heartland Housing Foundation, the Alberta Capital Region Wastewater Commission, the Capital Region Northeast Water Services Commission, the John S. Batiuk Regional Water Commission, and the Edmonton Metropolitan Region Economic Development Company.

Property taxes levied also include requisitions for education and seniors housing; organizations that are not part of the government reporting entity.

b) Basis of Accounting

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

c) Property Taxes

Property tax revenue is based on approved annual budget and requisition requirements. Property tax rates, per class, are determined by the total revenue requirements divided by the total taxable assessment, which are comprised of market value and regulated value assessments. Taxation revenues are recorded at the time the tax rates are authorized by Council and the tax notices are issued.

d) Government Transfers

Government transfers are recognized in the consolidated financial statements as revenues in the period the events giving rise to the transfer have occurred; provided that the transfer is authorized, eligibility criteria have been met, and reasonable estimates of the amount can be made. Stipulations are terms imposed by a transferring government regarding the use of transferred resources or the actions that must be performed in order to keep a transfer. Any unfulfilled stipulations related to a government transfer would preclude recognition of revenue until such time that all stipulations have been met.

e) Development Levies

Development levies are collected pursuant to agreements between the County and developers. Development levies are recognized in the consolidated financial statements as revenues in the period the off-site levies are collectible, and the amounts are applied to leviable infrastructure.

STRATHCONA COUNTY
Notes to Consolidated Financial Statements
Year ended December 31, 2017 (in thousands of dollars)

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f) Local Improvements

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

Local improvement levies represent funds from external parties that are restricted by legislation, and are accounted for as deferred revenue until the special assessments are authorized by Council, issued to the property owners, and the funds are used for the purpose specified.

g) Requisition Overlevies and Underlevies

Overlevies and underlevies arise from the difference between the actual levy made to provide for each requisition, and the amount requisitioned.

If the actual levy exceeds the requisition, the overlevy is accrued as a liability and property tax revenue is reduced. Where the actual levy is less than the requisition, the underlevy is accrued as a receivable and property tax revenue is increased.

Requisition tax rates in the subsequent year are adjusted for any overlevies or underlevies of the prior year.

h) Deferred Revenue

Deferred revenue consists of conditional government transfers, unearned revenue, and development levies. Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

i) Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and temporary investments that are highly liquid and mature within 90 days of purchase.

j) Investments

Investments are recorded at amortized cost. Investment premiums and discounts are amortized on the net present value basis over the term of the respective investments. When there has been a loss in value, other than a temporary decline, the respective investment is written down to recognize the loss.

Investment income is reported as revenue in the period earned. When required by agreement or legislation, investment income earned on deferred revenue is added to the deferred revenue balance based on the County's average rate of return on investments.

k) Employee Benefit Obligations

The cost of employment benefits, pension benefits, compensated absences and termination benefits are recorded as an expense at the time the event giving rise to the obligation occurs.

STRATHCONA COUNTY
Notes to Consolidated Financial Statements
Year ended December 31, 2017 (in thousands of dollars)

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

l) Contaminated Sites Liability

Contaminated sites are a result of contamination being introduced into soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. A liability is recognized when a site is not in productive use and recorded net of any expected recoveries. The liability for remediation of a contaminated site reflects the County's estimated costs to meet environmental standards.

m) Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations.

i. Tangible Capital Assets

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

<u>Asset</u>	<u>Useful Life - Years</u>
Land Improvements	10 - 30
Buildings	10 - 50
Engineered Structures	
Roadway System	10 - 80
Water Distribution System	35 - 90
Wastewater Treatment System	35 - 75
Storm Sewer System	15 - 75
Other Engineered Structures	5 - 40
Machinery and Equipment	4 - 40
Library Collection	10
Vehicles	4 - 20

In the year the asset is available for productive use and in the year of disposal, only one-half of the annual amortization is charged. Assets under construction are not amortized until the asset is available for productive use.

ii. Contributions of Tangible Capital Assets

Tangible capital assets received as contributions are recorded at fair value on the date of receipt and are also recorded as contributed tangible capital asset revenues in the Consolidated Statement of Operations and Accumulated Surplus.

iii. Leases

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

iv. Inventories of Materials and Supplies

Inventories of materials and supplies include roadway maintenance materials, vehicle equipment and facility parts, and print shop materials. Inventories of materials and supplies are valued at the lower of average cost or replacement cost.

v. Works of Art and Historical Artifacts

The County manages and controls various works of art and historical artifacts that are not recognized as tangible capital assets.

STRATHCONA COUNTY
Notes to Consolidated Financial Statements
Year ended December 31, 2017 (in thousands of dollars)

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

n) Reserves for Future Expenditures

Certain amounts, as approved by Council, are designated within accumulated surplus as reserves for future operating and capital expenditures.

o) Equity in Tangible Capital Assets

Equity in tangible capital assets is included within accumulated surplus. It represents the investment in tangible capital assets, after deducting the portion financed by long-term debt, and adding back long-term debt financing applicable to local improvement levy projects.

p) Use of Estimates

The preparation of the consolidated financial statements of the County requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, 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. Actual results may differ from those estimates.

Estimates have been used to determine provisions for accrued liabilities, liabilities for contaminated sites, useful lives of tangible capital assets, historic costs of certain tangible capital assets, fair values of contributed tangible capital assets, and provisions made for allowances for doubtful receivable accounts.

Revenue recognition related to development levies and charges utilizes forecasted development costs, staging, and financing requirements.

q) Future Accounting Standard Pronouncements

The following table summarizes prospective changes to Canadian Public Sector Accounting Standards, and while the timing of standard adoption can vary, certain standards must be adopted concurrently. The requirements in Financial Statement Presentation (PS1201), Portfolio Investments (PS3041), Foreign Currency Translations (PS2601) and Financial Instruments (PS3450) must be implemented at the same time. Related Party Disclosures (PS2200) and Inter-Entity Transactions (PS3420) also require concurrent adoption.

Public Sector Accounting Standard	Name	Effective date (fiscal years beginning on or after...)
PS2200	Related Party Disclosures	April 1, 2017
PS3210	Assets	April 1, 2017
PS3320	Contingent Assets	April 1, 2017
PS3380	Contractual Rights	April 1, 2017
PS3420	Inter-Entity Transactions	April 1, 2017
PS3430	Restructuring Provisions	April 1, 2018
PS1201	Financial Statement Presentation	April 1, 2019
PS2601	Foreign Currency Transactions	April 1, 2019
PS3041	Portfolio Investments	April 1, 2019
PS3450	Financial Instruments	April 1, 2019

The County has assessed the applicability of new standards to the consolidated financial statements, effective for fiscal years beginning on or after April 1, 2017, and has determined no changes or reclassifications are anticipated as a result of their adoption. The County anticipates increased disclosures to comply with these standards. In 2018, the County will continue to assess the impact of the remaining future accounting standards and prepare for their adoption.

STRATHCONA COUNTY
Notes to Consolidated Financial Statements
Year ended December 31, 2017 (in thousands of dollars)

2. INVESTMENTS

	2017		2016	
	Carrying Amount	Market Value	Carrying Amount	Market Value
Term Deposits and Notes	\$ 206,150	\$ 205,663	\$ 175,626	\$ 175,755
Government Guaranteed Bonds	114,304	113,479	102,474	101,743
Corporate Bonds	23,802	23,818	28,398	28,510
	\$ 344,256	\$ 342,960	\$ 306,498	\$ 306,008

Term deposits and notes, government guaranteed bonds and corporate bonds have effective interest rates of 1.70 to 3.66 per cent (2016 – 1.58 to 3.66 per cent) with maturity dates from February 2018 to August 2031 (2016 – January 2017 to August 2031).

The market value of investments is based on quoted market values at a certain point in time, and as such, may not be reflective of future fair values.

Certain investments have a market value below cost at year end. The County considers these declines in value to be temporary in nature.

3. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2017	2016
Trade	\$ 38,395	\$ 26,556
Employee Benefit Obligations	8,979	9,374
Payroll and Remittances	4,412	3,817
Interest	1,237	1,300
	\$ 53,023	\$ 41,047

4. DEFERRED REVENUE

Deferred revenue comprises the amounts noted below, the use of which, together with any earnings thereon, is externally restricted. Externally restricted amounts include allocated interest of \$1,009 (2016 – \$841). Certain deferred revenues relate to government transfers as further described in Note 14.

	Balance at January 1, 2017	Externally Restricted Amounts	Amounts Recognized as Revenue	Balance at December 31, 2017
Government Transfers – Capital	\$ 29,805	\$ 42,134	\$ (26,648)	\$ 45,291
Government Transfers – Operating	948	7,845	(7,717)	1,076
Development Levies	16,540	1,407	(164)	17,783
Other	18,454	17,107	(16,999)	18,562
	\$ 65,747	\$ 68,493	\$ (51,528)	\$ 82,712

STRATHCONA COUNTY
Notes to Consolidated Financial Statements
Year ended December 31, 2017 (in thousands of dollars)

5. LONG-TERM DEBT

	2017	2016
Tax-supported Debentures	\$ 70,886	\$ 73,615
Non Tax-supported Debentures – Development Levies	22,351	24,897
Non Tax-supported Debentures – Utility Rates	46,456	49,245
Non Tax-supported Debentures – Other	25,730	18,383
	<u>\$ 165,423</u>	<u>\$ 166,140</u>

Debenture debt has been issued on the credit and security of the County at large. Debenture debt is repayable to the Alberta Capital Finance Authority and bears interest at rates ranging from 2.13 to 9.13 per cent (2016 – 2.13 to 9.13) and matures in periods 2018 through 2042 (2016 – periods 2017 through 2041).

Tax-supported long-term debt principal and interest payments are due as follows:

	Principal	Interest	Total
2018	\$ 4,480	\$ 2,699	\$ 7,179
2019	3,912	2,522	6,434
2020	3,897	2,378	6,275
2021	3,985	2,235	6,220
2022	4,093	2,087	6,180
Thereafter	50,519	12,709	63,228
	<u>\$ 70,886</u>	<u>\$ 24,630</u>	<u>\$ 95,516</u>

Non Tax-supported long-term debt principal and interest payments are due as follows:

	Principal	Interest	Total
2018	\$ 6,647	\$ 3,715	\$ 10,362
2019	6,627	3,427	10,054
2020	6,797	3,143	9,940
2021	6,779	2,855	9,634
2022	6,608	2,566	9,174
Thereafter	61,079	16,644	77,723
	<u>\$ 94,537</u>	<u>\$ 32,350</u>	<u>\$ 126,887</u>

Total long-term debt principal and interest payments are due as follows:

	Principal	Interest	Total
2018	\$ 11,127	\$ 6,414	\$ 17,541
2019	10,539	5,949	16,488
2020	10,694	5,521	16,215
2021	10,764	5,090	15,854
2022	10,701	4,653	15,354
Thereafter	111,598	29,353	140,951
	<u>\$ 165,423</u>	<u>\$ 56,980</u>	<u>\$ 222,403</u>

STRATHCONA COUNTY
Notes to Consolidated Financial Statements
Year ended December 31, 2017 (in thousands of dollars)

6. DEBT AND DEBT SERVICE LIMITS

Provincial legislation (Section 276(2) of the MGA) requires that debt and service on debt limits as defined by regulation for the County be disclosed as follows:

	2017	2016
Total Debt Limit	\$ 534,749	\$ 545,262
Total Debt	165,423	166,140
Percentage Used	30.9%	30.5%
Service on Debt Limit	\$ 89,125	\$ 90,877
Service on Debt	17,542	17,086
Percentage Used	19.7%	18.8%

The total debt limit is calculated at 1.5 times the revenue of the County (as defined in Alberta Regulation 255/2000), and the service on debt limit is calculated at 0.25 times such revenue. Incurring debt beyond these limitations requires approval by the Minister of Municipal Affairs. These thresholds are a conservative guideline 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 municipality. Rather, the consolidated financial statements must be interpreted as a whole.

STRATHCONA COUNTY
Notes to Consolidated Financial Statements
Year ended December 31, 2017 (in thousands of dollars)

7. TANGIBLE CAPITAL ASSETS

Cost	Balance at January 1, 2017	Purchased Additions	Contributed Additions	Disposals	Balance at December 31, 2017
Land	\$ 491,112	\$ 176	\$ 8,334	\$ (92)	\$ 499,530
Land Improvements	106,236	7,151	2,561	(522)	115,426
Buildings	445,163	11,395	-	(577)	455,981
Engineered Structures	1,159,091	38,540	7,253	(11,019)	1,193,865
Machinery and Equipment	71,774	5,493	-	(3,099)	74,168
Books and Periodicals	5,841	623	19	(351)	6,132
Vehicles	75,516	2,547	-	(2,000)	76,063
Assets under Construction	41,784	18,593	-	-	60,377
	\$ 2,396,517	\$ 84,518	\$ 18,167	\$ (17,660)	\$ 2,481,542

Accumulated Amortization	Balance at January 1, 2017	Disposals	Amortization	Balance at December 31, 2017
Land Improvements	\$ 34,002	\$ (492)	\$ 5,054	\$ 38,564
Buildings	100,410	(149)	11,218	111,479
Engineered Structures	346,276	(11,019)	28,562	363,819
Machinery and Equipment	37,225	(2,485)	6,200	40,940
Books and Periodicals	2,717	(351)	599	2,965
Vehicles	34,053	(1,972)	5,659	37,740
	\$ 554,683	\$ (16,468)	\$ 57,292	\$ 595,507

Net Book Value	Balance at December 31, 2017
Land	\$ 499,530
Land Improvements	76,862
Buildings	344,502
Engineered Structures	830,046
Machinery and Equipment	33,228
Books and Periodicals	3,167
Vehicles	38,323
Assets under Construction	60,377
	\$ 1,886,035

STRATHCONA COUNTY
Notes to Consolidated Financial Statements
Year ended December 31, 2017 (in thousands of dollars)

7. TANGIBLE CAPITAL ASSETS (CONTINUED)

Cost	Balance at January 1, 2016	Purchased Additions	Contributed Additions	Disposals	Balance at December 31, 2016
Land	\$ 473,870	\$ 522	\$ 16,731	\$ (11)	\$ 491,112
Land Improvements	98,507	5,726	2,568	(565)	106,236
Buildings	374,102	71,098	-	(37)	445,163
Engineered Structures	1,125,477	32,273	13,412	(12,071)	1,159,091
Machinery and Equipment	68,349	4,229	-	(804)	71,774
Books and Periodicals	5,592	630	-	(381)	5,841
Vehicles	69,404	8,331	-	(2,219)	75,516
Assets under Construction	67,687	(25,903)	-	-	41,784
	\$ 2,282,988	\$ 96,906	\$ 32,711	\$ (16,088)	\$ 2,396,517
Accumulated Amortization	Balance at January 1, 2016	Disposals		Amortization	Balance at December 31, 2016
Land Improvements	\$ 29,860	\$ (553)		\$ 4,695	\$ 34,002
Buildings	90,961	(37)		9,486	100,410
Engineered Structures	329,834	(11,622)		28,064	346,276
Machinery and Equipment	31,886	(793)		6,132	37,225
Books and Periodicals	2,526	(381)		572	2,717
Vehicles	30,330	(1,797)		5,520	34,053
	\$ 515,397	\$ (15,183)		\$ 54,469	\$ 554,683
Net Book Value					Balance at December 31, 2016
Land					\$ 491,112
Land Improvements					72,234
Buildings					344,753
Engineered Structures					812,815
Machinery and Equipment					34,549
Books and Periodicals					3,124
Vehicles					41,463
Assets under Construction					41,784
					\$ 1,841,834

STRATHCONA COUNTY
Notes to Consolidated Financial Statements
Year ended December 31, 2017 (in thousands of dollars)

7. TANGIBLE CAPITAL ASSETS (CONTINUED)

a) Assets under Construction

Assets under construction having a value of \$60,377 (2016 – \$41,784) have not been amortized.

b) Contributed Tangible Capital Assets

Contributed tangible capital assets are recognized at fair value at the date of contribution. A total of \$18,167 in land, land improvements, engineered structures and books and periodicals was contributed to the County in 2017 (2016 – \$32,711).

c) Write-down of Tangible Capital Assets

The County did not write down any tangible capital assets in 2017 or 2016.

8. EQUITY IN TANGIBLE CAPITAL ASSETS

	2017	2016
Tangible Capital Assets – Cost (Note 7)	\$ 2,481,542	\$ 2,396,517
Accumulated Amortization (Note 7)	(595,507)	(554,683)
Long-Term Debt (Note 5)	(165,423)	166,140
Local Improvements Levies Applicable to Debt	570	614
	<u>\$ 1,721,182</u>	<u>\$ 1,676,308</u>

9. ACCUMULATED SURPLUS

Accumulated surplus comprises unrestricted (deficit) surplus, equity in tangible capital assets and reserves as follows:

	2017	2016
Unrestricted (Deficit) Surplus	\$ (9,957)	\$ 1,065
Equity in Tangible Capital Assets	1,721,182	1,676,308
	<u>1,711,225</u>	<u>1,677,373</u>
Reserves:		
Stabilization and Contingency	17,413	13,867
Projects	71,998	61,195
Infrastructure Lifecycle, Maintenance and Replacement	116,413	113,208
Special Purpose	47,355	39,631
Library	4,726	4,398
	<u>257,905</u>	<u>232,299</u>
	<u>\$ 1,969,130</u>	<u>\$ 1,909,672</u>

The reserves groupings have been reported in accordance with the Council approved Policy: FIN-001-024 Municipal Reserves.

10. OPERATING AND ACQUISITION LINES OF CREDIT

The County has an operating line of credit available for use, up to a maximum of \$5,000 (2016 – \$5,000), bearing interest at prime rate minus 0.5 per cent (2016 – 0.5 per cent) and is secured by the County at large. As at December 31, 2017, nil (2016 – nil) was drawn against the available operating line of credit.

The County also has an acquisition line of credit available for financing new development, if required, up to a maximum of \$2,449 (2016 – \$2,449), bearing interest at prime minus 0.5 per cent (2016 – 0.5 per cent) and is secured by the County at large. As at December 31, 2017, nil (2016 – nil) was drawn against the available acquisition line of credit.

STRATHCONA COUNTY
Notes to Consolidated Financial Statements
Year ended December 31, 2017 (in thousands of dollars)

11. COMMITMENTS AND CONTINGENCIES

a) Capital

As at December 31, 2017, authorized costs for capital projects committed through a purchase order or other contractual agreement, but not yet expended, amounted to \$24,633 (2016 – \$20,607).

b) Leases

The County has ongoing operating leases for building space, office equipment and other miscellaneous equipment.

The future minimum lease payments are due as follows:

2018	\$	635
2019		588
2020		487
2021		487
2022		435
Thereafter		973

c) Legal Disputes

As at December 31, 2017, the County was involved in various legal disputes. While it is not possible to estimate the outcome of these disputes, management believes that there will be no significant adverse effects on the financial position of the County.

d) Development Agreements

Developers have entered into agreements with the County in the amount of approximately \$20,588 (2016 – \$8,495) and are committed to the installation and construction of certain works to serve development of lands within the County. The County has taken performance securities from developers in the form of deposit liabilities in the amount of \$227 (2016 – \$38) and letters of credit in the amount of \$5,655 (2016 – \$4,429) to ensure performance by the developers under the agreements. Security taken by the County is reduced accordingly as the above-noted works are constructed.

e) Contaminated Sites

The County has implemented procedures and systems for the recognition and measurement of liabilities associated with contaminated sites to ensure consistent and accurate identification. The County did not identify any contaminated sites meeting the applicable criteria, and did not recognize any financial liabilities as at December 31, 2017.

STRATHCONA COUNTY
Notes to Consolidated Financial Statements
Year ended December 31, 2017 (in thousands of dollars)

12. BUDGET DATA

The 2017 Operating Budget, approved by Council November 28, 2016 (2016 – December 8, 2015), is reported on the accrual basis in accordance with Canadian Public Sector Accounting Standards, which excludes the repayment of long-term debt and reserve transactions. The Capital Budget reports the planned activity for the year ended December 31, 2017, as follows:

	2017	2016
2017 Capital Budget approved by Council on November 28, 2016	\$ 65,555	\$ 94,613
2017 Approved Capital Budget Amendments	21,804	3,190
Unspent Prior Years Budgeted Capital Expenditures and Amendments	222,396	226,153
Budgeted Capital Expenditures planned to be incurred after 2017	(119,025)	(83,751)
Capital Budget for Acquisition of Tangible Capital Assets	<u>\$ 190,730</u>	<u>\$ 240,205</u>

13. PROPERTY TAXES

	Municipal	Non-Municipal	2017	2016
Property Taxes				
Residential and Farmland	\$ 75,414	\$ 44,674	\$ 120,088	\$ 119,268
Commercial and Industrial	139,083	20,526	159,609	157,509
Electric Power and Pipeline	6,701	2,578	9,279	9,787
Government Grants in Lieu of Taxes	149	40	189	180
Local Improvement Levies	12	-	12	12
	<u>\$ 221,359</u>	<u>\$ 67,818</u>	<u>\$ 289,177</u>	<u>\$ 286,756</u>
Non-Municipal				
Provincial Alberta School Foundation Fund			57,589	54,807
Elk Island CSRD No. 41			7,289	7,116
Heartland Housing Foundation			2,940	2,870
Taxes on Behalf of Non-Municipal Requisitioning Authorities			<u>\$ 67,818</u>	<u>\$ 64,793</u>
		2017 Budget		
Taxes for Provision of Municipal Services		<u>\$ 220,530</u>	<u>\$ 221,359</u>	<u>\$ 221,963</u>

STRATHCONA COUNTY
Notes to Consolidated Financial Statements
Year ended December 31, 2017 (in thousands of dollars)

14. GOVERNMENT TRANSFERS

	2017 Budget	2017	2016
Government Transfers for Operations			
Federal Transfers	\$ 100	\$ 144	\$ 162
Provincial Transfers	6,090	7,573	7,120
	<u>6,190</u>	<u>7,717</u>	<u>7,282</u>
Government Transfers for Capital			
Federal Transfers	5,931	5,278	9,976
Provincial Transfers	48,817	21,370	10,764
	<u>54,748</u>	<u>26,648</u>	<u>20,740</u>
	<u>\$ 60,938</u>	<u>\$ 34,365</u>	<u>\$ 28,022</u>

The nature of the major government transfers recognized during 2017, include, but are not limited to the following:

The Municipal Sustainability Initiative (MSI) is the Province of Alberta's funding commitment to assist municipalities in meeting growth-related challenges and enhancing long-term sustainability.

- In 2017, the County obtained authorization of \$30,286 (2016 – \$12,626) in MSI Capital Funding. During 2017, \$20,042 (2016 – \$8,471) has been recognized in capital transfers. A total of \$31,449 (2016 – \$20,709) remains deferred to future years, including interest of \$496 (2016 – \$377). As at December 31, 2017, \$6,007 (2016 – nil) has been recognized as receivable under this program.
- In 2017, the County obtained authorization of \$813 (2016 – \$808) in MSI Conditional Operating Funding. During 2017, \$813 (2016 – \$808) has been recognized in operating transfers.
- From 2008 to 2010, the County obtained authorization of \$12,387 in MSI Affordable Housing Funding. During 2017, \$45 (2016 – \$120) has been recognized in operating and capital transfers. A total of \$138 (2016 – \$181) of the amounts received since inception of the initiative remains deferred to future years, including interest of \$3 (2016 – \$5).

The Federal government introduced the Federal Gas Tax Fund to transfer federal gas tax revenue to the Province of Alberta to assist in reducing the backlog of necessary sustainable capital municipal infrastructure projects that have been deferred. In 2017, the County obtained authorization of \$4,658 (2016 – \$8,672) in Federal Gas Tax Funding, and \$3,565 (2016 – \$7,066) has been recognized in capital transfers. A total of \$9,555 (2016 – \$8,330), including interest of \$132 (2016 – \$42) remains deferred to future years. As at December 31, 2017, \$1,336 (2016 – \$6,681) has been recognized as receivable under this program.

In 2016, the Country was approved to receive funding from the Federal and Provincial government for Public Transit Infrastructure Fund (PTIF). PTIF funding will help accelerate municipal investments to support the rehabilitation of transit systems, new capital projects, and planning and studies for future transit expansion to foster long-term transit plans. In 2017, the County obtained authorization of \$1,170 (2016 – nil) in PTIF Funding and \$1,170 (2016 – nil) has been recognized in capital transfers. As at December 31, 2017, \$1,170 (2016 – nil) has been recognized as receivable under this program.

The Resource Road Program (RRP) is a Provincial program that provides funding to municipalities to construct or rehabilitate road infrastructure that supports this industrial growth. The Provincial government has allocated \$7,000 in RRP funding for 2017-18 to rural municipalities. The County received authorization of \$3,000 (2016 – nil) in RRP funding, and nil (2016 – nil) has been recognized in capital transfers. As at December 31, 2017, \$3,000 (2016 – nil) has been recognized as receivable under this program.

STRATHCONA COUNTY
Notes to Consolidated Financial Statements
Year ended December 31, 2017 (in thousands of dollars)

14. GOVERNMENT TRANSFERS (CONTINUED)

The Provincial government announced the Green Transit Incentives Program (GreenTRIP) in July 2008. GreenTRIP supports new public transit projects that will lead to a reduction of greenhouse gas emissions and traffic congestion by decreasing the number of vehicles on the roads. In 2017, the County received authorization of \$973 (2016 – \$1,987) in GreenTRIP funding, and \$973 (2016 – \$1,987) has been recognized in capital transfers. As at December 31, 2017, \$465 (2016 – \$1,987) has been recognized as receivable under this program.

In 2014, the Federal government designated funds to support infrastructure projects in Alberta communities with a population up to 100,000. The Small Communities Fund (SCF) focuses on supporting local priorities that contribute to economic growth, a cleaner environment and stronger communities. In 2017, the County received authorization of \$478 (2016 – \$2,576) and \$478 (2016 – \$2,576) has been recognized in capital transfers.

15. OTHER CAPITAL REVENUES

	2017 Budget	2017	2016
Development Levies and Charges	\$ 17,742	\$ (88)	\$ 6,985
Developer and Other Third Party Contributions	22,761	8,466	4,509
	<u>\$ 40,503</u>	<u>\$ 8,378</u>	<u>\$ 11,494</u>

16. SALARIES AND BENEFITS DISCLOSURE

The following salaries and benefits are disclosed on a cash flow basis, as required under the Supplementary Accounting Principles and Standards Regulation (AR 313/2000) of the MGA:

	Salaries	Benefits & Allowances	2017	2016
Elected Officials:				
Mayor – Jan - Oct	\$ 101	\$ 35	\$ 136	\$ 140
Mayor – Oct - Dec	25	5	30	-
Councillor – Ward 1 – Jan - Sept	51	6	57	81
Councillor – Ward 1 – Oct - Dec	14	3	17	-
Councillor – Ward 2	72	18	90	89
Councillor – Ward 3	72	16	88	88
Councillor – Ward 4 – Jan - Oct	59	27	86	89
Councillor – Ward 4 – Oct - Dec	14	3	17	-
Councillor – Ward 5	72	19	91	89
Councillor – Ward 6	72	9	81	81
Councillor – Ward 7 – Jan - Oct	59	21	80	83
Councillor – Ward 7 – Oct - Dec	14	2	16	-
Councillor – Ward 8 – Jan - Oct	59	24	83	87
Councillor – Ward 8 – Oct - Dec	14	3	17	-
	<u>\$ 698</u>	<u>\$ 191</u>	<u>\$ 889</u>	<u>\$ 827</u>
Chief Commissioner	\$ 292	\$ 49	\$ 341	\$ 322

Benefits and allowances include the County's share of Canada Pension Plan, Workers' Compensation Board, retirement contributions, group insurance, extended health care, dental benefits, accidental death and dismemberment, long-term disability insurance, car allowance and transition allowance. Benefits also include the County's share of employment insurance for the Chief Commissioner.

STRATHCONA COUNTY
Notes to Consolidated Financial Statements
Year ended December 31, 2017 (in thousands of dollars)

17. PENSION PLAN

a) Local Authorities Pension Plan

County employees participate in the Local Authorities Pension Plan (LAPP or the Plan), which is one of the plans covered by the Alberta Public Sector Pension Plans Act.

The County was required to make current service contributions to the Plan of 11.39 per cent (2016 – 11.39 per cent) of pensionable payroll up to the yearly maximum pensionable earnings (YMPE) and 15.84 per cent (2016 – 15.84 per cent) thereafter. Employees of the County are required to make current service contributions of 10.39 per cent (2016 – 10.39 per cent) of pensionable salary up to YMPE, and 14.84 per cent (2016 – 14.84 per cent) thereafter.

Total current service contributions by the County to LAPP in 2017 were \$13,634 (2016 – \$13,263). Total current service contributions by the employees of the County to LAPP in 2017 were \$12,576 (2016 – \$12,237).

As stated in their 2016 Annual Report, LAPP serves 253,862 members and 417 employers. It is financed by employer and employee contributions and investment earnings of the LAPP fund. At December 31, 2016, the plan reported an actuarial deficiency of (\$637) million.

b) APEX

The APEX supplementary pension plan, an Alberta Urban Municipalities Association (AUMA) sponsored defined benefit pension plan covered under the provisions of the Alberta Employment Pension Plans Act, commenced on January 1, 2004; managers became eligible as of January 14, 2016. This plan provides supplementary pension benefits to a prescribed class of employees and supplements LAPP.

Contributions are made by the prescribed class of employees and the County. The employees contribute 2.84 per cent (2016 – 2.50 per cent) and the County contributes 3.78 per cent (2016 – 3.00 per cent) of pensionable earnings up to \$146 (2016 – \$145).

Total contributions made by the employees to APEX in 2017 were \$292 (2016 – \$237). Total contributions made by the County to APEX in 2017 were \$388 (2016 – \$285).

18. FINANCIAL INSTRUMENTS

The County's financial instruments consist of cash and cash equivalents, accounts receivable, investments, accounts payable and accrued liabilities, deposit liabilities, and long-term debt. It is management's opinion that the County is not exposed to significant interest, currency, or credit risk arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values.

19. COMPARATIVE INFORMATION

Certain comparative information has been reclassified to conform to the current year's presentation.

STRATHCONA COUNTY
Notes to Consolidated Financial Statements
Year ended December 31, 2017 (in thousands of dollars)

20. SEGMENTED INFORMATION

Segmented information has been identified based on the types of services provided by the County to its residents. The types of services are identified in the Consolidated Statement of Operations and Accumulated Surplus. Certain allocation methodologies are used in the preparation of segmented financial information. Taxation revenues and payments in lieu of taxes are allocated to the segments based on the segment's budgeted net expenditures. User charges and other revenue have been allocated to the segments based on the segment that generated the revenue. Government transfers have been allocated to the segment based on the purpose for which the transfer was made. Development charges earned and developer contributions received were allocated to the segment for which the charge was collected.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 1.

STRATHCONA COUNTY
Notes to Consolidated Financial Statements
Year ended December 31, 2017 (in thousands of dollars)

20. SEGMENTED INFORMATION (CONTINUED)

	Infrastructure and Planning Services	Municipal Operations							2017	2017 Budget (Note 12)
		Community Services	Corporate Services	Financial and Strategic Management	Senior Admin	Elected Officials	Fiscal Services	Total Municipal Operations		
OPERATING REVENUE										
Property Taxes	\$ 42,198	\$ 85,126	\$ 37,214	\$ 7,896	\$ 5,347	\$ 1,348	\$ 32,746	\$ 211,875	\$ 221,359	\$ 20,530
Utility User Rates	-	-	-	-	-	-	-	-	52,521	54,184
User Fees and Charges	4,421	29,316	739	345	123	-	3,795	38,739	41,099	40,071
Investment Income	-	-	-	-	-	-	7,123	7,123	8,385	5,691
Government Transfer – Operating	247	6,021	-	26	2	-	812	7,108	7,717	6,190
Penalties and Fines	80	5,231	-	-	-	-	1,527	6,838	7,001	5,862
Other	651	6,669	405	115	14	-	1,583	9,437	10,039	8,383
TOTAL OPERATING REVENUE	47,597	132,363	38,358	8,382	5,486	1,348	47,586	281,120	348,121	340,911
EXPENSES										
Salaries, Wages and Benefits	28,035	88,021	22,614	6,821	4,432	1,088	2,030	153,041	170,036	168,709
Contracted and General Services	6,712	21,179	11,961	796	442	135	2,823	44,048	55,562	62,046
Supplies, Materials and Utilities	7,825	16,126	2,269	(517)	165	57	(962)	24,963	48,914	53,032
Interest on Long-Term Debt	-	-	-	-	-	-	3,269	3,269	6,541	6,942
Grants and Requisitions	118	879	82	-	46	-	1,039	2,164	2,279	2,104
Amortization	-	-	-	-	-	-	48,518	48,518	57,292	55,592
(Gain) Loss on Asset Disposal	-	-	-	-	-	-	(1,483)	(1,483)	(1,110)	-
Other Expenses	372	489	98	49	-	-	1,250	2,258	2,342	1,631
TOTAL EXPENSES	43,062	126,694	37,024	7,149	5,085	1,280	56,484	276,778	341,856	350,056
SURPLUS (DEFICIT) BEFORE CAPITAL REVENUE	4,535	5,669	1,334	1,233	401	68	(8,898)	4,342	6,265	(9,145)
CAPITAL REVENUE										
Government Transfers – Capital	-	-	-	-	-	-	26,666	26,666	26,648	54,748
Contributed Tangible Capital Assets	-	-	-	-	-	-	13,520	13,520	18,167	-
Other Capital Revenue	-	-	-	-	-	-	8,008	8,008	8,378	40,503
TOTAL CAPITAL REVENUE	-	-	-	-	-	-	48,194	48,194	53,193	95,251
ANNUAL SURPLUS	\$ 4,535	\$ 5,669	\$ 1,334	\$ 1,233	\$ 401	\$ 68	\$ 39,296	\$ 52,536	\$ 59,458	\$ 86,106

STRATHCONA COUNTY
Notes to Consolidated Financial Statements
Year ended December 31, 2017 (in thousands of dollars)

20. SEGMENTED INFORMATION (CONTINUED)

	Municipal Operations										2016 Budget (Note 12)
	Infrastructure and Planning Services	Community Services	Corporate Services	Financial and Strategic Management	Senior Admin	Elected Officials	Fiscal Services	Total Municipal Operations	Utility Operations	Library Operations	
OPERATING REVENUE											
Property Taxes	\$ 42,890	\$ 82,508	\$ 36,369	\$ 7,583	\$ 5,157	\$ 1,303	\$ 36,969	\$ 212,779	\$ 12	\$ 9,172	\$ 221,963
Utility User Rates	-	-	-	-	-	-	-	-	52,553	-	\$ 219,958
User Fees and Charges	4,537	28,914	485	292	122	-	3,299	37,649	1,348	58	54,084
Government Transfer – Operating	228	5,527	-	116	-	-	808	6,679	33	570	39,055
Investment Income	-	-	-	-	-	-	6,090	6,090	966	112	7,282
Penalties and Fines	64	4,862	-	-	-	-	1,271	6,197	-	175	7,168
Other	823	7,889	335	79	10	-	8,084	17,220	362	160	6,372
TOTAL OPERATING REVENUE	48,542	129,700	37,189	8,070	5,289	1,303	56,521	286,614	55,274	10,247	352,135
EXPENSES											
Salaries, Wages and Benefits	26,372	85,208	21,304	6,435	4,410	984	138	144,851	10,749	6,102	161,702
Contracted and General Services	6,191	24,337	8,916	1,009	530	127	1,940	43,050	11,183	330	54,563
Supplies, Materials and Utilities	7,322	15,969	1,486	(396)	125	59	(1,319)	23,246	22,413	1,177	46,836
Interest on Long-Term Debt	-	35	-	-	-	-	3,093	3,128	2,468	952	6,548
Grants and Requisitions	52	913	82	90	-	-	923	2,060	101	-	2,161
Amortization	-	190	-	-	-	-	45,819	46,009	7,083	1,377	54,469
Loss on Asset Disposal	-	-	-	-	-	-	211	211	450	-	661
Other Expenses	296	493	77	52	-	-	4,102	5,020	73	4	5,097
TOTAL EXPENSES	40,233	127,145	31,865	7,190	5,065	1,170	54,907	267,575	54,520	9,942	332,037
SURPLUS (DEFICIT) BEFORE CAPITAL REVENUE	8,309	2,555	5,324	880	224	133	1,614	19,039	754	305	20,098
CAPITAL REVENUE											
Contributed Tangible Capital Assets	-	-	-	-	-	-	25,153	25,153	7,558	-	32,711
Government Transfers – Capital	-	-	-	-	-	-	20,262	20,262	478	-	20,740
Other Capital Revenue	-	-	-	-	-	-	10,679	10,679	812	3	11,494
TOTAL CAPITAL REVENUE	-	-	-	-	-	-	56,094	56,094	8,848	3	64,945
ANNUAL SURPLUS	\$ 8,309	\$ 2,555	\$ 5,324	\$ 880	\$ 224	\$ 133	\$ 57,708	\$ 75,133	\$ 9,602	\$ 308	\$ 85,043
											\$ 94,361