

# **Strathcona County 2018 Second Quarter Management Report**

Prepared by Corporate Finance

**Prepared for**  
Priorities Committee  
September 18, 2018

## **1. Year-to-Date Operating Variance and Year-End Forecast of the Annual Operating Surplus for Tax Purposes**

### **1.1 Year-to-Date Operating Variance<sup>1</sup>**

The operating variance as of June 30, 2018 is a **(\$0.4) million deficit** (Q2 2017 \$9.0 million surplus). The operating variance is determined through a comparison of the year-to-date budget and actual results, and is composed of timing differences that are expected to reverse during the remainder of the year, and permanent differences that have occurred and will affect the year-end results. The second quarter 2018 operating variance is lower in comparison to previous years' results; this was anticipated and is due in part to greater strategic use of reserves, improved alignment with historic trends (budget to actuals), and sensible adjustments to support a less conservative approach to budgeting.

<b>County Operating Segments</b>	<b>2018 Second Quarter YTD Timing Differences</b>	<b>2018 Second Quarter YTD Permanent Differences</b>	<b>2018 Second Quarter YTD Variance</b>	<b>2017 Second Quarter YTD Variance</b>
Municipal	\$2.9M	(\$2.9M)	-	\$9.4M
Utility	(\$0.8M)	\$0.4M	(\$0.4M)	(\$0.6M)
Library	-	-	-	\$0.2M
<b>TOTAL</b>	<b>\$2.1M</b>	<b>(\$2.5M)</b>	<b>(\$0.4M)</b>	<b>\$9.0M</b>

### **1.2 Year-End Forecast of the Annual Operating Surplus for Tax Purposes<sup>1</sup> (Permanent Differences and Forecasted Items)**

The year-end forecast is based on the information available as of June 30, 2018 and is subject to the uncertainty of unknown events or circumstances which may take place during the remainder of the year.

<b>County Operating Segments</b>	<b>2018 Year-End Forecast<sup>2</sup></b>		<b>2017 Year-End Forecast<sup>2</sup></b>	
Municipal	-	-	\$3.4M	1.2%
Utility	\$0.8M	1.4%	\$0.2M	0.3%
Library	-	0.6%	\$0.2M	1.7%
<b>TOTAL</b>	<b>\$0.8M</b>	<b>0.2%</b>	<b>\$3.8M</b>	<b>1.1%</b>

<sup>1</sup>The Year-to-Date Operating Variance and the Annual Operating Surplus for Tax Purposes evaluate the results using the same method used to prepare the Operating Budget, in accordance with the Municipal Government Act (MGA). This method includes debt repayment expenditures and reserve transactions, and excludes amortization expense, gains/losses on asset disposals, and capital revenues, unlike the Public Sector Accounting Standards (PSAS) surplus used to prepare the financial statements.

<sup>2</sup>The percentages represent the proportion of surplus (deficit) compared to the respective annual operating budgets.



### **1.3 Analysis of the 2018 Year-End Forecast**

#### **a. Municipal Operations – Forecasted to be on budget**

Municipal operations is forecasted to align with budget for the current year. Some significant items to note are:

- \$1.6 million of revenue and savings primarily attributed to continued focus on traffic enforcement (i.e. fine revenues) and savings on RCMP contract costs
- \$1.3 million of investment income due to higher rates and volumes than anticipated
- (\$1.0) million higher than anticipated P4 costs and increased costs for overtime for winter snow and spring floods
- (\$1.0) million lower than anticipated permit revenue
- (\$1.0) million of emergent 2018 North Strathcona County Fire expenses

The County's most significant expense is personnel costs and, as a whole, personnel costs are on budget.

#### **Risks and Strategies:**

The most significant risk to the County's forecasted result is the collection of two large anticipated sources of revenue: supplemental taxes of \$1.2 million and \$0.9 million of investment income included in the amount previously mentioned.

As planned during budget approval, reserve funding from the R2 Contingency Reserve is available to fund \$1.0 million of expenses incurred by Emergency Services and Fleet Services for the May 2018 North Strathcona County Fire and \$1.0 million of expenses incurred by Transportation and Agriculture Services for higher than anticipated P4 winter maintenance costs, with Council approval.

#### **b. Utility Operations – \$0.8 million forecasted surplus**

Utilities is projecting a \$0.8 million surplus at year-end due to lower debt servicing costs, savings in solid waste and wastewater contracted services, and additional revenue from external contracts.

One significant highlight is the major Alberta Capital Region Wastewater Commission (ACRWC) repair that will take place in the third quarter for (\$7.5) million which will be offset by external revenue of \$7.6 million - information on this unbudgeted expenditure and associated revenue was presented to Council on July 17, 2018.

#### **c. Library Operations – Forecasted to be on budget**

No significant impacts to report.



## **2. Capital Activity Update**

### **2.1 2018 Planned Capital Spending**

The revised 2018 planned capital spend presented to Council on July 17, 2018, totalled \$111.7 million (2017 \$202.6 million). The 2018 planned spend comprises:

The 2018 Capital Budget (approved by Council on December 4, 2017)	\$69.2M
Unspent prior years budgeted capital expenditures	\$227.3M
Planned spending changes resulting from capital budget amendments and funds to be released	(\$79.5M)
Budgeted capital expenditures planned to be incurred after 2018	(\$105.3M)
<b>2018 Planned Capital Spend</b>	<b>\$111.7M</b>

### **2.2 Capital Spending To Date**

The capital spending, as of June 30, 2018, totaled \$17.7 million (2017 Q2 \$18.8 million) which is 15.8% of the planned annual spending (2017 Q2 10.7%). The 2018 variance between planned and actual capital expenditures is \$94.0 million which is expected to be spent from July to December.

### **2.3 Update on Completed Projects**

As of June 30, 2018, fifteen projects with total combined budgets of \$33.3 million were completed, resulting in the release of \$0.9 million of unused funding/financing. All funds released are allocated back to their original funding sources and are available for other emergent or future capital priorities.

### **2.4 2018 Capital Budget Amendments**

Thirty eight capital budget amendments have been approved in 2018 resulting in a \$78.4 million net decrease to the capital budget. The decrease is composed of:

- One new project was added with minimal cost impact;
- Twenty four projects approved in 2017 and prior years were amended to decrease the budget by \$21.6 million;
- Three projects approved in 2017 and prior years were amended to increase the budget by \$1.3 million;
- Two projects approved in 2017 and prior years were amended without financial consequences, as funds were repurposed within the projects; and
- Eight projects approved in 2014 to 2016 were cancelled to decrease the budget by \$58.1 million.



### **3. Assessment of the County's Financial Condition - Key Financial Indicators**

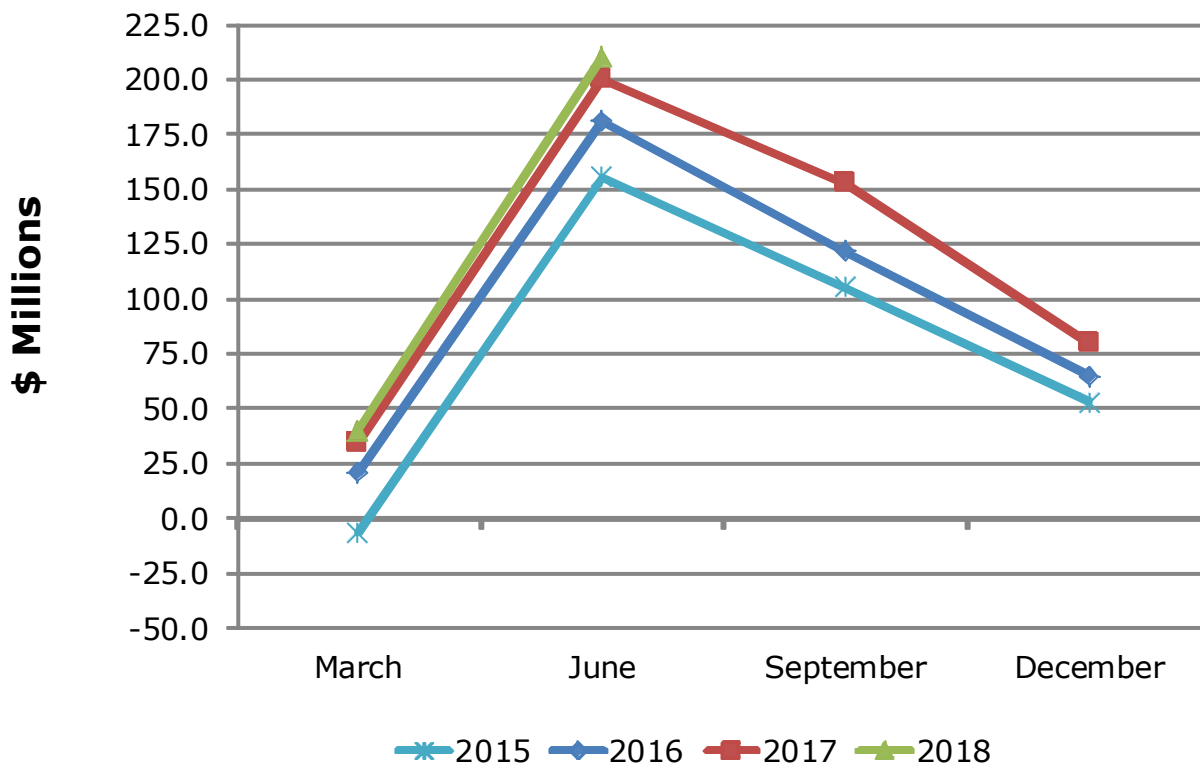
The following section is prepared based on the second quarter 2018 Strathcona County Consolidated Financial Statements (unaudited) provided in Appendix 1. The Consolidated Financial Statements are prepared in accordance with Public Sector Accounting Standards (PSAS).

#### **3.1 Net Financial Assets (Net Debt) Position and Trend Analysis**

Net financial assets (or net debt) is the difference between financial assets and liabilities. It is a key indicator of the County's sustainability, which is the ability to maintain services and meet financial commitments. Being in a net financial assets position indicates that financial assets are on hand to provide funding for future planned or emergent needs. A net debt position reflects the need to have future revenue pay for past transactions and events.

In the current year, net financial assets are trending normally, and year over year the County is experiencing positive increases. As of June 30, 2018, the County's net financial asset position is \$210.2 million compared to a \$79.2 million net financial asset position at December 31, 2017; an increase of \$131.0 million. The significant increase in net financial assets in the second quarter is expected and mainly due to the timing of property tax revenue collection, which will be drawn down to finance operations in the second half of 2018.

#### **Net Financial Assets (Net Debt) Trend Analysis**



### 3.2 Long-term Debt

The County has issued new debt in the amount of \$5.6 million as of June 30, 2018 (Q2 2017 no new debt had been issued). Debt repayment of \$5.3 million (Q2 2017 \$5.0 million) has reduced the 2018 long-term debt opening balance.

December 31, 2017 Long Term Debt Balance	\$165.4M
New debt issued to June 30, 2018	\$5.6M
Debt repayment to June 30, 2018	(\$5.3M)
<b>June 30, 2018 Long Term Debt Balance</b>	<b>\$165.7M</b>

### 3.3 Reserve Reporting

The following table provides a summary of the County's reserve balances as of June 30, 2018:

<b>Reserves</b>	<b>Committed</b>	<b>Designated</b>	<b>Total</b>	<b>Optimal Variance<sup>3</sup></b>
<b>Municipal</b>				
Stabilization and Contingency	\$1.6M	\$13.8M	\$15.4M	\$0.9M
Projects	\$46.4M	\$28.4M	\$74.8M	\$6.8M
Infrastructure, Lifecycle, Maintenance and Replacement	\$42.0M	\$58.3M	\$100.3M	\$20.1M
Special Purpose	\$18.1M	\$23.0M	\$41.1M	\$10.3M
<b>Total Municipal</b>	<b>\$108.1</b>	<b>\$123.5M</b>	<b>\$231.6M</b>	<b>\$38.1M</b>
<b>Utilities</b>				
Stabilization and Contingency	(\$0.1M)	\$2.3M	\$2.2M	(\$0.4M)
Projects	-	-	-	-
Infrastructure, Lifecycle, Maintenance and Replacement	\$10.1M	\$37.5M	\$47.6M	(\$36.3M)
Levy Debt Repayment	\$3.3M	-	\$3.3M	-
<b>Total Utilities</b>	<b>\$13.2M</b>	<b>\$39.8M</b>	<b>\$53.1M</b>	<b>(\$36.7M)</b>
<b>Total Library</b>	<b>-</b>	<b>\$4.7M</b>	<b>\$4.7M</b>	<b>-</b>
<b>Total Reserves</b>	<b>\$121.4M</b>	<b>\$168.0M</b>	<b>\$289.4M</b>	<b>\$1.4M</b>
<b>Percentage of Total Reserves</b>	<b>41.9%</b>	<b>58.1%</b>	<b>100%</b>	

The presentation of reserve groupings is in accordance with the Policy: FIN-001-024 Municipal Reserves. The optimal variance column is determined through a comparison of the reserve's optimal balance with the designated funds available within the respective reserve. A positive figure indicates a balance above the optimal amount and a negative figure indicates a balance below the optimal amount.

<sup>3</sup>The optimal reserve balances as at December 31, 2017 represent a point in time and should be considered in relation to resulting trends and circumstances.



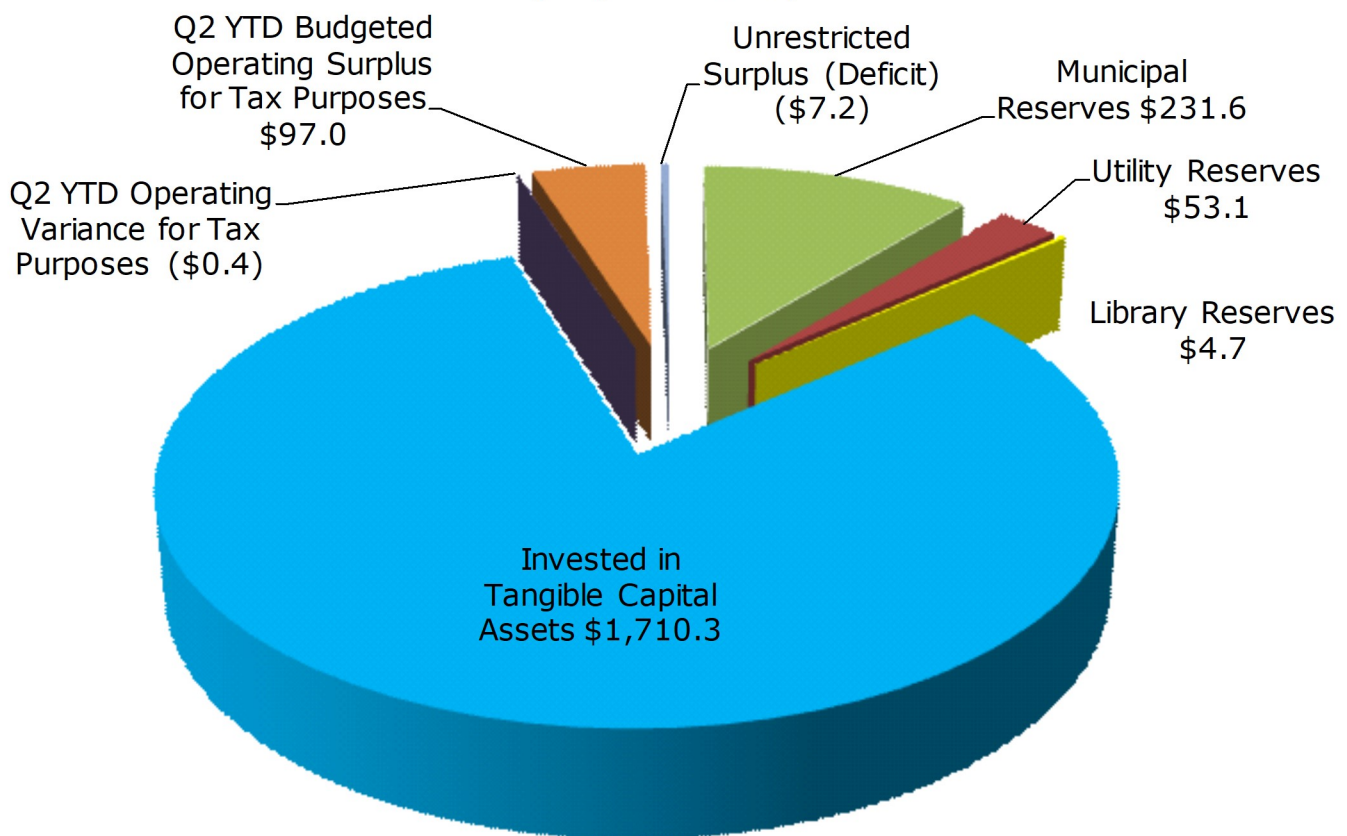
### 3.4 Accumulated Surplus

Accumulated surplus represents the value the County has built over time. That value is impacted by current year operating variances: it increases if the County experiences surpluses and decreases if the County experiences deficits. The value invested in tangible capital assets used to provide services now and in the future, with the exception of land, will have to be maintained and/or replaced over time.

Accumulated surplus totals \$2,089.1 million as of June 30, 2018 (\$2,036.7 million as of June 30, 2017). The composition of the second quarter 2018 accumulated surplus is as follows:

- Reserves of \$289.4 million (Q2 2017 \$245.8 million);
- Investments in tangible capital assets of \$1,710.3 million (Q2 2017 \$1,672.9 million);
- The June 30, 2018 budgeted period operating surplus of \$97.0 million (Q2 2017 \$114.2 million);
- The June 30, 2018 year-to-date unfavourable operating variance of (\$0.4) million (Q2 2017 favourable variance of \$9.0 million); and
- The unrestricted deficit of (\$7.2) million (Q2 2017 (\$5.2) million deficit).

### Composition of Accumulated Surplus (in \$ Millions)





**4. 2015-2018 Corporate Business Plan Reporting (Appendix 2)**

The second quarter management report includes progress reporting on the goals within the 2015-2018 Corporate Business Plan, which demonstrate linkages to the Strategic Plan. Council was previously provided with corporate business plan reporting as part of the 2017 Annual Management Report on April 17, 2018.

**Appendices**

1. Consolidated Financial Statements and Supporting Schedules for the Period Ended June 30, 2018 (unaudited)
2. 2015-2018 Corporate Business Plan Progress Report
3. Glossary of Terms





# **STRATHCONA COUNTY**

## **Consolidated Financial Statements**

For the Period Ended June 30, 2018 (in thousands of dollars)

*(unaudited)*

**STRATHCONA COUNTY**  
**Consolidated Statement of Financial Position**  
As at June 30, 2018 (in thousands of dollars)

	<b>June 30, 2018</b>	<b>December 31, 2017</b>
<b>FINANCIAL ASSETS</b>		
Cash and Cash Equivalents	\$ 21,333	\$ 7,042
Accounts Receivable		
Property Taxes	47,534	5,262
Government Transfers	2,350	12,117
Trade and Other	17,059	15,191
Development Levies and Charges	2,749	3,190
Investments	448,673	344,256
Investment Interest Receivable	12,352	10,589
	<b>552,050</b>	<b>397,647</b>
<b>LIABILITIES</b>		
Accounts Payable and Accrued Liabilities	71,026	53,023
Deposit Liabilities	17,569	17,325
Deferred Revenue	87,580	82,712
Long-Term Debt	165,682	165,423
	<b>341,857</b>	<b>318,483</b>
<b>NET FINANCIAL ASSETS</b>	<b>210,193</b>	<b>79,164</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible Capital Assets	1,876,016	1,886,035
Inventories of Materials and Supplies	780	1,028
Prepaid Expenses	2,081	2,903
	<b>1,878,877</b>	<b>1,889,966</b>
<b>ACCUMULATED SURPLUS</b>	<b>\$ 2,089,070</b>	<b>\$ 1,969,130</b>

**STRATHCONA COUNTY**  
**Consolidated Statement of Operations and Accumulated Surplus**  
For the period ended June 30, 2018 (in thousands of dollars)

	<b>2018 Period Budget</b>	<b>June 30, 2018</b>	<b>June 30, 2017</b>
<b>REVENUE</b>			
Property Taxes	\$ 221,309	\$ 220,135	\$ 220,202
Utility User Rates	29,277	27,784	26,741
User Fees and Charges	20,246	20,271	20,637
Government Transfers - Operating	4,493	4,432	4,408
Investment Income	3,047	3,537	3,289
Penalties and Fines	2,835	3,470	3,255
Other	4,406	6,411	4,379
<b>TOTAL REVENUE</b>	<b>285,613</b>	<b>286,040</b>	<b>282,911</b>
<b>EXPENSES</b>			
<b>Infrastructure and Planning Services</b>			
Economic Development and Tourism	866	862	730
Planning and Development Services	5,171	4,677	4,431
Transportation and Agriculture Services	16,060	16,108	12,398
Transportation Planning and Engineering	2,506	2,260	2,251
Utilities	26,931	26,623	24,881
	<b>51,534</b>	<b>50,530</b>	<b>44,691</b>
<b>Community Services</b>			
Emergency Services	17,188	17,685	16,114
Family and Community Services	4,824	4,950	4,533
Strathcona Transit	9,812	8,854	8,510
RCMP and Enforcement Services	12,789	12,627	12,440
Recreation, Parks and Culture	21,135	20,618	19,688
	<b>65,748</b>	<b>64,734</b>	<b>61,285</b>
<b>Corporate Services</b>	19,399	18,242	16,993
<b>Elected Officials</b>	697	614	587
<b>Financial and Strategic Management</b>	4,507	4,034	3,733
<b>Fiscal Services</b>	28,650	30,183	27,665
<b>Senior Administration</b>	3,067	2,785	2,595
<b>Strathcona County Library</b>	5,318	5,591	5,446
	<b>61,638</b>	<b>61,449</b>	<b>57,019</b>
<b>TOTAL EXPENSES</b>	<b>178,920</b>	<b>176,713</b>	<b>162,995</b>
<b>SURPLUS BEFORE CAPITAL REVENUE</b>	<b>106,693</b>	<b>109,327</b>	<b>119,916</b>
<b>CAPITAL REVENUE</b>			
Government Transfers - Capital	8,325	5,656	2,376
Contributed Tangible Capital Assets	-	2,368	3,219
Other Capital Revenue	3,621	2,589	1,523
<b>TOTAL CAPITAL REVENUE</b>	<b>11,946</b>	<b>10,613</b>	<b>7,118</b>
<b>PERIOD SURPLUS</b>	<b>118,639</b>	<b>119,940</b>	<b>127,034</b>
<b>ACCUMULATED SURPLUS, BEGINNING OF PERIOD</b>	<b>1,969,130</b>	<b>1,969,130</b>	<b>1,909,672</b>
<b>ACCUMULATED SURPLUS, END OF PERIOD</b>	<b>\$ 2,087,769</b>	<b>\$ 2,089,070</b>	<b>\$ 2,036,706</b>

**STRATHCONA COUNTY**  
**Consolidated Statement of Change in Net Financial Assets (Net Debt)**  
For the period ended June 30, 2018 (in thousands of dollars)

	<u>2018 Period Budget</u>	<u>June 30, 2018</u>	<u>December 31, 2017</u>
<b>PERIOD SURPLUS</b>	\$ 118,639	\$ 119,940	\$ 59,458
Acquisition of Tangible Capital Assets	(32,394)	(17,679)	(84,518)
Contributed Tangible Capital Assets	-	(2,368)	(18,167)
Amortization of Tangible Capital Assets	245	28,928	57,292
Loss (Gain) on Disposal of Tangible Capital Assets	-	755	(1,110)
Proceeds from Disposal of Tangible Capital Assets	-	384	2,302
	<u>86,490</u>	<u>129,960</u>	<u>15,257</u>
Acquisition of Inventories of Materials and Supplies	-	(820)	(1,798)
Acquisition of Prepaid Expenses	-	(630)	(3,437)
Use of Inventories of Materials and Supplies	-	1,067	1,717
Use of Prepaid Expenses	-	1,452	2,863
	<u>-</u>	<u>1,069</u>	<u>(655)</u>
<b>INCREASE IN NET FINANCIAL ASSETS</b>	86,490	131,029	14,602
<b>NET FINANCIAL ASSETS, BEGINNING OF PERIOD</b>	<u>79,164</u>	<u>79,164</u>	<u>64,562</u>
<b>NET FINANCIAL ASSETS, END OF PERIOD</b>	<u>\$ 165,654</u>	<u>\$ 210,193</u>	<u>\$ 79,164</u>

**STRATHCONA COUNTY**  
**Consolidated Statement of Cash Flows**  
For the period ended June 30, 2018 (in thousands of dollars)

	June 30, 2018	December 31, 2017
<b>NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:</b>		
<b>OPERATING</b>		
PERIOD SURPLUS	\$ 119,940	\$ 59,458
Items Not Involving Cash:		
Contributed Tangible Capital Assets	(2,368)	(18,167)
Amortization of Tangible Capital Assets	28,928	57,292
Amortization of Discount on Investments	12	64
Loss (Gain) on Disposal of Tangible Capital Assets	755	(1,110)
Gain on Disposal of Investments	-	(944)
Changes to Non-Cash Assets and Liabilities:		
Property Taxes Receivable	(42,272)	(1,212)
Government Transfers Receivable	9,767	(2,607)
Trade and Other Receivables	(1,868)	923
Development Levies and Charges Receivable	441	(1,573)
Accounts Payable and Accrued Liabilities	18,003	11,976
Deposit Liabilities	244	1,243
Deferred Revenue	4,868	16,965
Inventories of Materials and Supplies	248	(81)
Prepaid Expenses	822	(574)
Cash Provided by Operating Activities	<u>137,520</u>	<u>121,653</u>
<b>CAPITAL</b>		
Proceeds from Disposal of Tangible Capital Assets	384	2,302
Acquisition of Tangible Capital Assets	(17,679)	(84,518)
Cash (Applied to) Capital Activities	<u>(17,295)</u>	<u>(82,216)</u>
<b>INVESTING</b>		
Purchase of Investments	(219,360)	(257,256)
Proceeds from Sale/Maturity of Investments	114,930	220,378
Change to Investment Interest Receivable	(1,763)	(518)
Cash (Applied to) Investing Activities	<u>(106,193)</u>	<u>(37,396)</u>
<b>FINANCING</b>		
Long-Term Debt Issued	5,559	9,850
Long-Term Debt Repaid	(5,300)	(10,567)
Cash Provided by (Applied to) Financing Activities	<u>259</u>	<u>(717)</u>
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>14,291</b>	<b>1,324</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD</b>	<b>7,042</b>	<b>5,718</b>
<b>CASH AND CASH EQUIVALENTS, END OF PERIOD</b>	<b><u>\$ 21,333</u></b>	<b><u>\$ 7,042</u></b>

**STRATHCONA COUNTY**  
**Consolidated Schedule of Segmented Information**  
**For the period ended June 30, 2018 (in thousands of dollars)**

	Municipal Operations												
	Infractructure and Planning Services	Community Services	Corporate Services	Financial and Strategic Management	Senior Administration	Elected Officials	Fiscal Services	Total Municipal Operations	Utility Operations	Library Operations	June 30, 2018	2018 Period Budget	
OPERATING REVENUE													
Property Taxes	\$ 21,912	\$ 42,512	\$ 19,060	\$ 4,250	\$ 3,005	\$ 697	\$ 119,275	\$ 210,711	\$ 6	\$ 9,418	\$ 220,135	\$ 221,309	
Utility User Rates	-	-	-	-	-	-	-	-	27,784	-	27,784	29,277	
User Fees and Charges	1,653	15,193	275	231	31	-	1,619	19,002	1,240	29	20,271	20,246	
Government Transfers - Operating	45	3,757	-	-	-	-	85	3,887	14	531	4,432	2,835	
Investment Income	-	-	-	-	-	-	2,918	2,918	570	49	3,537	3,047	
Penalties and Fines	10	2,717	-	-	-	-	661	3,388	-	82	3,470	4,493	
Other	400	3,217	51	173	-	-	2,076	5,917	16	478	6,411	4,406	
TOTAL OPERATING REVENUE	24,020	67,396	19,386	4,654	3,036	697	126,634	245,823	29,630	10,587	286,040	285,613	
EXPENSES													
Salaries, Wages and Benefits	14,125	44,848	12,045	3,704	2,330	466	779	78,297	5,287	3,222	86,806	86,663	
Contracted and General Services	6,133	10,435	4,519	566	221	121	1,081	23,076	5,474	197	28,747	30,845	
Supplies, Materials and Utilities	3,479	7,918	1,525	(260)	103	27	444	13,236	10,867	662	24,765	25,226	
Interest on Long-Term Debt	-	-	-	-	-	-	1,658	1,658	1,138	450	3,246	3,335	
Grants and Requisitions	138	1,257	82	-	131	-	444	2,052	-	-	2,052	1,703	
Amortization	-	-	-	-	-	-	24,401	24,401	3,820	708	28,929	30,289	
Loss (Gain) on Asset Disposals	-	-	-	-	-	-	760	760	(4)	-	756	-	
Other Expenses	32	276	71	24	-	-	616	1,019	41	352	1,412	859	
TOTAL EXPENSES	23,907	64,734	18,242	4,034	2,785	614	30,183	144,499	26,623	5,591	176,713	178,920	
SURPLUS BEFORE CAPITAL REVENUE													
	113	2,662	1,144	620	251	83	96,452	101,324	3,007	4,996	109,327	106,693	
CAPITAL REVENUE													
Government Transfers - Capital Contributed Tangible Capital Assets	-	-	-	-	-	-	5,647	5,647	9	-	5,656	8,325	
	-	-	-	-	-	-	2,368	2,368	-	-	2,368	-	
Other Capital Revenue	-	-	-	-	-	-	671	671	1,907	11	2,589	3,621	
TOTAL CAPITAL REVENUE	-	-	-	-	-	-	8,686	8,686	1,916	11	10,613	11,946	
PERIOD SURPLUS	\$ 113	\$ 2,662	\$ 1,144	\$ 620	\$ 251	\$ 83	\$ 105,137	\$ 110,010	\$ 4,923	\$ 5,007	\$ 119,940	\$ 118,639	

**STRATHCONA COUNTY**  
**Consolidated Schedule of Tangible Capital Assets**  
As at June 30, 2018 (in thousands of dollars)

<b>Cost</b>	Balance at January 1, 2018	Additions	Contributed Additions	Disposals	Balance at June 30, 2018
Land	\$ 499,530	\$ -	\$ -	\$ -	\$ 499,530
Land Improvements	115,426	80	260	-	115,766
Buildings	455,981	1,172	-	(78)	457,075
Engineered Structures	1,193,865	2,318	2,108	-	1,198,291
Machinery and Equipment	74,168	1,982	-	(144)	76,006
Books and Periodicals	6,132	280	-	-	6,412
Vehicles	76,063	3,885	-	(3,857)	76,091
Assets under Construction	60,377	7,962	-	-	68,339
	\$ 2,481,542	\$ 17,679	\$ 2,368	\$ (4,079)	\$ 2,497,510

<b>Accumulated Amortization</b>	Balance at January 1, 2018	Disposals	Amortization Expense	Balance at June 30, 2018
Land Improvements	\$ 38,564	\$ -	\$ 2,595	\$ 41,159
Buildings	111,479	-	5,579	117,058
Engineered Structures	363,819	-	14,461	378,279
Machinery and Equipment	40,940	(140)	3,047	43,847
Books and Periodicals	2,965	-	307	3,272
Vehicles	37,740	(2,800)	2,939	37,879
	\$ 595,507	\$ (2,940)	\$ 28,928	\$ 621,494

<b>Net Book Value</b>	Balance at January 1, 2018	Balance at June 30, 2018
Land	\$ 499,530	\$ 499,530
Land Improvements	76,862	74,607
Buildings	344,502	340,017
Engineered Structures	830,046	820,012
Machinery and Equipment	33,228	32,159
Books and Periodicals	3,167	3,140
Vehicles	38,323	38,212
Assets under Construction	60,377	68,339
	\$ 1,886,035	\$ 1,876,016





## 2015 - 2018 Corporate Business Plan Progress Report

For the period ending June 30, 2018

### GOAL 1

**Strathcona County has planned for long-term financial sustainability in support of service delivery and infrastructure asset management.**

#### Progress

- Presenting the Utilities finance policy to Priorities Committee in June 2018.
- Receiving Council approval of the Long-Term Financial Sustainability Framework in March 2018. The framework sets the basis for continuous long-term planning by establishing financial sustainability principles, consolidating financial strategies, and identifying the long-term financial planning process.
- Forming and activating the Community Hall Sustainability Committee.

### GOAL 2

**Strathcona County priorities, successes and challenges are known.**

#### Progress

- Inviting residents to share what they love about the Centre in the Park area and their vision for the future of the urban centre.
- Seeking feedback from residents on the new Strathcona County public website.
- Hosting community safety education emergency preparedness events.
- Consulting the community on topics, such as social service grants and the needs of youth, seniors and those facing accessibility challenges.



### GOAL 3

**Economic opportunities are created through strategic partnerships.**

#### Progress

- Facilitating retail investment to assist both small and large scale retailers locate in the County.
- Discussing the development of an auto-aid agreement with the City of Fort Saskatchewan.
- Building information and informally introducing the Industrial Engagement Program to business owners in industrial zoned areas.
- Collaborating with Trans Canada Trail and River Valley Alliance to finish construction on the Trans Canada Trail and River Valley Alliance Trail.
- Completing the transportation plans within the Industrial Heartland Area with stakeholders and the Highway 15 functional planning study.

### GOAL 4

**Informed decision making supports quality of life in the community.**

#### Progress

- Partnering and participating with altView Foundation and Strathcona County Youth Council in celebrating Pride Week as part of an ongoing commitment to foster a sense of belonging for all community members.
- Distributing \$50,000 to 103 community initiatives to strengthen community connections and relationships, such as multicultural potlucks and community garden harvest parties.
- Recognizing professional planning, the Municipal Development Plan won the national 2018 award for Planning Merit.
- Receiving the 2017 to 2018 Outstanding Ski Area Operations of the Year award for the Strathcona Wilderness Centre, where skiers enjoy a consistent world-class level of maintained ski trails, a clean and inviting lodge and friendly and helpful staff.





### GOAL 5

**We are efficient and effective  
in daily operations.**

#### Progress

- Establishing a staff working group to upgrade the internal website for administration, also known as the intranet.
- Providing project management support for interdepartmental initiatives, such as the internal preparations for cannabis legalization, the Canadian Coalition of Municipalities Against Racism and Discrimination, and inclusive community initiatives.
- Establishing a Chief Information Officer office to provide a more proactive department-based planning process.
- Transitioning the Assessment Review Board to eSCRIBE, eliminating several hours of manual administrative work per hearing and reducing paper usage.

### GOAL 6

**Strathcona County is an employer of choice,  
attracting and retaining the best people in all  
aspects of municipal service delivery.**

#### Progress

- Connecting with staff on the finalized People Plan and getting informed.
- Hosting the celebration of staff event to acknowledge staff accomplishments, while honoring retirees and employees with service milestones.
- Recognizing employees who do an exceptional job in their duties in positive performance logs.



**GLOSSARY OF TERMS:**

- **Annual Operating Surplus for Tax Purposes** – The annual surplus or (deficit) resulting from the modified cash flow basis, which includes debt repayment expenditures and reserve transactions, and excludes amortization expense, gains/losses on asset disposals and capital revenues, unlike the Public Sector Accounting Standards (PSAS) surplus or (deficit).
- **Budgeted Slippage** – An adjustment to the budget at the corporate level to offset projected surpluses based on historical trends.
- **Committed** – Funding approved as per FIN-001-024: Municipal Reserves policy to be applied towards specific expenditures.
- **Designated** – Funding designated to reserves for a specific purpose, which has not yet been approved by Council to be applied towards specific expenditures.
- **Forecast Variances** – Future variances to budget that have yet to occur, but are expected to be realized based on current information, and are projected to affect the year-end surplus or (deficit).
- **Permanent Differences** – Variances to budget that have occurred and will affect the year-end surplus or (deficit).
- **PSAS Surplus** – The surplus or (deficit) resulting from financial statements prepared in accordance with PSAS.
- **Timing Differences** – Variances to budget that are expected to reverse during the remainder of the year and not affect the year-end surplus or (deficit).
- **Year-End Forecast** – Permanent Differences plus the Forecast Variances make up the Year-End Forecast surplus or (deficit).
- **Year-To-Date Operating Variance** – The favorable or (unfavorable) difference between budget and actuals at a point in time including any Timing Differences.