

STRATHCONA COUNTY
CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2019

DRAFT UNTIL APPROVED BY COUNCIL

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STRATHCONA COUNTY
Consolidated Financial Statements
Year ended December 31, 2019

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements are the responsibility of the management of Strathcona County (the 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 the reasonable limits of materiality.

The County maintains systems of internal accounting and administrative controls that are designed to provide reasonable assurance that the financial information is authorized, 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 appoint the external auditor, oversee management's fulfillment of financial reporting obligations and approving the financial statements. Council meets with management and the external auditors to discuss audit and financial reporting matters, and to satisfy that each party is properly discharging its responsibilities.

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

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

May 26, 2020

Independent Auditor's Report to be inserted in pages 2 - 3

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Independent Auditor's Report to be inserted in pages 2 - 3

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STRATHCONA COUNTY
Consolidated Statement of Financial Position
As at December 31, 2019 (in thousands of dollars)

	2019	2018
FINANCIAL ASSETS		
Cash and Cash Equivalents	\$ 6,400	\$ 5,875
Accounts Receivable		
Property Taxes	5,383	7,057
Government Transfers	436	3,919
Trade and Other	15,916	14,187
Development Levies and Charges	3,359	5,095
Investments (Note 2)	376,560	342,804
Investment Interest Receivable	17,922	14,883
	425,976	393,820
LIABILITIES		
Accounts Payable and Accrued Liabilities (Note 3)	50,385	60,698
Deposit Liabilities (Note 4)	18,665	15,829
Deferred Revenue (Note 5)	115,200	77,590
Long-Term Debt (Note 6)	162,182	171,805
	346,432	325,922
NET FINANCIAL ASSETS	79,544	67,898
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Note 8)	1,946,241	1,935,418
Inventories of Materials and Supplies	1,039	954
Prepaid Expenses	3,946	2,640
	1,951,226	1,939,012
ACCUMULATED SURPLUS (Note 10)	\$ 2,030,770	\$ 2,006,910
Operating and Acquisition Lines of Credit (Note 11)		
Commitments and Contingent Liabilities (Note 12)		
Contractual Rights and Contingent Assets (Note 13)		

See accompanying Notes to Consolidated Financial Statements.

STRATHCONA COUNTY
Consolidated Statement of Operations and Accumulated Surplus
Year ended December 31, 2019 (in thousands of dollars)

	2019 Budget (Note 15)	2019	2018
OPERATING REVENUE			
Property Taxes (Note 16)	\$ 227,706	\$ 227,651	\$ 222,743
Utility User Rates	56,875	54,019	53,547
User Fees and Charges	39,048	39,472	45,150
Investment Income	8,441	9,569	8,864
Government Transfers – Operating (Note 17)	6,995	8,339	7,748
Penalties and Fines	6,528	7,000	6,873
Other Operating Revenue (excluding Parkade Event Insurance Proceeds)	9,817	11,427	11,685
Parkade Event Insurance Proceeds (Note 14)	-	13,358	-
Other Operating Revenue	9,817	24,785	11,685
TOTAL OPERATING REVENUE	355,410	370,835	356,610
EXPENSES (Note 24)			
Infrastructure and Planning Services (excluding Utility Operations)	52,195	51,047	49,501
Utility Operations	60,527	56,661	61,644
Infrastructure and Planning Services	112,722	107,708	111,145
Community Services	138,449	136,919	134,964
Corporate Services	44,504	40,135	38,487
Elected Officials	1,546	1,387	1,297
Financial and Strategic Management	9,892	8,751	7,737
Senior Administration	6,251	6,257	5,547
Fiscal Services (excluding Parkade Event)	56,005	66,276	56,726
Parkade Event (Note 14)	-	8,260	6,079
Fiscal Services	56,005	74,536	62,805
Strathcona County Library (excluding Parkade Event)	10,634	10,433	10,463
Parkade Event (Note 14)	-	153	87
Strathcona County Library	10,634	10,586	10,550
TOTAL EXPENSES	380,003	386,279	372,532
(DEFICIT) BEFORE CAPITAL REVENUE	(24,593)	(15,444)	(15,922)
CAPITAL REVENUE			
Contributed Tangible Capital Assets (Note 8)	-	21,352	19,634
Government Transfers – Capital (Note 17)	52,951	14,965	23,768
Other Capital Revenue (Note 18)	11,893	2,987	10,300
TOTAL CAPITAL REVENUE	64,844	39,304	53,702
ANNUAL SURPLUS	40,251	23,860	37,780
ACCUMULATED SURPLUS, BEGINNING OF YEAR	2,006,910	2,006,910	1,969,130
ACCUMULATED SURPLUS, END OF YEAR (Note 10)	\$ 2,047,161	\$ 2,030,770	\$ 2,006,910

See accompanying Notes to Consolidated Financial Statements.

STRATHCONA COUNTY
Consolidated Statement of Change in Net Financial Assets
Year ended December 31, 2019 (in thousands of dollars)

	2019 Budget (Note 15)	2019	2018
ANNUAL SURPLUS	\$ 40,251	\$ 23,860	\$ 37,780
Acquisition of Tangible Capital Assets (Note 8)	(113,518)	(51,458)	(90,343)
Contributed Tangible Capital Assets (Note 8)	-	(21,352)	(19,634)
Amortization of Tangible Capital Assets (Note 8)	61,784	60,457	59,040
Loss (Gain) on Disposals or Write-Downs of Tangible Capital Assets	-	1,115	(3,450)
Proceeds from Disposals of Tangible Capital Assets	-	415	5,004
	<u>(11,483)</u>	<u>13,037</u>	<u>(11,603)</u>
Acquisition of Inventories of Materials and Supplies	-	(1,932)	(1,808)
Acquisition of Prepaid Expenses	-	(4,230)	(2,972)
Use of Inventories of Materials and Supplies	-	1,847	1,882
Use of Prepaid Expenses	-	2,924	3,235
	<u>-</u>	<u>(1,391)</u>	<u>337</u>
(DECREASE) INCREASE IN NET FINANCIAL ASSETS	(11,483)	11,646	(11,266)
NET FINANCIAL ASSETS, BEGINNING OF YEAR	67,898	67,898	79,164
NET FINANCIAL ASSETS, END OF YEAR	<u>\$ 56,415</u>	<u>\$ 79,544</u>	<u>\$ 67,898</u>

See accompanying Notes to Consolidated Financial Statements.

STRATHCONA COUNTY
Consolidated Statement of Cash Flows
Year ended December 31, 2019 (in thousands of dollars)

	2019	2018
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Annual Surplus	\$ 23,860	\$ 37,780
Items Not Involving Cash		
Contributed Tangible Capital Assets (Note 8)	(21,352)	(19,634)
Amortization of Tangible Capital Assets (Note 8)	60,457	59,040
Amortization of (Discount) on Investments	(18)	(8)
Loss (Gain) on Disposals or Write-Downs of Tangible Capital Assets	1,115	(3,450)
(Gain) on Disposals of Investments	-	(3)
Changes to Non-Cash Financial Assets and Liabilities		
Property Taxes Receivable	1,674	(1,795)
Government Transfers Receivable	3,483	8,198
Trade and Other Receivables	(1,729)	1,004
Development Levies and Charges Receivable	1,736	(1,905)
Investment Interest Receivable	(3,039)	(4,294)
Accounts Payable and Accrued Liabilities	(11,948)	3,811
Deposit Liabilities	2,836	(1,496)
Deferred Revenue	37,610	(5,122)
Inventories of Materials and Supplies	(85)	74
Prepaid Expenses	(1,306)	263
Cash Provided by Operating Activities	93,294	72,463
CAPITAL		
Proceeds from Disposals of Tangible Capital Assets	415	5,004
Acquisition of Tangible Capital Assets	(49,823)	(86,479)
Cash (Applied to) Capital Activities	(49,408)	(81,475)
INVESTING		
Purchase of Investments	(220,914)	(243,201)
Proceeds from Sale/Maturity of Investments	187,176	244,664
Cash (Applied to) Provided by Investing Activities	(33,738)	1,463
FINANCING		
Long-Term Debt Issued	1,772	17,621
Long-Term Debt Repaid	(11,395)	(11,239)
Cash (Applied to) Provided by Financing Activities	(9,623)	6,382
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	525	(1,167)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	5,875	7,042
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 6,400	\$ 5,875
Cash (Paid) for Interest	\$ (6,529)	\$ (6,506)
Cash Received from Interest	\$ 8,845	\$ 6,183

See accompanying Notes to Consolidated Financial Statements.

STRATHCONA COUNTY
Notes to Consolidated Financial Statements
December 31, 2019 (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.

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 are presented to assist the reader in evaluating these consolidated financial statements and, together with the following notes, should be considered an integral part of the consolidated financial statements. The significant accounting policies adopted by the County are as follows:

a) Reporting Entity

The consolidated financial statements reflect the assets, liabilities, revenue, expenses, and accumulated surplus of the reporting entity. The reporting entity consists of all organizations that 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 of the County's operations, the Strathcona County Library and Pioneer Housing Foundation (PHF). Inter-organizational transactions and balances between these entities have been eliminated where appropriate. The County is associated with various other boards, commissions, and other organizations that are not part of the reporting entity.

Property taxes levied also include requisitions for education and seniors housing, on behalf of organizations that are external to the 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 based on market value and regulated value assessments. Taxation revenue is recorded at the time the tax rates are authorized by Strathcona County Council and the tax notices are issued.

d) Government Transfers

Government transfers are recognized as revenue in the period the events giving rise to the transfers have occurred, provided that the transfers are authorized, eligibility criteria have been met, and reasonable estimates of the amounts 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 as revenue in the period the development levies are collectible, and the amounts are applied to the acquisition of leviable infrastructure or other contractual requirements.

STRATHCONA COUNTY
Notes to Consolidated Financial Statements
December 31, 2019 (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 within the repayment 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 accounted for as deferred revenue until the special assessments are authorized by Strathcona County 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.

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 unrecognized government transfers, development levies and other revenue. 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 readily convertible to cash 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 corresponding 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.

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 is recorded net of any expected recoveries. The liability for remediation of a contaminated site reflects the County's estimated costs to meet environmental standards.

STRATHCONA COUNTY
Notes to Consolidated Financial Statements
December 31, 2019 (in thousands of dollars)

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

m) Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. Non-financial assets 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 amounts that are directly attributable to acquisition, construction, development, or betterment of the asset. The tangible capital asset cost, excluding land, is amortized on a straight-line basis over the estimated useful life, as follows:

<u>Asset</u>	<u>Useful Life in 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	2 - 40
Library Materials	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 revenue in the Consolidated Statement of Operations and Accumulated Surplus.

iii. Leases

Leases are classified as capital or operating leases. Leases that 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.

n) Reserves

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

STRATHCONA COUNTY
Notes to Consolidated Financial Statements
December 31, 2019 (in thousands of dollars)

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

o) Equity in Tangible Capital Assets

Equity in tangible capital assets is included within accumulated surplus. It represents the amortized cost of investments 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 amounts of revenue and expenses during the reporting 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 receivables.

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

q) Adoption of New Accounting Standards

The following table summarizes changes to Canadian Public Sector Accounting Standards that came into effect for the year ended December 31, 2019. The adoption of this standard did not result in any changes to the consolidated financial statements or note disclosures.

Public Sector Accounting Standard	Name
PS3430	Restructuring Transactions

r) 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. Concurrent adoption applies to the Financial Statement Presentation (PS1201), Foreign Currency Translation (PS2601), Portfolio Investments (PS3041), and Financial Instruments (PS3450) accounting standards.

Public Sector Accounting Standard	Name	Effective for the County years ended
PS1201	Financial Statement Presentation	December 31, 2022
PS2601	Foreign Currency Translation	December 31, 2022
PS3041	Portfolio Investments	December 31, 2022
PS3280	Asset Retirement Obligations	December 31, 2022
PS3450	Financial Instruments	December 31, 2022
PS3400	Revenue	December 31, 2023

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
December 31, 2019 (in thousands of dollars)

2. INVESTMENTS

	2019		2018	
	Carrying Amount	Market Value	Carrying Amount	Market Value
Term Deposits and Notes	\$ 207,241	\$ 206,954	\$ 184,226	\$ 183,550
Government Guaranteed Bonds	134,072	137,612	134,036	133,150
Corporate Bonds	35,247	35,426	24,542	24,239
	<u>\$ 376,560</u>	<u>\$ 379,992</u>	<u>\$ 342,804</u>	<u>\$ 340,939</u>

Term deposits and notes, government guaranteed bonds and corporate bonds have effective interest rates of 2.05 to 3.66 per cent (2018 – 2.00 to 3.66 per cent) with maturity dates from January 2020 to August 2031 (2018 – January 2019 to August 2031).

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

	2019	2018
Trade		
Accounts Payable	\$ 16,526	\$ 22,324
Contract Holdbacks	3,868	5,232
Capital Accruals	1,941	3,576
Operating Accruals	9,035	13,433
Other	1,258	223
	<u>32,628</u>	<u>44,788</u>
Payroll and Remittances	<u>5,173</u>	<u>4,710</u>
Employee Benefit Obligations		
Accrued Vacation	8,268	7,922
Banked Time	1,076	707
Other	2,087	1,338
	<u>11,431</u>	<u>9,967</u>
Interest	<u>1,153</u>	<u>1,233</u>
	<u>\$ 50,385</u>	<u>\$ 60,698</u>

4. DEPOSIT LIABILITIES

Deposit liabilities can either be interest bearing or non-interest bearing and are held based on the terms of related transactions or agreements.

The County has taken securities from developers in the form of cash, recorded as deposit liabilities, and letters of credit. Security is retained based on a percentage of the infrastructure construction costs required to service the development and is held to secure performance of obligations under the development agreements or permits. The value of securities can be reduced or increased, at the discretion of the County, as the associated development activity progresses. As at December 31, 2019, the County held \$11,999 (2018 – \$11,855) of deposit liabilities for development agreements and permits including interest of \$1,099 (2018 – \$939) and held letters of credit in the amount of \$40,588 (2018 – \$55,435).

STRATHCONA COUNTY
Notes to Consolidated Financial Statements
December 31, 2019 (in thousands of dollars)

5. 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 \$2,029 (2018 – \$1,344). Certain deferred revenue relates to government transfers as further described in Note 17.

	Balance at January 1, 2019	Externally Restricted Amounts	Amounts Recognized as Operating Revenue	Amounts Recognized as Capital Revenue	Balance at December 31, 2019
Government Transfers	\$ 37,337	\$ 60,451	\$ (8,339)	\$ (14,965)	\$ 74,484
Development Levies	15,034	617	(51)	(357)	15,243
Other	25,219	11,118	(8,901)	(1,963)	25,473
	<u>\$ 77,590</u>	<u>\$ 72,186</u>	<u>\$ (17,291)</u>	<u>\$ (17,285)</u>	<u>\$ 115,200</u>

6. LONG-TERM DEBT

	2019	2018
Tax Supported Debentures	\$ 63,252	\$ 66,806
Non-Tax Supported Debentures – Development Levies	20,514	22,724
Non-Tax Supported Debentures – Utility Rates	50,042	52,792
Non-Tax Supported Debentures – Other	28,374	29,483
	<u>\$ 162,182</u>	<u>\$ 171,805</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 7.63 per cent (2018 – 2.13 to 7.63 per cent) and matures in periods 2020 through 2044 (2018 – periods 2019 through 2043).

STRATHCONA COUNTY
Notes to Consolidated Financial Statements
December 31, 2019 (in thousands of dollars)

6. LONG-TERM DEBT (CONTINUED)

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 3,950	\$ 2,400	\$ 6,350
2021	4,037	2,255	6,292
2022	4,145	2,106	6,251
2023	4,165	1,954	6,119
2024	4,211	1,802	6,013
Thereafter	42,744	9,056	51,800
	<u>\$ 63,252</u>	<u>\$ 19,573</u>	<u>\$ 82,825</u>

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 7,663	\$ 3,705	\$ 11,368
2021	7,646	3,389	11,035
2022	7,474	3,073	10,547
2023	6,647	2,774	9,421
2024	5,594	2,515	8,109
Thereafter	63,906	16,020	79,926
	<u>\$ 98,930</u>	<u>\$ 31,476</u>	<u>\$ 130,406</u>

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 11,613	\$ 6,105	\$ 17,718
2021	11,683	5,644	17,327
2022	11,619	5,179	16,798
2023	10,812	4,728	15,540
2024	9,805	4,317	14,122
Thereafter	106,650	25,076	131,726
	<u>\$ 162,182</u>	<u>\$ 51,049</u>	<u>\$ 213,231</u>

STRATHCONA COUNTY
Notes to Consolidated Financial Statements
December 31, 2019 (in thousands of dollars)

7. DEBT AND DEBT SERVICE LIMITS

Provincial legislation (Section 276(2) of the MGA) requires that debt and service on debt limits as defined by Alberta Regulation 255/2000 for the County be disclosed as follows:

	2019	2018
Total Debt Limit	\$ 560,732	\$ 550,364
Total Debt	162,182	171,805
Percentage Used	28.92%	31.22%
Service on Debt Limit	\$ 93,455	\$ 91,727
Service on Debt	17,718	17,871
Percentage Used	18.96%	19.48%

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 that could be at financial risk if further debt is acquired. The calculation taken alone does not represent the financial stability of the County. Rather, the consolidated financial statements must be interpreted as a whole.

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STRATHCONA COUNTY
Notes to Consolidated Financial Statements
December 31, 2019 (in thousands of dollars)

8. TANGIBLE CAPITAL ASSETS

Cost	Balance at January 1, 2019	Purchased Additions	Contributed Additions	Disposals or Write-Downs	Balance at December 31, 2019
Land	\$ 510,318	\$ 5,111	\$ 3,706	\$ (1,057)	\$ 518,078
Land Improvements	121,054	5,766	2,595	(245)	129,170
Buildings	483,408	19,529	-	(60)	502,877
Engineered Structures	1,256,685	28,547	15,051	(30,616)	1,269,667
Machinery and Equipment	78,760	3,523	-	(4,392)	77,891
Library Materials	6,388	581	-	(540)	6,429
Vehicles	77,254	3,654	-	(2,184)	78,724
Assets Under Construction	45,808	(15,253)	-	-	30,555
	\$ 2,579,675	\$ 51,458	\$ 21,352	\$ (39,094)	\$ 2,613,391

Accumulated Amortization	Balance at January 1, 2019	Disposals or Write-Downs	Amortization	Balance at December 31, 2019
Land Improvements	\$ 43,671	\$ (245)	\$ 5,682	\$ 49,108
Buildings	122,910	-	12,034	134,944
Engineered Structures	389,435	(30,612)	30,381	389,204
Machinery and Equipment	45,228	(4,240)	6,112	47,100
Library Materials	3,262	(540)	641	3,363
Vehicles	39,751	(1,927)	5,607	43,431
	\$ 644,257	\$ (37,564)	\$ 60,457	\$ 667,150

Net Book Value	Balance at December 31, 2019
Land	\$ 518,078
Land Improvements	80,062
Buildings	367,933
Engineered Structures	880,463
Machinery and Equipment	30,791
Library Materials	3,066
Vehicles	35,293
Assets Under Construction	30,555
	\$ 1,946,241

STRATHCONA COUNTY
Notes to Consolidated Financial Statements
December 31, 2019 (in thousands of dollars)

8. TANGIBLE CAPITAL ASSETS (CONTINUED)

Cost	Balance at January 1, 2018	Purchased Additions	Contributed Additions	Disposals or Write-Downs	Balance at December 31, 2018
Land	\$ 499,530	\$ 7,555	\$ 3,590	\$ (357)	\$ 510,318
Land Improvements	115,426	5,114	760	(246)	121,054
Buildings	455,981	27,505	-	(78)	483,408
Engineered Structures	1,193,865	51,790	15,284	(4,254)	1,256,685
Machinery and Equipment	74,168	6,490	-	(1,898)	78,760
Library Materials	6,132	585	-	(329)	6,388
Vehicles	76,063	5,873	-	(4,682)	77,254
Assets Under Construction	60,377	(14,569)	-	-	45,808
	\$ 2,481,542	\$ 90,343	\$ 19,634	\$ (11,844)	\$ 2,579,675

Accumulated Amortization	Balance at January 1, 2018	Disposals or Write-Downs	Amortization	Balance at December 31, 2018
Land Improvements	\$ 38,564	\$ (213)	\$ 5,320	\$ 43,671
Buildings	111,479	-	11,431	122,910
Engineered Structures	363,819	(4,254)	29,870	389,435
Machinery and Equipment	40,940	(1,893)	6,181	45,228
Library Materials	2,965	(329)	626	3,262
Vehicles	37,740	(3,601)	5,612	39,751
	\$ 595,507	\$ (10,290)	\$ 59,040	\$ 644,257

Net Book Value	Balance at December 31, 2018
Land	\$ 510,318
Land Improvements	77,383
Buildings	360,498
Engineered Structures	867,250
Machinery and Equipment	33,532
Library Materials	3,126
Vehicles	37,503
Assets Under Construction	45,808
	\$ 1,935,418

STRATHCONA COUNTY
Notes to Consolidated Financial Statements
December 31, 2019 (in thousands of dollars)

8. TANGIBLE CAPITAL ASSETS (CONTINUED)

a) Assets Under Construction

Assets under construction having a value of \$30,555 (2018 – \$45,808) 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 \$21,352 in land, land improvements and engineered structures was contributed to the County in 2019 (2018 – \$19,364).

c) Write-Downs of Tangible Capital Assets

A total of \$993 in land and buildings were written down in 2019 (2018 – nil).

9. EQUITY IN TANGIBLE CAPITAL ASSETS

	2019	2018
Tangible Capital Assets – Cost (Note 8)	\$ 2,613,391	\$ 2,579,675
Accumulated Amortization (Note 8)	(667,150)	(644,257)
Long-Term Debt (Note 6)	(162,182)	(171,805)
Local Improvements Levies Applicable to Debt	473	523
	<u>\$ 1,784,532</u>	<u>\$ 1,764,136</u>

10. ACCUMULATED SURPLUS

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

	2019	2018
Unrestricted (Deficit)	\$ (22,984)	\$ (8,813)
Equity in Tangible Capital Assets (Note 9)	1,784,532	1,764,136
	<u>1,761,548</u>	<u>1,755,323</u>
Reserves:		
Infrastructure Lifecycle, Maintenance and Replacement Projects	132,277	125,735
Special Purpose	56,859	59,450
Stabilization and Contingency	46,525	49,361
Strathcona County Library	28,646	12,309
	4,915	4,732
	<u>269,222</u>	<u>251,587</u>
	<u>\$ 2,030,770</u>	<u>\$ 2,006,910</u>

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

11. OPERATING AND ACQUISITION LINES OF CREDIT

The County has an operating line of credit available for use, up to a maximum of \$5,000 (2018 – \$5,000), bearing interest at prime rate minus 0.5 per cent (2018 – prime rate minus 0.5 per cent) and is secured by the County at large. As at December 31, 2019, nil (2018 – 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 (2018 – \$2,449), bearing interest at prime minus 0.5 per cent (2018 – prime rate minus 0.5 per cent) and is secured by the County at large. As at December 31, 2019, nil (2018 – nil) was drawn against the available acquisition line of credit.

STRATHCONA COUNTY
Notes to Consolidated Financial Statements
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12. COMMITMENTS AND CONTINGENT LIABILITIES

a) Capital

As at December 31, 2019, authorized costs for capital projects committed through a purchase order or other contractual agreement, but not yet expended, amounted to \$27,254 (2018 – \$19,601).

b) Leases

The County has ongoing operating leases for building space, office equipment and bus stop usage.

The future minimum lease payments are due as follows:

2020	\$	840
2021		846
2022		510
2023		477
2024		477
Thereafter		477
	\$	<u>3,627</u>

c) Legal Disputes

As at December 31, 2019, the County was involved in various legal disputes. While it is not possible to estimate the exact outcome of these disputes, management believes adequate accruals have been recorded, as applicable, and that there will be no significant adverse effects on the financial position of the County when resolved.

d) 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, 2019.

e) Forward Contracts

To mitigate the risk of fluctuations in electricity and natural gas prices, in 2019 the County entered into fixed price contracts for a total commitment of \$2,799 and \$549, respectively.

13. CONTRACTUAL RIGHTS AND CONTINGENT ASSETS

The County has initiated a number of insurance claims that arose from the normal course of operations. The outcomes of these claims may result in assets in the future and cannot be estimated at this time.

The County has a contractual right to Provincial and Federal government transfer funding allocations. In 2019, the County was allocated \$14,964 (2018 – \$14,865) in Municipal Sustainability Initiative (MSI) Capital funding and \$11,117 (2018 – \$5,408) in Federal Gas Tax Fund (GTF) funding. The future receipt of these assets is dependent on submission and approval of project applications and satisfying subsequent reporting requirements. These allocations contributed to the total contractual rights of \$14,964 (2018 – \$44,077) for MSI and \$11,117 (2018 – \$5,408) for GTF.

STRATHCONA COUNTY
Notes to Consolidated Financial Statements
December 31, 2019 (in thousands of dollars)

14. PARKADE EVENT

On November 6, 2018, there were two explosions in the Community Centre parkade as a result of the actions of a citizen. Due to the uncertainty of the situation and the concentration and unknown properties of smoke and soot throughout the entire complex (including the Community Centre, the Strathcona County Library, the underground parkade and County Hall), the complex was closed. The RCMP has completed their investigation of the event.

The explosion did not cause major structural damage to the Community Centre complex and the building will be restored to its original state. County Hall reopened to the public on November 21, 2018 and the majority of the Community Centre reopened to the public on January 15, 2019. The parkade and Library reopened to the public on May 8, 2019.

Costs incurred as a result of response or recovery efforts are capitalized or expensed in accordance with the accounting policies described in Note 1. During 2019, operating costs associated with the parkade incident were \$8,413 and capital costs were \$348. As at December 31, 2019, the total operating costs related to the event were \$14,579 and capital costs were \$348. All operating expenses are recognized in the Statement of Operations and Accumulated Surplus in Fiscal Services and Strathcona County Library. Segmented information is presented in Note 24.

The County is insured under various insurance policies. The County is working closely with its insurers to recover the related expenditures. Parkade event insurance proceeds are recognized in the Statement of Operations and Accumulated Surplus in other operating revenue. During 2019, the County recognized revenue of \$13,358 of insurance proceeds. Operating costs of \$1,140 are still under review and no related insurance proceeds have been recognized for these amounts. Costs of \$81 are not eligible to be reimbursed under the County's insurance policy.

15. BUDGET DATA

The 2019 Operating Budget, approved by Strathcona County Council on December 6, 2018, 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. In addition, the PHF budget, approved by the PHF Board of Directors on August 22, 2018 has been included in Fiscal Services.

The Capital Budget reports the planned activity for the year ended December 31, as follows:

	2019	2018
2019 Capital Budget approved by Council on December 6, 2018	\$ 64,531	\$ 69,191
2019 Approved Capital Budget Amendments	7,153	(71,696)
Unspent Prior Years Budgeted Capital Expenditures and Amendments	111,553	227,334
Budgeted Capital Expenditures planned to be incurred after 2019	(69,719)	(109,681)
Capital Budget for Acquisition of Tangible Capital Assets	\$ 113,518	\$ 115,148

STRATHCONA COUNTY
Notes to Consolidated Financial Statements
December 31, 2019 (in thousands of dollars)

16. PROPERTY TAXES

	Municipal	Non-Municipal	2019	2018
Property Taxes				
Residential	\$ 76,885	\$ 47,959	\$ 124,844	\$ 120,600
Non-Residential	49,632	21,832	71,464	70,509
Linear	7,724	3,300	11,024	9,709
Machinery and Equipment	93,392	2,224	95,616	92,662
Local Improvement Levies	18	-	18	12
	<u>\$ 227,651</u>	<u>\$ 75,315</u>	<u>\$ 302,966</u>	<u>\$ 293,492</u>
Non-Municipal Requisitions				
Provincial Alberta School Foundation Fund			\$ (62,187)	\$ (58,867)
Elk Island CSRD No. 41			(7,359)	(7,222)
Provincial Designated Industrial Property			(974)	(432)
Sub-Total Provincial Requisitions			(70,520)	(66,521)
Heartland Housing Foundation			(4,795)	(4,228)
Taxes on Behalf of Non-Municipal Requisitioning Authorities			<u>\$ (75,315)</u>	<u>\$ (70,749)</u>
		2019 Budget (Note 15)		
Taxes for Provision of Municipal Services		<u>\$ 227,706</u>	<u>\$ 227,651</u>	<u>\$ 222,743</u>

17. GOVERNMENT TRANSFERS

	2019 Budget (Note 15)	2019	2018
Government Transfers for Operations			
Federal Transfers	\$ 116	\$ 376	\$ 425
Provincial Transfers	6,879	7,963	7,323
	<u>6,995</u>	<u>8,339</u>	<u>7,748</u>
Government Transfers for Capital			
Federal Transfers	6,228	8,234	1,577
Provincial Transfers	46,723	6,731	22,211
	<u>52,951</u>	<u>14,965</u>	<u>23,768</u>
	<u>\$ 59,946</u>	<u>\$ 23,304</u>	<u>\$ 31,516</u>

The nature of the major government transfers recognized during 2019, 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 2019, the County received and accrued \$45,344 (2018 – \$9,482) in MSI Capital funding, including interest of \$1,267 (2018 – \$656). During 2019, \$5,934 (2018 – \$17,593) has been recognized in capital government transfers. A total of \$63,279 (2018 – \$23,869) remains deferred to future years. As at December 31, 2019, nil (2018 – \$2,699) has been recognized as receivable under this program.

In 2019, the County received \$762 (2018 – \$767) in MSI Conditional Operating funding. During 2019, \$762 (2018 – \$767) has been recognized in operating government transfers.

STRATHCONA COUNTY
Notes to Consolidated Financial Statements
December 31, 2019 (in thousands of dollars)

17. GOVERNMENT TRANSFERS (CONTINUED)

The Federal government introduced the Federal Gas Tax Fund (GTF) 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 2019, the County received and accrued \$5,710 (2018 – \$4,024) in GTF funding including interest of \$302 (2018 – \$189). During 2019, \$7,412 (2018 – \$1,350) has been recognized in capital and operating government transfers. A total of \$10,527 (2018 – \$12,229), remains deferred to future years.

Public Transit Infrastructure Fund (PTIF) funding is from the Federal and Provincial government designed to 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 2019, the County received and accrued \$1,567 (2018 – \$628) in PTIF funding and \$1,567 (2018 – \$628) has been recognized in capital government transfers. As at December 31, 2019, \$2 (2018 – \$3) has been recognized as receivable under this program.

The Family and Community Support Services (FCSS) program is a funding partnership between the Province of Alberta and the County to support individuals, families and communities through preventative social programs and services. In 2019, the County received \$2,084 (2018 – \$2,084) in FCSS funding. During 2019, \$2,084 (2018 – \$2,084) has been recognized in operating government transfers.

The Municipal Policing Assistance Grant (MPAG) is a Province of Alberta program that assists communities with the financial costs of municipal policing. In 2019, the County received \$1,141 (2018 – \$1,130) in MPAG funding. During 2019, \$1,141 (2018 – \$1,130) has been recognized in operating government transfers.

The 9-1-1 Grant Program is a Province of Alberta initiative to support and enhance the delivery and development of the County's local 9-1-1 services. In 2019, the County received \$746 (2018 – \$764) in 9-1-1 Grant Program funding. During 2019, \$746 (2018 – \$764) has been recognized in operating government transfers.

18. OTHER CAPITAL REVENUE

	2019 Budget (Note 15)	2019	2018
Development Levies and Charges	\$ 3,970	\$ 357	\$ 6,225
Developer and Other Third Party Contributions	7,923	2,630	4,075
	<u>\$ 11,893</u>	<u>\$ 2,987</u>	<u>\$ 10,300</u>

STRATHCONA COUNTY
Notes to Consolidated Financial Statements
December 31, 2019 (in thousands of dollars)

19. 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 and Allowances	2019	2018
Elected Officials:				
Mayor	\$ 158	\$ 27	\$ 185	\$ 167
Councillor – Ward 1	85	18	103	94
Councillor – Ward 2	85	20	105	97
Councillor – Ward 3	85	18	103	94
Councillor – Ward 4	85	20	105	94
Councillor – Ward 5	85	19	104	96
Councillor – Ward 6	85	9	94	87
Councillor – Ward 7	85	12	97	90
Councillor – Ward 8	85	20	105	97
	<u>\$ 838</u>	<u>\$ 163</u>	<u>\$ 1,001</u>	<u>\$ 916</u>
Chief Commissioner – January 1 to July 31 (2018 – January 1 to December 31)	\$ 225	\$ 189	\$ 414	\$ 347
Interim Chief Commissioner – August 1 to December 31	\$ 102	\$ 16	\$ 118	\$ -

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, and car allowance. Benefits also include the County's share of employment insurance for the Chief Commissioner.

20. PENSION PLANS

a) Local Authorities Pension Plan

Employees of the County participate in the Local Authorities Pension Plan (LAPP), which is administered under the Alberta *Public Sector Pension Plans Act*.

The County was required to make current service contributions to LAPP of 9.39 per cent (2018 – 10.39 per cent) of pensionable payroll up to the yearly maximum pensionable earnings (YMPE) and 13.84 per cent (2018 – 14.84 per cent) thereafter. Employees of the County are required to make current service contributions of 8.39 per cent (2018 – 9.39 per cent) of pensionable salary up to YMPE, and 12.84 per cent (2018 – 13.84 per cent) thereafter.

Total current service contributions by the County to LAPP in 2019 were \$12,382 (2018 – \$13,128). Total current service contributions by the employees of the County to LAPP in 2019 were \$11,247 (2018 – \$12,029).

As stated in their 2018 Annual Report, LAPP serves 265,813 members and 421 employers. It is financed by employer and employee contributions and investment earnings of the LAPP fund. At December 31, 2018, the plan reported an actuarial surplus of \$3,500,000.

STRATHCONA COUNTY
Notes to Consolidated Financial Statements
December 31, 2019 (in thousands of dollars)

20. PENSION PLANS (CONTINUED)

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. 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. Employees of the County contribute 2.84 per cent (2018 – 2.84 per cent) and the County contributes 3.78 per cent (2018 – 3.78 per cent) of pensionable earnings up to \$151 (2018 – \$147).

Total contributions made by employees of the County to APEX in 2019 were \$303 (2018 – \$303). Total contributions made by the County to APEX in 2019 were \$404 (2018 – \$403).

21. RELATED PARTY DISCLOSURES

Related parties are consolidated as part of the reporting entity described in Note 1. Transactions with these entities occur as a normal course of business and are appropriately eliminated in the consolidated financial statements.

Related parties also include the County's key management personnel and their close family members, including entities these individuals may control or influence. Key management personnel are those individuals who are included in Note 19 and other members of the executive team. Transactions with these individuals are considered to be in the normal course of business and are recorded at the exchange amount.

22. SUBSEQUENT EVENTS

On December 3, 2019, the Alberta Lieutenant Governor in Council made Order in Council 274/2019, annexing land from the County to the City of Fort Saskatchewan, effective January 1, 2020. The annexed area is 952 hectares and starts at the City of Fort Saskatchewan's southern boundary. The impact to the County December 31, 2020 consolidated financial statements is estimated to be limited to the disposal of land under roads and engineered structures in the amount of \$433.

In February 2020, the Province of Alberta approved \$41,454 of submitted projects for the MSI capital funding. As a result of these approvals, the County recognized \$19,228 of deferred revenue as government transfer revenue in the 2020 year.

Subsequent to year-end, the COVID-19 (novel coronavirus) pandemic has resulted in the County enacting emergency measures to combat the spread of the virus. The County has followed the recommendations of the Alberta Public Health Association. The duration of the pandemic and associated emergency measures is currently unknown. As the situation continues to rapidly change, the impact of the outbreak on the future financial performance and financial position of the County, if any, cannot be determined at this time.

23. COMPARATIVE INFORMATION

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

STRATHCONA COUNTY
Notes to Consolidated Financial Statements
December 31, 2019 (in thousands of dollars)

24. SEGMENTED INFORMATION

Segmented information has been identified based on the types of services provided by the County to its residents:

- a) Infrastructure and Planning Services is responsible for managing the County's infrastructure by planning, constructing, and maintaining streets, sidewalks and highways, designing and maintaining facilities and parks, and coordinating plans and permits. Infrastructure and Planning Services also facilitates economic growth, business support, diversification, and innovation.
- b) Community Services focuses on creating a healthy, vibrant, safe, and welcoming community that celebrates cultural and social inclusion. The operations of Community Services include emergency communications, management, operations, and enforcement services, and crime prevention. Community Services also offers individual and family support, programs and facilities, and transit services.
- c) Corporate Services is at the core of the County; its programs and services enable all departments to be fully functional. Corporate Services supports the front-line departments, caring for the facilities used by staff and residents, repairing transit and emergency vehicles, recruiting and training staff, optimizing the benefits of technology, providing legal advice and supporting the activities of Strathcona County Council.
- d) Elected Officials includes the Mayor and Council, who are stewards of the County's strategic plan, business plan, and budget. The County's Elected Officials govern and plan for success by providing leadership and direction to the administration in the review and approval of policies and programs that benefit our residents, businesses, and industry.
- e) Financial and Strategic Management performs a number of vital support roles that help the organization successfully achieve its strategic goals. The division performs functions including, but not limited to, assessment and taxation, treasury and risk management, financial reporting and coordination, financial planning, and procurement services.
- f) Senior Administration develops, implements, and administers policies and programs established and approved by Strathcona County Council. The division also supports, assists, and advises Council on legislation and municipal operations and coordinates communications.
- g) Fiscal Services is a separate department that includes corporate revenue and expenses that are not specific to an individual department including: taxes, grants, requisitions, amortization and debt servicing costs. It also includes expenses relating to PHF which is a not-for-profit organization controlled by the County which holds land and buildings for the purpose of providing affordable housing.
- h) Utility Operations plans for, designs, operates and maintains water, wastewater and stormwater infrastructure systems. The department also provides innovative waste management services and community energy services.
- i) The Strathcona County Library is charged with providing comprehensive and efficient library services that meet the needs of the community.

Certain allocation methodologies are used in the preparation of segmented financial information. Taxation revenue 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
December 31, 2019 (in thousands of dollars)

24. SEGMENTED INFORMATION (CONTINUED)

	Municipal Operations										Strathcona County Library			
	Infrastructure and Planning Services (excluding Utility Operations)	Community Services	Corporate Services	Elected Officials	Financial and Strategic Management	Senior Administration	Fiscal Services (excluding Parkade Event)	Parkade Event (Note 14)	Total Municipal Operations	Utility Operations	Strathcona County Library (excluding Parkade Event)	Parkade Event (Note 14)	2019	2019 Budget (Note 15)
OPERATING REVENUE														
Property Taxes (Note 16)	\$ 47,830	\$ 92,228	\$ 43,768	\$ 1,545	\$ 9,244	\$ 6,127	\$ 17,180	\$ -	\$ 217,922	\$ 11	\$ 9,718	\$ -	\$ 227,651	\$ 227,706
Utility User Rates	-	-	-	-	-	-	-	-	-	54,019	-	-	54,019	56,875
User Fees and Charges	3,784	29,761	523	-	343	127	3,569	-	38,107	1,323	42	-	39,472	39,048
Investment Income	-	-	-	-	-	-	7,851	-	7,851	1,561	157	-	9,569	8,441
Government Transfers – Operating (Note 17)	295	5,941	34	-	-	216	1,247	-	7,733	33	573	-	8,339	6,995
Penalties and Fines	13	5,270	-	-	-	-	1,611	-	6,894	-	106	-	7,000	6,528
Other Operating Revenue	752	6,893	57	-	336	62	3,147	13,305	24,552	7	173	53	24,785	9,817
TOTAL OPERATING REVENUE	52,674	140,093	44,382	1,545	9,923	6,532	34,605	13,305	303,059	56,954	10,769	53	370,835	355,410
EXPENSES														
Salaries, Wages and Benefits	28,934	92,856	25,513	1,089	7,821	4,993	3,156	-	164,362	10,905	6,498	2	181,767	181,389
Contracted and General Services	14,352	23,253	12,042	237	1,026	893	6,181	7,985	65,969	12,187	331	43	78,530	67,710
Supplies, Materials and Utilities	7,321	18,343	2,386	61	(140)	229	(706)	248	27,742	23,192	1,282	92	52,308	58,120
Interest on Long-Term Debt	-	-	-	-	-	-	3,246	-	3,246	2,354	849	-	6,449	6,463
Grants and Requisitions	336	2,006	82	-	-	142	701	-	3,267	18	3	-	3,288	2,776
Amortization (Note 8)	-	-	-	-	-	-	51,025	-	51,025	7,979	1,453	-	60,457	61,784
Loss (Gain) on Asset Disposals or Write-Downs	-	-	-	-	-	-	1,121	27	1,148	(59)	10	16	1,115	-
Other Expenses	104	461	112	-	44	-	1,552	-	2,273	85	7	-	2,365	1,761
TOTAL EXPENSES	51,047	136,919	40,135	1,387	8,751	6,257	66,276	8,260	319,032	56,661	10,433	153	386,279	380,003
SURPLUS (DEFICIT) BEFORE CAPITAL REVENUE	1,627	3,174	4,247	158	1,172	275	(31,671)	5,045	(15,973)	293	336	(100)	(15,444)	(24,593)
CAPITAL REVENUE														
Contributed Tangible Capital Assets (Note 8)	-	-	-	-	-	-	17,615	-	17,615	3,737	-	-	21,352	-
Government Transfers – Capital (Note 17)	-	-	-	-	-	-	14,949	-	14,949	16	-	-	14,965	52,951
Other Capital Revenue (Note 18)	-	-	-	-	-	-	2,791	-	2,791	194	2	-	2,987	11,893
TOTAL CAPITAL REVENUE	-	-	-	-	-	-	35,355	-	35,355	3,947	2	-	39,304	64,844
ANNUAL SURPLUS (DEFICIT)	\$ 1,627	\$ 3,174	\$ 4,247	\$ 158	\$ 1,172	\$ 275	\$ 3,684	\$ 5,045	\$ 19,382	\$ 4,240	\$ 338	\$ (100)	\$ 23,860	\$ 40,251

STRATHCONA COUNTY
Notes to Consolidated Financial Statements
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24. SEGMENTED INFORMATION (CONTINUED)

	Municipal Operations										Strathcona County Library				
							Fiscal Services								
	Infrastructure and Planning Services (excluding Utility Operations)	Community Services	Corporate Services	Elected Officials	Financial and Strategic Management	Senior Administration	Fiscal Services (excluding Parkade Event)	Parkade Event (Note 14)	Total Municipal Operations	Utility Operations	Strathcona County Library (excluding Parkade Event)	Parkade Event (Note 14)	2018	2018 Budget (Note 15)	
OPERATING REVENUE															
Property Taxes (Note 16)	\$ 43,204	\$ 89,110	\$ 38,653	\$ 1,475	\$ 8,264	\$ 5,799	\$ 26,764	\$ -	\$ 213,269	\$ 12	\$ 9,462	\$ -	\$ 222,743	\$ 221,334	
Utility User Rates	-	-	-	-	-	-	-	-	-	53,547	-	-	53,547	55,343	
User Fees and Charges	4,201	29,768	490	-	334	125	3,341	-	38,259	6,842	49	-	45,150	40,302	
Investment Income	-	-	-	-	-	-	7,438	-	7,438	1,252	174	-	8,864	6,805	
Government Transfers – Operating (Note 17)	232	6,053	-	-	-	6	855	-	7,146	40	562	-	7,748	6,920	
Penalties and Fines	21	5,251	-	-	-	-	1,462	-	6,734	-	139	-	6,873	6,158	
Other Operating Revenue	831	7,751	234	-	387	19	2,244	-	11,466	25	194	-	11,685	9,401	
TOTAL OPERATING REVENUE	48,489	137,933	39,377	1,475	8,985	5,949	42,104	-	284,312	61,718	10,580	-	356,610	346,263	
EXPENSES															
Salaries, Wages and Benefits	28,797	91,437	24,523	1,007	7,271	4,756	2,001	417	160,209	11,049	6,527	16	177,801	173,964	
Contracted and General Services	11,893	23,234	11,140	235	924	424	3,466	5,481	56,797	16,187	361	37	73,382	63,606	
Supplies, Materials and Utilities	8,569	18,133	2,637	55	(505)	236	(519)	181	28,787	23,963	1,249	34	54,033	54,200	
Interest on Long-Term Debt	-	-	-	-	-	-	3,318	-	3,318	2,298	885	-	6,501	6,683	
Grants and Requisitions	157	1,670	82	-	-	131	686	-	2,726	285	-	-	3,011	2,514	
Amortization (Note 8)	-	-	-	-	-	-	49,793	-	49,793	7,811	1,436	-	59,040	60,593	
(Gain) on Asset Disposals or Write-Downs	-	-	-	-	-	-	(3,366)	-	(3,366)	(84)	-	-	(3,450)	-	
Other Expenses	85	490	105	-	47	-	1,347	-	2,074	135	5	-	2,214	1,624	
TOTAL EXPENSES	49,501	134,964	38,487	1,297	7,737	5,547	56,726	6,079	300,338	61,644	10,463	87	372,532	363,184	
(DEFICIT) SURPLUS BEFORE CAPITAL REVENUE	(1,012)	2,969	890	178	1,248	402	(14,622)	(6,079)	(16,026)	74	117	(87)	(15,922)	(16,921)	
CAPITAL REVENUE															
Government Transfers – Capital (Note 17)	-	-	-	-	-	-	23,768	-	23,768	-	-	-	23,768	28,315	
Contributed Tangible Capital Assets (Note 8)	-	-	-	-	-	-	8,493	-	8,493	11,141	-	-	19,634	-	
Other Capital Revenue (Note 18)	-	-	-	-	-	-	6,688	-	6,688	3,597	15	-	10,300	14,136	
TOTAL CAPITAL REVENUE	-	-	-	-	-	-	38,949	-	38,949	14,738	15	-	53,702	42,451	
ANNUAL (DEFICIT) SURPLUS	\$ (1,012)	\$ 2,969	\$ 890	\$ 178	\$ 1,248	\$ 402	\$ 24,327	\$ (6,079)	\$ 22,923	\$ 14,812	\$ 132	\$ (87)	\$ 37,780	\$ 25,530	