

STRATHCONA COUNTY
CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2022

STRATHCONA COUNTY
Consolidated Financial Statements
Year ended December 31, 2022

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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 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, audit and financial reporting matters, and to satisfy that each party is properly discharging its responsibilities. Council approves the appointment of the external auditors. In addition to the above, financial reports are presented to Council regularly.

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.

Jennifer Cannon, CPA, CGA, CLGM

Chief Financial Officer & Associate Commissioner, Corporate Services

July 4, 2023

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, 2022 (in thousands of dollars)

	2022	2021
FINANCIAL ASSETS		
Cash and Cash Equivalents	\$ 15,810	\$ 5,136
Accounts Receivable		
Property Taxes	7,627	6,551
Government Transfers	22,450	33,224
Trade and Other	33,279	16,639
Development Levies and Charges	4,081	3,005
Investments (Note 2)	313,487	343,916
Investment Interest Receivable	26,472	23,893
	423,206	432,364
LIABILITIES		
Accounts Payable and Accrued Liabilities (Note 3)	92,266	69,725
Deposit Liabilities (Note 4)	16,074	11,691
Deferred Revenue (Note 5)	108,528	113,233
Long-Term Debt (Notes 6 and 7)	133,070	140,824
	349,938	335,473
NET FINANCIAL ASSETS	73,268	96,891
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Note 8)	2,051,637	1,978,431
Inventories of Materials and Supplies	1,223	1,188
Prepaid Expenses	8,394	8,207
	2,061,254	1,987,826
ACCUMULATED SURPLUS (Note 10)	\$ 2,134,522	\$ 2,084,717
Operating Line of Credit (Note 11)		
Commitments and Contingent Liabilities (Note 12)		
Contractual Rights and Contingent Assets (Note 13)		

The accompanying notes are an integral part of these Consolidated Financial Statements.

STRATHCONA COUNTY
Consolidated Statement of Operations and Accumulated Surplus
Year ended December 31, 2022 (in thousands of dollars)

	2022 Budget (Note 14)	2022	2021
OPERATING REVENUE			
Property Taxes (Note 15)	\$ 242,731	\$ 243,028	\$ 231,828
Utility User Rates	55,199	59,234	59,502
User Fees and Charges	35,806	30,685	20,462
Investment Income	6,106	9,087	7,430
Government Transfers – Operating (Note 16)	7,505	8,783	8,062
Penalties and Fines	6,385	4,898	7,003
Permit and License Fees	3,302	3,180	3,220
Other Operating Revenue	8,378	9,818	12,151
TOTAL OPERATING REVENUE	365,412	368,713	349,658
EXPENSES (Note 23)			
Infrastructure and Planning Services (excluding Utility Operations)	52,297	52,216	46,447
Utility Operations	62,515	60,755	62,179
Infrastructure and Planning Services	114,812	112,971	108,626
Community Services	152,163	145,826	136,020
Corporate Services and Chief Financial Officer	75,074	65,845	60,666
Office of the Chief Commissioner	6,762	5,908	6,113
Elected Officials	1,657	1,482	1,358
Corporate Fiscal Services	69,933	66,442	66,860
Strathcona County Library	10,520	10,289	10,197
TOTAL EXPENSES	430,921	408,763	389,840
(DEFICIT) BEFORE CAPITAL REVENUE	(65,509)	(40,050)	(40,182)
CAPITAL REVENUE			
Government Transfers – Capital (Note 16)	51,330	44,921	47,974
Contributed Tangible Capital Assets (Note 8)	-	20,371	5,276
Other Capital Revenue (Note 17)	26,377	24,563	(1,380)
TOTAL CAPITAL REVENUE	77,707	89,855	51,870
ANNUAL SURPLUS	12,198	49,805	11,688
ACCUMULATED SURPLUS, BEGINNING OF YEAR	2,084,717	2,084,717	2,073,029
ACCUMULATED SURPLUS, END OF YEAR (Note 10)	\$ 2,096,915	\$ 2,134,522	\$ 2,084,717

The accompanying notes are an integral part of these Consolidated Financial Statements.

STRATHCONA COUNTY
Consolidated Statement of Change in Net Financial Assets
Year ended December 31, 2022 (in thousands of dollars)

	2022 Budget (Note 14)	2022	2021
ANNUAL SURPLUS	\$ 12,198	\$ 49,805	\$ 11,688
Acquisition of Tangible Capital Assets (Note 8)	(183,075)	(117,511)	(76,602)
Contributed Tangible Capital Assets (Note 8)	-	(20,371)	(5,276)
Amortization of Tangible Capital Assets (Note 8)	66,723	63,660	62,751
Loss on Disposals or Write-Downs of Tangible Capital Assets	-	556	2,644
Proceeds from Disposals of Tangible Capital Assets	-	460	690
	<u>(104,154)</u>	<u>(23,401)</u>	<u>(4,105)</u>
Acquisition of Inventories of Materials and Supplies	-	(3,790)	(1,536)
Acquisition of Prepaid Expenses	-	(10,765)	(6,301)
Use of Inventories of Materials and Supplies	-	3,755	1,589
Use of Prepaid Expenses	-	10,578	5,161
	<u>-</u>	<u>(222)</u>	<u>(1,087)</u>
(DECREASE) IN NET FINANCIAL ASSETS	(104,154)	(23,623)	(5,192)
NET FINANCIAL ASSETS, BEGINNING OF YEAR	<u>96,891</u>	<u>96,891</u>	<u>102,083</u>
NET FINANCIAL ASSETS (DEBT), END OF YEAR	<u>\$ (7,263)</u>	<u>\$ 73,268</u>	<u>\$ 96,891</u>

The accompanying notes are an integral part of these Consolidated Financial Statements.

STRATHCONA COUNTY
Consolidated Statement of Cash Flows
Year ended December 31, 2022 (in thousands of dollars)

	2022	2021
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Annual Surplus	\$ 49,805	\$ 11,688
Items Not Involving Cash		
Contributed Tangible Capital Assets (Note 8)	(20,371)	(5,276)
Amortization of Tangible Capital Assets (Note 8)	63,660	62,751
Amortization of Premium (Discount) on Investments	(4)	4
Loss on Disposals or Write-Downs of Tangible Capital Assets	556	2,644
Changes to Non-Cash Financial Assets and Liabilities		
Property Taxes Receivable	(1,076)	(289)
Government Transfers Receivable	10,774	(9,638)
Trade and Other Receivables	(16,640)	(1,720)
Development Levies and Charges Receivable	(1,076)	(2,932)
Investment Interest Receivable	(2,579)	(2,121)
Accounts Payable and Accrued Liabilities	22,541	6,172
Deposit Liabilities	4,383	(1,782)
Deferred Revenue	(4,705)	4,148
Inventories of Materials and Supplies	(35)	53
Prepaid Expenses	(187)	(1,140)
CASH PROVIDED BY OPERATING ACTIVITIES	105,046	62,562
CAPITAL		
Proceeds from Disposals of Tangible Capital Assets	460	690
Acquisition of Tangible Capital Assets (Note 8)	(117,511)	(77,009)
CASH (APPLIED TO) CAPITAL ACTIVITIES	(117,051)	(76,319)
INVESTING		
Purchase of Investments	(249,676)	(247,350)
Proceeds from Sale/Maturity of Investments	280,109	271,982
CASH PROVIDED BY INVESTING ACTIVITIES	30,433	24,632
FINANCING		
Long-Term Debt Issued	4,036	1,938
Long-Term Debt Repaid	(11,790)	(11,683)
CASH (APPLIED TO) FINANCING ACTIVITIES	(7,754)	(9,745)
INCREASE IN CASH AND CASH EQUIVALENTS	10,674	1,130
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	5,136	4,006
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 15,810	\$ 5,136
Cash (Paid) for Interest	\$ (5,333)	\$ (5,644)
Cash Received from Interest	\$ 9,103	\$ 6,989

The accompanying notes are an integral part of these Consolidated Financial Statements.

STRATHCONA COUNTY
Notes to the Consolidated Financial Statements
December 31, 2022 (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 Strathcona County consolidated financial statements 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.

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. 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, seniors housing and designated industrial property assessments 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 assessments, which are based on market value and regulated value assessments. Taxation revenue is recorded once 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 the Consolidated Financial Statements
December 31, 2022 (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. Requisition tax rates in the subsequent year are adjusted for any overlevies or underlevies of the prior year.

If the actual levy exceeds the requisition, the overlevy is accrued as a liability and property tax revenue is reduced.

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 is 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 the Consolidated Financial Statements
December 31, 2022 (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
Electronic Hardware and Software	4 - 10

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 assets 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 recorded within accumulated surplus as reserves for future operating and capital expenditures.

STRATHCONA COUNTY
Notes to the Consolidated Financial Statements
December 31, 2022 (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 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, provisions made for allowances for doubtful receivables, and provisions made for rental lease revenue on advances during construction.

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

q) Adoption of New Accounting Standards

There were no changes to Canadian Public Sector Accounting Standards that came into effect for the year ended December 31, 2022.

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), *Asset Retirement Obligations* (PS3280) and *Financial Instruments* (PS3450) accounting standards.

Public Sector Accounting Standard	Name	Effective for the County's years ended
PS1201	<i>Financial Statement Presentation</i>	December 31, 2023
PS2601	<i>Foreign Currency Translation</i>	December 31, 2023
PS3041	<i>Portfolio Investments</i>	December 31, 2023
PS3280	<i>Asset Retirement Obligations</i>	December 31, 2023
PS3450	<i>Financial Instruments</i>	December 31, 2023
PSG-8	<i>Purchased Intangibles</i>	December 31, 2023
PS3400	<i>Revenue</i>	December 31, 2024
PS3160	<i>Public Private Partnerships</i>	December 31, 2024

The County will continue to assess the impact of the remaining future accounting standards and prepare for their adoption.

STRATHCONA COUNTY
Notes to the Consolidated Financial Statements
December 31, 2022 (in thousands of dollars)

2. INVESTMENTS

	2022		2021	
	Carrying Amount	Market Value	Carrying Amount	Market Value
Term Deposits and Notes	\$ 164,704	\$ 163,023	\$ 174,596	\$ 174,596
Government Guaranteed Bonds	131,153	124,234	136,657	140,800
Corporate Bonds	17,630	16,676	32,663	33,208
	\$ 313,487	\$ 303,933	\$ 343,916	\$ 348,604

Term deposits and notes, government guaranteed bonds and corporate bonds have effective yields of 1.41 to 5.00 per cent (2021 – 1.00 to 3.66 per cent) with maturity dates from January 2023 to August 2031 (2021 – January 2022 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

	2022	2021
Trade		
Accounts Payable	\$ 19,052	\$ 22,462
Contract Holdbacks	9,425	5,317
Capital Accruals	14,933	1,947
Supplies and Services	21,024	14,842
Other	508	-
	64,942	44,568
Payroll and Remittances	9,002	10,653
Employee Benefit Obligations		
Accrued Vacation	11,006	9,963
Banked Time	1,710	994
Other ¹	4,717	2,578
	17,433	13,535
Debenture Interest	889	969
	\$ 92,266	\$ 69,725

¹Other is primarily accrued benefits payable to third parties.

STRATHCONA COUNTY
Notes to the Consolidated Financial Statements
December 31, 2022 (in thousands of dollars)

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 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, 2022, the County held \$6,333 (2021 – \$7,397) of deposit liabilities for development agreements and permits including interest of \$802 (2021 – \$974), which have been included in the total deposit liabilities balance, and held letters of credit in the amount of \$35,152 (2021 – \$30,998).

The County is party to the “Regional Water Customer Services Agreement” with other municipalities, water service commissions, and other utility systems (“RWCG”), of which it is a member but does not control, to purchase wholesale water. As part of its management responsibilities, on behalf of RWCG, as at December 31, 2022, the County holds a deposit in the amount of \$7,085 (2021 – \$1,995). The amounts are included in cash of \$1,697 (2021 – \$1,995) and accounts receivable of \$5,388 (2021 – nil).

5. DEFERRED REVENUE

Deferred revenue comprises the amounts noted below, the use of which, together with any earnings thereon, is externally restricted. Most grants and amounts received are externally restricted and include allocated interest of \$2,410 (2021 – \$1,505). Certain deferred revenue relates to government transfers as further described in Note 16.

	Balance at January 1, 2022	Grants and Amounts Received	Amounts Recognized as Operating Revenue	Amounts Recognized as Capital Revenue	Balance at December 31, 2022
Government Transfers	\$ 71,141	\$ 43,193	\$ (8,783)	\$ (44,921)	\$ 60,630
Development Levies	21,114	11,328	(347)	(8,536)	23,559
Other ¹	20,978	31,103	(11,715)	(16,027)	24,339
	<u>\$ 113,233</u>	<u>\$ 85,624</u>	<u>\$ (20,845)</u>	<u>\$ (69,484)</u>	<u>\$ 108,528</u>

¹ Other includes Contributions in Aid of Construction, the Major Recreation Facility Fund and 2023 Property Tax pre-collection.

STRATHCONA COUNTY
Notes to the Consolidated Financial Statements
December 31, 2022 (in thousands of dollars)

6. LONG-TERM DEBT

	2022	2021
Tax Supported Debentures	\$ 49,383	\$ 53,334
Non-Tax Supported Debentures – Development Levies	18,137	18,165
Non-Tax Supported Debentures – Utility Rates	40,872	43,892
Non-Tax Supported Debentures – Other	24,678	25,433
	<u>\$ 133,070</u>	<u>\$ 140,824</u>

Debenture debt has been issued on the credit and security of the County at large. Debenture debt is repayable to the Government of Alberta Treasury Board and Finance and bears interest at rates ranging from 2.13 to 6.63 per cent (2021 – 2.13 to 7.63 per cent) and matures in periods 2023 through 2047 (2021 – periods 2022 through 2046).

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

	Principal	Interest	Total
2023	\$ 3,966	\$ 1,913	\$ 5,879
2024	4,007	1,765	5,772
2025	4,124	1,615	5,739
2026	4,256	1,460	5,716
2027	4,361	1,299	5,660
Thereafter	28,669	4,574	33,243
	<u>\$ 49,383</u>	<u>\$ 12,626</u>	<u>\$ 62,009</u>

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

	Principal	Interest	Total
2023	\$ 7,110	\$ 3,066	\$ 10,176
2024	6,074	2,791	8,865
2025	5,663	2,557	8,220
2026	5,527	2,340	7,867
2027	5,383	2,136	7,519
Thereafter	53,930	11,044	64,974
	<u>\$ 83,687</u>	<u>\$ 23,934</u>	<u>\$ 107,621</u>

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

	Principal	Interest	Total
2023	\$ 11,076	\$ 4,979	\$ 16,055
2024	10,081	4,556	14,637
2025	9,787	4,172	13,959
2026	9,783	3,800	13,583
2027	9,744	3,435	13,179
Thereafter	82,599	15,618	98,217
	<u>\$ 133,070</u>	<u>\$ 36,560</u>	<u>\$ 169,630</u>

STRATHCONA COUNTY
Notes to the Consolidated Financial Statements
December 31, 2022 (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:

	2022	2021
Total Debt Limit	\$ 589,866	\$ 523,859
Total Debt	133,070	140,824
Percentage Used	22.56%	26.88%
Service on Debt Limit	\$ 98,311	\$ 87,310
Service on Debt	16,055	16,949
Percentage Used	16.33%	19.41%

As defined in Alberta Regulation 255/2000, the total debt limit is calculated at 1.50 times the revenue of the County 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.

STRATHCONA COUNTY
Notes to the Consolidated Financial Statements
December 31, 2022 (in thousands of dollars)

8. TANGIBLE CAPITAL ASSETS

Cost	Purchased Additions	Contributed Additions	Disposals or Write-Downs	2022	2021
Land	\$ 11,998	\$ 7,316	\$ (66)	\$ 546,941	\$ 527,693
Land Improvements	3,460	1,174	(190)	143,112	138,668
Buildings	7,833	32	(2,415)	539,127	533,677
Engineered Structures	33,027	11,846	-	1,368,176	1,323,303
Machinery and Equipment	4,804	-	(751)	70,321	66,268
Library Materials	534	3	(609)	5,808	5,880
Vehicles	5,850	-	(2,464)	83,480	80,094
Electronic Hardware and Software	861	-	(98)	15,472	14,709
Assets Under Construction	49,144	-	-	93,329	44,185
	\$ 117,511	\$ 20,371	\$ (6,593)	\$ 2,865,766	\$ 2,734,477

Accumulated Amortization	Disposals or Write-Downs	Amortization	2022	2021
Land Improvements	\$ (142)	\$ 6,007	\$ 65,086	\$ 59,221
Buildings	(1,515)	13,670	173,161	161,006
Engineered Structures	-	32,347	464,252	431,905
Machinery and Equipment	(749)	4,155	45,934	42,528
Library Materials	(609)	585	3,036	3,060
Vehicles	(2,464)	5,186	51,488	48,766
Electronic Hardware and Software	(98)	1,710	11,172	9,560
	\$ (5,577)	\$ 63,660	\$ 814,129	\$ 756,046

Net Book Value	2022	2021
Land	\$ 546,941	\$ 527,693
Land Improvements	78,026	79,447
Buildings	365,966	372,671
Engineered Structures	903,924	891,398
Machinery and Equipment	24,387	23,740
Library Materials	2,772	2,820
Vehicles	31,992	31,328
Electronic Hardware and Software	4,300	5,149
Assets Under Construction	93,329	44,185
	\$ 2,051,637	\$ 1,978,431

a) Assets Under Construction

Assets under construction having a value of \$93,329 (2021 – \$44,185) 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 \$20,371 in land, land improvements, buildings, engineered structures and library materials was contributed to the County in 2022 (2021 – \$5,276).

c) Write-Downs of Tangible Capital Assets

A total of \$900 (2021 – \$1,597) in buildings, nil (2021 – \$404) in land improvements and nil (2021 – \$72) in engineering structures were written down in 2022.

STRATHCONA COUNTY
Notes to the Consolidated Financial Statements
December 31, 2022 (in thousands of dollars)

9. EQUITY IN TANGIBLE CAPITAL ASSETS

	2022	2021
Tangible Capital Assets – Cost (Note 8)	\$ 2,865,766	\$ 2,734,477
Accumulated Amortization (Note 8)	(814,129)	(756,046)
Long-Term Debt (Note 6)	(133,070)	(140,824)
Debt Associated with Local Improvements	559	364
	<u>\$ 1,919,126</u>	<u>\$ 1,837,971</u>

10. ACCUMULATED SURPLUS

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

	2022			2021
	Committed	Designated	Closing Balance	Closing Balance
Reserves:				
Infrastructure Lifecycle, Maintenance and Replacement	\$ 28,567	\$ 106,382	\$ 134,949	\$ 140,907
Projects	44,819	12,114	56,933	59,653
Special Purpose	10,107	17,047	27,154	26,096
Stabilization and Contingency	-	12,083	12,083	19,843
Strathcona County Library	42	5,976	6,018	5,891
	<u>\$ 83,535</u>	<u>\$ 153,602</u>	<u>237,137</u>	<u>252,390</u>
Unrestricted (Deficit)			(21,741)	(5,644)
Equity in Tangible Capital Assets (Note 9)			1,919,126	1,837,971
			<u>\$ 2,134,522</u>	<u>\$ 2,084,717</u>

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

11. OPERATING LINE OF CREDIT

The County has an operating line of credit available for use, up to a maximum of \$125,000 (2021 – \$125,000), bearing interest at prime rate minus 0.50 per cent (2021 – prime rate minus 0.50 per cent) and is secured by the County at large. As of December 31, 2022, nil (2021 – nil) was drawn against the available operating line of credit.

STRATHCONA COUNTY
Notes to the Consolidated Financial Statements
December 31, 2022 (in thousands of dollars)

12. COMMITMENTS AND CONTINGENT LIABILITIES

a) Capital

As at December 31, 2022, authorized costs for capital projects committed through a purchase order or other contractual agreement, but not yet expended, amounted to \$57,265 (2021 – \$43,943).

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:

2023	\$	696
2024		568
2025		477
2026 and thereafter		-
	\$	<u>1,741</u>

c) Legal Disputes

As at December 31, 2022, 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 these matters are 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 identified no (2021 – one) contaminated sites meeting the applicable criteria and recognized a financial liability of nil (2021 – \$24) as at December 31, 2022.

e) Forward Contracts

To mitigate the risk of fluctuations in electricity and natural gas prices, in 2022 the County entered into fixed price contracts for a total annual commitment of \$5,235 and \$1,395 (2021 – \$2,724 and \$697), expiring in 2023 and 2024, respectively (2021 – both expiring in 2022).

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 funds that have been allocated to the County, but not received.

In 2022, the County was allocated \$12,017 (2021 – \$29,633) in Municipal Sustainability Initiative (MSI) Capital funding and \$5,896 (2021 – \$11,519) in Canada Community-Building Fund (CCBF) funding. The future receipt of these assets is dependent on submission and approval of project applications and satisfying subsequent reporting requirements. Total contractual rights of nil (2021 – nil) relate to MSI Capital and nil (2021 – \$10,157) relate to CCBF.

In 2021, the County was approved to receive \$15,398 through the Investing in Canada Infrastructure Program (ICIP) funding from the Federal Government, contingent on satisfying subsequent reporting requirements. Of the \$15,398, \$3,701 (2021 – \$1,517) was recorded in the current year, resulting in total contractual rights of \$10,180 (2021 – \$13,881) for ICIP. This amount is not recorded in the consolidated financial statements.

In 2022, the County was approved to receive \$994 through the Canada Community Revitalization Fund (CCRF) from the Federal Government, contingent on satisfying subsequent reporting requirements. Of the \$994, \$567 was recorded in the current year, resulting in total contractual rights of \$427 (2021 – nil) for CCRF. This amount is not recorded in the consolidated financial statements.

STRATHCONA COUNTY
Notes to the Consolidated Financial Statements
December 31, 2022 (in thousands of dollars)

14. BUDGET DATA

The 2022 Operating Budget, approved by Strathcona County Council on December 2, 2021, 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 March 21, 2022, has been included in Corporate Fiscal Services. Budgeted inter-organizational transactions have been eliminated where appropriate.

The Consolidated Budgeted Operating Expenses, net of eliminations, for the year ended December 31, are as follows:

	2022	2021
Operating Budget approved by Council	\$ 410,362	\$ 382,219
Operating Budget approved by PHF Board of Directors, net of eliminations	1,398	1,405
Approved Operating Budget Amendments and Prior Year Carry Forwards	19,161	7,105
Consolidated Budgeted Operating Expenses	<u>\$ 430,921</u>	<u>\$ 390,729</u>

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

	2022	2021
Capital Budget approved by Council	\$ 57,541	\$ 58,895
Approved Capital Budget Amendments	13,096	65,301
Planned Prior Years Budgeted Capital Expenditures and Amendments	207,746	160,077
Budgeted Capital Expenditures planned to be incurred in future years	(95,308)	(103,829)
Consolidated Capital Budget	<u>\$ 183,075</u>	<u>\$ 180,444</u>

15. PROPERTY TAXES

	Municipal	Non-Municipal	2022	2021
Property Taxes				
Residential	\$ 82,254	\$ 47,933	\$ 130,187	\$ 125,688
Non-Residential	54,798	21,769	76,567	71,912
Linear	8,629	3,392	12,021	11,181
Machinery and Equipment	97,080	1,921	99,001	96,411
Local Improvement Levies	267	-	267	11
	<u>\$ 243,028</u>	<u>\$ 75,015</u>	<u>\$ 318,043</u>	<u>\$ 305,203</u>
Non-Municipal Requisitions				
Provincial Alberta School Foundation Fund			\$ (62,935)	\$ (61,333)
Elk Island CSRD No. 41			(6,928)	(6,965)
Provincial Designated Industrial Property			(947)	(918)
Provincial Requisitions			(70,810)	(69,216)
Heartland Housing Foundation			(4,205)	(4,159)
Taxes on Behalf of Non-Municipal Requisitioning Authorities			<u>\$ (75,015)</u>	<u>\$ (73,375)</u>
		2022 Budget		
Taxes for Provision of Municipal Services		<u>\$ 242,731</u>	<u>\$ 243,028</u>	<u>\$ 231,828</u>

STRATHCONA COUNTY
Notes to the Consolidated Financial Statements
December 31, 2022 (in thousands of dollars)

16. GOVERNMENT TRANSFERS

	2022 Budget	2022	2021
Government Transfers – Operating			
Federal Transfers	\$ 111	\$ 847	\$ 339
Provincial Transfers	7,394	7,936	7,723
	<u>7,505</u>	<u>8,783</u>	<u>8,062</u>
Government Transfers – Capital			
Federal Transfers	14,910	12,377	8,983
Provincial Transfers	36,420	32,544	38,991
	<u>51,330</u>	<u>44,921</u>	<u>47,974</u>
	<u>\$ 58,835</u>	<u>\$ 53,704</u>	<u>\$ 56,036</u>

The nature of the government transfers recognized during 2022 include:

	Balance at January 1, 2022	Externally Restricted Contributions Received	Interest Earned	Revenue Recognized	Balance at December 31, 2022
Municipal Sustainability Initiative – Capital	\$ 59,808	\$ 12,017	\$ 1,186	\$ (28,982)	\$ 44,029
Canada Community – Building Fund	7,410	16,053	357	(8,210)	15,610
Investing in Canada Infrastructure Program	-	3,701	-	(3,701)	-
Municipal Stimulus Program	3,183	-	-	(3,183)	-
Family and Community Support Services	521	1,563	-	(2,084)	-
Policing Support Grant	-	1,341	-	(1,341)	-
9-1-1 Grant Program	-	1,315	-	(1,315)	-
Alberta Relief for Shortfalls for Transit Operators	-	1,335	-	(1,001)	334
Family Resource Network	-	900	2	(890)	12
Municipal Sustainability Initiative – Operational	-	843	-	(843)	-
Canada Community Revitalization Fund	-	567	-	(567)	-
Other Government Transfers	219	2,013	-	(1,587)	645
	<u>\$ 71,141</u>	<u>\$ 41,648</u>	<u>\$ 1,545</u>	<u>\$ (53,704)</u>	<u>\$ 60,630</u>

STRATHCONA COUNTY
Notes to the Consolidated Financial Statements
December 31, 2022 (in thousands of dollars)

17. OTHER CAPITAL REVENUE

	<u>2022 Budget</u>	<u>2022</u>	<u>2021</u>
Development Levies and Charges	\$ 2,785	\$ 8,536	\$ (3,503)
Developer and Other Third-Party Contributions	23,592	16,027	2,123
	<u>\$ 26,377</u>	<u>\$ 24,563</u>	<u>\$ (1,380)</u>

The MGA authorizes the County to impose and collect off-site levies by way of bylaw. The County exercises its authority to collect off-site development levies by establishing a bylaw, typically revised on an annual basis.

18. 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:

	<u>Salaries</u>	<u>Benefits and Allowances</u>	<u>2022</u>	<u>2021</u>
Elected Officials:				
Mayor	\$ 162	\$ 25	\$ 187	\$ 186
Councillor – Ward 1	87	23	110	103
Councillor – Ward 2	87	25	112	106
Councillor – Ward 3	87	26	113	133
Councillor – Ward 4	87	25	112	105
Councillor – Ward 5	87	29	116	134
Councillor – Ward 6	87	29	116	123
Councillor – Ward 7	87	17	104	94
Councillor – Ward 8	87	25	112	106
Chief Commissioner	\$ 307	\$ 50	\$ 357	\$ 346

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.

19. PENSION PLANS AND BENEFITS SURPLUS

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 8.45 per cent (2021 – 9.39 per cent) of pensionable payroll up to the yearly maximum pensionable earnings (YMPE) and 12.80 per cent (2021 – 13.84 per cent) thereafter. Employees of the County are required to make current service contributions of 7.45 per cent (2021 – 8.39 per cent) of pensionable salary up to YMPE, and 11.80 per cent (2021 – 12.84 per cent) thereafter.

Total current service contributions by the County to LAPP in 2022 were \$11,730 (2021 – \$12,426). Total current service contributions by the employees of the County to LAPP in 2022 were \$10,522 (2021 – \$11,298).

STRATHCONA COUNTY
Notes to Consolidated Financial Statements
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19. PENSION PLANS AND BENEFITS SURPLUS (CONTINUED)

As stated in their 2021 Annual Report, LAPP serves 281,764 members and 435 employers. It is financed by employer and employee contributions and investment earnings of the LAPP fund. At December 31, 2021, the plan reported an actuarial surplus of \$11,922,000. Information as at December 31, 2022 was not available at the time of completion of the consolidated financial statements.

b) APEX

The APEX supplementary pension plan, an Alberta Urban Municipalities Association 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 2.61 per cent (2021 – 2.61 per cent) and the County contributes 3.85 per cent (2021 – 3.85 per cent) of pensionable earnings up to \$171 (2021 – \$162).

Total contributions made by employees of the County to APEX in 2022 were \$302 (2021 – \$285). Total contributions made by the County to APEX in 2022 were \$446 (2021 – \$416).

c) BENEFITS SURPLUS

As part of the employee benefits program offered by the County, a balance of \$1,561 (2021 – \$2,555) exists in a Refund Deposit Account that is available to benefit the County with a portion benefiting different employee groups as they cost share the benefit premiums. An amount of \$1,000 was drawn from this account in 2022 (2021 – nil) to reduce overall rate increases.

20. 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 18 and 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.

21. COMPARATIVE INFORMATION

Certain comparative information has been reclassified to conform with the current year's consolidated financial statements presentation.

22. SUBSEQUENT EVENT

In early May 2023, a series of wildfires were burning within the Strathcona County boundary due to an unseasonably hot, dry spring. The County has taken all necessary emergency measures including deploying emergency crews, issuing fire bans and evacuation alerts/orders and establishing emergency reception areas for those displaced. As the situation continues to rapidly change, the impact of these wildfires on the future financial performance and financial position of the County, if any, cannot be determined at the time of publication of the consolidated financial statements.

STRATHCONA COUNTY
Notes to the Consolidated Financial Statements
December 31, 2022 (in thousands of dollars)

23. 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, enforcement services, and crime prevention. Community Services also offers individual and family support, programs and facilities, and transit services.
- c) Corporate Services and Chief Financial Officer resulted from the combination of Corporate Services and Financial and Strategic Management.

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, cares for the facilities used by staff and residents, repairs transit and emergency vehicles, recruits and trains staff, optimizes the benefits of technology, provides legal advice and supports the activities of Strathcona County Council.

The Chief Financial Officer (formerly Financial and Strategic Management) performs a number of vital support roles that help the organization successfully achieve its strategic goals. This part of the division performs functions including, but not limited to: assessment and taxation, treasury services, financial reporting, financial operations, financial planning, and procurement services.

- d) Office of the Chief Commissioner (formerly 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.
- e) 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 residents, businesses, and industry.
- f) Corporate Fiscal Services (formerly 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. Expenses related to the enterprise resource planning component of the Strathcona County Business Transformation project are also included in Corporate Fiscal Services.
- g) 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.
- h) The Strathcona County Library is charged with providing comprehensive and efficient library services that meet the needs of the community.

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

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.

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STRATHCONA COUNTY
Notes to the Consolidated Financial Statements
December 31, 2022 (in thousands of dollars)

23. SEGMENTED INFORMATION (CONTINUED)

	Municipal Operations											
	Infrastructure and Planning Services (Excluding Utility Operations)	Community Services	Corporate Services and Chief Financial Officer	Office of the Chief Commissioner	Elected Officials	Corporate Fiscal Services	Total Municipal Operations	Utility Operations	Strathcona County Library	2022	2022 Budget (Note 14)	
OPERATING REVENUE												
Property Taxes (Note 15)	\$ 44,504	\$ 104,779	\$ 52,813	\$ 6,157	\$ 1,622	\$ 22,833	\$ 232,708	\$ 267	\$ 10,053	\$ 243,028	\$ 242,731	
Utility User Rates	-	-	-	-	-	-	-	59,234	-	59,234	55,199	
Service Fees and Charges	1,175	21,832	702	-	-	6,817	30,526	154	5	30,685	35,806	
Investment Income	-	-	-	-	-	6,918	6,918	1,904	265	9,087	6,106	
Government Transfers – Operating (Note 16)	170	6,193	-	-	-	1,844	8,207	3	573	8,783	7,505	
Penalties and Fines	29	2,906	-	-	-	1,828	4,763	120	15	4,898	6,385	
Permit and License Fee Revenue	2,837	343	-	-	-	-	3,180	-	-	3,180	3,302	
Other Operating Revenue	739	6,726	617	155	-	362	8,599	1,026	193	9,818	8,378	
TOTAL OPERATING REVENUE	49,454	142,779	54,132	6,312	1,622	40,602	294,901	62,708	11,104	368,713	365,412	
EXPENSES												
Salaries, Wages, Benefits and Employee Expenses	29,212	97,902	41,142	4,589	1,114	4,301	178,260	11,187	6,599	196,046	198,129	
Business Expenses	5,088	8,460	6,861	263	217	2,408	23,297	699	178	24,174	25,626	
Purchased Services	12,889	24,681	18,722	694	-	12	56,998	11,276	102	68,376	77,964	
Supplies, Materials and Equipment Purchases	4,963	5,980	7,217	114	-	-	18,274	25,138	618	44,030	40,174	
Interest on Debentures	-	-	-	-	-	2,550	2,550	1,971	732	5,253	5,428	
Grants Disbursed	46	2,018	82	189	151	1,368	3,854	12	-	3,866	13,463	
Amortization (Note 8)	-	-	-	-	-	54,250	54,250	8,210	1,200	63,660	66,723	
Loss on Disposals or Write-Downs of Tangible Capital Assets	-	-	-	-	-	556	556	-	-	556	-	
Other Expenses (Recoveries)	18	6,785	(8,179)	59	-	997	(320)	2,262	860	2,802	3,414	
TOTAL EXPENSES	52,216	145,826	65,845	5,908	1,482	66,442	337,719	60,755	10,289	408,763	430,921	
SURPLUS (DEFICIT) BEFORE CAPITAL REVENUE	(2,762)	(3,047)	(11,713)	404	140	(25,840)	(42,818)	1,953	815	(40,050)	(65,509)	
CAPITAL REVENUE												
Government Transfers – Capital (Note 16)	-	-	-	-	-	44,921	44,921	-	-	44,921	51,330	
Contributed Tangible Capital Assets (Note 8)	-	-	-	-	-	12,091	12,091	8,277	3	20,371	-	
Other Capital Revenue (Note 17)	-	-	-	-	-	22,381	22,381	2,182	-	24,563	26,377	
TOTAL CAPITAL REVENUE	-	-	-	-	-	79,393	79,393	10,459	3	89,855	77,707	
ANNUAL SURPLUS (DEFICIT)												
	\$ (2,762)	\$ (3,047)	\$ (11,713)	\$ 404	\$ 140	\$ 53,553	\$ 36,575	\$ 12,412	\$ 818	\$ 49,805	\$ 12,198	

STRATHCONA COUNTY
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23. SEGMENTED INFORMATION (CONTINUED)

	Municipal Operations									2021	2021 Budget (Note 14)
	Infrastructure and Planning Services (Excluding Utility Operations)	Community Services	Corporate Services and Chief Financial Officer	Office of the Chief Commissioner	Elected Officials	Corporate Fiscal Services	Total Municipal Operations	Utility Operations	Strathcona County Library		
OPERATING REVENUE											
Property Taxes (Note 15)	\$ 47,764	\$ 106,192	\$ 57,754	\$ 6,356	\$ 1,581	\$ 2,224	\$ 221,871	\$ 11	\$ 9,946	\$ 231,828	\$ 233,224
Utility User Rates	-	-	-	-	-	-	-	59,502	-	59,502	54,918
Service Fees and Charges	833	13,340	339	-	-	5,850	20,362	100	-	20,462	26,488
Investment Income	-	-	-	-	-	6,003	6,003	1,285	142	7,430	6,664
Government Transfers – Operating (Note 16)	320	6,099	-	211	-	843	7,473	8	581	8,062	6,995
Penalties and Fines	11	5,116	-	-	-	1,737	6,864	130	9	7,003	5,859
Permit and License Fee	2,863	357	-	-	-	-	3,220	-	-	3,220	2,231
Other Operating Revenue	1,731	6,678	799	319	-	281	9,808	2,102	241	12,151	8,486
TOTAL OPERATING REVENUE	53,522	137,782	58,892	6,886	1,581	16,938	275,601	63,138	10,919	349,658	344,865
EXPENSES											
Salaries, Wages, Benefits and Employee Expenses	28,975	92,963	39,998	4,322	1,082	3,067	170,407	11,426	6,498	188,331	187,663
Business Expenses	4,495	7,107	5,916	343	68	2,104	20,033	879	192	21,104	22,336
Purchased Services	7,965	22,667	16,783	1,073	-	3,001	51,489	11,736	127	63,352	68,346
Supplies, Materials and Equipment Purchases	4,450	5,349	5,582	121	3	-	15,505	24,661	577	40,743	40,989
Interest on Debentures	-	-	-	-	-	2,725	2,725	2,055	772	5,552	5,700
Grants Disbursed	500	2,023	82	189	205	755	3,754	-	-	3,754	3,367
Amortization (Note 8)	-	-	-	-	-	53,281	53,281	8,258	1,212	62,751	61,043
Loss on Disposals or Write-Downs of Tangible Capital Assets	-	-	-	-	-	2,036	2,036	609	-	2,645	-
Other Expenses (Recoveries)	62	5,911	(7,695)	65	-	(109)	(1,766)	2,555	819	1,608	1,285
TOTAL EXPENSES	46,447	136,020	60,666	6,113	1,358	66,860	317,464	62,179	10,197	389,840	390,729
SURPLUS (DEFICIT) BEFORE CAPITAL REVENUE	7,075	1,762	(1,774)	773	223	(49,922)	(41,863)	959	722	(40,182)	(45,864)
CAPITAL REVENUE											
Government Transfers – Capital (Note 16)	-	-	-	-	-	47,304	47,304	670	-	47,974	77,831
Contributed Tangible Capital Assets (Note 8)	-	-	-	-	-	4,748	4,748	528	-	5,276	-
Other Capital Revenue (Note 17)	-	-	-	-	-	(2,636)	(2,636)	1,256	-	(1,380)	7,609
TOTAL CAPITAL REVENUE	-	-	-	-	-	49,416	49,416	2,454	-	51,870	85,440
ANNUAL SURPLUS (DEFICIT)	\$ 7,075	\$ 1,762	\$ (1,774)	\$ 773	\$ 223	\$ (506)	\$ 7,553	\$ 3,413	\$ 722	\$ 11,688	\$ 39,576