

Strathcona County Consolidated 2024 Financial Statements

Council Meeting
April 29, 2025

Overview

The 2024 Consolidated Financial Statements (enclosure 1) include:

**Library
Operations**



**Alberta Summer
Games Association**



**Pioneer Housing
Foundation**

**Municipal and
Utility Operations**

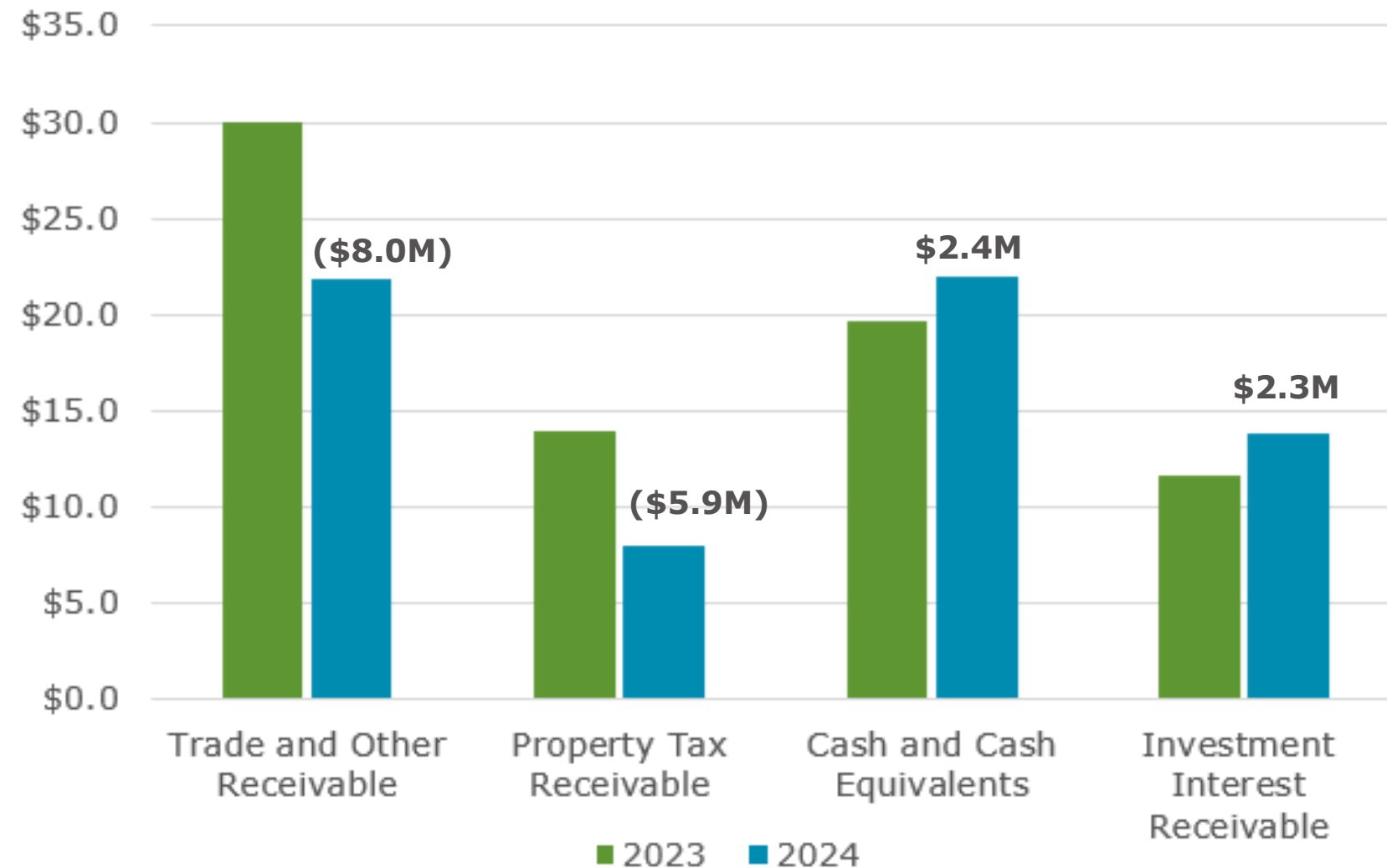


Consolidated statement of financial position

(in thousands of dollars)

	2024	2023	Variance
FINANCIAL ASSETS			
Cash and Cash Equivalents	\$ 22,040	\$ 19,666	\$ 2,374
Accounts Receivable			
Property Taxes	8,060	14,002	(5,942)
Government Transfers	20,050	21,225	(1,175)
Trade and Other	21,923	29,971	(8,048)
Development Levies and Charges	1,733	1,282	451
Investments (Note 2)	298,247	296,342	1,905
Investment Interest Receivable	13,897	11,561	2,336
Assets Held for Sale	-	973	(973)
	\$ 385,950	\$ 395,022	\$ (9,072)

Significant financial asset year over year variances (in millions of dollars)



(\$8.0 million) trade and other receivable decrease

- Collections from North of Yellowhead development (\$6.4 million)

(\$5.9 million) property tax decrease

- Higher supplementary taxes in 2023

\$2.4 million cash increase

- Investment returns

\$2.3 million investment interest receivable increase

- Favourable interest rates

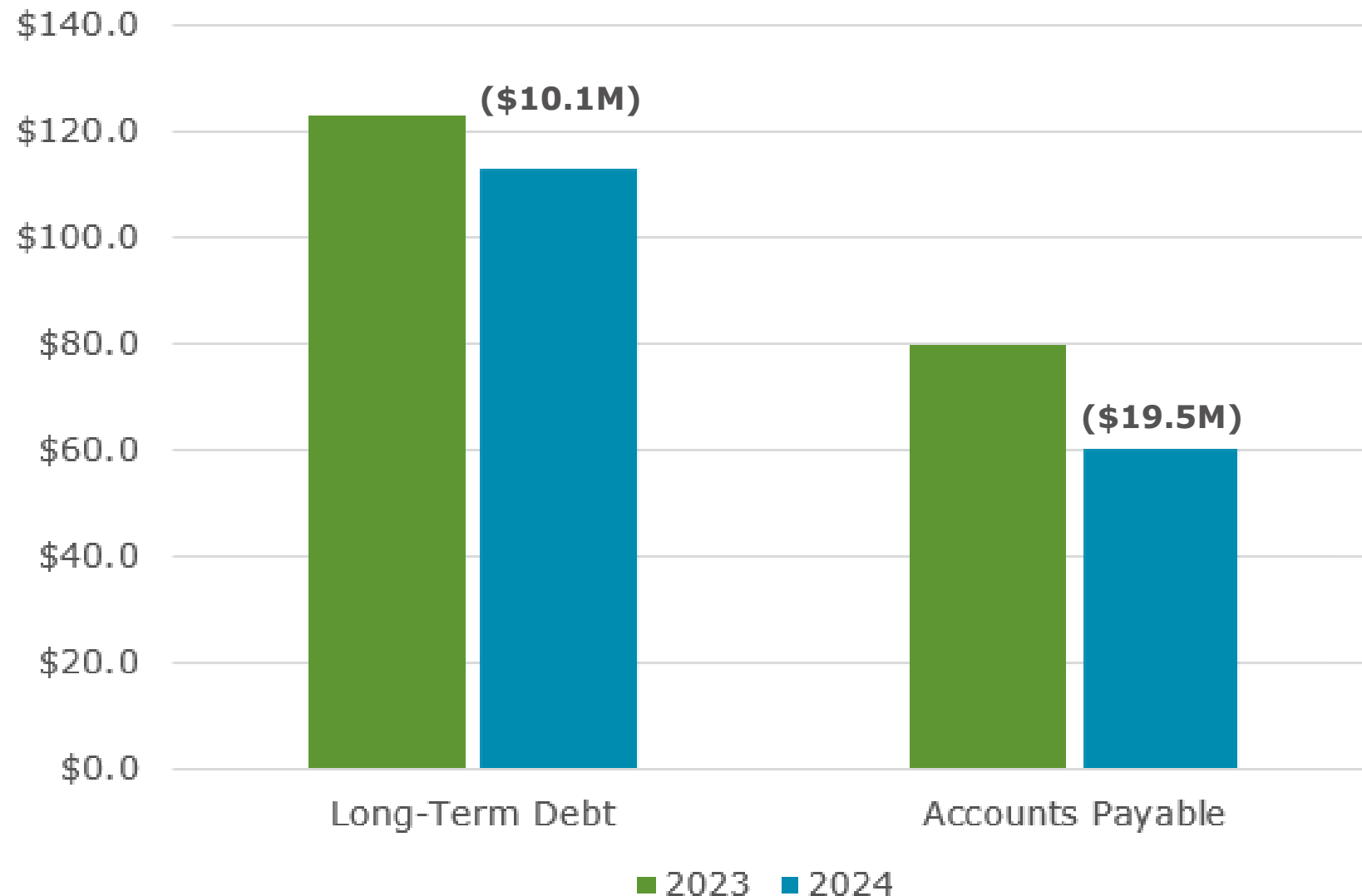
Consolidated statement of financial position

(in thousands of dollars)

	2024	2023	Variance
LIABILITIES			
Accounts Payable and Accrued Liabilities (Note 3)	\$ 60,127	\$ 79,584	\$ 19,457
Deposit Liabilities (Note 4)	21,257	19,208	(2,049)
Deferred Revenue (Note 5)	89,766	88,327	(1,439)
Long-Term Debt (Note 6)	112,849	122,969	10,120
Asset Retirement Obligation (Note 8)	12,366	11,210	(1,156)
Other Long Term Liabilities	2,360	2,272	(88)
	\$ 298,725	\$ 323,570	\$ 24,845

Significant financial liabilities

year over year variances (in millions of dollars)



(\$10.1 million) long-term debt decrease

- Principal payments

(\$19.5 million) accounts payable and accrued liabilities decrease

- Decrease in accrued expenses relating to the following projects:
 - Strathcona Public Services Yard (SPSY)
 - North of Yellowhead development
 - Pointe-aux-Pins Acres
 - Arterial Road Rehabilitation Program

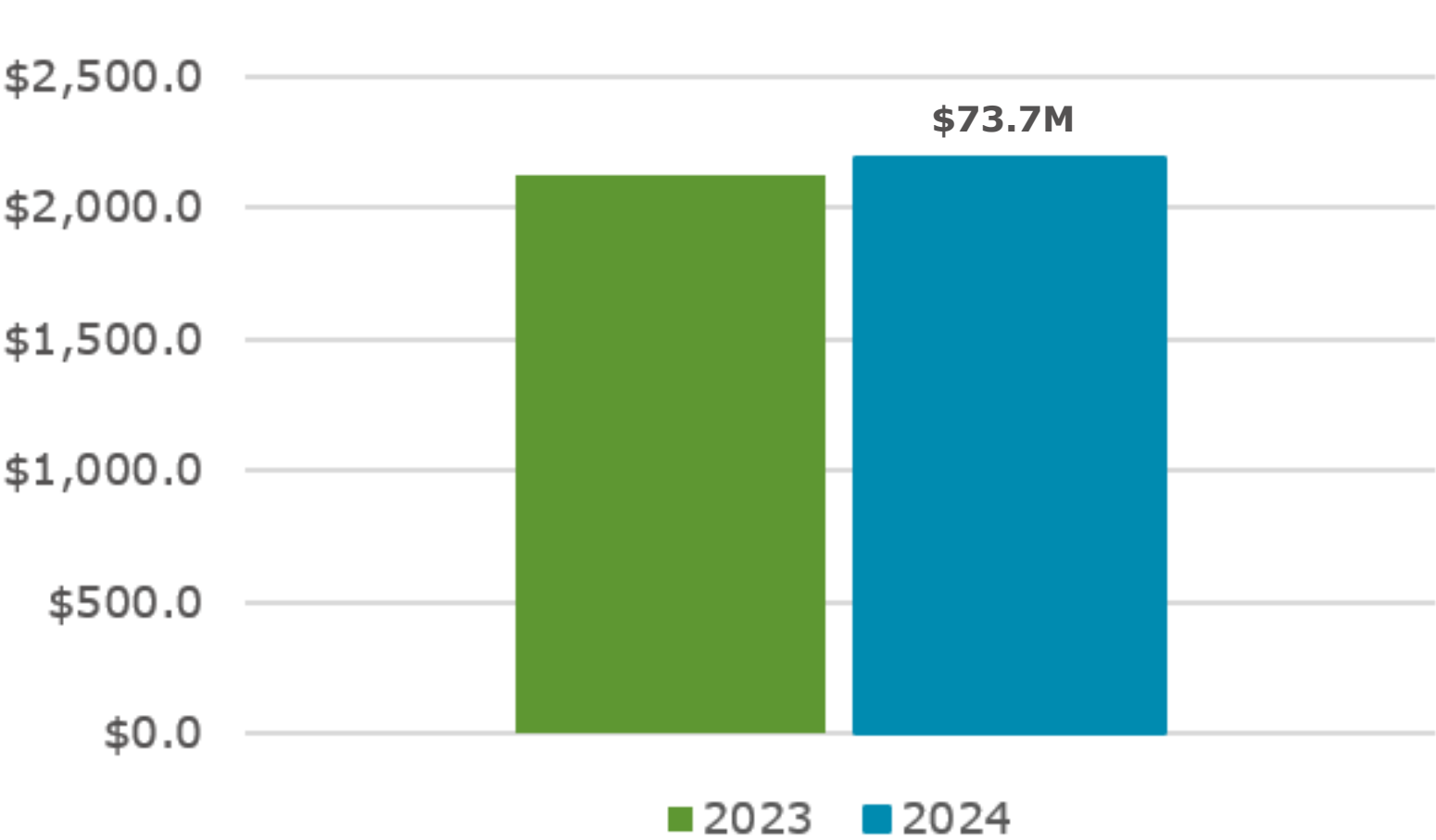
Consolidated statement of financial position

(in thousands of dollars)

	2024	2023	Variance
NON-FINANCIAL ASSETS			
Tangible Capital Assets (Schedule II)	\$ 2,193,972	\$ 2,120,259	\$ 73,713
Inventories of Materials and Supplies	1,527	1,746	(219)
Prepaid Expenses	6,772	7,873	(1,101)
	\$ 2,202,271	\$ 2,129,878	\$ 72,393

Tangible capital assets year over year variances

(in millions of dollars)



Asset class	Change
Assets under construction	\$ (1.3)
Land	13.1
Land improvements	3.1
Buildings	17.1
Engineered structures	34.7
Machinery and equipment	6.2
Library materials	(< 1)
Vehicles	(< 1)
Electronic hardware/software	< 1
Total	\$ 73.7

Public Sector Accounting Standards

**Public Sector Accounting Standards (PSAS)
surplus / (deficit) is utilized to prepare the financial statements**

Includes

- ➡ Amortization expense
- ➡ Gains/losses on asset disposals
- ➡ Capital revenue

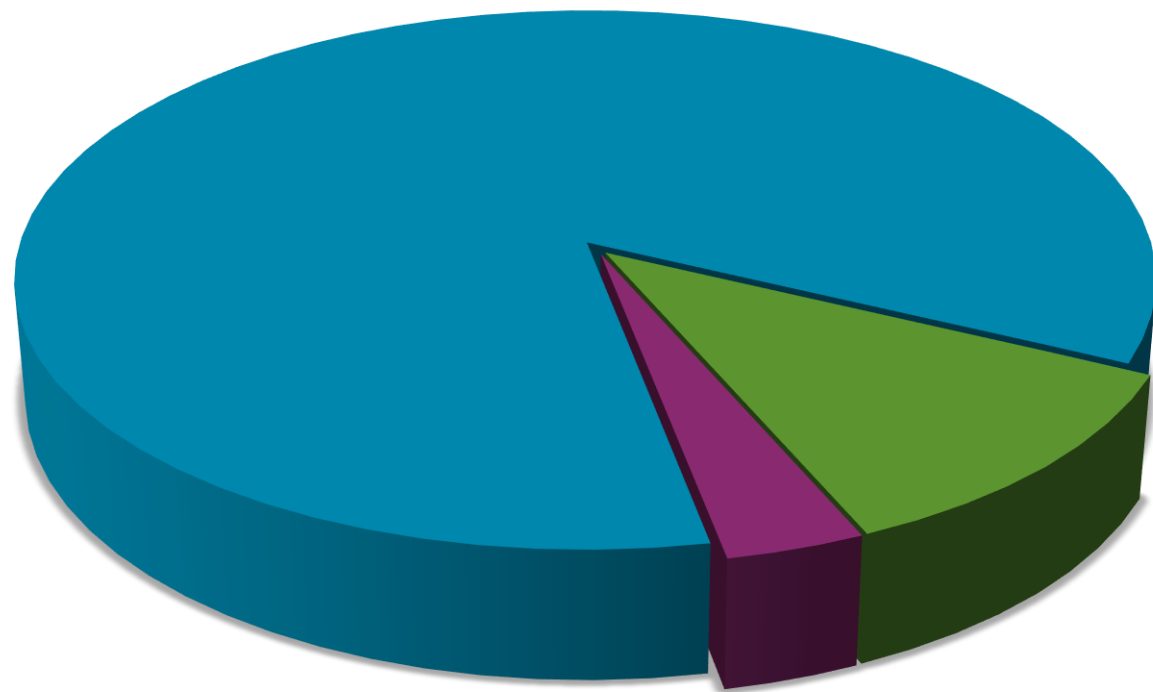
Excludes

- ➡ Debt repayment expenditures
- ➡ Reserve transactions

Different than the method used to calculate the operating surplus for tax purposes

Consolidated accumulated surplus

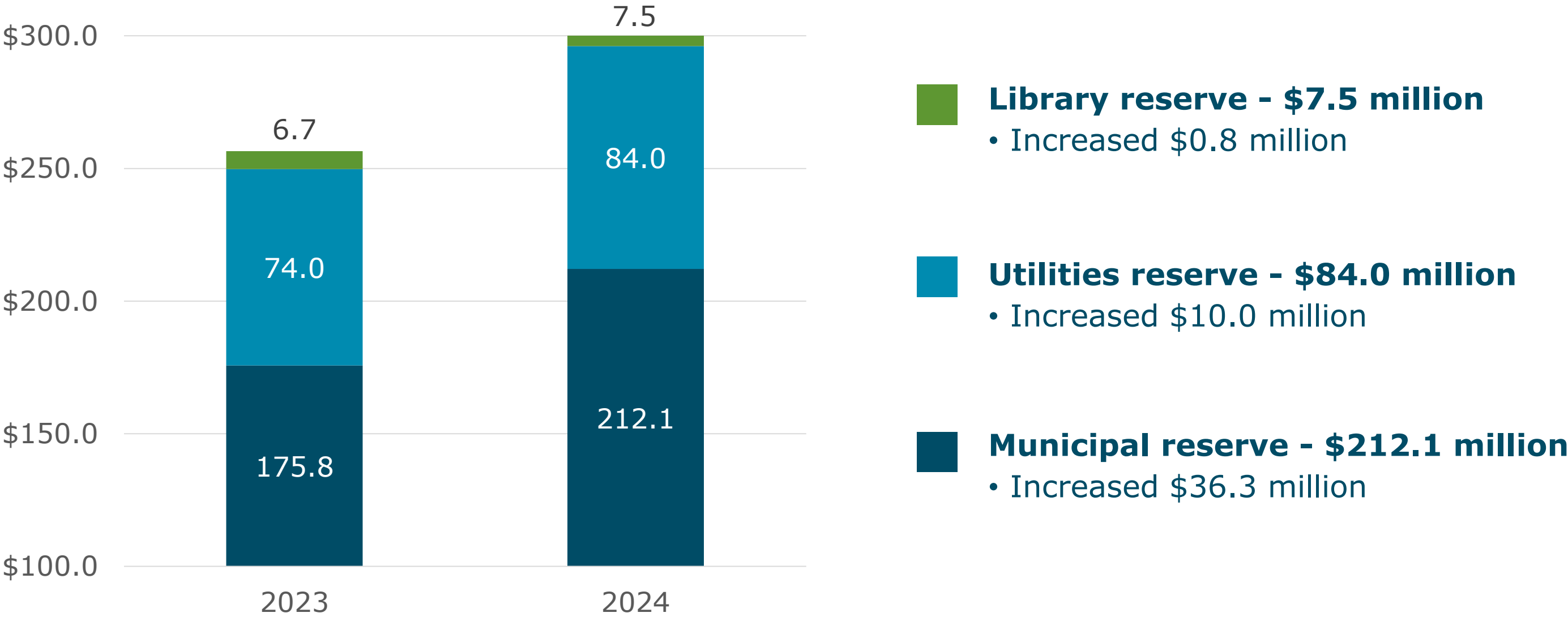
Total accumulated surplus: \$2.3 billion



- **\$2.1 billion** invested in tangible capital assets composed of:
 - \$1,702 million Municipal
 - \$345 million Utilities
 - \$8 million Library
 - \$13 million Pioneer Housing Foundation
- **\$304 million** reserves
- **(\$82 million)** unrestricted

Consolidated reserves

Total reserves: \$303.6 million

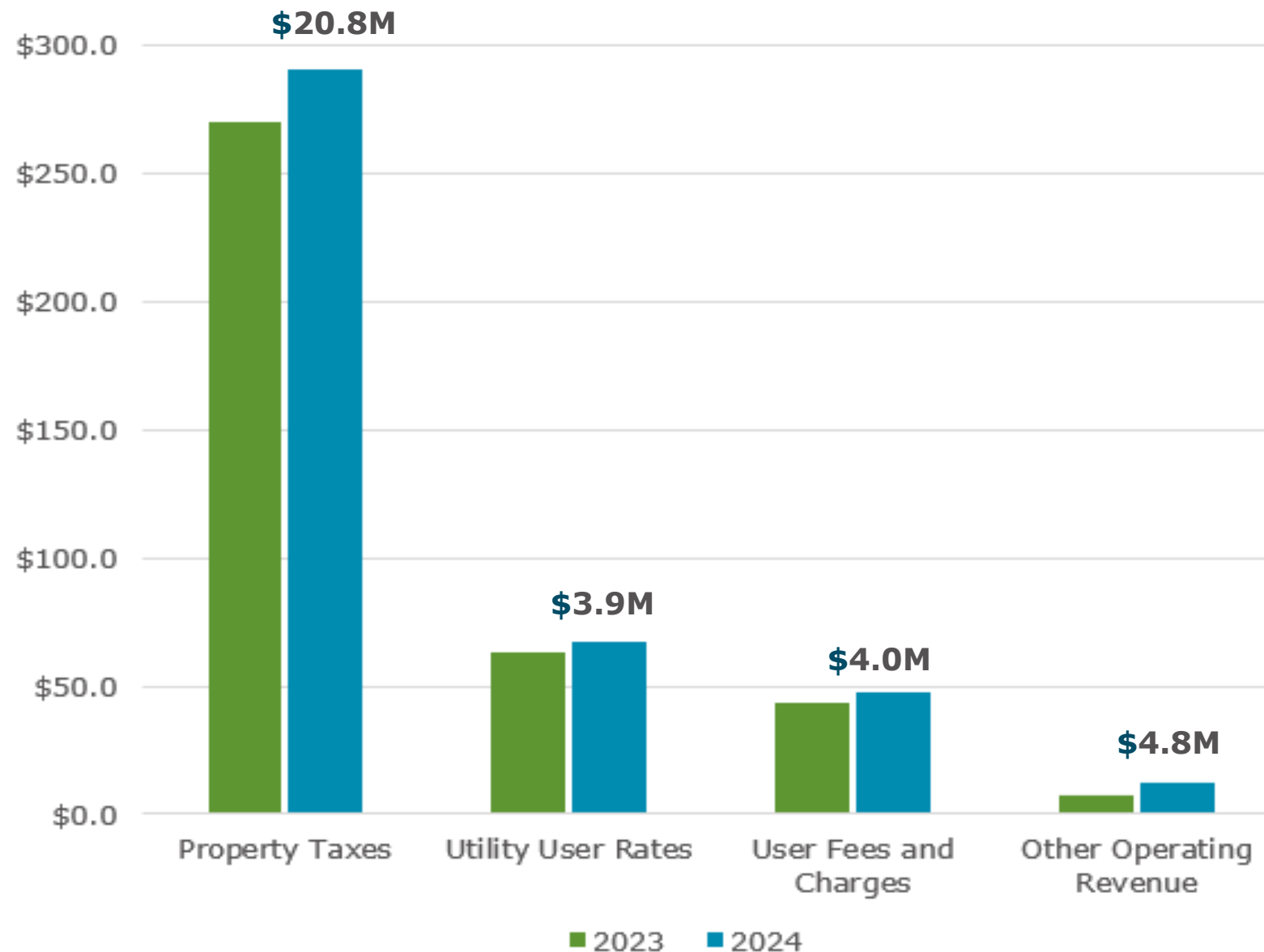


Consolidated statement of operations (actuals)

(in thousands of dollars)

	2024	2023	Variance
OPERATING REVENUE (Schedule VI)			
Property Taxes (Schedule III)	\$ 291,005	\$ 270,209	\$ 20,796
Utility User Rates	66,932	62,985	3,947
User Fees and Charges	47,267	43,229	4,038
Investment Income	14,214	11,708	2,506
Government Transfers - Operating (Schedule IV)	10,361	10,566	(205)
Penalties and Fines	6,492	7,372	(880)
Permit and License Fees	4,345	3,865	480
Other Operating Revenue	11,857	7,088	4,769
TOTAL OPERATING REVENUE	\$ 452,473	\$ 417,022	\$ 35,451

Significant operating revenue year over year variances (actuals) (in millions of dollars)



\$20.8 million property tax increase

- Residential, industrial growth
- Annual tax rate updates

\$3.9 million utility user rates increase

- Increased utility consumption

\$4.0 million user fees and charges increase

- Rising utilization in:
 - Recreation facilities
 - Public transit
 - Ambulance services

\$4.8 million other revenue increase

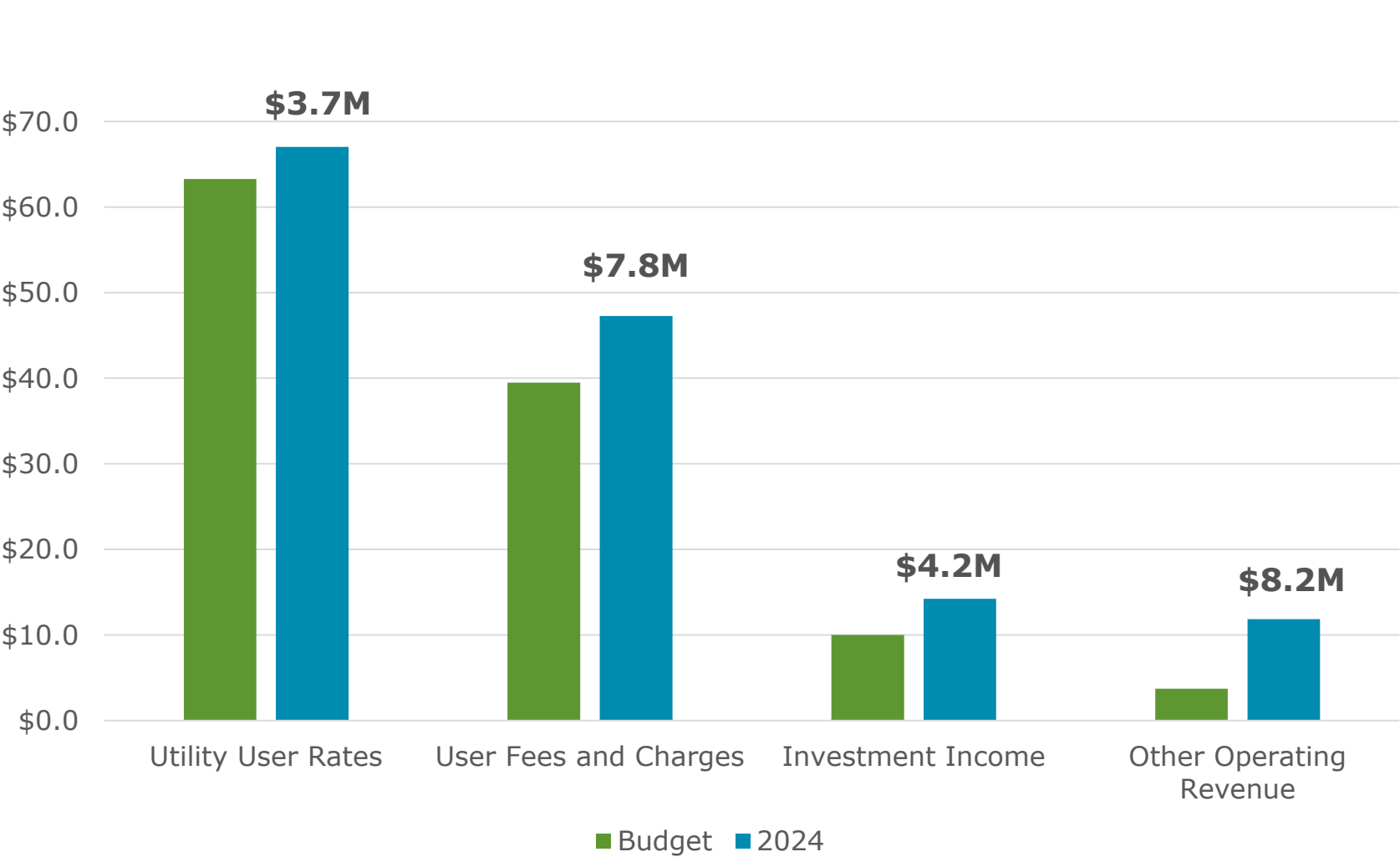
- Accounting adjustment:
 - Health benefits reserve

Consolidated statement of operations (budget)

(in thousands of dollars)

	2024 Budget (Note 15)	2024	Variance
OPERATING REVENUE (Schedule VI)			
Property Taxes (Schedule III)	\$ 289,667	\$ 291,005	\$ 1,338
Utility User Rates	63,262	66,932	3,670
User Fees and Charges	39,476	47,267	7,791
Investment Income	10,013	14,214	4,201
Government Transfers - Operating (Schedule IV)	8,289	10,361	2,072
Penalties and Fines	5,996	6,492	496
Permit and License Fees	2,920	4,345	1,425
Other Operating Revenue	3,628	11,857	8,229
TOTAL OPERATING REVENUE	\$ 423,251	\$ 452,473	\$ 29,222

Significant operating revenue year over year variances (budget) (in millions of dollars)



\$3.7 million favourable variance – utility user rates

- Increased utility consumption

\$7.8 million favorable variance - user fees and charges

- Rising utilization in recreation facilities, public transit and ambulance services

\$3.7 million favourable variance – utility user rates

- Increased utility consumption

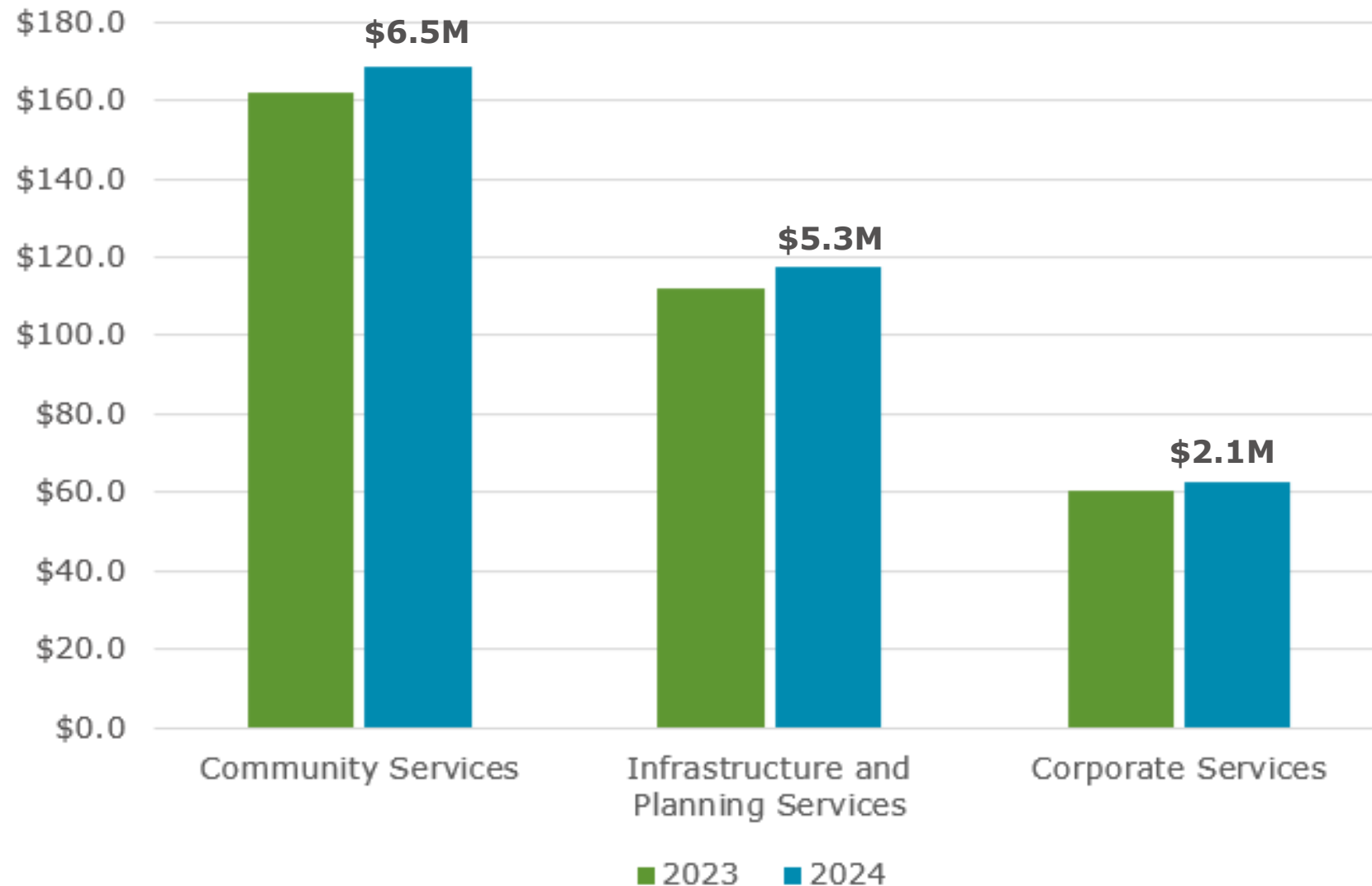
\$8.2 million favorable variance - other operating revenue

- Accounting adjustment:
 - Health benefits reserve
- Project management fees
- Sale of land proceeds

Consolidated statement of operations expense by function (actuals) (in thousands of dollars)

	2024	2023	Variance
EXPENSES (Schedule V and VI)			
Infrastructure and Planning Services (excluding Utility Operations)	\$ 50,606	\$ 46,765	\$ 3,841
Utility Operations	66,714	65,240	1,474
Infrastructure and Planning Services	117,320	112,005	5,315
Community Services	168,573	162,038	6,534
Corporate Services and Chief Financial Officer	62,769	60,636	2,134
Office of the Chief Commissioner	7,190	6,900	290
Elected Officials	1,625	1,621	5
Corporate Fiscal Strategies	72,554	73,699	(1,145)
Strathcona County Library	11,215	11,102	113
TOTAL EXPENSES	\$ 441,246	\$ 428,000	\$ 13,246

Significant expenses by function year over year variances (actuals) (in millions of dollars)



\$6.5 million Community Services increase

- Cost of living adjustment (COLA), additional staffing

\$5.3 million Infrastructure and Planning Services increase

- COLA, additional staffing
- Seasonal costs (prolonged summer)

\$2.1 million Corporate Services increase

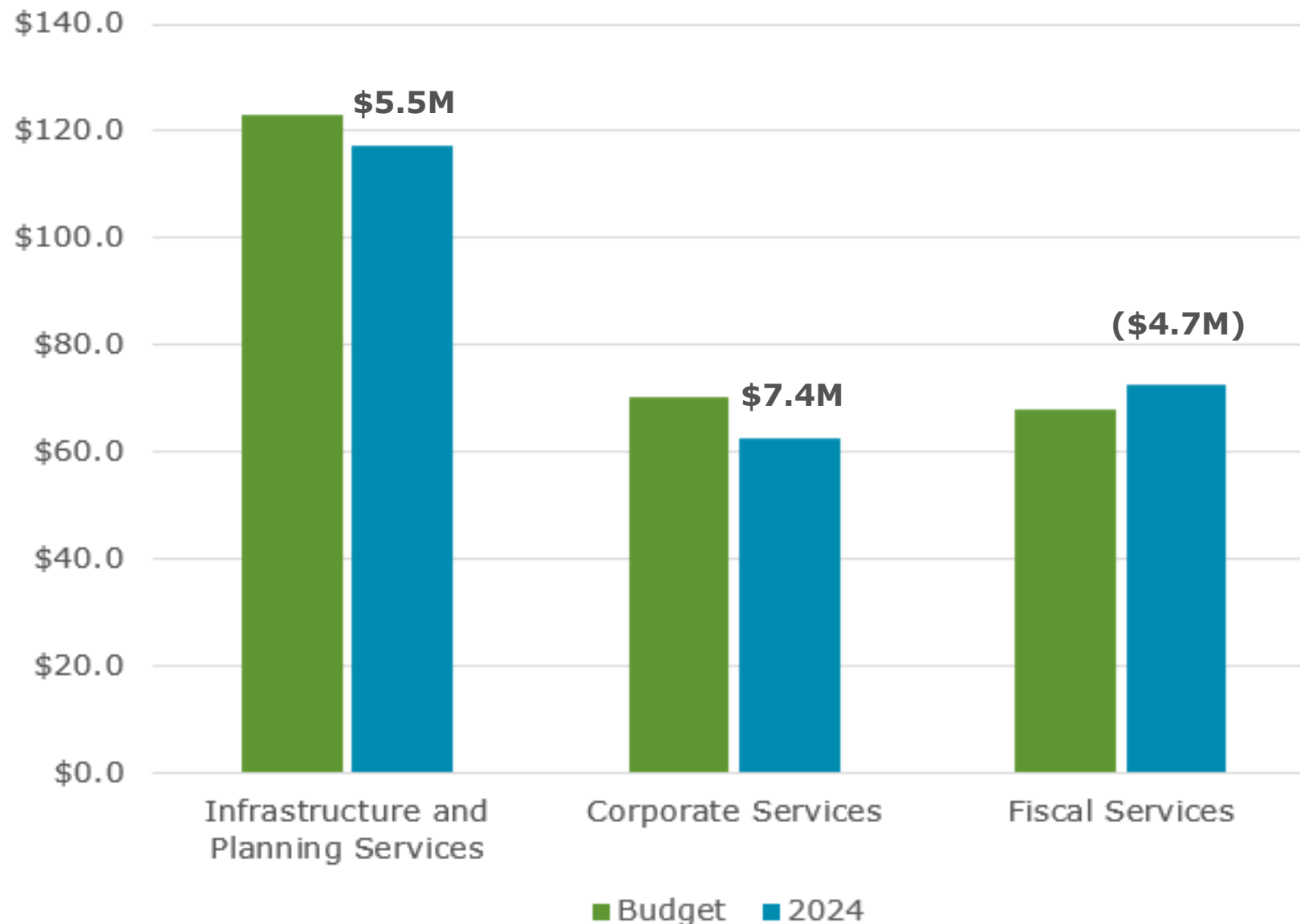
- COLA, reduction in capitalized labor
- Roof access ladders, safety guardrails
- Increased diesel and part costs

Consolidated statement of operations expense by function (budget) (in thousands of dollars)

	2024 Budget (Note 15)	2024	Variance
EXPENSES (Schedule V and VI)			
Infrastructure and Planning Services (excluding Utility Operations)	\$ 55,370	\$ 50,606	\$ 4,765
Utility Operations	67,495	66,714	781
Infrastructure and Planning Services	122,865	117,320	5,546
Community Services	166,927	168,573	(1,646)
Corporate Services and Chief Financial Officer	70,206	62,769	7,437
Office of the Chief Commissioner	7,942	7,190	752
Elected Officials	1,754	1,625	129
Corporate Fiscal Strategies	67,870	72,554	(4,684)
Strathcona County Library	11,257	11,215	42
TOTAL EXPENSES	\$ 448,821	\$ 441,246	\$ 7,576

Significant expenses by function year over year variances (budget)

(in millions of dollars)



\$5.5 million favourable variance – Infrastructure and Planning Services

- Mild winter resulting in reduced trucking services and fewer winter supplies

\$7.4 million favourable variance – Corporate Services

- Projects continuing into 2025
- Lower fuel consumption

(\$4.7 million) unfavourable variance – Fiscal Services

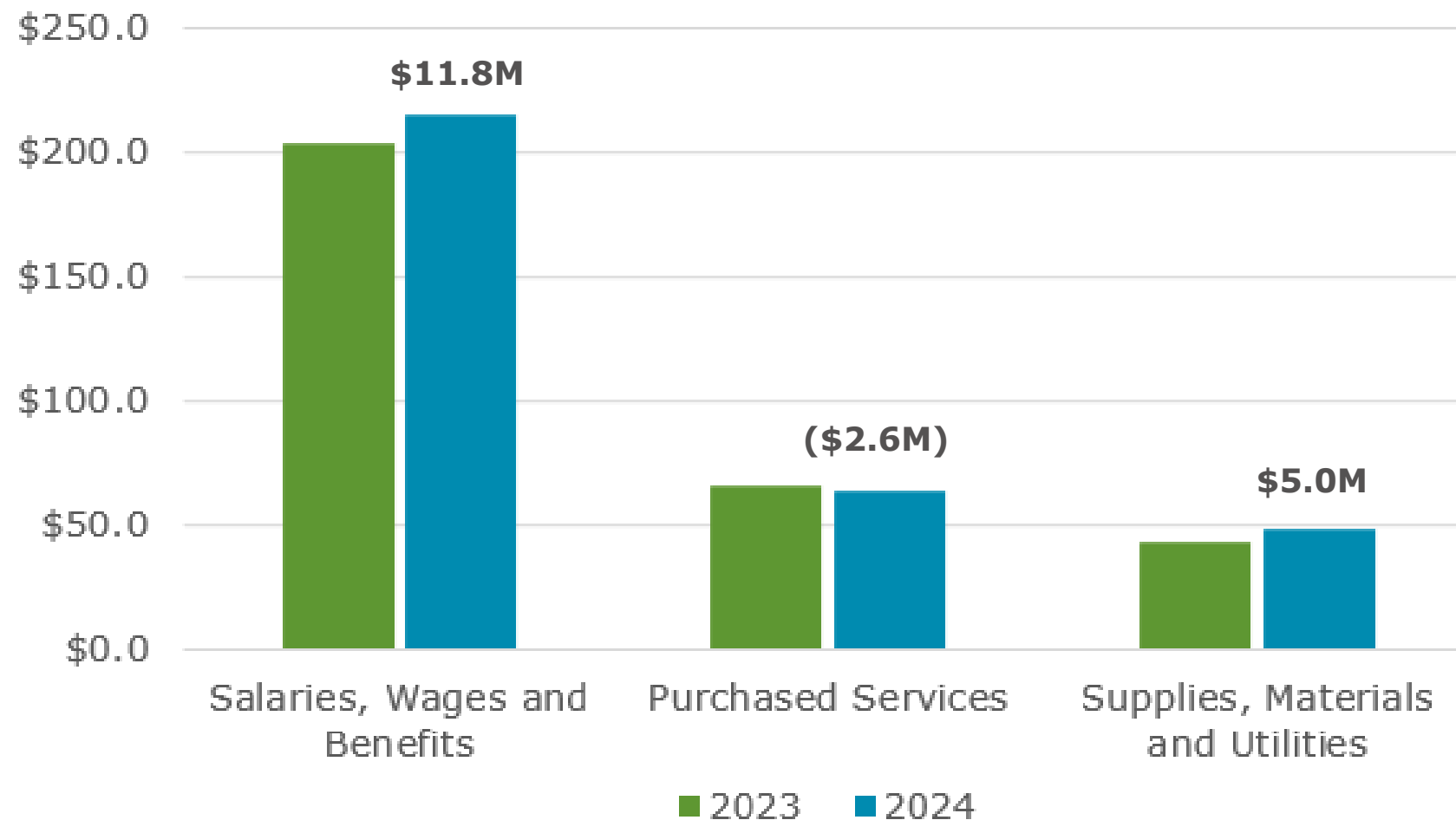
- Amortization expenses
- Investment losses

Expense by object (actuals)

(in thousands of dollars)

	2024	2023	Variance
Consolidated Expenses by Object			
Salaries, Wages, Benefits and Employee Expenses	\$ 215,547	\$ 203,791	\$ 11,756
Business Expenses	28,136	28,507	(371)
Purchased Services	63,897	66,530	(2,633)
Supplies, Materials and Equipment Purchases	48,606	43,623	4,983
Interest on Debentures	4,507	4,895	(388)
Grants Disbursed	6,868	7,714	(846)
Amortization, Gain or Loss, and Write Downs on Capital Assets and Accretion	70,524	68,512	2,012
Other Expenses	3,161	4,428	(1,267)
	\$ 441,246	\$ 428,000	\$ 13,246

Significant expenses by object year over year variances (actuals) (in millions of dollars)



\$11.8 million salaries, wages, benefits increase

- COLA, annual pay increases, additional staff

(\$2.6 million) purchased services decrease

- Accrued liabilities reduction

\$5.0 million supplies, materials, and utilities increase

- Wastewater purchased for resale
- Asphalt maintenance

Expense by object (budget)

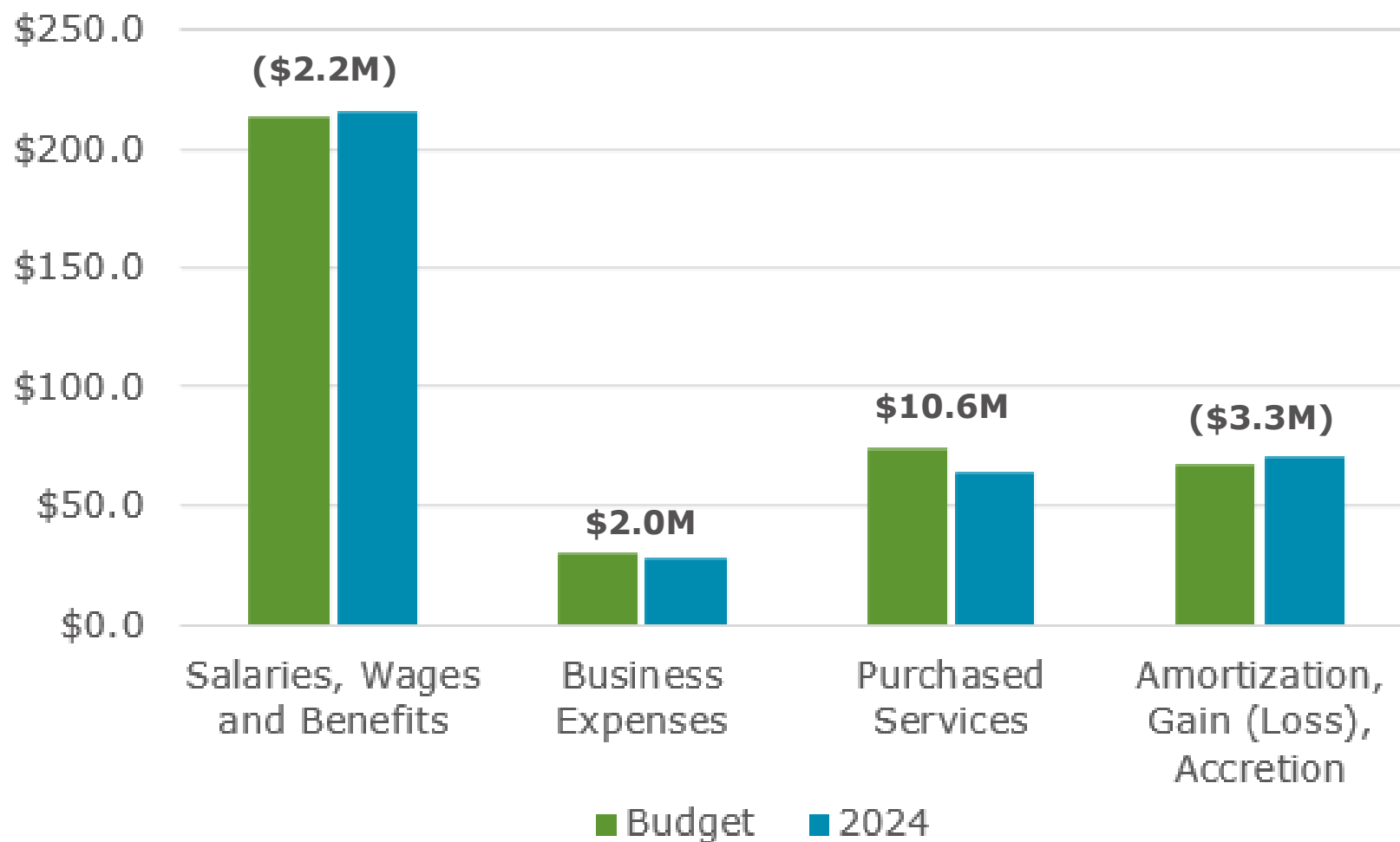
(in millions of dollars)

	2024 Budget (Note 15)	2024	Variance
Consolidated Expenses by Object			
Salaries, Wages, Benefits and Employee Expenses	\$ 213,375	\$ 215,547	\$ (2,172)
Business Expenses	30,172	28,136	2,036
Purchased Services	74,502	63,897	10,605
Supplies, Materials and Equipment Purchases	48,874	48,606	268
Interest on Debentures	5,488	4,507	981
Grants Disbursed	6,954	6,868	86
Amortization, Gain or Loss, and Write Downs on Capital Assets and Accretion	67,261	70,524	(3,263)
Other Expenses	2,195	3,161	(966)
	<u>\$ 448,821</u>	<u>\$ 441,246</u>	<u>\$ 7,575</u>

Significant expenses by object

year over year variances (budget)

(in millions of dollars)



(\$2.2 million) unfavourable variance – salaries, wages, and benefits

- Collective bargaining agreement changes

\$2.0 million favourable variance – business expenses

- Reduced equipment rentals
- Utility savings

\$10.6 million favourable variance – purchased services

- Projects continuing into 2025
- Reduced winter maintenance due to milder climate

(\$3.3 million) unfavourable variance – amortization, gain (loss), accretion

- Contributed assets

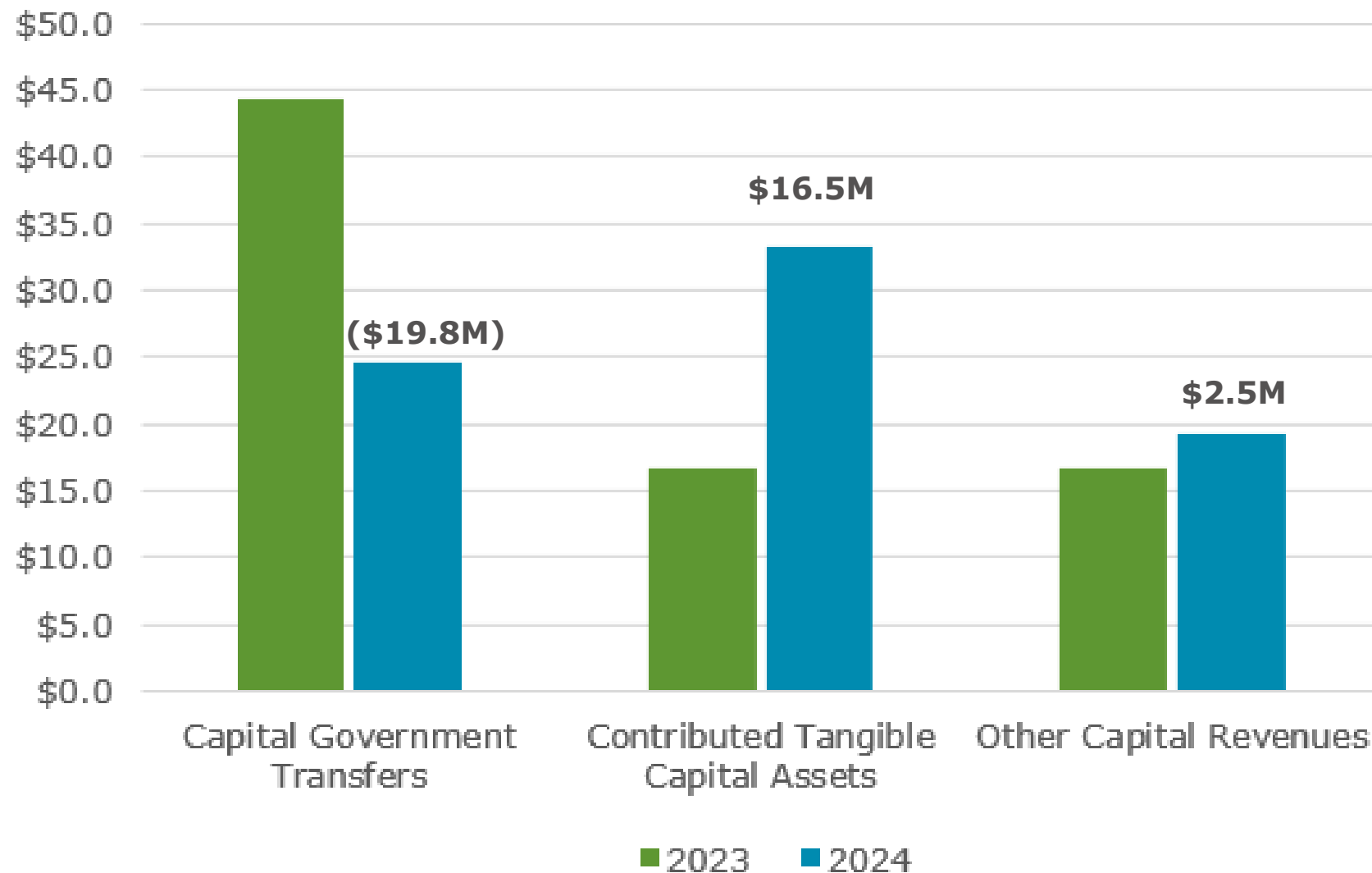
Consolidated statement of operations

capital revenue (actuals)

(in thousands of dollars)

	2024	2023	Variance
CAPITAL REVENUE (Schedule VI)			
Government Transfers - Capital (Schedule IV)	\$ 24,585	\$ 44,380	\$ (19,795)
Contributed Tangible Capital Assets (Schedule II)	33,190	16,730	16,460
Other Capital Revenue (Note 15)	19,164	16,676	2,488
TOTAL CAPITAL REVENUE	\$ 76,939	\$ 77,786	\$ (847)

Capital revenue year over year variances (actuals) (in thousands of dollars)



(\$19.8 million) capital government transfers decrease

- Projects still in design phase

\$16.5 million contributed tangible capital assets increase

- Contributed land (Ardrossan, Cambrian, Salisbury Village, Summerwood)

\$2.5 million other capital revenue increase

- Development Levies increased
- Third party contributions decreased

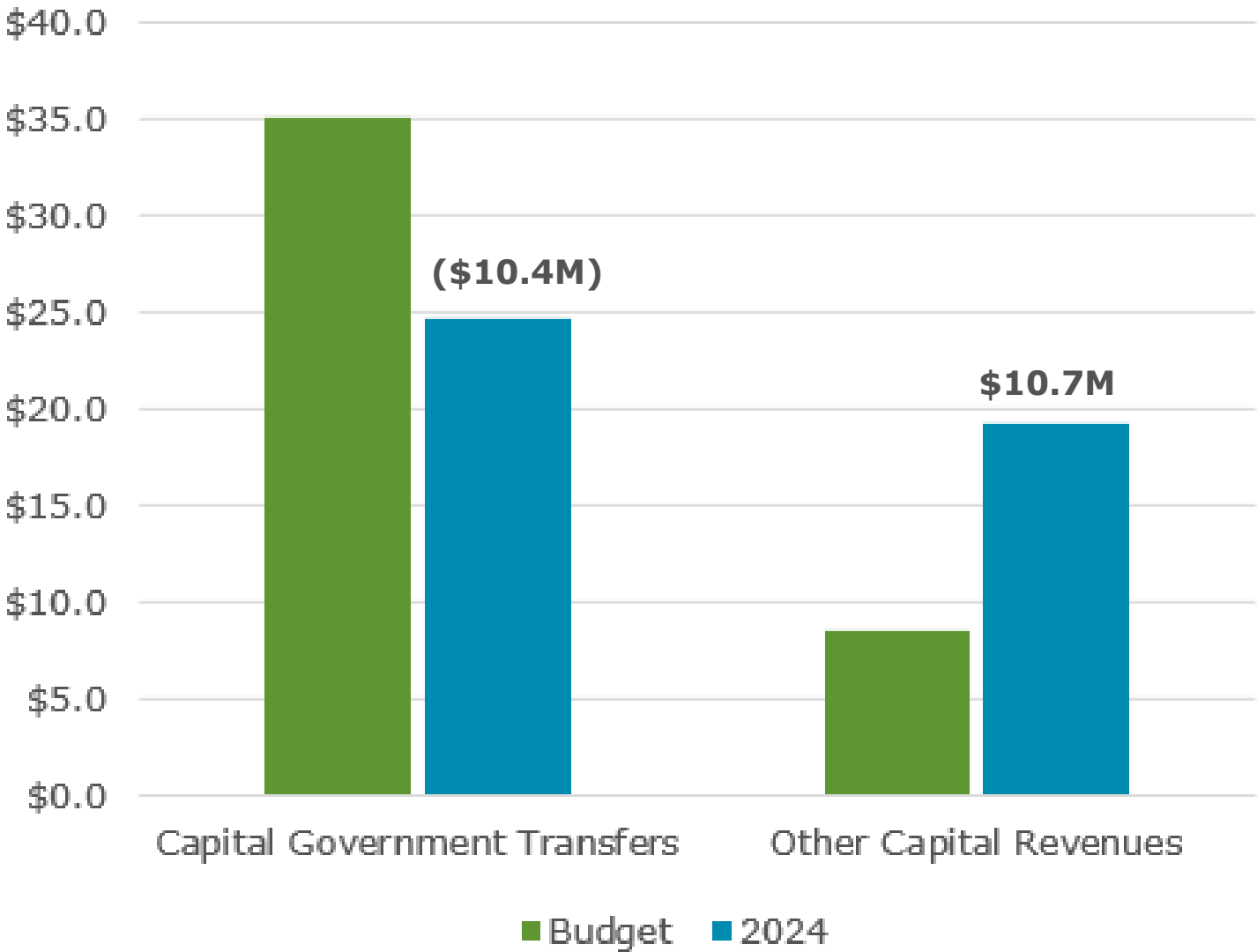
Consolidated statement of operations

capital revenue (budget)

(in thousands of dollars)

	2024 Budget (Note 15)	2024	Variance
CAPITAL REVENUE (Schedule VI)			
Government Transfers - Capital (Schedule IV)	\$ 35,021	\$ 24,585	\$ (10,436)
Contributed Tangible Capital Assets (Schedule II)	-	33,190	-
Other Capital Revenue (Note 15)	8,543	19,164	10,621
TOTAL CAPITAL REVENUE	\$ 43,564	\$ 76,939	\$ 185

Capital revenue year over year variances (budget) (in thousands of dollars)



(\$10.4 million) unfavourable variance – capital government transfers

- Projects still in design phase

\$10.7 million favourable variance – other capital revenue

- Multi-year projects
- Timing of expenses

Consolidated annual surplus (PSAS)

(in millions of dollars)

	2024	2023	Variance
ANNUAL SURPLUS			
Operating Revenue	\$ 452,473	\$ 417,022	\$ 35,451
Expenses	(441,246)	(428,000)	(13,246)
Capital Revenue	76,939	77,786	(847)
	\$ 88,166	\$ 66,808	\$ 21,358

PSAS annual surplus:

Includes

- ➡ Amortization expense
- ➡ Gains/losses on asset disposals
- ➡ Capital revenue

Excludes

- ➡ Debt repayment expenditures
- ➡ Reserve transactions

Different than the method used to calculate the operating surplus for tax purposes

Next steps



External audit is substantially complete



An unqualified audit opinion is anticipated



Seeking Council's approval of the draft financial statements

Questions?