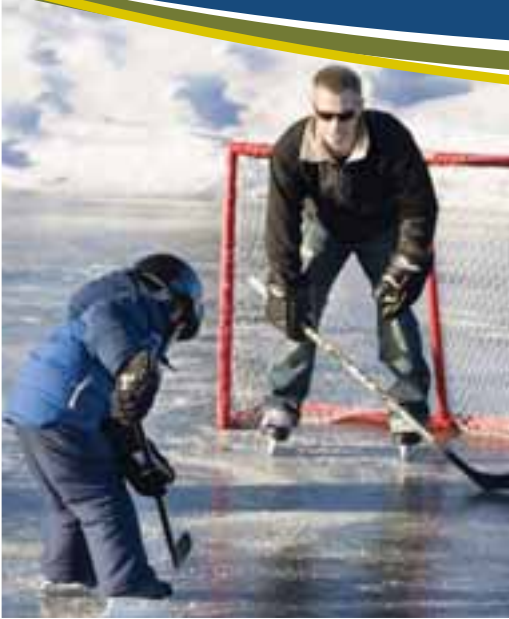


# Strathcona County Alberta, Canada



staying the strategic course... in uncertain times



2009 Annual Report

Financial Statements for the year ended December 31, 2009

staying the strategic course... in uncertain times



# Strathcona County Alberta, Canada

## 2009 Annual Report

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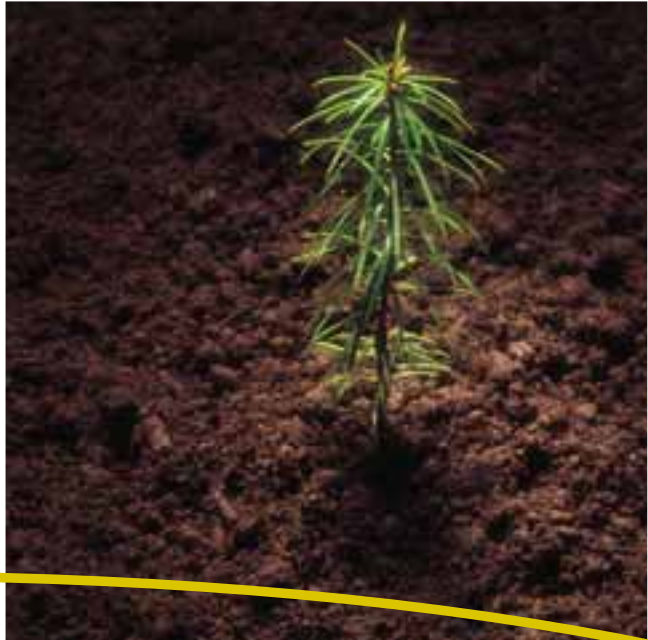
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## Section I Messages

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## Message from the Chief Commissioner



Chief Commissioner Robyn Singleton, Q.C.

Our 2008 Annual Report was labelled *providing quality of life in challenging times*. This year, our message is *staying the strategic course in uncertain times*. I believe these two messages accurately reflect the years they represented, the messages are related, and the two years were quite different.

In 2008, change was all around us: for example the evolution of the then new Capital Region Board (CRB) and, of course, the economic outlook, which I described as a “roller coaster ride.” For 2009, *uncertainty* replaced *challenging* as a focus. The 2009 budget set out to maintain service levels and to limit capital projects to those we could finance from provincial and federal government grants.

During 2009, the CRB completed its historic initial report to the Government of Alberta. The extraordinary efforts of your Mayor Cathy Olesen and several Councillors, together with the efforts of Administration, paid dividends for Strathcona County. Despite our initial fears regarding the CRB, we emerged from this first round with our Municipal Development Plan being recognized as the most modern in the region and with renewed positive relationships with our municipal neighbours. By the end of 2009, the time commitments to the CRB had become much more reasonable.

Another important relationship to the County - Alberta's Industrial Heartland Association (AIHA) — continued to grow with a spring trade mission to Houston, Texas to meet with many of the world leading companies involved in the oil industry. Although the pace of development of bitumen upgrading projects in the Heartland has slowed, we continue to work as an association to facilitate these developments.

The current Shell Canada Upgrader project at Scotford continues, with completion expected in late 2010 or early 2011. The City of Edmonton began to work closely with the AIHA during 2009, with representatives attending our Secretariat (CAO's of the member municipalities) Meetings and our Board of Directors

(Mayors and Reeve) Meetings. Edmonton also joined Fort Saskatchewan, Lamont, Strathcona and Sturgeon Counties on the Houston trip.

Some major construction projects were well underway through 2009. Examples include our Community Centre, the 30-million-litre 17th Street Reservoir expansion, and Pioneer Housing's Silver Birch Lodge, all of which are to be completed in late 2010 or 2011.

As part of the Open Space and Recreation Facility Strategy, planning commenced on several indoor and outdoor projects. Initial upgrades or redevelopment projects include the Ardrossan Recreation Complex, Millennium Place, and the Broadmoor Arena and Clubhouse. Several significant outdoor plans were completed such as the Ardrossan Community Recreation Master Plan.

The majority of the \$122 million Capital Budget for 2009 was to be financed by grant dollars from either the federal or provincial governments. Difficulties in the 2009 economy resulted in some uncertainty regarding what grants would be approved, which led to uncertainty as to when some of our longer-term projects might be able to proceed.

In December 2009, as part of the 2010 budget process, funding one-time capital projects from the anticipated 2009 surplus, some deferrals of projects, and projected new tax revenues in 2011 combined to allow a proposed 2010 "Blue Moon Budget" and zero per cent tax increase.

Despite the tight budget, Emergency Services Station #6, to be located near the Lakeland Drive and Sherwood Drive intersection, was approved to address concerns about future growth and response times to emergency calls within the County. The north Strathcona County fire during the spring of 2009, which cost approximately \$2.6 million to control, was our second major wildland fire within two years. At year end, we were negotiating with the Government of Alberta to fund a substantial portion of the fire response cost.



Strathcona County continues to be a vibrant and challenging community for your Council and Administration. I cannot think of anywhere else that matches our opportunities. I must once again thank the Mayor, County Council and our Administration for their tireless efforts in representing our municipality. Job well done!

Robyn W. Singleton, Q.C. (Man)  
Chief Commissioner, Strathcona County

## Message from the Treasurer



George J. Huybregts, CMA  
Associate Commissioner, Corporate Services /  
County Treasurer

March 12, 2010

### Mayor Cathy Olesen and Members of Strathcona County Council

#### *Madam Mayor and Members of Council:*

It is my pleasure to present the financial statements of Strathcona County for the year ended December 31, 2009. Strathcona County continues to deliver 'quality of life' to County residents. The investment made in the community through the delivery of local services is a key outcome of the County's activities. These financial statements are a report on the stewardship of the County's financial activities in support of the provision of programs and services to its residents, businesses and industry.

The financial statements include the Consolidated Statements of Financial Position, Operations and Accumulated Surplus, Change in Net Debt, and Cash Flows for the County's municipal, utility and library operations. The statements have been prepared in accordance with Canadian generally accepted accounting principles for governments as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants. The Management of Strathcona County is responsible for the preparation and presentation of the 2009 financial statements. The County maintains a system of controls designed to provide assurances for the safeguarding of all County assets and the reliability of financial records. While management recognizes the limits that are inherent in all systems of control, it believes that the County has an effective and responsive system of accounting controls. These controls are subject to routine review and revision.

KPMG LLP has audited the financial statements. External auditors are appointed annually by Council and are responsible to report directly to Council with the results of the audit. The audit report is an integral part of these financial statements.

## Statement Presentation

The County has implemented PSAB 1200 Financial Statement Presentation (new reporting model) and 3150 Tangible Capital Assets effective January 1, 2009 as required by PSAB for all Canadian municipalities. PSAB 1200 establishes general reporting principles and standards for the disclosure of information in government financial statements, and is intended to improve transparency about the economic resources consumed to deliver services and financial sustainability. PSAB 3150 requires governments to value, record and amortize their tangible capital assets in their financial statements. In prior years, not all tangible capital asset additions had been recorded nor were they amortized.

The 2009 financial statements include comparative figures for 2008 which have been restated to conform to the new financial statement presentation adopted for the current year.

The Consolidated Statement of Change in Net Debt is a new statement under PSAB 1200 that reports the extent to which the County's financial liabilities are offset by its financial assets at the end of 2009. The County's ability to service net debt is an important indicator of the County's sustainability.

The 2009 Council approved budget has been included for the Consolidated Statements of Operations and Accumulated Surplus and Change in Net Debt. The tangible capital asset disclosure required under PSAB 3150 such as amortization, contributed tangible capital assets and gain or loss on asset sales was not contemplated during the development of the 2009 budget and therefore was not included in the 2009 budget. Moreover, the subsidiary operations of Pioneer Housing Foundation were also not included as part of the 2009 budget.



# Highlights

Strathcona County’s financial activities support the program and service delivery objectives approved by Council, with a focus on community sustainability and the achievement of the community vision:

*Strathcona County is a safe, caring and autonomous community that treasures its unique blend of urban and rural lifestyles while balancing the natural environment with economic prosperity. Through strong, effective leadership, the County is a vibrant community of choice.*

Creating a sustainable community requires balancing the social, economic and environmental dimensions in support of the community vision.

## Community Sustainability



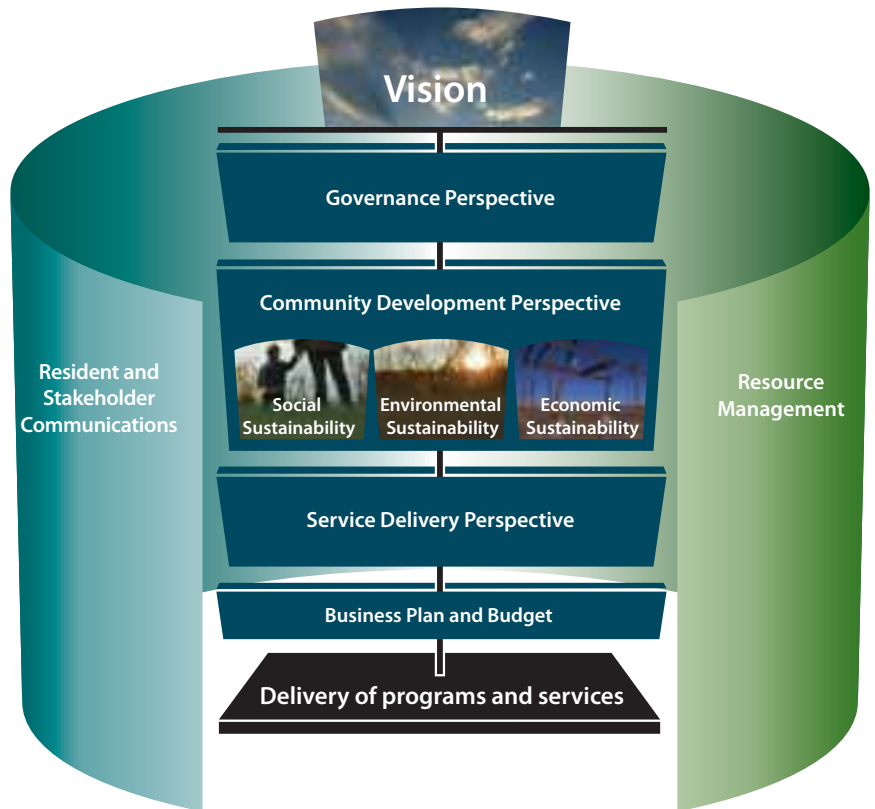
The Strategic Plan, updated by Council on March 17, 2009, continues to be the principal guiding document for governance, community development and service delivery by Strathcona County. It serves as the foundation and outlines the broad direction to be taken by the County, and guides municipal operations through the County’s business plan and budget.

The Strategic Plan provides two essential elements for attaining the desired future for the County and its residents:

- 1) a strategic plan framework (Exhibit 1) which ensures the County has in place a sound process for making decisions, and
- 2) strategic direction that describes the County’s vision for the future, its goals, and the strategies for achieving the goals.

### Exhibit 1

Strathcona County Strategic Plan Framework



The Strategic Plan provides the overall direction and framework for the three-year Business Plan and the annual operating and capital budgets that are prepared and approved by Council for municipal, utility and library operations. The Strategic Plan identifies long-term direction and objectives while the Business Plan identifies actions over a one- to three-year period that contributes to the achievement of those objectives. The annual budget allocates the resources necessary to deliver services to the community and undertake the actions identified in the Business Plan.

The 2009-2011 Business Plan included ten initiatives that formed an integral component of the Business Plan. At December 31, 2009, eight of the initiatives were complete and two multi-year initiatives were in progress.

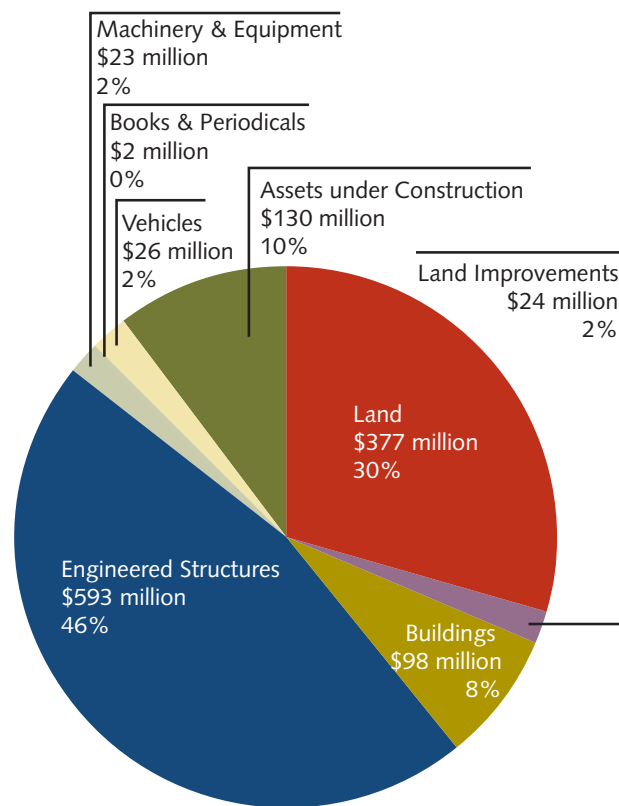
The Consolidated Statement of Financial Position remains strong and continues to position the County well for the future. Net debt has decreased by \$4.7 million to \$17.6 million at December 31, 2009 (2008 – \$22.3 million). A net debt position indicates that the County requires future revenues to pay for past transactions and events, which are mainly due to the increase in long-term debt required to finance capital projects. As previously mentioned, the County is in a healthy financial position and is able to service its debt obligations moving forward. The County’s external debt will be discussed in greater detail later in the report.

Financial assets increased \$45.2 million to \$268.6 million (2008 - \$223.4 million) primarily due to the increase in cash and investments. Cash and temporary investments, and investments increased \$43.0 million to \$233.1 million at December 31, 2009 (2008 – \$190.1 million). The priority objective of Strathcona County Policy FIN-001-007 “Investments” is the capital preservation of the public funds with which it has been entrusted. Other objectives of the policy include the maintenance of liquidity, rate of return and compliance with the Municipal Government Act.

At December 31, 2009, the County’s net book value of its tangible capital assets amounts to \$1.3 billion including contributed assets, and assets that were either purchased or constructed in the provision of service delivery to County residents, businesses and industry. A breakdown of the County’s assets is categorized in Exhibit 2 as follows:

### Exhibit 2

Net Book Value of Tangible Capital Assets  
= \$1.3 billion



Accumulated surplus at December 31, 2009 also totalled \$1.3 billion, which is primarily the County’s investment in tangible capital assets. Also included in accumulated surplus is \$96.3 million in reserves, of which \$58.2 million has already been committed by Council, with the remaining balance designated for purposes Council has approved. Strathcona County Policy FIN-001-024 “Municipal Reserves” governs the establishment and use of reserves. Reserves are planned for and held to address the overall current and future initiatives of the County, many of which are specific. The prudent management of reserves is an integral component of the County’s current and long-range planning activities.

Under the new reporting model, the County ended 2009 with a surplus of \$108.5 million (2008 – \$93.9 million). Excluding earnings from subsidiary operations, capital revenues, non-cash tangible capital asset transactions, and non-cash transactions between accumulated surplus accounts, the County generated \$11.3 million surplus from its operations which was allocated to reserves as follows:

• To reserves to assist with the funding of the 2010 Capital Budget.	\$ 5.1 million	45%
• To replenish and increase reserve funds needed for P4 snow clearing and protective services extraordinary circumstances.	\$ 3.0 million	26%
• Contribution to infrastructure, replacement and growth reserves to avoid future debt.	\$ 2.8 million	25%
• Contribution to single purpose reserves.	\$ 0.4 million	4%
	<u>\$ 11.3 million</u>	<u>100%</u>

Completing the year in a surplus position with all divisions providing their programs and services within approved net operating budgets is a considerable achievement given the uncertainty being experienced in the current economic environment. Strathcona County is a complex organization that is impacted by many external factors. While we can predict operating revenues and expenditures within a certain range, these external factors can have a significant influence on the County’s actual results compared to budget. Strathcona County is fortunate to have one-time surplus and reserve funds which can be used to address the impacts of unforeseen events, as well as current and future initiatives of the County.

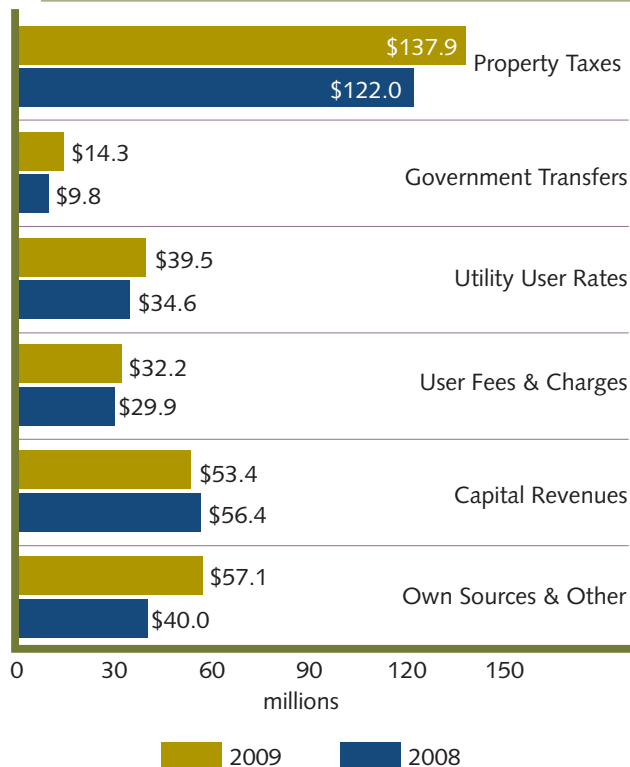
# Revenues

Consolidated revenues for 2009 were \$334.4 million, an increase of \$41.6 million over 2008. Consolidated revenues include operating revenues of \$242.4 million (2008 - \$206.8 million) for municipal, utility and library operations as well as capital revenues of \$53.4 million (2008 - \$56.4 million), and contributed assets of \$38.5 million (2008 - \$29.5 million).

Municipal and library purpose property taxes contributed 41.2% of total revenues; government operating transfers, 4.3%; utility user rates, 11.8%; user fees and charges, 9.6%; capital revenues (including \$44.1 million of government capital transfers), 16.0%; and own sources and other (including penalties and fines, investment income, earnings from subsidiary operations, and contributed assets etc.), 17.1% (Exhibit 3).

## Exhibit 3

2009 Consolidated Revenues \$334.4 million



The year-to-year increase in consolidated revenues is attributable to growth (increased property assessment due to new development and increased use of programs and services), inflation (approved tax dollar and user fee price increases) and increases in government transfers.

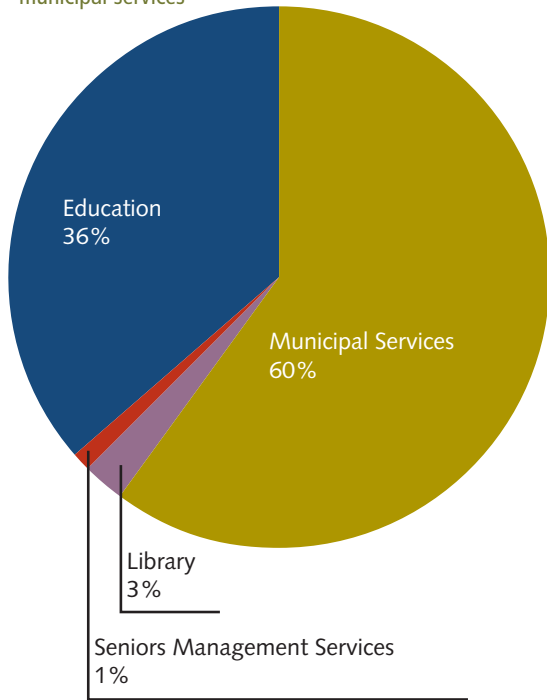
On May 5, 2009, Council approved a general municipal tax dollar increase of 5.9% for 2009 to support 2009 program and service delivery objectives approved by Council. In addition to municipal purpose taxes, property taxes were levied by Council to support library operations, and the Provincial Education and Seniors Management Services requisitions that were submitted to the County for payment. For the single family residential property with an average assessment of \$437,000, total property taxes for 2009 approximated \$2,741, an increase of \$224 (8.9%) over the previous year. Of the increase, \$92 (\$7.69 per month) related to municipal programs and services.

In 2009, the County levied total property taxes of \$181.4 million (excluding local improvement levies and other taxes), of which \$43.3 million was collected for provincial education purposes and \$1.6 million was collected for Seniors Management Services. Of the total residential property taxes levied (including single family residences, condominiums, apartments, townhouses and manufactured homes), 60% supported municipal services (Exhibit 4).

## Exhibit 4

### 2009 Residential Property Tax Distribution

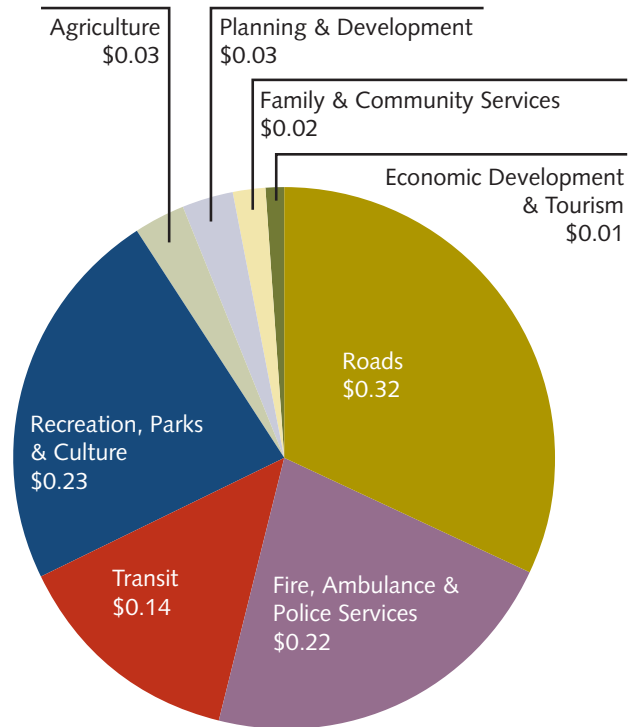
60% of total residential property taxes support municipal services



Approximately 68 cents (2008 – 70 cents) of every municipal tax dollar supported roads, public transit, fire protection, ambulance and police services in 2009 (Exhibit 5). Utility operations are self-sustaining; no property taxes are used to support Utility operations, with the exception of the recycling centres.

## Exhibit 5

### Where the 2009 Municipal Tax Dollar was spent



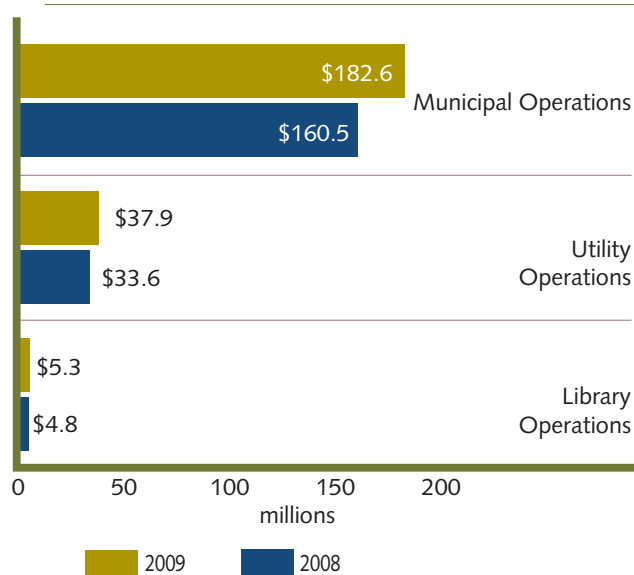
Total 2009 operating revenues exceeded budget for the year by \$15.4 million (6.8% of budgeted operating revenues). This favourable position was primarily due to greater than anticipated: 1) user fees and charges as a result of increased participation in recreation programs ; 2) greater than expected government transfers (primarily Affordable Housing Grants); 3) higher return on investments; and 4) income from subsidiary operations.

# Expenditures

Total 2009 consolidated expenses amounted to \$225.9 million, an increase of \$27 million over the prior year. Consolidated expenses for 2009 include \$182.6 million related to municipal operations, \$37.9 million pertains to utility operations and \$5.3 million was incurred by the Library (Exhibit 6).

## Exhibit 6

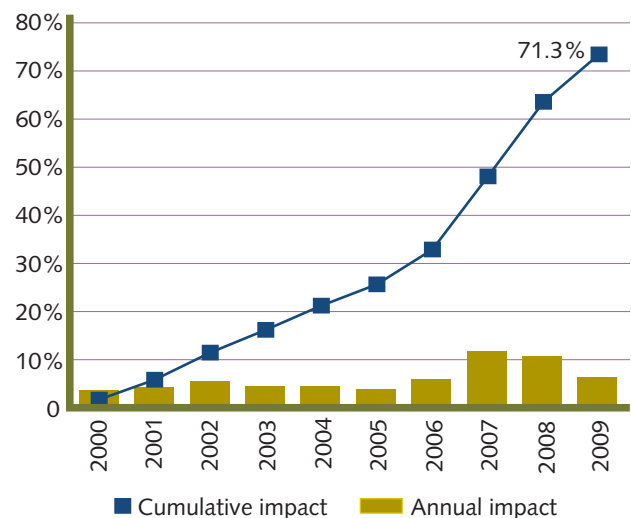
2009 Consolidated Expenditures \$225.9M



The effects of growth and inflation continue to have an impact on County operations. During 2009, the County continued to experience municipal population growth of 2.9% for the year, and municipal price inflation (MPI), budgeted at 6.1% for the year. Since 2000, the County’s population has increased approximately 27.0% while cumulative MPI has been approximately 71.3% (Exhibit 7). The County uses MPI to measure the estimated increase in the cost of the County’s “basket of goods” (i.e. asphalt, gravel, etc.). The County believes the use of MPI is a more appropriate and representative measure than the Alberta Consumer Price Index to gauge the impact of inflation on the County.

## Exhibit 7

Impact of Municipal Price Inflation



The increase in 2009 operating expenses over 2008 was reflective of several factors:

- unexpected costs of June wildfires in the north east part of Strathcona County;
- assuming the responsibility of operating Festival Place from the Festival Place Society;
- increased program and service activity (volume);
- increased cost of maintaining services and service levels (inflation); and
- the cost of continuing to address the pent-up demand resulting from growth.

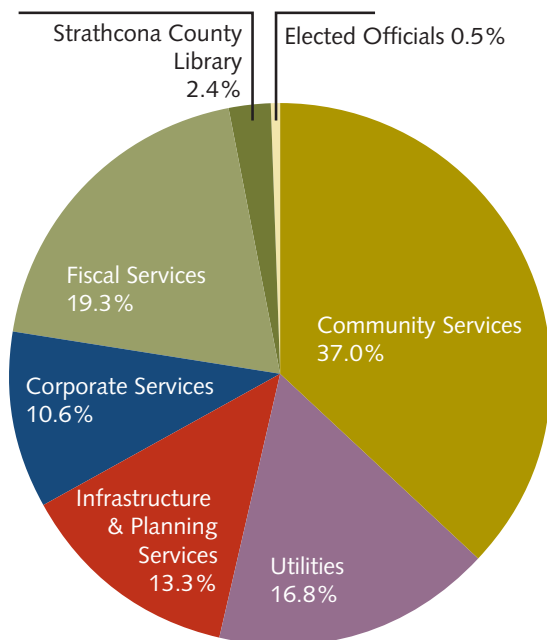
Total municipal expenditures are summarized by operating departments on the Consolidated Statement of Operations and Accumulated Surplus. This statement is also presented by object in Note 27 of the financial statements segmented by municipal, utility and library operations.

## Capital Projects

The County provides services through three service delivery Divisions: Infrastructure and Planning Services, Community Services and Corporate Services. Utilities is part of the Infrastructure and Planning Services Division, but is presented separately for information as it is self-sustaining (ie. does not receive property tax support) for all program areas with the exception of the recycling centres. The Strathcona County Library is presented separately as it operates under a separate board. Corporate Services departments provide internal business support to the operating departments. Fiscal Services includes revenues and expenditures of a corporate nature not attributable to a specific operating department, and for purposes of the following graph, Senior Administration (which includes the Corporate Planning & Intergovernmental Affairs Department). The proportion of the total operating expenditures comprising each Division is presented in Exhibit 8.

### Exhibit 8

2009 Operating Fund Expenditures by Service Division




As previously mentioned, effective January 1, 2009 PSAB requires all Canadian municipalities to identify, value and amortize their tangible capital assets. Amortization represents the consumption of an asset over its useful life to deliver County programs and services. The useful lives of Strathcona County's tangible capital assets range from four years for some pieces of equipment to ninety years for some utility infrastructure. Strathcona County amortized \$36.4 million in 2009 (2008 - \$32.3 million).

Strathcona County acquired \$140.2 million (2008 - \$123.5 million) of tangible capital assets in 2009: \$101.7 million for constructed or purchased tangible capital assets; the remaining \$38.5 million comprises tangible capital assets that were contributed to the County (such as developer constructed roadways and parks). The County began amortizing (putting in service) \$77.3 million of tangible capital assets in 2009 and had assets under construction of \$62.9 million. Of the total amount expended on capital projects in 2009, 11.4% (\$11.6 million) was supported by operations (i.e. property taxes), 43.4% (\$44.1 million) by government transfers, 41.1% (\$41.8 million) by the issuance of new debt, with the balance supported by new capital leases, development levies, reserves and various other sources.

In 2009, the County continued to secure additional annual operating (base) funding to support annual capital programs. Ultimately, funding for annual capital programs needs to be secured in the annual operating budget in order to reduce and eliminate the requirement for new debt and/or the use of reserve funds (one-time funding) to support annualized capital programs. This objective continues to be addressed by the Business Plan.

In 2009, the County received its final instalment of the Alberta Municipal Infrastructure Program (AMIP) grant funding. The County received \$73.8 million over five years for eligible capital projects. AMIP was implemented in 2005 by the Government of Alberta to support municipal infrastructure priorities, such as roads, public transit, and municipal facilities. Municipalities



have 10 years to complete eligible projects. In addition to AMIP funds, the County received \$11.7 million over five years (2005 – 2009) from the federal New Deal for Cities and Communities program. Starting in 2010, the County will receive \$19.6 million over four years from the Federal Gas Tax Fund. The County is eligible to receive its third and final instalment of the Canada – Alberta Rural Infrastructure Fund (CAMRIF) in 2010. Under the CAMRIF Program, the County is eligible to receive \$6 million over five years for infrastructure renewal as it relates to economic growth and innovation. Furthermore, the County received its third instalment of the Municipal Sustainability Initiative (MSI) grant program that is planned to span ten years and totals approximately \$162 million. MSI was implemented by Alberta Municipal Affairs to manage growth pressures and support infrastructure needs. In 2009, the County received one time funding of \$5.3 million from the Major Community Facilities Program (MCFP) for planning, upgrading and the development of large community-use facilities and places in order to enhance community life and citizen well being. The County has deferred using this funding to 2010.

In 2009, 56 of the 65 capital projects approved and budgeted for the year were either complete or in progress at year end. Many of these projects are multi-year in nature (i.e. their completion spans more than one year). In addition to the 2009 projects, the County continued to work toward the completion of 221 projects approved by Council in prior years, including the construction of the Community Centre.

Approved 2009 capital projects included among others:

- the development and construction of several recreation facility projects along with outdoor revitalization projects such as trail work and parks. These projects are part of the Open Space and Recreation Facility Strategy.
- the purchase of Highway 14 water transmission and distribution assets.

- the construction of Emerald Drive service connection to access the regional parks site in Emerald Hills.
- the expansion and renovation of Emergency Services Station 5.
- continuing annual programs, such as:
  - Facility Capital Life Cycle program
  - Residential and Rural Road Overlay programs.
  - Rural water and sump pump collection retrofit programs
  - Transit and fleet replacements

Capital spending in 2009 continued to address the pent-up demand that has resulted from the growth Strathcona County has experienced. Addressing future capital requirements will continue to pose a challenge for the County in both the short and longer term. The County employs a five-year capital plan to assist with identifying future capital infrastructure requirements. County capital asset management and acquisition is guided by Policy FIN-001-027 “Accounting for Tangible Capital Assets Policy.”

Strathcona County is dedicated to providing sound asset infrastructure management through efficient, effective and economical processes and systems that support coordinated and accountable decision making for the acquisition and management of capital assets. This approach is consistent with the Strategic Plan and contributes to the achievement of the Community Vision.

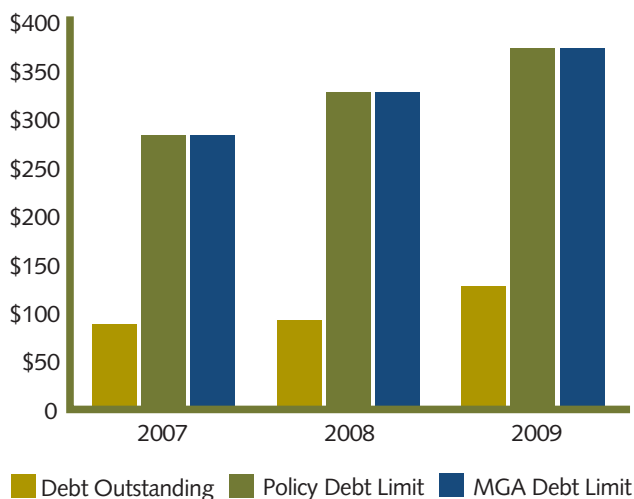
# External Debt

Strathcona County incurs external debt to support priority capital projects consistent with the Strategic Plan direction and objectives approved by Council. Debt is incurred to allow the County to address the protection of existing facility, roadway and underground infrastructure, and the addition of new capital infrastructure resulting from growth and/or changes in service levels (i.e. community demands). Debt is not used to support annual, ongoing operations. The County incurs debt only if it is clearly demonstrated that it supports necessary community infrastructure, future debt servicing requirements are manageable, and the incurrence of debt is an equitable way to spread the cost to include future benefiting users. The use of debt management is a useful and effective tool in the achievement of the overall growth and service provision objectives of the County.

The Provincial Government limits the external debt allowed by a municipality to 150% of revenue (as defined by regulation). At December 31, 2009, the County's external debt (including capital leases) outstanding was 34% - \$126.8 million (2008 - 28% - \$91.6 million) of the provincially legislated maximum debt limit of \$372.5 million. For these purposes, external debt includes long-term debentures, capital leases, and demand loans payable (Exhibit 9).

## Exhibit 9

External Debt Capacity



The County's debt management activities are also governed by Policy FIN-001-025 "Debt Management Policy", which states the ceiling amounts of total debt outstanding and municipal tax supported debt outstanding is 100% of the Municipal Government Act debt limit as defined by Alberta Regulation 255/2000. At December 31, 2009, the County was well within the provincial guidelines and its own policy. Total long-term debenture debt outstanding was 32.5% (2008 - 26.4%) of the provincially legislated debt limit, while tax-supported debt outstanding was 12.6% (2008 - 8.1%) of the debt limit. Total debenture debt per capita approximated \$1,376 (2008 - \$1,012); the tax supported component approximated \$532 (2008 - \$311).

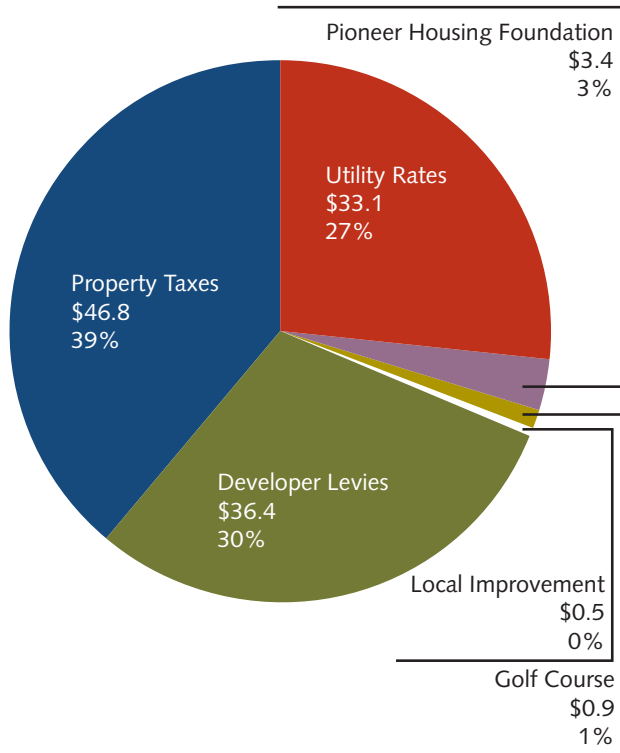
During 2009, the County issued new long-term debenture debt of \$41.8 million and made \$7.3 million in debt principal repayments. As a result, overall long-term debenture debt outstanding increased during the year, from \$86.6 million at the beginning of the year to \$121.1 million at the end of the year.

Of the total long-term debenture debt outstanding at December 31, 2009, \$46.8 million (39%) was property tax-supported debt with the balance supported by other sources (i.e. local improvement levies, development levies, utility charges and user fees) (Exhibit 10).

# Summary

## Exhibit 10

### \$121.1 million Debenture Debt Support



The County's sound financial practices, combined with timely budget preparation in conjunction with its annual business plan, affords Council the assurance that the County's financial assets are conserved, its fixed liabilities are minimized, and the need for longer term financial stability, strength and flexibility is recognized and accommodated. Managing financial resources is a key priority of the County's Strategic Plan and a key contributor to the achievement of the Community Vision.

The conversion to the new reporting model and the implementation of tangible capital assets is the culmination of a truly significant effort by the County across all departments. The work that has been required to meet these PSAB requirements in order to receive an unqualified audit opinion, should not be underestimated. In addition, these financial statements are the result of the cooperation and assistance received from departments and programs. Management appreciates the efforts of all staff involved in the completion of these financial statements.

Respectfully submitted,

George J. Huybregts, CMA

Associate Commissioner, Corporate Services /  
County Treasurer





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## Strathcona County...



...is a dynamic, vibrant and diverse municipality located in Alberta's Capital Region.

Nearly 88,000 residents proudly call Strathcona County home.

Strathcona County is made up of the urban area of Sherwood Park surrounded by a large rural area of country residential acreages, farms and smaller hamlets, including Antler Lake, Ardrossan, Collingwood Cove, Half Moon Lake, Hastings Lake, Josephburg, North Cooking Lake and South Cooking Lake.

Strathcona is classified as a Specialized Municipality in recognition of its combination of urban and rural areas under one municipal government.

# Strathcona County Council



**Strathcona County**  
 Mayor Cathy Olesen  
 780-464-8000  
 olesen@strathcona.ab.ca



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 Councillor Roxanne Carr  
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**Ward 3**  
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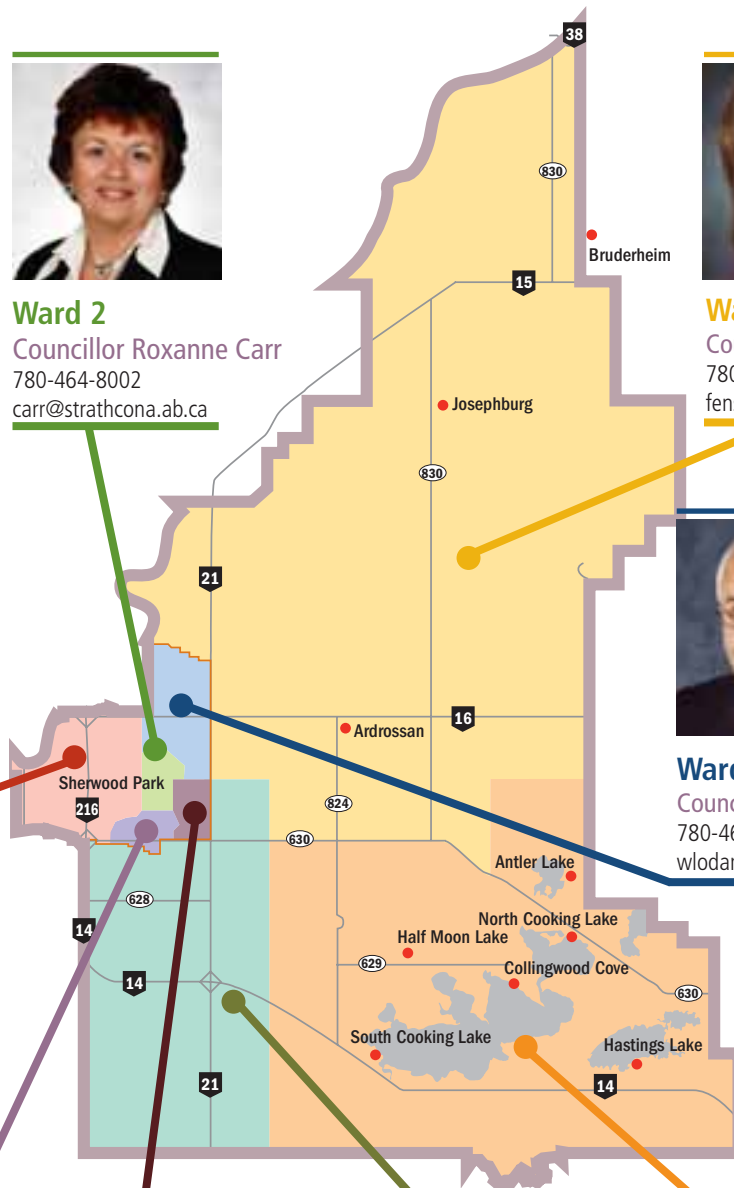
**Ward 8**  
 Councillor Jason Gariepy  
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 gariepy@strathcona.ab.ca



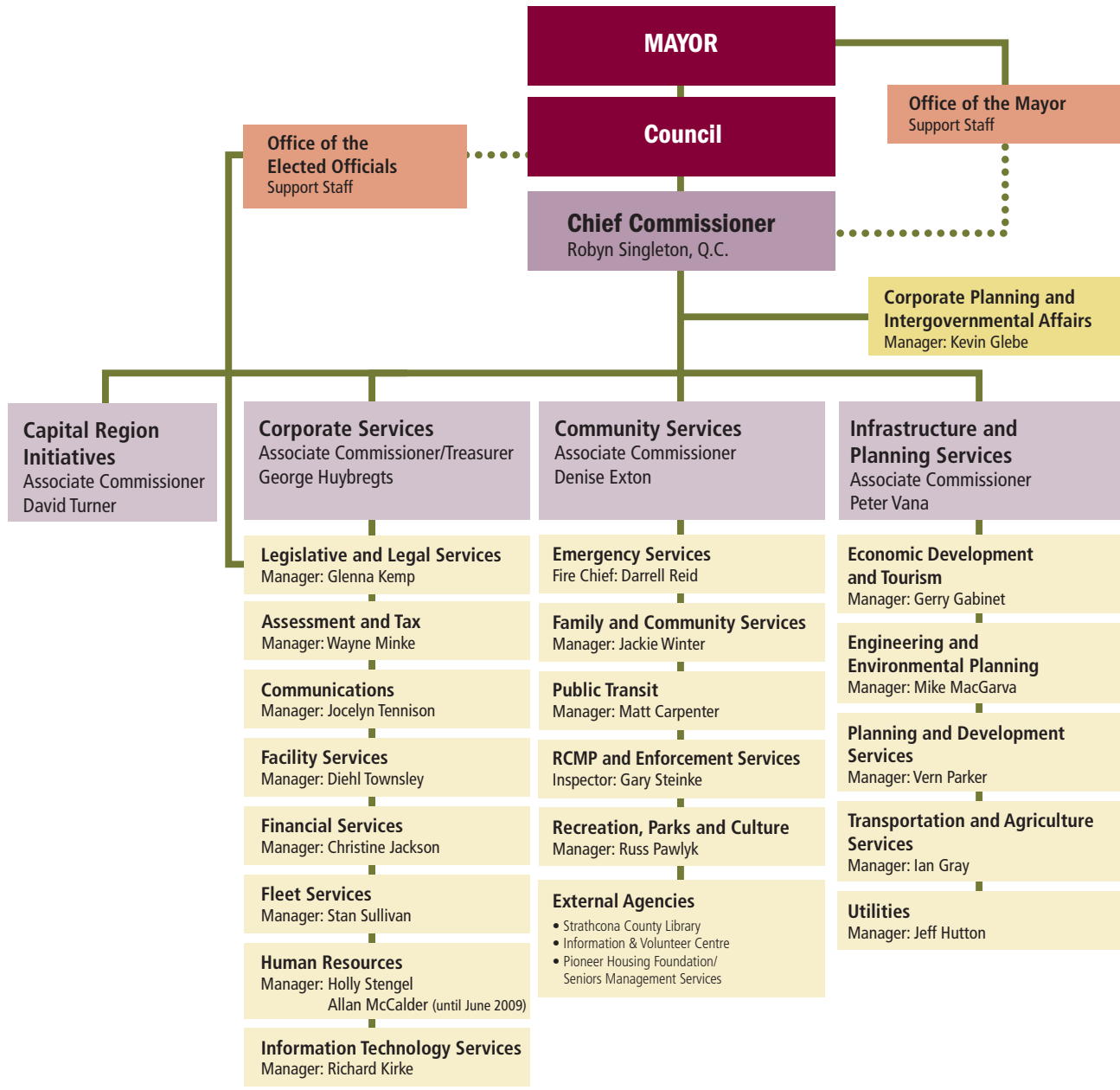
**Ward 6**  
 Councillor Alan Dunn  
 780-464-8206  
 dunn@strathcona.ab.ca



**Ward 7**  
 Councillor Glen Lawrence  
 780-464-8003  
 lawrencg@strathcona.ab.ca



# Our organizational structure



**Strathcona County Executive Team**

(left to right) Peter Vana, Denise Exton, Robyn Singleton, George Huybregts and David Turner

# Our Strategic Plan

Strathcona County's Strategic Plan, updated in 2009, guides our decisions and is the foundation for responsible municipal planning, service delivery and allocation of resources.

The plan focuses on creating and maintaining a prosperous, sustainable community for the long term.



## Strathcona County Strategic Plan direction

### Governance Perspective

#### Capstone Policy

Strathcona County strives for excellence in effective government.

#### Goals

- Strathcona County is an autonomous specialized municipality.
- Strathcona County is governed by a clear municipal mandate.
- Strathcona County has effective plans and policies that guide the corporation and the community.

### Community Development Perspective: Social Sustainability

#### Capstone Policy

Strathcona County is a safe and caring community whose residents enjoy opportunities for healthy lifestyles.

#### Goals

- Strathcona County is a safe community for residents and visitors.
- Strathcona County is a caring community.
- Strathcona County offers a broad range of opportunities for healthy lifestyles.

### Community Development Perspective: Environmental Sustainability

#### Capstone Policy

Strathcona County practises sound environmental stewardship.

#### Goal

- Strathcona County reflects a natural environment balanced by healthy urban, suburban and rural communities.

### Community Development Perspective: Economic Sustainability

#### Capstone Policy

Strathcona County fosters an economy which benefits residents, business and industry.

#### Goals

- Strathcona County supports a healthy economy.
- Strathcona County harbours a viable community of businesses that reflect its rural-urban diversity.
- Residents, business, industry and the County benefit from the County's economic prosperity.

### Service Delivery Perspective

#### Capstone Policy

Strathcona County practises excellence in customer service based on the principles of effectiveness, efficiency, economy and equity.

#### Goal

- Customers are satisfied with the quality of County service delivery.

## Resident and Stakeholder Communications

### Capstone Policy

Strathcona County communicates effectively with its stakeholders.

#### Goals

- Strathcona County uses effective mechanisms to facilitate two-way communications with residents and other stakeholders.
- Stakeholders are well informed about and confident in their local government.
- Stakeholders understand the role of the County in governance and service delivery.



## Resource Management

### Capstone Policy

Strathcona County's human, financial and physical resources are managed in a manner that addresses community needs and priorities.

#### Goals

- The County makes full use of its human resource potential.
- The County's financial resources are responsibly managed.
- Life expectancy of municipal and community infrastructure is met.

For each goal, strategies and key indicators are identified to move Strathcona County toward its vision.

## Vision Statement

*Strathcona County is a safe, caring and autonomous community that treasures its unique blend of urban and rural lifestyles while balancing the natural environment with economic prosperity. Through strong, effective leadership, the County is a vibrant community of choice.*

# Highlights of our progress

In staying the course of our strategic plan, Strathcona County's progress continues positively in a climate of uncertain times. Here are some of the highlights.

...helping guide the way



## Environmental Sustainability Framework approved



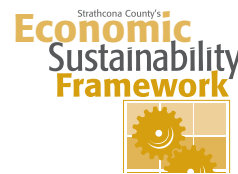
In June 2009, Strathcona County Council approved the Environmental Sustainability Framework, a strategic foundation that sets priorities and

guides planning and programs to improve our environment. The framework sets out 10 recommendations including:

- creating an integrated transportation master plan to address efficient multi-modal travel
- developing a water conservation plan related to County practices
- developing a greenhouse gas inventory and management plan
- establishing a waster management policy

The framework establishes guiding statements that describe success relating to five themes: **land**, **air emissions**, **energy**, **water** and **material use**. To measure progress in these areas, specific goals and indicators have been established to evaluate and achieve greater environmental sustainability for our community.

## Economic Sustainability Framework



Strathcona County wants a healthy, innovative and sustainable economy - one that complements social responsibility and the

environment. In 2009 Strathcona County began work on an Economic Sustainability Framework to guide decisions that will foster and sustain a healthy economy benefitting residents, business and industry.

The Economic Sustainability Framework, together with the Social Sustainability Framework approved in 2007 and the Environmental Sustainability Framework approved in 2009, will complete Strathcona County's triple-bottom-line approach to guide sustainability.

### Cultural Services Policy charts exciting path

In 2009, a comprehensive review of the County's 2002 Cultural Policy was conducted with input from our community stakeholders and the public. This new approved policy charts a new and exciting path for arts, culture and heritage development.

### Older Adults Plan approved



Strathcona County's Older Adults Plan was approved by Council in June, 2009. The plan promotes aging well, with the independence that residents desire. It emphasizes providing the right programs, services and necessary

supports to meet the needs of the spectrum of older adults. Two of the plan's first initiatives were the pilots for Snow Busters, a snow removal program for low-income seniors, and an outreach program for vulnerable older adults and their families.

### Census 2009



The 2009 Municipal Census was conducted on May 1, 2009. The County's official population is 87,998, with 61,660 residents in Sherwood Park, and 26,338

residents in the County's rural areas. This marked 2.9 per cent population growth between 2008 and 2009.

For the first time, residents were given the option of completing a census form online. This option proved a popular choice with 56.6 per cent of households using this method. Feedback was very positive from the 48 per cent of the people who responded online. Common responses included: convenience, excellent, quick and easy.

### Capital Region Board

Alberta's Capital Region Board (CRB) was officially established on April 15, 2008, consisting of mayors and reeves from the 25 municipalities in the Alberta Capital Region. The board was created to jointly develop a long-range regional growth management plan, which was submitted to the Province on March 31, 2009. On June 11, 2009, a preliminary response was provided by the Minister of Municipal Affairs and resulted in two addendums submitted on October 31, 2009 and December 31, 2009.

The plan was built on two principles:

- to reduce the development footprint by focusing growth
- to create a region that will be economically, socially and environmentally sustainable into the future.

The board's most significant work focused on the future growth of the region and the development of a land use plan. Key questions were addressed such as the location of growth, population densities, employment centres, housing, transportation and transit links, buffers and environmental areas.

The Capital Region Growth Plan, as presented, aligns very well the Strathcona County's Municipal Development Plan (MDP) that was approved in 2007.

### Community Heritage Legacy Framework approved

In December 2009, Council adopted Strathcona County's new Community Heritage Legacy Framework to promote efforts that increase awareness of our distinct past. It engages the community in capturing and conveying its history and heritage, and identifies tools to do so. Two key partners are the Strathcona County Museum & Archives and Strathcona County Library.

This framework focuses on intangible cultural heritage, which includes customs, traditions, knowledge and skills, such as traditional farming methods, preserving and preparing food, plus community activities. The idea is to have those people who are the "carriers" of this form of heritage demonstrate it and share it with the next generation.

...supporting an active, healthy, green community



### Older adults enjoy new annual conference hosted just for them

In 2009, the first Active Living Conference was held with over 175 participants attending. It provided men and women aged 55-plus opportunities to connect with others, try new activities and learn about various topics of interest to them.

### Strathcona County's first ever *Neighbour Day* celebrated

In partnership with the Sherwood Park Farmers' Market, Neighbour Day was celebrated, recognizing the importance neighbours play in our lives and encouraging people to connect with their neighbours.

### *Where Character Lives* shares and encourages the positive

where *character lives*

Where Character Lives, a multi-agency preventive campaign to reduce negative and

unhealthy behaviours while promoting positive character development, was designed and launched. The kick-off event saw over 300 drawings and essays submitted by children and youth expressing what positive character meant to them and examples they see in our community.

### Students learn to create a sustainable neighbourhood

The *Sustainable Plan-it* pilot project guided Grade 6 students through a curriculum about sustainable municipal planning. The program shows students how to create a neighbourhood that can be sustained over time. The students' vision of their community plan was presented to Strathcona County Council.

### Parent Link moves to a new, larger space

live  
laugh  
learn  
play



In 2009, Parent Link and Early Childhood Development moved into the Children and Youth Community Centre located at 3 Spruce Avenue in Sherwood Park. The move

increased the amount of space available to offer a wider range of programs to families with preschool children.

### Rural program outreach expanded

Family and Community Services program outreach to rural areas increased, with services now being offered on a regular basis in five locations with special events occurring in three additional locations.

### Lil' Sprouts gardening

In 2009, the Lil' Sprouts gardening project was a particular success. It introduces parents and preschoolers to the joys of growing their own food.

### Review of Home Support program positive

Family and Community Services Home Support program completed the Alberta Health Services Quality Review with the good "marks" all around for the County.

### Nurturing quality in Family Day Homes

Family Day Homes achieved a high standard of excellence and were re-accredited in 2009 by the Alberta Association for the Accreditation of Early Learning and Care Services.

### *Everybody gets to play*™ meets the need

*Everybody gets to play*™ in Strathcona County increased access and participation in recreation programs and services for families who are living with a low income. The program encompasses: leadership programs, community events, support programs, and partners and sponsors. The County thanks Air Products Canada, a founding partner that has sponsored the program in its first six years.

*Everybody gets to play*™  
Recreation without barriers

### Rural high speed Internet

In 2009, improving availability of high-speed internet service for all rural Strathcona County residents moved forward. Through a competitive process, MCS Net was selected as the preferred service provider. While the County will not own or operate the service or infrastructure, it will work closely with MCS Net to further services. In November 2009, applications for seven proposed communication towers were accepted.



## Open Space and Recreation Facility Strategy progress



The Open Space and Recreation Facility Strategy identifies parks, natural areas, and recreation facility

projects that will be considered for re-development and development over the next 15 years. In 2009, planning and community consultation began toward revitalization of four major indoor facilities:

### **Ardrossan Recreation Complex reinvestment**

A new arena will be built to replace the existing aging infrastructure. The complex will also include opportunities for spontaneous use and wellness. The vision for the complex is to become an inviting place to gather and be active. Completion: Fall 2011.

### **Millennium Place revitalization**

The Leisure ice will be expanded to provide more space for recreational skating. This will increase available time on the full-size ice for minor ice users. Wellness space will also be modified to alleviate overcrowding. Multi-purpose space will be added to the Edu-tainment Centre for preschool, children's play, wellness programming and community use. An dedicated youth area will also be added for spontaneous recreation. Completion: Ice, health and wellness, dry surface - Fall 2011.

### **Broadmoor Arena and Clubhouse reinvestment**

The arena will be renovated and expanded. This includes modifying the refrigeration system, dressing room and boards as required. Renovations will also accommodate off-season dry surface use in the arena. The clubhouse will be renovated to provide more flexible community meeting and event space through the addition of a second level that attractively overlooks the course. Completion: Clubhouse - Spring 2011; Arena - Fall 2011.

### **Glen Allan Recreation Complex redevelopment**

Future plans see this wellness space expanded, with a focus on older adult recreational opportunities.

### **Also in 2009, several outdoor planning initiatives occurred:**

#### **Ardrossan Community Recreation Master Plan**

In December 2009, the Ardrossan Community Recreation Master Plan was approved to guide the development of future recreation facilities, parks and open spaces in this community. The plan's development included extensive community input, and resulted in four strategic themes:

1. Creation of a walkable community – toward an improved network of paved and granular trails to provide safe and accessible pedestrian connections to existing and future residential areas and community amenities.
2. Places for community gathering – toward enhancing the existing community grounds for flexible recreational use, adding park amenities such as an entrance feature, amphitheatre, benches, picnic tables and new plantings.
3. Places for specialized activities and youth – toward a proposed permanent skateboard/BMX park and a spray park, located near the recreation complex and safe access trails, to complement existing playgrounds.
4. Team sports – toward improving the quality of the fields and access to services with entry features, new plantings, additional parking, upgrades to two ball diamonds, space identified for new field needs, and relocation of the outdoor rink next to the recreation complex.

#### **Park master plans**

Engagement with residents and draft park master plans were prepared for public review in 2009 for Brentwood Park, Kinsmen/Westboro Park, Heritage Hills Park and South Cooking Lake Park, with plan approvals expected in early 2010.

### Sportsfield Strategy

Development of a Sportsfield Strategy with a view to the next 15 years began in 2009 to identify needs and guide long-term planning and development of outdoor sportsfields. Through stakeholder discussions, surveys and interviews, the strategy will identify which are the high-priority sportsfields in need of improvement and what is the demand for new fields.

### Heritage Hills Wetland upgrades

Resident feedback collected in the fall of 2009 helped determine future plans for trail upgrades and signage for the Heritage Hills Wetland. Detailed designs are being developed and site work is expected to start in late summer of 2010.



### Clover Bar Ranch Park Redevelopment Plan

In the spring of 2009, residents participated in reviewing conceptual plans for Clover Bar Ranch Park. A resident park committee formed to work with the County to refine the concepts. This plan includes park amenity improvements, and provides additional recreational opportunities in the neighbourhood that will be developed over the next few years as budget allows.

### Brentwood Boulevard Streetscape

Also, as part of the Open Space and Recreation Facility Strategy, new streetscape enhancements were completed south of Sherwood Drive on Brentwood Boulevard that included trees, shrubs, perennials and a paving stone bed border.

### Strathcona County's Affordable Housing Plan boosted

As a result of the Province's grant funding under the Municipal Sustainability Housing Program and Capital Enhancement Program, several affordable housing projects were initiated in 2009.

- In July, **Habitat for Humanity** Edmonton, with assistance from the community at large, organized a "blitz build" to construct a duplex in Lakeland Ridge, which is now home to two families.
- In August, Pioneer Housing Foundation started construction of **Silver Birch Lodge**, which will house 60 self-contained units and will provide affordable market rent for seniors, subsidized rental housing for seniors and special needs housing.
- Development started in May on the **Robin Hood Association's 36-unit care centre** for people with disabilities.

In November 2009, Council approved two new affordable housing programs:

- The **Secondary Suite Grant Program** offers grants to homeowners who would like to develop or renovate a secondary suite in their home. Grant recipients will be required to rent the suite for maximum of 85 per cent of market rent for at least 5 years, to an occupant who makes 80 per cent or less of the median income.
- The **HOME Program** will provide training to potential homeowners, who will then be eligible to receive up to \$3,000 of down-payment assistance to purchase their first home in Strathcona County.



### Festival Place operations

The responsibility for operating Festival Place transferred from a board to Strathcona County as of June 30, 2009. This means that Festival Place, which is owned by Strathcona County, will now be managed in the same way as other County facilities. The transfer is a natural progression as new opportunities open up with the development of Centre in the Park.

### Agriculture Services offers various educational sessions



The County's Agriculture Services coordinates many information workshops and events to benefit rural residents. In 2009, topics included:

- Clubroot awareness to reduce this serious soil-borne disease and its effects on Canola
- Rural Living Days that focuses on information for acreage owners
- Water well maintenance and operation
- Tansy management, an invasive weed species
- Tree shelterbelts
- Equine management such as feeding horses during a drought, feed and nutritional needs, and pasture and manure management.
- Wildlife management information for the public, hunters and landowners

### Front-load washers now included in rebate program to help conserve water

The low-flush toilet replacement program expanded in 2009 to include front-load washers. The County partnered with Climate Change Central to administer the new water rebate program. Residents receive \$50 for replacing 13-litre per flush toilets or higher with an eligible low-flush model. As well, \$75 is given to residents for purchasing eligible front-load washers.

### Enviroservice popular

Offered now 13 times last year, the Enviroservice, where residents can drop off their household hazardous waste, paint, appliances and e-cycling to be recycled at the Streambank Recycling Station, continued to grow in popularity in 2009 collecting:

- 66,600 kilograms of household hazardous waste, paints and aerosols
- 29,700 kilograms of appliances & scrap metals
- 9,200 litres of oil
- 800 TVs, 730 monitors, 650 PCs and 570 printers
- 725 car batteries
- 388 barbecue propane tanks

### Green Routine fine tunes and expands



In 2009, the Green Routine was adjusted to weekly organics pickup for urban and rural hamlets, with good success. Also, the Green Routine at Work pilot began late 2009. County Hall, Sherwood Park Arena and Millennium Place received bins to separate organics, waste and paper.

### eBill...Green by choice

In 2009, Strathcona County started offering residents the choice to receive their utility bill by email. The same information that would be provided on a printed bill is provided on the eBill. Many people prefer the convenience of online services, and this service uses less paper, which is good for the environment.



...protecting and fostering a safe community



**red**  
**amber**  
**green**

No matter what the colour. For everyone's safety.  
**Don't speed** through intersections.

A graphic featuring a traffic light with red, amber, and green lights. To the right of the traffic light, the words "red", "amber", and "green" are stacked vertically in their respective colors. Below this, a red banner contains the text "No matter what the colour. For everyone's safety." and "Don't speed through intersections." in white.

### Delivery of emergency medical services

In 2009, Strathcona County Emergency Services entered into an agreement with Alberta Health Services to allow the County to continue to provide emergency medical services to our residents, businesses and visitors.

### Dispatch services to over 120 municipalities

Another agreement with Alberta Health Services allows Strathcona County Emergency Services to provide emergency medical services (EMS) dispatch to selected Alberta municipalities. Strathcona County Emergency Services now provides fire and EMS dispatch services to over 120 Alberta municipalities, up from approximately 50. Renovations were made to Strathcona County Emergency Services Station #1 to expand and upgrade the 9-1-1 Emergency Communications Centre to serve the new dispatch service requirements.

### Airport rescue and fire fighting services

Strathcona County Emergency Services entered into an agreement with an industrial partner to provide airport rescue and fire fighting services to the Josephburg Airport.

### Cellphone bylaw

On September 1, 2009, the Cellular Phone Bylaw came into effect prohibiting hand-held cellphone use when driving on roads under Strathcona County's jurisdiction. Strathcona County was the first municipality in Alberta to introduce such a ban as a proactive step to remove one major source of distraction for drivers.

### Intersection safety devices introduced to monitor speeding

Effective July 1, 2009, Strathcona County increased its use of intersection safety devices at six major intersections in Sherwood Park to monitor and issue speed violation tickets to motorists who travel over the speed limit during any traffic control signal phase: on red, amber or green.

## RCMP and Enforcement Services — three key priorities

Strathcona County's RCMP addressed all three of its top policing priorities for 2009:

### Improving traffic safety

An increase in the number of traffic safety officers and safety program efforts are viewed as contributors to a five per cent decrease in the number of serious injury motor vehicle collisions and a 44 per cent decrease in the number of collisions that resulted in fatalities as shown in 2009 stats. While the serious issue of speeding in and around our community is being addressed with intelligence led enforcement, the traffic unit has also partnered with other police agencies and non-police agencies to focus on prevention and education programs. One example is the successful Strathcona County Citizens on Patrol group who manage the electronic speed board program.

### Reducing the impact of illicit drugs

The RCMP Drug Unit has successfully targeted and dismantled prominent criminal organizations that tried to flourish in our Community in 2009. Strathcona County's Drug Unit continues to set new standards of success in the greater Edmonton area. Over 70 persons were charged with drug trafficking, being in possession of proceeds of crime and weapons offences, in 2009. Also, over \$150,000 from drug traffickers was seized, and multiple kilos of illicit narcotics were taken off the streets.



### Reducing the impact of break and enters

In 2009, the RCMP detachment was successful in reducing reported property crime by 10 per cent, and break and enters were reduced by 6.7 per cent.

In addition to these priorities, the RCMP handled several serious cases, such as the 2008 CN train derailment that involved the act of criminal mischief by two persons and ended in several million dollars in damage to public and private property.

As well, the Strathcona County detachment scored very high across the entire country when Stats Canada compared weighted clearance rates for reported crime in 2008, in cities with populations over 5,000. Within Alberta, the detachment scored significantly better in solving crime than police services in Calgary, Edmonton, Lethbridge and Medicine Hat. As well, it scored higher than every large municipal RCMP detachment in Alberta.

### Traffic calming



Transportation Engineering and the Office of Traffic Safety hosted eight open houses in various neighborhoods to explore potential traffic calming measures. These strategies aim to slow down or reduce traffic to improve safety for pedestrians and cyclists. The curb extensions and roundabouts on Main Boulevard are two examples.

## ... furthering infrastructure and development



### Sustainable Rural Roads Master Plan

In Strathcona County, the Rural Roads Master Plan guides the way rural roads are maintained and rehabilitated. The current plan was first approved in 1995 and updated in 2003. In 2009, a review of the plan began to develop a Sustainable Rural Roads Master Plan. The Rural Roads Master Plan currently encompasses approximately 1,300 kilometres of roadways that includes: 940 kilometres of grid roads; 330 kilometres of residential roadways within 202 country residential subdivisions; and 30 kilometres of residential roadways within the eight rural hamlets.



### Planning and development projects

Areas for new development, currently under development or proposed, include:

- Cambrian Strathcona Joint Planning Initiative – north of Highway 16
- Buckingham Business Park north of Costco – proposed
- Wye Road Crossing Commercial completed – apartment site to be developed in 2010
- Salisbury Village progressing through planning
- Emerald Hills Urban Village has begun – continued residential and commercial
- The Grange – new Country Residential proposed
- Ardrossan Rural Hamlet – Area Structure Plan expansion
- A new high school to start construction in 2010
- Summerwood Commercial completed
- Mainstay Hotel under construction – bank and office/retail being proposed in area
- Synergy Wellness Centre under construction

### BizPal launched

In 2009, BizPal was launched for Strathcona County. It is an interactive online service that helps businesses identify the federal, provincial and local municipal permits and licences required and how to obtain them. The tool was developed by Industry Canada to assist governments in their ongoing efforts to boost efficiency and enhance customer service.

### Development inspections

Development Engineering inspect a large volume of surface works and underground inspections for various urban, rural, commercial and industrial developments. Inspections include asphalt surface overlays, sidewalk installations, asphalt trail construction, concrete repairs, regulatory sign installations and water, sanitary sewer, storm sewer systems and storm water management facility installations. Inspection is important to minimize impact to the immediate residential neighbourhood. Also, overall servicing standards are being reviewed to update new construction techniques that emphasize best engineering practices.

### New addressing model

Through a geodatabase, the County now has a single source civic addressing model designed to locate and validate any approved address, at any time, within any system.

### Road and street maintenance

In rural Strathcona County in 2009, 17.5 kilometres of country residential roads and 38.5 kilometres of grid roads were resurfaced. An additional 1.1 kilometres of hamlet road resurfacing was completed.

In Sherwood Park, over 644 metres of sidewalk were repaired and over 3,500 tonnes of asphalt was placed as part of the sidewalk and street maintenance programs. Over 600 lineal metres of curb and gutter was also replaced.

### 17th Street Reservoir Expansion started



In 2009, construction of the Strathcona County Water Supply System began. The first construction phase consists of an expansion to the existing 17th Street Reservoir, which is schedule to be complete in

August 2011. This 30-million-litre reservoir upgrade will strengthen the County's existing water system and will provide the potable water supply for future development. In addition, the County constructed a new water supply line from the 34th Street Booster Station to the new 17th Street Reservoir Expansion that will convey larger volumes of water.

### Traffic Support Services by the numbers

Traffic Support Services:

- issued 540 over-dimensional permits, 85 temporary traffic control permits, 21 noise permits, 22 block party permits and 19 special event permits
- repaired and replaced approximately 2,050 signs
- replaced 27 streetlight Christmas decorations with new ones

### Major urban roadway work

Some of the major roadway work complete included:

- the Lakeland Drive connection to Highway 21, which complete the important east-west arterial link between Highway 21 to 17th Street
- the Main Boulevard rehabilitation, a 1.6 kilometre major collector traffic safety calming project that also included streetscape improvements
- the construction of Ash Street jug handle including phase 1 of a noise attenuation wall

### County helping to lead major regional waterline

Strathcona County continued to be the lead county project sponsor for the Highway 21 Regional Waterline – South Line, working with Alberta Transportation and partnering municipalities to ensure successful water transmission from the City of Leduc to the Village of Hay Lakes (servicing Leduc County and the Village of New Sarepta). Strathcona County also completed the detailed design for the North Line, which will service the Hamlets of Half Moon Lake and South Cooking Lake and is proceeding to construction in 2010.

### Watershed management cooperation



Relating to stormwater, the County formed an Inter-municipal Watershed Management Group with the City of Edmonton.

The vision of this group is to work cooperatively to establish and implement mutually satisfactory agreements and processes regarding trans-boundary watershed management.

### Community Centre construction very active

In 2009, the Community Centre underground parkade structure was completed and construction on the building's structural frame began. Major construction further progressed throughout the year, keeping the project on time and on budget toward its November 1, 2010 opening.



## ...safety and access in transportation



### Everybody Rides

Strathcona County also started the Everybody Rides program to provide qualifying low-income residents an un-restricted bus pass for \$20 per month.

### New local transit pass for seniors

In 2009, a new bus pass became available to qualifying seniors for free travel on Strathcona County Transit within Sherwood Park. The pass is valid during off-peak travel times: Monday through Friday, 9 a.m. to 3 p.m. and after 6 p.m., plus all service times on weekends and holidays.

### Bus replacement

As part of a three-year plan (2007-2009), the County purchased 10 new clean-burning diesel and 10 hybrid electric buses to replace 20 aging and less fuel-efficient buses. The \$11.7 million cost was made possible through a \$6 million grant provided by the Canada-Alberta Municipal Rural Infrastructure Fund (CAMRIF), coupled with a Strathcona County allocation of \$5.7 million.

Also, the national New Deal for Transit bus replacement grant program provided funding to replace four more old buses with new low-floor buses.

### Urban Priority 4 road snow clearing

In September of 2009, Council approved a slight change to the Winter Maintenance Policy to achieve more flexibility as to when snow clearing for Priority 4, the residential streets in Sherwood Park, could start. If there is seven centimetres of compacted snow as of January 1 (versus February 1) of any year, snow clearing will be completed within 12 days (subject to weather forecast).

### Traffic, Road Inventory System replaced

The County's Collision, Traffic, and Road Inventory System, an important tool to track rural road conditions, traffic counts, and collision information, was replaced. The system supports many departments that are involved with the Traffic Safety Strategic Plan.

...major events adding to uncertain times



Adding to the prevailing economic uncertainty were other significant events that required municipal resources.

- **2009 Wildland fire**

On the afternoon of May 3, 2009, Strathcona County Emergency Services responded to a major fire in north Strathcona. It quickly joined a wildfire occurring simultaneously in a neighboring municipality to produce the largest forest and wildland fire the County experienced in over 20 years. On July 3, 2009, the incident was deemed officially over. In total, the fire is estimated to have impacted an area of over 7,500 hectares of land and crossed municipal boundaries into two adjacent counties: Sturgeon and Lamont.

- **H1N1**

The County conducted several municipal emergency preparedness activities to support Alberta Health Services and the Alberta Emergency Management Agency in the H1N1 pandemic.

- **Local State of Drought Emergency**

On June 30, 2009, Strathcona County Council passed a unanimous motion to declare a Local State of Drought Emergency to support implementation of the Provincial Drought Response Plan. This opened the way for farmers to benefit from a variety of programs.

## 2009 Awards

### County named as one of the top 10 places to do business

In 2009, and for the second year in a row, Strathcona County was named as one of the top 10 places (Number 3 in 2009) to do business in Alberta, according to Alberta Venture magazine.

Using data and subjective testimony obtained from municipalities, business associations, commercial real estate agents, developers, landlords and individual business people, Alberta Venture compared 25 municipalities across Alberta on the basis of five criteria:

- costs
- taxes, regulation and bureaucracy
- market access
- labour pool
- special considerations.

The magazine article said, "No community offers everything to every business, but Strathcona County comes pretty close."

### Green Routine a win again

The Green Routine won the 2009 3Rs award for municipalities. The award recognizes outstanding contributions to waste reduction, recycling and resource conservation in Alberta.



Communities Choosewell overall high achiever  
Strathcona County has been recognized as the Overall High Achiever for Northern Alberta for its progress and achievement towards a healthy community in the latest province-wide Communities Choosewell initiative.

### Communities in Bloom Award – international challenge large category



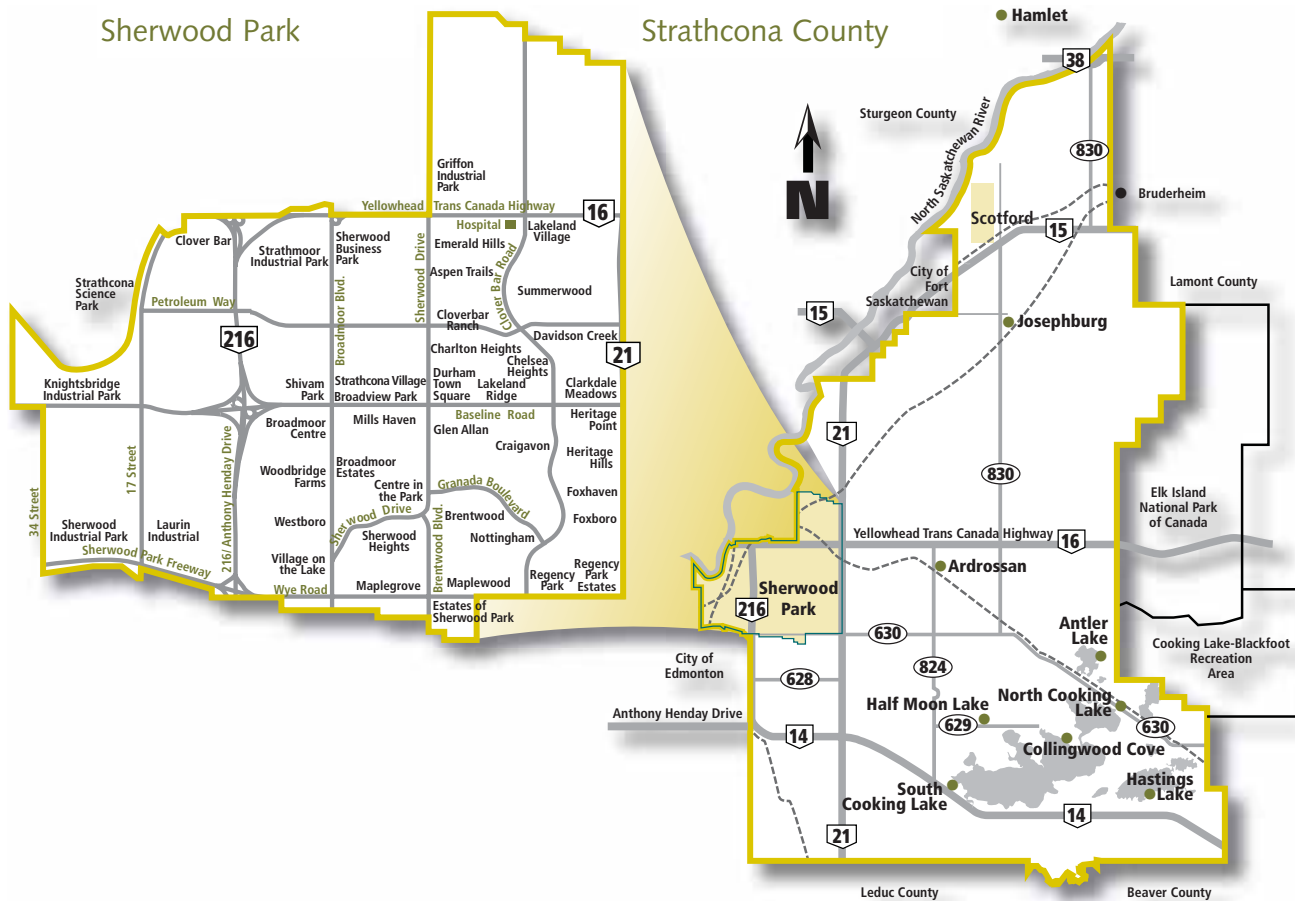
In 2009, Strathcona County won the large category International Competition with an overall score of 89.9 per cent and received a Five-bloom rating. It competed with City of Aberdeen, Scotland; City of Charlottetown, PEI; Edogawa City, Japan; Minatozaka Community Shingu-machi, Japan; and Chapelfield Norwich, Norfolk UK. The County was also recognized for the Emerald Hills Partnership initiative, and its environmental and sustainability initiatives.

### Cross country ski operator of the year

The Strathcona Wilderness Centre was named 2009 Cross country Alberta Ski Facility Operator of the Year. The honour recognized the Centre for demonstrating excellence in its programs and service to the public, schools and community groups.



# Facts and figures on Strathcona County



## County-wide area

1,265 square kilometres

Industrial	7,451 hectares
Commercial	1,753 hectares
Residential	15,782 hectares
Agricultural	85,335 hectares
Park/recreational/natural	3,279 hectares
Other: water bodies, road rights-of-way	13,000 hectares

Figures are approximate.

## Population

	Total	Sherwood Park	Suburban and rural*
2009 census	87,998	61,660	26,338
2010 projected	89,382	62,850	26,532
2011 projected	91,285	64,430	26,855

\*Country residential properties on acreages, farms and in rural hamlets

Increase in population, 2008-2009	2.9%
Increase in population, 2000-2009	27.0%
Average annual growth rate, 2009-2010, projected	2.2%

## Economic development <sup>(2009)</sup>

No business licence; no business tax

Businesses and organizations in Strathcona County . . . 7,609  
(Statistics Canada 2009)

Businesses registered in voluntary directory . . . . .	1,723
Manufacturing. . . . .	197
Home-based . . . . .	639
Retail and commercial . . . . .	111
Other . . . . .	661
New businesses registered . . . . .	115

Served by both CN Rail and CP Rail

Four airports within 30 minutes

Market area (Statistics Canada, 2006 Census) 1,034,945 people

Market share of new single- and multi-family residential development in the metro region . . . . . 8.2%

(Canada Mortgage and Housing Corp., January 2010)

\$26.1 billion in major projects announced, under construction and/or recently completed

## Transportation <sup>(2009)</sup>

Rural roads, County maintained . . . . .	1,304 km
Urban roads, County maintained . . . . .	368 km
Highways, province maintained . . . . .	232 km
Transit buses . . . . .	91
Transit rides . . . . .	2.3 million
Accessible transportation rides . . . . .	13,730
Strathcona Airport (Josephburg) . . . . .	100 weekday flights and up to 250 on weekends

## Planning and development services <sup>(2009)</sup>

Subdivision and rezoning applications . . . . .	42
Development permits . . . . .	1,972
Permits for new residential units . . . . .	1,325
Value of construction for commercial, industrial, institutional and residential developments . . . . .	\$340 million

## Protective services <sup>(2009)</sup>

Police officers (RCMP). . . . .	88
Peace officers . . . . .	18
RCMP Victim Services Unit volunteer advocates. . . . .	27
Fire fighters. . . . .	125 full-time, 55 part-time
Fire stations (5). . . . .	Sherwood Park (2), Heartland Hall, South Cooking Lake and Ardrossan
Emergency calls (fire, ambulance, rescue and dangerous goods) responded to . . . . .	4,858

## Community services <sup>(2009)</sup>

Counselling . . . . .	1,050 families; 6,000 hours
Homemaker services . . . . .	9,334 visits/month to 263 households
Family day home services . . . . .	182 children/month
Family and Community Services partners with eight agencies providing 4,000 residents with a direct service – ie. Student Health Initiative, Youth Justice, Community Mediation, Family Home Visitation, Big Sisters Big Brothers, Boys and Girls Club of Strathcona County, Parent Link Centre, Community Adult Learning and Adult Literacy Councils.	

## Library <sup>(2009)</sup>

Library, Bookmobile, online visits . . . . .	910,106
Library resources used . . . . .	1,354,251
Questions answered . . . . .	71,085
Visit <a href="http://www.sclibrary.ab.ca">www.sclibrary.ab.ca</a> .	

Information and Volunteer Centre: [www.ivcstrathcona.org](http://www.ivcstrathcona.org)

Residents enjoy a high quality of life thanks to over 400 active community organizations. 51% of Strathcona County residents volunteer.

### Outdoor recreation services (2009)

Sports fields and ball diamonds . . . . .	230
Heritage Parkway Trails . . . . .	110 km
Natural areas . . . . .	1,432 hectares
Parkland (developed parks, school and other institutional sites, playing fields, and utility corridors that may include trails) . . . . .	1, 847 hectares
Playgrounds . . . . .	144
Golf courses . . . . .	8
Tennis courts . . . . .	19
Outdoor rinks . . . . .	24



### Indoor recreation services (2009)

Major facilities . . . . .	10
Community halls . . . . .	14
Seniors' centres . . . . .	4

Number of visitors annually at:

Broadmoor Public Golf Course . . . . .	40,000+ rounds
Glen Allan Recreation Complex . . . . .	325,000+
Kinsmen Leisure Centre . . . . .	275,000+
Strathcona Wilderness Centre . . . . .	.50,000+
Millennium Place . . . . .	.2.75 million+
Open for drop-in recreation 5:30 a.m.-11 p.m. daily	

Hours of ice time – large ice surfaces . . . . .	10,832
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### Utility operations (2009)

Water distributed . . . . .	30.1 million litres/day
Water mains maintained . . . . .	446 km
Fire hydrants . . . . .	1,981
Water storage capacity . . . . .	81 million litres
Wastewater treated . . . . .	22.1 million litres/day
Wastewater mains maintained . . . . .	365 km
Stormwater mains maintained . . . . .	270 km

### Green Routine achieved 65% diversion from landfill

Recycling stations . . . . .	5
Residential waste to landfill . . . . .	9,565 tonnes
Organics sent for composting . . . . .	10,609 tonnes
Materials collected for recycling . . . . .	7,085 tonnes
Household hazardous waste and paint diverted . . . . .	67,000 kg
Electronics recycled. . . . .	2,800 units

# 2010 Budget highlights

## Operating expenditures

2010 Operating expenditures . . . . .	\$237.7 (\$million)
Municipal . . . . .	\$189.6
Utility . . . . .	\$40.9
Library . . . . .	\$7.2

## Capital expenditures

2010 Capital expenditures . . . . .	\$60.8 (\$million)
Municipal . . . . .	\$54.3
Utility . . . . .	\$3.0
Library . . . . .	\$3.5

## 2010 allocation of each dollar of residential property tax:

Municipal services . . . . .	59.8¢
Education . . . . .	36.8¢
Library . . . . .	2.3¢
Seniors Management Services. . . . .	1.1¢

## 2010 planned distribution of a municipal property tax dollar

	Transportation (roads). . . . .	32¢
	Recreation, parks and culture. . . . .	23¢
	Fire, ambulance, police . . . . .	22¢
	Public transit . . . . .	13¢
	Planning and development. . . . .	4¢
	Agriculture . . . . .	3¢
	Family and community services . . . . .	2¢
	Economic development and tourism	1¢

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## 2010 estimated municipal regular property tax

(\$million)	
Residential and farmland	\$55.8
Commercial, non-M & E industrial and linear	\$25.7
Industrial M & E	\$51.0
Total projected	\$132.5

## Municipal property tax rate structure

The 2010 tax rate structure was approved in May 2010.

Residential and farmland . . . . .	4.1964 mills
Commercial and industrial . . . . .	7.7748 mills
Machinery and equipment . . . . .	7.7748 mills
Linear (power and pipeline) . . . . .	7.7748 mills







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## Section III

### Consolidated Financial Statements

Year ended December 31, 2009

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# Strathcona County

## Management Report

The accompanying consolidated financial statements and other information in the Financial Report are the responsibility of the management of Strathcona County.

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

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

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

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



George J. Huybregts, CMA  
Associate Commissioner, Corporate Services / County Treasurer  
March 12, 2010



KPMG LLP  
Chartered Accountants  
10125 - 102 Street  
Edmonton, AB T5J 3V8  
Canada  
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Fax (780) 429-7379  
Internet [www.kpmg.ca](http://www.kpmg.ca)

## Auditors' Report to Her Worship The Mayor and Members of Council of Strathcona County

We have audited the consolidated statement of financial position of Strathcona County ("the County") as at December 31, 2009 and the consolidated statements of operations and accumulated surplus, change in net debt, and cash flows for the year then ended. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the County's management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the County as at December 31, 2009 and the results of its operations and changes in net debt and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants  
Edmonton, Canada  
March 12, 2010

## Consolidated Statement of Financial Position

As at December 31, 2009 (in thousands of dollars)

	<u>2009</u>	<u>2008</u> (Restated - Note 2)
<b>Financial Assets</b>		
Cash and Temporary Investments (Note 3)	\$ 165,088	\$ 147,395
Accounts Receivable		
Property Taxes	2,753	3,113
Government Transfers	1,797	2,484
Trade and Other	15,286	13,242
Development Levies and Charges	2,098	3,539
Land Held for Resale (Note 5)	2,688	2,504
Loans Receivable (Note 6)	3,448	5,079
Investments (Note 7)	67,986	42,662
Investment in Subsidiary (Note 24)	7,424	3,416
	<u>268,568</u>	<u>223,434</u>
<b>Financial Liabilities</b>		
Accounts Payable and Accrued Liabilities	42,887	32,211
Deposit Liabilities (Note 8)	17,733	18,839
Deferred Revenue (Note 9)	98,478	101,191
Provision for Landfill Post-Closure Costs (Note 10)	300	1,921
Capital Leases (Note 11)	5,710	5,048
Long-Term Debt (Note 12)	121,081	86,575
	<u>286,189</u>	<u>245,785</u>
<b>Net Debt</b>	<u>(17,621)</u>	<u>(22,351)</u>
<b>Non-Financial Assets</b>		
Tangible Capital Assets (Note 14)	1,273,919	1,170,310
Inventories of Supplies	547	532
Prepaid Expenses	1,518	1,332
	<u>1,275,984</u>	<u>1,172,174</u>
<b>Accumulated Surplus (Note 16)</b>	<u>\$ 1,258,363</u>	<u>\$ 1,149,823</u>

Commitments and Contingencies (Note 23)

See accompanying Notes to Consolidated Financial Statements.

## Consolidated Statement of Operations and Accumulated Surplus

Year ended December 31, 2009 (in thousands of dollars)

	Budget (Unaudited - Note 27)	2009	2008 (Restated - Note 2)
<b>Revenue</b>			
Property Taxes (Note 17)	\$ 137,990	\$ 137,901	\$ 122,026
Government Transfers (Note 18)	6,763	14,255	9,765
Utility User Rates	37,991	39,504	34,616
User Fees and Charges	31,655	32,246	29,864
Penalties and Fines	5,175	5,373	3,955
Investment Income	1,411	2,233	2,742
Subsidiary Operations (Note 24)	—	4,008	948
Other	6,022	6,908	2,916
<b>TOTAL REVENUE</b>	<b>227,007</b>	<b>242,428</b>	<b>206,832</b>
<b>Expenses</b>			
<b>Infrastructure and Planning Services</b>			
Economic Development and Tourism	842	741	715
Engineering and Environmental Planning	4,601	5,011	6,089
Planning and Development Services	6,390	5,912	4,889
Transportation and Agriculture Services	19,071	18,450	16,282
Utilities	32,564	37,929	33,584
	<u>63,468</u>	<u>68,043</u>	<u>61,559</u>
<b>Community Services</b>			
Emergency Services	18,016	20,713	15,319
Family and Community Services	5,515	5,799	5,320
Strathcona Transit	15,567	12,607	12,444
RCMP and Enforcement Services	15,449	13,925	13,402
Recreation, Parks and Culture	29,643	30,621	27,109
	<u>84,190</u>	<u>83,665</u>	<u>73,594</u>
<b>Corporate Services</b>	24,571	24,036	21,852
<b>Senior Administration</b>	3,360	7,941	3,379
<b>Elected Officials</b>	1,109	1,083	1,081
<b>Fiscal Services</b>	4,508	35,786	32,589
<b>Strathcona County Library</b>	5,629	5,303	4,779
	<u>39,177</u>	<u>74,149</u>	<u>63,680</u>
<b>Total Expenses</b>	<b>186,835</b>	<b>225,857</b>	<b>198,833</b>
<b>Excess of Revenue Over Expenses - Before Other</b>	<b>40,172</b>	<b>16,571</b>	<b>7,999</b>
<b>Other</b>			
Capital Revenues (Note 19)	91,554	53,436	56,435
Contributed Assets	—	38,533	29,486
	<u>91,554</u>	<u>91,969</u>	<u>85,921</u>
<b>Annual Surplus</b>	<b>131,726</b>	<b>108,540</b>	<b>93,920</b>
<b>Accumulated Surplus, Beginning of Year</b>	<b>1,149,823</b>	<b>1,149,823</b>	<b>1,055,903</b>
<b>Accumulated Surplus, End of Year</b>	<b>\$ 1,281,549</b>	<b>\$ 1,258,363</b>	<b>\$ 1,149,823</b>

See accompanying Notes to Consolidated Financial Statements.

## Consolidated Statement of Change in Net Debt

Year ended December 31, 2009 (in thousands of dollars)

	<u>Budget</u> (Unaudited - Note 27)	<u>2009</u>	<u>2008</u> (Restated - Note 2)
<b>Annual Surplus</b>	\$ 131,726	\$ 108,540	\$ 93,920
Acquisition of Tangible Capital Assets	(122,237)	(101,694)	(94,047)
Contributed Tangible Capital Assets	—	(38,533)	(29,486)
Amortization of Tangible Capital Assets	—	36,400	32,337
Loss (Gain) on Sale of Tangible Capital Assets	—	(639)	142
Proceeds on Sale of Tangible Capital Assets	—	857	292
	<u>9,489</u>	<u>4,931</u>	<u>3,158</u>
Acquisition of Inventory of Supplies	—	(698)	(923)
Acquisition of Prepaid Expenses	—	(1,792)	(1,110)
Use of Inventory of Supplies	—	683	820
Use of Prepaid Expenses	—	1,606	1,072
	<u>—</u>	<u>(201)</u>	<u>(141)</u>
<b>Decrease in Net Debt</b>	9,489	4,730	3,017
<b>Net Debt, Beginning of Year</b>	(22,351)	(22,351)	(25,368)
<b>Net Debt, End of Year</b>	<u>\$ (12,862)</u>	<u>\$ (17,621)</u>	<u>\$ (22,351)</u>

See accompanying Notes to Consolidated Financial Statements.

## Consolidated Statement of Cash Flows

Year ended December 31, 2009 (in thousands of dollars)

	2009	2008 (Restated - Note 2)
<b>Net Inflow (Outflow) of Cash Related to the Following Activities:</b>		
<b>Operating</b>		
Annual Surplus	\$108,540	\$93,920
Items Not Involving Cash:		
Subsidiary Operations	(4,008)	(948)
Contributed Tangible Capital Assets	(38,533)	(29,486)
Amortization Expense	36,400	32,337
Loss (Gain) on Disposal of Tangible Capital Assets	(639)	142
Changes to Non-Cash Assets and Liabilities:		
Property Taxes Receivable	360	(1,765)
Government Grants Receivable	687	4,341
Trade and Other Receivables	(2,044)	1,342
Development Levies and Charges	1,441	18,253
Land Held for Resale	(184)	541
Accounts Payable and Accrued Liabilities	10,676	7,233
Deposit Liabilities	(1,106)	2,893
Deferred Revenue	(2,713)	(2,204)
Provision for Landfill Post-Closure Costs	(1,621)	(47)
Inventory of Supplies	(15)	(103)
Prepaid Expenses	(186)	(38)
Cash Provided by Operating Activities	<u>107,055</u>	<u>126,411</u>
<b>Capital</b>		
Proceeds from sale of Tangible Capital Assets	857	292
Acquisition of Tangible Capital Assets	(101,694)	(94,047)
Cash Applied to Capital Activities	<u>(100,837)</u>	<u>(93,755)</u>
<b>Investing</b>		
Decrease in Loans Receivable	1,631	123
Increase in Investments, net	(25,324)	(3,360)
Cash Provided by (Applied to) Investing Activities	<u>(23,693)</u>	<u>(3,237)</u>
<b>Financing</b>		
Demand Loan Repaid	—	(1,000)
Capital Leases Issued	2,549	—
Long-Term Debt Issued	41,762	13,650
Capital Leases Repaid	(1,887)	(1,756)
Long-Term Debt Repaid	(7,256)	(6,881)
Cash Provided by (Applied to) Financing Activities	<u>35,168</u>	<u>4,013</u>
<b>Increase in Cash and Temporary Investments</b>	<b>17,693</b>	<b>33,432</b>
<b>Cash and Temporary Investments, Beginning of Year</b>	<b>147,395</b>	<b>113,963</b>
<b>Cash and Temporary Investments, End of Year</b>	<b><u>\$165,088</u></b>	<b><u>\$147,395</u></b>
Cash Paid for Interest	\$5,109	\$4,821
Cash Received from Interest	\$4,318	\$7,437

See accompanying Notes to Consolidated Financial Statements.

## Notes to Consolidated Financial Statements

Year ended December 31, 2009 (in thousands of dollars)

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

### 1. Significant Accounting Policies

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The consolidated financial statements of Strathcona County (the County) are prepared by management in accordance with Canadian generally accepted accounting principles for governments as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants. Significant accounting policies adopted by the County are as follows:

#### a) Basis of Consolidation

##### i. Consolidated Entities

The consolidated financial statements reflect the assets, liabilities, revenues, expenses, and change in net debt of the reporting entity which includes the Strathcona County Library (the Library). Interdepartmental and interorganizational transactions and balances between the County and the Library have been eliminated. The Library is held accountable for the administration of their financial affairs and resources to Strathcona County Council.

##### ii. Investment in Subsidiary

In accordance with Public Sector Accounting Handbook PS 1300.07, the operation of Pioneer Housing Foundation is included in the County's reporting entity. The operation of this subsidiary is accounted for on a modified equity basis consistent with the generally accepted accounting treatment for government business enterprises. Under the modified equity basis, the business enterprise's accounting principles of Pioneer Housing Foundation are not adjusted to conform to the County, and inter-organizational transactions and balances are not eliminated.

##### iii. Accounting for Housing Management Bodies and School Board Transactions

The taxation, other revenues, expenses, assets and liabilities with respect to the operations of housing management bodies and the school boards are not reflected in these consolidated financial statements.

#### b) Related Entities

The County is the sole member of Seniors Management Services (incorporated as a management body pursuant to the provisions of the Alberta Housing Act). The nature of the incorporation of this management body is such that the profits, if any, or any other income of the management body is applied to promoting its objects, and the payment of any dividend or, in certain cases, a return of assets to the member of the management body is prohibited. A summary of the financial information for this management body is provided for information.

## Notes to Consolidated Financial Statements

Year ended December 31, 2009 (in thousands of dollars)

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The County is a member of The Festival Place Society (incorporated as a Society under the Alberta Societies Act). In accordance with the bylaws of the Society, two members of Strathcona County Council shall be appointed to the board of directors of The Festival Place Society.

The County is also a member of various utility commissions. Under regulation, the Province of Alberta has established these commissions pursuant to the provisions of the MGA. The nature of the establishment and operation of these commissions is such that profits, if any, or any other income of the commissions are retained by the commissions. Further, section 602.4 of the MGA provides that the Lieutenant Governor in Council, on the recommendation of the Minister, may make regulations disestablishing a commission and respecting its winding-up.

All financial transactions with related entities that the County is a member of are recognized and recorded in the audited financial statements of the County. These transactions are in the normal course of operations and are measured at the exchange amounts, which is the amount of consideration established and agreed to by the related parties.

### c) Basis of Accounting

The 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.

### d) Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the period. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality.

In addition, the County's implementation of PSAB 3150 has required management to make estimates of historical cost and useful lives of tangible capital assets.

Actual results could differ from those estimates.

### e) Temporary Investments

Temporary investments include investments that mature in one year or less. They are recorded at cost and are cashable at anytime.

### f) Land Held for Resale

Land held for resale is recorded at the lower of cost and net realizable value. Cost includes amounts for land acquisition and improvements to prepare the land for sale or servicing.

## Notes to Consolidated Financial Statements

Year ended December 31, 2009 (in thousands of dollars)

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### g) 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 that is other than a temporary decline, the respective investment is written down to recognize the loss.

Investment income is reported as revenue in the period earned. When required by the funding government or related Act, investment income earned on deferred revenue is added to the investment and forms part of the deferred revenue balance.

### h) Requisition Overlevies and Underlevies

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

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

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

### i) Prepaid Local Improvements

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

Where a taxpayer has elected to prepay the outstanding local improvement charges, such amounts are recorded as deferred revenue. Deferred revenue is amortized to revenue on a straight line basis over the remaining term of the related borrowings. In the event that the prepaid amounts are applied against the related borrowings, the deferred revenue is amortized to revenue by the amount equal to the debt repayment.

### j) Deferred Revenue

Deferred revenue consists of conditional government transfers, unearned revenue and development levies. These amounts are recognized as revenues in the fiscal year when the related expenses are incurred, services performed or the tangible capital assets are acquired.

Development levies are collected pursuant to agreements between the County and developers. Accumulated development levies are credited with interest based on the County's average rate of return on investments.

### k) Pension Expenses

Contributions for current and past service pension benefits are recorded as expenses in the year in which they become due.

## Notes to Consolidated Financial Statements

Year ended December 31, 2009 (in thousands of dollars)

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### l) Provision for Landfill Post-Closure Costs

Pursuant to the Alberta Environment Protection and Enhancement Act, the County is required to fund the closure and post-closure care of its landfill sites. Closure and post-closure activities include environmental analysis and risk management studies; the landfill cover, landscaping and wetland remediation; and annual surface and ground water monitoring, leachate control, and visual inspection.

### m) Government Transfers

Government transfers are recognized in the consolidated financial statements as revenues in the period that the events giving rise to the transfer occurred, provided the transfers are authorized, reasonable estimates of the amounts can be made, and for conditional grants that any eligibility criteria have been met.

### n) Non-Financial Assets

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

#### i. Tangible Capital Assets

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

Asset	Useful Life - Years
Land Improvements	15 — 25
Buildings	10 — 50
Engineered structures	
Roadway system	10 — 50
Water distribution system	35 — 90
Wastewater treatment system	25 — 75
Storm sewer system	25 — 75
Other engineered structures	5 — 40
Machinery and equipment	4 — 40
Books and periodicals	10
Vehicles	4 — 20

One-half of the annual amortization is charged in the year of acquisition and in the year of disposal. 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 at the date of receipt and are also recorded as revenue.

## Notes to Consolidated Financial Statements

Year ended December 31, 2009 (in thousands of dollars)

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### iii. Leased Tangible Capital Assets

Leases which transfer substantially all of 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 Supplies

Inventories of supplies includes roadway maintenance materials; vehicle, equipment and facility parts; supplies and materials; and print shop materials. Inventories of materials and supplies are valued at the lower of cost or replacement cost with cost determined by the average cost method.

### v. Cultural and Historical Assets

Works of art for display and historical assets are not recorded as assets in these financial statements.

## 2. Change in Accounting Policies

---

The County has implemented PSAB 1200 Financial Statement Presentation and 3150 Tangible Capital Assets. Section 1200 establishes general reporting principles and standards for the disclosure of information in government financial statements. PSAB 3150 requires governments to record and amortize their tangible capital assets in their financial statements. In prior years, not all tangible capital asset additions had been recorded nor were they amortized.

### **Methods used for determining the cost of each major category of tangible capital assets**

The financial information recorded includes the actual or estimated historical cost of the tangible capital assets. When historical cost records were not available, other methods were used to estimate the costs and accumulated amortization of the assets. The County applied a consistent method of estimating the replacement or reproduction cost of the tangible capital assets for which it did not have historical cost records, except in circumstances where it could be demonstrated that a different method would provide a more accurate estimate of the cost of a particular type of tangible capital asset. After defining replacement or reproduction cost, the Consumer Price Index, the Handy-Whitman Index and the Non-Residential Building Construction Index were used as resources for determining appropriate indices in order to deflate the replacement or reproduction cost to an estimated historical cost at the year of acquisition.

This change has been applied retroactively and prior periods have been restated. This change in accounting policy has changed amounts reported in the prior period as follows:

## Notes to Consolidated Financial Statements

Year ended December 31, 2009 (in thousands of dollars)

<b>Accumulated Surplus at January 1, 2008:</b>	<b>2008</b>
Operating fund balance	\$ 3,077
Capital fund balance	(8,156)
Reserves	64,342
Invested in tangible capital assets	522,539
Accumulated surplus, as previously reported	581,802
Adjustment to net book value of tangible capital assets	474,101
Accumulated net surplus, as restated	<u>\$ 1,055,903</u>

<b>Annual Surplus for 2008:</b>	<b>2008</b>
Net revenues, as previously reported	\$3,158
Assets capitalized but previously expensed	94,047
Contributed tangible capital assets	29,486
Proceeds on disposal of tangible capital assets reported as revenue	(292)
Amortization expense not previously recorded	(32,337)
Loss on sale of tangible capital assets	(142)
Annual surplus, as restated	<u>\$ 93,920</u>

### 3. Cash and Temporary Investments

	<b>2009</b>	<b>2008</b>
Cash (Bank Overdraft)	\$4,661	\$(3,059)
Temporary Investments	160,427	150,454
	<u>\$ 165,088</u>	<u>\$ 147,395</u>

Temporary investments include Term Deposits, Bankers' Acceptances, Bankers' Deposit Notes, Treasury Bills, Promissory Notes, Commercial Paper (TD Bank created), and provincial bonds. They have effective interest rates of 0.59 to 3.25 per cent (2008 – 1.42 to 3.66 per cent) and mature in less than one year.

### 4. Available Credit Facilities

The County has an operating line of credit available for use, up to a maximum of \$10,000, bearing interest at prime rate minus 0.25 per cent and is secured by the County at large. As at December 31, 2009, nil (2008 - 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, bearing interest at prime minus 0.25 per cent and is secured by the County at large. As at December 31, 2009, nil (2008 - nil) was drawn against the available acquisition line of credit.

## Notes to Consolidated Financial Statements

Year ended December 31, 2009 (in thousands of dollars)

### 5. Land Held For Resale

	<u>2009</u>	<u>2008</u>
Land Held for Resale	\$ <u>2,688</u>	\$ <u>2,504</u>

The County has entered into a master sales agreement for the sale and development of land held for resale, which includes performance criteria and default provisions. Upon the occurrence of an event of default, the County may terminate the agreement, wherein all monies paid by the developer to the County would be forfeited. Government transfers received related to the project, together with proceeds from the sale of the land, net of development costs, are held in reserve for future use.

### 6. Loans Receivable

	<u>2009</u>	<u>2008</u>
Due from University of Alberta	\$ —	\$ 1,500
Due from Pioneer Housing Foundation	<u>3,448</u>	<u>3,579</u>
	<u>\$3,448</u>	<u>\$5,079</u>

#### a) University of Alberta

The County loaned \$1,500 to the University of Alberta, which in turn has invested the funds in the University's Unitized Endowment Fund. Under the terms of the loan agreement, the funds are to be used to establish an Endowment Program (the Strathcona County/R.U. Lemieux Chair in Carbohydrate Chemistry), the primary purpose being to enhance community and economic development opportunities within the County. In accordance with the loan agreement, the County terminated its business partnership with the University of Alberta in 2009. The loan payment including earned interest was repaid to the County. For the year ended December 31, 2009, earnings of \$28 (2008 - \$38) have been recognized in the Consolidated Statement of Operations as investment income.

#### b) Pioneer Housing Foundation

In 1999, the County entered into an agreement with Pioneer Housing Foundation to loan the Foundation \$4,500 for the purpose of assisting the Foundation with the construction of Silver Birch Lodge (completed in 2000), a seniors' lodge facility. The full amount of the loan was advanced in two instalments on August 1, 1999 and January 20, 2000. During 2000, the repayment of the full loan amount was refinanced to assist Pioneer Housing Foundation achieve their objectives. The advances are to be repaid over a 25-year term and bear interest at rates of 6.125 per cent and 6.625 per cent per annum. During the current year, \$131 (2008 - \$123) of the payments received relate to the long-term principal portion and \$227 (2008 - \$234) relate to the interest portion.

## Notes to Consolidated Financial Statements

Year ended December 31, 2009 (in thousands of dollars)

### 7. Investments

	2009		2008	
	Carrying Amount	Market Value	Carrying Amount	Market Value
Fixed Income:				
Government Guaranteed Bonds	\$64,384	\$66,261	\$38,165	\$40,677
Corporate Bonds	3,602	3,755	4,497	4,372
	<u>\$67,986</u>	<u>\$70,016</u>	<u>\$42,662</u>	<u>\$45,049</u>

Government guaranteed bonds and corporate bonds have effective interest rates of 0.91 to 5.64 per cent (2008 – zero to 5.55 per cent) with maturity dates from March 2010 to June 2037 (2008 - June 2009 to June 2037).

The value of the bonds is based on quoted market values. The market value of the bonds fluctuates with changes in market interest rates. When there has been a loss in value that is other than a temporary decline, the respective investment is written down to recognize the loss. Market values are based on market conditions at a certain point in time and as such, may not be reflective of future fair values. The carrying amounts exclude accrued interest receivable in the amount of \$1,684 (2008 - \$1,366) which has been included in Trade and Other Receivables.

### 8. Deposit Liabilities

	2009	2008
Security Deposits	\$15,075	\$15,995
Overlevies	38	525
Damage Deposits	85	97
Land Deposits	5	24
Other Deposits	2,530	2,198
	<u>\$17,733</u>	<u>\$18,839</u>

### 9. Deferred Revenue

Deferred revenue comprises the funds noted below, the use of which, together with any earnings thereon, is externally restricted. These funds are recognized as revenue in the period they are used for the purpose specified.

	Balance at December 31 2008	Contributions	Interest Earned	Contributions Used	Balance at December 31 2009
Deferred Capital Grants	\$46,983	\$43,905	\$1,024	\$(43,977)	\$47,935
Deferred Operating Grants	6,366	6,433	94	(7,382)	5,511
Development Levies	45,803	72,167	861	(76,172)	42,659
Other	2,039	334	—	—	2,373
	<u>\$101,191</u>	<u>\$122,839</u>	<u>\$1,979</u>	<u>\$(127,531)</u>	<u>\$98,478</u>

## Notes to Consolidated Financial Statements

Year ended December 31, 2009 (in thousands of dollars)

### 10. Provision for Landfill Post-Closure Costs

Alberta environmental law requires closure and post-closure care of its landfill sites, which includes landscaping and ongoing environmental monitoring, site inspections and maintenance. The liability for the closure and post-closure care of one County decommissioned landfill site is estimated to amount to \$300 (2008 - \$1,921).

The estimated post-closure care costs will be funded from current operations and reserve funds as determined by the County's business plan and budget process.

### 11. Capital Leases

	<u>2009</u>	<u>2008</u>
Capital Leases	<u>\$5,710</u>	<u>\$5,048</u>

Capital leases have been issued on the credit and security of the County at large. Capital leases bear interest at rates ranging from 3.62 to 6.78 per cent (2008 – 5.12 to 7.00 per cent) and mature in periods 2010 to 2014.

Capital lease principal and interest payments are due as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 1,922	\$ 264	\$ 2,186
2011	1,766	161	1,927
2012	1,335	73	1,408
2013	522	22	544
2014	165	3	168
	<u>\$ 5,710</u>	<u>\$ 523</u>	<u>\$ 6,233</u>

### 12. Long-Term Debt

	<u>2009</u>	<u>2008</u>
Tax-supported Debentures - Municipal	\$ 36,139	\$26,648
Tax-supported Debentures - Library	10,635	—
	<u>46,774</u>	<u>26,648</u>
Non Tax-supported Debentures - Municipal	32,070	28,638
Non Tax-supported Debentures - Utilities	38,789	27,710
Non Tax-supported Debentures - Pioneer Housing Foundation (Note 6)	3,448	3,579
	<u>74,307</u>	<u>59,927</u>
	<u>\$ 121,081</u>	<u>\$ 86,575</u>

## Notes to Consolidated Financial Statements

Year ended December 31, 2009 (in thousands of dollars)

### 12. Long-Term Debt (continued)

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 4.046 per cent to 9.125 per cent (before Provincial subsidy), and matures in periods 2010 through 2034. Twenty debentures have been issued for terms exceeding 15 years. The balance, including all tax supported debentures, has been issued for terms of 15 years or less. Through the Municipal Debenture Interest Rebate Program, the Province of Alberta rebates 60 per cent of interest in excess of 8 per cent and 9 per cent for qualifying debentures.

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 8,276	\$ 6,109	\$ 14,385
2011	8,638	5,651	14,289
2012	9,114	5,175	14,289
2013	9,337	4,672	14,009
2014	9,629	4,158	13,787
Thereafter	76,087	27,682	103,769
	<u>\$ 121,081</u>	<u>\$ 53,447</u>	<u>\$ 174,528</u>

### 13. Debt and Debt Service Limits

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

	<u>2009</u>	<u>2008</u> (Restated -Note 2)
Total Debt Limit	\$ 372,504	\$ 327,216
Total Debt	126,791	91,623
Percentage Used	34.0%	28.0%
Service on Debt Limit	\$ 62,084	\$ 54,536
Service on Debt	16,571	13,531
Percentage Used	26.7%	24.8%

The total debt limit is calculated at 1.5 times the revenue of the County (as defined in Alberta Regulation 255/2000) and the service on debt limit is calculated at 0.25 times such revenue. Incurring debt beyond these limitations requires approval by the Minister of Municipal Affairs. These thresholds are a conservative guideline used by Alberta Municipal Affairs to identify municipalities which could be at financial risk if further debt is acquired. The calculation taken alone does not represent the financial stability of the municipality. Rather, the financial statements must be interpreted as a whole.

## Notes to Consolidated Financial Statements

Year ended December 31, 2009 (in thousands of dollars)

### 14. Tangible Capital Assets

Cost	Balance at December 31, 2008 <small>(Restated - Note 2)</small>	Additions	Disposals	Balance at December 31, 2009
Land	\$ 352,906	\$ 24,544	\$ —	\$ 377,450
Land Improvements	41,913	2,038	(776)	43,175
Buildings	142,792	2,754	—	145,546
Engineered Structures	813,074	39,119	(4,261)	847,932
Machinery & Equipment	33,816	6,196	(2,267)	37,745
Books & Periodicals	2,499	540	—	3,039
Vehicles	47,506	2,161	(1,789)	47,878
Assets under Construction	67,614	62,875	—	130,489
<b>Total</b>	<b>\$ 1,502,120</b>	<b>\$ 140,227</b>	<b>\$ (9,093)</b>	<b>\$1,633,254</b>
Accumulated Amortization	Balance at December 31, 2008 <small>(Restated - Note 2)</small>	Disposals	Amortization Expense	Balance at December 31, 2009
Land	\$ —	\$ —	\$ —	\$ —
Land Improvements	17,655	(776)	2,011	18,890
Buildings	42,684	—	4,719	47,403
Engineered Structures	236,226	(4,261)	22,773	254,738
Machinery & Equipment	13,883	(2,145)	3,255	14,993
Books & Periodicals	1,047	-	277	1,324
Vehicles	20,315	(1,693)	3,365	21,987
Assets under Construction	—	—	—	—
<b>Total</b>	<b>\$331,810</b>	<b>\$(8,875)</b>	<b>\$36,400</b>	<b>\$359,335</b>
	Net Book Value December 31, 2008 <small>(Restated - Note 2)</small>			Net Book Value December 31, 2009
Land	\$ 352,906			\$ 377,450
Land Improvements	24,258			24,285
Buildings	100,108			98,143
Engineered Structures	576,848			593,194
Machinery & Equipment	19,933			22,752
Books & Periodicals	1,452			1,715
Vehicles	27,191			25,891
Assets under Construction	67,614			130,489
<b>Total</b>	<b>1,170,310</b>			<b>1,273,919</b>

## Notes to Consolidated Financial Statements

Year ended December 31, 2009 (in thousands of dollars)

### 14. Tangible Capital Assets (continued)

Cost	Balance at December 31, 2007 <small>(Restated - Note 2)</small>	Additions	Disposals	Balance at December 31, 2008 <small>(Restated - Note 2)</small>
Land	\$ 331,696	\$ 21,210	\$ —	\$ 352,906
Land Improvements	40,217	1,876	(180)	41,913
Buildings	138,940	3,852	—	142,792
Engineered Structures	746,227	69,125	(2,278)	813,074
Machinery & Equipment	26,757	8,145	(1,086)	33,816
Books & Periodicals	2,170	329	—	2,499
Vehicles	40,963	7,744	(1,201)	47,506
Assets under Construction	56,362	11,252	—	67,614
<b>Total</b>	<b>\$ 1,383,332</b>	<b>\$ 123,533</b>	<b>\$ (4,745)</b>	<b>\$ 1,502,120</b>
Accumulated Amortization	Balance at December 31, 2007 <small>(Restated - Note 2)</small>	Disposals	Amortization Expense	Balance at December 31, 2008 <small>(Restated - Note 2)</small>
Land	\$ —	\$ —	\$ —	\$ —
Land Improvements	15,842	(139)	1,952	17,655
Buildings	39,337	—	3,347	42,684
Engineered Structures	217,529	(2,278)	20,975	236,226
Machinery & Equipment	12,149	(944)	2,678	13,883
Books & Periodicals	814	—	233	1,047
Vehicles	18,113	(950)	3,152	20,315
Assets under Construction	—	—	—	—
<b>Total</b>	<b>\$ 303,784</b>	<b>\$ (4,311)</b>	<b>\$ 32,337</b>	<b>\$ 331,810</b>
	Net Book Value December 31, 2007 <small>(Restated - Note 2)</small>			Net Book Value December 31, 2008 <small>(Restated - Note 2)</small>
Land	\$331,696			\$352,906
Land Improvements	24,375			24,258
Buildings	99,603			100,108
Engineered Structures	528,698			576,848
Machinery & Equipment	14,608			19,933
Books & Periodicals	1,356			1,452
Vehicles	22,850			27,191
Assets under Construction	56,362			67,614
<b>Total</b>	<b>1,079,548</b>			<b>1,170,310</b>

#### a) Assets under Construction

Assets under construction having a value of \$130,489 (2008 - \$67,614) have not been amortized. Amortization of these assets will commence when the asset is put into service.

## Notes to Consolidated Financial Statements

Year ended December 31, 2009 (in thousands of dollars)

### 14. Tangible Capital Assets (continued)

#### b) Contributed Tangible Capital Assets

Contributed assets are recognized at fair market value at the date of contribution.

The value of contributed assets received during the year is \$38,533 (2008 - \$29,486) comprised of roads infrastructure in the amount of \$15,094 (2008 - \$ 7,060), water and wastewater infrastructure in the amount of \$1,372 (2008 - \$7,747), land in the amount of \$21,607 (2008 - \$14,566), land improvements in the amount of \$328 (2008 - \$113), and machinery & equipment in the amount of \$132 (2008 - nil).

#### c) Tangible Capital Assets Disclosed at Nominal Values

Where an estimate of fair value could not be made, the tangible capital asset is recognized at a nominal value. The County has not assigned nominal values to any assets.

#### d) Works of Art and Historical Treasures

The County manages and controls various works of art and non-operational historical cultural assets including artifacts, paintings, and sculptures located at County sites and public display areas. These assets are not recorded as tangible capital assets and are not amortized.

#### e) Write-down of Tangible Capital Assets

The County did not write down any tangible capital assets in 2008 or 2009.

### 15. Invested in Tangible Capital Assets

	2009	2008
Tangible Capital Assets - cost	\$ 1,633,254	\$ 1,502,120
Accumulated Amortization	(359,335)	(331,810)
Long-Term Debt	(121,081)	(86,575)
Capital Leases	(5,710)	(5,048)
Loans Receivable	3,448	3,579
	<u>\$ 1,150,576</u>	<u>\$ 1,082,266</u>

The \$7,256 (2008 - \$6,881) of debenture debt principal repayments includes \$131 (2008 - \$123) related to the Pioneer Housing Foundation loan.

## Notes to Consolidated Financial Statements

Year ended December 31, 2009 (in thousands of dollars)

### 16. Accumulated Surplus

Accumulated surplus consists of unrestricted surplus (deficit), invested in tangible capital assets and reserves as follows:

	<u>2009</u>	<u>2008</u>
<b>Surplus:</b>		
Unrestricted Surplus (Deficit)	\$ 11,470	\$ (3,415)
Invested in Tangible Capital Assets	<u>1,150,576</u>	<u>1,082,266</u>
	<u>1,162,046</u>	<u>1,078,851</u>
<b>Reserves:</b>		
Operating Reserves	24,785	20,269
Capital Reserves	<u>71,532</u>	<u>50,703</u>
	<u>96,317</u>	<u>70,972</u>
	<u>\$ 1,258,363</u>	<u>\$ 1,149,823</u>

### 17. Property Taxes

	<u>Municipal</u>	<u>Provincial</u>	<u>2009</u>	<u>2008</u>
<b>Property Taxation</b>				
Residential and Farmland	\$ 58,111	\$ 33,105	\$ 91,216	\$ 81,613
Commercial and Industrial	74,535	8,322	82,857	71,772
Electric Power and Pipeline	5,270	1,856	7,126	6,743
Government Grants in Lieu of Taxes	178	53	231	203
Local Improvement Levies	272	—	272	299
Other	1,181	—	1,181	1,161
	<u>\$ 139,547</u>	<u>\$ 43,336</u>	<u>182,883</u>	<u>161,791</u>
<b>Taxes Collected on Behalf of Requisitioning Authorities</b>				
Provincial Alberta School Foundation Fund			37,649	33,339
Elk Island CSRD No. 14			<u>5,687</u>	<u>4,800</u>
Provincial Requisitions			43,336	38,139
Seniors Management Services			<u>1,646</u>	<u>1,626</u>
			<u>44,982</u>	<u>39,765</u>
			<u>\$ 137,901</u>	<u>\$122,026</u>

## Notes to Consolidated Financial Statements

Year ended December 31, 2009 (in thousands of dollars)

### 18. Government Transfers

	<u>2009</u>	<u>2008</u> (Restated - Note 2)
<b>Operating Grants</b>		
Federal Grants	\$ 117	\$ 225
Provincial Grants	<u>14,138</u>	<u>9,540</u>
	<u>14,255</u>	<u>9,765</u>
<b>Capital Grants (Note 19)</b>		
Federal Grants		
Shared-Cost - CAMRIF	—	1,090
Shared-Cost - ICAP	—	32
Other Grants	2	2,538
Provincial Grants		
Shared-Cost - CAMRIF	—	1,090
Shared-Cost - ICAP	—	32
Other Grants	<u>44,077</u>	<u>35,261</u>
	<u>44,079</u>	<u>40,043</u>
	<u>\$ 58,334</u>	<u>\$49,808</u>

The shared-cost agreement government grants were received pursuant to the County's participation in the Canada – Alberta Rural Infrastructure Fund (CAMRIF) and Infrastructure Canada - Alberta Program (ICAP). CAMRIF and ICAP are cost-shared partnerships with each level of government (federal, provincial and local) contributing a one-third share toward the funding of eligible capital projects. Under CAMRIF, the County is eligible for \$3,000 of Federal funding and \$3,000 of Provincial funding over the life of the program (2006 – 2010). The County will contribute \$4,076 (including 100 per cent of related GST) towards one project with a total estimated value of \$10,982. Under ICAP, the County was eligible for \$2,174 of federal funding and \$2,174 of provincial funding over the life of the program (2000 - 2008). The County contributed \$2,654 (including 100 per cent of related GST) toward 18 approved projects with a total estimated value of \$7,002.

The Provincial Government introduced the Alberta Municipal Infrastructure Program (AMIP) Grant in 2005 to assist municipalities in addressing capital infrastructure needs. In 2009, the County received a per capita grant of \$14,452 (2008 - \$14,452). During the year \$28,326 (2008 - \$28,497) which consists of amounts that had been deferred from prior years plus amounts received in 2009 has been recognized in capital grants. In the current year, \$7,089 (2008 - \$20,644), including interest of \$319 (2008 - \$953), has been deferred to future years.

The Major Community Facilities Program (MCFP) assists communities to plan, upgrade and develop large community-use facilities and places in order to enhance community life and citizen well being. In 2009, Strathcona County received \$5,270 (2008 – nil) in MCFP Funding, none of which has been recognized in capital grants. A total \$5,293 (2008 – nil), including interest of \$23 (2008 – nil) has been deferred to future years.

## Notes to Consolidated Financial Statements

Year ended December 31, 2009 (in thousands of dollars)

### 18. Government Transfers (continued)

The Provincial government provides annual per capita funding, known as the Basic Capital Grant, for eligible capital transportation projects. In 2009, Strathcona County received \$3,565 (2008 - \$3,411), of which \$2,477 (2008 - \$2,602) has been recognized in capital grants. A total of \$6,857 (2008 - \$5,647), including interest of \$122 (2008 - \$173) has been deferred to future years.

The Federal government introduced the New Deal for Cities & Communities initiative in 2005 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 2009, Strathcona County received \$4,628 (2008 - \$4,194), of which \$2,355 (2008 - \$2,538) has been recognized in capital grants. A total of \$10,608 (2008 - \$5,758), including interest of \$223 (2008 - \$80) has been deferred to future years.

The Municipal Sustainability Initiative (MSI) is the Province of Alberta's ten-year funding commitment (2007/08 - 2016/17) to assist municipalities in meeting growth-related challenges and enhancing long-term sustainability.

In 2009, Strathcona County received \$7,619 (2008 - \$9,948) in MSI Capital Funding, of which \$5,608 (2008 - \$3,228) has been recognized in capital grants. A total of \$14,994 (2008 - \$12,731), including interest of \$252 (2008 - \$284) has been deferred to future years.

In 2009, Strathcona County received \$1,462 (2008 - \$1,455) in MSI Conditional Operating Funding. During the year, \$1,322 (2008 - \$1,863) which consists of amounts that had been deferred from prior years plus amounts received in 2009 has been recognized in operating and capital grants. A total of \$753 (2008 - \$600), including interest of \$14 (2008 - \$45) has been deferred to future years.

In 2009, Strathcona County received \$3,877 (2008 - \$5,097) in MSI Affordable Housing Funding, of which \$4,800 (2008 - \$258) has been recognized in operating grants. A total of \$4,062 (2008 - \$4,914), including interest of \$71 (2008 - \$75) has been deferred to future years.

### 19. Capital Revenues

	2009	2008
Government Grants (Note 18)	\$ 44,079	\$ 40,043
Investment Income	1,405	1,765
Development Levies and Charges	5,949	7,140
Developer Contributions	23	402
Other	1,980	7,085
	<u>\$ 53,436</u>	<u>\$ 56,435</u>

## Notes to Consolidated Financial Statements

Year ended December 31, 2009 (in thousands of dollars)

### 20. Salaries And Benefits Disclosure

The following salaries and benefits are disclosed as required by Alberta Regulation 313/2000:

	<u>Salaries</u>	<u>Benefits &amp; Allowances</u>	<u>2009</u>	<u>2008</u>
Elected Officials:				
Mayor	\$ 109	\$ 17	\$ 126	\$ 122
Councillor - Ward 1	61	12	73	70
Councillor - Ward 2	61	12	73	71
Councillor - Ward 3	61	14	75	73
Councillor - Ward 4	61	12	73	71
Councillor - Ward 5	61	12	73	70
Councillor - Ward 6	61	14	75	72
Councillor - Ward 7	61	9	70	68
Councillor - Ward 8	61	13	74	72
	<u>\$ 597</u>	<u>\$ 115</u>	<u>\$ 712</u>	<u>\$ 689</u>
Chief Commissioner	<u>\$ 214</u>	<u>\$ 32</u>	<u>\$ 246</u>	<u>\$ 220</u>

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 and car allowance. Benefits also include the County's share of employment insurance and long-term disability insurance for the Chief Commissioner.

### 21. Pension Plan

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

The County was required to make current service contributions to the Plan of 8.46 per cent (2008 – 7.75 per cent) of pensionable payroll up to the yearly maximum pensionable earnings (YMPE) and 11.66 per cent (2008 – 10.64 per cent) thereafter. Employees of the County are required to make current service contributions of 7.46 per cent (2008 – 6.75 per cent) of pensionable salary up to YMPE, and 10.66 per cent (2008 – 9.64 per cent) thereafter.

Total current service contributions by Strathcona County to LAPP in 2009 were \$5,577 (2008 - \$3,984). Total current service contributions by the employees of Strathcona County to LAPP in 2009 were \$4,962 (2008 - \$3,522).

As stated in their 2008 Annual Report, LAPP serves 189,149 (2007 – 179,188) members and 411 (2007 – 407) employers. It is financed by employer and employee contributions and investment earnings of the LAPP fund. At December 31, 2008, the Plan reported an actuarial deficiency of \$4.4 billion (2007 - \$1.18 billion). The Local Authorities Pension Plan contribution rates will increase by a total of 1.33 per cent of pensionable salary in 2010 (2009 - 1.57 per cent).

## Notes to Consolidated Financial Statements

Year ended December 31, 2009 (in thousands of dollars)

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### 22. Financial Instruments

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

### 23. Commitments and Contingencies

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#### a) Capital

As at December 31, 2009, authorized costs on capital projects committed but not expended amounted to \$60,551 (2008 - \$80,140).

#### b) Leases

The County has ongoing operating leases for building space, office equipment and other miscellaneous equipment. Operating leases are generally for periods of three to five years.

The future minimum lease payments are as follows:

2010	\$	801
2011	\$	168
2012	\$	13

#### c) Legal Disputes

As at December 31, 2009, the County was involved in various legal disputes. While it is not possible to estimate the outcome of these disputes, management believes that there will be no significant adverse effects on the financial position of the County.

#### d) Development Agreements

Significant growth within the County has resulted in increased development activities. Developers have entered into agreements with the County in the amount of approximately \$64,495 (2008 - \$79,372) and are committed to installing and constructing certain works to serve the development of lands within the County. The County has taken security from developers in the form of deposit liabilities in the amount of \$5,228 (2008 - \$6,171) and letters of credit in the amount of \$20,275 (2008 - \$25,125) to ensure performance by the developers under the agreements. Security taken by the County is reduced accordingly as the above noted works are constructed.

The County has also entered into development agreements in which they have agreed to reimburse certain Developers for a proportionate share of construction costs of specific projects stated within these agreements. Reimbursements to the Developers are not committed until such time as Council approves the project through the budgetary process. The County's proportionate share of these costs is estimated at \$480 (2008 - \$762).

## Notes to Consolidated Financial Statements

Year ended December 31, 2009 (in thousands of dollars)

### 23. Commitments and Contingencies (continued)

#### e) Alberta Health Services

Effective April 1, 2009, the County entered into a two year agreement with Alberta Health Services to provide emergency medical services to the County and the region. Furthermore, the County entered into a second two year agreement to provide dispatch services for the County and the “Central Emergency Medical Region” of Alberta for eighteen to twenty four months. The “Central Emergency Medical Services Region” includes areas surrounding Edmonton east to the Saskatchewan border.

### 24. Subsidiary Operations

For the year ended December 31, 2009, the County has included the operations of Pioneer Housing Foundation on a modified equity basis.

#### Pioneer Housing Foundation

Pioneer Housing Foundation (the Foundation) was incorporated under Part 9 of the Alberta Companies Act as a not-for-profit corporation for the purpose of managing seniors’ housing projects and other facilities created for use by senior citizens. Pioneer Housing Foundation is wholly owned by the County.

The following information was extracted from the audited financial statements of Pioneer Housing Foundation for the year ended December 31, 2009 and includes Silver Birch Lodge and Clover Bar Lodge, two supportive living lodges owned and operated by the Foundation pursuant to an operating agreement with Senior Management Services.

	2009	2008
Total Assets	\$ 18,196	\$ 9,356
Total Liabilities	(13,832)	(6,864)
Net Assets, Before the Under-noted	4,364	2,492
Unspent Transfers from the County for the Purchase of Capital Assets	3,060	924
Net Assets	<u>\$ 7,424</u>	<u>\$ 3,416</u>

Included in net assets are net assets restricted for future seniors housing of \$2,799 (2008 - \$950) and invested in capital assets \$1,306 (2008 - \$1,313).

Total Revenue	\$ 5,956	\$ 4,224
Total Expenditures	(4,084)	(4,200)
Excess of Revenue over Expenditures, Before the Under-noted	1,872	24
Unspent Transfers from the County for the Purchase of Capital Assets	2,136	924
Excesses of Revenue over Expenditures	<u>\$ 4,008</u>	<u>\$ 948</u>

All financial transactions with Pioneer Housing Foundation are recognized and recorded in the audited financial statements of Strathcona County and in the audited financial statements of the Foundation. For 2009, these transactions consisted of loan payments received from Pioneer Housing Foundation (Note 6).

## Notes to Consolidated Financial Statements

Year ended December 31, 2009 (in thousands of dollars)

### 25. Related Entities Financial Information

#### a) Senior Management Services

Seniors Management Services is a management body created by Ministerial Order and governed by the Alberta Housing Act to operate and maintain social housing accommodations in the County. Seniors Management Services, through an operating agreement with Pioneer Housing Foundation, operates 288 low and modest income seniors housing units located at Silver Birch Lodge, Clover Bar Lodge, Lakeside Legion Manor and Kiwanis Apple Blossom Manor in Sherwood Park, and Josephburg Homestead Place.

The following information was extracted from the statement of financial position and statement of operations of Seniors Management Services that have been prepared for the purpose of reporting to Alberta Housing and Urban Affairs for the year ended December 31, 2009, which comprise the individual financial statements of Lakeside Legion Manor, Kiwanis Apple Blossom Manor and Josephburg Homestead Place. The information excludes Silver Birch Lodge and Clover Bar Lodge, whose financial results have been included in the financial statements of Pioneer Housing Foundation.

	2009	2008
Total Assets	\$ 154	\$ 241
Total Liabilities	(87)	(174)
Net Assets	<u>\$ 67</u>	<u>\$ 67</u>
Included in net assets are net assets invested in capital assets of \$1 (2008 - \$1).		
Total Revenue	\$ 687	\$ 870
Total Expenditures	(656)	(996)
Excess of Revenue Over Expenditures (Expenditures Over Revenue)	<u>\$ 31</u>	<u>\$ (126)</u>

All financial transactions with Seniors Management Services are recognized in the audited financial statements of the County and in the financial statements of Seniors Management Services that have been prepared for the purpose of reporting to Alberta Housing and Urban Affairs. For 2009, these transactions consisted of requisition payments made to Seniors Management Services (Note 17).

#### b) Festival Place Society

Since October 23, 2006, the Festival Place Society (the Society) operated and maintained Festival Place, a multi-use centre for the arts, for the community, and for business. Effective June 30, 2009, the responsibility for operating Festival Place transferred from the Society to the County. The Festival Place facility, which is owned by the County, will now be managed the same way as other County facilities. Accordingly, Festival Place operations are included in these financial statements as part of the County's normal operations.

## Notes to Consolidated Financial Statements

Year ended December 31, 2009 (in thousands of dollars)

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### 25. Related Entities Financial Information (continued)

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The following information was extracted from the audited financial statements of Festival Place Society for the year ended June 30, 2009.

	<u>2009</u>	<u>2008</u>
Total Assets	\$ 433	\$ 443
Total Liabilities	<u>(311)</u>	<u>(263)</u>
Net Assets	<u>\$ 122</u>	<u>\$ 180</u>

Included in net assets are net assets invested in capital assets of \$144 (2008 - \$160).

Program Net Revenues	\$ 400	\$ 426
Other Revenues	303	120
Other Expenditures	<u>(760)</u>	<u>(558)</u>
Excess of Expenditures Over Revenues	<u>\$ (57)</u>	<u>\$ (12)</u>

All financial transactions with The Festival Place Society are recognized and recorded in the audited financial statements of the County and in the audited financial statements of the Society. For 2009, these transactions consisted of \$29 (2008 - \$40) of net disbursements to the Society.

### 26. Segmented Information

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Segmented information has been identified based upon types of services provided by the County to its residents. The service types are identified in the Schedule of Consolidated Statement of Operations and Accumulated Surplus by Object.

Certain allocation methodologies are used in the preparation of segmented financial information. Taxation revenues and payments in lieu of taxes are allocated to the segments based on the segment's budgeted net expenditures. User charges and other revenue have been allocated to the segments based upon the segment that generated the revenue. Government transfers have been allocated to the segment based upon 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.

## Notes to Consolidated Financial Statements

Year ended December 31, 2009 (in thousands of dollars)

### Schedule of Consolidated Statement of Operations and Accumulated Surplus by Object

Year ended December 31, 2009 (in thousands of dollars)

	Municipal Operations	Utility Operations	Library Operations	2009	Budget (Unaudited - Note 27)	2008 (Restated -Note 2)
<b>Revenues</b>						
Property Taxes	\$ 131,896	\$ 86	\$ 5,919	\$ 137,901	\$ 137,990	\$ 122,026
Government Transfers	13,588	174	493	14,255	6,763	9,765
Utility User Rates	—	39,504	—	39,504	37,991	34,616
User Fees and Charges	30,413	1,691	142	32,246	31,655	29,864
Penalties and Fines	5,226	—	147	5,373	5,175	3,955
Investment Income	2,148	56	29	2,233	1,411	2,742
Subsidiary Operations	4,008	—	—	4,008	—	948
Other	6,351	167	390	6,908	6,022	2,916
<b>Total Revenues</b>	<b>193,630</b>	<b>41,678</b>	<b>7,120</b>	<b>242,428</b>	<b>227,007</b>	<b>206,832</b>
<b>Expenses</b>						
Salaries, Wages and Benefits	86,676	6,052	3,414	96,142	96,568	82,891
Contracted and General Services	35,866	7,605	1,020	44,491	45,916	43,112
Supplies, Materials and Utilities	21,069	14,429	215	35,713	35,341	32,410
Interest on Long-Term Debt	3,699	1,503	82	5,284	5,472	4,737
Grants and Requisitions	6,676	—	(2)	6,674	1,606	2,001
Amortization	31,087	4,817	496	36,400	—	32,337
(Gain) Loss on Asset Disposal	(536)	(103)	—	(639)	—	142
Other Expenses	(1,912)	3,626	78	1,792	1,932	1,203
<b>Total Expenses</b>	<b>182,625</b>	<b>37,929</b>	<b>5,303</b>	<b>225,857</b>	<b>186,835</b>	<b>198,833</b>
<b>Excess of Revenues Over Expenses - Before Other</b>	<b>11,005</b>	<b>3,749</b>	<b>1,817</b>	<b>16,571</b>	<b>40,172</b>	<b>7,999</b>
<b>Other</b>						
Capital Revenues	45,195	8,192	49	53,436	91,554	56,435
Contributed Assets	37,161	1,372	—	38,533	—	29,486
<b>Annual Surplus</b>	<b>93,361</b>	<b>13,313</b>	<b>1,866</b>	<b>108,540</b>	<b>131,726</b>	<b>93,920</b>
<b>Accumulated Surplus, Beginning of Year</b>	<b>932,911</b>	<b>212,248</b>	<b>4,664</b>	<b>1,149,823</b>	<b>1,149,823</b>	<b>1,055,903</b>
<b>Accumulated Surplus, End of Year</b>	<b>\$ 1,026,272</b>	<b>\$ 225,561</b>	<b>\$ 6,530</b>	<b>\$1,258,363</b>	<b>\$ 1,281,549</b>	<b>\$ 1,149,823</b>

## 27. Budget Data

The unaudited budget data presented in these statements is based on the 2009 operating and capital budget approved by Council on December 9, 2008. Amortization, contributed tangible capital assets, gain or loss on sale of tangible capital assets and subsidiary operations was not contemplated on development of the budget and, as such, has not been included.

## 28. Comparative Figures

Certain comparative figures have been restated to conform to the current year's presentation.





# Strathcona County Alberta, Canada



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