

STRATHCONA COUNTY
CONSOLIDATED
FINANCIAL STATEMENTS
Year ended December 31, 2014

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Consolidated Financial Statements
Year ended December 31, 2014

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MANAGEMENT REPORT

The accompanying consolidated financial statements are the responsibility of the management of Strathcona County.

These consolidated financial statements have been prepared by management. Financial statements are not precise in nature as they include certain amounts based on estimates and judgements. Management has determined such amounts within reasonable limits of materiality in order to provide 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, accurate, and that the County's assets are properly accounted for and adequately safeguarded.

The elected Council of Strathcona County is ultimately responsible to oversee management's fulfillment of the financial reporting obligations, and for reviewing and approving the financial statements. Council generally meets twice a year with management and the external auditors to discuss internal controls, auditing matters, 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 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, Chief Financial Officer

April 28, 2015



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INDEPENDENT AUDITORS' REPORT

To the Mayor and Members of Council of Strathcona County

We have audited the accompanying consolidated financial statements of Strathcona County, which comprise the consolidated statement of financial position as at December 31, 2014, the consolidated statements of operations and accumulated surplus, change in net debt and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Strathcona County as at December 31, 2014, and its consolidated results of operations, its consolidated change in its net debt and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Accountants

April 28, 2015
Edmonton, Canada

STRATHCONA COUNTY
Consolidated Statement of Financial Position
As at December 31, 2014 (in thousands of dollars)

	2014	2013
FINANCIAL ASSETS		
Cash and Cash Equivalents (Note 2)	\$ -	\$ 8,823
Accounts Receivable		
Property Taxes	3,299	3,865
Government Transfers	2,409	4,900
Trade and Other	15,501	12,138
Development Levies and Charges	6,790	1,191
Land Held for Resale	2,625	2,625
Investments (Note 3)	286,988	267,679
Investment Interest Receivable	6,293	5,035
	323,905	306,256
LIABILITIES		
Cheques Issued in Excess of Cash (Note 2)	3,464	-
Accounts Payable and Accrued Liabilities (Note 4)	37,194	45,525
Deposit Liabilities (Note 5)	16,576	14,940
Deferred Revenue (Note 6)	79,058	62,862
Capital Leases (Note 7)	246	840
Long-Term Debt (Note 8)	163,724	171,666
	300,262	295,833
NET FINANCIAL ASSETS	23,643	10,423
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Note 10)	1,670,280	1,601,116
Inventories of Materials and Supplies	850	652
Prepaid Expenses	2,328	1,649
	1,673,458	1,603,417
ACCUMULATED SURPLUS (Note 12)	\$ 1,697,101	\$ 1,613,840

Commitments and Contingencies (Note 19)

See accompanying Notes to Consolidated Financial Statements.

STRATHCONA COUNTY
Consolidated Statement of Operations and Accumulated Surplus
Year ended December 31, 2014 (in thousands of dollars)

	2014 Budget (Note 22)	2014	2013
REVENUE			
Property Taxes (Note 13)	\$ 196,588	\$ 198,580	\$ 188,845
Government Transfers (Note 14)	47,563	35,038	46,939
Utility User Rates	51,447	51,160	48,467
User Fees and Charges	39,056	44,257	40,252
Penalties and Fines	4,956	6,063	4,907
Investment Income	4,288	6,839	9,130
Other Capital Revenues (Note 15)	25,957	11,688	12,944
Contributed Tangible Capital Assets (Note 10)	-	28,695	33,528
Other	13,658	10,044	12,094
TOTAL REVENUES	383,513	392,364	397,106
EXPENSES			
Infrastructure and Planning Services			
Capital Planning and Construction	3,254	2,905	2,833
Economic Development and Tourism	1,139	1,362	1,234
Planning and Development Services	10,287	9,443	9,073
Transportation and Agriculture Services	28,016	29,216	28,437
Utilities	52,204	53,585	57,276
	94,900	96,511	98,853
Community Services			
Emergency Services	31,828	31,709	28,686
Family and Community Services	7,197	7,167	7,393
Strathcona Transit	18,191	17,689	16,468
RCMP and Enforcement Services	20,922	20,296	19,076
Recreation, Parks and Culture	39,794	39,844	37,982
	117,932	116,705	109,605
Corporate Services			
Chief Financial Officer	29,847	26,677	25,965
Senior Administration	5,440	4,937	5,375
Elected Officials	7,111	6,035	6,028
Fiscal Services	1,228	1,161	1,178
Strathcona County Library	44,677	46,707	44,412
Pioneer Housing Foundation	9,511	9,390	8,929
	967	980	3,133
	98,781	95,887	95,020
TOTAL EXPENSES	311,613	309,103	303,478
ANNUAL SURPLUS	71,900	83,261	93,628
ACCUMULATED SURPLUS, BEGINNING OF YEAR	1,613,840	1,613,840	1,520,212
ACCUMULATED SURPLUS, END OF YEAR (Note 12)	\$ 1,685,740	\$ 1,697,101	\$ 1,613,840

See accompanying Notes to Consolidated Financial Statements.

STRATHCONA COUNTY
Consolidated Statement of Change in Net Financial Assets (Net Debt)

Year ended December 31, 2014 (in thousands of dollars)

	2014 Budget (Note 22)	2014	2013
ANNUAL SURPLUS	\$ 71,900	\$ 83,261	\$ 93,628
Acquisition of Tangible Capital Assets	(148,130)	(89,769)	(99,101)
Contributed Tangible Capital Assets	-	(28,695)	(33,528)
Amortization of Tangible Capital Assets	46,769	46,674	45,800
Loss on Tangible Capital Asset Transfers and Disposals	-	1,948	9,814
Proceeds from Transfers and Disposals of Tangible Capital Assets	-	678	594
	<u>(29,461)</u>	<u>14,097</u>	<u>17,207</u>
Acquisition of Inventories of Materials and Supplies	-	(557)	(1,293)
Acquisition of Prepaid Expenses	-	(2,733)	(3,709)
Use of Inventories of Materials and Supplies	-	359	1,369
Use of Prepaid Expenses	-	2,054	4,322
	<u>-</u>	<u>(877)</u>	<u>689</u>
INCREASE (DECREASE) IN NET FINANCIAL ASSETS (NET DEBT)	(29,461)	13,220	17,896
NET FINANCIAL ASSETS (NET DEBT), BEGINNING OF YEAR	<u>10,423</u>	<u>10,423</u>	<u>(7,473)</u>
NET FINANCIAL ASSETS (NET DEBT), END OF YEAR	<u>\$ (19,038)</u>	<u>\$ 23,643</u>	<u>\$ 10,423</u>

See accompanying Notes to Consolidated Financial Statements.

STRATHCONA COUNTY
Consolidated Statement of Cash Flows
Year ended December 31, 2014 (in thousands of dollars)

	2014	2013
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Annual Surplus	\$ 83,261	\$ 93,628
Items Not Involving Cash:		
Contributed Tangible Capital Assets	(28,695)	(33,528)
Amortization of Tangible Capital Assets	46,674	45,800
Amortization of Premium (Discount) on Investments	(15)	(6)
Loss on Tangible Capital Asset Transfers and Disposals	1,948	9,814
Gain on Disposal of Investments	(540)	(2,913)
Changes to Non-Cash Financial Assets and Liabilities:		
Property Taxes Receivable	566	(471)
Government Transfers Receivable	2,491	(4,044)
Trade and Other Receivables	(3,363)	(867)
Development Levies and Charges	(5,599)	1,520
Accounts Payable and Accrued Liabilities	(8,331)	(3,013)
Deposit Liabilities	1,636	(7,555)
Deferred Revenue	16,196	(2,974)
Landfill Post-Closure Costs	-	(104)
Inventories of Materials and Supplies	(198)	76
Prepaid Expenses	(679)	613
Cash Provided by Operating Activities	<u>105,352</u>	<u>95,976</u>
CAPITAL		
Proceeds from Transfers and Disposal of Tangible Capital Assets	678	594
Acquisition of Tangible Capital Assets	(89,769)	(99,101)
Cash Applied to Capital Activities	<u>(89,091)</u>	<u>(98,507)</u>
INVESTING		
Purchase of Investments	(287,498)	(344,515)
Proceeds from Sale/Maturity of Investments	268,744	356,527
Change to Investment Interest Receivable	(1,258)	1,312
Cash Provided by (Applied to) Investing Activities	<u>(20,012)</u>	<u>13,324</u>
FINANCING		
Long-Term Debt Issued	4,410	12,008
Capital Leases Repaid	(594)	(936)
Long-Term Debt Repaid	(12,352)	(11,499)
Cash Applied to Financing Activities	<u>(8,536)</u>	<u>(427)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(12,287)	10,366
CASH AND CASH EQUIVALENTS (CHEQUES ISSUED IN EXCESS OF CASH), BEGINNING OF YEAR	8,823	(1,543)
CASH AND CASH EQUIVALENTS (CHEQUES ISSUED IN EXCESS OF CASH), END OF YEAR	\$ (3,464)	\$ 8,823
Cash Paid for Interest	\$ 7,590	\$ 7,797
Cash Received from Interest	\$ 6,565	\$ 8,391

See accompanying Notes to Consolidated Financial Statements.

STRATHCONA COUNTY
Notes to Consolidated Financial Statements
Year ended December 31, 2014 (in thousands of dollars)

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

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the County are prepared by management in accordance with Canadian Public Sector Accounting Standards. Significant accounting policies adopted by the County are as follows:

a) Reporting Entity

The consolidated financial statements reflect the assets, liabilities, revenues, expenses, and accumulated surplus of the reporting entity. The reporting entity is comprised of all organizations which are owned or controlled by the County, and are, therefore, accountable for the administration of their financial affairs and resources.

The reporting entity includes all divisions and departments that comprise County operations, the Strathcona County Library Board (Library) and the Pioneer Housing Foundation (PHF). Inter-organizational transactions and balances between these entities have been eliminated.

The County is a member of various other boards, commissions and other organizations that are not part of the government reporting entity, including the Heartland Housing Foundation, the Alberta Capital Region Wastewater Commission, the Capital Region Northeast Water Services Commission, and the John S. Batiuk Regional Water Commission.

Property taxes levied also include requisitions for education, and seniors housing; organizations that are not part of the government reporting entity.

The consolidated financial statements exclude any trusts under administration for the benefit of external parties.

b) Basis of Accounting

The consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or the legal obligation to pay.

c) Government Transfers

Government transfers are recognized in the consolidated financial statements as revenues in the period the events giving rise to the transfer have occurred; provided that the transfer is authorized, eligibility criteria have been met, and reasonable estimates of the amount can be made. Stipulations are terms imposed by a transferring government regarding the use of transferred resources or the actions that must be performed in order to keep a transfer. Any unfulfilled stipulations related to a government transfer would preclude recognition of revenue until such time that all stipulations have been met.

d) Deferred Revenue

Deferred revenue consists of conditional government transfers, unearned revenue, and development levies. Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

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.

STRATHCONA COUNTY
Notes to Consolidated Financial Statements
Year ended December 31, 2014 (in thousands of dollars)

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e) Property Taxes

Property tax revenue is based on approved annual budget and requisition requirements. Property tax rates, per class, are determined by the total revenue requirements divided by the total taxable assessment, which are comprised of market value and regulated value assessments. Taxation revenues are recorded at the time the tax rates are authorized by Council and the tax notices are issued.

f) 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.

Local improvement levies represent funds from external parties that are restricted by legislation, and are accounted for as deferred revenue until the special assessments are authorized by Council, issued to the property owners, and the funds are used for the purpose specified.

g) Requisition Overlevies and Underlevies

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

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

h) 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.

i) Investments

Investments are recorded at amortized cost. Investment premiums and discounts are amortized on the net present value basis over the term of the respective investments. When there has been a loss in value, other than a temporary decline, the respective investment is written down to recognize the loss.

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

j) Employee Benefit Obligations

The cost of employment benefits, pension benefits, compensated absences and termination benefits are recorded as an expense at the time the event giving rise to the obligation occurs.

STRATHCONA COUNTY
Notes to Consolidated Financial Statements
Year ended December 31, 2014 (in thousands of dollars)

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

k) 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 tangible capital asset cost, less residual value, excluding land, is amortized on a straight-line basis over the estimated useful life, as follows:

<u>Asset</u>	<u>Useful Life - Years</u>
Land Improvements	10 - 25
Buildings	10 - 50
Engineered Structures	
Roadway System	10 - 80
Water Distribution System	35 - 90
Wastewater Treatment System	25 - 75
Storm Sewer System	15 - 75
Other Engineered Structures	5 - 40
Machinery and Equipment	4 - 40
Books and Periodicals	10
Vehicles	4 - 20

In the year the asset is available for productive use and in the year of disposal, only one-half of the annual amortization is charged. Assets under construction are not amortized until the asset is available for productive use.

ii. Contributions of Tangible Capital Assets

Tangible capital assets received as contributions are recorded at fair value on the date of receipt and are also recorded as Contributed Tangible Capital Asset revenues in the Consolidated Statement of Operations and Accumulated Surplus.

iii. Leased Tangible Capital Assets

Leases which transfer substantially all the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

iv. Inventories of Materials and Supplies

Inventories of materials and supplies include roadway maintenance materials, vehicle equipment and facility parts, and print shop materials. Inventories of materials and supplies are valued at the lower of average cost or replacement cost.

v. Works of Art and Historical 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 areas of public display. These assets are not recorded as tangible capital assets and are not amortized.

l) Reserves for Future Expenditures

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

m) Equity in Tangible Capital Assets

Equity in tangible capital assets is included within accumulated surplus. It represents the investment in tangible capital assets, after deducting the portion financed by long-term debt, and adding back long-term debt financing applicable to local improvement levy projects.

STRATHCONA COUNTY
Notes to Consolidated Financial Statements
Year ended December 31, 2014 (in thousands of dollars)

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

n) Use of Estimates

The preparation of the consolidated financial statements of the County requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the period.

Estimates have been used to determine provisions for accrued liabilities, useful lives of tangible capital assets, historic costs of certain tangible capital assets, fair values of contributed tangible capital assets, and provisions made for allowances for doubtful receivable accounts.

Actual results may differ from those estimates.

o) Future Accounting Standard Pronouncements

The following summarizes upcoming changes to Canadian Public Sector Accounting Standards issued by the Public Sector Accounting Standards Board. In 2015, the County will continue to assess the impact and prepare for the adoption of these standards. While the timing of standard adoption can vary, certain standards must be adopted concurrently.

i) Liability for Contaminated Sites

PS3260, Liability for Contaminated Sites, establishes standards on remediation, recognition, and measurement of liabilities associated with contaminated sites, and provides requirements for financial statement presentation and disclosure. The County has begun the process of reviewing policies, procedures, and systems to ensure consistent and accurate identification and estimation of liabilities associated with contaminated sites, also see note 21. This standard is applicable for fiscal years beginning on or after April 1, 2014.

ii) Financial Statement Presentation

PS1201, Financial Statement Presentation, requires a new statement of remeasurement gains and losses separate from the statement of operations. Included in this new statement are the unrealized gains and losses arising from the remeasurement of financial instruments and items denominated in foreign currencies, as well as the government's proportionate share of other comprehensive income that arises when a government includes the results of government business enterprises and partnerships. This standard is applicable for fiscal years beginning on or after April 1, 2016.

iii) Foreign Currency Translation

PS2601, Foreign Currency Translation, requires that monetary assets and liabilities denominated in a foreign currency and non-monetary items included in the fair value category, denominated in a foreign currency, be adjusted to reflect the exchange rates in effect at the financial statement date. Unrealized gains and losses are to be presented in the new statement of remeasurement gains and losses. This standard is applicable for fiscal years beginning on or after April 1, 2016.

iv) Portfolio Investments

PS3041, Portfolio Investments, has removed the distinction between temporary and portfolio investments. This standard now includes pooled investments in its scope and was amended to conform to Financial Instruments, PS3450. Upon adoption of PS3450 and PS3041, PS3030 Temporary Investments will no longer apply. This standard is applicable for fiscal years beginning on or after April 1, 2016.

STRATHCONA COUNTY
Notes to Consolidated Financial Statements
Year ended December 31, 2014 (in thousands of dollars)

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

v) Financial Instruments

PS3450, Financial Instruments, establishes recognition, measurement, and disclosure requirements for derivative and non-derivative financial instruments. The standard requires fair value measurement of derivatives and equity instruments; all other financial instruments can be measured at cost/amortized cost or fair value at the election of the government. Unrealized gains and losses are presented in a new statement of remeasurement gains and losses. There is the requirement to disclose the nature and extent of risks arising from financial instruments and clarification is given for the derecognition of financial liabilities. This standard is applicable for fiscal years beginning on or after April 1, 2016.

vi) Related Party Disclosures

PS2200, Related Party Disclosures, requires disclosure of the effect of financially material transactions between related parties. This standard is applicable for fiscal years beginning on or after April 1, 2017.

vii) Inter-Entity Transactions

PS3420, Inter-Entity Transactions, provides how to account for and report transactions between entities controlled by a government and that comprise the government's reporting entity from both a provider and a recipient perspective. This standard is applicable to fiscal years beginning on or after April 1, 2017.

2. CASH AND CASH EQUIVALENTS

	2014	2013
Cash	\$ -	\$ 3,823
Temporary Investments	-	5,000
	-	8,823
Cheques Issued in Excess of Cash	(3,464)	-
	\$ (3,464)	\$ 8,823

Cash includes cash on hand and demand deposits, net of bank overdrafts.

The County has an operating line of credit available for use, up to a maximum of \$5,000 (2013 – \$4,990), bearing interest at prime rate minus 0.5 per cent (2013 – 0.5 per cent) and is secured by the County at large. As at December 31, 2014, nil (2013 – 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 (2013 – \$2,449), bearing interest at prime minus 0.50 per cent (2013 – 0.50 per cent) and is secured by the County at large. As at December 31, 2014, nil (2013 – nil) was drawn against the available acquisition line of credit.

STRATHCONA COUNTY
Notes to Consolidated Financial Statements
Year ended December 31, 2014 (in thousands of dollars)

3. INVESTMENTS

	2014		2013	
	Carrying Amount	Market Value	Carrying Amount	Market Value
Term Deposits and Notes	\$ 154,604	\$ 154,604	\$ 147,339	\$ 146,658
Government Guaranteed Bonds	103,638	110,690	86,448	84,317
Corporate Bonds	28,746	30,454	33,892	33,115
	\$ 286,988	\$ 295,748	\$ 267,679	\$ 264,090

Term deposits and notes, government guaranteed bonds and corporate bonds have effective interest rates of 1.75 to 4.38 per cent (2013 – 1.64 to 4.45 per cent) with maturity dates from January 2015 to February 2032 (2013 – January 2014 to September 2025).

The market value of the bonds is based on quoted market values. The market value of the bonds fluctuates based on changes in market interest rates.

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2014	2013
Trade	\$ 23,985	\$ 33,089
Employee Benefit Obligations	8,218	8,158
Payroll and Remittances	3,475	2,361
Interest	1,516	1,917
	\$ 37,194	\$ 45,525

5. DEPOSIT LIABILITIES

	2014	2013
Security Deposits	\$ 14,529	\$ 12,875
Overlevies	265	218
Other Deposits	1,782	1,847
	\$ 16,576	\$ 14,940

6. DEFERRED REVENUE

Deferred revenue comprises the amounts noted below, the use of which, together with any earnings thereon, is externally restricted. Certain deferred revenues relate to government transfers as further described in Note 14.

	Balance at December 31, 2013	Contributions	Interest Earned	Contributions Recognized	Balance at December 31, 2014
Capital Government Transfers	\$ 41,442	\$ 28,347	\$ 796	\$ (27,507)	\$ 43,078
Operating Government Transfers	2,045	6,588	19	(7,531)	1,121
Development Levies & Charges	8,582	17,801	202	(6,341)	20,244
Other	10,793	18,421	61	(14,660)	14,615
	\$ 62,862	\$ 71,157	\$ 1,078	\$ (56,039)	\$ 79,058

STRATHCONA COUNTY
Notes to Consolidated Financial Statements
Year ended December 31, 2014 (in thousands of dollars)

7. CAPITAL LEASES

	2014	2013
Capital Leases	\$ 246	\$ 840

Capital leases have been issued on the credit and security of the County at large. Capital leases bear interest at rates ranging from 4.25 to 4.61 per cent (2013 – 3.95 to 4.61 per cent) and mature in 2016.

Capital lease principal and interest payments are due as follows:

	Principal	Interest	Total
2015	\$ 138	\$ 5	\$ 143
2016	108	1	109
	\$ 246	\$ 6	\$ 252

8. LONG-TERM DEBT

	2014	2013
Tax-supported Debentures – Municipal	\$ 39,857	\$ 41,998
Tax-supported Debentures – Library	22,207	22,863
	62,064	64,861
Non Tax-supported Debentures – Municipal – Local Improvements	\$ 86	\$ 90
Non Tax-supported Debentures – Utilities – Local Improvements	608	303
Non Tax-supported Debentures – Municipal	19,630	22,539
Non Tax-supported Debentures – Utilities	65,909	69,327
Non Tax-supported Debentures – PHF	15,427	14,546
	101,660	106,805
	\$ 163,724	\$ 171,666

Debenture debt has been issued on the credit and security of the County at large. Debenture debt is repayable to the Alberta Capital Finance Authority and bears interest at rates ranging from 2.60 to 9.13 per cent (2013 – 2.60 to 9.13 per cent) and matures in periods 2015 through 2039.

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

	Principal	Interest	Total
2015	\$ 11,779	\$ 7,011	\$ 18,790
2016	9,426	6,419	15,845
2017	9,126	5,983	15,109
2018	9,286	5,570	14,856
2019	8,686	5,153	13,839
Thereafter	115,421	38,026	153,447
	\$ 163,724	\$ 68,162	\$ 231,886

STRATHCONA COUNTY
Notes to Consolidated Financial Statements
Year ended December 31, 2014 (in thousands of dollars)

9. 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:

	2014	2013
Total debt limit	\$ 504,244	\$ 485,926
Total debt (including capital leases)	163,970	172,506
Percentage used	32.5%	35.5%
Service on debt limit	\$ 84,041	\$ 80,988
Service on debt (including capital leases)	18,932	20,441
Percentage used	22.5%	25.2%

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 consolidated financial statements must be interpreted as a whole.

STRATHCONA COUNTY
Notes to Consolidated Financial Statements
Year ended December 31, 2014 (in thousands of dollars)

10. TANGIBLE CAPITAL ASSETS

	Balance at December 31, 2013		Contributed Additions		Disposals	Balance at December 31, 2014				
Land	\$	426,248	\$	6,394	\$	13,380	\$	-	\$	446,022
Land Improvements		59,528		19,119		2,632		(2,211)		79,068
Buildings		360,837		8,890		-		(685)		369,042
Engineered Structures		1,033,395		42,618		12,660		(13,804)		1,074,869
Machinery and Equipment		62,692		5,093		6		(3,667)		64,124
Books and Periodicals		4,894		609		17		(253)		5,267
Vehicles		62,909		12,200		-		(5,571)		69,538
Assets under Construction		50,948		(5,154)		-		-		45,794
	\$	2,061,451	\$	89,769	\$	28,695	\$	(26,191)	\$	2,153,724

Accumulated Amortization	Balance at December 31, 2013		Disposals	Amortization Expense	Balance at December 31, 2014			
Land	\$	-	\$	-	\$	-		
Land Improvements		26,928		(2,193)		1,583		26,318
Buildings		74,526		(685)		8,198		82,039
Engineered Structures		302,199		(13,035)		26,191		315,355
Machinery and Equipment		28,101		(3,455)		5,534		30,180
Books and Periodicals		2,021		(253)		508		2,276
Vehicles		26,560		(3,944)		4,660		27,276
Assets under Construction		-		-		-		-
	\$	460,335	\$	(23,565)	\$	46,674	\$	483,444

Net Book Value	Balance at December 31, 2013				Balance at December 31, 2014	
Land	\$	426,248			\$	446,022
Land Improvements		32,600				52,750
Buildings		286,311				287,003
Engineered Structures		731,196				759,514
Machinery and Equipment		34,591				33,944
Books and Periodicals		2,873				2,991
Vehicles		36,349				42,262
Assets under Construction		50,948				45,794
	\$	1,601,116			\$	1,670,280

STRATHCONA COUNTY
Notes to Consolidated Financial Statements
Year ended December 31, 2014 (in thousands of dollars)

10. TANGIBLE CAPITAL ASSETS (CONTINUED)

Cost	Balance at December 31, 2012	Additions	Contributed Additions	Disposals	Balance at December 31, 2013
Land	\$ 395,163	\$ 8,859	\$ 22,328	\$ (102)	\$ 426,248
Land Improvements	53,021	6,728	85	(306)	59,528
Buildings	328,485	32,352	-	-	360,837
Engineered Structures	985,756	55,457	11,115	(18,933)	1,033,395
Machinery and Equipment	58,611	6,966	-	(2,885)	62,692
Books and Periodicals	4,512	620	-	(238)	4,894
Vehicles	57,611	8,143	-	(2,845)	62,909
Assets under Construction	70,972	(20,024)	-	-	50,948
	\$ 1,954,131	\$ 99,101	\$ 33,528	\$ (25,309)	\$ 2,061,451

Accumulated Amortization	Balance at December 31, 2012	Disposals	Amortization Expense	Balance at December 31, 2013
Land	\$ -	\$ -	\$ -	\$ -
Land Improvements	24,756	(306)	2,478	26,928
Buildings	66,446	-	8,080	74,526
Engineered Structures	286,174	(9,408)	25,433	302,199
Machinery and Equipment	25,125	(2,347)	5,323	28,101
Books and Periodicals	1,789	(238)	470	2,021
Vehicles	25,146	(2,602)	4,016	26,560
Assets under Construction	-	-	-	-
	\$ 429,436	\$ (14,901)	\$ 45,800	\$ 460,335

Net Book Value	Balance at December 31, 2012	Balance at December 31, 2013
Land	\$ 395,163	\$ 426,248
Land Improvements	28,265	32,600
Buildings	262,039	286,311
Engineered Structures	699,582	731,196
Machinery and Equipment	33,486	34,591
Books and Periodicals	2,723	2,873
Vehicles	32,465	36,349
Assets under Construction	70,972	50,948
	\$ 1,524,695	\$ 1,601,116

a) Assets under Construction

Assets under construction having a value of \$45,794 (2013 – \$50,948) have not been amortized. Amortization of these assets will commence when the asset is available for productive use.

STRATHCONA COUNTY
Notes to Consolidated Financial Statements
Year ended December 31, 2014 (in thousands of dollars)

10. TANGIBLE CAPITAL ASSETS (CONTINUED)

b) Contributed Tangible Capital Assets

Contributed tangible capital assets are recognized at fair value at the date of contribution. The value of contributed tangible capital assets received during the year is \$28,695 (2013 – 33,528) comprised of engineered structures in the amount of \$12,660 (2013 – \$11,115), land in the amount of \$13,380 (2013 – \$22,328), land improvements in the amount of \$2,632 (2013 – \$85), book and periodicals of \$17 (2013 – nil), and machinery and equipment of \$6 (2013 – nil).

c) Write-down of Tangible Capital Assets

The County did not write down any tangible capital assets in 2014 or 2013.

11. EQUITY IN TANGIBLE CAPITAL ASSETS

	2014	2013
Tangible Capital Assets – Cost (Note 10)	\$ 2,153,724	\$ 2,061,451
Accumulated Amortization (Note 10)	(483,444)	(460,335)
Capital Leases (Note 7)	(246)	(840)
Long-Term Debt (Note 8)	(163,724)	(171,666)
Local Improvements Levies Applicable to Debt (Note 8)	694	393
	\$ 1,507,004	\$ 1,429,003

12. ACCUMULATED SURPLUS

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

	2014	2013
Surplus:		
Unrestricted Surplus (Deficit)	\$ (1,373)	\$ (3,463)
Equity in Tangible Capital Assets	1,507,004	1,429,003
	1,505,631	1,425,540
Reserves:		
Stabilization and Contingency	10,404	10,386
Projects	57,551	61,507
Infrastructure Lifecycle, Maintenance and Replacement	86,057	78,021
Special Purpose	33,515	34,668
Library	3,943	3,718
	191,470	188,300
	\$ 1,697,101	\$ 1,613,840

The comparative reserves groupings have been reclassified and reported in accordance with the Council approved update to Policy: FIN-001-024 Municipal Reserves.

STRATHCONA COUNTY
Notes to Consolidated Financial Statements
Year ended December 31, 2014 (in thousands of dollars)

13. PROPERTY TAXES

	Municipal	Non-Municipal	2014	2013
Property Taxes				
Residential and Farmland	\$ 71,069	\$ 39,372	\$ 110,441	\$ 108,853
Commercial and Industrial	120,329	14,590	134,919	127,619
Electric Power and Pipeline	6,613	2,349	8,962	8,482
Government Grants in Lieu of Taxes	218	52	270	252
Local Improvement Levies	351	-	351	-
	\$ 198,580	\$ 56,363	\$ 254,943	\$ 245,206
Non-Municipal				
Provincial Alberta School Foundation Fund			47,759	47,598
Elk Island CSRD No. 14			6,582	6,794
Heartland Housing Foundation			2,022	1,969
Taxes on Behalf of Non-Municipal Requisitioning Authorities			\$ 56,363	\$ 56,361
Taxes for Provision of Municipal Services			\$ 198,580	\$ 188,845

14. GOVERNMENT TRANSFERS

	2014	2013
Government Transfers for Operations		
Federal Transfers	\$ 290	\$ 159
Provincial Transfers	7,241	7,152
	7,531	7,311
Government Transfers for Capital		
Federal Transfers	2,971	11,037
Provincial Transfers	24,536	28,591
	27,507	39,628
	\$ 35,038	\$ 46,939

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 its final per capita transfer allocation of \$14,452 under this program. During 2014, \$393 (2013 – \$1,143) was recognized in capital transfers and a total of \$636 (2013 – \$1,010), including interest of \$19 (2013 – \$25) remains deferred to future years.

In 2011, the Provincial government consolidated the Basic Capital Grant, the Hamlet Streets Improvement Grant, the Rural Transportation Grant and the Provincial Highway Maintenance Grant into a single grant called the Basic Municipal Transportation Grant. In 2014, the County received nil (2013 – \$4,657) under this program. During 2014, \$2,860 (2013 – \$6,928) has been recognized in capital transfers, which consists of amounts that had been deferred from prior years. A total of \$1,612 (2013 – \$4,417), including interest of \$55 (2013 – \$135), remains deferred to future years.

The Federal government introduced the Federal Gas Tax Fund (formerly the New Deal for Cities and 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 2014, the County received nil (2013 – \$4,904) under this program. During 2014, \$2,723 (2013 – \$11,775) has been recognized in capital transfers, which consists of amounts that had been deferred from prior years. A total of \$4,900 (2013 – \$7,512), including interest of \$111 (2013 – \$257), remains deferred to future years.

STRATHCONA COUNTY
Notes to Consolidated Financial Statements
Year ended December 31, 2014 (in thousands of dollars)

14. GOVERNMENT TRANSFERS (CONTINUED)

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

– In 2014, the County received \$25,254 (2013 – \$19,740) in MSI Capital Funding. During 2014 \$18,189 (2013 – \$11,519) has been recognized in capital transfers, which consists of amounts that had been deferred from prior years plus amounts received in 2014. A total of \$34,242 (2013 – \$26,623) remains deferred to future years, including interest of \$554 (2013 – \$504).

– In 2014, the County received \$819 (2013 – \$1,485) in MSI Conditional Operating Funding. During 2014, \$1,763 (2013 – \$2,007) has been recognized in operating transfers, which consists of amounts that had been deferred from prior years plus amounts received in 2014. A total of \$35 (2013 – \$972) of the amounts received remains deferred to future years, including interest of \$7 (2013 – \$27).

– From 2008 to 2010, the County received \$12,387 in MSI Affordable Housing Funding. During 2014, \$49 (2013 – \$95) has been recognized in operating and capital transfers. A total of \$377 (2013 – \$417) of the amounts received since inception of the initiative remains deferred to future years, including interest of \$9 (2013 – \$9).

The Provincial government announced the Green Transit Incentives Program (GreenTRIP) in July 2008. GreenTRIP supports new public transit projects that will lead to a reduction of greenhouse gas emissions and traffic congestion by decreasing the number of vehicles on the roads. In 2011, the County was eligible to receive funding from the Province of Alberta for an amount up to a maximum of \$13,600. In 2014, \$2,986 (2013 – \$6,799) of this funding has been recognized in capital transfers. The GreenTRIP grant funds have been recognized in full as of December 31, 2014.

15. OTHER CAPITAL REVENUES

	2014	2013
Development Levies and Charges	\$ 5,927	\$ 8,198
Developer Contributions	2,593	2,768
Other	3,168	1,978
	\$ 11,688	\$ 12,944

STRATHCONA COUNTY
Notes to Consolidated Financial Statements
Year ended December 31, 2014 (in thousands of dollars)

16. SALARIES AND BENEFITS DISCLOSURE

The following salaries and benefits are disclosed on a cash flow basis, as required under the Supplementary Accounting Principles and Standards Regulation (AR 313/2000) of the MGA:

	Salaries	Benefits & Allowances	2014	2013
Elected Officials:				
Mayor	\$ 110	\$ 17	\$ 127	\$ 138
Councillor – Ward 1	65	11	76	76
Councillor – Ward 2	65	15	80	79
Councillor – Ward 3	65	13	78	79
Councillor – Ward 4	65	15	80	79
Councillor – Ward 5	65	15	80	80
Councillor – Ward 6	65	12	77	78
Councillor – Ward 7	65	8	73	74
Councillor – Ward 8	65	12	77	80
	\$ 630	\$ 118	\$ 748	\$ 763
Chief Commissioner	\$ 272	\$ 43	\$ 315	\$ 288

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.

17. PENSION PLAN

a) Local Authorities 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 11.39 per cent (2013 – 10.43 per cent) of pensionable payroll up to the yearly maximum pensionable earnings (YMPE) and 15.84 per cent (2013 – 14.47 per cent) thereafter. Employees of the County are required to make current service contributions of 10.39 per cent (2013 – 9.43 per cent) of pensionable salary up to YMPE, and 14.84 per cent (2013 – 13.47 per cent) thereafter.

Total current service contributions by the County to LAPP in 2014 were \$11,482 (2013 – \$10,272). Total current service contributions by the employees of the County to LAPP in 2014 were \$10,634 (2013 – \$9,420).

As stated in their 2013 Annual Report, LAPP serves 230,534 members and 418 employers. It is financed by employer and employee contributions and investment earnings of the LAPP fund. At December 31, 2013, the plan reported an actuarial deficiency of \$4.9 billion.

STRATHCONA COUNTY
Notes to Consolidated Financial Statements
Year ended December 31, 2014 (in thousands of dollars)

17. PENSION PLAN (CONTINUED)

b) APEX

The APEX supplementary pension plan, an Alberta Urban Municipalities Association (AUMA) sponsored defined benefit pension plan covered under the provisions of the Alberta Employment Pension Plans Act, commenced on January 1, 2004. This plan provides supplementary pension benefits to a prescribed class of employees (Executive and Director level employees). The plan supplements the Local Authorities Pension Plan.

Contributions are made by the prescribed class of employees and Strathcona County. The employees contribute 2.50 per cent and Strathcona County contributes 3.00 per cent of pensionable earnings up to \$139 (2013 - \$135).

Total contributions made by the employees to APEX in 2014 were \$72 (2013 - \$59). Total contributions made by Strathcona County to APEX in 2014 were \$86 (2013 - \$71).

18. FINANCIAL INSTRUMENTS

The County's financial instruments consist of cash and cash equivalents, accounts receivable, investments, cheques issued in excess of cash, 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 values of these financial instruments approximate their carrying values.

19. COMMITMENTS AND CONTINGENCIES

a) Capital

As at December 31, 2014, authorized costs on capital projects committed through a purchase order or other contractual agreement, but not yet expended, amounted to \$58,904 (2013 - \$47,017).

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:

2015	\$ 339
2016	\$ 333
2017	\$ 286
2018	\$ 109
2019	\$ 84

c) Legal Disputes

As at December 31, 2014, 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.

STRATHCONA COUNTY
Notes to Consolidated Financial Statements
Year ended December 31, 2014 (in thousands of dollars)

19. COMMITMENTS AND CONTINGENCIES (CONTINUED)

d) Development Agreements

Developers have entered into agreements with the County in the amount of approximately \$37,050 (2013 – \$15,614) and are committed to the installation and construction of certain works to serve development of lands within the County. The County has taken performance securities from developers in the form of deposit liabilities in the amount of nil (2013 – \$85) and letters of credit in the amount of \$10,786 (2013 – \$2,614) to ensure performance by the developers under the agreements. Security taken by the County is reduced accordingly as the above-noted works are constructed.

e) Alberta Health Services

The County is currently under agreement with Alberta Health Services to provide emergency medical services to the County and the region until March 31, 2019.

STRATHCONA COUNTY
Notes to Consolidated Financial Statements
Year ended December 31, 2014 (in thousands of dollars)

20. SEGMENTED INFORMATION

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

	Municipal Operations	Utility Operations	Library Operations	PHF Operations	Eliminations	2014	2014 Budget (Note 22)
REVENUE							
Property Taxes	\$ 189,807	\$ 351	\$ 8,422	\$ -	\$ -	\$ 198,580	\$ 196,588
Government Transfers	32,253	2,260	525	-	-	35,038	47,563
Utility User Rates	-	51,160	-	-	-	51,160	51,447
User Fees and Charges	38,830	5,255	172	-	-	44,257	39,056
Penalties and Fines	5,891	-	172	-	-	6,063	4,956
Investment Income	5,734	982	123	-	-	6,839	4,288
Other Capital Revenues	5,675	6,001	12	-	-	11,688	25,957
Contributed Tangible Capital Assets	21,203	7,475	17	-	-	28,695	-
Other	9,241	141	148	1,206	(692)	10,044	13,658
TOTAL REVENUES	308,634	73,625	9,591	1,206	(692)	392,364	383,513
EXPENSES							
Salaries, Wages and Benefits	128,904	9,170	5,595	-	-	143,669	145,716
Contracted and General Services	43,335	13,438	317	6	-	57,096	56,016
Supplies, Materials and Utilities	25,224	21,704	1,106	-	-	48,034	50,333
Interest on Long-Term Debt	3,561	2,808	1,013	692	(692)	7,382	8,074
Grants and Requisitions	2,165	-	-	-	-	2,165	2,054
Amortization	38,010	6,352	1,338	974	-	46,674	46,769
Loss on Asset Transfers and Disposals	1,932	-	16	-	-	1,948	-
Other Expenses	2,017	113	5	-	-	2,135	2,651
TOTAL EXPENSES	245,148	53,585	9,390	1,672	(692)	309,103	311,613
ANNUAL SURPLUS	63,486	20,040	201	(466)	-	83,261	71,900
ACCUMULATED SURPLUS, BEGINNING OF YEAR	1,326,074	269,573	9,116	16,501	(7,424)	1,613,840	1,613,840
ACCUMULATED SURPLUS, END OF YEAR	\$1,389,560	\$ 289,613	\$ 9,317	\$ 16,035	\$ (7,424)	\$1,697,101	\$1,685,740

STRATHCONA COUNTY
Notes to Consolidated Financial Statements
Year ended December 31, 2014 (in thousands of dollars)

20. SEGMENTED INFORMATION (CONTINUED)

	Municipal Operations	Utility Operations	Library Operations	PHF Operations	Eliminations	2013
REVENUE						
Property Taxes	\$ 180,684	\$ -	\$ 8,161	\$ -	\$ -	\$ 188,845
Government Transfers	40,168	6,230	541	-	-	46,939
Utility User Rates	-	48,467	-	-	-	48,467
User Fees and Charges	38,036	2,044	172	-	-	40,252
Penalties and Fines	4,731	-	176	-	-	4,907
Investment Income	8,063	958	109	-	-	9,130
Other Capital Revenues	10,055	2,871	18	-	-	12,944
Contributed Tangible Capital Assets	28,074	5,454	-	-	-	33,528
Other	10,029	1,508	129	1,048	(620)	12,094
TOTAL REVENUES	<u>319,840</u>	<u>67,532</u>	<u>9,306</u>	<u>1,048</u>	<u>(620)</u>	<u>397,106</u>
EXPENSES						
Salaries, Wages and Benefits	120,909	8,764	5,261	-	-	134,934
Contracted and General Services	43,250	10,462	307	-	-	54,019
Supplies, Materials and Utilities	23,889	19,607	1,002	-	-	44,498
Interest on Long-Term Debt	3,781	2,846	1,042	620	(620)	7,669
Grants and Requisitions	2,758	-	-	-	-	2,758
Amortization	37,649	5,979	1,314	858	-	45,800
Loss on Asset Transfers and Disposals	-	9,524	-	2,275	-	11,799
Other Expenses	1,904	94	3	-	-	2,001
TOTAL EXPENSES	<u>234,140</u>	<u>57,276</u>	<u>8,929</u>	<u>3,753</u>	<u>(620)</u>	<u>303,478</u>
ANNUAL SURPLUS	85,700	10,256	377	(2,705)	-	93,628
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>1,240,374</u>	<u>259,317</u>	<u>8,739</u>	<u>19,206</u>	<u>(7,424)</u>	<u>1,520,212</u>
ACCUMULATED SURPLUS, END OF YEAR	<u>\$1,326,074</u>	<u>\$ 269,573</u>	<u>\$ 9,116</u>	<u>\$ 16,501</u>	<u>\$ (7,424)</u>	<u>\$1,613,840</u>

21. ENVIRONMENTAL MATTERS

As part of the County's overall assessment of the potential impact of the implementation of PS3260, Liability for Contaminated Sites, environmental monitoring is being conducted at several former landfill and nuisance locations within the County. The results of the environmental monitoring have indicated the need for additional monitoring work to determine the potential steps required, including additional remediation, in order to comply with Alberta Environment and Sustainable Resources guidelines and legislation. At this time, we are unable to determine a reasonable estimate of the impacts or financial effect of the environmental monitoring.

22. BUDGET DATA

The budget data presented in the consolidated financial statements of the County includes:

- The 2014 operating budget of \$315,627, approved by Council on December 10, 2013.
- The capital budget of \$148,130 (cash flowed), as amended, which is comprised of the following:
 - The 2014 capital budget of \$100,579 approved by Council on December 10, 2013;
 - 2014 Council approved capital budget amendments of \$75;
 - Unspent prior years budgeted capital expenditures and amendments of \$272,118; less
 - Budgeted capital expenditures planned to be incurred after 2014 of \$224,642.