

2011

Annual Report

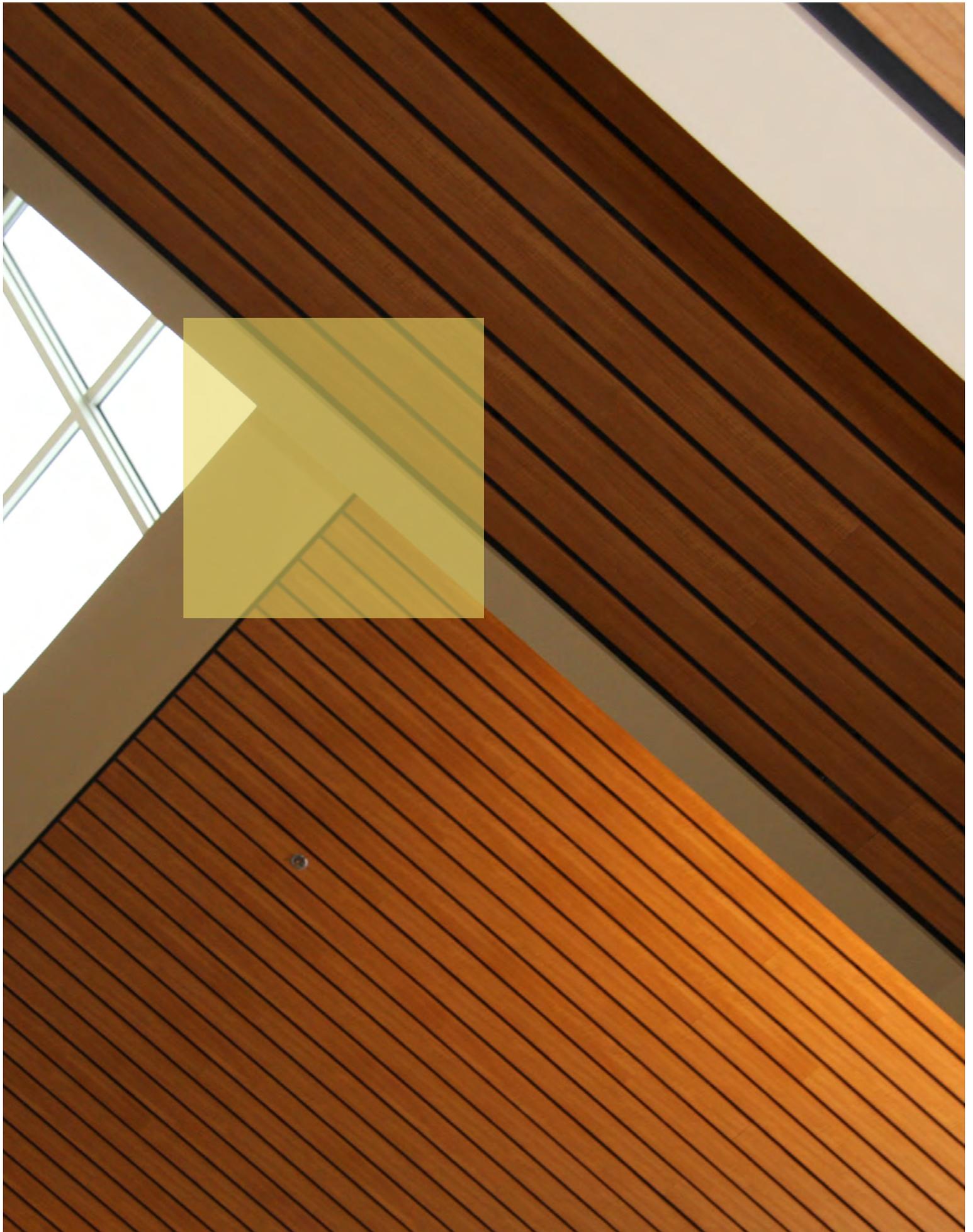
revitalized facilities

new online channels

Strengthening Connections

engaged people and partnerships

Strathcona
County



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Message from your Mayor and County Council

Mayor and Council

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Strengthening Connections

Revitalized facilities, new online channels, and engaged people and partnerships... we highlight these as some of the ways Strathcona County moved forward in 2011... strengthening connections in our community.

Our commitment to revitalize existing parks, open spaces and recreation facilities, within the Open Space and Recreation Facility Strategy, saw great accomplishments in 2011. The Annual Report shares our progress as we invest in a healthy, active and green community.

In 2011, the County expanded its communication connections to support a more open government and engaged community. Webcasting of Council meetings now provides a new way for citizens to keep abreast of the plans and decisions in our municipality. Residents can tune in live, or watch at their convenience. We also built our presence in social media — on Twitter, Facebook and YouTube — to further open up the channels for information and conversation, and to show our lighter side. We trust these new communication vehicles will create more awareness of our services and activities, and spur greater dialogue in County matters.

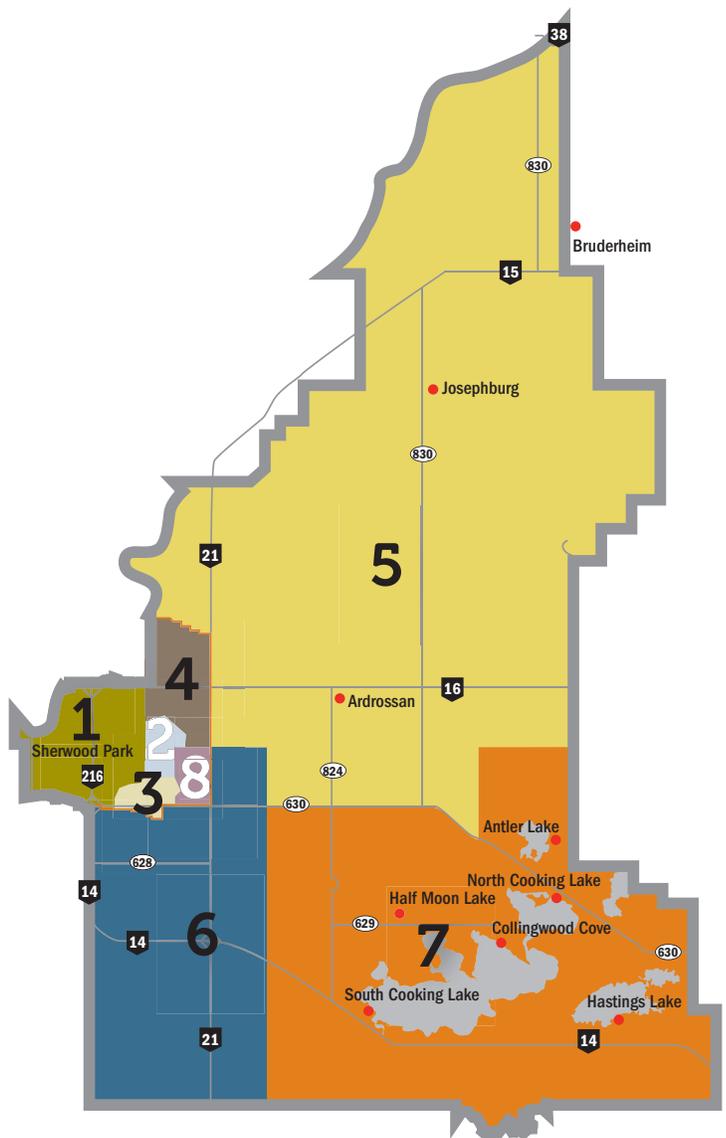


Building relationships and partnerships, and having a collaborative outlook strengthens us. The Annual Report features some great examples of efforts that demonstrate collaboration, from safety and well-being initiatives, to transportation and partnership programs. Much has been achieved through the involvement of an engaged community and knowledgeable staff, and the valued support of the provincial and federal governments.

Through sound fiscal stewardship, Strathcona County continues to provide and invest in quality municipal programs and services that respond to resident, business, industry and community needs.

On behalf of County Council, I also extend our thanks to the groups and individuals who take time to connect with us, on issues and solutions, and contribute in this way to strengthening Strathcona County.

Linda Osinchuk
Mayor





Message from the Chief Commissioner

As I reflect back over the past several years, I am struck by the sheer scope of activity and energy of this community and municipal organization. The theme of this Annual Report is “Strengthening Connections” and in my opinion, the theme is an accurate reflection of our efforts during 2011.

A major connection opportunity is provided by Alberta’s Industrial Heartland Association (AIHA). A partnership of five municipalities – Edmonton, Fort Saskatchewan, Lamont County, Strathcona and Sturgeon Counties – AIHA is reaching out to the other municipalities and senior orders of government, as well as the public and industry, to explain the benefits of upgrader and related petro-chemical business locating within AIHA municipalities. Mayor Linda Osinchuk, as new chair of AIHA, has focused her efforts on spreading this message far and wide.

Although no new Heartland projects within Strathcona County were announced in 2011, the changing relative values of petroleum and natural gas (particularly shale gas) provide exciting new opportunities for development. The five partners in AHIA are working very hard to strengthen our working relationships.

Other external connection opportunities are provided through the Capital Region Board (CRB), and its various sub-committees, on which Mayor Osinchuk and a number of Councillors represent the County. A number of County staff provide technical or strategic advice to these committees. The Mayor and Councillors, and senior administration play important roles with organizations such as the Alberta Association of Municipal Districts and Counties (AAMDC), Alberta Urban Municipal Association (AUMA), and many others — to help to ensure understanding of Strathcona County and its importance within Alberta and Canada.





Equally important are the connections between the County and residents, businesses, and industries. A number of tools are used to communicate, such as the annual customer satisfaction surveys, which have been ongoing for many years. Council meetings are now webcast and the use of social media is expanding. Public consultation on many County projects is now being formalized to ensure continuity and successful engagement. Plans for public consultation on a new Strategic Plan will be developed in 2012.

A number of major construction projects from 2010 continue, such as upgrades to Millennium Place and the Ardrossan Recreation Complex. Fire Station #6, expected to be operational in 2013, has commenced construction. The transit terminal, which was one of only two transit projects in the region to receive Government of Alberta GreenTrip funding in 2011, will commence construction in 2012. Upon completion, this terminal will become the primary hub for transit bus operation within Sherwood Park, connecting to Edmonton service locations and providing much expanded parking for commuters. The Government of Alberta announced funding for completion of the northeast leg of the Anthony Henday Ring Road, targeted for completion in 2016. It will have a

Strathcona County

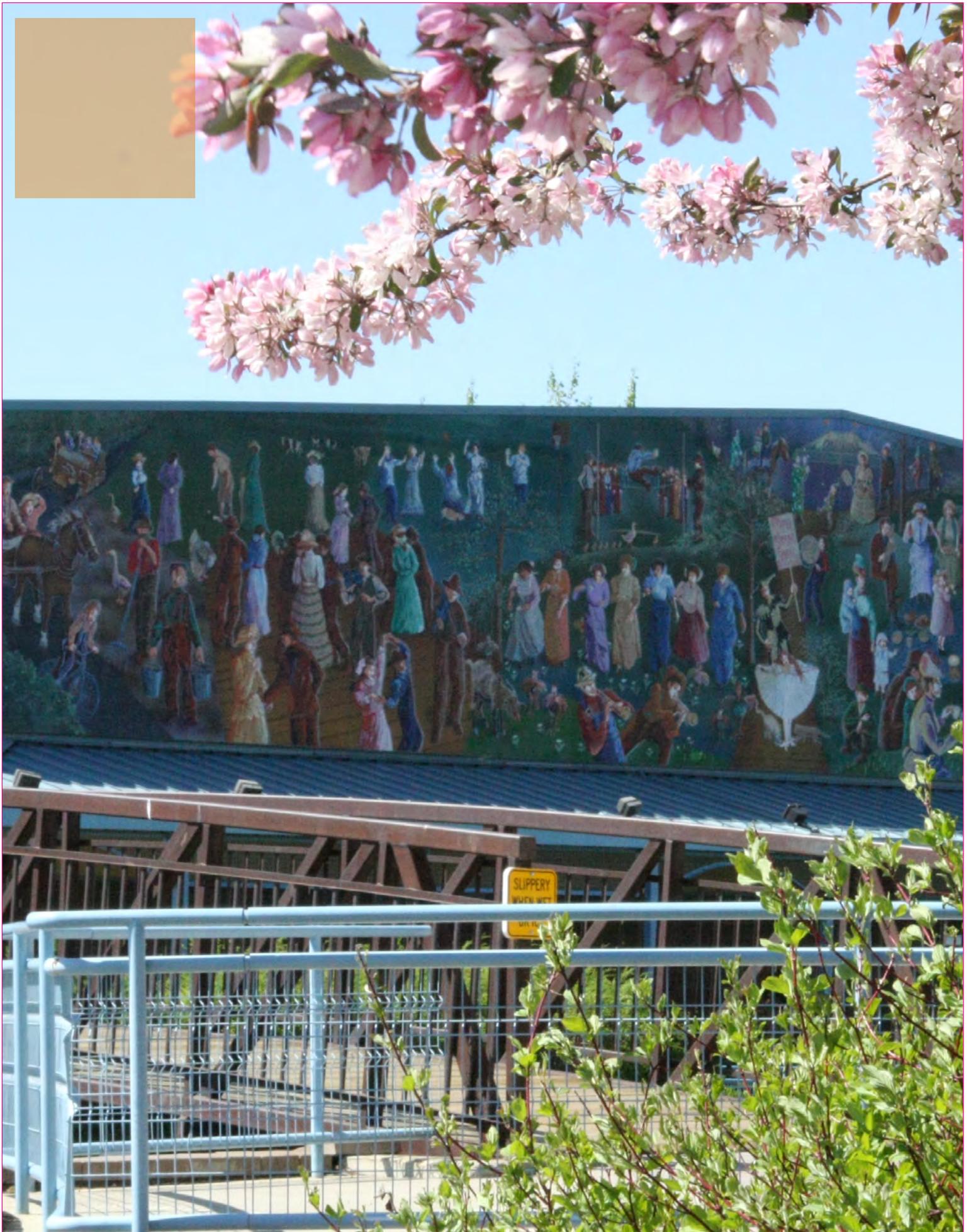
tremendous impact upon our County, improving traffic flows to and from Edmonton and to areas north and west of Sherwood Park.

County Council, in a further action to ensure effective County operations, engaged Russell Farmer & Associates to conduct an “In Pursuit of Excellence” organizational review, which commenced in late 2011. This project, along with many other initiatives, some referred to above, are all aimed at improving internal, local, regional and provincial relationships, and organizational efficiency.

It has become increasingly clear to me over the past several years that Strathcona County has matured into a larger and more complex entity, requiring sophisticated management and strategic thinking to perform the functions of good government. Strathcona County is up to the ongoing challenges. I wish to acknowledge the continual efforts of County staff and County Council to perform our various functions.

Robyn

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





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Strathcona County Profile



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

Approximately 93,000 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 County is classified as a Specialized Municipality in recognition of its combination of urban and rural areas under one municipal government.



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.



Our Strategic Plan

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

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.

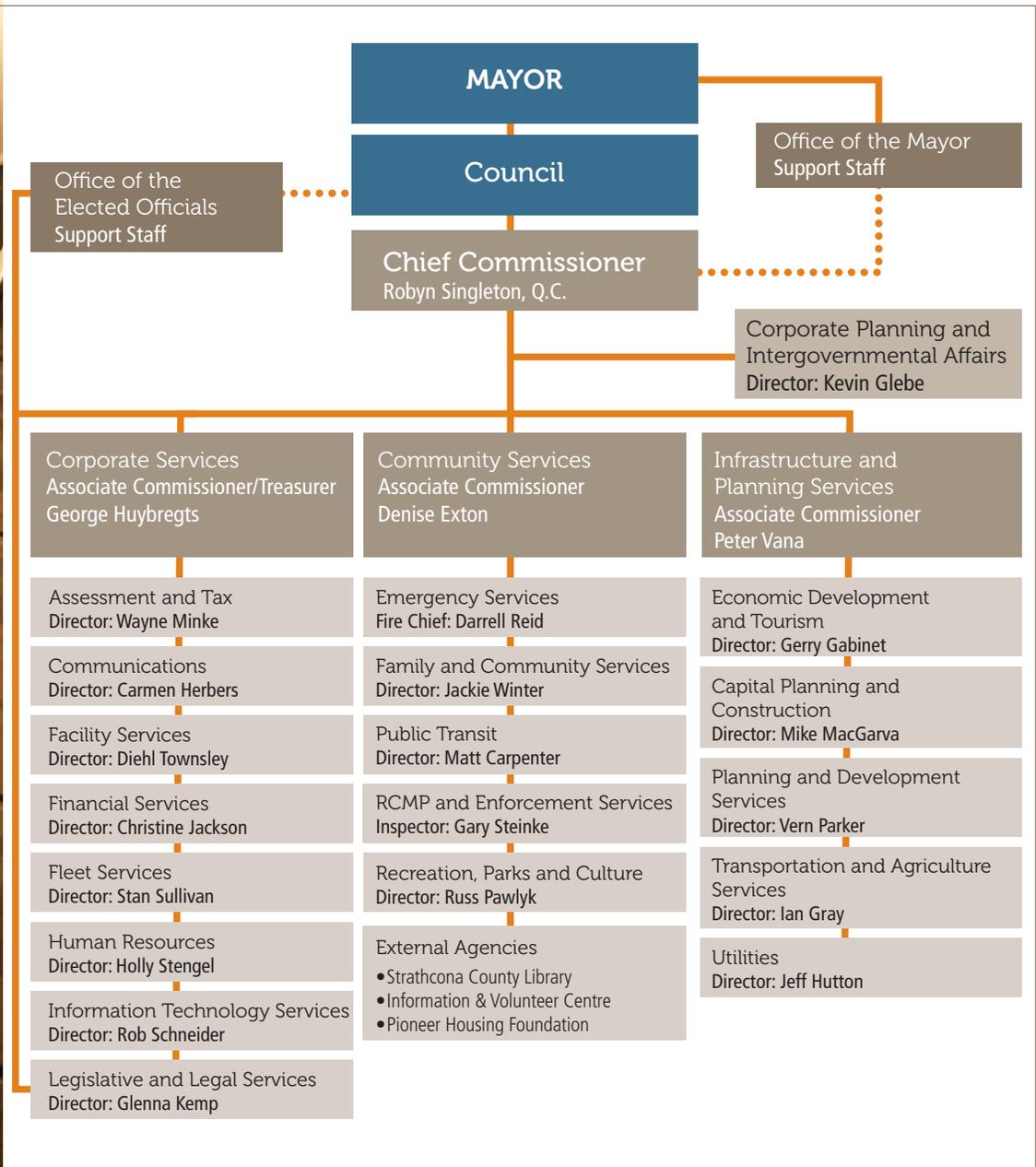
The full Strategic Plan is available at
www.strathcona.ca

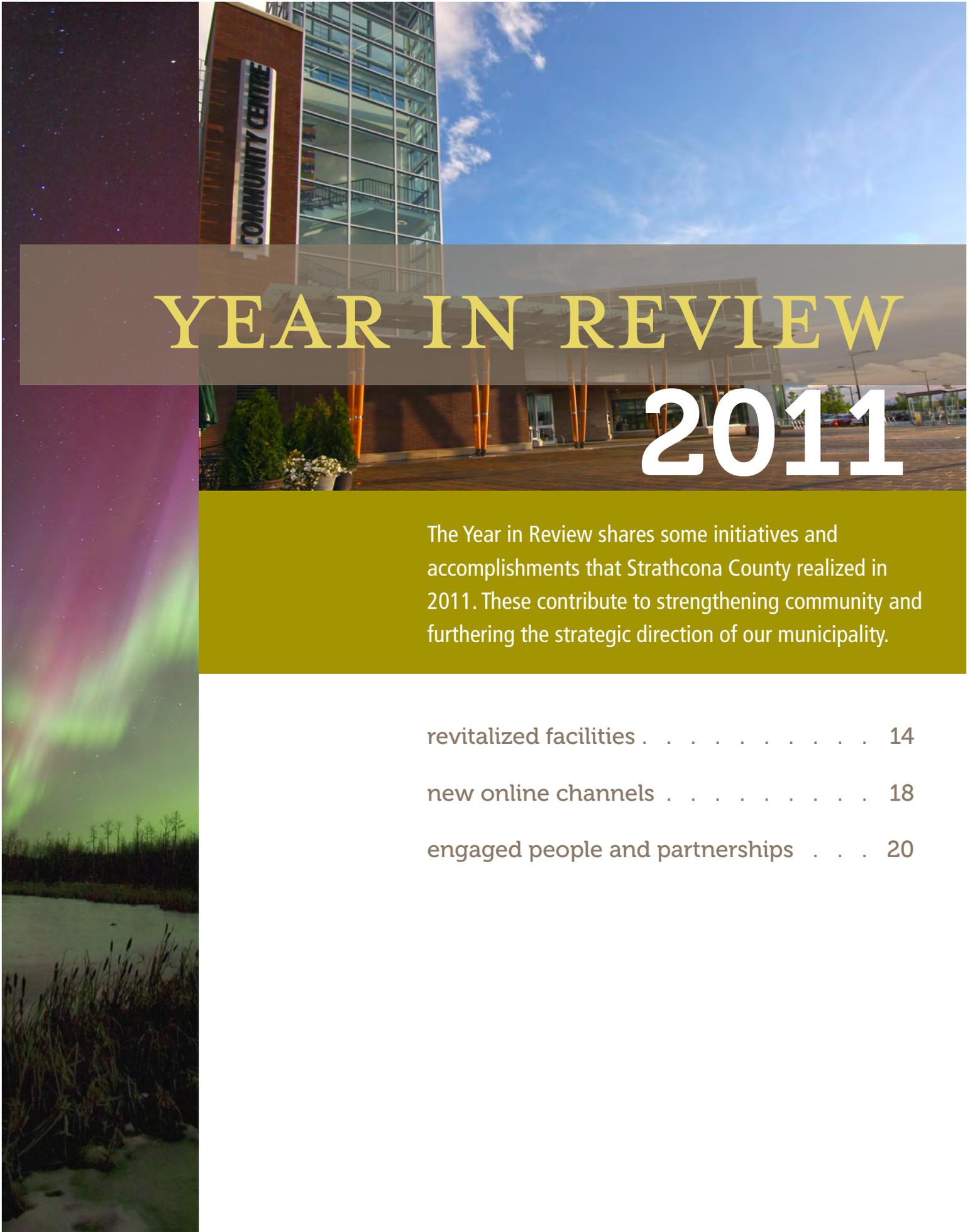
Organizational Structure



Strathcona County Executive Team

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





YEAR IN REVIEW 2011

The Year in Review shares some initiatives and accomplishments that Strathcona County realized in 2011. These contribute to strengthening community and furthering the strategic direction of our municipality.

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revitalized facilities

OPEN SPACE and RECREATION FACILITY STRATEGY — a look back at 2011

In 2008, Strathcona County approved and began Phase One of the Open Space and Recreation Facility Strategy. The strategy was put in place to address a variety of indoor and outdoor requirements that serve the integrated needs of individuals, community groups and program participants of all ages.

Beginning in late 2010 and continuing throughout 2011, three major facility revitalization projects began. These included: the Broadmoor Arena and Clubhouse; Millennium Place; and the Ardrossan Recreation Complex. The focus of Phase One is to enhance public spaces by investing in existing assets, and to improve and expand multiple venues across the County.

By working on these enhancements with our invested community partners, Strathcona County has been able to develop quality active living opportunities that contribute to overall health and wellness in the community. Residents living in Strathcona County and the surrounding communities continue to benefit from access to these recreation programs and services. In a community-wide study, it was revealed that over 15,000 residents are cardholders of the Millennium Card, over 18 per cent of the County's entire population. The study also revealed that 82 per cent of residents had visited an indoor facility; and 84 per cent had used a park, trail or natural area.

Here is a recap of some of the 2011 Open Space and Recreation Facility Strategy progress.

Indoor facilities



Ardrossan Recreation Complex

The upgraded Ardrossan Recreation Complex is scheduled to be completed in summer 2012. While the space has been open in a limited capacity throughout renovations, residents will be able to enjoy a new arena, wellness centre and fitness track, group fitness classes, recreational skating and indoor playground opportunities. The final facility upgrade will include a new floor in the arena so residents can enjoy two full-sized ice surfaces beginning in the fall of 2012.

above: Ardrossan Recreation Complex – artist's rendering

below: Construction photo — running track, looking down to arena and arena seating area



Millennium Place

Three new spaces were opened in 2011. The Leisure Ice doubled in size and continues to offer recreational skate times 12 hours a day, seven days a week. The new Youth Lounge and Gymnasium have been a welcome addition, with a unique interactive playground adding a unique dimension to the space. The expansion of the Edutainment Centre has been completed, with five activity rooms. The new upper east wellness area focuses on functional weight training for patrons. For 2012, work continues on even more wellness spaces, which include fitness studios, a dedicated group cycle studio and a multi-purpose, combative room.



Millennium Place – New Fitness Centre



Millennium Place – New Gym



Millennium Place – Wellness Centre



Broadmoor Arena and Clubhouse

The Broadmoor Arena and Clubhouse have gone through extensive renovations. Both the arena and clubhouse are now open for public use. The arena received new spaces including a new Zamboni and ice plant room. A number of upgrades involved modifying the refrigeration system, dressing room, lobby and rink boards. The newly renovated facility will accommodate off-season arena dry surface use. Clubhouse renovations provide meeting and community event spaces through the addition of a second level overlooking the course. Area golfers have been enjoying the much-improved clubhouse and banquet space.

Open space progress



Clover Bar Ranch Spray Park

Construction of the Clover Bar Ranch Spray Park, an eight-feature spray park with site furniture, opened to the public in the spring of 2011.



Deermound Dog Off-Leash Park

This revitalized dog off-leash park consisted of a trail connection to the Waterton Estates neighbourhood, 2.6 kilometres of walking trails, site furniture, fencing, washroom facilities, plus interpretive signage to add to a dog owner's experience.

McGhan Park Ice Rink

Construction on the McGhan Park Ice Rink started in the fall of 2010 with the removal of the volleyball court and site grading. The full-size outdoor hockey rink, including players boxes and rink lighting, was completed in 2011.



Clarkdale/Chelsea Heights and Sherwood Drive trails

Two multi-use asphalt trails were constructed in 2011: the Clarkdale/Chelsea Heights Trail, which runs east to west through Clarkdale Meadows and continues on the west side of Clover Bar Road through Chelsea Heights; and Sherwood Drive Trail, which runs along the west side of Sherwood Drive from Main Boulevard north to Baseline Road.



Over the next few years

Through continued improvements and community involvement, the Open Space and Recreation Facility Strategy will continue to redesign active living in Strathcona County.

The strategy is a commitment to the revitalization and development of parks, natural areas and trails, and leisure and recreation facilities, to meet needs as the population continues to grow and expand in Sherwood Park and its surrounding communities.

new online channels



WEBCASTING lens on your local government

You have heard of “video on demand.” Now, you can tune into Strathcona County Council Meetings live, or on demand, via the County’s website.

In June 2011, Strathcona County began to regularly webcast Council Meetings, offering the public a real-time video stream of the proceedings online. An indexed archive of each webcast is also made available a day or two after each meeting; the public can watch the Council items that they are interested in, online, at their convenience.

In designing the Community Centre, the new Council Chambers was wired for the webcasting technology. Now three cameras capture Council, administration, and public participants in session to broadcast over the web. The webcasts of the proceedings are not edited. People viewing the webcasts see and hear presenters, and Council discussions and decisions, as if they were in attendance. The number of external viewers per webcast ranged between 40 and 60 in 2011.

The webcasts are also streamed through the County's intranet, proving to be beneficial for County staff. Online they can monitor how quickly the agenda is moving along to time their arrival for an item in Council, or listen to hear the Council discussion that is relevant to their work.

Several departments have been involved in the development or operation of the County's webcasting system, including Facility Services, Communications, Information Technology Services, and Legislative and Legal Services.

Making Council Meetings more accessible and convenient for the community creates greater transparency, further connecting residents with their municipal government.



Social media

follow us  like us  subscribe to our channel 

Getsocial

with Strathcona County

Strathcona County
 public engagement ideas
 community building
 connect
 information
 marketing
 communications
 residents
 customer service
 emergency response
 promotion
 solution
 events
 conversation



Rapidly growing use of social media has created a fundamental societal shift in the way information is conveyed and communicated.

As more and more residents in our community use social media to receive and share information, and communicate their views and opinions, it is important that the County include these web technologies to enhance communications, public engagement and customer service.

While social media was originally conceived for social collaboration, government and businesses are increasingly finding these tools helpful in connecting and achieving business objectives.

Social media offers new communications channels to reach and engage people, where they are in the online world. It can help link residents to the County programs, services and news that they are interested in, and narrow the citizen-to-government gap.

In the County's ongoing efforts to strengthen connections with the community, in May 2011, the County approved a social media policy, accompanied with start-up guidelines. The full launch of County accounts for Twitter, YouTube, Flickr, and four Facebook pages (Strathcona County, Recreation Parks and Culture, Economic Development and Tourism, and Parent Link) followed.

In its ideal, social media is about conversation... listening, learning and sharing on the web. At the end of 2011, Strathcona County's more than 700 Twitter followers, 35 YouTube videos, and growing Facebook posts and comments... all added to richer, fun and more connected dialogue within our community.



engaged people and partnerships

Strong partnerships are at the heart of many of Strathcona County's endeavours and successes. And behind the partnerships are engaged residents, business and community organizations, County staff, and supportive senior orders of government. Here are some of the 2011 highlights.

Community gardens



In 2011, five community gardens were growing strong in Strathcona County: Clover Bar Ranch and Good News Church community gardens were the newest groups, joining Old Man Creek, Bev Facey and Brittany Lane community gardens. Within the community garden groups, a total of 183 garden plots are enjoyed by 335 gardeners. Some locations also involve their members in community and food bank plots. The Parent Link Lil Sprouts Gardeners received special recognition from the Communities in Blooms judges.

Groundbreaking for Fire Station #6

Shovels hit the ground December 16, 2011 to mark the start of construction on Strathcona County's sixth fire station. Located at 915 Bison Way, Sherwood Park, next to the RCMP station, Fire Station #6 is slated to open in early 2013. In addition to being a fully operational fire station, it will also serve as a training facility for Strathcona County fire fighters and a home base for management and administrative teams, Emergency Management, Fire Prevention and Investigation, Occupational Health Safety and Training. The budget for the design, land, building and vehicles is approximately \$20.8 million, with just over half coming from the Government of Alberta's Municipal Sustainability Initiative.



Support to Slave Lake disaster

Strathcona County Emergency Services was the first emergency services department in Alberta asked to provide mutual aid to the Slave Lake disaster. Fire Chief Darrell Reid was asked to assume incident command, and from May 20 to June 1, his team of 36 staff provided leadership in the emergency operations centre and ground support. Representatives from the County's Fleet Services, Facility Services, and Transportation and Agriculture Services also provided support. Many expressions of gratitude have been received from those affected by the disaster.



Strathcona County Crime Prevention and Community Safety Plan

In 2011, the Community Partners in Action Committee (CPAC) developed the Strathcona County Crime Prevention and Community Safety Plan. It includes seven "starting" initiatives to address such issues as property crime reduction, relationship violence, and drugs and alcohol. CPAC is made up of representatives from 20 agencies and organizations. These partners saw the commonalities between the issues they were working on, and recognized the benefits of being able to address multiple social issues and their root causes from the perspectives of multiple sectors, and not in isolation from one another. The province's Safe Communities Innovation Fund supported the plan's development, and community stakeholder involvement helped determine and prioritize initiatives.





Elder Abuse Response Strategy

To create a coordinated response to elder abuse, an Elder Abuse Working Group was established in 2011 involving Strathcona County Family and Community Services, the RCMP, A Safe Place, the Primary Care Network, Alberta Health Services, Covenant Health and the Victorian Order of Nurses. The group is developing elder abuse early identification, screening and response services, as well as community education, to pilot an Elder Abuse Response Team in 2012.



Affordable housing

The Strathcona County's Affordable Housing Implementation Committee, created to assist in funding allocation for new and transitional affordable housing, reported positive news in its 2011 final report. Over three years, more than \$12 million was allocated to housing projects and programs toward the creation of over 200 affordable housing units.

2011 saw the continuation of the first-time home ownership and secondary suites grant programs, and the completion of many affordable housing projects in Strathcona County. Four additional Habitat for Humanity townhouse units in Emerald Hills were completed, and a duplex, also in Emerald Hills, started. This will result in a total of 10 Habitat for Humanity homes in Strathcona County. Also, the Pioneer Housing Foundation started construction on a 69-unit community housing apartment building, Silver Birch Court. This building will provide affordable rental accommodation for residents, including older non-seniors on AISH and single-parent families.

Strathcona County's funding to implement its Affordable Housing Plan has been made possible through the Government of Alberta's Municipal Sustainability Housing Program and Capital Enhancement Program.



Transit Master Plan and new bus terminal

The draft Transit Master Plan was shared for public review in the fall of 2011. The plan is intended to guide the direction of transit planning and development within the County to 2020. It includes improvements on accessible transit service (SCAT), the development of a new central terminal, and improvements to both the local and commuter services.

Earlier in the year, Strathcona County Transit was awarded \$13.6 million in provincial GreenTRIP funding to build a new bus terminal on Bethel Drive. This funding, together with the County's allocation of \$7 million will see a new off-street terminal built with: room for more than 20 buses, an enclosed, heated passenger waiting area, more than 1,200 parking stalls, and an improved kiss' n ride drop-off area. The terminal is expected to break ground in early 2012, and open in late summer 2013.

Biomass module - Community Energy

Strathcona County was awarded a grant by Western Economic Diversification to construct and pilot a biomass combustion system for heating buildings. The module will be connected to the existing Community Energy Centre for Centre in the Park. It will use waste wood (pallets) and cereal crop residue (oat hulls and straw) for fuel. The project is under construction with an expected startup of September 2012.



Road upgrades in Alberta's Industrial Heartland

Roadway upgrades began in 2011 to include seven kilometres on industrial Range Road 220 north of Highway 15, two CN railway crossings and new turning lanes and traffic signals for the Range Road 220 - Highway 15 intersection. Funding for the project is being supported by federal and provincial grants, and contributions from Shell Canada Limited and Strathcona County. The \$18-million project is expected to be completed by late summer 2012 to create a safer and more effective road system for users.



Joint Planning Study

Strathcona County and the City of Edmonton share a 40-kilometre municipal boundary. Along the shared border are a variety of land uses, major transportation corridors and drainage basins. To create a common understanding on risk management, land use, transportation and drainage, the two municipalities are completing a Joint Planning Study that extends approximately 1.6 kilometres on either side of the shared border. The area, which includes a vital economic corridor, could begin to thrive through this plan, rather than be constrained due to proximity to the boundary.



Planning projects

In 2011, Strathcona County undertook a number of planning projects including the Country Residential Area Concept Plan, which received first reading at Council and was forwarded to the Capital Region Board for approval. Policies for the South Cooking Lake Area Structure Plan are being completed to reflect the land use concept as reviewed by the community. Also, work is occurring on the Ardrossan Area Structure Plan, and the Municipal Development Plan is undergoing revisions to ensure it conforms with the Capital Region Growth Plan.



Economic development efforts

Sherwood Park Retail Areas Map (2012)



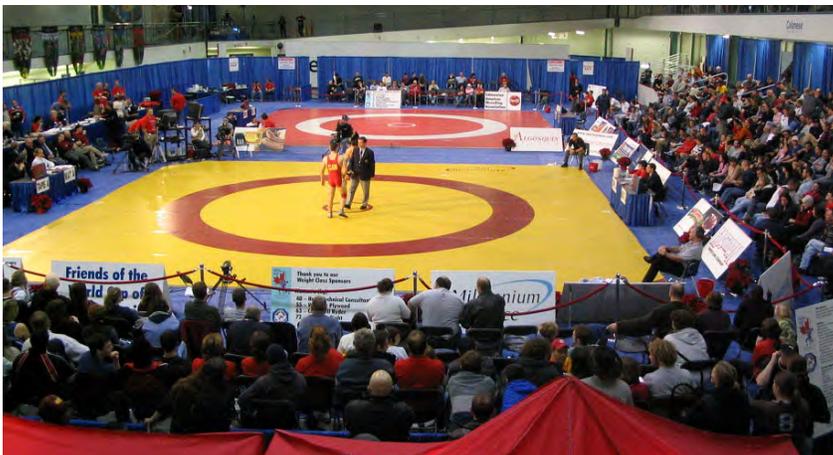
Economic Development and Tourism completed a Retail Market Study, working with real estate developers, brokers and agents to attract new retail in our community. The projection is for over 500,000 square feet over the next two years.

Also, working relationships were established between the Strathcona County “Green Committee” and the Sherwood Park and District Green Committee to focus on six sectors: pollution management, renewable and alternative energy, energy conservation, resource conservation, environmental assessment, sustainable knowledge.



Community Partnership Projects policy

In September 2011, Strathcona County Council approved a new municipal policy to create a systematic approach for building community-based recreation infrastructure. The new Community Partnership Projects (CPP) process assists with responses for new or revitalized infrastructure, evaluating them against projects already identified in the Open Space and Recreation Facility Strategy (OSRFS), any approved Park Master Plans, and “other” related strategies. When a group wants to increase the number of amenities, add specialized amenities or enhance existing infrastructure, a partnership may be necessary as it allows the County to enhance service levels beyond what the municipality can do alone.



Community Recreational Events and Sport Tourism (CREST) investment

A new investment program called CREST launched in 2011 to boost sport-hosting capacity of local sport and community organizations in Strathcona County. Support is available to help offset facility costs associated with staging major sport competitions, from provincial, western Canadian, Canadian to international-calibre events. CREST will be piloted in 2012, then evaluated to determine how to improve the program moving forward.



Art Gallery @501

Strathcona County Art Gallery @501 opened in March of 2011, offering a new and exciting public space to showcase the talents of our local artists, and to inspire our community. The mission of the gallery is to provide access, drawing on collective histories and enhancing knowledge and appreciation of the visual arts through art education and art practice for Strathcona County’s inclusive community.

Facts and Figures on Strathcona County

General Statistical Information



Population

	Total	Sherwood Park	Suburban and rural*
2009 census (municipal)	87,998	61,660	26,338
2011 census (federal)	92,490	64,733	27,757
2012 projected	94,253	66,295	27,958
*Acreages, farms and hamlets			
Increase in population, 2009-2011			5.1%
Increase in population, 2000-2011			33.5%
Average annual growth rate (2011-2012, projected)			2.0%
Number of dwelling units			33,631

(Source: Assessment and Tax roll. Includes farms 1,916 and acreages 7,612.)



Economic development (2011)

No business licence; no business tax

Businesses and organizations in Strathcona County	7,905
(Statistics Canada 2011 - Business Patterns Data)	
Businesses registered in voluntary directory	1,724
Manufacturing	182
Home-based	624
Retail and commercial	325
Other	624
New businesses registered.	105



Served by both CN Rail and CP Rail

Four airports within 30 minutes

Market area (Statistics Canada, 2011 Census)	1,159,867 people
Market share of new single- and multi-family residential development in the metro region	6.2%
(Canada Mortgage and Housing Corp., January 2012)	
\$13.1 billion in major projects announced, under construction and/or recently completed	





Transportation (2011)

Rural roads, County maintained	1, 310 km
Urban roads, County maintained	372 km
Highways, province maintained.	232 km
Transit buses	81
Transit rides	2.3 million
Accessible transportation rides (SCAT)	14,980
Warren Thomas (Josephburg) Aerodrome flights.	30 weekdays 100 weekends

Planning and development services (2011)

Subdivision and rezoning applications	57
Development permits	1,337
Permits for new residential units	454
Value of construction for commercial, industrial, institutional and residential developments	\$299 million



Protective services (2011)

Police officers (RCMP)	89
Peace officers	18
RCMP Victim Services Unit volunteer advocates	38
Fire fighters	130 full-time, 38 part-time
Fire stations	5
<small>Sherwood Park (2), Heartland Hall, South Cooking Lake and Ardrossan</small>	
Emergency calls (fire, ambulance, rescue and dangerous goods) responded to	5,394

Community services (2011)

Counselling services participants	1,600
Home support services - hours/year	46,719
Family day home services - children/month.	199
Senior families directly served through volunteers	71
Community volunteer hours of service.	4,000
Parent link programs	558
Community education participants (workshops and conferences)	1,200
Residents provided with a direct service through partnerships*.	2,870

* (Family and Community services partners with five agencies – Youth Justice, Community Mediation, Big Brothers Big Sisters of Edmonton & Area, Boys and Girls Club of Strathcona County, and Community Adult Learning and Adult Literacy Council – to provide residents with a direct service.)

Did you know?

According to the Information and Volunteer Centre for Strathcona County, residents enjoy a high quality of life thanks to over 400 active community organizations. 51 per cent of Strathcona County residents volunteer.

www.ivcstrathcona.org

Library (2011)

Library, Bookmobile, online visits	1,175,830
Library resources used	1,561,564
Questions asked.	161,683

www.sclibrary.ab.ca



Indoor recreation and cultural services (2011)

Recreation and cultural facilities	12
Community halls	14
Seniors' centres	4
Number of admissions annually at:	
Broadmoor Public Golf Course	40,000+ rounds
Glen Allan Recreation Complex	90,000
Kinsmen Leisure Centre	201,000
Strathcona Wilderness Centre	35,000
Millennium Place	965,000
Festival Place	29,000
Hours of ice time	20,300



Outdoor recreation services (2011)

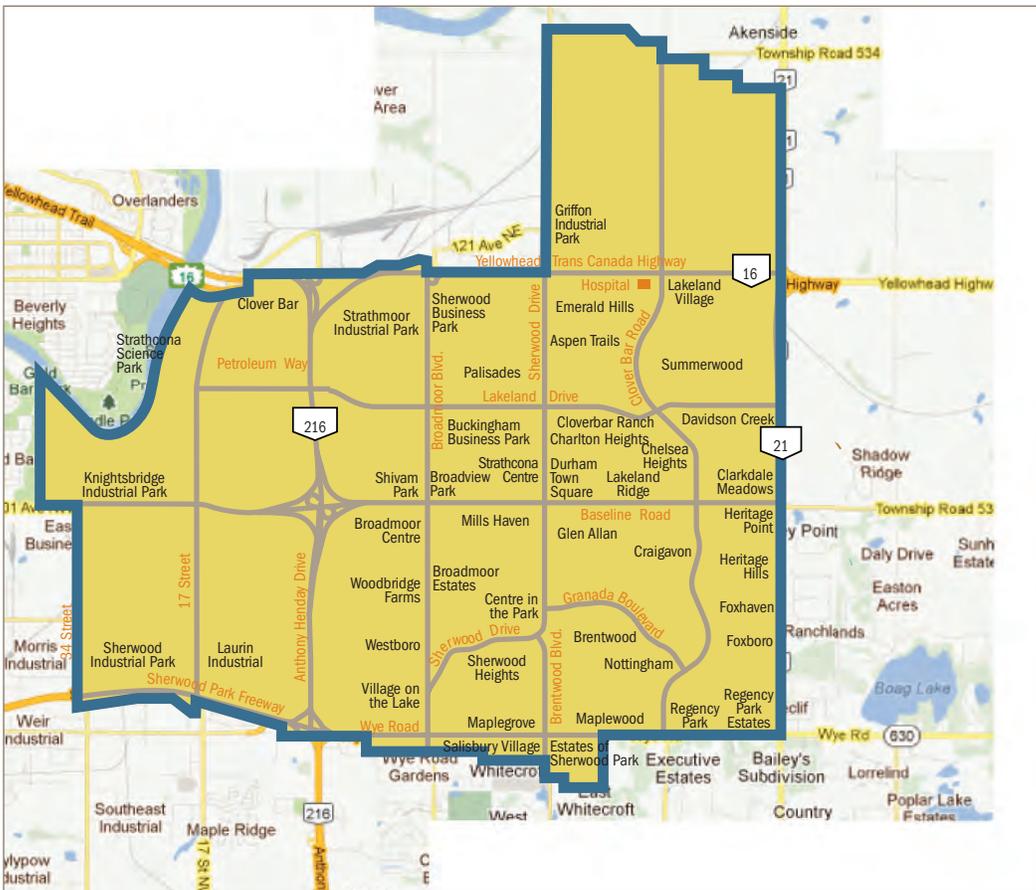
Sports fields and ball diamonds	230
Heritage Parkway Trails	90 km
Natural areas	1,432 hectares
Parkland (developed parks, school and other institutional sites, playing fields, and utility corridors that may include trails)	1,850 hectares
Playgrounds	142
Golf courses (municipal)	1
Tennis courts	19
Outdoor rinks	21



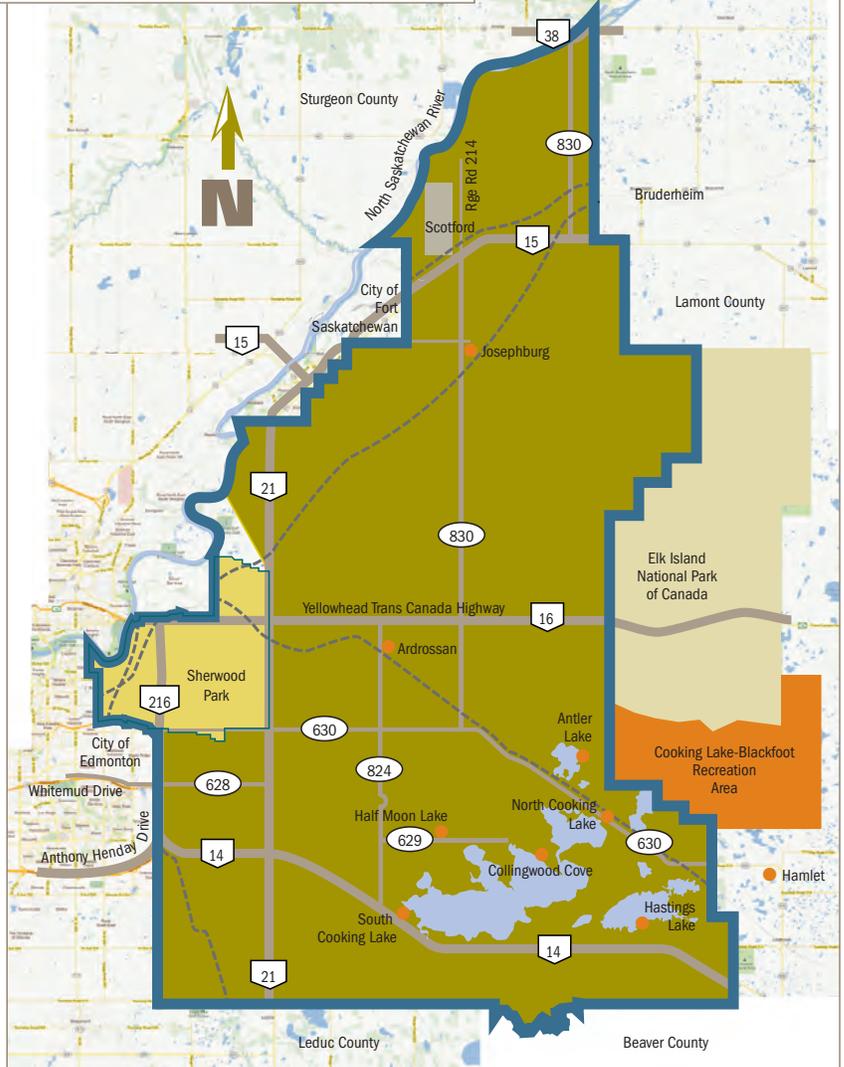
Utility operations (2011)

Water distributed	31.3 million litres/day
Water mains maintained	424 km
Fire hydrants	2,052
Water storage capacity	121.9 million litres
Wastewater treated	21.2 million litres/day
Wastewater mains maintained	370 km
Stormwater mains maintained	311 km
Green Routine achieved 59% diversion from landfill	
Recycling stations	5
Residential waste to landfill	12,329 tonnes
Organics sent for composting	10,635 tonnes
Materials collected for recycling	6,935 tonnes
Enviroservice hazardous waste including electronics	91 tonnes
Scrap metal collected for recycling	239 tonnes





background maps © Google



County-wide area

1,265 square kilometres

- Industrial 7,495 hectares
- Commercial 1,815 hectares
- Residential 15,789 hectares
- Agricultural 85,204 hectares
- Park/recreational/natural 3,317 hectares
- Other: water bodies,
road rights-of-way 13,000 hectares

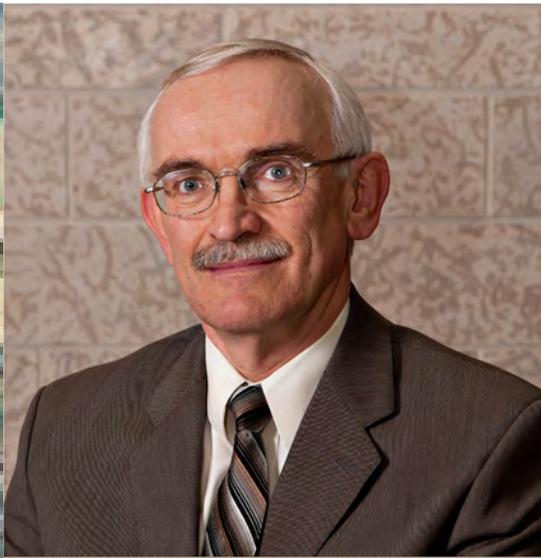
Figures are approximate.



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Financial Statement Discussion and Analysis 30





Financial Statement Discussion and Analysis

Strathcona County's Annual Report provides an opportunity to *Strengthen Connections* by sharing our financial performance results with community stakeholders - residents, businesses and industry. This Financial Statement Discussion and Analysis (FSD&A) is a supplement to the Consolidated Financial Statements that are contained in this report. The FSD&A is provided to enhance the reader's understanding of the County's financial position and enable more informed assessments regarding changes in financial position. The FSD&A offers the reader additional information to assess the accountability of the County with respect to the management of financial resources used to provide municipal infrastructure, programs and services.

The FSD&A should be read in conjunction with the consolidated financial statements and accompanying notes. The consolidated financial statements are prepared in accordance with Canadian public sector accounting standards and consist of the Statements of Financial Position, Operations and Accumulated Surplus, Change in Net Debt, and Cash Flows. Management of Strathcona County is responsible for the preparation and presentation of these statements.

KPMG LLP has audited the consolidated financial statements and provided an unqualified opinion. County Council approved the 2011 audited Consolidated Financial Statements on April 24, 2012. The audit report is an integral part of these financial statements.

Below is a high level overview of the 2011 financial results of the County. Please refer to the Financial Statement Section for the audited financial statements.



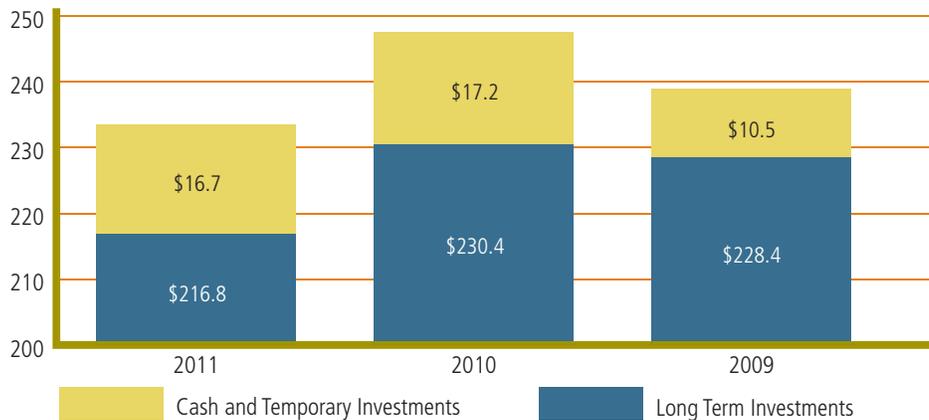
Consolidated Statement of Financial Position Highlights

The consolidated statement of financial position highlights four key figures that together describe the financial position of Strathcona County: (i) the financial assets, (ii) the net financial assets or debt calculated as the difference between the financial assets and liabilities, (iii) the non-financial assets, such as tangible capital assets, held for the provision of services, and (iv) the resulting accumulated surplus. The County's continued investment in municipal infrastructure (tangible capital assets) allows the County to meet its strategic goal of delivering quality programs and services to the community.

Financial Assets

Financial assets are held for specific use and are restricted by the condition of the receipt or agreement, or as designated by council. These assets will be used to fund capital projects and operating programs, as well to discharge financial liabilities (including long term debt). During 2011, financial assets decreased by \$13.4 million. Of the \$268.8 million total financial assets at the end of 2011 (2010: \$282.2 million), \$233.5 million consisted of cash and cash investments (2010: \$247.6 million).

Cash and Cash Investments Trend (in \$ millions)



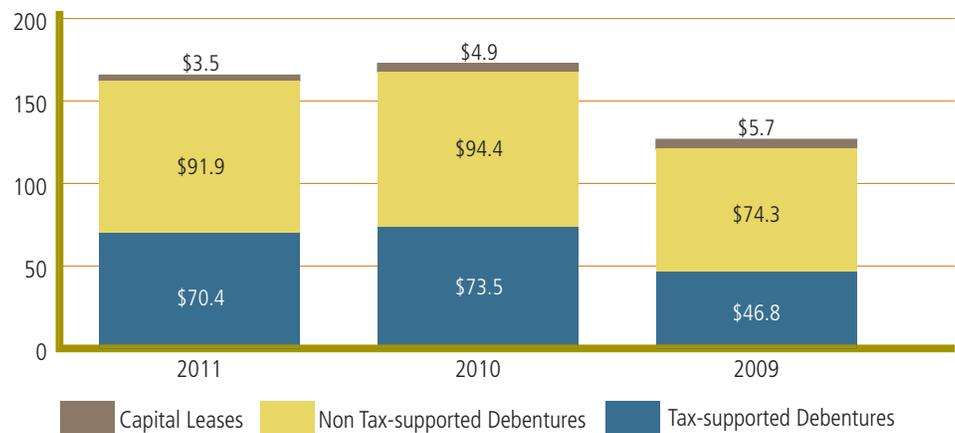
Financial Liabilities

The County's total financial liabilities at the end of 2011 are \$331.7 million (2010: \$348.7 million), a decrease of \$17 million over the prior year. Use of deferred revenue of \$102.2 million (2010: \$101.1 million) and deposit liabilities of \$20.5 million (2010: \$23.8 million) remains restricted until the conditions associated with the revenue have been satisfied.

Long term 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). In 2011, the County's total debt repayments of \$12 million (2010: \$10.9) exceeded new borrowings of \$5.0 million (2010: \$56.9).

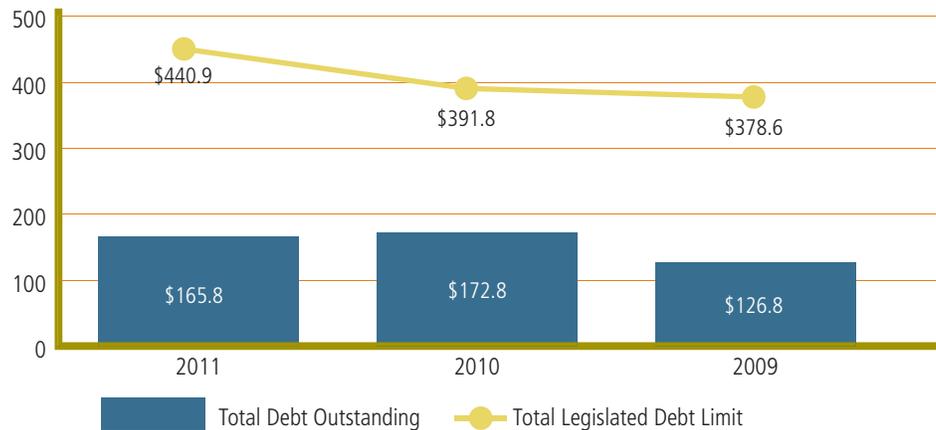
The Provincial Government limits the external debt allowed by a municipality to 1.5 times revenue. While capital leases are used to some extent to finance County capital, the majority of the total debt outstanding of \$165.8 million (2010: \$172.8 million) is debenture debt. All debenture borrowing is obtained from the Alberta Capital Finance Authority which allows the County to leverage the Province's strong debt rating. Interest rates are established at the time of borrowing and remain constant throughout the term of the debenture, eliminating the risk associated with rate fluctuations. The County's debt management activities are also governed by the County's Debt Management Policy FIN-001-025, guiding the County to incur 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. At December 31, 2011, the County was well within the provincial guidelines and its own policy. Total debenture debt per capita approximated \$1,792 (2010: \$1,879).

Total Debt Outstanding (in \$ millions)



Financial Liabilities (continued)

Total Debt Outstanding versus Debt Limit (in \$ millions)

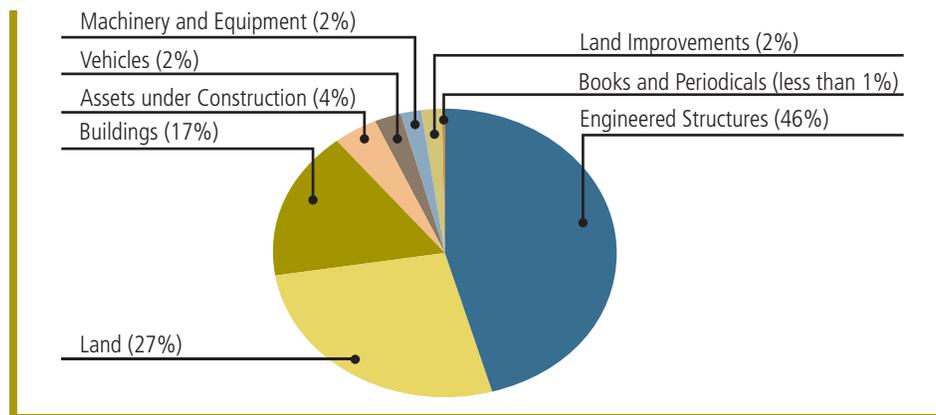


At the end of 2011, the consolidated net debt balance is \$62.9 million (2010: \$66.5 million), a decrease of \$3.6 million from the prior year. This is primarily a result of debt repayment and the use of other resources to fund capital and operating expenditures.

Non-financial Assets

Non-financial assets are \$1.47 billion at the end of 2011 (2010: \$1.40 billion). The increase of \$73 million relates to investments in tangible capital assets, including contributed assets and assets that were either purchased or constructed in the provision of service delivery. Non-financial assets consist of the following: tangible capital assets of \$1,470 million, inventories of supplies of \$0.8 million and prepaid expenses of \$1.6 million.

Tangible Capital Assets Summary



During 2011, the County constructed or purchased assets at a total cost of \$103.5 million (2010: \$129.8 million). Other assets, including developer constructed roads and parks, were contributed at a value of \$12.3 million (2010: \$20.0 million). The County began amortizing \$156.6 million (2010: \$165.6 million) of tangible capital assets that were put into service during the year. At the end of 2011, assets with a value of \$61.2 million (2010: \$110.6 million) remain under construction. Of the total amount spent on capital projects in 2011, 39 per cent or \$40.0 million (2010: \$28.4 million) was funded by government transfers, 7 per cent or \$7.0 million (2010: \$14.1 million) was supported by operations (i.e. property taxes), 5 per cent or \$5.0 million (2010: \$56.9 million) by the issuance of new debt, with the balance supported by development levies and contributions, new capital leases, reserves and other sources.

Non-financial Assets (continued)

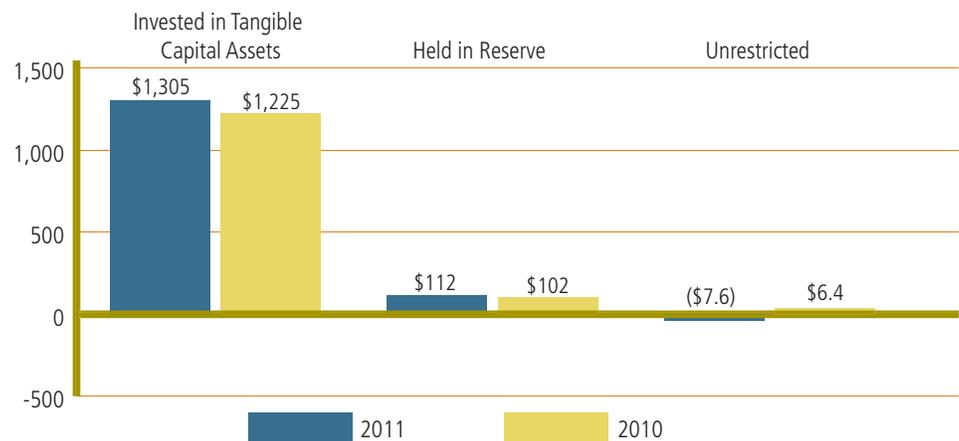
During 2011, the County invested in the following capital projects to maintain or improve community services.

- Recreation Facility Revitalization
- Silver Birch Lodge
- Heartland Road Network
- Strathcona County Water Supply System
- Fleet Replacements
- Baseline Road Improvements and Residential Paving
- Fire Station #6
- Other Facility Improvements

Accumulated Surplus

The County's accumulated surplus at December 31, 2011 is \$1.41 billion (2010: \$1.33 billion), an increase of \$76 million.

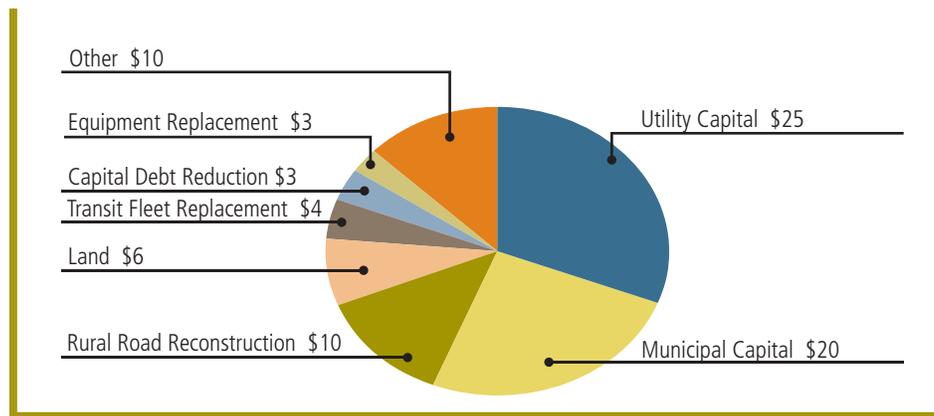
Accumulated Surplus Breakdown (in \$ millions)



Although Reserves are not separately reported in the consolidated financial statements, they are a key area in the financial management and operations of the County. Council establishes reserves by setting aside financial assets to help offset future capital needs, obligations, pressures and costs. These reserves are drawn upon to finance designated capital and operating expenditures, as approved by Council. This process contributes to the economic sustainability of the County by minimizing tax rate fluctuations in the case of unanticipated expenses or revenue shortfalls.

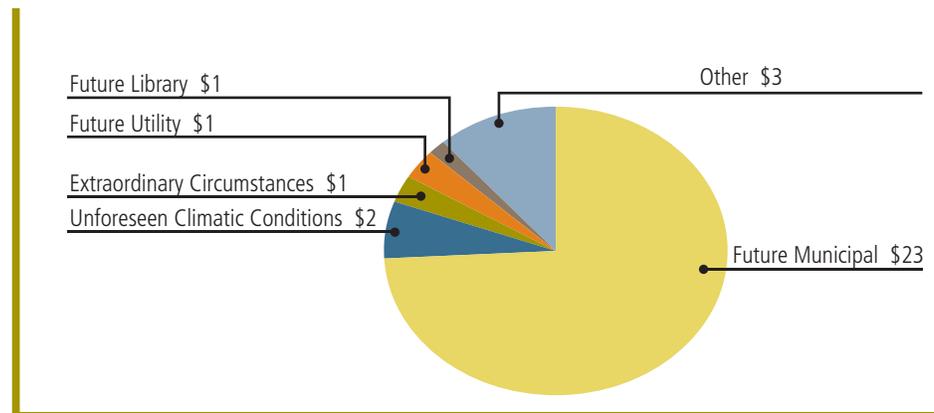
Accumulated Surplus (continued)

Capital Reserves Breakdown (in \$ millions)



Total Capital Reserves are \$81 million

Operating Reserves Breakdown (in \$ millions)



Total Operating Reserves are \$31 million

Consolidated Statement of Operations and Accumulated Surplus Highlights

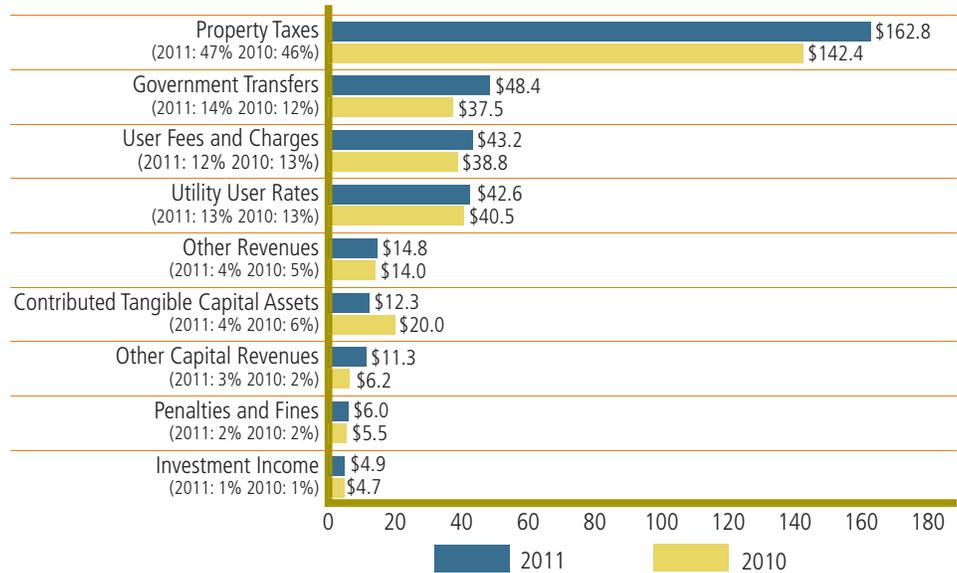
The consolidated statement of operations and accumulated surplus reports the change in accumulated surplus during the year. The statement details the revenues earned less the cost of services provided to County residents.

Revenues

Consolidated revenues for 2011 are \$346.3 million (2010: \$309.6 million), an increase of \$36.7 million or 11.9 per cent from the prior year.

Consolidated Revenues by Type

(in \$ millions and as a percentage of total consolidated expenses)

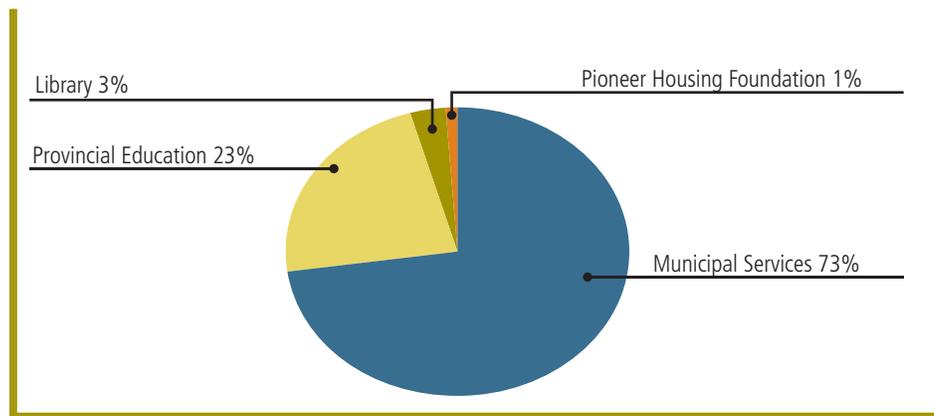


Property tax revenues for municipal, library and Pioneer Housing Foundation operations represent the primary revenue source and are \$162.8 million in 2011 (2010: \$142.4 million), an increase of \$20.4 million. An additional \$13.7 million in supplementary property taxes due to new industrial development, real growth in assessment and a 3.33 per cent tax dollar increase on the consolidated portion of the 2011 tax bill contributed to this increase.

Revenues (continued)

In addition to supporting municipal, library and affordable seniors housing services, property taxes are levied to meet provincial education requisitions submitted to the County for payment. In 2011, the County levied total property taxes (excluding local improvement levies and other taxes) of \$210 million (2010: \$186.7 million), of which \$47.9 million (2010: \$45.5 million) was collected for remittance to the provincial education authorities.

Property Taxes by Requisitioning Authority
(as a percentage of total property taxes levied)

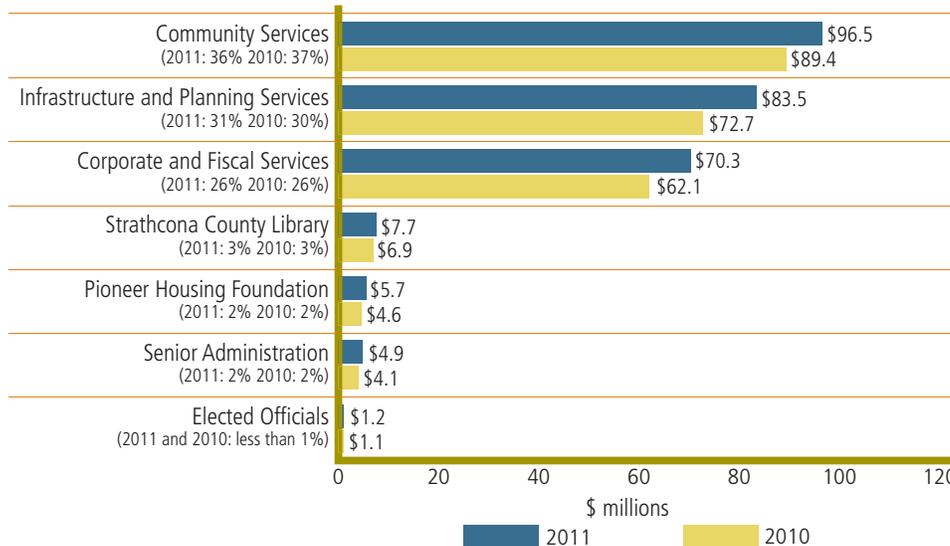


Government receipts are usually non-discretionary and have imposed eligibility criteria and stipulations, which results in these government transfers being set up as liabilities (i.e. deferred revenue). These funds are recognized as revenue as the related eligible expenses are incurred. In 2011, government transfers recognized as revenue is \$48.3 million (2010: \$37.5 million), an increase of \$10.8 million.

Expenses

Consolidated expenses for 2011 were \$269.8 million (2010: \$240.9 million), an increase of \$28.9 million or 12.0 per cent from the prior year.

Consolidated Expenses by Service
(in \$ millions and as a percentage of total consolidated expenses)



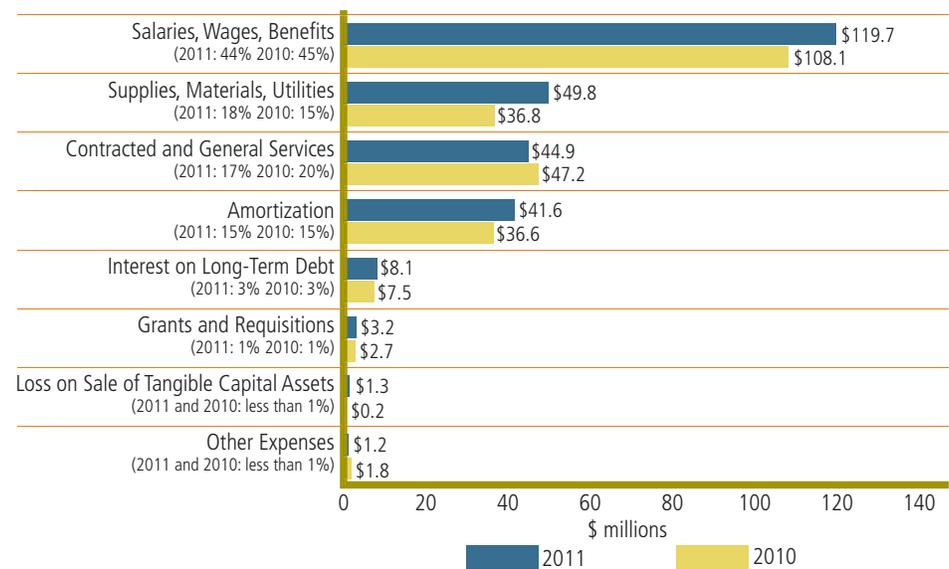
Expenses (continued)

As the County continues to grow, services must also grow.

- The growth in Community Services is primarily due to increased protective services – expenditures increased by \$3.0 million or 14 per cent for Emergency Services and \$1.8 million or 12 per cent for RCMP and Enforcement Services over the prior year.
- During 2011, the Infrastructure and Planning Services division was realigned to better reflect its lines of business. Expenditures increased by \$6.2 million or 15 per cent to maintain, repair and service utility infrastructure. Remaining infrastructure costs required to maintain service levels, increased by \$4.6 million or 4% over the prior year.

Consolidated Expenses by Type

(in \$ millions and as a percentage of total consolidated expenses)



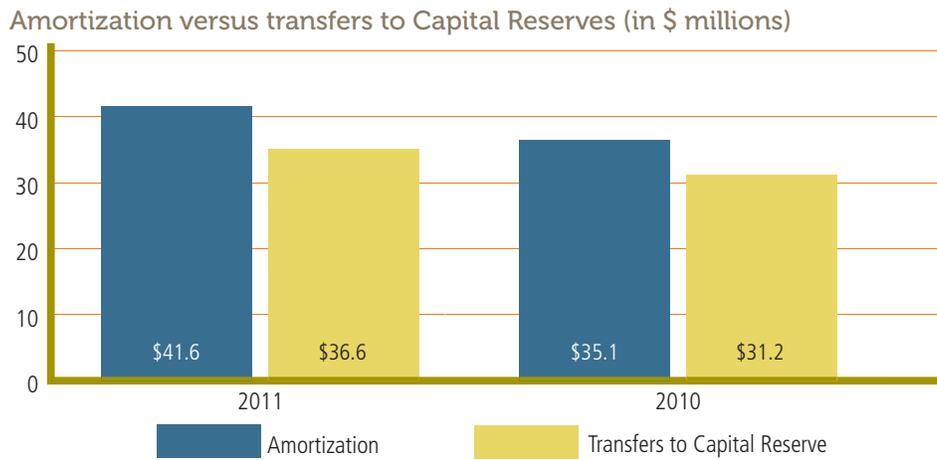
Growth in the County's labour force is required to provide quality services to the increasing number of community stakeholders. In 2011, salaries, wages and benefits were \$119.7 million (2010: \$108.1 million), an increase of \$11.6 million. A total of 1,112 full-time equivalent positions, augmented by temporary, seasonal and casual staff, provide service delivery on a daily basis to residents, business and industry in Strathcona County.

Supplies, materials and utilities in 2011 were \$49.8 million (2010: \$36.8 million), an increase of \$13.0 million, primarily due to utility expenses of \$3.8 million associated with a sewer break. Fuel costs for 2011 were \$3.5 million (2010: \$2.6 million), an increase of \$0.9 million from the prior year primarily due to a 22% increase in the average price per litre of diesel. Other significant expenses contributing to the increase are road oil and electricity.

Contracted and general services in 2011 were \$44.9 million (2010: \$47.2 million), a decrease of \$2.3 million from the prior year. This is primarily a result decreased professional services fees and decreased rental and lease costs due to the opening of the Community Centre in the fall of 2010.

Expenses (continued)

Amortization of tangible capital assets in 2011 was \$41.6 million (2010: \$36.6 million), an increase of \$5.0 million from the prior year. Most tangible capital assets, with the exception of land, have limited useful lives. This fact is recognized by amortizing the cost of tangible capital assets in a rational and systematic manner over their useful lives, ranging from four to ninety years. Amortization expense is an important part of the cost associated with providing government services, regardless of how the acquisition of tangible capital assets is funded. Due to the significance of the County's tangible capital assets, it is important that the County continue to set aside funds to replace its municipal infrastructure when those assets have reached the end of their useful lives.



Annual Surplus

Strathcona County ended 2011 with a surplus of \$76.5 million (2010: \$68.6 million). Of the 2011 surplus, \$6.8 million (2010: \$2.7 million) was designated to capital reserves, \$3.3 million (2010: \$0.3 million) was designated to operating reserves and the remaining surplus was invested in tangible capital assets.

Financial Governance

The County's governance structure requires a review of quarterly financial results to review key indicators of financial position and to assess the performance of the management of the County's financial resources.

County Council's key oversight responsibilities in the area of financial resource management include: approval of the annual operating and capital budget and subsequent amendments, quarterly review of financial results compared to budget, appointment of the auditor, and approval of financial policies.

Budgeting and Financial Reporting

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. The Strategic Plan identifies long-term direction and objectives while the Business Plan identifies actions over a one- to three-year period that contribute to the achievement of those objectives. The business plan, combined with Council priorities and community consultation is used to establish annual budgets. The annual budget allocates the resources necessary to deliver services to the community and undertake the actions identified in the business plan.

The annual operating budget is prepared on the modified cash flow basis which means that certain capital revenues and expenses are not considered. Contributed asset revenue, government transfers and other capital revenues related to capital projects and amortization expense are not included in the development of the annual operating budget. The County uses property tax revenues, reserve transfers and government transfers for operating programs to balance the operating budget.

The annual capital budget is prepared based on the long-term projects of the County's five year plan. A Capital Committee, established by management, carefully reviews current year budget items on a project basis. The annual capital budget is funded through a variety of sources such as government transfers, tax revenues, other capital revenues (including developer contributions and levies) and reserve transfers. Due to the multi-year nature of many of the projects, capital budgets are not directly comparable with current year results.

Accounting Process

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.

Each department within the County is responsible and accountable for managing the delivery of services and programs in accordance with their operating and capital budgets. All departments share a common accounting and reporting system to report their financial results. Oversight and review of departmental financial results is provided by the Financial Services department

Auditing Process

External auditors are appointed annually by Council, as legislated by the Municipal Government Act, and are responsible to report directly to Council with the results of the audit.

Summary

The County's sound financial practices, combined with timely budget preparation in conjunction with its annual business plan, affords community stakeholders 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.

These financial statements are the result of the cooperation and assistance received from departments, the Library and Pioneer Housing Foundation. 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

June 26, 2012





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- Consolidated Statement of Operations and Accumulated Surplus . 47
- Consolidated Statement of Change in Net Debt 48
- Consolidated Statement of Cash Flows 49
- Notes to Consolidated Financial Statements 50



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

April 24, 2012



KPMG LLP
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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, 2011, 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.

Auditor's 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 judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making these 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 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 aspects, the consolidated financial position of Strathcona County as at December 31, 2011, and its consolidated results of operations and its consolidated change in its net debt and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Accountants

April 24, 2012

Strathcona County Consolidated Statement of Financial Position (thousands of dollars)
As at December 31, 2011

	2011	2010 (Note 25)
Financial Assets		
Cash and Temporary Investments (Note 3)	\$ 16,687	\$ 17,195
Accounts Receivable		
Property Taxes	3,019	3,156
Government Transfers	6,393	348
Trade and Other	19,192	24,578
Development Levies and Charges	4,061	3,876
Land Held for Resale (Note 5)	2,625	2,630
Investments (Note 6)	216,782	230,429
	<u>268,759</u>	<u>282,212</u>
Financial Liabilities		
Accounts Payable and Accrued Liabilities	43,071	50,892
Deposit Liabilities (Note 7)	20,524	23,827
Deferred Revenue (Note 8)	102,180	101,072
Provision for Landfill Post-Closure Costs (Note 9)	135	146
Capital Leases (Note 10)	3,516	4,893
Long-Term Debt (Note 11)	162,250	167,908
	<u>331,676</u>	<u>348,738</u>
Net Debt	<u>(62,917)</u>	<u>(66,526)</u>
Non-Financial Assets		
Tangible Capital Assets (Note 13)	1,469,966	1,397,306
Inventories of Supplies	764	554
Prepaid Expenses	1,644	1,672
	<u>1,472,374</u>	<u>1,399,532</u>
Accumulated Surplus (Note 15)	<u>\$ 1,409,457</u>	<u>\$ 1,333,006</u>

Commitments and Contingencies (Note 22)

See accompanying Notes to Consolidated Financial Statements

Strathcona County Consolidated Statement of Operations and Accumulated Surplus (thousands of dollars)
Year ended December 31, 2011

	Budget (Unaudited – Note 24)	2011	2010 (Note 25)
Revenue			
Property Taxes (Note 16)	\$ 165,740	\$ 162,796	\$ 142,431
Government Transfers (Note 17)	23,845	48,346	37,511
Utility User Rates	44,165	42,590	40,547
User Fees and Charges	38,762	43,220	38,787
Penalties and Fines	6,354	5,956	5,480
Investment Income	2,939	4,930	4,712
Other Capital Revenues (Note 18)	2,475	11,323	6,169
Contributed Tangible Capital Assets	—	12,309	19,999
Other	11,807	14,813	13,996
Total Revenue	296,087	346,283	309,632
Expenses			
Infrastructure and Planning Services			
Capital Planning and Construction	4,761	3,666	5,324
Economic Development and Tourism	879	892	851
Planning and Development Services	7,485	7,401	5,503
Transportation and Agriculture Services	22,965	24,331	20,017
Utilities	46,318	47,225	41,033
	82,408	83,515	72,728
Community Services			
Emergency Services	24,861	24,154	21,171
Family and Community Services	6,188	6,538	6,216
Strathcona Transit	15,369	14,879	13,755
RCMP and Enforcement Services	17,769	16,939	15,189
Recreation, Parks and Culture	34,987	34,036	33,080
	99,174	96,546	89,411
Corporate Services			
Corporate Services	30,170	27,997	24,210
Senior Administration	3,822	4,865	4,093
Elected Officials	1,267	1,163	1,087
Fiscal Services	44,226	42,336	37,870
Strathcona County Library	7,384	7,683	6,940
Pioneer Housing Foundation	5,514	5,727	4,644
	92,383	89,771	78,844
Total Expenses	273,965	269,832	240,983
Annual Surplus	22,122	76,451	68,649
Accumulated Surplus, beginning of year (Note 25)	1,333,006	1,333,006	1,264,357
Accumulated Surplus, end of year (Note 15)	\$ 1,355,128	\$ 1,409,457	\$ 1,333,006

See accompanying Notes to Consolidated Financial Statements.

Strathcona County Consolidated Statement of Change in Net Debt (thousands of dollars)
 Year ended December 31, 2011

	Budget (Unaudited – Note 24)	2011	2010
Annual Surplus	\$ 22,122	\$ 76,451	\$ 68,649
Acquisition of Tangible Capital Assets	(52,725)	(103,461)	(129,767)
Contributed Tangible Capital Assets	—	(12,309)	(19,999)
Amortization of Tangible Capital Assets	45,368	41,629	36,561
Loss on Sale of Tangible Capital Assets	—	1,320	190
Proceeds on Sale of Tangible Capital Assets	—	161	377
	<u>14,765</u>	<u>3,791</u>	<u>(43,989)</u>
Acquisition on Inventory of Supplies	(1)	(948)	(991)
Acquisition of Prepaid Expenses	(1)	(2,400)	(2,171)
Use of Inventory of Supplies	1	738	984
Use of Prepaid Expenses	1	2,428	2,077
	<u>—</u>	<u>(182)</u>	<u>(101)</u>
Decrease (Increase) in Net Debt	14,765	3,609	(44,090)
Net Debt, beginning of year	(66,526)	(66,526)	(22,436)
Net Debt, end of year	<u>\$ (51,761)</u>	<u>\$ (62,917)</u>	<u>\$ (66,526)</u>

See accompanying Notes to Consolidated Financial Statements

Strathcona County Consolidated Statement of Cash Flows (thousands of dollars)
Year ended December 31, 2011

	2011	2010
Net Inflow (Outflow) of Cash related to the following activities:		
Operating		
Annual Surplus	\$ 76,451	\$ 68,649
Items Not Involving Cash:		
Contributed Tangible Capital Assets	(12,309)	(19,999)
Amortization	41,629	36,561
Amortization of Premium on Investments	36	193
Loss on Sale of Tangible Capital Assets	1,320	190
Gain on Disposal of Investments	(648)	(809)
Changes to Non-Cash Assets and Liabilities		
Property Taxes Receivable	137	(403)
Government Transfers Receivable	(6,045)	2,949
Trade and Other Receivables	5,386	(9,264)
Development Levies and Charges	(185)	(1,778)
Land Held for Resale	5	58
Accounts Payable and Accrued Liabilities	(7,821)	6,812
Deposit Liabilities	(3,303)	6,094
Deferred Revenue	1,108	2,465
Provision for Landfill Post-Closure Costs	(11)	(154)
Inventories of Supplies	(210)	(7)
Prepaid Expenses	28	(94)
Cash Provided by Operating Activities	95,568	91,463
Capital		
Proceeds from sale of Tangible Capital Assets	161	377
Acquisition of Tangible Capital Assets	(103,461)	(129,767)
Cash Applied to Capital Activities	(103,300)	(129,390)
Investing		
Purchase of New Investments	(188,860)	(189,461)
Proceeds from Investments Matured/Sold	203,119	188,061
Cash Provided by (Applied to) Investing Activities	14,259	(1,400)
Financing		
Capital Leases Issued	669	1,367
Long-Term Debt Issued	4,300	55,526
Capital Leases Repaid	(2,046)	(2,184)
Long-Term Debt Repaid	(9,958)	(8,700)
Cash (Applied to) Provided by Financing Activities	(7,035)	46,009
(Decrease) Increase in cash and temporary investments	(508)	6,682
Cash and Temporary Investments, beginning of year	17,195	10,513
Cash and Temporary Investments, end of year	\$ 16,687	\$ 17,195
Cash Paid for Interest	\$ 8,165	\$ 7,156
Cash Received from Interest	\$ 5,117	\$ 4,240

See accompanying Notes to Consolidated Financial Statements

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

The consolidated financial statements of Strathcona County (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. 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) and Pioneer Housing Foundation (PHF). Inter-organizational transactions and balances between these entities have been eliminated. The Library and PHF are held accountable for the administration of their financial affairs and resources to Strathcona County Council.

ii) Accounting for Housing Management Bodies and School Board Entities

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

B. Related Entities

The County is the sole member of Pioneer Housing Foundation Self-contained Apartment Operations, a management body which was created by Ministerial Order and is governed by the Alberta Housing Act to operate and maintain social housing accommodations in the County. PHF, through an operating agreement with this management body, operates 348 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 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.

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 of which the County is a member are recognized and recorded in the audited consolidated 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.

1. Significant Accounting Policies (continued)

C. 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.

D. Use of Estimates

The preparation of consolidated 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 consolidated financial statements, and the reported amounts of revenue and expenses during the period. Where measurement uncertainty exists, the consolidated 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. 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.

Under the accrual basis of accounting, revenues to be received from local improvement assessments are recognized in full in the period the local improvement project costs are incurred.

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.

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.

1. Significant Accounting Policies (continued)

I. 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.

J. 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.

K. 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. The liability for closure and post-closure care has been recognized based on estimated future expenses.

L. 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 put into service.

1. Significant Accounting Policies (continued)

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.

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. 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.

M. Pension Expenses

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

2. Change in Accounting Policy

The County has early adopted Section PS 3510 Tax Revenue. PS 3510 establishes standards on how to account for and report tax revenue in government financial statements.

Local improvement tax levies are recognized as assets and revenue when the local improvement is constructed and the related bylaw is approved by Council. In prior years, local improvement tax levies were recognized as revenue when the levies were collected.

The change in accounting policy is applied prospectively and resulted in previously unrecorded revenue amounting to \$661 being recognized as property tax revenue at December 31, 2011.

3. Cash and Temporary Investments

	2011	2010
Cash	\$ 11,683	\$ 2,825
Temporary Investments	5,004	14,370
	<u>\$ 16,687</u>	<u>\$ 17,195</u>

Temporary investments comprises term deposits with effective interest rates of 1.00 to 1.24 per cent (2010 – 1.33 to 1.37 per cent) and mature in 90 days or less from the date of acquisition.

4. Available Credit Facilities

The County has an operating line of credit available for use, up to a maximum of \$4,990 (2010 – \$ 5,000), bearing interest at prime rate minus 0.25 per cent and is secured by the County at large. As at December 31, 2011, nil (2010 – 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 (2010 – \$2,449), bearing interest at prime minus 0.50 per cent and is secured by the County at large. As at December 31, 2011, nil (2010 – nil) was drawn against the available acquisition line of credit.

PHF has available a \$100 (2010 – \$100) demand overdraft with interest payable at prime plus 1.00% with security provided by a \$100 overdraft protection agreement, general security agreement and a first charge and interest in the PHF's term deposits in the amount of \$100.

PHF also has available letters of guarantee of \$355 with interest at prime plus 1.00% and security provided by promissory notes totalling \$355 and a first charge on term deposits with a net book value of \$355.

5. Land Held for Resale

	2011	2010
Land Held for Resale	\$ 2,625	\$ 2,630

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. Proceeds from the sale of the land, net of development costs, will be held in reserve for future use.

6. Investments

	2011		2010	
	Carrying Amount	Market Value	Carrying Amount	Market Value
Fixed Income:				
Term Deposits and Notes	\$ 102,355	\$ 102,312	\$ 113,214	\$ 113,161
Government Guaranteed Bonds	110,855	125,754	117,215	122,155
Corporate Bonds	3,572	3,571	—	—
	<u>\$ 216,782</u>	<u>\$ 231,637</u>	<u>\$ 230,429</u>	<u>\$ 235,316</u>

Term deposits and notes, government guaranteed bonds and corporate bonds have effective interest rates of 1.57 to 4.57 per cent (2010 – 1.17 to 4.75 per cent) with maturity dates from January 2012 to March 2030 (2010 – January 2011 to February 2027).

The market 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 \$6,749 (2010 – \$4,814) which has been included in Trade and Other Receivables.

7. Deposit Liabilities

	2011	2010
Security Deposits	\$ 17,696	\$ 21,396
Overlevies	647	230
Damage Deposits	33	75
Land Deposits	2	1
Other Deposits	2,146	2,125
	<u>\$ 20,524</u>	<u>\$ 23,827</u>

8. Deferred Revenue

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

	Balance at December 31, 2010	Contributions	Interest Earned	Contributions Earned	Balance at December 31, 2011
Deferred Capital Grants	\$ 48,478	\$ 40,950	\$ 1,123	\$ (40,494)	\$ 50,057
Deferred Operating Grants	8,344	2,962	175	(8,561)	2,920
Development Levies	41,447	9,114	933	(4,793)	46,701
Other	2,803	7,317	—	(7,618)	2,502
	<u>\$ 101,072</u>	<u>\$ 60,343</u>	<u>\$ 2,231</u>	<u>\$ (61,466)</u>	<u>\$ 102,180</u>

9. 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 \$135 (2010 – \$146).

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.

10. Capital Leases

	2011	2010
Capital Leases	<u>\$ 3,516</u>	<u>\$ 4,893</u>

Capital leases have been issued on the credit and security of the County at large. Capital leases bear interest at rates ranging from 2.38 to 6.55 per cent (2010 – 3.62 to 6.78 per cent) and mature in periods 2012 to 2016.

Capital lease principal and interest payments are due as follows:

	Principal	Interest	Total
2012	\$ 1,732	\$ 132	\$ 1,864
2013	926	63	989
2014	587	26	613
2015	133	10	143
2016	138	4	142
	<u>\$ 3,516</u>	<u>\$ 235</u>	<u>\$ 3,751</u>

11. Long-Term Debt

	2011	2010
Tax-supported Debentures – Municipal – Local Improvements	\$ 661	\$ —
Tax-supported Debentures – Municipal – Other	45,608	49,532
Tax-supported Debentures – Library	24,090	23,941
	70,359	73,473
Non Tax-supported Debentures – Municipal	27,202	29,638
Non Tax-supported Debentures – Utilities	52,327	52,070
Non Tax-supported Debentures – PHF	12,362	12,727
	91,891	94,435
	\$ 162,250	\$ 167,908

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 3.250 to 9.125 per cent (before Provincial subsidy), and matures in periods 2012 through 2036. Through the Municipal Debenture Interest Rebate Program, the Province of Alberta rebates 60 per cent of interest in excess of 8 per cent for qualifying debentures.

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

	Principal	Interest	Total
2012	\$ 10,573	\$ 7,661	\$ 18,234
2013	10,860	7,095	17,955
2014	11,218	6,516	17,734
2015	10,450	5,917	16,367
2016	8,054	5,368	13,422
Thereafter	111,095	44,244	155,339
	\$ 162,250	\$ 76,801	\$ 239,051

12. 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:

	2011	2010
Total Debt Limit	\$ 440,978	\$ 391,840
Total Debt	165,766	172,801
Percentage Used	37.6%	44.1%
Service on Debt Limit	\$ 73,496	\$ 65,307
Service on Debt	20,098	20,190
Percentage Used	27.3%	30.9%

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.

13. Tangible Capital Assets

Cost	Balance at December 31, 2010 <small>(Note 25)</small>	Additions	Contributed Additions	Disposals	Balance at December 31, 2011
Land	\$ 386,522	\$ 5,541	\$ 2,909	\$ (732)	\$ 394,240
Land Improvements	45,788	5,561	5	(255)	51,099
Buildings	258,292	44,922	—	—	303,214
Engineered Structures	871,549	76,694	9,395	(6,946)	950,692
Machinery and Equipment	45,276	7,255	—	(1,140)	51,391
Books and Periodicals	3,803	597	—	(250)	4,150
Vehicles	50,638	12,209	—	(3,704)	59,143
Assets under Construction	110,565	(49,318)	—	—	61,247
Total	\$ 1,772,433	\$ 103,461	\$ 12,309	\$ (13,027)	\$ 1,875,176

Accumulated Amortization	Balance at December 31, 2010	Disposals	Amortization Expense	Balance at December 31, 2011
Land	\$ —	\$ —	\$ —	\$ —
Land Improvements	20,607	(253)	2,273	22,627
Buildings	52,139	—	6,050	58,189
Engineered Structures	260,116	(6,946)	23,932	277,102
Machinery and Equipment	17,813	(1,049)	4,879	21,643
Books and Periodicals	1,455	(250)	398	1,603
Vehicles	22,997	(3,048)	4,097	24,046
Assets under Construction	—	—	—	—
Total	\$ 375,127	\$ (11,546)	\$ 41,629	\$ 405,210

Net Book Value	Balance at December 31, 2010 <small>(Note 25)</small>	Net Book Value December 31, 2011
Land	\$ 386,522	\$ 394,240
Land Improvements	25,181	28,472
Buildings	206,153	245,025
Engineered Structures	611,433	673,590
Machinery and Equipment	27,463	29,748
Books and Periodicals	2,348	2,547
Vehicles	27,641	35,097
Assets under Construction	110,565	61,247
Total	\$ 1,397,306	\$ 1,469,966

13. Tangible Capital Assets (continued)

Cost	Balance at December 31, 2009 (Note 25)	Additions	Contributed Additions	Disposals	Balance at December 31, 2010 (Note 25)
Land	\$ 377,997	\$ 15	\$ 8,539	\$ (29)	\$ 386,522
Land Improvements	43,175	2,946	55	(388)	45,788
Buildings	153,355	106,448	—	(1,511)	258,292
Engineered Structures	847,932	29,241	11,405	(17,029)	871,549
Machinery and Equipment	38,195	8,943	—	(1,862)	45,276
Books and Periodicals	3,039	1,015	—	(251)	3,803
Vehicles	47,981	5,524	—	(2,867)	50,638
Assets under Construction	134,930	(24,365)	—	—	110,565
Total	\$ 1,646,604	\$ 129,767	\$ 19,999	\$ (23,937)	\$ 1,772,433

Accumulated Amortization	Balance at December 31, 2009	Disposals	Amortization Expense	Balance at December 31, 2010
Land	\$ —	\$ —	\$ —	\$ —
Land Improvements	18,890	(377)	2,094	20,607
Buildings	49,597	(1,512)	4,054	52,139
Engineered Structures	254,738	(17,029)	22,407	260,116
Machinery and Equipment	15,309	(1,746)	4,250	17,813
Books and Periodicals	1,324	(251)	382	1,455
Vehicles	22,078	(2,455)	3,374	22,997
Assets under Construction	—	—	—	—
Total	\$ 361,936	\$ (23,370)	\$ 36,561	\$ 375,127

Net Book Value	Balance at December 31, 2009 (Note 25)			Net Book Value December 31, 2010 (Note 25)
Land	\$ 377,997			\$ 386,522
Land Improvements	24,285			25,181
Buildings	103,758			206,153
Engineered Structures	593,194			611,433
Machinery and Equipment	22,886			27,463
Books and Periodicals	1,715			2,348
Vehicles	25,903			27,641
Assets under Construction	134,930			110,565
Total	\$ 1,284,668			\$ 1,397,306

13. Tangible Capital Assets (continued)

A. Assets under Construction

Assets under construction having a value of \$61,247 (2010 – \$110,565) have not been amortized. Amortization of these assets will commence when the asset is put into service.

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 \$12,309 (2010 – \$19,999) comprised of roads infrastructure in the amount of \$2,467 (2010 – \$6,882), water and wastewater infrastructure in the amount of \$6,928 (2010 – \$4,523), land in the amount of \$2,909 (2010 – \$8,539), and land improvements in the amount of \$5 (2010 – \$55).

C. Write-down of Tangible Capital Assets

The County did not write down any tangible capital assets in 2011 or 2010.

14. Invested in Tangible Capital Assets

	2011	2010
		(Note 25)
Tangible Capital Assets – Cost	\$ 1,875,176	\$ 1,772,433
Accumulated Amortization	(405,210)	(375,127)
Capital Leases	(3,516)	(4,893)
Long-Term Debt	(162,250)	(167,908)
Loan Receivable – Local Improvements	661	—
	<u>\$ 1,304,861</u>	<u>\$ 1,224,505</u>

15. Accumulated Surplus

Accumulated surplus comprises unrestricted surplus, invested in tangible capital assets and reserves as follows:

	2011	2010
		(Note 25)
Surplus:		
Unrestricted (Deficit)/Surplus	\$ (7,631)	\$ 6,400
Invested in Tangible Capital Assets	1,304,861	1,224,505
	<u>1,297,230</u>	<u>1,230,905</u>
Reserves:		
Operating Reserves	31,175	27,849
Capital Reserves	81,052	74,252
	<u>112,227</u>	<u>102,101</u>
	<u>\$ 1,409,457</u>	<u>\$ 1,333,006</u>

16. Property Taxes

	Municipal	Provincial	2011	2010
Property Taxes				
Residential and Farmland	\$ 62,670	\$ 35,813	\$ 98,483	\$ 93,671
Commercial and Industrial	93,358	9,951	103,309	84,956
Electric Power and Pipeline	5,852	2,051	7,903	7,815
Government Grants in Lieu of Taxes	242	71	313	230
Local Improvement Levies	661	—	661	140
Other	13	—	13	1,165
	\$ 162,796	\$ 47,886	\$ 210,682	\$ 187,977
Provincial Alberta School Foundation Fund			41,710	39,625
Elk Island CSRD No. 14			6,176	5,909
Provincial Requisitions			47,886	45,534
Pioneer Housing Foundation Self-contained Apartment Operations – change in underlevy			—	12
Taxes on Behalf of Requisitioning Authorities			\$ 47,886	\$ 45,546
Taxes for Provision of Municipal Services			\$ 162,796	\$ 142,431

17. Government Transfers

	2011	2010
Government Transfers for Operations		
Federal Transfers	\$ 130	\$ 157
Provincial Transfers	8,227	8,948
	8,357	9,105
Government Transfers for Capital		
Federal Transfers		
Shared-Cost – CAMRIF	—	1,060
Other Transfers	3,444	1,820
Provincial Transfers		
Shared-Cost – CAMRIF	—	1,060
Other Transfers	36,545	24,466
	39,989	28,406
	\$ 48,346	\$ 37,511

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 capital transfer allocation of \$14,452 under this program. During the year \$1,865 (2010 – \$2,815), which consists of amounts that had been deferred from prior years, was recognized in Provincial transfers for capital. At December 31, 2011, \$2,626 (2010 – \$4,397), including interest of \$94 (2010 – \$124), is deferred to future years.

The Major Community Facilities Program (MCFP) assists communities to plan, upgrade and develop large community-use facilities in order to enhance community life and citizen well-being. In 2009, Strathcona County received \$5,270, of which \$600 (2010 - \$4,511) has been recognized in capital transfers in 2011. A total of \$312 (2010 – \$891), including interest of \$21 (2010 – \$109) remains deferred to future years.

17. Government Transfers (continued)

In 2011, the Provincial government consolidated the Basic Capital Grant, Hamlet Streets Improvement Grant, Rural Transportation Grant and the Provincial Highway Maintenance Grant into a single grant called the Basic Municipal Transportation Grant. During 2011 Strathcona County received \$4,424 (2010 - \$4,424). Revenue of \$4,068 (2010 - \$6,262) has been recognized in operating and capital transfers with a total of \$5,781 (2010 - \$5,274) including interest of \$151 (2010 - \$158) remaining deferred to future years.

The Federal government introduced the Federal Gas Tax Fund (formerly, 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. During 2011 Strathcona County received \$4,904 (2010 - nil), of which \$2,957 (2010 - \$839) has been recognized in capital transfers in 2011. A total of \$12,203 (2010 - \$9,984), including interest of \$272 (2010 - \$216) remains 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 2011, Strathcona County received \$19,109 (2010 - \$18,896) in MSI Capital Funding. A total of \$20,020 (2010 - \$25,930) of the amounts received since inception of the initiative remains deferred to future years, including interest of \$543 (2010 - \$420). During 2011, \$25,562 (2010 - \$8,381) has been recognized in capital transfers, which consists of amounts that had been deferred from prior years plus amounts received in 2011.
- In 2011, Strathcona County received \$1,458 (2010 - \$1,458) in MSI Conditional Operating Funding. A total of \$1,373 (2010 - \$889) of the amounts received since inception of the initiative remains deferred to future years, including interest of \$31 (2010 - \$21). During the year, \$1,005 (2010 - \$1,344) has been recognized in operating and capital transfers, which consists of amounts that had been deferred from prior years plus amounts received in 2011.
- In 2011, Strathcona County received nil (2010 - \$3,413) in MSI Affordable Housing Funding. A total of \$5,815 (2010 - \$6,869) of the amounts received since inception of the initiative remains deferred to future years, including interest of \$138 (2010 - \$124). During the year, \$1,192 (2010 - \$730) has been recognized in operating transfers, which consists of amounts that had been deferred from prior years.

The Provincial government announced the Green Transit Incentives Program (GreenTRIP) in July 2008. GreenTRIP supports new public transit projects that will lead to reduced congestion and greenhouse gas emissions by reducing the number of vehicles on the roads. In 2011, Strathcona County was awarded funding from the Province of Alberta for an amount up to a maximum of \$13,600. At the end of 2011, \$3,303 of this funding has been recognized in capital transfers.

The Resource Road Program was announced by the Provincial government on April 8, 2003. The Resource Road Program provides support for municipal project-specific capital transportation infrastructure projects. During 2011, Strathcona County was awarded funding from the Province of Alberta for an amount up to a maximum of \$3,000. At the end of 2011, \$1,329 of this funding has been recognized in capital transfers with a total of \$1,671 remaining deferred to future years.

The shared-cost agreement government transfers were received pursuant to the County's participation in the Canada - Alberta Rural Infrastructure Fund (CAMRIF). CAMRIF is a cost-shared partnership 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 received \$3,000 of Federal funding and \$3,000 of Provincial funding over the life of the program (2006 - 2010) which was dedicated to one project. The County contributed \$4,439 (including 100 per cent of related GST) to this project.

18. Other Capital Revenues

	2011	2010
Development Levies and Charges	\$ 5,740	\$ 1,096
Developer Contributions	4,775	3,905
Other	808	1,168
	<u>\$ 11,323</u>	<u>\$ 6,169</u>

19. Salaries and Benefits Disclosure

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

	Salaries	Benefits & Allowances	2011	2010
Elected Officials:				
Mayor	\$ 111	\$ 18	\$ 129	\$ 128
Councillor – Ward 1	62	12	74	72
Councillor – Ward 2	62	13	75	74
Councillor – Ward 3	62	13	75	75
Councillor – Ward 4	62	10	72	72
Councillor – Ward 5	62	12	74	73
Councillor – Ward 6	62	12	74	76
Councillor – Ward 7	62	8	70	79
Councillor – Ward 8	62	14	76	75
	<u>\$ 607</u>	<u>\$ 112</u>	<u>\$ 719</u>	<u>\$ 724</u>
Chief Commissioner	<u>\$ 237</u>	<u>\$ 36</u>	<u>\$ 273</u>	<u>\$ 242</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.

20. 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 9.49 per cent (2010 – 9.06 per cent) of pensionable payroll up to the yearly maximum pensionable earnings (YMPE) and 13.13 per cent (2010 – 12.53 per cent) thereafter. Employees of the County are required to make current service contributions of 8.49 per cent (2010 – 8.06 per cent) of pensionable salary up to YMPE, and 12.13 per cent (2010 – 11.53 per cent) thereafter.

Total current service contributions by Strathcona County to LAPP in 2011 were \$7,924 (2010 – \$6,496). Total current service contributions by the employees of Strathcona County to LAPP in 2011 were \$7,370 (2010 – \$5,849).

As stated in their 2010 Annual Report, LAPP serves 206,249 (2009 – 199,849) members and 421 (2009 – 418) employers. It is financed by employer and employee contributions and investment earnings of the LAPP fund.

At December 31, 2010, the Plan reported an actuarial deficiency of \$4.6 billion (2009 – \$4.0 billion). The Local Authorities Pension Plan contribution rates will increase by a total of 0.84 per cent of pensionable salary in 2012 (2011 – 0.93 per cent).

21. Financial Instruments

The County's financial instruments consist of cash and temporary investments, accounts 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.

22. Commitments and Contingencies

A. Capital

As at December 31, 2011, authorized costs on capital projects committed but not expended amounted to \$187,930 (2010 – \$41,967).

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:

2012	\$	159
2013	\$	145
2014	\$	126
2015	\$	11
2016	\$	—

PHF has a lease agreement expiring December 2058, for a nominal value, with respect to its land and is committed to use the land only for affordable housing.

C. Legal Disputes

As at December 31, 2011, 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

Developers have entered into agreements with the County in the amount of approximately \$11,935 (2010 – \$41,526) 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 \$789 (2010 – \$4,051) and letters of credit in the amount of \$4,558 (2010 – \$13,188) 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. As at December 31, 2011 none of these projects have commenced.

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. The County has entered into a second agreement to provide dispatch services for the County and the "Central Emergency Medical Region" of Alberta with an expected end date of March 31, 2013. The "Central Emergency Medical Services Region" includes areas surrounding Edmonton east to the Saskatchewan border.

23. Segmented Information

Segmented information has been identified based upon types of services provided by the County to its residents. The service types 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	2011	Budget (Unaudited – Note 24)
Revenue							
Property Taxes	\$ 153,374	\$ 450	\$ 7,168	\$ 1,833	\$ (29)	\$ 162,796	\$ 165,740
Government Transfers	51,333	889	583	570	(5,029)	48,346	23,845
Utility User Rates	—	42,590	—	—	—	42,590	44,165
User Fees and Charges	34,987	4,730	165	3,338	—	43,220	38,762
Penalties and Fines	5,746	—	210	—	—	5,956	6,354
Investment Income	4,059	710	106	55	—	4,930	2,939
Other Capital Revenues	11,261	48	—	14	—	11,323	2,475
Contributed Tangible Capital Assets	5,381	6,928	—	—	—	12,309	—
Other	13,893	1,185	209	142	(616)	14,813	11,807
Total Revenues	280,034	57,530	8,441	5,952	(5,674)	346,283	296,087
Expenses							
Salaries, Wages and Benefits	105,154	7,073	4,428	3,046	—	119,701	121,413
Contracted and General Services	39,357	12,487	276	159	—	44,883	52,679
Supplies, Material and Utilities	23,617	16,146	227	1,372	—	49,838	41,463
Interest on Long-Term Debt	4,617	2,432	1,088	616	(616)	8,137	9,174
Grants and Requisitions	8,168	—	—	32	(5,058)	3,142	1,669
Amortization	34,795	5,115	1,188	531	—	41,629	45,368
Loss on Asset Disposals	1,323	(3)	—	—	—	1,320	—
Other Expenses	(2,190)	3,976	476	—	—	1,182	2,199
Total Expenses	214,841	47,226	7,683	5,756	(5,674)	269,832	273,965
Annual Surplus	65,193	10,304	758	196	—	76,451	22,122
Accumulated Surplus, beginning of year (Note 25)	1,081,589	237,048	7,512	14,281	(7,424)	1,333,006	1,333,006
Accumulated Surplus, end of year (Note 15)	\$ 1,146,782	\$ 247,352	\$ 8,270	\$ 14,477	\$ (7,424)	\$ 1,409,457	\$ 1,355,128

23. Segmented Information (continued)

	Municipal Operations	Utility Operations	Library Operations	PHF Operations	Eliminations	2010	Budget (Unaudited – Note 24)
Revenue							
Property Taxes	\$ 134,393	\$ 86	\$ 6,206	\$ 1,746	\$ —	\$ 142,431	\$ 142,055
Government Transfers	32,741	3,568	664	3,598	(3,060)	37,511	21,127
Utility User Rates	—	40,547	—	—	—	40,547	41,456
User Fees and Charges	34,881	1,040	136	2,730	—	38,787	35,465
Penalties and Fines	5,334	—	146	—	—	5,480	5,825
Investment Income	3,875	672	118	47	—	4,712	1,950
Capital Revenues	5,067	1,102	—	—	—	6,169	6,982
Contributed Assets	15,476	4,523	—	—	—	19,999	—
Other	12,661	982	652	20	(319)	13,996	12,427
Total Revenues	244,428	52,520	7,922	8,141	(3,379)	309,632	267,287
Expenses							
Salaries, Wages and Benefits	94,953	6,535	3,946	2,638	—	108,072	108,338
Contracted and General Services	37,047	9,017	845	324	—	47,233	47,934
Supplies, Material and Utilities	20,873	14,851	208	865	—	36,797	38,465
Interest on Long-Term Debt	4,418	2,147	830	452	(319)	7,528	7,571
Grants and Requisitions	2,779	—	(8)	—	—	2,771	1,701
Amortization	30,764	4,629	868	300	—	36,561	35,690
Loss (Gain) on Asset Disposals	227	(37)	—	—	—	190	—
Other Expenses	(2,376)	3,891	251	65	—	1,831	1,942
Total Expenses	188,685	41,033	6,940	4,644	(319)	240,983	241,641
Annual Surplus	55,743	11,487	982	3,497	(3,060)	68,649	25,646
Accumulated Surplus, beginning of year (Note 25)	1,025,846	225,561	6,530	10,784	(4,364)	1,264,357	1,264,357
Accumulated Surplus, end of year (Note 15)	\$ 1,081,589	\$ 237,048	\$ 7,512	\$ 14,281	\$ (7,424)	\$ 1,333,006	\$ 1,290,003

24. Budget Data

The unaudited budget data presented in these statements is based on the operating and capital budget approved by Council on December 14, 2010 (2010 – December 15, 2009). The acquisition of tangible capital assets by PHF, contributed tangible capital assets and gain or loss on sale of tangible capital assets were not contemplated on development of the budget and, as such, have not been included.

25. Comparative Figures

A. Recasted Figures Summary

In 2009, the County implemented PSAB section 3150 Tangible Capital Assets which required local governments to record and amortize their tangible capital assets in their financial statements. When the County implemented this accounting policy change, lands held for resale were inadvertently included in both financial assets and tangible capital assets. The effect of this correction was to reduce both the value of the land and accumulated surplus by \$8,324 effective January 1, 2009.

Accumulated Surplus at December 31, 2009	<u>2009</u>
Accumulated Surplus, as previously reported	\$ 1,272,681
Restatement to Tangible Capital Assets	<u>(8,324)</u>
Accumulated Surplus at December 31, 2009, as restated	<u>\$ 1,264,357</u>
Accumulated Surplus at December 31, 2010	<u>2010</u>
Accumulated Surplus, as previously reported	\$ 1,341,330
Restatement to Tangible Capital Assets	<u>(8,324)</u>
Accumulated Surplus at December 31, 2010, as restated	<u>\$ 1,333,006</u>

B. Comparative Figures

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



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2012 Budget Highlights 68



2012 Budget Highlights



Operating expenses (\$ millions)

2012 Operating expenses	\$297.8
Municipal	\$233.7
Utility	\$48.9
Library	\$9.2
Pioneer Housing Foundation	\$6.0

Capital project approval (\$ millions)

2012 Capital project approvals	\$101.0
Municipal	\$90.0
Utility	\$10.4
Library	\$0.6

2012 allocation of each dollar of residential property tax

Municipal services	59.8¢
Education	37.0¢
Library	2.2¢
Pioneer Housing Foundation	1.0¢

2012 planned distribution of a municipal tax dollar



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Transportation (roads)	31¢
Fire, ambulance, police	25¢
Recreation, parks and culture	21¢
Public transit	11¢
Planning and development	5¢
Agriculture	3¢
Family and community services	3¢
Economic development and tourism	1¢

\$1.00

2012 estimated municipal regular property tax (\$ millions)

Residential farmland	\$63.2
Industrial machinery and equipment	\$76.2
Commercial, other industrial and linear	\$32.7
Total projected	\$172.1

Municipal property tax structure

The 2012 tax rate was approved in April 2012

Residential and farmland	4.2915 mills
Commercial and industrial	8.3957 mills
Machinery and equipment	8.3957 mills
Linear (power and pipeline)	8.3957 mills





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Strengthening Connections

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