

STRATHCONA COUNTY, ALBERTA, CANADA

# 2014 Annual Report

For the year ended December 31, 2014



**EMPOWER** *community spirit*



**GROW** *plan wise*



**SHIFT** *priority focus*



**ENGAGE** *open access*

**STRATHCONA COUNTY, ALBERTA, CANADA**

# 2014 Annual Report

For the year ended December 31, 2014

Prepared by Strathcona County Financial Services and  
Communications, with support from civic departments.

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**STRATHCONA  
COUNTY**

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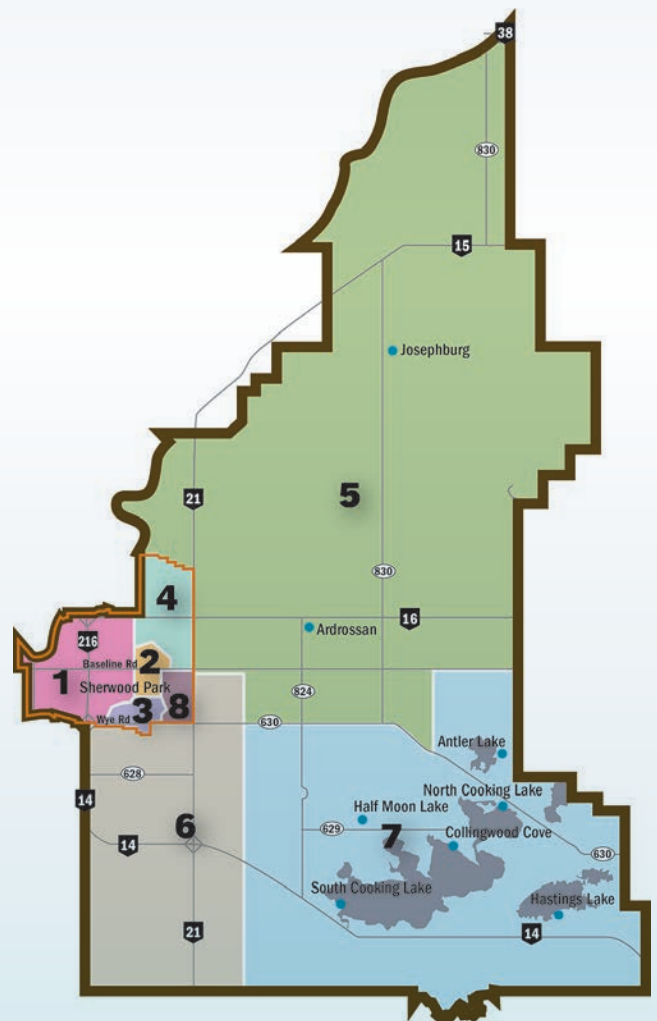
## Strathcona County Council

Left to right:

Councillor Brian Botterill	Ward 3
Councillor Paul Smith	Ward 5
Councillor Bonnie Riddell	Ward 7
Councillor Vic Bidzinski	Ward 1
Mayor Roxanne Carr	Strathcona County
Councillor Linton Delainey	Ward 6
Councillor Carla Howatt	Ward 4
Councillor Fiona Beland-Quest	Ward 8
Councillor Dave Anderson	Ward 2

### A specialized municipality

Effective January 1, 1996, Strathcona County was granted status as a specialized municipality by the Province of Alberta. Specialized municipality status means the Province of Alberta recognizes Sherwood Park and the surrounding Urban Service Area as equivalent to a city for purposes of programs and grants. Rural Strathcona County; meanwhile, is recognized as equivalent to a municipal district for programs and grant purposes. This classification provides for the unique needs of a municipality that includes both a large urban centre and a significant rural area and population.



## Message from your Mayor and Council

### Reflecting on an action-packed year



In 2014, our County celebrated a number of major milestones that are improving our residents' quality of life. 2014 was a year of transition and making good on past promises. It was also a time for our newly-elected Council to establish itself as a team

and strengthen our relationships with the Sherwood Park & District Chamber of Commerce and local MLAs.

Working with administration, we shifted from a modified incremental budgeting process to priority-based business planning and budgeting methods. The priorities defined in our strategic plan provide focus to our corporate and department business plans, and act as a filter for all of our budget decisions. We're also working hard to enhance our accountability and transparency through routine disclosure of information. With this in mind, we launched our Open Data portal that provides municipal data in an easily accessible and freely available way.

The issue of growth has been on the agenda of several past Councils. This Council is determined to make the tough decisions. In 2014, we accepted the Imagine Bremner Growth Management Strategy for information and directed administration to commission the Colchester Growth Management Strategy. As part of our Mature Neighbourhood Strategy, we formed a Citizens' Task Force to work on an Urban Form and Character Assessment for the mature neighbourhoods. The group gathered valuable feedback from residents that will ensure the technical analysis reflects what residents consider to be the defining character features of mature neighbourhoods.

Our County transit routes underwent the biggest change since the service began in 1977. The \$23 million Bethel Transit Terminal acts as a transportation hub, anchoring inter-municipal transit services between Strathcona County and Edmonton and serving as a base for local bus service in Sherwood Park.

Two very special milestones were the official opening of the Goodwill Centre and County Clothesline's 30th anniversary celebration. County Clothesline is a core supporter of our municipality and has given \$1.6 million back to our community since its inception. Goodwill Industries Alberta expanded its donation operation to a

full retail store and a career centre to offer employment training and job placement to residents who have unique abilities.

We introduced our first Community Leadership Series to engage local leaders, and the wider community, in conversations about livable communities and what these could look like into the future. We also introduced a brand new community fundraiser—the Mayor's Battle of Strathcona Chefs. Thanks to an energetic team of volunteers, this cook-off raised more than \$13,000 that was awarded to the Strathcona Food Bank and culinary arts scholarships.

Agriculture has a long history in our County and is by far the largest and most prominent land use within the County. In 2014, we wrapped-up Phase 2 of our Agriculture Master Plan. When all phases are complete, this plan will provide a framework that will guide how the County will support and plan for agriculture today and into the future.

Good recreation facilities are essential to keep our residents healthy and fit. Our Open Space and Recreation Facility Strategy has served this community well, resulting in a revitalized Broadmoor Arena, new arena and walking track at Ardrossan, and new artificial turf. We also had the pleasure of welcoming the nation to the 2014 Canada 55+ Games and the Tour of Alberta.

Looking forward, the interest and intensity focused around the development of the Capital Region Board Growth Update Plan is ramping up, due to the critical issues related to where and how we grow. As a whole, Council is really looking forward to the Colchester Growth Management Strategy coming forward to Council in late 2015, and a revised Municipal Development Plan.

We also look ahead to the kick-off of County Connect, a service request and tracking system that will enhance our customer service.

Yes, 2014 was an action-packed year. We made the shift to focus on priorities, took steps to plan wisely for growth, opened our municipality to more meaningful citizen engagement and empowered community spirit.

Roxanne Carr, Mayor  
Strathcona County

## Message from the Chief Commissioner

Priority focus ... open and building ... community spirit that makes things happen ...



... Apt words to describe Strathcona County's journey in 2014.

Milestones during the year include completion of the Bremner Growth Management Study, and approval to proceed with a comparable study of

Colchester. Once wrapped up, these studies will provide Council with the data required to assess the relative benefits and costs of potential growth nodes, and to make the best decision for this community about its next stage of growth.

Strathcona County demonstrated leadership in the successful launch of SC Alerts, completion of the Bethel Transit Terminal, and opening of Fire Station 6. An Open Data portal, launched in February, supports transparency, and provides a way to share municipal data in easily accessible and freely available formats.

A four-year corporate business plan, approved late in the year, set the context for the 2015 Budget and created a bridge from Council's strategic plan and vision to operational work being done by the departments. These linkages will only get stronger, as Council continues to build on their own and the community's priorities, being mindful of the longer term, and responsive to the day-to-day requirements.

This corporate business plan is a first for the organization, and signifies a fundamental shift in how resources are allocated and the way our organization works.

Focusing resources with attention on priorities—the programs and services that matter most to our residents—will increase citizen satisfaction, better control costs, and enable the organization to be more adaptable in a changing world. We will continue to refine our business planning and budgeting process, creating more diverse and effective tools to engage the community, set priorities, and measure and report on our performance.

Once complete, I believe Strathcona County's approach to priority-based business planning and budgeting will set the standard in terms of how municipalities plan and deliver sustainable programs and services.

I would also like to acknowledge the incredible energy and spirit in this community, and the great things that makes possible. Thanks in large part to a great number of community volunteers, Strathcona County was lauded for successfully hosting the Canada 55+ Games and a second Tour of Alberta.

During the games, visitors from across the country got a good look at our community and what our people can accomplish. At the event, I was approached several times by participants who wondered out loud just how the next community was going to match the County's performance in pulling off "the best games ever!"

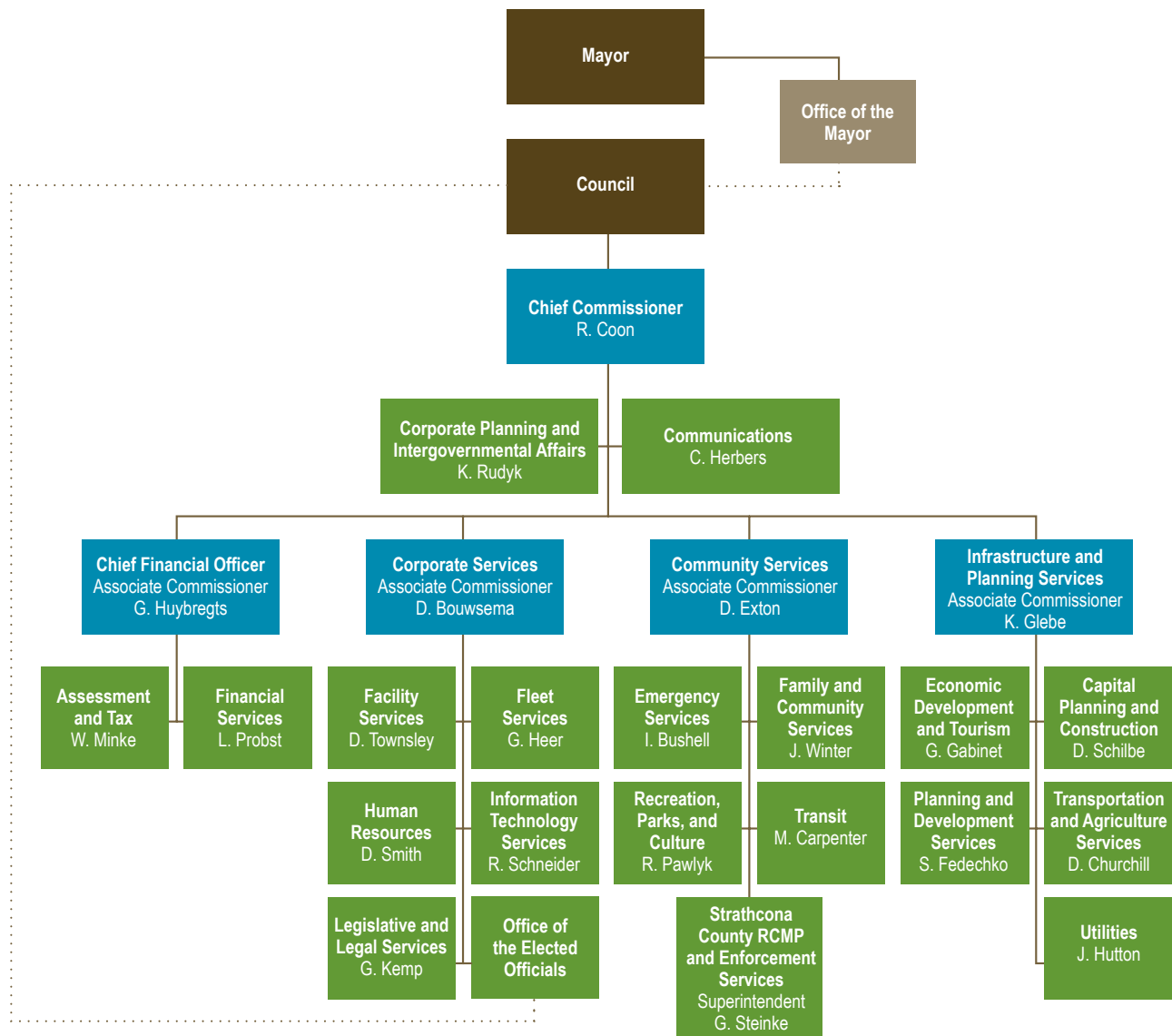
It was with the view of leveraging the power of our community last fall that we introduced the first Community Leadership Series, "Conversations on the future of our communities." This two-day event featured an intimate evening with two Canadian icons. The following day, leaders from our community and the region were invited to a workshop. In both instances, our goal was to generate conversations about the future of our community, building on the ideas of world-renowned thought leaders about what makes a community great.

I look forward to continued success ahead. With Council's leadership and the hard work and willingness of Strathcona County staff, I have every confidence in a positive and well positioned future for our organization and community.

Rob Coon  
Chief Commissioner, Strathcona County



## Our organizational structure



## Strathcona County Executive Team

Left to right: Darlene Bouwsema, George Huybrechts, Rob Coon, Kevin Glebe, Denise Exton



## Strathcona County profile

Set in the centre of Alberta's energy and agricultural heartland, Strathcona County is a thriving, successful and vibrant community of more than 92,000 residents. Within a county-wide area of 1,265 square kilometres, Strathcona County is made up of the urban area of Sherwood Park, and a large rural area of farms, acreages and smaller hamlets.

- **We are Canada's energy engine**  
... home to 75 per cent of refining in Western Canada
- **We empower and enable your success**  
... a municipality that supports its citizens in reaching their highest aspirations, that strives to provide quality, efficiently run programs and services
- **We are a community of choice**  
... Strathcona County ranked #3 out of 200 Canadian municipalities in MoneySense magazine's Best Places to Live - 2014

## A glance at our strategic plan

### Vision

#### Living in Strathcona County

Strathcona County, located in the heart of Alberta, is an energetic and thriving community. A leader in North America's petroleum industry and a champion for advancing diverse agricultural business, we use our energy to power our new tomorrow.

We are a specialized municipality, and work cooperatively with our urban and rural residents to govern as a single municipality. Proud of our distinct governance model, we promote and demonstrate our achievements.

We are a welcoming place to live and attract people of all ages, cultures and walks of life to come join us. Families thrive in our dynamic, caring and safe community.

We strive to be a model of ecological integrity, protecting our environment and preserving our agricultural heritage. Investment in infrastructure, quality services, cultural, recreational programs and facilities is a priority and sets us apart.

We are Canada's most livable community.

## Community-wide priority areas

### Economy

- World leader in petrochemical cluster
- Effective and efficient municipal infrastructure
- Diverse economy

### Governance

- Cooperative partnerships with community, business, industry and neighbouring governments

### Social

- Helping, caring and safe community
- Healthy and active community

### Cultural

- Vibrant, creative community

### Environment

- Protect our environment and preserve biodiversity

### Strategic goals

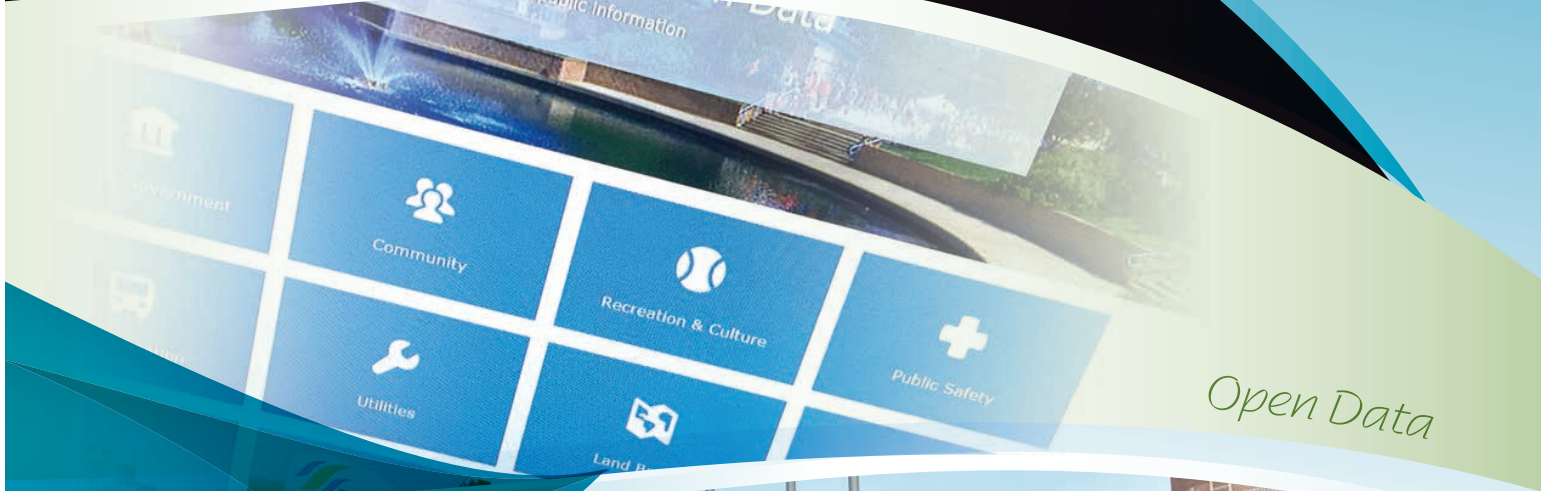
1. Strategically manage, invest and plan for sustainable municipal infrastructure
2. Increase and diversify the petrochemical business
3. Increase public involvement and communicate with the community on issues affecting the County's future
4. Advance the community's interests by developing and maintaining strong relationships with our neighbouring municipalities and civic organizations to ensure long-term prosperity
5. Increase and diversify agricultural business and technologies
6. Promote Strathcona County locally, nationally and internationally as a place that is open for a wide range of diverse business and investment
7. Build strong neighbourhoods/communities to support the diverse needs of our residents
8. Provide a climate of safety for individuals in homes, neighbourhoods and public places
9. Improve the efficiency of resource usage; minimize the volume of waste and its impact on the economy
10. Biodiversity strategic goal: to be created
11. Facilities and activities are available, accessible and used by residents
12. Define and strengthen the community's identity and heritage

The 2015 – 2018 Corporate Business Plan focuses on one through four as the top four prioritized strategic goals for this planning period. Intentionally focusing alignment with the top four goals sets the stage for optimal success—we will excel in doing the important things well and ensure that our capacity to provide services is maintained over the long term and in any economic climate.



# STRATHCONA COUNTY, ALBERTA, CANADA Features

*Canadian 55+ Games*



*Open Data*

*Fire Station 6*



*2014 Accomplishments*





## 2014 Canada 55+ Games EMPOWER... *community spirit*

More than 600 volunteers. Thousands of participants from across the nation. Community partnerships showcasing local talent, culture, business and services. Athletic achievements in front of cheering crowds. Community spirit was everywhere when Strathcona County welcomed the nation to the 2014 Canada 55+ Games, August 27 – 30, 2014.

Games Committee Chair, Margaret Marciak, attributes the success of the Games to the efforts of hundreds of volunteers, the unwavering support of the County's Mayor and Council members, and administration's strong commitment to make it all happen.

The region was abuzz with activity as more than 2,300 participants and their support teams gathered in the County to participate in 24 sports and activities. Many local residents, who came out with their families to cheer on the participants, went away inspired.

Who can forget the crowd of family, friends and residents cheering on the oldest competitor, Florence Storch, 101, as she competed in the javelin throw? That moment, replayed on major media outlets here and in the U.S., captured how great it can be to pursue one's passion surrounded by family and community.

### Largest multi-sport event ever hosted

While games participants returned home with much to smile about, the County also had many reasons to cheer, having broken records of its own.

The largest multi-sport event hosted to date in the County—indeed, the largest 55+ games to be held in the national program's 17-year history—had many





County departments working together, along with the Canada 55+ Games Committee, to overcome logistical challenges and ensure a successful event.

In other milestones: more than 2,400 people attended the opening ceremonies in the largest event ever hosted at the Sherwood Park Arena; and the largest banquet event at Millennium Place served more than 2,100 people.

During their stay, participants and their entourage paid for accommodations in a total of 13 hotels, with many visitors discovering our community for the first time. All this activity resulted in an economic impact of \$10.6 million in Strathcona County alone.

The organizing committee's great work received national recognition from the Canadian Sport Tourism Alliance when they selected the games as Canadian Sport Event of the Year (event budget less than \$1 million), ahead of finalists Vanier Cup and Wickenheiser World Female Hockey Festival.

### Community + County = "can-do" spirit that makes the difference

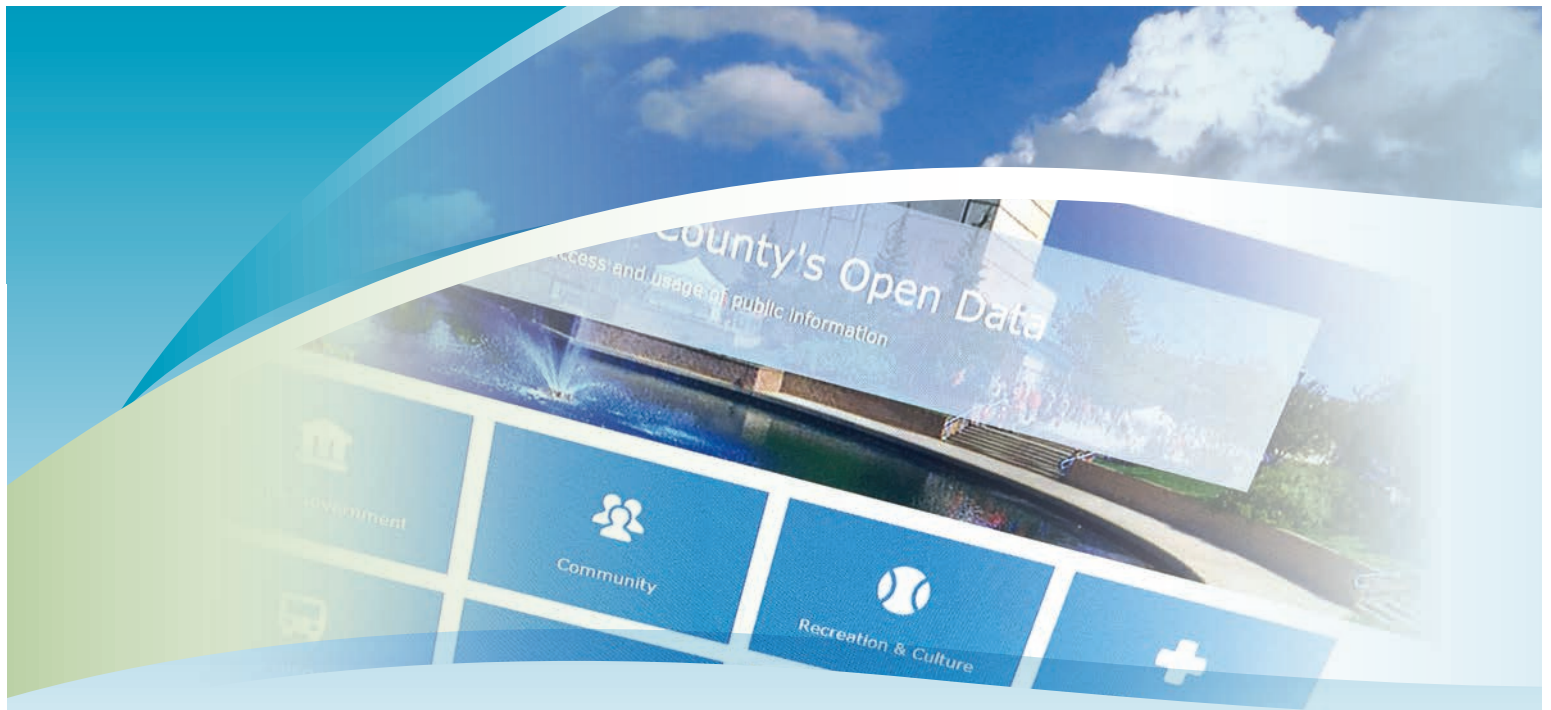
Strong partnerships forged with local community groups also contributed to the success of the four-day event.

Organizing the games involved working closely with sponsors including Coca-Cola and Apple Fitness, and community partners such as regional 55+ clubs and seniors' centres, Government of Alberta, Sherwood Park & District Chamber of Commerce and Strathcona County Museum.

For its part, Strathcona County Art Gallery@501 added cultural flare to the games with themed exhibits that included artifacts from the Barcelona Olympics, Canada's Sports Hall of Fame and the Alberta Sports Hall of Fame and Museum. Local talent also provided great entertainment as part of the cultural programming.

Widespread media coverage of the games inspired our nation to strive for lifelong recreation, but the event also left a legacy here in the County. New recreation opportunities introduced as a result of the games include a dart league in the winter, new youth activities of pickleball, badminton and floor shuffleboard, and more drop-in pickleball sessions for adults.

In another lasting legacy, the community spirit of the games has been passed along to younger generations who saw first-hand the joy of pursuing a passion and the benefits recreation can bring to everyone's life.



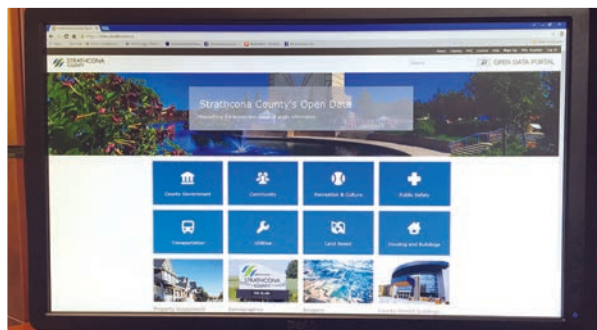
# Open Data advances transparency and efficiencies

## ENGAGE... *open access*

Governments have a great deal of information. Over the past several years, governments around the world have begun to make their data available through Open Data.

Strathcona County joined the growing number of Canadian municipalities providing citizens with open online access to data, successfully launching its Open Data portal in February 2014.

This data is the public's information. Opening it up for easy and direct public access is important in the information age in which we live. It's a time when governments are recognizing, more and more, the value and the responsibility to be open, transparent and collaborative.



### What is Open Data?

Open Data means providing convenient, free and open access to government information. It makes certain data available through an online platform with no restrictions or fees to access, use or reuse the data. Open Data is hosted online in a cloud-based central repository that provides easy access and use to the data under a liberal licence.

The data is offered in machine-readable formats for everyone to use, reuse and redistribute. It can be used alone or combined with other data for analysis or to create applications.

While the data is equally accessible by all citizens, this does not mean that a government releases all of its data to the public. Within the Freedom of Information and Protection of Privacy Act (FOIP), an individual's privacy is respected and personal or private information is protected.

Open Data is used by a wide variety of people and organizations, ranging from citizens to software developers, to entrepreneurs and researchers, in all sectors.



## Open Data benefits

Open Data allows datasets to be transformed into useful products and services. It can feed customized research and analysis, and data can be repurposed for new solutions and improvements.

Open data supports:

- creation of new products and services to serve citizens, businesses and community, such as useful software, web and mobile applications
- richer information sharing and more personalized services to the public
- reduced costs for government and citizens to find, distribute and use government data efficiently
- County internal efficiencies with the streamlined ability to share data organization-wide
- innovation and economic development opportunities such as spurring start-up digital companies that leverage the data
- more open, accountable government, and more informed and engaged citizens

## Growing Open Data

Over its year of launching, the portal has been growing in the number of published datasets. At the end of 2014, Strathcona County's Open Data catalogue contained 112 datasets.

A large amount of rich geo-spatial information (GIS) for Strathcona County is available in Open Data. Thanks to the self-service (no charge) aspect of Open Data, in 2014 public requests for GIS information fell by about 50 per cent over the previous year, realizing staff time savings and internal efficiencies.

Datasets published range from ward boundaries, municipal election and census data to County trails and community facilities. Open data puts a new face on programs and services data. Such examples are: a child care bank, interactive mapping of public art, snow priorities, tax assessment, even public defibrillator locations.

Examples of available datasets that particularly highlight transparency are County FOIP statistics, elected officials representation and the annual public satisfaction survey results.

## Community partner opportunities

Open Data metrics show the portal's positive, steady use, both internally and externally. People are using it and finding value. And given the philosophy of Open Data, continued public and private sector involvement to build upon Open Data in Strathcona County is welcomed with open arms.



## Fire Station 6 GROW... *plan wise*

With the mission, “to protect from risk the things that matter to those we serve,” investment in Strathcona County Emergency Services’ staffing, equipment and facilities is of obvious value.

In April 2014, Strathcona County officially opened its newest fire station—Fire Station 6—located at 915 Bison Way, Sherwood Park. Just shy of a year earlier, Fire Station 6 was already responding to fire and emergency medical services calls with its first dispatch call on May 15, 2013.

Constructing Fire Station 6 was in response to community growth, an aging population which can lead to increased emergency calls, and emergency call volumes that were increasing seven to 10 per cent annually. The new station improves coverage,

particularly allowing the department to better serve the fast developing areas in north Sherwood Park.

In addition to being the department’s headquarters and fully operational fire station, the building also serves as a training facility for Strathcona County fire fighters.

Design, land, construction and vehicles totaled approximately \$20.8 million; \$14.5 million funded through the Government of Alberta’s Municipal Sustainability Initiative and the Alberta Municipal Infrastructure Program.

As our community continues to grow, Strathcona County Emergency Services recognizes the need to plan wisely with a focus on future service delivery to carry this high performing system forward over the next 10 to 20 years.

### Unique fire station features

- training/hose tower (4.5 stories and a basement) for training purposes
- deluge/decontamination shower (with collection system)
- secured evidence room for fire investigations
- dedicated space for public safety training, including first aid and CPR classes
- building design that complements neighbouring architecture, while still capturing traditional aspects of a fire station appearance

### And Sadie ...

The fire station’s traditional feel is further supported by Sadie, an 11-foot Dalmatian that greets visitors outside the station’s main doors as part of the County’s public art program. Created by artist

Craig Le Blanc, inspiration for Sadie came from the design echoes of the fire station’s 19th century architectural influence, as well as the Dalmatian being a classic symbol of fire services.



### "Green" features at Fire Station 6

A candidate for LEED® (Leadership in Energy and Environmental Design) silver certification, Fire Station 6 was designed and built with these "green" features:

- Solar collectors on the roof preheat water for use in washrooms, kitchens and showers, reducing the amount of energy needed to heat water to a higher temperature
- Rooftop rain is collected in an underground storage tank and used for irrigation for the landscaping
- Indoor air quality management used during construction to reduce construction material contamination in building; air quality tests were completed to ensure no pollutants were present upon occupation
- Low emitting materials used in construction - sealants, adhesives, flooring, paints and coatings are low or zero Volatile Organic Compounds (VOCs); composite woods are all formaldehyde free
- Purchase of 100 per cent green power (wind, solar, etc.) for the building
- Lighting control system conserves energy in apparatus bays - with an occupancy sensor in each room lights don't have to be on or at 100 per cent all of the time (time out after a certain period of inactivity or based on the time of day)
- A building management system efficiently manages the heating, cooling and ventilation for the building
- Ventilation carbon dioxide sensors ramp up or slow down the ventilation system based on the number of people in a room
- The "station" side of the building uses a heat pump heating/cooling system for greater individual temperature control for spaces (dorm rooms)
- Inslab heating in bays keep the large volume of space warm; infrared heaters above apparatus melt snow on the trucks
- Unique vehicle exhaust system, connected to door operation and station alerting system, starts up when the station alerting system is activated





## Digest of more 2014 highlights

### EMPOWER ... community spirit

- Strathcona County Council hosted a **Community Leadership Series** to spark conversations about livable communities, and the future. An evening featured Peter Mansbridge, anchor of CBC's *The National*, and five-time Olympic medalist, Hayley Wickenheiser. They shared stories with the public about leadership and the community's role in fostering new leaders. Leaders and planners from across the Capital Region were also invited to a conference day to hear what some of the leading thinkers had to say on topics ranging from leadership, to innovative practices, to what's on the horizon.
- The Strathcona County **School Traffic Safety Partnership** was created to address traffic safety concerns at local schools in a collaborative way. This initiative was guided by the Traffic Safety Strategic Plan (TSSP) 2020 that promotes an integrated engineering, education and enforcement approach toward positive and lasting impacts.
- In exchange for the utility right-of-way, Inter Pipeline Ltd. provided \$1.5 million to complete approximately 3.2 kilometres of missing **Trans-Canada Trail**. Expected to be complete for the Centennial celebration in 2017, construction along Petroleum Way from Streambank Avenue linking to the Strathcona Science Park entrance on 17 Street will finish the multi-use trail network between Sherwood Park and the North Saskatchewan River Valley in the City of Edmonton.
- The County is working at several levels to **address poverty**, from community-based services to provincial collaboration. According to a commonly used measure of low-income, about 5.5 per cent of Strathcona County's population, or 5,087 residents, are considered low-income. The County is also pursuing provincial and federal grants to address social isolation, elder abuse prevention, newcomer support and a spectrum of support for family violence prevention.
- All involved locally can be proud of receiving an Outstanding Achievement Award for the **Home Hardware Community Involvement Award** in the **Communities in Bloom** program.
- **Gilmore Park**, one of the County's **Community Partnership Projects** brought forward by the Gilmore Park Community League, was completed in 2014. The revitalization of the park, including replacement of existing playground equipment, the addition of two new playground pods and equipment, a gazebo and concrete pathway supports the "active and playful" spirit within the community.
- **Festival Place** celebrated its **20th anniversary** in 2014. This landmark is considered the creative soul of Strathcona County – with more than 300,000 people visiting the facility on an annual basis.



## GROW ... plan wise

- The **Bremner Growth Management Study** was completed in 2014 and received by Council as information. This, and approval for a **Colchester Growth Management Study** to be undertaken in 2015, will provide necessary information for Strathcona County to consider where, how and when to grow.
- **Salisbury Village** and **Cambrian Crossing** Area Structure Plan amendments were accepted, adding new opportunities for mixed-use developments that include commercial, institutional and residential housing in the community.
- A **Citizens' Task Force** for the **Mature Neighbourhood Strategy**, was formed, comprising 10 mature neighbourhood residents, to lead creation of an Urban Form and Character Assessment for the mature neighbourhoods.
- A **fiscal impact model** was completed in support of analysis and decision-making related to future development, such as evaluation of growth options. The model entailed envisioning future infrastructure requirements and providing detailed information on the costs.
- In September, the new **Bethel Transit Terminal** opened, along with significant transit route changes. Strathcona County Transit has experienced a six per cent growth, with about 9,500 transit trips on a daily basis.
- Construction of Strathcona County's much anticipated new swimming pool began. The \$29 million **Emerald Hills Aquatic Centre** will open in late 2016. The first artificial turf field was also constructed in 2014 as part of the Emerald Hills Regional Park. A new Sports Pavilion will be constructed in 2015.

## SHIFT ... priority focus

- Strathcona County approved its **first corporate business plan** that supports the goals identified in the strategic plan, and provides direction to develop department business plans.
- Phase 2 of an **Agriculture Master Plan** was completed to establish a vision for agriculture, and planning principles and priorities for agriculture.
- A corporate standard was set for **business process mapping**, an important component in the path towards a new enterprise resource planning solution.
- The Strathcona County RCMP Detachment became a **911 Police agency** for the County. Previous to this, all 911 calls were transferred and dispatched by the telecommunication centre at RCMP K Division in Edmonton. This local service increases efficiency and is beneficial to all citizens of Strathcona County.

## ENGAGE ... open access

- Installation of **telematics technology** in County vehicles provides real-time information to better manage the County's fleet. A small device, with built-in GPS receiver and cellular modem, reports different types of information – such as the vehicle's location, speed and idling time – to a web-based portal. This information helps to identify opportunities to lower fuel and repair costs, and respond to resident inquiries.
- New customized **waste collection service reminders** – through email, tweet, text, phone call – allow residents to sign up to receive schedule reminders, and important information about waste collection services and disruptions.
- A **Strathcona County Alert System** (SC Alerts) was introduced, the first municipal mass community alert system of its kind in Alberta. Residents are encouraged to subscribe to receive emergent, significant and time sensitive information.



## 2014 OPERATIONAL FACTS AND STATS

### Economic development

Businesses and organizations in Strathcona County.....	8,975
(Stats Can June 2014 – Business Patterns Data)	
Businesses registered in voluntary directory.....	1,711
Manufacturing.....	124
Home-based.....	589
Retail and commercial.....	270
Other.....	719
New businesses registered.....	46



### Market area (Edmonton CMA)

(Statistics Canada, July 2013 estimates).....	1,289,564 people
2014 market share of regional new single starts.....	3.3%
2014 market share of regional new multi-family starts.....	5.4%
2014 market share of regional housing unit starts.....	4.3%

*(Source of residential development in the metro region - Canada Mortgage and Housing Corporation Construction Digest, December 2014)*

Value of major projects announced, under construction and recently completed..... \$13.05 billion



### Transportation

Rural roads, County maintained.....	1,310 km
Urban roads, County maintained.....	394 km
Highways, province maintained.....	232 km
Roadside cleanup.....	292 km
Transit buses (14 are double decker buses).....	85
Transit rides.....	1.5 million
Accessible transportation rides.....	18,234
Warren Thomas (Josephburg) Aerodrome flights, annually.....	4,100

### Agricultural services

Roadside mowing.....	3,140 km
Road use permits issued.....	10,297
Residents hosted through workshops/information sessions.....	468

### Planning and development services

Subdivision and rezoning applications.....	46
Development permits.....	1,410
Permits for new residential units.....	398
Permits for multi-family units.....	346
Value of commercial, industrial, institutional, and residential construction.....	\$402 million
Customers served by Planning and Development Services (in-person, by telephone, email).....	66,820

### Protective services

Police officers (RCMP).....	97
Peace officers.....	27
RCMP Victim Services Unit volunteer advocates.....	40
Fire fighters.....	155 full-time, 41 part-time
Fire stations.....	6
Sherwood Park (3), Heartland Hall (Josephburg), South Cooking Lake, Ardrossan	
Emergency calls responded to.....	7,400
Residents engaged in community safety education (presentations, events, inspections, etc.).....	13,150

## Community services

Counseling services participants .....	1,628
Home support services – hours/year .....	40,600
Family day home services – children/month .....	158
Senior families directly served through volunteers.....	233
Community volunteer hours of service.....	5,910
Parent link sessions .....	1,062
Community education participants (workshops, conferences).....	1,786



## Indoor recreation and culture

Major facilities.....	12
Community halls .....	14
Seniors' centres .....	4



### Number of admissions annually at:

Ardrossan Recreation Complex.....	95,972
Broadmoor Public Golf Course.....	28,133
Glen Allan Recreation Complex .....	78,479
Kinsmen Leisure Centre .....	65,755
Millennium Place.....	987,369
Strathcona Wilderness Centre.....	9,203
Festival Place .....	59,118
Gallery@501. ....	7,698

Hours of ice time .....	28,895
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## Outdoor recreation services

Sports fields and ball diamonds .....	213
Heritage Parkway Trails .....	107 km
Natural areas .....	1,521 hectares
Parkland (developed parks, school and other institutional sites, playing fields, and utility corridors that may include trails) .....	1,927 hectares
Playgrounds.....	144
Golf courses (municipal).....	1
Tennis courts .....	19
Outdoor rinks.....	25

## Library

Library, Bookmobile, online visits.....	1,555,017
Library resources used .....	1,623,480
Questions asked.....	144,366

## Utility operations

Water distributed.....	23.1 million litres/day
Water mains maintained.....	566 km
Fire hydrants .....	2,300
Water storage capacity.....	116.9 million litres
Wastewater treated .....	18.3 million litres/day
Wastewater mains maintained.....	388 km
Stormwater mains maintained.....	342 km
Recycling stations.....	3
Residential waste to landfill.....	13,355 tonnes
Waste diversion from landfill through Green Routine efforts.....	59%
Organics sent for composting .....	11,915 tonnes
Materials collected for recycling .....	6,988 tonnes
Enviroservice hazardous waste, including electronics .....	171 tonnes
Scrap metal collected for recycling .....	273 tonnes





# STRATHCONA COUNTY, ALBERTA, CANADA

## Financial Statement Discussion and Analysis



## FINANCIAL STATEMENT DISCUSSION AND ANALYSIS



George J. Huybregts, CMA  
Associate Commissioner,  
Chief Financial Officer

Strathcona County's 2014 Annual Report provides an opportunity to share our financial performance results with community stakeholders - residents, businesses and industry. This Financial Statement Discussion and Analysis (FSD&A) is a supplement to the 2014 Strathcona County Consolidated Financial Statements that are contained in this report. The FSD&A is provided to enhance understanding of the County's financial position and enable more informed assessments regarding changes in financial position. The FSD&A is also provided in support of transparency and 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 combination with the consolidated financial statements and accompanying notes. The consolidated financial statements are prepared in accordance with Canadian Public Sector Accounting Standards (PSAS) and consist of the Statements of Financial Position, Operations and Accumulated Surplus, Change in Net Financial Assets (Net Debt), and Cash Flows. Strathcona County management is responsible for the preparation and presentation of these statements.

KPMG LLP has audited the 2014 Strathcona County Consolidated Financial Statements and provided an unqualified opinion. Council approved the audited 2014 Strathcona County Consolidated Financial Statements on April 28, 2015.



## CONSOLIDATED STATEMENT OF FINANCIAL POSITION HIGHLIGHTS

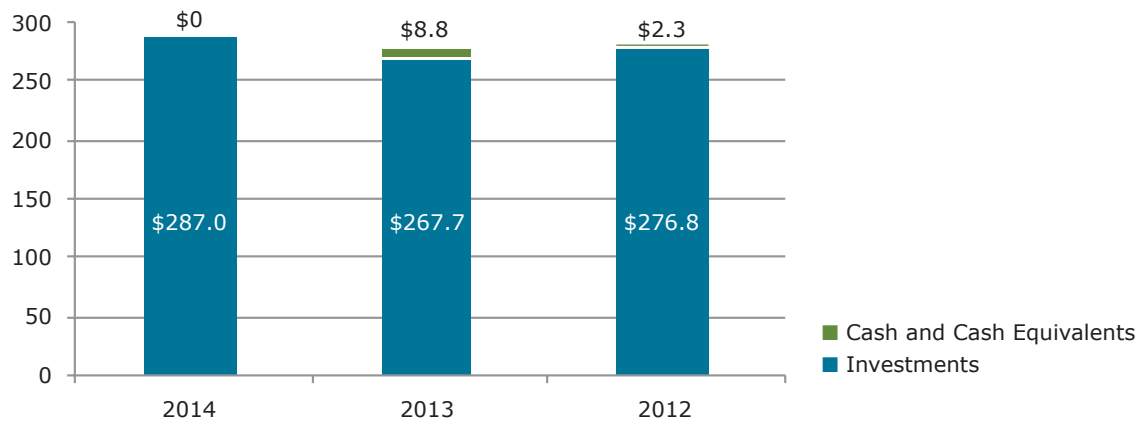
The Consolidated Statement of Financial Position highlights five key figures that together describe the financial position of Strathcona County: (i) the financial assets, (ii) the liabilities, (iii) the net financial assets or net debt calculated as the difference between the financial assets and liabilities, (iv) the non-financial assets, such as tangible capital assets held for the provision of services, and (v) the resulting accumulated surplus. The most significant element of the County's financial position is tangible capital assets (municipal infrastructure). The County continues to invest in municipal infrastructure, which supports our strategic plan goal to manage, invest and plan for sustainable municipal infrastructure. This allows the County to continue to meet program and service delivery needs of our growing community, and helps our economy remain competitive, healthy and vibrant.

...invest and plan for sustainable municipal infrastructure.

### 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 as to discharge liabilities (including long-term debt). During 2014, financial assets increased by \$17.6 million. Of the \$323.9 million total financial assets at the end of 2014 (2013: \$306.3 million), \$287.0 million consisted of cash and investments (2013: \$276.5 million). Investments are mainly held in support of reserves, deferred revenues and deposit liabilities.

### Cash and Investments (in \$ millions)



## Liabilities

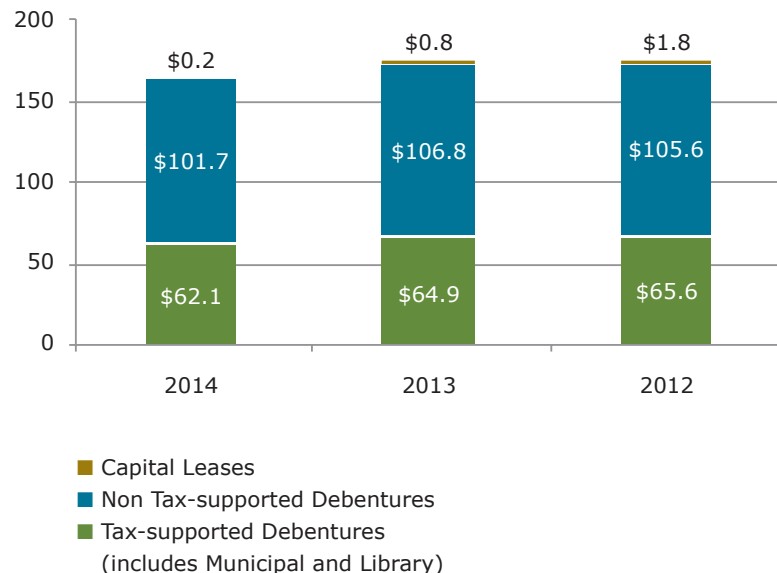
The County's total liabilities at the end of 2014 are \$300.3 million (2013: \$295.8 million), an increase of \$4.5 million over the prior year. Use of deferred revenue of \$79.1 million (2013: \$62.9 million) and deposit liabilities of \$16.6 million (2013: \$14.9 million) remains restricted until the conditions associated with the balances have been satisfied.

Long-term debt is incurred to allow the County to address the protection of existing facility, roadway and underground infrastructure. Debt is also incurred to finance the addition of new capital infrastructure resulting from growth and/or changes in service levels. In 2014, the County incurred new borrowings of \$4.4 million (2013: \$12.0 million) and made debt repayments of \$12.9 million (2013: \$12.4 million).

The Provincial Government limits the external debt allowed by a municipality to 1.5 times revenue. While capital leases are used to a limited extent to finance County capital, the majority of the total debt outstanding of \$164.0 million (2013: \$172.5 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, 2014, the County was well within the provincial debt guidelines and County policy. Total debt per capita approximated \$1,775 (2013: \$1,867). Included in this amount is total municipal property tax supported debenture debt of \$431 (2013: \$455) per capita.

...the County was well within the provincial debt guidelines and County policy.

### Total Debt Outstanding (in \$ millions)





## Total Debt Outstanding Versus Debt Limit (in \$ millions)



As of December 31, 2014, the County has borrowed 32.5% (2013 - 35.5%) of the total legislated debt limit of \$504.2 million (2013 - \$485.9 million), and has capacity to borrow an additional \$340.2 million.

## Net Financial Assets (Net Debt)

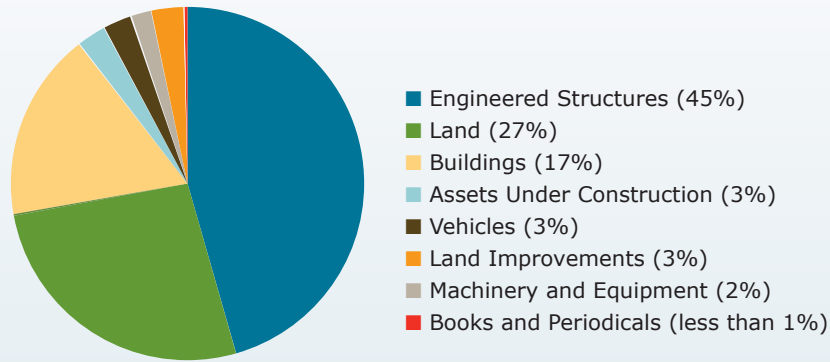
The net financial asset (net debt) figure is the difference between financial assets and liabilities, and is a key indicator of the County's ability to meet its commitments and liabilities, as well as to provide funding for future planned and emergent needs. At the end of 2014, the consolidated net financial asset balance is \$23.6 million (2013: \$10.4 million), an increase of \$13.2 million from the prior year. The increase in net assets is primarily a result of the annual PSAS surplus less the net change in tangible capital assets for the year. Due to the significance of the County's capital activity, the timing of capital spending is a key contributor to changes in the net financial assets (net debt). When funds are invested in tangible capital assets, or acquisitions are financed through debt, net financial assets will decrease (net debt will increase). Conversely, if acquisitions are delayed then net assets, capital reserves and debt capacity will increase until the investment in tangible capital assets is made.

...the consolidated net financial asset balance is \$23.6 million...

## Non-financial Assets

Non-financial assets totalled \$1,673.5 million at the end of 2014 (2013: \$1,603.4 million). Non-financial assets consist of tangible capital assets of \$1,670.3 million (2013: \$1,601.1 million), inventories of materials and supplies of \$0.9 million (2013: \$0.7 million), and prepaid expenses of \$2.3 million (2013: \$1.6 million). The increase in non-financial assets of \$70.1 million over the prior year resulted mainly from contributed assets and assets that were purchased or constructed for the provision of service delivery, net of asset transfers, disposals and amortization expense.

## Tangible Capital Assets Summary



...the County constructed or purchased assets at a total cost of \$89.8 million...

During 2014, the County constructed or purchased assets at a total cost of \$89.8 million (2013: \$99.1 million). Other assets, including developer constructed roads and parks, were contributed at a value of \$28.7 million (2013: \$33.5 million). The County began amortizing \$117.2 million (2013: \$143.8 million) of tangible capital assets (excluding land), that were put into service during the year. At the end of 2014, assets with a value of \$45.8 million (2013: \$50.9 million) remain under construction.

Of the total amount spent on capital projects in 2014:

- 56% or \$50.7 million (2013: \$33.3 million) was funded by operations (i.e. property taxes) and reserve funding
- 32% or \$28.5 million (2013: \$39.5 million) was funded by government transfers (i.e. grants)
- 9% or \$7.7 million (2013: \$14.2 million) was funded by development levies, contributions and other sources
- 3% or \$2.9 million (2013: \$12.1 million) was financed with tax-supported and non tax-supported debt

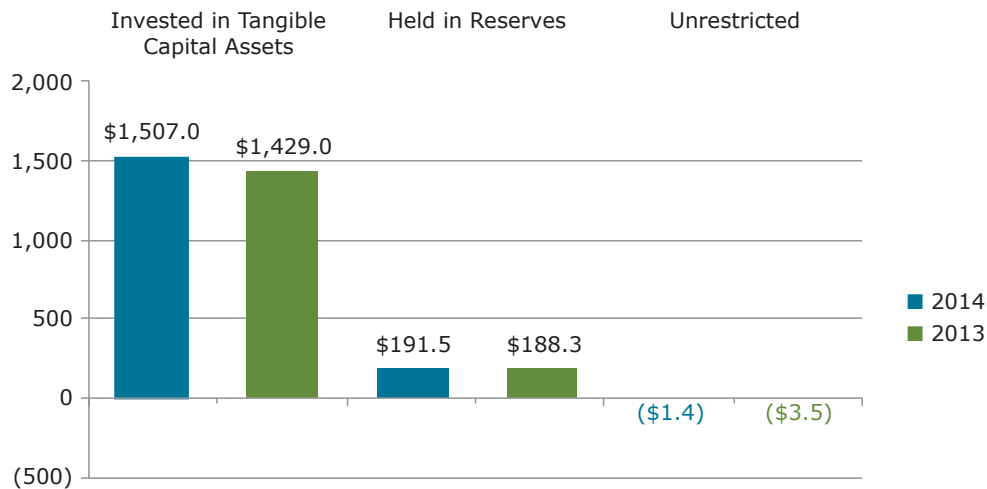
The County's 2014 investment in tangible capital assets to maintain or improve community services included, among others:

- RCMP Building expansion and modernization
- Emerald Hills Aquatic Centre and Regional Park
- Bethel Transit Terminal
- Completion of Fire Station #6
- Broadmoor Lake Spray Park and Playground
- Rural road infrastructure annual capital program

## Accumulated Surplus

The County's accumulated surplus at December 31, 2014 is \$1,697.1 million (2013: \$1,613.8 million), an increase of \$83.3 million.

### Composition of Accumulated Surplus (in \$ millions)



## Reserves

In 2014, Council approved revisions to the Municipal Reserve policy FIN-001-024 to enhance the County's financial strength, flexibility, cash flow management and ability to achieve the Council vision and Strategic Plan priorities.

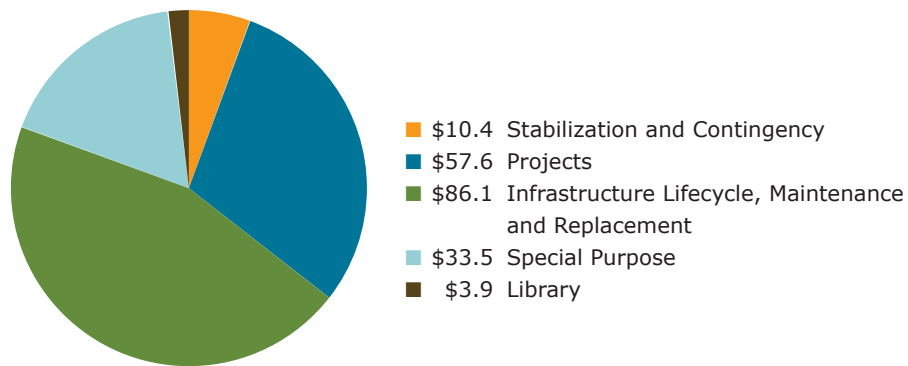
Reserves are separately reported in the notes to the consolidated financial statements, as they are a key contributor to the financial management and operations of the County. Council establishes reserves by setting aside financial assets to:

- maintain and improve Strathcona County's working capital requirements
- provide for future funding requirements
- provide stabilization for fluctuations in operating and capital activities

These reserves are drawn to fund specific purpose capital and operating expenditures that are one-time in nature, as approved by Council.

In 2014, Council approved revisions to the Municipal Reserve policy...

## Composition of Reserves (in \$ millions)



As described in the Municipal Reserve Policy FIN-001-024, reserves have been grouped into the following categories and are to be used for the following purpose:

**Stabilization and Contingency Reserves** - aid in stabilizing and smoothing the temporary impact of unforeseen events, or planned fluctuations in activity.

**Project Reserves** - provide funding for non-cyclical needs of departments including one-time operating items and tangible capital asset projects.

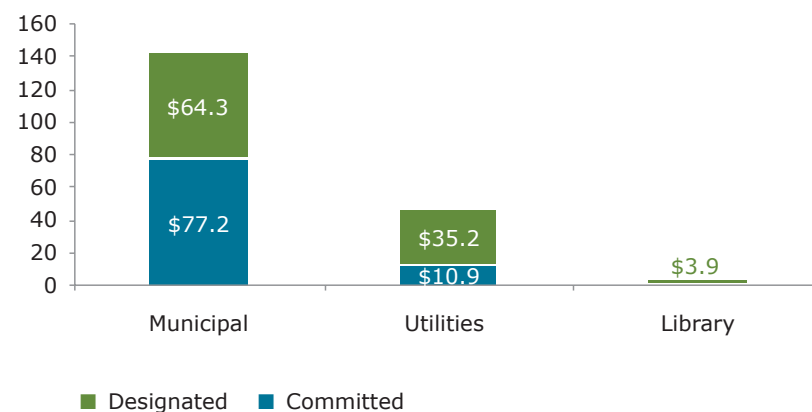
**Infrastructure Lifecycle, Maintenance and Replacement Reserves** - provide funding for Infrastructure Lifecycle, Maintenance and Replacement projects.

**Special Purpose Reserves** - provide funding for unique purposes that have a one to one relationship with the reserve description.

**Library Reserves** - are maintained by the Library administration and approved by the Strathcona County Library Board in accordance with the Library Reserve Policy FI02.

Total reserves at December 31, 2014 amounted to \$191.5 million (2013: \$188.3 million). Of this amount approximately \$88.0 million or 46% (2013: \$98.5 million or 52%) is committed to be applied towards specific expenditures as approved by Council. The remainder, approximately \$103.5 million or 54% (2013: \$89.8 million or 48%) is designated; the specific expenditure from reserve has not been approved by Council but the reserve funds remain designated for the purpose Council has approved.

## 2014 Reserve Balances (in \$ millions)



Total reserves at December 31, 2014 amounted to \$191.5 million. \$88.0 million or 46% is committed to be applied towards specific expenditures as approved by Council.

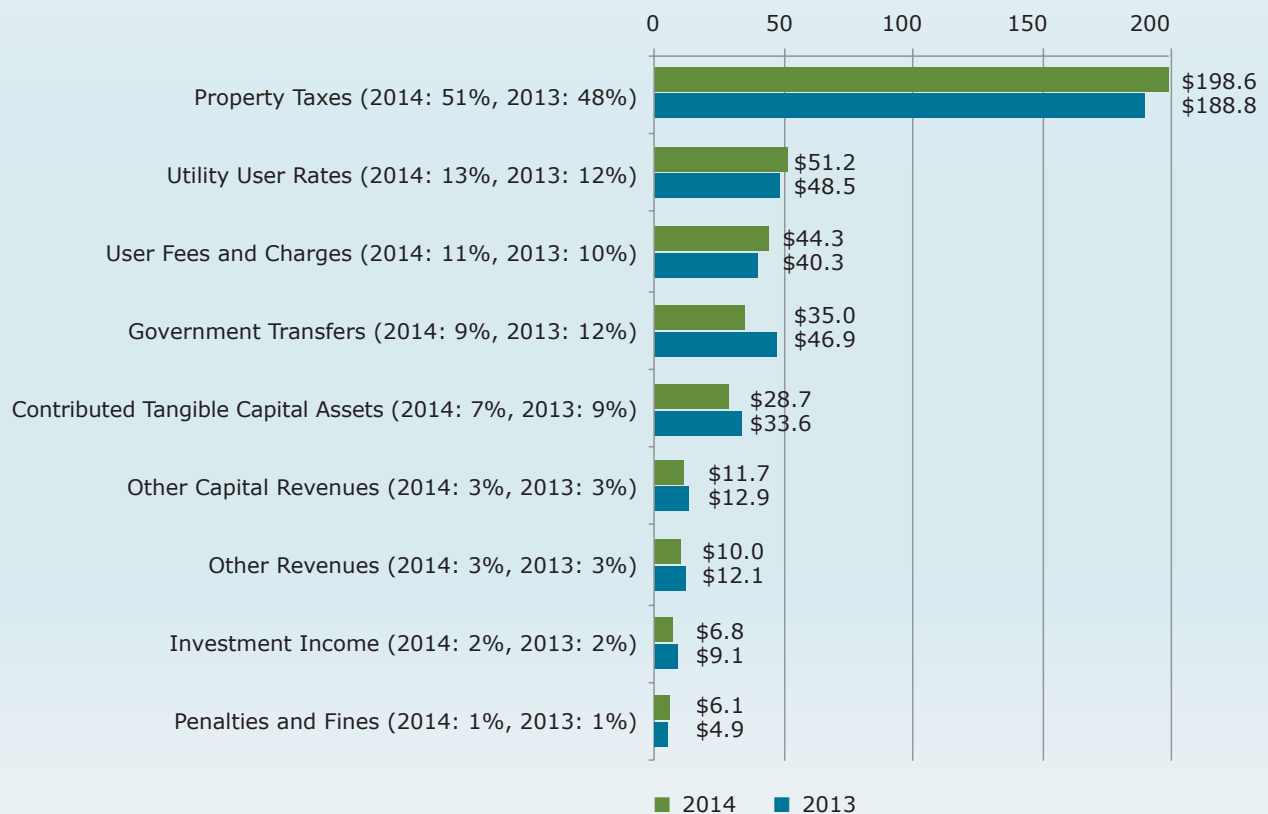
## CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS HIGHLIGHTS

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 2014 are \$392.4 million (2013: \$397.1 million), a decrease of \$4.7 million or (1.2%) from the prior year.

### Consolidated Revenues by Source (in \$ millions and as a percentage of total consolidated revenues)



2014 property tax revenues have increased by \$9.8 million to \$198.6 million (2013: \$188.8 million) and represent the primary revenue source for municipal, library and Pioneer Housing Foundation operations.

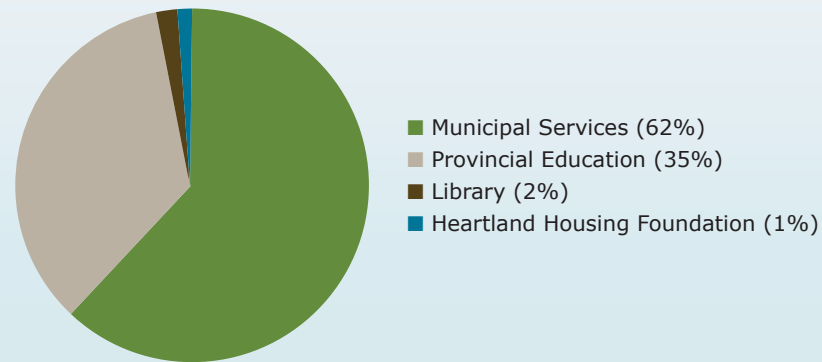
Consolidated  
revenues for 2014  
are \$392.4 million...

In addition to supporting municipal and library services, property taxes are levied to meet provincial education and affordable seniors housing requisitions...

In addition to supporting municipal and library services, property taxes are levied to meet provincial education and affordable seniors housing requisitions submitted to the County for payment. In 2014, the County levied total property taxes of \$254.9 million (2013: \$245.2 million), and of this amount \$54.3 million (2013: \$54.4 million) was collected for remittance to the provincial education authorities.

The following chart provides a high level overview of what residential property taxes collected by Strathcona County are used for.

### 2014 Residential Property Tax Distribution (as a percentage of total property taxes levied)



### Government Transfers

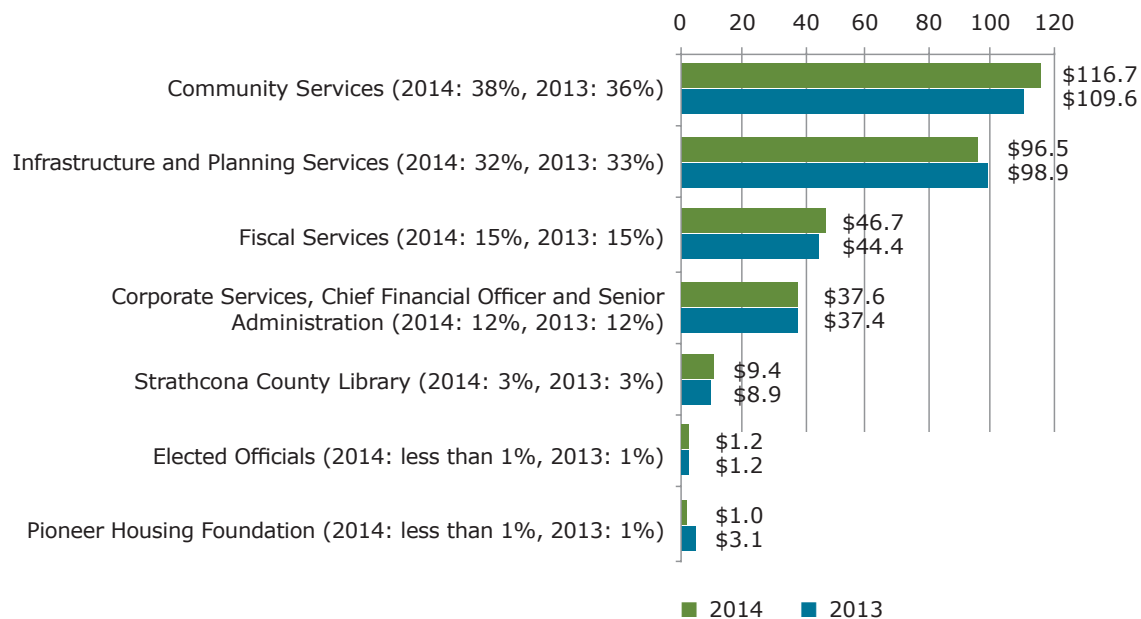
Government transfer revenues are usually non-discretionary and have imposed eligibility criteria and stipulations, which results in these amounts being set up as deferred revenue liabilities. These funds are recognized as revenue as the related eligible expenditures are incurred. In 2014, government transfers recognized as revenue were \$35.0 million (2013: \$46.9 million), a decrease of \$11.9 million. Government transfers applied towards operating were \$7.5 million (2013: \$7.3 million), and government transfers applied towards capital were \$27.5 million (2013: \$39.6 million).

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### Expenses

Consolidated expenses for 2014 were \$309.1 million (2013: \$303.5 million), an increase of \$5.6 million or 1.9% from the prior year.

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

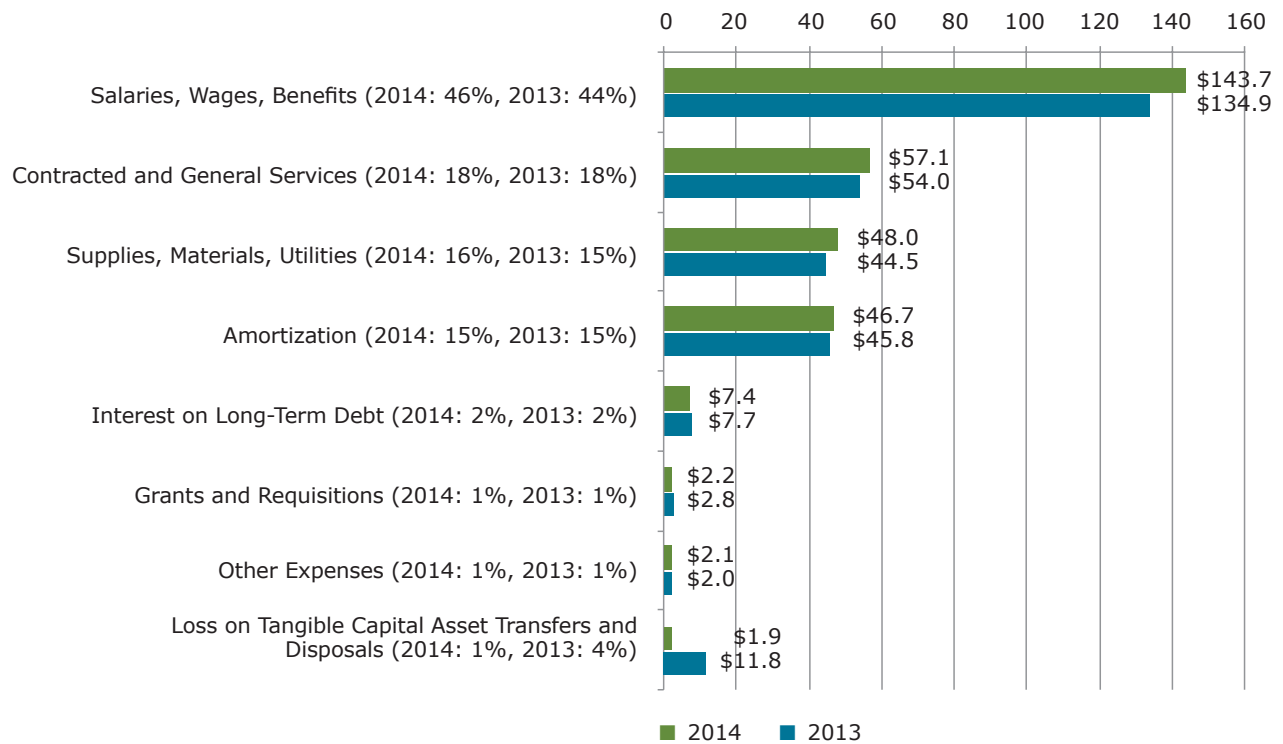


As the County continues to grow, the demand for services also grows. The following are explanations of the significant expenditure changes.

- The growth in Community Services has resulted in an increase of expenses over the prior year mainly resulting from Emergency Services of \$3.0 million or 10.5%, Recreation, Parks and Culture of \$1.9 million or 4.9%, and \$1.2 million or 7.4% for Transit Services.
- During 2014, the Infrastructure and Planning Services expenses decreased by \$2.3 million or (2.4%) over the prior year. The 2013 expenses were higher than normal due to the planned transfer of \$9.5 million in utility assets to the Capital Region Southwest Water Services Commission. The funding of these assets was received in full from external sources. The normalized expenditure increase for Infrastructure and Planning Services excluding the 2013 asset transfer was \$7.2 million or 8.0%.
- Fiscal Services includes financial activities that are not specifically associated with the operation of any one division or department. These activities include, among others, property taxation revenues, grants and requisitions, and municipal debt repayment. Fiscal Services expenses have increased \$2.3 million or 5.2% over the prior year.

As the County continues to grow, the demand for services also grows.

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



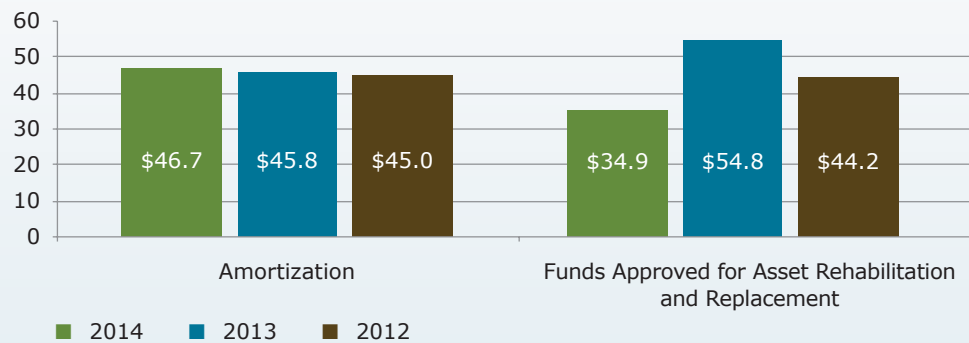
Growth in the County’s labour force is required to provide quality services to the increasing number of community stakeholders. In 2014, salaries, wages and benefits totalled \$143.7 million (2013: \$134.9 million), an increase of \$8.8 million. A total of 1,175 full-time equivalent (FTE) regular employee positions (2013: 1,147 FTE’s); plus employees who work irregular, non-standard hours, equivalent to 174 FTE’s (2013: 172 FTE’s); and temporary, seasonal and casual staff, provided service delivery on a daily basis to residents, business and industry in Strathcona County.

Amortization of tangible capital assets in 2014 was \$46.7 million (2013: \$45.8 million), an increase of \$0.7 million from the prior year. Most tangible capital assets, with the exception of land, have limited useful lives. This is recognized by amortizing the cost of tangible capital assets in a rational and systematic manner over their estimated useful lives, ranging from 4 to 90 years. Amortization expense is an important part of the cost associated with providing government services, and can be used as a high level indicator of current and future rehabilitation and replacement requirements. To support the strategic plan goal to manage, invest and plan for sustainable municipal infrastructure, it is important that the County continually reinvest in its municipal infrastructure. Accordingly, the County’s annual capital budget includes amounts for the rehabilitation and replacement of tangible capital assets.

...it is important that the County continually reinvest in its municipal infrastructure.



## Comparison of Amortization to Funds Approved for Asset Rehabilitation and Replacement (in \$ millions)



### Annual Surplus

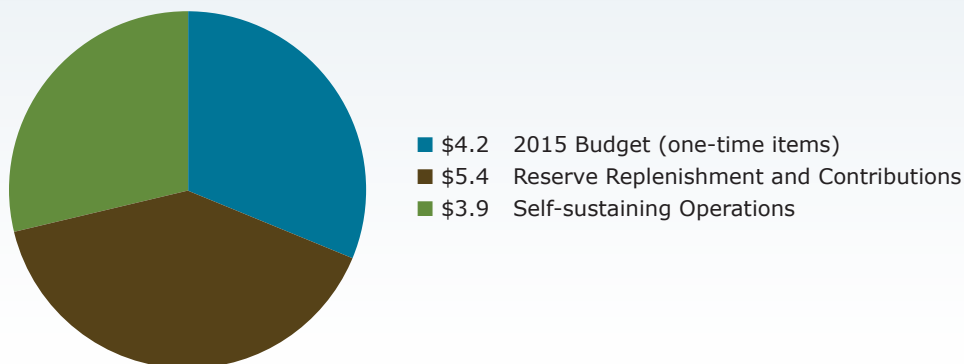
Strathcona County ended 2014 with a PSAS surplus of \$83.3 million (2013: \$93.6 million). Of the 2014 PSAS surplus: \$3.2 million (2013: \$20.5 million) was designated to reserves; \$78.0 million (2013: \$76.8 million) was invested in tangible capital assets; and the \$2.1 million was contributed to (2013: \$3.7 million drawn from) unrestricted surplus.

The annual operating budget is prepared on the modified cash flow basis, which differs from PSAS reporting, as capital revenues and expenses are excluded, and debt repayment expenditures and transfers to and from reserves are included. The operating budget is prepared on a breakeven basis; therefore, any resulting surplus or deficit on a modified cash flow basis would comprise the full variance compared to the annual operating budget. This variance is referred to as the annual operating surplus for tax purposes. The 2014 annual operating surplus for tax purposes was \$13.5 million (2013: \$15.9 million).

The 2014 annual operating surplus for tax purposes is allocated in accordance with Policy FIN-001-008: Allocation of Year-End Operating Surplus for Tax Purposes. The 2014 surplus was allocated to fund one-time items in the 2015 budget and to designated reserves to be expended in future years. The surplus or deficit from self-sustaining operations was retained by those operational areas.

The operating budget is prepared on a breakeven basis...

### Allocation of 2014 Annual Operating Surplus for Tax Purposes (in \$ millions)



## FINANCIAL CONTROL AND ACCOUNTABILITY

### Financial Governance

The County's Financial Reporting Policy FIN-001-010 requires a review of quarterly financial results and key financial indicators to assess the operational performance and management of the County's financial resources.

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

Council is represented on the Finance Advisory Committee, a committee of Council, which advises Council on matters relating to the business plan and budgeting process, long-range financial plans, and financial policies.

### Budgeting and Financial Reporting

The strategic plan provides the overall direction for the corporate business plan and the annual operating and capital budgets that are prepared and approved by Council. The strategic plan identifies long-term direction, while the business plan identifies goals and objectives over a four year period that contributes to the achievement and success of the priorities identified in the strategic plan. In 2014, the County continued with the implementation of the business plan and budget process, with an enhanced focus on priorities. The corporate business plan focuses on Council's priorities and is used to establish annual budgets. The annual budget allocates the resources necessary to deliver services to the community and undertake the initiatives identified in the corporate business plan. Departments use the strategic plan and corporate business plan to provide direction to the development of their individual business plans.

As previously discussed, the annual operating budget is prepared on the modified cash flow basis which means that capital revenues and expenses are excluded, and debt repayment expenditures and transfers to and from reserves are included. The capital activity that is excluded from the annual operating budget consists of contributed capital asset revenue, government transfers, other capital revenues, and gains or losses on tangible capital asset transfers and disposals. Amortization expense is backed out of the operating budget due to the fact that it is a non-cash item; however, it is separately budgeted to assess the cost of providing services. The County's annual operating budget uses funding sources such as property tax revenues, user fees, reserve transfers and government transfers to fund operating programs and services.

The annual capital budget is prepared based on the long-term projects identified in the County's five year capital plan. A Capital Committee, established by management, carefully reviews current year budget items on a project by project basis. The annual capital budget is funded through a variety of sources such as government transfers, property tax revenues, user fees, other capital revenues (including developer contributions and levies) and reserve transfers.

...the County continued with the implementation of the business plan and budget process, with an enhanced focus on priorities.

## Controls and 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 in partnership with the operating departments.

## 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 consolidated financial statement audit.

...a system of controls designed to provide assurances for the safeguarding of all County assets and the reliability of financial records.

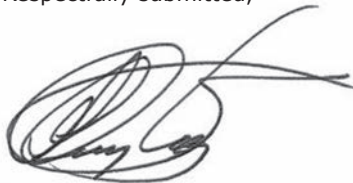
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## SUMMARY

Strathcona County's sound financial practices 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. Council's strategic plan and vision provide guidance, direction and focus to the County's financial activities. Managing financial resources is a key contributor to future financial sustainability and the achievement of Council's vision.

These financial statements are the result of the cooperation and assistance received from all departments, the Strathcona County Library, and Pioneer Housing Foundation. Management greatly appreciates the efforts of all staff involved in the completion of these financial statements.

Respectfully submitted,



George J. Huybregts, CMA  
Associate Commissioner, Chief Financial Officer  
April 28, 2015



# STRATHCONA COUNTY, ALBERTA, CANADA

## Consolidated Financial Statements



**STRATHCONA COUNTY**  
**Consolidated Financial Statements**  
Year ended December 31, 2014

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## MANAGEMENT REPORT

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

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

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

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

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



George J. Huybregts, CMA  
Associate Commissioner, Chief Financial Officer

April 28, 2015



**KPMG LLP**  
**Chartered Accountants**  
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Edmonton AB T5J V8  
Canada

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Fax (780) 429-7379  
Internet www.kpmg.ca

## INDEPENDENT AUDITORS' REPORT

To the Mayor and Members of Council of Strathcona County

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

### *Management's Responsibility for the Consolidated Financial Statements*

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

### *Auditors' Responsibility*

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

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

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

### *Opinion*

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

Chartered Accountants

April 28, 2015  
Edmonton, Canada

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. KPMG Canada provides services to KPMG LLP.

**KPMG Confidential**



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

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

Commitments and Contingencies (Note 19)

See accompanying Notes to Consolidated Financial Statements.

## STRATHCONA COUNTY

### Consolidated Statement of Operations and Accumulated Surplus

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

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

See accompanying Notes to Consolidated Financial Statements.

## STRATHCONA COUNTY

### Consolidated Statement of Change in Net Financial Assets (Net Debt)

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

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

See accompanying Notes to Consolidated Financial Statements.

## STRATHCONA COUNTY

### Consolidated Statement of Cash Flows

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

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

See accompanying Notes to Consolidated Financial Statements.

# STRATHCONA COUNTY

## Notes to Consolidated Financial Statements

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

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

### 1. SIGNIFICANT ACCOUNTING POLICIES

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

#### a) Reporting Entity

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

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

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

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

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

#### b) Basis of Accounting

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

#### c) Government Transfers

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

#### d) Deferred Revenue

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

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

# STRATHCONA COUNTY

## Notes to Consolidated Financial Statements

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

### 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### e) Property Taxes

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

#### f) Local Improvements

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

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

#### g) Requisition Overlevies and Underlevies

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

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

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

#### h) Land Held for Resale

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

#### i) Investments

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

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

#### j) Employee Benefit Obligations

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

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

**1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**k) Non-Financial Assets**

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

**i. Tangible Capital Assets**

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

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

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

**ii. Contributions of Tangible Capital Assets**

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

**iii. Leased Tangible Capital Assets**

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

**iv. Inventories of Materials and Supplies**

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

**v. Works of Art and Historical Treasures**

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

# STRATHCONA COUNTY

## Notes to Consolidated Financial Statements

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

### 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### l) Reserves for Future Expenditures

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

#### m) Equity in Tangible Capital Assets

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

#### n) Use of Estimates

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

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

Actual results may differ from those estimates.

#### o) Future Accounting Standard Pronouncements

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

##### i) Liability for Contaminated Sites

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

##### ii) Financial Statement Presentation

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



# STRATHCONA COUNTY

## Notes to Consolidated Financial Statements

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

### 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### iii) Foreign Currency Translation

PS2601, Foreign Currency Translation, requires that monetary assets and liabilities denominated in a foreign currency and non-monetary items included in the fair value category, denominated in a foreign currency, be adjusted to reflect the exchange rates in effect at the financial statement date.

Unrealized gains and losses are to be presented in the new statement of remeasurement gains and losses. This standard is applicable for fiscal years beginning on or after April 1, 2016.

#### iv) Portfolio Investments

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

#### v) Financial Instruments

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

#### vi) Related Party Disclosures

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

#### vii) Inter-Entity Transactions

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

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

**2. CASH AND CASH EQUIVALENTS**

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

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

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

The County also has an acquisition line of credit available for financing new development, if required, up to a maximum of \$2,449 (2013 – \$2,449), bearing interest at prime minus 0.50 per cent (2013 – 0.50 per cent) and is secured by the County at large. As at December 31, 2014, nil (2013 – nil) was drawn against the available acquisition line of credit.

**3. INVESTMENTS**

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

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

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

## STRATHCONA COUNTY

### Notes to Consolidated Financial Statements

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

#### 4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

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

#### 5. DEPOSIT LIABILITIES

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

#### 6. DEFERRED REVENUE

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

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

## STRATHCONA COUNTY

### Notes to Consolidated Financial Statements

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

#### 7. CAPITAL LEASES

	<b>2014</b>	<b>2013</b>
Capital Leases	<b>\$ 246</b>	\$ 840

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

Capital lease principal and interest payments are due as follows:

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

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

**8. LONG-TERM DEBT**

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

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

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

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

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

**9. DEBT AND DEBT SERVICE LIMITS**

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

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

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

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

**10. TANGIBLE CAPITAL ASSETS**

	<b>Balance at December 31, 2013</b>	<b>Additions</b>	<b>Contributed Additions</b>	<b>Disposals</b>	<b>Balance at December 31, 2014</b>
Land	\$ 426,248	\$ 6,394	\$ 13,380	\$ -	\$ 446,022
Land Improvements	59,528	19,119	2,632	(2,211)	79,068
Buildings	360,837	8,890	-	(685)	369,042
Engineered Structures	1,033,395	42,618	12,660	(13,804)	1,074,869
Machinery and Equipment	62,692	5,093	6	(3,667)	64,124
Books and Periodicals	4,894	609	17	(253)	5,267
Vehicles	62,909	12,200	-	(5,571)	69,538
Assets under Construction	50,948	(5,154)	-	-	45,794
	<u>\$ 2,061,451</u>	<u>\$ 89,769</u>	<u>\$ 28,695</u>	<u>\$ (26,191)</u>	<u>\$ 2,153,724</u>
	<b>Balance at December 31, 2013</b>	<b>Disposals</b>		<b>Amortization Expense</b>	<b>Balance at December 31, 2014</b>
Land	\$ -	\$ -		\$ -	\$ -
Land Improvements	26,928	(2,193)		1,583	26,318
Buildings	74,526	(685)		8,198	82,039
Engineered Structures	302,199	(13,035)		26,191	315,355
Machinery and Equipment	28,101	(3,455)		5,534	30,180
Books and Periodicals	2,021	(253)		508	2,276
Vehicles	26,560	(3,944)		4,660	27,276
Assets under Construction	-	-		-	-
	<u>\$ 460,335</u>	<u>\$ (23,565)</u>		<u>\$ 46,674</u>	<u>\$ 483,444</u>
<b>Net Book Value</b>	<b>Balance at December 31, 2013</b>				<b>Balance at December 31, 2014</b>
Land	\$ 426,248				\$ 446,022
Land Improvements	32,600				52,750
Buildings	286,311				287,003
Engineered Structures	731,196				759,514
Machinery and Equipment	34,591				33,944
Books and Periodicals	2,873				2,991
Vehicles	36,349				42,262
Assets under Construction	50,948				45,794
	<u>\$ 1,601,116</u>				<u>\$ 1,670,280</u>

## STRATHCONA COUNTY

### Notes to Consolidated Financial Statements

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

#### 10. TANGIBLE CAPITAL ASSETS (CONTINUED)

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

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

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



# STRATHCONA COUNTY

## Notes to Consolidated Financial Statements

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

### 10. TANGIBLE CAPITAL ASSETS (CONTINUED)

**a) Assets under Construction**

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

**b) Contributed Tangible Capital Assets**

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

**c) Write-down of Tangible Capital Assets**

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

### 11. EQUITY IN TANGIBLE CAPITAL ASSETS

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

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

**12. ACCUMULATED SURPLUS**

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

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

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

**13. PROPERTY TAXES**

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

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

**14. GOVERNMENT TRANSFERS**

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

The Provincial government introduced the Alberta Municipal Infrastructure Program (AMIP) Grant in 2005 to assist municipalities in addressing capital infrastructure needs. In 2009, the County received its final per capita transfer allocation of \$14,452 under this program. During 2014, \$393 (2013 – \$1,143) was recognized in capital transfers and a total of \$636 (2013 – \$1,010), including interest of \$19 (2013 – \$25) remains deferred to future years.

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

The Federal government introduced the Federal Gas Tax Fund (formerly the New Deal for Cities and Communities initiative) in 2005 to transfer federal gas tax revenue to the Province of Alberta to assist in reducing the backlog of necessary sustainable capital municipal infrastructure projects that have been deferred. In 2014, the County received nil (2013 – \$4,904) under this program. During 2014, \$2,723 (2013 – \$11,775) has been recognized in capital transfers, which consists of amounts that had been deferred from prior years. A total of \$4,900 (2013 – \$7,512), including interest of \$111 (2013 – \$257), remains deferred to future years.

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

**14. GOVERNMENT TRANSFERS (CONTINUED)**

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

- In 2014, the County received \$25,254 (2013 – \$19,740) in MSI Capital Funding. During 2014 \$18,189 (2013 – \$11,519) has been recognized in capital transfers, which consists of amounts that had been deferred from prior years plus amounts received in 2014. A total of \$34,242 (2013 – \$26,623) remains deferred to future years, including interest of \$554 (2013 – \$504).
- In 2014, the County received \$819 (2013 – \$1,485) in MSI Conditional Operating Funding. During 2014, \$1,763 (2013 – \$2,007) has been recognized in operating transfers, which consists of amounts that had been deferred from prior years plus amounts received in 2014. A total of \$35 (2013 – \$972) of the amounts received remains deferred to future years, including interest of \$7 (2013 – \$27).
- From 2008 to 2010, the County received \$12,387 in MSI Affordable Housing Funding. During 2014, \$49 (2013 – \$95) has been recognized in operating and capital transfers. A total of \$377 (2013 – \$417) of the amounts received since inception of the initiative remains deferred to future years, including interest of \$9 (2013 – \$9).

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

**15. OTHER CAPITAL REVENUES**

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

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

**16. SALARY AND BENEFITS DISCLOSURE**

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

	<b>Municipal</b>	<b>Non-Municipal</b>	<b>2014</b>	<b>2013</b>
<b>Elected Officials:</b>				
Mayor	\$ 110	\$ 17	\$ 127	\$ 138
Councillor – Ward 1	65	11	76	76
Councillor – Ward 2	65	15	80	79
Councillor – Ward 3	65	13	78	79
Councillor – Ward 4	65	15	80	79
Councillor – Ward 5	65	15	80	80
Councillor – Ward 6	65	12	77	78
Councillor – Ward 7	65	8	73	74
Councillor – Ward 8	65	12	77	80
	<u>\$ 630</u>	<u>\$ 118</u>	<u>\$ 748</u>	<u>\$ 763</u>
Chief Commissioner	\$ 272	\$ 43	\$ 315	\$ 288

Benefits and allowances include the County's share of Canada Pension Plan, Workers' Compensation Board, retirement contributions, group insurance, extended health care, dental benefits, accidental death and dismemberment, and car allowance. Benefits also include the County's share of employment insurance and long-term disability insurance for the Chief Commissioner.

**17. PENSION PLAN**

**a) Local Authorities Pension Plan**

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

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

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

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

# STRATHCONA COUNTY

## Notes to Consolidated Financial Statements

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

### 17. PENSION PLAN (CONTINUED)

#### b) APEX

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

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

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

### 18. FINANCIAL INSTRUMENTS

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

### 19. COMMITMENTS AND CONTINGENCIES

#### a) Capital

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

#### b) Leases

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

The future minimum lease payments are as follows:

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

#### c) Legal Disputes

As at December 31, 2014, the County was involved in various legal disputes. While it is not possible to estimate the outcome of these disputes, management believes that there will be no significant adverse effects on the financial position of the County.

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

**19. COMMITMENTS AND CONTINGENCIES (CONTINUED)**

**d) Development Agreements**

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

**e) Alberta Health Services**

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

**20. SEGMENTED INFORMATION**

Segmented information has been identified based on the types of services provided by the County to its residents. The types of services are identified in the Consolidated Statement of Operations and Accumulated Surplus. Certain allocation methodologies are used in the preparation of segmented financial information. Taxation revenues and payments in lieu of taxes are allocated to the segments based on the segment's budgeted net expenditures. User charges and other revenue have been allocated to the segments based upon the segment that generated the revenue. Government transfers have been allocated to the segment based upon the purpose for which the transfer was made. Development charges earned and developer contributions received were allocated to the segment for which the charge was collected.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 1.

## STRATHCONA COUNTY

### Notes to Consolidated Financial Statements

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

#### 20. SEGMENTED INFORMATION (CONTINUED)

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



## STRATHCONA COUNTY

### Notes to Consolidated Financial Statements

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

#### 20. SEGMENTED INFORMATION (CONTINUED)

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

# STRATHCONA COUNTY

## Notes to Consolidated Financial Statements

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

### 21. ENVIRONMENTAL MATTERS

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

### 22. BUDGET DATA

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

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



## 2015 Budget Highlights

### 2015 Operating Expenses — Non-Consolidated (Excluding Pioneer Housing Foundation) (\$ Millions)

Municipal .....	\$269.7
Utility .....	\$57.3
Library.....	\$9.8

### 2015 Capital Project Approval (\$ Millions)

Municipal .....	\$56.7
Utility .....	\$9.1
Library.....	\$0.6

### 2015 Allocation of Each Dollar of Residential Property Tax

Municipal services .....	62.2¢
Education.....	34.4¢
Library.....	2.2¢
Heartland Housing Foundation .....	1.2¢

### 2015 Planned Distribution of a Municipal Tax Dollar

Transportation (roads).....	29¢
Fire, ambulance, police.....	28¢
Recreation, parks and culture .....	20¢
Public transit .....	11¢
Planning and development .....	5¢
Agriculture .....	3¢
Family and community services .....	3¢
Economic development and tourism .....	1¢
<b>Total</b> .....	<b>\$1.00</b>

### 2015 Estimated Municipal Regular Property Tax (\$ Millions)

Residential and farmland.....	\$71.5
Industrial machinery and equipment .....	\$83.2
Commercial, other industrial and linear.....	\$43.7
<b>Total projected</b> .....	<b>\$198.4</b>



### MUNICIPAL PROPERTY TAX STRUCTURE

The 2015 tax rate was approved in April 2015

Residential and farmland.....	4.3026 mills
Commercial and industrial.....	8.5373 mills
Machinery and equipment .....	8.5373 mills
Linear (power and pipeline).....	8.5373 mills



# STRATHCONA COUNTY, ALBERTA, CANADA Statistics



## General Statistical Information

For the Years Ended December 31, 2010 - 2014 (in thousands of dollars)

Unaudited

	2014	2013	2012	2011	2010
<b>Population (Note 1)</b>	92,490	92,490	92,490	92,490	87,998
<b>Number of Dwelling Units (Note 2)</b>	35,964	35,525	34,729	33,631	32,699
<b>County-wide area</b>					
<b>(figures are approximate)</b>					
Municipal Area (square kilometres)	1,265	1,265	1,265	1,265	1,265
Industrial (hectares)	7,683	7,490	7,490	7,495	7,451
Commercial (hectares)	1,917	1,910	1,910	1,815	1,753
Residential (hectares)	15,955	15,850	15,850	15,789	15,782
Agricultural (hectares)	84,463	84,390	84,390	85,204	85,335
Park, recreation, natural (hectares)	3,499	3,430	3,430	3,317	3,279
Other: water bodies, roads, right-of-ways (hectares)	12,983	12,980	12,980	13,000	13,000
<b>Building Permits</b>					
Total Issued	1,440	1,450	1,460	1,331	1,468
Value of Annual Permits Issued	402,323	315,246	346,318	299,215	436,086
<b>Strathcona County Employees</b>					
<b>(Note 3)</b>					
Regular employee positions	1,175	1,147	1,095	1,056	1,003
Irregular employee positions	173	171	169	147	148
<b>Roads (in Km)</b>					
Rural roads, County maintained	1,310	1,310	1,310	1,310	1,302
Urban roads, County maintained	394	394	394	372	383
<b>Utility Operations</b>					
Water distributed (million litres per day)	23.1	22.0	21.8	31.3	28.4
Water mains maintained (km)	566	560	539	424	456
Wastewater mains maintained (km)	388	388	382	370	401
Stormwater mains maintained (km)	342	338	322	311	229
<b>Parkland (in hectares) (Note 4)</b>	1,927	1,914	1,850	1,850	1,850
<b>Natural area (in hectares)</b>	1,521	1,518	1,432	1,432	1,432

Notes:

1. Population - 2011 to 2014 population figures are per 2011 Federal Census, 2010 based on 2009 municipal census.
2. Number of "Dwelling Units" based on Assessment and Tax Roll data.
3. Regular employees work either on a full-time or part-time basis in authorized positions. Irregular employees work irregular, non-standard hours on an as required basis. In addition to regular and irregular employees, Strathcona County also has temporary, seasonal and casual staff that provide service to residents, business and industry as required.
4. Parkland includes developed parks, school and other institutional sites, playing field, and utility corridors that may include trails.

## Revenue by Source, Expense by Function and Object, Annual Surplus and Accumulated Surplus

For the Years Ended December 31, 2010 - 2014 (in thousands of dollars)

Unaudited

	2014	2013	2012	2011	2010
<b>Revenue by Source</b>					
Property Taxes	198,580	188,845	182,133	162,796	142,431
Government Transfers	35,038	46,939	48,593	48,346	37,511
Utility User Rates	51,160	48,467	44,954	42,590	40,547
User Fees and Charges	44,257	40,252	41,158	43,220	38,787
Penalties and Fines	6,063	4,907	6,969	5,956	5,480
Investment Income	6,839	9,130	9,094	5,703	5,452
Other Capital Revenues (Note 1)	11,688	12,944	11,783	15,359	6,169
Contributed Tangible Capital Assets	28,695	33,528	15,213	12,309	19,999
Other (Note 2)	10,044	12,094	9,382	10,020	11,720
<b>Total Revenue by Source</b>	<b>392,364</b>	<b>397,106</b>	<b>369,279</b>	<b>346,299</b>	<b>308,096</b>
<b>Expenses by Function</b>					
Utilities	53,585	57,276	45,282	47,225	41,033
Protective Services	52,005	47,762	44,859	41,093	36,360
Recreation, Parks and Culture	49,234	46,911	45,086	41,719	40,020
Transportation Services	46,905	44,905	39,684	39,210	33,772
Fiscal Services (Note 3)	46,707	44,412	100,516	42,336	37,870
Corporate Services (Note 4)	26,677	25,965	24,017	27,997	24,210
General Government and Other (Note 5)	17,380	19,781	21,345	16,313	15,999
Planning and Development Services	9,443	9,073	8,168	7,401	5,503
Family and Community Services	7,167	7,393	7,035	6,538	6,216
<b>Total Expenses by Function</b>	<b>309,103</b>	<b>303,478</b>	<b>335,992</b>	<b>269,832</b>	<b>240,983</b>
<b>Expenses by Object</b>					
Salaries, Wages and Benefits	143,669	134,934	127,899	119,701	108,072
Contracted and General Services	57,096	54,019	51,256	52,279	47,233
Supplies, Materials and Utilities	48,034	44,498	44,724	41,362	36,797
Interest on Long-term Debt	7,382	7,669	7,987	8,137	7,528
Grants and Requisitions	2,165	2,758	2,345	3,142	2,771
Amortization	46,674	45,800	44,960	41,629	36,561
Loss on Asset Transfers and Disposals	1,948	11,799	54,995	1,320	190
Other Expenses	2,135	2,001	1,826	2,262	1,831
<b>Total Expenses by Object</b>	<b>309,103</b>	<b>303,478</b>	<b>335,992</b>	<b>269,832</b>	<b>240,983</b>
<b>Annual Surplus</b>	<b>83,261</b>	<b>93,628</b>	<b>33,287</b>	<b>76,467</b>	<b>67,113</b>
<b>Segmented Annual Surplus</b>					
Municipal	63,486	85,700	21,398	64,693	54,198
Utilities	20,040	10,256	6,691	10,820	11,496
Library	201	377	469	758	982
Pioneer Housing Foundation	(466)	(2,705)	4,729	196	437
<b>Annual Surplus</b>	<b>83,261</b>	<b>93,628</b>	<b>33,287</b>	<b>76,467</b>	<b>67,113</b>
<b>Accumulated Surplus, Beginning of Year</b>	<b>1,613,840</b>	<b>1,520,212</b>	<b>1,486,925</b>	<b>1,410,458</b>	<b>1,343,345</b>
<b>Accumulated Surplus, End of Year</b>	<b>1,697,101</b>	<b>1,613,840</b>	<b>1,520,212</b>	<b>1,486,925</b>	<b>1,410,458</b>

Notes:

1. Other Capital Revenue - includes development levies and funding from other external parties for capital expenditures.
2. Other Revenue - includes revenue for the Alberta Health Services contract, community sponsorship and other miscellaneous items.
3. Fiscal Services - includes corporate revenues (taxes, unconditional grants and franchise fees) and corporate expenditures (grants, requisitions, amortization and debt servicing).
4. Corporate Services - includes Facilities, Fleet, Human Resources, Information Technology and Legislative and Legal Services.
5. General Government and Other - includes Elected Officials, Senior Administration, the Chief Financial Officer Division, Capital Construction and Planning, Economic Development and Tourism, and the Pioneer Housing Foundation.

## Reconciliation of Public Sector Accounting Standard Surplus to Annual Operating Surplus for Tax Purposes

For the Years Ended December 31, 2010 - 2014 (in thousands of dollars)

Unaudit

	2014	2013	2012	2011	2010
<b>Consolidated Annual Surplus</b>	<b>83,261</b>	<b>93,628</b>	<b>33,287</b>	<b>76,467</b>	<b>67,113</b>
Capital Revenues (Note 1)	(67,890)	(86,100)	(67,773)	(67,657)	(54,574)
Amortization	46,674	45,800	44,960	41,629	36,561
Loss (Gain) on Asset Transfers and Disposals	1,948	11,799	54,995	1,320	190
Net Non-capital Reserve Transactions	(37,569)	(36,854)	(39,545)	(32,103)	(28,135)
Debt Repayment (Note 2)	(12,946)	(12,435)	(12,529)	(11,335)	(9,517)
<b>Annual Operating Surplus for Tax Purposes</b>	<b>13,478</b>	<b>15,838</b>	<b>13,395</b>	<b>8,321</b>	<b>11,638</b>

Notes:

1. Capital Revenues - includes government transfers, developer and third party contributions, and contributed assets.
2. Debt Repayment - includes repayment of long-term debt and capital leases.
3. The "Annual Operating Surplus for Tax Purposes" is the excess of revenues over expenditures net of "Budgeted Carryover Items, including non-operational items, such as reserve transfers and debt payments (per Financial Services policy FIN-001-008).

## Key Components of Financial Position

For the Years Ended December 31, 2010 - 2014 (in thousands of dollars)

Unaudited

Key Components of Financial Position	2014	2013	2012	2011	2010
Total Financial Assets	323,905	306,256	306,276	268,759	282,212
Total Liabilities	300,262	295,833	313,749	299,454	316,531
<b>Net Financial Assets (Net Debt)</b>	<b>23,643</b>	<b>10,423</b>	<b>(7,473)</b>	<b>(30,695)</b>	<b>(34,319)</b>
Total Non-Financial Assets	1,673,458	1,603,417	1,527,685	1,517,620	1,399,532
<b>Accumulated Surplus</b>	<b>1,697,101</b>	<b>1,613,840</b>	<b>1,520,212</b>	<b>1,486,925</b>	<b>1,365,213</b>
<b>Key Components of Financial Assets</b>					
Cash and Cash Equivalents	-	8,823	2,300	16,687	17,195
Investments	286,988	267,679	276,772	216,782	230,429
<b>Key Components of Liabilities</b>					
Long-term Debt	163,724	171,666	171,157	162,250	167,908
<b>Key Components of Non-Financial Assets</b>					
Tangible Capital Assets	1,670,280	1,601,116	1,524,695	1,515,212	1,442,552
<b>Key Components of Accumulated Surplus</b>					
Equity in Tangible Capital Assets	1,507,004	1,429,003	1,352,181	1,349,902	1,269,751
Reserves	191,470	188,300	167,769	144,449	134,308

\* Certain comparative figures have been reclassified to conform with the consolidated financial statement presentation adopted in the current year.



## Reserves

For the Years Ended December 31, 2010 - 2014 (in thousands of dollars)

Unaudited

<b>Reserves</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
Stabilization and Contingency	10,404	10,386	-	-	-
Projects	57,551	61,507	-	-	-
Infrastructure Lifecycle, Maintenance and Replacement	86,057	78,021	-	-	-
Special Purpose	33,515	34,668	-	-	-
Library	3,943	3,718	-	-	-
<b>Subtotal</b>	<b>191,470</b>	<b>188,300</b>	-	-	-
Operating Reserves	-	-	39,358	31,175	27,849
Capital Reserves (Note 1)	-	-	128,411	113,274	106,459
<b>Subtotal</b>	-	-	<b>167,769</b>	<b>144,449</b>	<b>134,308</b>
<b>Total Reserves</b>	<b>191,470</b>	<b>188,300</b>	<b>167,769</b>	<b>144,449</b>	<b>134,308</b>

Notes:

1. The 2013 comparative figures have been reclassified and reported in accordance with the Council approved update to Policy: FIN-001-024 Municipal Reserves on July 8, 2014. 2012 and prior years reflect the reserve structure in place at the end of each year respectively. Designated and committed reserve balances for 2013 and 2014 are provided on page 26.

## Addition of Tangible Capital Assets

For the Years Ended December 31, 2010 - 2014 (in thousands of dollars)

Unaudited

<b>Addition of Tangible Capital Assets</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
Land	6,394	8,859	481	5,541	15
Land Improvements	19,119	6,728	2,144	5,561	2,946
Buildings	8,890	32,352	25,271	44,922	106,448
Engineered Structures	42,618	55,457	45,973	76,694	29,241
Machinery and Equipment	5,093	6,966	8,847	7,255	8,943
Books and Periodicals	609	620	609	597	1,015
Vehicles	12,200	8,143	1,737	12,209	5,524
Assets under Construction	(5,154)	(20,024)	9,725	(49,318)	(24,365)
<b>Total Tangible Capital Asset Additions (Note 1)</b>	<b>89,769</b>	<b>99,101</b>	<b>94,787</b>	<b>103,461</b>	<b>129,767</b>
<b>Capital Funding Source</b>					
Debt (Tax and Non Tax-supported)	2,893	13,268	9,822	10,789	58,857
Grants	28,537	39,469	39,811	40,199	27,360
Reserves	50,630	33,268	32,793	37,972	34,811
Developer Levies, Contributions, Other	7,709	13,097	12,361	14,501	8,739
<b>Total Capital Funding</b>	<b>89,769</b>	<b>99,101</b>	<b>94,787</b>	<b>103,461</b>	<b>129,767</b>
<b>Contributed Assets (Note 2)</b>	<b>28,695</b>	<b>33,528</b>	<b>15,213</b>	<b>12,309</b>	<b>19,999</b>

Notes:

1. Tangible capital assets are recorded at cost, which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset.
2. Contributed Assets are tangible capital assets received as contributions and are recorded at fair value on the date of receipt and are also recorded as Contributed Tangible Capital Asset revenue in the Consolidated Statement of Operations and Accumulated Surplus.

## Debt and Debt Service Limits

For the Years Ended December 31, 2010 - 2014 (in thousands of dollars)

Unaudited

	2014	2013	2012	2011	2010
<b>Total Adjusted Revenue per MGA (Note 1)</b>	<b>336,163</b>	<b>323,950</b>	<b>313,289</b>	<b>293,985</b>	<b>261,226</b>
<b>Total Debt Limit (1.5 times Revenue per MGA)</b>	<b>504,244</b>	<b>485,926</b>	<b>469,933</b>	<b>440,978</b>	<b>391,839</b>
<b>Debt</b>					
Tax-supported Municipal	39,857	41,998	42,074	46,269	49,432
Tax-supported Library	22,207	22,863	23,490	24,090	23,941
<b>Total Tax-supported Debt</b>	<b>62,064</b>	<b>64,861</b>	<b>65,564</b>	<b>70,359</b>	<b>73,373</b>
Non Tax-supported Local Improvement	694	393	419	456	470
Non Tax-supported Municipal	19,630	22,539	25,304	32,759	35,486
Non Tax-supported Utilities	65,909	69,327	67,893	46,314	45,853
Non Tax-supported PHF	15,427	14,546	11,977	12,362	12,727
<b>Total Non Tax-supported Debt</b>	<b>101,660</b>	<b>106,805</b>	<b>105,593</b>	<b>91,891</b>	<b>94,536</b>
<b>Total Debt</b>	<b>163,724</b>	<b>171,666</b>	<b>171,157</b>	<b>162,250</b>	<b>167,909</b>
<b>Capital Leases</b>	<b>246</b>	<b>840</b>	<b>1,776</b>	<b>3,516</b>	<b>4,893</b>
<b>Total Debt per Municipal Government Act</b>	<b>163,970</b>	<b>172,506</b>	<b>172,933</b>	<b>165,766</b>	<b>172,802</b>
<b>Percentage of Total Debt Limit Used</b>	32.5%	35.5%	36.8%	37.6%	44.1%
<b>Service on Debt Limit (25% of Total Adjusted Revenue)</b>	84,041	80,988	78,322	73,496	65,307
<b>Debenture and Capital Lease Payments</b>	18,932	20,441	20,109	20,099	20,191
<b>Service on Debt (Percentage Used)</b>	22.5%	25.2%	25.7%	27.3%	30.9%
<b>Total Debt per Capita</b>	1,775	1,867	1,872	1,792	1,964
<b>Municipal Tax Supported Debt per Capita</b>	431	455	455	500	562

Notes:

1. Total Adjusted Revenue per the Municipal Government Act (MGA) equals Total County Revenue per the Financial Statements, plus Pioneer Housing Foundation revenues (less eliminations), less contributed assets, less capital grants.
2. Population - 2011 to 2014 population figures are per 2011 Federal Census, 2010 based on 2009 municipal census.

## Assessment and Tax Levy

For the Years Ended December 31, 2010 - 2014 (in thousands of dollars)

Unaudited

	2014	2013	2012	2011	2010
<b>Assessment</b>					
Residential / Farmland	15,821,096	15,099,519	14,727,678	14,695,781	14,519,835
Non-Residential	4,143,324	3,650,040	3,206,879	2,873,697	2,698,184
Machinery and Equipment	9,496,135	9,327,314	9,075,905	6,459,349	6,800,004
Linear	742,354	692,926	687,429	673,819	678,955
<b>Total Taxable Assessment</b>	<b>30,202,909</b>	<b>28,769,799</b>	<b>27,697,892</b>	<b>24,702,646</b>	<b>24,696,977</b>
<b>Rates of taxation (mills)</b>					
Residential / Farmland	6.9755	7.1994	7.1737	6.6969	7.0202
Non-residential	12.1869	12.3590	12.2306	11.8936	11.6179
Machinery and Equipment	8.8784	8.8263	8.8873	8.5789	8.2611
Linear	12.1869	12.3590	12.2306	11.8936	11.6179
<b>Residential / Farmland rates (mills)</b>					
Municipal Operations	4.3328	4.3752	4.2915	4.0382	4.1964
Library Operations	0.1563	0.1609	0.1588	0.1544	0.1622
Heartland Housing Foundation Requisitions	0.0668	0.0682	0.0675	0.0696	0.0755
Education Requisitions	2.4196	2.5951	2.6559	2.4347	2.5861
<b>Total Residential / Farmland</b>	<b>6.9755</b>	<b>7.1994</b>	<b>7.1737</b>	<b>6.6969</b>	<b>7.0202</b>
<b>Non-residential rates (mills)</b>					
Municipal Operations	8.3983	8.3395	8.3957	8.0869	7.7748
Library Operations	0.4133	0.4186	0.4241	0.4224	0.4108
Heartland Housing Foundation Requisitions	0.0668	0.0682	0.0675	0.0696	0.0755
Education Requisitions	3.3085	3.5327	3.3433	3.3147	3.3568
<b>Total Non-residential</b>	<b>12.1869</b>	<b>12.3590</b>	<b>12.2306</b>	<b>11.8936</b>	<b>11.6179</b>
<b>Machinery and Equipment rates (mills)</b>					
Municipal Operations	8.3983	8.3395	8.3957	8.0869	7.7748
Library Operations	0.4133	0.4186	0.4241	0.4224	0.4108
Heartland Housing Foundation Requisitions	0.0668	0.0682	0.0675	0.0696	0.0755
Education Requisitions	-	-	-	-	-
<b>Total Machinery and Equipment</b>	<b>8.8784</b>	<b>8.8263</b>	<b>8.8873</b>	<b>8.5789</b>	<b>8.2611</b>
<b>Linear rates (mills)</b>					
Municipal Operations	8.3983	8.3395	8.3957	8.0869	7.7748
Library Operations	0.4133	0.4186	0.4241	0.4224	0.4108
Heartland Housing Foundation Requisitions	0.0668	0.0682	0.0675	0.0696	0.0755
Education Requisitions	3.3085	3.5327	3.3433	3.3147	3.3568
<b>Total Linear</b>	<b>12.1869</b>	<b>12.3590</b>	<b>12.2306</b>	<b>11.8936</b>	<b>11.6179</b>

## Assessment and Tax Levy (Continued)

For the Years Ended December 31, 2010 - 2014 (in thousands of dollars)

Unaudited

	2014	2013	2012	2011	2010
<b>Taxation and Requisitions</b>					
<b>Municipal</b>					
Residential and Farmland	71,069	68,578	66,603	62,670	59,151
Commercial and Industrial	120,329	113,912	109,151	93,358	76,099
Electric Power and Pipeline	6,613	6,155	6,186	5,852	5,712
Government Grants in Lieu of Taxes	218	200	193	242	176
Local Improvement Levies	351	-	-	661	140
Other	-	-	-	13	1,165
<b>Taxes for Provision of Municipal Services</b>	<b>198,580</b>	<b>188,845</b>	<b>182,133</b>	<b>162,796</b>	<b>142,443</b>
<b>Non-Municipal</b>					
Provincial Alberta School Foundation Fund	47,759	47,598	45,316	41,710	39,625
Elk Island CSRD No. 14	6,582	6,794	6,739	6,176	5,909
Heartland Housing Foundation	2,022	1,969	-	-	-
<b>Taxes on Behalf of Non-Municipal Requisitioning Authorities</b>	<b>56,363</b>	<b>56,361</b>	<b>52,055</b>	<b>47,886</b>	<b>45,534</b>
<b>Total Taxes Requisitioned</b>	<b>254,943</b>	<b>245,206</b>	<b>234,188</b>	<b>210,682</b>	<b>187,977</b>
<b>Total Property Taxes Receivable</b>	3,299	3,865	3,394	3,019	3,156
Current	3,227	3,733	3,290	2,944	3,106
Current (%)	97.8%	96.6%	96.9%	97.9%	98.4%
In Arrears for More than one year	72	132	104	65	50
In Arrears for More than one year (%)	2.2%	3.4%	3.1%	2.1%	1.6%
<b>Tax Revenue for Principal Taxpayers (Note 1)</b>	46.9%	48.6%	48.9%	38.6%	37.7%
<b>Education Requisition</b>					
In dollars	54,341	54,392	52,055	47,886	45,534
As percentage of Total Tax Requisitions (%)	21%	22%	22%	23%	24%

Notes:

1. Includes the ten highest taxpayers (excluding education requisition).





STRATHCONA  
COUNTY