

STRATHCONA COUNTY
CONSOLIDATED
FINANCIAL STATEMENTS
Year ended December 31, 2016

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Consolidated Financial Statements
Year ended December 31, 2016

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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 Generally Accepted Auditing Standards on behalf of Council, residents and ratepayers of the County. KPMG LLP has full and free access to Council.



Gregory J. Yeomans, CPA, CGA, MBA
Associate Commissioner, Chief Financial Officer

April 25, 2017



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INDEPENDENT AUDITORS' REPORT

To the Mayor and Members of Council of Strathcona County

We have audited the accompanying consolidated financial statements of Strathcona County, which comprise the consolidated statement of financial position as at December 31, 2016, the consolidated statements of operations and accumulated surplus, change in net financial assets 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, 2016, and its consolidated results of operations, its consolidated change in its net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Professional Accountants

April 25, 2017
Edmonton, Canada

STRATHCONA COUNTY
Consolidated Statement of Financial Position
As at December 31, 2016 (in thousands of dollars)

	2016	2015
FINANCIAL ASSETS		
Cash and Cash Equivalents	\$ 5,718	\$ 4,214
Accounts Receivable		
Property Taxes	4,050	4,827
Government Transfers	9,510	9,853
Trade and Other	16,114	13,630
Development Levies and Charges	1,617	2,816
Land Held for Resale	-	2,632
Investments (Note 2)	306,498	291,293
Investment Interest Receivable	10,071	8,217
	353,578	337,482
LIABILITIES		
Accounts Payable and Accrued Liabilities (Note 3)	41,047	44,777
Deposit Liabilities (Note 4)	16,082	18,639
Deferred Revenue (Note 5)	65,747	64,088
Capital Leases	-	108
Long-Term Debt (Note 6)	166,140	156,545
	289,016	284,157
NET FINANCIAL ASSETS	64,562	53,325
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Note 9)	1,841,834	1,767,591
Inventories of Materials and Supplies	947	975
Prepaid Expenses	2,329	2,738
	1,845,110	1,771,304
ACCUMULATED SURPLUS (Note 11)	\$ 1,909,672	\$ 1,824,629

Operating and Acquisition Lines of Credit (Note 12)
Commitments and Contingencies (Note 13)

See accompanying Notes to Consolidated Financial Statements.

STRATHCONA COUNTY
Consolidated Statement of Operations and Accumulated Surplus
Year ended December 31, 2016 (in thousands of dollars)

	2016 Budget (Note 14)	2016	2015
OPERATING REVENUE			
Property Taxes (Note 15)	\$ 219,958	\$ 221,963	\$ 211,377
Utility User Rates	54,084	52,553	52,353
User Fees and Charges	40,270	39,055	41,870
Government Transfers – Operating (Note 16)	5,202	7,225	7,412
Investment Income	6,093	7,168	7,845
Penalties and Fines	5,830	6,372	6,901
Other	7,904	17,678	9,407
TOTAL OPERATING REVENUE	339,341	352,014	337,165
EXPENSES			
Infrastructure and Planning Services			
Capital Planning and Construction	4,456	4,028	3,195
Economic Development and Tourism	1,429	1,458	1,338
Planning and Development Services	11,182	9,036	9,509
Transportation and Agriculture Services	31,422	25,683	26,663
Utilities	56,995	54,520	53,823
	105,484	94,725	94,528
Community Services			
Emergency Services	33,967	33,486	32,388
Family and Community Services	7,376	8,364	7,412
Strathcona Transit	19,310	17,914	17,811
RCMP and Enforcement Services	23,315	25,340	21,137
Recreation, Parks and Culture	42,708	41,920	39,407
	126,676	127,024	118,155
Corporate Services			
Chief Financial Officer	36,931	31,865	29,282
Senior Administration	6,642	6,080	5,503
Elected Officials	6,576	6,175	6,260
Fiscal Services	1,303	1,170	1,125
Strathcona County Library	50,339	53,961	50,394
Pioneer Housing Foundation	10,074	9,942	9,702
	974	974	986
	112,839	110,167	103,252
TOTAL EXPENSES	344,999	331,916	315,935
SURPLUS (DEFICIT) BEFORE CAPITAL REVENUE	(5,658)	20,098	21,230
CAPITAL REVENUE			
Contributed Tangible Capital Assets (Note 9)	-	32,711	60,325
Government Transfers - Capital (Note 16)	41,381	20,740	43,941
Other Capital Revenues (Note 17)	58,638	11,494	2,032
TOTAL CAPITAL REVENUE	100,019	64,945	106,298
ANNUAL SURPLUS	94,361	85,043	127,528
ACCUMULATED SURPLUS, BEGINNING OF YEAR	1,824,629	1,824,629	1,697,101
ACCUMULATED SURPLUS, END OF YEAR (Note 11)	\$ 1,918,990	\$ 1,909,672	\$ 1,824,629

See accompanying Notes to Consolidated Financial Statements.

STRATHCONA COUNTY
Consolidated Statement of Change in Net Financial Assets (Net Debt)
Year ended December 31, 2016 (in thousands of dollars)

	2016 Budget (Note 14)	2016	2015
ANNUAL SURPLUS	\$ 94,361	\$ 85,043	\$ 127,528
Acquisition of Tangible Capital Assets	(240,205)	(96,906)	(88,863)
Contributed Tangible Capital Assets	-	(32,711)	(60,325)
Amortization of Tangible Capital Assets	53,287	54,469	51,153
Loss on Disposal of Tangible Capital Assets	-	661	307
Proceeds from Disposal of Tangible Capital Assets	-	244	417
	<u>(92,557)</u>	<u>10,800</u>	<u>30,217</u>
Acquisition of Inventories of Materials and Supplies	-	(1,359)	(1,908)
Acquisition of Prepaid Expenses	-	(3,439)	(3,608)
Use of Inventories of Materials and Supplies	-	1,387	1,783
Use of Prepaid Expenses	-	3,848	3,198
	<u>-</u>	<u>437</u>	<u>(535)</u>
INCREASE (DECREASE) IN NET FINANCIAL ASSETS (NET DEBT)	(92,557)	11,237	29,682
NET FINANCIAL ASSETS, BEGINNING OF YEAR	53,325	53,325	23,643
NET FINANCIAL ASSETS (NET DEBT), END OF YEAR	<u>\$ (39,232)</u>	<u>\$ 64,562</u>	<u>\$ 53,325</u>

See accompanying Notes to Consolidated Financial Statements.

STRATHCONA COUNTY
Consolidated Statement of Cash Flows
Year ended December 31, 2016 (in thousands of dollars)

	2016	2015
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Annual Surplus	\$ 85,043	\$ 127,528
Items Not Involving Cash:		
Contributed Tangible Capital Assets	(32,711)	(60,325)
Amortization of Tangible Capital Assets	54,469	51,153
Amortization of Premium (Discount) on Investments	65	51
Loss on Disposal of Tangible Capital Assets	661	307
Gain on Disposal of Investments	(732)	(1,835)
Changes to Non-Cash Assets and Liabilities:		
Property Taxes Receivable	777	(1,528)
Government Transfers Receivable	343	(7,444)
Trade and Other Receivables	(2,484)	1,871
Development Levies and Charges Receivable	1,199	3,974
Land Held for Resale	2,632	(7)
Accounts Payable and Accrued Liabilities	(3,730)	7,583
Deposit Liabilities	(2,557)	2,063
Deferred Revenue	1,659	(14,970)
Inventories of Materials and Supplies	28	(125)
Prepaid Expenses	409	(410)
Cash Provided by Operating Activities	<u>105,071</u>	<u>107,886</u>
CAPITAL		
Proceeds from Disposal of Tangible Capital Assets	244	417
Acquisition of Tangible Capital Assets	(96,906)	(88,863)
Cash Applied to Capital Activities	<u>(96,662)</u>	<u>(88,446)</u>
INVESTING		
Purchase of Investments	(274,454)	(332,130)
Proceeds from Sale/Maturity of Investments	259,916	329,609
Change to Investment Interest Receivable	(1,854)	(1,924)
Cash Applied to Investing Activities	<u>(16,392)</u>	<u>(4,445)</u>
FINANCING		
Long-Term Debt Issued	19,347	4,600
Capital Leases Repaid	(108)	(138)
Long-Term Debt Repaid	(9,752)	(11,779)
Cash Provided by (Applied to) Financing Activities	<u>9,487</u>	<u>(7,317)</u>
INCREASE IN CASH AND CASH EQUIVALENTS	1,504	7,678
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	4,214	(3,464)
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 5,718	\$ 4,214
Cash Paid for Interest	\$ 6,570	\$ 7,015
Cash Received from Interest	\$ 5,729	\$ 5,451

See accompanying Notes to Consolidated Financial Statements.

STRATHCONA COUNTY
Notes to Consolidated Financial Statements
Year ended December 31, 2016 (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 (MGA), R.S.A. 2000, c. M-26, as amended.

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 associated with 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) 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.

d) 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.

STRATHCONA COUNTY
Notes to Consolidated Financial Statements
Year ended December 31, 2016 (in thousands of dollars)

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e) Local Improvements

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

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.

f) 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.

g) 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.

h) Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and temporary investments that are highly liquid and mature within 90 days of purchase. Cash and cash equivalents are recorded at cost less any amount for permanent impairment.

i) 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.

j) 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.

k) 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, 2016 (in thousands of dollars)

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

l) Contaminated Sites Liability

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of a contaminated site is recognized when a site is not in productive use and is management's estimate of the cost of post-remediation including operation, maintenance and monitoring.

m) Non-Financial Assets

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

i. Tangible Capital Assets

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

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

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

ii. Contributions of Tangible Capital Assets

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

iii. Leased Tangible Capital Assets

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

iv. Inventories of Materials and Supplies

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

v. Works of Art and Historical Treasures

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

STRATHCONA COUNTY
Notes to Consolidated Financial Statements
Year ended December 31, 2016 (in thousands of dollars)

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

n) Reserves for Future Expenditures

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

o) 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 capital leases, and adding back long-term debt financing applicable to local improvement levy projects.

p) 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. Actual results may differ from those estimates.

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.

q) Future Accounting Standard Pronouncements

The following summarizes upcoming changes to Canadian Public Sector Accounting Standards issued by the Public Sector Accounting Standards Board. In 2017, 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. The requirements in Financial Statement Presentation (PS1201), Financial Instruments (PS3450), Foreign Currency Translations (PS2601) and Portfolio Investments (PS3041) must be implemented at the same time.

Public Sector Accounting Standard	Name	Effective date (fiscal years beginning on or after...)
PS2200	Related Party Transactions	April 1, 2017
PS3420	Inter-Entity Transactions	April 1, 2017
PS3210	Assets	April 1, 2017
PS3320	Contingent Assets	April 1, 2017
PS3380	Contractual Rights	April 1, 2017
PS3430	Restructuring Transactions	April 1, 2018
PS1201	Financial Statement Presentation	April 1, 2019
PS3450	Financial Instruments	April 1, 2019
PS2601	Foreign Currency Translation	April 1, 2019
PS3041	Portfolio Investments	April 1, 2019

STRATHCONA COUNTY
Notes to Consolidated Financial Statements
Year ended December 31, 2016 (in thousands of dollars)

2. INVESTMENTS

	2016		2015	
	Carrying Amount	Market Value	Carrying Amount	Market Value
Term Deposits and Notes	\$ 175,626	\$ 175,755	\$ 171,311	\$ 171,345
Government Guaranteed Bonds	102,474	101,743	87,765	92,022
Corporate Bonds	28,398	28,510	32,217	34,483
	<u>\$ 306,498</u>	<u>\$ 306,008</u>	<u>\$ 291,293</u>	<u>\$ 297,850</u>

Term deposits and notes, government guaranteed bonds and corporate bonds have effective interest rates of 1.58 to 3.66 per cent (2015 – 1.46 to 3.65 per cent) with maturity dates from January 2017 to August 2031 (2015 – January 2016 to February 2026).

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. When there has been a loss in value that is other than a temporary decline, the respective investment is written down to recognize the loss. Market values are based on market conditions at a certain point in time and as such, may not be reflective of future fair values.

3. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2016	2015
Trade	\$ 26,556	\$ 28,804
Employee Benefit Obligations	9,374	9,077
Payroll and Remittances	3,817	5,573
Interest	1,300	1,323
	<u>\$ 41,047</u>	<u>\$ 44,777</u>

4. DEPOSIT LIABILITIES

	2016	2015
Security Deposits	\$ 13,320	\$ 15,997
Overlevies	642	681
Other Deposits	2,120	1,961
	<u>\$ 16,082</u>	<u>\$ 18,639</u>

5. 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 16.

	Balance at December 31, 2015	Externally Restricted Contributions	Interest Earned	Contributions Recognized as Revenue	Balance at December 31, 2016
Deferred Capital Grants	\$ 23,791	\$ 26,321	\$ 433	\$ (20,740)	\$ 29,805
Deferred Operating Grants	1,056	7,105	12	(7,225)	948
Development Levies	21,946	1,477	349	(7,232)	16,540
Other	17,295	18,897	47	(17,785)	18,454
	<u>\$ 64,088</u>	<u>\$ 53,800</u>	<u>\$ 841</u>	<u>\$ (52,982)</u>	<u>\$ 65,747</u>

STRATHCONA COUNTY
Notes to Consolidated Financial Statements
Year ended December 31, 2016 (in thousands of dollars)

6. LONG-TERM DEBT

	2016	2015
Tax-supported Debentures – Municipal	\$ 52,809	\$ 41,037
Tax-supported Debentures – Library	20,806	21,522
	<u>73,615</u>	<u>62,559</u>
Non Tax-supported Debentures – Municipal – Local Improvements	\$ 78	\$ 82
Non Tax-supported Debentures – Utilities – Local Improvements	536	573
Non Tax-supported Debentures – Municipal	13,989	15,899
Non Tax-supported Debentures – Utilities	60,152	62,570
Non Tax-supported Debentures – PHF	17,770	14,862
	<u>92,525</u>	<u>93,986</u>
	<u>\$ 166,140</u>	<u>\$ 156,545</u>

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 2.13 to 9.13 per cent (2015 – 2.46 to 9.13) and matures in periods 2017 through 2041.

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

	Principal	Interest	Total
2017	\$ 10,519	\$ 6,567	\$ 17,086
2018	10,689	6,119	16,808
2019	10,101	5,667	15,768
2020	10,256	5,253	15,509
2021	10,326	4,834	15,160
Thereafter	114,249	31,556	145,805
	<u>\$ 166,140</u>	<u>\$ 59,996</u>	<u>\$ 226,136</u>

7. 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:

	2016	2015
Total debt limit	\$ 545,262	\$ 511,522
Total debt (including capital leases)	166,140	156,653
Percentage used	30.5%	30.6%
Service on debt limit	\$ 90,877	\$ 85,254
Service on debt (including capital leases)	17,086	16,312
Percentage used	18.8%	19.1%

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, 2016 (in thousands of dollars)

8. CONTAMINATED SITES LIABILITY

The County has implemented procedures and systems for the recognition and measurement of liabilities associated with contaminated sites to ensure consistent and accurate identification. The County did not identify any contaminated sites meeting the applicable criteria, and did not recognize any financial liabilities as at December 31, 2016.

STRATHCONA COUNTY
Notes to Consolidated Financial Statements
Year ended December 31, 2016 (in thousands of dollars)

9. TANGIBLE CAPITAL ASSETS

Cost	Balance at January 1, 2016	Purchased Additions	Contributed Additions	Disposals	Balance at December 31, 2016
Land	\$ 473,870	\$ 522	\$ 16,731	\$ (11)	\$ 491,112
Land Improvements	98,507	5,726	2,568	(565)	106,236
Buildings	374,102	71,098	-	(37)	445,163
Engineered Structures	1,125,477	32,273	13,412	(12,071)	1,159,091
Machinery and Equipment	68,349	4,229	-	(804)	71,774
Books and Periodicals	5,592	630	-	(381)	5,841
Vehicles	69,404	8,331	-	(2,219)	75,516
Assets under Construction	67,687	(25,903)	-	-	41,784
	\$ 2,282,988	\$ 96,906	\$ 32,711	\$ (16,088)	\$ 2,396,517

Accumulated Amortization	Balance at January 1, 2016	Disposals	Amortization	Balance at December 31, 2016
Land Improvements	\$ 29,860	\$ (553)	\$ 4,695	\$ 34,002
Buildings	90,961	(37)	9,486	100,410
Engineered Structures	329,834	(11,622)	28,064	346,276
Machinery and Equipment	31,886	(793)	6,132	37,225
Books and Periodicals	2,526	(381)	572	2,717
Vehicles	30,330	(1,797)	5,520	34,053
Assets under Construction	-	-	-	-
	\$ 515,397	\$ (15,183)	\$ 54,469	\$ 554,683

Net Book Value	Balance at December 31, 2016
Land	\$ 491,112
Land Improvements	72,234
Buildings	344,753
Engineered Structures	812,815
Machinery and Equipment	34,549
Books and Periodicals	3,124
Vehicles	41,463
Assets under Construction	41,784
	\$ 1,841,834

STRATHCONA COUNTY
Notes to Consolidated Financial Statements
Year ended December 31, 2016 (in thousands of dollars)

9. TANGIBLE CAPITAL ASSETS (CONTINUED)

Cost	Balance at January 1, 2015	Purchased Additions	Contributed Additions	Disposals	Balance at December 31, 2015
Land	\$ 446,022	\$ 3,189	\$ 24,659	\$ -	\$ 473,870
Land Improvements	79,068	14,574	5,817	(952)	98,507
Buildings	369,042	5,212	-	(152)	374,102
Engineered Structures	1,074,869	32,841	29,846	(12,079)	1,125,477
Machinery and Equipment	64,124	8,513	-	(4,288)	68,349
Books and Periodicals	5,267	615	3	(293)	5,592
Vehicles	69,538	2,026	-	(2,160)	69,404
Assets under Construction	45,794	21,893	-	-	67,687
	\$ 2,153,724	\$ 88,863	\$ 60,325	\$ (19,924)	\$ 2,282,988

Accumulated Amortization	Balance at January 1, 2015	Disposals	Amortization	Balance at December 31, 2015
Land	\$ -	\$ -	\$ -	\$ -
Land Improvements	26,318	(890)	4,432	29,860
Buildings	82,039	(63)	8,985	90,961
Engineered Structures	315,355	(11,752)	26,231	329,834
Machinery and Equipment	30,180	(4,081)	5,787	31,886
Books and Periodicals	2,276	(293)	543	2,526
Vehicles	27,276	(2,121)	5,175	30,330
Assets under Construction	-	-	-	-
	\$ 483,444	\$ (19,200)	\$ 51,153	\$ 515,397

Net Book Value	Balance at December 31, 2015
Land	\$ 473,870
Land Improvements	68,647
Buildings	283,141
Engineered Structures	795,643
Machinery and Equipment	36,463
Books and Periodicals	3,066
Vehicles	39,074
Assets under Construction	67,687
	\$ 1,767,591

a) Assets under Construction

Assets under construction having a value of \$41,784 (2015 – \$67,687) have not been amortized.

STRATHCONA COUNTY
Notes to Consolidated Financial Statements
Year ended December 31, 2016 (in thousands of dollars)

9. TANGIBLE CAPITAL ASSETS (CONTINUED)

b) Contributed Tangible Capital Assets

Contributed tangible capital assets are recognized at fair value at the date of contribution. A total of \$32,711 in land, land improvements and engineered structures was contributed to the County in 2016 (2015 – \$60,325).

c) Write-down of Tangible Capital Assets

The County did not write down any tangible capital assets in 2016 or 2015.

10. EQUITY IN TANGIBLE CAPITAL ASSETS

	2016	2015
Tangible Capital Assets – Cost (Note 9)	\$ 2,396,517	\$ 2,282,988
Accumulated Amortization (Note 9)	(554,683)	(515,397)
Capital Leases	-	(108)
Long-Term Debt (Note 6)	(166,140)	(156,545)
Local Improvements Levies Applicable to Debt (Note 6)	614	655
	<u>\$ 1,676,308</u>	<u>\$ 1,611,593</u>

11. ACCUMULATED SURPLUS

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

	2016	2015
Surplus:		
Unrestricted Surplus (Deficit)	\$ 1,065	\$ (10,330)
Equity in Tangible Capital Assets	1,676,308	1,611,593
	<u>1,677,373</u>	<u>1,601,263</u>
Reserves:		
Stabilization and Contingency	13,867	10,638
Projects	61,195	69,449
Infrastructure Lifecycle, Maintenance and Replacement	113,208	106,198
Special Purpose	39,631	32,992
Library	4,398	4,089
	<u>232,299</u>	<u>223,366</u>
	<u>\$ 1,909,672</u>	<u>\$ 1,824,629</u>

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

12. OPERATING AND ACQUISITION LINES OF CREDIT

The County has an operating line of credit available for use, up to a maximum of \$5,000 (2015 – \$5,000), bearing interest at prime rate minus 0.5 per cent (2015 – 0.5 per cent) and is secured by the County at large. As at December 31, 2016, nil (2015 – 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 (2015 – \$2,449), bearing interest at prime minus 0.5 per cent (2015 – 0.5 per cent) and is secured by the County at large. As at December 31, 2016, nil (2015 – nil) was drawn against the available acquisition line of credit.

STRATHCONA COUNTY
Notes to Consolidated Financial Statements
Year ended December 31, 2016 (in thousands of dollars)

13. COMMITMENTS AND CONTINGENCIES

a) Capital

As at December 31, 2016, authorized costs on capital projects committed through a purchase order or other contractual agreement, but not yet expended, amounted to \$20,607 (2015 – \$31,034).

b) Leases

The County has ongoing operating leases for building space, office equipment and other miscellaneous equipment.

The future minimum lease payments are as follows:

2017	\$	818
2018	\$	583
2019	\$	541
2020	\$	423
2021	\$	-

c) Legal Disputes

As at December 31, 2016, the County was involved in various legal disputes. While it is not possible to estimate the outcome of these disputes, management believes that there will be no significant adverse effects on the financial position of the County.

d) Development Agreements

Developers have entered into agreements with the County in the amount of approximately \$8,495 (2015 – \$11,136) 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 \$38 (2015 – \$111) and letters of credit in the amount of \$4,429 (2015 – \$3,899) 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. This agreement contains a provision for extension of the initial term for up to two additional two year periods.

STRATHCONA COUNTY
Notes to Consolidated Financial Statements
Year ended December 31, 2016 (in thousands of dollars)

14. BUDGET DATA

The 2016 consolidated Operating Budget, approved by Council December 8, 2015 (2015 – December 9, 2014), is prepared on the modified cash flow basis, as required the municipal Government Act. A reconciliation of the Council approved operating budget prepared on the modified cash flow basis and the budget reported in these consolidated financial statements in accordance with Canadian Public Sector Accounting Standards has been provided, as follows:

	2016 Budget (as approved by Council)	2016 Budget (as reported in Financial Statements)	2015 Budget (as approved by Council)	2015 Budget (as reported in Financial Statements)
Operating Budget				
Operating Revenue	\$ 339,341	\$ 339,341	\$ 325,642	\$ 325,642
Expenses (including amortization)	344,999	344,999	328,929	328,929
	(5,658)	(5,658)	(3,287)	(3,287)
Modified Cash Flow Items				
Amortization Expense (non-cash item)	53,287	-	50,699	-
Net Reserve Transactions	(37,425)	-	(35,064)	-
Net Financing Activities	(10,204)	-	(12,348)	-
Subtotal	5,658	-	3,287	-
Capital Revenue	-	100,019	-	86,894
Annual Surplus	\$ -	\$ 94,361	\$ -	\$ 83,607

Capital Budget

The 2016 Capital Budget is comprised of the following:

The 2016 Capital Budget approved by Council on December 8, 2015
2016 Approved Capital Budget Amendments
Unspent Prior Years Budgeted Capital Expenditures and Amendments
Budgeted Capital Expenditures planned to be incurred after 2016
Capital Budget for Acquisition of Tangible Capital Assets

	2016	2015
	\$ 94,613	\$ 66,355
	3,190	(20,345)
	226,153	274,183
	(83,751)	(103,299)
	\$ 240,205	\$ 216,894

STRATHCONA COUNTY
Notes to Consolidated Financial Statements
Year ended December 31, 2016 (in thousands of dollars)

15. PROPERTY TAXES

	<u>Municipal</u>	<u>Non-Municipal</u>	<u>2016</u>	<u>2015</u>
Property Taxes				
Residential and Farmland	\$ 76,145	\$ 43,123	\$ 119,268	\$ 115,275
Commercial and Industrial	138,467	19,042	157,509	146,761
Electric Power and Pipeline	7,193	2,594	9,787	9,391
Government Grants in Lieu of Taxes	146	34	180	228
Local Improvement Levies	12	-	12	13
	<u>\$ 221,963</u>	<u>\$ 64,793</u>	<u>\$ 286,756</u>	<u>\$ 271,668</u>
Non-Municipal				
Provincial Alberta School Foundation Fund			54,807	50,802
Elk Island CSRD No. 41			7,116	6,790
Heartland Housing Foundation			2,870	2,699
Taxes on Behalf of Non-Municipal Requisitioning Authorities			<u>\$ 64,793</u>	<u>\$ 60,291</u>
Taxes for Provision of Municipal Services			<u>\$ 221,963</u>	<u>\$ 211,377</u>

16. GOVERNMENT TRANSFERS

	<u>2016</u>	<u>2015</u>
Government Transfers for Operations		
Federal Transfers	\$ 162	\$ 126
Provincial Transfers	7,063	7,286
	<u>7,225</u>	<u>7,412</u>
Government Transfers for Capital		
Federal Transfers	9,976	2,805
Provincial Transfers	10,764	41,136
	<u>20,740</u>	<u>43,941</u>
	<u>\$ 27,965</u>	<u>\$ 51,353</u>

The nature of the major government transfers recognized during 2016, include, but are not limited to the following:

The Federal government introduced the Federal Gas Tax Fund 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 2016, the County received authorization of \$8,672 (2015 – \$3,036) under this program, and \$7,066 (2015 – \$2,872) has been recognized in capital transfers. A total of \$6,776 (2015 – \$5,128), including interest of \$42 (2015 – \$64) remains deferred to future years. As at December 31, 2016, \$6,681 (2015 - \$3,036) is receivable from the Province for this program.

In 2014, the Federal government designated funds to support infrastructure projects in Alberta communities with a population up to 100,000. The Small Communities Fund (SCF) focuses on supporting local priorities that contribute to economic growth, a cleaner environment and stronger communities. In 2016, the County received authorization of \$2,576 (2015 – nil) and \$2,576 (2015 – nil) has been recognized in capital transfers.

STRATHCONA COUNTY
Notes to Consolidated Financial Statements
Year ended December 31, 2016 (in thousands of dollars)

16. 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 2016, the County received authorization of \$12,626 (2015 – \$12,626) in MSI Capital Funding, and \$8,471 (2015 – \$31,232) has been recognized in capital transfers. A total of \$20,709 (2015 – \$16,177) remains deferred to future years, including interest of \$377 (2015 – \$541).
- In 2016, the County received authorization of \$808 (2015 – \$757) in MSI Conditional Operating Funding. During 2016, \$808 (2015 - \$792) has been recognized in operating transfers. A receivable of \$808 (2015 - nil) has been recorded. The MSI Conditional Operating funds have been recognized in full as of December 31, 2016.
- From 2008 to 2010, the County received authorization of \$12,387 in MSI Affordable Housing Funding. During 2016, \$120 (2015 – \$88) has been recognized in operating and capital transfers. A total of \$181 (2015 – \$296) of the amounts received since inception of the initiative remains deferred to future years, including interest of \$5 (2015 – \$7).

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 2016, the County received authorization of \$1,987 (2015 – \$6,438) in GreenTRIP funding, and \$1,987 (2015 – \$6,438) has been recognized in capital transfers. As at December 31, 2016 \$1,987 (2015 – \$6,438) is receivable from the Province for this program.

17. OTHER CAPITAL REVENUES

	2016	2015
Development Levies and Charges	\$ 6,985	\$ 711
Developer Contributions	1,011	310
Other	3,498	1,011
	\$ 11,494	\$ 2,032

STRATHCONA COUNTY
Notes to Consolidated Financial Statements
Year ended December 31, 2016 (in thousands of dollars)

18. SALARIES AND BENEFITS DISCLOSURE

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

	Salaries	Benefits & Allowances	2016	2015
Elected Officials:				
Mayor	\$ 123	\$ 17	\$ 140	\$ 139
Councillor – Ward 1	72	9	81	79
Councillor – Ward 2	72	17	89	87
Councillor – Ward 3	72	16	88	85
Councillor – Ward 4	72	17	89	87
Councillor – Ward 5	72	17	89	87
Councillor – Ward 6	72	9	81	83
Councillor – Ward 7	72	11	83	81
Councillor – Ward 8	72	15	87	84
	<u>\$ 699</u>	<u>\$ 128</u>	<u>\$ 827</u>	<u>\$ 812</u>
Chief Commissioner	\$ 276	\$ 46	\$ 322	\$ 316

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

19. 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 (2015 – 11.39 per cent) of pensionable payroll up to the yearly maximum pensionable earnings (YMPE) and 15.84 per cent (2015 – 15.84 per cent) thereafter. Employees of the County are required to make current service contributions of 10.39 per cent (2015 – 10.39 per cent) of pensionable salary up to YMPE, and 14.84 per cent (2015 – 14.84 per cent) thereafter.

Total current service contributions by the County to LAPP in 2016 were \$13,263 million (2015 – \$12,282). Total current service contributions by the employees of the County to LAPP in 2016 were \$12,237 million (2015 – \$11,330).

As stated in their 2015 Annual Report, LAPP serves 244,621 members and 426 employers. It is financed by employer and employee contributions and investment earnings of the LAPP fund. At December 31, 2015, the plan reported an actuarial deficiency of (\$923) million.

STRATHCONA COUNTY
Notes to Consolidated Financial Statements
Year ended December 31, 2016 (in thousands of dollars)

19. 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 and Manager level employees). Managers became eligible as of January 14, 2016. 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% and Strathcona County contributes 3.00% of pensionable earnings up to \$145 (2015 - \$141).

Total contributions made by the employees to APEX in 2016 were \$237 (2015 - \$76). Total contributions made by Strathcona County to APEX in 2016 were \$285 (2015 - \$91).

20. FINANCIAL INSTRUMENTS

The County's financial instruments consist of cash and cash equivalents, accounts receivable, investments, accounts payable and accrued liabilities, deposit liabilities, 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.

21. COMPARATIVE INFORMATION

Certain comparative information has been reclassified to conform to the current year's presentation.

22. 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, 2016 (in thousands of dollars)

23. SEGMENTED INFORMATION (CONTINUED)

	Municipal Operations										2016	2016 Budget (Note 14)		
	Infrastructure and Planning Services	Community Services	Corporate Services	CFO	Senior Admin	Elected Officials	Fiscal Services	Total Municipal Operations	Utility Operations	Library Operations			Pioneer Housing Foundation	Eliminations
OPERATING REVENUE														
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 212,779	\$ 212,779	\$ 12	\$ 9,172	\$ -	\$ -	\$ 221,963	\$ 219,958
Utility User Rates	-	-	-	-	-	-	-	-	52,553	-	-	-	52,553	54,084
User Fees and Charges	4,537	28,914	485	292	122	3,299	37,649	37,649	1,348	58	-	-	39,055	40,270
Government Transfer - Operating	228	5,470	-	-	116	808	6,622	6,622	33	570	-	-	7,225	5,202
Investment Income	-	-	-	-	-	6,090	6,090	6,090	966	112	-	-	7,168	6,093
Penalties and Fines	64	4,862	-	-	-	1,271	6,197	6,197	-	175	-	-	6,372	5,830
Other	823	7,825	335	79	10	7,492	16,564	16,564	362	160	1,254	(662)	17,678	7,904
TOTAL OPERATING REVENUE	5,652	47,071	820	371	248	231,739	285,901	285,901	55,274	10,247	1,254	(662)	352,014	339,341
EXPENSES														
Salaries, Wages and Benefits	26,372	85,208	21,304	5,618	5,228	138	144,852	144,852	10,749	6,102	-	-	161,703	164,043
Contracted and General Services	6,171	24,251	8,916	819	720	1,960	42,964	42,964	11,183	330	-	-	54,477	62,609
Supplies, Materials and Utilities	7,314	15,934	1,486	(409)	137	(1,311)	23,210	23,210	22,413	1,177	-	-	46,800	54,625
Interest on Long-term Debt	-	35	-	-	-	3,093	3,128	3,128	2,468	952	662	(662)	6,548	6,869
Grants and Requisitions	52	913	82	-	90	923	2,060	2,060	101	-	-	-	2,161	2,050
Amortization	-	190	-	-	-	44,845	45,035	45,035	7,083	1,377	974	-	54,469	53,287
Gain/Loss on Asset Disposal	-	-	-	-	-	211	211	211	450	-	-	-	661	-
Other Expenses	296	493	77	52	-	4,102	5,020	5,020	73	4	-	-	5,097	1,516
TOTAL EXPENSES	40,205	127,024	31,865	6,080	6,175	53,961	266,480	266,480	54,520	9,942	1,636	(662)	331,916	344,999
SURPLUS (DEFICIT) BEFORE CAPITAL REVENUE	(34,553)	(79,953)	(31,045)	(5,709)	(5,927)	(1,170)	177,778	19,421	754	305	(382)	-	20,098	(5,658)
CAPITAL REVENUE														
Contributed Tangible - Capital Assets	-	-	-	-	-	25,153	25,153	25,153	7,558	-	-	-	32,711	-
Government Transfers - Capital	-	-	-	-	-	20,262	20,262	20,262	478	-	-	-	20,740	41,381
Other Capital Revenue	-	-	-	-	-	10,679	10,679	10,679	812	3	-	-	11,494	58,638
TOTAL CAPITAL REVENUE	-	-	-	-	-	56,094	56,094	56,094	8,848	3	-	-	64,945	100,019
ANNUAL SURPLUS	\$ (34,555)	\$ (79,953)	\$ (31,045)	\$ (5,709)	\$ (5,927)	\$ (1,170)	\$ 233,872	\$ 75,515	\$ 9,602	\$ 308	\$ (382)	\$ -	\$ 85,043	\$ 94,361

23. SEGMENTED INFORMATION (CONTINUED)

STRATHCONA COUNTY
Notes to Consolidated Financial Statements
Year ended December 31, 2016 (in thousands of dollars)

	Municipal Operations										2015 Budget (Note 14)			
	Infrastructure and Planning Services	Community Services	Corporate Services	CFO	Senior Admin	Elected Officials	Fiscal Services	Total Municipal Operations	Utility Operations	Library Operations		Pioneer Housing Foundation	Eliminations	2015
OPERATING REVENUE														
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 202,655	\$ 202,655	\$ 13	\$ 8,709	\$ -	\$ -	\$ 211,377	\$ 207,930
Utility User Rates	-	-	-	-	-	-	-	-	52,353	-	-	-	52,353	53,237
User Fees and Charges	5,765	29,003	460	301	137	-	2,949	38,615	3,089	166	-	-	41,870	39,257
Government Transfer	196	5,616	-	-	266	-	758	6,836	43	533	-	-	7,412	5,457
- Operating	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment Income	-	-	-	-	-	-	6,763	6,763	961	121	-	-	7,845	6,157
Penalties and Fines	327	5,203	-	-	-	1,208	6,738	6,738	-	163	-	-	6,901	5,417
Other	478	6,435	145	20	4	1,400	8,482	8,482	209	140	1,254	(678)	9,407	8,187
TOTAL OPERATING REVENUE	6,766	46,257	605	321	407	215,733	270,089	270,089	56,668	9,832	1,254	(678)	337,165	325,642
EXPENSES														
Salaries, Wages and Benefits	24,934	79,749	19,866	5,224	5,005	1,317	137,062	137,062	10,453	5,819	-	-	153,334	153,990
Contracted and General Services	7,585	21,492	8,751	675	970	2,417	42,046	42,046	12,263	352	6	-	54,667	59,823
Supplies, Materials and Utilities	7,997	15,322	664	(467)	165	(1,145)	22,538	22,538	21,902	1,175	-	-	45,615	53,698
Interest on Long-term Debt	-	41	-	-	-	3,173	3,214	3,214	2,625	983	678	(678)	6,822	7,332
Grants and Requisitions	76	845	78	-	120	1,031	2,150	2,150	-	-	-	-	2,150	1,960
Amortization	-	184	-	-	-	42,222	42,406	42,406	6,405	1,362	980	-	51,153	50,699
Gain/Loss on Asset Disposal	-	(7)	-	-	-	218	211	211	88	8	-	-	307	-
Other Expenses	113	529	(77)	71	-	1,161	1,797	1,797	87	3	-	-	1,887	1,427
TOTAL EXPENSES	40,705	118,155	29,282	5,503	6,260	50,394	251,424	251,424	53,823	9,702	1,664	(678)	315,935	328,929
SURPLUS (DEFICIT) BEFORE CAPITAL REVENUE	(33,939)	(71,898)	(28,677)	(5,182)	(5,853)	(1,125)	18,665	18,665	2,845	130	(410)	-	21,230	(3,287)
CAPITAL REVENUE														
Contributed Tangible - Capital Assets	-	-	-	-	-	-	42,825	42,825	17,497	3	-	-	60,325	-
Government Transfers - Capital	-	-	-	-	-	-	41,325	41,325	2,616	-	-	-	43,941	48,356
Other Capital Revenue	-	-	-	-	-	1,866	1,866	1,866	166	-	-	-	2,032	38,538
TOTAL CAPITAL REVENUE	-	-	-	-	-	86,016	86,016	86,016	20,279	3	-	-	106,298	86,894
ANNUAL SURPLUS	\$ (33,939)	\$ (71,898)	\$ (28,677)	\$ (5,182)	\$ (5,853)	\$ (1,125)	\$ 251,355	\$ 104,681	\$ 23,124	\$ 133	\$ (410)	\$ -	\$ 127,528	\$ 83,607