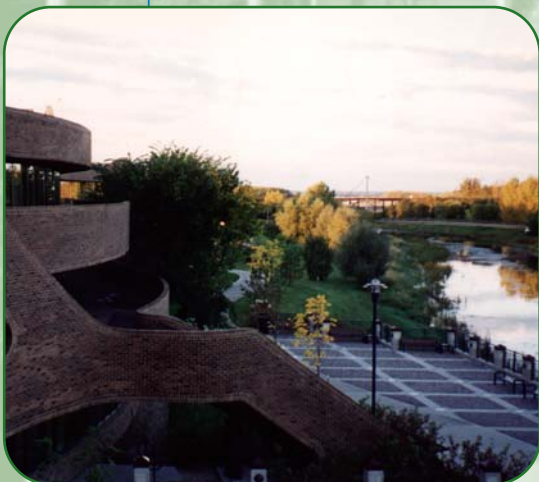


CITY OF ST ALBERT

2003 Annual Financial R E P O R T

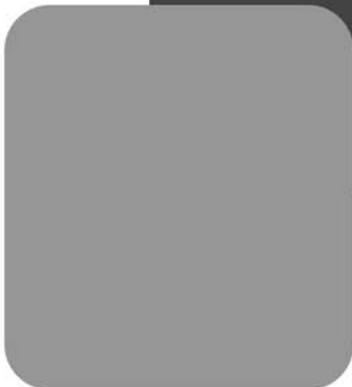


THE CITY OF
St. Albert



Annual Financial Report

For the Year Ended December 31, 2003
Prepared by: Corporate Services Division



2003 Introductory
SECTION



The City of St. Albert 2003 Annual Financial Report

Table of Contents

Introductory Section	Page
Message from the Mayor	1
Message from the City Manager	2
City Council and Administration	3
City of St. Albert, Alberta, Canada – Location	4
City Profile	5
The Year in Review	5 – 8
2003 Organizational Chart	9
Report from the Chief Financial Officer	10 - 13
Canadian Award for Financial Reporting	14 – 15
 Financial Section	
Management's Report	19
Auditors' Report	19
Consolidated Balance Sheet	20
Consolidated Statement of Revenue, Expenditures and Change in Fund Balances	21
Consolidated Statement of Changes in Financial Position	22
Notes to the Consolidated Financial Statements	23 – 31
Schedules:	
Schedule 1 – Schedule of Operating Revenue, Expenditures and Change in Fund Balance	35
Schedule 2 – Schedule of Capital Revenue, Expenditures and Change in Fund Balance	36
Schedule 3 – Schedule of Reserves	37
Schedule 4 – Schedule of Property Taxes Levied	38
Schedule 5 – Schedule of Consolidated Expenditures by Object	38
Schedule 6 – Schedule of Consolidated Sales and User Fees	39
Schedule 7 – Schedule of Utility Operations	40
Schedule 8 – St. Albert Public Library – Schedule of Revenue, Expenditures and Change in Fund Balances	41
 Statistical Section	
Statistical Summary	45
Consolidated Fund Activities and Fund Balances	46
Operating Fund Activities and Fund Balance	47
Capital Fund Activities and Fund Balance	48
Consolidated Revenue by Function	49
Consolidated Expenditures by Object	49
Tax Rates	50
Taxable Assessment and Government Grants in Place of Property Taxes	50
Property Taxes Levied	51
Tax Collection	52
Long Term Debt	53
Debt Limit and Debt Payment	53
Reserves	54

Message from the Mayor



It is with great pride that I present the 2003 Annual Financial Report for the City of St. Albert on behalf of my colleagues on City Council.

St. Albert, like all municipalities in Alberta, is faced with many challenges related to providing and maintaining a high-quality urban lifestyle for its citizens while maintaining an aging infrastructure and meeting the demands for new programs and new capital spending exerted by a rapidly expanding economy. Meeting the challenges created during a sustained economic boom while maintaining a reasonable level of taxes, user fees, and per capita debt has required a sustained and unflagging effort by municipal administrators and policy makers.

Council has paid particular attention toward implementing fiscal reforms which will be of major assistance in helping deal with a variety of long and short run resource allocation problems. In 2003 a new resource allocation tool was introduced which relates resource inputs to the outcomes desired by the citizens of the City. A business plan model has been designed for St. Albert which will assist the City in making more informed decisions in the future with respect to its expenditure programs both from a short run as well as a long run accountability and stewardship perspective. This system will support the introduction of modern decision-making tools which will enhance the efficacy of the resource allocation system in the City both at an aggregate as well as at a micro-department and program level. Additional refinements and the development of a completely integrated system reaching down to the micro level will occur over a number of years.

Major accomplishments in the area of fiscal reform include fully funding over \$3 million in unfunded liabilities and outstanding capital projects. A set of Fiscal Principles and Budget Principles to guide the current, as well as future Councils, was adopted; Debt, Investment, and Reserve Policies were put in place; equipment replacement plans were updated; and the Utility Rate Model was overhauled in order to facilitate the replacement of debt financing with a reserve fund approach towards funding new and existing utility infrastructure. All of these actions have taken a significant amount of Council's and Administration's time to develop; however, the investment in this time is reflected in the solid financial foundation which has been constructed for our City.

The interesting aspect of the St. Albert reforms is the degree to which policy-makers on the City's Finance and Audit Committee and administrators in the City's Corporate Services Department have worked so closely together in reforming the financial and administrative policies existing within St. Albert in 2001. This partnership approach partially stems from the fact that individuals with special qualifications and interest in municipal finance were elected to office and were supported by their Council colleagues in initiating and overseeing some of the reforms. However, it is equally true that the City administration rose to the occasion and initiated a number of changes and development in their own right and converted the Finance and Audit Committee's recommendation suggestions into operational policies and procedures. A truly harmonious relationship developed between Council and its administration, which worked to the benefit of all of the residents within the City.

A number of challenges exist. The City's boundaries need to be expanded to provide for planned, orderly growth of our residential, commercial, and industrial areas. Alternate sources of revenue and/or a marked increase in provincial and federal transfer payments are required in the immediate future to provide for refurbishment of our aging infrastructure and to continue to provide the array of high-quality services which make St. Albert the finest residential centre in the entire Province of Alberta.

Council and its administration have built a strong corporation that is proud of the quality of the services it provides to its residents and to the excellent economic environment it has created for its business enterprises.

Richard Plain (PhD Econ)
Mayor

Message from the City Manager



2003 was a year of major change for the City of St. Albert, as we continued to work on improving the financial health of our community. Like many municipalities, the City of St. Albert is trying to balance growth requirements while maintaining programs and services already in place.

To that end, the City of St. Albert launched a new Business Planning process and adopted many new fiscal policies. I am pleased to report that we now have a solid Business Planning process which is directly linked to our major outcome goals and drives the Corporation's budget.

For the first time, our budget process is driven by comprehensive department level Business Plans. Budget requests now flow from Business Plans which are tied into the City's outcome goals which include fiscal responsibility, municipal leadership and governance, safety, quality of life, long term planning and economic development.

In addition to each Business Plan, all departments are in the process of developing long-term financial plans to guide the corporation into the future. These are some of the major steps being taken toward fiscal reform for the City of St. Albert.

In the past year we have taken great strides in improving the fiscal health of the City of St. Albert. The Administration looks forward to many of the challenges ahead. I am pleased to have been able to be a part of this process and acknowledge the strong commitment and dedication of both our front-line staff and those that work behind the scenes.



Bill Holtby
City Manager



City Council and Administration

City Council

Mayor Richard Plain

Alderman Len Bracko

Alderman James Burrows

Alderman Neil Korotash

Alderman Lynda Moffat

Alderman Doug Ritzen

Alderman Curtis Stewart

Civic Administration

Bill Holtby
City Manager

Guy Boston
General Manager, Planning and Engineering

Del Dyck
General Manager, Corporate Services

Gail Barrington-Moss
General Manager, Community and Protective Services

City Auditor

Grant Thornton, LLP

City Banker

Royal Bank of Canada



**City of St. Albert
Alberta, Canada**





City Profile

The Town of St. Albert was incorporated in 1904. One hundred years later, the City of St. Albert is a vibrant community with a population of 54,588.

St. Albert is the oldest non-fortified community in Alberta. Founded in 1861 by Father Albert Lacombe, St. Albert is located immediately north of Alberta's capital city, Edmonton. Father Lacombe was one of the earliest missionaries in the west and built a chapel in St. Albert to minister to the Cree and Métis.

Today, St. Albert is a bustling community and boasts many cultural, arts, and leisure facilities such as the world renowned Arden Theatre, the Musée Heritage Museum, visual arts studios, 40 kilometres of walking and hiking trails, and more than 1,100 acres of parks and green space.

Government Structure

The City of St. Albert operates under the council/manager form of government. Residents elect a mayor and six aldermen for a three-year term on a non-partisan basis. Council governs in accordance with the powers granted under various Provincial statutes. City Council is responsible for setting corporate policies to levy taxes, pass regulations, and establish budgets for the delivery of services throughout the community.

City Council has one employee, the City Manager or Chief Administrative Officer. The CAO in turn manages a staff of just over 500 employees who carry out the day-to-day operations of the corporation.

The Year in Review

The value of residential construction in 2003 was \$83.4 million, while the value of non-residential construction during the same period was \$30.1 million. There were 671 home-based business permits issued in 2003, an increase of 31% from 2002.

Keeping residents and visitors safe is a top priority. One of our goals is to be the safest community in the Capital Region where people, property and natural assets are secure. In 2003, the City of St. Albert:

- Established a St. Albert Drug Enforcement Unit, which has contributed to a 20% reduction in drug related incidents.
- Implemented an Alarm System Bylaw.
- Hired four new Firefighter-Paramedics.
- Improved the City's Health and Safety Program in the areas of awareness, training and reporting, resulting in a safer workplace and anticipated savings in WCB premiums.
- Experienced a reduction in the number of injuries resulting from motor vehicle collisions by 28%.



Environmental

We are committed to ensuring the city's environment is healthy and accessible. We are also working to address environmental protection requirements for the Big Lake/Sturgeon Basin. In 2003, the City of St. Albert:

- Developed the scope for the Environmental Management System
- Reintroduced the Yellow Fish Road Program
- Had continued success with programs such as Arbour Day, Spruce Up the Sturgeon, and Take it or Leave it
- Introduced the native plant relocation and computer recycling programs
- Unveiled the first hydrocarbon and grit interceptor to clean water before it enters the Sturgeon River
- Implemented water conservation measures during dry periods
- Completed the City's Storm Water Management Master Plan
- Implemented the Parks & Open Spaces Master Plan and the Storm Water Quality Monitoring Program
- Began planning for a new permanent snow storage site, sanitary sewage, and water storage and distribution needs

Quality of Life

St. Albert residents consistently rate their quality of life as exceptional. In fact, according to the community survey, 97% of respondents are satisfied with their quality of life in St. Albert. Quality of life is about leisure opportunities, parks and open spaces, safety, an efficient transportation system, community events, and other quality City services. Exceptional quality of life is what makes St. Albert the community of choice. In 2003, the City of St. Albert:

- Addressed public concerns regarding the condition and maintenance associated with St. Albert parks and river corridor. We enhanced service levels and allocated resources to ensure ongoing maintenance of these natural and infrastructure assets.
- Implemented a home visitation and a community Head Start/Jump Start program for at-risk children and families through the acquisition of federal and provincial grants totalling \$196,900.
- Completed the preliminary design for the West Regional Road and received approval from the Department of Fisheries and Oceans to proceed to public consultation on the Sturgeon River bridge crossing.
- Negotiated and completed an efficient and cost effective solution with the City of Edmonton and the Province to address 170th Street traffic congestion.
- Replaced two existing buses with small, low-floor buses to improve peak-hour capacity along key commuter routes into Edmonton.
- Approved the Red Willow Park West Master Plan.
- Developed the Arden Theatre Refurbishment Plan, which will see ongoing maintenance fully funded through ticket surcharges.

- Implemented e-commerce applications, business licensing and dog license renewal applications, and on-line account transactions including municipal ticket payments and deposits for property searches.
- Planned the multi-purpose recreation facility.
- Approved Grosvenor Pool and Grandin Clubhouse replacement.
- Approved a new Community Events Policy that will increase the amount of funds available to eligible groups who wish to host community events.

Fiscal Responsibility

Many changes occurred as part of the City's focus on fiscal reform. The City of St. Albert balanced citizen priorities and the increased demand for services with strong fiscal responsibility. In 2003, the City of St. Albert:

- Completed phase one of the infrastructure review involving identification of all civic infrastructure assets and assessment of the cost of maintaining infrastructure over the long term.
- Developed a new Debt Management Policy that will maintain a strong financial position and limit the impact that debt charges will have on future tax rates.
- Made several major improvements to the City's utility rate setting model. This change will improve the City's overall debt position and provide greater opportunity for internal financing of municipal capital projects and savings in interest costs.
- In the future, all municipal utility costs (sewer, water, waste, and storm sewer) associated with operations, replacement of existing infrastructure, and the addition of new infrastructure will be funded either through utility rates, grants, or developer contributions with the intention of becoming a self-sustaining operation.
- Completed the Fire Services long-term plan that addresses the impact of population and geographic growth both in terms of operating and capital costs and protecting property and human life.

Long-Term Planning

By understanding and planning for the future, we will be able to manage long-term costs. In 2003, the City of St. Albert:

- Approved the corporate planning framework and introduced a rigorous business planning process for identifying corporate strategies and operational priorities.
- Completed the initial Long Term Financial Outlook/Plan (2004 – 2010), which will gauge the financial impact of various policy and investment decisions and provide information regarding affordability and taxation impacts of various corporate priorities.
- Developed a set of budget principles that provide future direction and consistency around the budget process.



Economic Development

We are investing in business to diversify our tax base. In 2003, the City of St. Albert:

- Completed Phase 2 of Campbell Business Park (18 commercial lots are available for sale and sites are serviced).
- Completed the initial draft of the Economic Development and Tourism Master Plan.
- Increased business licenses issued by 22% (441) in 2003, over previous year
- Sold surplus Sturgeon Hospital land.

Municipal Leadership and Governance

The City of St. Albert continues to provide quality services in a regional context while maintaining local autonomy. We are cooperating regionally to improve services for our residents. In 2003, the City of St. Albert:

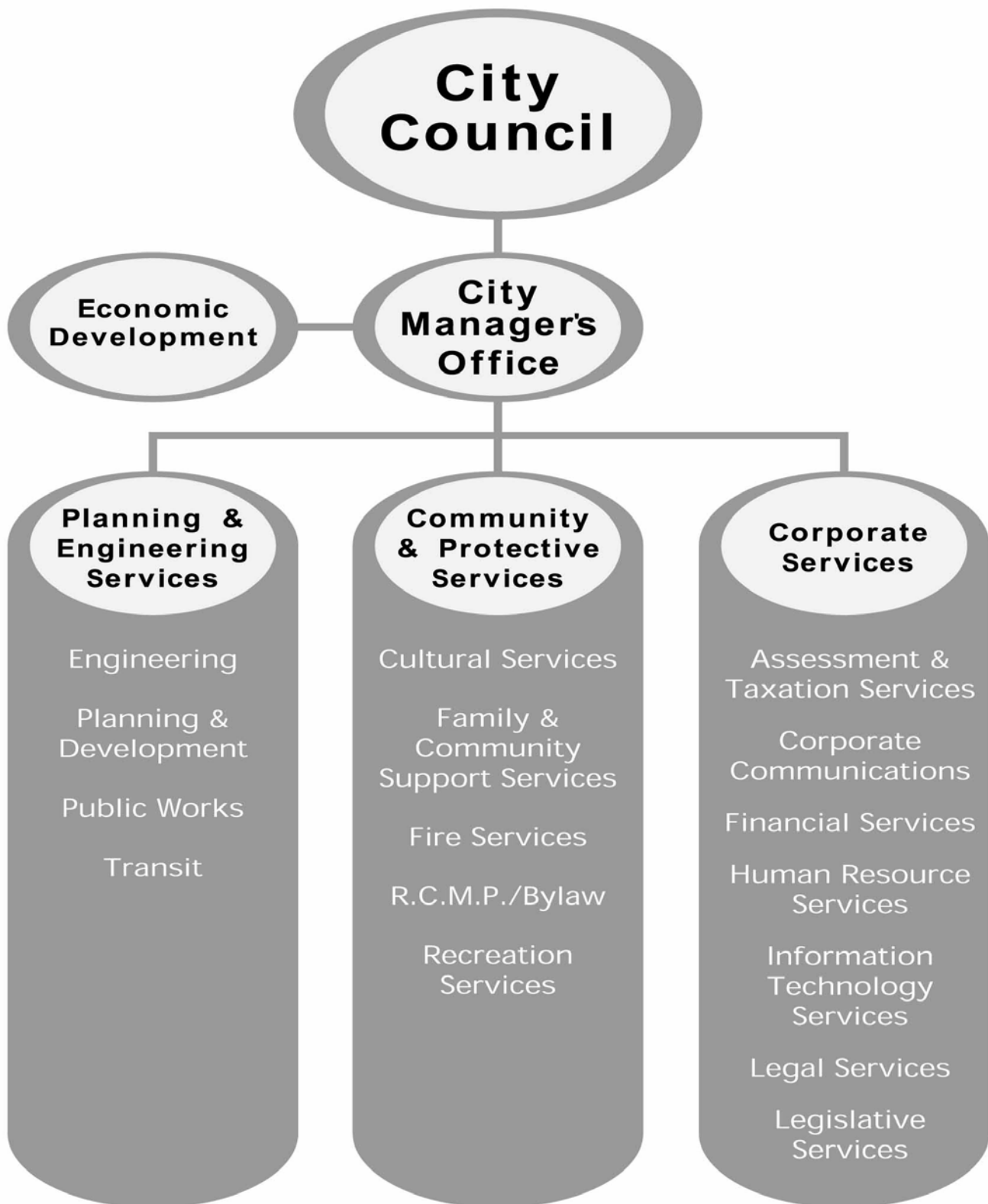
- Reduced the increase in property taxes by working with regional partners to negotiate electricity contracts.
- Filed an annexation application with the Municipal Government Board and served an annexation notice on Sturgeon County to ensure land requirements for the next 25 years.
- Worked with the City of Edmonton and the Province to negotiate solutions for 170th Street.
- Partnered with our neighbours to design the multi-purpose recreation centre.

Special Grants, Awards and Commendations

- Received \$50,000 for Community Tourism Strategy.
- The Youth Council won the 2002 *Leaders of Tomorrow* youth volunteer award.
- Financial Services received the Canadian Award for Financial Reporting from the Government Finance Officers' Association.
- Received a special transportation grant from the Province for the West Regional Road in the amount of \$3 million.
- Mayor Plain received the Queen's Golden Jubilee Commendation Medal for outstanding community service.
- Citadel Village project received the Alex Metcalfe Award from the Economic Development Association of Alberta for Best Economic Development Project for 2003.
- Economic Development received the Marketing Canada Award at the Economic Developers Association of Canada's 35th annual conference for its promotional campaign launching the new brand and logo *Business Is RIGHT In St. Albert*



2003 Organizational Chart



Report from the Chief Financial Officer

The City of St. Albert is pleased to present the 2003 Annual Financial Report. This report contains the audited 2003 consolidated financial statements that summarize the financial activities for the year. These financial statements meet the requirements of Section 276 of the Municipal Government Act and are consistent with Canadian generally accepted accounting principles as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. This report contains financial statements that represent the consolidated operating and capital activities of the City of St. Albert and include municipal water, sewer, storm sewer, and waste management activities as well as the Library.

This report provides the reader with a clear insight of the financial results for the fiscal year ended December 31, 2003. The City of St. Albert has made every effort to ensure this document presents a fair accounting of the financial position of the Municipality and that financial resources that are entrusted to the City of St. Albert are managed well. The report is divided into three sections:

- Introductory Section – provides an overview of the political, economic and administrative context within which the Municipality operates.
- Financial Section – presents the auditors report, consolidated financial statement and supporting statements and schedules prepared on a comparative basis.
- Statistical Section – presents a variety of relevant financial information on a five-year comparative basis.

We believe this report conforms to the Canadian Award for Financial Reporting program requirements. For the fourth consecutive year, we will be submitting this report to the Government Finance Officers Association of the United States and Canada (GFOA). In order to qualify, the municipality must publish an easily readable and efficiently organized annual financial report that conforms to program standards beyond the minimum requirements of applicable Canadian generally accepted accounting principles. Such a report should clearly communicate the municipality's financial position, enhance an understanding of financial reporting, and address user needs.

Financial Management and Control

Management of the City of St. Albert is responsible for the preparation and presentation of the financial statements and related information in the Annual Financial Report. The accounting firm of Grant Thornton LLP has been appointed by City Council to report directly on the results of their external audit. City Council has approved the budget presented in the financial statements, which is a result of ongoing Corporate Business Planning. In addition, the City of St. Albert reports to City Council and the public on a quarterly basis with comparisons of actual spending to budget, along with other relevant financial information.

Certain financial information is prepared using estimates and judgements that have been based on careful assessment of data through the City's management information systems. We maintain a system of internal controls to provide reasonable assurance as to the fairness and reliability of that information and data. These control systems are regularly reviewed and enhanced as required to ensure the production of timely, accurate and complete financial information to protect and safeguard City assets.

Budget

In 2003, management developed a set of Budget Principles that provides both current and future City Councils and Administration direction and consistency around the budget process, including guidance on the use of one-time revenues, reserves, and user fees.

As indicated in Note 11 to the financial statements, the City's capital budget is project specific. Actual revenues and expenditures are recorded in the year the project was started and subsequent years if the project extends into more than one year. This can result in large variances as illustrated on page 21 due to the budget representing only 2003 projects, while the actual costs for capital are for projects originally budgeted in 2002, 2001, and earlier years.

2003 Financial Results

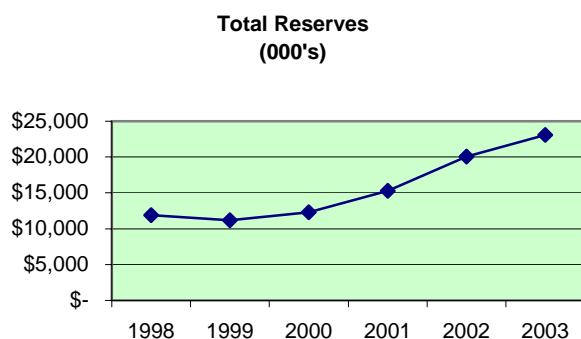
Due to a continuing strong local economy, the City experienced a growth rate of 4.74 per cent in new assessment in 2003. This contributed to a tax levy in 2003 of \$38.0 million of which 98.7 per cent was collected by yearend. For water, sewer, storm sewer, and waste operations, rates were established using an enhanced utility rate method, which moves the City from a debt financing model to a reserve financing model. These rates were designated to recover funds for current operations and replacement of existing infrastructure and future infrastructure requirements in order to achieve self-sustainable utility operations.

The storm sewer system was moved into a utility from the Municipal Operating budget in 2003. This allows for the financing of future development of the system as a utility operation.

In 2003, a surplus of \$228,700 resulted from operations and another \$343,400 was identified as excess reserve funding from specific reserves, primarily the Office Systems Replacement Reserve, as a result of a change to a leasing arrangement for desktop computers. The majority of these funds were used to address funding issues identified in a review of the City's outstanding capital projects as part of the City's fiscal reform initiative to improve accountability and re-engineering for capital project management. The remaining funds were, by policy, transferred into the stabilization reserve account.

Reserves

The City of St. Albert allocates funds to reserves to meet specific expenditure requirements and to provide for emergency or one-time expenditures. Reserve balances had declined from approximately \$20 million in 1994 to \$10 million in 1997. Through sound financial management, and as a result of Council's fiscal policy, funding for reserves has been a priority and in 2003 balances have increased to \$23.1 million.



Another initiative identified in the City's fiscal reform strategy was to develop 10-year plans for each reserve in order to improve the accountability, planning and management of these reserves. The benefits associated with this strategy include improved accountability (i.e. reporting) and monitoring, consolidated management of the reserves throughout the organization, improved planning by incorporating a multi-year

focus, and improved cash management by identifying cash flows which will assist in potential longer-term investment opportunities and internal financing capacity.

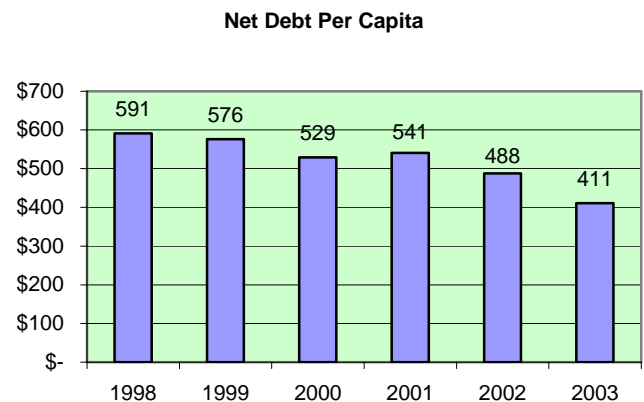
Through the enhanced Utility Rate Setting Model it was identified that there was a requirement for a \$1.9 million transfer within the Utility Reserves from the Water Reserve to the Sanitary Sewer Reserve. A significant source of funding for the Water and Sanitary Sewer portion of the Utility Reserve is Off-Site Levies from Developers. This Off-Site Levy has traditionally been allocated 60% Sanitary Sewer and 40% Water, based on historical needs. The allocation has been revised (70/30) and a one-time transfer for funding in the Sanitary Sewer reserve was identified.

Investments

The investment policy for the City of St. Albert has as its prime objective the safety and preservation of the principal invested. The policy ensures conformity to the types of investments permitted under the Municipal Government Act. A report of the investment portfolio for the City is presented to Council on a quarterly basis to ensure adherence of the nature and diversification of the portfolio to the investment policy. Investments have yields ranging from 9.25 per cent to 12.875 per cent and mature in periods ranging from 2004 to 2007. They are stated on the financial statements at the lower of cost and net realizable value.

Debt

In 2003, a new debt management policy was developed that has, as its prime objective, a strong financial position for the City as well as limiting the impact debt charges will have on future tax rates. The net debt per capita has been on a general decline since 1998 due to less of a reliance on debt as a result of sound management for improved reserve positions and self-sustaining utility strategies.



Capital

In 2003, the City approved a Capital budget of \$21.3 million including projects relating to utilities. Included in this figure were various amounts relating to the enhancement and maintenance of the City's roads and sidewalks, including \$1.2 million for the expansion of 170th Street in order to improve traffic flow for commuters in and out of the City. In addition, approximately \$7.3 million was budgeted for the West Regional Road to relieve traffic congestion in the region. During 2003, the preliminary design was completed for the road, and approval was received to proceed to public consultation on the Sturgeon River bridge crossing. With the introduction of the Infrastructure Canada Alberta Program in 2001, several projects were included in the 2003 budget involving the replacement and installations of sidewalks and roads and the major funding for the Sanitary Sewer Upgrade.

Every municipality strives for sustainability and a major consideration in this fiscal responsibility and governance issue is related to the successful management of the infrastructure. With the capital funding gap that the City is currently facing, a study was undertaken to determine the City's infrastructure requirements over the next 25 years. The purpose of this study was to position the City to create strategies to meet the funding shortfall. Virtually every municipality in Canada is experiencing a capital financial resource "gap" that exceeds most municipalities' capability to undertake the required life-cycle needs of their infrastructure. Although St. Albert is a community with a relatively young infrastructure, without long-term strategies to address this problem, it could find itself with an unmanageable financial "gap" that may be impossible to bridge. To date the study has identified in excess of \$1 billion of infrastructure funding required to meet these needs (i.e. deferred capital, lifecycle and growth). The issue of a potential funding "gap" is not specifically identified in the Audited Financial Statements, however the City of St. Albert has taken a major step in beginning to quantify the specific issues surrounding this management responsibility; and, undoubtedly, the information from this study will be the basis of long-term financial plans, three-year business plans and annual budgets.



The Future

Enhanced work on the City's Corporate Business Plan and a continued focus on our fiscal reform strategy to improve the financial accountability of the City continues into 2004 and beyond. The development of a corporate consolidated long-term financial plan through individual departmental long term financial plans continues and will incorporate any funding "gaps" identified through the inventory and assessment study of all City infrastructure performed in 2003.

As well, the future will also provide additional challenges as a result of the initial design and financial plans associated with the anticipated construction of the West Regional Road and Multi-Leisure Recreational Facility combined with funding implications associated with a proposed annexation to accommodate land for future growth.

St. Albert, with its large residential tax base, also has issues with regard to the ability to generate sufficient revenues within the limited sources available. In coordination with other Municipalities, the City is approaching Federal and Provincial levels of government regarding new funding alternatives to address civic infrastructure and operating challenges.

This report and the continued success in meeting the challenges of a growing community are made possible through the continuing efforts of all City staff and appreciation is extended to all departments for their ongoing cooperation and assistance.

Darwin Bozek, CGA
Chief Financial Officer
April 15, 2004



Canadian Award for Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Canadian Award for Financial Reporting to the City of St. Albert for its annual financial report for the fiscal year ended December 31, 2002. The Canadian Award for Financial Reporting program was established to encourage municipal governments throughout Canada to publish high-quality financial reports and to provide peer recognition and technical guidance for officials preparing these reports.

In order to be awarded a Canadian Award for Financial Reporting, a government unit must publish an easily readable and efficiently organized annual financial report, whose contents conform to program standards. Such reports should go beyond the minimum requirements of generally accepted accounting principles and demonstrate an effort to clearly communicate the municipal government's financial picture, enhance an understanding of financial reporting by municipal governments, and address user needs.

A Canadian Award for Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the Canadian Award for Financial Reporting program requirements, and we are submitting it to the GFOA.

Canadian Award for Financial Reporting

Presented to

City of St. Albert,
Alberta

For its Annual
Financial Report
for the Year Ended
December 31, 2002

A Canadian Award for Financial Reporting
is presented by the Government Finance Officers
Association of the United States and Canada
to municipalities whose annual financial reports
achieve the high program standards for Canadian
Government accounting and financial reporting.



Edward Harrington
President

Jeffrey L. Esser
Executive Director

2003 Financial
SECTION





Management's Report

The management of the City of St. Albert is responsible for the integrity of the accompanying consolidated financial statements and all other information within this Annual Report. The consolidated financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles for municipal governments established by the Canadian Institute of Chartered Accountants. The preparation of the consolidated financial statements necessarily includes some amounts which are based on the best estimates in judgments of management.

To assist in meeting its responsibility, management maintains accounting, budget, and other financial controls. These controls provide reasonable assurance that transactions are appropriately authorized and accurately recorded, that assets are properly accounted for and safeguarded, in order that the integrity of financial records is maintained.

The consolidated financial statements have been audited by the independent firm of Grant Thornton LLP, Chartered Accountants. Their report to the Mayor and City Council, stating the scope of their examination and opinion on the consolidated financial statements, follows.

Bill Holtby
City Manager

Darwin Bozek, CGA
Chief Financial Officer

Auditors' Report

To the Mayor and Members of Council of the City of St. Albert:

We have audited the consolidated balance sheet of the City of St. Albert as at December 31, 2003, and the consolidated statements of revenue, expenditures and change in fund balances and changes in financial position for the year then ended. These consolidated financial statements are the responsibility of the City's management. 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 plan and perform an audit to obtain reasonable assurance whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the City of St. Albert as at December 31, 2003, and the results of its operations and changes in financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

Edmonton, Canada
March 23, 2004

Chartered Accountants



THE CITY OF ST. ALBERT
CONSOLIDATED BALANCE SHEET
AS AT DECEMBER 31, 2003
(000'S)

ASSETS

	<u>2003</u>	<u>2002</u>
Financial Assets		
Cash and Temporary Investments (Note 2)	\$ 36,955	\$ 29,913
Taxes Receivable	927	900
Trade and Other Receivables	4,283	4,399
Land Held for Resale	1,751	1,901
Investments (Note 3)	2,000	3,035
Prepaid Expenses	150	127
Other Financial Assets (Note 4)	<u>1,193</u>	<u>1,430</u>
	<u>47,259</u>	<u>41,705</u>

Physical Assets (Note 5)

Capital Assets	247,317	238,218
Inventories of Materials and Supplies	<u>712</u>	<u>742</u>
	<u>248,029</u>	<u>238,960</u>
	\$ <u>295,288</u>	\$ <u>280,665</u>

LIABILITIES AND EQUITY

Liabilities

Accounts Payable and Accrued Liabilities	\$ 10,624	\$ 9,627
Deferred Revenue (Note 6)	13,465	9,917
Long Term Debt (Note 7)	<u>22,437</u>	<u>25,876</u>
	<u>46,526</u>	<u>45,420</u>

Municipal Equity

Equity in Physical Assets	226,784	214,513
Capital Fund Deficiency (Schedule 2)	(<u>1,128</u>)	(<u>1,399</u>)
	225,656	213,114
Operating Fund Surplus (Schedule 1)	7	2,063
Reserves (Schedule 3)	<u>23,099</u>	<u>20,068</u>
	<u>248,762</u>	<u>235,245</u>
	\$ <u>295,288</u>	\$ <u>280,665</u>

Contingencies (Note 8)

Approved By:



Mayor



City Manager

**THE CITY OF ST. ALBERT
CONSOLIDATED STATEMENT OF REVENUE, EXPENDITURES
AND CHANGE IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2003
(000'S)**

	<u>2003</u>	<u>Budget 2003 (Note 12)</u>	<u>2002</u>
Revenue			
Taxes Available for Municipal Purposes (Schedule 4)	\$ 38,041	\$ 37,819	\$ 34,839
Sales and User Fees (Schedule 6)	20,881	19,282	18,832
Government Grants	4,190	11,703	4,741
Fines and Penalties	2,757	2,807	2,668
Developers' Contributions and Levies	1,574	-	1,704
Licenses and Permits	1,265	1,160	1,311
Franchise Fees	1,169	1,037	720
Return on Investments	1,071	261	843
Other Revenue	<u>614</u>	<u>350</u>	<u>1,251</u>
Total Revenue	<u>71,562</u>	<u>74,419</u>	<u>66,909</u>
Expenditures (Schedule 5)			
Protective Services	12,999	13,407	13,149
Utility Services	11,295	17,173	10,986
Transportation and Roadway Services	10,316	16,153	9,533
Recreation and Parks	9,258	10,378	8,028
General Government Services	8,960	8,175	8,161
Cultural Services	5,836	5,379	5,828
Transit Services	4,980	4,909	4,189
Planning and Development Services	1,651	1,570	1,362
Family and Social Services	1,582	1,660	1,677
Other Expenditures	<u>-</u>	<u>-</u>	<u>143</u>
Total Expenditures	<u>66,877</u>	<u>78,804</u>	<u>63,056</u>
Excess (Deficiency) of Revenue Over Expenditures	4,685	(4,385)	3,853
Add: Long Term Debt Issued	1,054	6,587	498
Deduct: Repayment of Long Term Debt	<u>(4,493)</u>	<u>(4,208)</u>	<u>(3,333)</u>
Change in Fund Balances	\$ <u>1,246</u>	\$ (<u>2,006</u>)	\$ <u>1,018</u>
Change in Fund Balances Represented By:			
Operating Fund (Schedule 1)	\$ (2,056)	\$ (2,036)	\$ (347)
Capital Fund (Schedule 2)	271	-	(2,225)
Reserve Fund (Schedule 3)	<u>3,031</u>	<u>30</u>	<u>3,590</u>
	\$ <u>1,246</u>	\$ (<u>2,006</u>)	\$ <u>1,018</u>

**THE CITY OF ST. ALBERT
CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED DECEMBER 31, 2003
(000'S)**

	<u>2003</u>	<u>2002</u>
Operations		
Excess of Revenue Over Expenditures	\$ 4,685	\$ 3,853
Net Changes in Non-Cash Items:		
Taxes Receivable	(27)	314
Trade and Other Receivables	116	(793)
Land Held for Resale	150	23
Investments	1,035	-
Prepaid Expenses	(23)	(55)
Accounts Payable and Accrued Liabilities	997	446
Deferred Revenue	<u>3,548</u>	<u>1,817</u>
Net Cash Provided by Operating Activities	<u>10,481</u>	<u>5,605</u>
Financing		
Long Term Debt Issued	1,054	498
Decrease in Unfunded Liabilities	-	1,208
Repayment of Long Term Debt	<u>(4,493)</u>	<u>(3,333)</u>
Net Cash Used in Financing Activities	<u>(3,439)</u>	<u>(1,627)</u>
CHANGE IN CASH AND TEMPORARY INVESTMENTS DURING YEAR	7,042	3,978
Cash and Temporary Investments at Beginning of Year	<u>29,913</u>	<u>25,935</u>
CASH AND TEMPORARY INVESTMENTS AT END OF YEAR	<u>\$ 36,955</u>	<u>\$ 29,913</u>

THE CITY OF ST. ALBERT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003
(000'S)

1. **SIGNIFICANT ACCOUNTING POLICIES**

The consolidated financial statements of the City of St. Albert are the representations of management and have been prepared in accordance with Canadian generally accepted accounting principles for local governments, as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. The consolidated financial statements have, in management's opinion, been properly prepared within the framework of the accounting policies summarized below:

a) *Reporting Entity*

The consolidated financial statements reflect the assets, liabilities, revenues and expenditures, changes in fund balances, and changes in financial position of the reporting entity. The entity is comprised of the organizations that are owned or controlled by the municipality and are, therefore, accountable to the Council for the administration of their financial affairs and resources. In addition to the City's municipal government operations, they include the City of St. Albert Public Library and utility operations. Interdepartmental and organizational transactions and balances are eliminated.

b) *Use of Estimates*

The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of consolidated financial statements for a period involves the use of estimates and approximations that have been made using careful judgement. Actual results could differ from those estimates and approximations.

c) *Basis of Accounting*

The City organizes and operates its accounting system to segregate programs which reflect the net costs of carrying on a specific activity. These programs are organized and operate as separate accountable entities of the City. Revenue, which is not directly related to any specific program, is reflected in General Municipal Revenue.

i) Revenue

- Revenue is accounted for in the period in which the transactions or events occurred that gave rise to the revenue. Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

ii) Expenditures

- Expenditures are recognized in the period the goods and services are acquired and a liability is incurred or transfers are due.

d) *Fund Accounting*

Municipal funds consist of the operating, capital, and reserve funds. Transfers between funds are recorded as adjustments to the appropriate equity account.

e) *Government Grants*

Government Grants are recognized in the financial statements in the period that the events giving rise to the grants occurred, providing the grants are authorized, the municipality has met any eligible criteria, and reasonable estimates of the amounts can be made.

f) *Land Held For Resale*

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

**THE CITY OF ST. ALBERT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003
(000'S)**

g) Pension Expenditures

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

h) Reserves

Reserves are represented by amounts that have been allocated for future operating and capital expenditures. Reserve additions originate primarily from development levies, the sale of land and internal interest allocations. These reserves contain various terms and conditions and accordingly will be expended as approved by Council. The City funds all of its reserves through a combination of cash, receivables, and investments.

i) Equity in Physical Assets

Equity in physical assets represents the City's net investment in its physical assets, after deducting the portion financed by third parties through debenture debts or other long term capital borrowing.

j) Over and Under Levies

Over and under levies arise from the difference between the actual levy made to cover each requisition and the actual amount requisitioned. If the actual levy exceeds the requisition, the over levy is accrued as a liability. In situations where the actual levy is less than the requisition amount, the under levy is accrued as a receivable.

k) Inventories of Materials and Supplies

Inventories of materials and supplies consist mainly of parts and road maintenance materials and are valued at the lower of cost and net realizable value.

l) Investments

Investments are stated at the lower of cost and net realizable value. It is estimated that fair value approximates cost.

m) Capital Assets

Capital assets are reported as expenditures in the period they are acquired. Capital assets are capitalized in the capital fund at cost.

Government contributions for the acquisition of capital assets are reported as capital revenue and do not reduce the related capital asset costs.

Funds for the acquisition of capital assets are provided primarily from current operations, reserves, government grants, and debentures. No depreciation is recorded on capital assets.

2. CASH AND TEMPORARY INVESTMENTS

	<u>2003</u>	<u>2002</u>
Cash	\$ 2,304	\$ 792
Temporary Investments	<u>34,651</u>	<u>29,121</u>
	<u>\$ 36,955</u>	<u>\$ 29,913</u>

Temporary Investments are comprised of Short Term Deposits, Banker's Acceptances, Commercial Papers and Guaranteed Notes.

THE CITY OF ST. ALBERT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003
(000'S)

3. INVESTMENTS

Investments consist of City of Edmonton bonds having yields ranging from 9.25% to 12.875% and maturing in periods ranging from 2004 to 2007.

4. OTHER FINANCIAL ASSETS

Other financial assets represent the amount to be recovered from the municipal tax base to finance the annual principal and interest payments on an operating fund debenture. The debenture proceeds were used to fund the City's portion of the original capital cost of the Sturgeon Community Hospital and Health Centre.

5. PHYSICAL ASSETS

	<u>2003</u>	<u>2002</u>
Capital Assets		
Land for Own Use	\$ 7,168	\$ 7,167
Buildings	64,126	62,650
Engineering Structures	142,915	137,508
Machinery and Equipment	14,719	13,519
Vehicles	<u>18,389</u>	<u>17,374</u>
	247,317	238,218
Inventories of Materials and Supplies	<u>712</u>	<u>742</u>
	<u><u>\$ 248,029</u></u>	<u><u>\$ 238,960</u></u>

6. DEFERRED REVENUE

Included in deferred revenue are the below noted funds, the use of which, together with any earnings thereon, is restricted by agreement. These funds are recognized as revenue in the period they are used for the purpose specified:

	<u>2003</u>	<u>2002</u>
Basic Capital Grant	\$ 10,771	\$ 7,046
Infrastructure Canada – Alberta Program (ICAP)	1,796	2,011
Other	<u>898</u>	<u>860</u>
	<u><u>\$ 13,465</u></u>	<u><u>\$ 9,917</u></u>

Under the funding agreements with the Province and/or Federal Government, the use of these funds is restricted to eligible expenditures on capital projects as approved by the governments.

Unexpended funds for capital transportation projects are supported by short term investments of \$11,016 (2002 - \$7,089) held exclusively for funding these projects.

THE CITY OF ST. ALBERT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003
(000'S)

7. LONG TERM DEBT

Long term debt consists of debenture debt and obligations under capital lease comprised as follows:

	<u>2003</u>	<u>2002</u>
Debenture Debt	\$ 22,135	\$ 25,876
Obligations Under Capital Lease	<u>302</u>	<u>-</u>
	<u>\$ 22,437</u>	<u>\$ 25,876</u>

a) Debenture Debt

Debenture debt interest payments are recorded as expenditures in the Consolidated Statement of Revenue, Expenditures, and Change in Fund Balances. Principal repayments on debenture debt, pertaining to capital assets, are added to equity in physical assets in the year of repayment.

	<u>2003</u>	<u>2002</u>
Municipal Tax Supported Debentures	\$ 21,024	\$ 24,369
Local Improvement Supported Debentures	582	865
Utility Rate Supported Debentures	<u>529</u>	<u>642</u>
	<u>\$ 22,135</u>	<u>\$ 25,876</u>

Debentures are held by the Alberta Capital Finance Authority. The debentures are payable in annual amounts and mature in periods ranging from 2004 to 2013.

Debenture principal and interest amounts due in each of the next five years are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2004	\$ 3,863	\$ 1,877	\$ 5,740
2005	3,747	1,526	5,273
2006	3,235	1,194	4,429
2007	3,086	884	3,970
2008	1,980	598	2,578

Debenture interest is payable, before Provincial subsidy, at rates ranging from 4.00% to 12.00% per annum. Total interest paid during the year amounted to \$2,219 (2002 - \$2,511).

**THE CITY OF ST. ALBERT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003
(000'S)**

The Province of Alberta currently provides an interest subsidy in the form of an interest subsidization grant on debenture issues. Subsidies are expected to continue for the full duration of all debt issued prior to March 31, 1982, as follows:

Period of Debenture Issue	Maximum Interest Rate Payable After Provincial Subsidy
January 1, 1974 - March 31, 1980	9.6%
April 1, 1980 - March 26, 1981	10.4%
March 27, 1981 - March 31, 1982	11.6%

b) *Obligation Under Capital Lease*

Capital lease interest payments are recorded as expenditures in the Consolidated Statement of Revenue, Expenditures, and Change in Fund Balances. Principal repayments on obligations under capital lease are recorded as a reduction in the obligation.

	<u>2003</u>	<u>2002</u>
Total Long Term Capital Lease	\$ 302	\$ -
Less: Principal Portion Due Within One Year	(<u>151</u>)	-
Long Term Portion	<u><u>\$ 151</u></u>	<u><u>\$ -</u></u>

Capital leases have been issued on the credit and security of the City of St. Albert at large. The capital lease bears interest at 0.3% and matures in 2005.

The fair value of the long-term capital lease approximates the book value of the long-term capital lease.

Lease principal and interest payments are due as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year			
2004	\$ 151	\$ 1	\$ 152
2005	151	-	151

**THE CITY OF ST. ALBERT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003
(000'S)**

c) Debt Limits

Provincial legislation requires that debt and debt limits as defined in Alberta Regulation 255/2000 for the City of St. Albert be disclosed as follows:

	<u>2003</u>	<u>2002</u>
Maximum Allowable Debt	\$ 104,889	\$ 96,929
Total Debt and Loans	\$ 22,437	\$ 25,876
Percentage Used (%)	22	27
Maximum Allowable	\$ 17,481	\$ 16,155
Annual Payments on Existing Debt	\$ 4,014	\$ 5,962
Percentage Used (%)	23	37

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

8. CONTINGENCIES

a) Insurance Agreement

The City of St. Albert is a member of the Alberta Local Authorities Reciprocal Insurance Exchange (ALARIE), licensed by the Superintendent of Insurance of Alberta on October 1, 1990, and governed by Section 15 of the Insurance Act of Alberta.

Under the terms of the membership, the City could become liable for its proportionate share of any claim losses in excess of the funds held by the exchange. ALARIE has set aside a pool of funds to satisfy probable losses.

b) Legal Claims

As at December 31, 2003, the City was involved in various legal disputes. While it is not possible to estimate the outcome of these disputes, it is believed that there will be no adverse effect on the financial position of the City of St. Albert.

9. PENSION PLANS

a) Local Authorities Pension Plan

Approximately 393 (2002 - 377) employees of the City of St. Albert participate in the Local Authorities Pension Plan (LAPP), which is one of the plans covered by the Alberta Public Sector Pension Plans Act. The plan is financed by employer and employee contributions and investment earnings of the LAPP Fund.

The City of St. Albert is required to make current service contributions to the Plan of 5.525% of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 7.4% on pensionable earnings above this amount. Employees of the City of St. Albert are required to make current service contributions of 4.525% of pensionable salary up to the year's maximum pensionable salary and 6.4% on pensionable salary above this amount.

THE CITY OF ST. ALBERT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003
(000'S)

Total contributions by the City of St. Albert to the Local Authorities Pension Plan in 2003 was \$1,127 (2002 - \$934). Total contributions by the employees of the City of St. Albert to the Local Authorities Pension Plan in 2003 was \$938 (2002 - \$766).

At December 31, 2003, the plan reported the value of its' net assets at \$9.6 billion (2002 - \$8.4 billion) and disclosed an actuarial deficiency of \$1.4 billion (2002 - deficiency of \$0.4 billion). Effective January 1, 2004, members' and employers' contribution rates will increase by approximately 22% in order to partially offset this deficiency.

b) APEX*

The APEX supplementary pension plan, an Alberta Urban Municipality Association (AUMA) sponsored defined benefit pension plan covered under the provisions of the Alberta Employment Pension Plans Act, commenced on January 1, 2003, and provides supplementary pension benefits to a prescribed class of employees (approximately 14 beneficiaries). The plan supplements the Local Authorities Pension Plan.

Contributions are made by the prescribed class of employees and the City. Employees and the City are required to make current service contributions to APEX of 2.5% and 3% respectively of pensionable earnings up to \$86,111.

Total current service contributions by the City to APEX in 2003 were \$46,100 (2002 - nil). Total current service contributions by the employees of the City were \$38,400 (2002 - nil).

The cost of post-retirement benefits earned by employees is actuarially determined using the projected benefit method prorated on service and management's best estimate of salary and benefit escalation and retirement ages of employees. The cost of post-retirement benefits are fully funded.

c) APEX PLUS*

APEX PLUS supplementary pension plan, an Alberta Urban Municipality Association (AUMA) sponsored defined benefit pension plan, commenced on January 1, 2003, and provides supplementary pension benefits to a prescribed class of employees (approximately 14 beneficiaries). APEX PLUS supplements APEX and LAPP and is a voluntary, non-contributory defined benefit pension plan.

The City is required to designate assets to APEX PLUS of 2% of pensionable earnings in excess of the maximum allowed by Canada Revenue Agency (2003 - \$86,111).

The cost of post-retirement benefits earned by employees is actuarially determined using the projected benefit method prorated on service and management's best estimate of salary and benefit escalation and retirement ages of employees.

*As at December 31, 2003, neither the APEX nor APEX PLUS pension plans have vested with employees, as the plans require two years of service prior to vesting. The City has disclosed contributions to the APEX plan and designated assets towards the APEX PLUS plan in anticipation of the plans' vesting with employees beginning on January 1, 2005. At January 1, 2005, an actuarial valuation will be completed along with corresponding disclosure of designated assets.

**THE CITY OF ST. ALBERT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003
(000'S)**

10. SALARY AND BENEFITS DISCLOSURE

Disclosure of salaries and benefits for the elected municipal officials, the chief administrative officer, and the designated officer as required by Alberta Regulation 313/2000 is as follows. This information is not presented in thousands of dollars.

	<u>Salaries (1)</u>	<u>Benefits Allowances (2)</u>	<u>Total 2003</u>	<u>2002</u>
Mayor R. Plain	\$ 66,089	\$ 2,895	\$ 68,984	\$ 67,125
Alderman L. Bracko	20,569	458	21,027	20,202
Alderman J. Burrows	21,337	458	21,795	20,948
Alderman N. Korotash	19,987	458	20,445	20,594
Alderman L. Moffat	20,437	458	20,895	21,313
Alderman D. Ritzen	19,137	458	19,595	19,544
Alderman C. Stewart	19,937	458	20,395	20,258
Chief Administrative Officer	139,907	19,954	159,861	149,088
Designated Officer	83,996	14,172	98,168	86,187

(1) Salaries include regular base pay and per diems.

(2) Employer's share of all employee benefits and contributions or payments made on behalf of employees including retirement pension, Canada Pension Plan, employee insurance, health care, dental coverage, vision coverage, group life insurance, accidental disability and dismemberment insurance, long and short term disability plans, professional memberships, and car allowances.

11. CAPITAL BUDGET

City Council has approved the 2004 Capital Budget totalling \$51,973 (2003 - \$21,332), of which \$4,687 (2003 - \$9,104) will be financed through debenture.

12. BUDGET FIGURES

The 2003 budget figures, which appear in these financial statements, have not been audited. Budgets established for the Capital Fund and related financing are calculated on a project oriented basis. As these transactions may be carried out over one or more years, they are not directly comparable with current year actual amounts.

13. FINANCIAL INSTRUMENTS

The City's financial instruments consist of cash and temporary investments, taxes receivable, trade and other receivables, accounts payable and accrued liabilities, and long term debt. It is management's opinion that the City is not exposed to significant interest and currency risk arising from these financial instruments.

Market Risk

The City is subject to market risk with its investments. The values of these financial instruments may fluctuate as a result of changes in market prices or factors affecting the net asset values of the underlying investments.

**THE CITY OF ST. ALBERT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003
(000'S)**

Credit Risk

The City is subject to credit risk with respect to taxes receivable and trade and other receivables. Credit risk arises from the possibility that the entities to which the City provides services may experience financial difficulty and be unable to fulfil their obligations. Before engaging in providing services to clients, the City performs a credit risk evaluation. The City's clients are numerous and diverse, which reduces the concentration of credit risk. However, the credit risk is increased due to the fact that all the City's clients are within a close geographical area. The City maintains provisions for potential credit losses, and any such losses to date have been within management's expectations.

Fair Value

Fair value of assets and liabilities approximate amounts at which these instruments could be exchanged in a transaction between knowledgeable and willing parties. The estimated fair values may differ in amount from that which could be realized in an immediate settlement of the instruments. It is management's opinion that the fair value of the financial instruments approximate their carrying value, unless otherwise noted. The fair value of the long term debt has not been calculated as the availability of this type of financing is limited to organizations who fall within Alberta Municipal Finance Corporation's guidelines.

14. COMPARATIVE FIGURES

Certain balances of the 2002 Financial Statement figures, presented for comparative purposes, have been reclassified to conform to current year Financial Statement presentation.



SCHEDULES



**THE CITY OF ST. ALBERT
SCHEDULE OF OPERATING REVENUE, EXPENDITURES
AND CHANGE IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2003
(000'S)**

	<u>2003</u>	<u>Budget 2003 (Note 12)</u>	<u>2002</u>
Revenue			
Taxes Available for Municipal Purposes (Schedule 4)	\$ 38,041	\$ 37,819	\$ 34,839
Sales and User Fees (Schedule 6)	20,881	19,282	18,832
Fines and Penalties	2,757	2,807	2,668
Government Grants	2,554	2,427	2,451
Licenses and Permits	1,265	1,160	1,311
Franchise Fees	1,169	1,037	720
Other Revenue	450	309	933
Return on Investments	<u>122</u>	<u>261</u>	<u>225</u>
Total Revenue	<u>67,239</u>	<u>65,102</u>	<u>61,979</u>
Expenditures			
Protective Services	12,841	13,286	12,076
Utility Services (Schedule 7)	10,652	10,705	10,295
General Government Services	7,809	8,043	6,813
Recreation and Parks	7,475	7,146	7,242
Cultural Services	5,753	5,367	5,592
Transportation and Roadway Services	5,677	5,163	5,992
Transit Services	4,192	4,169	3,891
Planning and Development Services	1,651	1,570	1,362
Family and Social Services	<u>1,582</u>	<u>1,660</u>	<u>1,677</u>
Total Expenditures	<u>57,632</u>	<u>57,109</u>	<u>54,940</u>
Excess of Revenue Over Expenditures	9,607	7,993	7,039
Net Interfund Transfers			
Transfer to Capital Fund	(7,084)	(2,095)	(3,803)
Transfer to Reserves	(86)	(3,726)	(250)
Repayment of Long Term Debt	<u>(4,493)</u>	<u>(4,208)</u>	<u>(3,333)</u>
Change in Fund Balance	(2,056)	(2,036)	(347)
Opening Balance	<u>2,063</u>	<u>2,036</u>	<u>2,410</u>
Closing Balance	\$ <u>7</u>	\$ <u>-</u>	\$ <u>2,063</u>
Closing Balance Represented By:			
Municipal Operations	\$ -	\$ -	\$ -
Utility Operations	-	-	2,059
Library	<u>7</u>	<u>-</u>	<u>4</u>
	\$ <u>7</u>	\$ <u>-</u>	\$ <u>2,063</u>

**THE CITY OF ST. ALBERT
SCHEDULE OF CAPITAL REVENUE, EXPENDITURES
AND CHANGE IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2003
(000'S)**

	<u>2003</u>	<u>2002</u>
Revenue		
Government Grants	\$ 1,636	\$ 2,290
Developers' Contributions and Levies	1,574	1,704
Return on Investments	949	618
Other Capital Revenue	<u>164</u>	<u>318</u>
Total Revenue	<u>4,323</u>	<u>4,930</u>
Expenditures		
Transportation and Roadway Services	4,639	3,541
Recreation and Parks	1,783	786
General Government Services	1,151	1,348
Transit Services	788	298
Utility Services	643	691
Protective Services	158	1,073
Cultural Services	83	236
Other Capital Expenditures	<u>-</u>	<u>143</u>
Total Expenditures	<u>9,245</u>	<u>8,116</u>
Deficiency of Revenue Over Expenditures	(4,922)	(3,186)
Net Interfund Transfers		
Long Term Debt Issued	1,054	498
Transfer from Operating Fund	7,084	3,803
Transfer to Reserves	<u>(2,945)</u>	<u>(3,340)</u>
Change in Fund Balance	271	(2,225)
Opening Balance	<u>(1,399)</u>	<u>826</u>
Closing Balance	\$ <u>(1,128)</u>	\$ <u>(1,399)</u>

**THE CITY OF ST. ALBERT
SCHEDULE OF RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2003
(000'S)**

	<u>Balance Beginning of Year (1)</u>	<u>Contributions</u>	<u>Reductions</u>	<u>Balance End of Year</u>
Operating Reserves				
General Government	\$ 2,577	\$ 992	\$ 921	\$ 2,648
Museum	57	9	1	65
Library	<u>5</u>	<u>-</u>	<u>-</u>	<u>5</u>
	<u>2,639</u>	<u>1,001</u>	<u>922</u>	<u>2,718</u>
Capital Reserves				
General Government	11,154	6,194	7,446	9,902
Utilities	5,293	6,613	2,734	9,172
Transit	960	268	-	1,228
Library	<u>22</u>	<u>57</u>	<u>-</u>	<u>79</u>
	<u>17,429</u>	<u>13,132</u>	<u>10,180</u>	<u>20,381</u>
Reserves Total	\$ <u>20,068</u>	\$ <u>14,133</u>	\$ <u>11,102</u>	\$ <u>23,099</u>

- (1) Transit and Cemetery operating reserves have been consolidated into General Government. Certain other operating reserves have been reclassified from operating to capital where applicable to conform with resolutions adopted by Council in the current period.

Schedule 4

**THE CITY OF ST. ALBERT
SCHEDULE OF PROPERTY TAXES LEVIED
FOR THE YEAR ENDED DECEMBER 31, 2003
(000'S)**

	<u>2003</u>	<u>Budget 2003 (Note 12)</u>	<u>2002</u>
Taxation			
Real Property Taxes	\$ 53,954	\$ 53,638	\$ 49,355
Linear Property Taxes	1,054	1,054	994
Government Grants in Place of Property Taxes	760	800	749
Special Assessments and Local Improvement Taxes	<u>338</u>	<u>337</u>	<u>369</u>
	<u>56,106</u>	<u>55,829</u>	<u>51,467</u>
Requisitions			
Alberta School Foundation Fund	11,356	11,356	10,440
St. Albert Protestant Separate School District #6	6,248	6,248	5,860
Sturgeon Foundation Requisition	377	406	328
Other	<u>84</u>	<u>-</u>	<u>-</u>
	<u>18,065</u>	<u>18,010</u>	<u>16,628</u>
Taxes Available for Municipal Purposes	\$ <u><u>38,041</u></u>	\$ <u><u>37,819</u></u>	\$ <u><u>34,839</u></u>

Schedule 5

**THE CITY OF ST. ALBERT
SCHEDULE OF CONSOLIDATED EXPENDITURES BY OBJECT
FOR THE YEAR ENDED DECEMBER 31, 2003
(000'S)**

	<u>2003</u>	<u>2002</u>
Expenditures		
Salaries, Wages, and Benefits	\$ 27,094	\$ 24,837
Capital Assets Acquired	9,868	7,973
Contracted and General Services	9,245	9,173
Purchases from Other Governments	9,207	8,848
Materials, Goods, and Utilities	7,671	7,134
Interest on Long Term Debt	2,055	3,566
Transfers to Individuals and Organizations	1,391	1,272
Other Expenditures	<u>346</u>	<u>253</u>
Total Expenditures	\$ <u><u>66,877</u></u>	\$ <u><u>63,056</u></u>

**THE CITY OF ST. ALBERT
SCHEDULE OF CONSOLIDATED SALES AND USER FEES
FOR THE YEAR ENDED DECEMBER 31, 2003
(000'S)**

	<u>2003</u>	<u>2002</u>
Sales and User Fees		
Water Charges	\$ 5,487	\$ 5,510
Sewer Charges	4,791	4,631
Waste Charges	2,038	1,886
Transit Fares	1,987	1,825
Sale of Land	1,141	482
Admission Fees	921	820
Rentals	852	826
Lesson Fees	773	764
Storm Sewer Charges	496	-
Ambulance Fees	494	460
Planning Fees	481	398
Recovered Costs	352	295
Sale of Goods	302	246
Miscellaneous	280	212
Library Fees	244	224
Emergency Response Fees	123	136
Tax Certificates and Inquiries	<u>119</u>	<u>117</u>
Total Sales and User Fees	\$ <u>20,881</u>	\$ <u>18,832</u>

**THE CITY OF ST. ALBERT
SCHEDULE OF UTILITY OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2003
(000'S)**

	<u>Water</u>	<u>Sewer</u>	<u>Waste</u>	<u>Storm Sewer (1)</u>	<u>2003 Total</u>	<u>2002 Total</u>
Revenue						
Sales and User Fees	\$ 5,487	\$ 4,791	\$ 2,038	\$ 496	\$ 12,812	\$ 12,027
Other Revenue	89	49	-	164	302	331
Fines and Penalties	21	19	7	2	49	50
Government Grants	13	2	-	5	20	21
Total Revenue	<u>5,610</u>	<u>4,861</u>	<u>2,045</u>	<u>667</u>	<u>13,183</u>	<u>12,429</u>
Expenditures						
Purchases from Other Governments	2,666	2,618	-	-	5,284	5,336
Salaries, Wages, and Benefits	706	746	442	92	1,986	1,742
Contracted and General Services	352	422	1,111	49	1,934	1,889
Materials, Goods, and Utilities	585	168	9	27	789	678
Other Expenditures	139	154	165	25	483	451
Interest on Long Term Debt	96	26	2	52	176	199
Total Expenditures	<u>4,544</u>	<u>4,134</u>	<u>1,729</u>	<u>245</u>	<u>10,652</u>	<u>10,295</u>
Excess of Revenue Over Expenditures	1,066	727	316	422	2,531	2,134
Net Interfund Transfers						
Transfer (to) from Operations	(356)	(137)	62	2	(429)	(347)
Transfer (to) from Capital	(2,128)	(931)	(105)	(274)	(3,438)	(1,804)
Transfer (to) from Reserves	-	-	-	6	6	(1)
Repayment of Long Term Debt	(297)	(76)	(200)	(156)	(729)	(334)
Change in Fund Balance	(1,715)	(417)	73	-	(2,059)	(352)
Opening Balance	<u>1,715</u>	<u>417</u>	<u>(73)</u>	<u>-</u>	<u>2,059</u>	<u>2,411</u>
Closing Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,059

(1) Effective January 1, 2003, Storm Sewer has been transferred from Operations to the Utility Fund.

**THE CITY OF ST. ALBERT
ST. ALBERT PUBLIC LIBRARY
SCHEDULE OF REVENUE, EXPENDITURES AND
CHANGE IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2003
(000'S)**

	<u>2003</u>	<u>2002</u>
Revenue		
Contributed from the City of St. Albert	\$ 1,510	\$ 1,417
Sales and User Fees	268	249
Government Grants	270	235
Other Revenue	<u>17</u>	<u>13</u>
Total Revenue	<u>2,065</u>	<u>1,914</u>
Expenditures		
Salaries, Wages, and Benefits	1,382	1,258
Materials, Goods, and Utilities	527	494
Contracted and General Services	93	94
Physical Assets Acquired	-	6
Other Expenditures	<u>2</u>	<u>4</u>
Total Expenditures	<u>2,004</u>	<u>1,856</u>
Excess of Revenue Over Expenditures	61	58
Capital Loan Payment – City of St. Albert	<u>-</u>	(<u>32</u>)
Change in Fund Balances	\$ <u><u>61</u></u>	\$ <u><u>26</u></u>
Represented By:		
Operating Fund	\$ 4	\$ 4
Reserve Fund	<u>57</u>	<u>22</u>
	\$ <u><u>61</u></u>	\$ <u><u>26</u></u>

2003 Statistical
SECTION

(unaudited)



THE CITY OF ST. ALBERT
STATISTICAL SUMMARY
1999 - 2003

	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
Population	54,588*	53,081**	53,081**	51,716*	49,243
Area (In Hectares)	3,606	3,606	3,600	3,600	3,600
Building Permits					
Value (\$ in 000's)					
Residential	\$ 83,347	\$ 110,267	\$ 68,705	\$ 67,805	\$ 58,468
Commercial	20,822	8,958	13,256	12,681	11,791
Industrial	5,565	2,030	3,945	2,289	2,736
Institutional	3,795	3,686	9,363	645	6,268
	<u>\$ 113,529</u>	<u>\$ 124,941</u>	<u>\$ 95,269</u>	<u>\$ 83,420</u>	<u>\$ 79,263</u>
Number of Building Permits Issued					
Residential	773	1,000	831	810	859
Commercial	76	71	71	79	53
Industrial	20	20	15	21	16
Institutional	10	13	17	15	18
	<u>879</u>	<u>1,104</u>	<u>934</u>	<u>925</u>	<u>946</u>
Parks (In Hectares)					
Red Willow Park	160	160	160	160	156
Neighbourhood Parks	227	227	224	218	214
Tax Collections					
Percentage of Current Taxes Collected					
Residential & Non-Residential Property	98.7	98.8	98.6	98.6	98.6
Business Taxes	***	***	***	99.3	97.8
Long Term Debt					
Total Long Term Debt (\$ in 000's)	\$ 22,437	\$ 25,876	\$ 28,711	\$ 27,340	\$ 28,350
Debt Per Capita	411	488	541	529	576
Percentage of Total Debt to be Retired					
Within 5 Years	72.3	68.3	60.7	58.4	50.6
Within 10 Years	100.0	97.9	94.7	91.1	88.4
Capital Expenditures					
Total (\$ in 000's)	\$ 9,245	\$ 7,973	\$ 12,074	\$ 10,004	\$ 12,008
Expressed as a Percentage of Total					
Engineering Structures	58.5	52.9	22.9	47.1	35.9
Buildings	16.0	20.1	39.1	23.9	37.7
Machinery and Equipment	13.9	18.6	10.6	16.6	11.5
Vehicles	11.6	8.1	27.3	4.5	14.7
Land for Own Use	0.0	0.3	0.1	7.9	0.2
Annual Increase in CPI—Statistics Canada					
Alberta	4.4%	3.4%	2.3%	3.5%	2.4%
Canada	2.8%	2.2%	2.6%	2.7%	1.7%
Unemployment Rate—Statistics Canada					
Alberta	5.1%	5.3%	4.6%	5.0%	5.7%
Canada	7.6%	7.7%	7.2%	6.8%	7.6%

*Population Based on Municipal Census

**Population Based on Statistics Canada Census

***Business Taxes Eliminated in 2001

THE CITY OF ST. ALBERT
CONSOLIDATED FUND ACTIVITIES AND FUND BALANCES
FOR THE YEARS ENDED DECEMBER 31, 1999 – 2003
(000'S)

	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
Revenue					
Taxes Available for Municipal Purposes	\$ 38,041	\$ 34,839	\$ 31,921	\$ 31,489	\$ 29,499
Sales and User Fees	20,881	18,832	17,044	14,891	13,935
Government Grants	4,190	4,741	7,433	4,940	5,991
Fines and Penalties	2,757	2,668	1,891	874	848
Developers' Contributions and Levies	1,574	1,704	2,242	1,646	1,010
Licenses and Permits	1,265	1,311	954	960	991
Franchise Fees	1,169	720	1,269	731	494
Return on Investments	1,071	843	1,224	1,052	989
Other Revenue	614	1,251	1,157	1,443	1,025
Local Government Transfers	-	-	23	-	-
Total Revenue	<u>71,562</u>	<u>66,909</u>	<u>65,158</u>	<u>58,026</u>	<u>54,782</u>
Expenditures					
Protective Services	12,999	13,149	14,278	10,366	8,935
Utility Services	11,295	10,986	9,533	8,885	8,541
Transportation and Roadway Services	10,316	9,533	7,024	8,131	9,529
Recreation and Parks	9,258	8,028	6,264	8,055	9,732
General Government Services	8,960	8,161	7,299	7,074	6,606
Cultural Services	5,836	5,828	5,290	5,505	5,236
Transit Services	4,980	4,189	9,369	4,402	4,619
Planning and Development Services	1,651	1,362	1,365	1,860	1,493
Family and Social Services	1,582	1,677	1,511	1,425	1,344
Other Expenditures	-	143	88	16	1,800
Total Expenditures	<u>66,877</u>	<u>63,056</u>	<u>62,021</u>	<u>55,719</u>	<u>57,835</u>
Excess (Deficiency) of Revenue Over Expenditures	4,685	3,853	3,137	2,307	(3,053)
Add: Long Term Debt Issued	1,054	498	4,698	2,300	2,420
Deduct: Repayment of Long Term Debt	(4,493)	(3,333)	(3,327)	(2,676)	(3,157)
Change in Fund Balances	\$ <u>1,246</u>	\$ <u>1,018</u>	\$ <u>4,508</u>	\$ <u>1,931</u>	\$ (<u>3,790</u>)
Represented by:					
Operating Fund	\$ (2,056)	\$ (347)	\$ 536	\$ 1,138	\$ (814)
Capital Fund	271	(2,225)	1,562	200	(1,993)
Reserve Fund	<u>3,031</u>	<u>3,590</u>	<u>2,410</u>	<u>593</u>	<u>(983)</u>
	\$ <u>1,246</u>	\$ <u>1,018</u>	\$ <u>4,508</u>	\$ <u>1,931</u>	\$ (<u>3,790</u>)

**THE CITY OF ST. ALBERT
OPERATING FUND ACTIVITIES AND FUND BALANCE
FOR THE YEARS ENDED DECEMBER 31, 1999 – 2003
(000'S)**

	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
Revenue					
Taxes Available for Municipal Purposes	\$ 38,041	\$ 34,839	\$ 31,921	\$ 31,489	\$ 29,499
Sales and User Fees	20,881	18,832	17,044	14,891	13,935
Fines and Penalties	2,757	2,668	1,891	874	848
Government Grants	2,554	2,451	2,251	2,244	2,255
Licenses and Permits	1,265	1,311	954	960	991
Franchise Fees	1,169	720	1,269	731	494
Other Revenue	450	933	382	1,088	408
Return on Investments	122	225	506	335	302
Total Revenue	<u>67,239</u>	<u>61,979</u>	<u>56,218</u>	<u>52,612</u>	<u>48,732</u>
Expenditures					
Protective Services	12,841	12,076	11,413	9,549	8,934
Utility Services	10,652	10,295	9,135	8,454	8,303
General Government Services	7,809	6,813	6,452	5,851	5,861
Recreation and Parks	7,475	7,242	6,116	5,568	5,025
Cultural Services	5,753	5,592	5,084	4,853	4,994
Transportation and Roadway Services	5,677	5,992	5,088	4,751	5,096
Transit Services	4,192	3,891	3,696	3,402	2,976
Planning and Development Services	1,651	1,362	1,365	1,846	1,493
Family and Social Services	1,582	1,677	1,511	1,425	1,344
Other Expenditures	-	-	34	-	-
Total Expenditures	<u>57,632</u>	<u>54,940</u>	<u>49,894</u>	<u>45,699</u>	<u>44,026</u>
Excess of Revenue Over Expenditures	9,607	7,039	6,324	6,913	4,706
Net Interfund Transfers					
Transfer to Capital Fund	(7,084)	(3,803)	(1,893)	(2,433)	(2,575)
Transfers (to) from Reserves	(86)	(250)	(568)	(666)	212
Repayment of Long Term Debt	(4,493)	(3,333)	(3,327)	(2,676)	(3,157)
Change in Fund Balances	(2,056)	(347)	536	1,138	(814)
Opening Balance	<u>2,063</u>	<u>2,410</u>	<u>1,874</u>	<u>736</u>	<u>1,550</u>
Closing Balance	\$ <u>7</u>	\$ <u>2,063</u>	\$ <u>2,410</u>	\$ <u>1,874</u>	\$ <u>736</u>
Closing Balance Represented by:					
Municipal Operations	\$ -	\$ -	\$ -	\$ 634	\$ 100
Utility Operations	-	2,059	2,411	1,202	638
Library	7	4	(1)	38	(2)
	\$ <u>7</u>	\$ <u>2,063</u>	\$ <u>2,410</u>	\$ <u>1,874</u>	\$ <u>736</u>

THE CITY OF ST. ALBERT
CAPITAL FUND ACTIVITIES AND FUND BALANCE
FOR THE YEARS ENDED DECEMBER 31, 1999 – 2003
(000'S)

	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
Revenue					
Government Grants	\$ 1,636	\$ 2,290	\$ 5,182	\$ 2,696	\$ 3,736
Developers' Contributions and Levies	1,574	1,704	2,242	1,646	1,010
Return on Investments	949	618	718	717	687
Other Capital Revenue	164	318	775	355	617
Local Government Transfers	<u>-</u>	<u>-</u>	<u>23</u>	<u>-</u>	<u>-</u>
Total Revenue	<u>4,323</u>	<u>4,930</u>	<u>8,940</u>	<u>5,414</u>	<u>6,050</u>
Expenditures					
Transportation and Roadway Services	4,639	3,541	1,936	3,380	4,433
Recreation and Parks	1,783	786	148	2,487	4,707
General Government Services	1,151	1,348	847	1,223	745
Transit Services	788	298	5,673	1,000	1,643
Utility Services	643	691	398	431	238
Protective Services	158	1,073	2,865	817	1
Cultural Services	83	236	206	652	242
Other Capital Expenditures	-	143	54	16	1,800
Planning and Development Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>14</u>	<u>-</u>
Total Expenditures	<u>9,245</u>	<u>8,116</u>	<u>12,127</u>	<u>10,020</u>	<u>13,809</u>
Deficiency of Revenue Over Expenditures	(4,922)	(3,186)	(3,187)	(4,606)	(7,759)
Net Interfund Transfers					
Long Term Debt Issued	1,054	498	4,698	2,300	2,420
Transfer from Operating Fund	7,084	3,803	1,893	2,433	2,575
Transfer (to) from Reserves	<u>(2,945)</u>	<u>(3,340)</u>	<u>(1,842)</u>	<u>73</u>	<u>771</u>
Change in Fund Balance	271	(2,225)	1,562	200	(1,993)
Opening Balance	(1,399)	826	(736)	(5,034)	(3,041)
Prior Period Adjustment	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,098</u>	<u>-</u>
Closing Balance	\$ <u>1,128</u>	\$ (1,399)	\$ <u>826</u>	\$ (736)	\$ (5,034)

THE CITY OF ST. ALBERT
CONSOLIDATED REVENUE BY FUNCTION
FOR THE YEARS ENDED DECEMBER 31, 1999 – 2003
(000'S)

Function	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
General Revenue	\$ 39,529	\$ 36,672	\$ 34,376	\$ 33,115	\$ 30,715
Utility Services	14,297	14,048	12,505	10,043	9,250
Protective Services	4,132	4,030	2,972	1,922	1,880
Recreation and Parks	3,162	3,093	2,484	2,378	2,599
Transit Services	2,219	2,136	6,211	2,477	2,870
Cultural Services	1,794	1,546	1,567	1,445	1,615
General Government Services	1,793	1,228	1,170	1,453	986
Transportation and Roadway Services	1,782	2,111	2,340	3,396	2,902
Planning and Development Services	1,737	967	570	891	1,121
Family and Social Services	<u>1,089</u>	<u>1,078</u>	<u>963</u>	<u>906</u>	<u>844</u>
Total Revenue	\$ <u>71,534</u>	\$ <u>66,909</u>	\$ <u>65,158</u>	\$ <u>58,026</u>	\$ <u>54,782</u>

THE CITY OF ST. ALBERT
CONSOLIDATED EXPENDITURES BY OBJECT
FOR THE YEARS ENDED DECEMBER 31, 1999 – 2003
(000'S)

Expenditures	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
Salaries, Wages, and Benefits	\$ 27,094	\$ 24,837	\$ 23,196	\$ 21,300	\$ 20,098
Capital Assets Acquired	9,868	7,973	12,074	10,004	12,008
Contracted and General Services	9,245	9,173	7,992	6,774	7,276
Purchases from Other Governments	9,207	8,848	8,497	7,571	7,342
Materials, Goods, and Utilities	7,671	7,134	6,176	5,985	5,461
Interest on Long Term Debt	2,055	3,566	2,693	2,825	2,957
Transfers to Individuals and Organizations	1,391	1,272	1,047	643	597
Other Expenditures	346	253	344	504	1,800
Land Acquisitions	<u>-</u>	<u>-</u>	<u>2</u>	<u>113</u>	<u>296</u>
Total Expenditures	\$ <u>66,877</u>	\$ <u>63,056</u>	\$ <u>62,021</u>	\$ <u>55,719</u>	\$ <u>57,835</u>

**THE CITY OF ST. ALBERT
TAX RATES
FOR THE YEARS ENDED DECEMBER 31, 1999 – 2003
(MILLS)**

	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
Taxation					
Municipal – Residential	9.615	10.252	10.402	10.972	11.120
Municipal – Non-Residential	13.839	13.605	13.129	10.972	11.120
Public School (Catholic)					
Residential	4.400	4.770	5.119	6.177	6.589
Non-Residential	6.968	6.977	7.339	9.249	9.889
Separate School (Protestant)					
Residential	4.400	4.770	5.119	6.174	6.587
Non-Residential	6.968	6.977	7.339	9.295	9.811

**THE CITY OF ST. ALBERT
TAXABLE ASSESSMENT AND GOVERNMENT GRANTS IN PLACE OF PROPERTY TAXES
FOR THE YEARS ENDED DECEMBER 31, 1999 – 2003
(000'S)**

	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
Taxable Assessment					
Residential	\$ 3,338,265	\$ 2,850,756	\$ 2,570,357	\$ 2,401,957	\$ 2,201,309
Commercial	259,536	243,066	219,958	194,517	174,094
Industrial	66,893	59,551	55,046	50,748	44,761
Special and Other	<u>57,293</u>	<u>50,042</u>	<u>48,432</u>	<u>49,108</u>	<u>49,768</u>
Taxable Assessment	3,721,987	3,203,415	2,893,793	2,696,330	2,469,932
Government Grants in Place of Property Taxes	<u>38,478</u>	<u>38,131</u>	<u>38,229</u>	<u>35,609</u>	<u>38,331</u>
Total Taxable Assessment and Government Grants in Place of Property Taxes	<u>\$ 3,760,465</u>	<u>\$ 3,241,546</u>	<u>\$ 2,932,022</u>	<u>\$ 2,731,939</u>	<u>\$ 2,508,263</u>

Percentage of Total Taxable Assessment and Government Grants in Place of Property Taxes

Represented by:

Residential	88.8%	87.9%	87.7%	87.9%	87.8%
Commercial	6.9%	7.5%	7.5%	7.1%	6.9%
Industrial	1.8%	1.9%	1.9%	1.9%	1.8%
Special and Other	1.5%	1.5%	1.6%	1.8%	2.0%
Grants in Place	1.0%	1.2%	1.3%	1.3%	1.5%

***Residential/Non-Residential Assessment Split**

Residential	88.9%	88.0%	87.8%	87.8%	87.7%
Non-Residential	11.1%	12.0%	12.2%	12.2%	12.3%

*With Grant in Place allocated between residential and non-residential.

**THE CITY OF ST. ALBERT
PROPERTY TAXES LEVIED
FOR THE YEARS ENDED DECEMBER 31, 1999 – 2003
(000'S)**

	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
Taxation					
Real Property Taxes	\$ 53,954	\$ 49,355	\$ 45,679	\$ 46,397	\$ 43,911
Linear Property Taxes	1,054	994	964	942	996
Government Grants in Place of Property Taxes	760	749	748	755	772
Special Assignments and Local Improvement Taxes	338	369	548	548	670
Business Taxes	<u>-</u>	<u>-</u>	<u>-</u>	<u>963</u>	<u>901</u>
	<u>56,106</u>	<u>51,467</u>	<u>47,939</u>	<u>49,605</u>	<u>47,250</u>
Requisitions					
Alberta School Foundation Fund	11,356	10,440	9,999	11,123	10,704
St. Albert Protestant Separate School District #6	6,248	5,860	5,759	6,743	6,849
Sturgeon Foundation Requisition	377	328	260	250	198
Other	<u>84</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>18,065</u>	<u>16,628</u>	<u>16,018</u>	<u>18,116</u>	<u>17,751</u>
Taxes Available for Municipal Purposes	<u>\$ 38,041</u>	<u>\$ 34,839</u>	<u>\$ 31,921</u>	<u>\$ 31,489</u>	<u>\$ 29,499</u>

**THE CITY OF ST. ALBERT
TAX COLLECTION
FOR THE YEARS ENDED DECEMBER 31, 1999 – 2003
(000'S)**

	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
Current Levy	\$ <u>56,106</u>	\$ <u>51,467</u>	\$ <u>47,939</u>	\$ <u>49,605</u>	\$ <u>47,250</u>
Taxes Receivable					
Current	\$ <u>728</u>	\$ <u>690</u>	\$ <u>742</u>	\$ <u>708</u>	\$ <u>653</u>
In Arrears for More than One Year	<u>201</u>	<u>212</u>	<u>475</u>	<u>351</u>	<u>254</u>
	929	902	1,217	1,059	907
Allowance	(<u>2</u>)	(<u>2</u>)	(<u>3</u>)	(<u>15</u>)	(<u>23</u>)
Net Taxes Receivable	\$ <u>927</u>	\$ <u>900</u>	\$ <u>1,214</u>	\$ <u>1,044</u>	\$ <u>884</u>
Taxes Outstanding as a Percentage of the Current Levy (Before Allowance)					
Current	1.3%	1.3%	1.6%	1.4%	1.4%
In Arrears for More than One Year	0.4%	0.4%	1.0%	0.7%	0.5%

Eleven principle taxpayers make up 5% of the 2003 tax levy; therefore, no undue reliance is placed upon any one taxpayer.

**THE CITY OF ST. ALBERT
LONG TERM DEBT
FOR THE YEARS ENDED DECEMBER 31, 1999 – 2003
(000'S)**

	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
Long Term Debt					
Tax Supported	\$ 21,325	\$ 24,369	\$ 26,710	\$ 24,571	\$ 24,889
User Supported	582	865	1,150	1,565	1,937
Utility Rates Supported	<u>530</u>	<u>642</u>	<u>851</u>	<u>1,204</u>	<u>1,524</u>
Total Long Term Debt	\$ <u>22,437</u>	\$ <u>25,876</u>	\$ <u>28,711</u>	\$ <u>27,340</u>	\$ <u>28,350</u>

**THE CITY OF ST. ALBERT
DEBT LIMIT AND DEBT PAYMENT
FOR THE YEARS ENDED DECEMBER 31, 1999 – 2003
(000'S)**

	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
Debt Limits					
Maximum Allowable Debt	\$ 104,889	\$ 96,929	\$ 89,964	\$ 82,995	\$ 76,631
Total Debt and Loans	22,437	25,876	28,711	27,387	28,358
Percentage Used (%)	22	27	32	33	37

**Maximum Allowable Annual Debt
Payments**

Maximum Allowable Annual Debt Payments	\$ 17,481	\$ 16,155	\$ 14,994	\$ 13,832	\$ 12,772
Annual Payments on Existing Debt	4,014	5,962	5,844	5,872	6,246
Percentage Used (%)	23	37	39	42	49
Percentage of Expenditures (%)	6	9	9	11	11

**THE CITY OF ST. ALBERT
RESERVES
FOR THE YEARS ENDED DECEMBER 31, 1999 – 2003
(000'S)**

	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
Operating Reserves					
General Government	\$ 2,648	\$ 2,571	\$ 2,484	\$ 2,057	\$ 1,483
Museum	65	57	54	55	63
Library	5	5	5	5	4
Utilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>49</u>
	<u>2,718</u>	<u>2,633</u>	<u>2,543</u>	<u>2,117</u>	<u>1,599</u>
Capital Reserves					
General Government	9,902	11,160	10,687	9,966	10,406
Utilities	9,172	5,293	2,538	1,329	1,064
Transit	1,228	960	710	656	406
Library	<u>79</u>	<u>22</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>20,381</u>	<u>17,435</u>	<u>13,935</u>	<u>11,951</u>	<u>11,876</u>
Reserve Sub-total	<u>23,099</u>	<u>20,068</u>	<u>16,478</u>	<u>14,068</u>	<u>13,475</u>
Accrued Liabilities					
Accrued Interest on Long Term Debt	-	-	(1,208)	(1,343)	(1,534)
Accrued Vacation Pay	<u>-</u>	<u>-</u>	<u>-</u>	<u>(432)</u>	<u>(693)</u>
	<u>-</u>	<u>-</u>	<u>(1,208)</u>	<u>(1,775)</u>	<u>(2,227)</u>
Total	\$ <u>23,099</u>	\$ <u>20,068</u>	\$ <u>15,270</u>	\$ <u>12,293</u>	\$ <u>11,248</u>

Note: Transit and Cemetery operating reserves have been consolidated into General Government. Certain other operating reserves have been reclassified from operating to capital.