

2006 Annual Financial Report

City of St. Albert, Alberta, Canada
For the Year Ended December 31, 2006



The City of St. Albert 2006 Annual Financial Report

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2006
Annual Financial Report

Introductory Section



Message from the Mayor



On behalf of St. Albert City Council, I am pleased to present the 2006 Annual Financial Report.

Over this past year, our city enjoyed some great successes, but also faced some significant challenges. With solid planning and sound fiscal management, we navigated through the waves of a soaring economy and further charted a course for sustainability and growth.

The City's first multi-year budget outlined priorities and financial allocations that will take St. Albert through 2007 and 2008. It was an extensive and time-consuming process, but an extremely valuable one that allowed City Council and Administration to develop a multi-year vision for the budget and focus on longer term goals and objectives. It also provided residents with a two-year look at user fees and any other rate increases, and secured longer term funding for agencies.

In a soaring economy, where many other Alberta municipalities were looking at increases between 5% and 9%, St. Albert ensured service levels would be maintained, planned for growth and kept tax increases among the lowest for mid-sized cities in the province – held at 6.4% in 2007 and 5.49% in 2008.

With construction costs rising 1% to 2% per month in 2006, the City experienced many financial challenges in maintaining and further developing infrastructure. However, the economic conditions did bring us success in other areas. This included an all-time record for building permit values, at \$195.5-million.

One of the greatest successes of 2006 was the opening of St. Albert's new multipurpose leisure centre – Servus Credit Union Place. Through planning and negotiation efforts, the City established an agreement for a maximum construction price of \$42.7-million. Servus Place was delivered to the community on time and on budget. To build the same facility in today's economic conditions, it would cost closer to \$70-million.

Our efforts to manage taxpayer dollars effectively will continue. As part of the 10-Year Capital Plan, the City will remain within its debt limits established through policy and as set out by the province. Excluding Servus Place, the West Road and Municipal Energy First program, all other existing municipal debt will be paid off within five years (2013) and all existing utility debt within two years.

As we look toward the coming year, and the longer-term, it will be important to continue planning efforts and look at ways to minimize the impact of taxes on residents. With planning efforts for the newly annexed area underway, we can all look forward to maximizing opportunities and realizing the future potential for St. Albert.

A handwritten signature in black ink, appearing to read 'Paul Chalifoux'. The signature is stylized and fluid, written over a white background.

Paul Chalifoux
Mayor



Message from the City Manager



The year 2006 saw further progress or completion of significant capital projects for St. Albert – all of which will strengthen our city today and play a role in building the St. Albert of tomorrow.

The majority of work was completed on Stage One of the West Regional Road. This portion of the road, running from 137th Avenue to the new McKenney Avenue extension, is set to open before the end of summer 2007.

Work was completed on the Lacombe Park Reservoir, increasing the city's water capacity and ensuring St. Albert has the necessary infrastructure in place to serve residents for many years to come. In fact, with the completion of this project, the combined capacity of St. Albert's three water reservoirs is sufficient enough to manage our water needs through 2015, or up to a population of about 75,000 people.

The construction of Servus Credit Union Place was one of the biggest challenges St. Albert has undertaken in many years, and the opening of the facility on time and on budget was one of our most significant accomplishments. While it is the largest multipurpose recreation facility in western Canada, the City made extensive efforts to ensure the project was at as low a cost to taxpayers as possible, and negotiated a maximum construction price of \$42.7-million. Over the course of 23 months of construction, economic conditions changed dramatically. By the time Servus Place opened, we already had about \$27-million worth of equity in the facility. On top of cost-efficient planning, the City raised over \$7-million for Servus Place through a sponsorship program. It has been a pleasure to see all the support from donating organizations and exciting to see the facility become a great community gathering place.

Apart from capital projects, the City completed an analysis and management plan for a former dry land fill in the City's Riel Business Park. With the planning complete the City initiated mitigation initiatives on the site.

We have made significant progress in sustaining our community and preparing St. Albert for the future. As we work to solidify plans for the future annexed area, we can all look forward to a future filled with opportunities and growth for our great city.

A handwritten signature in black ink, appearing to read "Bill Holtby". The signature is stylized and includes a long horizontal flourish extending to the right.

Bill Holtby
City Manager



City Council and Administration

City Council

Mayor Paul Chalifoux

Councillor Len Bracko

Councillor Christine Brown

Councillor James Burrows

Councillor Nolan Crouse

Councillor Lorie Garrity

Councillor Neil Korotash

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 City of St. Albert is a vibrant and growing city of over 57,000 people. Often referred to as “Alberta’s Finest City,” St. Albert is known for its beautiful environment and outstanding community attractions and events.

Father Lacombe, one of the earliest missionaries in the west, proclaimed Mission Hill home of the St. Albert mission settlement. He built a log chapel for ministering to the Cree and Métis. Father Lacombe Chapel, the oldest building in Alberta, is now a provincial heritage site and has been restored to its original appearance. It is located on the north hill of the river and is open for tours from June to September.

In 1900, St. Albert was incorporated as a village followed by town status in 1904. St. Albert officially became a city in 1977.

St. Albert continues to be a dynamic and growing city, known for its picturesque landscape, rich history, healthy environment, high standard of municipal services, celebrated attractions and events and overall quality of life for residents.

Government Structure

A Mayor and six Councillors govern the City of St. Albert. They are elected at large by residents and serve a three-year term. City Council governs in accordance with powers granted under various statutes of the Government of Alberta, and is responsible for setting policy, regulations, and passage of annual budgets.

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 City.

The City Manager has divided the organization into three divisions, headed up by General Managers. These three divisions — Corporate Services, Planning and Engineering, and Community and Protective Services — are then divided into 19 departments, each of which are managed by a Director.

The City Manager and the three General Managers make up the City’s Senior Leadership Team, while the overall management group, which includes the departmental Directors, make up the City’s Leadership Team.

Local Economic Condition and Outlook

The 2006 Federal census released in early 2007 indicated St. Albert’s population to be 57,719 representing a growth rate of 2.44%. Many people choose to live in St. Albert for its clean air, picturesque landscape and exceptional level of municipal programs and services; however, the lack of industrial development does result in a residential property tax rate at the upper end of the Capital Region. St. Albert currently derives 11% of its property tax assessment from commercial and industrial properties — the average for cities in Alberta is approximately 28%. As the City continues efforts to attract commercial properties and clean industry, the current assessment mix combined with demands for a wide array of quality services will continue to drive priorities and plans throughout 2007 and 2008.

Along with other urban municipalities in the province, St. Albert continues to face significant pressure to maintain existing services and address growth. This has proven to be challenging as the City works within a heated economy and under constrained fiscal resources.



The Year in Review

Residential and business stakeholders have made it clear that they expect a high standard of living and level of service in the community. At the same time various operational challenges and economic, social, demographic, environmental and inflationary factors are impacting the organization. To address these pressures, the City of St. Albert employs leading business planning practices to ensure effective allocation of financial and human resources to competing community priorities. In keeping with this, Council has developed the following outcome goals as directional priorities for the next 3-5 years. These goals (identified below) have been adopted as policy and used to drive a disciplined Business Planning process to help establish operational strategies, define priorities and set a course that balances the needs and wants of the community with affordability.

Service and Operational Excellence

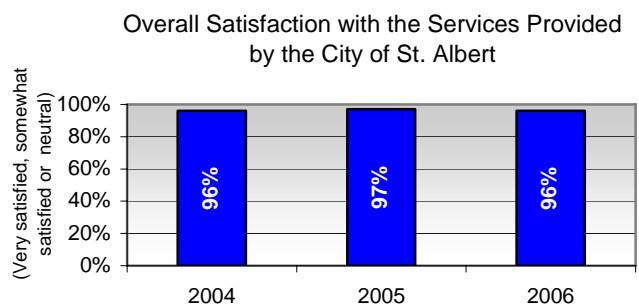
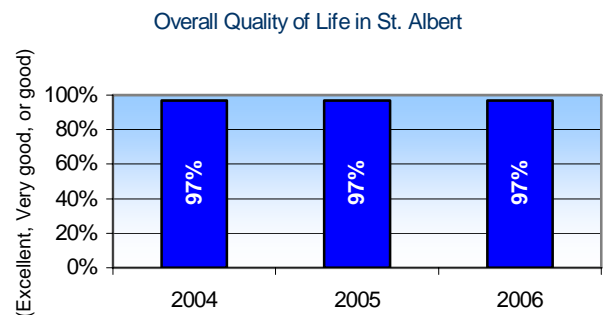
Quality of Life

City Council continues to gain customer input through an annual community satisfaction survey. Continuous improvement coupled with consistent and reliable delivery of service makes St. Albert a community of choice.

St. Albert residents consistently rate their quality of life as exceptional. According to the City's 2006 Community Satisfaction Survey, 97% of residents were satisfied with their quality of life.

The City of St. Albert is proud to deliver a high standard of service and operational excellence to residents and businesses. The City has undertaken to improve quality while exploring innovative service delivery methods to improve efficiency and effectiveness.

This high standard of service delivery and operational excellence are what make St. Albert the community of choice in the Capital Region. St. Albert residents consistently rate their quality of life as exceptional. In 2006, the City of St. Albert continued to find innovative ways to deliver its excellent services and maintain service quality.



Managed Urban Growth and Form

Annexation

As announced on February 14, 2007, the provincial government approved St. Albert's annexation of land in Sturgeon County. The matter had been before the province for more than a year and resulted in favour of St. Albert's proposal that will see the City provide the County with about \$1-million in compensation over 10 years for lost revenue opportunity on the land.

The 1,336 hectares of land located to the north and west will see St. Albert grow in landmass by 30%. This provides St. Albert with great opportunity for growth, but there is much to be done in the way of planning.



Over the next few months, the City will focus on updating the Municipal Development Plan (MDP), which outlines what the landscape and development will look like in a growing St. Albert. However, in addition to the MDP, the City will need to complete a Utility Master Plan and a Transportation Master Plan. These plans identify the infrastructure needs to support new neighborhoods and areas of development.

Developing an Affordable Housing Strategy

St. Albert prides itself on being an inclusive community welcoming all newcomers to share in the quality of life that is our community trademark. The new Land Use Bylaw allowing for an increase in smaller lots and greater density is an important step toward making St. Albert a more affordable and accessible community.

In 2006, administration worked with a consultant to produce a report on the advantages and disadvantages of creating a Community Land Trust (CLT) to manage the budget and operate affordable housing projects. Work on the next step in establishing a CLT is underway. The second step is establishing a business plan for the CLT.

Servus Credit Union Place

23 months after the approval by plebiscite, the \$42 million leisure centre was opened on time and on budget on September 29th, 2006. Inspections occurred over the 4th quarter. The facility has been well used by residents as memberships and day pass sales continue to climb.

Servus Credit Union Place Statistics - 2006	
Total monthly memberships sold:	
October	4,367
November	5,475
December	6,022
Day passes sold	24,200
Hours of rented space	4,500 +



Safe and Caring

Building an Accessible Community

In an effort to better understand the demographics and service the needs of the community, Family and Community Support Services along with its community partners implemented a 'community-mapping project'. This initiative allows for community service providers to understand the current needs, anticipate emerging trends and ensure effective collaboration and allocation of community resources. The Strategy and Mobilization partnership model being proposed will be tasked with ensuring the needs identified in the mapping project are implemented and that services in the community are streamlined and efficient in addressing identified needs.

Emergency Preparedness

The City participated in a full-scale mock disaster involving several City departments in June, which resulted in a report and recommendations. The exercise was considered a success for two reasons: the City demonstrated it has the capacity to handle a large disaster and it learned which areas require improvement.

The City also has an active Pandemic Planning Committee, which includes representatives from all City departments. One of the goals is to ensure that the City can continue to offer basic services with a potentially severely reduced workforce.



Expand, Enhance & Diversify the St. Albert Economy

A Business Friendly City

The City of St. Albert is continuing to implement initiatives to cut red tape and clarify the processes for those wishing to do business with the City. A progress report on the Business Friendly Review was provided to Council and stakeholders in December 2006.

The City remains committed to the continuous evaluation and improvement of our land and development processes. We also remain open to feedback from stakeholders and will endeavour to focus on the recommendations of the review and any subsequent related improvement opportunities.

The Mayor's Business Visitation program continued throughout 2006. This popular program involves the Mayor and members of City Council, along with staff from Economic Development & Tourism, visiting with local businesses to seek input and identify issues.

Effective Infrastructure Management

The City of St. Albert, like all municipalities in Canada, is facing a growing infrastructure challenge. In 2005, Council focused its attention on the age, condition, and risk associated with existing civic assets. Both the federal and provincial governments announced infrastructure-funding programs.

Lacombe Reservoir

The Lacombe Park Reservoir expansion was designed to take the City through the next ten years of growth. The project was completed in May with the existing storage facility increasing from 6.3 million to 23.5 million litres. This expansion means improved water pressure for residents, improved system reliability, and lower operating costs for the City.



Constructing the West Regional Road

Stage One of the West Regional Road is nearly complete. This portion of the road will run from 137 Avenue to the new McKenney Avenue extension, and is expected to open by September of 2007.

City Council recently gave Administration the green light to proceed with Stage Two of the road, which will run from McKenney Avenue north to Giroux Road.

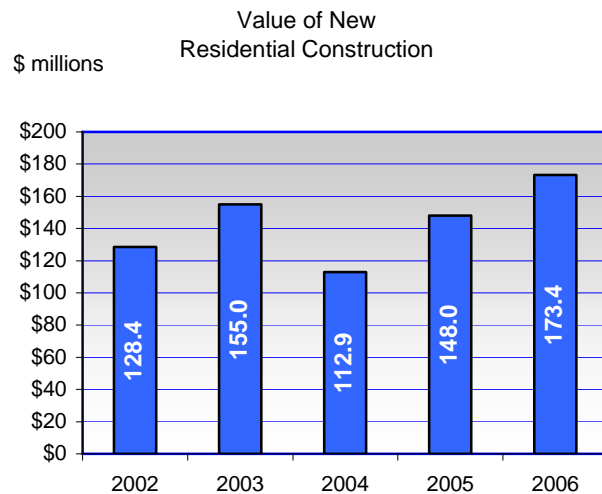
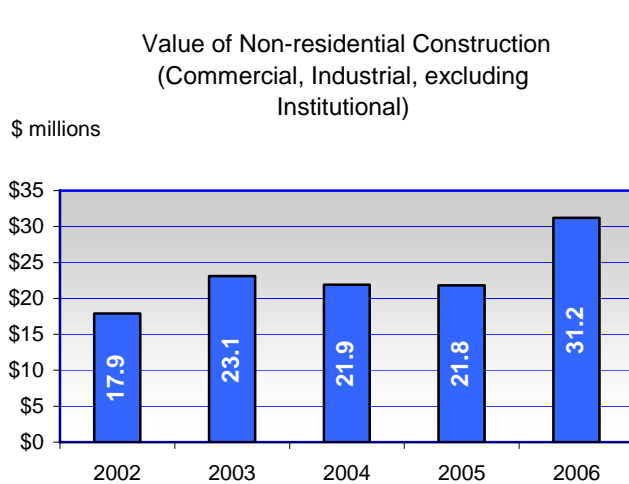


The province is finalizing its functional plan to determine if the road will meet highway standards. Based on recent information provided by Alberta Infrastructure and Transportation, the results are looking promising. While the confirmation of highway designation is getting closer, it is unlikely that any funding or work on Stage Three of the road will be confirmed for this year.



Construction Growth

In 2006, there was continued strong growth in terms of new housing starts, multi-family condo starts, and a continuation of new serviced residential lots brought into the market. Escalations in underlying construction costs for new homes/dwellings also contribute to the increased figures. While commercial growth was stable, industrial growth increased due to new projects and City lot sales, particularly within Campbell North.



Fiscal Responsibility & Leadership Excellence

2007-2009 Business Plan & 2 Year Budget

Council approved the 2007-2009 Business Plan and 2007-2008 Budget in December. Information on the approved Budget was shared with residents through a variety of communications projects including: a news release to the media, which resulted in news coverage in the local papers and on CFRN TV; a four-page pullout section in the St. Albert Gazette; and an eight-page brochure for distribution at various city locations. Additional public input sessions and a kiosk in St. Albert Centre and Servus Place allowed Council to talk directly to the public about the budget.

Achieving Excellence in Tax Assessments

Assessment Services achieved exemplary statistics for assessment equity via the provincial audit database system. The target Assessment Sales Ratio was 96% and the City achieved 97.3% (2005 assessment for 2006 taxation).

Only one residential appeal was lodged in 2006 compared to 18 in 2005. There were no non-residential appeals in 2006 compared to five in 2005. This is the lowest number of appeals in more than a decade and the first time no non-residential appeals have been received. The Assessment Review Board heard the residential appeal and confirmed the assessment.



Sound Stewardship of the Environment

Environmental Advisory Committee (EAC)

The Environmental Advisory Committee recommended that the City hold a public workshop on beaver management issues. The workshop was held in September and representatives from Fish and Wildlife and the City were on hand to discuss beaver management regulations and options.

EAC reviewed its draft annual report for 2006. The committee intends to use this first year evaluation as a foundation for planning the activities of the committee in 2007 and beyond.

Office of the Environment on the Web

A new portion of the website was launched focusing on the City's efforts in environmental stewardship. The Office of the Environment section offers information on the City's environmental policies and programs, as well as other information and key links.



2006 Organizational Chart



Report from the Chief Financial Officer

The City of St. Albert is pleased to present the 2006 Annual Financial Report containing the audited 2006 consolidated financial statements. The City's auditor, Grant Thornton LLP has audited these statements and has provided an unqualified opinion. 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. These financial statements represent the consolidated operating and capital activities of the City of St. Albert, including Utilities, the Library, Servus Credit Union Place and the Arts and Heritage Foundation of St. Albert.

This report provides the reader with a clear insight of the financial results for the fiscal year ended December 31, 2006. 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 well managed. This 2006 Annual Financial 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 statements 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.

The City of St. Albert received the Canadian Award for Financial Reporting for the 2005 Annual Financial Report. We believe the 2006 report also conforms to the program requirements for the Canadian Award for Financial Reporting. For the seventh consecutive year, we will be submitting this report to the Government Finance Officers Association. 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

The City of St. Albert's management is responsible for the preparation and presentation of the consolidated 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 judgments 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.



Financial Position

A key financial indicator for municipalities is net financial assets (net debt). This indicator along with the municipal equity provides a measure of the overall financial health of a municipality. The financial health of the City of St. Albert has been steadily improving. Prior to 2003 the City was in a net debt position, indicating that, overall, the City had acquired assets using future revenues (debt financing). In 2003 and 2004 as debt matured and reserve funds built up, the net debt indicator moved to a net financial asset position of \$6.8 million indicating that existing revenues were available to assist in funding future expenditures.

With the approval of Servus Credit Union Place and the West Regional Road, the City has increased its debt financing as planned, resulting in a reversal of this trend back to a net debt position of \$14.8 million in 2005 and \$31.1 million in 2006. As the City nears completion of these two projects and completes the debt financing needs, the net debt position will continue to decrease, as future tax dollars will be required to pay down this new debt over the next 20 years.

The offset to this decrease in net financial assets is the addition of new non-financial assets, namely the Servus Credit Union Place and the West Regional Road. These assets have increased the City's municipal equity.

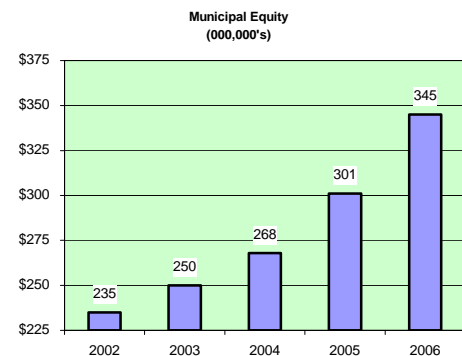
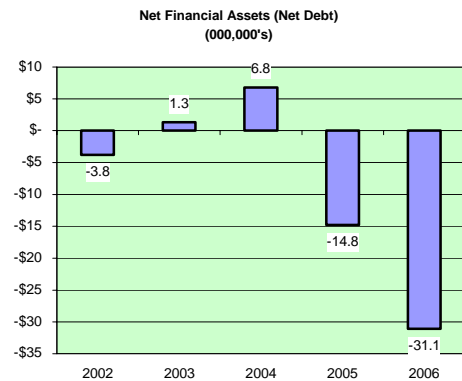
Following are the significant changes from the previous year as shown on the Consolidated Statement of Financial Position.

Capital assets increased by \$60 million including \$23 million for Recreation and Parks (Servus Credit Union Place) and \$22 million for Transportation and Roadways (West Regional Road), \$9 million for Utility Services (Lacombe Park Reservoir and Sanitary Trunk Phase 1) and \$5.7 million for Transit Services (new buses).

Long Term Debt increased by \$22 million due to \$15 million borrowed for Servus Credit Union Place and \$10 million for the West Regional Road along with \$3 million in regular debt payments.

The Capital Fund Deficiency of \$15.6 million represents capital costs to be financed in 2007 - the largest amounts are for Servus Credit Union Place, the West Regional Road construction costs and expansion buses. These amounts will be financed by internal and external borrowings during 2007.

Reserves increased by \$2.8 million. This is a net amount comprised of a drawdown of \$2.3 million from operating reserves to cover the operations of Servus Credit Union Place and an increase of \$5.1 million in capital reserves due to a capital reserve contribution of \$1.6 million for Servus Credit Union Place, \$1.6 million for internal financing and a net increase of \$1.9 million for other capital reserves.



Financial Activities

The Statement of Financial Activities and Change in Fund Balances shows revenues of \$120 million, expenditures of \$136 million, and debt payments of \$3.4 million.

Revenue increased by \$19 million from 2005 in large part due to an \$11.6 million increase in provincial capital grants. The provincial capital grants were used to fund several road construction projects including the West Regional Road. Taxes increased in 2006 by \$3.3 million and revenues from permits and fees increased by \$4 million.

The expenditure increase from 2005 (\$13.4 million) is made up of a \$6.8 million increase in operations and \$6.6 million increase in capital. The increase in the cost of operations is due to the addition of Servus Credit Union Place and various cost pressures such as salaries, contracts, utilities, and insurance. Additional capital spending was on the West Regional Road, other road projects, transit and Servus Credit Union Place.

Municipal Operating Budget

Following are the significant variances from budget before transfers.

SIGNIFICANT FAVOURABLE VARIANCES

1.	Building Permit Revenues	\$ 591,600
2.	Property Taxes (growth in assessment)	454,400
3.	RCMP Contract	421,300
4.	Transfer from Reserves	404,800
5.	Natural Gas	323,100
6.	Interest Income	321,500
7.	Photo Radar Contract	140,500
8.	Tax Rebates	127,100
9.	Transit Revenue	108,400
10.	Grants	104,200
11.	Ambulance Revenue and Fire Retainer Fee	84,300
12.	Other (net of all other accounts)	<u>8,200</u>
	Subtotal	<u>\$ 3,089,400</u>

SIGNIFICANT UNFAVOURABLE VARIANCES

1.	Snow and Ice Program	\$ 367,700
2.	Fines – RCMP and Bylaw	212,900
3.	Gas Franchise Fee	213,000
4.	Lesson Fees and Admission Fees	196,900
5.	Equipment and Vehicle Parts	<u>154,000</u>
	Subtotal	<u>\$ 1,144,500</u>

YEAR END POSITION BEFORE YEAR END TRANSFERS \$ 1,945,000



The 2006 municipal operating surplus was \$1,945,000. The surplus was transferred as follows:

- \$1,941,000 to be transferred to the Internal Financing reserve to provide funding for Capital Projects
- \$4,000 to provide funding for capital project shortfalls.

Utility Operating Budget

The City operates four utilities: water, wastewater, storm sewer and solid waste. As a utility there is no subsidy from the Municipal Fund to the utilities. City policy has also restricted the municipality from receipt of any return on investment, dividends or other contributions from the utilities.

The 2006 net utility operations were \$323,800 over budget. Following are the significant variances from budget.

SIGNIFICANT FAVOURABLE VARIANCES

1.	Transfer from reserves	\$ 173,300
2.	Flat Rate Charges	18,000
3.	Refuse Stickers	12,700
4.	Other	<u>500</u>
	Subtotal	\$ <u>204,500</u>

SIGNIFICANT UNFAVOURABLE VARIANCES

1.	Sale of Water	\$ 48,900
2.	Wastewater Service Charges	132,600
3.	Water Purchases	211,800
4.	Wastewater Treatment Charges	<u>135,000</u>
	Subtotal	\$ <u>528,300</u>

YEAR END POSITION BEFORE YEAR END TRANSFERS \$ (323,800)

Servus Credit Union Place

On September 29th, 2006, Servus Credit Union Place, the City's \$42 million leisure centre, was opened to the public on time and on budget. Servus Place operates as Enterprise Organization as defined by Council policy. This means that Servus Place is able to operate as a self-sustaining organization while adhering to city policy.

Servus Place operations were \$142,200 over budget for 2006. Following are the significant variances from budget.

SIGNIFICANT FAVOURABLE VARIANCES

1.	Transfer to Municipal Operations	\$ 217,400
2.	Contracted Services	151,700
3.	Utilities	70,800
4.	Advertising	<u>43,300</u>
	Subtotal	\$ <u>483,200</u>



SIGNIFICANT UNFAVOURABLE VARIANCES

1. Donations	\$ 224,600
2. Facility Revenue (fees)	213,900
3. Supplies	<u>186,900</u>
Subtotal	\$ <u>625,400</u>

YEAR END POSITION BEFORE YEAR END TRANSFERS \$ (142,200)

Capital Budget

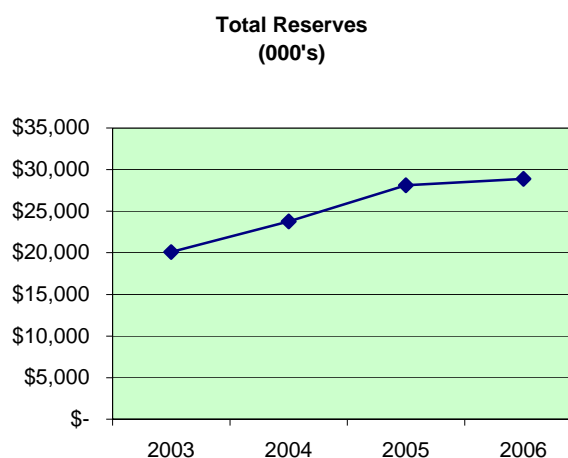
\$62 million was expended in 2006 on capital projects primarily related to the City's new Servus Credit Union Place, the West Regional Road and transit (Schedule 2). Funding for capital projects was mainly from grants, developer levies, reserves and debt. While full funding for all capital expenditures is in place, Schedule 2 reports a closing unfunded balance of \$15.7 million; down from \$18.8 million in 2005. The nature of this unfunded capital relates to approved debenture funding not yet drawn. In its place internal interim financing has been utilized to minimize borrowing costs. As these two projects near completion, administration will draw down on the approved borrowings thereby eliminating this unfunded liability.

As indicated in Note 12 to the consolidated 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 due to the budget representing only 2006 projects, while the actual costs for capital are for projects originally budgeted in 2006, 2005, and earlier years.

Reserves

Reserves are a key tool used by local governments to set aside funds to replace existing capital, provide for emergent needs, stabilize tax rates, and fund future capital projects to reduce reliance on debt financing. When reviewing a local government's financial position, the level of reserves is often confused with the financial health of the municipality. In fact, when used to effectively manage the municipality's capital program, reserve balances may increase for a time and then decrease significantly to address planned capital requirements.

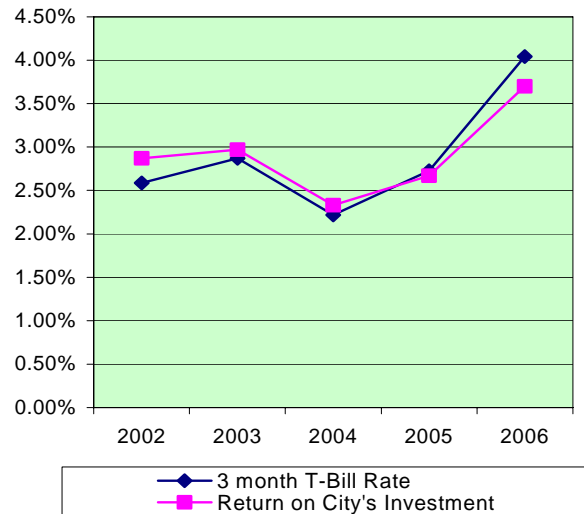
Through sound financial management, and as a result of Council's renewed focus on fiscal policy, funding for reserves has been a priority and in 2006 balances have increased to \$32 million. While a number of the reserves are non-discretionary and governed by legislative or contractual obligations, the majority are discretionary reserves, whereby the use is at the discretion of Council. In order to improve the accountability, planning and management of these reserves, each reserve is supported by Council policy and a 10-year plan for its use. 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.



Investments

City funds are invested according to the City's investment policy with internal control procedures designed to ensure that the daily handling of cash is managed in a secure manner. The purpose of the investment policy is to ensure investments conform to all provincial statutes and regulations while optimizing investment returns, providing maximum security of principal and meeting the City's daily cash flow requirements. Investments are limited to instruments in which the principal is unconditionally guaranteed. Investment performance is benchmarked against the Three Month Federal Treasury Bill rate. A report of the investment portfolio for the City is presented to Council on a quarterly basis to ensure accountability for the nature and diversification of the portfolio to the investment policy. The City's short-term investments earned 2.76% to 4.55%. Long-term investments have a yield of 9.25% and mature in 2007.

Investment Portfolio Performance



Debt

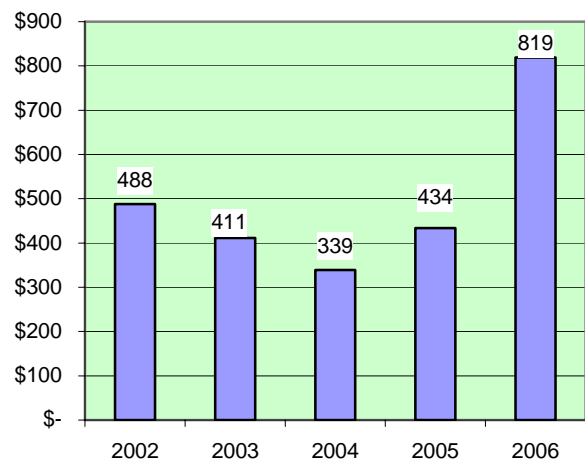
The City's debt management policy recognizes that excessive debt reduces the organization's flexibility and its ability to handle unforeseen challenges. While being debt averse, the policy focuses debt financing towards major capital projects.

Council's debt policy emphasizes Pay-As-You Go as the preferred financing option, followed by internal financing, and finally external debt financing. External borrowing terms are limited to a maximum of 15 years, with the exception of major capital projects that may require a longer term of up to 25 years.

Debt per capita declined between 1998 and 2004 due to a move towards Pay-As-You-Go financing.

In 2004, the approved capital budget included two major projects, the West Regional Road and the Multipurpose Leisure Centre. These two projects alone, due to their significance, resulted in the approval of two 20-year external borrowings, which will increase the City's debt by \$22 million and \$38 million respectively. As of December 31, 2006, \$25 million had been financed towards the Servus Place. The remainder of the financing for these projects will be drawn as required over the term of the project. A combination of the addition of this new debt along with debt maturities has increased the City's debt per capita from \$434 to \$819. Expected interest rates for 20-year borrowings are under 5%. While the two major projects approved in 2004 are significant, the City will remain within the debt limits established through City policy and as set out by the Province. All borrowing completed by the City has been in the form of debentures through the Alberta Capital Finance Authority (ACFA). These borrowings utilize the strong debt rating of the Province of Alberta along with combined borrowings of other municipalities and education authorities in Alberta. Interest rates are established at the time of borrowing and remain constant throughout the term of the debenture, eliminating the risk associated with fluctuating interest rates. Payments are made annually or semi-annually.

Debt Per Capita



Funding Infrastructure Needs

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 this 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.

The issue of a potential funding gap is not specifically identified in the Audited Consolidated 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 the infrastructure study will be the basis of long-term financial plans, three-year business plans and annual budgets.

The Future

In support of Council's ongoing long-term planning process, administration has completed its first multi-year budget for 2007 and 2008. In 2009, the City will adopt its first 3-year budget. It is believed that this process will further strengthen the City's long term strategic planning and ensure ongoing stability in programs and services.

The approved Public Sector Accounting Board (PSAB) section #3150 (Tangible Capital Assets) requires that all municipalities across Canada implement amortization of all capital assets by 2009. This is a process which is common practice in the private sector but foreign to local governments. The implementation of this section will require additional resources to inventory, classify, value and establish amortization methods prior to reporting for 2009. The implementation of this section will also require the City to address the funding of future amortization costs.

As a result of a number of large corporate failures in recent years, Enterprise Risk Management has become an essential area in which to emphasize continuous improvement. Using the Committee of Sponsoring Organizations (COSO) framework, administration will continue to take a proactive approach to ensure that internal controls are up to date, documented, understood and processes are in place to minimize financial risk to the City of St. Albert and its public.

St. Albert, with its large residential tax base, also faces issues with regard to its ability to generate additional revenues within the limited sources available. In coordination with other municipalities, the City is working with Federal and Provincial levels of government regarding funding 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.



Jason Labonté, CMA
Director, Financial Services, City Treasurer, CFO
April 5, 2007



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, 2005. 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

The City of St. Albert
Alberta

For its Annual
Financial Report
for the Year Ended

December 31, 2005

A Canadian Award for Financial Reporting is presented by the Government of 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.



Thomas J. Flannery
President

Jeffrey L. Esser
Executive Director



2006
Annual Financial Report

Financial Section

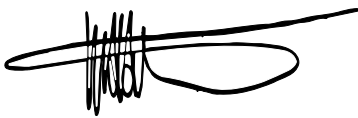


Management's Report

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 local governments, as recommended by the Public Sector Accounting Board of 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



Jason Labonté
Director, Financial Services

Auditors' Report

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

We have audited the Consolidated Statement of Financial Position of the City of St. Albert as at December 31, 2006, and the Consolidated Statement of Financial Activities and Change in Fund Balances and the Consolidated Statement of 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, 2006, 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
April 2007

Grant Thornton LLP
Chartered Accountants



**THE CITY OF ST. ALBERT
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31
(000'S)**

	ASSETS	
	2006	2005
Financial Assets		
Cash and Temporary Investments (Note 2)	\$ 37,863	\$ 37,102
Taxes Receivable	1,024	1,172
Trade and Other Receivables	6,649	7,605
Land Held for Resale	912	1,422
Investments (Note 3)	1,000	1,000
Prepaid Expenses	<u>235</u>	<u>191</u>
	<u>47,683</u>	<u>48,492</u>
Physical Assets		
Inventories of Materials and Supplies	950	934
Capital Assets (Note 4)	<u>375,273</u>	<u>314,878</u>
	<u>376,223</u>	<u>315,812</u>
Total Assets	\$ <u>423,906</u>	\$ <u>364,304</u>
LIABILITIES AND MUNICIPAL EQUITY		
Liabilities		
Accounts Payable and Accrued Liabilities	\$ 14,784	\$ 19,270
Deferred Revenue (Note 5)	17,433	19,356
Long Term Debt (Note 6)	<u>46,547</u>	<u>24,462</u>
	<u>78,764</u>	<u>63,088</u>
Municipal Equity		
Fund Balances		
Operating Fund (Schedule 1)	89	82
Capital Fund (Note 7) (Schedule 2)	(15,661)	(18,823)
Reserve Fund (Schedule 3)	<u>31,649</u>	<u>28,892</u>
Total Fund Balances	16,077	10,151
Equity in Capital Assets (Schedule 4)	<u>329,065</u>	<u>291,065</u>
	<u>345,142</u>	<u>301,216</u>
Total Liabilities and Municipal Equity	\$ <u>423,906</u>	\$ <u>364,304</u>
Contingencies (Note 8)		

Approved By:

Mayor

City Manager

See accompanying notes to the Consolidated Financial Statements.



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

	2006	Budget 2006 (Note 12)	2005
Revenue			
Taxes Available for Municipal Purposes (Schedule 5)	\$ 51,921	\$ 51,481	\$ 48,621
Sales and User Fees (Schedule 7)	28,045	27,734	25,226
Government Grants (Schedule 8)	26,200	24,592	15,562
Other Revenue	3,225	1,290	950
Fines and Penalties	3,104	3,276	2,915
Developer Contributions and Levies	2,931	-	3,120
Licences and Permits	1,741	1,357	1,885
Franchise Fees	1,379	1,592	1,391
Return on Investments	1,295	445	1,828
Total Revenue	119,841	111,767	101,498
Expenditures (Schedule 6)			
Recreation and Parks	35,276	16,967	32,962
Transportation and Roadway Services	29,167	28,428	23,554
Utility Services	23,840	18,872	25,830
Protective Services	15,974	17,374	15,066
Transit Services	11,833	11,545	6,284
General Government Services	9,399	9,513	8,278
Cultural Services	6,994	6,437	7,375
Family and Social Services	1,930	1,873	1,863
Planning and Development Services	1,897	2,178	1,679
Total Expenditures	136,310	113,187	122,891
Deficiency of Revenue Over Expenditures	(16,469)	(1,420)	(21,393)
Add: Long Term Debt Issued	25,822	500	10,086
Deduct: Repayment of Long Term Debt	(3,427)	(4,762)	(3,835)
Change in Fund Balances	\$ 5,926	\$ (5,682)	\$ (15,142)
Change in Fund Balances Represented By:			
Operating Fund (Schedule 1)	\$ 7	\$ -	\$ 19
Capital Fund (Schedule 2)	3,162	-	(15,949)
Reserve Fund (Schedule 3)	2,757	(5,682)	788
	\$ 5,926	\$ (5,682)	\$ (15,142)

See accompanying notes to the Consolidated Financial Statements.



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

	2006	2005
Cash Provided by:		
Operating Activities		
Deficiency of Revenue Over Expenditures	\$ (16,469)	\$ (21,393)
Net Changes in Non-Cash Items:		
Taxes Receivable	148	(142)
Trade and Other Receivables	956	(2,473)
Land Held for Resale	510	4
Prepaid Expenses	(44)	(49)
Inventories of Materials and Supplies	(16)	(166)
Accounts Payable and Accrued Liabilities	(4,486)	5,264
Deferred Revenue	(1,923)	6,195
Net Cash Used in Operating Activities	(21,324)	(12,760)
Investing		
Investments	-	500
Financing		
Long Term Debt Issued	25,822	10,086
Repayment of Long Term Debt	(3,737)	(4,119)
Net Cash Provided by Financing Activities	22,085	5,967
CHANGE IN CASH AND TEMPORARY INVESTMENTS DURING YEAR	761	(6,293)
Cash and Temporary Investments at Beginning of Year	37,102	43,395
CASH AND TEMPORARY INVESTMENTS AT END OF YEAR	\$ 37,863	\$ 37,102

During the year the City incurred interest charges on long-term debt of \$1,600 (2005 - \$1,700).

See accompanying notes to the Consolidated Financial Statements.



**THE CITY OF ST. ALBERT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006
(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, the Arts & Heritage Foundation of St. Albert 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.

i) Operating Fund

Operating fund represents the amounts available to offset future operational revenue requirements.



**THE CITY OF ST. ALBERT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006
(000'S)**

ii) Capital Fund

Capital fund represents the amounts available to finance (or the shortfall in financing available for) capital projects.

iii) Reserve Fund

Reserve fund represents the amounts set aside to finance future operating and capital expenditures. Reserves are established at the discretion of Council. Transfers to and from the reserve fund are reflected as an adjustment to the respective fund.

iv) Equity in Capital Assets

Equity in capital assets represents the City's net investment in its capital assets after deducting the portion financed by third parties through debenture, long-term capital borrowings, capital leases, and other capital liabilities which will be repaid by the City.

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 eligibility 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.

g) Pension Expenditures

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

h) 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.

i) Investments

Investments are stated at the lower of cost and net realizable value.

j) 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.



**THE CITY OF ST. ALBERT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006
(000'S)**

2. CASH AND TEMPORARY INVESTMENTS

	2006	2005
Cash (Bank Indebtedness)	\$ 6,761	\$(894)
Temporary Investments	<u>31,102</u>	<u>37,996</u>
	<u>\$ 37,863</u>	<u>\$ 37,102</u>

Cash includes cash on hand and balances with banks, net of bank overdrafts.

Temporary Investments are comprised of Short Term Deposits, Banker's Acceptances, Commercial Papers and Guaranteed Notes having yields ranging from 4.29% to 4.36% (2005 – 2.76% to 3.55%) maturing within 3 months.

3. INVESTMENTS

Investments consist of a City of Edmonton bond having a yield of 9.25% (2005 – 9.25%) and maturing in 2007.

4. CAPITAL ASSETS

	2006	2005
Land for Own Use	\$ 13,338	\$ 10,913
Buildings	110,319	89,408
Engineering Structures	208,461	178,541
Machinery and Equipment	18,163	16,088
Vehicles	<u>24,992</u>	<u>19,928</u>
	<u>\$ 375,273</u>	<u>\$ 314,878</u>

Effective January 1, 2009, municipalities will be required to adopt Section 3150 – Tangible Capital Assets of the Public Sector Accounting Handbook. In an effort to meet these guidelines, the City has performed a partial inventory of its Vehicle's category of capital assets. The City reviewed a cross section of these assets, and the table below show an example of the amortization by sub-category based on the estimated useful life as follows:

Cars	10 years
Vans	10 years
Ambulance	10 years
Trucks	10 years
Transit buses	20 years
Fire trucks	25 years



**THE CITY OF ST. ALBERT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006
(000'S)**

Amortization on the vehicles (based on a straight-line method) of \$1,058 would have been recorded in this year's financial statements as a reduction to equity in capital assets, had the City chosen to adopt this section ahead of the required date. No amortization was taken on assets disposed of during the year. Disclosure on the categories of Engineering Structures, Buildings, Machinery & Equipment, Land, Vehicles and other tangible assets has not been presented as the process of compiling an inventory of these assets has not been completed by year end.

	<u>Cost</u>	<u>Amortization</u>	<u>Net</u>
Vehicles			
January 1, 2006	\$ 18,478	\$ 7,172	\$ 11,306
2006 Additions	5,864	1,058	4,806
2006 Disposals	(1,075)	-	(1,075)
December 31, 2006	<u>\$ 23,267</u>	<u>\$ 8,230</u>	<u>\$ 15,037</u>

5. 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>2006</u>	<u>2005</u>
Alberta Municipal Infrastructure Program	\$ 7,991	\$ 10,615
Basic Capital Grant	5,406	7,340
Infrastructure Canada – Alberta Program (ICAP)	261	250
Other	<u>3,775</u>	<u>1,151</u>
	<u>\$ 17,433</u>	<u>\$ 19,356</u>

Under the funding agreements with the Provincial 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 \$11,634 (2005 - \$18,493).



**THE CITY OF ST. ALBERT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006
(000'S)**

6. LONG TERM DEBT

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

	2006	2005
Debenture Debt	\$ 46,301	\$ 24,366
Obligations under Capital Lease	246	96
	\$ 46,547	\$ 24,462

a) Debenture Debt

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

	2006	2005
Municipal Tax Supported Debentures	\$ 46,190	\$ 24,003
Local Improvement Supported Debentures	25	205
Utility Rate Supported Debentures	86	158
	\$ 46,301	\$ 24,366

Debentures are held by the Alberta Capital Finance Authority. The debentures are payable in annual amounts and mature in periods ranging from 2007 to 2026.

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

	Principal	Interest	Total
2007	\$ 4,128	\$ 2,102	\$ 6,230
2008	3,364	2,138	5,502
2009	3,187	1,919	5,106
2010	2,943	1,733	4,676
2011	3,116	1,565	4,681

Debenture interest is payable, before Provincial subsidy, at rates ranging from 4.350% to 12.00% per annum. Total interest paid during the year amounted to \$1,620 (2005 - \$1,744).

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:



**THE CITY OF ST. ALBERT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006
(000'S)**

Maximum Interest Rate Payable Period of Debenture Issue	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) Obligations Under Capital Lease

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

	<u>2006</u>	<u>2005</u>
Total Long Term Capital Leases	\$ 246	\$ 96
Less: Principal Portion Due Within One Year	(122)	(68)
Long Term Portion	<u>\$ 124</u>	<u>\$ 28</u>

Capital leases have been issued on the credit and security of the City of St. Albert at large. The capital leases bear interest between 0% and 0.2% (2005 – 0.2% and 1.3%) and mature in 2007 and 2008 (2005 – 2006 and 2007).

Lease principal and interest payments are due as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007	\$ 122	\$ -	\$ 122
2008	124	-	124

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>2006</u>	<u>2005</u>
Maximum Allowable Debt	\$ 146,875	\$ 135,045
Total Debt and Loans	\$ 46,547	\$ 24,365
Percentage Used (%)	32	18
Maximum Allowable Debt Service	\$ 24,479	\$ 22,508
Annual Payments on Existing Debt	\$ 6,352	\$ 5,184
Percentage Used (%)	26	23
Percentage of Expenditures (%)	5	4



**THE CITY OF ST. ALBERT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006
(000'S)**

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.

7. CAPITAL FUND

The Capital Fund balance is comprised of the following:

	<u>2006</u>	<u>2005</u>
Financing Available		
McKenney Avenue – Existing to West Road	\$ 1,103	\$ -
Other Capital Projects	750	466
Woodlands Waterpark Mechanical Rehabilitation	406	-
Campbell Road – Poirier to Kingswood	329	-
Oakmont School / Park Site Development	299	-
Energy Savings Program	202	-
Information Technology Strategic Plan	190	284
Corporate Replacement of Radio System (Fire)	175	-
Library Renovations – Building	107	112
Campbell Arena Modernization	-	502
Corporate Telephone Upgrades	-	114
Fire Station #3	-	498
	<u>3,561</u>	<u>1,976</u>
Amounts to be Financed		
Servus Place – Building	(14,360)	(13,267)
West Regional Road	(2,332)	(7,409)
Expansion Buses	(1,316)	-
Servus Place – Fitness Wellness Centre Equipment Purchases	(567)	-
Other Capital Projects	(501)	(123)
Servus Place – Capital Enhancements and Upgrades	(146)	-
	<u>(19,222)</u>	<u>(20,799)</u>
	<u>\$ (15,661)</u>	<u>\$ (18,823)</u>



**THE CITY OF ST. ALBERT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006
(000'S)**

8. CONTINGENCIES

a) *Insurance Agreement*

The City of St. Albert is a member of the Alberta Municipal Insurance Exchange (MUNIX). 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. Any liability incurred would be accounted for as a current transaction in the year the losses are determined.

b) *Legal Claims*

As at December 31, 2006, 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.

c) *Landfill Closure and Post-Closure Liability*

Federal and provincial environmental legislation requires closure and post-closure care of landfill sites, which may include final covering and landscaping, pumping of ground water and leachate from the site or ongoing environmental monitoring site inspections and maintenance.

Currently, the City is continuing with its ongoing monitoring program of the former landfill and sewage lagoons in Riel Park including the submission of reports to Environment Canada. The groundwater monitoring of the site has been ongoing since 1999 and the program was expanded in June 2004 in consultation with the regulators. The Site Management Alternative report was completed in December 2005 and the City met with the regulators to discuss the alternatives and the recommended action plan. The action plan includes objectives that will maintain the integrity of the containment berms, minimize the generation of leachate and continued monitoring of the groundwater. The next step will be to expand on the objectives of the action plan to develop a detailed Riel Park Redevelopment Plan that will include input from stakeholders already on the site and the public. Compliance with environmental laws and regulations could require significant expenditures, which cannot be reasonably estimated at this time. However, once costs have been determined, any liability will be accounted for prospectively in the City's financial statements.

9. PENSION PLANS

a) *Local Authorities Pension Plan*

Approximately 470 (2005 - 428) 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 7.75% (2005 – 7.40%) of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 10.64% (2005 – 10.14%) on pensionable earnings above this amount. Employees of the City of St. Albert are required to make current service contributions of 6.75% (2005 – 6.40%) of pensionable salary up to the year's maximum pensionable salary and 9.64% (2005 – 9.14%) on pensionable salary above this amount.

Total contributions by the City of St. Albert to the Local Authorities Pension Plan in 2006 were \$2,095 (2005 - \$1,823). Total contributions by the employees of the City of St. Albert to the Local Authorities Pension Plan in 2006 were \$1,865 (2005 - \$1,608).



**THE CITY OF ST. ALBERT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006
(000'S)**

At December 31, 2006, the plan reported the value of its' net assets at \$14.6 billion (2005 - \$12.6 billion) and disclosed an actuarial deficiency of \$0.7 billion (2005 – deficiency of \$0.9 billion). Effective January 1, 2006, members' and employers' contribution rates will not change for 2007 (2005 – 5%).

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, 2004, and provides supplementary pension benefits to a prescribed class of employees (approximately 21 (2005 – 19) 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 \$105 (2005 - \$100).

Total current service contributions by the City to APEX in 2006 were \$64 (2005 – \$53). Total current service contributions by the employees of the City were \$53 (2005 – \$44).

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 overcap retirement plan, to extend LAPP and APEX pension benefit levels beyond the Canada Revenue Agency maximum, commenced on January 1, 2003, and provides supplementary benefits to a prescribed class of employees (approximately 21 (2005 – 19) beneficiaries). APEX PLUS supplements APEX and LAPP and is a voluntary, non-contributory non-registered supplementary employee retirement plan (SERP).

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 (2006 – \$105, 2005 – \$100).

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, 2006, both the APEX supplementary pension plan and APEX PLUS supplementary employee retirement plan have vested with many employees, as they bought back service to January 2003. The City has disclosed contributions to the APEX plan and designated assets towards the APEX PLUS plan in anticipation of the plans' vesting with all employees beginning on January 1, 2006. At January 1, 2007, an actuarial valuation has been 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, 2006
(000'S)

The following presents reconciliation's of the APEX PLUS obligation, plan assets, and funded status as at December 31, 2006:

Accrued Benefit Obligation

Pension obligation, beginning of year	\$	48
Current service cost		33
		81
	\$	81

Plan Assets

Fair value of plan assets, beginning of year	\$	45
Employer contributions to the pension plan		136
Actual return on plan assets		—
Fair value of plan assets, end of year	\$	181
Surplus of pension plan assets over pension obligation	\$	100



**THE CITY OF ST. ALBERT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006
(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 2006</u>	<u>Total 2005</u>
Mayor P. Chalifoux	\$ 71,663	\$ 6,416	\$ 78,079	\$ 76,540
Councillor L. Bracko	21,131	724	21,855	23,436
Councillor C. Brown	20,681	1,999	22,680	23,852
Councillor J. Burrows	22,181	3,875	26,056	26,029
Councillor N. Crouse	20,781	2,920	23,701	24,974
Councillor L. Garrity	20,381	2,882	23,263	24,109
Councillor N. Korotash	20,381	587	20,968	24,421
Chief Administrative Officer	170,767	43,138	213,905	195,608
Designated Officer	103,362	25,744	129,106	118,702

(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, Employment 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 2007 Capital Budget totalling \$45,441 (2006 - \$27,975), of which \$13,600 (2006 - \$500) will be financed through debenture.

12. BUDGET FIGURES

The 2006 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, temporary investments, taxes receivable, trade and other receivables, investments, 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

a) Market Risk

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



**THE CITY OF ST. ALBERT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006
(000'S)**

b) 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.

c) 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 Capital Finance Authority's guidelines.

14. COMMITMENTS

On February 14, 2007 the Lieutenant Governor in Council approved the request of the City of St. Albert to annex land from Sturgeon County. Effective January 1, 2007 the City's boundaries were extended to include all of the land that St. Albert had requested.

The City will be obligated to pay Sturgeon County \$800 at a rate of \$80 a year starting in 2009 and ending in 2018. As well there will have to be tax sharing for five years from 2007 to and including 2011. The amount payable to the County during this tax sharing period is not estimable at December 31, 2006 as the amount paid by St. Albert will be dependent upon the pace of development within the annexed lands.

As of April 1, 2007 the City will be responsible for the roads within the annexed area. Until that date the County remains responsible for roadway maintenance and municipal services.

The annexation brings within the boundaries of St. Albert the proposed alignment of the West Regional Road.

15. ALBERTA CENTENNIAL LEGACIES PROGRAM

The City of St. Albert has been awarded a grant in the amount of \$2,000 from the Alberta Government's Centennial Legacies Grant Program, under a contribution agreement dated March 21, 2005. As of December 31, 2006, the \$2,000 plus interest revenue of \$57 was released to the City of St. Albert in accordance with the agreement and recognized as revenue. These funds were used exclusively for the purpose of the St. Albert Multipurpose Leisure Centre (Servus Place) project.

The City of St. Albert has been awarded a grant in the amount of \$250 from the Alberta Government's Centennial Legacies Grant Program, under a contribution agreement dated January 24, 2006. These funds, along with estimated interest of \$9, will be forwarded to the City upon certification that the project milestones, key dates and activities have been completed as described in the Ted Hole Park plan.



SCHEDULES



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

	2006	Budget 2006 (Note 12)	2005
Revenue			
Taxes Available for Municipal Purposes (Schedule 5)	\$ 51,921	\$ 51,481	\$ 48,621
Sales and User Fees (Schedule 7)	28,045	27,734	25,226
Government Grants (Schedule 8)	4,275	4,091	4,094
Fines and Penalties	3,104	3,276	2,915
Licenses and Permits	1,741	1,357	1,885
Franchise Fees	1,379	1,592	1,391
Other Revenue	1,242	1,040	690
Return on Investments	-	445	346
	91,707	91,016	85,168
Expenditures			
Protective Services	15,675	15,859	14,875
Utility Services (Schedule 9)	14,714	14,686	13,877
Recreation and Parks	12,190	14,712	9,061
General Government Services	8,424	9,173	7,856
Transportation and Roadway Services	6,893	7,040	6,618
Cultural Services	6,818	6,302	6,466
Transit Services	6,128	5,982	5,533
Family and Social Services	1,906	1,858	1,835
Planning and Development Services	1,897	2,078	1,679
	74,645	77,690	67,800
Excess of Revenue Over Expenditures	17,062	13,326	17,368
Net Interfund Transfers			
Transfer to Capital Fund	(15,380)	(10,553)	(9,726)
Transfer from (to) Reserve Fund	1,752	1,989	(3,788)
Repayment of Long Term Debt	(3,427)	(4,762)	(3,835)
Change in Fund Balance	7	-	19
Opening Balance	82	-	63
Closing Balance	\$ 89	\$ -	\$ 82
Closing Balance Represented By:			
Municipal Operations	\$ -	\$ -	\$ -
Utility Operations	-	-	-
Library	3	-	(1)
Arts & Heritage Foundation	86	-	83
	\$ 89	\$ -	\$ 82



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

	<u>2006</u>	<u>2005</u>
Revenue		
Government Grants (Schedule 8)	\$ 21,925	\$ 11,468
Developer Contributions and Levies	2,931	3,120
Other Capital Revenue	1,983	260
Return on Investments	<u>1,295</u>	<u>1,482</u>
Total Revenue	<u>28,134</u>	<u>16,330</u>
Expenditures		
Recreation and Parks	23,086	23,901
Transportation and Roadway Services	22,274	16,936
Utility Services	9,126	11,953
Transit Services	5,705	751
General Government Services	975	422
Protective Services	299	191
Cultural Services	176	909
Family and Community Support Services	<u>24</u>	<u>28</u>
Total Expenditures	<u>61,665</u>	<u>55,091</u>
Deficiency of Revenue Over Expenditures	(33,531)	(38,761)
Net Interfund Transfers		
Transfer from Operating Fund	15,380	9,726
Transfer (to) from Reserve Fund	(4,509)	3,000
Long Term Debt Issued	<u>25,822</u>	<u>10,086</u>
Change in Fund Balance	3,162	(15,949)
Opening Balance	(<u>18,823</u>)	(<u>2,874</u>)
Closing Balance (Note 7)	\$ (<u><u>15,661</u></u>)	\$ (<u><u>18,823</u></u>)



**THE CITY OF ST. ALBERT
SCHEDULE OF RESERVE FUND
FOR THE YEAR ENDED DECEMBER 31, 2006
(000'S)**

	<u>Balance Beginning of Year</u>	<u>Contributions</u>	<u>Reductions</u>	<u>Balance End of Year</u>
Operating Reserves				
General Government	\$ 5,813	\$ 1,124	\$ (3,020)	\$ 3,917
Museum	83	9	(14)	78
Library	90	16	(19)	87
Arts and Heritage Foundation	<u>74</u>	<u>152</u>	<u>-</u>	<u>226</u>
	<u>6,060</u>	<u>1,301</u>	<u>(3,053)</u>	<u>4,308</u>
Capital Reserves				
General Government	18,239	12,421	(8,783)	21,877
Utilities	4,568	3,808	(2,988)	5,388
Library	<u>25</u>	<u>51</u>	<u>-</u>	<u>76</u>
	<u>22,832</u>	<u>16,280</u>	<u>(11,771)</u>	<u>27,341</u>
Reserve Fund Total	\$ <u>28,892</u>	\$ <u>17,581</u>	\$ <u>(14,824)</u>	\$ <u>31,649</u>



**THE CITY OF ST. ALBERT
SCHEDULE OF EQUITY IN CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31
(000'S)**

	<u>2006</u>	<u>Budget 2006 (Note 12)</u>	<u>2005</u>
Acquisition of Capital Assets			
Recreation and Parks	\$ 23,086	\$ 2,255	\$ 23,901
Transportation and Roadway Services	22,274	21,388	16,936
Utility Services	9,126	4,186	11,953
Transit Services	5,705	5,563	751
General Government Services	975	340	422
Protective Services	299	1,515	191
Cultural Services	176	135	909
Family and Community Support Services	24	15	28
Planning and Development Services	<u>-</u>	<u>100</u>	<u>-</u>
	61,665	35,497	55,091
Disposal of Capital Assets (Cost)			
Transportation and Roadway Services	(290)	-	(235)
Transit Services	<u>(980)</u>	<u>-</u>	<u>-</u>
Net Change in Capital Assets	60,395	35,497	54,856
Long Term Debt Issued	(25,822)	(500)	(10,086)
Repayment of Long Term Debt	<u>3,427</u>	<u>4,762</u>	<u>3,835</u>
Change in Equity Balance	38,000	39,759	48,605
Opening Balance	<u>291,065</u>	<u>267,923</u>	<u>242,460</u>
Closing Balance	\$ <u>329,065</u>	\$ <u>307,682</u>	\$ <u>291,065</u>



Schedule 5

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

	<u>2006</u>	<u>Budget 2006 (Note 12)</u>	<u>2005</u>
Taxation			
Real Property Taxes	\$ 70,730	\$ 70,234	\$ 67,027
Linear Property Taxes	1,300	1,300	1,279
Government Grants in Place of Property Taxes	812	854	777
Special Assessments and Local Improvement Taxes	<u>205</u>	<u>185</u>	<u>205</u>
	<u>73,047</u>	<u>72,573</u>	<u>69,288</u>
Requisitions			
Alberta School Foundation Fund	13,550	13,552	13,125
St. Albert Protestant Separate School District #6	6,950	6,950	6,965
Sturgeon Foundation Requisition	410	418	418
Other	<u>216</u>	<u>172</u>	<u>159</u>
	<u>21,126</u>	<u>21,092</u>	<u>20,667</u>
Taxes Available for Municipal Purposes	<u>\$ 51,921</u>	<u>\$ 51,481</u>	<u>\$ 48,621</u>

Schedule 6

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

	<u>2006</u>	<u>Budget 2006 (Note 12)</u>	<u>2005</u>
Expenditures			
Capital Assets Acquired	\$ 61,665	\$ 35,497	\$ 55,091
Salaries, Wages, and Benefits	36,577	35,825	32,964
Contracted and General Services	14,661	14,469	12,901
Purchases from Other Governments	11,138	11,346	10,596
Materials, Goods, and Utilities	9,334	8,568	8,159
Interest on Long Term Debt	1,498	4,767	1,586
Transfers to Individuals and Organizations	1,096	2,057	1,034
Other Expenditures	<u>341</u>	<u>658</u>	<u>560</u>
Total Expenditures	<u>\$ 136,310</u>	<u>\$ 113,187</u>	<u>\$ 122,891</u>



Schedule 7

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

	<u>2006</u>	<u>2005</u>
Sales and User Fees		
Wastewater Charges	\$ 6,931	\$ 6,423
Water Charges	6,626	6,070
Solid Waste Charges	2,433	2,276
Transit Fares	2,423	2,205
Admission Fees	1,731	1,131
Storm Sewer Charges	1,357	1,300
Sale of Land	1,258	1,199
Rentals	988	800
Planning Fees	878	606
Lesson Fees	711	770
Recovered Costs	672	630
Ambulance Fees	593	546
Other	586	448
Sale of Goods	317	278
Library Fees	243	253
Tax Certificates and Inquiries	180	165
Emergency Response Fees	<u>118</u>	<u>126</u>
Total Sales and User Fees	\$ <u><u>28,045</u></u>	\$ <u><u>25,226</u></u>

Schedule 8

**THE CITY OF ST. ALBERT
SCHEDULE OF GOVERNMENT GRANTS
FOR THE YEAR ENDED DECEMBER 31
(000'S)**

	<u>2006</u>	<u>2005</u>
Operating Fund		
Federal Grants	\$ 81	\$ 85
Provincial Grants	<u>4,194</u>	<u>4,009</u>
	<u>4,275</u>	<u>4,094</u>
Capital Fund		
Federal Grants	-	1,428
Provincial Grants	<u>21,925</u>	<u>10,040</u>
	<u>21,925</u>	<u>11,468</u>
Total Government Grants	\$ <u><u>26,200</u></u>	\$ <u><u>15,562</u></u>



**THE CITY OF ST. ALBERT
SCHEDULE OF UTILITY OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2006
(000'S)**

	<u>Water</u>	<u>Wastewater</u>	<u>Solid Waste</u>	<u>Storm Sewer</u>	2006 Total	2005 Total
Revenue						
Sales and User Fees	\$ 6,626	\$ 6,931	\$ 2,433	\$ 1,357	\$ 17,347	\$ 16,069
Other Revenue	55	33	-	88	176	180
Fines and Penalties	29	29	10	6	74	64
Government Grants	<u>1</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>2</u>	<u>4</u>
Total Revenue	<u>6,711</u>	<u>6,993</u>	<u>2,443</u>	<u>1,452</u>	<u>17,599</u>	<u>16,317</u>
Expenditures						
Purchases from Other Governments	3,174	3,619	-	-	6,793	6,226
Contracted and General Services	796	1,078	1,727	395	3,996	3,901
Salaries, Wages, and Benefits	1,050	865	530	125	2,570	2,307
Materials, Goods, and Utilities	504	141	7	28	680	793
Other Expenditures	199	191	224	29	643	592
Interest on Long Term Debt	<u>16</u>	<u>6</u>	<u>-</u>	<u>10</u>	<u>32</u>	<u>58</u>
Total Expenditures	<u>5,739</u>	<u>5,900</u>	<u>2,488</u>	<u>587</u>	<u>14,714</u>	<u>13,877</u>
Excess (Deficiency) of Revenue Over Expenditures	972	1,093	(45)	865	2,885	2,440
Net Interfund Transfers						
Transfer from Operations	-	-	-	-	-	73
Transfer (to) from Capital	(898)	(1,053)	12	(657)	(2,596)	(2,157)
Transfer from (to) Reserve Fund	3	17	33	(114)	(61)	(144)
Repayment of Long Term Debt	<u>(77)</u>	<u>(57)</u>	<u>-</u>	<u>(94)</u>	<u>(228)</u>	<u>(212)</u>
Change in Fund Balance	-	-	-	-	-	-
Opening Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Closing Balance	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>



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

	2006	2005
Revenue		
Contributed from the City of St. Albert	\$ 2,020	\$ 1,836
Government Grants	393	386
Sales and User Fees	309	309
Other Revenue	17	25
Donations	13	29
Total Revenue	2,752	2,585
Expenditures		
Salaries, Wages, and Benefits	1,822	1,687
Materials, Goods, and Utilities	637	633
Capital Assets Acquired	132	32
Contracted and General Services	110	84
Total Expenditures	2,701	2,436
Change in Fund Balances	\$ 51	\$ 149
Represented By:		
Operating Fund	\$ 4	\$ (2)
Capital Fund	(4)	121
Reserve Fund	51	30
	\$ 51	\$ 149



**THE CITY OF ST. ALBERT
ARTS & HERITAGE FOUNDATION OF ST. ALBERT
SCHEDULE OF FINANCIAL ACTIVITIES AND
CHANGE IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31
(000'S)**

	<u>2006</u>	<u>2005</u>
Revenue		
Contributed from the City of St. Albert	\$ 911	\$ 840
Sales and User Fees	223	219
Other Revenue	204	708
Donations	<u>34</u>	<u>140</u>
Total Revenue	<u>1,372</u>	<u>1,907</u>
Expenditures		
Salaries, Wages, and Benefits	855	904
Materials, Goods, and Utilities	156	136
Contracted and General Services	148	114
Other Expenditures	56	26
Capital Assets Acquired	<u>2</u>	<u>711</u>
Total Expenditures	<u>1,217</u>	<u>1,891</u>
Change in Fund Balances	<u>\$ 155</u>	<u>\$ 16</u>
Represented By:		
Operating Fund	\$ 3	\$ 20
Capital Fund	-	-
Reserve Fund	<u>152</u>	<u>(4)</u>
	<u>\$ 155</u>	<u>\$ 16</u>



2006
Annual Financial Report

Statistical Section



**THE CITY OF ST. ALBERT
STATISTICAL SUMMARY
2002 – 2006**

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Population	57,150**	56,310*	54,588*	54,588*	53,081**
Area (In Hectares)	3,606	3,606	3,606	3,606	3,606
Building Permits					
Value (\$ in 000's)					
Residential	\$ 151,558	\$ 115,928	\$ 92,707	\$ 83,347	\$ 110,267
Commercial	26,619	17,510	4,093	20,822	8,958
Industrial	13,480	2,840	1,886	5,565	2,030
Institutional	3,902	58,347	23,395	3,795	3,686
	<u>\$ 195,559</u>	<u>\$ 194,625</u>	<u>\$ 122,081</u>	<u>\$ 113,529</u>	<u>\$ 124,941</u>
Number of Building Permits Issued					
Residential	891	892	797	773	1,000
Commercial	85	70	77	76	71
Industrial	34	36	24	20	20
Institutional	10	27	10	10	13
	<u>1,020</u>	<u>1,025</u>	<u>908</u>	<u>879</u>	<u>1,104</u>
Parks (In Hectares)					
Red Willow Park	160	160	160	160	160
Neighbourhood Parks	239	239	239	227	227
Tax Collections					
Percentage of Current Taxes Collected					
Residential & Non-Residential Property	99.1	98.9	98.9	98.7	98.8
Long Term Debt					
Total Long Term Debt (\$ in 000's)	\$ 46,547	\$ 24,462	\$ 18,495	\$ 22,437	\$ 25,876
Debt Per Capita	\$ 826	\$ 434	\$ 339	\$ 411	\$ 488
Percentage of Total Debt to be Retired					
Within 5 Years	36.5	54.6	75.8	72.3	68.3
Within 10 Years	58.0	76.2	100.0	100.0	97.9
Budget					
Approved Tax Increase (Decrease)	2.98	13.38	4.98	5.08	5.81
Capital Expenditures					
Total (\$ in 000's)	\$ 61,665	\$ 55,091	\$ 13,275	\$ 9,282	\$ 7,973
Expressed as a Percentage of Total					
Engineering Structures	48.5	48.8	65.8	58.2	52.9
Buildings	33.9	42.4	14.5	15.9	20.1
Land for Own Use	3.7	5.4	5.6	0.0	0.3
Vehicles	3.9	2.2	5.3	11.6	8.1
Machinery and Equipment	10.0	1.2	8.8	14.3	18.6

*Population Based on Municipal Census

**Population Based on Statistics Canada Census



**STATISTICAL SUMMARY
2002 – 2006
- continued -**

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Annual Increase in CPI-Statistics Canada					
Alberta	3.9%	2.1%	1.4%	4.4%	3.4%
Canada	2.0%	2.2%	1.9%	2.8%	2.2%
Unemployment Rate-Statistics Canada					
Alberta	3.4%	3.9%	4.6%	5.1%	5.3%
Canada	6.3%	6.8%	7.2%	7.6%	7.7%



THE CITY OF ST. ALBERT
CONSOLIDATED FINANCIAL ACTIVITIES AND CHANGE IN FUND BALANCES
FOR THE YEARS ENDED DECEMBER 31, 2002 – 2006
(000'S)

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002*</u>
Revenue					
Taxes Available for Municipal Purposes	\$ 51,921	\$ 48,621	\$ 41,638	\$ 38,041	\$ 34,839
Sales and User Fees	28,045	25,226	22,061	21,073	18,832
Government Grants	26,200	15,562	8,229	4,190	4,741
Other Revenue	3,225	950	1,014	761	1,251
Licenses and Permits	3,104	1,885	1,334	1,265	1,311
Developer Contributions and Levies	2,931	3,120	1,449	1,882	2,099
Fines and Penalties	1,741	2,915	3,182	2,757	2,668
Franchise Fees	1,379	1,391	1,133	1,169	720
Return on Investments	<u>1,295</u>	<u>1,828</u>	<u>1,034</u>	<u>1,123</u>	<u>871</u>
Total Revenue	<u>119,841</u>	<u>101,498</u>	<u>81,074</u>	<u>72,261</u>	<u>67,332</u>
Expenditures					
Recreation and Parks	35,276	32,962	9,848	9,258	8,028
Transportation and Roadway Services	29,167	23,554	15,062	10,316	9,533
Utility Services	23,840	25,830	14,224	11,295	10,986
Protective Services	15,974	15,066	13,715	12,999	13,149
Transit Services	11,833	6,284	4,898	4,980	4,189
General Government Services	9,399	8,278	7,620	8,960	8,161
Cultural Services	6,994	7,375	6,467	6,163	5,828
Family and Social Services	1,930	1,863	1,560	1,582	1,677
Planning and Development Services	<u>1,897</u>	<u>1,679</u>	<u>2,157</u>	<u>1,651</u>	<u>1,362</u>
Total Expenditures	<u>136,310</u>	<u>122,891</u>	<u>75,551</u>	<u>67,204</u>	<u>62,913</u>
(Deficiency) Excess of Revenue Over Expenditures	(16,469)	(21,393)	5,523	5,057	4,419
Add: Long Term Debt Issued	25,822	10,086	111	1,054	498
Deduct: Repayment of Long Term Debt	<u>(3,427)</u>	<u>(3,835)</u>	<u>(3,794)</u>	<u>(4,256)</u>	<u>(3,116)</u>
Change in Fund Balances	\$ <u>5,926</u>	\$ (<u>15,142</u>)	\$ <u>1,840</u>	\$ <u>1,855</u>	\$ <u>1,801</u>
Represented by:					
Operating Fund	7	\$ 19	\$ (7)	\$ (2,066)	\$ (347)
Capital Fund	3,162	(15,949)	(2,458)	241	(2,082)
Reserve Fund	<u>2,757</u>	<u>788</u>	<u>4,305</u>	<u>3,680</u>	<u>4,230</u>
	\$ <u>5,926</u>	\$ (<u>15,142</u>)	\$ <u>1,840</u>	\$ <u>1,855</u>	\$ <u>1,801</u>

*Does not include the Arts & Heritage Foundation of St. Albert.



THE CITY OF ST. ALBERT
OPERATING FUND FINANCIAL ACTIVITIES AND CHANGE IN FUND BALANCE
FOR THE YEARS ENDED DECEMBER 31, 2002 - 2006
(000'S)

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002*</u>
Revenue					
Taxes Available for Municipal Purposes	\$ 51,921	\$ 48,621	\$ 41,638	\$ 38,041	\$ 34,839
Sales and User Fees	28,045	25,226	22,061	21,073	18,832
Government Grants	4,275	4,094	3,159	2,554	2,451
Fines and Penalties	3,104	2,915	3,182	2,757	2,668
Licenses and Permits	1,741	1,885	1,334	1,265	1,311
Franchise Fees	1,379	1,391	1,133	1,169	720
Other Revenue	1,242	690	840	593	933
Return on Investments	-	346	226	122	225
Total Revenue	<u>91,707</u>	<u>85,168</u>	<u>73,573</u>	<u>67,574</u>	<u>61,979</u>
Expenditures					
Protective Services	15,675	14,875	13,612	12,841	12,076
Utility Services	14,714	13,877	12,003	10,652	10,295
Recreation and Parks	12,190	9,061	7,714	7,475	7,242
General Government Services	8,424	7,856	7,283	7,809	6,813
Transportation and Roadway Services	6,893	6,618	7,593	5,677	5,992
Cultural Services	6,818	6,466	6,146	6,043	5,592
Transit Services	6,128	5,533	4,671	4,192	3,891
Family and Social Services	1,906	1,835	1,560	1,582	1,677
Planning and Development Services	1,897	1,679	1,694	1,651	1,362
Total Expenditures	<u>74,645</u>	<u>67,800</u>	<u>62,276</u>	<u>57,922</u>	<u>54,940</u>
Excess of Revenue Over Expenditures	17,062	17,368	11,297	9,652	7,039
Net Interfund Transfers					
Transfer (to) Capital Fund	(15,380)	(9,726)	(8,022)	(7,087)	(3,803)
Transfers from (to) Reserve Fund	1,752	(3,788)	512	(375)	(467)
Repayment of Long Term Debt	(3,427)	(3,835)	(3,794)	(4,256)	(3,116)
Change in Fund Balance	7	19	(7)	(2,066)	(347)
Opening Balance	<u>82</u>	<u>63</u>	<u>70</u>	<u>2,136</u>	<u>2,410</u>
Closing Balance	<u>\$ 89</u>	<u>\$ 82</u>	<u>\$ 63</u>	<u>\$ 70</u>	<u>\$ 2,063</u>
Closing Balance Represented by:					
Municipal Operations	\$ -	\$ -	\$ -	\$ -	\$ -
Utility Operations	-	-	-	-	2,059
Library	3	(1)	-	7	4
Arts & Heritage Foundation	<u>86</u>	<u>83</u>	<u>63</u>	<u>63</u>	<u>-</u>
	<u>\$ 89</u>	<u>\$ 82</u>	<u>\$ 63</u>	<u>\$ 70</u>	<u>\$ 2,063</u>

*Does not include the Arts & Heritage Foundation of St. Albert.



THE CITY OF ST. ALBERT
CAPITAL FUND FINANCIAL ACTIVITIES AND CHANGE IN FUND BALANCE
FOR THE YEARS ENDED DECEMBER 31, 2002- 2006
(000'S)

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002*</u>
Revenue					
Government Grants	\$ 21,925	\$ 11,468	\$ 5,070	\$ 1,636	\$ 2,290
Developer Contributions and Levies	2,931	3,120	1,449	1,882	2,099
Other Capital Revenue	1,983	260	174	168	318
Return on Investments	<u>1,295</u>	<u>1,482</u>	<u>808</u>	<u>1,001</u>	<u>646</u>
Total Revenue	<u>28,134</u>	<u>16,330</u>	<u>7,501</u>	<u>4,687</u>	<u>5,353</u>
Expenditures					
Recreation and Parks	23,086	23,901	2,134	1,783	786
Transportation and Roadway Services	22,274	16,936	7,469	4,639	3,541
Utility Services	9,126	11,953	2,221	643	691
Transit Services	5,705	751	227	788	298
General Government Services	975	422	337	1,151	1,348
Protective Services	299	191	103	158	1,073
Cultural Services	176	909	321	120	236
Family and Social Services	24	28	-	-	-
Planning and Development Services	<u>-</u>	<u>-</u>	<u>463</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>61,665</u>	<u>55,091</u>	<u>13,275</u>	<u>9,282</u>	<u>7,973</u>
(Deficiency) of Revenue Over Expenditures	(33,531)	(38,761)	(5,774)	(4,595)	(2,620)
Net Interfund Transfers					
Transfer from Operating Fund	15,380	9,726	8,022	7,087	3,803
Transfer (to) from Reserve Fund	(4,509)	3,000	(4,817)	(3,305)	(3,763)
Long Term Debt Issued	<u>25,822</u>	<u>10,086</u>	<u>111</u>	<u>1,054</u>	<u>498</u>
Change in Fund Balance	3,162	(15,949)	(2,458)	241	(2,082)
Opening Balance	<u>(18,823)</u>	<u>(2,874)</u>	<u>(416)</u>	<u>(657)</u>	<u>1,425</u>
Closing Balance	\$ (15,661)	\$ (18,823)	\$ (2,874)	\$ (416)	\$ (657)

*Does not include the Arts & Heritage Foundation of St. Albert.



**THE CITY OF ST. ALBERT
CONSOLIDATED REVENUE BY FUNCTION
FOR THE YEARS ENDED DECEMBER 31, 2002 - 2006
(000'S)**

Function	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002*</u>
General Revenue	\$ 52,075	\$ 49,878	\$ 43,826	\$ 39,529	\$ 36,672
Utility Services	25,060	20,508	15,848	14,296	14,048
Transportation and Roadway Services	13,188	9,289	5,347	2,090	2,506
Recreation and Parks	7,632	3,823	2,596	3,162	3,093
Protective Services	7,097	6,833	4,641	4,132	4,030
Transit Services	5,269	2,413	2,336	2,218	2,136
General Government Services	3,385	2,338	1,677	1,845	1,256
Cultural Services	2,674	3,312	2,455	2,163	1,546
Planning and Development Services	2,215	1,833	1,281	1,737	967
Family and Social Services	<u>1,247</u>	<u>1,271</u>	<u>1,067</u>	<u>1,089</u>	<u>1,078</u>
Total Revenue	\$ <u>119,842</u>	\$ <u>101,498</u>	\$ <u>81,074</u>	\$ <u>72,261</u>	\$ <u>67,332</u>

*Does not include the Arts & Heritage Foundation of St. Albert.

**THE CITY OF ST. ALBERT
CONSOLIDATED EXPENDITURES BY OBJECT
FOR THE YEARS ENDED DECEMBER 31, 2002 - 2006
(000'S)**

Expenditures	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002*</u>
Capital Assets Acquired	\$ 61,665	\$ 55,091	\$ 13,275	\$ 9,282	\$ 7,973
Salaries, Wages, and Benefits	36,577	32,964	30,558	27,739	24,837
Contracted and General Services	14,661	12,901	11,937	10,010	9,173
Purchases from Other Governments	11,138	10,596	9,601	9,207	8,848
Materials, Goods, and Utilities	9,334	8,159	7,402	7,787	7,134
Interest on Long Term Debt	1,498	1,586	1,704	2,055	3,566
Transfers to Individuals and Organizations	1,096	1,034	831	753	1,272
Other Expenditures	<u>341</u>	<u>560</u>	<u>243</u>	<u>371</u>	<u>110</u>
Total Expenditures	\$ <u>136,310</u>	\$ <u>122,891</u>	\$ <u>75,551</u>	\$ <u>67,204</u>	\$ <u>62,913</u>

* Does not include the Arts & Heritage Foundation of St. Albert.



**THE CITY OF ST. ALBERT
TAXATION / ASSESSMENT
FOR THE YEARS ENDED DECEMBER 31, 2002 – 2006**

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Taxation (Mills)					
Municipal – Residential	9.777	10.307	9.354	9.615	10.252
Municipal – Non-Residential	14.529	15.002	14.095	13.839	13.605
Public School (Catholic)					
Residential	3.857	4.227	4.202	4.400	4.770
Non-Residential	5.810	6.338	6.855	6.968	6.977
Separate School (Protestant)					
Residential	3.857	4.227	4.202	4.400	4.770
Non-Residential	5.810	6.338	6.855	6.968	6.977
Assessment					
Residential – Market Value	4.82%	3.24%	7.90%	12.04%	7.36%
Residential – Growth	3.70%	2.78%	4.64%	4.50%	3.30%
Non-Residential – Market Value	1.96%	3.41%	3.08%	3.30%	2.76%
Non-Residential – Growth	4.39%	3.58%	5.53%	4.63%	5.20%



**THE CITY OF ST. ALBERT
TAXABLE ASSESSMENT AND GOVERNMENT GRANTS IN PLACE OF PROPERTY TAXES
FOR THE YEARS ENDED DECEMBER 31, 2002 - 2006
(000'S)**

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Taxable Assessment					
Residential	\$ 4,501,491	\$ 3,999,998	\$ 3,769,534	\$ 3,338,265	\$ 2,850,756
Commercial	349,444	314,065	291,776	259,536	243,066
Industrial	98,832	87,018	77,021	66,893	59,551
Special and Other	<u>69,400</u>	<u>61,520</u>	<u>51,857</u>	<u>57,293</u>	<u>50,042</u>
Taxable Assessment	5,019,167	4,462,601	4,190,188	3,721,987	3,203,415
Government Grants in Place of Property Taxes	<u>38,079</u>	<u>38,404</u>	<u>38,389</u>	<u>38,478</u>	<u>38,131</u>
Total Taxable Assessment and Government Grants in Place of Property Taxes	\$ <u>5,057,246</u>	\$ <u>4,501,005</u>	\$ <u>4,228,577</u>	\$ <u>3,760,465</u>	\$ <u>3,241,546</u>

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

Represented by:

Residential	89.0%	88.9%	89.1%	88.8%	87.9%
Commercial	6.9%	6.9%	6.9%	6.9%	7.5%
Industrial	1.9%	1.9%	1.8%	1.8%	1.9%
Special and Other	1.4%	1.4%	1.2%	1.5%	1.5%
Grants in Place	.8%	.9%	1.0%	1.0%	1.2%

Residential/Non-Residential Assessment Split *

Residential	89.1%	89.0%	89.2%	88.9%	88.0%
Non-Residential	10.9%	11.0%	10.8%	11.1%	12.0%

* With grant in place allocated between residential and non-residential.



**THE CITY OF ST. ALBERT
PROPERTY TAXES LEVIED
FOR THE YEARS ENDED DECEMBER 31, 2002 - 2006
(000'S)**

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Taxation					
Real Property Taxes	\$ 70,730	\$ 67,027	\$ 59,066	\$ 53,954	\$ 49,355
Linear Property Taxes	1,300	1,279	1,062	1,054	994
Government Grants in Place of Property Taxes	812	777	762	760	749
Special Assignments and Local Improvement Taxes	<u>205</u>	<u>205</u>	<u>275</u>	<u>338</u>	<u>369</u>
	<u>73,047</u>	<u>69,288</u>	<u>61,165</u>	<u>56,106</u>	<u>51,467</u>
Requisitions					
Alberta School Foundation Fund	13,550	13,125	12,304	11,356	10,440
St. Albert Protestant Separate School District #6	6,950	6,965	6,649	6,248	5,860
Sturgeon Foundation Requisition	410	418	402	377	328
Other	<u>216</u>	<u>159</u>	<u>172</u>	<u>84</u>	<u>-</u>
	<u>21,126</u>	<u>20,667</u>	<u>19,527</u>	<u>18,065</u>	<u>16,628</u>
Taxes Available for Municipal Purposes	<u>\$ 51,921</u>	<u>\$ 48,621</u>	<u>\$ 41,638</u>	<u>\$ 38,041</u>	<u>\$ 34,839</u>

**THE CITY OF ST. ALBERT
TAX COLLECTION
FOR THE YEARS ENDED DECEMBER 31, 2002 - 2006
(000'S)**

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Current Levy	<u>\$ 73,047</u>	<u>\$ 69,288</u>	<u>\$ 61,165</u>	<u>\$ 56,106</u>	<u>\$ 51,467</u>
Taxes Receivable					
Current	\$ 739	\$ 875	\$ 788	\$ 728	\$ 690
In Arrears for More than One Year	<u>262</u>	<u>297</u>	<u>242</u>	<u>201</u>	<u>212</u>
	1,001	1,172	1,030	929	902
Allowance	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2)</u>	<u>(2)</u>
Net Taxes Receivable	<u>\$ 1,001</u>	<u>\$ 1,172</u>	<u>\$ 1,030</u>	<u>\$ 927</u>	<u>\$ 900</u>
Taxes Outstanding as a Percentage of the Current Levy (Before Allowance)					
Current	1.0%	1.3%	1.3%	1.3%	1.3%
In Arrears for More than One Year	0.4%	0.4%	0.4%	0.4%	0.4%

Ten principle taxpayers make up 5% of the 2006 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, 2002 - 2006
(000'S)**

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Long Term Debt					
Tax Supported	\$ 46,436	\$ 24,099	\$ 17,899	\$ 21,325	\$ 24,369
User Supported	25	205	366	582	865
Utility Rates Supported	<u>86</u>	<u>158</u>	<u>230</u>	<u>530</u>	<u>642</u>
Total Long Term Debt	\$ <u>46,547</u>	\$ <u>24,462</u>	\$ <u>18,495</u>	\$ <u>22,437</u>	\$ <u>25,876</u>

**THE CITY OF ST. ALBERT
DEBT LIMIT AND DEBT PAYMENT
FOR THE YEARS ENDED DECEMBER 31, 2002 - 2006
(000'S)**

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Debt Limits					
Maximum Allowable Debt	\$ 146,875	\$ 135,045	\$ 114,006	\$ 105,938	\$ 97,563
Total Debt and Loans	46,547	24,365	18,272	22,135	25,876
Percentage Used (%)	32	18	16	21	27

Maximum Allowable Annual Debt Payments

Maximum Allowable Annual Debt Payment	\$ 24,479	\$ 22,508	\$ 19,001	\$ 17,656	\$ 16,260
Annual Payments on Existing Debt	6,352	5,184	5,273	5,740	5,962
Percentage Used (%)	26	23	28	33	37
Percentage of Expenditures (%)	5	4	7	9	9



**THE CITY OF ST. ALBERT
RESERVE FUND BALANCES
FOR THE YEARS ENDED DECEMBER 31, 2002 - 2006
(000'S)**

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002*</u>
Operating Reserves					
General Government	\$ 3,917	\$ 5,813	\$ 2,035	\$ 2,648	\$ 2,571
Museum	78	83	74	65	57
Library	87	90	85	5	5
Arts & Heritage Foundation	<u>226</u>	<u>74</u>	<u>78</u>	<u>66</u>	<u>-</u>
	<u>4,308</u>	<u>6,060</u>	<u>2,272</u>	<u>2,784</u>	<u>2,633</u>
Capital Reserves					
General Government	21,877	18,239	15,605	11,764	12,157
Utilities	5,388	4,568	10,227	9,172	5,293
Library	<u>76</u>	<u>25</u>	<u>-</u>	<u>79</u>	<u>22</u>
	<u>27,341</u>	<u>22,832</u>	<u>25,832</u>	<u>21,015</u>	<u>17,472</u>
Reserve Fund Total	\$ <u>31,649</u>	\$ <u>28,892</u>	\$ <u>28,104</u>	\$ <u>23,799</u>	\$ <u>20,105</u>

*Does not include the Arts & Heritage Foundation of St. Albert.





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