

2008 Annual Financial Report

City of St. Albert, Alberta, Canada
For the Year Ended December 31, 2008

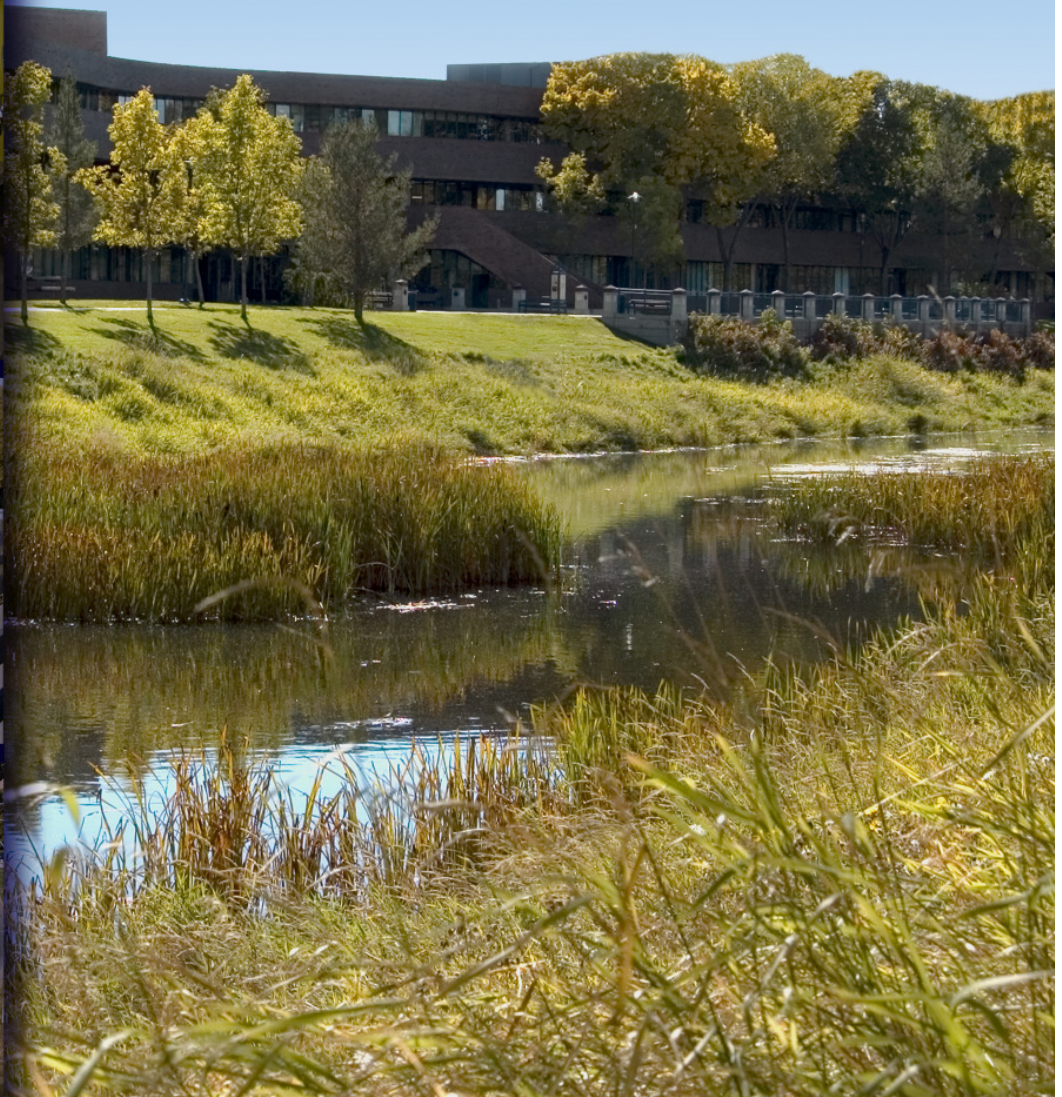


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2008
Annual Financial Report

Introductory Section





Message from the Mayor

On behalf of City Council, I am pleased to present the 2008 Annual Financial Report.

The year 2008 was filled with many initiatives focused on ensuring St. Albert remains a sustainable and vibrant community. Some of our successes included: a citation in Maclean's magazine identifying St. Albert as the ninth safest city in Canada; the naming of St. Albert as the seventh best community in Alberta to do business; and the completion of an external review of the City's solid waste management system.

The budget that guided City Council through 2008 was focused on planning and managing growth, ensuring sustainability and delivering value for taxes paid.

Strengthening St. Albert's economy remains a City Council top priority. In fact, many Think Tank Forums took place over the past year with Council, Administration, business leaders and developers identifying opportunities and priorities for economic development. We remain committed to developing a plan to market St. Albert to increase the number of businesses in the city. Also, focus groups were held with a range of participants providing input on their visions for downtown St. Albert. The Mayor's Task Force on the Downtown coordinated these sessions with the goal of ensuring St. Albert has a vibrant downtown.

Over the past year, a number of recommendations were made through a review of Servus Credit Union Place. These recommendations have helped to strengthen the facility and develop longer-term sustainability.

Taking a look ahead, planning is already underway for many initiatives, including St. Albert's 150th anniversary celebration in 2011. We intend to continue to provide a high quality of life for residents, while planning for a future of growth and ensuring our community remains strong and vibrant.

We have much to look forward to in the coming years.

A handwritten signature in black ink, appearing to read 'Nolan Crouse', enclosed within a large, loopy oval stroke.

Nolan Crouse
Mayor



Message from the City Manager

In 2008, the City embarked on several different initiatives to strengthen and further develop our city.

The City of St. Albert is committed to building a strong and sustainable community. As part of our commitment, in 2008, the Business and Tourism Development Long-Term Plan was approved, and the Utility Master Plan, the Transportation Master Plan and the Public Works Long-Term Department Plan were completed.

Our commitment to the environment was reinforced with the completion of the draft Environmental Master Plan. Residents had several opportunities, including focus groups, to provide their input into the City's environmental strategy. Administration reviewed the Environmental Master Plan and Council received an overview of it. In early 2009, the report will be presented to Council for approval.

With the continued economic growth in the first half of 2008, affordable housing options were developed to ensure residents could participate in the growth of St. Albert. The City received over \$1.5 million in funding for affordable housing through the Government of Alberta's Municipal Sustainability Initiative funds. These funds were earmarked for 2008 and into 2009. The City continues to work with local not-for-profit agencies to identify possible affordable housing development sites.

This year, Administration also completed the Fiscal Sustainability Framework, which will further ensure the city's financial sustainability. This document was approved by Council and will help guide the City in the coming years.

We will continue to work towards building a sustainable community and planning for the future. We look forward to the coming years as we prepare for the opportunities to showcase our community and continue to ensure we maintain the high quality of life that residents value.

A handwritten signature in black ink, appearing to read 'Bill Holtby', written over a horizontal line.

Bill Holtby
City Manager

City Council and Administration

City Council

- Mayor Nolan Crouse
- Councillor Len Bracko
- Councillor James Burrows
- Councillor Lorie Garritty
- Councillor Gareth Jones
- Councillor Roger Lemieux
- Councillor Carol Watamaniuk

City Administration

- Bill Holtby
 - > City Manager
- Neil Jamieson
 - > General Manager, Planning and Engineering
- Dean Screpnik
 - > General Manager, Corporate Services
- Chris Jardine
 - > General Manager, Community and Protective Services
- Bob Treidler
 - > General Manager, Business and Strategic Services

City Auditor

- KPMG LLP

City Banker

- TD Bank of Canada





City Profile

The City of St. Albert offers a wealth of amenities and services, all of which contribute to high-quality lifestyles for residents and great experiences for visitors. Residents, visitors and members of the business community continue to enjoy urban advantages in a friendly atmosphere, making St. Albert Alberta's finest city.

A picturesque landscape with an extensive trail system and abundance of green space provide significant advantages to St. Albert's residents. Many sports facilities, including the largest multipurpose leisure facility of its kind in Western Canada, make St. Albert an ideal destination for those who enjoy an active lifestyle. Adding to the appeal is St. Albert's rich culture and heritage, as well as its appreciation for arts and entertainment – all of which are celebrated through various events, festivals, shows and exhibits all year long.

A booming economy, a regional trade area exceeding 1 million people and a wealth of accessible transportation routes make for unique, profitable business opportunities in St. Albert.

With a respect for tradition paired with innovation, the City of St. Albert strives to manage growth and achieve a vision of community sustainability.

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 the Municipal Government Act, and is responsible for setting policy, regulations and passage of annual budgets.

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

The City Manager and the four General Managers make up the City's Senior Leadership Team, while the overall management group, which includes the departmental

Directors, comprises the City's Leadership Team. Over 700 employees collaborate to serve residents and maintain City business and operations.

Local Economic Condition and Outlook

Despite the bleak outlook for the global, federal and local economies, City Council and Administration continue to focus on community sustainability. Priorities revolve around balancing the side effects of recent growth with the needs of today's population, which is accustomed to a small-town feel and first-rate services and amenities.

St. Albert currently derives 10% 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 2009 and beyond.

While a further decrease in the value of residential construction occurred this past year, many factors contributed to the increase in non-residential construction. This increase is a positive sign as the City strives to expand the tax base in St. Albert and attract and retain more businesses.

Despite these challenges, the City not only remains committed to effectively managing the effects of the current economic climate along with future growth, but also continuing with the tradition of providing its residents with a high-quality lifestyle.

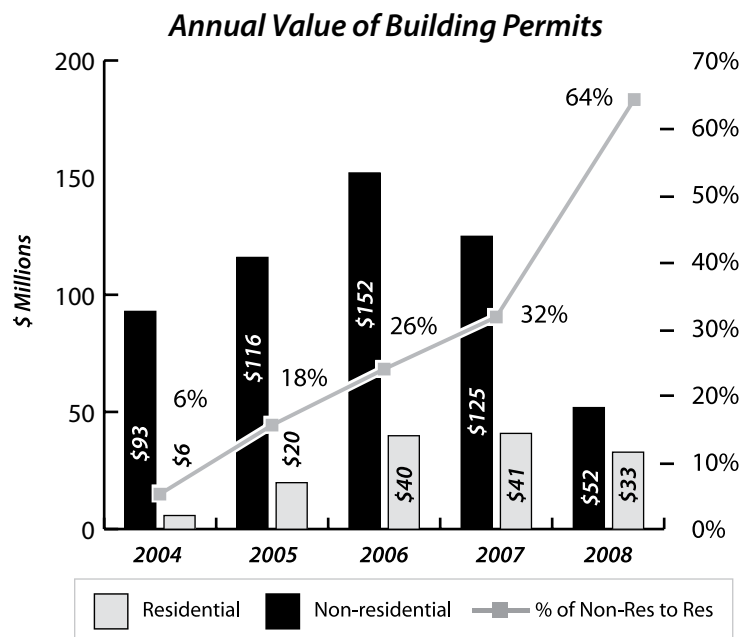


The Year in Review

The highlights and accomplishments of 2008 show the City's commitment to long-term planning and effective service delivery. The year's challenges, including those pertaining to Servus Credit Union Place, provided valuable learning opportunities for City Administration and Council.

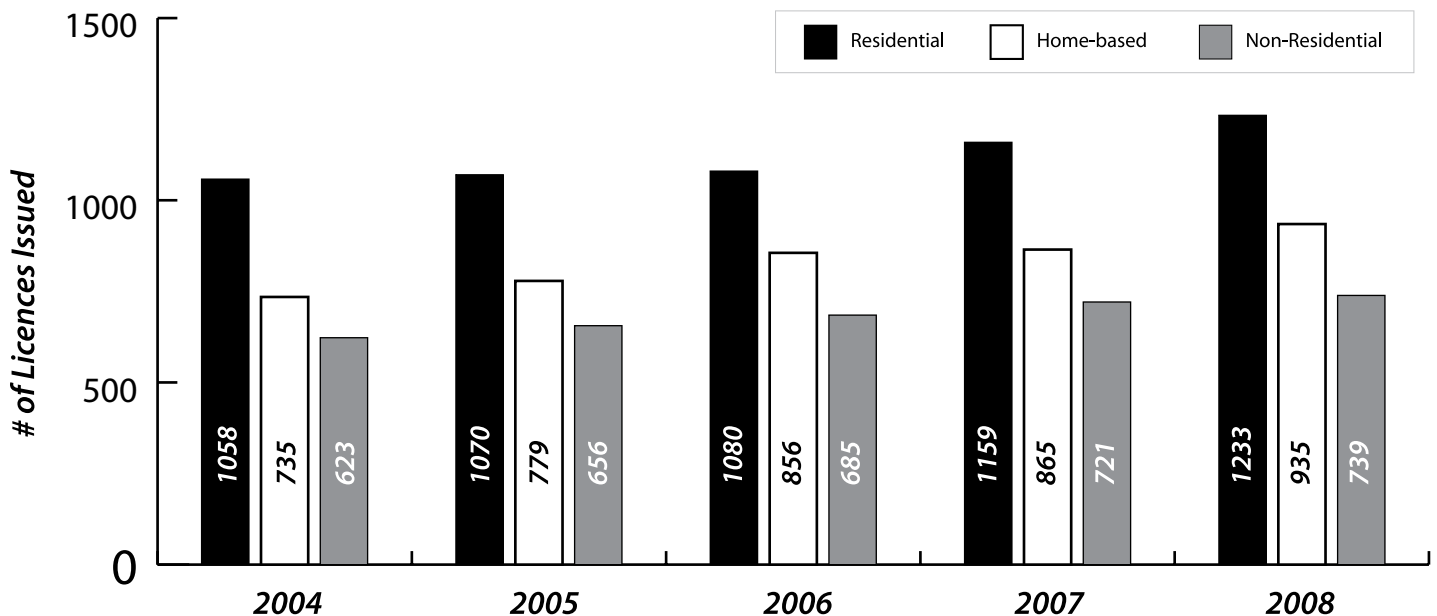
Economic Development / Non-Residential Tax Base

The value of building permits continues to be much lower than previous years for residential; however, non-residential building permit values continue to follow the five-year average. Building permit values for non-residential properties in 2008 are slightly lower than residential values. The value of non-residential building permits (\$33.4M) exceeds the five-year average (\$28.1 M).



The number of business licences increased by 74 resident businesses, 70 home-based businesses and 18 non-residential businesses. These increases signal an increase in job opportunities in the city.

Annual Business Licences



Develop a Plan to Market St. Albert to Increase Business

Business and Tourism Development's (B&TD) Long-term Department Plan (LTDP) was adopted by Council on February 25, with adjustments made in the summer to include descriptors for Creative/Cultural industries in the targeted/focused attention section. The adoption of this plan will allow work to begin on developing a marketing plan to reach the targeted industries.

Develop a Focused Marketing Strategy

A focused marketing strategy is being developed to support Council's economic development goals. To date, the consultant has completed interviews with business leaders, realtors, developers and Administration and Council to help form this strategy. A report is expected in early 2009.



Complete the Reviews and Recast the 2008 Budget

A Citizens' Task force was formed to prepare a report for Council providing recommendations and an analysis of Servus Place. The members of the Task Force included three citizen volunteers, one St. Albert Economic Development Advisory Committee representative and two City Councillors. The Citizens' Task Force worked closely with the operational review consultant (Sierra Systems) and analyzed all committee reports and the financial review consultant report (KPMG). The committees consisted of the following:

- Marketing Advisory Committee
- Peer Review Committee
- Administrative Review Committee

Council received the Sierra Systems Report on April 7. Recommendations were reviewed at the April 21 Council meeting. At that time, 31 recommendations were presented to Council, resulting in the approval of 30. Servus Place created an implementation plan for these recommendations and Council is apprised of progress through the monthly reporting process.

Financial Sustainability

APPROVE THE FISCAL SUSTAINABILITY FRAMEWORK

Council adopted the key principles outlined in the Fiscal Sustainability Framework and directed Administration to develop policies to match these key principles. The Fiscal Sustainability Framework is a leading edge piece of work for municipal financial management.

Other Items of Importance to Council

TANGIBLE CAPITAL ASSETS

The Tangible Capital Asset project continues to move forward. Most of the inventory listings have been identified and work on valuation has begun. The draft administrative policy has been completed and will be brought forward for approval in the coming months. Initial planning has begun on how to implement changes to the reporting framework in order to accommodate these new regulations.

Environmental Sustainability

DEVELOP THE CITY'S ENVIRONMENTAL MASTER PLAN

The draft Environmental Master Plan (EMP) was completed in mid-September and reviewed internally to ensure the goals and targets were consistent with existing strategies. Several focus groups, a survey and several opportunities for the Environmental Advisory Committee's (EAC) input were critical in developing the draft plan that was later reviewed by Administration and the dedicated sub-committee of EAC members. A special workshop was held in September to provide a summary presentation to Council, followed by a Public Open House in November. The report will be presented to Council in January 2009.

Environmental Sustainability

CLEAN AIR DAY

On June 4, the City held an event to celebrate Clean Air Day, which takes place every June and creates awareness about key environmental issues and the benefits of using environmentally-friendly transportation methods. The event was held on the promenade outside St. Albert Place and included a display, remarks by the Deputy Mayor, bike tune-ups from Source for Sports and a BBQ for participants.

IDLE-FREE BYLAW

Council passed the Idle-Free Bylaw, along with funding towards the education campaign. The Office of the Environment, with assistance from Corporate Communications, put together a public education proposal for the bylaw.

RECYCLING AND SOLID WASTE

The City hired Sonneveral International Inc. to conduct the Solid Waste Management Review. The draft 2008 Solid Waste Management Program was provided to the Environmental Advisory Committee and Senior Leadership Team for review in September, and then to Council in October. The final report will be presented in January 2009.

ENSURE EFFECTIVE PRESERVATION AND PROTECTION OF NATURAL AREAS

Tree inventory specialists were hired and began collecting the tree inventory information in June. The first stage, the Boulevard, Streets and Median Tree Inventory, is complete. To date, of the 34,937 trees inventoried, 92.6% of trees were deemed healthy, while 7.4% are stumps or are considered unhealthy, dead or missing. The final stage of the project is the Parks Tree Inventory, which is approximately 30% complete with 21 of the 71 parks accounted for.

Park fixtures, including trees, benches, garbage cans, playgrounds and sports fields, are currently being mapped.

Culture, Arts and Heritage

HERITAGE SITES MASTER PLAN

Council approved a business case for the Heritage Site Functional Plan through the 2009 - 2011 Budget process. Consideration is being given to the approach used at the Ukrainian Cultural Heritage Village, as well as the Bremner House in Strathcona, as they are currently in the process of developing a functional site plan. The Functional Plan will provide detailed design and costing that will assist in the future planning of Heritage Site upgrades as well as update the Heritage Sites Master Plan, as directed by the committee.

Social and Community Development

IMPLEMENT THE AFFORDABLE HOUSING STRATEGY

The Provincial Municipal Sustainability Initiative funding has been released to the City. St. Albert received \$1,576,030 for affordable housing for 2008 - 2009. Council approved year two of the Affordable Housing Municipal Funding Program in September. The City submitted its plans to the Province for approval.

POSITIVE TICKETING

The City is ready to launch a "positive ticketing" program whereby RCMP, Municipal Enforcement Services, Recreation Services and other City staff can give youth a "positive ticket" for demonstrating good behaviour and attitudes. Along with useful contact information, the ticket includes rewards, such as a free public skating or swimming pass.

COMPLETE THE SMART GROWTH GUIDELINES

The results of the City's Smart Growth Survey were communicated to stakeholders and the community. The Smart Growth Guidelines will establish regulations for development that promote municipal sustainability by developing in an efficient manner well suited to walking and transit. The draft guidelines will be before Council in early 2009.

Other Items

AMBULANCE SERVICES

The May announcement by Alberta Health regarding provincial ambulance services has created extensive discussions. Meetings with the health region are underway in hopes of addressing some of the outstanding issues and concerns. This will enable the City to formulate a plan based on the government's new service delivery model for Emergency Medical Services (EMS) and EMS dispatch by April 2009.

AWARDS

The City of St. Albert received notice that it is again a recipient of the Government Finance Officers Association's (GFOA) Canadian Award for Financial Reporting (CanFR) for the 2007 Annual Financial Report. This is the seventh year in row that St. Albert has received this award, granted for excellence in financial reporting. The award is presented every year to municipalities that exceed traditional requirements in financial reporting.

The Alberta Chapter of the Royal Life Saving Society (RLSS) has bestowed two awards on Fountain Park Recreation Centre staff - the Class 13 and Class 16A Anne Resek Swim for Life Awards. The Class 13 Award is in recognition of accumulating the highest point total in conducting the RLSS BOAT program during the calendar year. The Class 16A Anne Resek Swim for Life Award is presented for accumulating the highest point total in conducting Lifesaving Swim for Life Programs during the calendar year.

CENSUS

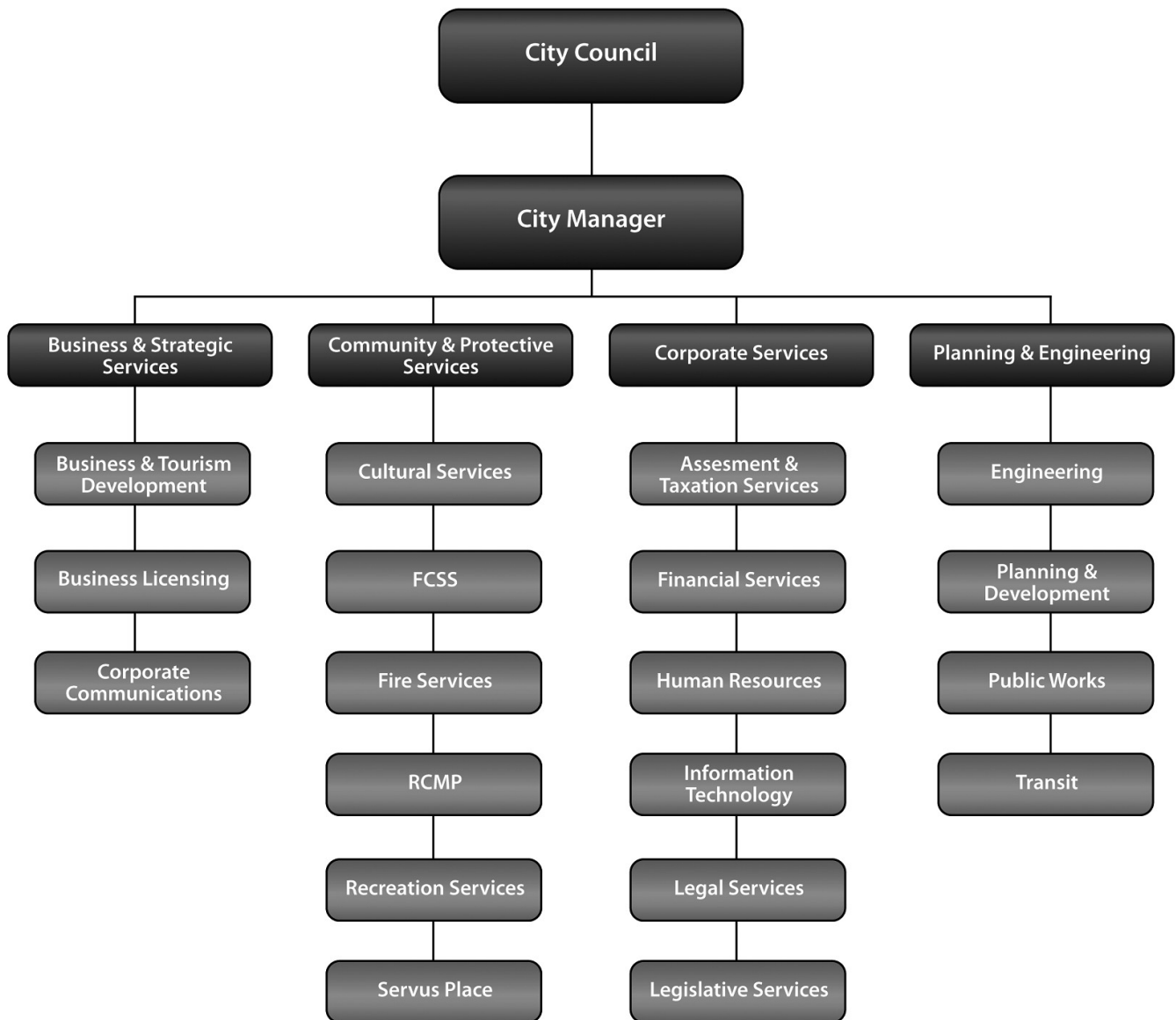
The 2008 Municipal Census commenced on April 25 and was completed on May 10. Census enumerators visited all residential dwellings within the municipality to collect specific population and demographic information. The census results were tabulated by Pivotal Research and submitted to the Minister of Municipal Affairs. The population figure for the City of St. Albert as of April 25, 2008 is 58,501. The total from the 2006 Federal Census was 57,719 and the City's 2005 Census showed a population of 56,310. A comprehensive report was released in the fall of 2008.

COMMUNITY SATISFACTION SURVEY

Results of the 2008 Community Satisfaction Survey were presented to Council on May 26. In comparison to the last year, results showed moderate to significant increases in satisfaction in many areas, including the following: commitment to the environment, community safety, cultural programs and summer road maintenance.



2008 Organizational Chart



Report from the Chief Financial Officer

The City of St. Albert is pleased to present the 2008 Annual Financial Report containing the audited 2008 consolidated financial statements. The City's auditor, KPMG 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, 2008. 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 2008 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 2007 Annual Financial Report. We believe the 2008 report also conforms to the program requirements for the Canadian Award for Financial Reporting. For the eighth 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 KPMG 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.

With the approval in prior years of Servus Credit Union Place and Ray Gibbon Drive, the City has increased its debt financing as planned, resulting in a net debt position of \$48.3 million in 2007 and \$45.9 million in 2008. As the City completes the debt financing needs of these projects, the net debt position will start 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 the actual physical assets. 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 \$33.1 million. This increase included \$9.6 million for Recreation and Parks (Riel Park Development), \$8.6 million for Transportation and Roadways (Giroux Road, Campbell Business Park Stage 6, and Ray Gibbon Drive Stages 2 & 3), \$7.9 million for

Protective Services (Fire Station #3), \$5.8 million for Utility Services (Oakmont Water Supply Line), and \$1.2 million for General Administration, Transit Services, and Cultural Services, offset by \$1.0 million in disposals of Vehicles, Machinery and Equipment.

Long Term Debt increased by \$3.5 million due to \$8.1 million financed primarily for Ray Gibbon Drive, offset with \$4.6 million in regular debt payments.

The Capital Fund Deficiency of \$2.6 million represents capital costs to be financed in 2009 for the Riel Park Development project. This amount will be financed by CAMRIF grant.

Reserves experienced a net increase of \$0.8 million in 2008. This net amount is comprised of drawdowns of \$2.8 million from the Capital Carry Forward Reserve, \$1.0 million from the Parkland Reserve, \$0.5 million from the Operating Carry Forward Reserve, and \$0.3 million from the Mobile Equipment Replacement Reserve. The drawdowns are offset by increases of \$1.6 million to the Utility Reserves, \$1.4 million to the Revolving Land Fund Reserve due to land sales, \$1.2 million to the Stabilization Reserve, and \$1.2 to the Infrastructure Reserve.

Financial Activities

The Consolidated Statement of Financial Activities and Change in Fund Balances shows revenues of \$131.1 million, expenditures of \$128.9 million, and debt payments of \$4.6 million.

Revenue decreased by \$0.9 million from 2007 due to a \$7.1 million decrease in Government Capital Grants (revenue recognition for capital projects), \$1.7 million decrease in return on investments for capital projects, a \$2 million decrease in other capital revenue, offset by a \$5.9 million increase in taxes (assessment growth), \$3.0 million increase in sales and user fees, and a \$1 million increase in other revenues.

The expenditure decrease from 2007 (\$10.7 million) is made up of a \$20.5 million decrease in capital expenditures, (transportation and roadway services) and \$9.8 million increase in operating expenditures. The increase in the cost of operations is due to various cost pressures such as salaries, contracts, utilities, and insurance.

Municipal Operating Budget

Following are the significant variances from budget before transfers.

SIGNIFICANT FAVOURABLE VARIANCES	
1. Operating Grants	\$826,000
2. Servus Place	\$823,000
3. RCMP Contract	\$774,000
4. Salary and other employee related expenses	\$700,000
5. Photo Radar Fine Revenue	\$500,000
6. Insurance premiums	\$480,000
7. Equipment Charges	\$455,000
8. Natural Gas	\$133,000
Subtotal	\$4,691,000
SIGNIFICANT UNFAVOURABLE VARIANCES	
1. Organizational transfers	\$822,000
2. Operating and program supplies	\$309,000
3. Electricity	\$170,000
4. Other (net of all accounts)	\$410,000
Subtotal	\$1,711,000
YEAR END POSITION BEFORE YEAR END TRANSFERS (excluding Utilities, Library and Arts & Heritage Foundation)	\$2,980,000

The 2008 municipal operating surplus was \$2,980,000. The surplus was transferred as follows:

- \$1,500,000 to the Stabilization Reserve.
- \$453,000 to the Stabilization Reserve to be earmarked for ambulance, fire, 2009 tax relief, or the Servus Place Capital Reserve.
- \$906,000 to the Capital Funding Reserve for future capital project funding.
- \$121,000 remains as surplus in the Municipal Operating Fund.



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 2008 net utility operations were \$403,200 over budget. City policy requires that surplus from utility operations be transferred to the utility reserves. In 2008, a total surplus of \$2.8 million was transferred, \$3.1 million in 2007. The 2008 budget surplus was \$3.2 million. Following are the significant variances from budget.

SIGNIFICANT FAVOURABLE VARIANCES	
1. Water Purchases	\$402,700
2. Wastewater Treatment Charges	\$241,800
3. Government Grants	\$120,000
4. Reserve Transfers	\$106,700
Subtotal	\$871,200
SIGNIFICANT UNFAVOURABLE VARIANCES	
1. Wastewater Service Charges	\$438,600
2. Water Sales	\$374,900
3. Landfill Accretion Charges	\$198,300
4. Materials, Goods and Supplies	\$128,200
5. Equipment Charges	\$119,500
6. Other	\$14,900
Subtotal	\$1,274,400
Utility Operations Unfavorable Variance	\$(403,200)



Capital Budget

Capital expenditures totalled \$34.0 million in 2008. These expenditures are primarily related to the City's park and road construction of projects including Riel Park, Giroux Road, Campbell Business Park Stage 6, and Ray Gibbon Drive Stages 2 & 3 (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 \$2.6 million; down from \$7.6 million in 2007. The nature of this unfunded capital relates primarily to the Riel Park Development project wherein the CAMRIF grant progress claim application has been submitted but not yet approved.

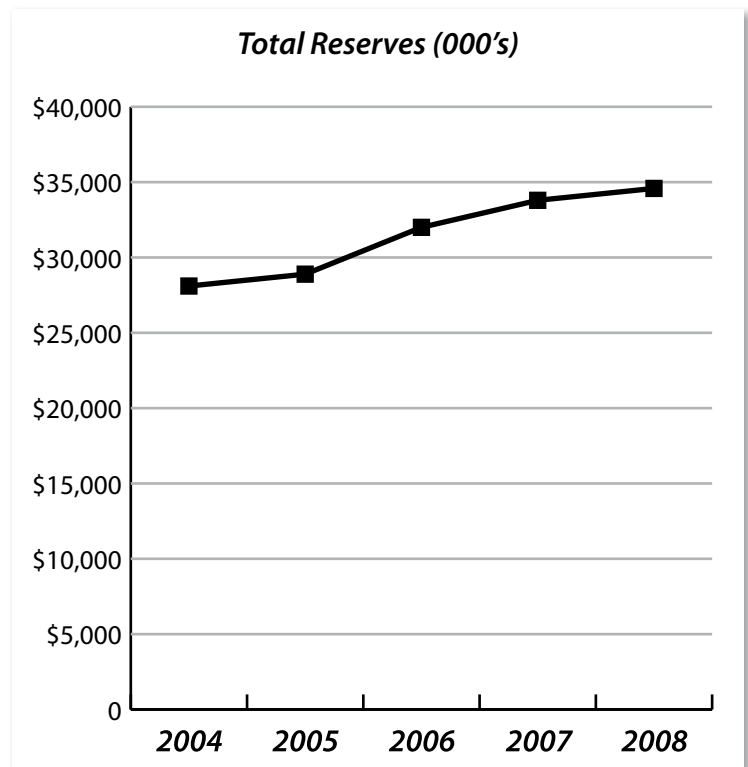
As indicated in Note 12 to the consolidated financial statements, the City's capital budget is project specific. Actual revenues and expenditures are recorded in the year the project was started and subsequent years if the project extends into more than one year. This can result in large variances due to the budget representing only 2008 projects, while the actual costs for capital are for projects originally budgeted in 2008, 2007, 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.

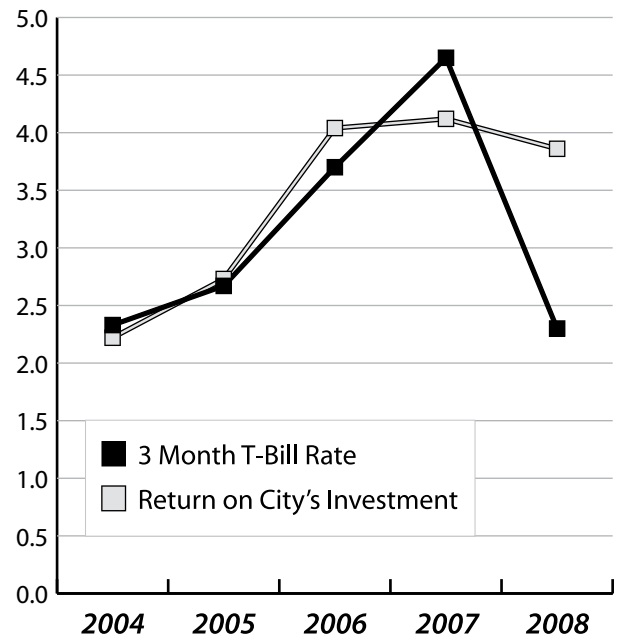
In 2008, reserve balances have increased by \$0.8 million. While a number of the reserves are non-discretionary and governed by legislative or contractual obligations, the majority are discretionary reserves, whereby the use is at the discretion of Council. In order to improve the accountability, planning 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 an average of 3.86% (high of 5.18%, low of 1.65%).

Investment Portfolio Performance



Debt

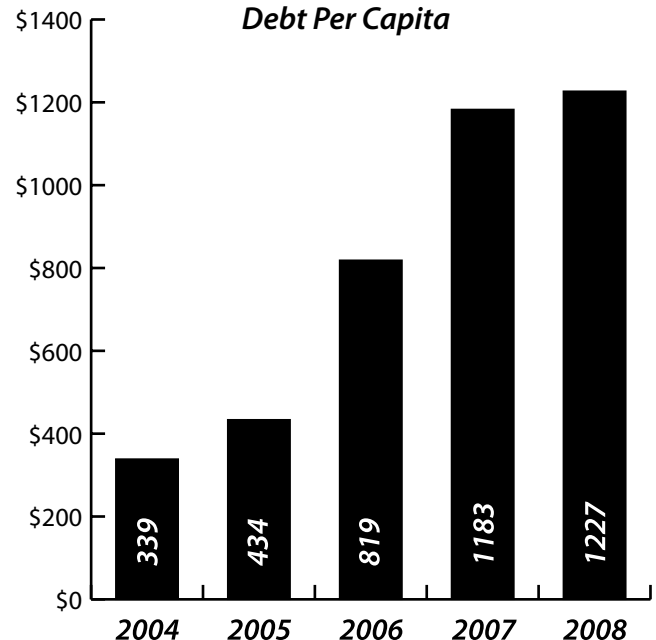
In 2004, the approved capital budget included two major projects, Ray Gibbon Drive and Servus Credit Union Place. These two projects alone, due to their significance, resulted in the approval of two 20-year external borrowings, which increased the City's debt by \$22 million and \$38 million respectively. Interest rates for the 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.

In 2008, the city's debt per capita increased to \$1,227 from \$1,183 in 2007.

In 2008, Council adopted the City's *Fiscal Sustainability*

Framework. This Framework provided a far-reaching vision for the municipality's financial sustainability, and recommended various strategies to improve the City's financial position while protecting ratepayers and ensuring continued high levels of municipal service.

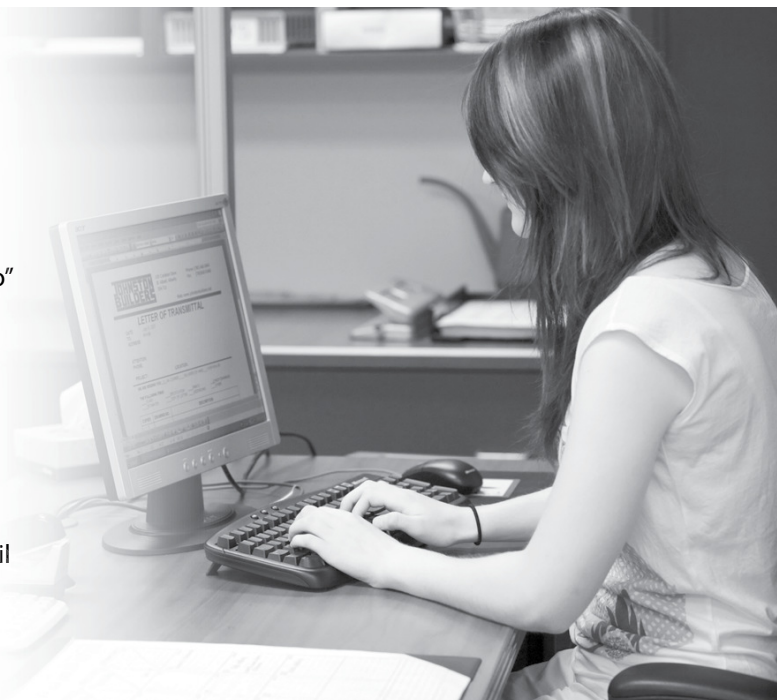
Debt Per Capita



Specific to debt management, the Fiscal Sustainability Framework made a few key recommendations, including to:

1. Enhance Council's Debt Management policy, to include a statement that deals with debt retirement relative to the capital envelope. This entails an increase to the City's "pay as you go" funding level, as debt is retired.
2. Consider setting more conservative internal debt limits, to ensure continued affordability.
3. Allow debt financing for appropriate utility infrastructure requirements, to free up grants and pay as you go capital for municipal purposes.

In 2009, Administration will continue to support Council as they continue to potentially refine and amend some of their more significant fiscal policies such as Debt Management.



Tangible Capital Assets

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. Currently, the City is progressing well with respect to becoming compliant by 2009.

The Future

St. Albert, with its large residential tax base, continues to face 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.

A handwritten signature in black ink, appearing to read 'Dean Screpnik'.

Dean Screpnik, CMA, CLGM
General Manager – Corporate Services, CFO

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, 2007. 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, 2007

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.



Michael R. ...
President

Jeffrey L. Esser
Executive Director

2008
Annual Financial Report

Financial Section



Management's Report

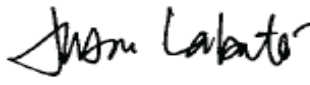
The management of the City of St. Albert is responsible for the integrity of the accompanying consolidated financial statements and all other information within this Annual Report. The consolidated financial statements have been prepared by management in accordance with Canadian generally accepted accounting 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 KPMG LLP. 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
April 27, 2009



Jason Labonté, CMA
Director, Financial Services
City Treasurer
April 27, 2009

Auditor's 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, 2008, and the consolidated statements of financial activities and change in fund balances and changes in financial position for the year then ended. These 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 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 the City's 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, 2008, and the results of its financial activities and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.



Chartered Accountants

Edmonton, Canada
April 27, 2009

The City of St. Albert | CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2008 (000'S)

THE CITY OF ST. ALBERT CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2008 (000'S)

	<u>2008</u>	<u>2007</u>
Financial Assets		
Cash and Temporary Investments (Note 2)	\$ 69,645	\$ 59,211
Taxes Receivable	1,322	1,055
Trade and Other Receivables	8,524	9,953
Land Held for Resale	<u>60</u>	<u>661</u>
	<u>79,551</u>	<u>70,880</u>
Liabilities		
Accounts Payable and Accrued Liabilities	16,843	21,341
Deferred Revenue (Note 3)	31,730	24,614
Landfill Liability (Note 4)	5,116	4,956
Long Term Debt (Note 5)	<u>71,810</u>	<u>68,299</u>
	<u>125,499</u>	<u>119,210</u>
Net Debt	<u>(45,948)</u>	<u>(48,330)</u>
Non-Financial Assets		
Inventories of Materials and Supplies	1,107	1,108
Tangible Capital Assets (Note 6)	461,608	428,556
Prepaid Expenses	<u>134</u>	<u>232</u>
	<u>462,849</u>	<u>429,896</u>
Accumulated Surplus	\$ <u><u>416,901</u></u>	\$ <u><u>381,566</u></u>
Accumulated Surplus is comprised of:		
Fund Balances		
Operating Fund (Note 7a) (Schedule 1)	\$ (4,854)	\$ (4,880)
Capital Fund (Note 7b) (Schedule 2)	(2,626)	(7,605)
Reserve Fund (Schedule 3)	<u>34,583</u>	<u>33,794</u>
Total Fund Balances	27,103	21,309
Equity in Tangible Capital Assets (Schedule 4)	<u>389,798</u>	<u>360,257</u>
	\$ <u><u>416,901</u></u>	\$ <u><u>381,566</u></u>

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, 2008 (000'S)

THE CITY OF ST. ALBERT CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES AND CHANGE IN FUND BALANCES FOR THE YEAR ENDED DECEMBER 31, 2008 (000'S)

	<u>2008</u>	<u>Budget 2008 (Note 12)</u>	<u>2007</u>
Revenue			
Taxes Available for Municipal Purposes (Schedule 5) \$	62,621	\$ 62,595	\$ 56,674
Sales and User Fees (Schedule 7)	36,506	34,770	33,509
Government Grants (Schedule 8)	19,070	22,798	25,258
Fines and Penalties	3,519	3,180	3,106
Developer Contributions and Levies	2,637	-	3,069
Return on Investments	2,234	961	3,775
Licences and Permits	1,529	1,575	1,704
Other Revenue	1,537	1,385	3,689
Franchise Fees	1,495	1,395	1,217
Total Revenue	<u>131,148</u>	<u>128,659</u>	<u>132,001</u>
Expenditures (Schedule 6)			
Recreation and Parks	26,460	21,358	20,011
Protective Services	25,550	22,418	22,392
Utility Services	22,731	25,053	22,333
Transportation and Roadway Services	19,211	17,004	40,864
General Government Services	11,232	16,237	9,723
Transit Services	8,562	11,004	12,188
Cultural Services	7,681	7,774	7,512
Planning and Development Services	5,124	5,243	2,614
Family and Social Services	2,314	2,019	1,946
Total Expenditures	<u>128,865</u>	<u>128,110</u>	<u>139,583</u>
Excess (Deficiency) of Revenue Over Expenditures	2,283	549	(7,582)
Add: Long Term Debt Issued	8,122	672	26,401
Deduct: Repayment of Long Term Debt	<u>(4,611)</u>	<u>(3,436)</u>	<u>(4,310)</u>
Change in Fund Balances	\$ <u>5,794</u>	\$ <u>(2,215)</u>	\$ <u>14,509</u>
Change in Fund Balances Represented By:			
Operating Fund (Schedule 1)	26	-	1,082
Capital Fund (Schedule 2)	4,979	-	8,056
Reserve Fund (Schedule 3)	<u>789</u>	<u>(2,215)</u>	<u>5,371</u>
	\$ <u>5,794</u>	\$ <u>(2,215)</u>	\$ <u>14,509</u>

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, 2008 (000'S)

THE CITY OF ST. ALBERT CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION FOR THE YEAR ENDED DECEMBER 31, 2008 (000'S)

	<u>2008</u>	<u>2007</u>
Cash Provided by:		
Operating Activities		
Excess (Deficiency) of Revenue Over Expenditures	\$ 2,283	\$ (7,582)
Net Changes in Non-Cash Items:		
Taxes Receivable	(267)	(31)
Trade and Other Receivables	1,429	(1,583)
Land Held for Resale	601	251
Prepaid Expenses	98	3
Inventories of Materials and Supplies	1	(158)
Accounts Payable and Accrued Liabilities	(4,498)	6,557
Landfill Liability	160	(2,021)
Deferred Revenue	<u>7,116</u>	<u>3,160</u>
Net Cash (Used in) Operating Activities	<u>6,923</u>	<u>(1,404)</u>
Investing		
Investments	<u>-</u>	<u>1,000</u>
Financing		
Long Term Debt Issued	8,122	26,401
Repayment of Long Term Debt	<u>(4,611)</u>	<u>(4,649)</u>
Net Cash Provided by Financing Activities	<u>3,511</u>	<u>21,752</u>
CHANGE IN CASH AND TEMPORARY INVESTMENTS DURING YEAR	10,434	21,348
Cash and Temporary Investments at Beginning of Year	<u>59,211</u>	<u>37,863</u>
CASH AND TEMPORARY INVESTMENTS AT END OF YEAR	\$ <u>69,645</u>	\$ <u>59,211</u>

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, 2008
(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 City 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, 2008
(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 Tangible Capital Assets

Equity in tangible 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) 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.

f) Investments

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

g) 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.

h) Tangible Capital Assets

Tangible capital assets are reported as expenditures in the period they are acquired. Capital assets are reported at cost except for donated assets, which are reported at estimated fair value.

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

Tangible capital assets for government purposes are not depreciated.

i) Tangible Capital Assets – new accounting standards

Effective January 1, 2007, the City of St. Albert adopted Accounting Guideline 7 (PSG-7) of the Public Sector Accounting Handbook of the Canadian Institute of Chartered Accountants ("CICA") with respect to the disclosure of tangible capital assets of local governments. PSG-7 provides transitional guidance on presenting information related to tangible capital assets until Section 3150 – Tangible Capital Assets of the Public Sector Accounting handbook comes into effect on January 1, 2009.

THE CITY OF ST. ALBERT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008
(000'S)

During 2008, the City of St. Albert continued to work towards compliance with the new recommendations for accounting for tangible capital assets. In 2009 the City will provide a complete inventory listing and values for land, buildings, machinery & equipment, vehicles and engineered structures. To implement amortization on all asset classes, the City will validate the useful life and values, including any discounting by relevant inflation factor, adjustments and write-downs. The capitalization and amortization are drafted and will be reflected in the City of St. Albert's December 2009 financial statements.

As of December 2008, capital assets including assets held under capital leases are recorded at cost in the period they were acquired and recorded as an expenditure within the capital fund. Donated assets related to waterworks and wastewater distribution and collection systems are capitalized and are recorded at their estimated fair value upon requisition. Works of art for display are not included as tangible capital assets. The City of St. Albert does not capitalize interest as part of the costs of its tangible capital assets.

j) 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 City has met any eligibility criteria, and reasonable estimates of the amounts can be made.

k) Pension Expenditures

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

2. CASH AND TEMPORARY INVESTMENTS

	<u>2008</u>	<u>2007</u>
Cash and Temporary Investments		
Cash	\$ 1,383	\$ 11,242
Temporary Investments	<u>68,262</u>	<u>47,969</u>
	<u>\$ 69,645</u>	<u>\$ 59,211</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 1.65% to 3.30% (2007 – 4.38% to 4.89%) maturing within 3 months.

THE CITY OF ST. ALBERT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008
(000'S)

3. DEFERRED REVENUE

Under the funding agreements with the Provincial and/or Federal Government, the use of these funds together with any earnings thereon is restricted to eligible expenditures on capital or operating projects as approved by the governments. These funds are recognized as revenue in the period they are used for the purpose specified:

<u>Capital</u>	<u>Closing Balance Dec. 31/07</u>	<u>Contributions</u>	<u>Interest Earned</u>	<u>Applied</u>	<u>Closing Balance Dec. 31/08</u>
Alberta Municipal Infrastructure Program	\$ 7,326	\$ 9,684	\$ 300	\$ (9,472)	\$ 7,838
Basic Capital Grant	2,627	3,463	115	(2,017)	4,188
Municipal Sustainability Initiative	2,619	6,232	190	(951)	8,090
New Deal for Cities & Communities	2,264	1,590	93	(905)	3,042
New Deal for Cities & Communities - Public Transit	1,115	-	39	(323)	831
Developer Contributions	4,709	1,074	165	(2,597)	3,351
Other	<u>396</u>	<u>590</u>	<u>16</u>	<u>(460)</u>	<u>542</u>
	<u>\$ 21,056</u>	<u>\$ 22,633</u>	<u>\$ 918</u>	<u>\$ (16,725)</u>	<u>\$ 27,882</u>
 <u>Operating</u>					
MSI - Affordable Housing	\$ -	\$ 2,294	\$ 31	\$ (860)	\$ 1,465
Other – Operating					
Library	200	275	-	(200)	275
Utilities	141	-	-	-	141
Servus Place	584	602	-	(388)	798
Performing Arts	201	-	-	-	201
Licensing	175	4	-	-	179
Ambulance	-	997	-	(748)	249
Other Miscellaneous	2,009	154	-	(1,804)	359
Art's & Heritage Foundation	<u>248</u>	<u>-</u>	<u>-</u>	<u>(67)</u>	<u>181</u>
	<u>\$ 3,558</u>	<u>\$ 4,326</u>	<u>\$ 31</u>	<u>\$ (4,067)</u>	<u>\$ 3,848</u>
	<u>\$ 24,614</u>	<u>\$ 26,959</u>	<u>\$ 949</u>	<u>\$ (20,792)</u>	<u>\$ 31,730</u>

Deferred revenue also includes amounts related to and recognized as sales and user fees and other revenues.

THE CITY OF ST. ALBERT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008
(000'S)

4. LANDFILL LIABILITY

Alberta environmental law requires post-closure care of landfill sites, which includes final covering and landscaping, plumbing of groundwater and leachates from the sites, and ongoing environmental monitoring, site inspections and maintenance. The City received an Environmental Canada order to undertake additional capping and grading measures in 2005 to prevent leaching into the Sturgeon River from its landfill. 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 Environmental 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 City's estimated total liability is based on the sum of discounted future cash flows for post-closure activities from 2008 to 2013 using a discount rate of 3.675% assuming annual inflation of 4.60%.

	<u>2008</u>	<u>2007</u>
Estimated post-closure costs	\$ 265	\$ 324
Estimated closure costs	<u>4,851</u>	<u>4,632</u>
Estimated total liability	\$ <u><u>5,116</u></u>	\$ <u><u>4,956</u></u>

During the year, the City paid \$39 (2007 - \$2,291) of costs related to the landfill closure and post closure liability. Accretion expense recorded in 2008 was \$199 (2007 - \$270).

5. LONG TERM DEBT

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

	<u>2008</u>	<u>2007</u>
Debenture Debt	\$ 71,621	\$ 68,055
Obligations under Capital Lease	<u>189</u>	<u>244</u>
	\$ <u><u>71,810</u></u>	\$ <u><u>68,299</u></u>

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.

	<u>2008</u>	<u>2007</u>
Municipal Tax Supported Debentures	\$ 71,589	\$ 67,995
Utility Rate Supported Debentures	<u>32</u>	<u>60</u>
	\$ <u><u>71,621</u></u>	\$ <u><u>68,055</u></u>

Debenture debt has been issued on the credit and security of the City of St. Albert. Debentures are held by the Alberta Capital Finance Authority. The debentures are payable in annual or semi-annual amounts and mature in periods ranging from 2009 to 2028.

THE CITY OF ST. ALBERT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008
(000'S)

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 4,561	\$ 3,444	\$ 8,005
2010	4,384	3,199	7,583
2011	4,625	2,970	7,595
2012	4,020	2,728	6,748
2013	3,603	2,511	6,114
Thereafter	<u>50,428</u>	<u>16,401</u>	<u>66,829</u>
	\$ <u><u>71,621</u></u>	\$ <u><u>31,253</u></u>	\$ <u><u>102,874</u></u>

Debenture interest is payable, before Provincial subsidy, at rates ranging from 4.197% to 12.00% per annum.

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:

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>2008</u>	<u>2007</u>
Total Long Term Capital Leases	\$ <u><u>189</u></u>	\$ <u><u>244</u></u>

Capital leases have been issued on the credit and security of the City of St. Albert at large. Interest expense on the capital leases is \$31 (2007 - \$18). The capital leases bear interest between 0% and 20.1% (2007 – 0% and 20.1%) and mature in 2009 and 2010.

Lease principal and interest payments are due as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 138	\$ 24	\$ 162
2010	<u>51</u>	<u>7</u>	<u>58</u>
	\$ <u><u>189</u></u>	\$ <u><u>31</u></u>	\$ <u><u>220</u></u>

THE CITY OF ST. ALBERT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008
(000'S)

c) Debt Limits

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

	<u>2008</u>	<u>2007</u>
Maximum Allowable Debt	\$ 177,251	\$ 167,896
Total Debt and Capital Leases	\$ 71,810	\$ 68,299
Percentage Used (%)	41	41
Maximum Allowable Debt Service	\$ 29,542	\$ 27,983
Annual Payments on Existing Debt	\$ 8,167	\$ 7,976
Percentage Used (%)	28	29
Percentage of Expenditures (%)	6	6

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 City, rather, the financial statements must be interpreted as a whole.

The City has an operating line of credit with its bank of \$5,000 (2007 - \$5,000) as at December 31, 2008. This credit facility bears interest at prime plus 0.5% and was not drawn on at December 31, 2008.

6. TANGIBLE CAPITAL ASSETS

<u>Asset Classification</u>	<u>Cost December 31, 2007</u>	<u>2008 Additions</u>	<u>2008 Disposals</u>	<u>Cost December 31, 2008</u>
Engineered Structures	\$ 247,552	\$ 14,316	\$ -	\$ 261,868
Buildings	115,256	7,920	-	123,176
Vehicles	28,742	1,385	(919)	29,208
Machinery & Equipment	20,764	1,191	(70)	21,885
Land	16,242	9,229	-	25,471
	<u>\$ 428,556</u>	<u>\$ 34,041</u>	<u>\$ (989)</u>	<u>\$ 461,608</u>

As of December 31, 2008, the City has completed its inventory listings of Land, Buildings, Vehicles, and Machinery & Equipment. The City continues to make progress on completing its inventory listings of Engineered Structures. Inventory listings for roads, bridges, and sidewalks have been completed. Inventory listing for utility assets is complete up to 2006. The City is currently working on updating these assets for developer contributions received subsequent to 2006.

A complete listing of all tangible capital assets as well as the validation of useful life and values, including any discounting by relevant inflation factor, adjustments and write-downs, related to all asset classes will be implemented and completed in 2009. Hence, amortization of assets (based on a straight-line method of amortization) will be reflected in the City's December 2009 financial statements.

Computers were acquired under capital lease in 2008 for \$122 (2007 - \$176).

THE CITY OF ST. ALBERT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008
(000'S)

7. OPERATING FUND & CAPITAL FUND

a) Operating Fund

The Operating Fund balance is comprised of the following:

	<u>2008</u>	<u>2007</u>
City of St. Albert Accumulated Surplus	\$ 121	\$ 60
Utility Accumulated Deficit (Landfill)	(5,106)	(5,106)
St. Albert Public Library Accumulated Surplus	10	13
Arts & Heritage Foundation Accumulated Surplus	<u>121</u>	<u>153</u>
	\$ <u>(4,854)</u>	\$ <u>(4,880)</u>

The Utility Deficit will be funded in 2009 through 2009 Utility Operations and Reserves.

b) Capital Fund

The Capital Fund balance is comprised of the following:

	<u>2008</u>	<u>2007</u>
Financing Available		
Ray Gibbon Drive – Stage 1	\$ 261	\$ -
Ray Gibbon Drive – Stage 2 & 3	130	-
Servus Place Soccer Field Construction	23	-
Energy Savings Program 2007	-	628
Riel Park Development	-	425
Library Renovations – Building	-	14
Energy Savings Program 2006	-	8
Other Capital Projects	<u>-</u>	<u>58</u>
	\$ <u>414</u>	\$ <u>1,133</u>
Amounts to be Financed		
Riel Park Development	\$ (3,040)	\$ -
Ray Gibbon Drive – Stages 2 & 3	-	(5,981)
Transit Replacement Plan (3-12M Buses) 2008	-	(1,116)
Expansion Buses (2-18M) 2008	-	(1,116)
Ray Gibbon Drive – Stage 1	-	(483)
Other Capital Projects	<u>-</u>	<u>(42)</u>
	<u>(3,040)</u>	<u>(8,738)</u>
	\$ <u>(2,626)</u>	\$ <u>(7,605)</u>

THE CITY OF ST. ALBERT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008
(000'S)

8. CONTINGENCIES

a) Insurance Agreement

The City of St. Albert was a member of the Alberta Municipal Insurance Exchange (MUNIX) in 2007. 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.

In 2008 the City of St. Albert entered into a private insurance arrangement and is no longer part of the MUNIX program.

b) Legal Claims

As at December 31, 2008, 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) Outstanding Letters of Credit

As at December 31, 2008, there were outstanding letters of credit issued in favour of the City totalling \$698 (2007 - \$848) related to development agreements, representing approximately \$359 (2007 - \$1,700) worth of potential development.

9. PENSION PLANS

a) Local Authorities Pension Plan

Approximately 510 (2007 – 472) 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% (2007 – 7.75%) of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 10.64% (2007 – 10.64%) on pensionable earnings above this amount. Employees of the City of St. Albert are required to make current service contributions of 6.75% (2007 – 6.75%) of pensionable salary up to the year's maximum pensionable salary and 9.64% (2007 – 9.64%) on pensionable salary above this amount.

Total contributions by the City of St. Albert to the Local Authorities Pension Plan in 2008 were \$2,564 (2007- \$2,363). Total contributions by the employees of the City of St. Albert to the Local Authorities Pension Plan in 2008 were \$2,269 (2007 - \$2,088).

At December 31, 2007, the plan reported the value of its assets at \$15.6 billion (2006 - \$14.6 billion) and disclosed an actuarial deficiency of \$ 1.2 billion (2006 – \$0.7 billion). Plan asset and actuarial deficiency data as at December 31, 2008 were not yet available.

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 (22 (2007– 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 \$117 (2007 - \$111).

THE CITY OF ST. ALBERT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008
(000'S)

Total current service contributions by the City to APEX in 2008 were \$68 (2007 – \$64). Total current service contributions by the employees of the City were \$57 (2007 – \$53).

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.

As at December 31, 2008 the APEX supplementary pension plan has vested with approximately two-thirds eligible employees. The City has disclosed contributions to the APEX plan.

c) MuniSERP

MuniSERP 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 (22 (2007 – 19) beneficiaries). MuniSERP supplements APEX and LAPP and is a voluntary, non-contributory, non-registered supplementary employee retirement plan (SERP).

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. At January 1, 2009, an actuarial valuation has been completed along with corresponding disclosure of designated assets.

The following presents the MuniSERP obligation as at December 31, 2008:

	<u>2008</u>	<u>2007</u>
Accrued Benefit Obligation		
Balance, beginning of year	\$ 101	\$ 81
Current service cost and interest cost	<u>85</u>	<u>20</u>
Balance, end of year	\$ <u>186</u>	\$ <u>101</u>

There are no defined benefit plan assets

The significant actuarial assumptions adopted in measuring the City's accrued benefit obligations are as follows:

	<u>2008</u>	<u>2007</u>
Discount Rate	6.5%	6.5%
Rate of compensation increase	4.5%	4.5%

THE CITY OF ST. ALBERT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008
(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 2008</u>	<u>Total 2007</u>
Mayor P. Chalifoux	\$ -	\$ -	\$ -	\$ 67,931
Mayor N. Crouse	74,983	8,725	83,708	14,648
Councillor L. Bracko	25,116	898	26,014	25,742
Councillor C. Brown	-	-	-	22,331
Councillor J. Burrows	24,766	4,223	28,989	29,365
Councillor N. Crouse	-	-	-	24,120
Councillor L. Garritty	24,166	3,203	27,369	27,405
Councillor G. Jones	24,616	3,711	28,327	4,425
Councillor N. Korotash	-	-	-	20,598
Councillor R. Lemieux	24,016	1,079	25,095	4,327
Councillor C. Watamaniuk	23,766	3,194	26,960	4,710
Chief Administrative Officer	176,725	45,089	221,814	218,493
Designated Officer	115,245	27,356	142,601	141,089

(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 2009 Capital Budget totalling \$86,852 (2008 - \$30,927), of which \$1,933 (2008 - \$672) will be financed through debenture.

City Council has approved the Capital Budgets for 2010 totalling \$34,724 and 2011 totalling \$26,084, of which none are anticipated to be financed through debenture.

12. BUDGET FIGURES

The 2008 budget figures, which appear in these financial statements, have not been audited. Budgets established for the Capital Fund and related financing are calculated on a project-oriented basis. As these transactions may be carried out over one or more years, they are not directly comparable with current year actual amounts.

13. FINANCIAL INSTRUMENTS

The City's financial instruments consist of cash and temporary investments, taxes receivable, trade and other receivables, accounts payable and accrued liabilities, and long term debt.

Unless otherwise noted, the fair value of these financial instruments approximates their carrying values.

**THE CITY OF ST. ALBERT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008
(000'S)**

a) Market Risk

The City is subject to market risk on its temporary 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.

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 fulfill 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 of 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.

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 (County). Effective January 1, 2007 the City's boundaries were extended to include all of the land that St. Albert had requested.

The City is obligated to pay the County \$800 at a rate of \$80 a year starting in 2009 and ending in 2018. In addition, the City will pay tax sharing amounts to the County until 2011.

The City paid \$71 in 2008 (\$91 in 2007) to Sturgeon County under this tax sharing agreement. For the years 2009 to 2011, the total estimated costs under the tax sharing arrangements are \$808. These amounts will vary as they are dependent upon the pace of development within the annexed lands.

As of April 1, 2007 the City is responsible for the roads within the annexed area. Prior to that date the County was responsible for roadway maintenance and municipal services.

The annexation brings within the boundaries of St. Albert the proposed alignment of the Ray Gibbon Drive.

15. SUBSEQUENT EVENTS

In 2008, the Province announced that it will be taking over the responsibility of delivering ambulance services effective April 1, 2009.

The City of St. Albert will continue to deliver ambulance services through a service agreement with the Province. The City will no longer provide integrated delivery of fire and ambulance services.

This restructuring will result in a net cost increase of \$265 from new hires, additional equipment costs, and training and development costs.

Schedule 1 – Schedule of Operating Fund Financial Activities and Change in Fund Balance

Schedule 1

THE CITY OF ST. ALBERT
SCHEDULE OF OPERATING FUND FINANCIAL ACTIVITIES
AND CHANGE IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2008
(000'S)

	2008	Budget 2008 (Note 12)	2007
Revenue			
Taxes Available for Municipal Purposes (Schedule 5)	\$ 62,621	\$ 62,595	\$ 56,674
Sales and User Fees (Schedule 7)	36,506	34,770	33,509
Government Grants (Schedule 8)	6,088	4,969	5,187
Fines and Penalties	3,519	3,180	3,106
Licenses and Permits	1,529	1,575	1,704
Franchise Fees	1,495	1,395	1,217
Other Revenue	1,408	1,385	1,597
Return on Investments	715	961	545
Total Revenue	<u>113,881</u>	<u>110,830</u>	<u>103,539</u>
Expenditures			
Recreation and Parks	16,904	18,506	16,894
Protective Services	17,631	18,015	16,883
Utility Services (Schedule 9)	16,930	14,961	15,815
General Government Services	10,172	15,257	8,709
Transportation and Roadway Services	10,104	8,294	7,878
Transit Services	8,114	8,159	7,153
Cultural Services	7,531	7,729	7,161
Planning and Development Services	5,124	4,243	2,614
Family and Social Services	2,314	2,019	1,946
Total Expenditures	<u>94,824</u>	<u>97,183</u>	<u>85,053</u>
Excess of Revenue Over Expenditures	19,057	13,647	18,486
Net Interfund Transfers			
Transfer to Capital Fund	(14,204)	(12,059)	(11,816)
Transfer (to) from Operating Reserve Fund	(216)	1,848	(2,015)
Transfer from Enterprise Reserve Fund	-	-	737
Repayment of Long Term Debt	(4,611)	(3,436)	(4,310)
Change in Fund Balance	26	-	1,082
Opening Balance	(4,880)	-	(5,962)
Closing Balance (Note 7a)	<u>\$ (4,854)</u>	<u>\$ -</u>	<u>\$ (4,880)</u>
Closing Balance Represented By:			
Municipal Operations	\$ 121	\$ -	\$ 60
Utility Operations	(5,106)	-	(5,106)
Library	10	-	13
Arts & Heritage Foundation	121	-	153
	<u>\$ (4,854)</u>	<u>\$ -</u>	<u>\$ (4,880)</u>

Schedule 2 – Schedule of Capital Fund Financial Activities and Change in Fund Balance

Schedule 2

THE CITY OF ST. ALBERT
SCHEDULE OF CAPITAL FUND FINANCIAL ACTIVITIES
AND CHANGE IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2008
(000'S)

	<u>2008</u>	<u>2008 Budget (Note 12)</u>	<u>2007</u>
Revenue			
Government Grants (Schedule 8)	\$ 12,982	\$ 17,829	\$ 20,071
Developer Contributions and Levies	2,637	-	3,069
Return on Investments	1,519	-	3,230
Other Capital Revenue	<u>129</u>	<u>-</u>	<u>2,092</u>
Total Revenue	<u>17,267</u>	<u>17,829</u>	<u>28,462</u>
Expenditures			
Recreation and Parks	9,556	2,852	3,117
Transportation and Roadway Services	9,107	8,710	32,986
Protective Services	7,919	4,403	5,509
Utility Services	5,801	10,092	6,518
General Government Services	1,060	980	1,014
Transit Services	448	2,845	5,035
Cultural Services	150	45	351
Planning and Development Services	<u>-</u>	<u>1,000</u>	<u>-</u>
Total Expenditures	<u>34,041</u>	<u>30,927</u>	<u>54,530</u>
Deficiency of Revenue Over Expenditures	(16,774)	(13,098)	(26,068)
Net Interfund Transfers			
Transfer from Operating Fund	14,204	12,059	11,816
Transfer (to) from Capital Reserve Fund	(572)	367	(3,294)
Transfer to Enterprise Reserve Fund	(1)	-	(799)
Long Term Debt Issued	<u>8,122</u>	<u>672</u>	<u>26,401</u>
Change in Fund Balance	4,979	-	8,056
Opening Balance	<u>(7,605)</u>	<u>-</u>	<u>(15,661)</u>
Closing Balance (Note 7b)	\$ <u>(2,626)</u>	\$ <u>-</u>	\$ <u>(7,605)</u>

Schedule 3 – Schedule of Reserve Fund

Schedule 3

**THE CITY OF ST. ALBERT
SCHEDULE OF RESERVE FUND
FOR THE YEAR ENDED DECEMBER 31, 2008
(000'S)**

	<u>Balance Beginning of Year</u>	<u>Contributions</u>	<u>Reductions</u>	<u>Balance End of Year</u>
Operating Reserves				
General Government	\$ 5,340	\$ 2,940	\$ (2,798)	\$ 5,482
Arts and Heritage Foundation	235	29	-	264
Children's Festival	-	199	-	199
Museum	87	9	-	96
Utilities	235	56	(219)	72
Library	<u>67</u>	<u>-</u>	<u>-</u>	<u>67</u>
	<u>5,964</u>	<u>3,233</u>	<u>(3,017)</u>	<u>6,180</u>
Capital Reserves				
General Government	22,997	12,378	(12,524)	22,851
Utilities	4,619	3,495	(2,780)	5,334
Library	<u>152</u>	<u>75</u>	<u>(72)</u>	<u>155</u>
	<u>27,768</u>	<u>15,948</u>	<u>(15,376)</u>	<u>28,340</u>
Enterprise Reserves				
Servus Place	<u>62</u>	<u>1</u>	<u>-</u>	<u>63</u>
Reserve Fund Total	\$ <u><u>33,794</u></u>	\$ <u><u>19,182</u></u>	\$ <u><u>(18,393)</u></u>	\$ <u><u>34,583</u></u>

Schedule 4 – Schedule of Equity in Capital Assets

Schedule 4

THE CITY OF ST. ALBERT
SCHEDULE OF EQUITY IN TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2008
(000'S)

	<u>2008</u>	<u>Budget 2008 (Note 12)</u>	<u>2007</u>
Acquisition of Tangible Capital Assets			
Recreation and Parks	\$ 9,556	\$ 2,852	\$ 3,117
Transportation and Roadway Services	9,107	8,710	32,986
Protective Services	7,919	4,403	5,509
Utility Services	5,801	10,092	6,518
General Government Services	1,060	980	1,014
Transit Services	448	2,845	5,035
Cultural Services	150	45	351
Planning and Development Services	<u>-</u>	<u>1,000</u>	<u>-</u>
	<u>34,041</u>	<u>30,927</u>	<u>54,530</u>
Disposal of Tangible Capital Assets (Cost)			
General Government Services	-	-	(55)
Transportation and Roadway Services	(539)	-	(370)
Transit Services	<u>(450)</u>	<u>-</u>	<u>(1,495)</u>
	<u>(989)</u>	<u>-</u>	<u>(1,920)</u>
Net Change in Tangible Capital Assets	33,052	30,927	52,610
Long Term Debt Issued	(8,122)	(672)	(26,401)
Repayment of Long Term Debt	<u>4,611</u>	<u>3,436</u>	<u>4,310</u>
Change in Equity Balance	29,541	33,691	30,519
Opening Balance	<u>360,257</u>	<u>348,532</u>	<u>329,738</u>
Closing Balance	\$ <u>389,798</u>	\$ <u>382,223</u>	\$ <u>360,257</u>
Closing Balance Represented By:			
Tangible Capital Assets	\$ 461,608		\$ 428,556
Less: Long Term Debt	<u>(71,810)</u>		<u>(68,299)</u>
	<u>\$ 389,798</u>		<u>\$ 360,257</u>

Schedule 5 – Schedule of Property Taxes Levied

Schedule 5

THE CITY OF ST. ALBERT SCHEDULE OF PROPERTY TAXES LEVIED FOR THE YEAR ENDED DECEMBER 31, 2008 (000'S)

	<u>2008</u>	<u>Budget 2008 (Note 12)</u>	<u>2007</u>
Taxation			
Real Property Taxes	\$ 83,380	\$ 84,100	\$ 76,709
Linear Property Taxes	1,140	1,140	1,323
Government Grants in Place of Property Taxes	756	-	809
Special Assessments and Local Improvement Taxes	-	18	25
	<u>85,276</u>	<u>85,258</u>	<u>78,866</u>
Requisitions			
Alberta School Foundation Fund	14,790	14,790	14,413
St. Albert Protestant Separate School District #6	7,043	7,043	7,025
Sturgeon Foundation Requisition	465	459	428
Other	357	371	326
	<u>22,655</u>	<u>22,663</u>	<u>22,192</u>
Taxes Available for Municipal Purposes	\$ <u>62,621</u>	\$ <u>62,595</u>	\$ <u>56,674</u>

Schedule 6 – Schedule of Consolidated Expenditures by Object

Schedule 6

THE CITY OF ST. ALBERT SCHEDULE OF CONSOLIDATED EXPENDITURES BY OBJECT FOR THE YEAR ENDED DECEMBER 31, 2008 (000'S)

	<u>2008</u>	<u>Budget 2008 (Note 12)</u>	<u>2007</u>
Expenditures			
Salaries, Wages, and Benefits	\$ 45,869	\$ 45,529	\$ 42,346
Tangible Capital Assets Acquired	34,041	30,927	54,530
Contracted and General Services	18,096	18,068	16,007
Materials, Goods, and Utilities	11,943	11,229	10,829
Purchases from Other Governments	11,496	13,201	11,393
Interest on Long Term Debt	3,362	4,783	2,818
Transfers to Individuals & Organizations	3,327	3,450	1,118
Other Expenditures	731	923	542
Total Expenditures	\$ <u>128,865</u>	\$ <u>128,110</u>	\$ <u>139,583</u>

Schedule 7 – Schedule of Consolidated Sales and User Fees

Schedule 7

THE CITY OF ST. ALBERT
SCHEDULE OF CONSOLIDATED SALES AND USER FEES
FOR THE YEAR ENDED DECEMBER 31, 2008
(000'S)

	<u>2008</u>	<u>Budget 2008 (Note 12)</u>	<u>2007</u>
Sales and User Fees			
Wastewater Charges	\$ 7,633	\$ 8,207	\$ 7,332
Water Charges	7,247	7,805	6,997
Admission Fees	4,076	3,590	3,460
Sale of Land	3,144	1,348	2,451
Transit Fares	2,804	2,926	2,561
Solid Waste Charges	2,766	2,685	2,648
Storm Sewer Charges	1,895	1,785	1,598
Rentals	1,833	1,735	1,581
Lesson Fees	1,282	1,318	1,210
Recovered Costs	824	347	561
Other	768	657	754
Ambulance Fees	686	737	756
Sale of Goods	553	309	333
Planning Fees	469	711	726
Library Fees	262	261	238
Tax Certificates and Inquiries	162	223	194
Emergency Response Fees	<u>102</u>	<u>126</u>	<u>109</u>
Total Sales and User Fees	\$ <u>36,506</u>	\$ <u>34,770</u>	\$ <u>33,509</u>

Schedule 8 – Schedule of Government Grants

Schedule 8

THE CITY OF ST. ALBERT
SCHEDULE OF GOVERNMENT GRANTS
FOR THE YEAR ENDED DECEMBER 31, 2008
(000'S)

	<u>2008</u>	<u>Budget 2008 (Note 12)</u>	<u>2007</u>
Operating Fund			
Provincial Grants	\$ 5,991	\$ 4,969	\$ 5,035
Federal Grants	<u>97</u>	<u>-</u>	<u>152</u>
	<u>6,088</u>	<u>4,969</u>	<u>5,187</u>
Capital Fund			
Provincial Grants	12,982	17,829	20,071
Federal Grants	<u>-</u>	<u>-</u>	<u>-</u>
	<u>12,982</u>	<u>17,829</u>	<u>20,071</u>
Total Government Grants	\$ <u>19,070</u>	\$ <u>22,798</u>	\$ <u>25,258</u>

Schedule 9 – Schedule of Utility Operations

Schedule 9

THE CITY OF ST. ALBERT
SCHEDULE OF UTILITY OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2008
(000'S)

	<u>Water</u>	<u>Wastewater</u>	<u>Storm</u>	<u>Waste</u>	<u>2008 Total</u>	<u>2007 Total</u>
Revenue						
Sales and User Fees	\$ 7,247	\$ 7,633	\$ 1,895	\$ 2,766	\$ 19,541	\$ 18,575
Other Revenue	-	-	-	-	-	27
Fines and Penalties	32	32	8	11	83	72
Government Grants	-	-	120	-	120	242
Total Revenue	<u>7,279</u>	<u>7,665</u>	<u>2,023</u>	<u>2,777</u>	<u>19,744</u>	<u>18,916</u>
Expenditures						
Purchases from Other Governments	3,298	3,788	-	-	7,086	6,932
Contracted and General Services	905	1,204	734	1,994	4,837	4,200
Salaries, Wages, and Benefits	1,219	1,093	190	603	3,105	2,810
Materials, Goods, and Utilities	665	200	47	13	925	786
Other Expenditures	191	242	30	509	972	1,079
Interest on Long Term Debt	5	-	-	-	5	8
Total Expenditures	<u>6,283</u>	<u>6,527</u>	<u>1,001</u>	<u>3,119</u>	<u>16,930</u>	<u>15,815</u>
Excess (Deficiency) of Revenue Over Expenditures	996	1,138	1,022	(342)	2,814	3,101
Net Interfund Transfers						
Transfer (to) from Capital	(974)	(1,147)	(1,112)	255	(2,978)	(1,107)
Transfer from (to) Reserve Fund	5	10	90	87	192	(5)
Repayment of Long Term Debt	(27)	(1)	-	-	(28)	(44)
Change in Fund Balance	-	-	-	-	-	1,945
Opening Balance	-	-	-	(5,106)	(5,106)	(7,051)
Closing Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (5,106)</u>	<u>\$ (5,106)</u>	<u>\$ (5,106)</u>

Schedule 10 – St. Albert Public Library – Schedule of Financial Activities and Change in Fund Balances

Schedule 10

THE CITY OF ST. ALBERT
ST. ALBERT PUBLIC LIBRARY
SCHEDULE OF FINANCIAL ACTIVITIES AND
CHANGE IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2008
(000'S)

	<u>2008</u>	<u>2007</u>
Revenue		
Contributed from the City of St. Albert	\$ 2,413	\$ 2,243
Sales and User Fees	325	307
Government Grants	295	282
Donations	34	35
Other Revenue	<u>31</u>	<u>15</u>
Total Revenue	<u>3,098</u>	<u>2,882</u>
Expenditures		
Salaries, Wages, and Benefits	2,182	2,006
Materials, Goods, and Utilities	721	682
Contracted and General Services	123	100
Capital Assets Acquired	<u>86</u>	<u>122</u>
Total Expenditures	<u>3,112</u>	<u>2,910</u>
Change in Fund Balances	\$ <u><u>(14)</u></u>	\$ <u><u>(28)</u></u>
Represented By:		
Operating Fund	\$ (3)	\$ 10
Capital Fund	(14)	(93)
Reserve Fund	<u>3</u>	<u>55</u>
	\$ <u><u>(14)</u></u>	\$ <u><u>(28)</u></u>

Schedule 11 – Arts & Heritage Foundation of St. Albert – Schedule of Financial Activities and Change in Fund Balances

Schedule 11

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, 2008
(000'S)

	<u>2008</u>	<u>2007</u>
Revenue		
Contributed from the City of St. Albert	\$ 946	\$ 911
Other Revenue	261	229
Sales and User Fees	261	228
Donations	<u>14</u>	<u>33</u>
Total Revenue	<u>1,482</u>	<u>1,401</u>
Expenditures		
Salaries, Wages, and Benefits	953	868
Materials, Goods, and Utilities	248	196
Contracted and General Services	217	205
Other Expenditures	61	15
Capital Assets Acquired	<u>7</u>	<u>41</u>
Total Expenditures	<u>1,486</u>	<u>1,325</u>
Change in Fund Balances	\$ <u><u>(4)</u></u>	\$ <u><u>76</u></u>
Represented By:		
Operating Fund	\$ (33)	\$ 67
Capital Fund	-	-
Reserve Fund	<u>29</u>	<u>9</u>
	\$ <u><u>(4)</u></u>	\$ <u><u>76</u></u>

2008
Annual Financial Report

Statistical Section



THE CITY OF ST. ALBERT STATISTICAL SUMMARY 2004 – 2008

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Population	58,501*	58,600	57,150**	56,310*	54,588*
Area (In Hectares)	4,966	4,966	3,606	3,606	3,606
Building Permits					
Value (\$ in 000's)					
Residential	\$ 52,272	\$ 125,260	\$ 151,558	\$ 115,928	\$ 92,707
Commercial	24,732	32,672	26,619	17,510	4,093
Industrial	8,869	7,904	13,480	2,840	1,886
Institutional	18,270	29,825	3,902	58,347	23,395
	<u>\$ 104,143</u>	<u>\$ 195,661</u>	<u>\$ 195,559</u>	<u>\$ 194,625</u>	<u>\$ 122,081</u>
Number of Building Permits Issued					
Residential	536	811	891	892	797
Commercial	66	71	85	70	77
Industrial	40	44	34	36	24
Institutional	24	11	10	27	10
	<u>666</u>	<u>937</u>	<u>1,020</u>	<u>1,025</u>	<u>908</u>
Parks (In Hectares)					
Red Willow Park	160	160	160	160	160
Neighbourhood Parks	239	239	239	239	239
Tax Collections					
Percentage of Current Taxes Collected					
Residential & Non-Residential Property	98.9	99.1	99.1	98.9	98.9
Long Term Debt					
Total Long Term Debt (\$ in 000's)	\$ 71,810	\$ 68,299	\$ 46,547	\$ 24,462	\$ 18,495
Debt Per Capita	\$ 1,227	\$ 1,165	\$ 814	\$ 434	\$ 339
Percentage of Total Debt to be Retired					
Within 5 Years	30.0	31.0	36.5	54.6	75.8
Within 10 Years	70.0	54.1	58.0	76.2	100.0
Budget					
Approved Residential Tax Increase	5.90	6.40	2.98	13.38	4.98
Capital Expenditures					
Total (\$ in 000's)	\$ 34,041	\$ 54,530	\$ 61,665	\$ 55,091	\$ 13,275
Expressed as a Percentage of Total					
Engineering Structures	42.1	71.7	48.5	48.8	65.8
Buildings	23.3	9.0	33.9	42.4	14.5
Land for Own Use	27.1	4.2	3.7	5.4	5.6
Vehicles	4.1	9.7	3.9	2.2	5.3
Machinery and Equipment	3.5	5.4	10.0	1.2	8.8

*Population Based on Municipal Census

**Population Based on Statistics Canada Census

**THE CITY OF ST. ALBERT
STATISTICAL SUMMARY
2004 – 2008
- continued -**

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Annual Increase in CPI–Statistics Canada					
Alberta	1.2%	5.0%	3.9%	2.1%	1.4%
Canada	1.1%	2.2%	2.0%	2.2%	1.9%
Unemployment Rate–Statistics Canada					
Alberta	4.4%	3.5%	3.4%	3.9%	4.6%
Canada	7.2%	6.0%	6.3%	6.8%	7.2%

Consolidated Financial Activities and Change in Fund Balances

THE CITY OF ST. ALBERT CONSOLIDATED FINANCIAL ACTIVITIES AND CHANGE IN FUND BALANCES FOR THE YEARS ENDED DECEMBER 31, 2004 – 2008 (000'S)

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Revenue					
Taxes Available for Municipal Purposes	\$ 62,621	\$ 56,674	\$ 51,921	\$ 48,621	\$ 41,638
Sales and User Fees	36,506	33,509	28,045	25,226	22,061
Government Grants	19,070	25,258	26,200	15,562	8,229
Fines and Penalties	3,519	3,106	3,104	2,915	3,182
Developer Contributions and Levies	2,637	3,069	2,628	3,120	1,449
Return on Investments	2,234	3,775	1,295	1,828	1,034
Other Revenue	1,537	3,689	3,225	950	1,014
Licenses and Permits	1,529	1,704	1,741	1,885	1,334
Franchise Fees	<u>1,495</u>	<u>1,217</u>	<u>1,379</u>	<u>1,391</u>	<u>1,133</u>
Total Revenue	<u>131,148</u>	<u>132,001</u>	<u>119,538</u>	<u>101,498</u>	<u>81,074</u>
Expenditures					
Recreation and Parks	26,460	20,011	35,276	32,962	9,848
Protective Services	25,550	22,392	15,974	15,066	13,715
Utility Services	22,731	22,333	24,075	25,830	14,224
Transportation and Roadway Services	19,211	40,864	29,167	23,554	15,062
General Government Services	11,232	9,723	9,399	8,278	7,620
Transit Services	8,562	12,188	11,833	6,284	4,898
Cultural Services	7,681	7,512	6,994	7,375	6,467
Planning and Development Services	5,124	2,614	1,897	1,679	2,157
Family and Social Services	<u>2,314</u>	<u>1,946</u>	<u>1,930</u>	<u>1,863</u>	<u>1,560</u>
Total Expenditures	<u>128,865</u>	<u>139,583</u>	<u>136,545</u>	<u>122,891</u>	<u>75,551</u>
(Deficiency) Excess of Revenue Over Expenditures	2,283	(7,582)	(17,007)	(21,393)	5,523
 Add: Long Term Debt Issued	 8,122	 26,401	 25,822	 10,086	 111
Deduct: Repayment of Long Term Debt	<u>(4,611)</u>	<u>(4,310)</u>	<u>(3,427)</u>	<u>(3,835)</u>	<u>(3,794)</u>
Change in Fund Balances	\$ <u>5,794</u>	\$ <u>14,509</u>	\$ <u>5,388</u>	\$ <u>(15,142)</u>	\$ <u>1,840</u>
Represented by:					
Operating Fund	\$ 26	\$ 1,082	\$ (303)	\$ 19	\$ (7)
Capital Fund	4,979	8,056	3,162	(15,949)	(2,458)
Reserve Fund	<u>789</u>	<u>5,371</u>	<u>2,529</u>	<u>788</u>	<u>4,305</u>
	<u>\$ 5,794</u>	<u>\$ 14,509</u>	<u>\$ 5,388</u>	<u>\$ (15,142)</u>	<u>\$ 1,840</u>

Operating Fund Financial Activities and Change in Fund Balance

THE CITY OF ST. ALBERT OPERATING FUND FINANCIAL ACTIVITIES AND CHANGE IN FUND BALANCE FOR THE YEARS ENDED DECEMBER 31, 2004 - 2008 (000'S)

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Revenue					
Taxes Available for Municipal Purposes	\$ 62,621	\$ 56,674	\$ 51,921	\$ 48,621	\$ 41,638
Sales and User Fees	36,506	33,509	28,045	25,226	22,061
Government Grants	6,088	5,187	4,275	4,094	3,159
Fines and Penalties	3,519	3,106	3,104	2,915	3,182
Licenses and Permits	1,529	1,704	1,741	1,885	1,334
Franchise Fees	1,495	1,217	1,379	1,391	1,133
Other Revenue	1,408	1,597	1,242	690	840
Return on Investments	715	545	-	346	226
Total Revenue	<u>113,881</u>	<u>103,539</u>	<u>91,707</u>	<u>85,168</u>	<u>73,573</u>
Expenditures					
Protective Services	17,631	16,883	15,675	14,875	13,612
Utility Services	16,930	15,815	14,949	13,877	12,003
Recreation and Parks	16,904	16,894	12,190	9,061	7,714
General Government Services	10,172	8,709	8,424	7,856	7,283
Transportation and Roadway Services	10,104	7,878	6,893	6,618	7,593
Transit Services	8,114	7,153	6,128	5,533	4,671
Cultural Services	7,531	7,161	6,818	6,466	6,146
Planning and Development Services	5,124	2,614	1,897	1,679	1,694
Family and Social Services	2,314	1,946	1,906	1,835	1,560
Total Expenditures	<u>94,824</u>	<u>85,053</u>	<u>74,880</u>	<u>67,800</u>	<u>62,276</u>
Excess of Revenue Over Expenditures	19,057	18,486	16,827	17,368	11,297
Net Interfund Transfers					
Transfer (to) Capital Fund	(14,204)	(11,816)	(15,455)	(9,726)	(8,022)
Transfer from (to) Operating Reserve	(216)	(2,015)	1,752	(3,788)	512
Transfers from (to) Enterprise Reserve	-	737	-	-	-
Repayment of Long Term Debt	(4,611)	(4,310)	(3,427)	(3,835)	(3,794)
Change in Fund Balance	26	1,082	(303)	19	(7)
Opening Balance	(4,880)	(5,962)	(5,659)	63	70
Closing Balance	\$ (4,854)	\$ 4,880	\$ (5,962)	\$ 82	\$ 63
Closing Balance Represented by:					
Municipal Operations	\$ 121	\$ 63	\$ 1,001	\$ -	\$ -
Utility Operations	(5,106)	(5,106)	(7,052)	-	-
Library	10	10	3	(1)	-
Arts & Heritage Foundation	121	153	86	83	63
	<u>\$ (4,854)</u>	<u>\$ 4,880</u>	<u>\$ (5,962)</u>	<u>\$ 82</u>	<u>\$ 63</u>

Capital Fund Financial Activities and Change in Fund Balance

THE CITY OF ST. ALBERT
CAPITAL FUND FINANCIAL ACTIVITIES AND CHANGE IN FUND BALANCE
FOR THE YEARS ENDED DECEMBER 31, 2004- 2008
(000'S)

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Revenue					
Government Grants	\$ 12,982	\$ 20,071	\$ 21,925	\$ 11,468	\$ 5,070
Developer Contributions and Levies	2,637	3,069	2,628	3,120	1,449
Return on Investments	1,519	3,230	1,295	1,482	808
Other Capital Revenue	<u>129</u>	<u>2,092</u>	<u>1,983</u>	<u>260</u>	<u>174</u>
Total Revenue	<u>17,267</u>	<u>28,462</u>	<u>27,831</u>	<u>16,330</u>	<u>7,501</u>
Expenditures					
Recreation and Parks	9,556	3,117	23,086	23,901	2,134
Transportation and Roadway Services	9,107	32,986	22,274	16,936	7,469
Protective Services	7,919	5,509	299	191	103
Utility Services	5,801	6,518	9,126	11,953	2,221
General Government Services	1,060	1,014	975	422	337
Transit Services	448	5,035	5,705	751	227
Cultural Services	150	351	176	909	321
Family and Social Services	-	-	24	28	-
Planning and Development Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>463</u>
Total Expenditures	<u>34,041</u>	<u>54,530</u>	<u>61,665</u>	<u>55,091</u>	<u>13,275</u>
Deficiency of Revenue Over Expenditures	(16,774)	(26,068)	(33,834)	(38,761)	(5,774)
Net Interfund Transfers					
Transfer from Operating Fund	14,204	11,816	15,455	9,726	8,022
Transfer (to) from Capital Reserve	(572)	(3,294)	(4,281)	3,000	(4,817)
Transfer to Enterprise Reserve	(1)	(799)	-	-	-
Long Term Debt Issued	<u>8,122</u>	<u>26,401</u>	<u>25,822</u>	<u>10,086</u>	<u>111</u>
Change in Fund Balance	4,979	8,056	3,162	(15,949)	(2,458)
Opening Balance	<u>(7,605)</u>	<u>(15,661)</u>	<u>(18,823)</u>	<u>(2,874)</u>	<u>(416)</u>
Closing Balance	\$ <u>(2,626)</u>	\$ <u>(7,605)</u>	\$ <u>(15,661)</u>	\$ <u>(18,823)</u>	\$ <u>(2,874)</u>

Consolidated Revenue by Function

THE CITY OF ST. ALBERT CONSOLIDATED REVENUE BY FUNCTION FOR THE YEARS ENDED DECEMBER 31, 2004 - 2008 (000'S)

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Function					
General Revenue	\$ 65,224	\$ 58,956	\$ 52,075	\$ 49,878	\$ 43,826
Utility Services	23,282	23,880	25,060	20,508	15,848
Protective Services	12,226	12,407	7,097	6,833	4,641
Recreation and Parks	7,727	9,495	7,632	3,823	2,596
Planning and Development Services	5,411	3,285	2,215	1,833	1,281
Transit Services	5,136	4,887	5,269	2,413	2,336
Transportation and Roadway Services	4,575	12,153	12,884	9,289	5,347
Cultural Services	3,016	2,776	2,674	3,312	2,455
General Government Services	2,895	2,881	3,385	2,338	1,677
Family and Social Services	<u>1,656</u>	<u>1,281</u>	<u>1,247</u>	<u>1,271</u>	<u>1,067</u>
Total Revenue	\$ <u>131,148</u>	\$ <u>132,001</u>	\$ <u>119,538</u>	\$ <u>101,498</u>	\$ <u>81,074</u>

Consolidated Expenditures by Object

THE CITY OF ST. ALBERT CONSOLIDATED EXPENDITURES BY OBJECT FOR THE YEARS ENDED DECEMBER 31, 2004 - 2008 (000'S)

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Expenditures					
Salaries, Wages, and Benefits	\$ 45,869	\$ 42,346	\$ 36,577	\$ 32,964	\$ 30,558
Capital Assets Acquired	34,041	54,530	61,665	55,091	13,275
Contracted and General Services	18,096	16,007	14,896	12,901	11,937
Materials, Goods, and Utilities	11,943	10,829	9,334	8,159	7,402
Purchases from Other Governments	11,496	11,393	11,138	10,596	9,601
Interest on Long Term Debt	3,362	2,818	1,498	1,586	1,704
Transfers to Individuals and Organizations	3,327	1,118	1,096	1,034	831
Other Expenditures	<u>731</u>	<u>542</u>	<u>341</u>	<u>560</u>	<u>243</u>
Total Expenditures	\$ <u>128,865</u>	\$ <u>139,583</u>	\$ <u>136,545</u>	\$ <u>122,891</u>	\$ <u>75,551</u>

**THE CITY OF ST. ALBERT
TAXATION / ASSESSMENT
FOR THE YEARS ENDED DECEMBER 31, 2004 – 2008**

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Taxation (Mills)					
Municipal – Residential	5.514	8.592	9.777	10.307	9.354
Municipal – Non-Residential	10.414	13.405	14.529	15.002	14.095
Public School (Catholic)					
Residential	2.017	3.242	3.857	4.227	4.202
Non-Residential	3.645	4.894	5.810	6.338	6.855
Separate School (Protestant)					
Residential	2.017	3.242	3.857	4.227	4.202
Non-Residential	3.645	4.894	5.810	6.338	6.855
Assessment					
Residential – Market Value	58.74%	19.82%	4.82%	3.24%	7.90%
Residential – Growth	3.23%	3.85%	3.70%	2.78%	4.64%
Non-Residential – Market Value	21.44%	14.18%	1.96%	3.41%	3.08%
Non-Residential – Growth	10.31%	5.65%	4.39%	3.58%	5.53%

Taxable Assessment and Government Grants in Place of Property Taxes

THE CITY OF ST. ALBERT TAXABLE ASSESSMENT AND GOVERNMENT GRANTS IN PLACE OF PROPERTY TAXES FOR THE YEARS ENDED DECEMBER 31, 2004 - 2008 (000'S)

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Taxable Assessment					
Residential	\$ 9,181,595	\$ 5,606,431	\$ 4,501,491	\$ 3,999,998	\$ 3,769,534
Commercial	564,851	415,433	349,444	314,065	291,776
Industrial	193,571	134,085	98,832	87,018	77,021
Special and Other	<u>82,938</u>	<u>74,128</u>	<u>69,400</u>	<u>61,520</u>	<u>51,857</u>
Taxable Assessment	10,022,955	6,230,077	5,019,167	4,462,601	4,190,188
Government Grants in Place of Property Taxes	<u>55,539</u>	<u>42,093</u>	<u>38,079</u>	<u>38,404</u>	<u>38,389</u>
Total Taxable Assessment and Government Grants in Place of Property Taxes	\$ <u>10,078,494</u>	\$ <u>6,272,170</u>	\$ <u>5,057,246</u>	\$ <u>4,501,005</u>	\$ <u>4,228,577</u>

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

Represented by:

Residential	91.1%	89.4%	89.0%	88.9%	89.1%
Commercial	5.6%	6.6%	6.9%	6.9%	6.9%
Industrial	1.9%	2.1%	1.9%	1.9%	1.8%
Special and Other	.9%	1.2%	1.4%	1.4%	1.2%
Grants in Place	.6%	.7%	.8%	.9%	1.0%

Residential/Non-Residential Assessment Split *

Residential	91.2%	89.4%	89.0%	89.0%	89.2%
Non-Residential	8.9%	10.6%	11.0%	11.0%	10.8%

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

Property Taxes Levied

**THE CITY OF ST. ALBERT
PROPERTY TAXES LEVIED
FOR THE YEARS ENDED DECEMBER 31, 2004 - 2008
(000'S)**

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Taxation					
Real Property Taxes	\$ 83,380	\$ 76,709	\$ 70,730	\$ 67,027	\$ 59,066
Linear Property Taxes	1,140	1,323	1,300	1,279	1,062
Government Grants in Place of Property Taxes	756	809	812	777	762
Special Assignments and Local Improvement Taxes	-	25	205	205	275
	<u>85,276</u>	<u>78,866</u>	<u>73,047</u>	<u>69,288</u>	<u>61,165</u>
Requisitions					
Alberta School Foundation Fund	14,790	14,413	13,550	13,125	12,304
St. Albert Protestant Separate School District #6	7,043	7,025	6,950	6,965	6,649
Sturgeon Foundation Requisition	465	428	410	418	402
Other	357	326	216	159	172
	<u>22,655</u>	<u>22,192</u>	<u>21,126</u>	<u>20,667</u>	<u>19,527</u>
Taxes Available for Municipal Purposes	<u>\$ 62,621</u>	<u>\$ 56,674</u>	<u>\$ 51,921</u>	<u>\$ 48,621</u>	<u>\$ 41,638</u>

Tax Collection

**THE CITY OF ST. ALBERT
TAX COLLECTION
FOR THE YEARS ENDED DECEMBER 31, 2004 - 2008
(000'S)**

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Current Levy	<u>\$ 85,276</u>	<u>\$ 78,866</u>	<u>\$ 73,047</u>	<u>\$ 69,288</u>	<u>\$ 61,165</u>
Taxes Receivable					
Current	\$ 1,044	\$ 806	\$ 739	\$ 875	\$ 788
In Arrears for More than One Year	<u>278</u>	<u>249</u>	<u>262</u>	<u>297</u>	<u>242</u>
	1,322	1,055	1,001	1,172	1,030
Allowance	-	-	-	-	-
Net Taxes Receivable	<u>\$ 1,322</u>	<u>\$ 1,055</u>	<u>\$ 1,001</u>	<u>\$ 1,172</u>	<u>\$ 1,030</u>
Taxes Outstanding as a Percentage of the Current Levy (Before Allowance)					
Current	1.2%	1.0%	1.0%	1.3%	1.3%
In Arrears for More than One Year	.3%	0.3%	0.4%	0.4%	0.4%

Thirteen principle taxpayers make up 5% of the 2008 tax levy; therefore, no undue reliance is placed upon any one taxpayer.

Long Term Debt

**THE CITY OF ST. ALBERT
LONG TERM DEBT
FOR THE YEARS ENDED DECEMBER 31, 2004 - 2008
(000'S)**

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Long Term Debt					
Tax Supported	\$ 71,778	\$ 68,239	\$ 46,436	\$ 24,099	\$ 17,899
User Supported	-	-	25	205	366
Utility Rates Supported	<u>32</u>	<u>60</u>	<u>86</u>	<u>158</u>	<u>230</u>
Total Long Term Debt	\$ <u>71,810</u>	\$ <u>68,299</u>	\$ <u>46,547</u>	\$ <u>24,462</u>	\$ <u>18,495</u>

Debt Limit and Debt Payment

**THE CITY OF ST. ALBERT
DEBT LIMIT AND DEBT PAYMENT
FOR THE YEARS ENDED DECEMBER 31, 2004 - 2008
(000'S)**

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Debt Limits					
Maximum Allowable Debt	\$ 177,251	\$ 167,896	\$ 146,420	\$ 135,045	\$ 114,006
Total Debt and Loans	71,810	68,299	46,547	24,365	18,272
Percentage Used (%)	41	41	32	18	16
Maximum Allowable Annual Debt Payments					
Maximum Allowable Annual Debt Payment	\$ 29,542	\$ 27,983	\$ 24,403	\$ 22,508	\$ 19,001
Annual Payments on Existing Debt	8,167	7,976	6,352	5,184	5,273
Percentage Used (%)	28	29	26	23	28
Percentage of Expenditures (%)	6	6	5	4	7

Reserve Fund Balances

**THE CITY OF ST. ALBERT
RESERVE FUND BALANCES
FOR THE YEARS ENDED DECEMBER 31, 2004 - 2008
(000'S)**

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Operating Reserves					
General Government	\$ 5,482	\$ 5,340	\$ 3,180	\$ 5,813	\$ 2,035
Arts & Heritage Foundation	264	235	226	74	78
Children's Festival	199	-	-	-	-
Museum	96	88	78	83	74
Utilities	72	235	230	-	-
Library	67	66	56	90	85
Servus Place	-	-	179	-	-
	<u>6,180</u>	<u>5,964</u>	<u>3,949</u>	<u>6,060</u>	<u>2,272</u>
Capital Reserves					
General Government	22,851	22,997	17,270	18,239	15,605
Utilities	5,334	4,619	5,463	4,568	10,227
Library	155	152	107	25	-
Servus Place	-	-	1,634	-	-
	<u>28,340</u>	<u>27,768</u>	<u>24,474</u>	<u>22,832</u>	<u>25,832</u>
Enterprise Reserves					
Servus Place	<u>63</u>	<u>62</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reserve Fund Total	<u>\$ 34,583</u>	<u>\$ 33,794</u>	<u>\$ 28,423</u>	<u>\$ 28,892</u>	<u>\$ 28,104</u>



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