




CITY OF ST. ALBERT **ANNUAL REPORT** PROVINCE OF ALBERTA

For the Year Ended December 31, 2019



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City of St. Albert, Alberta, Canada
2019 Annual Report, for the year ended December 31, 2019
Prepared by: Strategic Services and Information Technology and Financial Services

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SUPPLEMENTAL MESSAGE: COVID-19

March 2020 marked the beginning of an unprecedented time for not only our community, but also the world. Due to the novel coronavirus (COVID-19) pandemic, life as we knew it was collectively and abruptly altered. From social to economic changes, the COVID-19 public health crisis has reshaped our community.

The safety and well-being of our residents was and is always the City's top priority – both now as we navigate these uncertain times and into the future as we recover. That dedication materialized in the activation of our Emergency Operations Centre where the tireless dedication of staff ensured community alignment with recommendations from Dr. Deena Hinshaw, Alberta's Chief Medical Officer of Health, as well as Premier Jason Kenney and the Government of Alberta.

Each one of us plays an important role in returning our community to a picture of economic, social and educational well-being as soon as possible. **The accomplishments reflected in this 2019 annual report gives us pause to celebrate and to remember that together, we are stronger.**

MESSAGE FROM THE MAYOR



On behalf of City Council, it is my pleasure to present the City of St. Albert's 2019 Annual Report.

As we reflect upon the past year, the word “thoughtful” comes to mind. From the very beginning, thoughtful planning played a significant focus as Council continued to take a long-term view of what is required to have a sustainable city. Later in the year, as we faced the reality of today's federal and provincial economies and the decline of external funding sources, thoughtful reductions and delays to projects were required in our budget to meet the need for fiscal restraint. Being thoughtful also led Council to one of our most meaningful moments in 2019, with the unanimous decision to prohibit conversion therapy in St. Albert. We were the first municipality in Alberta to address the topic and it was one step forward in helping to make a real difference within our community.

In 2019 we also focused on preparing for the future: building on past successes and breaking new ground as well as completing essential infrastructure for our city. A significant accomplishment that occurred early in the year was the 50/50 cost-sharing agreement that was announced between the City and the Province to twin Ray Gibbon Drive. . Over the past year, significant work including public participation was also undertaken for a new community amenity site. In early 2020, all of the hard work came to fruition as Council selected the site at Range Road 260 and voted to move forward with a conditional offer to acquire the lands.

Throughout 2019, we continued to advance Council's Strategic Plan and our six overarching priorities:

- Growth
- Economic Development
- Building a Transportation Network
- Infrastructure Investment
- Housing
- Environmental Stewardship

To achieve our desired outcomes and to find the long-term sustainability we seek, we continued to develop and solidify our relationships outside the boundaries of St. Albert. We also increased our collaboration with our provincial and regional partners. It is vital for us to work in concert with one another, finding synergies and building towards a progressive and prosperous future.

I invite you to read the 2019 Annual Report to learn more about the key corporate activities and accomplishments Administration has achieved to support Council's Strategic Plan. In 2020, Council will continue to work diligently with Administration to make further progress towards our vision. We are committed to ensuring that St. Albert remains a safe, inclusive and welcoming community with a high quality of life for everyone who calls St. Albert home.

A handwritten signature in black ink that reads "C. Heron".

CATHY HERON
Mayor, City of St. Albert
The Botanical Arts City

MESSAGE FROM THE CHIEF ADMINISTRATIVE OFFICER



On behalf of Administration, I am pleased to introduce the City of St. Albert's 2019 Annual Report.

2019 marked a continuation of building on past successes and it also had us challenging ourselves to be more forward-thinking and advance the planning required to meet the community's needs not only for tomorrow but for decades to come. Honing our focus on long-term sustainability also played a key role in 2019 as we continued building relationships, finding synergies and increasing collaboration with myriad provincial and regional partners. This was exemplified by a significant announcement with the Province of Alberta of a 50/50 cost-sharing agreement to twin Ray Gibbon Drive.

The following overview highlights our progress towards Council's Strategic Plan and the six overarching priorities, details of which you will find in the report.

Growth – Work on *Flourish – Growing to 100K*, the City's new Municipal Development Plan (MDP) is nearing completion. The new MDP is a long range policy plan that enables St. Albert to proactively plan for future population and employment growth. Public and stakeholder input helped shape the development of *Flourish*, which is reflective of the community's values and aspirations. The draft MDP document will be shared with the community during the fourth round of public engagement in 2020, prior to proceeding to City Council and the Edmonton Metropolitan Region Board for approvals.

Annexation negotiations continued between the City of St. Albert and Sturgeon County, with the Negotiating Committee confirming a Preliminary Negotiating Annexation Area for public consultation in the Fall of 2019. Both initiatives will continue into 2020.

Economic Development – A Business Retention and Expansion Survey was launched to better understand the plans and needs of local businesses and how business owners and managers view the community as a place to do business. The results will be used to plan future economic development activities focused on the top priorities of local businesses.

Building a Transportation Network – A number of significant initiatives achieved key milestones in 2019. As mentioned earlier, the Province and the City announced a 50/50 cost-sharing agreement to twin Ray Gibbon Drive. The Regional Transit Services Commission Transition Team, which is made up of 13 municipalities including St. Albert, completed substantial work throughout 2019 including the Ernst & Young report. In February 2020, St. Albert City Council voted yes to apply to the Provincial Government to set up a Regional Transit Services Commission. Construction on the Campbell Road Park and Ride Facility began in 2019 and included utility work on Campbell Road. Intersection improvements were completed at St. Albert Trail and Giroux/Boudreau to improve traffic flow and help reduce traffic backup. Detailed design is also underway for the North St. Albert Trail corridor improvement, from just north of the Giroux/Boudreau intersection to the northern City limit.

Infrastructure Investment – Throughout 2019, Administration identified, researched and selected three potential locations for a new community amenity site, and consulted with the public and neighbouring municipalities. In early 2020, Council selected the site at Range Road 260 and voted to move forward with a conditional offer to acquire the lands. This site had the greatest opportunity to support development opportunities along the Ray Gibbon Drive Corridor and provide geographical access to the amenities within future priority growth areas.

Housing – In 2019, Administration researched best practices undertaken by Canadian municipalities to improve housing choice, affordability and accessibility, as well as governance-model options to support the ongoing management and development of non-market housing. Non-market housing refers to ownership or rental housing that is provided at costs below market rates with protection from market-force price increases. In 2020, Administration will provide Council with its recommendations to move forward, including opportunities for social financing based on Council's governance model direction.

The Mayor's Task Force on Homelessness has been formed to provide recommendations on ways the City can support vulnerable populations. Administration will begin implementing Council's approved direction on these projects.

Environmental Stewardship – In an effort to reduce the number of single-use items being used in our community, the City made changes to the Curbside Leaf Pick-Up program in 2019. The City will continue to promote waste reduction within the community in 2020 and beyond.

Many initiatives from 2019 have set the foundation for us to make significant strides in 2020. We are committed to delivering on the services you depend on for a safe, healthy and vibrant community.



Kevin Scoble

Chief Administrative Officer



Introduction

The City of St. Albert is pleased to present its 2019 Annual Report, which provides an overview of the City's various corporate and financial accomplishments throughout the year. These accomplishments are based on the City of St. Albert Council Strategic Plan outlined in the report and the City's audited financial statements.

The Annual Report is divided into four sections:

Introductory Section – includes messages from the Mayor and Chief Administrative Officer and provides an overview of the City of St. Albert, including its city profile and government structure.

Year in Review - provides an overview of key corporate activities and accomplishments based on the City of St. Albert Council Strategic Plan.

Financial Statement Discussion and Analysis - provides the Management and Auditor Reports and presents the audited financial statements including related notes and schedules. A discussion and analysis of the financial statements is also included to enhance the reader's understanding of the City's fiscal results and overall condition.

Statistical Section – provides a summary of various financial and general statistics.

CITY PROFILE

One of the most beautiful cities in Alberta, St. Albert continues to be recognized as a community of choice with its picturesque landscape, celebrated parks and trail system, state-of-the-art amenities, inviting neighbourhoods with tree-lined streets, lively arts and culture, and outstanding attractions and events. In August 2019, the city received its most recent accolade, after Maclean's Magazine named St. Albert the top community in Alberta. St. Albert is a vibrant city with a population of 66,082 (2018 Census report).

With direct access to resource development in northern Alberta and markets in the Edmonton Metropolitan Region, excellent transportation networks, and a highly educated workforce, St. Albert is positioned to attract business and industry to support our local community, its growth, and the surrounding region.

HISTORY OF SETTLEMENT IN ST. ALBERT

We respectfully acknowledge that we are on Treaty 6 territory, traditional lands of First Nations and Métis peoples. As treaty People, Indigenous and non-Indigenous, we share the responsibility for stewardship of this beautiful land.

Father Albert Lacombe and Bishop Alexander Taché, on January 14, 1861, proclaimed Mission Hill as the home of the St. Albert mission settlement. By 1870, St. Albert was the largest agricultural settlement west of Winnipeg, with a population of approximately 1,000. The village of St. Albert was established on December 7, 1899 by order of Council. St. Albert was declared a New Town in the mid 1950s. The City of St. Albert was incorporated on January 1, 1977 and currently covers a total area of 4,973 hectares.

GOVERNMENT STRUCTURE

The City of St. Albert's mandate is to provide social and recreational programs, protective services, transportation systems, public utilities, and other local services to the community. The municipality consists of two branches – a legislative branch (comprising City Council), and an administrative branch (led by the Chief Administrative Officer).

City Council consists of a Mayor and six Councillors. Council is elected at large by residents to serve a four-year term and governs in accordance with powers granted under the *Municipal Government Act*. City Council provides strategic direction to Administration through plans, bylaws, policies and other governance processes.

The last municipal election took place in October 2017.

CITY COUNCIL

CITY COUNCIL 2017–2021



CITY COUNCIL VISION, MISSION AND VALUES

City Council's Vision, Mission, and Values provide Administration the foundation to make recommendations to Council and to guide Administration's decisions. The Vision describes the type of city that Council wants St. Albert to become; the Mission describes the Council's purpose; the Values define how Council will carry out decisions and actions.

COMMUNITY VISION

A vibrant, innovative and thriving city that we all call home, that sustains and cherishes its unique identity and small-town values. We are the Botanical Arts City.

PILLARS OF SUSTAINABILITY



Social – We are a friendly and inclusive community of passionate equals, where everyone feels a sense of belonging. We believe that community starts with the person next door.



Economic – We prosper and excel through a strong and diverse economy that is supported by forward-thinking commerce, outstanding local businesses and a dynamic downtown core.



Built Environment – We build our community towards the future to sustain balanced development, with a reverent eye to the past, honouring our unique settlement history and distinct identity.



Natural Environment – We protect, embrace and treasure our deeply-rooted connections with the natural environment through championing environmental action.



Culture – We are proud of our storied history that has fed and nurtured our festive and culturally-rich community.

MISSION

Represent the residents of St. Albert, make decisions in the best interests of the entire community and ensure the corporation delivers results that will help sustain a high quality of life for St. Albertans.

VALUES

Community - Consider the best interests of the community.

Engagement - Engage residents and stakeholders in City Council and community matters.

Integrity - Behave consistently with our values.

Respect - Respect and consideration for all people and their perspectives.

Stewardship - Stewardship of community resources.

Trust - Earn and retain trust.

Understanding - Understand the issues – be inquisitive, informed and prepared.

Acceptance - Accept the diversity of opinions and skill sets of Council members.

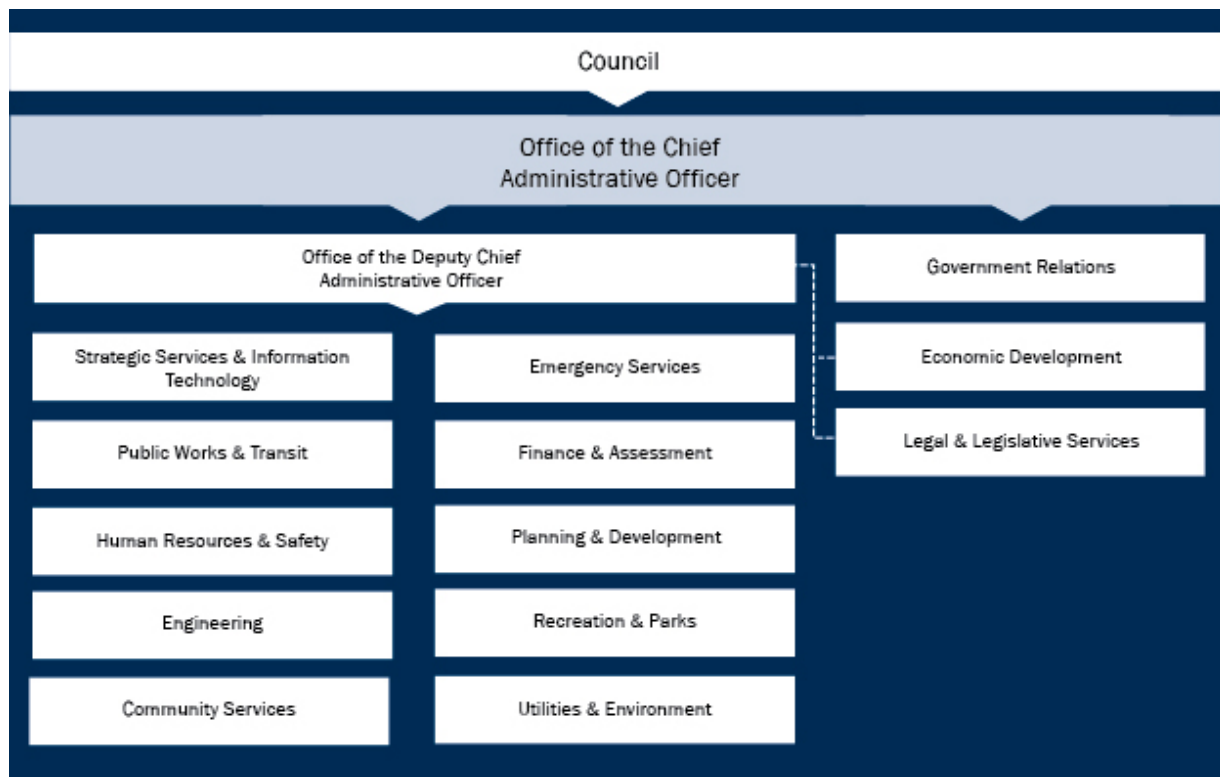
Forward Thinking - Employ a forward-thinking mindset when faced with decisions that impact the long-term sustainability of the community.

ADMINISTRATION

City Administration is led by an appointed Chief Administrative Officer (CAO). The CAO is Council's only employee. The CAO oversees 668.28 permanent full-time equivalent positions along with seasonal and other non-permanent staff who carry out the day-to-day operations of the City.

The Executive Leadership Team serves as the organization's executive administration and provides strategic direction. The Executive Leadership Team includes the CAO and the Deputy Chief Administrative Officer (DCAO).

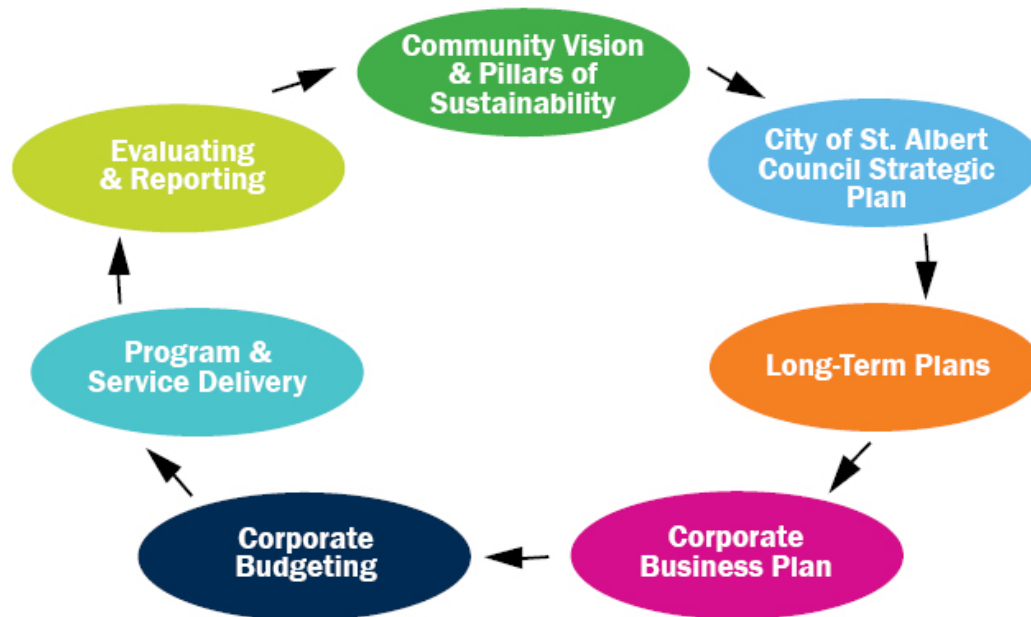
A broader Leadership Team provides essential support and operational direction. It is made up of department directors.



CITY OF ST. ALBERT STRATEGIC FRAMEWORK

Our strategic framework consists of the City listening, responding, delivering services and reporting to residents. Ongoing public consultation also takes place throughout each phase to hear from residents and help guide decisions.

This structured framework provides clarity and directs the City's future, as well as provides a balanced approach to achieve long-term plans and focus on short-term action.



COMMUNITY VISION AND VALUES

The Community Vision and Pillars of Sustainability provide Administration with a single, shared community vision and set of sustainability pillars to govern, align and conform all strategic planning and decision-making efforts across the City.

CITY OF ST. ALBERT COUNCIL STRATEGIC PLAN

Council's strategic directions shall be identified through the development of a four-year City of St. Albert Council Strategic Plan. The strategic plan identifies Council's priorities for their term, based on its interpretation of the Community Vision and Pillars of Sustainability, long-term plans and other input from the community.

LONG-TERM PLANS

Long-term plans align with the strategic framework and act as the primary long-term plans to achieve the Community Vision and Pillars of Sustainability. These plans include the Municipal Development Plan (MDP), Master Plans, Long-Term Department Plans and other directional plans as deemed appropriate.

CORPORATE BUSINESS PLAN

Administration shall develop a Corporate Business Plan to support the implementation of the City of St. Albert Council Strategic Plan. The Corporate Business Plan shall provide an overview of the strategic initiatives undertaken in support of the Council Strategic Plan as well as key Administrative Priorities that will be addressed within the next four years. This plan guides Administration in the delivery of Council's strategic vision. Once developed, the Corporate Business Plan provides direction for the development of Department Business Plans.

CORPORATE BUDGETING

The corporate budget is the financial representation of the City of St. Albert Council Strategic Plan. All strategic and operational efforts that result from the Council Strategic Plan and Corporate Business Plans are aligned to the City's budget cycle. Each year, Administration prepares a Corporate Business Plan that provides a summary of key strategic priorities, major projects and supporting budget requirements to residents during the annual budget process.

PROGRAM & SERVICE DELIVERY

City Administration delivers programs and services to meet the needs and enhance the quality of life of residents, businesses and stakeholders. The services delivered to the community are documented in the Services and Service Levels Inventory, which serves as a foundation for the Service Delivery Component of the Strategic Framework. Annually, City Council approves services and associated levels of service before Administration develops a budget that ensures delivery of services is maintained.

EVALUATION & REPORTING

The City communicates its progress towards achieving the Community Vision through reporting. This includes both quantitative and qualitative statistics based on measurable indicators. Reporting typically occurs on a quarterly and annual basis.





Year in Review

CITY SERVICES

The City provides a wide range of services related to:

- community events,
- community safety,
- community social support and development,
- culture and heritage programming,
- economic development,
- environmental sustainability,
- recreation and sports programming,
- transit, and
- transportation and infrastructure.

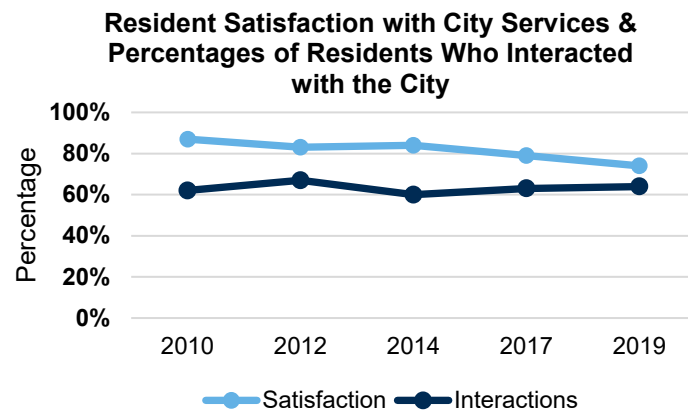
Everyday, residents encounter services that are offered through the City and make positive impacts on the community. This section includes an overview of city services along with key statistics to help illustrate the context in which these services are delivered.

CUSTOMER ACCESS SERVICE

FRONT COUNTER SERVICE

City staff provide front counter services to address needs and inquiries including:

- tax and assessment inquiries;
- revenue collection and payment;
- utility account management;
- business licences and permits/licences issuance;
- planning and development inquiries;
- engineering inquiries;
- construction information desk;
- police and bylaw inquiries;
- cemetery management;
- Freedom of Information and Protection of Privacy (FOIP) requests; and,
- cultural and recreational program information and registration.



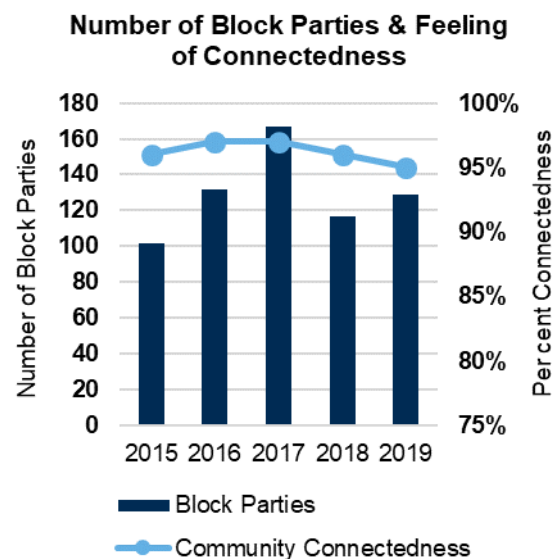
PROVISION OF FOOD AND BEVERAGES

The City provides food and beverage service at six locations through lease agreements, including Woodlands Water Play Park, Grosvenor Outdoor Pool, Iginla Arena, Fountain Park Recreation Centre, Larry Olexiuk Field, and Servus Place. Additionally, the City operates the Starbucks within Servus Place.

COMMUNITY DEVELOPMENT

COMMUNITY AND NEIGHBOURHOOD CAPACITY BUILDING

The City seeks out and creates opportunities to educate and promote awareness of social issues that may affect individuals or groups. Services are proactive to reach out to community members that may not have the capacity to advocate for themselves and to bring community members together to address issues and solve problems.



Since 2008, Block Parties have become a big part of living in St. Albert. This active participation in the community has helped build a caring and safe community.

COMMUNITY GROUPS SUPPORT AND CAPACITY BUILDING

St. Albert highly values the work of groups and individuals who are active in promoting the community's well-being and development in areas including arts and culture, recreation, and environmental protection. The City maintains contact with active community groups, creates opportunities for residents to volunteer on community issues and service delivery, and works with groups to facilitate and support their activities.

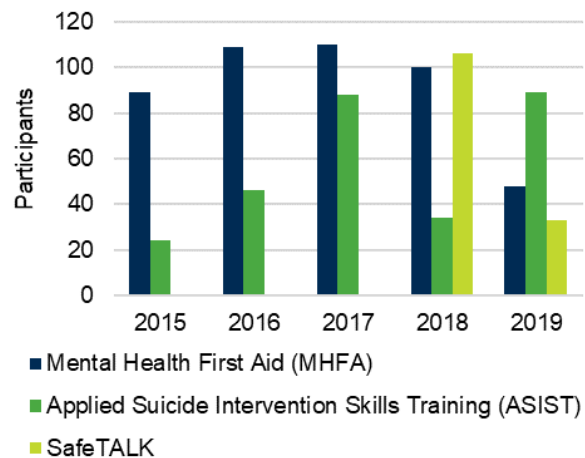
COMMUNITY GRANTING AND SUPPORT FOR DELIVERY OF SERVICES

St. Albert provides various grants to not-for-profit organizations and residents in the areas of special events, sport and culture development, operational funding, capital renovations and development, and environmental initiatives. Additional grants are provided for the delivery of preventative social services, heritage programming and services, and library services. Partnerships are also funded with community groups for the delivery of sport and recreation programs.

COMMUNITY EVENTS

The City hosts arts, cultural, recreational and environmental events and festivals throughout the year including the Amplify Youth Festival, Northern Alberta International Children's Festival, Servus Place Halloween Haunt, Canada Day, Clean and Green RiverFest and Earth Hour, among others.

Mental Health Education & Training in the Community



Increased ASIST training is building capacity to support an increase in suicidality that is being experienced among youth and young adults.

ENVIRONMENTAL PROTECTION AND STEWARDSHIP

ENVIRONMENTAL STRATEGY, RISK AND COMPLIANCE

These services are aimed at measuring and monitoring the quality of St. Albert's air, water, and other natural resources, ensuring that environmental protection and compliance is incorporated into City activities, and responding to toxic spills and environmental liability issues.

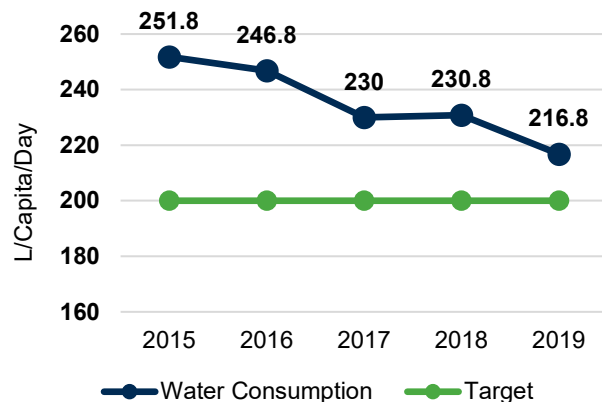
To do this, the City monitors: air quality, greenhouse gas emissions, energy management, water quality of the Sturgeon River, solid waste generation, and water consumption. Spills and releases are also monitored, reported and recorded in a central database.

WASTE MANAGEMENT

Waste collection and disposal services ensure that possible waste is recycled into resources such as compost and that hazardous wastes are properly disposed. St. Albert offers a complement of waste management services to the community including:

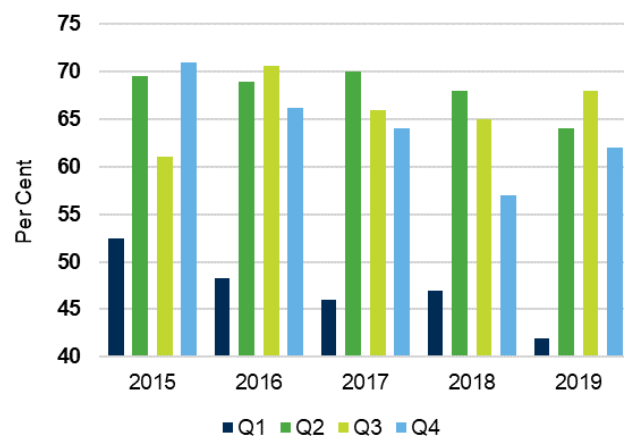
- collection, processing and disposal of landfill, organic waste and recyclable material for residents, City facilities and community schools; and,
- a centralized site where residents can bring yard waste, recycling (paper, cardboard, food cans and tins, clear glass jars, and Styrofoam), hazardous waste and electronics for proper disposal.

Water Consumption Per Capita Per Day



In the past five years, residents are using less water per capita per day and on average are nearing the City's target of 200 L/capita/day.

Landfill Diversion Rate



Q1 remains the quarter with the most diversion challenges. Recent global changes to recycling have impacted residents' ability to divert waste.

URBAN FORESTRY AND TURF MAINTENANCE

A beautiful and functioning natural environment is a keystone of quality of life in St. Albert. Trees and greenspaces in the City's urban, park and natural area settings are monitored and maintained to optimize their aesthetic, recreational and environmental values. The City provides services such as:

- grass cutting, fertilizing, aerating, sweeping,
- litter collection of sports fields, parks and natural areas,
- maintenance of the urban tree canopy, including:
 - tree planting, maintenance and inspections, and
- maintenance of healthy turf and urban forests in public areas.

St. Albert has been recognized as a tree city of the world. The Arbor Day Foundation and the Food and Agriculture Organization of the United Nations congratulated St. Albert on earning recognition for the 2019 Tree Cities of the World. St. Albert is one of nine other Canadian cities that are being recognized around the world, with a tree count of over 65,000. This includes park and boulevard trees, not natural area trees.

WATER, STORMWATER AND WASTE WATER MANAGEMENT

The municipal water supply system is municipally operated to provide safe drinking water to all residents. The City manages neighbourhood drainage problems and the stormwater runoff that ultimately flows into the Sturgeon River and collects and treats waste water.



LAND AND ECONOMIC DEVELOPMENT

LAND USE PLANNING

Administration assesses needs and plans for future community and City buildings, capital improvement projects, schools and affordable housing. The City is also responsible for processing and coordinating statutory plans, amendments and subdivision and condominium applications.

DEVELOPMENT

Administration reviews and processes applications for approval and enforcement of the Land Use Bylaw.

The service includes review of:

- new development and infill-related infrastructure required to service lands,
- traffic-related data to growth impacts, and
- proposed development (non-traffic control related) signage.

This work also includes:

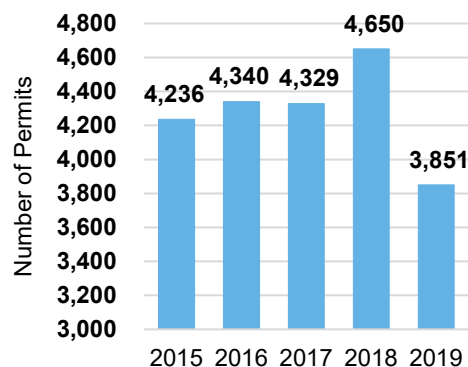
- calculating levies,
- requesting to off-set approved projects, and
- ensuring that any work approved is consistent with best practices.

Once approved, the City issues servicing permits required to connect new development into any City utilities.

The City oversees land development for private and public purposes for the community. Key services include:

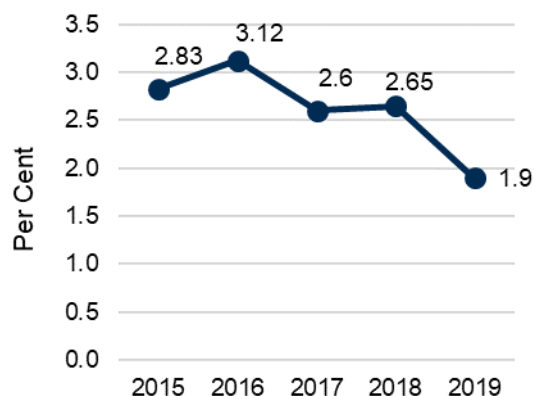
- working with developers to process construction applications and permits to ensure compliance with planning goals and regulations, and
- administering the Off-Site Levy Program to provide for infrastructure to serve and mitigate the impacts of new development.

Total Permits Per Year



Total number of building permits in 2019 declined from 2018 levels. This reflects the challenging economic environment.

Taxable Assessment Growth



Assessment growth for 2019 was 1.9%. This level of growth is lower than previous years.

CONSTRUCTION MANAGEMENT

The City plans, budgets, and manages capital projects from the initial concept phase, through design, construction and project closeout. This includes “repair, maintain and replace” (RMR) projects and new community infrastructure. Additionally, On-Street Construction Permit Applications and associated traffic accommodation plans are reviewed and issued upon compliance.

BUSINESS ATTRACTION, RETENTION AND EXPANSION

The health of local business is vital to making sure St. Albert remains a vibrant community. The City provides support and business development services to entrepreneurs, existing businesses, new businesses, tourism operators, and investors through targeted capacity building and grant programs. Additionally, developers are provided project review and ongoing management support of land and real estate developments, from initial contact to project completion.

Sponsorship and advertising opportunities are provided to the business community at various City facilities and physical spaces, such as recreation facilities.

MOVEMENT OF PEOPLE AND GOODS

TRANSPORTATION MANAGEMENT

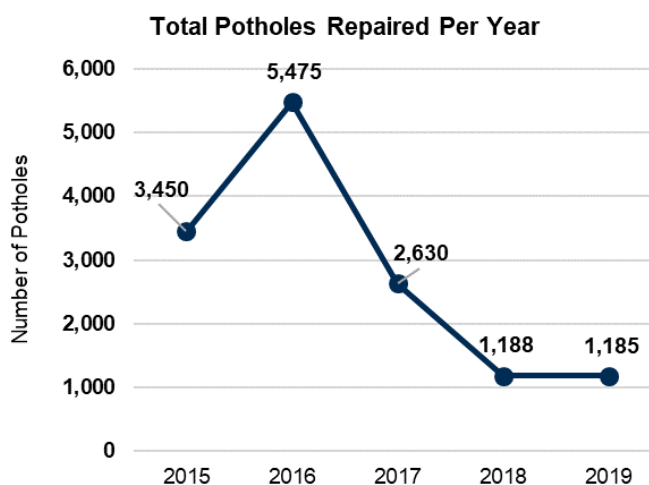
The City provides transportation management services by way of traffic signals and systems, traffic signs and markings to support safe and efficient movement of goods and people. The City is responsible for planning, installing, replacing, inspecting and maintaining these assets and systems.

Additionally, the City collects transportation network data as related to network safety and operations. The information is used for network growth analysis and warrant studies (traffic control and pedestrian crossings).

The City also reviews and approves routing for the transfer of large loads and dangerous goods through the city.

ROADWAY REPAIR AND MAINTENANCE

These services focus on ensuring that roadway infrastructure provides effective movement of people and goods. Key programs the City also provides are roadway surface repair and maintenance, and street cleaning.



The graph above shows traditional pothole repairs. In recent years the City has been more proactive in its repairs and has also incorporated new techniques that would not be captured in these numbers.

TRANSIT PROGRAM

The City offers local and commuter conventional transit, specialized transit (Handibus) for residents with reduced mobility, and charter bus services. For St. Albert residents, public transit services provide safe, reliable, equitable, convenient and cost-effective travel within the city and to and from Edmonton.

PUBLIC SAFETY

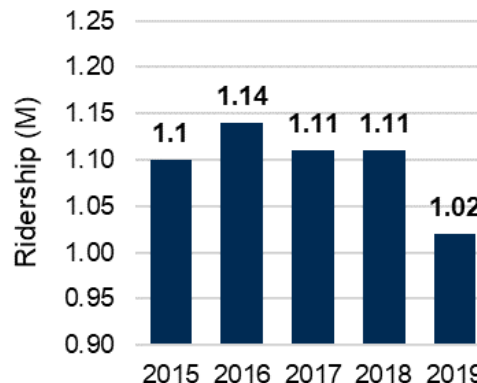
FIRE PREVENTION, RESPONSE AND ENFORCEMENT

The City of St. Albert is responsible for fire prevention, response and enforcement. This includes response to emergency and fire calls from 911 operators, evaluation and other forms of notification, and dispatching the appropriate response units. Fire services responds to all types of emergency events including fire, rescue, service calls, dangerous goods releases, motor vehicle accidents and ice/water rescue.

Additionally, services are provided through the operation of an after-hours emergency call centre for City of St. Albert and emergency call-in functions.

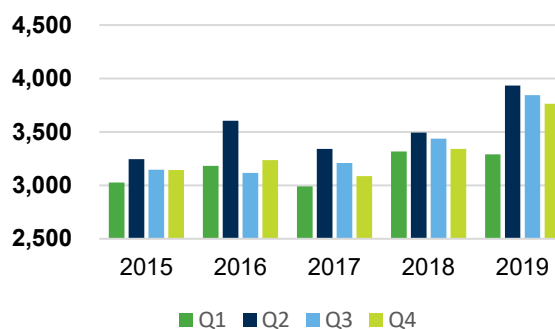
Enforcement of the Alberta Fire Code and other relevant laws pertaining to safety and prevention, including information and inspections, form a key part of the fire prevention services in addition to the design, delivery and evaluation of public education programs to promote fire and home safety and preparedness.

St. Albert Transit Annual Ridership



Transit overall ridership appears to be exhibiting a trend of stabilization, which is positive in a challenging environment that has seen slightly declining transit ridership across Canada and the United States due to economic conditions, aging demographics and the growth of alternative transportation options such as shared-ride services.

Total Number of 911 Calls Received per Qtr.

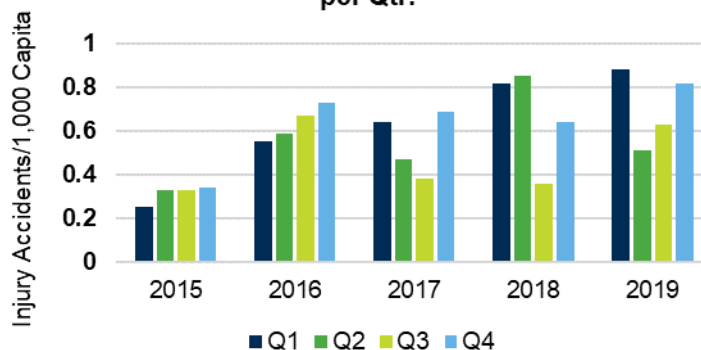


Generally, the City is seeing an overall increase in the total number of 911 calls year over year, which is to be expected with year over year population growth.

MEDICAL EMERGENCY

The City offers dispatch services for fire and medical response teams for St. Albert as well as regional municipalities to ensure sufficient coverage in case of emergency. Additionally, the Medical First Response (MFR) service is provided for very serious medical emergencies or when there is a known delay in response for an ambulance.

Vehicle Injury Accidents per 1,000 residents per Qtr.



BYLAW AND PROVINCIAL ACT ENFORCEMENT

St. Albert's bylaw services respond to public complaints and enforce municipal bylaws and provincial statutes. This includes, but is not limited to community standards enforcement, animal control, parking enforcement, as well as the *Alberta Traffic Safety Act* and portions of the *Alberta Gaming, Liquor and Cannabis Act*.

2019 experienced more vehicle injury accidents than previous years, in most quarters because of poor weather and road conditions.

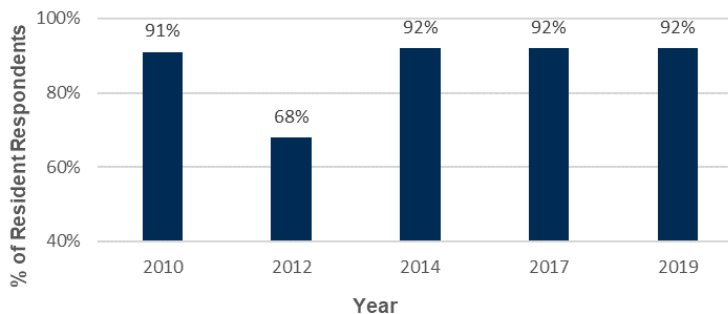
POLICING SERVICES

Policing Services in the City of St. Albert are under contract with Public Safety Canada and the RCMP is designated as the Municipal Police Service. As per the agreement, the RCMP provides services necessary to preserve the peace, protect life and property, prevent crime and offences against the laws of Canada and Alberta. This includes:

- apprehending criminals, offenders and others who may be lawfully taken into custody,
- executing all warrants, and
- providing services necessary to prevent bylaw offences after giving due consideration to policing demands.

The RCMP determines appropriate policing responses in accordance with the Municipal Police Services Agreement. Calls received from within the St. Albert jurisdiction are transferred to the appropriate service provider (fire/ambulance) or recorded and disseminated to RCMP and Municipal Enforcement employees.

Percentage of Residents who agree that St. Albert is a Safe Place to Live



RECREATION, PARKS AND CULTURE

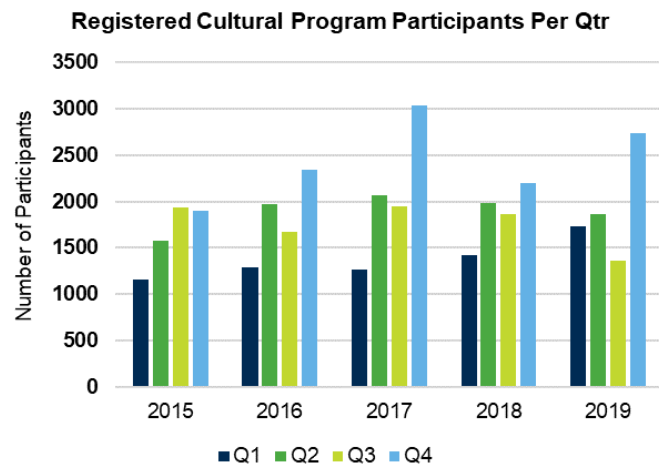
PUBLIC ART

St. Albert recognizes public art as a defining characteristic of our community identity. As such, the City is responsible for the maintenance of the City's public art inventory, through the maintenance, addition and removal of pieces from the inventory.

ARTS AND CULTURE PROGRAMMING

The City greatly values the role and contribution of artists living and working in St. Albert. To create opportunities for people to participate, the City offers classes in performing arts such as drama, musical theatre and dance and visual arts including painting, sculpture and photography.

St. Albert operates cultural venues, including The Arden Theatre and St. Albert Place Visual Arts Studios.



RECREATIONAL PROGRAMMING

The City coordinates recreation programming opportunities for registered and drop-in participants at community facilities, parks and open spaces. These services include:

- aquatics,
- recreation,
- fitness,
- childminding services, and
- parks.

CULTURAL FACILITY ACCESS

The City coordinates booking opportunities and access to cultural facilities operated by the City. This includes bookings at St. Albert Place Visual Arts Studios, The Arden Theatre, and St. Albert Place lobby and plaza.

RECREATIONAL AND SPORT FACILITY ACCESS

The City offers access to:

- aquatic facilities,
- dry floor, artificial turf, natural turf,
- ball diamonds,
- open level areas,
- fitness equipment (indoor and outdoor),
- gymnasiums,
- track facilities,
- ice arenas,
- indoor gymnasium space, and
- recreational play structures for a full spectrum of recreational activities.

Facilities are offered for both scheduled and spontaneous use.

The City also provides access to purpose-built recreational environments dedicated to specialty recreation and sports activities, such as the skateboard park and the BMX track. In addition, running/walking tracks and amenities are available. The City also maintains ice dedicated for recreational and sporting uses.

The City, in conjunction with community groups, provides programming at indoor and outdoor aquatic facilities including Grosvenor Outdoor Pool, Fountain Park Recreation Centre, and Woodlands Water Play Park.

Some recreation and sport facilities also provide a space for events such as social gatherings, business conferences and meetings. St. Albert provides facility services assistance at recreation facilities to support users and meet their needs in safe and clean facilities.

PARKS AND OPEN SPACES

St. Albert operates and maintains neighbourhood and community parks to give residents varied opportunities to spend time outdoors passively and actively. Many parks and open spaces are served by trail connections for pedestrians and cyclists to enjoy landscapes like the Sturgeon River shoreline and Big Lake. There are also dog parks, so residents can enjoy outdoor activities with their dogs.

SOCIAL SUPPORT

COUNSELLING AND OUTREACH SERVICES

This program includes free, confidential counselling to school-aged children, youth, young adults, adults and families. The City provides counselling and outreach services primarily focused on school-aged children and their families. Opportunities are also provided for youth to build interpersonal and leadership skills. Local venues are available for connecting with other youth and with mentors.

GOVERNANCE AND PUBLIC COMMUNICATION AND PARTICIPATION

GOVERNANCE

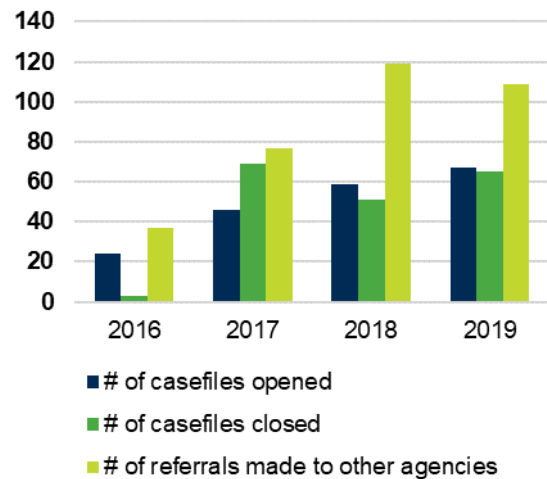
Administration provides technical advice and expertise regarding compliance with governing legislation and coordination of the development of agendas, reports, materials and minutes/records for Council and committee meetings. Additionally, the City coordinates key legislative processes such as municipal elections and municipal censuses.

PUBLIC COMMUNICATION AND PARTICIPATION

The City also places a high priority on including public input into plans and actions that shape the City's future. Residents' opinions and satisfaction are included in decision-making processes in order to continuously improve service delivery to the community.

Staff advise on, plan and execute strategies to inform residents and communicate the value of the City's programs, services and initiatives, and Council's goals and priorities. The City's social media, web presence, communications, media relations, and publicity for City activities and events are managed in-house.

Community Youth Intake Counsellors



Community counselling and support provides direct support to youth and young adults through information and referral, initial assessment and consultation, and outsources links to community resources and advocacy. The top three issues presented by youth: meeting basic needs, mental health and employment.

CITY OF ST. ALBERT COUNCIL STRATEGIC PLAN 2019 PROGRESS UPDATE

Ranked as one of the best places to live in Canada, St. Albert is a unique and vibrant community. Low crime rates, increasing business and development opportunities, quick access to health care, recreation, and cultural amenities as well as being on the doorstep of a beautiful river valley, parks and trails make St. Albert the ideal place to live and work.

Working from this foundation, the Strategic Plan is about being open and transparent and providing clear direction to maintain and improve these conditions which has made St. Albert one of the most successful and dynamic places in Canada.

The Strategic Plan is St. Albert City Council's vision for its four-year term spanning 2018 to 2021. It describes the areas in which Council will focus and provides the specific direction in which the Administration intends to support Council. It is visionary and ambitious, but it will succeed with hard work and broad support from the community.

St. Albert City Council has identified six areas which will receive focus during their term. Listed in no particular order of importance or priority, these strategic areas were selected based on community feedback, current service information from Administration, and a thorough understanding of the challenges that lie ahead.

For each strategic priority, Council outlined the outcome it desires to achieve over this term.

Council's goal is to ensure that the strategies identified in the Strategic Plan will keep St. Albert on the right path and help guide it into the future. The goals identified in the Strategic Plan provide the foundation for the activities in the Corporate Business Plan and will ensure St. Albert continues its journey as one of the most desirable and best places to live.

The following section provides an overview of progress made in 2019 towards achieving the strategic priorities outlined in the City of St. Albert Council Strategic Plan. For more details on progress of individual initiatives, please see the Corporate Quarterly Reports on the City's website.



COUNCIL STRATEGIC PRIORITIES

STRATEGIC PRIORITY #1:

Growth Policy Framework: Develop a robust policy framework to guide growth.

DESIRED OUTCOME

Revise the Municipal Development Plan framework to provide direction to growth needs, annexation positioning, and our role in regional government.

PROGRESS TO DATE

Revision of the Municipal Development Plan (MDP) continues to progress. Ongoing community engagement involved several public events and a photo contest. Many of the policies related to the draft goals and land use designations were drafted and refined. Aligning the timing of this project with other large projects, such as the community amenities project, resulted in some delays. Next steps include completing a draft of the MDP and preparing for community engagement on the draft.

The City of St. Albert is currently engaged in two annexation discussions: one with Sturgeon County and another with the City of Edmonton. The goal for the discussions with Sturgeon County is to achieve an uncontested annexation application. Engagement sessions were held in November with landowners and the public. Technical studies were completed and submitted to St. Albert and shared with Sturgeon County. The Annexation Negotiating Committee approved an annexation technical line. Work will continue on the development of a Financial Impact Assessment.

Discussions and meetings with the City of Edmonton continued. Technical reports were completed and will help to inform next steps in the months ahead regarding current boundary adjustments within the adjacent area.

The City is undertaking a five-phased project to assess the city's regional competitiveness. The competitive analysis (Part A) was completed and presented to the Economic Sustainability Advisory Board and the Chamber of Commerce Governance Committee. A review of the land development process (Part B) is expected to be completed by the end of January 2020. Work also started on a project designed to develop a corporate wide value proposition for the City of St. Albert.

Administrative Activities Supporting This Priority

Complete revision of the Municipal Development Plan (MDP).

City of St. Albert annexation of Sturgeon County Land.

City of St. Albert annexation of City of Edmonton Land.

Investigate and recommend alternative solutions to improve the competitiveness of development in St. Albert.

Develop a value proposition (inclusive of all the City offerings) to attract businesses, residents and other institutions to St. Albert.

COUNCIL STRATEGIC PRIORITIES

STRATEGIC PRIORITY #2:

Economic Development: Enhance business/commercial growth.

DESIRED OUTCOME

St. Albert will work towards an innovative, investment-positive environment that will support and encourage the development of new, existing, and emerging sectors.

PROGRESS TO DATE

Economic development remains a chief priority for the City of St. Albert. Part of pursuing economic development includes ensuring proper statutory plans are in place, effective processes guide applications from start to finish, and the City is focused on industries and sectors that will bring the most value to the community.

An Invitation to Tender (ITT) for preliminary engineering and geotechnical studies relating to the development of the Area Structure Plans (ASPs) for Lakeview Business District and the Badger Lands was completed. Funding for future phases was removed from the City Financial Plan and Budget in 2019, delaying the posting of the ITT.

Administration is working to define the scope for third-party led ASPs. Support and review of planning applications is part of core service delivery at the City of St. Albert.

The Green Tape 2.0 Initiative will map and improve the existing development process. This initiative aligns with the competitive analysis work being done under Strategic Priority #1.

Support for business growth and development continued to be a focus in 2019. Key initiatives completed include: The Business Retention and Expansion study with feedback from over 150 businesses; a report outlining ten niche sectors for further evaluation; and key stakeholder engagement to identify service level gaps and potential partnerships to support entrepreneurs.

Work to develop a regional approach for economic development will continue with Edmonton Global and other stakeholders.

Administrative Activities Supporting This Priority

Undertake technical studies for an approved Area Structure Plan (ASP) for the Lakeview and Badger lands considering alternate servicing options and equitable return for the City of St. Albert.

Encourage and support completion and approval of third-party led ASPs in growth areas.

Develop and recommend Green Tape 2.0 initiatives to enable increased growth, investment, and commerce in St. Albert, focusing on a strong collaborative model.

Adopt a broader economic sustainability platform to develop commerce retention and resiliency strategies.

Develop and implement strategies for non-traditional economic development activities.

Develop strategies to enable entrepreneurial ventures and groups.

Develop catalyst strategies for new business opportunities within the community.

COUNCIL STRATEGIC PRIORITIES

STRATEGIC PRIORITY #3:

Building a Transportation Network: Integrated transportation systems.

DESIRED OUTCOME

Increase the efficient and effective movement of people and goods in St. Albert through integrated modal planning and regional cooperation.

PROGRESS TO DATE

The transportation network is a top priority for the residents of St. Albert. The positive momentum created on this priority in 2018 carried forward into 2019.

The Province of Alberta and City of St. Albert signed an agreement for funding the widening of Ray Gibbon Drive over the next 10 years. Preliminary engineering work was completed for Phase 1 (south city limit to north of LeClair Way).

Implementation of the Intelligent Transportation System (ITS) strategy continued in 2019. Pilots, with two different technologies, tested adaptive signal controls at some intersections along St. Albert Trail and Boudreau Road. Recommendations will be made in 2020 on fully implementing the adaptive signal operations along these two corridors.

Work on the Arterial Network Improvement Strategy also began.

Construction started at St. Albert Trail and Boudreau Road and progress was made on the Fowler Way, Neil Ross Road and Villeneuve Road projects.

The Regional Transit Services Commission Transition Team, chaired by Councillor Brodhead, completed its final report. Individual Councils will make the decision whether to join the Transit Commission and determine next steps. St. Albert Council passed a motion in early 2020 to officially join the Regional Transit Commission. St. Albert was the first community in the region to pass such a motion.

Administrative Activities Supporting This Priority

Steward the construction schedule, mitigating the associated risks, for the four phases of twinning Ray Gibbon Drive, in its entirety to 2029, to an arterial standard.

Implement the approved Intelligent Transportation System (ITS) strategy.

Implement the prioritized inventory of approved arterial network improvements.

Continue to pursue an Integrated Regional Transit Commission through the transition phase.

Build the Campbell Road Transit Facility and Park & Ride.

Complete the Transit Local Service Restructure considering on-demand services and partnerships with service providers and ridership groups.

Implement the prioritized inventory of approved Transportation Safety Plan programs and projects.

Integrate active transportation into the planning process for the Transportation Master Plan.

The construction of the Campbell Park and Ride facility is ongoing. Concrete work for the bus loop has started, parking lot base prep is underway, and a local service restructure was completed. The revised routes will accommodate the extension of the transit centre to Campbell Road.

Progress was made on implementing key elements of the Transportation Safety Plan. Traffic calming measures were put in place for Lennox Drive and in the Erin Ridge neighborhood and an open house was held to discuss traffic calming measures in Grandin. Additionally, the City continued its involvement with the Capital Region Intersection Safety Partnership.

The Active Transportation Plan Development Strategy and Gap Assessment was completed and presented to Council. Work was also completed on integrating Active Transportation Planning with the Network Improvements Strategies.



COUNCIL STRATEGIC PRIORITIES

STRATEGIC PRIORITY #4:

Infrastructure Investment: Identify and build needed capital assets.

DESIRED OUTCOME

Update and implement the Capital Plan based on an assessment of community needs and financial capacity, including a review of all funding options and shared use opportunities.

PROGRESS TO DATE

The Recreation Intermunicipal Collaboration Framework (ICF) Task Force between the City of St. Albert and Sturgeon County worked to develop and endorse principles of collaboration, a gap analysis, and environmental scan. Work also started on the development of the ICF Bylaw.

While recent changes introduced by the Government of Alberta to the requirements for ICFs mean municipalities are no longer required to complete them, work on this project continues. St. Albert and Edmonton City Councils successfully passed and signed their ICF in early 2020.

The Asset Management Committee has been working to inventory, assess and estimate the cost of existing assets for both facilities and equipment. The intention of this work is to understand the total cost of ownership and have an accurate assessment of the City's current inventory. A corporate asset management plan and policies have been developed and are currently under review.

Throughout 2019, Administration identified, researched and selected three potential locations for a new community amenity site, and consulted with the public and neighbouring municipalities. In early 2020, Council selected the site at Range Road 260 and voted to move forward with a conditional offer to acquire the lands. This site supports development opportunities along the Ray Gibbon Drive Corridor and provides access to amenities within future priority growth areas.

Administrative Activities Supporting This Priority

Identify feasible strategies for near term development horizons for community facilities inclusive of land, financing and partnership opportunities.

Identify an inventory of existing facilities including an assessment of condition and usability and identify gaps in land and facility supply and demand.

Adopt a total cost of ownership approach in assessing lifecycles of existing and new assets.

Support intermunicipal partnerships for shared infrastructure investment.

COUNCIL STRATEGIC PRIORITIES

STRATEGIC PRIORITY #5:

Housing: Enhance housing options.

DESIRED OUTCOME

Facilitate an increase in the variety of housing types in St. Albert to respond to market demands and accommodate the diverse needs of residents.

PROGRESS TO DATE

Growth scenarios have been incorporated in the Municipal Development Plan (MDP) revision and include intensification targets. Work continued on MDP policy development, which will inform the revitalization strategies.

Work around affordable housing also progressed in 2019. A Best Practices Summary document was developed based on research from comparator communities and the feedback provided by social service stakeholders and community housing providers. The Affordable Housing Governance Model Report was presented to the Community Living Standing Committee (CLSC).

Research to identify the vulnerable populations in St. Albert and identify housing options that could support them has started. The Mayor's Task Force to End Homelessness continued its work to review data, explored best practices at the regional, provincial and national levels, and developed actionable recommendations for Council's consideration.

Administrative Activities Supporting This Priority

Develop revitalization strategies for mature neighbourhoods.

Work with regional partners to explore the creation of additional housing options to address issues of affordability and accessibility and review best practices for alternative financing.

Explore interim housing options to support vulnerable populations.

COUNCIL STRATEGIC PRIORITIES

STRATEGIC PRIORITY #6:

Environmental Stewardship: Explore innovative environmental and conservation opportunities.

DESIRED OUTCOME

Seek innovative practices to protect waterways and green spaces and reduce our environmental footprint, to ensure the vitality of our natural resources for future generations.

PROGRESS TO DATE

Council approved the Proposed Single Use Item Reduction Strategy work plan. The work plan outlines the planned education and outreach, waste characterization and public engagement initiatives to be completed. The City incorporated the Curbside Leaf Pick-Up for 2019 to be plastic free. A request for proposal (RFP) process was also initiated for a curbside waste composition study to be completed in 2020.

The City explored opportunities for alternative servicing and is conducting a pilot in collaboration with the City of Edmonton to investigate ways to generate revenue from solid waste gasification. This pilot will continue in 2020.

The City continued to investigate net zero residential development by conducting benchmarking research and site visits to comparator communities with net zero residential neighbourhoods. A white paper summarizing these findings was completed.

The City has started documenting the current state of master planning across the organization in order to develop a new long-range planning framework for St. Albert. Interviews with other municipalities were conducted to learn more about different approaches to long-range planning. This long-range planning framework will provide more structure to how the City executes on long-term planning documents and will ensure alignment with the Community Vision and revised Municipal Development Plan.

Administrative Activities Supporting This Priority

Enhance waste minimization strategies with emphasis on reduce and reuse activities.

Identify sustainable (environmental, economic, social) alternative servicing opportunities, considering net environmental effects, to reduce environmental receptors' impact, reduce servicing costs and generate revenue.

Identify strategies to enable net zero residential, commercial and industrial development and identify potential projects for implementation.

Investigate and integrate existing environmental master plans into the Municipal Development Plan (MDP) and related plans activities.



Financial Statement Discussion and Analysis

The 2019 Annual Report for the City of St. Albert provides its recent financial performance, including significant financial practices, strategies, and events.

Combined with the City's consolidated financial statements, the Financial Statement Discussion and Analysis (FSD&A) section of the Annual Report is prepared by management in accordance with the principles and standards established by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada, as well as the *Municipal Government Act* and provincial and federal regulations.

The FSD&A aims to provide the past year's results, with a summary of the sources, allocation and use of the economic resources, while capturing significant differences between the reported year and previous year as well as budgeted and actual results. This reports on how the financial resources entrusted to the City are being managed to provide municipal infrastructure, programs, and services. It depicts how the activities of the period have affected the municipality's results. Moreover, the FSD&A also identifies trends, risks and anticipated events that could have financial implications on the operations of the City.

Management has made every effort to ensure the consolidated financial statements present a fair accounting of the City's consolidated operating and capital activities for the fiscal year ended December 31, 2019. The City's consolidated financial statements are prepared and reported in observation of the City's policies and bylaws, where City Council provides governance and guidance to policy and bylaw changes and approval. To ensure accountability, City Council conducts quarterly and year-end reviews of the financial results. The consolidated financial statements include the City government and its utilities, the St. Albert Public Library and the Arts and Heritage Foundation of St. Albert.

The City's auditor, KPMG LLP, has audited the consolidated financial statements and provided the accompanying Independent Auditors' Report. The consolidated financial statements and auditors' report satisfy a legislative reporting requirement as set out by the *Municipal Government Act*.

The FSD&A should be read in conjunction with the audited consolidated financial statements and accompanying notes. The responsibility for the preparation of both the consolidated financial statements and the FSD&A rests with the City's management. A multi-year statistical and financial section is provided for additional information.

The City's 2019 Consolidated Financial Statements include:

- **Consolidated Statement of Financial Position**
It reports financial assets, liabilities, net assets (debt), non-financial assets and accumulated surplus at December 31 year-end. This statement is used to evaluate the City's ability to finance its activities and satisfy its obligations and commitments.
- **Consolidated Statement of Operations and Accumulated Surplus**
It reports revenues earned, expenses incurred and results of the fiscal year as annual surplus or deficit and summarizes the change in accumulated surplus.
- **Consolidated Statement of Changes in Net Financial Assets**
It reports the changes in net financial assets (debt) at year-end. This statement provides information regarding the extent to which expenditures in the year were met by revenues recognized in the year. It is a key indicator of the City's overall financial health.
- **Consolidated Statement of Cash Flows**
It reports the cash resources provided by operations and financing and how cash was used during the reporting period. It reflects the net change in cash and cash equivalents since the last reporting period.



FINANCIAL HIGHLIGHTS

The significant events that contributed to the positive result at December 31, 2019 include:

- The City's net financial assets position increased by \$5.5M to \$87.7M, due to the increase in assets being larger than the increase in liabilities primarily due to an increase in cash and cash equivalents, which was partially offset by a decrease in investments; as well as an increase in deferred revenue and offsite levy liabilities, offset by a decrease in accounts payable and long term debt.
- On May 21, 2019, Council advanced priorities by approving a non-residential tax increase of 1.4 per cent and a residential tax increase of 0.9 per cent, to generate municipal property taxes of \$105.5M. The City's Property Tax Bylaw 19/2019 authorizes the rates of property taxation that were levied in 2019. It excludes education and homeland housing requisitions.
- During 2019, the City's operating revenues increased by \$6.7M to \$191.8M primarily due to an increase in property taxes, fines and penalties revenues, franchise fees, and other revenue, offset by a decrease of sales and user fees. The operating expenses increased by \$6.6M to \$191.3M primarily due to increases in general government, emergency services, public works & transit, planning & engineering, and utility services, offset by a decrease in corporate financing.
- The City's results ended 2019 on a positive note as reflected by the annual surplus of \$29.0M. This strengthened the City's financial position, resulting in an increase in the accumulated surplus. The surplus was generated through an increase in net financial assets of \$5.5M and the net increase of \$23.2M in tangible capital assets.

ECONOMY

In 2019, the Canadian economy grew at a slow pace of 1.6 per cent real Gross Domestic Product (GDP), supported by employment growth, export growth in the second quarter, an accommodative monetary policy and a lower dollar. The Canadian dollar depreciated year-over-year to about \$1.33 CAD per U.S. dollar. Growth among Canadian provinces differ widely, with oil producing provinces - Alberta and Saskatchewan facing an uncertain global and domestic economy. Global trade tensions, commodity price pressures and pipeline constraints contributed to a soft economy. This led to Alberta's lackluster growth of 0.6 per cent real GDP, trending lower than the national growth rate and 2.2 per cent in the prior year.

Nationally, employment grew at a modest pace of 2.1 per cent in 2019 compared to 1.3 per cent the year before. TD Economics reported on January 21, 2020, that Ontario captured most of the job gains, while Alberta experienced the highest rate of unemployment outside the Atlantic provinces. As well, Statistics Canada reported that the national unemployment rate improved to 5.7 per cent versus 5.8 per cent in 2018. Alberta's annual rate of employment growth declined below the national average of 0.5 per cent compared to 1.9 per cent in the prior year; the unemployment rate reached 6.9 per cent in 2019, which was slightly higher than the 6.6 per cent in 2018.

Towards year end, with improving market access for Canadian energy products, beginning with Enbridge's Line 3 pipeline, easing global trade tensions and the impending ratification of Canada-U.S.-Mexico Agreement (CUSMA), the Bank of Canada began to depict a positive outlook for the Canadian economy. The Bank of Canada's January 2020 forecast anticipates the economy to gradually move into expansion with 1.6 per cent this year and 2.0 per cent in 2021.

However, recent events including the rail line disruptions, oil price decline and the COVID-19 pandemic threaten to slow economic activity globally, further dampening business and consumer confidence. These developments have weakened the economy thus far, and, on March 4, 2020, the Bank of Canada proceeded to cut the key interest rate by 50 basis points to 1.25 per cent from 1.75 per cent, a policy rate that was maintained for twenty-two months since October 2018. Nine days later, on March 13, 2020, with the North American stock markets plunging to historic lows, the Bank of Canada echoed this response by cutting the interest by another 50 basis points to reach 0.75 per cent. The Bank of Canada continued its unscheduled rate cut on March 27, 2020, of 50 basis points to 0.25 per cent, bringing its target rate effectively to its lower bound. The Bank of Canada will respond by adjusting monetary policy if required, to support economic growth and to keep inflation on target.

FINANCIAL PLANNING

Financial Planning, which enables stewardship of assets and on-going continuity of the City, is a critical tool for management to achieve stated objectives, including fiscal responsibility and sustainability. To carry out its commitment to strong fiscal management, Administration prepares a 10-Year Capital Plan, which provides a future outlook of long-range requirements, comprising of key strategic inputs over the planning horizon, and a framework for the three-year Operating Plan.

Consistent with the three-year Operating Plan, the annual operating budget includes the required revenues to fund the City's delivery of approved programs and services to the community and represents City Council's priorities as identified in the City of St. Albert's Council Strategic Plan, the Corporate Business Plan and other sources. As the operating budget is prepared on a modified cash flow basis, the City uses tax revenues, reserve transfers and government transfers to balance its operating budget. Further, the budget does not include non-cash items including revenue from contributed tangible capital assets or amortization expense.

To advance City Council's strategic priorities, Administration executes investments in infrastructure and capital assets to ensure it adheres to the annual Capital Budget and 10-Year Capital Plan. The purpose of the plan is to identify the capital projects and requirements to maintain the City's infrastructure, as well as to support the growth requirements and desires of the community. City Council approves each capital project budget on the basis of the project to accommodate the planning and scheduling requirements.

A portion of the City's annual capital budget is often carried forward to future years for projects not completed in the year, and as a result, capital budgets are not directly comparable with current year actual results.

FINANCIAL ASSETS

From cash to receivables to investments, financial assets are resources that are considered as cash or could be turned into cash if required to fund day-to-day government services. In comparison to 2018, financial assets increased by \$16.2M primarily as a result of an increase of cash and cash equivalents, offset by a decrease of investments and receivables. With financial assets trending higher, the City continues to be in a stable financial position. The Consolidated Statement of Financial Position summarizes the financial assets at year end.

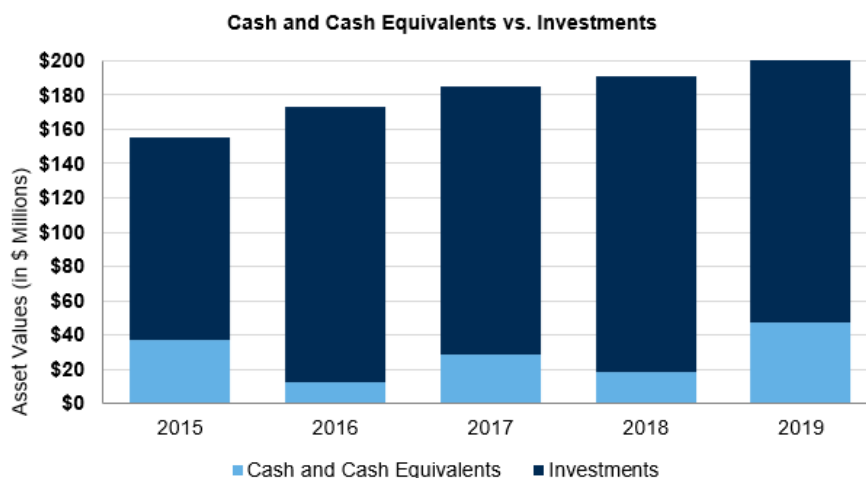
CASH POSITION

Cash and cash equivalents are financial resources that consist of short-term cash and that are held to pay for ongoing expenditures and obligations. Uses of cash are subject to the City's Cash Management Policy, which is in place to ensure the cash position is optimized in order to take advantage of investment opportunities.

During 2019, the City's changes in cash position were largely due to:

- \$65.2M generated from City operations;
- \$44.7M invested in capital assets and offset by \$0.1M received proceeds from disposal of capital assets;
- \$10.9M received in the net acquisition of investments; and,
- \$2.0M received from financing activities and \$4.9M paid for loan principal.

At December 31, 2019, cash flows increased by \$28.6M, ending at \$46.9M. The City's sources and uses of cash are summarized on the Consolidated Statement of Cash Flows.



**An Increase in
cash position
of \$28.6M**

RECEIVABLES

Receivables are amounts owed by customers for general taxes, trade, sales and user fees, and other revenues. In the past year, receivables decreased by \$1.5M to \$16.2M, indicating more funds were collected and available for use to the City. Collections of receivables are generally due to timing and do not present substantive risks to the City.

INVESTMENTS

Ranging from short-term investments to long-term bonds, the City invests funds to generate income, which provides another source of funding for City services. Short-term investments have maturity terms from three months to one year. Long-term investments are financial securities that have varying maturity terms that extend past one year.

Guided by the City's Investment Policy, investments are consistent with the objectives of preserving capital, maintaining liquidity and achieving an optimum rate of return. Investment performance is benchmarked against the three-month, six-month and one-year Federal Treasury Bill rate, and the three, seven-year and ten-year Government of Canada benchmark bond yield rates. In 2019, the City's investments consisted of short-term notes and deposits and long-term corporate and government bonds. Overall, investment returns were favourable in the year compared to designated benchmarks. Investments are also maintained in compliance with regulations stipulated in the *Municipal Government Act*. These regulations are limited to instruments in which the principal is unconditionally guaranteed.

Investment Objectives:

1. **Preserve Capital**
2. **Maintain Liquidity**
3. **Optimize Rate of Return**

In comparison to 2018, the carrying value of investments ended lower by \$10.9M, which represents a 6.3 per cent decrease, mainly as a result of converting \$10.9M of short-term investments to high interest savings accounts within cash and cash equivalents (cash deposits) and partly offset by an increase in long-term bonds of \$15.2M during the year. The investment income earned in the year was \$3.9M, a decrease of \$0.2M from the year before due to the maturity of higher rate long-term bonds investment and a change of mix of investments that occurred in the year. This is partially offset by an increase in long-term bonds investments. Details on investments are provided in Note 4 to the consolidated financial statements.

RATES OF RETURN COMPARISON

	Term	St. Albert	Bank of Canada	Benchmark
		Portfolio Rates of Return	T-Bill and Bond Rates	
Short-Term Investments	0-90 days	2.25-2.50%	1.66%	3 months
	91-180 days	2.36-2.38%	1.69%	6 months
	181 days-1yr	2.34-2.58%	1.70%	1 year
	1-3 yrs	2.34-2.58%	1.55%	3 years
Long-Term Investments	3-10 yrs	2.23-3.22%	1.52 - 1.55%	3 years - 10 years

LIABILITIES

Liabilities include accounts payable and accrued liabilities, deferred revenue, off-site levy liabilities, debt, and other liabilities. At year end, this account increased by \$10.7M to close at \$136.8M, as a result of increases in deferred revenue, off-site levy liabilities, and deposit liabilities, slightly offset by a decrease in accounts payable and accrued liabilities and long-term debt. The Consolidated Statement of Financial Position summarizes the City's liabilities at December 31, 2019.

ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities are current short-term amounts owed to vendors for work completed or services rendered to the City. The payments to these vendors will be made within the next year. At December 31, 2019, this account decreased by \$1.2M to \$21.4M broadly due to timing of payments to vendors.

DEFERRED REVENUE

Deferred revenue, representing mostly restricted capital funding, is held due to restrictions placed on funds by Provincial and/or Federal governments based on funding agreements. Amounts in deferred revenue are recognized as revenue in the period when the timing or conditions associated with the revenues have been satisfied. Generally, this means that revenues can be recognized as eligible expenditures are made on grant funded capital or operating projects. During the year, deferred revenue increased by \$12.5M due to:

- \$1.3M earnings on interest, with \$0.7M mainly attributed to the Municipal Sustainability Initiative for capital projects;
- \$37.0M net contributions received; and offset by
- \$25.8M revenue recognized.

Deferred revenue ended the year at \$58.9M, most of which was related to capital projects supported by government transfers of \$55.0M and the remaining deferred revenue of \$3.9M were mostly designated for operating purposes. Note 5 to the consolidated financial statements provides more detail information on deferred revenue.



OFF-SITE LEVY LIABILITIES

The City's key services include working with developers to oversee land development for private and public purposes in the community. This involves processing development applications and permits to ensure compliance with planning goals and regulations. One of the major components when developing a new area of land is ensuring that key connecting infrastructure such as roadways, water, sanitary and storm are in place to support the proposed development.

**Net Liabilities
increased \$1.6M due
to new development**

The City collects off-site levies from developers to fund the construction of these items. The funds are held by the City, restricted and reported as off-site liability until such time as the infrastructure is built.

The balance of this fund fluctuates over time based on the pace of development. The Off-site Levy Program specifies that the burden of paying for the cost of the infrastructure rests with developers and supports a growth-pays-for-growth philosophy.

Off-site levy liabilities increased by \$1.6M to \$12.6M in 2019, as a result of the issuance of new development agreements and corresponding payment of required levies. More detailed information is specified within the Off-site Levy Bylaw and Note 6 to the consolidated financial statements.

DEBT

City Council considers long-term debt when internal financing is unavailable to fund capital projects and when it is prudent to do so. Current long-term debt consists of fixed term financing agreements with the Alberta Capital Finance Authority. The interest rates were established at the time of borrowing and remain constant throughout the term. The City's current debt is both tax and reserve funded, with a requirement for semi-annual or payments of principal and interest. During the year, the City borrowed \$2.0M, repaid a principal amount of \$4.9M and accrued an interest expense of \$1.8M, resulting in a year-end balance of \$40.1M.

The City's existing tax supported long-term debt originated from two projects that were approved in 2004 – the first stages of Ray Gibbon Drive and Servus Credit Union Place. These two significant projects required 20-year external borrowings that increased the City's debt by about \$14.9M and \$13.7M, respectively.

Also, the City contributed \$10.0M from internal reserves and borrowed \$12.0M to fund the North Interceptor Trunk Line (Project 9), a sanitary sewer line, that has a maximum approved borrowing limit of \$30M; the forecast spend is \$24.2M with no further debt financing anticipated to fund the remaining project cost. Principal and interest payments for this debt are approved to come from an established reserve thereby having no impact to future property taxes.

**City Debt is low at
14 percent of the
Provincial limit**

In late 2018, as part of the 2019 budget process, City Council directed Administration to consider debt financing for the North St. Albert Trail Corridor project with an estimated cost of \$19.0M. The proposed debt payments will come from an existing reserve thus there will be no impact to future property taxes.

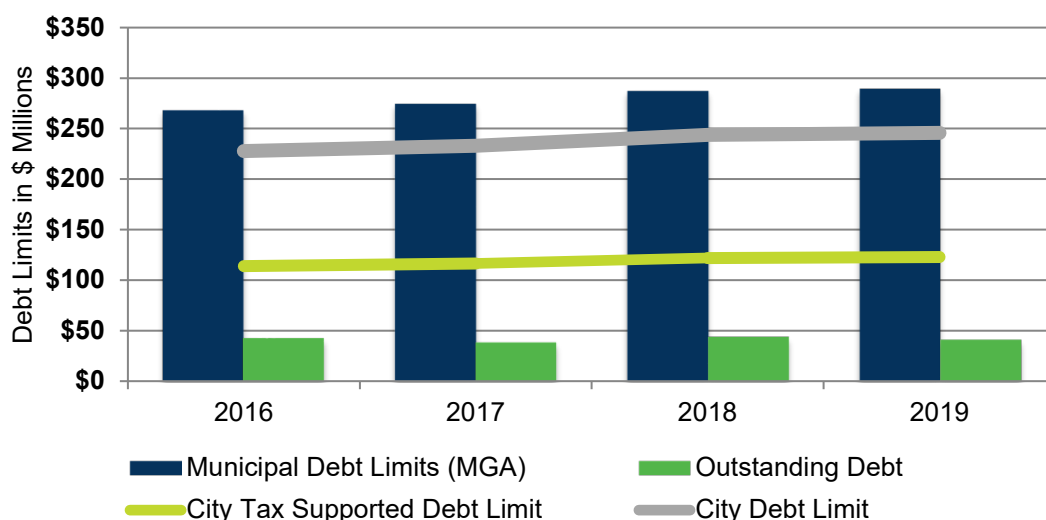
In addition, in early 2019, City Council and the Province of Alberta entered into a 50/50 cost sharing agreement for a multi-year, four phase \$54.2M capital project namely the Twinning of Ray Gibbon Drive. This project is a designated priority within the City of St. Albert Council Strategic Plan, which will facilitate growth of residential, commercial and industrial areas in St. Albert. Initial engineering and design costs of \$0.8M incurred in 2019 was approved by City

Council in the prior year, with construction planned in 2020. It is the intent that the remainder of St. Albert's financial contribution to the project will be funded through debt financing over the next several years.

In accordance with the 2020 budget process that occurred in late 2019, Council provided approval for a new Fire Hall 4, with debt financing totaling \$16.3M inclusive of a land purchase and concept design of \$2.5M commencing in 2020. While the entire project cost (fire hall, trucks, land) was approved, the construction of the building and acquisition of trucks and equipment are deferred to future years occurring between 2021 to 2023. Principal and interest payments on the debt will come from property taxes over time as the debt is drawn upon, pending approval of the all-encompassing borrowing bylaw which is anticipated this year.

The ability to borrow is governed by the *Municipal Government Act*, which sets maximum limits to ensure a municipality does not take on too much debt or exceed their ability to service that debt. In a rising interest rate environment, the regulation safeguards the municipalities from over-extending their limits to ensure that they are able to meet the required payments. Debt, when used strategically, is an effective long-term financing strategy. St. Albert remains largely below prescribed debt limits set by the Province of Alberta and internal limits imposed by its Debt Management Policy.

Debt Limits Vs Outstanding Debt



ENVIRONMENTAL LIABILITIES

The City has previously recognized the estimated costs on obligations which currently sits at \$1.2M at December 31, 2019, pertaining to contaminated site, landfill closure and post closure liabilities. These obligations are based on estimates and assumptions, using the best information available to management. These costs are primarily related to ongoing environmental monitoring activities for 25 years. Future events such as changes to regulatory requirements, may result in changes to these estimated costs.

NET FINANCIAL ASSETS

A government's net financial assets (net debt) position is a function of its total liabilities and its total financial assets. This calculation is a key financial indicator related to the City's financial position as it reflects the relationship between annual surplus, tangible capital asset acquisitions/disposals/amortization, and treatment of other inventories or prepaid expenses. The City's net financial assets position increased by \$5.5M to \$87.7M, due to an increase in financial assets primarily related to delays for approval related to provincial grant funding to be applied for capital projects pertaining to the Municipal Sustainability Initiative and Basic Municipal Transportation Grants; as well as an additional one-time funds received from the Federal Gas Tax Fund and a payment from the Alberta Gaming, Liquor & Cannabis for municipal land pertaining to the new distribution centre. The Consolidated Statement of Changes in Net Financial Assets provides more detailed information on the net assets at December 31, 2019.



NON-FINANCIAL ASSETS

Non-Financial Assets are comprised largely of tangible capital assets (TCA), but also include, inventories of materials and supplies and prepaid expenses. These assets are acquired and used in the production of goods and services primarily for the purpose of providing services to its citizens. Overall, non-financial assets increased by \$23.5M which was attributed to increases in the tangible capital asset base in 2019. The Consolidated Statement of Financial Position outlines the non-financial assets balances for the year

TANGIBLE CAPITAL ASSETS

Whether costs are incurred to construct, buy or maintain assets such as roads, buildings, or equipment, these costs are considered tangible capital assets. Any increase of tangible capital assets is, therefore, a form of investment in the community for which citizens can expect to benefit in future years. In general, these assets have physical substance, and have a long-lived service life greater than one-year and in some cases decades. Examples of tangible capital assets would include such things as transit buses, recreation centres, parks and trails, cultural amenities, roadways and water reservoirs.

\$23.2M of net tangible capital assets added in 2019

There are three streams of tangible capital assets – contributed assets and self-constructed/purchased/leased assets. In the normal course of operations, the City receives ownership of tangible capital assets from developers and records them as contributed tangible capital assets. Once contributed as tangible capital assets, the City takes on the future responsibility for repairs, maintenance and eventual replacement of those assets. Contributed tangible capital assets provide a future economic benefit to the City and include such things as roads, land, sidewalks and street lighting. These contributions are reported as revenue upon receipt from developers and at the time of project completion, which results in an increase in the accumulated surplus.

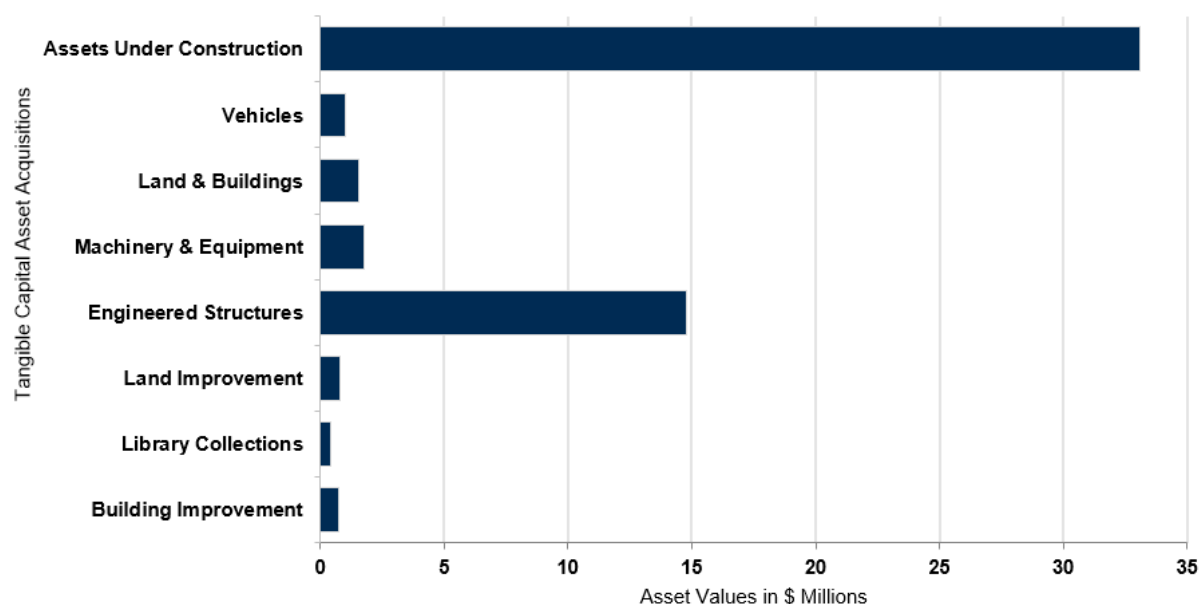
For the year, the changes in the value of the City's tangible capital assets are comprised of:

- \$54.1M increase in tangible capital assets acquisitions and transfers (including \$9.5M in contributed tangible capital assets and \$1.0M in developer contributions and levies);
- \$28.9M amortization expenses; and,
- \$1.9M loss on disposals net of amortization and \$0.1M proceeds on disposals.

Net tangible capital assets increased by \$23.2M, ending the year at \$1,041.8M.

Capital spending in the past year was mainly on assets under construction and engineered structures such as a roadway system, water system, and waste water system. Tangible capital assets amortization, also referred to as depreciation, is a drawdown of its value, representing the annual cost of using the asset due to wear and tear from use. Land is not a depreciable asset. Note 9 to the consolidated financial statements provides more information on the major components of tangible capital assets, along with its respective amortization amounts in 2019.

2019 Tangible Capital Asset Acquisitions



Note: During the year, there was a large number of projects completed and moved into service, as a result, the Assets under Construction drawing from Opening Balance was \$51.4M. More details are provided in Note 9 to the consolidated financial statements.

ACCUMULATED SURPLUS

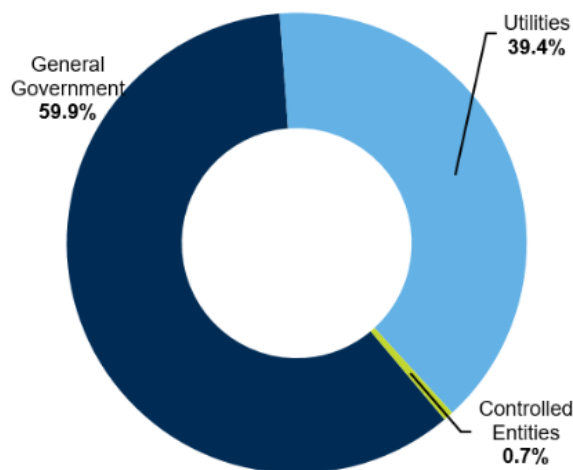
Accumulated surplus, also known as municipal equity, is a balance representing the value of the City and consists of both restricted and unrestricted reserves and equity invested in tangible capital assets. It is driven by the City's investments and ownership of capital assets over time. The accumulated surplus balance is attributed to all assets exceeding all liabilities over time. A positive balance indicates that the government has sufficient net resources to enable the City to provide services in the future. At December 31, 2019, the City's accumulated surplus increased by \$29.0M, primarily due to capital revenues. The accumulated surplus ended the year at \$1,131.8M compared to \$1,102.8M in 2018. The Consolidated Statement of Operations and Accumulated Surplus summarizes the accumulated surplus, with additional information in Note 11 to the consolidated financial statements.

RESERVES

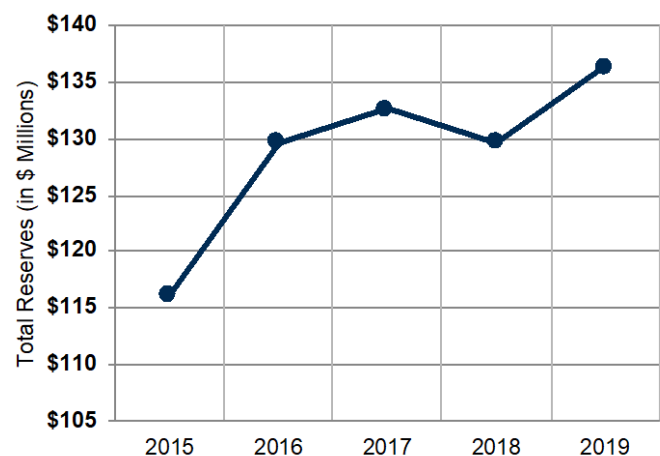
Reserves are funds set aside to provide for capital investments, budget shortfalls or unexpected economic events through general fund contributions and investment income, in an effort to stabilize future tax. The City's reserves are designated for operating and capital purposes; however, the majority of reserves are for capital projects as part of the plan for future expenditures. A growing reserve balance represents good financial management - indicative of healthy fundamental practices and is consistent with the City's conservative approach.

The City's restricted reserves have increased by \$6.7M in 2019 to \$136.4M.

2019 Operating and Capital Reserves By Type



Reserve Balance Trend



FINANCIAL OPERATIONS

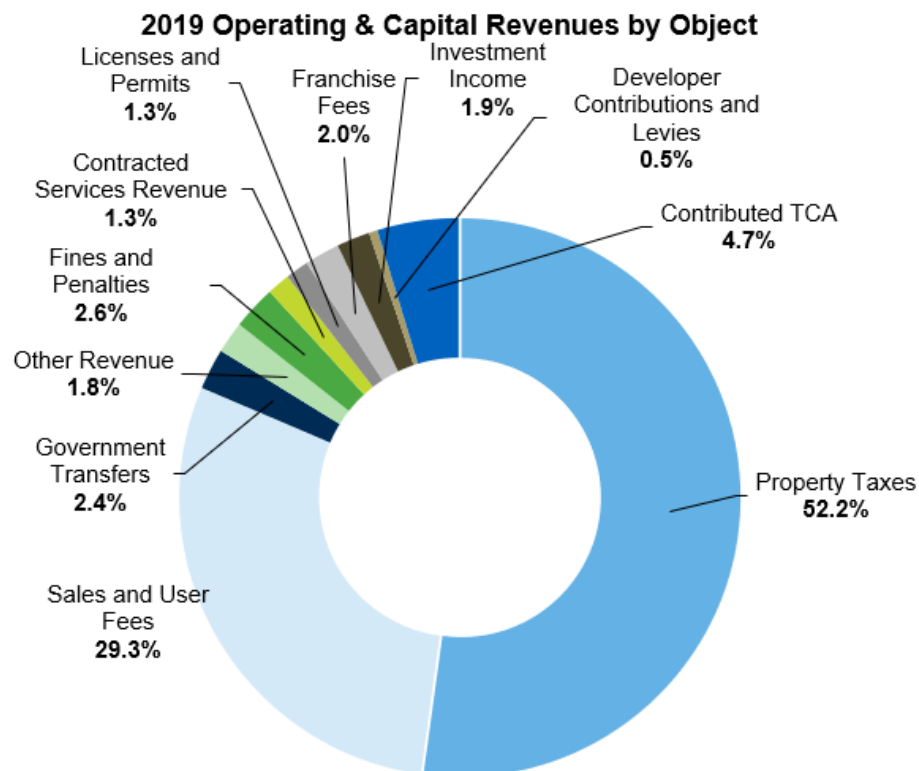
The Consolidated Statement of Operations and Accumulated Surplus summarizes the City's operating results in 2019. While contributing positively to the City's strong financial position, this year's annual surplus of \$29.0M is primarily attributed to revenues recognized for capital projects completed. The segmented information on the lines of service provided by the City is detailed in Note 18 to the consolidated financial statements and with the corresponding revenues and expenses presented by object in each functional category.

OPERATING REVENUES (2019 ACTUAL VS. BUDGET)

Property tax is the City's primary source of revenue; however, sales and user fees and government transfers also provide a steady stream of revenues. In general, some of the City's revenues fluctuated with economic conditions, while other revenue sources performed largely as budgeted.

In 2019, the City's consolidated operating revenues were in-line with the budget, ending at \$191.8M. The variances of actual revenues from budgeted amounts are as follows:

- \$3.0M higher in Other Revenue as a result of unbudgeted revenue related to funds received in lieu of Land for the new Alberta Gaming, Liquor & Cannabis Building and the Smart Fare Project.
- \$0.7M higher in Government Transfers for operating projects.
- \$1.3M lower in Investment Income as a result of transferring interest to deferred revenue, a change of mix of investments, maturity of higher rate long term bonds and offset by an increase in long-term bonds investments during the year.



- \$0.7M lower in Sales and User Fees as a result of a decrease in water purchase and waste water due to lower consumption from higher than average rainfall, which led to less water requirements from residents, resulting in lower revenues of water and waste water.
- \$0.6M lower in Licenses and Permits due primarily to a decrease in development permits issued and other land fees as a result of a decrease of development.

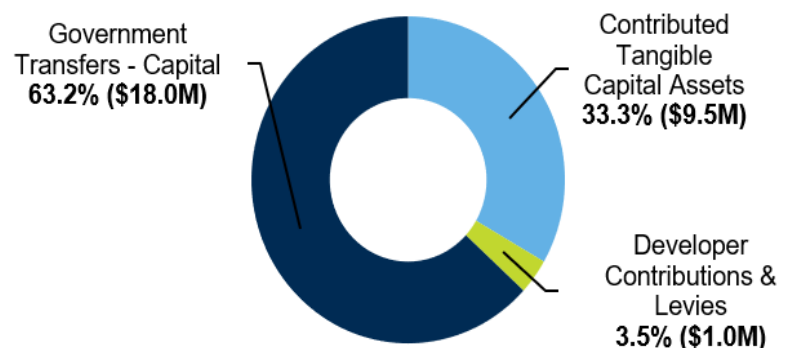
2019 OPERATING REVENUES BY OBJECT (\$ Million)							
Account	2019 Budget	2019 Actual	Variance \$ vs Budget	Variance % vs Budget	2018 Actual	Variance \$ vs Prior Year	Variance % vs Prior
Property Taxes	\$105.8	\$105.6	-\$0.2	0%	\$102.0	\$3.6	4%
Sales and User Fees	\$59.9	\$59.2	-\$0.7	-1%	\$59.8	-\$0.6	-1%
Fines and Penalties	\$5.2	\$5.1	-\$0.1	-2%	\$4.6	\$0.5	11%
Government Transfers - Operating	\$4.1	\$4.8	\$0.7	17%	\$5.0	-\$0.2	-4%
Franchise Fees	\$4.3	\$4.1	-\$0.2	-5%	\$2.3	\$1.8	78%
Investment Income	\$5.2	\$3.9	-\$1.3	-25%	\$4.1	-\$0.2	-5%
Other Revenue	\$0.7	\$3.7	\$3.0	429%	\$1.9	\$1.8	95%
Licenses and Permits	\$3.3	\$2.7	-\$0.6	-18%	\$2.7	\$0.0	0%
Contracted Services Revenue	\$2.8	\$2.7	-\$0.1	-4%	\$2.7	\$0.0	0%
Total Operating Revenues	\$191.3	\$191.8	\$0.5	0%	\$185.1	\$6.7	4%

CAPITAL REVENUES (2019 ACTUAL VS. BUDGET)

Funding for capital projects comes from a variety of mechanisms such as tax revenues, reserves, government transfers, third-party contributed assets, developer contributions and levies, and to a lesser extent investment income and other revenues. In 2019, 63.2 per cent of capital funds were received from government transfers, 33.3 per cent were related to contributed tangible capital assets and 3.5 per cent from developer contributions and levies.

In addition, capital revenues for capital activities can vary from year-to-year depending on the timing of capital project schedules, thus comparison of current year to prior year actuals provides nominal value. As project expenditures are incurred, related revenues are earned; thus, delays in capital projects result in delays in revenue recognition for projects. The 2019 capital revenues varied by \$11.5M from budget, primarily due to unbudgeted contributed tangible capital assets and unbudgeted developer contributions and levies as well as timing of capital projects completion. A total of \$28.5M capital revenues were recognized in the year.

2019 Capital Revenues



EXPENSES

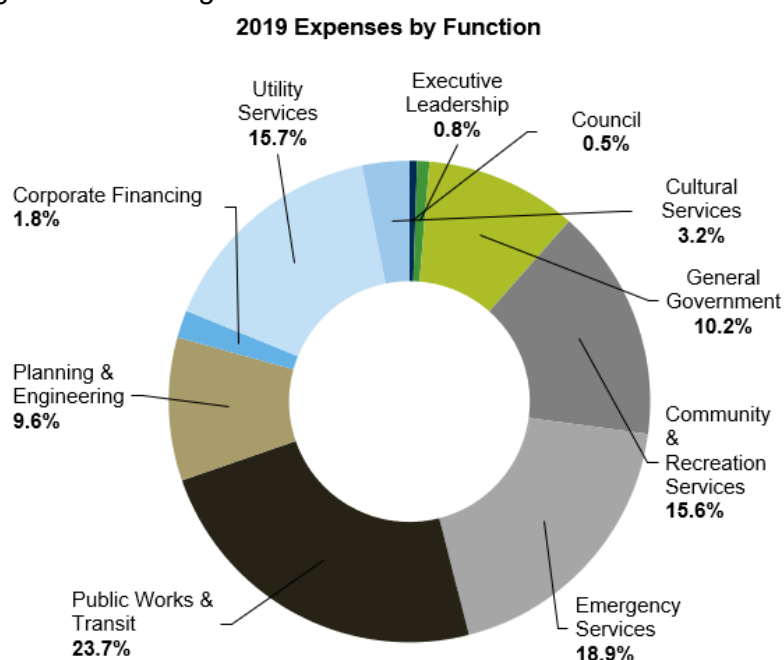
In the delivery of municipal services, the City incurs expenditures for work performed by employees, vendors and contractors to provide for City services. This requires cash outflows to settle amounts owed by the City. In general, the City's expenditures are subject to inflationary pressures. As such, the effects of inflation on contracted services and materials, goods and supplies continue to put pressure on costs associated with delivering the City's programs and services.

EXPENSES (2019 ACTUAL VS. BUDGET)

During 2019, consolidated City expenses were \$20.1M higher than the budget, closing year end at \$191.3M, primarily as a result of two City practices. First, the City does not budget for amortization costs of \$28.9M. Amortization costs were particularly pronounced in the areas of public works & transit, utility services, planning & engineering, community & recreation services, and general government. Second, the total interest portion of debt servicing costs of \$1.8M is included in the above results for each functional category and was slightly lower than 2018. This indicates that interest payments are trending lower as fixed term borrowings are repaid.

Variances of actual expenses to budgeted amounts are as follows:

- \$12.9M higher in Public Works & Transit expenses due to unbudgeted amortization costs, unbudgeted financing interest expenses and increased in contracted snow removal services as a result of higher than average snowfall.
- \$5.2M higher in Utility Services expenses, including water, waste water, stormwater, and solid waste primarily due to unbudgeted amortization costs, and partially offset by a decrease of water and waste water charges as a result of lower water purchases.
- \$2.8M higher in Planning & Engineering expenses due to unbudgeted amortization costs and partially offset by budgeted consulting fees and salaries and wages related to the Sturgeon County Annexation project, which is a multi-year project.
- \$1.7M higher in Community & Recreation Services expenses primarily due to unbudgeted amortization costs, unbudgeted financing interest expenses and partially offset to lower salaries due to personnel savings as a result of staff vacancies; as well as lower overall costs incurred for artists from reduced commitments and project delays for Riel West Park West and Northridge Gazebo.



- \$1.1M higher in Cultural Services expenses (Arts & Heritage Foundation & St. Albert Public Library) expenses primarily due to increases related to externally funded portion of ongoing operations of the Arts & Heritage Foundation not budgeted by the City and unbudgeted amortization costs.
- \$2.0M lower in Executive Leadership expenses mostly due to personnel cost savings as result of vacant positions being held for redeployment.
- \$0.8M lower in General Government expenses due to budgeted financing interest revenue and expenses that are reported corporately with the actuals being allocated to each functional category and various capital projects expenditures that were carried forward into next year, as well as personnel cost savings due to staff vacancies and mostly offset to unbudgeted amortization costs.

2019 EXPENSES BY FUNCTION (\$ Million)							
Account	2019 Budget	2019 Actual	Variance \$ vs Budget	Variance % vs Budget	2018 Actual	Variance \$ vs Prior Year	Variance % vs Prior Year
Public Works & Transit	\$32.4	\$45.3	-\$12.9	-40%	\$43.9	-\$1.4	-3%
Emergency Services	\$36.3	\$36.1	\$0.2	1%	\$35.2	-\$0.9	-3%
Utility Services	\$24.8	\$30.0	-\$5.2	-21%	\$28.5	-\$1.5	-5%
Community & Recreation Services	\$28.2	\$29.9	-\$1.7	-6%	\$29.7	-\$0.2	-1%
General Government	\$20.3	\$19.5	\$0.8	4%	\$18.4	-\$1.1	-6%
Planning & Engineering	\$15.6	\$18.4	-\$2.8	-18%	\$16.3	-\$2.1	-13%
Cultural Services	\$4.9	\$6.0	-\$1.1	-22%	\$5.9	-\$0.1	-2%
Corporate Financing	\$3.9	\$3.5	\$0.4	10%	\$4.5	\$1.0	22%
Executive Leadership	\$3.6	\$1.6	\$2.0	56%	\$1.5	-\$0.1	-7%
Council	\$1.2	\$1.0	\$0.2	17%	\$0.8	-\$0.2	-25%
Total Expenses	\$171.2	\$191.3	-\$20.1	-12%	\$184.7	-\$6.6	-4%

ANNUAL SURPLUS

Annual surplus is the difference between the current year's excess of revenues over expenditures.

In 2019, the City realized an annual surplus of \$29.0M, which strengthened the City's net assets position.

FINANCIAL CONTROL AND ACCOUNTABILITY

The City maintains a number of processes and financial controls to ensure that accountability is maintained, and that management is able to proactively identify and address financial challenges.

FINANCIAL GOVERNANCE

Notwithstanding that the City's management is responsible for the preparation of the FSD&A and consolidated financial statements, the City's governance structure requires a review of various quarterly reporting, financial policies, audit findings, significant or unusual financial transactions, and accounting treatments or estimates. City Council has established a Governance, Priorities and Finance Committee to conduct these reviews, and also to assist Council by making recommendations on these matters. City Council is ultimately responsible for approving the City's budget, appointing the auditor, and providing general financial authority and oversight.

BUDGETING AND FINANCIAL REPORTING

Based on the input from citizens, businesses, and numerous other stakeholders, City Council establishes an annual operating budget each year. This operating budget includes the required revenues to fund the City's delivery of desired programs and services to the community and represents City Council's priorities as identified in the City of St. Albert's Council Strategic Plan and other sources. From year-to-year, services may be altered when City Council identifies a clear need. Note that the operating budget is also prepared on a modified cash flow basis. Based on this method the City uses tax revenues, reserve transfers and government transfers to balance its operating budget. The budget does not include revenue from contributed tangible capital assets, or amortization expense.

The City also prepares an annual capital budget based on the long-term projections of its 10-Year Capital Plan. Budget items for the current year are carefully reviewed on a project basis and funded through a variety of mechanisms such as tax revenues, reserve transfers or government transfers. As there is typically a portion of the capital budget carried forward for projects not completed within the fiscal year, budgets are not directly comparable with current year actual amounts.

The City is organized into various business areas, each responsible for managing the delivery of program services in accordance with the resources allocated to those programs. While all departments share a common accounting and reporting system, financial and accounting services are administered within the Financial and Assessment department and delivered to each business area based on its needs.

The City utilizes three fund categories to record and monitor its financial operations: operating fund, capital fund and reserves fund. In addition, these funds are utilized in the preparation of the City's budget and the distribution and use are applied in accordance within the respective fund policy.

INTERNAL CONTROLS

The City uses financial policies and procedures to ensure appropriate financial internal controls are in place. Policies and procedures are reviewed annually to comply with the *Municipal Government Act* and Canadian Public Sector Accounting Standards. A proactive approach is taken to identify and address financial challenges.

AUDITING PROCESS

The *Municipal Government Act* requires a municipal council to appoint an independent auditor. In 2017, a tender for audit services was completed and City Council appointed the chartered accounting firm of KPMG LLP as the external auditor for a five-year term, with an option to extend an additional four years, at City Council's discretion. Following a comprehensive audit process and after working closely with management, the auditor must report to City Council with the annual consolidated financial statements. City Council approved the 2019 Consolidated Financial Statements at its meeting on April 20, 2020.

RISKS AND UNCERTAINTIES

The City is committed to an integrated approach to risk management, where it is viewed as a key component of sound business practice and due diligence. Management promotes a proactive, corporate-wide and systematic approach to managing risks that could affect City objectives. The City is exposed to various risks that are mitigated through operational and financial controls.

NORMAL OPERATIONAL RISKS

Normal operational risks are related to delivery of the City's programs and services; as well as social, legal, regulatory, and economic events that could impact City operations, human resource availability and costs, and investment risks related to volatile financial markets. Along with the use of estimates and judgments, the City maintains a system of internal controls to provide reasonable assurance that attests to the fairness and reliability of information and data. To protect and safeguard City assets, control systems are regularly reviewed and enhanced as required.

REVENUE VOLATILITY

The City's revenue is exposed to economic or other external influences. To address the challenge connected with revenue volatility, the City adopts strategies and practices, which include conservative budgeting, quarterly forecasting, a long-term investment strategy, and environmental scanning techniques to identify market changes. When appropriate, the City lobbies senior government and other organizations for sufficient and reliable transfers; however, the current provincial government's deficit presents a risk related to future transfers.



INFRASTRUCTURE REPLACEMENT

Municipal infrastructure is required to support a community's economy and quality of life. To ensure that sufficient local infrastructure is available, the City applies long-term construction and maintenance plans or strategies. In many cases, the City's identified infrastructure requirements exceed its funding capacity; therefore, City Council engages in a ranking process and seeks other sources of funding, such as borrowing or government transfers. If not addressed, a municipality's infrastructure deficit could result in lost productivity, damage to property, and decreased quality of life.

INSURANCE LOSS

The City maintains an insurance program to cover losses related to its activities, operations, assets and infrastructure. This program has two components: an insurance program purchased through well capitalized external insurers and a self-funded insurance program for all losses falling below policy deductibles. The City's approach to risk management attempts to achieve a balance between risk and total cost.

A claims reserve was established in 2008 to fund the City's self-insured program. The reserve is funded to a confidence level at the 95th percentile of the City's projected losses, as recommended in the November 2011 loss projection analysis report provided by an external consultant. At December 31, 2019, the City's outstanding and fully reserved insurance claims related liabilities were \$0.7M, and its claims self-insurance reserve fund was another \$1.4M.

ENVIRONMENTAL RISK

The City employs environmental management professionals to assist departments in complying with environmental laws and regulations. The City has also adopted policies and procedures to govern the City's approaches, and it follows environmental systems that provide a sound model to effectively deal with environmental impacts associated with municipal activities. In addition, insurance policies are in place to handle potential unexpected environmental risks.

FUTURE OUTLOOK

The City of St. Albert, the Botanical Arts City, is known for its picturesque landscape and a vibrant community. We continue to be recognized as one of the best places to live and raise a family in Canada, or to start a business. While we are concerned about the near-term economic downside from containment of COVID-19 which led to facility closures, and will have broader community impacts, we also remain focused on delivering civic services to the community, with a priority to protect the health of the public and employees.

St. Albert is impacted by economic events in neighbouring communities, within Alberta, and across the country. Recent events such as the rail line disruptions, sharp drop in oil prices, COVID-19 pandemic, and the global stock market crash, have posed significant threats to the global economy. These events are weighing on business and consumer sentiment, which have dampened growth expectations for 2020 and 2021. The severity and duration of the economic fallout is unknown, with some forecasters projecting anything from zero growth, to a global recession.

In the spring of 2019, Albertans elected the new United Conservative Party (UCP) Government, led by Premier Jason Kenney, with a mandate regarding jobs, pipelines, and economy. The Government's Fall 2019 and Spring 2020 Budgets had a combined number of impacts on Alberta municipalities, and from a City of St. Albert perspective, resulted in less revenue being provided to the City. Specifically, the Grants in Place of Taxes (GIPOT) program resulted in a

50.0 per cent decrease (\$75,000) for provincial buildings located within the City, as well as less revenue being provided to the City through Fine Revenues related to traffic violations (\$620,000 annually).

The Government also cancelled the Alberta Community Transit Fund (ACTF) and will replace the Municipal Sustainability Initiative with the Local Government Fiscal Framework. A new funding formula for the Local Government Fiscal Framework is still to be established, but the total budgeted amount is less than historical MSI allocations, as the Province works to balance the budget. While the City heavily relies on funding from Federal and Provincial grants, St. Albert has thus far been well positioned to respond to these new fiscal realities, through a variety of proactive initiatives.

The City strives to align its goals with the Province of Alberta by working with available funding sources inclusive of federal transfers in order to deliver on its priorities, including sustainability, financial stewardship and fiscal responsibility objectives. In 2019, the City continued to deliver on its objectives as reflected in healthy reserve balances, and substantive progress on initiatives identified within the Corporate Business Plan. With well managed debt levels and strong financial policies and practices, the City is in a good financial position; this position has allowed Council to invest in projects like Twinning Ray Gibbon Drive, that will support and enable continued future growth and enhanced regional connectivity.

The City of St. Albert remains an investment ready community, given our relatively stable local economy, with a highly knowledgeable workforce and relatively high household incomes. In March 2020, amidst the global COVID-19 pandemic, the City of St. Albert and QuadReal Property Group were pleased to announce the development of a 600,000 square foot distribution facility for the exclusive use of Uline, North America's leading shipping specialist. This project will employ nearly 100 people, and will become the City's largest single taxpayer, representing gains in the City's efforts to increase its non-residential assessment base.

With the COVID-19 pandemic continuing to have affects on the world, and the extent of the impact is unknown, City projects that require revenue and are necessary to adjust to growth are potentially at risk. To mitigate and protect public health ultimately requires the City to shift resources from normal municipal operations to meet emergency needs and curtailing some planned capital projects, while moving forward with others. As residents and businesses move to self-isolation, there will be interruptions to normal economic activity and spending patterns. Thus, the City has identified and disclosed this subsequent event in Note 21 to the financial statements.

The past year's success is made possible through the efforts of the dedicated staff of the City of St. Albert. Their hard work and continuing service ensures the delivery of high-quality programs and services and effectively maintains and grows our civic infrastructure. Our appreciation is extended to all of those who make St. Albert a great place to live and work.



Kevin Scoble
Chief Administrative Officer



Diane McMordie
Director, Finance & Assessment/
Chief Financial Officer

April 20, 2020

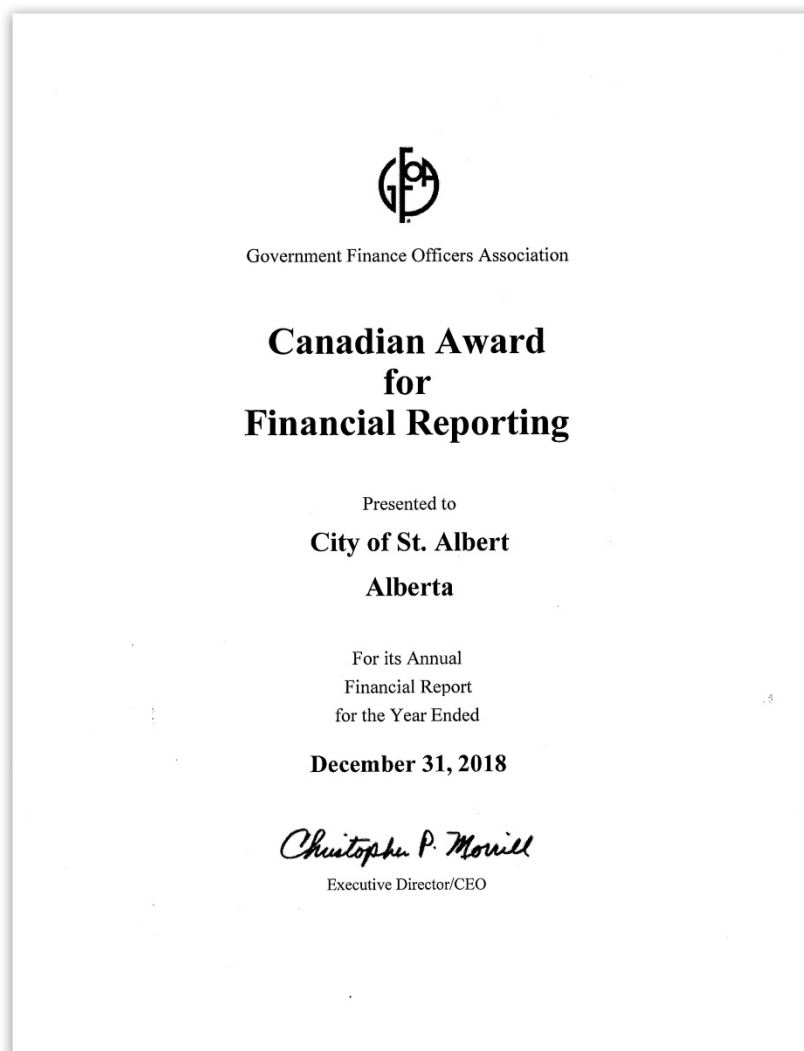
CANADIAN AWARD FOR FINANCIAL REPORTING

For the last 18 years, the City has received a Canadian Award for Financial Reporting for its Annual Financial Reports. This award, presented by the Government Finance Officers Association of the United States and Canada (GFOA), is presented to governments across Canada who publish high-quality financial reports.

In order to qualify, a government must publish an easily readable and efficiently organized annual financial report, the contents of which conform to program standards beyond the minimum requirements prescribed by Canada's Generally Accepted Accounting Principles. Such a report should clearly communicate the municipality's financial condition, enhance an understanding of financial reporting, and address user needs.

A Canadian Award for Financial Reporting is valid for a period of one-year only.

The City of St. Albert believes its current Report continues to conform to the program award requirements and will therefore again forward it to the Government Finance Officers Association for award consideration.





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Management's Report

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

Management is responsible for the integrity, relevance and comparability of the data in the accompanying consolidated financial statements. The consolidated financial statements have been prepared by Management in accordance with Canadian Public Sector Accounting Standards. The preparation of the consolidated financial statements necessarily includes some amounts which are based on Management's best estimates.

It is City policy to practice the highest standard of ethics. The City also has policies and procedures for internal controls.

Management is committed to maintaining an extensive system of internal controls, providing reasonable assurance that:

- * all transactions are appropriately authorized
- * assets are properly accounted for and safeguarded
- * all transactions are appropriately recorded, and financial records are reliable for the preparation of financial statements.

Oversight for Management's responsibilities for financial reporting is provided by City Council through the Standing Committee of the Whole. There are regular meetings between the Committee, Management and independent auditors to discuss auditing and reporting on financial matters, and to ensure that Management is carrying out its responsibilities with its preparation of the financial statements. The auditors have full and free access to the Committee and Management.

The consolidated financial statements have been audited by the independent firm of KPMG LLP.



Kevin Scoble

Chief Administrative Officer



Diane McMordie, CPA, CMA

Director, Finance & Assessment/Chief Financial Officer



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INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the consolidated financial statements of the City of St. Albert (the "Entity"), which comprise:

- the consolidated statement of financial position as at December 31, 2019
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of changes in net financial assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at December 31, 2019, and its consolidated results of operations, its consolidated changes in net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Other Information

Management is responsible for the other information. Other information comprises the information, other than the financial statements and the auditors' report thereon, included in the "Annual Report".



Our opinion on the financial statements does not cover the other information and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information, other than the financial statements and the auditors' report therein, included in the "Annual Report", as at the date of this auditors' report.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.



We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Chartered Professional Accountants

Edmonton, Canada
April 20, 2020


CITY OF ST. ALBERT
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2019 (in thousands of dollars)

	2019	2018
Financial Assets		
Cash and Cash Equivalents (Note 2)	\$ 46,987	\$ 18,347
Accounts Receivable	12,887	14,930
Taxes Receivable (Note 3)	3,265	2,821
Inventories Held for Resale	28	27
Investments (Note 4)	161,342	172,218
Total Financial Assets	224,509	208,343
Liabilities		
Accounts Payable and Accrued Liabilities	21,385	22,568
Deferred Revenue (Note 5)	58,935	46,398
Offsite Levy Liabilities (Note 6)	12,582	10,972
Deposit Liabilities	2,604	1,931
Long-Term Debt (Note 7)	40,122	42,993
Environmental Liability (Note 8)	1,191	1,241
Total Liabilities	136,819	126,103
Net Financial Assets	87,690	82,240
Non-Financial Assets		
Tangible Capital Assets (Note 9)	1,041,835	1,018,639
Inventories of Materials and Supplies	1,138	1,028
Prepaid Expenses	1,184	940
Total Non-Financial Assets	1,044,157	1,020,607
Accumulated Surplus (Note 11)	\$ 1,131,847	\$ 1,102,847

Commitments and Contingencies (Note 12)

Subsequent Event (Note 21)

Approved by: 
Cathy Heron (Apr 22, 2020)
Mayor


Wes Brockhead (Apr 23, 2020)
Councillor

The accompanying notes are an integral part of these consolidated financial statements.

CITY OF ST. ALBERT
CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
Year Ended December 31, 2019 (in thousands of dollars)

	2019 Budget (Note 17)	2019	2018
Operating Revenue			
Property Taxes (Note 13)	\$ 105,778	\$ 105,634	\$ 101,983
Sales and User Fees	59,893	59,218	59,800
Fines and Penalties	5,202	5,068	4,568
Government Transfers - Operating (Note 14)	4,088	4,807	5,025
Franchise Fees	4,350	4,108	2,316
Investment Income	5,203	3,899	4,106
Other Revenue	735	3,710	1,927
Licenses and Permits	3,276	2,728	2,679
Contracted Services Revenue	2,782	2,685	2,684
Total Operating Revenue	191,307	191,857	185,088
Expenses			
Public Works & Transit	32,403	45,297	43,946
Emergency Services	36,327	36,058	35,200
Utility Services	24,823	30,041	28,520
Community & Recreation Services	28,210	29,915	29,685
General Government	20,253	19,523	18,347
Planning & Engineering	15,600	18,401	16,258
Cultural Services	4,920	6,045	5,939
Corporate Financing	3,909	3,532	4,529
Executive Leadership	3,587	1,571	1,460
Council	1,193	976	808
Total Expenses	171,225	191,359	184,692
Annual Surplus Before Capital Revenue	20,082	498	396
Capital Revenue			
Contributed Tangible Capital Assets	-	9,442	23,950
Developer Contributions and Levies	-	1,013	6,217
Government Transfers - Capital (Note 14)	16,993	18,047	18,690
Total Capital Revenue	16,993	28,502	48,857
Annual Surplus	37,075	29,000	49,253
Accumulated Surplus, Beginning of Year	1,102,847	1,102,847	1,053,594
Accumulated Surplus, End of Year	\$ 1,139,922	\$ 1,131,847	\$ 1,102,847

The accompanying notes are an integral part of these consolidated financial statements.

CITY OF ST. ALBERT
CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
Year Ended December 31, 2019 (in thousands of dollars)

	2019 Budget (Note 17)	2019	2018
Annual Surplus	\$ 37,075	\$ 29,000	\$ 49,253
Acquisition of Tangible Capital Assets	(159,333)	(44,699)	(63,562)
Contributed Tangible Capital Assets	-	(9,442)	(23,950)
Proceeds on Disposal of Tangible Capital Assets	-	73	77
Amortization of Tangible Capital Assets	-	28,915	26,443
Loss on Disposal of Tangible Capital Assets	-	1,957	2,149
	(159,333)	(23,196)	(58,843)
Acquisition of Inventories of Materials and Supplies	-	(1,138)	(1,028)
Acquisition of Prepaid Expenses	-	(1,184)	(940)
Consumption of Inventories of Materials and Supplies	-	1,028	1,080
Use of Prepaid Expenses	-	940	786
	-	(354)	(102)
(Decrease) Increase in Net Financial Assets	(122,258)	5,450	(9,692)
Net Financial Assets, Beginning of Year	82,240	82,240	91,932
Net Financial Assets (Net Debt), End of Year	\$ (40,018)	\$ 87,690	\$ 82,240

The accompanying notes are an integral part of these consolidated financial statements.

CITY OF ST. ALBERT
CONSOLIDATED STATEMENT OF CASH FLOWS
Year Ended December 31, 2019 (in thousands of dollars)

	2019	2018
Cash Provided by (Used in):		
Operating Activities		
Annual Surplus	\$ 29,000	\$ 49,253
Items Not Involving Cash:		
Amortization of Tangible Capital Assets	28,915	26,443
Contributed Tangible Capital Assets	(9,442)	(23,950)
Loss on Disposal of Tangible Capital Assets	1,957	2,149
	50,430	53,895
Change in Non-Cash Assets and Liabilities:		
Accounts Receivable	2,043	(1,244)
Taxes Receivable	(444)	75
Inventories Held for Resale	(1)	(1)
Accounts Payable and Accrued Liabilities	(1,183)	3,131
Deferred Revenue	12,537	9,602
Offsite Levy Liabilities	1,610	(1,928)
Deposit Liabilities	673	172
Environmental Liability	(50)	(148)
Inventories of Materials and Supplies	(110)	52
Prepaid Expenses	(244)	(154)
Cash from Operating Activities	65,261	63,452
Capital Activities		
Acquisition of Tangible Capital Assets	(44,699)	(63,562)
Proceeds on Disposal of Tangible Capital Assets	73	77
Cash applied to Capital Activities	(44,626)	(63,485)
Investing Activities		
Purchase of Investments	(114,354)	(140,625)
Maturity of Investments	125,230	125,201
Cash from (applied to) Investing Activities	10,876	(15,424)
Financing Activities		
Issue of Long-Term Debt	2,000	10,000
Repayment of Long-Term Debt	(4,871)	(4,482)
Cash (applied to) from Financing Activities	(2,871)	5,518
Increase (Decrease) in Cash and Cash Equivalents	28,640	(9,939)
Cash and Cash Equivalents, Beginning of Year	18,347	28,286
Cash and Cash Equivalents, End of Year	\$ 46,987	\$ 18,347

The accompanying notes are an integral part of these consolidated financial statements.

CITY OF ST. ALBERT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2019 (in thousands of dollars)

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

1. Significant Accounting Policies

The consolidated financial statements ("financial statements") of the City are the representations of management and have been prepared in accordance with Canadian public sector accounting standards.

Significant accounting policies adopted by the City are as follows:

a. Reporting Entity

The financial statements reflect the assets, liabilities, revenues, expenses and accumulated surplus of the reporting entity. The entity is comprised of all organizations, committees and local boards 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, entities include the St. Albert Public Library and the Arts & Heritage Foundation of St. Albert. Inter-departmental and inter-organizational transactions and balances between these entities have been eliminated. The financial statements also include requisitions for educational and other organizations that are not part of the City.

b. Use of Estimates

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

Significant estimates include assumptions used in a number of areas including useful lives of tangible capital assets and the fair value of contributed tangible capital assets. Estimates are also used for various liabilities, including environmental liabilities, offsite levy liabilities and accrued liabilities. Other areas that estimates are used include revenue recognized in the year, provision for tax exempt appeals, investment impairment and provisions for allowances in accounts receivable.

Actual results could differ from these estimates.

c. Basis of Accounting

The financial statements are prepared using the accrual basis of accounting.

i. Revenue

Revenue is accounted for in the period in which it is earned and measurable. Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

Tax revenues are recognized when the tax has been authorized by bylaw and the taxable event has occurred.

CITY OF ST. ALBERT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2019 (in thousands of dollars)

c. Basis of Accounting

i. Revenue

Offsite levies are collected from a developer upon the execution of a Development Agreement as per the Offsite Levy Bylaw. These funds are restricted to fund the construction of specific infrastructure and are recognized as revenue once the said infrastructure has been built and the City has provided a construction completion certificate.

Government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used for certain programs, in the completion of specific work, or for the purchase or construction of tangible capital assets. These transfers are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return. These are recognized in the financial statements as revenue in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be determined.

ii. Expenses

Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

d. Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and cash equivalents that are highly liquid. Cash and cash equivalents are held for the purpose of meeting short-term commitments rather than for investment purposes.

e. Investments

Investments are recorded at amortized cost. Investment premiums and discounts are amortized on the straight line 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.

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

f. Inventories Held for Resale

Inventories held for resale are valued at lower of cost and net realizable value.

CITY OF ST. ALBERT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2019 (in thousands of dollars)

g. Non-Financial Assets

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

i. Tangible Capital Assets

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

Buildings and Building Improvement	10 to 50 years
Land Improvement	10 to 30 years
Library Collections	5 years
Engineered Structures	
Roadway System	15 to 50 years
Water System	20 to 75 years
Wastewater System	30 to 75 years
Storm System	30 to 75 years
Machinery and Equipment	5 to 20 years
Vehicles	5 to 18 years

Assets under construction are not amortized until the asset is available for productive use.

ii. Contributions of Tangible Capital Assets

Tangible Capital Assets received as contributions are recorded at fair value at the date of receipt and also are recorded as revenue. If an estimate of fair value cannot be made, the tangible capital assets are recorded at a nominal value.

iii. Leases

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

CITY OF ST. ALBERT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2019 (in thousands of dollars)

g. Non-Financial Assets

iv. Works of Art and Historical Treasures

Cultural and historical assets such as works of art, historical and heritage sites are not recorded as tangible capital assets.

v. 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 replacement cost.

h. Post-Employment Benefits

The City participates in multi-employer pension plans. As such, contributions for current and past service pension benefits are recorded as expenses in the year in which they become due.

i. Environmental Liability

The costs to close and maintain solid waste landfill sites are based on estimated future expenses, adjusted for Alberta Capital Finance Authority discount rate and City of St. Albert municipal index rate to current dollars. These costs are reported as a liability on the Consolidated Statement of Financial Position.

Pursuant to the Alberta Environmental Protection and Enhancement Act, the City is required to fund the closure of its landfill site and provide for post-closure care of the facility. Closure and post-closure activities include the final clay cover, landscaping, as well as surface and ground water monitoring, leachate control, and visual inspection. The liability for closure and post-closure care has been recognized based on an estimate of future expenses.

Contaminated sites are defined as the result of contamination being introduced into air, soil, water, or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of a contaminated site is recognized when a site is not in productive use and is management's estimate of the cost of post-remediation including operation, maintenance and monitoring. Sites that are currently in productive use are only considered contaminated sites if an unexpected event results in remediation. In cases where the City's responsibility is not determinable, a contingent liability may be disclosed.

j. Deferred Revenue

Deferred revenues represent government transfers, donations, and other fees which have been collected, but for which the related services have yet to be performed or agreement stipulations have not been met. These amounts will be recognized as revenues when revenue recognition criteria have been met. Interest earned on deferred revenues, reserves, and offsite levies are calculated using an average investment earnings on a monthly basis.

CITY OF ST. ALBERT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2019 (in thousands of dollars)

k. Requisition Over-levy and Under-levy

Over-levies and under-levies arise from the difference between the actual property tax levy made to cover each requisition and the actual amount requisitioned.

If the actual levy exceeds the requisition, the over-levy is accrued as a liability and property tax revenue is reduced. Where the actual levy is less than the requisition amount, the under-levy is accrued as a receivable and as property tax revenue.

Requisition tax rates in the subsequent year are adjusted for any over-levies or under-levies of the prior year.

l. Future Accounting Standard Pronouncements

The following summarizes upcoming changes to public sector accounting standards issued by the Public Sector Accounting Standards. In 2019, the City will continue to assess the impact and prepare for the adoption of these standards. While the timing of standard adoption may vary, certain standards must be adopted concurrently. The requirements in Financial Statement Presentation (PS1201), Financial Instruments (PS3450), Foreign Currency Translations (PS2601) and Portfolio Investments (PS3041) must be implemented at the same time.

Public Sector Accounting Standard	Name	Effective Date
PS1201	Financial Statement Presentation	April 1, 2021 (December 31, 2022 for the City)
PS 2601	Foreign Currency Translation	April 1, 2021 (December 31, 2022 for the City)
PS 3041	Portfolio Investments	April 1, 2021 (December 31, 2022 for the City)
PS 3450	Financial Instruments	April 1, 2021 (December 31, 2022 for the City)
PS 3280	Asset Retirement Obligations	April 1, 2021 (December 31, 2022 for the City)
PS 3400	Revenue	April 1, 2022 (December 31, 2023 for the City)

m. Changes in Accounting Policies

The City has adopted the following accounting standard effective January 1, 2019: PS3430 Restructuring Transactions. The adoption of this standard did not result in any changes to measurement or disclosures in the financial statements.

CITY OF ST. ALBERT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2019 (in thousands of dollars)

2. CASH AND CASH EQUIVALENTS

Cash and cash equivalents is comprised of cash and temporary investments in liquid bank accounts. Due to the economic climate in 2019, the City has entered into a strategy of maintaining more cash in these accounts as they earn a higher interest rate than other short term investments.

3. TAXES RECEIVABLE

	2019	2018
Taxes receivable	\$ 2,118	\$ 1,673
Penalties and arrears	1,147	1,148
Total taxes receivable	\$ 3,265	\$ 2,821

4. INVESTMENTS

	2019		2018	
	Amortized Cost	Market Value	Amortized Cost	Market Value
Short Term Investment Portfolio	\$ 47,977	\$ 47,981	\$ 74,043	\$ 74,011
Long Term Investment Portfolio	113,165	114,052	97,968	96,669
Credit Union Shares	200	200	207	207
	\$ 161,342	\$ 162,233	\$ 172,218	\$ 170,887

The Short Term Investment Portfolio includes notes and deposits and have effective rates of 2.34% to 2.58% (2018 - 1.94% to 2.60%), are for fixed terms, and have maturity dates less than three years. The City's Long Term Investment Portfolio includes corporate and government bonds and have effective rates of 2.23% to 3.22% (2018 - 1.91% to 3.85%), with maturity dates ranging between 2020 and 2029.

CITY OF ST. ALBERT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2019 (in thousands of dollars)

5. DEFERRED REVENUE

	2018	Net Contributions	Interest Earned	Revenue Recognized	2019
Deferred Revenue - Capital Government Transfers					
Municipal Sustainability Initiative	\$ 22,719	\$ 13,641	\$ 680	\$ (4,964)	\$ 32,076
Federal Gas Tax Fund	5,700	7,466	203	(2,358)	11,011
Ray Gibbon Drive Provincial Grant Funding	128	-	-	-	128
Basic Capital Grant	2,540	5,522	91	(2,805)	5,348
Green Trip Grant	11,757	-	304	(5,594)	6,467
Other Capital	-	2,326	-	(2,326)	-
Total Deferred Revenue - Capital Government Transfers	42,844	28,955	1,278	(18,047)	55,030
Deferred Revenue - Operating Government Transfers					
Municipal Sustainability Initiative	-	442	-	(442)	-
Library	13	-	-	(1)	12
ACP Grant - Inter Municipal Collaboration	-	50	1	(22)	29
Family and Community Support Services	-	1,425	-	(1,425)	-
Community	8	11	-	(13)	6
Arts and Heritage Foundation	116	140	-	(116)	140
Other	144	355	-	(300)	199
Total Deferred Revenue - Operating Government Transfers	281	2,423	1	(2,319)	386
Deferred Revenue - Other					
Servus Place	1,398	3,658	-	(3,559)	1,497
Other Operating	783	996	-	(825)	954
Licensing	916	919	-	(916)	919
Community	9	11	-	(12)	8
Utilities	46	-	-	(5)	41
Performing Arts	102	100	-	(102)	100
Library	19	-	-	(19)	-
Total Deferred Revenue - Other	3,273	5,684	-	(5,438)	3,519
Total Deferred Revenue	\$ 46,398	\$ 37,062	\$ 1,279	\$ (25,804)	\$ 58,935

CITY OF ST. ALBERT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2019 (in thousands of dollars)

6. OFFSITE LEVY LIABILITIES

	2018	Contributions	Interest Earned	Applied	2019
Offsite Levy Liabilities					
Transportation Offsite Levy	\$ 1,481	\$ 977	\$ 22	\$ (1,125)	\$ 1,355
Water Offsite Levy	8,405	842	261	1,188	10,696
Sanitary Sewer Levy	1,083	492	17	(1,073)	519
Stormwater Levy	3	12	-	(3)	12
Total Offsite Levy Liabilities	\$ 10,972	\$ 2,323	\$ 300	\$ (1,013)	\$ 12,582

7. LONG-TERM DEBT

- a. Long-term debt consists of:

	2019	2018
Municipal Tax Supported Debenture	\$ 40,122	\$ 42,993

Debenture debt has been issued on the credit and general security of the City. Debentures are held by the Alberta Capital Finance Authority. Debenture interest is payable at rates ranging from 2.07% to 5.00% per annum. The debentures are payable in annual or semi-annual amounts and mature in periods ranging from 2024 to 2038.

The City has an operating line of credit with its bank of \$5,000 (2018 - \$5,000). This credit facility bears interest at the Scotia Bank Composite Prime minus 0.50% and was not drawn on at December 31, 2019.

The City's total cash payments for interest in 2019 were \$1,811 (2018 - \$1,859)

- b. Long-term debt principal and interest amounts due in each of the next five years and thereafter are as follows:

	Principal	Interest	Total
2020	\$ 5,291	\$ 1,632	\$ 6,923
2021	5,520	1,402	6,922
2022	5,761	1,162	6,923
2023	5,317	915	6,232
2024	4,302	666	4,968
Thereafter	13,931	2,316	16,247
	\$ 40,122	\$ 8,093	\$ 48,215

CITY OF ST. ALBERT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2019 (in thousands of dollars)

7. LONG-TERM DEBT

c. Debt Limits

Section 276(2) of the Municipal Government Act requires that debt and debt limits, as defined by Alberta Regulation 255/2000 for the City be disclosed as follows:

	2019	2018
Total Debt Limit	\$ 289,153	\$ 286,958
Total Debt	40,122	42,993
Amount of Debt Limit Unused	249,031	243,965
Maximum Allowable Debt Servicing Limit	48,192	47,826
Annual Payments of Existing Debt	6,682	6,341
Amount of Debt Servicing Limit Unused	\$ 41,510	\$ 41,485

The debt limit is calculated at 1.5 times revenue of the City (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 guidelines 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 and other factors must be considered.

8. ENVIRONMENTAL LIABILITY

Under Provincial legislation, the City has a liability for closure and 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 action plan includes objectives that will maintain the integrity of the containment berms, minimize the generation of leachate and continued monitoring of the groundwater. In addition, under Provincial legislation, the City is required to remediate certain lands with salt contamination in excess of Provincial environmental standards related to a former salt storage shed.

The City's landfill post closure and contaminated sites monitoring costs are based on estimated future monitoring expenses for approximately 25 years, in current dollars by applying Alberta Capital Finance Authority discount rate of 2.6910% and the St. Albert municipal price index rate of 1.96%. An amount of \$772 (2018 - \$805) has been set up for the landfill post closure monitoring expenses and an amount of \$419 (2018 - \$436) has been set up for contaminated sites monitoring costs. These environmental liabilities relate to salt impact, which are affecting the soil and groundwater from a former salt storage shed.

The reported liabilities are based on estimates and assumptions with respect to events using the best information available to management. Future events, such as changes to regulatory requirements, may result in significant changes to the estimated total expenses and will be recognized prospectively as a change in estimate when applicable.

	2019	2018
Estimated Post Closure Monitoring Costs	\$ 772	\$ 805
Estimated Contaminated Site Monitoring Costs	419	436
Estimated Monitoring Costs	\$ 1,191	\$ 1,241

CITY OF ST. ALBERT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2019 (in thousands of dollars)

9. TANGIBLE CAPITAL ASSETS

2019											
	Building Improvement	Library Collections	Land Improvement	Engineered Structures	Buildings	Machinery and Equipment	Land	Vehicles	Assets Under Construction	Total	
Cost											
Balance, Beginning of Year	\$ 17,094	\$ 1,980	\$ 66,237	\$ 685,527	\$ 144,560	\$ 28,101	\$ 416,749	\$ 48,841	\$ 32,345	\$ 1,441,434	
Acquisitions and Contributions	723	398	787	14,808	-	1,765	1,549	1,033	33,078	54,141	
Disposals and Transfers	-	(443)	(4)	(5,829)	-	(2,189)	(1,810)	(547)	(34)	(10,856)	
Internal Transfers	2,283	-	8,044	40,902	-	193	-	-	(51,422)	-	
Balance, End of Year	20,100	1,935	75,064	735,408	144,560	27,870	416,488	49,327	13,967	1,484,719	
Accumulated Amortization											
Balance, Beginning of Year	2,169	1,033	31,484	283,889	67,660	15,519	-	21,041	-	422,795	
Amortization	613	392	2,874	16,300	2,952	2,857	-	2,927	-	28,915	
Disposals	-	(443)	(4)	(5,736)	-	(2,183)	-	(460)	-	(8,826)	
Balance, End of Year	2,782	982	34,354	294,453	70,612	16,193	-	23,508	-	442,884	
Net Book Value, End of Year	\$ 17,318	\$ 953	\$ 40,710	\$ 440,955	\$ 73,948	\$ 11,677	\$ 416,488	\$ 25,819	\$ 13,967	\$ 1,041,835	

CITY OF ST. ALBERT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2019 (in thousands of dollars)

9. TANGIBLE CAPITAL ASSETS

	2018									
	Building Improvement	Library Collections	Land Improvement	Engineered Structures	Buildings	Machinery and Equipment	Land	Vehicles	Assets Under Construction	Total
Cost										
Balance, Beginning of Year	\$ 16,069	\$ 2,133	\$ 56,977	\$ 609,310	\$ 132,626	\$ 26,810	\$ 409,002	\$ 44,932	\$ 61,699	\$ 1,359,558
Acquisitions and Contributions	666	354	2,144	23,713	7,660	980	9,261	5,754	36,980	87,512
Disposals and Transfers	-	(507)	-	(1,064)	-	(654)	(1,514)	(1,845)	(52)	(5,636)
Internal Transfers	359	-	7,116	53,568	4,274	965	-	-	(66,282)	-
Balance, End of Year	17,094	1,980	66,237	685,527	144,560	28,101	416,749	48,841	32,345	1,441,434
Accumulated Amortization										
Balance, Beginning of Year	1,634	1,128	28,966	269,813	64,825	13,418	-	19,978	-	399,762
Amortization	535	412	2,518	14,594	2,835	2,761	-	2,788	-	26,443
Disposals	-	(507)	-	(518)	-	(660)	-	(1,725)	-	(3,410)
Balance, End of Year	2,169	1,033	31,484	283,889	67,660	15,519	-	21,041	-	422,795
Net Book Value, End of Year	\$ 14,925	\$ 947	\$ 34,753	\$ 401,638	\$ 76,900	\$ 12,582	\$ 416,749	\$ 27,800	\$ 32,345	\$ 1,018,639

CITY OF ST. ALBERT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2019 (in thousands of dollars)

9. TANGIBLE CAPITAL ASSETS

a. Assets Under Construction

Assets under construction have a cost of \$13,968 (2018 - \$32,345) and will be amortized when the assets are put into service.

b. Contributed Tangible Capital Assets

Contributed tangible capital assets have been recognized at fair value at the date of contribution. The fair value of contributed tangible assets received during the year is \$9,442 (2018 - \$23,950). This amount is comprised of roads infrastructure in the amount of \$3,000 (2018 - \$11,492), water, storm and wastewater infrastructure in the amount of \$5,575 (2018 - \$9,601), and land in the amount of \$867 (2018 - \$2,857).

c. Disposals and Transfers of Tangible Capital Assets

The City transferred title of school site (Joseph Demko) to the Public School Board, with a carrying value of \$1,809 for no proceeds. The City also disposed of certain machinery and equipment which was substantially fully amortized.

d. Works of Art and Historical Treasures

The City manages and controls various works of art and non-operational historical cultural assets including buildings, artifacts, paintings and sculptures located at City sites and public display areas.

10. EQUITY IN TANGIBLE CAPITAL ASSETS

	2019	2018
Tangible Capital Assets (Note 9)	\$ 1,484,718	\$ 1,441,434
Accumulated Amortization (Note 9)	(442,884)	(422,795)
Long-Term Debt (Note 7)	(40,122)	(42,993)
	\$ 1,001,712	\$ 975,646

CITY OF ST. ALBERT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2019 (in thousands of dollars)

11. ACCUMULATED SURPLUS

Accumulated surplus consists of unrestricted, restricted and amounts invested in tangible capital assets as follows:

	2019	2018
Surplus		
Unrestricted Surplus (Deficit)	\$ (6,296)	\$ (2,522)
Equity in Tangible Capital Assets	1,001,712	975,646
	995,416	973,124
Reserves		
Operating	14,670	12,929
Capital	67,086	67,530
Controlled Entity - Operating	480	219
Controlled Entity - Capital	484	482
Utilities	53,711	48,563
Total Reserves	136,431	129,723
Total Accumulated Surplus	\$ 1,131,847	\$ 1,102,847

*Controlled Entity includes the St. Albert Public Library and the Arts & Heritage Foundation of St. Albert.

12. COMMITMENTS AND CONTINGENCIES

a. Legal Claims

As at December 31, 2019, the City was involved in various legal disputes. While it is not possible to estimate the outcome of these disputes, management believes that there will be no adverse effect on the City's financial position.

b. Lease Commitments

The City has entered into several operating lease agreements comprised of base rent plus a proportionate share of operating costs and management fees for space rental. Lease commitments over the next five years and thereafter are as follows:

2020	\$ 1,242
2021	998
2022	557
2023	396
2024	369
Thereafter	1,570
	\$ 5,132

CITY OF ST. ALBERT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2019 (in thousands of dollars)

13. PROPERTY TAXES

	2019 Budget (Note 17)	2019	2018
Taxation			
Real Property Taxes	\$ 137,260	\$ 136,877	\$ 132,232
Linear Property Taxes	1,094	1,125	1,095
Government Grants in place of property tax	2,222	2,431	2,222
Total Taxation	140,576	140,433	135,549
Requisitions			
Alberta School Foundation Fund	25,956	25,956	24,854
Opted Out School Board	7,671	7,671	7,498
Homeland Housing	1,165	1,166	1,134
Other	6	6	80
Total Requisitions	34,798	34,799	33,566
Property Taxes Available for Municipal Purposes	\$ 105,778	\$ 105,634	\$ 101,983

14. GOVERNMENT TRANSFERS

	2019 Budget (Note 17)	2019	2018
Government Transfers for Operations			
Provincial Transfers	\$ 3,915	\$ 4,624	\$ 4,820
Federal Transfers	173	183	205
Total Operating Transfers	4,088	4,807	5,025
Government Transfers for Capital			
Provincial Transfers	13,747	13,364	14,958
Federal Transfers	3,246	4,683	3,732
Total Capital Transfers	16,993	18,047	18,690
Total Government Transfers	\$ 21,081	\$ 22,854	\$ 23,715

CITY OF ST. ALBERT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2019 (in thousands of dollars)

15. SALARIES AND BENEFITS DISCLOSURE

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

	Salaries (a)	Benefits and Allowances (b)	2019	2018
Mayor Heron (i)	\$ 138,017	\$ 8,577	\$ 146,594	\$ 121,308
Councillor Hansen (i)	53,765	8,007	61,772	53,329
Councillor Joly (i)	53,765	8,027	61,792	53,370
Councillor K. MacKay (i)	53,765	8,027	61,792	53,011
Councillor Watkins (i)	53,765	5,704	59,469	51,143
Councillor Brodhead	53,765	8,152	61,917	53,486
Councillor Hughes	53,765	8,281	62,046	53,581
Chief Administrative Officer	262,041	41,982	304,023	296,789
Designated Officer	148,577	38,428	187,005	186,227

a. Salaries

Salaries above include regular base salary and any retiree allowance.

b. Benefits and Allowances

Benefits and allowances above, include any allowances, as well as the City's share of all employee benefits and contributions or payments made on behalf of employees including retirement pension, Canada Pension Plan, employment insurance, WCB, health care, dental coverage, vision coverage, group life insurance, accidental death and dismemberment insurance, long and short term disability plans, professional memberships, and car allowances.

c. Related Party Transactions

Related parties include key management personnel of the City. The City has defined key management personnel to include those individuals disclosed above and the Director of Finance & Assessment/Chief Financial Officer. Transactions with key management personnel primarily consist of compensation related payments and are undertaken on similar terms and conditions to those that would be adopted if the parties were dealing at arm's length.

CITY OF ST. ALBERT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2019 (in thousands of dollars)

16. PENSION PLANS

a. Local Authorities Pension Plan

Approximately 683 (2018 – 673) employees of the City 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 is required to make current service contributions to the LAPP of 9.39% (2018 - 10.39%) of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 13.84% (2018 - 14.84%) on pensionable earnings above this amount. Employees of the City are required to make current service contributions of 8.39% (2018 - 9.39%) of pensionable salary up to the year's maximum pensionable salary and 12.84% (2018 – 13.84%) on pensionable salary above this amount.

Total contributions by the City to the LAPP in 2019 were \$6,150 (2018 - \$6,385). Total contributions by the employees of the City of St. Albert to the Local Authorities Pension Plan in 2019 were \$5,589 (2018 - \$5,851). At December 31, 2018, the plan reported the value of its assets at \$44.5 billion and disclosed an actuarial surplus of \$3.50 billion. Plan asset and actuarial surplus data as at December 31, 2019 was not yet available.

b. APEX

The APEX supplementary pension plan, an Alberta Urban Municipalities Association (AUMA) sponsored defined benefit pension plan covered under the provisions of the Alberta Employment Pension Plans Act, commenced on January 1, 2004. This plan provides supplementary pension benefits to a prescribed class of employees 17 beneficiaries (2018 - 11). The plan supplements the Local Authorities Pension Plan.

Contributions are made by the prescribed class of employees and the City. The employees and the City are required to make current service contributions to APEX of 2.84% and 3.78% (2018 - 2.84% and 3.78%) respectively, of pensionable earnings up to \$151 (2018 - \$147). Total current service contributions by the City to APEX in 2019 were \$78 (2018 - \$81). Total current service contributions by the employees of the City were \$59 (2018 - \$61).

The cost of post-retirement benefits earned by employees is actuarially determined using the projected benefit method prorated on service, 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, 2019, the APEX supplementary pension plan has vested with approximately 85% of eligible employees.

c. MuniSERP

The MuniSERP supplementary overcap retirement plan extend LAPP and APEX pension benefit levels beyond the Canada Revenue Agency maximum. The plan commenced on January 1, 2003, and provides supplementary benefits to a prescribed class of employees 4 beneficiaries (2018 - 4). MuniSERP supplements APEX and LAPP and is a voluntary, non-contributory, non-registered supplementary employee retirement plan. The cost of post-retirement benefits earned by employees is actuarially determined using the projected benefit method prorated on service, management's best estimate of salary and benefit escalation, and retirement ages of employees. As at December 31, 2019, an actuarial costing has been completed along with corresponding disclosure of designated assets.

CITY OF ST. ALBERT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2019 (in thousands of dollars)

16. PENSION PLANS

The following presents the MuniSERP obligation as at December 31, 2019:

	2019	2018
Accrued Benefit Obligation		
Balance, Beginning of Year	\$ 81	\$ 167
Current Service Cost and Interest Cost	23	(86)
Balance, End of Year	\$ 104	\$ 81

There are no defined benefit plan assets.

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

	2019	2018
Discount Rate	4.60 %	4.75 %
Rate of Compensation Increase	2.75 %	3.50 %

17. BUDGET INFORMATION

The budget data presented in these financial statements is based upon the 2019 operating and capital budgets approved by Council. Amortization, contributed tangible capital assets and loss on sale of tangible capital assets were not contemplated in development of the budget and, as such, have not been included. The 2019 operating budget, approved by Council December 17, 2018 (2018 - December 18, 2017), is reported on the accrual basis in accordance with Canadian Public Sector Accounting Standards, which excludes the repayment of long-term debt and reserve transactions. The capital budget reports the authorized activity for the year ended December 31, 2019, as follows:

	2019	2018
Capital Budget approved by Council	\$ 70,874	\$ 41,941
Approved Capital Budget Amendments	(5,702)	12,945
Unspent Prior Years Budgeted Capital Expenditures and Amendments	96,169	127,369
Amounts Deemed Not Capital in Nature	(2,008)	(4,533)
Capital Budget for Acquisition of Tangible Capital Assets	\$ 159,333	\$ 177,722

Budgets established for capital acquisitions 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.

CITY OF ST. ALBERT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2019 (in thousands of dollars)

18. SEGMENTED INFORMATION

Segmented information has been presented by Function, which is based upon the City's organizational structure. Functions are the highest level grouping and departments are sections under the function. City services are provided by departments and their activities are reported by functional area as follows:

a. Council

The Council functional area provides high level direction in the nature of:

- Developing corporate strategy and related policies
- Ensuring municipal powers are exercised appropriately; and
- Enduring municipal duties and functions are fulfilled.

This area includes all Councillors and the Mayor.

b. Executive Leadership

Executive Leadership provide direct advice to Council and corporate leadership on all aspects of the municipal corporation including supporting Council in their governance role. This function funds the offices of the Chief Administrative Officer (CAO), the Deputy Chief Administrative Officer (DCAO) and Intergovernmental Relations.

c. General Government

The General Government functional area provides strategic guidance, planning, advice and resources to Council and the corporation to support the City's initiatives today and in the future for the benefit of the City. The following departments are included in this function:

- Legal & Legislative Services
- Economic Development
- Financial Services & Assessment
- Human Resources & Safety
- Strategic Services & Information Technology

d. Community and Recreation Services

The Community and Recreation Services functional area provides external services in the areas of culture, community and social development as well as recreation and parks. The function also acts as the liaison for local boards and outside agencies such as the St. Albert Seniors Centre, Community Services Advisory Board, Strategy and Mobilization (SAM) Committee and the Affordable Housing Advisory Board (in cooperation with the Planning department). The following departments are included in this function:

- Community Services (Excluding Culture)
- Recreation and Parks

e. Emergency Services

The Emergency Services functional area provides external services in the areas of fire and policing. The function is responsible for the delivery of essential programs and services that ensure the overall safety and security of residents.

CITY OF ST. ALBERT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2019 (in thousands of dollars)

18. SEGMENTED INFORMATION

f. Public Works and Transit

The Public Works and Transit functional area ensures that the City residents are proud of our parks, facilities and roads through quality infrastructure management and through professional, courteous and efficient service. The Public Works and Transit function also provides safe, reliable local and commuter transportation to residents.

g. Planning and Engineering

The Planning and Engineering functional area is a key contributor in assisting the community in achieving the strategies within the City's Strategic Plan that focus around the Built Environment and Service Delivery Strategy.

The Engineering Services and Planning and Development departments work closely together to manage the City's growth and sustainability. This includes monitoring the quality and safety of buildings, land developments and public infrastructure. Programs delivered through the Utilities and Environment department support environmental stewardship both for the corporation and the community.

The following departments are included in this function:

- Engineering Services
- Planning & Development
- Environment

h. Corporate Financing

Corporate Financing includes the portion of the tax levy used to support required debt payments, provides contributions to municipal capital reserve and projects, and also includes common corporate revenues and expenses such as interest income, bank fees, and lease expenses.

i. Utility Services

The Utility Services functional area provides water, wastewater, storm water, garbage collection and disposal, compost and recycling services for residents of St. Albert. The Utility Services function also ensures that the City's Utilities infrastructure is developed and maintained in a cost-effective manner consistent with regulated safety and environmental standards.

The following departments are included in the Utility Services Function:

- Water
- Wastewater
- Storm
- Solid Waste Management

j. Cultural Services

The Cultural Services functional area includes the St. Albert Public Library and Arts & Heritage Foundation of St. Albert. All cultural programs, services, and events are included in this area.

CITY OF ST. ALBERT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2019 (in thousands of dollars)

18. SEGMENTED INFORMATION

The following tables report the financial operations for each of the above mentioned segments.

December 31, 2019	Council	Executive Leadership	General Government	Community & Recreation Services	Emergency Services	Public Works & Transit	Planning & Engineering	Corporate Financing	Utility Services	Cultural Services	Total 2019	Budget 2019
Operating Revenue												
Property Taxes	\$ 539	\$ 867	\$ 10,778	\$ 16,515	\$ 19,906	\$ 25,006	\$ 10,158	\$ (394)	\$ 18,928	\$ 3,331	\$ 105,634	\$ 105,778
Sales and User Fees	3	-	488	11,828	1,233	5,474	1,394	143	38,059	596	59,218	59,893
Government Transfers - Operating	-	22	58	2,100	1,767	132	14	-	16	698	4,807	4,088
Fines and Penalties	-	-	991	-	3,860	-	-	-	217	-	5,068	5,202
Licenses and Permits	-	-	854	-	416	17	1,450	-	(9)	-	2,728	3,276
Contracted Services Revenue	-	-	-	-	2,685	-	-	-	-	-	2,685	2,782
Investment Income	-	-	45	162	38	284	-	1,969	1,388	13	3,899	5,203
Franchise Fees	-	-	-	-	-	-	-	4,108	-	-	4,108	4,350
Other Revenue	-	-	35	545	-	883	39	1,864	76	268	3,710	735
Total Operating Revenue	542	889	13,249	31,150	29,905	31,796	13,055	7,690	58,675	4,906	191,857	191,307
Expenses												
Salaries, Wages and Benefits	564	1,113	13,186	16,173	22,827	14,118	7,479	96	5,621	5,475	86,652	86,522
Contracted and General Services	316	320	4,675	2,795	1,865	13,959	3,851	823	5,100	793	34,497	37,328
Amortization	60	114	1,229	3,177	635	12,412	4,131	608	5,980	569	28,915	-
Purchases from Other Governments	-	-	-	-	8,812	-	-	-	11,105	-	19,917	22,572
Materials, Goods and Utilities	34	24	399	3,445	830	6,029	2,754	-	932	841	15,288	15,491
Transfers to Individuals & Organizations	2	-	21	3,261	-	-	26	89	20	(1,759)	1,660	4,049
Interest on Long-Term Debt	-	-	-	737	-	730	-	(3)	309	-	1,773	1,811
Other Expenses	-	-	13	327	1,065	(2,020)	126	109	960	120	700	3,452
Loss (Gain) on Disposal of Tangible Capital Assets	-	-	-	-	24	69	34	1,810	14	6	1,957	-
Total Expenses	976	1,571	19,523	29,915	36,058	45,297	18,401	3,532	30,041	6,045	191,359	171,225
Excess (Deficiency) of Revenue over Expenses before Capital Revenue	(434)	(682)	(6,274)	1,235	(6,153)	(13,501)	(5,346)	4,158	28,634	(1,139)	498	20,082
Capital Revenue												
Contributed Tangible Capital Assets	-	-	-	-	-	3,000	-	867	5,575	-	9,442	-
Developer Contributions and Levies	-	-	-	-	-	1,126	-	-	(113)	-	1,013	-
Government Transfers - Capital	493	-	-	887	356	7,707	7,370	-	1,264	-	18,047	-
Excess (Deficiency) of Revenue over Expenses	\$ 59	\$ (682)	\$ (6,274)	\$ 2,092	\$ (5,797)	\$ (1,668)	\$ 2,024	\$ 5,025	\$ 35,360	\$ (1,139)	\$ 29,000	\$ 20,082

CITY OF ST. ALBERT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2019 (in thousands of dollars)

18. SEGMENTED INFORMATION

December 31, 2018	Council	Executive Leadership	General Government	Community & Recreation Services	Emergency Services	Public Works & Transit	Planning & Engineering	Corporate Financing	Utility Services	Cultural Services	Total 2018	Budget 2018
Operating Revenue												
Property Taxes	\$ 446	\$ 806	\$ 10,131	\$ 16,391	\$ 19,437	\$ 24,266	\$ 8,977	\$ (2)	\$ 18,251	\$ 3,280	\$ 101,983	\$ 102,102
Sales and User Fees	3	-	358	12,656	1,303	5,033	1,291	24	38,508	624	59,800	60,215
Government Transfers - Operating	-	-	2	2,101	1,566	121	63	-	20	1,152	5,025	4,117
Fines and Penalties	-	-	914	-	3,513	-	-	-	141	-	4,568	5,815
Licenses and Permits	-	-	819	-	365	20	1,448	-	27	-	2,679	3,227
Contracted Services Revenue	-	-	-	-	2,684	-	-	-	-	-	2,684	2,762
Investment Income	-	-	35	154	30	216	156	2,226	1,277	12	4,106	3,803
Franchise Fees	-	-	-	-	-	-	-	2,316	-	-	2,316	2,649
Other Revenue	40	38	241	578	-	548	215	362	133	(228)	1,927	792
Total Operating Revenue	489	844	12,500	31,880	28,898	30,204	12,150	4,926	58,357	4,840	185,088	185,482
Expenses												
Salaries, Wages and Benefits	487	1,073	13,018	15,629	21,044	13,375	7,212	1,735	5,159	5,361	84,093	83,263
Contracted and General Services	142	240	3,672	2,997	1,773	13,200	3,504	854	4,243	783	31,408	39,704
Amortization	38	115	1,129	2,847	696	12,342	2,917	532	5,264	563	26,443	-
Purchases from Other Governments	-	-	-	-	9,898	-	-	-	11,153	-	21,051	22,197
Materials, Goods and Utilities	37	33	377	3,335	839	5,964	2,457	-	1,009	852	14,903	14,876
Transfers to Individuals & Organizations	102	-	139	3,312	-	-	27	88	34	(2,273)	1,429	3,983
Interest on Long-Term Debt	-	-	-	800	-	844	-	22	253	-	1,919	1,698
Other Expenses	-	-	14	309	959	(1,858)	139	191	889	654	1,297	3,192
(Gain) Loss on Disposal of Tangible Capital Assets	-	-	(4)	457	(8)	80	-	1,108	516	-	2,149	-
Total Expenses	806	1,461	18,345	29,686	35,201	43,947	16,256	4,530	28,520	5,940	184,692	168,913
Excess (Deficiency) of Revenue over Expenses before Capital Revenue	(317)	(617)	(5,845)	2,194	(6,303)	(13,743)	(4,106)	396	29,837	(1,100)	396	16,569
Capital Revenue												
Contributed Tangible Capital Assets	-	-	-	-	-	11,492	-	2,857	9,601	-	23,950	-
Developer Contributions and Levies	-	-	-	-	-	3,100	-	-	3,117	-	6,217	-
Government Transfers - Capital	-	-	45	3,194	15	3,362	9,990	-	2,084	-	18,690	21,266
Excess (Deficiency) of Revenue over Expenses	\$ (317)	\$ (617)	\$ (5,800)	\$ 5,388	\$ (6,288)	\$ 4,211	\$ 5,884	\$ 3,253	\$ 44,639	\$ (1,100)	\$ 49,253	\$ 37,835

CITY OF ST. ALBERT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2019 (in thousands of dollars)

19. APPROVAL OF FINANCIAL STATEMENTS

Council and Management have approved these financial statements.

20. COMPARATIVE INFORMATION

The expense classifications as presented on the statement of operations and accumulated surplus and in Note 18 have been reclassified to conform with the current year presentation to ensure there is alignment with the internal reporting of the City.

21. SUBSEQUENT EVENT

On March 11, 2020, the World Health Organization declared the outbreak of a coronavirus (COVID-19) a global pandemic. The situation presents uncertainty over the City's future cash flows, and may have a significant impact on the City's future operations. Potential impacts could include future decreases in revenue including investment income and future increases in expenses. In response, the City is shifting its resources from normal municipal operations to meet emergency needs and is curtailing some planned capital projects, while moving forward with others. In addition, the City has implemented a number of actions including deferring property taxes and utility payments, delaying penalties, closure of administrative and recreational facilities and cancellation of events. As the situation is dynamic and the ultimate duration and magnitude of the impact on the economy are not known, an estimate of the financial effect on the City is not practicable at this time.



Statistical Section

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GENERAL STATISTICAL INFORMATION

(Unaudited)

For the Years Ended December 31, 2015 - 2019 (in thousands of dollars)

	2019	2018	2017	2016	2015
POPULATION (2)	66,082	66,082	65,589	64,645	63,255
NUMBER OF DWELLING UNITS (4)	27,062	26,847	26,541	26,140	25,285
MUNICIPAL AREA (IN HECTARES)	4,973	4,973	4,973	4,973	4,973
BUILDING PERMITS VALUE (IN THOUSANDS)					
Residential	99,107	111,301	196,245	133,412	154,980
Commercial	38,437	26,540	62,619	40,071	21,920
Industrial	2,170	12,236	6,974	78,056	3,362
Institutional	3,542	1,997	21,254	14,870	39,554
	143,256	152,074	287,092	266,409	219,816
BUILDING PERMITS ISSUED					
Residential	591	726	675	690	718
Commercial	105	79	98	80	70
Industrial	52	50	42	35	41
Institutional	22	22	26	31	31
	770	877	841	836	860
PARK AREA (IN HECTARES) (3)	544	542	533	524	522
TAX COLLECTION RATE (PERCENTAGE)	97.68	97.92	97.77	97.56	97.56
LONG TERM DEBT					
Long term debt (IN THOUSANDS)	40,122	42,993	37,475	41,586	45,515
Retired Within 5 Years %	65.3	57.6	59.2	52.0	46.0
Retired Thereafter %	34.7	42.4	40.8	48.0	54.0
RESIDENTIAL TAX INCREASE % (6)	0.9	1.6	0.8	0.6	1.8
QUALITY OF LIFE SATISFACTION (7)	98	-	99	-	-
CONSUMER PRICE INDEX CHANGE (PERCENTAGE) (1)					
Alberta	2.3	2.4	1.6	1.1	1.1
Canada	2.2	2.3	1.6	1.4	1.1
UNEMPLOYMENT RATE(PERCENTAGE)(1)					
Alberta	7.0	6.4	6.9	8.5	6.0
Canada	5.6	5.6	5.7	6.9	6.9
CITY OF ST. ALBERT EMPLOYEES (5)	657.28	661.78	642.84	620.00	611.71
NET DEBT PER CAPITA	607	651	571	643	720

Notes

1. Consumer Price Index and Unemployment Rate data obtained from Statistics Canada
2. St. Albert Municipal Census is conducted every 2 years
3. Provincial Parks and Urban Reserves are not included within Park Area Calculation
4. Number of Dwelling Units is based on Assessment Department data
5. Positions are stated in full time equivalents
6. Overall tax increase including municipal, education, and Homeland Housing tax components
7. Quality of Life Satisfaction Survey is conducted every 2 years

TAXATION AND ASSESSMENT

For the Years Ended December 31, 2015 - 2019

	2019	2018	2017	2016	2015
TAX RATES					
Municipal - Residential	8.023	7.898	7.844	7.476	7.631
Municipal - Non-Residential	11.014	11.008	10.769	10.470	10.530
Public School					
Residential	2.574	2.535	2.494	2.436	2.381
Non-Residential	3.432	3.368	3.541	3.463	3.247
Separate School (Catholic)					
Residential	2.574	2.535	2.494	2.436	2.381
Non-Residential	3.432	3.368	3.541	3.463	3.247
ASSESSMENT (percentage change)					
Residential - Market Value	(0.64)	0.70	(3.29)	1.55	3.52
Residential - Growth	2.65	1.81	2.98	2.59	3.11
Non-Residential Market Value	0.95	0.06	(0.51)	2.07	6.70
Non-Residential Growth	2.64	7.23	4.03	4.28	5.15

TAXATION AND REQUISITIONS

For the Years Ended December 31, 2015 - 2019 (in thousands of dollars)

	2019	2018	2017	2016	2015
TAXATION					
Real Property Taxes	\$ 136,877	\$ 132,232	\$ 126,935	\$ 122,243	\$ 117,596
Linear Property Taxes	1,125	1,095	1,075	1,076	1,090
Government Grants in Place of Property Taxes	2,431	2,222	1,777	1,339	1,288
	140,433	135,549	129,787	124,658	119,974
REQUISITIONS					
Alberta School Foundation Fund	25,956	24,854	23,953	23,072	21,078
Opted Out School Board	7,671	7,498	7,214	7,279	7,074
Homeland Housing Requisition	1,166	1,134	1,121	1,104	1,051
Other	6	80	80	80	80
	34,799	33,566	32,368	31,535	29,283
TAXES AVAILABLE AND COLLECTED FOR MUNICIPAL PURPOSES	\$ 105,634	\$ 101,983	\$ 97,419	\$ 93,123	\$ 90,691

TAXABLE ASSESSMENT AND GOVERNMENT GRANTS IN PLACE OF PROPERTY TAXES

For the Years Ended December 31, 2015 - 2019 (in thousands of dollars)

	2019	2018	2017	2016	2015
TAXABLE ASSESSMENT					
Residential	\$ 10,542,733	\$ 10,336,462	\$ 10,081,331	\$ 10,122,507	\$ 9,711,715
Commercial	1,155,999	1,132,033	1,041,790	1,021,749	968,305
Industrial	503,083	479,537	472,470	460,412	417,954
Linear and M & E	78,167	76,230	74,847	76,841	78,738
	12,279,982	12,024,262	11,670,438	11,681,509	11,176,712
GOVERNMENT GRANTS IN PLACE OF PROPERTY TAXES	170,471	153,266	126,929	99,035	97,244
TOTAL TAXABLE ASSESSMENT AND GOVERNMENT GRANTS IN PLACE OF PROPERTY TAXES	\$ 12,450,453	\$ 12,177,528	\$ 11,797,367	\$ 11,780,544	\$ 11,273,956
TOTAL TAXABLE ASSESSMENT AND GOVERNMENT GRANTS IN PLACE OF PROPERTY TAXES (PERCENTAGE)					
Residential	84.7	84.9	85.5	85.9	86.1
Commercial	9.3	9.3	8.8	8.7	8.6
Industrial	4.0	3.9	4.0	3.9	3.7
Linear and M & E	0.6	0.6	0.6	0.7	0.8
Grants in Place	1.4	1.3	1.1	0.8	0.9
RESIDENTIAL / NON-RESIDENTIAL SPLIT* (PERCENTAGE)					
Residential	84.7	84.9	85.5	85.9	86.2
Non-Residential	15.3	15.1	14.5	14.1	13.8

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

TAX COLLECTION

For the Years Ended December 31, 2015 - 2019 (in thousands of dollars)

	2019	2018	2017	2016	2015
CURRENT LEVY	\$ 140,301	\$ 135,626	\$ 130,055	\$ 124,725	\$ 120,089
TAXES RECEIVABLE					
Current	2,395	1,936	2,036	2,086	1,750
In Arrears for More than One Year	870	885	861	953	1,180
	\$ 3,265	\$ 2,821	\$ 2,897	\$ 3,039	\$ 2,930
TAXES OUTSTANDING, BEFORE ALLOWANCE					
Total %	2.33 %	2.08 %	2.23 %	2.44 %	2.44 %

Note that the top 10 principle taxpayers made up only 6 per cent of the 2019 tax levy; therefore, no undue reliance is placed upon any one taxpayer.

TOTAL LONG-TERM DEBT AND LONG-TERM DEBT SERVICING LIMITS

For the Years Ended December 31, 2015 - 2019 (in thousands of dollars)

	2019	2018	2017	2016	2015
Long-Term Debt					
Tax Supported	\$ 40,122	\$ 42,993	\$ 37,475	\$ 41,586	\$ 45,515
	40,122	42,993	37,475	41,586	45,515
TOTAL LONG-TERM DEBT					
Maximum Allowable Annual Debt Servicing	\$ 48,192	\$ 47,826	\$ 45,689	\$ 44,533	\$ 46,735
Annual Servicing on Existing Debt	6,682	6,341	6,000	6,000	6,000
Amount of Limit Used (Percentage)	14	13	13	13	13

RESTRICTED SURPLUS RESERVE BALANCES

For the Years Ended December 31, 2015 - 2019 (in thousands of dollars)

	2019	2018	2017	2016	2015
City of St. Albert					
Operating	\$ 14,670	\$ 12,929	\$ 12,872	\$ 13,322	\$ 12,955
Capital	67,086	67,530	69,299	69,751	65,150
	81,756	80,459	82,171	83,073	78,105
*Controlled Entities					
Operating	480	219	463	414	380
Capital	484	482	473	498	393
	964	701	936	912	773
Utilities	53,711	48,563	49,587	45,689	37,367
TOTAL RESTRICTED SURPLUS RESERVES	\$ 136,431	\$ 129,723	\$ 132,694	\$ 129,674	\$ 116,245

*Controlled Entities include the St. Albert Public Library and the Arts & Heritage Foundation of St. Albert.

RESTRICTED SURPLUS (RESERVE) BALANCES

KEY COMPONENTS OF FINANCIAL POSITION

For the Years Ended December 31, 2015 - 2019 (in thousands of dollars)

	2019	2018	2017	2016	2015
Total Financial Assets	\$ 224,509	\$ 208,343	\$ 201,688	\$ 191,427	\$ 171,141
Total Liabilities	136,819	126,103	109,756	104,874	101,479
Net Financial Assets	87,690	82,240	91,932	86,553	69,662
Total Non-Financial Assets	1,044,157	1,020,607	961,662	923,844	877,432
Total	1,131,847	1,102,847	1,053,594	1,010,397	947,094
Key Components of Financial Assets Include:					
Cash and Cash Equivalents	46,987	18,347	28,286	12,805	37,403
Investments	161,342	172,218	156,794	160,245	118,057
Key Components of Financial Liabilities Include:					
Long-Term Debt	40,122	42,993	37,475	41,586	45,515
Key Components of Non-Financial Assets Include:					
Tangible Capital Assets	1,041,835	1,018,639	959,796	921,897	875,884
Key Components of Accumulated Surplus Include:					
Invested in Tangible Capital Assets	1,001,712	975,646	922,321	880,311	830,369
Restricted Surplus - Reserves	\$ 136,431	\$ 129,723	\$ 132,694	\$ 129,674	\$ 116,245

	2019	2018	2017	2016	2015
ACQUISITIONS OF TANGIBLE CAPITAL ASSETS					
Building Improvements	\$ 723	\$ 666	\$ 7,612	\$ 912	\$ 151
Library Collections	398	354	376	400	413
Land Improvement	787	2,144	7,133	787	1,095
Engineered Structures	14,808	23,713	23,130	40,410	26,347
Buildings	-	7,660	2,743	143	39
Machinery and Equipment	1,765	980	4,149	3,206	2,436
Land	1,549	9,261	12,611	12,718	-
Vehicles	1,033	5,754	3,961	2,612	3,051
Assets Under Construction	33,078	36,980	3,954	7,803	10,401
TOTAL TANGIBLE CAPITAL ASSET ACQUISITIONS	\$ 54,141	\$ 87,512	\$ 65,669	\$ 68,991	\$ 43,933

REVENUE BY SOURCE, EXPENSE BY FUNCTION , AND ANNUAL SURPLUS

For the Years Ended December 31, 2015 - 2019 (in thousands of dollars)

	2019	2018	2017	2016	2015
REVENUE AND OTHER					
Property Taxes	\$ 105,634	\$ 101,983	\$ 97,419	\$ 93,123	\$ 90,691
Sales and User Fees	59,218	59,800	58,055	60,524	59,640
Fines and Penalties	5,068	4,568	5,428	6,394	6,578
Government Transfers - Operating	4,807	5,025	4,740	4,524	4,100
Franchise Fees	4,108	2,316	2,650	2,209	2,015
Investment Income	3,899	4,106	2,822	2,559	2,350
Other Revenue	3,710	1,927	1,373	1,811	1,549
Licenses and Permits	2,728	2,679	3,731	3,896	3,226
Contracted Services Revenue	2,685	2,684	2,676	2,679	2,594
TOTAL REVENUE BY SOURCE	191,857	185,088	178,894	177,719	172,743
EXPENSE BY FUNCTION					
Public Works & Transit	45,297	43,946	42,462	39,236	39,075
Emergency Services	36,058	35,200	35,259	33,913	30,716
Utility Services	30,041	28,520	34,445	30,019	28,557
Community & Recreation Services	29,915	29,685	28,770	28,071	27,623
General Government	19,523	18,347	17,497	16,734	16,289
Planning & Engineering	18,401	16,258	14,582	12,912	12,135
Cultural Services	6,045	5,939	5,805	5,465	5,197
Corporate Financing	3,532	4,529	(940)	(1,763)	(1,915)
Executive Leadership	1,571	1,460	1,397	1,610	1,529
Corporate Financing	976	808	715	724	667
TOTAL EXPENSE BY FUNCTION	191,359	184,692	179,992	166,921	159,873
ANNUAL (DEFICIENCY) SURPLUS BEFORE CAPITAL REVENUE	498	396	(1,098)	10,798	12,870
CAPITAL REVENUE					
Contributed Assets	9,442	23,950	13,273	28,959	13,025
Developer Contributions and Levies	1,013	6,217	3,860	930	17,413
Government Transfers - Capital	18,047	18,690	27,162	22,616	17,584
TOTAL CAPITAL REVENUE	28,502	48,857	44,295	52,505	48,022
ANNUAL SURPLUS	29,000	49,253	43,197	63,303	57,793
ACCUMULATED SURPLUS, BEGINNING OF YEAR	1,102,847	1,053,594	1,010,397	947,094	889,301
ACCUMULATED SURPLUS, END OF YEAR	\$ 1,131,847	\$ 1,102,847	\$ 1,053,594	\$ 1,010,397	\$ 947,094

EXPENSES BY OBJECT

For the Years Ended December 31, 2015 - 2019 (in thousands of dollars)

	2019	2018	2017	2016	2015
Salaries, Wages and Benefits	\$ 86,652	\$ 84,093	\$ 80,436	\$ 77,547	\$ 73,264
Contracted and General Services	34,497	31,408	31,633	30,157	28,480
Amortization	28,915	26,443	24,334	22,757	21,644
Purchases from Other Governments	19,917	21,051	21,216	18,739	18,194
Materials, Good and Utilities	15,288	14,903	14,512	13,245	13,384
Transfers to Individuals & Organizations	1,660	1,429	2,156	1,665	1,612
Interest on Long Term Debt	1,773	1,919	1,858	2,042	2,217
Other Expenses	700	1,297	746	635	920
(Gain)/Loss on Disposal of Tangible Capital Assets	1,957	2,149	3,101	134	158
TOTAL EXPENSES	\$ 191,359	\$ 184,692	\$ 179,992	\$ 166,921	\$ 159,873

2019 Annual Report

City of St. Albert

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780-459-1500

stalbert.ca