


Strathcona County 2015 First Quarter Management Report

Prepared by Financial Services

Prepared for
Council
May 26, 2015



Year-to-Date Operating Variance and the Year-End Forecast of the Annual Operating Surplus for Tax Purposes for Municipal, Utility, Library Operations and Pioneer Housing Foundation (PHF)

1. Year-to-Date Operating Variance

The favourable operating variance at March 31, 2015 is **\$8.9 million** (Q1 2014 \$3.1 million). The operating variance is the difference between the year to date actual and budgeted results, and is comprised of timing differences, that are expected to reverse during the remainder of the year, and permanent differences that have occurred and will affect the year-end results.

County Operating Segments	2015 Q1 YTD Timing Differences \$M	2015 Q1 YTD Permanent Differences \$M	2015 Q1 YTD Variance \$M	2014 Q1 YTD Variance \$M
Municipal	7.0	0.5	7.5	2.3
Utility	1.1	0.2	1.3	0.8
Library	0.1	-	0.1	0.1
PHF	-	-	-	-
TOTAL	8.2	0.7	8.9	3.1

2. Year-End Forecast of the Annual Operating Surplus for Tax Purposes (Permanent Differences + Forecasted Items)

County Operating Segments	2015 Q1 Forecast \$M	2014 Q1 Forecast \$M
Municipal	3.4 (1.3%)	1.9 (0.7%)
Utility	0.2 (0.4%)	0.1 (0.3%)
Library	-	-
PHF	-	-
TOTAL	3.6 (1.1%)	2.0 (0.7%)

Please note that the percentages represent the proportion of surplus compared to the respective annual operating budgets.

The year-end forecast is based on the information available as of March 31, 2015, and is subject to the uncertainty of unknown events or circumstances which may transpire during the remainder of the year. The annual operating surplus for tax purposes includes reserve transactions and debt repayments that are excluded from Public Sector Accounting Standards (PSAS) financial reporting.



4. Analysis of the 2015 Year-End Forecast

a. Municipal Operations – \$3.4 million – Contributing Factors (In Order of Significance)

Favourable:

- i. Municipal property tax revenues exceeding the budget due to actual assessment exceeding projected assessment as a result of new growth
- ii. Unbudgeted gains realized from the disposal of investments
- iii. Savings from deferred borrowing
- iv. Savings on utility costs due to lower electricity prices and volumes
- v. Savings from lower diesel and gasoline prices and volumes than anticipated

Unfavourable:

- v. Higher than anticipated P1-P3 winter maintenance contract costs
- vi. Lower user fee revenues from Millennium pass and admissions

b. Utility Operations – \$0.2 million – Contributing Factors (In Order of Significance)

Favourable:

- i. Personnel cost savings due to delayed hiring, turnover and vacancies

c. Library Operations – No significant impacts to report.

d. Pioneer Housing Foundations Operations – No significant impacts to report.



Capital Activity (Excluding PHF)

1. 2015 Capital Budget (Cash Flowed)

The 2015 Capital Budget (cash flowed), as amended, totals \$222.1 million. This represents the total capital expenditure expected to be incurred during 2015, which is comprised of:

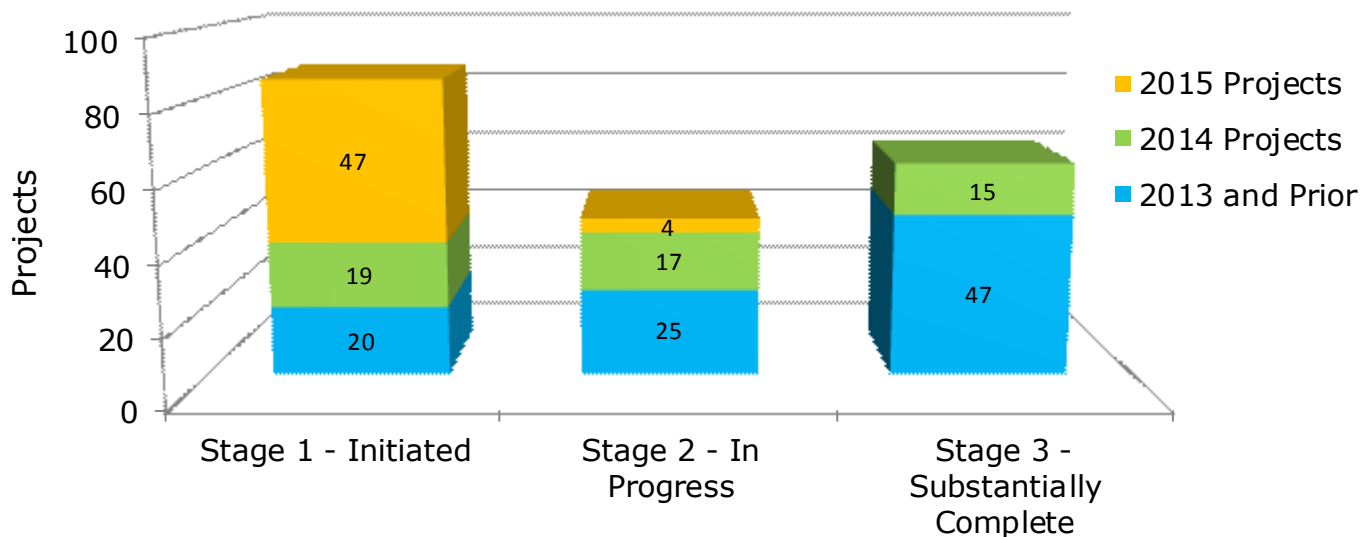
- The 2015 Capital Budget approved of \$66.4 million, approved by Council on December 9, 2014;
- 2015 Council approved capital budget amendments of \$10.1 million;
- Unspent prior years budgeted capital expenditures and amendments of \$274.0 million; less
- Budgeted capital expenditures planned to be incurred after 2015 of \$128.4 million.

The capital spending, as of March 31, 2015, totals \$4.9 million (2014 \$13.9 million).

2. Capital Activity

The 194 active capital projects, as of March 31, 2015, have been grouped based on work completed according to assessments provided by the responsible departments, consisting of the following project stage groupings; Stage 1 (0 - 10%) Initiated, Stage 2 (11 - 85%) In Progress, and Stage 3 (86 - 99%) Substantially Complete, as illustrated below:

Active Capital Projects at March 31, 2015



2015-2018 Corporate Business Plan and 2015 Consolidated PSAS Budget

1. 2015-2018 Corporate Business Plan Reporting Update

The new methodology for business planning and budgeting resulting from the Business Planning and Budget Implementation (BPBI) project includes performance and progress reporting as an integral component. The progress of goals, objectives and initiatives supporting strategic plan prioritized goals along with performance measures outlined in business plans will be reported on during the year in the framework of the Corporate Business Plan.

Progress/performance reporting and the use of data on how we are doing is utilized to support evidence-based decision making, performance improvement and transparent communication and accountability to the public on issues affecting the County's future.

Organizational and department reviews and status updates on business plan goals and initiatives, and performance measures, is a constant and evolving process occurring throughout the year. The sequencing for corporate business plan progress and performance reporting for Council will be provided as part of the quarterly and annual management reports, with emphasis within the Q2 and annual (Q4) reports. The reporting will include key business plan goal progress, linkages back to the strategic plan prioritized goals as well as performance measurement updates.

The prior use of Business Plan Initiatives (BPI's in use 2013 and prior) and the four remaining and ongoing BPI's will be reported on and integrated into the new corporate business plan reporting processes.

A preview of the reporting format has been provided in Appendix 1.

2. 2015 Consolidated PSAS Budget

The final 2015 Consolidated PSAS budget, provided in Appendix 2, includes adjustments for the allocation of the 2015 cost of living allowance (COLA) from Fiscal Services to each respective department. Additionally, the capital budget (cash flowed) has been updated to include the 2014 unspent capital funding (2014 capital variance carried forward), and the year to date capital budget amendments.



Assessment of the County’s Financial Condition – Key Financial Indicators

The following section is prepared based on the 2015 Strathcona County Consolidated Financial Statements (unaudited) provided in Appendix 3. The Consolidated Financial Statements are prepared in accordance with Public Sector Accounting Standards (PSAS).

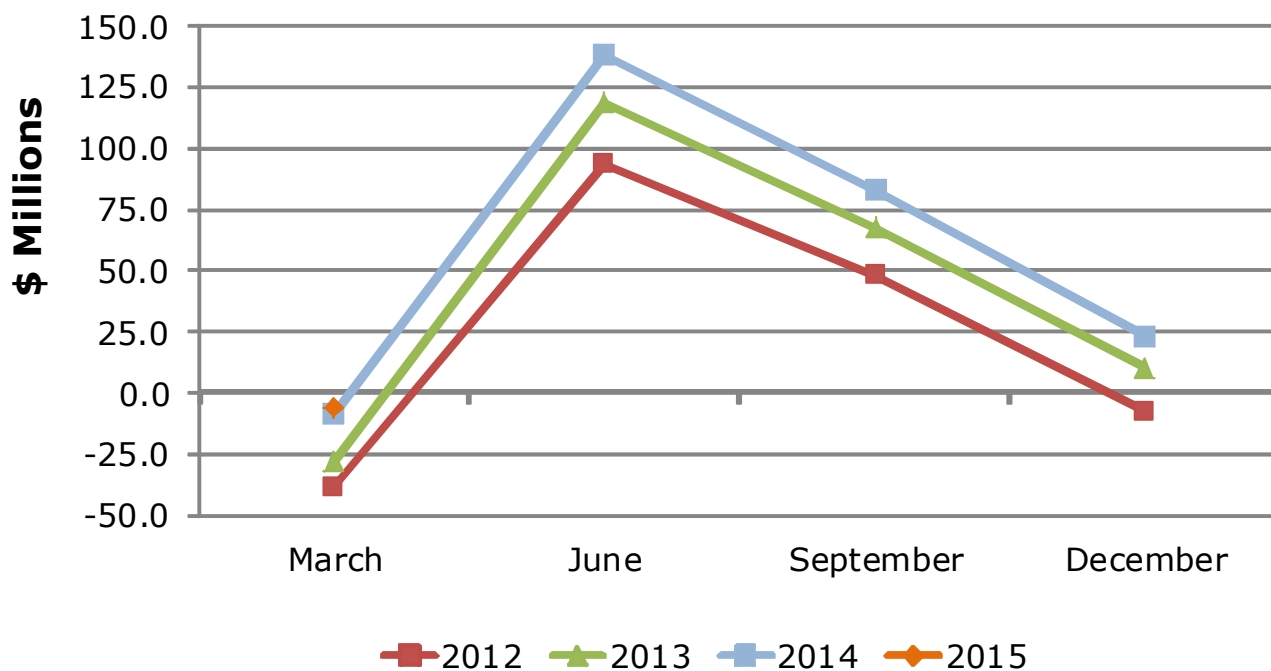
Statement of Financial Position – Highlights

a. Net Financial Assets (Net Debt) Position

As of March 31, 2015, the County’s net financial asset (net debt), position is (\$5.8) million compared to a \$23.6 million net financial asset position at December 31, 2014, a decrease of (\$29.4) million. The decrease in net financial assets is expected for the first quarter, as the Q1 operational activity is financed in advance of the recognition of the 2015 property tax revenue.

b. Net Financial Assets Trend Analysis

Net Financial Assets (Net Debt)



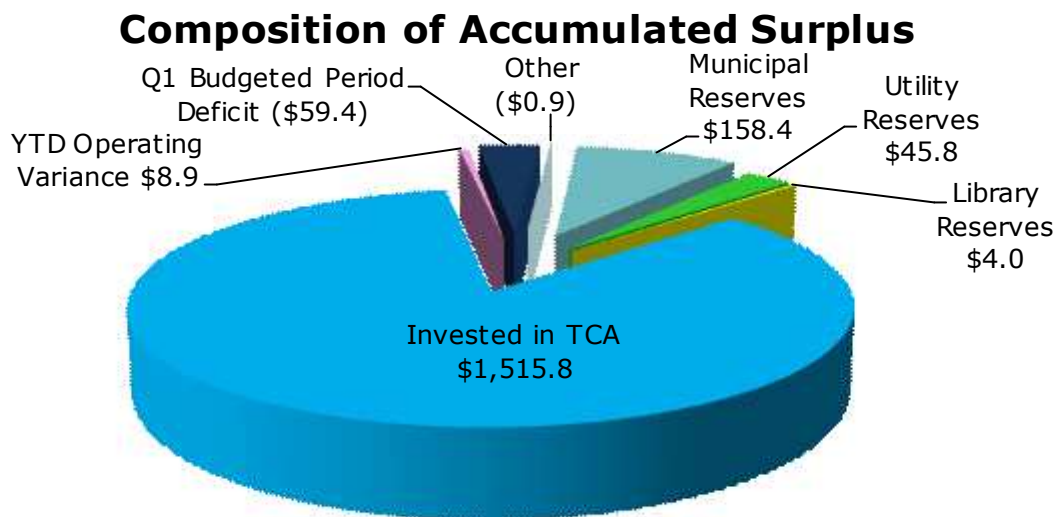
The 2015 Q1 net debt balance of (\$5.8) million is slightly above 2014 Q1 net debt balance of (\$8.3) million, an increase of \$2.5 million. Net financial assets (net debt) is trending normally.



c. Accumulated Surplus

Accumulated surplus totals \$1,672.6 million at March 31, 2015 (\$1,697.1 million at December 31, 2014). The composition of the Q1 2015 accumulated surplus is as follows:

- i. Reserves of \$208.2 million (Q4 2014 - \$191.5 million);
- ii. Investments in tangible capital assets of \$1,515.8 million (Q4 2014 - \$1,507.0 million);
- iii. The March 31, 2015 budgeted period deficit of (\$59.4) million (Q4 2014 - \$nil);
- iv. The March 31, 2015 year-to-date favourable operating variance of 8.9 million (Q4 2014 - \$nil); and
- v. The unrestricted surplus (deficit) of (\$0.9) million (Q4 2014 - (\$1.4) million).



\$ Millions



Appendices

1. Draft Corporate Business Plan Reporting
2. 2015 Consolidated PSAS Budget
3. Consolidated Financial Statements and Supporting Schedules for the Period Ended March 31, 2015 (unaudited)
4. Glossary of Terms





Mock up
2015 Q2 Management Report

For the period ending June 30, 2015

Status on the 2015—2018 Corporate Business Plan

GOAL 2

Strathcona County priorities, successes and challenges are known.

Linkages back to:

Strategic Plan Prioritized Goals

- 3. Increase public involvement and communicate with the community on issues affecting the County's future.
- 4. Advance the community's interests by developing and maintaining strong relationships with our neighbouring municipalities and civic organizations to ensure long-term prosperity.

Outcome

Citizen, staff, and other stakeholders are informed about the community priorities, successes, and challenges

Objectives

- 1) Provide open, transparent and meaningful stakeholder communication
- 2) Use various communications tools to make the provision of municipal services known.
- 3) Inform stakeholders of the short- and longer- term strategic and corporate priorities
- 4) Build support, knowledge and understanding of organizational direction
- 5) Provide opportunities for public engagement and participation

Progress

- Communication and public engagement of the Emergency Notification System
- Assessment mapping tool and electronic payment options promoted to the public through tax notices and media release
- County Connect - official name for the Service Request Tracking System
- Brand survey launched seeking resident awareness of the County brand
- Public engagement opportunities / coming soon through the following projects:
 - ⇒ Colchester growth management study
 - ⇒ Municipal Development Plan update
 - ⇒ Agriculture Master Plan
 - ⇒ Open Space Recreation Facility Strategy (OSFRS) project
 - ⇒ Business Plan and Budget Implementation (BPBI) project / Strategic Direction
 - ⇒ Surveys

Key Performance Indicator and Measures	Benchmark	Target
Citizens feel informed about County services and activities	77.8% (2013)	
Citizens feel Strathcona County has clearly established and known priorities/Strategic Plan awareness		
Percentage use of different online methods to get information about Strathcona County	80.2% (2013)	



STRATHCONA COUNTY
Consolidated Statement of Operations and Accumulated Surplus
(in thousands of dollars)

	2015 Budget (Unaudited)	2014 Budget
REVENUE		
Property Taxes	\$ 207,930	\$ 196,588
Government Transfers	48,721	47,563
Utility User Rates	53,237	51,447
User Fees and Charges	39,257	39,056
Penalties and Fines	5,417	4,956
Investment Income	6,157	4,288
Other Capital Revenues	35,095	25,957
Other	8,187	13,658
TOTAL REVENUE	404,001	383,513
EXPENSES		
Infrastructure and Planning Services		
Economic Development and Tourism	1,688	1,139
Capital Planning and Construction	4,033	3,254
Planning and Development Services	11,318	10,287
Transportation and Agriculture Services	28,678	28,016
Utilities	55,589	52,204
	101,306	94,900
Community Services		
Emergency Services	33,144	31,828
Family and Community Services	7,109	7,197
Strathcona Transit	19,014	18,191
RCMP and Enforcement Services	22,477	20,922
Recreation, Parks and Culture	40,942	39,794
	122,686	117,932
Corporate Services	32,894	29,847
Chief Financial Officer	5,848	5,440
Senior Administration	6,720	7,111
Elected Officials	1,233	1,228
Fiscal Services	46,802	44,677
Strathcona County Library	9,758	9,511
Pioneer Housing Foundation	1,682	967
	104,937	98,781
TOTAL EXPENSES	328,929	311,613
ANNUAL SURPLUS	75,072	71,900
ACCUMULATED SURPLUS, BEGINNING OF YEAR	1,685,919	1,613,840
ACCUMULATED SURPLUS, END OF YEAR	\$ 1,760,991	\$ 1,685,740

STRATHCONA COUNTY
Consolidated Schedule of Segmented Information
(in thousands of dollars)

	Municipal Operations	Utility Operations	Library Operations	Pioneer Housing Foundation	Eliminations	2015 Budget (unaudited)	2014 Budget
REVENUE							
Property Taxes	\$ 199,221	\$ -	\$ 8,709	\$ -	\$ -	\$ 207,930	\$ 196,588
Government Transfers - Operating	4,947	7	503	-	-	5,457	5,634
Government Transfers - Capital	38,834	4,430	-	-	-	43,264	41,929
Utility User Rates	-	53,237	-	-	-	53,237	51,447
User Fees and Charges	38,452	632	173	-	-	39,257	39,056
Penalties and Fines	5,239	-	178	-	-	5,417	4,956
Investment Income	4,805	1,241	111	-	-	6,157	4,288
Other Capital Revenues	28,385	6,112	598	-	-	35,095	25,957
Other	7,493	3	127	1,255	(691)	8,187	13,658
TOTAL REVENUE	327,376	65,662	10,399	1,255	(691)	404,001	383,513
EXPENSES							
Salaries, Wages and Benefits	137,331	10,755	5,904	-	-	153,990	145,716
Contracted and General Services	47,899	11,594	331	-	-	59,824	56,016
Supplies, Materials and Utilities	28,664	23,868	1,166	-	-	53,698	50,333
Interest on Long-Term Debt	3,625	2,718	989	691	(691)	7,332	8,074
Grants and Requisitions	1,960	-	-	-	-	1,960	2,054
Amortization	41,793	6,552	1,363	991	-	50,699	46,769
Other Expenses	1,321	102	4	-	-	1,427	2,651
TOTAL EXPENSES	262,593	55,589	9,757	1,682	(691)	328,930	311,613
ANNUAL SURPLUS (DEFICIT)	64,782	10,073	642	(427)	-	75,071	71,900
ACCUMULATED SURPLUS (DEFICIT), BEGINNING OF YEAR	1,370,386	297,843	9,052	16,062	(7,424)	1,685,919	1,613,840
ACCUMULATED SURPLUS (DEFICIT), END OF YEAR	\$ 1,435,168	\$ 307,916	\$ 9,694	\$ 15,635	\$ (7,424)	\$ 1,760,990	\$ 1,685,740
Reconciliation to Tax Levy Based Budget:							
<i>Surplus (Deficit) from Above</i>	64,782	10,073	642	(427)	-	75,070	71,900
<i>Eliminate Government Transfers - Capital</i>	(38,834)	(4,430)	-	-	-	(43,264)	(41,929)
<i>Eliminate Other Capital Revenues</i>	(28,385)	(6,112)	(598)	-	-	(35,095)	(25,957)
<i>Eliminate Amortization expense</i>	41,793	6,552	1,363	991	-	50,699	46,769
<i>Add Interfund Entries:</i>	-	-	-	-	-	-	-
<i>From Reserve Fund</i>	9,020	2,185	45	-	-	11,250	7,892
<i>To Capital Fund</i>	-	-	(598)	-	-	(598)	(587)
<i>To Reserve Fund</i>	(41,188)	(4,358)	(169)	-	-	(45,715)	(44,715)
<i>Loan Funds Repaid</i>	565	-	-	-	-	565	530
<i>Capital Leases Repaid</i>	(141)	-	-	-	-	(141)	(601)
<i>Long-Term Debt Repaid</i>	(7,612)	(3,910)	(685)	(564)	-	(12,771)	(13,302)
Balanced Tax Levy Based Budget	-	-	-	-	-	-	-

STRATHCONA COUNTY

Consolidated Financial Statements

For the Period Ended March 31, 2015 (in thousands of dollars)

(unaudited)

STRATHCONA COUNTY
Consolidated Statement of Financial Position
As at March 31, 2015 (in thousands of dollars)

	March 31 2015 <i>(unaudited)</i>	December 31 2014
FINANCIAL ASSETS		
Cash and Cash Equivalents	\$ 4,139	\$ -
Accounts Receivable		
Property Taxes	-	3,299
Government Transfers	31	2,409
Trade and Other	12,339	15,501
Development Levies and Charges	6,613	6,790
Land Held for Resale	2,632	2,625
Loans Receivable	-	-
Investments	250,281	286,988
Investment Interest Receivable	6,036	6,293
	282,071	323,905
LIABILITIES		
Cheques Issued in Excess of Cash	-	3,464
Accounts Payable and Accrued Liabilities	17,406	37,194
Deposit Liabilities	18,853	16,576
Deferred Revenue	90,795	79,058
Capital Leases	212	246
Long-Term Debt	160,612	163,724
	287,878	300,262
NET FINANCIAL ASSETS (NET DEBT)	(5,807)	23,643
NON-FINANCIAL ASSETS		
Tangible Capital Assets	1,676,036	1,670,280
Inventories of Materials and Supplies	822	850
Prepaid Expenses	1,564	2,328
	1,678,422	1,673,458
ACCUMULATED SURPLUS	\$ 1,672,615	\$ 1,697,101

STRATHCONA COUNTY
Consolidated Statement of Operations and Accumulated Surplus
For the period ended March 31, 2015 (in thousands of dollars)

	2015 Period Budget <i>(unaudited)</i>	March 31 2015 <i>(unaudited)</i>	March 31 2014 <i>(unaudited)</i>
REVENUE			
Property Taxes	\$ -	\$ -	\$ -
Government Transfers	13,957	3,894	5,174
Utility User Rates	12,832	13,324	12,614
User Fees and Charges	10,485	10,741	10,912
Penalties and Fines	1,457	1,422	1,453
Investment Income	1,340	2,682	1,472
Other Capital Revenues	10,834	63	3,563
Contributed Tangible Capital Assets	-	13,138	-
Other	1,686	1,796	1,984
TOTAL REVENUES	52,591	47,060	37,172
EXPENSES			
Infrastructure and Planning Services			
Capital Planning and Construction	947	695	670
Economic Development and Tourism	385	262	251
Planning and Development Services	2,691	2,046	2,161
Transportation and Agriculture Services	6,465	6,123	6,432
Utilities	13,210	12,464	11,830
	23,698	21,590	21,344
Community Services			
Emergency Services	8,375	7,426	7,237
Family and Community Services	1,639	1,634	1,638
Strathcona Transit	4,679	4,300	4,373
RCMP and Enforcement Services	5,523	5,242	5,003
Recreation, Parks and Culture	8,535	7,790	7,981
	28,751	26,392	26,232
Corporate Services			
Chief Financial Officer	8,317	6,481	6,519
Senior Administration	1,448	1,285	1,506
Elected Officials	1,626	1,553	1,451
Fiscal Services	293	274	270
Strathcona County Library	11,668	11,542	9,149
Pioneer Housing Foundation	2,376	2,317	2,320
	112	112	130
	25,840	23,564	21,345
TOTAL EXPENSES	78,289	71,546	68,921
PERIOD SURPLUS	(25,698)	(24,486)	(31,749)
ACCUMULATED SURPLUS, BEGINNING OF PERIOD	1,697,101	1,697,101	1,613,840
ACCUMULATED SURPLUS, END OF PERIOD	\$ 1,671,403	\$ 1,672,615	\$ 1,582,091

STRATHCONA COUNTY
Consolidated Statement of Change in Net Financial Assets (Net Debt)
For the period ended March 31, 2015 (in thousands of dollars)

	2015 Period Budget <i>(unaudited)</i>	March 31 2015 <i>(unaudited)</i>	December 31 2014
PERIOD SURPLUS	\$ (25,698)	\$ (24,486)	\$ 83,261
Acquisition of Tangible Capital Assets	(55,522)	(4,931)	(89,769)
Contributed Tangible Capital Assets	-	(13,137)	(28,695)
Amortization of Tangible Capital Assets	12,537	12,276	46,674
Loss on Tangible Capital Assets Transfers and Disposals	-	25	1,948
Proceeds from Transfers and Disposals of Tangible Capital Assets	-	11	678
	<u>(68,683)</u>	<u>(30,242)</u>	<u>14,097</u>
Acquisition of Inventories of Materials and Supplies	-	(290)	(557)
Acquisition of Prepaid Expenses	-	(309)	(2,733)
Use of Inventories of Materials and Supplies	-	318	359
Use of Prepaid Expenses	-	1,073	2,054
	<u>-</u>	<u>792</u>	<u>(877)</u>
INCREASE (DECREASE) IN NET FINANCIAL ASSETS (NET DEBT)	(68,683)	(29,450)	13,220
NET FINANCIAL ASSETS (NET DEBT), BEGINNING OF PERIOD	<u>23,643</u>	<u>23,643</u>	<u>10,423</u>
NET FINANCIAL ASSETS (NET DEBT), END OF PERIOD	<u>\$ (45,041)</u>	<u>\$ (5,807)</u>	<u>\$ 23,643</u>

STRATHCONA COUNTY
Consolidated Statement of Cash Flows
For the period ended March 31, 2015 (in thousands of dollars)

	March 31 2015 <i>(unaudited)</i>	December 31 2014
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Period Surplus	\$ (24,486)	\$ 83,261
Items Not Involving Cash:		
Contributed Tangible Capital Assets	(13,137)	(28,695)
Amortization of Tangible Capital Assets	12,276	46,674
Amortization of Discount on Investments	(3)	(15)
Loss on Tangible Capital Assets Transfers and Disposals	25	1,948
Gain on Disposal of Investments	(1,260)	(540)
Changes to Non-Cash Assets and Liabilities:		
Property Taxes Receivable	3,299	566
Government Transfers Receivable	2,378	2,491
Trade and Other Receivables	3,162	(3,363)
Development Levies and Charges	177	(5,599)
Land held for resale	(7)	0
Accounts Payable and Accrued Liabilities	(19,788)	(8,331)
Deposit Liabilities	2,277	1,636
Deferred Revenue	11,737	16,196
Inventories of Materials and Supplies	28	(198)
Prepaid Expenses	764	(679)
Cash Provided by Operating Activities	<u>(22,558)</u>	<u>105,352</u>
CAPITAL		
Proceeds from Transfers and Disposals of Tangible Capital Assets	11	678
Acquisition of Tangible Capital Assets	(4,931)	(89,769)
Cash Applied to Capital Activities	<u>(4,920)</u>	<u>(89,091)</u>
INVESTING		
Purchase of Investments	(30,421)	(287,498)
Proceeds from Sale/Maturity of Investments	68,391	268,744
Change to Investment Interest Receivable	257	(1,258)
Cash Provided by (Applied to) Investing Activities	<u>38,227</u>	<u>(20,012)</u>
Restricted Capital Contributions		
Capital Leases Issued	-	-
Long-Term Debt Issued	-	4,410
Capital Leases Repaid	(34)	(594)
Long-Term Debt Repaid	(3,112)	(12,352)
Cash Applied to Financing Activities	<u>(3,146)</u>	<u>(8,536)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	7,603	(12,287)
CASH AND CASH EQUIVALENTS (CHEQUES ISSUED IN EXCESS OF CASH), BEGINNING OF PERIOD	(3,464)	8,823
CASH AND CASH EQUIVALENTS (CHEQUES ISSUED IN EXCESS OF CASH), END OF PERIOD	\$ 4,139	\$ (3,464)

STRATHCONA COUNTY
Consolidated Schedule of Segmented Information
For the period ended March 31, 2015 (in thousands of dollars)

	Municipal Operations	Utility Operations	Library Operations	Pioneer Housing Foundation	Eliminations	March 31 2015 (unaudited)	March 31 2014 (unaudited)	March 31 2015 Budget (unaudited)
REVENUE								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Government Transfers - Operating	824	8	-	-	-	832	805	837
Government Transfers - Capital	3,110	(48)	-	-	-	3,062	4,369	13,120
Utility User Rates	-	13,324	-	-	-	13,324	12,614	12,832
User Fees and Charges	10,455	239	47	-	-	10,741	10,912	10,485
Penalties and Fines	1,380	-	42	-	-	1,422	1,453	1,457
Investment Income	2,403	259	19	-	-	2,681	1,472	1,340
Other Capital Revenues	63	-	0	-	-	63	3,563	10,834
Contributed Tangible Capital Assets	5,071	8,067	0	-	-	13,138	-	-
Other	1,953	2	15	-	(173)	1,797	1,984	1,686
TOTAL REVENUE	25,259	21,851	123	-	(173)	47,060	37,172	52,591
EXPENSES								
Salaries, Wages and Benefits	30,839	2,299	1,310	-	-	34,448	33,453	36,642
Contracted and General Services	8,904	2,244	91	-	-	11,239	11,605	13,562
Supplies, Materials and Utilities	4,611	5,616	302	-	-	10,529	10,746	12,610
Interest on Long-Term Debt	985	702	274	173	(173)	1,962	2,061	1,962
Grants and Requisitions	621	-	-	-	-	621	578	623
Amortization	10,233	1,592	339	112	-	12,276	10,061	12,537
Loss on Tangible Capital Assets	-	-	-	-	-	-	-	-
Transfers and Disposals	25	-	-	-	-	25	-	-
Other Expenses	435	11	1	-	-	447	417	353
TOTAL EXPENSES	56,653	12,464	2,317	285	(173)	71,545	68,921	78,290
PERIOD SURPLUS (DEFICIT)	(31,394)	9,387	(2,194)	(285)	-	(24,486)	(31,749)	(25,698)
ACCUMULATED SURPLUS (DEFICIT), BEGINNING OF PERIOD	1,389,560	289,613	9,317	16,035	(7,424)	1,697,101	1,613,840	1,697,101
ACCUMULATED SURPLUS (DEFICIT), END OF PERIOD	\$ 1,358,166	\$ 299,000	\$ 7,122	\$ 15,750	\$ (7,424)	\$ 1,672,615	\$ 1,582,091	\$ 1,671,403

STRATHCONA COUNTY
Consolidated Schedule of Tangible Capital Assets
As at March 31, 2015 (in thousands of dollars)

Cost	Balance at December 31 2014 <i>(unaudited)</i>	Additions <i>(unaudited)</i>	Contributed Additions <i>(unaudited)</i>	Disposals <i>(unaudited)</i>	Balance at March 31 2015 <i>(unaudited)</i>
Land	\$ 446,022	\$ -	\$ -	\$ -	\$ 446,022
Land Improvements	79,068	-	705	-	79,773
Buildings	369,042	133	-	(48)	369,127
Engineered Structures	1,074,869	282	12,432	(23)	1,087,560
Machinery and Equipment	64,124	917	-	(17)	65,024
Books and Periodicals	5,267	107	-	(77)	5,297
Vehicles	69,538	98	-	-	69,636
Assets under Construction	45,794	3,394	-	-	49,188
	\$ 2,153,724	\$ 4,931	\$ 13,137	\$ (165)	\$ 2,171,627

Accumulated Amortization	Balance at December 31 2014 <i>(unaudited)</i>	Disposals <i>(unaudited)</i>	Amortization Expense <i>(unaudited)</i>	Balance at March 31 2015 <i>(unaudited)</i>
Land	\$ -	\$ -	\$ -	\$ -
Land Improvements	26,318	-	859	27,177
Buildings	82,039	(19)	2,039	84,059
Engineered Structures	315,355	(23)	6,593	321,925
Machinery and Equipment	30,180	(10)	1,416	31,586
Books and Periodicals	2,276	-	132	2,408
Vehicles	27,276	(77)	1,237	28,436
Assets under Construction	-	-	-	-
	\$ 483,444	\$ (129)	\$ 12,276	\$ 495,591

Net Book Value	Balance at December 31 2014 <i>(unaudited)</i>	Balance at March 31 2015 <i>(unaudited)</i>
Land	\$ 446,022	\$ 446,022
Land Improvements	52,750	52,596
Buildings	287,003	285,068
Engineered Structures	759,514	765,635
Machinery and Equipment	33,944	33,438
Books and Periodicals	2,991	2,889
Vehicles	42,262	41,200
Assets under Construction	45,794	49,188
	\$ 1,670,280	\$ 1,676,036

GLOSSARY OF TERMS:

- **Annual Operating Surplus for Tax Purposes** – The annual surplus or (deficit) resulting from the modified cash flow basis, which includes debt repayment expenditures and reserve transactions, and excludes amortization expense, gains/losses on asset disposals and capital revenues, unlike the Public Sector Accounting Standards (PSAS) Surplus.
- **Committed** – Funding approved as per FIN-001-024: Municipal Reserves policy to be applied towards specific expenditures.
- **Designated** – Funding designated to reserves for a specific purpose, which has not yet been approved by Council to be applied towards specific expenditures.
- **Forecast Variances** – Future variances to budget that have yet to occur, but are expected to be realized based on current information, and are projected to affect the year-end surplus or (deficit).
- **Permanent Differences** – Variances to budget that have occurred and will affect the year-end surplus or (deficit).
- **PSAS Surplus** – The surplus or (deficit) resulting from financial statements prepared in accordance with PSAS.
- **Timing Differences** – Variances to budget that are expected to reverse during the remainder of the year and not affect the year-end surplus or (deficit).
- **Year-End Forecast** – Permanent Differences plus the Forecast Variances make up the Year-End Forecast surplus or (deficit).
- **Year-To-Date Operating Variance** – The favourable or (unfavourable) difference between budget and actuals at a point in time including any Timing Differences.