

# **Strathcona County**

## **2019 Annual Management Report**

Prepared by Corporate Finance

**Prepared for**

Council

April 21, 2020

## **1. Annual Operating Surplus for Tax Purposes for Municipal, Utility, and Library Operations**

### **1.1 Annual Operating Surplus for Tax Purposes**

The 2019 annual operating surplus for tax purposes is \$2.1 million, which is an increase of \$1.2 million compared to the 2018 results. The lower 2018 and 2019 operating results, relative to prior periods, were anticipated and the result of greater strategic use of reserves, improved alignment with historic trends (budget to actuals), and sensible adjustments to support a less conservative approach to budgeting. Please note that the annual operating surplus for tax purposes includes reserve transactions and debt repayments that are excluded from Public Sector Accounting Standards (PSAS) used to prepare the financial statements.

<b>County Operating Segments</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Municipal	\$19.3M (6.9%)	\$10.2M (3.6%)	(\$0.0M) (0.0%)	\$0.5M (0.2%)
Utility	\$2.3M (3.8%)	\$2.8M (4.8%)	\$0.9M (2.0%)	\$1.5M (2.5%)
Library	\$0.2M (2.0%)	\$0.3M (3.0%)	\$0.0M (0.0%)	\$0.1M (1.2%)
<b>TOTAL DOLLARS AND WEIGHTED PERCENTAGES</b>	<b>\$21.8M (6.3%)</b>	<b>\$13.3M (3.7%)</b>	<b>\$0.9M (0.0%)</b>	<b>\$2.1 M (0.6%)</b>

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

### **1.2 Analysis of the 2019 Annual Operating Surplus for Tax Purposes**

#### **a. Municipal Operations – \$0.5 million – Contributing Factors**

Municipal operations were essentially on budget in 2019, resulting from accurate corporate estimates (e.g. staffing vacancies, revenues). Certain revenue and expense accounts and divisions experienced variances, and items of greater significance are noted below.

#### **(In Order of Significance)**

Favourable:

- i. Fuel costs — \$1.2 million. Fuel costs were lower than anticipated primarily due to lower rates.
- ii. Investment income — \$0.9 million. The investment income was higher than anticipated and exceeded the budget due to higher rates and volumes. Please refer to **Page 6** for further information and analysis of investments.
- iii. Utilities expenses — \$0.9 million. The favorable variance was due to unbudgeted rebates and lower than anticipated rates and volumes.

Unfavourable:

- iv. The budgeted P4 reserve transfer for \$1.5 million was not processed in 2019, resulting in an unfavorable variance. As planned during budget deliberations, this transfer was not drawn as it was not needed.



**b. Utility Operations – \$1.5 million – Contributing Factors**

The Solid Waste, Wastewater, and Storm Sewer Services programs ended with favorable results, which were partially offset by an unfavorable result in the Water program.

Significant variances impacting the favorable results were found in the Solid Waste program in savings in contracted services. There was also other general savings across multiple areas throughout Utilities. These favorable variances were partially offset by a loss in Water Services mainly due to unanticipated significant repairs for water main breaks.

**c. Library Operations — \$0.1 million**

No significant items to note.



## **2. Capital Activity**

The total budget approved for open capital projects is \$131.4 million (2018 — \$139.4 million), for 160 capital projects, including 45 inactive projects at December 31, 2019. Inactive projects are complete but not closed due to administrative activities. This does not consider planned spending, which provides a method to assess capital activity on an annual basis, and forms the capital budget reported in the financial statements.

### **2.1 2019 Capital Spending**

The 2019 planned capital spending has been updated to include approved capital budget amendments to December 31, 2019. The 2019 planned capital spending, as amended, totals \$112.5 million (2018 — \$115.1 million).

The 2019 capital budget (approved by Council on December 6, 2018)	\$64.5M
Capital budgeted expenditures approved in prior years	\$110.6M
Approved capital budget amendments	\$7.2M
Budgeted capital expenditures planned to be incurred after 2019	(\$69.8M)
<b>2019 Updated Planned Capital Spending</b>	<b>\$112.5M</b>
2019 capital spending	(\$50.9M)
<b>2019 Variance to Planned Capital Spend</b>	<b>\$61.6M</b>

Consistent with the trend noted at August 31, 2019, the capital spending as of December 31, 2019 totals \$50.9 million (2018 — \$85.8 million). The 2019 budget variance between planned and actual capital expenditures is \$61.6 million (2018 — \$29.3 million). There are many projects and separate factors that contributed to this significant variance. Some of these factors included plans changing due to unexpected findings, external influences, environmental impacts, and the November 6, 2018, parkade event. Corporate analysis is being conducted to understand, and where possible, address this variance going forward.



## 2.2 Active Capital Project Count by Project Stage at December 31, 2019

Project Stage <sup>1</sup>	2017 and Prior	2018	2019	Total by Stage
1) 0 to 10% - Initiated	5	5	8	18
2) 11 to 85% - In Progress	31	14	23	68
3) 86 to 99% - Substantially Complete	15	7	7	29
<b>TOTAL</b>	<b>51</b>	<b>26</b>	<b>38</b>	<b>115</b>

<sup>1</sup> Project Stage groupings are based on the assessments provided by responsible departments, based on the work or purchases completed to date. This is not reflective of the budgeted expenditures that have been incurred, and excludes inactive projects.

## 2.3 Update on Completed Projects

During 2019, 65 projects were completed with total combined budgets of \$110.4 million, resulting in the release of \$6.4 million of unused funding/financing. Of these amounts, \$2.4 million was budgeted to be funded from external grants and other sources, \$3.9 million was from internal sources (reserves), and \$0.1 million of planned debenture financing was not required. All funds released are allocated back to their original funding sources and are available for other emergent or future capital priorities.

## 2.4 2019 Capital Budget Amendments

19 project amendments were approved in 2019 for a \$7.2 million total net increase to the capital budget as follows:

- i. 2 - 2019 projects were added in the amount of \$0.2 million.
- ii. 9 - 2019 projects were amended to increase the budget by \$5.4 million.
- iii. 6 - 2018 and prior year projects were amended to increase the budget by \$1.6 million.
- iv. 2 - 2019 and prior year projects were amended without financial consequences, as funds were repurposed within the projects.



### **3. Assessment of the County's Financial Condition — Key Financial Indicators**

The following section is prepared based on the 2019 Strathcona County Consolidated Financial Statements (unaudited) for the year ended December 31, 2019 provided in **Appendix 1**. The Consolidated Financial Statements are prepared in accordance with Public Sector Accounting Standards (PSAS).

#### **3.1 Investments**

The County held \$376.6 million in investments at December 31, 2019 (2018 — \$342.8 million). Prior to the allocation of interest to liabilities, the County earned \$11.6 million (2018 — \$10.3 million) in investment income, which was 17.3% higher than budgeted. This favourable variance was due to the 2.83% year-to-date weighted average return on investments exceeding the 2.67% budgeted return, and an 11% higher than anticipated volume of investments. Additionally, no gains were realized from the disposal of investments.

**As at December 31, 2019 the Strathcona County portfolio is as follows:**

<b>Portfolio</b>	<b>Balance</b>	<b>Effective Yield for December 2019</b>
Operating portfolio - terms up to one year	\$109.9M (2018 — \$71.6M)	2.59% (2018 — 2.83%)
Mid-term portfolio - terms from one year to ten years	\$208.1M (2018 — \$212.6)	2.81% (2018 — 2.78%)
Long-term portfolio - terms greater than ten years	\$58.6M (2018 — \$58.6)	3.11% (2018 — 3.12%)
<b>TOTAL</b>	<b>\$376.6M (2018 — \$342.8M)</b>	<b>2.83% (2018 — 2.85%)</b>

*Please note the effective yield of each portfolio is calculated based on the average daily investment balance. Investments are in compliance with FIN-001-007: Investments.*



### 3.2 Long-Term Debt

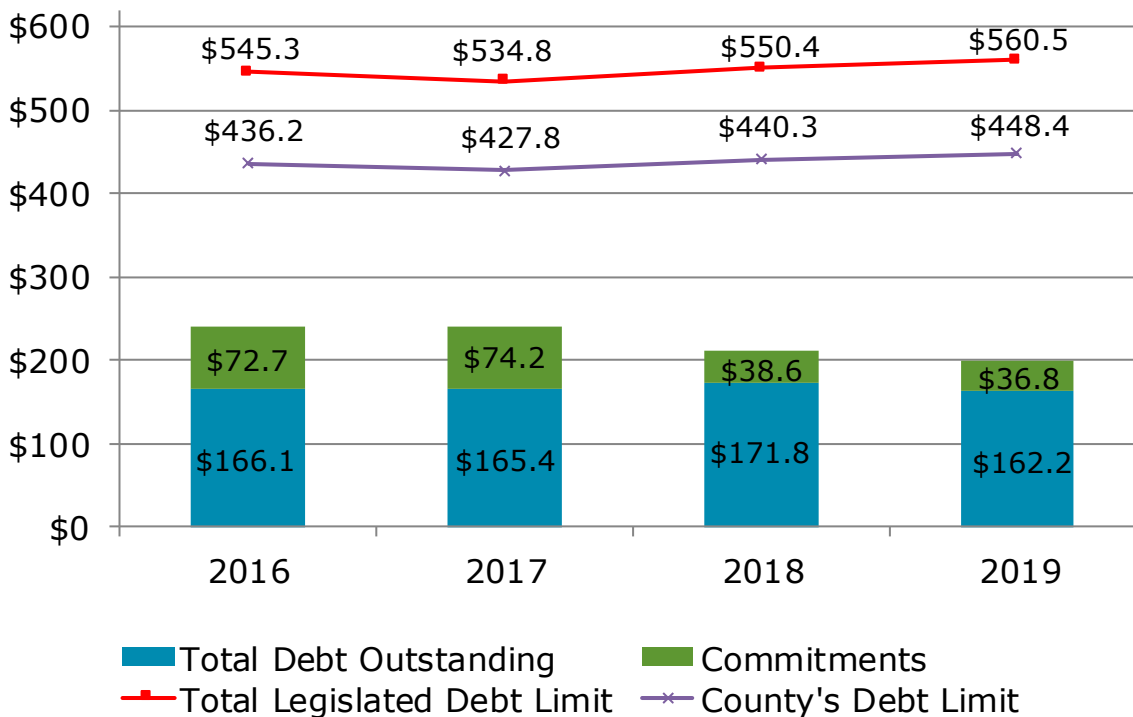
Long-term debt is only incurred to finance capital expenditures. The long-term debt outstanding at December 31, 2019 totals \$162.2 million (2018 — \$171.8 million), representing a decrease of (\$9.6 million) from December 31, 2018. This is the result of new debt being issued and debt being repaid.

December 31, 2018 Long-Term Debt Balance	\$171.8M
New debt issued during 2019	\$1.8M
Debt repayments made during 2019	(\$11.4M)
<b>December 31, 2019 Long-Term Debt Balance</b>	<b>\$162.2M</b>

As of December 31, 2019, borrowing has utilized 36% of the County's policy debt limit, and 29% of the \$560.5 million (2018 — \$550.4 million) MGA legislated debt limit. Please note that the County has committed an additional \$36.8 million (2018 — \$38.6 million) of debt against capacity, through approved capital projects, as at December 31, 2019. Using the County's policy debt limit, the capacity to borrow is \$249.4 million (2018 — \$229.9 million).

*As per policy FIN-001-025: Debt Management Policy, the County shall not exceed 80% of the total MGA legislated debt limit.*

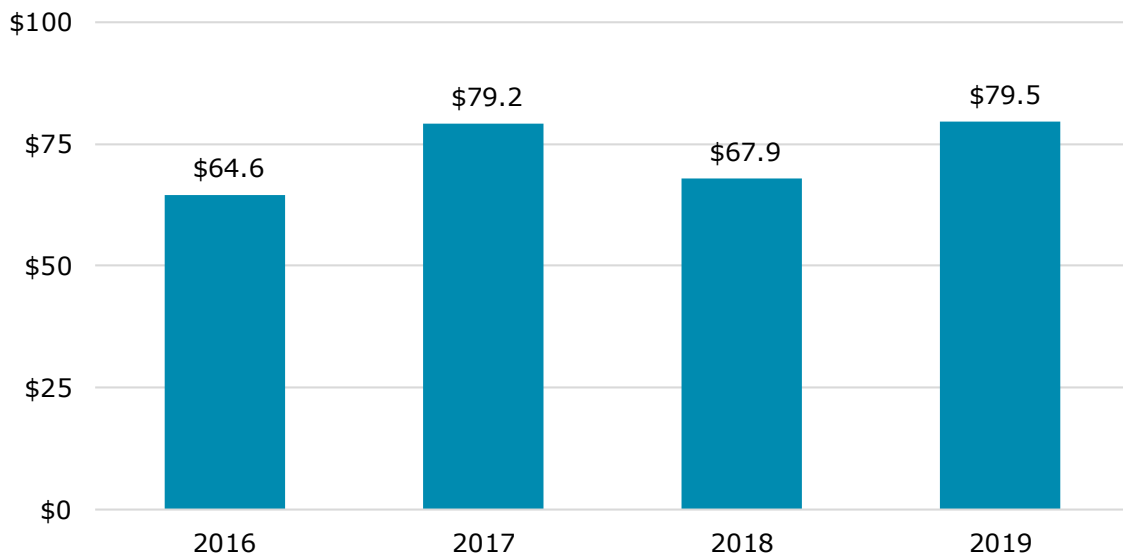
**Total Debt Outstanding versus Debt Limits  
(In \$ Millions)**



### 3.3 Net Financial Assets (Net Debt) Position

Net financial assets (or net debt) is the difference between financial assets and liabilities. It is a key indicator of the County's sustainability, which is the ability to maintain services and meet financial commitments. Being in a net financial assets position indicates that financial assets are on hand to provide funding for future planned or emergent needs. A (net debt) position reflects the need to have future revenue pay for past transactions and events.

#### Net Financial Assets (In \$ Millions)



As of December 31, 2019, the County's net financial asset position was \$79.5 million compared to a \$67.9 million net financial asset position at December 31, 2018, an increase of \$11.6 million. Net financial assets trended normally for the 2019 year, and the closing net financial asset position reflects positively on the County's financial sustainability. The net financial asset balance finished the year higher than 2018, and the increase is due to lower amounts of long-term debt used to finance the acquisition of tangible capital assets.

### 3.4 Accumulated Surplus

The County's accumulated surplus totals \$2,030.8 million at December 31, 2019 (\$2,006.9 million at December 31, 2018). The composition of the 2019 accumulated surplus is as follows:

- i. Reserves of \$269.2 million (2018 — \$251.7 million);
- ii. Investments in tangible capital assets of \$1,784.6 million (2018 — \$1,764.0 million); and,
- iii. Unrestricted (deficit) of (\$23.0 million) (2018 — (\$8.8 million)).





### 3.5 Reserves

The following table provides a summary of the County's reserve balances as at December 31, 2019 and includes the additional allocation of the 2019 annual operating surplus for tax purposes.

Reserves	Committed	Designated	Total	Optimal Variance <sup>1</sup>
<b>Municipal</b>				
Stabilization and Contingency	(\$11.8M)	\$38.9M	\$27.1M	\$23.9M
Projects	\$37.6M	\$19.0M	\$56.6M	(\$12.3M)
Infrastructure, Lifecycle, Maintenance and Replacement	\$19.7M	\$59.0M	\$78.7M	(\$0.6M)
Special Purpose	\$20.2M	\$23.7M	\$43.9M	\$12.8M
<b>Total Municipal</b>	<b>\$65.7M</b>	<b>\$140.6M</b>	<b>\$206.3M</b>	<b>\$23.8M</b>
<b>Total Utilities</b>	<b>\$10.7M</b>	<b>\$47.3M</b>	<b>\$58.0M</b>	<b>(\$29.7M)</b>
<b>Total Library</b>	<b>\$0.1M</b>	<b>\$4.8M</b>	<b>\$4.9M</b>	<b>-</b>
<b>Total Reserves</b>	<b>\$76.5M</b>	<b>\$192.7M</b>	<b>\$269.2M</b>	<b>(\$5.9M)</b>
<b>Percent of Total</b>	<b>28.4%</b>	<b>71.6%</b>		

<sup>1</sup>The optimal reserve balances as at December 31, 2019 represent a point in time and should be considered in relation to resulting trends and circumstances.

The presentation of reserve groupings is in accordance with the policy: FIN-001-024 Financial Reserves. The optimal variance column is determined through a comparison of the reserve's optimal balance with the designated funds available within the respective reserve. A positive figure indicates a balance above the optimal amount and a negative figure indicates a balance below the optimal amount.

### **Appendix**

1. Draft 2019 Strathcona County Consolidated Financial Statements (unaudited)
2. Glossary of Terms



**STRATHCONA COUNTY**  
**CONSOLIDATED FINANCIAL STATEMENTS**

Year ended December 31, 2019

**DRAFT UNTIL APPROVED BY COUNCIL**

DRAFT

**STRATHCONA COUNTY**  
**Consolidated Statement of Financial Position**  
As at December 31, 2019 (in thousands of dollars)

	2019	2018
<b>FINANCIAL ASSETS</b>		
Cash and Cash Equivalents	\$ 6,400	\$ 5,875
Accounts Receivable		
Property Taxes	5,383	7,057
Government Transfers	436	3,919
Trade and Other	15,916	14,187
Development Levies and Charges	3,359	5,095
Investments (Note 2)	376,560	342,804
Investment Interest Receivable	17,922	14,883
	<b>425,976</b>	<b>393,820</b>
<b>LIABILITIES</b>		
Accounts Payable and Accrued Liabilities (Note 3)	50,385	60,698
Deposit Liabilities (Note 4)	18,665	15,829
Deferred Revenue (Note 5)	115,200	77,590
Long-Term Debt (Note 6)	162,182	171,805
	<b>346,432</b>	<b>325,922</b>
<b>NET FINANCIAL ASSETS</b>	<b>79,544</b>	<b>67,898</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible Capital Assets (Note 8)	1,946,241	1,935,418
Inventories of Materials and Supplies	1,039	954
Prepaid Expenses	3,946	2,640
	<b>1,951,226</b>	<b>1,939,012</b>
<b>ACCUMULATED SURPLUS (Note 10)</b>	<b>\$ 2,030,770</b>	<b>\$ 2,006,910</b>
Operating and Acquisition Lines of Credit (Note 11)		
Commitments and Contingent Liabilities (Note 12)		
Contractual Rights and Contingent Assets (Note 13)		

See accompanying Notes to Consolidated Financial Statements.

**STRATHCONA COUNTY**  
**Consolidated Statement of Operations and Accumulated Surplus**  
Year ended December 31, 2019 (in thousands of dollars)

	2019 Budget (Note 15)	2019	2018
<b>OPERATING REVENUE</b>			
Property Taxes (Note 16)	\$ 227,706	\$ 227,651	\$ 222,743
Utility User Rates	56,875	54,019	53,547
User Fees and Charges	39,048	39,472	45,150
Investment Income	8,441	9,569	8,864
Government Transfers – Operating (Note 17)	6,995	8,339	7,748
Penalties and Fines	6,528	7,000	6,873
Other Operating Revenue (excluding Parkade Event Insurance Proceeds)	9,817	11,427	11,685
Parkade Event Insurance Proceeds (Note 14)	-	13,358	-
Other Operating Revenue	9,817	24,785	11,685
<b>TOTAL OPERATING REVENUE</b>	<b>355,410</b>	<b>370,835</b>	<b>356,610</b>
<b>EXPENSES (Note 24)</b>			
Infrastructure and Planning Services (excluding Utility Operations)	52,195	51,047	49,501
Utility Operations	60,527	56,661	61,644
Infrastructure and Planning Services	112,722	107,708	111,145
Community Services	138,449	136,919	134,964
Corporate Services	44,504	40,135	38,487
Elected Officials	1,546	1,387	1,297
Financial and Strategic Management	9,892	8,751	7,737
Senior Administration	6,251	6,257	5,547
Fiscal Services (excluding Parkade Event)	56,005	66,276	56,726
Parkade Event (Note 14)	-	8,260	6,079
Fiscal Services	56,005	74,536	62,805
Strathcona County Library (excluding Parkade Event)	10,634	10,433	10,463
Parkade Event (Note 14)	-	153	87
Strathcona County Library	10,634	10,586	10,550
<b>TOTAL EXPENSES</b>	<b>380,003</b>	<b>386,279</b>	<b>372,532</b>
<b>(DEFICIT) BEFORE CAPITAL REVENUE</b>	<b>(24,593)</b>	<b>(15,444)</b>	<b>(15,922)</b>
<b>CAPITAL REVENUE</b>			
Contributed Tangible Capital Assets (Note 8)	-	21,352	19,634
Government Transfers – Capital (Note 17)	52,951	14,965	23,768
Other Capital Revenue (Note 18)	11,893	2,987	10,300
<b>TOTAL CAPITAL REVENUE</b>	<b>64,844</b>	<b>39,304</b>	<b>53,702</b>
<b>ANNUAL SURPLUS</b>	<b>40,251</b>	<b>23,860</b>	<b>37,780</b>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<b>2,006,910</b>	<b>2,006,910</b>	<b>1,969,130</b>
<b>ACCUMULATED SURPLUS, END OF YEAR (Note 10)</b>	<b>\$ 2,047,161</b>	<b>\$ 2,030,770</b>	<b>\$ 2,006,910</b>

See accompanying Notes to Consolidated Financial Statements.

**STRATHCONA COUNTY**  
**Consolidated Statement of Change in Net Financial Assets**  
Year ended December 31, 2019 (in thousands of dollars)

	2019 Budget (Note 15)	2019	2018
<b>ANNUAL SURPLUS</b>	\$ 40,251	\$ 23,860	\$ 37,780
Acquisition of Tangible Capital Assets (Note 8)	(113,518)	(51,458)	(90,343)
Contributed Tangible Capital Assets (Note 8)	-	(21,352)	(19,634)
Amortization of Tangible Capital Assets (Note 8)	61,784	60,457	59,040
Loss (Gain) on Disposal or Write Down of Tangible Capital Assets	-	1,115	(3,450)
Proceeds from Disposal of Tangible Capital Assets	-	415	5,004
	<u>(11,483)</u>	<u>13,037</u>	<u>(11,603)</u>
Acquisition of Inventories of Materials and Supplies	-	(1,932)	(1,808)
Acquisition of Prepaid Expenses	-	(4,230)	(2,972)
Use of Inventories of Materials and Supplies	-	1,847	1,882
Use of Prepaid Expenses	-	2,924	3,235
	<u>-</u>	<u>(1,391)</u>	<u>337</u>
<b>(DECREASE) INCREASE IN NET FINANCIAL ASSETS</b>	(11,483)	11,646	(11,266)
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>	67,898	67,898	79,164
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	<u>\$ 56,415</u>	<u>\$ 79,544</u>	<u>\$ 67,898</u>

See accompanying Notes to Consolidated Financial Statements.

**STRATHCONA COUNTY**  
**Consolidated Statement of Cash Flows**  
Year ended December 31, 2019 (in thousands of dollars)

	2019	2018
<b>NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:</b>		
<b>OPERATING</b>		
Annual Surplus	\$ 23,860	\$ 37,780
Items Not Involving Cash		
Contributed Tangible Capital Assets (Note 8)	(21,352)	(19,634)
Amortization of Tangible Capital Assets (Note 8)	60,457	59,040
Amortization of (Discount) on Investments	(18)	(8)
Loss (Gain) on Disposal or Write Down of Tangible Capital Assets	1,115	(3,450)
(Gain) on Disposal of Investments	-	(3)
Changes to Non-Cash Financial Assets and Liabilities		
Property Taxes Receivable	1,674	(1,795)
Government Transfers Receivable	3,483	8,198
Trade and Other Receivables	(1,729)	1,004
Development Levies and Charges Receivable	1,736	(1,905)
Investment Interest Receivable	(3,039)	(4,294)
Accounts Payable and Accrued Liabilities	(11,948)	3,811
Deposit Liabilities	2,836	(1,496)
Deferred Revenue	37,610	(5,122)
Inventories of Materials and Supplies	(85)	74
Prepaid Expenses	(1,306)	263
Cash Provided by Operating Activities	93,294	72,463
<b>CAPITAL</b>		
Proceeds from Disposal of Tangible Capital Assets	415	5,004
Acquisition of Tangible Capital Assets	(49,823)	(86,479)
Cash (Applied to) Capital Activities	(49,408)	(81,475)
<b>INVESTING</b>		
Purchase of Investments	(220,914)	(243,201)
Proceeds from Sale/Maturity of Investments	187,176	244,664
Cash (Applied to) Provided by Investing Activities	(33,738)	1,463
<b>FINANCING</b>		
Long-Term Debt Issued	1,772	17,621
Long-Term Debt Repaid	(11,395)	(11,239)
Cash (Applied to) Provided by Financing Activities	(9,623)	6,382
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>525</b>	<b>(1,167)</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>5,875</b>	<b>7,042</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 6,400</b>	<b>\$ 5,875</b>
Cash (Paid) for Interest	\$ (6,529)	\$ (6,506)
Cash Received from Interest	\$ 8,845	\$ 6,183

See accompanying Notes to Consolidated Financial Statements.

**STRATHCONA COUNTY**  
**Consolidated Schedule of Tangible Capital Assets**  
As at December 31, 2019 (in thousands of dollars)

<b>Cost</b>	<b>Balance at January 1, 2019</b>	<b>Purchased Additions</b>	<b>Contributed Additions</b>	<b>Disposals or Write Downs</b>	<b>Balance at December 31, 2019</b>
Land	\$ 510,318	\$ 5,111	\$ 3,706	\$ (1,057)	\$ 518,078
Land Improvements	121,054	5,766	2,595	(245)	129,170
Buildings	483,408	19,529	-	-	502,937
Engineered Structures	1,256,685	28,547	15,051	(30,616)	1,269,667
Machinery and Equipment	78,760	3,523	-	(4,392)	77,891
Books and Periodicals	6,388	581	-	(540)	6,429
Vehicles	77,254	3,654	-	(2,184)	78,724
Assets Under Construction	45,808	(15,253)	-	(60)	30,495
	\$ 2,579,675	\$ 51,458	\$ 21,352	\$ (39,094)	\$ 2,613,391

<b>Accumulated Amortization</b>	<b>Balance at January 1, 2019</b>	<b>Disposals or Write Downs</b>	<b>Amortization</b>	<b>Balance at December 31, 2019</b>
Land Improvements	\$ 43,671	\$ (245)	\$ 5,682	\$ 49,108
Buildings	122,910	-	12,034	134,944
Engineered Structures	389,435	(30,612)	30,381	389,204
Machinery and Equipment	45,228	(4,240)	6,112	47,100
Books and Periodicals	3,262	(540)	641	3,363
Vehicles	39,751	(1,927)	5,607	43,431
	\$ 644,257	\$ (37,564)	\$ 60,457	\$ 667,150

<b>Net Book Value</b>	<b>Balance at December 31, 2019</b>
Land	\$ 518,078
Land Improvements	80,062
Buildings	367,993
Engineered Structures	880,463
Machinery and Equipment	30,791
Books and Periodicals	3,066
Vehicles	35,293
Assets Under Construction	30,495
	\$ 1,946,241

**STRATHCONA COUNTY**  
**Consolidated Schedule of Segmented Information**  
Year ended December 31, 2019 (in thousands of dollars)

Municipal Operations														Strathcona County Library			
Infrastructure and Planning Services (excluding Utility Operations)	Community Services	Corporate Services	Elected Officials	Financial and Strategic Management	Senior Administration	Fiscal Services			Total Municipal Operations	Utility Operations	Strathcona County Library		2019	2019 Budget (Note 15)			
						Fiscal Services (excluding Parkade Event)	Parkade Event (Note 14)	Parkade Event (Note 14)									
\$ 47,830	\$ 92,228	\$ 43,768	\$ 1,545	\$ 9,244	\$ 6,127	\$ 17,180	\$ -	\$ 217,922	\$ 11	\$ 9,718	\$ -	\$ 227,651	\$ 227,706				
-	-	-	-	-	-	-	-	-	54,019	-	-	54,019	56,875				
3,784	29,761	523	-	343	127	3,569	-	38,107	1,323	42	-	39,472	39,048				
-	-	-	-	-	-	7,851	-	7,851	1,561	157	-	9,569	8,441				
295	5,941	34	-	-	216	1,247	-	7,733	33	573	-	8,339	6,995				
13	5,270	-	-	-	-	1,611	-	6,894	-	106	-	7,000	6,528				
752	6,893	57	-	336	62	3,147	13,305	24,552	7	173	53	24,785	9,817				
52,674	140,093	44,382	1,545	9,923	6,532	34,605	13,305	303,059	56,954	10,769	53	370,835	355,410				
28,934	92,856	25,513	1,089	7,821	4,993	3,156	-	164,362	10,905	6,498	2	181,767	181,389				
14,352	23,253	12,042	237	1,026	893	6,181	7,985	65,969	12,187	331	43	78,530	67,710				
7,321	18,343	2,386	61	(140)	229	(706)	248	27,742	23,192	1,282	92	52,308	58,120				
-	-	-	-	-	-	3,246	-	3,246	2,354	849	-	6,449	6,463				
336	2,006	82	-	-	142	701	-	3,267	18	3	-	3,288	2,776				
-	-	-	-	-	-	51,025	-	51,025	7,979	1,453	-	60,457	61,784				
-	-	-	-	-	-	1,121	27	1,148	(59)	10	16	1,115	-				
104	461	112	-	44	-	1,552	-	2,273	85	7	-	2,365	1,761				
51,047	136,919	40,135	1,387	8,751	6,257	66,276	8,260	319,032	56,661	10,433	153	386,279	380,003				
1,627	3,174	4,247	158	1,172	275	(31,671)	5,045	(15,973)	293	336	(100)	(15,444)	(24,593)				
-	-	-	-	-	-	17,615	-	17,615	3,737	-	-	21,352	-				
-	-	-	-	-	-	14,949	-	14,949	16	-	-	14,965	52,951				
-	-	-	-	-	-	2,791	-	2,791	194	2	-	2,987	11,893				
-	-	-	-	-	-	35,355	-	35,355	3,947	2	-	39,304	64,844				
\$ 1,627	\$ 3,174	\$ 4,247	\$ 158	\$ 1,172	\$ 275	\$ 3,684	\$ 5,045	\$ 19,382	\$ 4,240	\$ 338	\$ (100)	\$ 23,860	\$ 40,251				



**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.