

City of St. Albert

Consolidated Financial Statements

December 31, 2017

City of St. Albert

December 31, 2017

CONTENTS

	<u>Page</u>
Management's Report	1
Independent Auditors' Report	2
Audited Consolidated Financial Statements	
Consolidated Statement of Financial Position	3
Consolidated Statement of Operations and Accumulated Surplus	4
Consolidated Statement of Changes in Net Financial Assets	5
Consolidated Statement of Cash Flows	6
Notes and Schedules to the Consolidated Financial Statements	7 - 29

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,

City Manager

Diane McMordie, CPA,CMA

Director of Financial Services

Independent Auditors' Report

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

We have audited the accompanying consolidated financial statements of the City of St. Albert, which comprise the consolidated statement of financial position as at December 31, 2017, the consolidated statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes, comprising, a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the City of St. Albert as at December 31, 2017, and its consolidated statement of operations and accumulated surplus, 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.

Comparative Information

The financial statements of the City of St. Albert as at and for the year ended December 31, 2016 were audited by another auditor who expressed an unmodified opinion on those financial statements on April 18, 2017.

Chartered Professional Accountants
DATE

CITY OF ST. ALBERT
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2017 (in thousands of dollars)

	2017	2016
Financial Assets		
Cash and Cash Equivalents	\$ 28,286	\$ 12,805
Accounts Receivable	13,686	14,790
Taxes Receivable	2,896	2,943
Inventories Held for Resale	26	30
Land Held for Resale	-	614
Investments (Note 2)	156,794	160,245
Total Financial Assets	201,688	191,427
Liabilities		
Accounts Payable and Accrued Liabilities	19,437	17,366
Deferred Revenue (Note 3)	36,796	34,715
Offsite Levy Liabilities (Note 4)	12,900	9,330
Deposit Liabilities	1,759	1,552
Long-Term Debt (Note 5)	37,475	41,586
Environmental Liability (Note 6)	1,389	325
Total Liabilities	109,756	104,874
Net Financial Assets	91,932	86,553
Non-Financial Assets		
Tangible Capital Assets (Note 7)	959,796	921,897
Inventories of Materials and Supplies	1,080	1,199
Prepaid Expenses	786	748
Total Non-Financial Assets	961,662	923,844
Accumulated Surplus (Note 9)	\$ 1,053,594	\$ 1,010,397

Commitments and Contingencies (Note 10)

Approved by:

Mayor

Councillor

CITY OF ST. ALBERT
CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

Year Ended December 31, 2017 (in thousands of dollars)

	2017 Budget (Note 15)	2017	2016
Operating Revenue			
Property Taxes (Note 11)	\$ 97,693	\$ 97,419	\$ 93,123
Sales and User Fees	58,733	58,055	60,524
Government Transfers - Operating (Note 12)	4,056	4,740	4,524
Fines and Penalties	6,121	5,428	6,394
Licenses and Permits	3,003	3,731	3,896
Contracted Services Revenue	2,699	2,676	2,679
Investment Income	3,003	2,822	2,559
Franchise Fees	2,483	2,650	2,209
Other Revenue	1,012	1,373	1,811
Total Operating Revenue	178,803	178,894	177,719
Expenses			
Protective Services	34,514	36,171	35,008
Utility Services	27,117	34,445	29,364
Recreation and Parks	21,863	26,091	25,182
Transportation and Roadway Services	15,619	28,139	24,778
General Government Services	22,727	17,790	17,541
Transit Services	13,076	14,725	13,796
Cultural Services	12,600	14,126	13,478
Planning and Development Services	7,609	5,371	4,704
Family and Social Services	3,216	3,134	3,070
Total Expenses	158,341	179,992	166,921
Annual (Deficiency) Surplus Before Capital Revenue	20,462	(1,098)	10,798
Capital Revenue			
Contributed Tangible Capital Assets	-	13,273	28,959
Developer Contributions and Levies	-	3,860	930
Government Transfers - Capital (Note 12)	29,890	27,162	22,616
Total Capital Revenue	29,890	44,295	52,505
Annual Surplus	50,352	43,197	63,303
Accumulated Surplus, Beginning of Year	1,010,397	1,010,397	947,094
Accumulated Surplus, End of Year	\$ 1,060,749	\$ 1,053,594	\$ 1,010,397

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, 2017 (in thousands of dollars)

	2017 Budget (Note 15)	2017	2016
Annual Surplus	\$ 50,352	\$ 43,197	\$ 63,303
Acquisition of Tangible Capital Assets	(181,212)	(52,396)	(40,032)
Contributed Tangible Capital Assets	-	(13,273)	(28,959)
Proceeds on Disposal of Tangible Capital Assets	-	335	87
Amortization of Tangible Capital Assets	-	24,334	22,757
Loss on Disposal of Tangible Capital Assets	-	3,101	134
	(130,860)	5,298	17,290
Acquisition of Inventories of Materials and Supplies	-	(1,080)	(1,199)
Acquisition of Prepaid Expenses	-	(786)	(748)
Consumption of Inventories of Materials and Supplies	-	1,199	1,049
Use of Prepaid Expenses	-	748	499
	-	81	(399)
Increase (Decrease) in Net Financial Assets	(130,860)	5,379	16,891
Net Financial Assets, Beginning of Year	86,553	86,553	69,662
Net Financial Assets, End of Year	\$ (44,307)	\$ 91,932	\$ 86,553

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, 2017 (in thousands of dollars)

	2017	2016
Cash Provided by (Used in):		
Operating Activities		
Annual Surplus	\$ 43,197	\$ 63,303
Items Not Involving Cash:		
Amortization of Tangible Capital Assets	24,334	22,757
Contributed Tangible Capital Assets	(13,273)	(28,959)
Loss on Disposal of Tangible Capital Assets	3,101	134
	57,359	57,235
Change in Non-Cash Assets and Liabilities:		
Accounts Receivable	1,104	(2,675)
Taxes Receivable	47	(13)
Inventories Held for Resale	4	(8)
Land Held for Resale	614	-
Accounts Payable and Accrued Liabilities	2,071	165
Deferred Revenue	2,081	537
Offsite Levy Liabilities	3,570	6,682
Deposit Liabilities	207	(60)
Environmental Liability	1,064	-
Inventories of Materials and Supplies	119	(150)
Prepaid Expenses	(38)	(249)
Cash from Operating Activities	68,202	61,464
Capital Activities		
Acquisition of Tangible Capital Assets	(52,396)	(40,032)
Proceeds on Disposal of Tangible Capital Assets	335	87
Cash applied to Capital Activities	(52,061)	(39,945)
Investing Activities		
Purchase of Investments	(167,287)	(171,213)
Maturity of Investments	170,738	129,025
Cash from (applied) to Investing Activities	3,451	(42,188)
Financing Activities		
Repayment of Long-Term Debt	(4,111)	(3,929)
Cash applied to Financing Activities	(4,111)	(3,929)
Increase (Decrease) in Cash and Cash Equivalents	15,481	(24,598)
Cash and Cash Equivalents, Beginning of Year	12,805	37,403
Cash and Cash Equivalents, End of Year	\$ 28,286	\$ 12,805

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, 2017 (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 consolidated financial statements also include requisitions for educational and other organizations that are not part of the City.

b. Use of Estimates

The preparation of the consolidated financial statements of the City 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 consolidated 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, provisions for allowances in accounts receivable and in performing actuarial valuations of employee future benefits.

Actual results could differ from these estimates.

c. Basis of Accounting

The consolidated 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, 2017 (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. Land Held for Resale

Land held for resale is recorded at the lower of cost or net realizable value. Cost includes costs for land acquisition and improvements required to prepare the land for servicing such as clearing, stripping and levelling charges. Related development costs incurred to provide infrastructure such as water and wastewater services, roads, sidewalks and street lighting are recorded as tangible capital assets under the respective function.

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 investment and forms part of the deferred revenue balance.

f. Inventories Held for Resale

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

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

CITY OF ST. ALBERT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2017 (in thousands of dollars)

g. Non-Financial Assets

i. Tangible Capital Assets

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	5 to 50 years
Land Improvement	10 to 30 years
Library Collections	5 years
Engineered Structures	
Roadway System	15 to 60 years
Water System	35 to 75 years
Wastewater System	35 to 75 years
Storm System	35 to 75 years
Machinery and Equipment	5 to 25 years
Vehicles	10 to 25 years

One half of annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

Cultural and historical assets such as works of art, historical and heritage sites are not recorded as tangible capital assets in these consolidated financial statements but are disclosed.

The City does not capitalize interest costs associated with the acquisition or construction of a tangible capital asset.

Where an estimate of fair value could not be made, the tangible capital asset is recognized at a nominal value. The City has not assigned nominal values to any assets.

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.

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.

iii. 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.

CITY OF ST. ALBERT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2017 (in thousands of dollars)

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. 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.

CITY OF ST. ALBERT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2017 (in thousands of dollars)

k. Future Accounting Standard Pronouncements

The following summarizes upcoming changes to public sector accounting standards issued by the Public Sector Accounting Standards Board. In 2018, 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
PS2200	Related Party Transactions	April 1, 2017
PS3420	Inter-Entity Transactions	April 1, 2017
PS3210	Assets	April 1, 2017
PS3320	Contingent Assets	April 1, 2017
PS3380	Contractual Rights	April 1, 2017
PS3430	Restructuring Transactions	April 1, 2018
PS1201	Financial Statement Presentation	April 1, 2019
PS3450	Financial Instruments	April 1, 2019
PS2601	Foreign Currency Translation	April 1, 2019
PS30411	Portfolio Investments	April 1, 2019

2. INVESTMENTS

	2017		2016	
	Carrying Value	Market Value	Carrying Value	Market Value
Short Term Notes and Deposits	\$ 104,261	\$ 104,261	\$ 117,544	\$ 117,544
Corporate Bonds	52,333	52,597	42,501	43,538
Credit Union Shares	200	200	200	200
	\$ 156,794	\$ 157,058	\$ 160,245	\$ 161,282

Short term notes and deposits have effective rates of 1.26% to 2.64% (2016 - 1.23% to 2.79%), are for fixed terms, and have maturity dates ranging between 3 months and one year. The City's bond portfolio has effective rates of 2.18% to 3.84% (2016 - 1.78% to 3.84%), with call dates ranging between 2018 and 2027.

CITY OF ST. ALBERT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2017 (in thousands of dollars)

3. DEFERRED REVENUE

	2016	Net Contributions	Interest Earned	Revenue Recognized	2017
Deferred Revenue - Capital Government Transfers					
Municipal Sustainability Initiative	\$ 24,342	\$ 16,723	\$ 508	\$ (18,292)	\$ 23,281
New Deal for Cities and Communities	5,705	3,497	115	(3,872)	5,445
Ray Gibbon Drive Provincial Grant Funding	128	-	-	-	128
Basic Capital Grant	1,104	5,834	50	(2,888)	4,100
Total Deferred Revenue - Capital Government Transfers	31,279	26,054	673	(25,052)	32,954
Deferred Revenue - Operating Government Transfers					
Municipal Sustainability Initiative	103	475	2	(580)	-
Family and Community Support Services	-	1,425	-	(1,425)	-
Community	25	10	-	(35)	-
Arts and Heritage Foundation	196	316	-	(196)	316
Other	70	200	-	(220)	50
Total Deferred Revenue - Operating Government Transfers	394	2,426	2	(2,456)	366
Deferred Revenue - Other					
Servus Place	1,094	3,308	-	(3,307)	1,095
Other Operating	680	1,470	-	(996)	1,154
Licensing	904	934	-	(937)	901
Community	3	60	-	(33)	30
Other Capital	18	180	-	(198)	-
Utilities	98	1	-	-	99
Performing Arts	185	152	-	(185)	152
Library	60	47	-	(62)	45
Total Deferred Revenue - Other	3,042	6,152	-	(5,718)	3,476
Total Deferred Revenue	\$ 34,715	\$ 34,632	\$ 675	\$ (33,226)	\$ 36,796

CITY OF ST. ALBERT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2017 (in thousands of dollars)

4. OFFSITE LEVY LIABILITIES

	2016	Contributions	Interest Earned	Applied	2017
Offsite Levy Liabilities					
Transportation Offsite Levy	\$ 3,859	\$ 3,141	\$ 50	\$ (3,683)	\$ 3,367
Water Offsite Levy	3,490	2,724	86	-	6,300
Sanitary Sewer Levy	1,938	1,219	45	(86)	3,116
Stormwater Levy	43	165	-	(91)	117
Total Offsite Levy Liabilities	\$ 9,330	\$ 7,249	\$ 181	\$ (3,860)	\$ 12,900

5. LONG-TERM DEBT

a. Long-term debt consists of:

	2017	2016
Municipal Tax Supported Debenture	\$ 37,475	\$ 41,586

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, before Provincial subsidy, at rates ranging from 3.34% to 5.00% per annum. The debentures are payable in annual or semi annual amounts and mature in periods ranging from 2019 to 2028.

The City has an operating line of credit with its bank of \$5,000 (2016 - \$5,000). This credit facility bears interest at the TD Composite Prime minus 0.50% and was not drawn on at December 31, 2017.

The City's total cash payments for interest in 2017 were \$1,890 (2016 - \$2,072)

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

	Principal	Interest	Total
2018	\$ 4,302	\$ 1,698	\$ 6,000
2019	4,502	1,498	6,000
2020	4,257	1,293	5,550
2021	4,461	1,089	5,550
2022	4,674	876	5,550
Thereafter	15,279	1,600	16,879
	\$ 37,475	\$ 8,054	\$ 45,529

CITY OF ST. ALBERT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2017 (in thousands of dollars)

5. 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:

	2017	2016
Total Debt Limit	\$ 274,131	\$ 267,974
Total Debt	37,475	41,586
Amount of Debt Limit Unused	236,656	226,388
Maximum Allowable Debt Servicing Limit	45,689	44,662
Annual Payments of Existing Debt	6,000	6,000
Amount of Debt Servicing Limit Unused	\$ 39,689	\$ 38,662

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 consolidated financial statements and other factors must be considered.

6. 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 in current dollars by applying Alberta Capital Finance Authority discount rate of 3.0035% and the St. Albert municipal price index rate of 2.45%. An amount of \$828 (2016 - \$200) has been set up for the landfill post closure monitoring expenses and an amount of \$561 (2016 - \$125) 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.

	2017	2016
Estimated Post Closure Monitoring Costs	\$ 828	\$ 200
Estimated Contaminated Site Monitoring Costs	561	125
Estimated Monitoring Costs	\$ 1,389	\$ 325

CITY OF ST. ALBERT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2017 (in thousands of dollars)

7. TANGIBLE CAPITAL ASSETS

	2017									
	Building Improvement	Library Collections	Land Improvement	Engineered Structures	Buildings	Machinery and Equipment	Land	Vehicles	Assets Under Construction	Total
Cost										
Balance, Beginning of Year	\$ 8,457	\$ 2,200	\$ 49,844	\$ 602,132	\$ 129,883	\$ 24,963	\$ 397,392	\$ 41,868	\$ 57,745	\$ 1,314,484
Acquisitions and Transfers	7,612	376	7,133	23,130	2,743	4,149	12,611	3,961	3,954	65,669
Disposals	-	(443)	-	(15,952)	-	(2,302)	(1,001)	(897)	-	(20,595)
Balance, End of Year	16,069	2,133	56,977	609,310	132,626	26,810	409,002	44,932	61,699	1,359,558
Accumulated Amortization										
Balance, Beginning of Year	1,252	1,137	26,771	270,250	62,141	12,800	-	18,236	-	392,587
Amortization	382	434	2,195	13,312	2,684	2,768	-	2,559	-	24,334
Disposals	-	(443)	-	(13,749)	-	(2,150)	-	(817)	-	(17,159)
Balance, End of Year	1,634	1,128	28,966	269,813	64,825	13,418	-	19,978	-	399,762
Net Book Value, End of Year	\$ 14,435	\$ 1,005	\$ 28,011	\$ 339,497	\$ 67,801	\$ 13,392	\$ 409,002	\$ 24,954	\$ 61,699	\$ 959,796

CITY OF ST. ALBERT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2017 (in thousands of dollars)

7. TANGIBLE CAPITAL ASSETS

	2016									
	Building Improvement	Library Collections	Land Improvement	Engineered Structures	Buildings	Machinery and Equipment	Land	Vehicles	Assets Under Construction	Total
Cost										
Balance, Beginning of Year	\$ 7,545	\$ 2,235	\$ 49,057	\$ 561,722	\$ 129,740	\$ 23,295	\$ 384,674	\$ 39,563	\$ 49,942	\$ 1,247,773
Acquisitions and Transfers	912	400	787	40,410	143	3,206	12,718	2,612	7,803	68,991
Disposals	-	(435)	-	-	-	(1,538)	-	(307)	-	(2,280)
Balance, End of Year	8,457	2,200	49,844	602,132	129,883	24,963	397,392	41,868	57,745	1,314,484
Accumulated Amortization										
Balance, Beginning of Year	1,026	1,123	24,776	257,537	59,488	11,815	-	16,124	-	371,889
Amortization	226	444	1,995	12,713	2,653	2,331	-	2,395	-	22,757
Disposals	-	(430)	-	-	-	(1,346)	-	(283)	-	(2,059)
Balance, End of Year	1,252	1,137	26,771	270,250	62,141	12,800	-	18,236	-	392,587
Net Book Value, End of Year	\$ 7,205	\$ 1,063	\$ 23,073	\$ 331,882	\$ 67,742	\$ 12,163	\$ 397,392	\$ 23,632	\$ 57,745	\$ 921,897

CITY OF ST. ALBERT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2017 (in thousands of dollars)

7. TANGIBLE CAPITAL ASSETS

a. Assets Under Construction

Assets under construction have a cost of \$61,699 (2016 - \$57,745) 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 \$13,273 (2016 - \$28,959). This amount is comprised of roads infrastructure in the amount of \$5,783 (2016 - \$8,790), water, storm and wastewater infrastructure in the amount of \$4,211 (2016 - \$10,515), land improvement (contributed land per the agreement) in the amount of \$3,279 (2016 - \$9,579), and Culture \$0 (2016 - \$75).

c. 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. These assets are not recorded as tangible capital assets.

8. EQUITY IN TANGIBLE CAPITAL ASSETS

	2017	2016
Tangible Capital Assets (Note 7)	\$ 1,359,558	\$ 1,314,484
Accumulated Amortization (Note 7)	(399,762)	(392,587)
Long-Term Debt (Note 5)	(37,475)	(41,586)
	\$ 922,321	\$ 880,311

9. ACCUMULATED SURPLUS

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

	2017	2016
Unrestricted Surplus	\$ (1,421)	\$ 412
Restricted Surplus - Reserves (Schedule 1)	132,694	129,674
Equity in Tangible Capital Assets	922,321	880,311
Total Accumulated Surplus	\$ 1,053,594	\$ 1,010,397

CITY OF ST. ALBERT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2017 (in thousands of dollars)

10. COMMITMENTS AND CONTINGENCIES

a. Annexation

On February 14, 2007 the Lieutenant Governor in Council approved the request of the City of St. Albert to annex land from Sturgeon County ("County"). Effective January 1, 2007 the City's boundaries were extended to include all of the land that St. Albert had requested. The City is obligated to pay the County \$800 at a rate of \$80 per year starting in 2009 and ending 2018.

b. Legal Claims

As at December 31, 2017, 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.

c. Lease Commitments

The City has entered into several operating lease agreements for space rental. Lease commitments over the next five years and thereafter are as follows

2018	\$	1,054
2019		989
2020		938
2021		607
2022		268
Thereafter		36
		<hr/>
		\$ 3,892
		<hr/>

CITY OF ST. ALBERT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2017 (in thousands of dollars)

11. PROPERTY TAXES

	2017 Budget (Note 15)	2017	2016
Taxation			
Real Property Taxes	\$ 128,985	\$ 126,935	\$ 122,242
Linear Property Taxes	1,076	1,075	1,076
Government Grants in place of property tax	-	1,777	1,339
Total Taxation	130,061	129,787	124,657
Requisitions			
Alberta School Foundation Fund	23,966	23,953	23,071
Opted Out School Board	7,201	7,214	7,279
Sturgeon Foundation Requisition	1,121	1,121	1,104
Other	80	80	80
Total Requisitions	32,368	32,368	31,534
Property Taxes Available for Municipal Purposes	\$ 97,693	\$ 97,419	\$ 93,123

12. GOVERNMENT TRANSFERS

	2017 Budget (Note 15)	2017	2016
Government Transfers for Operations			
Provincial Transfers	\$ 3,806	\$ 4,399	\$ 4,294
Federal Transfers	250	341	230
Total Operating Transfers	4,056	4,740	4,524
Government Transfers for Capital			
Provincial Transfers	21,616	23,189	20,143
Federal Transfers	8,274	3,973	2,473
Total Capital Transfers	29,890	27,162	22,616
Total Government Transfers	\$ 33,946	\$ 31,902	\$ 27,140

CITY OF ST. ALBERT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2017 (in thousands of dollars)

13. 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)	2017	2016
Mayor Heron (i)	\$ 19,504	\$ 1,120	\$ 20,624	\$ -
Councillor Hansen (i)	7,979	988	8,967	-
Councillor Joly (i)	7,979	994	8,973	-
Councillor K. MacKay (i)	7,979	304	8,283	-
Councillor Watkins (i)	7,979	870	8,849	-
Councillor Brodhead	41,612	5,835	47,447	47,134
Councillor Hughes	40,612	5,884	46,496	43,191
Mayor Crouse (ii)	114,147	7,521	121,668	146,508
Councillor Heron (ii)	33,633	2,762	36,395	51,858
Councillor C. MacKay (ii)	32,233	3,431	35,664	42,266
Councillor Osborne (ii)	32,433	5,216	37,649	49,943
Councillor Russell (ii)	31,233	257	31,490	37,916
Chief Administrative Officer	250,000	42,889	292,889	696,726
Designated Officer	143,855	39,945	183,800	184,982

(i) Council Term started October 2017.

(ii) Council Term completed October 2017.

a. Salaries

Salaries above includes amounts received from an independent organization by the Mayor and Councillors when acting in their capacity. These amounts were paid through the City and are included in the City's expenses, in the consolidated financial statements.

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. Chief Administrative Officer (CAO)

As at December 31, 2016, salaries, benefits, and allowances for the Chief Administrative Officer (CAO) include severance costs and related benefit payouts.

CITY OF ST. ALBERT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2017 (in thousands of dollars)

14. PENSION PLANS

a. Local Authorities Pension Plan

Approximately 667 (2016 – 621) 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 11.39% (2016 - 11.39%) of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 15.84% (2016 - 15.84%) on pensionable earnings above this amount. Employees of the City are required to make current service contributions of 10.39% (2016 - 10.39%) of pensionable salary up to the year's maximum pensionable salary and 14.84% (2016 – 14.84%) on pensionable salary above this amount.

Total contributions by the City to the LAPP in 2017 were \$6,693 (2016 - \$6,434). Total contributions by the employees of the City of St. Albert to the Local Authorities Pension Plan in 2017 were \$6,176 (2016 - \$5,936). At December 31, 2016, the plan reported the value of its assets at \$37.7 billion (2015 - \$34.4 billion) and disclosed an actuarial deficiency of \$0.64 billion (2015 – \$0.92 billion). Plan asset and actuarial deficiency data as at December 31, 2017 were 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 16 beneficiaries (2016 - 18). 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% (2016 - 2.50% and 3.00%) respectively, of pensionable earnings up to \$146 (2016 - \$145). Total current service contributions by the City to APEX in 2017 were \$89 (2016 - \$78). Total current service contributions by the employees of the City were \$67 (2016 - \$65).

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, 2017, the APEX supplementary pension plan has vested with approximately 80% of eligible employees. The City has disclosed contributions to the APEX plan.

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 8 beneficiaries (2016 - 10). 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, 2017, 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, 2017 (in thousands of dollars)

14. PENSION PLANS

The following presents the MuniSERP obligation as at December 31, 2017:

	2017	2016
Accrued Benefit Obligation		
Balance, Beginning of Year	\$ 255	\$ 339
Current Service Cost and Interest Cost	(88)	(84)
Balance, End of Year	\$ 167	\$ 255

There are no defined benefit plan assets.

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

	2017	2016
Discount Rate	4.75 %	4.75 %
Rate of Compensation Increase	3.50 %	3.50 %

15. BUDGET INFORMATION

The budget data presented in these consolidated financial statements is based upon the 2017 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 2017 operating budget, approved by Council December 12, 2016 (2016 - December 14, 2015), 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, 2017, as follows:

	2017	2016
Capital Budget approved by Council	\$ 72,591	\$ 50,231
Approved Capital Budget Amendments	(10,497)	41,224
Unspent Prior Years Budgeted Capital Expenditures and Amendments	121,438	137,135
Amounts Deemed Not Capital in Nature	(2,320)	(2,378)
Capital Budget for Acquisition of Tangible Capital Assets	\$ 181,212	\$ 226,212

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, 2017 (in thousands of dollars)

16. SEGMENTED INFORMATION

Segmented information has been identified based upon lines of service provided by the City. City services are provided by departments and their activities are reported by functional area in the body of the consolidated financial statements. Certain lines of service that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

a. General Government Services

The City's general services include its corporate functions, such as finance, information technology, human resources, taxation and assessment, legislative operations, and common and fiscal services.

b. Protective Services

The City contracts with the Royal Canadian Mounted Police for police protection, and holds a contract through Alberta Health Services to provide emergency medical services within the community. The City also operates a municipal fire department and provides bylaw enforcement services.

c. Recreation and Parks

The City owns large park systems such as the Red Willow Park and numerous community and neighbourhood parks and playgrounds. The City also provides a variety of recreational programs and services to residents on a year round basis.

d. Utility Services

Four utilities – water, wastewater, storm, and solid waste/recycling – are administered directly by the City. While these utilities are funded independently from municipal operations as per the City's Utility Rate Model, financial results are included with the City.

e. Transportation and Roadway Services

The City provides a number of maintenance and related services for streets, sidewalks, lighting, and equipment pool. Costs related to summer and winter road maintenance are also captured here. Roadway services provides service to other segments of the organization on a cost recovery basis, which is reflected in other expense recoveries.

f. Transit Services

St. Albert Transit is a municipally owned and operated transit service offering local and commuter routes for riders. St. Albert Transit operates on a subsidized fee for service basis.

g. Cultural Services

St. Albert has cultural programs, services, and events. The St. Albert Public Library and Arts & Heritage Foundation of St. Albert are included in Cultural Services on the Consolidated Statement of Operations and Accumulated Surplus.

CITY OF ST. ALBERT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2017 (in thousands of dollars)

16. SEGMENTED INFORMATION

h. Planning and Development Services

To ensure that the community is well planned and attractive for investment, the City is active in the area of land use planning, engineering, and economic development.

i. Family and Social Services

Social services include those provided by the City's Family and Community Support Services department, in addition to costs related to the St. Albert Cemetery and other community supports.

CITY OF ST. ALBERT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2017 (in thousands of dollars)

16. SEGMENTED INFORMATION

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

December 31, 2017	General Government Services	Protective Services	Recreation and Parks	Utility Services (Schedule 2)	Transportation & Roadway Services	Transit Services	Cultural Services	Planning and Development Services	Family and Social Services	Total 2017	Budget 2017
Operating Revenue											
Property Taxes	\$ 13,982	\$ 21,235	\$ 13,451	\$ 16,684	\$ 9,610	\$ 8,045	\$ 7,752	\$ 4,681	\$ 1,979	\$ 97,419	\$ 97,693
Sales and User Fees	486	1,261	10,758	37,551	519	4,456	1,899	887	238	58,055	58,733
Government Transfers - Operating	472	1,543	36	5	130	2	965	104	1,483	4,740	4,056
Fines and Penalties	902	4,387	-	139	-	-	-	-	-	5,428	6,121
Licenses and Permits	841	367	-	-	20	-	-	2,503	-	3,731	3,003
Contracted Services Revenue	-	2,676	-	-	-	-	-	-	-	2,676	2,699
Investment Income	1,513	18	102	1,012	60	65	41	11	-	2,822	3,003
Franchise Fees	2,650	-	-	-	-	-	-	-	-	2,650	2,483
Other Revenue	112	4	554	156	60	-	475	3	9	1,373	1,012
Total Operating Revenue	20,958	31,491	24,901	55,547	10,399	12,568	11,132	8,189	3,709	178,894	178,803
Expenses											
Salaries, Wages and Benefits	14,456	20,595	14,280	5,445	9,379	2,407	8,605	3,610	1,659	80,436	80,375
Contracted and General Services	1,020	2,202	2,647	10,226	4,138	8,357	2,398	479	166	31,633	33,847
Amortization	1,563	953	3,621	4,737	10,861	1,836	716	47	-	24,334	-
Purchases from Other Governments	-	10,366	-	10,850	-	-	-	-	-	21,216	21,120
Materials, Goods and Utilities	334	1,014	3,281	1,221	4,800	2,035	1,653	71	103	14,512	14,592
Transfers to Individuals & Organizations	184	-	-	30	33	-	449	268	1,192	2,156	3,853
Interest on Long-Term Debt	-	-	967	-	891	-	-	-	-	1,858	1,889
Other Expenses (Recovery)	233	1,043	1,334	811	(3,109)	18	305	96	15	746	2,665
Loss (Gain) on Disposal of Tangible Capital Assets	-	(2)	(39)	1,125	1,146	72	-	799	-	3,101	-
Total Expenses	17,790	36,171	26,091	34,445	28,139	14,725	14,126	5,370	3,135	179,992	158,341
Excess (Deficiency) of Revenue over Expenses before Capital Revenue	3,168	(4,680)	(1,190)	21,102	(17,740)	(2,157)	(2,994)	2,819	574	(1,098)	20,462
Capital Revenue											
Contributed Tangible Capital Assets	-	-	-	4,211	5,783	-	-	3,279	-	13,273	-
Developer Contributions and Levies	-	-	-	18	3,842	-	-	-	-	3,860	-
Government Transfers - Capital	721	-	1,210	2,728	11,250	9,601	1,586	66	-	27,162	29,890
Excess (Deficiency) of Revenue over Expenses	\$ 3,889	\$ (4,680)	\$ 20	\$ 28,059	\$ 3,135	\$ 7,444	\$ (1,408)	\$ 6,164	\$ 574	\$ 43,197	\$ 50,352

CITY OF ST. ALBERT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2017 (in thousands of dollars)

16. SEGMENTED INFORMATION

December 31, 2016	General Government Services	Protective Services	Recreation and Parks	Utility Services (Schedule 2)	Transportation and Roadway Services	Transit Services	Cultural Services	Planning and Development Services	Family and Social Services	Total 2016	Budget 2016
Operating Revenue											
Property Taxes	\$ 13,724	\$ 20,899	\$ 12,918	\$ 15,789	\$ 8,717	\$ 8,214	\$ 7,738	\$ 3,029	\$ 2,095	\$ 93,123	\$ 93,194
Sales and User Fees	519	2,964	10,641	38,351	503	4,372	1,973	961	240	60,524	58,204
Government Transfers - Operating	465	1,536	52	-	122	3	691	89	1,566	4,524	3,800
Fines and Penalties	974	5,420	-	-	-	-	-	-	-	6,394	772
Licenses and Permits	833	372	-	-	24	-	-	2,667	-	3,896	5,351
Contracted Services Revenue	-	2,679	-	-	-	-	-	-	-	2,679	2,593
Investment Income	1,446	17	102	776	134	53	26	5	-	2,559	2,569
Franchise Fees	2,209	-	-	-	-	-	-	-	-	2,209	2,280
Other Revenue	582	-	500	36	189	-	490	2	12	1,811	2,617
Total Operating Revenue	20,752	33,887	24,213	54,952	9,689	12,642	10,918	6,753	3,913	177,719	171,380
Expenses											
Salaries, Wages and Benefits	14,455	21,031	13,706	4,449	8,455	2,184	8,164	3,597	1,506	77,547	75,242
Contracted and General Services	1,052	3,192	2,573	7,969	3,443	8,158	2,646	788	336	30,157	30,863
Amortization	1,337	869	3,452	4,502	10,121	1,751	677	48	-	22,757	-
Purchases from Other Governments	-	8,079	-	10,660	-	-	-	-	-	18,739	19,856
Materials, Goods and Utilities	283	975	3,167	979	4,388	1,694	1,560	87	112	13,245	13,727
Transfers to Individuals & Organizations	187	-	-	16	(2)	-	264	97	1,103	1,665	3,614
Interest on Long-Term Debt	(4)	-	1,077	-	969	-	-	-	-	2,042	2,072
Other Expenses (Recovery)	231	861	1,227	789	(2,754)	20	162	87	12	635	2,250
(Gain) Loss on Disposal of Tangible Capital Assets	-	1	(20)	-	158	(11)	6	-	-	134	-
Total Expenses	17,541	35,008	25,182	29,364	24,778	13,796	13,479	4,704	3,069	166,921	147,624
Excess (Deficiency) of Revenue over Expenses before Capital Revenue	3,211	(1,121)	(969)	25,588	(15,089)	(1,154)	(2,561)	2,049	844	10,798	23,756
Capital Revenue											
Contributed Tangible Capital Assets	-	-	-	10,515	8,790	-	75	9,579	-	28,959	-
Developer Contributions and Levies	365	-	-	546	19	-	-	-	-	930	-
Government Transfers - Capital	2,489	49	1,856	2,348	11,727	739	1,261	2,147	-	22,616	25,346
Excess (Deficiency) of Revenue over Expenses	\$ 6,065	\$ (1,072)	\$ 887	\$ 38,997	\$ 5,447	\$ (415)	\$ (1,225)	\$ 13,775	\$ 844	\$ 63,303	\$ 49,102

CITY OF ST. ALBERT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2017 (in thousands of dollars)

17. APPROVAL OF FINANCIAL STATEMENTS

Council and Management have approved these financial statements.

18. COMPARATIVE INFORMATION

Certain comparative information has been reclassified to conform with the current year presentation.

CITY OF ST. ALBERT

Year Ended December 31, 2017

SCHEDULE 1 - SCHEDULE OF RESTRICTED SURPLUS - RESERVES

	2017	2016
City of St. Albert		
Operating	\$ 12,872	\$ 13,322
Capital	69,299	69,751
	82,171	83,073
*Outside Agencies		
Operating	463	414
Capital	473	498
	936	912
Utilities	49,587	45,689
Total Restricted Surplus Reserves	\$ 132,694	\$ 129,674

* Outside Agencies includes the St. Albert Public Library, the Arts & Heritage Foundation of St. Albert and other Community & Social Development Services.

CITY OF ST. ALBERT

Year Ended December 31, 2017

SCHEDULE 2 - SCHEDULE OF UTILITY SERVICES*

	Water	Wastewater	Storm	Waste	Utility Finance	2017	2016
Operating Revenue							
Sales and User Fees	\$ 13,242	\$ 11,842	\$ 6,025	\$ 6,410	\$ 32	\$ 37,551	\$ 38,351
Government Transfers - Operating	1	1	3	-	-	5	-
Fines and Penalties	-	-	-	-	139	139	-
Investment Income	329	298	325	60	-	1,012	776
Other Revenue	110	11	35	-	-	156	36
Total Operating Revenue	13,682	12,152	6,388	6,470	171	38,863	39,163
Expenses							
Salaries, Wages and Benefits	1,761	1,558	550	1,049	527	5,445	4,449
Contracted and General Services	1,878	1,947	1,157	5,121	123	10,226	7,969
Amortization	1,727	1,157	1,493	360	-	4,737	4,502
Purchases from Other Governments	4,613	6,237	-	-	-	10,850	10,660
Materials, Goods and Utilities	721	258	105	127	10	1,221	979
Transfers to Individuals & Organizations	-	-	-	-	30	30	16
Other Expenses (Recovery)	137	231	30	404	9	811	789
(Gain) Loss on Disposal of Tangible Capital Assets	116	934	75	-	-	1,125	-
Total Expenses	10,953	12,322	3,410	7,061	699	34,445	29,364
Excess (Deficiency) of Revenue over Expenses Before Capital Revenue	2,729	(170)	2,978	(591)	(528)	4,418	9,799
Capital Revenue							
Contributed Tangible Capital Assets	805	735	2,671	-	-	4,211	10,515
Developer Contributions and Levies	6	12	-	-	-	18	546
Government Transfers - Capital	48	917	1,763	-	-	2,728	2,348
Excess (Deficiency) of Revenue over Expenses	\$ 3,588	\$ 1,494	\$ 7,412	\$ (591)	\$ (528)	\$ 11,375	\$ 23,208

* Property taxes have been excluded from the above schedule as the City does not allocate property taxes to individual utility services.