

Annual Report

For the fiscal year ended December 31, 2019
Corporation of the Town of Strathmore, Alberta, Canada



2019

This Annual Report was developed by the
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Mayor's Message



I've lived and worked in Strathmore for many years – time that has given me an opportunity to see the needs, changes, and growth of our community. Each of your Town Councillors brings insights and experience that help guide our decisions. Over the past three years we've worked together with Administration to set a strong direction for this Town. I'm proud of the programs, projects, and other initiatives that were completed in 2019. I'd like to share some of the highlights with you.

One of the most important aspects of my job as Mayor is understanding the needs of Strathmore residents. In 2019 the Town completed a Citizen Satisfaction Survey. The results were overwhelmingly positive, but we heard residents' concerns as well. Feedback from residents is very important to us as it helps to guide the programs and services we provide.

The Town of Strathmore is taking proactive action to identify and meet the needs of the businesses throughout our community. A strong economic development strategy with policies, marketing, and other actions can help us to grow Strathmore. Throughout 2019 our planning and development staff held workshops with local businesses to discuss the future of business in Strathmore and how the Town could best support growth. Council

also held a workshop with renowned municipal revitalization consultant Doug Griffiths, establishing a strong start to our own economic development strategy.

Last September Council and I were excited to participate in the Municipal Building ground-breaking ceremony. The new building is a centrepiece of a five-year strategy to revitalize Downtown Strathmore. In one centralized building our team will be able to deliver improved services and as well as new amenities for Kinsmen Park.

Rogers Hometown Hockey capped off a tremendous year. Strathmore was fortunate to have the opportunity of hosting this nationally televised celebration. The weekend featured a free outdoor winter street festival open to residents of Strathmore and surrounding communities. Hosts Ron MacLean and Tara Sloane welcomed Strathmore into tens of thousands of living rooms across the country. Downtown businesses dressed their establishments in red to support the Chamber of Commerce events and our local sports teams gathered to show their team spirit in The Parade of Champions.

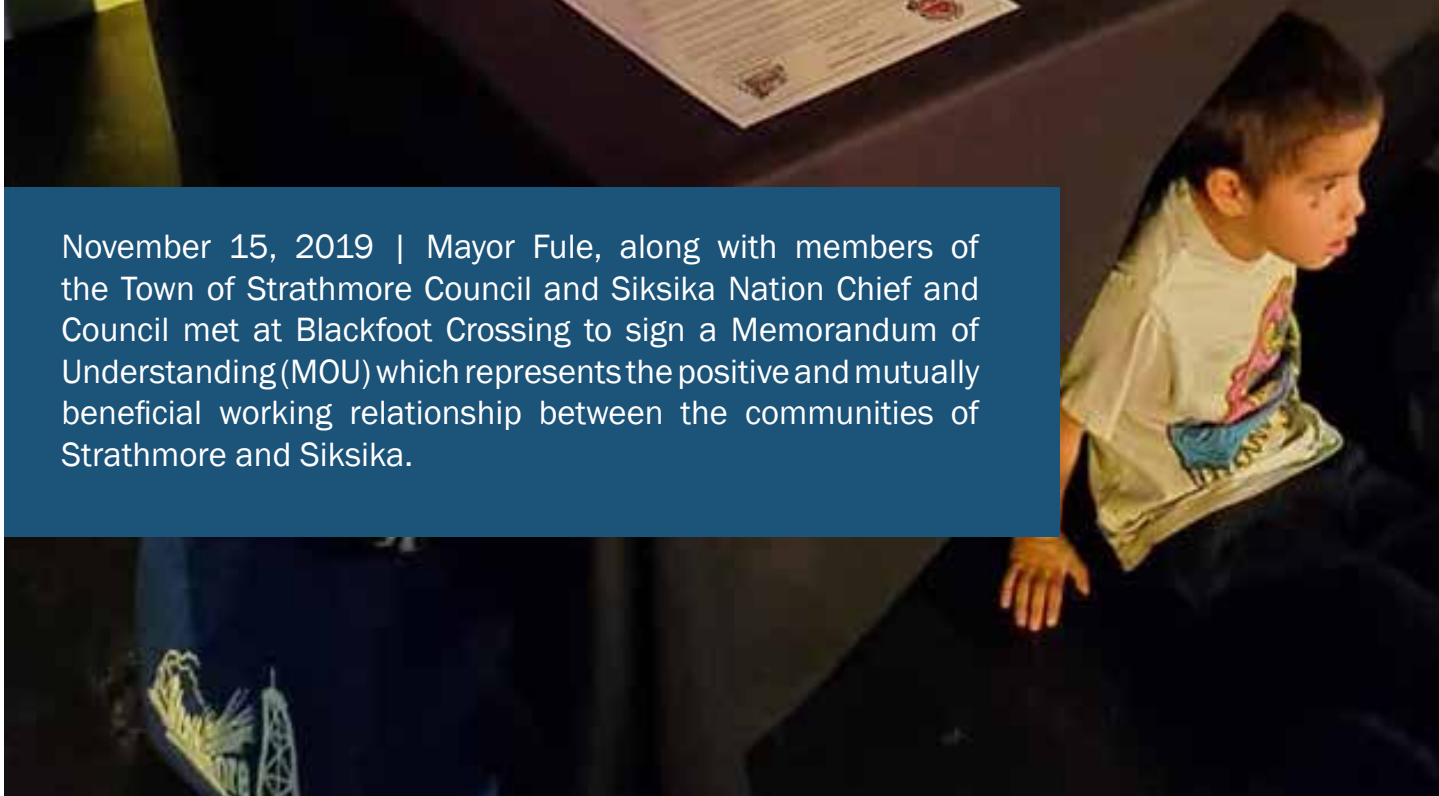
Although 2020 has its challenges with COVID-19 and economic concerns, I'm positive that we can work together with residents and local businesses to build a brighter future. Strathmore is not just a town; it's friends, family, the familiar faces at local businesses, and the welcoming smile when you pass a stranger on the street. Strathmore attracts tremendous people – and people are Strathmore's future.

A handwritten signature in blue ink, reading "Pat Fule". The signature is fluid and cursive, with the first name "Pat" and last name "Fule" clearly distinguishable.

Pat Fule, Mayor



November 15, 2019 | Mayor Fule, along with members of the Town of Strathmore Council and Siksika Nation Chief and Council met at Blackfoot Crossing to sign a Memorandum of Understanding (MOU) which represents the positive and mutually beneficial working relationship between the communities of Strathmore and Siksika.










Your Council

Strathmore Town Council has a part-time Mayor and six Councillors who meet in Council Chambers on the first and third Wednesday of each month at 7:00 p.m.

Strathmore's Town Council is the main governing and legislative body for the Town of Strathmore. The purpose of Town Council is to ensure that the Town of Strathmore is providing services the people of Strathmore need and want. They respond to the community's immediate concerns while making time to plan for Strathmore's growth. Town Council has multiple roles. They represent the individual people of Strathmore but also represent Strathmore as a whole. Council members are elected from the community and participate in policy setting, law making and ensure protocol is followed appropriately. The Province of Alberta gives power to Town Council and Strathmore's municipal government to administer the area within Town boundaries.

Annually, at the Council Organizational Meeting in October, the Mayor and Councillors are appointed to various committees that require Town Council representation. The table below indicates the 2019-2020 committees.

	Councillor Bob Sobol	Representing Traffic Advisory Committee, Sustainability Committee, Strathmore & District Chamber of Commerce, Calgary Metropolitan Regional Board - Land Use Committee, Nominations Committee
	Councillor Jason Montgomery	Representing Sustainability Committee, Financial Audit Committee, Calgary Metropolitan Regional Board - Land Use Committee - Alternate, Strathmore Handi-Bus, Nominations Committee, Strathmore Library Board
	Councillor Lorraine Bauer	Representing Emergency Advisory Committee, Strathmore Overnight Shelter, Strathmore Library Board, Nominations Committee
	Mayor Pat Fule	Representing Calgary Metropolitan Regional Board, Calgary Metropolitan Region Board - Servicing Committee, Recreational Facility Development Committee
	Councillor Melanie Corbiell	Representing Financial Audit Committee, WADEMSA, Strathmore Wheatland Addictions Team, Recreational Development Committee, Emergency Advisory Committee
	Councillor Denise Peterson	Representing Marigold Library Board, Tourism Committee, Seniors Advisory Committee, Wheatland Housing Authority
	Councillor Tari Cockx	Representing WADEMSA, Community Futures Wildrose, Wheatland Housing Authority Board

Our Goals

Strathmore has come a long way over the years and Council continues to move Strathmore forward. Council has prepared and adopted a plan to guide their activities over the next four years. Please visit Strathmore.ca to view the Town of Strathmore Council Strategic Priorities 2018-2021 document. Council identified the following as their top priorities.



Financial Sustainability



Protective and Social Services



Communication and Collaboration



Community Development



Recreation



Municipal Development Plan



The Municipal Census

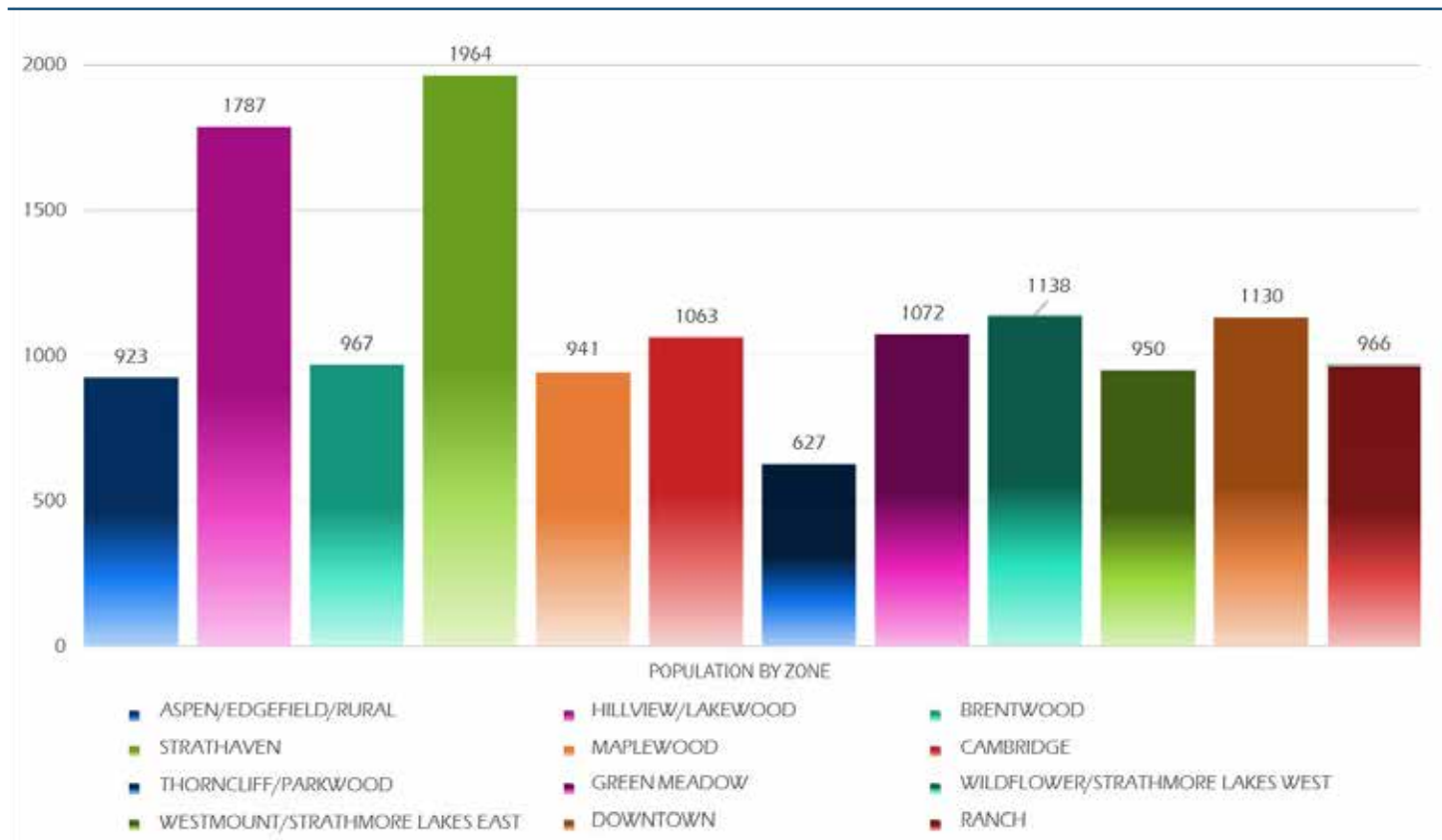
The Municipal Census Program is coordinated by the Town of Strathmore. The Town is responsible for hiring census takers, overseeing the enumeration and for tabulating, analyzing and publishing the results. In addition to providing valuable information for the Town, the program also helps various provincial government departments and local authorities and agencies plan the services they provide to the residents of Strathmore.

In 2018, the Town of Strathmore used a combined approach to conduct the municipal census. An online census option was given to citizens to complete their census online at home without having an enumerator come to visit. Online census responses exceeded previous years with 53.3% (3076) of Strathmore households completing their census online or by calling in their information over the phone. This is an increase of 5.3% over the 2015 census.

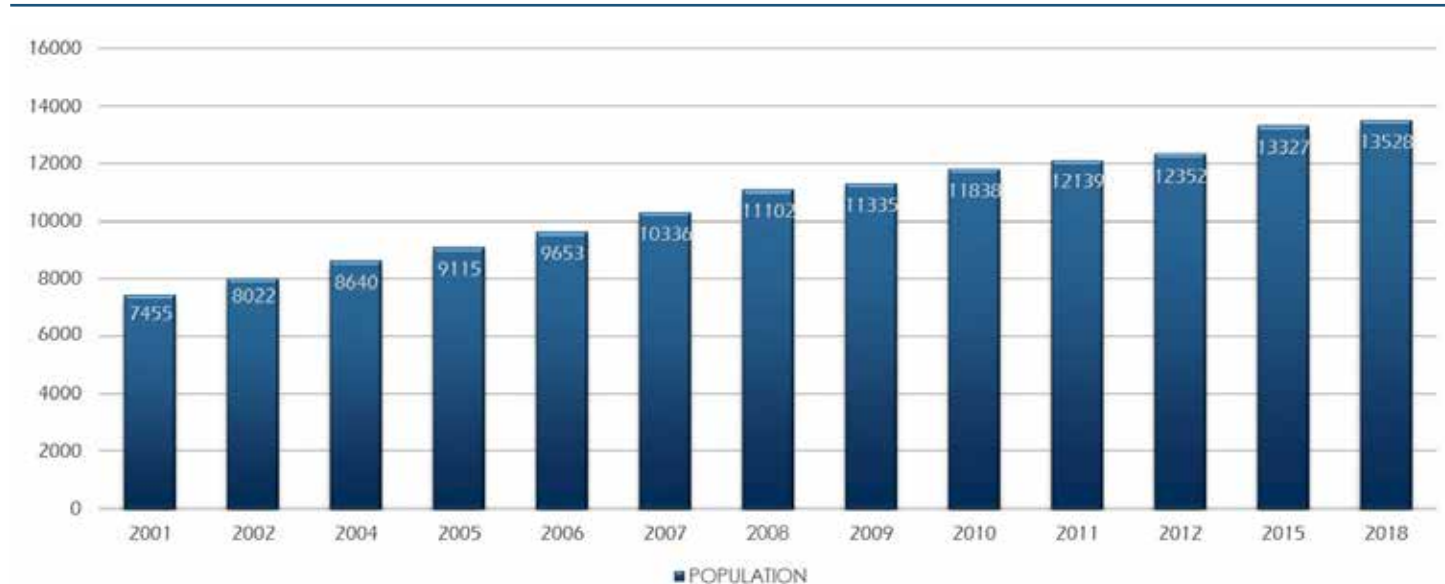
Legislative Services is very pleased with the results of the methods used to compile the following data and are happy to present the following information.

2018 CENSUS HIGHLIGHTS	
TOTAL POPULATION (2018)	13,528
TOTAL POPULATION (2015)	13,327
RATE OF CHANGE SINCE 2018	1.51%
NET CHANGE SINCE 2018	201
DWELLING COUNT (2018) (INCLUDING VACANT, BARELAND AND UNDER CONSTRUCTION PROPERTIES)	5,989
DWELLING COUNT (2015)	5,931
RATE OF CHANGE SINCE 2015	0.98%
NET CHANGE SINCE 2015	58
BARELAND LOTS AND LOTS UNDER CONSTRUCTION	238
TOTAL VACANT PROPERTIES	229
TOTAL PROPERTIES NOT ENUMERATED	129
PERCENT OF STRATHMORE PROPERTIES ENUMERATED	98%

Population by Community 2018



Population Growth 2011-2018



	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2012	2015	2018
POPULATION TOTALS	7,455	8,022	8,640	9,115	9,653	10,336	11,102	11,335	11,838	12,139	12,352	13,327	13,528
PERCENTAGE OF INCREASE	4.1%	7.6%	7.7%	5.5%	5.6%	7.1%	7.4%	2.1%	4.4%	2.5%	1.8%	7.9%	1.51%

Chief Administrative Officer



What gets you out of bed every day? For me it is my desire to share a sense of purpose in our daily work to make life better. It is the reason I value public service as a good and noble path to that end. This is where the “rubber hits the road” with which I believe the team comes to work then leave at the end of the workday feeling like there was an impact for the common good; no matter how small or large. To that end, I feel that accomplishing Council’s vision and strategic initiatives is something meaningful in what we do as illustrated in these pages. And I am pleased to share the 2019 Town of Strathmore Annual Report.

Contained in this report are the details of Council’s sound financial planning while illustrating our major strides to delivering on Council’s Strategic Plan. As one of Council’s key goals to continue on a clear path of financial sustainability, Council has taken the wise strategy to transition away from relying on other levels of government with financial support in capital funding. One of Alberta’s great strengths is self-reliance and innovation. Strathmore and my team embraced this philosophy of strong financial stewardship that is directly attributable to Council’s strategic leadership on the Long Term Financial Plan. This strategy document allowed Council to make real investments in critical infrastructure while limiting

tax growth. Strathmore’s property taxes remain among the lowest in the region and we maintain a favourable business-residential tax balance with greater certainty around investment. This is an intentional step making our services and facilities financially viable. Also illustrated in this report are measures to toward a long horizon for investor certainty and to support economic and stable growth for the future. Strathmore has made great strides to be a forward thinking organisation. Council’s goals and achievements as noted in this annual report are bold steps to make great strides for long term financially sustainable operations and investor certainty.

Another example of achievement is the 2019 Grand Opening of the SMP Sport Centre. This valued, accessible facility has over 50,000 square feet of indoor health and wellness spaces for all ages and abilities. This three member innovative partnership (Town of Strathmore, County of Wheatland, Golden Hills School Div.) was built on the foundation of a financially sustainable service model and community based recreation model. Each and every month this wonderful facility has grown in usage. I am so very proud of the leadership and creativity to deliver on this initiative.

Our strong commitment to community sustainability allows us to continue to provide for the needs of a growing and evolving community while delivering services in facilities that are valued by our community. Public service is why we do what we do each, and every day. I am very grateful to our innovative and hard working employees.

James Thackray,

Chief Administrative Officer

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



Taking Care of Strathmore



Completed 17800 manhours
of park maintenance

Roads Serviced

- 20,717km of winter maintenance on roads and pathways
- 1796km of street sweeping



New Equipment

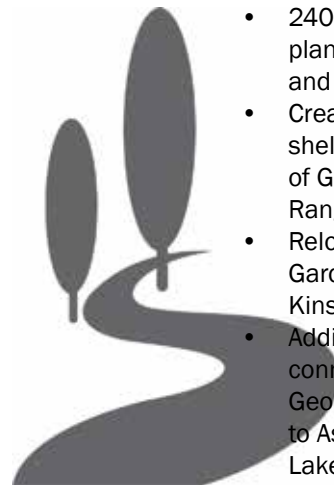
- Sign Trailer
- Trackless Tractor with two mower attachments and a stump grinder attachment
- Ram Promaster Van for building maintenance

New Facilities

- Maple Garden Park Playground
- Rehabilitation of Town Tennis Court Fencing
- Operations Yard Storage Shed Installation

1078 Underground Utility Locates
667 Cityworks Service Requests

Park and Pathways



- 2402 individual flowers planted in 62 containers and 13 flowerbeds
- Creation of a natural shelter belt on the corner of George Freeman and Range Road 244
- Relocation of Devonian Gardens and Trees in Kinsmen
- Adding to pedestrian connectivity by connecting George Freeman school to Aspen and Strathmore Lakes to Westmount



Citizen Satisfaction Survey

- 98% of respondents describe our quality of life as good or very good.
- Quality of life has improved for almost half of our community. Only 7% report that it has declined.
- What does our community like best about Strathmore? For 60% it's our small town atmosphere, and for another quarter it's our town's friendly, helpful residents.
- Three quarters of respondents believe they receive good value for their tax dollars.
- No single issue facing our community stood out for residents, but the top three are property taxes (17%), new/additional recreation facilities (14%), and community safety (13%).
- What do our residents love about the services we provide? Satisfaction is highest for curbside garbage collection (84%), fire department (82%), and parks + pathways (80%).



Supporting Our Community

Rogers Hometown Hockey

Rogers Hometown Hockey visited Strathmore on Dec. 21st and 22nd, 2019. The two day event included games, NHL Alumni appearances, music, food and fun family activities! We had the opportunity show off our beautifully revitalized Downtown to our Hometown Hockey guests. Downtown businesses dressed their establishments in red to support the Chamber of Commerce events which included a pancake breakfast, free swag bags and a s'mores tasting competition! Our local sports teams also gathered to show their team spirit in The Parade of Champions.

The Town hosted a Charity Hockey Game. Approximately \$1,486.00 was raised between proceeds at the door and the 50/50 raffle. The proceeds were split between Jumpstart and the Wheatland County Food Bank.

Strathmore had over the projected attendees. Rogers projected 6,000 attendees and 8,000 people actually attended with 320,000 people watching the live broadcast.

Rogers contributed the following to the Strathmore:

- 202 hotel rooms were booked in Strathmore
- \$3,500 was spent on catering within the community
- The Rogers team spent \$7,000 personally in the community
- \$2,500 was spent on VIPs visiting the community
- A donation of \$15,000 was made to Strathmore Minor Hockey



Handi Bus

- Over 5626 trips
- Purchased two new vans

Community Grants

In 2019 the Town of Strathmore received \$183,759.00 in community grant funding while partnering with a variety of different organizations.



Financial Security

Food Security

Housing Security

Mental Health

The Town of Strathmore Family and Community Support Services (FCSS) provides supportive information and referral that connects residents with appropriate resources such as basic needs, financial assistance, emotional and mental health, parenting, child care, youth programs, senior services, recreation, social programs, volunteer opportunities, rental assistance and more. Information and referral services can make a significant difference to the overall quality of life for residents by informing and connecting people with appropriate resources.

Active Living

Aquatic Centre



The Aquatic Centre chemically tests pool water every two hours to make sure pools are balanced and within Alberta Government Pool Standards. Additionally, they have ultraviolet systems installed on all three of our pool basins to help further improve the disinfection process. The Aquatic Centre strives to exceed all health and safety standards to provide a fun and safe environment for everyone to enjoy!

Over 48,715

Visits to the Aquatic Centre in a combination of lessons, admission, pool rentals, specialized courses.



Civic Centre



923 Room Rentals
=
4800 Rental Hours



Strathmore Motor Products Sports Centre

The Strathmore Motor Products Sports Centre installed new field turf in 2019.

Family Centre Arena



The arena generated over \$234,915 in facility revenue with over 2251 hours of utilization, supporting 11 organizations and events

Protecting Our Residents

In 2019 the Strathmore Fire Department consisted of 38 volunteer-paid-on-call firefighters, 6 career firefighters, a Fire Chief, Deputy Fire Chief and an administrative assistant. Together they provide many services to the Town of Strathmore residents and rural outlying areas (through Mutual Aid Agreements) such as emergency response to fire, medical, and motor vehicle collisions and clean up, water/boat, high angle and confined space rescue. They also assist the public and local business with Fire Prevention and Education and Fire and Life Safety Inspections.



In 2019, the Fire Hall completed 1204 training hours and 21 public education visits.

Canada Day Breakfast – hosted at the Fire Hall by the Strathmore Fire Department Association, is always a hit with the community. This year there were approximately 1500 patrons. Proceeds of this event go to the Strathmore Fire Department Association to purchase equipment and items for the Fire Department members.

Strathmore Fire also participates in a new program called “Coffee with a First Responder”, developed by FCSS starting October 2019 at McDonalds. This allows community members to interact with First Responders on a personal level once a month. This has been a successful interaction for both community members and the members of Protective Services.

The Protective Services Summer camps have been a wonderful addition to the community. Administration and firefighters worked hard preparing lessons to best serve the young people that attend the camps. The public sees these camps as a significant value to the community, so much so, that we are being asked to contribute spots in the camps as donations for raffles and auctions.





Municipal Enforcement

1041
Citations Issued
\$123,265.00 Total



Officers frequently address the following bylaw infractions:

- Long grass or weeds
- Unattached trailers
- Sidewalk clearing
- Barking dogs
- Found dog
- Garage sale signs
- Garbage



Project Highlights

Municipal Building Ground Breaking

A ground breaking ceremony was held in 2019 to launch construction on the new Municipal Building. The new building is a centrepiece of a five-year strategy to revitalize Downtown Strathmore.



Huxted Way Paving

Huxted Way is the only access to the Town's heavily used recycle facility, as well as the waste water treatment plant.

- The previous gravel road was upgraded to pavement for better use and improved infrastructure
- This also included ditch clean up and maintenance
- An official renaming of road ceremony from Slater Way to Huxted Way took place once construction was complete.



Kinsmen Lake Dredge

- This project removed over 30 years of sediment build up. An outstanding 17 tandem truck loads of silt was removed and disposed of.
- As part of the storm water system, this improved capacity and flow of the pond extending its functional life for many years.

Kinsmen Ball Diamond Upgrades

- Refurbished dugout
- Added bull pen and batting cage
- Resurfaced entire playing field

Hillview Ball Park

- Completion included regrading of existing soccer and baseball fields to playable and sport association conditions
- Irrigation was installed on both fields



George Freeman Trail WID Bridge

- Due to safety concerns, the 50 year old bridge was replaced in coordination with WID (Western Irrigation District), who was engaged to ensure bridge installation did not disturb the filling of the canal in the spring of 2019
- A pedestrian pathway and landscaping were also added



Planning for the Future



- New Economic Development Website
- New Tourism Website
- Promotional Economic Development Videos



66	New Residential Lots
8	Subdivision Applications
135	Development Permits
8	Home-Based Permits (Home Occupation Permits)
8	Change of Use (Tenancy) Permits
34	Sign Permits
3	New Commercial Lots
157	Building Permits
186	Electrical Permits
134	Gas Plumbing Permits
75	Plumbing Permits



Planning and development staff held workshops with local businesses.



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Introduction

Strathmore is a growing and every changing municipality. It is a leader in recreation and recreational facilities and has a population of 13,528. It is situated east of Calgary 40 kilometers on the TransCanada highway and is poised for growth. The Town, Golden Hills School Division and Wheatland County partnered in the construction and development of Strathmore Motor Products Sports Centre in the community of Edgefield. It had a cost of over \$12 million and is scheduled to open in the fall of 2018. Over the previous few years the following infrastructure projects have been completed and have strengthened the community: 1. Regional waterline from the city of Calgary (\$54 Million), 2. Wildflower reservoir (\$8 Million), 3. Waste water treatment plant upgrades (\$20 Million), 4. Waste water line to the Bow River (\$16 Million).

The Capital cost of a facility is generally about 30% of the total cost of a facility the balance (70%) is in operating costs of a facility over the life of the facility. **Annual operating cost increases have resulted over the past few years because of adding the above listed new facilities to the town operations.**

In 2010 the town annexed land sufficient to provide for development growth for approximately 50 years.

The Three Year Operating Financial Plan 2019-2021 has been prepared taking into consideration the priorities and direction established by council during the budget deliberations. The plan expresses the financial direction for the Town and identifies the financial principles and policies that will lead the Town's fiscal stability and sustainability in the coming years. These principles and policies will establish the basic framework for the responsible fiscal management of the Town's resources.

The Town of Strathmore will strive to provide a level of municipal service to the community that will take into consideration the community's service expectations and the community's ability to pay for these services. (See Graphs and analysis included in the budget presentation.) As the Town's municipal infrastructure ages, funds must be committed for proper management, maintenance and refurbishment throughout the lifecycle of the municipal infrastructure. **Additional new revenue is required to cover the costs of maintaining this municipal infrastructure and preserving current service levels while providing for new programs and service enhancements.** The Town recognizes that taxpayers are demanding value for money. A balance must be struck between customers' expectations for service and

the taxpayers' ability to pay for these services. The municipality is responding by adopting a more creative cost-effective approach to service delivery. Local solutions and actions must be developed to ensure that services, programs and facilities are sustainable now and into the future for a prosperous community

Reasons for Strategy

1. Long term financial sustainability
2. Provide financial flexibility to meet the needs of the town on either an emergent need or on a traditional needs basis. Provide financial resiliency when an emergent or unexpected need is met.
3. Improve financial controls on expenditures and projects by amending budgets within departments. Improved administrative controls on expenditures will improve operations and the utilization of budgets. This will reduce the overall need for requesting additional funding of projects during a budgetary year overall.
4. Improved vision planning and prioritization of future projects and provide additional investment in reserves to accommodate capital infrastructure reinvestment and to address the infrastructure deficit.
5. Leverage opportunities as opportunities arise.
6. Grow alternative revenue sources to help keep pace with program delivery expectations using fees and other charges.
7. Contain reliance on tax revenue for core service delivery.
8. Review and revise utility rate models to adjust fees and charges so that there is full-cost recovery. Borrow on utility long term capital projects where the project will benefit future generations.
9. Fund new programs or services with net new revenue sources within a sustainable financial model.
10. Maximize the use of grants when available.

Budget Preparation - Factors and Guidelines

The Town prepares a three-year operating financial plan and a five-year capital plan in accord with the revisions to the MGA. Section 243 of the MGA outlines the purpose of the Budget is to provide for council's policies and programs. A

requirement of the financial plan is that it be balanced. Simply stated expenditures must be paid for by revenue and transfers. Factors that affect operating and capital budgets include inflation, cost of living increase, population and assessment growth, development growth, economic trends including employment or unemployment, changing real estate markets, taxation issues, and policy decisions of council.

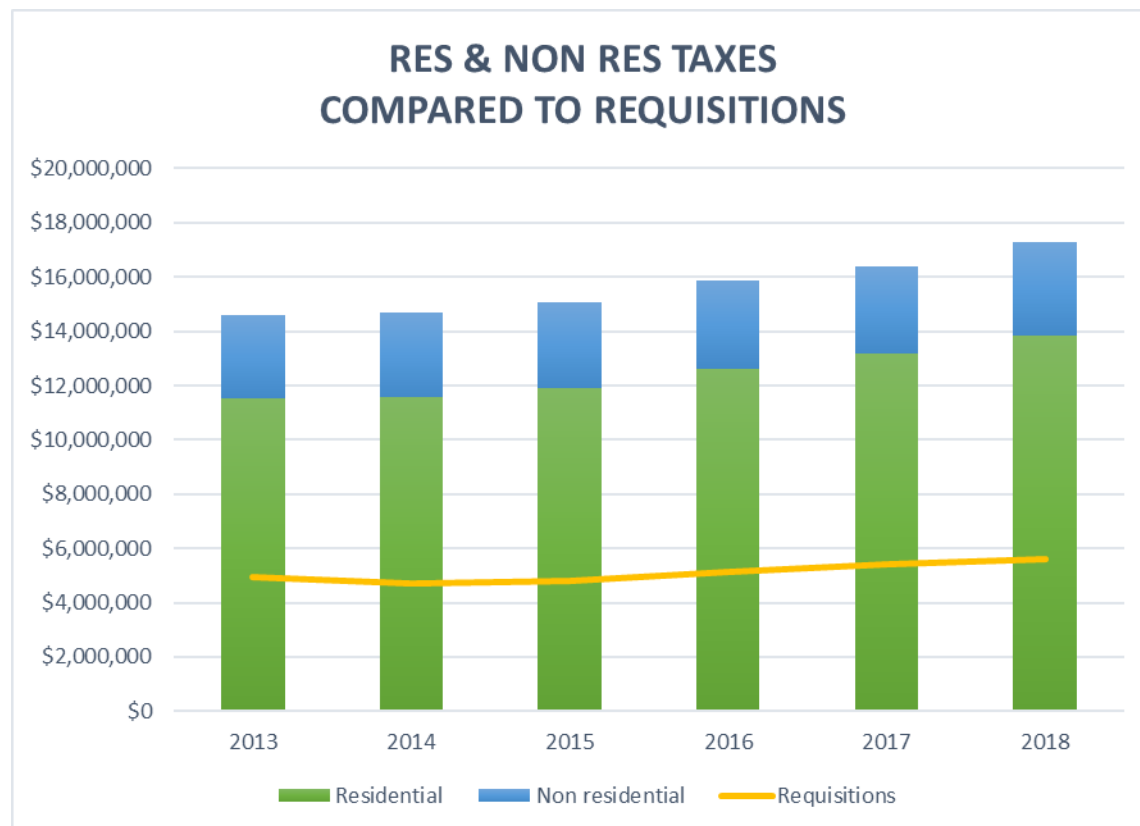
Guiding Principles

1. Integrated approach to financial strategy and planning, using property taxation, local improvement taxes, user fees, franchise fees, reserves and investment income and the use of debt to best serve the citizens of Strathmore.
2. Respect for the tax and utility rate payer. Mitigate significant fluctuations in tax and utility rates, increases in rates should reflect the increase in the consumer price index over the long term.
3. Ensure the capital plan is sustainable, that the capital asset additions will not negatively impact the operating budget and is sustainable and affordable.
4. Deliver value for money is a principle that will be pushed to continuously find efficiency and quality improvements in the way we manage and deliver services. Innovative approaches to the delivery of services, including shared services, contract service models, and public private partnerships will be considered.
5. Borrow for sustainable, revenue generating long term assets at affordable levels. Consider a maximum debt utilization relative to the provincial regulation. I.E. 60% of the provincial debt limit.
6. Reserves are funded 100% with long term investments in accord with Town investment policy. This conservative approach will not compromise safety of principal and the investments will be readily saleable if required.
7. Improving financial strength and sustainability through savings and spending less than total revenue. Reinvest savings in operating or capital reserves.
8. Forward planning on the long-term capital program must identify sources of funding for assets and comply with the *Municipal Government Act*.
9. Contract and term human resources to provide expertise and to limit growth to core FTE's

Property Taxes

Property Taxes are the single largest revenue source for the Town of Strathmore, like almost all Canadian Municipalities. Property Taxes are levied based on rates set in accordance with the property tax rate bylaw passed annually by Council. Council establishes two rates of Taxation one rate for residential property and the second rate for non-residential property (Commercial, Industrial, Linear).

Property taxes are assessed on each taxable property based on a market value assessment as at July 31 of the prior year. Assessment values may be appealed following the assessment each year. Property taxes may not be appealed.



	Residential	Non residential	Total	Requisitions
2013	\$11,504,014	\$3,081,076	\$14,585,090	\$4,928,148
2014	\$11,557,747	\$3,119,452	\$14,677,199	\$4,729,448
2015	\$11,896,715	\$3,166,441	\$15,063,156	\$4,793,518
2016	\$12,609,383	\$3,248,985	\$15,858,368	\$5,113,785
2017	\$13,159,375	\$3,228,419	\$16,387,794	\$5,424,124
2018	\$13,837,736	\$3,435,762	\$17,273,498	\$5,618,472

Annual Property Tax Adjustment

The general tax adjustment is the increase or decrease in taxes paid by the average property owner. The Town of Strathmore municipal tax rate is determined from the operating budget approved by council for a tax year and the total taxable assessed property values.

For the years 2013 to 2018 inclusive, the Town of Strathmore has experienced expense increases at a greater rate than the CPI for Calgary. Property tax adjustments ought to reflect this situation.

For the years 2014 to 2018 the total taxes were as follows for the average residential property assessed at \$300,000 in the town. (includes Alberta School Foundation – Education, and Wheatland Housing.)

YEAR	MILL RATE	TAXES
2014	8.431	\$2,529
2015	7.978	\$2,393
2016	7.923	\$2,377
2017	8.130	\$2,439
2018	8.489	\$2,546

The above shows that total taxes have decreased from \$2,529 by \$90 (3.5%) to \$2,439 for the average residential property owner for the years 2014 to 2017. 2018 was the first year where residential taxes exceeded the level established in 2014.

In the same period (2014-2017) inflation in the Calgary as measured by Statistics Canada CPI was 3.5% increase.

The trend of reducing taxation coupled with increasing expenses as shown above are not financially sustainable over a long period of time. Stable ongoing tax and rate increases provides funding to ensure a sustainable service delivery model and strategic planning for the town.

Requisitions – Education and Wheatland Housing

The Town of Strathmore passes on directly the education requisition and Wheatland Requisition to the property owner in the form of a separate mill rate for each of the requisitions. The Town neither increases nor decreases its Town mill rate to capture additional taxes if the requisitions decreases, nor does it lower taxes should the education requisition increase. The Education requisition increased by 18.3% over the three-year period 2015 to 2018 an average of 6.1% per year. The Wheatland Housing requisition increased by 21.5% over the same three-year period an average of 7.2% per year. The increase in taxation because of the requisition increase averaged \$290,000 per year to town property owners.

Commercial/Residential Municipal Tax Rate

Most Alberta municipalities levy a higher municipal tax rate on commercial properties than on residential properties. In Strathmore, the non-residential/commercial mill rate for 2018 was 6.816 while the residential mill-rate was 5.803 a difference of 1.03 mills or a 17.5% differential between the two rates. Strathmore has the lowest differential between residential and non-residential in the comparison group of surrounding communities. See two table below:

Surrounding Communities

	Residential	Non-Residential	% over
Strathmore	5.8030	6.8160	17.5
High River	6.349	8.2536	30
Okotoks	5.2290	7.7640	49
Cochrane	4.5700	6.2900	38
Brooks	7.9860	12.9900	63
Airdrie	4.2000	8.6100	105
Wheatland County	3.682	8.6623	135

Large Alberta Cities

	Residential	Non-Residential	% over
Red Deer	6.626	13.7448	207
Medicine Hat	6.656	15.3104	230
Lethbridge	8.476	19.9387	235
Edmonton	6.198	17.4354	282
Calgary	3.901	15.3234	393

The Province of Alberta for the Education requisition applies a 47% premium on non-residential assessments over residential assessments.

The recommendation is to increase the non-residential taxation to the median point over 4 years. The median point being a premium of 52% non-residential over the residential tax rates. The non-residential mill rate would be increased to 8.821. The property tax for a property assessed at \$300,000 would be \$2,646 an increase of \$601 over the current 2018 property taxes. If the adjustment was to be applied evenly each year over the next four years this would increase the non-residential property taxes by \$150 per year on the tax base in each of the next four years. The current differential is not a sustainable financial model.

Local Improvement Taxes

What is a local Improvement

A Local improvement is a project that Council considers to be of greater benefit to an area of the town than to the whole town and is to be paid for in whole or in part by a tax imposed on the properties affected by the project.

A local improvement is a new or replacement construction project intended to upgrade specific conditions within a residential, commercial or industrial area of the town. Examples include rear lane paving, street paving, curb and gutter replacement, boulevard and street lighting, extending sanitary, storm or water systems replacements.

Who can request a local improvement?

Local improvements are most often requested by property owners. Property owners can request a local improvement with a petition. The town can also initiate a local improvement.

In either case, the Town will send a notice to each affected property owner. Sections 393 to 409 of the Municipal Government Act establish the provincial statutory guidelines for the administration of local improvement Plans and Local Improvement Taxes.

Property owners affected by the proposed local improvement tax may petition the town objecting to the local improvement within 30 days of the notices being sent, the town must not proceed with the local improvement if a sufficient and valid petition is received.

Who pays for the local Improvements

Every property benefiting from a local improvement shares in the cost, even if some owners have not signed the petition in support of the petition.

How is each property owner's share of the local improvement cost determined?

The cost of the project is determined and is allocated to the benefiting property owners on an equitable basis such as property frontage.

Funding for the local improvement is borrowed by the Town of Strathmore and repaid by the affected owners. Property owners have the option of paying this cost in one lump sum payment, thereby saving interest charges, or they may choose to pay the amount in instalments over the term of the loan with interest, which is added to their annual property tax account.

Local Improvement Taxes be considered as a funding tool for projects that Council considers benefits certain property owners more than the town. The implementation of this could be over a period of 4 years. With tax payers becoming increasingly responsible for project costs with each succeeding year.

For example, year one, for projects requested by the Town of Strathmore only 25% of the project be considered for local tax, year two 50% and so on, by year four, the total cost of a local improvement be recovered by local improvement tax over a fifteen-year period.

Town Services Includes the following:

Potable water, sanitary sewer, and storm sewer

Garbage and waste collection

Streets, sidewalks, traffic control

Parks pathways and playgrounds, recreation facilities -Aquatic Center, Family Center, Strathmore Motor Products Sports Centre, Curling Rink

Cemetery

Youth Center and youth programs

Planning, community development, economic development

Policing, bylaw enforcement, fire protection services, building inspection and Animal control

Culture Civic Center,

Financial support to Strathmore Handi Bus Association, Municipal Library, Seniors Housing, Strathmore & District Agricultural Society, and other organizations.

FCSS support programs

Downtown revitalization

Canada Day Celebrations

The above identifies the major programs and services but is not exhaustive list.

New Program & Service Requests

There is continuing pressure from Strathmore residents to provide new programs and services or to expand existing ones, the funding available for new or enhanced service levels is limited given ongoing funding constraints. New or expanded programs and services that require ongoing expenditures may be presented as part of the operating budget process but will be strategic and focus on Council's strategic priorities. Funding for new programs and services that do not have a revenue source sufficient to offset expenses could require a property tax increase over and above the Calgary inflation rate, and or a reduction in other municipal services.

It is proposed that all new programs and service requests be accompanied by a source of funding. Taxation should not be considered as the sole source of funding new programs and services, this will reduce the continuing need to increase taxation.

New Development and Growth

New residential and commercial development influences the Town's operating budget. New development generates additional property tax revenues, but also increases the cost of providing municipal services. The Town will strive to generate offsite levy and property tax revenue sufficient to offset the increased service, program and municipal infrastructure costs resulting from new development and ensure that the cost increases are not passed on to the rest of the community. The Town will encourage mixed-use development that supports both commercial and residential assessment growth. The Town currently carries an 84% residential assessment and 16% commercial property assessment. The development of the proposed solar farm may increase the non-residential assessment by approximately 10%. This follows a reduction in the market value assessment of hotels and motels in Strathmore of 25% or more because of the oil and gas downturn in the economy. **A 20% commercial property assessment goal for Strathmore would be reasonable.**

Off-Site Levies

Off-site levy fees are charged to developers for certain anticipated future projects. The fees are retained in the financial reserve accounts until utilized for the specific named projects.

With the changes in the MGA there is an opportunity to include additional needed infrastructure that was specifically excluded in the past within the Off-site levy calculation and obtain partial funding for these projects as land is developed in the town. **It is recommended that the Town integrate the results from the Recreation and Fire Master Plans into the Offsite levies as rapidly as possible**

Review of Programs and Service Delivery Models

Management continually review on an ongoing basis existing programs and services for relevancy to the community and if the program is meeting the expectations of the stake holders in the community. The review will also focus on best practices and if the service is being provided in an efficient and cost-effective manner.

An example of a review of a service delivery model was completed by FCSS on the Home support program. The adjustments made within the program will better direct the available resources to move the program forward during 2019 to meet the needs of the community while balancing financial sustainability. A vehicle and equipment review has been initiated and will be reviewed against our current service delivery model during 2019.

Utility Rates

Utilities being water, sanitary sewer, storm sewer, solid waste and recycling will be operated on a full-cost recovery basis through equitable user fees. Full-cost recovery will ensure that utility revenue will cover 100 percent of the annual operating costs including debt repayment and future capital cost replacements.

Utility rates will be reviewed on an annual basis, inflationary increases will be applied to all utility rates, and utility increases greater than 10% will be phased in over a longer period. The Water and Sewer utility combined budget for 2018 did not recover all operating costs. All utility rates be increased by 5% in 2019 to obtain full cost recovery of operating expenses. Providing reserves for future capital cost replacements for utilities will provide a more sustainable financial future.

Strathmore has a safe and secure source of water and can continue to attract commercial opportunities that are not available in Okotoks and High River due to water availability issues.

Franchise Fees

Franchise fee revenue is received by the Town of Strathmore from both Fortis and Atco Gas. The fee is based on a percentage of certain items on a natural gas or electricity bill sent to the customer. Fortis and Atco Gas collect these fees and remit the fees to the town. Franchise fees are paid by all utility users whereas certain properties are exempt from property taxes. The following are exempt properties from taxes: schools, churches, institutions, hospital, Legion, WID, Senior Lodge Housing and Health Unit. The total assessed value for exempt properties in Strathmore is approximately 10% of the total assessment. Franchise fees are the only source of general revenue from these properties for the Town. The Town received \$444,000 from Atco Gas and \$859,000 from Fortis Alberta in 2017. The Franchise fees are an important component of the general revenue to the town and is 11% of the user fee revenue.

The maximum natural gas franchise fee is 35% and the town is currently at 20%. The maximum electrical franchise fee is 20% and the town is currently at 15%. The franchise fees for both the electrical and natural gas being applied in Strathmore is at the average of the surrounding communities.

Recommendation –To increase the Franchise Fees by motion of Council to the provincial maximum over a three period and to make application to Fortis and Atco Gas for the same. The monthly financial impact to the average residential property owner would be \$9.40 monthly total increase, or an annual increase of \$3.13 monthly in each of the next three years.

User Fees and Charges

For the Town of Strathmore to contain dependency on property taxes it is necessary to ensure that existing fees and charges are current. The 2018 operating budget for the Aquatic Center, Family Center and Civic Center was supported by taxation in the amount of \$2,800,000 in total and is 17% of net municipal taxes.

Recreation fees will be established on the financial concept of full-cost recovery for adult programs, 75% cost recovery for senior programs and 50% cost recovery for youth and disabled. Recreation fees will be reviewed against the fees of other municipalities and adjusted to be competitive.

Cost recovery in the Planning and Development department for the costs of department review of documents from developers is an important aspect of cost containment. The fees and charges for this service require review and updating to move to a sustainable level of cost recovery.

Government Grants

It is anticipated that the Province of Alberta and Government of Canada may over time reduce available grants. The Town of Strathmore is allocated approximately \$3,000,000 in capital grants through the Municipal Sustainability Initiative and the Federal Gas Tax Fund yearly. The total of the capital grants utilized for the capital program from 2014 to 2017 totaled \$14,494,000. The total capital program has in the past been funded by Government Grants, Borrowing, and Reserves. Twenty Eight percent of the 2018 capital program will be funded by Government grants from senior levels of government. In the future reserves and borrowing will be called upon increasingly for the funding of capital programs. Operating funding comes from the Province for Municipal Policing and FCSS. Both grants cover some of the operating costs of each program. The Town cannot rely on grant funding from senior levels of government solely to fund operations or capital needs. **The Town will maximize and leverage available grants for infrastructure and operations where possible. The Town will generally not use grants for utility infrastructure when borrowing capacity exists and the borrowing costs can be recovered thru the utility fees and charges.**

Use of Debt

The Municipal Government Act and Regulations define a municipal debt limit and debt service limit. The Town will strive to use borrowed funds where user fees will be used to cover the debt servicing payments. Long term tangible capital assets acquired for utility services (water, sewer, storm sewer) will be financed utilizing long term borrowing. Secondly use debt for municipal infrastructure of high importance and thirdly use debt only for essential municipal services when the debt limit is at 50% or greater. Essential services are defined as water, sewer, protective and emergency services and equipment associated with such. **The town will not use debt to fund operational needs or fund assets with a life expectancy of five years or less other than through a short-term rental or lease arrangement.** At December 31, 2017 the Town was at 31.5% of the debt limit and 29% of the debt-servicing limit.

Joint Funding Model

The town will endeavor to collaborate with CMRB partners including primarily Wheatland County to utilize joint services for the delivery of recreation, FCSS and other programs where possible. The Town annually supports the Aquatic Centre and Family centre by more than two million dollars annually from taxation. **The town will attempt to negotiate with Wheatland County a joint funding model that recognizes utilization of town facilities by county residents and county facilities by town residents.** There are several good examples of Joint Funding agreements within the province that recognizes and funds joint use facilities.

Budget Surplus and Reserves

The financial surplus from recent years operating results have been retained in both the Financial Stabilization operating reserve account, and in the unrestricted surplus account. Council authorizes the creation of and utilization of reserve accounts.

\$1,407,000 was budgeted to fund operations, and \$4,580,000 to fund the capital program in 2017 and 2018 from reserves and unrestricted surplus. During the period from 2015 to 2017 the reserves and unrestricted surplus decreased by approximately \$2,000,000.

The unrestricted surplus account at December 31, 2017 had a balance of \$4,779,000.

The Town of Strathmore could consider targets for various reserve accounts to be utilized for the replacement of infrastructure and facilities in the future. This could be funded out of both tax and user fee revenue.

The purpose of this policy is to build reserves and to shift away from reliance upon senior levels of government for funding.

Investments

The Town invests cash not immediately needed for operational or capital purposes, operating and capital reserve balances and the unrestricted surplus in short and long-term investments. The investments meet the Town of Strathmore investment policy guidelines and the requirements of the MGA. The Town of Strathmore operating budget includes the investment income derived from the investments. Investment income on reserve balances is added to the reserves on an annual basis. The short-term investments represent a portion of tax revenue required for operational needs during the year. Deferred grant revenue is also invested on a short-term basis. Short-term investments are liquidated on an ongoing basis during the year to pay operating expenses and capital expenditures as needed. Developer offsite levy reserve balances are maintained on a long-term investment basis until required for specified capital projects. Long term investments are invested in government and bank bonds and notes. Long term investments currently earn a return of 2.5% to 3% annually. Investment income for 2017 was \$601,000.

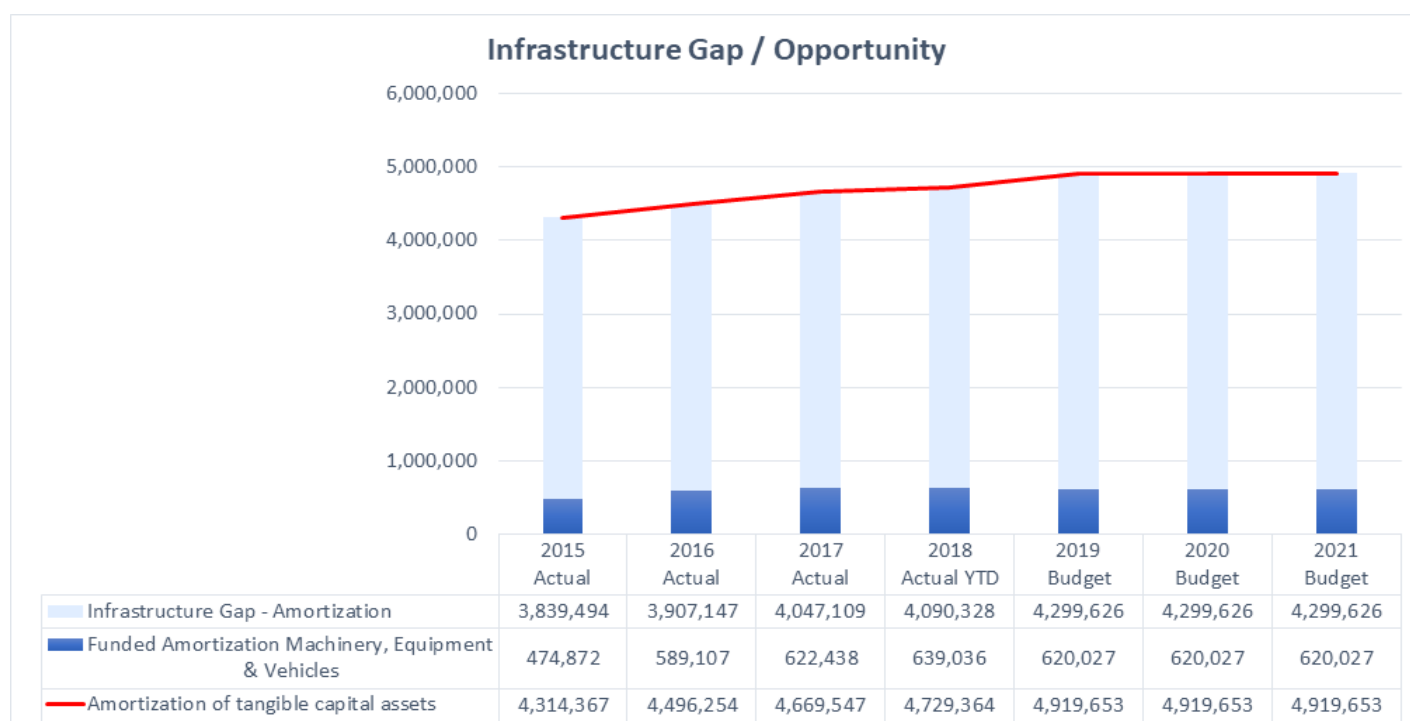
Infrastructure Deficit

The Town of Strathmore has \$212,000,000 worth of Engineered Structures, Buildings, and Land Improvements at cost. This includes water and sewer pipelines, pump stations, reservoirs, storm water management ponds, roads, sidewalks and buildings. The current net book value of these assets amounts to \$160,000,000 and they are 25% depreciated. The depreciation on these assets is \$52,000,000. The Town currently has \$8,200,000 in capital reserves. This would indicate the Town of

Strathmore has an unfunded infrastructure deficit of \$43,800,000. The Town depreciates these assets by \$4,047,000 annually and has no formal plan for funding the replacement of these assets over the long term. The town has established an infrastructure investment reserve and has a balance of \$253,000. This represents approximately 2.3% of the Town of Strathmore net municipal taxes in 2017.

The Town will need to move to a long-term sustainability model that will provide for replacement of assets.

The other factor not considered in any of this is the inflationary factor that over the long term, assets are replaced at a cost much greater than the original purchase cost.



Recommendation: That the town contribute to the Infrastructure Reinvestment Reserve at a rate of no less than 1% of Net Municipal Tax Revenue annually with the goal of having an amount equal to 25% (\$10 Million) of the Infrastructure Deficit within 15 years.

Summary

The financial principles discussed in this plan are intended to guide the Town of Strathmore for the upcoming years with an emphasis on long term municipal infrastructure funding. It will be necessary to review and update the plan annually to ensure that it is meeting the financial needs of the Town.

Next Steps

Council adopt the following protocol in setting the budget and the amount of taxation be determined by the following formula as a minimum tax adjustment: prior year taxes, plus CPI adjustment, plus 1% of net municipal taxes to fund reinvestment reserve, plus the cost of new programs or services, less efficiencies identified savings from program adjustments. Any tax adjustment resulting in less than this amount is really a tax reduction that cannot be sustained in the long term. One percent of the net municipal taxes for 2018 is \$116,500.

Council adopt a utility rate model of the utilities being self-supporting with future infrastructure needs being funded thru utility revenue and or borrowing with the cost of borrowing being paid for by utility revenue. The first step is to have the utility departments recover all expenses and not be dependent on tax revenue. The Utilities in 2017 had an actual operating deficit of \$605,000 in aggregate. The budget for 2018 also had a deficit of \$590,000. With a 5% increase in utility rates in 2019, the completion and payout of some long-term utility debt payments in 2018, the utilities can recover current operating costs.

Council instruct Administration to prepare a plan to engage Wheatland County in meaningful discussions on a Joint Services Funding Model. This will reduce the operational deficit of \$2,000,000 for the Aquatic Center and Family Center.

All master plans that require updating proceed as soon as possible. This will assist in funding capital projects into the future.



TOWN OF STRATHMORE
Consolidated Financial Statements
For the year ended December 31, 2019

TOWN OF STRATHMORE
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For the year ended December 31, 2019

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CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To: The Mayor and Members of Council of
the Town of Strathmore

Opinion

We have audited the consolidated financial statements of the Town of Strathmore which comprise the consolidated statement of financial position as at December 31, 2019, and the consolidated statements of operations, change in net financial assets (debt) and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Town in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

INDEPENDENT AUDITOR'S REPORT, continued

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Town's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

- **Debt Limit Regulation:**
In accordance with Alberta Regulation 255/2000, we confirm that the Town is in compliance with the Debt Limit Regulation. A detailed account of the Town's debt limit can be found in note 15.
- **Supplementary Accounting Principles and Standards Regulation:**
In accordance with Alberta Regulation 313/2000, we confirm that the Town is in compliance with the Supplementary Accounting Principles and Standards Regulation and note the information required can be found in note 16.

Lethbridge, Alberta

April 15, 2020



Chartered Professional Accountants

MANAGEMENT REPORT

The consolidated financial statements are the responsibility of the management of the Town of Strathmore.

These consolidated financial statements have been prepared from information provided by management. Financial statements are not precise since they include certain amounts based on estimates and judgments. Management has determined such amounts on a reasonable basis in order to ensure that the consolidated financial statements are presented fairly, in all material respects.

The Town maintains systems of internal accounting and administrative controls that are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and that the Town's assets are properly accounted for and adequately safeguarded.

The elected Council of the Town is responsible for ensuring that management fulfils its responsibilities for financial statements. Council carries out its responsibility principally through the Financial Audit Committee.

The Council meets annually with management and the external auditors to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, and to satisfy itself that each party is properly discharging its responsibilities. Council also considers the engagement or re-appointment of the external auditors. Council reviews the monthly financial reports.

The consolidated financial statements have been audited by Avail LLP Chartered Professional Accountants, the external auditors, in accordance with Canadian generally accepted auditing standards on behalf of the Council, residents and ratepayers of the Town. Avail LLP has full and free access to the Council.




Chief Administrative Officer

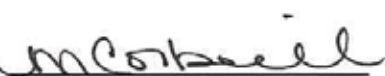
TOWN OF STRATHMORE
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2019

	2019	2018
Financial assets		
Cash (note 2)	\$ 3,541,954	\$ 2,204,781
Taxes and grants in place of taxes receivable (note 3)	590,674	534,618
Trade and other receivables (note 4)	2,081,763	1,752,351
Investments (note 5)	16,090,781	17,725,475
	<u>22,305,172</u>	<u>22,217,225</u>
Liabilities		
Accounts payable and accrued liabilities	4,794,405	6,015,151
Employee benefit obligations (note 6)	205,975	297,024
Deposits	706,412	738,003
Deferred revenue (note 7)	1,630,093	2,562,176
Long-term debt (note 8)	18,950,160	11,021,352
	<u>26,287,045</u>	<u>20,633,706</u>
Net financial (debt) assets	<u>(3,981,873)</u>	<u>1,583,519</u>
Non-financial assets		
Prepaid expenses	257,206	113,822
Tangible capital assets (schedule 2)	206,535,959	199,174,984
	<u>206,793,165</u>	<u>199,288,806</u>
Accumulated surplus (note 9 and schedule 1)	<u>\$ 202,811,292</u>	<u>\$ 200,872,325</u>

Commitments and contingencies (note 17)

Approved on behalf of Council:

Councillor 

Councillor 

TOWN OF STRATHMORE
CONSOLIDATED STATEMENT OF OPERATIONS
For the year ended December 31, 2019

	Budget (Unaudited)	2019	2018
Revenue			
Net municipal property taxes (note 12)	\$ 12,518,710	\$ 12,331,743	\$ 11,656,047
User fees and sales of goods	13,819,435	13,499,370	12,840,604
Government transfers for operating (note 13)	1,112,230	1,213,040	1,068,171
Investment income	434,110	332,437	411,582
Penalties and costs of taxes	194,000	197,786	191,942
Licenses and permits	797,000	375,989	576,907
Gain on disposal of capital assets	-	261,432	171,971
Other	279,360	376,013	504,980
	29,154,845	28,587,810	27,422,204
Expenses (note 14)			
Legislative	380,936	373,692	307,766
Administration	4,657,162	5,197,110	4,099,919
Police, fire, disaster, ambulance and bylaw enforcement	5,253,464	5,262,688	4,718,339
Transportation services	5,590,357	5,404,530	5,273,320
Water supply and distribution	4,022,766	3,689,682	4,115,838
Wastewater treatment and disposal	3,706,587	3,809,403	3,602,574
Waste management	1,130,736	1,139,322	1,008,420
Public health and welfare services	1,100,485	969,881	966,594
Planning and development	1,121,002	1,283,527	1,003,701
Parks and recreation	5,933,722	6,100,620	5,500,017
Culture - libraries, museums, halls	933,038	892,586	1,036,764
	33,830,255	34,123,041	31,633,252
Deficiency of revenue over expenses before other	(4,675,410)	(5,535,231)	(4,211,048)
Other			
Government transfers for capital (note 13)	3,008,600	3,758,475	8,019,730
Contributed assets	-	3,715,723	2,031,627
	3,008,600	7,474,198	10,051,357
(Deficiency) excess of revenue over expenses	(1,666,810)	1,938,967	5,840,309
Accumulated surplus, beginning of year	200,872,325	200,872,325	195,032,016
Accumulated surplus, end of year	\$ 199,205,515	\$ 202,811,292	\$ 200,872,325

TOWN OF STRATHMORE
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL (DEBT) ASSETS
For the year ended December 31, 2019

	Budget (Unaudited)	2019	2018
(Deficiency) excess of revenue over expenses	\$ (1,666,810)	\$ 1,938,967	\$ 5,840,309
Acquisition of tangible capital assets	(11,810,330)	(8,836,595)	(14,206,662)
Amortization of tangible capital assets	4,919,653	5,179,185	4,879,455
Contributed assets	-	(3,715,723)	(2,031,627)
Gain on disposal of tangible capital assets	-	(261,432)	(172,006)
Proceeds on disposal of tangible capital assets	-	273,590	721,333
	(6,890,677)	(7,360,975)	(10,809,507)
Net change in inventory for consumption	-	-	7,511
Net change in prepaid expense	-	(143,384)	(38,761)
	-	(143,384)	(31,250)
Decrease in net financial assets	(8,557,487)	(5,565,392)	(5,000,448)
Net financial assets, beginning of year	1,583,519	1,583,519	6,583,967
Net financial assets (debt), end of year	\$ (6,973,968)	\$ (3,981,873)	\$ 1,583,519

TOWN OF STRATHMORE
CONSOLIDATED STATEMENT OF CASH FLOW
For the year ended December 31, 2019

	2019	2018
Operating transactions		
(Deficiency) excess of revenue over expenses	\$ 1,938,967	\$ 5,840,309
Adjustments for items which do not affect cash		
Gain on disposal of tangible capital assets	(261,432)	(172,006)
Amortization of tangible capital assets	5,179,185	4,879,455
Contributed assets	(3,715,723)	(2,031,627)
	3,140,997	8,516,131
Net change in non-cash working capital items		
Taxes and grants in place of taxes receivable	(56,056)	14,316
Trade and other receivables	(329,411)	1,145,201
Inventory for consumption	-	7,511
Prepaid expenses	(143,384)	(38,761)
Accounts payable and accrued liabilities	(1,220,746)	(724,277)
Employee benefit obligations	(91,049)	(143,471)
Deposits	(31,591)	(18,149)
Deferred revenue	(932,083)	(148,194)
Cash provided by operating transactions	336,677	8,610,307
Capital transactions		
Proceeds on disposal of tangible capital assets	273,590	721,333
Acquisition of tangible capital assets	(8,836,595)	(14,206,662)
Cash applied to capital transactions	(8,563,005)	(13,485,329)
Investing transactions		
Decrease of investments	1,634,694	5,946,196
Financing transactions		
Proceeds of long-term debt	8,882,600	340,000
Repayment of long-term debt	(953,793)	(1,488,956)
Cash provided by (applied to) financing transactions	7,928,807	(1,148,956)
Increase (decrease) in cash and temporary investments	1,337,173	(77,782)
Cash, beginning of year	2,204,781	2,282,563
Cash, end of year	\$ 3,541,954	\$ 2,204,781

TOWN OF STRATHMORE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2019

1. Significant accounting policies

The consolidated financial statements of the Town of Strathmore are the representations of management prepared in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. Significant aspects of the accounting policies adopted by the Town are as follows:

(a) Reporting entity

The consolidated financial statements reflect the assets, liabilities, revenue and expenses, changes in fund balances and change in financial position of the reporting entity which comprises all of the organizations that are owned or controlled by the Town and are, therefore, accountable to the Council for the administration of their financial affairs and resources.

The schedule of taxes levied also includes operating requisitions for educational, and other external organizations that are not controlled by the Municipal Council.

The statements exclude trust assets that are administered for the benefit of external parties.

(b) Basis of accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or the legal obligation to pay.

Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

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 of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred, services performed or the tangible capital assets are acquired.

(c) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expense during the period. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

(d) Investments

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

TOWN OF STRATHMORE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2019

1. Significant accounting policies, continued

(e) 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.

(f) Tax revenue

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

Requisitions operate as a flow through and are excluded from municipal revenue.

(g) Inventory for resale

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

(h) Contaminated sites liability

Contaminated sites are a 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.

(i) Government transfers

Government transfers are the transfer of assets from senior levels of government that 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.

Government transfers 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.

(j) Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for 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. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the consolidated Change in Net Financial (Debt) Assets Assets for the year.

TOWN OF STRATHMORE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2019

1. Significant accounting policies, continued

- (i) **Tangible capital assets**
Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over the estimated useful life as follows:

	Years
Land improvements	15-25
Buildings	25-50
Engineered structures	45-75
Machinery and equipment	5-25
Vehicles	10-25

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

- (ii) **Contributions of tangible capital assets**
Tangible capital assets received as contributions are recorded at fair value at the date of receipt and also are recorded as revenue.
- (iii) **Inventories**
Inventories for consumption are recorded at the lower of cost and replacement cost.

2. Cash

The Town of Strathmore has an available overdraft loan in the amount of \$770,000 with interest at a rate of prime less 0.75%. Security consists of a general security agreement.

3. Taxes and grants in place of taxes receivables

	2019	2018
Taxes and grants in place of taxes receivable	\$ 457,470	\$ 367,665
Arrears	133,204	166,953
	<u>\$ 590,674</u>	<u>\$ 534,618</u>

4. Trade and other receivables

	2019	2018
Municipal grants	\$ 675,465	\$ 191,774
Utilities receivable	665,361	662,173
Trade accounts receivable - operating	639,012	700,294
Goods and services tax receivable	135,351	228,272
Allowance for doubtful accounts	(33,426)	(30,162)
	<u>\$ 2,081,763</u>	<u>\$ 1,752,351</u>

TOWN OF STRATHMORE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2019

5. Investments

	2019		2018	
	Cost	Market value	Cost	Market value
Commercial notes	\$ 16,086,847	\$ 16,121,066	\$ 17,721,548	\$ 17,025,042
Other	3,934	3,934	3,927	3,927
	<u>\$ 16,090,781</u>	<u>\$ 16,125,000</u>	<u>\$ 17,725,475</u>	<u>\$ 17,028,969</u>

Commercial notes have interest rates from 0% to 9.98% (2018 - 0% to 10.22%). Maturity dates are from the year 2020 to 2028.

The Town received government grants and other funds that are restricted in their use and are to be utilized as funding for specific projects. Since the projects for which funding has been received have not been completed, \$2,336,505 (2018 - \$3,300,179) of the investments balance is not available for general use by the Town.

6. Employee benefit obligations

	2019	2018
Vacation payable	\$ 178,453	\$ 282,972
Overtime payable	27,522	14,052
	<u>\$ 205,975</u>	<u>\$ 297,024</u>

The vacation and overtime liability is vested and employees are entitled to these benefits within the next budgetary year.

7. Deferred revenue

	2019	2018
Municipal Sustainability Initiative	\$ 1,530,672	\$ 1,908,384
Other	99,421	19,351
Federal Gas Tax Fund	-	634,441
	<u>\$ 1,630,093</u>	<u>\$ 2,562,176</u>

The Municipal Sustainability Initiative is a program aimed at providing financial support for critical core and community infrastructure projects and includes incentives to encourage collaboration and co-operation between neighbouring municipalities. This population based funding includes operating, capital and affordable housing components. In 2019 the Town was allocated \$99,339 in operating funding (2018 - \$99,880) and \$1,977,265 in capital funding (2018 - \$5,637,496).

TOWN OF STRATHMORE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2019

8. Long-term debt

	2019	2018
Self-supported long-term debt - capital	\$ 13,083,702	\$ 11,021,352
Self-supported long-term debt - future capital projects	5,866,458	-
Self-supported long-term debt	\$ 18,950,160	\$ 11,021,352
 Current portion	 \$ 1,420,360	 \$ 953,793

Principal and interest repayments are due as follows:

	Principal	Interest	Total
2020	\$ 1,420,360	\$ 547,595	\$ 1,967,955
2021	1,443,621	502,725	1,946,346
2022	1,467,736	457,719	1,925,455
2023	1,492,740	410,554	1,903,294
2024	1,518,666	364,680	1,883,346
Thereafter	11,607,037	1,034,987	12,642,024
	\$ 18,950,160	\$ 3,318,260	\$ 22,268,420

Long term debt is repayable to Alberta Capital Finance Authority, Canada Mortgage and Housing Corporation and CIBC. Interest rates range from 2.57% to 4.55% per annum. The long-term debt is issued on the credit and security of the Town at large. The average annual interest rate is 3.32% (3.32% for 2018). Interest on long-term debt amounted to \$449,663 (2018 - \$384,394). The Town's total cash payments for interest in 2019 were \$424,643 (2018 - \$394,724).

9. Accumulated surplus

Accumulated surplus consists of internally restricted and unrestricted amounts and equity in tangible capital assets as follows:

	2019	2018
Unrestricted surplus	\$ 68,016	\$ 1,248,837
Internally restricted surplus (reserves) (note 10)	9,291,019	11,469,856
Equity in tangible capital assets (note 11)	193,452,257	188,153,632
	\$ 202,811,292	\$ 200,872,325

TOWN OF STRATHMORE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2019

10. Reserves

Council has set up reserves for various purposes. These reserves are either required by legislation or set up at the discretion of Council to provide funding for future expenses.

	2019	2018
Operating		
Financial stabilization	\$ 231,416	\$ 2,405,163
Sanitary sewer	378,344	370,592
Economic	74,357	152,245
RCMP reserve	132,244	129,534
Snow control	104,056	101,924
Family Centre	85,725	83,968
Office revitalization	61,151	59,898
Garbage	50,120	49,093
Affordable housing	48,641	47,644
General administration	48,495	47,501
Roads, walks and lighting	43,971	43,070
General enforcement	26,747	26,199
Cemetery	12,455	12,200
Family Centre	3,320	3,252
	1,301,042	3,532,283
Capital		
Water off-site levies	2,160,775	2,015,745
Storm off-site levies	1,213,230	1,190,587
Sewer off-site levies	1,047,641	1,146,755
Roads off-site levies	618,956	551,490
Storm offsite levies - Eagle Lake	244,557	239,546
Sewer off-site levies - Parkwood bypass	52,338	51,265
Sewer off-site levies - Orchard Park	37,554	32,813
Sewer off-site levies - west	16,572	16,232
Sewer off-site levies - east Strathmore	23,133	14,519
Capital equipment reserve	763,715	465,461
Water supply	471,344	461,685
Fieldhouse	4,817	439,939
Public works	264,990	331,681
Municipal public reserve	307,672	301,367
Infrastructure reinvestment	262,899	257,512
Civic Centre	219,495	214,997
Bike pathway	124,376	121,827
Roads, walks and lighting	31,720	31,070
SMP Common capital replacement reserve	70,000	-
Fire	24,966	24,454
Recreation	15,045	14,737
Storm	9,278	9,088
Aquatic Centre	4,904	4,803
	7,989,977	7,937,573
	\$ 9,291,019	\$ 11,469,856

TOWN OF STRATHMORE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2019

11. Equity in tangible capital assets

	2019	2018
Tangible capital assets (schedule 2)	\$ 273,273,880	\$ 261,170,011
Accumulated amortization (schedule 2)	(66,737,921)	(61,995,027)
Long-term debt (note 8)	(18,950,160)	(11,021,352)
Long-term debt - for future tangible capital asset additions	5,866,458	-
	<u>\$ 193,452,257</u>	<u>\$ 188,153,632</u>

12. Net municipal property taxes

	Budget (Unaudited)	2019	2018
Taxation			
Real property taxes	\$ 14,531,947	\$ 14,293,022	\$ 13,858,534
Linear property taxes	225,940	223,350	212,287
Business taxes	3,417,328	3,449,784	3,199,227
Government grants in place of property taxes	21,952	20,361	20,537
	<u>18,197,167</u>	<u>17,986,517</u>	<u>17,290,585</u>
Requisitions			
Alberta School Foundation Fund	5,007,823	4,975,915	4,970,353
Christ the Redeemer School Division	539,104	535,669	533,160
Wheatland Housing requisition	130,855	143,190	130,339
Designated Industrial Property	675	-	686
	<u>5,678,457</u>	<u>5,654,774</u>	<u>5,634,538</u>
	<u>\$ 12,518,710</u>	<u>\$ 12,331,743</u>	<u>\$ 11,656,047</u>

13. Government transfers

	Budget (Unaudited)	2019	2018
Transfers for operating:			
Provincial government	\$ 861,230	\$ 987,428	\$ 860,138
Federal government	55,000	34,148	16,259
Municipal government	196,000	191,464	191,774
	<u>1,112,230</u>	<u>1,213,040</u>	<u>1,068,171</u>
Transfers for capital:			
Provincial government	3,008,600	3,723,475	7,671,883
Municipal government	-	35,000	347,847
	<u>3,008,600</u>	<u>3,758,475</u>	<u>8,019,730</u>
	<u>\$ 4,120,830</u>	<u>\$ 4,971,515</u>	<u>\$ 9,087,901</u>

TOWN OF STRATHMORE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2019

14. Expenses by object

	Budget (Unaudited)	2019	2018
Salaries, wages and benefits	\$ 12,790,477	\$ 12,265,829	\$ 10,652,544
Contracted and general services	11,173,801	11,741,636	11,063,898
Materials, goods, supplies and utilities	3,862,106	3,768,582	4,046,996
Bank charges and short term interest	34,000	54,007	26,558
Interest on long term debt	458,579	449,663	384,394
Transfers to individuals and organizations	507,039	580,942	496,046
Transfers to other governments	84,600	83,197	83,361
Amortization of tangible capital assets	4,919,653	5,179,185	4,879,455
	\$ 33,830,255	\$ 34,123,041	\$ 31,633,252

15. Debt limits

Section 276(2) of the Municipal Government Act requires that debt and debt limits as defined by Alberta Regulation 255/00 for the Town be disclosed as follows:

	2019	2018
Total debt limit	\$ 42,881,718	\$ 41,133,306
Total debt	18,950,160	11,021,352
	\$ 23,931,558	\$ 30,111,954
Debt servicing limit	\$ 7,146,953	\$ 6,855,551
Debt servicing	1,967,955	1,308,374
	\$ 5,178,998	\$ 5,547,177

The debt limit is calculated at 1.5 times revenue of the municipality (as defined in Alberta Regulation 255/00) 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 municipality. Rather, the financial statements must be interpreted as a whole.

TOWN OF STRATHMORE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2019

16. Salary and benefits disclosure

Disclosure of salaries and benefits for elected municipal officials, the chief administrative officer and designated officers as required by Alberta Regulation 313/2000 is as follows:

	(1)	(2)		
	Salary	Benefits & allowances	2019	2018
Council				
Mayor Pat Fule	\$ 63,427	\$ 2,749	\$ 66,176	\$ 53,455
Councillor Denise Peterson	33,867	1,548	35,415	29,177
Councillor Robert Sobol	34,817	1,597	36,414	29,492
Councillor Jason Montgomery	37,492	4,152	41,644	33,424
Councillor Lorraine Bauer	37,567	4,157	41,724	33,634
Councillor Tari Cockx	33,617	3,955	37,572	33,634
Councillor Melanie Corbiell	34,067	1,559	35,626	30,331
CAO - James Thackray	\$ 205,503	\$ 40,537	\$ 246,040	\$ 245,909

(1) Salary includes regular base pay, bonuses, overtime, lump sum payments, gross honoraria and any other direct cash remuneration.

(2) Benefits and allowances include the employer's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, vision coverage, group life insurance, accidental disability and dismemberment insurance, long- and short-term disability plans, professional memberships, and tuition. Benefits and allowances figures also include the employer's share of the costs of additional taxable benefits.

17. Commitments and contingencies

The Town is a member of the Alberta Municipal Insurance Exchange (MUNIX) which provides liability insurance. Under the terms of the membership, the Town could become liable for its proportionate share of any claim losses in excess of the funds held by the exchange. Any liability incurred would be accounted for as a current transaction in the year the losses are determined.

The Town has contracted EPCOR Water services Inc. to provide management and operations services related to the public utilities and infrastructure system until 2023. Billing under the contract is an annual rate of \$2,725,820, adjusted yearly by the consumer price index.

The Town has contracted ATCO Power Canada Ltd. to provide a supply of electricity for Town owned facilities. The contract is in effect until December 31, 2020 and the Town is obligated to purchase a minimum of 4,899,200 kWh to a maximum of 7,460,400 of kWh. The second contract is in effect until December 31, 2023 and the Town is obligated to purchase a minimum of 4,309,900 kWh to a maximum of 8,004,100 kWh per year under the agreement.

The Town has contracted Access Gas Services Inc to provide a supply of natural gas for Town owned facilities. The contract is in effect until December 31, 2022 with a maximum bid price of \$2.62 per GJ and estimates a purchase and usage of 25,669 GJs of natural gas per year.

TOWN OF STRATHMORE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2019

17. Commitments and contingencies, continued

The Town has contracted with the Western Irrigation District to deal with municipal storm water issues. The contract is in effect until 2027. Billing under the contract is an annual rate of \$31,004 adjusted yearly by the consumer price index. The contract is currently under renegotiation to cover expanded areas.

An additional storm water capital levy of \$500 per lot, or \$2,000 per acre assessment, is payable for new property covered by development permits issued by the Town.

The Town has contracted Waste Management of Canada Corporation to provide automated curbside solid waste and organic collection for a five year term ending December 31, 2022. Billing under the contract is an annual rate of \$718,272.

During 2019, the Town entered into various contracts and commenced building a new Town Hall and upgrading the surrounding parks. The total budgeted spend for the Town Hall and parks is \$12,250,000, of which, \$9,635,000 is remaining to be spent during 2020. The Town also entered a contract to purchase a Fire Truck in early 2020 for \$713,000.

18. Subsequent events

COVID-19

The global coronavirus pandemic has significantly impacted global financial markets and will have significant accounting, disclosure, and internal control implications for many entities. Some key impacts include, but are not limited to, interruptions of production and supply chains, unavailability of personnel, reductions in revenue, decline in value of financial investments, disruptions or stoppages in non-essential travel, and the closure of facilities and businesses. The situation is changing rapidly and the future impact on the Town is not readily determinable at this time.

19. Local authorities pension plan

Employees of the Town participate in the Local Authorities Pension Plan (LAPP), which is one of the plans covered by the Alberta Public Sector Pensions Plans Act. The plan serves about 265,000 people and 421 employers. The LAPP is financed by the employer and employee contributions and by investment earnings of the LAPP Fund.

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

The Town is required to make current service contributions to the LAPP of 9.39% of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 13.84% on pensionable earnings above this amount. Employees of the Town are required to make current service contributions of 8.39% of pensionable salary up to the year's maximum pensionable salary and 12.84% on pensionable salary above this amount.

Total current service contributions by the Town to the LAPP in 2019 were \$793,171 (2018 - \$695,613). Total current service contributions by the employees of the Town to the LAPP in 2019 were \$717,759 (2018 - \$638,030).

At December 31, 2018, the LAPP disclosed an actuarial surplus of \$3.47 billion.

TOWN OF STRATHMORE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2019

20. Budget amounts

The 2019 budget for the Town was approved by Council on December 19, 2018 and has been reported in the consolidated financial statements for information purposes only. These budget amounts have not been audited, reviewed, or otherwise verified.

The approved budget contained reserve transfers, capital additions and principal payments on debt as expenditures. Since these items are not included in the amounts reported in the consolidated financial statements, they have been excluded from the budget amounts presented in these financial statements.

Budgeted deficit per financial statements	\$ (1,666,810)
Less: Capital expenditures	(11,810,330)
Long-term debt repayments	(1,043,935)
Transfers to reserves	(823,627)
Add: Amortization	4,919,653
Transfers from reserves	5,442,449
Long-term debt proceeds	4,982,600
Equals: Balanced budget	\$ -

21. Financial instruments

The Town's financial instruments consist cash and temporary investments, accounts receivable, investments, accounts payable and accrued liabilities, deposit liabilities and long-term debt. It is management's opinion that the Town is not exposed to significant interest or currency risk arising from these financial instruments.

The Town is subject to credit risk with respect to taxes and grants in place of taxes receivables and trade and other receivables. Credit risk arises from the possibility that taxpayers and entities to which the Town provides services may experience financial difficulty and be unable to fulfil their obligations. The large number and diversity of taxpayers and customers minimizes the credit risk.

Unless otherwise noted, the carrying value of the financial instrument approximates fair value.

22. Contaminated sites liability

The Town has adopted PS3260 liability for contaminated sites. The Town has not identified any financial liabilities as a result of this standard.

23. Approval of financial statements

These financial statements were approved by Council and Management.

TOWN OF STRATHMORE
SCHEDULES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2019

Schedule of changes in accumulated surplus

Schedule 1

	Unrestricted	Restricted	Equity in tangible capital assets	2019	2018
Balance, beginning of year	\$ 1,248,837	\$ 11,469,856	\$ 188,153,632	\$ 200,872,325	\$ 195,032,016
Excess of revenue over expenses	1,938,967	-	-	1,938,967	5,840,309
Unrestricted funds designated for future use	(1,264,553)	1,264,553	-	-	-
Restricted funds used for operations	1,357,665	(1,357,665)	-	-	-
Restricted funds used for tangible capital assets	-	(2,085,725)	2,085,725	-	-
Current year funds used for tangible capital assets	(6,750,870)	-	6,750,870	-	-
Contributed tangible capital assets	(3,715,723)	-	3,715,723	-	-
Disposal of tangible capital assets	12,160	-	(12,160)	-	-
Amortization of tangible capital assets	5,179,185	-	(5,179,185)	-	-
Long-term debt repaid	(953,793)	-	953,793	-	-
Proceeds of long-term debt used for capital	3,016,141	-	(3,016,141)	-	-
Change in accumulated surplus	(1,180,821)	(2,178,837)	5,298,625	1,938,967	5,840,309
Balance, end of year	\$ 68,016	\$ 9,291,019	\$ 193,452,257	\$ 202,811,292	\$ 200,872,325

TOWN OF STRATHMORE
SCHEDULES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2019

Schedule of tangible capital assets	Schedule 2						
	Land	Land improvements	Buildings	Engineered structures	Machinery and equipment	Vehicles	Construction in progress
Cost:							
Balance, beginning of year\$	18,001,085	\$ 4,047,223	\$ 27,445,985	\$ 186,378,894	\$ 9,493,296	\$ 3,420,240	\$ 12,383,288
Acquisitions	97,500	492,543	988,238	6,637,998	1,096,510	64,333	3,175,196
Transfers	-	431,021	9,569,983	1,881,320	133,614	-	(12,015,938)
Disposals	-	-	-	-	(246,567)	(201,882)	-
Balance, end of year	18,098,585	4,970,787	38,004,206	194,898,212	10,476,853	3,282,691	3,542,546
Accumulated amortization:							
Balance, beginning of year	-	1,947,579	9,419,269	45,045,763	4,026,443	1,555,972	-
Annual amortization	-	209,177	676,976	3,554,725	568,428	169,877	-
Disposals	-	-	-	-	(246,566)	(189,723)	-
Balance, end of year	-	2,156,756	10,096,245	48,600,488	4,348,305	1,536,126	-
Net book value	\$ 18,098,585	\$ 2,814,031	\$ 27,907,961	\$ 146,297,724	\$ 6,128,548	\$ 1,746,565	\$ 3,542,546
2018 net book value	\$ 18,001,085	\$ 2,099,643	\$ 18,026,716	\$ 141,333,131	\$ 5,466,853	\$ 1,864,268	\$ 12,383,288
2019 net book value	\$ 18,098,585	\$ 2,814,031	\$ 27,907,961	\$ 146,297,724	\$ 6,128,548	\$ 1,746,565	\$ 3,542,546
2018 net book value	\$ 18,001,085	\$ 2,099,643	\$ 18,026,716	\$ 141,333,131	\$ 5,466,853	\$ 1,864,268	\$ 12,383,288
2019 net book value	\$ 18,098,585	\$ 2,814,031	\$ 27,907,961	\$ 146,297,724	\$ 6,128,548	\$ 1,746,565	\$ 3,542,546

TOWN OF STRATHMORE
SCHEDULE TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2019

Schedule of segmented disclosure								Schedule 3
	General government	Protective services	Transportation services	Environmental services	Public health services	Planning and development	Recreation and culture	Total
Revenue								
Net municipal property taxes	\$ 12,331,743	-	-	-	-	-	-	\$ 12,331,743
User fees and sales of goods	1,856,114	284,831	596,027	9,503,651	172,474	15,886	1,070,387	13,499,370
Government transfers for operating	334,547	482,350	-	-	306,350	41,145	48,648	1,213,040
Investment income	152,235	3,258	51,658	101,445	255	3,185	20,401	332,437
Penalties and costs of taxes	197,786	-	-	-	-	-	-	197,786
Licenses and permits	101,835	200,711	-	-	700	72,743	-	375,989
Gain on disposal of capital assets	195,799	7,722	57,911	-	-	-	-	261,432
Other	5,416	19,547	32,731	24,905	122,745	-	170,669	376,013
	15,175,475	998,419	738,327	9,630,001	602,524	132,959	1,310,105	28,587,810
Expenses								
Salaries, wages and benefits	3,015,831	2,140,889	1,548,079	529,126	665,138	1,011,498	3,357,268	12,265,829
Contracted and general services	1,988,777	2,725,439	848,183	4,393,706	190,400	260,377	1,334,754	11,741,636
Materials, goods, supplies and utilities	286,139	208,195	988,000	1,444,775	42,393	11,653	787,427	3,768,582
Bank charges and short term interest	54,007	-	-	-	-	-	-	54,007
Interest on long term debt	44,624	33,000	37,223	223,876	-	-	143,940	449,663
Transfers to individuals and organizations	71,405	-	-	-	71,950	-	404,587	580,942
Transfers to other governments	-	-	-	-	-	-	83,197	83,197
Amortization of tangible capital assets	110,018	155,165	1,985,045	2,046,924	-	-	882,033	5,179,185
	5,570,801	5,262,688	5,404,530	8,638,407	969,881	1,283,528	6,993,206	34,123,041
Excess (deficiency) of revenue over expenses before other	9,604,674	(4,264,269)	(4,666,203)	991,594	(367,357)	(1,150,569)	(5,683,101)	(5,535,231)
Other								
Government transfers for capital	1,471,113	-	1,100,643	37,972	-	-	1,148,747	3,758,475
Contributed assets	-	-	915,006	2,800,717	-	-	-	3,715,723
	1,471,113	-	2,015,649	2,838,689	-	-	1,148,747	7,474,198
Excess (deficiency) of revenue over expenses	\$ 11,075,787	\$ (4,264,269)	\$ (2,650,554)	\$ 3,830,283	\$ (367,357)	\$ (1,150,569)	\$ (4,534,354)	\$ 1,938,967



National Indigenous Peoples Day
Celebrations at the Strathmore
Family Centre

