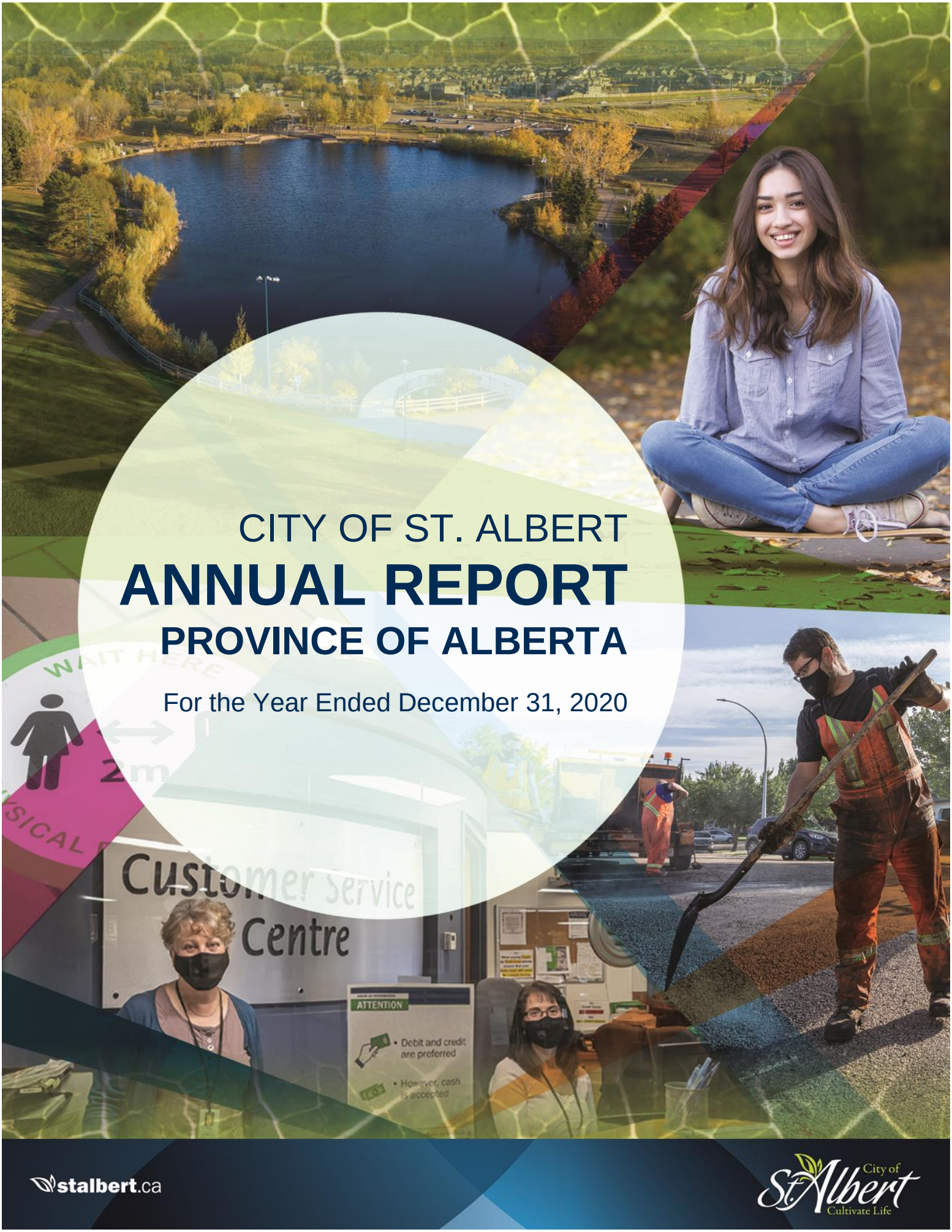


CITY OF ST. ALBERT

ANNUAL REPORT

PROVINCE OF ALBERTA

For the Year Ended December 31, 2020

stalbert.ca

City of St. Albert Cultivate Life

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City of St. Albert, Alberta, Canada
2020 Annual Report, for the year ended December 31, 2020
Prepared by: Strategic Services & Communication and Financial Services

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SUPPLEMENTAL MESSAGE: COVID-19

2020 was marked globally by the COVID-19 pandemic, which is anticipated to result in long-term financial, economic, and social impacts. As a result, the City of St. Albert had to adjust and adapt its operations, services and programs to accommodate this new reality.

The City's response to the pandemic continues to be guided by the need to protect residents, visitors, patrons and staff, while also exercising fiscal responsibility. Throughout the year, the City has had to operate in an environment that was constantly evolving. Administration adapted nimbly to strategically manage the short and medium-term impacts of COVID-19. Events had to be cancelled, facilities closed, programs suspended, transit ridership disrupted, capital projects deferred and front counter services shutdown.

These events and resulting actions meant reduced revenues and increased costs. The City took a fiscally conservative approach to minimize its anticipated deficit. Through reallocation of resources, cost-saving initiatives, deferrals of projects and changes in service levels, Administration successfully reduced a projected deficit while at the same time maintaining core service provision through the pandemic. As residents and the local business community were also greatly affected by the pandemic the City decided to create the COVID-19 Recovery Task Force. This group provides valuable insight to help build economic and social resiliency in St. Albert.

Facility closures and reopening happened in an ebb and flow that was tied to the corresponding pandemic environment. As facilities started to slowly re-open and programs re-start, additional steps were taken to provide the safest possible environment. These impacts are seen throughout this annual report, especially in the community impact on services discussed in the Year in Review section.

In late 2020, the Government of Alberta provided additional funding to municipalities. As the City had already balanced its books for 2020, the unexpected provincial funding resulted in a projected year-end municipal operating surplus of approximately $10.3 million, giving us financial flexibility in the future. Putting the surplus into reserves will support the City to weather future economic uncertainty in 2021 and minimize future tax increases.

MESSAGE FROM THE MAYOR



On behalf of City Council, it is my honour to present the City of St. Albert's 2020 Annual Report.

Before I ran for mayor, I consulted a couple of my predecessors for their advice and direction. A former mentor said to me, "Cathy, your mayorship will be defined by something you haven't thought of and won't see coming. How you react, how you lead, will define your term." He didn't know it, but he was warning me about the global pandemic in 2020.

COVID-19 inflicted immense societal and economic hardship, often in ways we couldn't predict. During these challenging times, we have been forced to find creative solutions. As St. Albert prepares for the recovery phase, we will have less debt and uncertainty than other communities, which will make us more appealing for business investment. It will also give us opportunities to capitalize on new innovations that will come out of the global and regional realignment.

The community will also continue to play a large role in supporting our future endeavours. A cross-section of business and community leaders have volunteered to serve on the COVID-19 Recovery Task Force, which got underway in May 2020. This group will provide us with valuable insight to help build our economic and social resiliency. They will also provide recommendations to help support a smooth and successful recovery for St. Albert post-pandemic.

In 2020, our resilience shone through as the city rallied together. We truly demonstrated the City's #T8NTogether mantra as we worked in solidarity through the pandemic. This past year was a prime example of how when we work collectively, we can do vital work, create efficiencies and capitalize on new opportunities.

We continued to advance Council's Strategic Plan and our six overarching priorities:

- Growth Policy Framework
- Economic Development
- Building a Transportation Network
- Infrastructure Investment
- Housing and Social Well-being
- Environmental Stewardship

It is important to build a city that can grow and adapt. In 2020, we took broad steps forward in working towards the vision for our future. Our Municipal Development Plan has been revised and provides clear direction on how our city will evolve over the coming years. St. Albert is currently engaged in two annexation discussions: one with Sturgeon County and another with the City of Edmonton. To ensure we are well-positioned for long-term financial sustainability, technical studies were started in preparation of the Lakeview Business District and Badger Lands Area Structure Plan. To enhance transportation efficiencies, we worked to improve our busiest roadways, including Phase one construction of the Ray Gibbon Drive Twinning Project which is nearly complete.

I invite you to read the 2020 Annual Report to learn about the key corporate activities and accomplishments Administration has achieved to support Council's Strategic Plan. In 2021, Council will continue to work diligently with Administration towards our vision for the future. While the year brought many surprises, we look forward to continuing our work and ensuring St. Albert is a vibrant, innovative and thriving city.



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

MESSAGE FROM THE CHIEF ADMINISTRATIVE OFFICER



On behalf of Administration, I am pleased to introduce the City of St. Albert's 2020 Annual Report.

The past year has been marked globally by the COVID-19 pandemic, which is anticipated to result in long-term financial, economic, and social impacts. As a result, the City of St. Albert has had to adjust and adapt its operations, services and programs to accommodate this new reality.

The City's response to the pandemic continues to be guided by the need to protect residents, visitors, patrons and staff, while also exercising fiscal responsibility. We had to cancel events, close facilities and suspend programs that could not be continued. As we slowly started to re-open facilities and re-start programs, we took additional steps to provide the safest possible environment. These events and resulting actions meant reduced revenues and increased costs. However, these actions were required to manage the short to medium-term COVID-19 impacts.

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

Growth Policy Framework – The revision of *Flourish – Growing to 100K,* the City's new Municipal Development Plan (MDP) is nearly complete. After a final round of public engagement, Council provided first reading for the MDP implementation bylaw and the plan was submitted to the Edmonton Metropolitan Region Board (EMRB) for approval. A second and third reading of the bylaw and public hearing will occur, completing this activity, once formal approval from the EMRB is granted. We look forward to using Flourish to proactively plan for the City's future population and employment growth.

The City of St. Albert is currently engaged in annexation negotiations with Sturgeon County and the City of Edmonton. In December of 2020, in partnership with Sturgeon County, the City of St. Albert submitted an annexation application to the Municipal Government Board (MGB). We expect to have a decision from the Province by the end of 2021. Discussions with the City of Edmonton continue; we hope to have a submission to the MGB before the fall of 2021.

Economic Development – We continue to focus on support for business growth and development. A broader economic sustainability platform has been implemented to develop commerce retention and resiliency strategies. We are also developing strategies to enable entrepreneurial ventures and groups.

Building a Transportation Network – A number of key projects hit significant milestones in 2020. Construction on the Nakî Transit Centre & Park and Ride was completed this year. First phase of construction on the Ray Gibbon Drive Twinning Project is nearly complete. The Intelligent Transportation System (ITS) strategy is continuing with its pilot. To-date the technology has been deployed on Boudreau Road and St. Albert Trail in an attempt to improve traffic flow. The Regional Transit Service Commission (RTSC) has been formally established - they are expected to have a Chief Executive Officer in place in 2021.

Infrastructure Investment – Council approved moving forward with land transfer negotiations to obtain lands for a future community amenities site. We were able to apply for provincial Municipal Stimulus Program funds as the land transfer agreement is 95 per cent complete and the engineering design for servicing the site was advanced to 100 per cent. Fire Hall #4 preparations are underway. The City has engaged with potential landowners to negotiate future lands and Phase 1 of an environmental site assessment has taken place.

Housing and Social Well-being – *Flourish – Growing to 100K*, the City's new MDP, identifies opportunities for new land use districts to enable mixed-use opportunities within key locations in mature neighbourhoods. Council approved a new residential front/back district and amendments to incorporate zero lot line residential developments in the Land Use Bylaw. These adjustments will allow the City to address actions for housing diversity and accessibility.

Environmental Stewardship – In 2020, a report summarizing net zero residential development findings was complete. Work to implement these findings will continue into 2021. A new long-range planning framework has been endorsed and will be piloted with the Green Environment Strategy. This framework should provide more structure and ensure alignment with the Municipal Development Plan.

Administration is committed to continuing to provide residents with high-quality, cost-effective and sustainable programs and services that are developed and delivered in alignment with Council's priorities for the community.



Kevin Scoble
Chief Administrative Officer



Introduction

The City of St. Albert is pleased to present its 2020 Annual Report, which provides an overview of the City's various corporate and financial accomplishments throughout the year. These accomplishments are based on the City of St. Albert Council Strategic Plan outlined in the report and the City's audited financial statements.

The Annual Report is divided into four sections:

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

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

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

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

CITY PROFILE

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

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

HISTORY OF SETTLEMENT IN ST. ALBERT

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

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

GOVERNMENT STRUCTURE

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

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

The last municipal election took place in October 2017.

CITY COUNCIL

CITY COUNCIL 2017–2021



CITY COUNCIL VISION, MISSION AND VALUES

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

COMMUNITY VISION

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

PILLARS OF SUSTAINABILITY

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

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

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

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

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

MISSION

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

VALUES

Community - Consider the best interests of the community.

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

Integrity - Behave consistently with our values.

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

Stewardship - Stewardship of community resources.

Trust - Earn and retain trust.

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

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

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



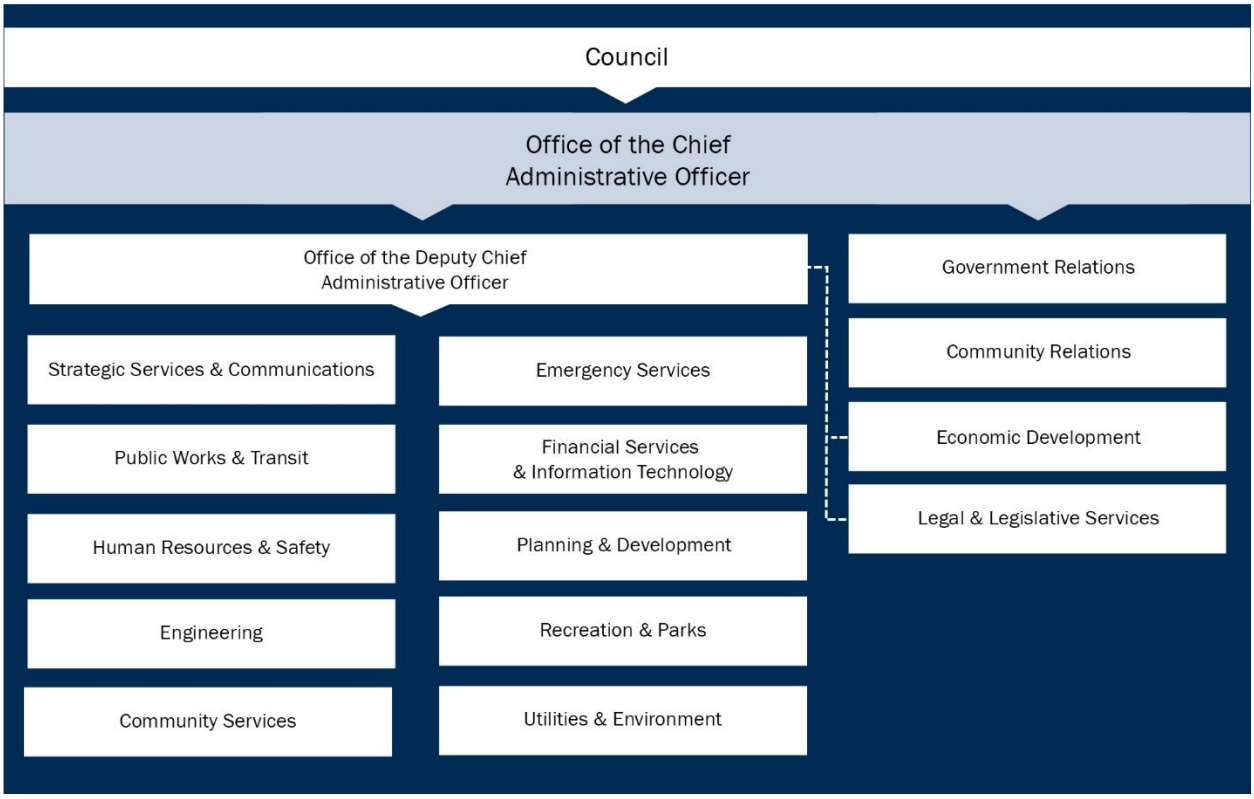
ADMINISTRATION

City Administration is led by an appointed Chief Administrative Officer (CAO). The CAO is Council's only employee. The CAO oversees 677.90 permanent full-time equivalent positions along with seasonal and other non-permanent staff who carry out the day-to-day operations of the City.

The Executive Leadership Team provides strategic direction to the organization. The Executive Leadership Team includes the CAO and the Deputy Chief Administrative Officer (DCAO).

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

The City activated its Emergency Operations Centre (EOC) on March 13, 2020 in response to the COVID-19 pandemic in St. Albert. By activating the EOC, the City was able to prioritize and maximize its efforts towards situation monitoring, planning, centralized communications and resource sharing.



CITY OF ST. ALBERT STRATEGIC FRAMEWORK

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

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



COMMUNITY VISION AND VALUES

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

CITY OF ST. ALBERT COUNCIL STRATEGIC PLAN

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

LONG-TERM PLANS

Long-term plans act as the primary plans to help achieve the Community Vision and Pillars of Sustainability. These plans include the Municipal Development Plan (MDP), various Master Plans, Long-Term Department Plans and other directional plans.

CORPORATE BUSINESS PLAN

Administration develops a Corporate Business Plan to support the implementation of the City of St. Albert Council Strategic Plan and Councils vision during their term. The Corporate Business Plan provides an overview of the strategic initiatives undertaken in support of the Council Strategic Plan as well as key Administrative Priorities to be addressed within the four year period. Once developed, the Corporate Business Plan provides direction for the development of Department Business Plans and budgets.

CORPORATE BUDGETING

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

PROGRAM & SERVICE DELIVERY

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

EVALUATION & REPORTING

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





Year in Review

CITY SERVICES

The City provides a wide range of services related to:

- customer access services,
- community development,
- environmental protection and stewardship,
- land and economic development,
- movement of people and goods,
- public safety,
- recreation, parks and culture, and
- social support.

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

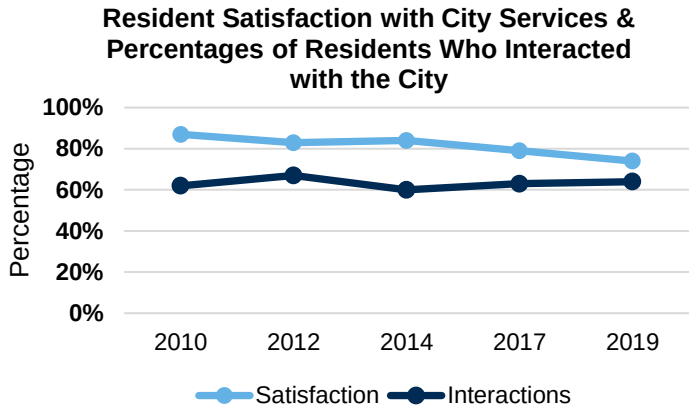
CUSTOMER ACCESS SERVICE

In response to the COVID-19 pandemic, the City of St. Albert had to adjust and adapt its operations, including reducing services and cancelling events. These actions are reflected throughout the 2020 service statistics.

FRONT COUNTER SERVICE

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

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



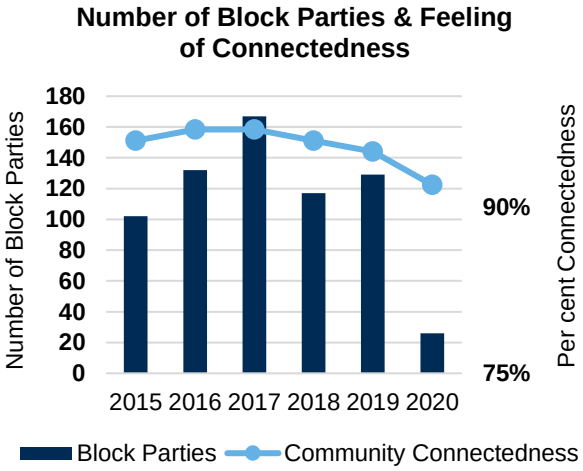
PROVISION OF FOOD AND BEVERAGES

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

COMMUNITY DEVELOPMENT

COMMUNITY AND NEIGHBOURHOOD CAPACITY BUILDING

The City seeks out and creates opportunities to educate and promote awareness of social issues that may affect individuals or groups. Services are proactive to reach out to community members that may not have the capacity to advocate for themselves and to bring community members together to address issues and solve problems. As gatherings were restricted Provincially for most of 2020, hosting or attending block parties was not allowed and the annual number of participants reflects this.



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



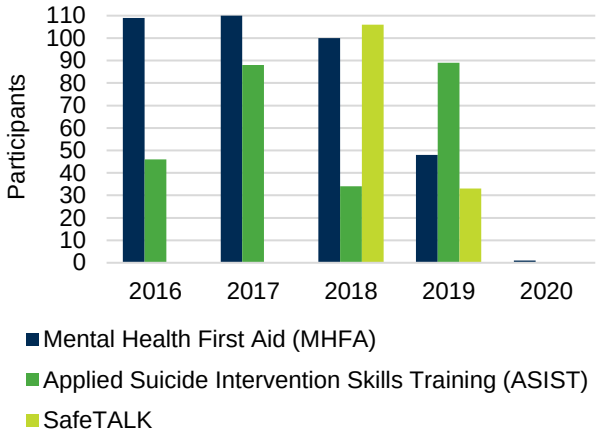
COMMUNITY GROUPS SUPPORT AND CAPACITY BUILDING

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

COMMUNITY GRANTING AND SUPPORT FOR DELIVERY OF SERVICES

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

Mental Health Education & Training in the Community



Pandemic restrictions required the City to pause offering in-person mental health training for most of 2020. Some informal mental health education and awareness workshops were offered where appropriate.

COMMUNITY EVENTS

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

In 2020, due to pandemic restrictions, many community events were temporarily cancelled or shifted to a virtual format. On July 1, a virtual Canada Day was hosted in collaboration with other regional partners. The event included a concert series, online activity booklet and a regional Canada Day Facebook event. The online event reached 48,833 individuals.

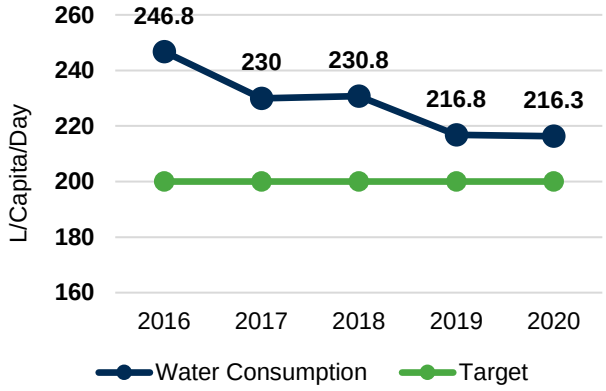
ENVIRONMENTAL PROTECTION AND STEWARDSHIP

ENVIRONMENTAL STRATEGY, RISK AND COMPLIANCE

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

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

Water Consumption Per Capita Per Day



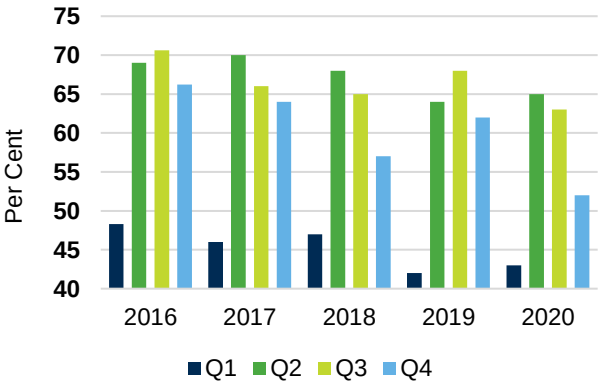
In the past five years, residents are using less water per capita per day and on average are nearing the City's target of 200 L/capita/day.

WASTE MANAGEMENT

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

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

Landfill Diversion Rate



Q1 historically shows lower diversion rates because less organics are diverted in the winter. Recent global changes to recycling have also impacted residents' ability to divert waste.

URBAN FORESTRY AND TURF MAINTENANCE

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

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

WATER, STORMWATER AND WASTEWATER MANAGEMENT

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



LAND AND ECONOMIC DEVELOPMENT

LAND USE PLANNING

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

DEVELOPMENT

Administration reviews and processes applications for approval and enforcement of the Land Use Bylaw. The service includes the review of:

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

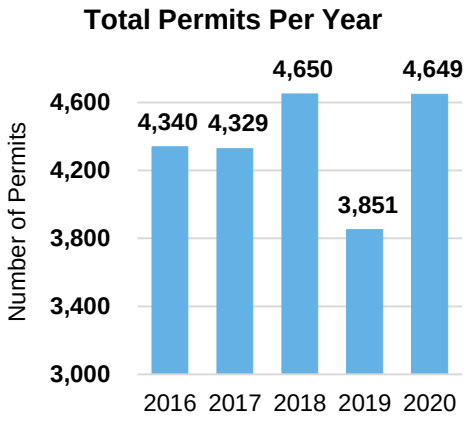
This work also includes:

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

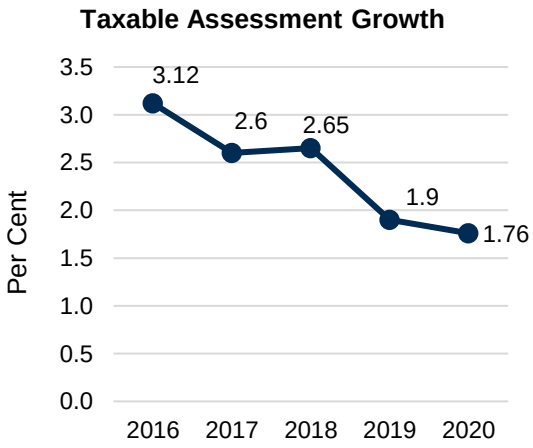
Once approved, the City issues servicing permits required to connect new development into any City utilities.

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

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



Total number of building permits increased again in 2020 with more people completing home renovations and new development projects throughout the City.



Assessment growth for 2020 declined slightly from the previous year to 1.76%.

CONSTRUCTION MANAGEMENT

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

BUSINESS ATTRACTION, RETENTION AND EXPANSION

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

Online business licensing and renewals software was launched in 2020 resulting in great efficiencies in staff time and mail savings along with increased convenience for the local business community.

As the local business community was also greatly affected by the pandemic COVID-19 Recovery Task Force was created. This group will provide valuable insight to help build economic and social resiliency in St. Albert.

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

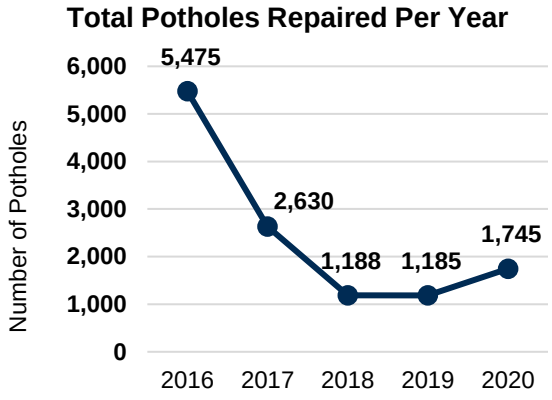
MOVEMENT OF PEOPLE AND GOODS

TRANSPORTATION MANAGEMENT

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

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

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



The graph above shows traditional pothole repairs. In recent years the City has been more proactive in its repairs and has also incorporated new techniques increasing the longevity of the repair.

ROADWAY REPAIR AND MAINTENANCE

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

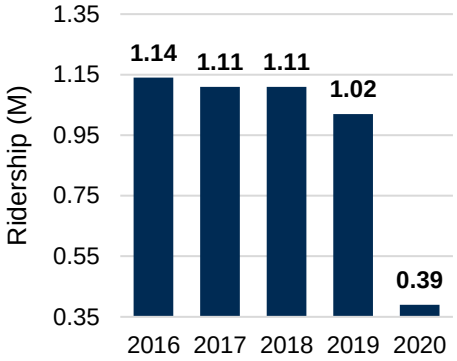
In 2020, the City of St. Albert delayed or cancelled some capital projects to mitigate the impacts of the pandemic.

TRANSIT PROGRAM

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

In June of 2020, the City of St. Albert received an Emerald Award for its electric bus fleet and its photovoltaic installation at the Transit building. The electric bus fleet and photovoltaic installation work together as a fully sustainable operation.

St. Albert Transit Annual Ridership



Transit overall ridership in 2020 was greatly disrupted by the pandemic. Rather than commuting to work or school, residents were required to conduct these activities online at home.

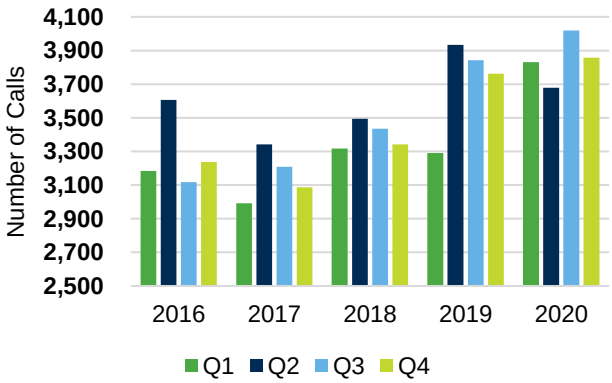
PUBLIC SAFETY

FIRE PREVENTION, RESPONSE AND ENFORCEMENT

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

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

Total Number of 911 Calls Received per Qtr.

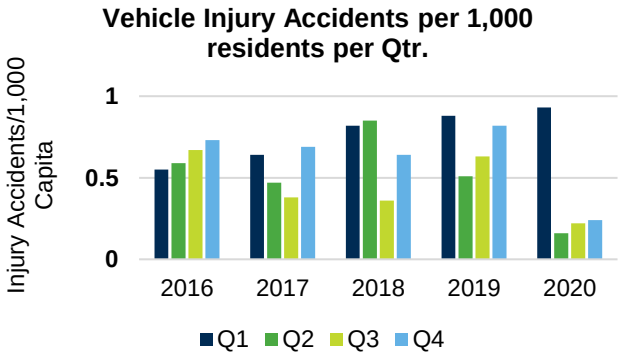


Year over year increases in 911 calls is to be expected as the City population continues to grow.

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

MEDICAL EMERGENCY

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



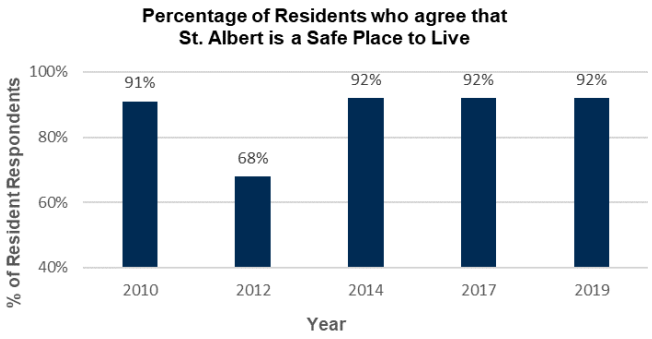
In 2020, as pandemic measures were introduced, people travelled less resulting in lower accident rates overall.

BYLAW AND PROVINCIAL ACT ENFORCEMENT

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

POLICING SERVICES

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



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

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

RECREATION, PARKS AND CULTURE

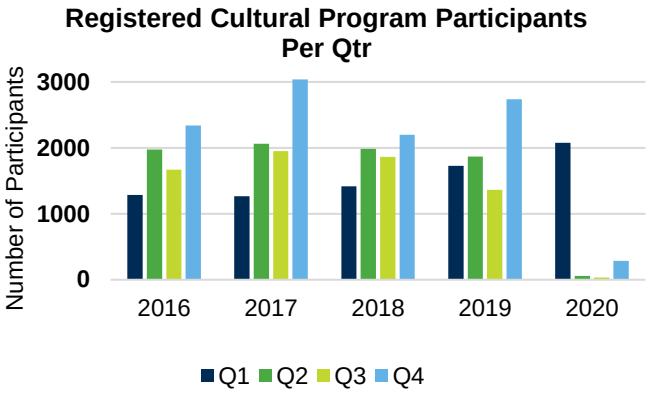
PUBLIC ART

St. Albert recognizes public art as a defining characteristic of our community identity. As such, the City is responsible for the maintenance of the City's public art inventory, through the maintenance, addition and removal of pieces from the inventory. Public art projects scheduled for 2020 were postponed or cancelled in an effort to mitigate the financial impacts of the pandemic and protect the safety of residents.

ARTS AND CULTURE PROGRAMMING

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

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



2020 pandemic measures required the closure of cultural facilities and the suspension of in-person programming. By Q4, some virtual programs were introduced and supported by the community.

RECREATIONAL PROGRAMMING

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

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

CULTURAL FACILITY ACCESS

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

Due to COVID-19 restrictions, St. Albert initiated virtual cultural and recreation programming while facilities were closed. This included online fitness options and the 12 Days of Christmas virtual performance series.

RECREATIONAL AND SPORT FACILITY ACCESS

The City offers access to:

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

Facilities are offered for both scheduled and spontaneous use.

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

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

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

Indoor and outdoor recreation facilities were closed due to Provincial public health measures for much of 2020. As restrictions were lifted additional safety measures were enacted to provide the safest possible environment.

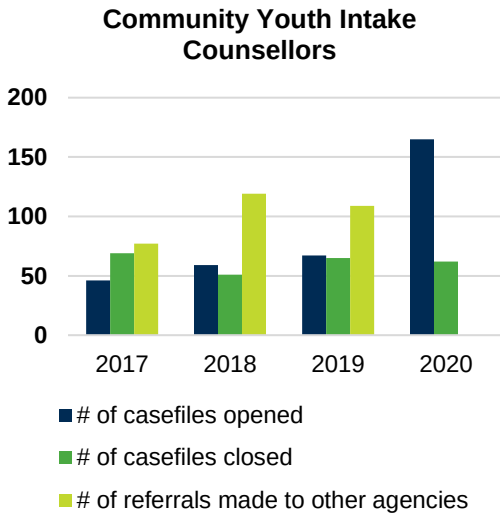
PARKS AND OPEN SPACES

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

SOCIAL SUPPORT

COUNSELLING AND OUTREACH SERVICES

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



In the first three months of the pandemic, counsellors experienced a 35% increase in client contacts. Referral numbers were not available for 2020.

GOVERNANCE AND PUBLIC COMMUNICATION AND PARTICIPATION

GOVERNANCE

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

PUBLIC COMMUNICATION AND PARTICIPATION

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

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

In response to pandemic restrictions on in-person gathering, the City of St. Albert moved all public engagement online and Council and committee meetings are held remotely using videoconferencing.

CITY OF ST. ALBERT COUNCIL STRATEGIC PLAN 2020 PROGRESS UPDATE

The Strategic Plan is about being open and transparent and providing clear direction to maintain and improve conditions that make St. Albert one of the most successful and dynamic places in Canada.

The Strategic Plan is St. Albert City Council's vision for its four-year term spanning 2018 to 2021. It describes the areas of focus for Council and provides the specific direction in which the Administration intends to support Council

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

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

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

The following section provides an overview of progress made in 2020 towards achieving the strategic priorities outlined in the City of St. Albert Council Strategic Plan. For more details on progress of individual initiatives, please see the Corporate Quarterly Reports on the City's website. Some initiatives have been delayed or postponed due to the City's pandemic response measures.



COUNCIL STRATEGIC PRIORITIES

STRATEGIC PRIORITY #1:
Growth Policy Framework: Develop a robust policy framework to guide growth.

DESIRED OUTCOME

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

PROGRESS TO DATE

A significant milestone was reached in the revision of the Municipal Development Plan (MDP). After a final round of public engagement, Council provided first reading for the MDP implementation bylaw and the plan was submitted to the Edmonton Metropolitan Region Board (EMRB) for approval. When formal approval from the EMRB is granted, second and third readings of the bylaw and a public hearing will occur, completing this activity.

The City of St. Albert is currently engaged in two annexation discussions: one with Sturgeon County and another with the City of Edmonton. The City of St. Albert, in partnership with Sturgeon County, submitted an annexation application to the Municipal Government Board (MGB) in December of 2020. A decision from the Province is expected by the end of 2021.

Administrative Activities Supporting This Priority
Complete revision of the Municipal Development Plan (MDP).
City of St. Albert annexation of Sturgeon County Land.
City of St. Albert annexation of City of Edmonton Land.
Identify and recommend high value projects and programs to capture emergent growth opportunities.
Consider new governance and investment strategies to enhance and maintain St. Albert as the region's preferred community now and in the future.

Discussions and meetings with the City of Edmonton continued. Both parties agree to advance the annexation plan and to have a submission to the Municipal Government Board before the Fall of 2021.

COUNCIL STRATEGIC PRIORITIES

STRATEGIC PRIORITY #2:
Economic Development: Enhance business/commercial growth.

DESIRED OUTCOME

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

PROGRESS TO DATE

Economic development remains a chief priority for the City of St. Albert. Part of pursuing economic development includes ensuring proper statutory plans are in place, effective processes guide applications from start to finish, and the City is focused on attracting new industry while supporting the current business community.

Technical studies were started in preparation for the Lakeview Business District and Badger Lands Area Structure Plans (ASPs). Support and review of third-party led ASP applications continue as a core service at the City of St. Albert.

Administrative Activities Supporting This Priority
Encourage and support completion and approval of third-party led ASPs in growth areas.
Develop and recommend Green Tape 2.0 initiatives to enable increased growth, investment, and commerce in St. Albert focusing on a strong collaborative model with the development industry.
Implement a broader economic sustainability platform to develop commerce retention and resiliency strategies.
Develop strategies to enable entrepreneurial ventures and groups.

The Green Tape 2.0 Initiative is moving forward with the competitive analysis work that was completed under Strategic Priority #1.

Support for business growth and development continued to be a focus in 2020. To address the impacts of the COVID-19 pandemic on the economic landscape in the city, a business retention and expansion survey was conducted to determine the impacts on local businesses. Work has begun on recommendations based on this analysis.

Key stakeholder engagement identified service and service level gaps and potential partnerships to support entrepreneurs in St. Albert.

COUNCIL STRATEGIC PRIORITIES

STRATEGIC PRIORITY #3:
Building a Transportation Network: Integrated transportation systems.

DESIRED OUTCOME

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

PROGRESS TO DATE

The transportation network is a top priority for the residents of St. Albert. Key projects reached significant milestones in 2020.

Construction is nearly complete for the first phase of the Ray Gibbon Drive Twinning Project. More than 20,000 vehicles a day travel Ray Gibbon Drive and with its proximity to the Lois Hole Centennial Provincial Park, the area is a destination for pedestrians and cyclists. Adding vehicle lanes and accommodating active modes of transportation will enhance safety, improve commute times, connect trails and reduce traffic congestion.

The pilot of two technologies for the implementation of the Intelligent Transportation System (ITS) strategy continued. A final recommendation on which technology to use will be made in 2021.

Work on the Arterial Network Improvement Strategy also moved forward. Extensive work was completed for phase 1 of North St. Albert Trail and further progress was made on the Fowler Way, Neil Ross Road, Bellerose Dr./Boudreau Rd. intersection and Villeneuve Road projects.

Administrative Activities Supporting This Priority
Steward the construction schedule, mitigating the associated risks, for the four phases of twinning Ray Gibbon Drive, in its entirety to 2029, to an arterial standard.
Optimize and evaluate the Intelligent Transportation System (ITS) technology deployed to-date on Boudreau Road and St. Albert Trail.
Implement the prioritized inventory of approved arterial network improvements.
Contribute resources to the partnership implementing the Regional Transit Service Commission.
Complete the Campbell Road Transit Facility and Park & Ride.
Implement the Transit Local Service Restructure considering on-demand services and partnerships with service providers and ridership groups.
Complete the implementation of the approved Transportation Safety Plan programs and projects.
Implement approved Transportation Master Plan projects.

All eight municipalities of the Regional Transit Service Commission (RTSC) passed revised Council resolutions to formally establish the RTSC. The RTSC has initiated the search for their inaugural Chief Executive Officer and a decision is expected in 2021.

A ceremonial opening of the Nakî Transit Centre & Park and Ride was held in August of 2020. This officially completes the $30 million Campbell Road Transit Facility and Park & Ride activity.

A pilot project was initiated with a vendor for the implementation of the Transit Local Service Restructure. The COVID-19 pandemic delayed progress on this initiative, but next steps include stakeholder consultations and compiling program statistics.

Progress was made on implementing key elements of the Transportation Safety Plan. Traffic calming work was completed in the Erin Ridge and Erin Ridge North neighbourhoods and the 2020 Safe Journeys to School Program was also completed.

Design and construction of the 2020 priority sites identified in the Active Transportation Plan Development Strategy and Gap Assessment was completed and the next sites are scheduled for 2021.



COUNCIL STRATEGIC PRIORITIES

STRATEGIC PRIORITY #4:
Infrastructure Investment: Identify, build and/or enhance needed critical or strategic infrastructure and identify and implement associated optimal business and operating models and lifecycle strategies.

DESIRED OUTCOME

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

PROGRESS TO DATE

Early in 2020 Council approved moving forward with land transfer negotiations to obtain land for a future community amenities site. A land transfer agreement is 95% complete and the engineering design for the servicing of the site was advanced to 100%. This made it possible to apply for the Municipal Stimulus Program funds announcement by the Provincial government. Tenders for these service contracts are on track to be awarded early in 2021.

The City has engaged with potential landowners to negotiate future lands for Fire Hall #4. A phase 1 environmental site assessment was completed to assist in the purchase of the proposed land.

The Asset Management Committee has been working to inventory, assess and estimate the cost of existing assets for both facilities and equipment. The intention of this work is to understand the total cost of ownership and have an accurate assessment of the City's current inventory. Pandemic measures resulted in a pause on the project though it will start again in 2021.

Administrative Activities Supporting This Priority
Secure ownership of RR260 lands for a future community amenities site subject to Council approval.
Secure ownership of future Fire Hall #4 lands subject to Council approval.
Identify an inventory of existing facilities including an assessment of condition and usability and identify gaps in land and facility supply and demand.
Adopt a total cost of ownership approach in assessing lifecycles of existing and new assets.
Develop/Refine Utility Services Business and Operating Models and seek and evaluate Strategic Alliance/Merger Opportunities.
Identify and recommend opportunities for investment in long-term revenue generating infrastructure.

A project was initiated to complete the preliminary and detailed design requirements of the full-scale Solar Farm. Along with this, work was also started to examine the business case for a municipal energy corporation. Results of both studies are expected in 2021.

COUNCIL STRATEGIC PRIORITIES

STRATEGIC PRIORITY #5:
Housing and Social Well-being: Enhance housing options and social supports.

DESIRED OUTCOME

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

PROGRESS TO DATE

Growth scenarios have been incorporated in the Municipal Development Plan (MDP) revision and include intensification targets. The revised MDP identifies opportunities for new land use districts to enable mixed-use opportunities within key locations in mature neighbourhoods. These will be actioned when the MDP is officially enacted.

To address actions for housing diversity and accessibility, Council approved a new residential front/back district and amendments to incorporate zero lot line residential developments in the Land Use Bylaw. Mixed-use and mixed-income development is being implemented through the expression of interest in downtown St. Albert.

Further work was undertaken on a land strategy for housing through research for potential sites for the Youth Transitional Housing model under the Rapid Housing Initiative.

Administrative Activities Supporting This Priority
Develop revitalization strategies for mature neighbourhoods.
Work with regional partners to explore the creation of additional housing options to address issues of affordability and accessibility and review best practices for alternative financing.
Explore interim housing options to support vulnerable populations.
Explore affordable housing types with developers.
To explore options for an enhanced, integrated, and coordinated network of social services to meet the basic needs of residents and address emerging trends and issues.
To explore options to address demands for counselling services.

Staff resources were redirected to address pandemic needs during 2020 but work will continue on enhanced social sector collaboration and counselling services in 2021.

COUNCIL STRATEGIC PRIORITIES

STRATEGIC PRIORITY #6:
Environmental Stewardship: Explore innovative environmental and conservation opportunities.

DESIRED OUTCOME

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

PROGRESS TO DATE

Planned education and outreach, waste characterization and public engagement initiatives originally set for 2020 were put on hold due to pandemic restrictions. The Federal Government also launched an initiative to reduce single-use items nationally. With this new initiative, Administration will determine if a local strategy is required.

The pilot to investigate ways to generate revenue from solid waste gasification in collaboration with the City of Edmonton continues. Permits were obtained and funding discussions are ongoing.

Administrative Activities Supporting This Priority
Enhance waste minimization strategies with emphasis on reduce and reuse activities.
Implement Waste to Energy Pilot, subject to Council Approval.
Investigate and integrate existing environmental master plans into the Municipal Development Plan (MDP) and related plans activities.
Continue development of a potential net zero pilot project.

A report summarizing net zero residential development findings was completed. Work to implement these findings will continue into 2021.

A new framework for long-range planning that provides more structure and ensures alignment with the revised Municipal Development Plan was endorsed and a pilot has begun with the Green Environment Strategy.



Financial Statement Discussion and Analysis

The 2020 Annual Report for the City of St. Albert provides its recent financial performance, including significant financial practices, strategies, and events.

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

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

Management has made every effort to ensure the consolidated financial statements present a fair accounting of the City's consolidated operating and capital activities for the fiscal year ended December 31, 2020. The City's consolidated financial statements are prepared and reported in observation of the City's policies and bylaws, where City Council provides governance and guidance to policy and bylaw changes and approval. To ensure accountability, City Council conducts quarterly and year-end reviews of the financial results. The consolidated financial statements include the City government and its utilities, the St. Albert Public Library and the Arts and Heritage Foundation of St. Albert.

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

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

The City's 2020 Consolidated Financial Statements include:

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



FINANCIAL HIGHLIGHTS

The significant events that contributed to the positive result at December 31, 2020 include:

- The City exercised fiscal responsibility and minimized the financial impacts of the COVID-19 pandemic as it proactively managed modified operations. Changes to operations, that were required by Public Health Orders, included the closure of many facilities and programs. This resulted in an estimated financial impact of $14.4M due to lost revenues and direct response costs.
- To mitigate the financial impacts, the City was successful in efforts to strategically reduce services, reallocate resources, defer projects, undertake cost-saving initiatives, and cut costs that enabled the City to close the year in a solid financial position.
- The City's net financial assets position increased by $15.4M to $103.1M, due to the decrease in liabilities. This is primarily due to a large decrease in deferred revenue, which was partially offset by an increase in accounts payable and accrued liabilities, offsite levy liabilities and long-term debt. An increase in investments is mainly offset by a decrease in receivables.
- On May 19, 2020, Council advanced priorities by approving a non-residential tax of 0.0 per cent as a COVID-19 related tax relief response to the business community and a residential tax increase of 1.9 per cent, to generate municipal property taxes of $109.2M. The City's Property Tax Bylaw 29/2020 authorizes the rates of property taxation that were levied in 2020. It excludes education and homeland housing requisitions.
- During 2020, the City's operating revenues decreased by $2.1M to $189.7M primarily due to a decrease in sales and user fees, fines and penalties revenues, and other revenue; offset by an increase of property taxes, government transfers-operating, and franchise fees. The City of St. Albert received a $7.5M Municipal Operating Support Transfer (MOST) from the Province of Alberta to offset the impacts of COVID-19. The operating expenses decreased by $4.7M to $186.6M primarily due to a decrease in public works & transit, community & recreation services; offset by an increase in emergency services, utility services, and executive leadership.
- The City's 2020 results ended on a positive note, as reflected by the annual surplus of $84.3M. This strengthened the City's financial position, resulting in an increase in the accumulated surplus. The surplus was generated through an increase in net financial assets of $15.4M and the net increase of $68.7M in tangible capital assets.

ECONOMY

In the past year, the Canadian economy decelerated at a projected 5.5 per cent of real Gross Domestic Product (GDP), primarily due to containment measures taken to curb the COVID-19 pandemic. However, increased spending by different levels of government, as well as consumer and housing spending, provided support and fueled economic activity. The Canadian dollar depreciated year-over-year to about $1.34 CAD per U.S. dollar. The rising COVID-19 cases, which first peaked in the spring of 2020, halted economic activity due to mandated closures and restrictions. This was later eclipsed by higher case counts in the fall leading to a restrained economy, as governments moved to clamp down on the spread of the virus. The resource-based provinces continued to decline and although Saskatchewan fared the health crisis better than Alberta, both the Alberta and Saskatchewan economies have been facing uncertainty since the collapse of oil prices in the 2015-2016 recession. Alberta's economy contracted at an

estimated 7.8 per cent of real GDP compared to a 0.1 per cent of real GDP in 2019, trending even lower than the national output.

By year-end, Canadian employment declined at a pace of 5.2 per cent compared to a growth of 2.2 per cent in the prior year. Job losses have coincided with rising COVID-19 infections and closures, particularly in the high-touch industries that were predominately services-oriented. As a result, Canada's unemployment rate crept up to 9.5 per cent compared to 5.7 per cent the year before. In 2020, despite months of recovery through the summer, Alberta continued to record high job losses of 6.6 per cent versus a growth of 0.7 per cent in 2019. Moreover, the province's unemployment rate reached 11.4 per cent versus 7.0 per cent last year.

As the vaccines rollout, restrictions will likely ease and the economy may start to recover. The energy sector is expected to strengthen with the removal of the pipeline constraints and oil price declines that have held back growth in the past few years. Despite the U.S. President Joe Biden Administration's cancellation of the Keystone XL project, the pipeline constraints will be alleviated as the Enbridge Line 3 replacement pipeline (U.S. portion) comes on-line towards the end of the year and the Trans Mountain Expansion (TMX) project moves to completion in 2022. Combined with the recent sharp rise in oil prices, the additional capacity provided by the new pipelines will provide much relief for the resource-based economies, along with a continual upward movement of commodity prices.

Alberta is witnessing growth in non-energy investments, and this growth is forecasted to accelerate from 2022 to 2024. These other industries include transportation, renewable energy, petrochemical manufacturing, and agri-food. They are expected to flourish with construction spending from the private sectors.

Both the Province of Alberta and the federal government have committed to support recovery through spending on various programs and pandemic-related initiatives. The Federal government has allocated $70-$100B on these initiatives over the next few years. This will spur economic activity coast-to-coast, however, sustained growth requires business investments as well as export growth. This remains a risk, as ongoing U.S.-China trade tensions may lead to additional export restrictions for both Canadian and U.S. companies.

The Bank of Canada forecasts that the economy will begin to recover in the second half of 2021 and continues to hold the key interest rate at 0.25 per cent, which is at its lower bound. The Bank of Canada's January 2021 forecast projects the economy to gradually recover with 4.0 per cent this year and 5.0 per cent in 2022.

FINANCIAL PLANNING

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

Consistent with the three-year Operating Plan, the annual operating budget includes the required revenues to fund the City's delivery of approved programs and services to the community and represents City Council's priorities as identified in the City of St. Albert's Council Strategic Plan, the Corporate Business Plan and other sources. As the operating budget is prepared on a modified cash flow basis, the City uses tax revenues, reserve transfers and government transfers to balance its operating budget.

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

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



FINANCIAL ASSETS

From cash to receivables to investments, financial assets are resources that are considered as cash or could be turned into cash if required to fund day-to-day government services. In comparison to 2019, financial assets increased by $0.9M primarily as a result of an increase of investments, offset by a decrease of receivables. With financial assets trending higher, the City continues to be in a stable financial position. The Consolidated Statement of Financial Position summarizes the financial assets at year end.

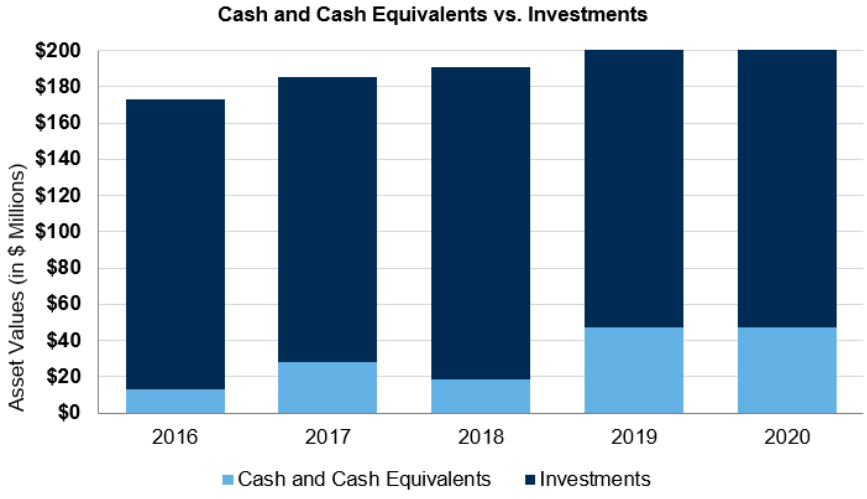
CASH POSITION

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

During 2020, the City's changes in cash position were largely due to:

- $62.0M generated from City operations;
- $64.3M invested in capital assets and offset by $0.1M received proceeds from disposal of capital assets;
- $4.1M applied in the net acquisition of investments; and,
- $11.5M received on the issuance of long-term debt, offset by $5.3M paid for loan principal.

At December 31, 2020, the cash and cash equivalents balance was $46.9M and the City held $165.4M in investments. Further information regarding the City's sources and uses of cash and cash equivalents are summarized on the Consolidated Statement of Cash Flows.



RECEIVABLES

Receivables are amounts owed by customers for general taxes, trade, sales and user fees, and other revenues. In the past year, receivables decreased by $3.2M to $13.0M, indicating more funds were collected and available for use to the City. Collections of receivables are generally due to timing and do not present substantive risks to the City.

INVESTMENTS

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

Investment Objectives:

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

Guided by the City's Investment Policy, investments are consistent with the objectives of preserving capital, maintaining liquidity and achieving an optimum rate of return. Investment performance is benchmarked against the three-month, six- month and one-year Federal Treasury Bill rate, and the three-year, seven-year and ten-year Government of Canada benchmark bond yield rates. In 2020, the City's investments consisted of short-term notes and deposits and long-term corporate and government bonds. Overall, investment returns were favourable in the year compared to designated benchmarks, though interest rates are at historic lows. Investments are also maintained in compliance with regulations stipulated in the *Municipal Government Act*. These regulations are limited to instruments in which the principal is unconditionally guaranteed.

In comparison to 2019, the carrying value of investments ended higher by $4.1M, which represents a 2.5 per cent increase, primarily due to investing the receipt of the one-time Municipal Operating Support Transfer grant of $7.5M in short-term investments at higher interest rates during the year. The investment income earned in the year was $3.1M, a decrease of $0.8M from the year before due to lower interest rates and the maturity of higher rate investments. Details on investments are provided in Note 4 to the consolidated financial statements.

RATES OF RETURN COMPARISON

	Term	St. Albert Portfolio Rates of Return	Bank of Canada T-Bill and Bond Rates	Benchmark
Short-Term Investments	0-90 days	0.80-2.25%	0.43%	3 months
	91-180 days	0.75-2.36%	0.45%	6 months
	181 days-1yr	2.38-2.45%	0.47%	1 year
	1-3 yrs	1.05-2.58%	0.50%	3 years
Long-Term Investments	3-10 yrs	1.40-3.22%	0.50 - 0.72%	3 years - 10 years

LIABILITIES

Liabilities include accounts payable and accrued liabilities, deferred revenue, off-site levy liabilities, debt, and other liabilities. At year end, total liabilities decreased by $14.5M to close at $122.3M, as a result of decreases in deferred revenue and deposit liabilities; slightly offset by an increase in accounts payable and accrued liabilities, off-site levy liabilities and long-term debt. The Consolidated Statement of Financial Position summarizes the City's liabilities at December 31, 2020.

ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities are current short-term amounts owed to vendors for work completed or services rendered to the City. The payments to these vendors will be made within the next year. At December 31, 2020, this account increased by $3.1M to $24.5M broadly due to timing of payments to vendors.

DEFERRED REVENUE

Deferred revenue, representing mostly restricted capital funding, is held due to restrictions placed on funds by Provincial and/or Federal governments based on funding agreements. Amounts in deferred revenue are recognized as revenue in the period when the timing or conditions associated with the revenues have been satisfied. Generally, this means that revenues can be recognized as eligible expenditures are made on grant funded capital or operating projects. During the year, deferred revenue decreased by $27.4M due to:

- $53.6M revenue recognized;
- $1.1M earnings on interest, with $0.7M mainly attributed to the Municipal Sustainability Initiative for capital projects; and offset by
- $25.1M net contributions received.

Deferred revenue ended the year at $31.4M, most of which was related to capital projects supported by government transfers of $28.4M and the remaining deferred revenue of $3.0M were mostly designated for operating purposes. Note 5 to the consolidated financial statements provides more detail information on deferred revenue.

OFF-SITE LEVY LIABILITIES

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

Net offsite levy liabilities increased $4.0M due to new development.

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

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

Off-site levy liabilities increased by $4.0M to $16.6M in 2020, as a result of the issuance of new development agreements and corresponding payment of required levies. More detailed information is specified within the Off-site Levy Bylaw and Note 6 to the consolidated financial statements.

DEBT

City debt is low at 14 per cent of the Provincial limit

City Council considers long-term debt when internal financing is unavailable to fund capital projects and when it is prudent to do so. Current long-term debt consists of fixed term financing agreements with the Alberta Treasury Board & Finance. The interest rates were established at the time of borrowing and remain constant throughout the term. The City's current debt is both tax and reserve funded, with a requirement for semi-annual payments of principal and interest. During the year, the City borrowed $11.5M, repaid a principal amount of $5.3M and accrued an interest expense of $1.6M, resulting in a year-end balance of $46.3M.

Tax Supported Debt

The City's existing tax supported long-term debt originates from two projects that were approved in 2004 – the first stages of Ray Gibbon Drive and Servus Credit Union Place. These two significant projects required 20-year external borrowings that increased the City's debt by about $13.3M and $11.1M, respectively. In early 2019, City Council and the Province of Alberta entered into a 50/50 cost sharing agreement for a multi-year, four phase $54.2M capital project namely the Twinning of Ray Gibbon Drive. This project is a designated priority within the City of St. Albert Council Strategic Plan, which will facilitate growth of residential, commercial and industrial areas in St. Albert. Initial engineering and design costs of $0.8M incurred in 2019, were approved by City Council in 2018 and funded through grants. The City's debt financing for the project is anticipated over the next several years, with $7.0M borrowed in 2020. Total actual spend incurred to date is $8.1M.

In accordance with the 2020 budget process that occurred in late 2019, Council provided approval for a new Fire Hall 4 and has directed administration to bring forward a borrowing bylaw to finance this future project of $21.1M. While the entire project cost of $21.5M (fire hall, trucks, land) was approved, the construction of the building, as well as acquisition of trucks and equipment are deferred to future years (occurring between 2021 to 2023). Principal and interest payments on the debt will come from property taxes over time as the debt is drawn upon, pending approval of the all-encompassing borrowing bylaw which is anticipated this year.

Reserve Supported Debt

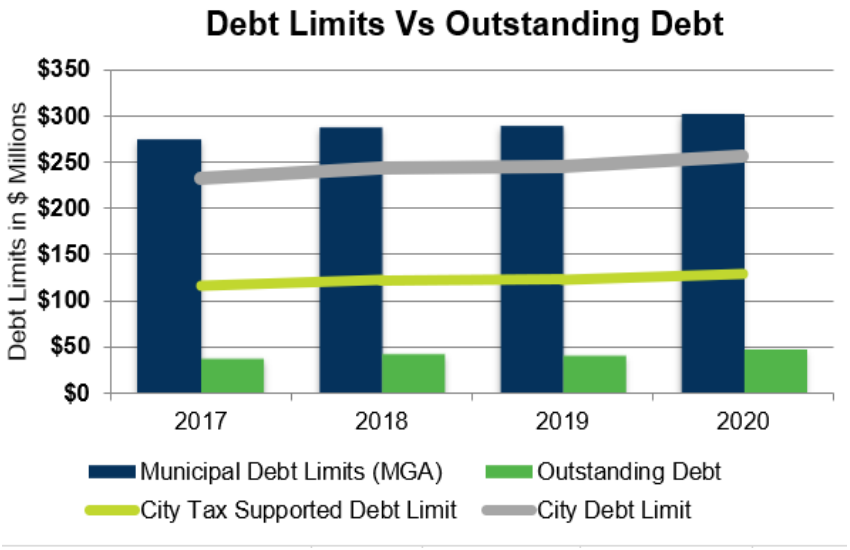
The City contributed $10.0M from internal reserves and borrowed $12.0M to fund the North Interceptor Trunk Line (Project 9), a sanitary sewer line, that has a maximum approved borrowing limit of $30M. The total actual spend is $21.9M with no further debt financing anticipated to fund the remaining project cost. Principal and interest payments for this debt are approved to come from an established reserve, thereby having no impact to future property taxes.

In late 2018, as part of the 2019 budget process, City Council directed Administration to consider debt financing for the North St. Albert Trail Corridor project with an approved borrowing limit of $26.0M. The proposed debt payments will come from an existing reserve, thus there will be no impact to future property taxes. In 2020, $4.5M was secured as debt for this project.

On November 2, 2020, Council approved a project charter and passed first reading of a borrowing bylaw to service lands for a Community Amenities Site and Lakeview Business

District with required financing up to $25.0M. Once the bylaw is passed (January 25, 2021), Administration will be authorized to secure the required financing for the design and construction of water, sanitary, stormwater and road infrastructure to support the site. The City will receive $5.0M in grant funding towards this project through the Municipal Stimulus Program from the Province of Alberta. The remaining funding will come from new debt in which the payments of principle and interest will come from the Off-site Levy Recovery Reserve.

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

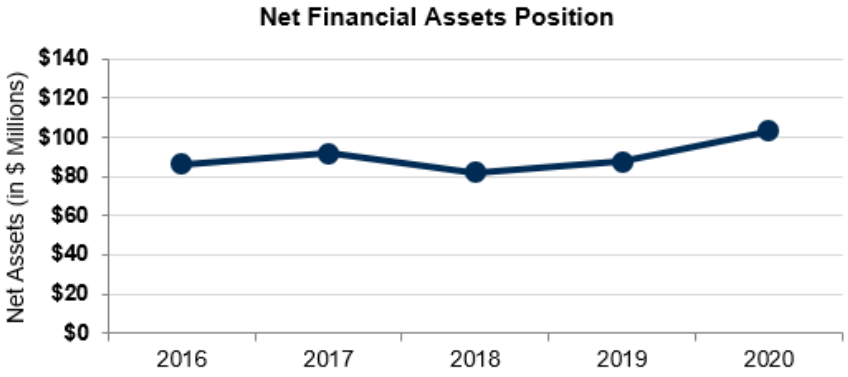


ENVIRONMENTAL LIABILITIES

The City has previously recognized the estimated costs on obligations which currently sits at $1.1M at December 31, 2020, pertaining to contaminated sites, landfill closure and post closure liabilities. These obligations are based on estimates and assumptions, using the best information available to management. These costs are primarily related to ongoing environmental monitoring activities for 25 years. Future events, such as changes to regulatory requirements, may result in changes to these estimated costs.

NET FINANCIAL ASSETS

A government's net financial assets (net debt) position is a function of its total liabilities and its total financial assets. This calculation is a key financial indicator related to the City's financial position as it reflects the relationship between annual surplus, tangible capital asset acquisitions/disposals/amortization, and treatment of other inventories or prepaid expenses. The City's net financial assets position increased by $15.4M to $103.1M. This change is due to a decrease of financial liabilities related to provincial grant funding applied for capital projects pertaining to the Municipal Sustainability Initiative and Green Trip grant. The Consolidated Statement of Changes in Net Financial Assets provides more detailed information on the net assets at December 31, 2020.



Net financial assets increased $15.4M in 2020.

NON-FINANCIAL ASSETS

Non-Financial Assets are comprised largely of tangible capital assets (TCA), but also include inventories of materials and supplies and prepaid expenses. These assets are acquired and used in the production of goods and services primarily for the purpose of providing services to its citizens. Overall, non-financial assets increased by $68.9M which was attributed to increases in the tangible capital asset base in 2020. The Consolidated Statement of Financial Position outlines the non-financial assets balances for the year.

TANGIBLE CAPITAL ASSETS

$68.7M of net tangible capital assets added in 2020.

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

There are three streams of tangible capital assets – contributed assets and self-constructed/purchased, leased assets. In the normal course of operations, the City receives ownership of tangible capital assets from developers and records them as contributed tangible

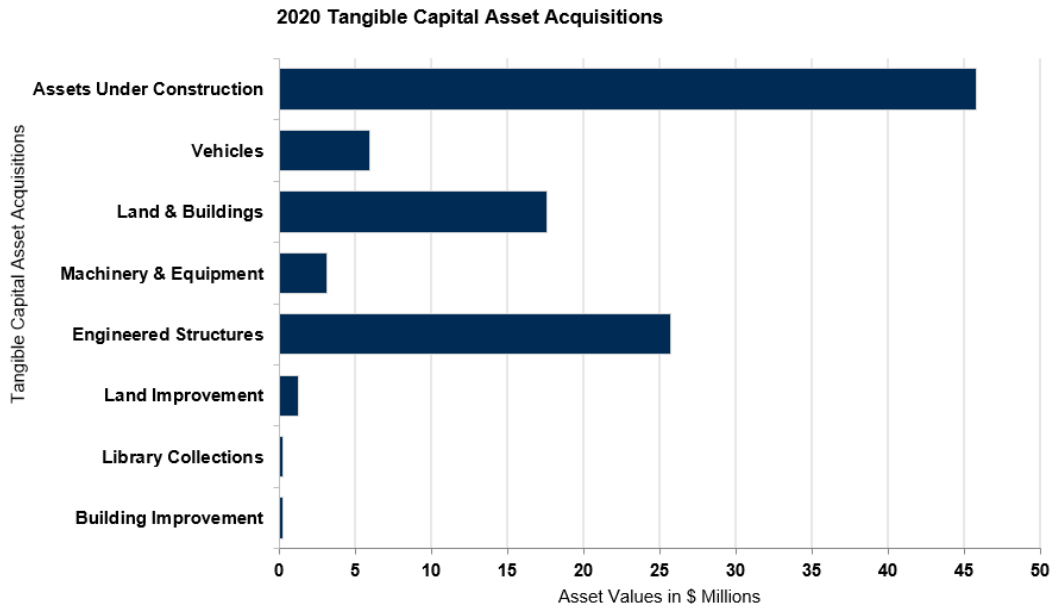
capital assets. Once contributed as tangible capital assets, the City takes on the future responsibility for repairs, maintenance and eventual replacement of those assets. Contributed tangible capital assets provide a future economic benefit to the City and include such things as roads, land, sidewalks and street lighting. These contributions are reported as revenue upon receipt from developers and at the time of project completion, which results in an increase in the accumulated surplus.

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

- $100.2M increase in tangible capital assets acquisitions and transfers (including $35.8M in contributed tangible capital assets and $6.9M in developer contributions and levies);
- $31.1M amortization expenses; and,
- $0.3M loss on disposals net of amortization and $0.1M proceeds on disposals.

Net tangible capital assets increased by $68.7M, ending the year at $1,110.5M.

Capital spending in the past year was mainly on assets under construction, land & buildings, vehicles and engineered structures such as a roadway system, water system, and waste water system. Tangible capital assets amortization, also referred to as depreciation, is a drawdown of its value, representing the annual cost of using the asset due to wear and tear from use. Land is not a depreciable asset. Note 10 to the consolidated financial statements provides more information on the major components of tangible capital assets, along with its respective amortization amounts in 2020.



Note: During the year, there was a large number of projects completed and moved into service, as a result, the Assets under Construction drawing from Opening Balance was $38.1M. More details are provided in Note 10 to the consolidated financial statements.

ACCUMULATED SURPLUS

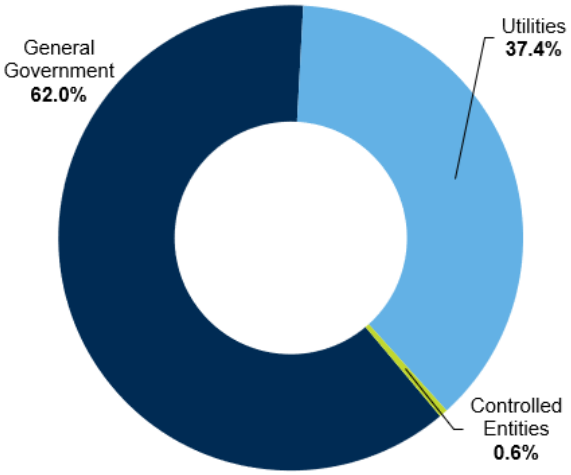
Accumulated surplus, also known as municipal equity, is a balance representing the value of the City and consists of both restricted and unrestricted reserves and equity invested in tangible capital assets. It is driven by the City's investments and ownership of capital assets over time. The accumulated surplus balance is attributed to all assets exceeding all liabilities over time. A positive balance indicates that the government has sufficient net resources to enable the City to provide services in the future. At December 31, 2020, the City's accumulated surplus increased by $84.3M, primarily due to capital revenues and one-time grant funding received from the Province of Alberta due to the COVID-19 pandemic. The accumulated surplus ended the year at $1,216.1M compared to $1,131.8M in 2019. The Consolidated Statement of Operations and Accumulated Surplus summarizes the accumulated surplus, with additional information in Note 12 to the consolidated financial statements.

RESERVES

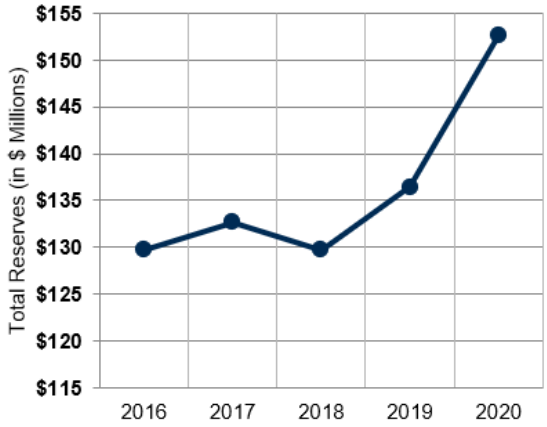
Reserves are funds set aside to provide for capital investments, budget shortfalls or unexpected economic events through general fund contributions and investment income, in an effort to stabilize future tax. The City's reserves are designated for operating and capital purposes; however, the majority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

The City's restricted reserves increased by $16.2M due to service level reductions and modified operations as a result of COVID-19, the receipt of un-anticipated Municipal Operating Support Transfer grant from the Province of Alberta to offset the impacts of COVID-19, and capital projects that are not yet complete with actual amounts carry forward into next year in reserves until project completion. As a result, restricted reserves ended the year at $152.6M.

2020 Operating and Capital Reserves By Type



Reserve Balance Trend



FINANCIAL OPERATIONS

The Consolidated Statement of Operations and Accumulated Surplus summarizes the City's operating results in 2020. While contributing positively to the City's strong financial position, this year's annual surplus of $84.3M is primarily attributed to revenues recognized for capital projects completed, modified operations due to COVID-19, one-time grant funding received to offset the impacts of COVID-19 and direct response costs. The discussion and analysis section within Financial Operations compares actual results to the approved budget 2020 revisions for the year and are outlined in Note 19 to the consolidated financial statements. The segmented information on the lines of service provided by the City is detailed in Note 20 to the consolidated financial statements and with the corresponding revenues and expenses presented by object in each functional category.

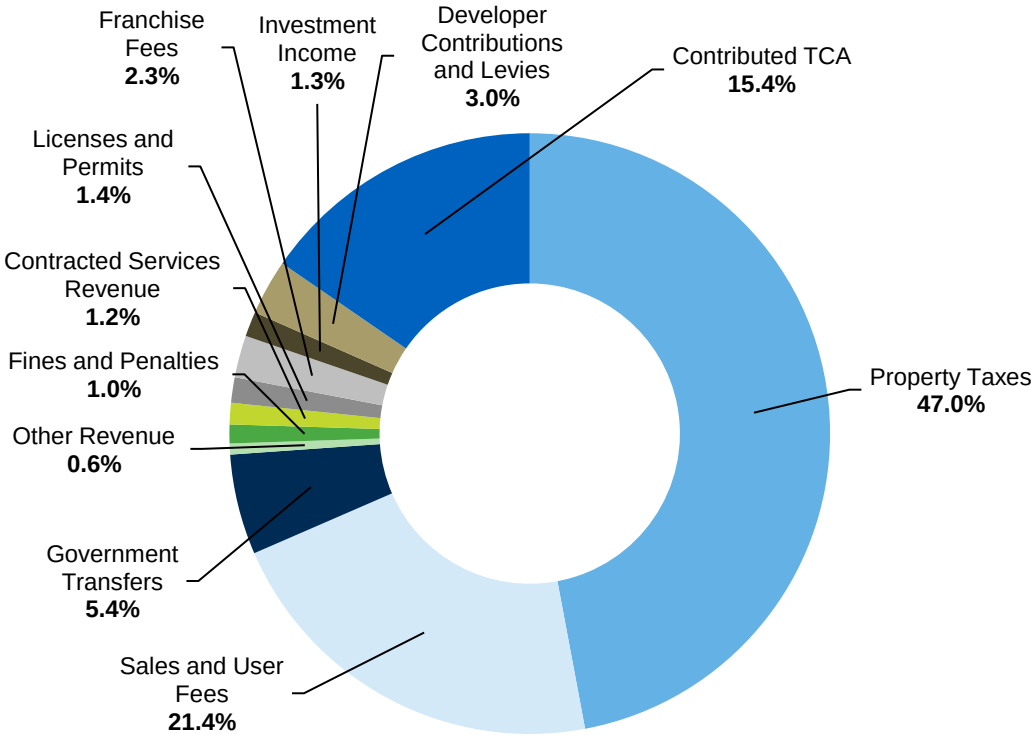
OPERATING REVENUES (2020 ACTUAL VS. BUDGET)

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

The city had to modify operations in order to minimize the potential deficit and align with mandated closures and restrictions due to the COVID-19 pandemic. This required the City to reduce services and service levels and undertake other measures to reduce impact to the City and the community. Initially, this was determined to impact the Budget 2020 by $14.4M and resulted in lower revenues from the Community & Recreation Services and Public Works & Transit functions. However, the City of St. Albert received a $7.5M Municipal Operating Support Transfer (MOST) grant from the Province of Alberta to offset the impacts of COVID-19. This grant was allocated to functions on a pro-rated basis on lost revenues and increased expenses.

In 2020, the City's consolidated operating revenues were lower by $6.9M and consistent with modified operations due to COVID-19, ending at $189.7M. The variances of actual revenues from budgeted amounts are as follows:

2020 Operating & Capital Revenues by Object



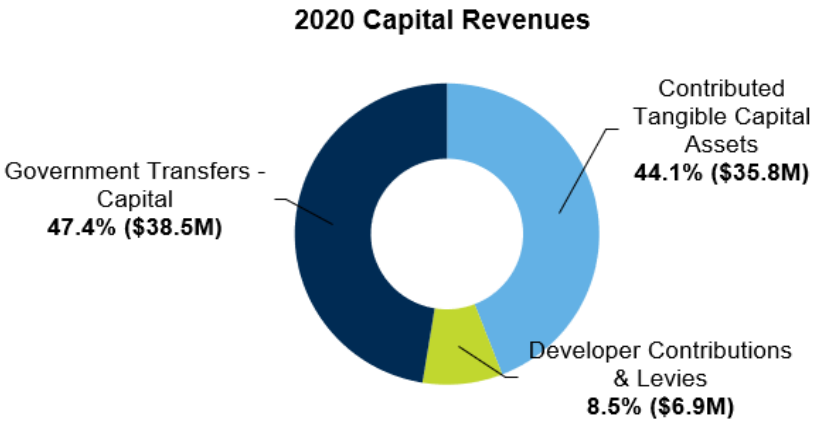
- $11.7M lower in Sales and User Fees due to impacts of COVID-19, as intermittent closures of recreation and cultural facilities led to a reduction of services. During non-closure periods, recreation and cultural facilities were operating at reduced capacity. Transit services operated at reduced service levels and rider capacity for most of the year, there was a period of free service and UPASS revenue was eliminated for spring and fall classes.
- $2.4M lower in Investment Income due primarily to a decrease in interest rates, resulting in lower interest revenue earned from investments and maturity of higher rate investments, offset to short-term investments earned at higher interest rates.
- $1.7M lower in Fines and Penalties due to a decrease in tickets issued and reduced front counter service demand; offset by a slight increase in animal licenses and overall lower late payments for taxes and utilities due to allowance for penalty-free period on non-payment.
- $8.5M higher in Government Transfers-Operating primarily due to an increase in one-time grant funding received from the Province to offset impacts of COVID-19 (MOST).

2020 OPERATING REVENUES BY OBJECT ($ Million)							
Account	2020 Revised Budget	2020 Actual	Variance $ vs Revised Budget	Variance % vs Revised Budget	2019 Actual	Variance $ vs Prior Year	Variance % vs Prior Year
Property Taxes	$109.5	$109.4	-$0.1	0%	$105.6	$3.8	4%
Sales and User Fees	$61.5	$49.8	-$11.7	-19%	$59.2	-$9.4	-16%
Government Transfers - Operating	$4.0	$12.5	$8.5	213%	$4.8	$7.7	160%
Franchise Fees	$5.3	$5.3	$0.0	0%	$4.1	$1.2	29%
Licenses and Permits	$3.3	$3.2	-$0.1	-3%	$2.7	$0.5	19%
Investment Income	$5.5	$3.1	-$2.4	-44%	$3.9	-$0.8	-21%
Contracted Services Revenue	$2.8	$2.7	-$0.1	-4%	$2.7	$0.0	0%
Fines and Penalties	$4.0	$2.3	-$1.7	-43%	$5.1	-$2.8	-55%
Other Revenue	$0.7	$1.4	$0.7	100%	$3.7	-$2.3	-62%
Total Operating Revenues	$196.6	$189.7	-$6.9	-4%	$191.8	-$2.1	-1%

Note: The Operating Revenues By Object table provides comparison of the actual financial results to the revised budget and prior year. Further information of the approved budget revisions is included in Note 19 to the consolidated financial statements.

CAPITAL REVENUES (2020 ACTUAL VS. BUDGET)

Funding for capital projects comes from a variety of sources such as tax revenues, reserves, government transfers, third-party contributed assets, developer contributions and levies, and to a lesser extent investment income and other revenues. In 2020, 47.4 per cent of capital funds were received from government transfers, 44.1 per cent were related to contributed tangible capital assets and 8.5 per cent from developer contributions and levies.



In addition, capital revenues for capital activities can vary from year-to-year depending on the timing of capital project schedules, thus comparison of current year to prior year actuals provides nominal value. As project expenditures are incurred, related revenues are earned; thus, delays in capital projects result in delays in revenue recognition for projects. The 2020 capital revenues varied by $23.5M from budget, primarily due to increased capital transfers as actual amounts encompass projects were not only approved in 2020 but also consisted of projects from prior years. The actual timing of contributed assets varied from the original budget as well as unbudgeted developer contributions and levies. A total of $81.2M capital revenues were recognized in the year.

EXPENSES

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

EXPENSES (2020 ACTUAL VS. BUDGET)

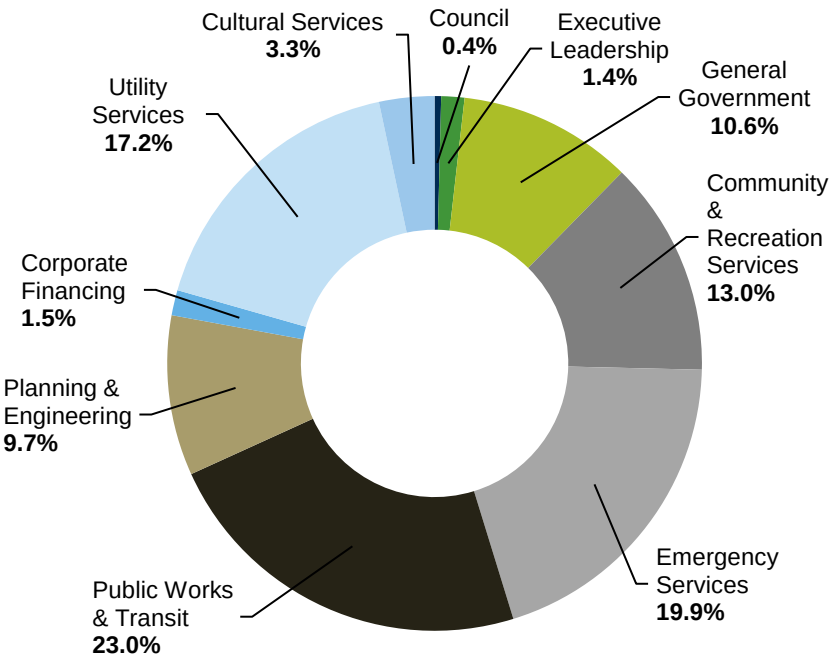
The City's consolidated expenses were lower by $10.5M due to modified operations related to COVID-19, ending at $186.6M.

At the onset of the pandemic, in order to comply with Alberta Health Services guidelines, the City incurred COVID-19 related costs such as cleaning supplies, community signage and additional staffing required to properly close facilities as well as staffing and operating costs for the Emergency Operations Centre starting in March 2020. To achieve cost reduction due to COVID-19, the City employed strategies that consisted of cancellation of projects or deferrals, redeployment of staff, temporary layoff of both casual and permanent staff, freezing salaries, and reduction of discretionary spending resulting in savings in areas such as learning and development and supplies.

Variances of actual expenses to budgeted amounts are as follows:

- $5.4M lower in Community & Recreation Services expenses primarily due to intermittent recreation facility services and closures, as well as operating at modified service levels.
- $3.8M lower in Corporate Finance due to actual interest being transferred to deferred revenue and reserves and is offset by higher vacation accrual and higher tax rebates as a result of higher tax appeals volume.
- $2.2M lower in General Government expenses due to personnel cost savings from staff vacancies, salary freezes and reduced spending for advertising and learning and development.

2020 Expenses by Function



- $1.9M lower in Emergency Services due to lower RCMP contract as fewer officers than budgeted were provided, lower contract services as a result of less photo enforcement tickets issued due to reduced general travelling during COVID-19 restriction periods, slightly offset by increased material, goods and supplies required for compliance with COVID-19 guidelines.
- $1.0M lower in Executive Leadership expenses mostly due to personnel cost savings as result of vacant positions being held for redeployment and partly offset to an increase in costs incurred for Emergence Operations Centre (EOC) and compliance costs.
- $0.7M lower in Public Works & Transit expenses due to lower overall spending, including transit contract, energy, contract services, personnel cost savings due to vacancies and redeployment as a result of a reduction in services and closures; and partly offset to higher compliance spending related to COVID-19.
- $2.2M higher in Utility Services expenses including water, waste water, stormwater, and solid waste primarily due to higher personnel costs due to additional staff required for water, recycling and compost depots and reallocation of work to waste water.
- $1.3M higher in Cultural Services expenses (Arts & Heritage Foundation & St. Albert Public Library) expenses primarily due to increases related to externally funded portion of ongoing operations of the Arts & Heritage Foundation not budgeted by the City and partly offset to intermittent cultural facility and service closures for most of the year.
- $1.1M higher in Planning & Engineering expenses due to amortization from an increase in contributed assets, offset by lower consulting fees and salaries related to the Sturgeon County Annexation project, which is a multi-year project.

2020 EXPENSES BY FUNCTION ($ Million)

Account	2020 Revised Budget	2020 Actual	Variance $ vs Revised Budget	Variance % vs Revised Budget	2019 Actual	Variance $ vs Prior Year	Variance % vs Prior Year
Public Works & Transit	$43.6	$42.9	$0.7	2%	$45.3	$2.4	5%
Emergency Services	$39.0	$37.1	$1.9	5%	$36.1	-$1.0	-3%
Utility Services	$30.0	$32.2	-$2.2	-7%	$30.0	-$2.2	-7%
Community & Recreation Services	$29.7	$24.3	$5.4	18%	$29.9	$5.6	19%
General Government	$21.9	$19.7	$2.2	10%	$19.5	-$0.2	-1%
Planning & Engineering	$17.0	$18.1	-$1.1	-6%	$18.4	$0.3	2%
Cultural Services	$4.9	$6.2	-$1.3	-27%	$6.0	-$0.2	-3%
Corporate Financing	$6.6	$2.8	$3.8	58%	$3.5	$0.7	20%
Executive Leadership	$3.6	$2.6	$1.0	28%	$1.6	-$1.0	-63%
Council	$0.8	$0.7	$0.1	13%	$1.0	$0.3	30%
Total Expenses	$197.1	$186.6	$10.5	5%	$191.3	$4.7	2%

Note: The Expenses By Function table provides comparison of the actual financial results to the revised budget and prior year. Further information of the approved budget revisions is included in Note 19 to the consolidated financial statements.

ANNUAL SURPLUS

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

In 2020, the City realized an annual surplus of $84.3M, which strengthened the City's net assets position.

FINANCIAL CONTROL AND ACCOUNTABILITY

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

FINANCIAL GOVERNANCE

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

BUDGETING AND FINANCIAL REPORTING

Based on the input from citizens, businesses, and numerous other stakeholders, City Council establishes an annual operating budget each year. This operating budget includes the required revenues to fund the City's delivery of desired programs and services to the community and represents City Council's priorities as identified in the City of St. Albert's Council Strategic Plan and other sources. From year-to-year, services may be altered when City Council identifies a clear need. Note that the operating budget is also prepared on a modified cash flow basis. Based on this method the City uses tax revenues, reserve transfers and government transfers to balance its operating budget.

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

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

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

INTERNAL CONTROLS

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

AUDITING PROCESS

The *Municipal Government Act* requires a municipal council to appoint an independent auditor. In 2017, a tender for audit services was completed and City Council appointed the chartered accounting firm of KPMG LLP as the external auditor for a five-year term, with an option to extend an additional four years, at City Council's discretion. Following a comprehensive audit process and after working closely with management, the auditor must report to City Council with the annual consolidated financial statements. City Council approved the 2020 Consolidated Financial Statements at its meeting on April 19, 2021.

RISKS AND UNCERTAINTIES

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

NORMAL OPERATIONAL RISKS

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

REVENUE VOLATILITY

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

INFRASTRUCTURE REPLACEMENT

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

INSURANCE LOSS

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

A claims reserve was established in 2008 to fund the City's self-insured program. The reserve is funded to a confidence level at the 95th percentile of the City's projected losses, as recommended in the November 2011 loss projection analysis report provided by an external consultant. At December 31, 2020, the City's outstanding and fully reserved insurance claims related liabilities were $0.8M, and its claims self-insurance reserve fund was another $1.2M.

ENVIRONMENTAL RISK

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

The City's environmental portfolio also includes actions and targets related to energy management, greenhouse gas reduction and alternative energy generation. This approach incorporates progressive actions aimed at lower facility energy costs, reduce maintenance requirements and diversify energy production at City owned facilities.

PANDEMIC

The COVID-19 pandemic, as declared by the World Health Organization (W.H.O) in March 2020, has resulted in significant financial, economic, and social impacts. It has required the City to modify operations to comply with provincial public health orders, establish an Emergency Operations Centre and collaborate with government agencies to contain the spread of the virus. The City takes a measured approach to protect the health of the public and employees. The City adheres to provincial health guidelines (set by Alberta Health Services) and the City's Standard Operating Procedures. With the pandemic continuing to pose risks and organizational challenges to the City and the community, the duration, severity and unforeseen long-term impact of the virus and its variants may have an undetermined effect.

In May 2020, during the response phase of the pandemic, the City established the Recovery Task Force, with members from the public/private businesses and community, to collaborate and provide support for St. Albert's economic and social resiliency goals to achieve recovery post-pandemic.

Recovery to pre-pandemic levels may take 2 to 3 years as the swift actions required to modify operations in response to the pandemic that generated savings in 2020 are one-time only, thus, cannot be sustained.

FUTURE OUTLOOK

The City of St. Albert weathered the COVID-19 pandemic in 2020 with much strength and resiliency as prior years' careful planning and proactive initiatives provided a positive path forward. St. Albert remains focused on delivering core civic services to the community, with a priority to protect the health of the public and employees.

When the pandemic was declared in early March 2020, the City quickly moved to shutdown facilities and programs to comply with public heath orders, established the Emergency Operations Centre and collaborated with government agencies to contain the spread of the virus. The city exercised sound fiscal responsibility and minimized the financial impacts of the pandemic to our community. We were able to strategically reduce services, reallocate resources, defer projects and undertake cost-saving initiatives which enabled the City to close the year in a solid financial position. St. Albert was able to maintain critical service levels despite the challenges posed by the health crisis as well as a shift to the remote working environment.

The City approached our response to the imminent financial challenges under the assumption that there would not be grant funding or disaster relief funds available, or if available, the amounts may be insufficient. The City is appreciative of the MOST grant funding that was ultimately provided by the Province of Alberta in late 2020. Given that the organization was able to offset our financial losses in 2020 by making quick but difficult decisions, the receipt of the grant funding has allowed us to carry forward our savings while avoiding depleting reserves. These savings provide a financial buffer, which we may need in the event that the City continues to generate lower than historical user fee revenues over the next several years. The savings generated in 2020 through reductions in services are not sustainable in the future. Revenue shortfalls that persist past the next couple of years may require increases in taxes or reduced level of services.

The City continues to work with the Province of Alberta to implement the Path Forward plan to resume operations. While service offerings may eventually be able to return to pre-pandemic levels, there is some risk that historical users of our recreational, cultural and transit services may have found alternatives outside of municipal offerings or will not return to consuming these services at all.

Recent initiatives and investments have been aimed at increasing competitiveness to attract business investments in St. Albert. The City's investments and partnership with the Province of Alberta in twinning Ray Gibbon Drive and providing select servicing benefitting the Lakeview Business District and Range Road 260 is expected to attract additional commercial/industrial investments in these areas. The service ready lands are primed for development and provides new growth – greenfield opportunities for developers in St. Albert. As an economic incubator, St. Albert has enabled lands in the West of the City to be used for development, and we continue to diversify our economy. To facilitate development and to provide alternative options during the fiscal challenges due to the COVID-19 pandemic, St. Albert adopted development bonds as a form of security which will leave more cash in the hands of developers that can be used for further investment.

The Province's cautious re-opening strategy kicked off in early February 2021 and will follow a phased approach using the number of hospitalizations as the primary benchmark. Besides

having sufficient vaccines supplies, recovery hopes are pinned on the timing and success of vaccine rollout. Success of the rollout is two-pronged: getting the vaccine-to-the people and people-to-the vaccine. The emergence of several coronavirus variants has posed an undetermined threat that may prolong the social and economic recovery currently projected to accelerate in the second half of 2021, or worst yet re-set the pandemic.

On February 25, 2021, the Province unveiled its latest Budget 2021-2024 promising continuing government spending to support recovery and fund job creation. The Province provides additional funding in a myriad of areas of the economy. This includes $3.1B in funding to support Alberta's recovery plan strategies, of which there is a $136M commitment over three years to create jobs and reduce unemployment as part of the Alberta Jobs Now Program. There is a budgeted increase of $1.2B in the 2021-2022 Municipal Sustainability Initiative (MSI) allocation, which allows the City to move forward with some projects. The dramatic reduction of MSI funding will present challenges in future years. The municipal capital and operating funding are decreased to $515M in the future years 2022-23 and 2023-2024: $485M in capital funding and $30M in operating funding. This level of funding reduction will negatively impact our ability to plan and move forward with critical infrastructure projects. These projects are necessary for economic development, job creation and asset maintenance. The $485M capital budget (under MSI) is much lower than the $860M originally budgeted for the Local Government Fiscal Framework, which has been delayed for implementation until 2024/25. It is also unclear as to the parameters and allocation metrics that will be utilized for this new program.

The City remains committed to partnering with the Province to build a sustainable community, region and province that yields positive economic, social, and environmental outcomes. Our way forward will require a commitment to spend strategically, maximize revenue including seeking new ways to diversify revenue, and to focus on delivering those programs and services most valued to residents and businesses. As a fiscally conservative and financially sustainable municipality with healthy reserves, well managed debt level, and strong financial policies and procedures, the City is in a solid financial position to face the on-going uncertainty brought on by the pandemic in future years.

We would like to express our appreciation for the dedicated service staff that have continued to provide services to the community during the pandemic. Their hard work and continuing service ensures the delivery of high-quality programs and services and effectively maintains and grows our civic infrastructure. Our appreciation is extended to those who make St. Albert a great place to live and work.



Kevin Scoble
Chief Administrative Officer



Diane McMordie
Director, Financial Services
& Information Technology/
Chief Financial Officer

April 19, 2021

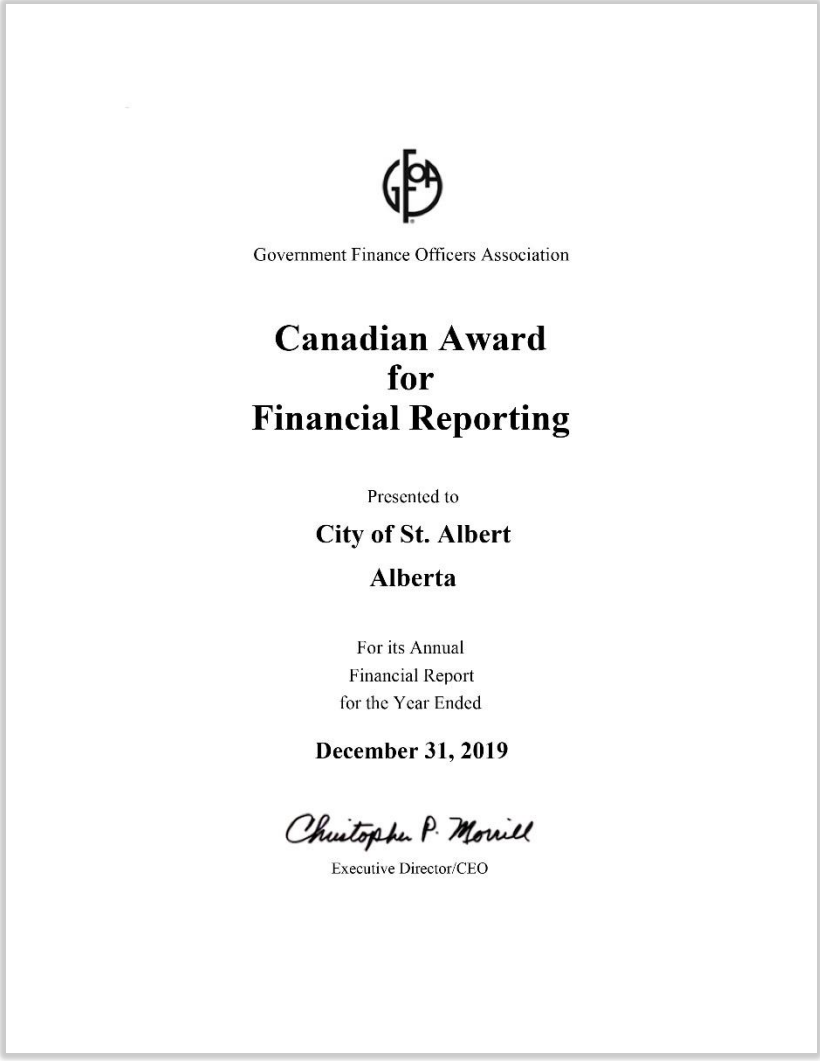
CANADIAN AWARD FOR FINANCIAL REPORTING

For the last 19 years, the City has received a Canadian Award for Financial Reporting for its Annual Financial Reports. This award, presented by the Government Finance Officers Association of the United States and Canada (GFOA), is presented to governments across Canada who publish high-quality financial reports.

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

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

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



Government Finance Officers Association

Canadian Award for Financial Reporting

Presented to

City of St. Albert

Alberta

For its Annual Financial Report for the Year Ended

December 31, 2019

Christopher P. Morrill

Executive Director/CEO



Financial Section

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Management's Report

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

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

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

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

* all transactions are appropriately authorized

* assets are properly accounted for and safeguarded

* all transactions are appropriately recorded, and financial records are reliable for the preparation of consolidated financial statements.

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

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

Kevin Scoble

Chief Administrative Officer

Diane McMordie

Diane McMordie (Apr 21, 2021 08:19 MDT)

Diane McMordie, CPA,CMA

Director, Financial Services & Information Technology/CFO

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INDEPENDENT AUDITORS' REPORT

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

Opinion

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

- the consolidated statement of financial position as at December 31, 2020
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of changes in net financial assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at December 31, 2020, and its consolidated results of operations, its consolidated changes in net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

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

Other Information

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

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

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

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

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

We have nothing to report in this regard.

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

We also:

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

KPMG LLP

Chartered Professional Accountants

Edmonton, Canada

April 19, 2021

CITY OF ST. ALBERT
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2020 (in thousands of dollars)

	2020	2019
Financial Assets		
Cash and Cash Equivalents (Note 2)	**$ 46,922**	$ 46,987
Accounts Receivable	**9,476**	12,887
Taxes Receivable (Note 3)	**3,498**	3,265
Land and Inventories Held for Resale	**125**	28
Investments (Note 4)	**165,434**	161,342
Total Financial Assets	**225,455**	224,509
Financial Liabilities		
Accounts Payable and Accrued Liabilities	**24,464**	21,385
Deferred Revenue (Note 5)	**31,443**	58,935
Offsite Levy Liabilities (Note 6)	**16,632**	12,582
Deposit Liabilities (Note 7)	**2,348**	2,604
Long-Term Debt (Note 8)	**46,331**	40,122
Environmental Liability (Note 9)	**1,083**	1,191
Total Financial Liabilities	**122,301**	136,819
Net Financial Assets	**103,154**	87,690
Non-Financial Assets		
Tangible Capital Assets (Note 10)	**1,110,549**	1,041,835
Inventories of Materials and Supplies	**1,232**	1,138
Prepaid Expenses	**1,257**	1,184
Total Non-Financial Assets	**1,113,038**	1,044,157
Accumulated Surplus (Note 12)	**$ 1,216,192**	$ 1,131,847

Commitments and Contingencies (Note 13)
Contractual Rights (Note 14)
Subsequent Event (Note 22)

Approved by:

Cathy Heron (Apr 21, 2021 12:37 MDT) — Mayor

Wes Brodhead (Apr 21, 2021 12:00 MDT) — Councillor

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

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

Year Ended December 31, 2020 (in thousands of dollars)

	2020 Budget (Note 19)	2020	2019
Operating Revenue			
Property Taxes (Note 15)	$ 109,877	**$ 109,426**	$ 105,634
Sales and User Fees	59,456	**49,812**	59,218
Government Transfers - Operating (Note 16)	4,034	**12,559**	4,807
Franchise Fees	5,278	**5,260**	4,108
Licenses and Permits	3,307	**3,178**	2,728
Investment Income	5,501	**3,108**	3,899
Contracted Services Revenue	2,802	**2,685**	2,685
Fines and Penalties	4,020	**2,351**	5,068
Other Revenue	909	**1,374**	3,710
Total Operating Revenue	195,184	**189,753**	191,857
Expenses			
Public Works & Transit	43,094	**42,860**	45,297
Emergency Services	37,949	**37,064**	36,058
Utility Services	29,794	**32,180**	30,041
Community & Recreation Services	29,138	**24,321**	29,915
General Government	21,089	**19,688**	19,523
Planning & Engineering	13,100	**18,069**	18,401
Cultural Services	5,239	**6,233**	6,045
Corporate Financing	6,413	**2,849**	3,532
Executive Leadership	2,421	**2,609**	1,571
Council	825	**738**	976
Total Expenses	189,062	**186,611**	191,359
Annual Surplus Before Capital Revenue	6,122	**3,142**	498
Capital Revenue			
Contributed Tangible Capital Assets	29,015	**35,820**	9,442
Developer Contributions and Levies	-	**6,923**	1,013
Government Transfers - Capital (Note 16)	27,057	**38,460**	18,047
Total Capital Revenue	56,072	**81,203**	28,502
Annual Surplus	62,194	**84,345**	29,000
Accumulated Surplus, Beginning of Year	1,131,847	**1,131,847**	1,102,847
Accumulated Surplus, End of Year	$ 1,194,041	**$ 1,216,192**	$ 1,131,847

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

CITY OF ST. ALBERT
CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
Year Ended December 31, 2020 (in thousands of dollars)

	2020 Budget (Note 19)	2020	2019
Annual Surplus	$ 62,194	**$ 84,345**	$ 29,000
Acquisition of Tangible Capital Assets	(102,562)	**(64,369)**	(44,699)
Contributed Tangible Capital Assets	(29,015)	**(35,820)**	(9,442)
Proceeds on Disposal of Tangible Capital Assets	-	**146**	73
Amortization of Tangible Capital Assets	23,207	**31,075**	28,915
Loss on Disposal of Tangible Capital Assets	-	**254**	1,957
	(108,370)	**(68,714)**	(23,196)
Acquisition of Inventories of Materials and Supplies	-	**(1,232)**	(1,138)
Acquisition of Prepaid Expenses	-	**(1,257)**	(1,184)
Consumption of Inventories of Materials and Supplies	-	**1,138**	1,028
Use of Prepaid Expenses	-	**1,184**	940
	-	**(167)**	(354)
(Decrease) Increase in Net Financial Assets	(46,176)	**15,464**	5,450
Net Financial Assets, Beginning of Year	87,690	**87,690**	82,240
(Net Debt) Net Financial Assets, End of Year	$ 41,514	**$ 103,154**	$ 87,690

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

CITY OF ST. ALBERT
CONSOLIDATED STATEMENT OF CASH FLOWS

Year Ended December 31, 2020 (in thousands of dollars)

	2020	2019
Cash Provided by (Used in):		
Operating Activities		
Annual Surplus	**$ 84,345**	$ 29,000
Items Not Involving Cash:		
Amortization of Tangible Capital Assets	**31,075**	28,915
Contributed Tangible Capital Assets	**(35,820)**	(9,442)
Loss on Disposal of Tangible Capital Assets	**254**	1,957
	79,854	50,430
Change in Non-Cash Assets and Liabilities:		
Accounts Receivable	**3,410**	2,043
Taxes Receivable	**(233)**	(444)
Land and Inventories Held for Resale	**(98)**	(1)
Accounts Payable and Accrued Liabilities	**3,079**	(1,183)
Deferred Revenue	**(27,491)**	12,537
Offsite Levy Liabilities	**4,050**	1,610
Deposit Liabilities	**(256)**	673
Environmental Liability	**(108)**	(50)
Inventories of Materials and Supplies	**(94)**	(110)
Prepaid Expenses	**(73)**	(244)
Cash from Operating Activities	**62,040**	65,261
Capital Activities		
Acquisition of Tangible Capital Assets	**(64,369)**	(44,699)
Proceeds on Disposal of Tangible Capital Assets	**146**	73
Cash applied to Capital Activities	**(64,223)**	(44,626)
Investing Activities		
Purchase of Investments	**(106,383)**	(114,354)
Maturity of Investments	**102,292**	125,230
Cash (applied to) from Investing Activities	**(4,091)**	10,876
Financing Activities		
Issue of Long-Term Debt	**11,500**	2,000
Repayment of Long-Term Debt	**(5,291)**	(4,871)
Cash from (applied to) Financing Activities	**6,209**	(2,871)
(Decrease) increase in Cash and Cash Equivalents	**(65)**	28,640
Cash and Cash Equivalents, Beginning of Year	**46,987**	18,347
Cash and Cash Equivalents, End of Year	**$ 46,922**	$ 46,987

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

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

On March 11, 2020, the World Health Organization declared the outbreak of a coronavirus (COVID-19) a global pandemic. This pandemic and the measures taken to contain the virus continue to impact the economy as a whole.

The City took a fiscally conservative approach to minimize its anticipated deficit by reallocating resources, deferring projects, finding cost-saving initiatives and changing service levels. In late 2020, the Government of Alberta provided additional funding to municipalities. As the City had already balanced its books for 2020, the unexpected provincial funding resulted in a projected year-end municipal operating surplus of approximately $10.3 million, giving us financial flexibility in the future. Putting the surplus into reserves will support the City to weather future economic uncertainty in 2021 and minimize future tax increases.

1. Significant Accounting Policies

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

Significant accounting policies adopted by the City are as follows:

a. Reporting Entity

The financial statements reflect the assets, liabilities, revenues, expenses and accumulated surplus of the reporting entity. The entity is comprised of all organizations, committees and local boards that are owned or controlled by the City and are, therefore, accountable to the Council for the administration of their financial affairs and resources. In addition to the City's municipal government operations, entities include the St. Albert Public Library and the Arts & Heritage Foundation of St. Albert. Inter-departmental and inter-organizational transactions and balances between these entities have been eliminated. The financial statements also include requisitions for educational and other organizations that are not part of the City.

b. Use of Estimates

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

Significant estimates include assumptions used in determining the fair value of contributed tangible capital assets. Other areas that estimates are used in determining the useful lives of tangible capital assets, provision for allowances in accounts receivable, provision for tax exempt appeals, investment impairment and environmental liabilities.

Actual results could differ from these estimates.

c. Basis of Accounting

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

i. Revenue

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

c. Basis of Accounting (continued)

i. Revenue (continued)

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

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

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

ii. Expenses

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

d. Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and cash equivalents that are highly liquid. Cash and cash equivalents are held in highly liquid bank accounts as they earn a higher interest rate than short term investments.

e. Investments

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

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

f. Land and Inventories Held for Resale

Land held for resale is recorded at the lower of cost and net realizable value. Inventories held for resale are valued at lower of cost and net realizable value.

g. Non-Financial Assets

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

i. Tangible Capital Assets

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

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

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

ii. Contributions of Tangible Capital Assets

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

iii. Leases

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

g. Non-Financial Assets (continued)

iv. Works of Art and Historical Treasures

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

v. Inventories of Materials and Supplies

Inventories of materials and supplies consist mainly of parts and road maintenance materials and are valued at the lower of cost and replacement cost.

h. Post-Employment Benefits

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

i. Environmental Liability

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

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

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

j. Deferred Revenue

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

k. Requisition Over-levy and Under-levy

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

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

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

l. Future Accounting Standard Pronouncements

The following summarizes upcoming changes to Canadian public sector accounting standards. In 2021, the City will continue to assess the impact and prepare for the adoption of these standards. While the timing of standard adoption may vary, certain standards must be adopted concurrently. The requirements in Financial Statement Presentation (PS1201), Financial Instruments (PS3450), Foreign Currency Translations (PS2601) and Portfolio Investments (PS3041) must be implemented at the same time.

Public Sector Accounting Standard	Name	Effective Date
PS1201	Financial Statement Presentation	April 1, 2022 (December 31, 2023 for the City)
PS 2601	Foreign Currency Translation	April 1, 2022 (December 31, 2023 for the City)
PS 3041	Portfolio Investments	April 1, 2022 (December 31, 2023 for the City)
PS 3450	Financial Instruments	April 1, 2022 (December 31, 2023 for the City)
PS 3280	Asset Retirement Obligations	April 1, 2022 (December 31, 2023 for the City)
PS 3400	Revenue	April 1, 2023 (December 31, 2024 for the City)
PSG-8	Purchased Intangibles	April 1, 2023 (December 31, 2024 for the City)

2. CASH AND CASH EQUIVALENTS

Cash and cash equivalents is comprised of cash and temporary investments in liquid bank accounts with stated rates of 0.10% to 1.00% (2019 - 2.25% to 2.50%). The City has entered into a strategy of maintaining more cash in these accounts as they earn a higher interest rate than other short term investments.

3. TAXES RECEIVABLE

	2020	2019
Taxes receivable	**$ 2,263**	$ 2,118
Penalties and arrears	**1,235**	1,147
Total taxes receivable	**$ 3,498**	$ 3,265

4. INVESTMENTS

	2020		2019	
	Amortized Cost	Market Value	Amortized Cost	Market Value
Short Term Investment Portfolio	**$ 55,000**	**$ 55,000**	$ 47,977	$ 47,981
Long Term Investment Portfolio	**110,234**	**113,819**	113,165	114,052
Credit Union Shares	**200**	**200**	200	200
	$ 165,434	**$ 169,019**	$ 161,342	$ 162,233

The Short Term Investment Portfolio includes notes and deposits and have effective rates of 0.75% to 2.45% (2019 - 2.34% to 2.58%), are for fixed terms, and have maturity dates less than three years. The City's Long Term Investment Portfolio includes corporate and government bonds and have effective rates of 1.40% to 3.22% (2019 - 2.23% to 3.22%), with maturity dates ranging between 2021 and 2035.

5. DEFERRED REVENUE

	2019	Net Contributions	Interest Earned	Revenue Recognized	2020
Deferred Revenue - Capital Government Transfers					
Municipal Sustainability Initiative	$ 37,424	$ 949	$ 685	$ (23,220)	**$ 15,838**
Alberta Community Partners	-	200	1	(192)	**9**
Other Capital (Watershed Resiliency)	-	158	-	(11)	**147**
Federal Gas Tax Fund	11,011	3,780	238	(6,655)	**8,374**
Ray Gibbon Drive Provincial Grant Funding	128	-	-	-	**128**
Green Trip Grant	6,467	4,510	158	(8,362)	**2,773**
Municipal Support Program	-	1,100	3	(7)	**1,096**
Total Deferred Revenue - Capital Government Transfers	55,030	10,697	1,085	(38,447)	**28,365**
Deferred Revenue - Operating Government Transfers					
Municipal Sustainability Initiative	-	479	-	(479)	**-**
Library	12	10	-	-	**22**
Municipal Operating Support Transfer	-	7,459	-	(7,459)	**-**
Family & Community Support Services	-	1,543	-	(1,425)	**118**
ACP Grant - Inter Municipal Collaboration	29	43	1	(45)	**28**
Community	6	-	-	(4)	**2**
Arts and Heritage Foundation	140	400	-	(321)	**219**
Other	199	99	-	(79)	**219**
Total Deferred Revenue - Operating Government Transfers	386	10,033	1	(9,812)	**608**
Deferred Revenue - Other					
Servus Place	1,497	2,468	-	(3,184)	**781**
Other Operating	954	859	-	(1,146)	**667**
Licensing	919	899	-	(919)	**899**
Community	8	75	-	(7)	**76**
Utilities	41	-	-	(6)	**35**
Performing Arts	100	-	-	(100)	**-**
Library	-	12	-	-	**12**
Total Deferred Revenue - Other	3,519	4,313	-	(5,362)	**2,470**
Total Deferred Revenue	$ 58,935	$ 25,043	$ 1,086	$ (53,621)	**$ 31,443**

6. OFFSITE LEVY LIABILITIES

	2019	Contributions	Interest Earned	Applied	2020
Offsite Levy Liabilities					
Transportation Offsite Levy	$ 1,355	$ 5,146	$ 27	$ (4,687)	**$ 1,841**
Water Offsite Levy	10,696	3,063	274	-	**14,033**
Sanitary Sewer Levy	519	2,310	13	(2,109)	**733**
Stormwater Levy	12	139	1	(127)	**25**
Total Offsite Levy Liabilities	$ 12,582	$ 10,658	$ 315	$ (6,923)	**$ 16,632**

7. DEPOSIT LIABILITIES

Deposit liabilities can either be interest bearing or non-interest bearing and are held based on the term of the related transactions or agreements.

The City has taken securities from developers in the form of cash, recorded as deposit liabilities and letters of credit or development bonds. Security is retained based on a percentage of the infrastructure constructions costs require to service the development and is held to secure performance obligations under the development agreements or permits. The value of securities can be reduced or increased, at the discretion of the City, as the associated development activity progresses. As at December 31, 2020 the City held $2,348 (2019 - $2,604) of deposit liabilities for development agreements and permits and held letters of credit or development bonds in the amount of $2,245 (2019 - $2,445).

8. LONG-TERM DEBT

a. Long-term debt consists of:

	2020	2019
Municipal Tax Supported Debenture	**$ 46,331**	$ 40,122

Debenture debt has been issued on the credit and general security of the City. Debentures are held by the Alberta Treasury Board. Debenture interest is payable at rates ranging from 2.08% to 5.00% per annum. The debentures are payable in annual or semi-annual amounts and mature in periods ranging from 2022 to 2040.

The Alberta Treasury Board and Finance became responsible for the administration of the program effective November 1, 2020, following the dissolution of the Alberta Capital Finance Authority. This was passed by Bill 22, which was given Royal Assent in the Legislative Assembly of Alberta. There are no changes to processes, policies or structures on existing debentures.

The City has an operating line of credit with its bank of $20,000 (2019 - $5,000). This credit facility bears interest at the Scotia Bank Composite Prime minus 0.50% and was not drawn on at December 31, 2020.

The City's total cash payments for interest in 2020 were $1,632 (2019 - $1,811)

8. LONG-TERM DEBT (continued)

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

	Principal	Interest	Total
2021	**$ 5,989**	**$ 1,640**	$ 7,629
2022	**6,239**	**1,390**	7,629
2023	**5,806**	**1,132**	6,938
2024	**4,801**	**873**	5,674
2025	**3,336**	**698**	4,034
Thereafter	**20,160**	**3,350**	23,510
	$ 46,331	**$ 9,083**	$ 55,414

c. Debt Limits

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

	2020	2019
Total Debt Limit	**$ 295,014**	$ 289,153
Total Debt	**46,331**	40,122
Amount of Debt Limit Unused	**248,683**	249,031
Maximum Allowable Debt Servicing Limit	**49,169**	48,192
Annual Payments of Existing Debt	**6,923**	6,682
Amount of Debt Servicing Limit Unused	**$ 42,246**	$ 41,510

The debt limit is calculated at 1.5 times revenue of the City (as defined in Alberta Regulation 255/2000) and the debt service limit is calculated at 0.25 times such revenue. Incurring debt beyond these limitations requires approval by the Minister of Municipal Affairs. These thresholds are guidelines used by Alberta Municipal Affairs to identify municipalities which could be at financial risk if further debt is acquired. The calculation taken alone does not represent the financial stability of the City, rather, the financial statements and other factors must be considered.

9. ENVIRONMENTAL LIABILITY

Under Provincial legislation, the City has a liability for closure and post closure care of landfill sites, which includes final covering and landscaping, plumbing of groundwater and leachates from the sites, and ongoing environmental monitoring, site inspections and maintenance. The action plan includes objectives that will maintain the integrity of the containment berms, minimize the generation of leachate and continued monitoring of the groundwater. In addition, under Provincial legislation, the City is required to remediate certain lands with salt contamination in excess of Provincial environmental standards related to a former salt storage shed.

The City's landfill post closure and contaminated sites monitoring costs are based on estimated future monitoring expenses for approximately 25 years, in current dollars by applying Alberta Treasury discount rate of 2.2890% and the St. Albert municipal price index rate of 0.75%. An amount of $703 (2019 - $772) has been set up for the landfill post closure monitoring expenses and an amount of $380 (2019 - $419) has been set up for contaminated sites monitoring costs. These environmental liabilities relate to salt impact, which are affecting the soil and groundwater from a former salt storage shed.

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

	2020	2019
Estimated Post Closure Monitoring Costs	**$ 703**	$ 772
Estimated Contaminated Site Monitoring Costs	**380**	419
Estimated Monitoring Costs	**$ 1,083**	$ 1,191

10. TANGIBLE CAPITAL ASSETS

	2020									
	Building Improvement	Library Collections	Land Improvement	Engineered Structures	Buildings	Machinery and Equipment	Land	Vehicles	Assets Under Construction	Total
Cost										
Balance, Beginning of Year	$ 20,100	$ 1,935	$ 75,064	$ 735,408	$ 144,560	$ 27,870	$ 416,488	$ 49,327	$ 13,967	**$ 1,484,719**
Acquisitions and Contributions	305	263	1,301	25,771	6,014	3,135	11,566	6,009	45,825	**100,189**
Disposals and Transfers	-	(410)	(85)	(1,376)	-	(717)	(113)	(3,703)	-	**(6,404)**
Internal Transfers	3,435	-	16,435	15,539	2,642	46	-	-	(38,097)	**-**
Balance, End of Year	**23,840**	**1,788**	**92,715**	**775,342**	**153,216**	**30,334**	**427,941**	**51,633**	**21,695**	**1,578,504**
Accumulated Amortization										
Balance, Beginning of Year	2,782	982	34,354	294,453	70,612	16,193	-	23,508	-	**442,884**
Amortization	769	373	3,508	17,362	3,038	2,950	-	3,075	-	**31,075**
Disposals	-	(410)	(84)	(1,349)	-	(691)	-	(3,470)	-	**(6,004)**
Balance, End of Year	**3,551**	**945**	**37,778**	**310,466**	**73,650**	**18,452**	**-**	**23,113**	**-**	**467,955**
Net Book Value, End of Year	**$ 20,289**	**$ 843**	**$ 54,937**	**$ 464,876**	**$ 79,566**	**$ 11,882**	**$ 427,941**	**$ 28,520**	**$ 21,695**	**$ 1,110,549**

10. TANGIBLE CAPITAL ASSETS (continued)

2019

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

11. EQUITY IN TANGIBLE CAPITAL ASSETS

	2020	2019
Tangible Capital Assets	**$ 1,578,504**	$ 1,484,718
Accumulated Amortization	**(467,955)**	(442,884)
Long-Term Debt	**(46,331)**	(40,122)
	$ 1,064,218	$ 1,001,712

12. ACCUMULATED SURPLUS

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

	2020	2019
Surplus		
Unrestricted Surplus (Deficit)	**$ (624)**	$ (6,296)
Equity in Tangible Capital Assets	**1,064,218**	1,001,712
	1,063,594	995,416
Reserves		
Operating	**21,699**	14,670
Capital	**72,862**	67,086
Controlled Entity - Operating	**413**	480
Controlled Entity - Capital	**483**	484
Utilities	**57,141**	53,711
Total Reserves	**152,598**	136,431
Total Accumulated Surplus	**$ 1,216,192**	$ 1,131,847

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

13. COMMITMENTS AND CONTINGENCIES

a. Legal Claims

As at December 31, 2020, the City was involved in various legal disputes. While it is not possible to estimate the outcome of these disputes, management believes that there will be no adverse effect on the City's financial position.

b. Lease Commitments

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

2021	$	917
2022		534
2023		380
2024		353
2025		340
Thereafter		1,190
	$	3,714

14. CONTRACTUAL RIGHTS

The City has a contractual right to Provincial and Federal government transfer funding allocations. In 2020, the City was allocated $10,419 (2019 - $0.5) in Municipal Sustainability Initiative (MSI) Capital funding, $7,855 (2019 - $0) for Municipal Stimulus Program and Basic Municipal Transportation Grant (BMTG) funding $4,083 (2019 - $0.5). The future receipt of these assets is dependent on submission and approval of project applications and satisfying subsequent reporting requirements.

15. PROPERTY TAXES

	2020 Budget (Note 19)	2020	2019
Taxation			
Real Property Taxes	$ 141,929	**$ 143,637**	$ 136,877
Linear Property Taxes	1,125	**1,168**	1,125
Government Grants in place of property tax	2,432	**229**	2,431
Total Taxation	145,486	**145,034**	140,433
Requisitions			
Alberta School Foundation Fund	26,832	**26,831**	25,956
Opted Out School Board	7,568	**7,568**	7,671
Homeland Housing	1,203	**1,203**	1,166
Other	6	**6**	6
Total Requisitions	35,609	**35,608**	34,799
Property Taxes Available for Municipal Purposes	$ 109,877	**$ 109,426**	$ 105,634

16. GOVERNMENT TRANSFERS

	2020 Budget (Note 19)	2020	2019
Government Transfers for Operations			
Provincial Transfers	$ 3,950	**$ 11,999**	$ 4,624
Federal Transfers	84	**560**	183
Total Operating Transfers	4,034	**12,559**	4,807
Government Transfers for Capital			
Provincial Transfers	19,755	**31,781**	13,364
Federal Transfers	7,302	**6,679**	4,683
Total Capital Transfers	27,057	**38,460**	18,047
Total Government Transfers	$ 31,091	**$ 51,019**	$ 22,854

17. SALARIES AND BENEFITS DISCLOSURE

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

	Salaries (a)	Benefits and Allowances (b)	2020	2019
Mayor Heron (i)	$ 137,397	$ 8,337	**$ 145,734**	$ 146,594
Councillor Hansen (i)	53,524	8,156	**61,680**	61,772
Councillor Joly (i)	53,524	8,172	**61,696**	61,792
Councillor K. MacKay (i)	53,524	8,172	**61,696**	61,792
Councillor Watkins (i)	53,524	5,852	**59,376**	59,469
Councillor Brodhead	53,524	8,298	**61,822**	61,917
Councillor Hughes	53,524	8,408	**61,932**	62,046
Chief Administrative Officer	263,471	39,724	**303,195**	304,023
Designated Officer	151,484	34,238	**185,722**	187,005

a. Salaries

Salaries above include regular base salary and any retiree allowance.

b. Benefits and Allowances

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

c. Related Party Transactions

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

18. PENSION PLANS

a. Local Authorities Pension Plan

Approximately 682 (2019 – 683) employees of the City participate in the Local Authorities Pension Plan (LAPP), which is one of the plans covered by the Alberta Public Sector Pension Plans Act. The plan is financed by employer and employee contributions and investment earnings of the LAPP Fund. The City is required to make current service contributions to the LAPP of 9.39% (2019 - 9.39%) of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 13.84% (2019 - 13.84%) on pensionable earnings above this amount. Employees of the City are required to make current service contributions of 8.39% (2019 - 8.39%) of pensionable salary up to the year's maximum pensionable salary and 12.84% (2019 – 12.84%) on pensionable salary above this amount.

Total contributions by the City to the LAPP in 2020 were $6,292 (2019 - $6,150). Total contributions by the employees of the City of St. Albert to the Local Authorities Pension Plan in 2020 were $5,276 (2019 - $5,589). At December 31, 2019, the plan reported the value of its assets at $50.5 billion and disclosed an actuarial surplus of $7.91 billion. Plan asset and actuarial surplus data as at December 31, 2020 was not yet available.

b. APEX

The APEX supplementary pension plan, an Alberta Urban Municipalities Association (AUMA) sponsored defined benefit pension plan covered under the provisions of the Alberta Employment Pension Plans Act, commenced on January 1, 2004. This plan provides supplementary pension benefits to a prescribed class of employees 16 beneficiaries (2019 - 17). The plan supplements the Local Authorities Pension Plan.

Contributions are made by the prescribed class of employees and the City. The employees and the City are required to make current service contributions to APEX of 2.61% and 3.85% (2019 - 2.84% and 3.78%) respectively, of pensionable earnings up to $155 (2019 - $151). Total current service contributions by the City to APEX in 2020 were $96 (2019 - $78). Total current service contributions by the employees of the City were $65 (2019 - $59).

The cost of post-retirement benefits earned by employees is actuarially determined using the projected benefit method prorated on service, management's best estimate of salary and benefit escalation, and retirement ages of employees. The cost of post-retirement benefits are fully funded.

As at December 31, 2020, the APEX supplementary pension plan has vested with approximately 80% of eligible employees.

c. MuniSERP

The MuniSERP supplementary overcap retirement plan extend LAPP and APEX pension benefit levels beyond the Canada Revenue Agency maximum. The plan commenced on January 1, 2003, and provides supplementary benefits to a prescribed class of employees 3 beneficiaries (2019 - 4). MuniSERP supplements APEX and LAPP and is a voluntary, non-contributory, non-registered supplementary employee retirement plan. The cost of post-retirement benefits earned by employees is actuarially determined using the projected benefit method prorated on service, management's best estimate of salary and benefit escalation, and retirement ages of employees. As at December 31, 2020, an actuarial costing has been completed along with corresponding disclosure of designated assets.

18. PENSION PLANS (continued)

The following presents the MuniSERP obligation as at December 31, 2020:

	2020	2019
Accrued Benefit Obligation		
Balance, Beginning of Year	**$ 104**	$ 81
Current Service Cost and Interest Cost	**15**	23
Balance, End of Year	**$ 119**	$ 104

There are no defined benefit plan assets.

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

	2020	2019
Discount Rate	**4.45 %**	4.60 %
Rate of Compensation Increase	**2.75 %**	2.75 %

19. BUDGET INFORMATION

The budget data presented in these financial statements is based upon the 2020 operating and capital budgets approved by Council. The 2020 operating budget, approved by Council December 16, 2019 (2019 - December 17, 2018), is reported on the accrual basis in accordance with Canadian Public Sector Accounting Standards, which excludes the repayment of long-term debt and reserve transactions. The capital budget reports the authorized activity for the year ended December 31, 2020, as follows:

	2020	2019
Capital Budget approved by Council	**$ 102,562**	$ 70,874
Approved Capital Budget Amendments	**4,035**	(5,702)
Unspent Prior Years Budgeted Capital Expenditures and Amendments	**102,410**	96,169
Amounts Deemed Not Capital in Nature	**(1,304)**	(2,008)
Revised Capital Budget for Acquisition of Tangible Capital Assets	**$ 207,703**	$ 159,333

Budgets established for capital acquisitions and related financing are calculated on a project oriented basis. As these transactions may be carried out over one or more years, they are not directly comparable with current year actual amounts.

19. BUDGET INFORMATION (continued)

The approved budget revisions include the standard internal adjustments between departments. As well, the financial implications of COVID-19, increased expenses due to intermittent facility closures, unanticipated service reductions, and a reduction in government transfers.

	Originally Approved Budget	Approved Budget Revisions	Revised Budget
Operating Revenue			
Property Taxes	$ 109,877	$ (407)	$ 109,470
Sales and User Fees	59,456	2,019	61,475
Fines and Penalties	4,020	-	4,020
Government Transfers - Operating	4,034	31	4,065
Franchise Fees	5,278	-	5,278
Investment Income	5,501	-	5,501
Other Revenue	909	(217)	692
Licenses and Permits	3,307	(33)	3,274
Contracted Service Revenue	2,802	-	2,802
Total Operating Revenue	195,184	1,393	196,577
Expenses			
Public Works & Transit	43,094	513	43,607
Emergency Services	37,949	1,103	39,052
Utility Services	29,794	166	29,960
Community & Recreation Services	29,138	521	29,659
General Government	21,089	824	21,913
Planning & Engineering	13,100	3,851	16,951
Cultural Services	5,239	(374)	4,865
Corporate Financing	6,413	228	6,641
Executive Leadership	2,421	1,188	3,609
Council	825	8	833
Total Expenses	189,062	8,028	197,090
Capital Revenue			
Contributed Tangible Capital Assets	29,015	-	29,015
Government Transfers - Capital	27,057	1,637	28,694
Total Capital Revenue	56,072	1,637	57,709
Annual Surplus	$ 62,194	$ (4,998)	$ 57,196

20. SEGMENTED INFORMATION

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

a. Council

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

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

This area includes all Councillors and the Mayor.

b. Executive Leadership

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

c. General Government

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

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

d. Community and Recreation Services

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

- Community Services (Excluding Culture)
- Recreation and Parks

e. Emergency Services

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

20. SEGMENTED INFORMATION (continued)

f. Public Works and Transit

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

g. Planning and Engineering

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

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

The following departments are included in this function:

- Engineering Services
- Planning & Development
- Environment

h. Corporate Financing

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

i. Utility Services

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

The following departments are included in the Utility Services Function:

- Water
- Wastewater
- Storm
- Solid Waste Management

j. Cultural Services

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

20. SEGMENTED INFORMATION (continued)

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

December 31, 2020	Council	Executive Leadership	General Government	Community & Recreation Services	Emergency Services	Public Works & Transit	Planning & Engineering	Corporate Financing	Utility Services	Cultural Services	Total 2020	Budget 2020
Operating Revenue												
Property Taxes	$ 421	$ 1,495	$ 11,281	$ 13,936	$ 21,239	$ 24,560	$ 10,355	$ 1,633	$ 20,935	$ 3,571	**$ 109,426**	$ 109,877
Sales and User Fees	8	-	552	4,728	1,108	3,220	1,348	9	38,620	219	**49,812**	59,456
Government Transfers - Operating	-	969	249	5,464	1,823	3,204	102	-	-	748	**12,559**	4,034
Fines and Penalties	-	-	488	-	1,658	-	-	-	205	-	**2,351**	4,020
Licenses and Permits	-	-	821	-	408	18	1,931	-	-	-	**3,178**	3,307
Contracted Services Revenue	-	-	-	-	2,685	-	-	-	-	-	**2,685**	2,802
Investment Income	-	-	39	135	34	212	-	1,491	1,187	10	**3,108**	5,501
Franchise Fees	-	-	-	-	-	-	-	5,260	-	-	**5,260**	5,278
Other Revenue	-	-	31	209	-	114	11	342	49	618	**1,374**	909
Total Revenue	429	2,464	13,461	24,472	28,955	31,328	13,747	8,735	60,996	5,166	**189,753**	195,184
Expenses												
Salaries, Wages and Benefits	568	1,588	13,466	12,397	22,841	13,006	7,553	831	5,993	5,103	**83,346**	87,282
Contracted and General Services	70	819	4,501	2,725	1,227	13,427	2,436	820	5,348	759	**32,132**	31,336
Amortization	86	114	1,261	3,390	609	12,989	4,969	605	6,471	581	**31,075**	23,207
Purchases from Other Governments	-	-	-	-	9,773	-	-	-	11,798	-	**21,571**	21,867
Materials, Goods and Utilities	13	88	397	2,211	1,219	5,129	2,928	114	1,022	856	**13,977**	15,878
Transfers to Individuals & Organizations	-	-	11	2,790	-	-	32	122	11	(1,088)	**1,878**	3,427
Interest on Long-Term Debt	-	-	-	633	-	668	-	1	340	-	**1,642**	1,594
Other Expenses	1	-	52	175	1,395	(2,591)	151	356	1,177	20	**736**	4,471
Loss on Disposal of Tangible Capital Assets	-	-	-	-	-	232	-	-	20	2	**254**	-
Total Expenses	738	2,609	19,688	24,321	37,064	42,860	18,069	2,849	32,180	6,233	**186,611**	189,062
Excess (Deficiency) of Revenue over Expenses before Capital Revenue	(309)	(145)	(6,227)	151	(8,109)	(11,532)	(4,322)	5,886	28,816	(1,067)	**3,142**	6,122
Capital Revenue												
Contributed Tangible Capital Assets	-	-	-	-	-	15,503	-	1,958	18,359	-	**35,820**	29,015
Developer Contributions and Levies	-	-	-	-	-	4,687	-	-	2,236	-	**6,923**	-
Government Transfers - Capital	13	-	332	3,519	2,473	11,644	17,004	-	3,475	-	**38,460**	27,057
Excess (Deficiency) of Revenue over Expenses	$ (296)	$ (145)	$ (5,895)	$ 3,670	$ (5,636)	$ 20,302	$ 12,682	$ 7,844	$ 52,886	$ (1,067)	**$ 84,345**	$ 62,194

20. SEGMENTED INFORMATION (continued)

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

21. APPROVAL OF FINANCIAL STATEMENTS

Council and Management have approved these financial statements.

22. SUBSEQUENT EVENT

The City, in partnership with Sturgeon County, has submitted an annexation application to the Municipal Government Board (MGB) on December 23, 2020. The MGB will review the City's annexation application, administer a public process, and make a recommendation to the Province of Alberta's Minister of Municipal Affairs and Cabinet. The City anticipates a decision from the Province by the end of 2021.



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GENERAL STATISTICAL INFORMATION

(Unaudited)

For the Years Ended December 31, 2016 - 2020 **(in thousands of dollars)**

	2020	2019	2018	2017	2016
POPULATION (2)	**66,082**	**66,082**	**66,082**	**65,589**	**64,645**
NUMBER OF DWELLING UNITS (4)	**27,607**	27,062	26,847	26,541	26,140
MUNICIPAL AREA (IN HECTARES)	**4,973**	4,973	4,973	4,973	4,973
BUILDING PERMITS VALUE (IN THOUSANDS)					
Residential	**96,906**	99,107	111,301	196,245	133,412
Commercial	**11,984**	38,437	26,540	62,619	40,071
Industrial	**44,079**	2,170	12,236	6,974	78,056
Institutional	**48,355**	3,542	1,997	21,254	14,870
	201,324	143,256	152,074	287,092	266,409
BUILDING PERMITS ISSUED					
Residential	**734**	591	726	675	690
Commercial	**70**	105	79	98	80
Industrial	**42**	52	50	42	35
Institutional	**18**	22	22	26	31
	864	770	877	841	836
PARK AREA (IN HECTARES) (3)	**546**	544	542	533	524
TAX COLLECTION RATE (PERCENTAGE)	**97.59**	97.68	97.92	97.77	97.56
LONG TERM DEBT					
Long term debt **(IN THOUSANDS)**	**46,331**	40,122	42,993	37,475	41,586
Retired Within 5 Years %	**56.5**	65.3	57.6	59.2	52.0
Retired Thereafter %	**43.5**	34.7	42.4	40.8	48.0
RESIDENTIAL TAX INCREASE % (6)	**0.7**	0.9	1.6	0.8	0.6
QUALITY OF LIFE SATISFACTION (7)	**96**	98	-	99	-
CONSUMER PRICE INDEX CHANGE (PERCENTAGE) (1)					
Alberta	**0.8**	2.3	2.4	1.6	1.1
Canada	**0.7**	2.2	2.3	1.6	1.4
UNEMPLOYMENT RATE(PERCENTAGE)(1)					
Alberta	**11.1**	7.0	6.4	6.9	8.5
Canada	**8.8**	5.6	5.6	5.7	6.9
CITY OF ST. ALBERT EMPLOYEES (5)	**668.90**	657.28	661.78	642.84	620.00
NET DEBT PER CAPITA	**701**	607	651	571	643

Notes

1. Consumer Price Index and Unemployment Rate data obtained from Statistics Canada
2. St. Albert Municipal Census is conducted every 2 years (Council approved a motion to cancel conducting a census in 2020)
3. Provincial Parks and Urban Reserves are not included within Park Area Calculation
4. Number of Dwelling Units is based on Assessment Department data
5. Positions are stated in full time equivalents
6. Overall tax increase including municipal, education, and Homeland Housing tax components
7. Quality of Life Satisfaction Survey is conducted at a minimum of every 2 years

TAXATION AND ASSESSMENT

For the Years Ended December 31, 2016 - 2020

	2020	2019	2018	2017	2016
TAX RATES					
Municipal - Residential	**8.358**	8.023	7.898	7.844	7.476
Municipal - Non-Residential	**10.880**	11.014	11.008	10.769	10.470
Public School					
Residential	**2.590**	2.574	2.535	2.494	2.436
Non-Residential	**3.662**	3.432	3.368	3.541	3.463
Separate School (Catholic)					
Residential	**2.590**	2.574	2.535	2.494	2.436
Non-Residential	**3.662**	3.432	3.368	3.541	3.463
ASSESSMENT (percentage change)					
Residential - Market Value	**(2.18)**	(0.64)	0.70	(3.29)	1.55
Residential - Growth	**1.65**	2.65	1.81	2.98	2.59
Non-Residential Market Value	**1.18**	0.95	0.06	(0.51)	2.07
Non-Residential Growth	**3.29**	2.64	7.23	4.03	4.28

TAXATION AND REQUISITIONS

For the Years Ended December 31, 2016 - 2020 (in thousands of dollars)

	2020	2019	2018	2017	2016
TAXATION					
Real Property Taxes	**$ 143,635**	$ 136,877	$ 132,232	$ 126,935	$ 122,243
Linear Property Taxes	**1,171**	1,125	1,095	1,075	1,076
Government Grants in Place of Property Taxes	**229**	2,431	2,222	1,777	1,339
	145,035	140,433	135,549	129,787	124,658
REQUISITIONS					
Alberta School Foundation Fund	**26,832**	25,956	24,854	23,953	23,072
Opted Out School Board	**7,568**	7,671	7,498	7,214	7,279
Homeland Housing Requisition	**1,203**	1,166	1,134	1,121	1,104
Other	**6**	6	80	80	80
	35,609	34,799	33,566	32,368	31,535
TAXES AVAILABLE AND COLLECTED FOR MUNICIPAL PURPOSES	**$ 109,426**	$ 105,634	$ 101,983	$ 97,419	$ 93,123

TAXABLE ASSESSMENT AND GOVERNMENT GRANTS IN PLACE OF PROPERTY TAXES

For the Years Ended December 31, 2016 - 2020 (in thousands of dollars)

	2020	2019	2018	2017	2016
TAXABLE ASSESSMENT					
Residential	**$ 10,483,189**	$ 10,542,733	$ 10,336,462	$ 10,081,331	$ 10,122,507
Commercial	**1,233,244**	1,155,999	1,132,033	1,041,790	1,021,749
Industrial	**660,813**	503,083	479,537	472,470	460,412
Linear and M & E	**80,242**	78,167	76,230	74,847	76,841
	12,457,488	12,279,982	12,024,262	11,670,438	11,681,509
GOVERNMENT GRANTS IN PLACE OF PROPERTY TAXES	**19,409**	170,471	153,266	126,929	99,035
TOTAL TAXABLE ASSESSMENT AND GOVERNMENT GRANTS IN PLACE OF PROPERTY TAXES	**$ 12,476,897**	$ 12,450,453	$ 12,177,528	$ 11,797,367	$ 11,780,544
TOTAL TAXABLE ASSESSMENT AND GOVERNMENT GRANTS IN PLACE OF PROPERTY TAXES (PERCENTAGE)					
Residential	**84.0**	84.7	84.9	85.5	85.9
Commercial	**9.9**	9.3	9.3	8.8	8.7
Industrial	**5.3**	4.0	3.9	4.0	3.9
Linear and M & E	**0.6**	0.6	0.6	0.6	0.7
Grants in Place	**0.2**	1.4	1.3	1.1	0.8
RESIDENTIAL / NON-RESIDENTIAL SPLIT* (PERCENTAGE)					
Residential	**84.0**	84.7	84.9	85.5	85.9
Non-Residential	**16.0**	15.3	15.1	14.5	14.1

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

TAX COLLECTION

For the Years Ended December 31, 2016 - 2020 (in thousands of dollars)

	2020	2019	2018	2017	2016
CURRENT LEVY	**$ 145,112**	$ 140,301	$ 135,626	$ 130,055	$ 124,725
TAXES RECEIVABLE					
Current	**2,408**	2,395	1,936	2,036	2,086
In Arrears for More than One Year	**1,090**	870	885	861	953
	$ 3,498	$ 3,265	$ 2,821	$ 2,897	$ 3,039
TAXES OUTSTANDING, BEFORE ALLOWANCE					
Total %	**2.41 %**	2.33 %	2.08 %	2.23 %	2.44 %

Note that the top 10 principle taxpayers made up only 7 per cent of the 2020 tax levy; therefore, no undue reliance is placed upon any one taxpayer.

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

For the Years Ended December 31, 2016 - 2020 (in thousands of dollars)

	2020	2019	2018	2017	2016
Long-Term Debt					
Tax Supported	**$ 46,331**	$ 40,122	$ 42,993	$ 37,475	$ 41,586
	46,331	40,122	42,993	37,475	41,586
TOTAL LONG-TERM DEBT					
Maximum Allowable Annual Debt Servicing	**$ 49,169**	$ 48,192	$ 47,826	$ 45,689	$ 44,533
Annual Servicing on Existing Debt	**6,923**	6,682	6,341	6,000	6,000
Amount of Limit Used (Percentage)	**14**	14	13	13	13

RESTRICTED SURPLUS RESERVE BALANCES

For the Years Ended December 31, 2016 - 2020 (in thousands of dollars)

	2020	2019	2018	2017	2016
City of St. Albert					
Operating	**$ 21,699**	$ 14,670	$ 12,929	$ 12,872	$ 13,322
Capital	**72,862**	67,086	67,530	69,299	69,751
	94,561	81,756	80,459	82,171	83,073
***Controlled Entities**					
Operating	**413**	480	219	463	414
Capital	**483**	484	482	473	498
	896	964	701	936	912
Utilities	**57,141**	53,711	48,563	49,587	45,689
TOTAL RESTRICTED SURPLUS RESERVES	**$ 152,598**	$ 136,431	$ 129,723	$ 132,694	$ 129,674

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

RESTRICTED SURPLUS (RESERVE) BALANCES

KEY COMPONENTS OF FINANCIAL POSITION

For the Years Ended December 31, 2016 - 2020 (in thousands of dollars)

	2020	2019	2018	2017	2016
Total Financial Assets	**$ 225,455**	$ 224,509	$ 208,343	$ 201,688	$ 191,427
Total Liabilities	**122,301**	136,819	126,103	109,756	104,874
Net Financial Assets	**103,154**	87,690	82,240	91,932	86,553
Total Non-Financial Assets	**1,113,038**	1,044,157	1,020,607	961,662	923,844
Total	**1,216,192**	1,131,847	1,102,847	1,053,594	1,010,397
Key Components of Financial Assets Include:					
Cash and Cash Equivalents	**46,922**	46,987	18,347	28,286	12,805
Investments	**165,434**	161,342	172,218	156,794	160,245
Key Components of Financial Liabilities Include:					
Long-Term Debt	**46,331**	40,122	42,993	37,475	41,586
Key Components of Non-Financial Assets Include:					
Tangible Capital Assets	**1,110,549**	1,041,835	1,018,639	959,796	921,897
Key Components of Accumulated Surplus Include:					
Invested in Tangible Capital Assets	**1,064,218**	1,001,712	975,646	922,321	880,311
Restricted Surplus - Reserves	**$ 152,598**	$ 136,431	$ 129,723	$ 132,694	$ 129,674

	2020	2019	2018	2017	2016
ACQUISITIONS OF TANGIBLE CAPITAL ASSETS					
Building Improvements	**$ 305**	$ 723	$ 666	$ 7,612	$ 912
Library Collections	**263**	398	354	376	400
Land Improvement	**1,301**	787	2,144	7,133	787
Engineered Structures	**25,771**	14,808	23,713	23,130	40,410
Buildings	**6,014**	-	7,660	2,743	143
Machinery and Equipment	**3,135**	1,765	980	4,149	3,206
Land	**11,566**	1,549	9,261	12,611	12,718
Vehicles	**6,009**	1,033	5,754	3,961	2,612
Assets Under Construction	**45,825**	33,078	36,980	3,954	7,803
TOTAL TANGIBLE CAPITAL ASSET ACQUISITIONS	**$ 100,189**	$ 54,141	$ 87,512	$ 65,669	$ 68,991

REVENUE BY SOURCE, EXPENSE BY FUNCTION , AND ANNUAL SURPLUS

For the Years Ended December 31, 2016 - 2020 (in thousands of dollars)

	2020	2019	2018	2017	2016
REVENUE AND OTHER					
Property Taxes	**$ 109,426**	$ 105,634	$ 101,983	$ 97,419	$ 93,123
Sales and User Fees	**49,812**	59,218	59,800	58,055	60,524
Fines and Penalties	**2,351**	5,068	4,568	5,428	6,394
Government Transfers - Operating	**12,559**	4,807	5,025	4,740	4,524
Franchise Fees	**5,260**	4,108	2,316	2,650	2,209
Investment Income	**3,108**	3,899	4,106	2,822	2,559
Other Revenue	**1,374**	3,710	1,927	1,373	1,811
Licenses and Permits	**3,178**	2,728	2,679	3,731	3,896
Contracted Services Revenue	**2,685**	2,685	2,684	2,676	2,679
TOTAL REVENUE BY SOURCE	**189,753**	191,857	185,088	178,894	177,719
EXPENSE BY FUNCTION					
Public Works & Transit	**42,860**	45,297	43,946	42,462	39,236
Emergency Services	**37,064**	36,058	35,200	35,259	33,913
Utility Services	**32,180**	30,041	28,520	34,445	30,019
Community & Recreation Services	**24,321**	29,915	29,685	28,770	28,071
General Government	**19,688**	19,523	18,347	17,497	16,734
Planning & Engineering	**18,069**	18,401	16,258	14,582	12,912
Cultural Services	**6,233**	6,045	5,939	5,805	5,465
Corporate Financing	**2,849**	3,532	4,529	(940)	(1,763)
Executive Leadership	**2,609**	1,571	1,460	1,397	1,610
Corporate Financing	**738**	976	808	715	724
TOTAL EXPENSE BY FUNCTION	**186,611**	191,359	184,692	179,992	166,921
ANNUAL (DEFICIENCY) SURPLUS BEFORE CAPITAL REVENUE	**3,142**	498	396	(1,098)	10,798
CAPITAL REVENUE					
Contributed Tangible Capital Assets	**35,820**	9,442	23,950	13,273	28,959
Developer Contributions and Levies	**6,923**	1,013	6,217	3,860	930
Government Transfers - Capital	**38,460**	18,047	18,690	27,162	22,616
TOTAL CAPITAL REVENUE	**81,203**	28,502	48,857	44,295	52,505
ANNUAL SURPLUS	**84,345**	29,000	49,253	43,197	63,303
ACCUMULATED SURPLUS, BEGINNING OF YEAR	**1,131,847**	1,102,847	1,053,594	1,010,397	947,094
ACCUMULATED SURPLUS, END OF YEAR	**$ 1,216,192**	$ 1,131,847	$ 1,102,847	$ 1,053,594	$ 1,010,397

EXPENSES BY OBJECT

For the Years Ended December 31, 2016 - 2020 (in thousands of dollars)

	2020	2019	2018	2017	2016
Salaries, Wages and Benefits	**$ 83,346**	$ 86,652	$ 84,093	$ 80,436	$ 77,547
Contracted and General Services	**32,132**	34,497	31,408	31,633	30,157
Amortization	**31,075**	28,915	26,443	24,334	22,757
Purchases from Other Governments	**21,571**	19,917	21,051	21,216	18,739
Materials, Good and Utilities	**13,977**	15,288	14,903	14,512	13,245
Transfers to Indiviuals & Organizations	**1,878**	1,660	1,429	2,156	1,665
Interest on Long Term Debt	**1,642**	1,773	1,919	1,858	2,042
Other Expenses	**736**	700	1,297	746	635
(Gain)/Loss on Disposal of Tangible Capital Assets	**254**	1,957	2,149	3,101	134
TOTAL EXPENSES	**$ 186,611**	$ 191,359	$ 184,692	$ 179,992	$ 166,921

2020 Annual Report

City of St. Albert
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