



Request for Decision

Title	2021 Audited Financial Statements
Proposed Motion	That Council approve the 2021 Annual Financial Statements as prepared by Administration and audited by the firm of Metrix Group LLP Chartered Professional Accountants.
Administrative Recommendation	That Council approve the 2021 Audited Financial Statements as required by the <i>Municipal Government Act</i> .
Previous Council / Committee Direction	<p><u>December 14, 2021 Regular Council Meeting</u> Motion 549/21: That Council approve the proposed 2022 Operating and Capital Budget as amended by motions passed on November 30, 2021.</p> <p>Motion 550/21: That Council approve in principle the 2023-2025 Operating Financial Forecast and the 2023-2027 Capital Financial Forecast as presented in the consolidated Operating and Capital Budget and amended by motions passed on November 30, 2021.</p> <p><u>December 14, 2021 Committee of the Whole Meeting</u> Motion 103/21: That the Committee accept the 2021 Quarter 3 Financial Report as of September 30, 2021 as information.</p> <p><u>August 24, 2021 Committee of the Whole Meeting</u> Motion 078/21: That the Committee accept the Financial and Strategic Initiatives Report as information.</p> <p><u>December 8, 2020 Regular Council Meeting</u> Motion 579/20: That Council approve the 2021 Operating and Capital Budget as amended by motions passed on November 27, 2020 and represented by a 0% tax rate increase with \$8,932,886 Significant Tax Revenue Growth allocated to the policy priority reserves for Council consideration in early 2021.</p>
Report	<p><u>Background Information</u></p> <ul style="list-style-type: none">• The 2021 Operating and Capital Budget was approved by Council on December 8, 2020, which set in motion the planned financial activities for 2021.• The Financial Report provided represents Sturgeon County's financial position as of December 31, 2021.

	<ul style="list-style-type: none"> For the Financial Year ended as of December 31, 2021, within Attachments 1 and 2 is the following information: <ul style="list-style-type: none"> Financial Overview Municipal Operations Summary Municipal Capital Summary Prior Period Adjustments 2021 Audited Financial Statements <p><u>External Communication</u></p> <ul style="list-style-type: none"> Communication to the public will occur through the Council Meeting agenda package. The Sturgeon County 2021 Annual Audited Financial Statements will be published on the Sturgeon County website. <p><u>Relevant Policy/Legislation/Practices:</u></p> <ul style="list-style-type: none"> Section 276 of the <i>Municipal Government Act</i>, RSA 2000, c.M-26 (MGA) requires municipalities to submit an annual report to the Minister by May 1 of each year. Section 244 of the MGA allows municipalities to carry an accumulated deficit for a maximum of three (3) years. Reserve Policy (approved November 27, 2018).
<p>Implication of Administrative Recommendation</p>	<p><u>Strategic Alignment:</u></p> <ul style="list-style-type: none"> Collaborative Governance – Providing Council and the public with transparent financial information and results that will support future decision-making opportunities and adhere to financial reporting requirements as established by the <i>Municipal Government Act</i>. <p><u>Organizational:</u></p> <ul style="list-style-type: none"> Annual Audited Financial Statements must be completed and available to the public. The approval of the Financial Statements will allow Administration to file the 2021 Audited Financial Statements and Financial information return with Municipal Affairs. <p><u>Financial:</u></p> <ul style="list-style-type: none"> The fiscal year ended December 31, 2021, resulted in an operating surplus of ~\$8 million which has been distributed as follows within the audited financial statements: <ul style="list-style-type: none"> To fund the 2022 Budget commitments as approved by Council on December 14, 2021, for total amount of ~\$1.3 million. To allocate funding to the Vehicle & Equipment Reserve in the amount of ~\$0.06 million arising from Fire Marquee Services and required for use by Protective Services.

	<ul style="list-style-type: none"> ○ To allocate funding to the Agriculture Operating Reserve in the amount ~\$0.04 million to the Alternative Land Use Services (ALUS) grant program for residents. ○ To allocate funding to the General Operating Reserve in the amount of \$6.6 million for future strategic or operational needs.
Alternatives Considered	That Council approve the 2021 Audited Annual Financial Statements as prepared by Administration and audited by the firm of Metrix Group LLP Chartered Professional Accountants with an alternate allocation for the uncommitted portion of the 2021 Operating Surplus.
Implications of Alternatives	<p><u>Strategic Alignment:</u></p> <ul style="list-style-type: none"> • Collaborative Governance – Providing Council and the public with transparent financial information and results that will support future decision-making opportunities and adhere to financial reporting requirements as established by the <i>Municipal Government Act</i>. <p><u>Organizational:</u></p> <ul style="list-style-type: none"> • Administration would ensure that the 2021 Audited Financial Statements reflect the operating surplus reallocation. <p><u>Financial:</u></p> <ul style="list-style-type: none"> • No direct financial implications aside from a potential reallocation of the surplus, or portion thereof, to a different reserve or committed to specified Council priority.
Follow up Action	1. Post the 2021 Audited Financial Statements to the Sturgeon County website (Financial Services & Corporate Communications, April 2022).
Attachment(s)	<ol style="list-style-type: none"> 1. Attachment 1: 2021 Financial Report 2. Attachment 2: Audited Financial Statements 3. Attachment 3: Draft 2021 Audit Findings Report
Report Reviewed by:	<p>Sabrina Duquette, Manager, Corporate Finance & Treasury</p> <p>Andrew Hayes, General Manager, Financial Services & Chief Financial Officer</p> <p>Reegan McCullough, County Commissioner – CAO</p>

Strategic Alignment Checklist

Vision: *Offering a rich tapestry of historical, cultural, and natural experiences, Sturgeon County is a municipality that honours its rural roots and cultivates desirable communities. Uniquely situated to provide world-class agricultural, energy, and business investment opportunities, the County prioritizes responsible stewardship and dreaming big.*

Guiding Principles: Collaboration | Accountability | Flexibility | Excellence | Safety | Future Readiness | Affordability | Innovation

Community Outcome	Not consistent	Consistent	N/A
Planned Growth			
<ul style="list-style-type: none"> Internationally competitive to attract, grow and sustain diverse businesses; tenacious focus on new growth and innovation 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Modern broadband and digital capabilities 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Low cost, minimal red-tape regulations 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Reliable and effective infrastructure planning; comprehensive land use and infrastructure planning 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Thriving Communities			
<ul style="list-style-type: none"> Beautiful, surprising places with high standards; integrated natural spaces & trail systems; healthy and resilient 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Engaging cultural, historical, and civic amenities; strong community identity and pride 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Safe, welcoming, and diverse communities; small community feel and personal connection; commitment to high quality of life 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Environmental Stewardship			
<ul style="list-style-type: none"> Clean air, land, and water; Carbon neutral municipal practices; circular economy opportunities 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Conservation of natural areas and agricultural lands; enhanced greening and biodiversity; safekeeping ecosystems 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Sustainable development; partnerships with industry and others to drive emission reductions 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Collaborative Governance			
<ul style="list-style-type: none"> Predictable and stable external relationships; volunteer partnerships 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Meaningful connections with Indigenous communities 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Ongoing community consultation and engagement; transparent and action-oriented decision making based on sound rationale 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Respectful and informed debate; clear and supportive governance processes 	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Operational Excellence			
<ul style="list-style-type: none"> Engaged and effective people – Council, Admin and Volunteers; continuous learning and improvement mindset; nimble and bold, with strong leadership 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Quality cost-effective service delivery; robust procurement and operational practices and policies; asset management and performance measurement; careful debt and reserve stewardship; long-term financial planning and sustainability 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Future focused thinking to proactively respond to emerging opportunities and challenges 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Alternative revenue generation and service delivery models integrated strategic and business planning 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>