

Request for Decision

Title	1:00 p.m. 2022 Audited Financial Statements
Proposed Motion	<ol style="list-style-type: none"> 1. That Council approve the transfer of the 2022 operating surplus in the amount of \$5,003,593 to the General Operating Reserve. 2. That Council approve the 2022 Annual Financial Statements as prepared by Administration and audited by the accounting firm of MNP.
Administrative Recommendation	That Council approve the 2022 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 547/21: That Council give third reading of Bylaw 1564/21.</p> <p>Motion 548/21: That Council approve the amended Significant Tax Revenue Growth Policy as presented.</p> <p>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>
Report	<p><u>Background Information</u></p> <ul style="list-style-type: none"> • The 2022 Operating and Capital Budgets were approved by Council on December 14, 2021, which set in motion the planned financial activities for 2022. • The Financial Report (Attachment 1) represents Sturgeon County's financial position as of December 31, 2022. • For the Financial Year ended, as of December 31, 2022, Administration has prepared: <ul style="list-style-type: none"> ○ 2022 Financial Report <ul style="list-style-type: none"> ▪ 2022 Operating Summary ▪ 2022 Capital Summary

- 2022 Treasury Summary
- Appendix A: 2022 Capital Budget to Actual Details
- 2022 Sturgeon County Financial Statements (Attachment 2)
- 2022 Audit Findings Report (Attachment 3)
- Tahner Bowers, Senior Manager and Chris Cholak, Partner, MNP will attend the April 25, 2023 Regular Council Meeting to present information and answer questions of Council.
- Should Council choose, it may move to a closed session pursuant to section 197(2) of the *Municipal Government Act* (MGA) and in accordance with section 26 of the *Freedom of Information and Protection of Privacy* (FOIP) Act.

External Communication

- Communication to the public will occur through the Regular Council Meeting.
- Upon approval, the Sturgeon County 2022 Annual Audited Financial Statements will be published on the Sturgeon County website.

Relevant Policy/Legislation/Practices

- Section 276 of the MGA requires municipalities to submit an annual report to the Minister by May 1 of each year.
- Sections 280 and 281 of the MGA provide that each Council must appoint auditors for the municipality and the auditor must report to Council on the annual financial statements.

Implication of Administrative Recommendation

Strategic Alignment

Collaborative Governance – Providing Council and the public with transparent financial information and results supports future decision-making and adheres to financial reporting requirements of the MGA.

Organizational

- The approval of the Financial Statements will allow Administration to file the 2022 Audited Financial Statements and Financial Information Return with Municipal Affairs.

Financial

- 2022 financial results are provided within the 2022 Sturgeon County Financial Statements (Attachment 2).
- The 2022 operating surplus is \$5,003,596 and Administration recommends this be transferred to the General Operating Reserve for future consideration.
- The consolidated 2022 capital budget consisted of \$104.6 million and can be summarized as follows:

	<ul style="list-style-type: none"> ○ \$65.1 million capital funding was spent in 2022. ○ \$33.9 million capital funding was carried forward to 2023. ○ \$2.4 million is restricted funding (ex. debentures, non-discretionary grants) ○ \$3.2 million in reserve transfers recommended (net of the below) <ul style="list-style-type: none"> ▪ \$9.9 million in capital project savings to \$6.7 million in capital project overages.
Alternatives Considered	That Council approve the 2022 Audited Financial Statements as prepared by Administration and audited by the firm MNP with an alternate allocation for the uncommitted portion of the 2022 Operating Surplus.
Implications of Alternatives	<p><u>Strategic Alignment</u></p> <ul style="list-style-type: none"> • None. <p><u>Organizational</u></p> <ul style="list-style-type: none"> • None. <p><u>Financial</u></p> <ul style="list-style-type: none"> • Dependent on Council’s decision on how to allocate the uncommitted portion of the 2022 Operating Surplus.
Follow up Action	1. Post the 2022 Audited Financial Statements to the Sturgeon County website (Corporate Finance and Treasury & Corporate Communications, April 2023).
Attachment(s)	<ol style="list-style-type: none"> 1. Attachment 1: 2022 Financial Report 2. Attachment 2: 2022 Audited Financial Statements 3. Attachment 3: Draft 2022 Audit Findings Report 4. Attachment 4: Reserve Policy
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"/>