



Sturgeon
C O U N T Y

2022 Financial Report

For the period ending December 31, 2022

Presented by:
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2022 Operating Summary

During the 2022-year, County administration was carefully monitoring the financial trends and results due to significant increases in inflation and an unbudgeted assessment decrease which reduced anticipated municipal tax revenue.

Despite these initial concerns the financial results represent a favourable operating variance of \$5.0 million or 5.8% of the budgeted operating expenses with an additional \$3.7 million of budgeted funding is being carried forward to 2023 to fund open commitments and ongoing projects.

Significant contributing factors to the year end results include additional revenue generated from higher investment returns and lower than anticipated expenses for salaries, wages, and benefits, debt fees, and various smaller departmental. These favourable variances were partially offset by decreased assessment revenue.

The 2022 operating surplus, represented by Division, is as follows:

Divisional Summary	Operating Surplus Dec 31, 2022	Operating Surplus at Dec 31, 2021
Council	25,408	102,000
Chief Administrator Office	21,852	47,000
Development & Strategic Services	328,890	409,000
Corporate Services	342,511	298,000
Financial Services	2,095,999	5,700,000
Infrastructure Services	1,520,323	902,000
Community Services	448,799	527,000
Utility Services	219,811	-
Total Operating Surplus at Year End	5,003,593	7,985,000

2022 Capital Summary

The 2022 capital budget provided \$57.2 million of newly approved projects, \$4.4 million projects added through in year approvals, and \$42.9 million in project funding that was carried forward from 2021.

The combination of new projects and projects carried forward provided a consolidated capital budget of \$104.6 million for the year consisting of 165 projects and/or programs. During 2022, \$65 million was spent, 69 projects were completed, and 4 projects were cancelled.

Capital funding in the amount of \$12.3 million collectively from the 2022 budget authority has been identified as project savings with \$2.4 million in restricted funds leaving a balance of \$9.9 million available for reallocation or to flow back to its original reserve for future allocation.

During 2022, financial capital activity is summarized as follows:

- \$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 released (ex. debentures, nondiscretionary grants)
- \$3.2 million reserve transfers recommended (net of the below)
 - \$9.9 million in capital project savings to \$6.7 million in capital project overages.

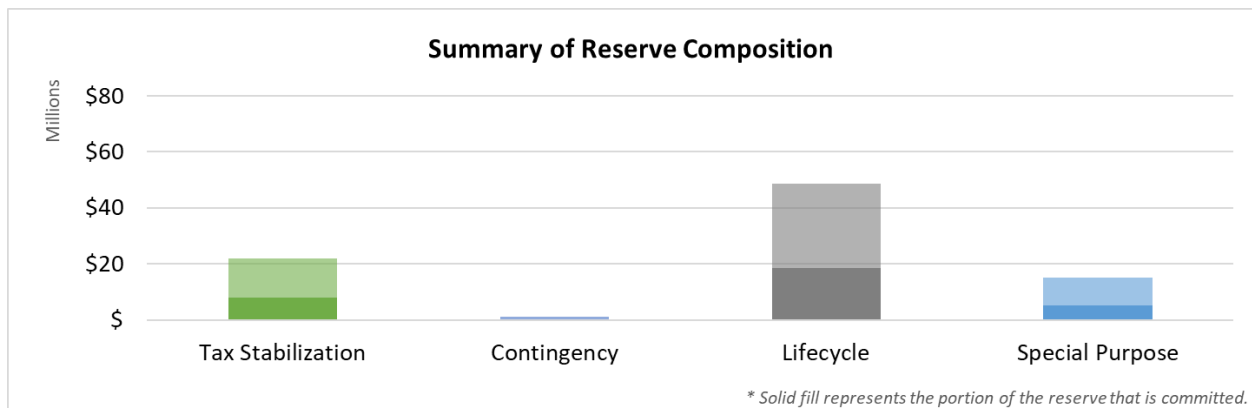
***See Appendix A for 2022 Capital Budget to Actuals Details**

2022 Treasury Report

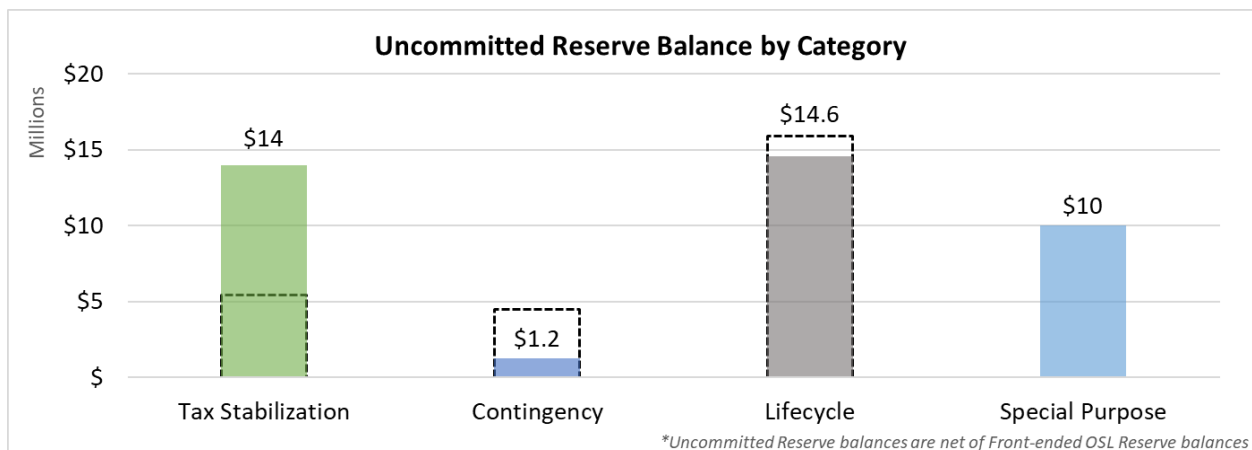
Municipal Reserves

As of December 31, 2022, the total balance of reserves (net of front-ended offsite infrastructure) is \$71.5 million, of which \$39.8 million remains uncommitted. Municipal reserves are essentially a savings account for Sturgeon County. Committed reserves are funds set aside for specific purposes such as replacement or need for new equipment and facilities, to stabilize taxes, for special purposes, and possible contingencies. Uncommitted reserves are fund that can be applied to planned or emergent priorities.

The table below represents the County's total reserves which include both uncommitted and committed amounts.



The table below represents the County's total uncommitted reserves by category and their target values which are presented as the dotted outlines.



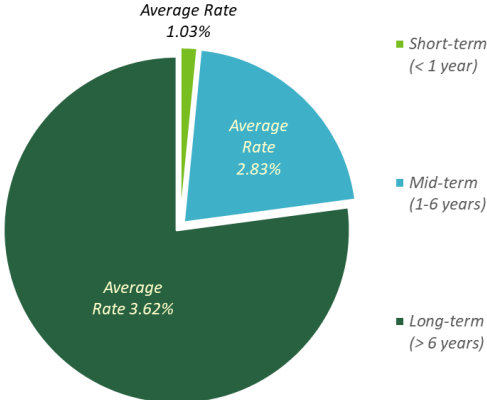
2022 Treasury Report

Municipal Investments

As of December 31, 2022, the principal balance of Sturgeon County’s investment portfolio is \$80.2 million. Based on strategic cash flow analysis and ongoing monitoring of short-term cash needs, \$70 million in operating cash was able to be invested in short-term GICs throughout 2022 which resulting in \$780 thousand in investment revenue.

During 2022, cash flow projections were updated representing excess cash available for investment considering financial requirements for the County’s operating and capital programs. Rates at the time of investment were higher than historical rates and continued rise throughout the year. With the rising interest rates through 2022 the market value of investments exceeded the carrying value; however, any declines in market value below cost are considered to be temporary therefore no write downs have been recorded.

Investment Summary	Principal
Short-term (< 1 year) <i>Average Rate 1.03%</i>	\$1,253,504
Mid-term (1-5 years) <i>Average Rate 2.83%</i>	\$17,114,207
Long-term (> 5 years) <i>Average Rate 3.62%</i>	\$61,868,388
	\$80,236,099

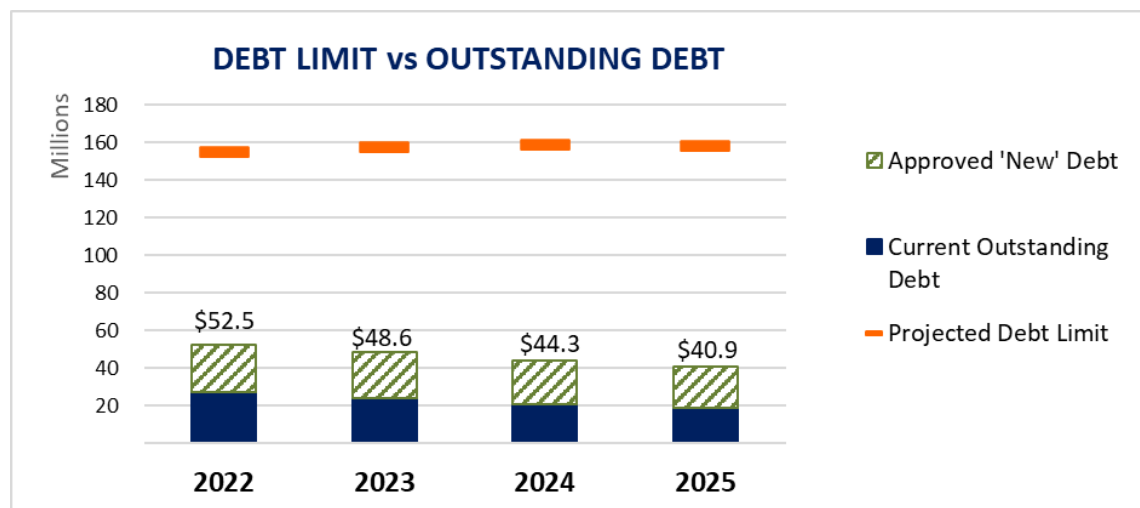


Municipal Debt

As of December 31, 2022, Sturgeon County currently has \$27 million in debt outstanding. As part of the 2021 and 2022 Capital budgets, Council approved the following 9 projects be funded from debt:

- Broadband Phase 1 - Debenture funding of \$7.3 million
- Coal Mine Road - Debenture funding of \$3.5 million
- BF2212 - Debenture funding of \$1.5 million
- Rge Rd 234 - Twp Rd 560 to Hwy 28 - Debenture funding of \$0.9 million
- Meadowview Drive - Debenture funding of \$8.0 million
- Rge Rd 252 - Bellerose Drive to Coalmine Road - Debenture funding of \$1.8 million
- Rge Rd 211 - Debenture funding of \$0.5 million
- Sturgeon Crest Subdivision - Debenture funding of \$1.2 million
- Trestle Ridge Water Project - Debenture funding of \$0.2 million

During 2022, the Bank of Canada increased interest rates eight times resulting in the County's borrowing bylaws being updated to reflect these changes, therefore, financing projects during the fall of 2022 was delayed. Cash positions for 2022 were sufficient for the County to front-end finance these projects during construction. Actual funding draws for the final projects are anticipated to be completed in 2023.



As of December 31, 2022, the County's debt capacity totaled \$83.9 million, after the removal budget commitments and contingency amounts.

2022 Capital Reporting

For the period ended December 31, 2022

APPENDIX A

Project	Classification	Remaining Project Budget	2022 Cost to Date	Variance	Release of Capital Budget Authority	House Keeping Amendment	2022 Capital Carryforward Authority
Villeneuve Drainage Channel	Drainage	673,601	784,765	(111,164)		111,164	-
Villeneuve Hamlet Drainage	Drainage	600,000	33,183	566,817	(111,164)		455,653
West Fairhaven Drainage	Drainage	380,477	7,481	372,996	(372,996)		-
Riviere Qui Barre Drainage	Drainage	207,004	(15,185)	222,188	(222,188)		-
Glenview Acres Subdivision	Drainage	464,207	27,173	437,034	(312,034)		125,000
Waterdale Park Subdivision	Drainage	889,789	51,678	838,111	-		838,111
Pinnacle Ridge Trail Erosion Control Repair / Realignment	Drainage	928,980	1,069,243	(140,263)		140,263	-
Feasibility for 2022+ Projects	Drainage	180,401	48,586	131,814	-		131,814
Township Road 555A Drainage Project	Drainage	122,797	122,747	50	(50)		-
Range Road 244 Drainage Project	Drainage	65,000	13,287	51,713	-		51,713
Range Road 234 Drainage Project	Drainage	50,000	34,815	15,185	-		15,185
Range Road 233 Drainage Project (1.6km)	Drainage	50,000	34,815	15,185	-		15,185
Crossing at Rivers Edge Erosion Control	Drainage	179,945	87,732	92,213	-		92,213
Feasibility Sturgeon Industrial Park Drainage	Drainage	50,000	23,624	26,376	-		26,376
Upper Manor Pointe Deficiency	Drainage	-	157,532	(157,532)			-
Drainage Projects (Priorities TBD)	Drainage	950,000	560,140	389,860	(140,263)		249,597
Bridge File 76230	Bridges	474,484	410,793	63,691	-		63,691
BOAN-23-57-0081	Bridges	111,835	996	110,839	-		110,839
BOAN-23-57-0076	Bridges	111,835	996	110,839	-		110,839
BF2212 (Meadowview Dr, East of Rge Rd 261A)	Bridges	1,500,000	105,036	1,394,964	-		1,394,964
BF8369 (Rge Rd 251, North of Twp Rd 560)	Bridges	30,400	29,555	845	-		845
BF70827-"in trust"	Bridges	1,948,814	1,347,698	601,116	(601,116)		-

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BF76053	Bridges	511,975	332,937	179,038	-		179,038
BF77414 (Rge Rd 271, South of Twp Rd 554)	Bridges	381,400	253,649	127,751	(112,751)		15,000
BF85336 (Rge Rd 250A, South of Hwy 37)	Bridges	400,600	229,866	170,734	(155,734)		15,000
Emergency Bridge Replacement - 54227 RR263 Culvert Washout BF#85388	Bridges	6,545	51,494	(44,949)		94,949	50,000
Rge Rd 10 - Hwy 37 to Pine Sands Subdivision	Collector Reconstruction	113,082	7,679	105,403	(105,403)		-
Rge Rd 220 - Twp Rd 570 to Redwater	Collector Reconstruction	3,180,000	105,022	3,074,978	-		3,074,978
Rge Rd 234 - Twp Rd 560 to Hwy 28	Collector Reconstruction	5,179,228	3,548,238	1,630,990	(1,530,990)		100,000
Range Road 251 Realignment	Collector Reconstruction	200,000	12,439	187,561	-		187,561
Heritage Industrial Park and Rge Rd 254 Reconstruction (inc. Rge Rd 254 extra 100Mm on south limit)	Collector Reconstruction	157,444	24,335	133,108	(118,108)		15,000
Meadowview Drive	Collector Reconstruction	8,153,032	8,659,724	(506,692)		2,606,692	2,100,000
Coalmine Road	Collector Reconstruction	3,699,874	920,582	2,779,292	-		2,779,292
Twp Rd 542A - Trestle Bridge to View Dr	Collector Reconstruction	375,000	267,870	107,130	(102,130)		5,000
Rge Rd 11 - Hwy 37 to South Limit	Local Roads	500,000	7,856	492,144	(417,144)		75,000
Rge Rd 220 - Twp Rd 580 to Redwater Bdry	Local Roads	45,000	22,162	22,838	-		22,838
Rge Rd 232 - Twp Rd 572 to Twp Rd 573	Local Roads	80,000	111	79,889	-		79,889
Rge Rd 251 - Sturgeon Heights Subdivision to St. Albert Boundary	Local Roads	14,547	16,395	(1,847)		1,847	-
Rosieridge Road - RR251 to HWY 642	Local Roads	58,487	4,451	54,037	(54,037)		-
Hwy 825 & Rge Rd 224A - Intersection	Local Roads	612,077	2,751	609,326	(609,326)		-
Rge Rd 252 - Bellerose Dr to Coal Mine Rd	Local Roads	1,985,007	691,682	1,293,325	-		1,293,325
Rge Rd 252 - PSHQ to Coal Mine Rd	Local Roads	2,030,869	3,029,605	(998,736)		998,736	-
Rge Rd 272 - Twp Rd 540 to Hwy 633	Local Roads	1,760,000	994,113	765,887	-		765,887

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Rge Rd 274 - Hwy 633 to Hwy 37 (Campsite Road)	Local Roads	6,152,359	7,056,751	(904,392)		939,392	35,000
Twp Rd 542 - Rge Rd 251 to Rge Rd 250	Local Roads	84,631	2,553	82,079	(79,579)		2,500
Twp Rd 544 - Hwy 2 to Pro North Ind. Park	Local Roads	5,256,687	6,733,595	(1,476,908)		1,636,908	160,000
Carbondale Road Realignment	Local Roads	450,000	61,884	388,116	-		388,116
Twp Rd 540 - Rge Rd 263 to Rge Rd 262	Local Roads	-	7,443	(7,443)		7,443	-
Twp Rd 552 - Hwy 28 to Rge Rd 231	Local Roads	-	(12,653)	12,653	(12,653)		-
Range Road 261 Right of way	Local Roads	45,000	6,653	38,348	-		38,348
LRP Stabilization / Selective Grading	Local Roads	1,500,000	1,590,015	(90,015)		90,015	-
Pavement Preservation Program	Pavement Preservation	3,072,316	2,360,461	711,855	(590,089)		-
Cardiff Park Road Rehabilitation (1.9km)	Rehabilitation	59,953	39,120	20,833	-		20,833
Fort Augustus Subdivision	Rehabilitation	1,349,900	779,447	570,453	(320,453)		250,000
Pinesands	Rehabilitation	2,750,897	2,335,290	415,607	(120,000)		295,607
Glory Hills Subdivision & Rol Anna Park	Rehabilitation	4,597,389	3,183,780	1,413,608	(1,144,608)		269,000
ProNorth Subdivision Roads	Rehabilitation	114,073	43,049	71,023	-		71,023
Terrault Estates Subdivision	Rehabilitation	111,367	3,345	108,022	(108,022)		-
RQB Hamlet	Rehabilitation	190,493	3,419	187,075	(187,075)		-
Sturgeon Crest Subdivision	Rehabilitation	1,200,000	902,295	297,705	(172,705)		125,000
Hillsborough Estates Subdivision	Surfacing	4,641,736	2,640,056	2,001,680	(401,680)		1,600,000
Grandview/Glenview/RR242	Surfacing	37,296	331	36,965	(36,965)		-
Twp Rd 544 - Rge Rd 280 to Rge Rd 275	Surfacing	163,371	2,109	161,262	(161,262)		-
Estate Way - Park Rd to Rge Rd 225	Surfacing	116,014	5,000	111,014	-		111,014
Township Road 564 – Goose Hummock to RR 231	Surfacing	84,834	871	83,963	-		83,963

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Range Road 261A Realignment	Surfacing	95,618	9,149	86,469	(86,469)		-
Intersection Improvement Pilot	Intersection Improvement	350,000	20,619	329,381	-		329,381
Sturgeon Road Waterline Extension (CFB Edmonton)	Utility Infrastructure	373,080	36,462	336,618	(276,618)		60,000
Villeneuve Airport Waterline	Utility Infrastructure	1,223,308	790,808	432,501	-		432,501
Summerbrook Reservoir Exterior Upgrades	Utility Infrastructure	855,908	353,786	502,122	-		502,122
Water Reservoir Transfer Switch Installation	Utility Infrastructure	87,700	3,510	84,190	-		84,190
Landing Trail Waterline Feasibility Study	Utility Infrastructure	170,000	61,566	108,434	-		108,434
Trestle Ridge Water Project	Utility Infrastructure	232,772	251,348	(18,576)		18,576	-
Truck Fill Station - Hwy 44 & Twp 570	Utility Infrastructure	1,147,304	148,891	998,413	-		998,413
Pressure Reducing Valve Improvements	Utility Infrastructure	504,160	10,531	493,629	-		493,629
Villeneuve Bulk Water Station Improvements	Utility Infrastructure	80,000	41,316	38,684	(38,684)		-
SIP Sewage Dump Station Upgrade Construction	Utility Infrastructure	35,034	36,447	(1,412)		1,412	-
Villeneuve Lagoon Improvement	Utility Infrastructure	486,341	1,011	485,329	(475,329)		10,000
Wet Weather (Inflow & Infiltration) Construction Improvements	Utility Infrastructure	174,909	60,412	114,497	-		114,497
Calahoo Lagoon Improvements	Utility Infrastructure	119,601	66,117	53,484	(43,484)		10,000
RQB Lagoon Assessment	Utility Infrastructure	50,000	31,019	18,981	-		18,981
OSMP Various Neighborhood sites	Parks Infrastructure	124,314	610	123,704	-		123,704
Open Spaces Initiatives	Parks Infrastructure	1,769,509	42,304	1,727,205	-		1,727,205
County Wide Park (Cardiff Park)	Parks Infrastructure	80,000	26,293	53,707	-		53,707
Coverall Building (2021 SE)	Buildings & Land Improvement	-	56,460	(56,460)			-
Sturgeon Valley Shop	Buildings & Land Improvement	-	22,600	(22,600)			-
Broadband	Broadband Infrastructure	7,835,010	5,477,335	2,357,675	-		2,357,675

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Annual IT Infrastructure Replacement	Machinery & Equipment	369,089	15,887	353,201	-		353,201
Tender Replacement	Machinery & Equipment	484,184	458,685	25,499	(25,499)		-
Refurbish F550 Response Unit	Machinery & Equipment	20,000	38,097	(18,097)		18,097	-
Thermal Imaging Cameras x 3	Machinery & Equipment	36,000	29,850	6,150	(6,150)		-
AirMation Decon Unit	Machinery & Equipment	30,000	23,412	6,588	(6,588)		-
Namao Engine	Machinery & Equipment	525,000	495,326	29,674	(29,674)		-
Vic's Camera/Equipment Accessories	Machinery & Equipment	20,000	13,505	6,495	-		6,495
Enforcement Vehicle	Machinery & Equipment	50,000	61,897	(11,897)		11,897	-
Asphalt Heater (2022 SE) - \$20K Combi Packer (2022 SE) - \$100K Loader Snow Blower Attachment (2022 SE) - \$170K Mini Rubber Tracked Excavator (2022 SE) - \$170K	Machinery & Equipment	460,000	463,031	(3,031)		3,031	-
Fleet Services Vehicle Replacement	Machinery & Equipment	7,000	4,831	2,169	(2,169)		-
Signal Light Trailers (x2) (2022 SE)	Machinery & Equipment	38,000	40,510	(2,510)		2,510	-
EV Charger Station	Machinery & Equipment	-	66,036	(66,036)			-
Fuel Pump Base Construction	Machinery & Equipment	-	16,500	(16,500)			-
Forestry Brush Chipper Hose Reel Deploy & Pickup Trailer (2022 SE) Mineral Oil Tank and Truck Equip (2022 SE) Trailer Mounted Pumps (2022 SE)	Machinery & Equipment	194,000	1,851	192,149	-		192,149
1/2 Ton Pickup	Machinery & Equipment	165,000	160,602	4,398	(4,398)		-
3/4 Ton Pickups	Machinery & Equipment	195,000	194,154	846	(846)		-
Divisional Graders	Machinery & Equipment	1,585,000	1,581,823	3,177	(3,177)		-
Heavy Duty Trucks (Transportation & Engineering Services)	Machinery & Equipment	1,535,454	1,006,164	529,290	-		529,290
Wheel Loader	Machinery & Equipment	380,000	321,712	58,288	-		58,288
Tractors	Machinery & Equipment	155,000	128,314	26,686	(26,686)		-

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APPENDIX A

For the period ended December 31, 2022

Project	Classification	Remaining Project Budget	2022 Cost to Date	Variance	Release of Capital Budget Authority	House Keeping Amendment	2022 Capital Carryforward Authority
Truck Replacement	Machinery & Equipment	160,000	147,529	12,471	(12,471)		-
Vehicles	Machinery & Equipment	-	36,441	(36,441)			-
Event Services Trailer	Machinery & Equipment	10,275	8,737	1,538	(1,538)		-
Light Duty Trucks	Machinery & Equipment	70,000	52,906	17,094	(17,094)		-
Tractors	Machinery & Equipment	180,000	172,378	7,622	(7,622)		-
Mower, Towed	Machinery & Equipment	58,000	66,193	(8,193)		8,193	-
Totals		104,636,087	65,019,431	39,616,656	(12,294,758)	6,691,125	33,855,718