



ROCKY VIEW COUNTY

ATTACHMENT B

Variance Analysis

April 28, 2026



FINANCIAL STATEMENT VARIANCE ANALYSIS
For The Year Ending December 31, 2025

STATEMENT OF FINANCIAL POSITION - YEAR OVER YEAR

The Statement of Financial Position reports on the County's assets, liabilities, and accumulated surplus as of December 31, 2025.

The County remained in a strong overall financial position as of December 31, 2025, with an accumulated surplus of \$879.7 million, net financial assets of \$96.2 million, cash of \$47.5 million, temporary investments of \$167.2 million, and long-term debt of \$44.6 million.

Material year-over-year changes have been identified and analyzed as follows:

FINANCIAL ASSETS

	Variance (\$)	2025 (\$)	2024 (\$)
<u>Cash (F/S Note 2)</u>			
Total	(2,788,503)	47,457,510	50,246,014
a) Decrease – Increase volume of vendor payments	(34,696,545)		
b) Increase – Water and wastewater offsite levy (surplus)	8,561,956		
c) Increase – Due to the anticipated demand for cash to meet significant future capital expenditures	23,346,085		
<u>Temporary Investments (F/S Note 3)</u>			
a) Increase – Investment of surplus	13,200,000	167,205,331	154,005,331
<u>Receivables (F/S Note 4)</u>			
Total	13,157,730	31,298,736	13,061,006
*Grants include Local Government Fiscal Framework (LGFF), Canadian Community Building Funds (CCBF), and Strategic Transportation Infrastructure Program (STIPP)			
a) Increase – Grants*	6,000,000		
b) Increase – Capital Project cost recoverable	3,700,000		
c) Increase – Goods and Services tax	1,640,000		
d) Increase – Under levy(requisition)	1,300,000		
d) Increase – Taxes and grants in place of taxes	356,481		
e) Increase – In Misc. Trade and other receivables	16,000		

**LIABILITIES**

	Variance (\$)	2025 (\$)	2024 (\$)
<u>Accounts Payable & Accrued Liabilities (F/S Note 6)</u>			
Total	581,186	20,274,015	19,692,829
a) Increase – Holdbacks on Payables	2,918,542		
b) Decrease – Miscellaneous accrued liabilities	(75,772)		
c) Decrease – Purchase Order Clearing	(140,705)		
d) Decrease – Outstanding Payables	(2,120,879)		
<u>Deposit Liabilities (F/S Note 6)</u>			
Total	(1,192,334)	6,632,968	7,825,302
a) Decrease – Cost Recovery on projects due to others	(1,622,174)		
b) Increase – Refundable Deposits for Development	429,840		
<u>Long-term debt (F/S Note 6,7)</u>			
Total	(5,544,732)	44,551,260	50,095,992
* Decrease due to debt repayment			
a) Decrease – Wastewater infrastructure*	(3,030,895)		
b) Decrease – Water infrastructure*	(2,203,407)		
c) Decrease – Bridges and Pathways*	(116,781)		
d) Decrease – Vehicles*	(79,087)		
<u>Deferred Revenue (F/S Note 8)</u>			
Total	(8,551,361)	70,223,399	78,774,760
* New Revenue Recognition Treatment(F/S Note 23):			
** Timing between receipt and use of grants requires funds to be deferred until earned			
a) Decrease – Grants**	(12,461,063)		
b) Decrease – Unearned Cemetery Sales	(1,855,177)		
c) Increase – Miscellaneous Deferred Revenue	140,812		
d) Increase – Prepaid Property Tax	182,085		
e) Increase – Unearned Cash in Lieu*	2,024,143		
f) Increase – Unearned Offsite Levy Revenue	3,417,839		



LIABILITIES (Cont.)	Variance (\$)	Actual (\$)	Budget (\$)
<u>Employee benefit obligations (Note 9)</u>	900,881	4,426,358	3,525,477
Total			
* Timing between accrued pay & payday			
a) *Increase – Accrued payroll expense	801,750		
b) Decrease – Accrued vacation pay	180,271		
c) Decrease – Accrued pension and other benefits	(80,961)		

NON-FINANCIAL ASSETS

	Variance (\$)	2025 (\$)	2024 (\$)
<u>Tangible Capital Assets (Schedule 2)</u>			
Total	7,295,927	758,343,530	751,047,603
* Reduction in ARO, buildings, and engineering structures due to yearly amortization. Amortization on other asset types is offset by additions.			
a) Increase – Construction in progress	11,492,501		
b) Increase – Contributed assets	9,794,967		
c) Increase – Land/Land improvements	1,360,632		
d) Increase – Vehicles	640,399		
e) Decrease – Asset Retirement Obligation*	(140,195)		
f) Decrease – Buildings*	(2,265,354)		
g) Decrease – Engineering structures*	(13,599,149)		



STATEMENT OF OPERATIONS – DECEMBER 31, 2025

The Statement of Operations reports on revenue and expenses for operating and capital activities, contributed assets, grants applied to projects, and the change in the accumulated surplus from January 1 to December 31, 2025.

Revenue: Total revenue increased by \$43.4 million (29%) from 2024 to 2025. Net municipal taxes remained the County's largest and most stable revenue source at \$107.8 million in 2025, an 8.8% increase from 2024, reflecting continued tax base growth. User fees and sales rose to \$26.7 million (2024: \$20.9 million), and development agreements and levies increased to \$15.6 million (2024: \$6.7 million), indicating strong growth.

Operating grants remained steady at \$2.3 million, while capital transfers increased to \$16.8 million (2024: \$7.6 million), reflecting reliance on external funding for capital projects. Investment income declined to \$5.5 million due to lower market yields. Other revenue rose to \$23.2 million, primarily related to capital and operational infrastructure projects undertaken with other governments.

Overall, the County maintains a well-diversified revenue base that supports financial resilience, with stable sources funding core operations and more volatile revenues directed to capital and one-time uses.

Expense: Total expenses increased by \$29.0 million (19.3%) from 2024 to 2025, driven primarily by transportation and field services, administration, and bylaw enforcement, consistent with service growth, contracted work, and inflationary pressures.

Transportation and field services remained the largest service area at \$72.2 million (2024: \$51.9 million), accounting for 40.4% of total expenses, reflecting the County's extensive road, utility, and field infrastructure responsibilities.

Material budget to actual changes has been identified and analyzed as follows:

REVENUE

	Variance (\$)	Actual (\$)	Budget (\$)
<u>Net Municipal Taxes</u>			
Total	(2,949,462)	107,783,838	110,733,300
a) Decrease – Property Reassessments	(2,703,548)		
<u>User Fees and Sales of Goods</u>			
Total	9,925,844	26,708,644	16,782,800
* Recognition of prior period cemetery lot sales due to a change in account treatment.			
a) Increase – Land Sale Chestermere Rec Center	8,200,000		
b) Increase – Cemetery Sales revenue*	2,518,966		
c) Increase – Alberta Transportation response revenue	618,576		
d) Increase – Subdivision applications and appeals	532,013		
e) Increase – Community Aggregate Payment Levy	209,929		
f) Decrease – 2024 anticipated engineering service revenue (correcting entry)	(2,282,109)		



REVENUES (Cont.)	Variance (\$)	Actual (\$)	Budget (\$)
<u>Cash-In-Lieu of Public Reserve</u>	(173,695)	2,226,305	2,400,000
a) Decrease – Prior-period adjustments reclassifying developers' cash-in-lieu of land voluntary contribution from internal reserves to deferred revenue			
<u>Government Transfers for Operating (Schedule 4)</u>			
Total	(7,123,909)	2,309,991	9,433,900
*Agriculture Service Board, Agro-Ecological Systems, Forest Resource Improvement Association, and other miscellaneous grants.			
a) Decrease – Alberta Community Resilience Program Grant due to carry forward of CSMI project budget	(7,413,500)		
b) Increase – Local Government Fiscal Framework	143,858		
c) Increase – Unbudgeted Grant Increases*	148,493		
<u>Investment Income</u>			
a) Increase – Additional funds available for investment	552,839	5,466,039	4,913,200
<u>Penalties and Cost of Taxes</u>			
Total	425,053	1,662,653	1,237,600
a) Increase – Penalties on taxes	355,167		
b) Increase – Building permit and Utility penalties	69,886		
<u>Development Agreements & Levies</u>			
*Offsite levies were budgeted prior to the change in revenue recognition treatment			
Total	3,111,499	15,606,599	12,495,100
a) Increase – Wastewater offsite levy	5,406,140		
c) Increase – Water offsite levy	1,853,275		
d) Decrease – Stormwater offsite levy*	(360,342)		
d) Decrease – Transportation offsite levy*	(3,787,574)		
<u>Licenses & Permits</u>			
Total	1,327,645	8,232,645	6,905,000
a) Increase – Building permits	801,023		
b) Increase – Misc Permits (Gas/ Plumbing/Electrical)	389,127		
c) Increase – Development Permit Revenue	137,489		
<u>Fines</u>			
Total	(37,997)	951,403	989,400
a) Decrease – Bylaw fines (Unightly/ Animal/ etc.	(37,997)		



<i>REVENUES (Cont.)</i>	Variance (\$)	Actual (\$)	Budget (\$)
<u>Other</u>			
* Due to project budget carry forwards			
Total	(17,316,506)	23,232,694	40,549,200
a) Decrease – Reimbursements on capital projects*	(17,964,364)		
b) Decrease – Developer funding for Cochrane Lake Improvement plan	(2,550,000)		
c) Increase – Requisition Recoverable (Education & Rocky View Foundation)	1,335,029		
d) Increase – Gain on sale of asset (Airdrie Grader Shade & Vehicles & Equipment)	1,933,276		

**EXPENSES**

	Variance (\$)	Actual (\$)	Budget (\$)
<u>Legislative</u>			
Total	(224,814)	1,022,286	1,247,100
a) Decrease – Council Initiatives & Service	(186,000)		
b) Decrease – Council Outreach and Travel (Election)	(38,000)		
<u>Administration</u>			
Total	(1,422,336)	29,520,364	30,942,700
*Budget includes staff merit increase			
**Budgeted under Transportation in Financial Statements			
a) Decrease – Financial (Contingency)*	(1,872,900)		
b) Decrease – Information Technology Projects	(1,224,006)		
c) Decrease – Corporate Building Operations	(440,247)		
d) Decrease – Unused employee training	(407,157)		
e) Decrease – Service Priorities Projects	(241,872)		
f) Decrease – Engineering	(215,369)		
g) Decrease – People Strategy and HR Projects	(207,314)		
h) Decrease – Communications (Open Houses, Projects)	(204,524)		
i) Increase – Salary and Wages – Severance	1,093,280		
j) Increase – Asset Management – Budget reallocation**	2,307,230		
<u>Fire</u>			
Total	563,343	20,053,443	19,490,130
a) Increase – Firefighter wage – Part-time & Full-time Pay	1,091,652		
b) Decrease – Emergency Contracts	(338,055)		
c) Decrease – Contracted Services & Materials	(172,932)		
e) Decrease – In Misc. expenses	(17,322)		
<u>Bylaw Enforcement</u>			
Total	(115,960)	12,916,540	13,032,500
a) Decrease – Enhanced RCMP Services	(312,654)		
b) Decrease – RCMP Provincial Policing payment	(139,269)		
c) Increase – Building Inspections	358,102		



<i>EXPENSES (Cont.)</i>	Variance (\$)	Actual (\$)	Budget (\$)
<u>Transportation and Field Services</u>			
Total	(43,851,011)	72,166,989	116,018,000
a) Decrease – Major Infrastructure budget carry forwards	(34,453,192)		
b) Decrease – CSMI Engineering & Construction	(7,649,500)		
c) Decrease – Salaries and wages – position vacancies	(1,379,458)		
d) Decrease - Construction Materials	(360,000)		
<u>Utilities</u>			
Total	(2,937,307)	23,368,693	26,306,000
a) Decrease - Interest Expense on Long Term Debt	(885,088)		
b) Decrease – Solid Waste and Recycling Expenses	(866,120)		
c) Decrease – Utilities on Water and Wastewater	(794,506)		
d) Decrease – Water and Wastewater materials	(411,278)		
d) Decrease – Stormwater operations	(376,299)		
e) Increase - Wastewater treatment Expense	98,598		
f) Increase - Miscellaneous Contracted Services	106,732		
g) Increase – Amortization on Water Assets	228,546		
<u>Cemetery</u>			
Total	203,808	2,150,708	1,946,900
a) Increase – Transfer to Perpetual Care Trust	124,874		
b) Increase – Cemetery expenses due to demand	69,114		
<u>Planning and Development</u>			
Total	(1,596,437)	7,899,063	9,495,500
a) Decrease – Municipal policy projects	(953,088)		
b) Decrease – Planning projects (Prairie Gateway, Other)	(237,381)		
c) Decrease – Salaries and wages - vacant positions	(236,351)		
d) Decrease – Misc. (Materials, Services, Travel)	(169,305)		
<u>Recreation, Parks, and Community Services</u>			
Total	(606,614)	8,427,486	9,034,100
*Uncaptured budget adjustment			
a) Decrease – Recreation projects uncompleted	(277,281)		
b) Decrease – Salaries and wages – position vacancies	(256,541)		
c) Decrease – Intermunicipal Projects	(235,357)		
d) Decrease – Capital Grant Request*	164,859		



LEGEND

"F/S" refers to the 2025 Notes to the Financial Statements

"Schedule" refers to the 2025 Note to the Financial Statements Schedules

*General Explanation