

MUNICIPAL FINANCIAL INFORMATION RETURN

For the Year Ending December 31, 2014

Municipality Name:

Town of Sundre

CERTIFICATION

The information contained in this Financial Information Return is presented fairly to the best of my knowledge.


Signature of Duly Authorized Signing Officer

Wanda Watson-Neufeld
Print Name


Date



April 27, 2015

Independent Auditor's Report

To the Mayor and Council of the Town of Sundre

We have audited the accompanying Municipal Financial Information Return (the report) of the Town of Sundre (the "Town") for the year ended December 31, 2014, and the related notes, which comprise a summary of significant accounting policies and other explanatory information. The report has been prepared by management using the basis of accounting described in the notes.

Management's responsibility for the report

Management is responsible for the preparation of this report in accordance with the basis of accounting described in the notes, and for such internal control as management determines is necessary to enable the preparation of a report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on this report based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the report 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the report.

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

Opinion

In our opinion, the Municipal Financial Information Return of the Town of Sundre for the year ended December 31, 2014 is prepared, in all material respects, in accordance with the basis of accounting described in the notes.

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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



Basis of accounting and restriction on distribution and use

Without modifying our opinion, we draw attention to the notes to the report, which describes the basis of accounting. The report is prepared to assist the Town to comply with the financial reporting requirements of the Municipal Government Act between the Minister of Alberta Municipal Affairs and the Town of Sundre. As a result, the report may not be suitable for another purpose. Our report is intended solely for the Town of Sundre and the Minister of Alberta Municipal Affairs and should not be distributed to or used by parties other than the Town of Sundre and the Minister of Alberta Municipal Affairs.

PricewaterhouseCoopers LLP

Chartered Accountants

Town of Sundre

Notes to Financial Statements

December 31, 2014

1. Basis of accounting

This report includes the financial statements in relation to the Financial Information Return Manual (the "return"). This return has been prepared in accordance with the significant accounting policies set out below to assist the Town of Sundre with the financial reporting requirements of the Municipal Government Act (the "agreement") based on the accounting principles prescribed by the Minister of Alberta Municipal Affairs (the "Minister") as provided for in Section 277 of the Municipal Government Act and the Financial Information Return Manual for December 31, 2014 (the "agreement") between the Town of Sundre and the Minister. This special purpose statement has been prepared by the Town of Sundre for the Minister.

The report is prepared using the accrual basis of accounting. The accrual basis of accounting recognizes the effect of transactions and events in the period in which the transactions and events occur, regardless of whether there has been a receipt or payment of cash or its equivalent.

Revenues are recognized as they are earned and measurable. Funds from external parties and earnings thereon that are restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or legal obligation to pay.

2. Reporting Entity

The report reflect the assets, liabilities, revenue and expenditures and changes in fund balances of the reporting entity which comprises all the organizations that are accountable for the administration of their financial affairs and resources to the Council and are controlled by the municipality.

3. Use of Estimates

The preparation of the report requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the report, and the reported amounts of revenue and expenditure during the period. Where measurement uncertainty exists, the report has been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

4. Government Transfers

Government transfers are the transfers of assets from senior levels of government that are not the result of an exchange transaction, and are not expected to be repaid in the future, or the result of a direct financial return. Government transfers are recognized in the report as revenues in the period that the events giving rise to the transfer occurred, providing the transfers are authorized, any eligibility criteria have been met by the municipality, and reasonable estimates of the amounts can be determined.

5. Deferred Revenue

Government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and is restricted and may only be used in the conduct of certain programs, in the completion of specific work or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred, services performed or the tangible capital assets are acquired.

6. Taxes and Grants in place of Taxes Receivable

Taxes and grants in place of taxes receivable consist of current and non-current property tax levies, which remain outstanding at December 31.

7. Investments

Investments are recorded at amortized cost. When there is a loss in value that is other than a temporary decline, the respective investment is written down to recognize the loss.

8. Prepaid Local Improvement Charges

Construction and borrowing costs associated with local improvement projects are recovered through annual special assessments during the period of the related borrowings. These levies are collectable from property owners for work performed by the municipality.

Where a taxpayer has elected to prepay the outstanding local improvement charges, such amounts are recorded as deferred revenue. Deferred revenue is amortized to revenue on a straight-line basis over the remaining term of the related borrowings.

In the event that the prepaid amounts are applied against the related borrowings, the deferred revenue amortized to revenue by an amount equal to the debt repayment.

9. Non-Financial Assets

Non-Financial Assets are assets that are not available to discharge existing liabilities but held for use in Town operations. Such assets have useful lives extending beyond the current year and are not intended for sale in the normal course of Town operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the Change in Net Financial Assets (Debt) for the year.

10. 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 is amortized on a straight-line basis over the estimated useful life as follows:

Land	
Land Improvements	(not amortized)
Buildings	10 - 25
Engineer Structures	25 - 30
Water System	30 - 40
Waste Water System	30 - 75
Gas System	30 - 50
Other engineered structures	5 - 40
Machinery & Equipment	3-50
Vehicles	10 - 20

One-half of the annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use. Government contributions for the acquisition of capital assets are recorded as capital revenue and do not reduce the related capital asset costs.

11. Contributions of Tangible Capital Assets

Contributed tangible capital assets are recorded at fair value at the date of receipt and are recorded as revenue in the year of acquisition.

12. Inventories

Inventories of materials and supplies are valued at the lower of cost or net realizable value with cost determined by the average cost method.

FINANCIAL POSITION

Schedule 9A

	Total 1
Assets	0010
Cash and Temporary Investments	0020 6,532,803
Taxes and Grants in Place of Taxes Receivable	0030
Current	0040 215,197
Arrears	0050
Allowance	0060
Receivable From Other Governments	0070 62,526
Loans Receivable	0080
Trade and Other Receivables	0090 712,456
Debt Charges Recoverable	0095
Inventories Held for Resale	0130
Land	0140
Other	0150
Long Term Investments	0170
Federal Government	0180
Provincial Government	0190
Local Governments	0200
Other	0210 27,700
Other Current Assets	0230
Other Long Term Assets	0240
Total Financial Assets	
	0250 7,550,682
Liabilities	0270
Temporary Loans Payable	0280
Payable To Other Governments	0290
Accounts Payable & Accrued Liabilities	0300 412,092
Deposit Liabilities	0310 2,800
Deferred Revenue	0340 2,234,479
Long Term Debt	0350 4,437,724
Other Current Liabilities	0360
Other Long Term Liabilities	0370 116,163
Total Liabilities	
	0380 7,203,258
Net Financial Assets (Net Debt)	0395 347,424
Non Financial Assets	
Tangible Capital Assets	0400 39,280,278
Inventory for Consumption	0410 77,241
Prepaid Expenses	0420 56,157
Other	0430
Total Non-Financial Assets	
	0440 39,413,676
Accumulated Surplus	
	0450 39,761,100

CHANGE IN ACCUMULATED SURPLUS

Schedule 9B

	1	2	3	4
	Unrestricted	Restricted	Equity in TCA	Total
Accumulated Surplus - Beginning of Year	1,107,066	3,001,613	34,474,010	38,582,689
Net Revenue (Expense)	1,178,411			1,178,411
Funds Designated For Future Use	-1,393,346	1,393,346		
Restricted Funds - Used for Operations	138,840	-138,840		
Restricted Funds - Used for TCA		-261,285	261,285	
Current Year Funds Used for TCA	-1,022,684		1,022,684	
Donated and Contributed TCA	-42,314		42,314	
Disposals of TCA	23,269		-23,269	
Annual Amortization Expense	1,402,065		-1,402,065	
Long Term Debt - Issued				
Long Term Debt - Repaid	-351,432		351,432	
Capital Debt - Used for TCA				
Other Adjustments				
Accumulated Surplus - End of Year	1,039,875	3,994,834	34,726,391	39,761,100

FINANCIAL ACTIVITIES BY FUNCTION

Schedule 9C

	Revenue	Expense
	1	2
Total General	0700 2,887,059	
Function		
General Government	0710	1150
Council and Other Legislative	0720	1160
General Administration	0730	1170 292,630
Other General Government	0740 801,200	1180 569,395
	0750	1190
Protective Services	0760	1200
Police	0770	1210
Fire	0780 318,498	1220 404,884
Disaster and Emergency Measures	0790 8,107	1230 17,001
Ambulance and First Aid	0800	1240
Bylaws Enforcement	0810 19,002	1250 118,044
Other Protective Services	0820 7,348	1260 26,162
Transportation	0830	1270
Common and Equipment Pool	0840	1280
Roads, Streets, Walks, Lighting	0850 317,824	1290 1,188,319
Airport	0860	1300
Public Transit	0870	1310
Storm Sewers and Drainage	0880	1320
Other Transportation	0890	1330
Environmental Use and Protection	0900	1340
Water Supply and Distribution	0910 1,024,076	1350 1,249,999
Wastewater Treatment and Disposal	0920 917,644	1360 619,750
Waste Management	0930 218,063	1370 210,432
Other Environmental Use and Protection	0940	1380
Public Health and Welfare	0950	1390
Family and Community Support	0960 106,782	1400 131,036
Day Care	0970	1410
Cemeteries and Crematoriums	0980	1420
Other Public Health and Welfare	0990	1430
Planning and Development	1000	1440
Land Use Planning, Zoning and Development	1010 442,044	1450 368,699
Economic/Agricultural Development	1020 36,571	1460 178,049
Subdivision Land and Development	1030	1470
Public Housing Operations	1040	1480
Land, Housing and Building Rentals	1050	1490
Other Planning and Development	1060	1500
Recreation and Culture	1070	1510
Recreation Boards	1080	1520
Parks and Recreation	1090 791,520	1530 1,457,406
Culture: Libraries, Museums, Halls	1100 147,551	1540 266,746
Convention Centres	1110	1550
Other Recreation and Culture	1120	1560
Other Utilities	1125	1565
Gas	1126 1,765,430	1566 1,531,756
Electric	1127	1567
Other	1130	1570
Total Revenue/Expense	1140 9,808,719	1580 8,630,308
Net Revenue/Expense		1590 1,178,411

FINANCIAL ACTIVITIES BY TYPE / OBJECT

Schedule 9D

	Total
	1
Revenues	1700
Taxation and Grants in Place	1710
• Property (Net Municipal)	1720 2,887,059
• Business	1730
• Business Revitalization Zone	1740
• Special	1750
• Well Drilling	1760
• Local Improvement	1770
Sales To Other Governments	1790
Sales and User Charges	1800 4,398,724
Penalties and Costs on Taxes	1810
Licenses and Permits	1820 197,770
Fines	1830 89,239
Franchise and Concession Contracts	1840
Returns on Investments	1850 48,277
Rentals	1860 294,060
Insurance Proceeds	1870
Net Gain on Sale of Tangible Capital Assets	1880
Contributed and Donated Assets	1885 42,314
Federal Government Unconditional Transfers	1890
Federal Government Conditional Transfers	1900 2,000
Provincial Government Unconditional Transfers	1910
Provincial Government Conditional Transfers	1920 555,579
Local Government Transfers	1930 616,877
Transfers From Local Boards and Agencies	1940
Developer Agreements and Levies	1960
Other Revenues	1970 677,820
Total Revenue	1980 9,808,719
Expenses	1990
Salaries, Wages, and Benefits	2000 2,397,094
Contracted and General Services	2010 974,783
Purchases from Other Governments	2020
Materials, Goods, Supplies, and Utilities	2030 3,042,076
Provision For Allowances	2040
Transfers to Other Governments	2050
Transfers to Local Boards and Agencies	2060 582,857
Transfers to Individuals and Organizations	2070
Bank Charges and Short Term Interest	2080
Interest on Operating Long Term Debt	2090
Interest on Capital Long Term Debt	2100 208,424
Amortization of Tangible Capital Assets	2110 1,402,065
Net Loss on Sale of Tangible Capital Assets	2125 23,009
Write Down of Tangible Capital Assets	2127
Other Expenditures	2130
Total Expenses	2140 8,630,309
Net Revenue (Expense)	2150 1,178,411

REVENUE AND EXPENSE SUPPLEMENTARY DETAIL

Schedule 9E

	Revenue			Expenses
	Sales and User Charges	Provincial Capital Transfers	Annual Amortization Expense	Capital Long Term Debt Interest Expense
	1	2	3	4
General Government	2200			
Council and Other Legislative	2210			
General Administration	2220	22,452	92,276	30,154
Other General Government	2230			
Protective Services	2240			
Police	2250			
Fire	2260	94,329	40,085	72,066
Disaster and Emergency Measures	2270			3,036
Ambulance and First Aid	2280			
Bylaws Enforcement	2290		6,905	
Other Protective Services	2300			
Transportation	2310			
Common and Equipment Pool	2320			
Roads, Streets, Walks, Lighting	2330	4,035	70,132	353,744
Airport	2340			73,736
Public Transit	2350			
Storm Sewers and Drainage	2360			
Other Transportation	2370			
Environmental Use and Protection	2380			
Water Supply and Distribution	2390	1,024,077	445,180	91,396
Wastewater Treatment and Disposal	2400	672,122	242,094	219,886
Waste Management	2410	217,849	6,394	
Other Environmental Use and Protection	2420			
Public Health and Welfare	2430			
Family and Community Support	2440	1,597		
Day Care	2450			
Cemeteries and Crematoriums	2460			
Other Public Health and Welfare	2470			
Planning and Development	2480			
Land Use Planning, Zoning and Development	2490	275,102		
Economic/Agricultural Development	2500			
Subdivision Land and Development	2510			
Public Housing Operations	2520			
Land, Housing and Building Rentals	2530			
Other Planning and Development	2540			
Recreation and Culture	2550			
Recreation Boards	2560			
Parks and Recreation	2570	231,541	89,152	182,484
Culture: Libraries, Museums, Halls	2580	111,588		10,102
Convention Centres	2590			
Other Recreation and Culture	2600			
Other Utilities	2605			
Gas	2606	1,744,032	23,130	
Electric	2607			
Other	2610			
Total	2620	4,398,724	441,463	1,402,065
				208,424

TANGIBLE CAPITAL ASSETS SUPPLEMENTARY DETAIL

Schedule 9F

	Tangible Capital Assets		Capital Long Term Debt	
	Purchased	Donated or Contributed	Principal Additions	Principal Reductions
	1	2	3	4
General Government	2700			
Council and Other Legislative	2710			
General Administration	2720	16,569		57,502
Other General Government	2730			
Protective Services	2740			
Police	2750			
Fire	2760	53,003	8,649	40,223
Disaster and Emergency Measures	2770			
Ambulance and First Aid	2780			
Bylaws Enforcement	2790			
Other Protective Services	2800			
Transportation	2810			
Common and Equipment Pool	2820			
Roads, Streets, Walks, Lighting	2830	408,905		114,591
Airport	2840			
Public Transit	2850			
Storm Sewers and Drainage	2860			
Other Transportation	2870			
Environmental Use and Protection	2880			
Water Supply and Distribution	2890	166,080		112,888
Wastewater Treatment and Disposal	2900	373,099		
Waste Management	2910			
Other Environmental Use and Protection	2920			
Public Health and Welfare	2930			
Family and Community Support	2940			
Day Care	2950			
Cemeteries and Crematoriums	2960			
Other Public Health and Welfare	2970			
Planning and Development	2980			
Land Use Planning, Zoning and Development	2990			
Economic/Agricultural Development	3000			
Subdivision Land and Development	3010			
Public Housing Operations	3020			
Land, Housing and Building Rentals	3030			
Other Planning and Development	3040			
Recreation and Culture	3050			
Recreation Boards	3060			
Parks and Recreation	3070	184,212	33,665	26,228
Culture: Libraries, Museums, Halls	3080			
Convention Centres	3090			
Other Recreation and Culture	3100			
Other Utilities	3105			
Gas	3106	42,436		
Electric	3107			
Other	3110			
Total	3120	1,244,304	42,314	351,432

CHANGE IN TANGIBLE CAPITAL ASSETS

Schedule 9G

	Balance at Beginning of Year 1	Additions 2	Reductions 3	Balance at End of Year 4	
Tangible Capital Assets - Cost					
Engineered Structures	3200				
Roadway Systems	3201	7,431,901	392,987	33,549	7,791,339
Light Rail Transit Systems	3202				
Water Systems	3203	6,620,525	131,005		6,751,530
Wastewater Systems	3204	8,828,844	373,099		9,201,943
Storm Systems	3205				
Fibre Optics	3206				
Electricity Systems	3207				
Gas Distribution Systems	3208	348,811	42,438		391,247
Total Engineered Structures	3210	23,230,081	939,527	33,549	24,136,059
Construction In Progress	3219				
Buildings	3220	14,518,171	89,152		14,607,323
Machinery and Equipment	3230	2,302,019	83,321		2,385,340
Land	3240	9,297,610			9,297,610
Land Improvements	3245	1,105,518	113,370		1,218,888
Vehicles	3250	1,455,644	61,248	4,500	1,512,392
Total Capital Property Cost	3260	51,909,043	1,286,618	38,049	53,157,612
Accumulated Amortization					
Engineered Structures	3270				
Roadway Systems	3271	2,458,869	296,785	10,730	2,744,924
Light Rail Transit Systems	3272				
Water Systems	3273	1,814,843	178,615		1,993,458
Wastewater Systems	3274	2,893,725	218,393		3,112,118
Storm Systems	3275				
Fibre Optics	3276				
Electricity Systems	3277				
Gas Distribution Systems	3278	217,918	8,898		226,816
Engineered Structures	3280	7,385,355	702,691	10,730	8,077,316
Buildings	3290	3,310,164	441,180		3,751,344
Machinery and Equipment	3300	1,049,093	128,887		1,177,980
Land	3310				
Land Improvements	3315	274,376	57,939		332,315
Vehicles	3320	471,061	71,368	4,050	538,379
Total Accumulated Amortization	3330	12,490,049	1,402,065	14,780	13,877,334
Net Book Value of Capital Property	3340	39,418,994			39,280,278
Capital Long Term Debt (Net)	3350	4,944,984			4,553,887
Equity in Tangible Capital Assets	3400	34,474,010			34,726,391

LONG TERM DEBT SUPPORT

Schedule 9H

Long Term Debt Support

Supported by General Tax Levies
Supported by Special Levies
Supported by Utility Rates
Other

	Operating Purposes 1	Capital Purposes 2	Total 3
3405			
3410		939,763	939,763
3420		1,419,134	1,419,134
3430		2,078,827	2,078,827
3440			
3450		4,437,724	4,437,724

..... **Total Long Term Debt Principal Balance**

LONG TERM DEBT SOURCES

Schedule 9I

Alberta Capital Finance Authority
Canada Mortgage and Housing Corporation
Mortgage Borrowing
Other

	Operating Purposes 1	Capital Purposes 2	Total 3
3500		4,437,724	4,437,724
3520			
3600			
3610			
3620		4,437,724	4,437,724

..... **Total Long Term Debt Principal Balance**

FUTURE LONG TERM DEBT REPAYMENTS

Schedule 9J

Principal Repayments by Year

Current + 1
Current + 2
Current + 3
Current + 4
Current + 5
Thereafter

	Operating Purposes 1	Capital Purposes 2	Total 3
3700			
3710		366,626	366,626
3720		338,681	338,681
3730		353,321	353,321
3740		368,599	368,599
3750		362,237	362,237
3760		2,648,260	2,648,260
3770		4,437,724	4,437,724

..... **Total Principal**

Interest by Year

Current + 1
Current + 2
Current + 3
Current + 4
Current + 5
Thereafter

3780			
3790		190,327	190,327
3800		174,937	174,937
3810		160,297	160,297
3820		145,019	145,019
3830		129,073	129,073
3840		703,811	703,811
3850		1,503,464	1,503,464

..... **Total Interest**

PROPERTY TAXES AND GRANTS IN PLACE

Schedule 9K

	Property Taxes 1	Grants - in Place 2	Total 3
Property Taxes	3900		
Residential Land and Improvements	3910	2,767,374	2,767,374
Non-Residential	3920		
Land and Improvements (Excluding M & E)	3935	946,219	946,219
Machinery and Equipment	3950	1,433	1,433
Linear Property	3960	164,097	164,097
Railway	3970		
Farm Land	3980		
Adjustments to Property Taxes	3990		
Total Property Taxes and Grants In Place	4000	3,879,123	3,879,123
Requisition Transfers			4010
Education			
Residential/Farm Land			4031
Non-Residential			4035
Seniors Lodges			4090
Other			4100
Adjustments to Requisition Transfers			4110
Total Requisition Transfers			4120
Net Municipal Property Taxes and Grants In Place			4130

GRANTS IN PLACE OF TAXES

Schedule 9L

	Property Taxes 1	Business Taxes 2	Other Taxes 3	Total 4
Federal Government	4200			
Provincial Government	4210			
Local Government	4220			
Other	4230		215,197	215,197
Total	4240		215,197	215,197

DEBT LIMIT

Schedule 9AA

Debt Limit
Total Debt
Debt Service Limit
Total Debt Service Costs

	1
5700	13,987,413
5710	4,437,724
5720	2,331,236
5730	556,953

Enter Prior year's Line 3450 Column 2 balance here:

4,789,156