

MUNICIPAL FINANCIAL INFORMATION RETURN

For the Year Ending December 31, 2013

**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

**April 22, 2014**

Date



April 22, 2014

## **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, 2013, 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, 2013 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, 2013**

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#### **1. Basis of accounting**

This statement 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, 2013 (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.

#### **2. Revenue recognition**

Funding is recognized as revenue when received or receivable.

#### **3. Expenditures**

Eligible expenditures are recorded in the year incurred on the accrual basis of accounting in accordance with the eligibility criteria described in the agreement.

#### **4. Estimates**

In preparation of the statement, management is required to make estimates and assumptions that affect the reported amounts of revenue and expenditures during the reporting year. Actual results could differ from those estimates.

**FINANCIAL POSITION**

**Schedule 9A**

		Total 1
<b>Assets</b>	0010	
Cash and Temporary Investments .....	0020	4,734,928
Taxes and Grants in Place of Taxes Receivable .....	0030	
. Current .....	0040	162,639
. Arrears .....	0050	
. Allowance .....	0060	
Receivable From Other Governments .....	0070	100,462
Loans Receivable .....	0080	
Trade and Other Receivables .....	0090	1,024,032
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	
	0250	
<b>Total Financial Assets</b>	0260	6,049,761
<b>Liabilities</b>	0270	
Temporary Loans Payable .....	0280	
Payable To Other Governments .....	0290	
Accounts Payable & Accrued Liabilities .....	0300	715,990
Deposit Liabilities .....	0310	7,521
Deferred Revenue .....	0340	1,312,307
Long Term Debt .....	0350	4,789,156
Other Current Liabilities .....	0360	
Other Long Term Liabilities .....	0370	155,828
	0380	
<b>Total Liabilities</b>	0390	6,980,802
	0395	
<b>Net Financial Assets (Net Debt)</b>	0395	-931,041
<b>Non Financial Assets</b>		
Tangible Capital Assets .....	0400	39,418,994
Inventory for Consumption .....	0410	71,341
Prepaid Expenses .....	0420	23,395
Other .....	0430	
	0440	
<b>Total Non-Financial Assets</b>	0440	39,513,730
	0450	
<b>Accumulated Surplus</b>	0450	38,582,689

**CHANGE IN ACCUMULATED SURPLUS**

**Schedule 9B**

		Unrestricted	Restricted	Equity in TCA	Total
		1	2	3	4
Accumulated Surplus - Beginning of Year	0500	1,278,257	3,044,690	32,930,925	37,253,872
Net Revenue (Expense) .....	0505	1,328,817			1,328,817
Funds Designated For Future Use.....	0511	-635,727	635,727		
Restricted Funds - Used for Operations.....	0512	295,193	-295,193		
Restricted Funds - Used for TCA.....	0513		-383,610	383,610	
Current Year Funds Used for TCA .....	0514	-2,147,917		2,147,917	
Donated and Contributed TCA.....	0516				
Disposals of TCA.....	0517	8,167		-8,167	
Annual Amortization Expense.....	0518	1,317,148		-1,317,148	
Long Term Debt - Issued.....	0519				
Long Term Debt - Repaid.....	0521	-336,873		336,873	
Capital Debt - Used for TCA.....	0522				
	0523				
Other Adjustments.....	0524				
Accumulated Surplus - End of Year.....	0525	1,107,066	3,001,613	34,474,010	38,582,689

**FINANCIAL ACTIVITIES BY FUNCTION**

**Schedule 9C**

	Revenue		Expense	
	1		2	
<b>Total General</b>	0700	2,711,582		
<b>Function</b>	0710		1150	
General Government	0720		1160	
Council and Other Legislative .....	0730		1170	383,944
General Administration .....	0740	223,740	1180	612,701
Other General Government.....	0750		1190	
Protective Services	0760		1200	
Police .....	0770		1210	
Fire .....	0780	252,457	1220	370,367
Disaster and Emergency Measures .....	0790	128,768	1230	135,256
Ambulance and First Aid .....	0800		1240	
Bylaws Enforcement .....	0810	21,428	1250	112,733
Other Protective Services.....	0820	8,423	1260	26,519
Transportation	0830		1270	
Common and Equipment Pool .....	0840		1280	
Roads, Streets, Walks, Lighting .....	0850	635,360	1290	1,185,561
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	1,308,405	1350	1,303,982
Wastewater Treatment and Disposal .....	0920	1,936,846	1360	670,710
Waste Management .....	0930	217,165	1370	214,282
Other Environmental Use and Protection .....	0940		1380	
Public Health and Welfare	0950		1390	
Family and Community Support .....	0960	58,986	1400	83,240
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	146,600	1450	310,936
Economic/Agricultural Development .....	1020	79,812	1460	234,048
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	656,144	1530	1,420,883
Culture: Libraries, Museums, Halls .....	1100	130,994	1540	247,210
Convention Centres .....	1110		1550	
Other Recreation and Culture.....	1120		1560	
Other Utilities	1125		1565	
Gas .....	1126	1,384,563	1566	1,260,087
Electric .....	1127		1567	
Other .....	1130		1570	
<b>Total Revenue/Expense</b>	1140	9,901,274	1580	8,572,457
<b>Net Revenue/Expense</b>			1590	1,328,817

FINANCIAL ACTIVITIES BY TYPE / OBJECT

Schedule 9D

		Total
		1
Revenues	1700	
Taxation and Grants in Place	1710	
. Property (Net Municipal) .....	1720	2,711,582
. Business .....	1730	
. Business Revitalization Zone .....	1740	
. Special .....	1750	
. Well Drilling .....	1760	
. Local Improvement .....	1770	
Sales To Other Governments .....	1790	
Sales and User Charges .....	1800	3,568,304
Penalties and Costs on Taxes .....	1810	
Licenses and Permits .....	1820	135,668
Fines .....	1830	83,950
Franchise and Concession Contracts .....	1840	
Returns on Investments .....	1850	40,159
Rentals .....	1860	304,861
Insurance Proceeds .....	1870	
Net Gain on Sale of Tangible Capital Assets .....	1880	
Contributed and Donated Assets .....	1885	
Federal Government Unconditional Transfers .....	1890	
Federal Government Conditional Transfers .....	1900	946,810
Provincial Government Unconditional Transfers .....	1910	
Provincial Government Conditional Transfers .....	1920	1,481,434
Local Government Transfers .....	1930	552,262
Transfers From Local Boards and Agencies .....	1940	
Developer Agreements and Levies .....	1960	
Other Revenues .....	1970	76,244
<b>Total Revenue</b>	1980	<b>9,901,274</b>
Expenses	1990	
Salaries, Wages, and Benefits .....	2000	2,357,721
Contracted and General Services .....	2010	1,368,610
Purchases from Other Governments .....	2020	
Materials, Goods, Supplies, and Utilities .....	2030	2,855,088
Provision For Allowances .....	2040	
Transfers to Other Governments .....	2050	
Transfers to Local Boards and Agencies .....	2060	445,550
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	224,617
Amortization of Tangible Capital Assets .....	2110	1,317,148
Net Loss on Sale of Tangible Capital Assets .....	2125	3,723
Write Down of Tangible Capital Assets .....	2127	
Other Expenditures .....	2130	
<b>Total Expenses</b>	2140	<b>8,572,457</b>
<b>Net Revenue (Expense)</b>	2150	<b>1,328,817</b>



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	23,417		90,840	32,298
Other General Government.....	2230				
Protective Services	2240				
Police .....	2250				
Fire .....	2260	92,325		81,189	4,717
Disaster and Emergency Measures .....	2270				
Ambulance and First Aid .....	2280				
Bylaws Enforcement .....	2290			4,530	
Other Protective Services.....	2300				
Transportation	2310				
Common and Equipment Pool .....	2320				
Roads, Streets, Walks, Lighting .....	2330	7,317	217,573	318,728	80,238
Airport .....	2340				
Public Transit .....	2350				
Storm Sewers and Drainage .....	2360				
Other Transportation .....	2370				
Environmental Use and Protection	2380				
Water Supply and Distribution .....	2390	904,987	217,573	426,666	96,176
Wastewater Treatment and Disposal .....	2400	610,040	751,335	189,090	
Waste Management .....	2410	216,987		6,394	
Other Environmental Use and Protection .....	2420				
Public Health and Welfare	2430				
Family and Community Support .....	2440	1,569			
Day Care .....	2450				
Cemeteries and Crematoriums .....	2460				
Other Public Health and Welfare .....	2470				
Planning and Development	2480				
Land Use Planning, Zoning and Development .....	2490	47,684			
Economic/Agricultural Development .....	2500	1,203	10,565		
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	197,435	3,261	176,133	11,188
Culture: Libraries, Museums, Halls .....	2580	95,851			
Convention Centres .....	2590				
Other Recreation and Culture.....	2600				
Other Utilities	2605				
Gas .....	2606	1,369,490		23,577	
Electric .....	2607				
Other .....	2610				
<b>Total</b>	<b>2620</b>	<b>3,568,304</b>	<b>1,200,307</b>	<b>1,317,148</b>	<b>224,617</b>

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				55,374
Other General Government.....	2730				
Protective Services	2740				
Police .....	2750				
Fire .....	2760	38,238			38,545
Disaster and Emergency Measures .....	2770				
Ambulance and First Aid .....	2780				
Bylaws Enforcement .....	2790	47,504			
Other Protective Services.....	2800				
Transportation	2810				
Common and Equipment Pool .....	2820				
Roads, Streets, Walks, Lighting .....	2830	536,330			109,643
Airport .....	2840				
Public Transit .....	2850				
Storm Sewers and Drainage .....	2860				
Other Transportation .....	2870				
Environmental Use and Protection	2880				
Water Supply and Distribution .....	2890	467,483			108,167
Wastewater Treatment and Disposal .....	2900	1,371,520			
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	3,261			25,144
Culture: Libraries, Museums, Halls .....	3080				
Convention Centres .....	3090				
Other Recreation and Culture.....	3100				
Other Utilities	3105				
Gas .....	3106	29,057			
Electric .....	3107				
Other .....	3110				
<b>Total</b>	<b>3120</b>	<b>2,493,393</b>			<b>336,873</b>

CHANGE IN TANGIBLE CAPITAL ASSETS

Schedule 9G

		Balance at Beginning of Year 1	Additions 2	Reductions 3	Balance at End of Year 4
<b>Tangible Capital Assets - Cost</b>					
Engineered Structures	3200				
Roadway Systems.....	3201	6,856,871	575,030		7,431,901
Light Rail Transit Systems.....	3202				
Water Systems.....	3203	6,170,042	450,483		6,620,525
Wastewater Systems.....	3204	7,457,324	1,371,520		8,828,844
Storm Systems.....	3205				
Fibre Optics.....	3206				
Electricity Systems.....	3207				
Gas Distribution Systems.....	3208	348,811			348,811
Total Engineered Structures .....	3210	20,833,049	2,397,033		23,230,082
Construction In Progress.....	3219				
Buildings .....	3220	14,518,171			14,518,171
Machinery and Equipment .....	3230	2,259,522	48,857	6,359	2,302,019
Land .....	3240	9,297,610			9,297,610
Land Improvements.....	3245	1,105,518			1,105,518
Vehicles .....	3250	1,427,388	47,504	19,248	1,455,644
<b>Total Capital Property Cost</b>	3260	49,441,257	2,493,393	25,607	51,909,043
<b>Accumulated Amortization</b>					
Engineered Structures	3270				
Roadway Systems	3271	2,195,392	263,478		2,458,870
Light Rail Transit Systems	3272				
Water Systems	3273	1,652,307	162,536		1,814,843
Wastewater Systems	3274	2,706,128	187,597		2,893,725
Storm Systems	3275				
Fibre Optics	3276				
Electricity Systems	3277				
Gas Distribution Systems	3278	209,727	8,191		217,918
Engineered Structures .....	3280	6,763,554	621,801		7,385,355
Buildings .....	3290	2,873,423	436,741		3,310,164
Machinery and Equipment .....	3300	916,803	135,938	3,649	1,049,093
Land .....	3310				
Land Improvements.....	3315	221,294	53,082		274,376
Vehicles .....	3320	415,267	69,585	13,791	471,061
<b>Total Accumulated Amortization</b>	3330	11,190,341	1,317,148	17,440	12,490,049
<b>Net Book Value of Capital Property</b>	3340	38,250,916			39,418,994
<b>Capital Long Term Debt (Net)</b>	3350	5,319,991			4,944,984
<b>Equity in Tangible Capital Assets</b>	3400	32,930,925			34,474,010

**LONG TERM DEBT SUPPORT**

**Schedule 9H**

		Operating Purposes	Capital Purposes	Total
		1	2	3
<b>Long Term Debt Support</b>	3405			
Supported by General Tax Levies .....	3410		1,063,716	1,063,716
Supported by Special Levies .....	3420		1,533,725	1,533,725
Supported by Utility Rates .....	3430		2,191,715	2,191,715
Other .....	3440			
<b>Total Long Term Debt Principal Balance</b>	3450		4,789,156	4,789,156

**LONG TERM DEBT SOURCES**

**Schedule 9I**

		Operating Purposes	Capital Purposes	Total
		1	2	3
Alberta Capital Finance Authority.....	3500		4,789,156	4,789,156
Canada Mortgage and Housing Corporation .....	3520			
Mortgage Borrowing .....	3600			
Other .....	3610			
<b>Total Long Term Debt Principal Balance</b>	3620		4,789,156	4,789,156

**FUTURE LONG TERM DEBT REPAYMENTS**

**Schedule 9J**

		Operating Purposes	Capital Purposes	Total
		1	2	3
<b>Principal Repayments by Year</b>	3700			
Current + 1 .....	3710		351,432	351,432
Current + 2 .....	3720		366,626	366,626
Current + 3 .....	3730		338,681	338,681
Current + 4 .....	3740		353,321	353,321
Current + 5 .....	3750		368,599	368,599
Thereafter .....	3760		3,010,497	3,010,497
<b>Total Principal</b>	3770		4,789,156	4,789,156
<b>Interest by Year</b>	3780			
Current + 1 .....	3790		205,521	205,521
Current + 2 .....	3800		190,327	190,327
Current + 3 .....	3810		174,937	174,937
Current + 4 .....	3820		160,297	160,297
Current + 5 .....	3830		145,019	145,019
Thereafter .....	3840		832,884	832,884
<b>Total Interest</b>	3850		1,708,985	1,708,985

**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	2,688,241		2,688,241
Non-Residential	3920			
Land and Improvements (Excluding M & E).....	3935	873,057		873,057
Machinery and Equipment .....	3950	1,594		1,594
Linear Property .....	3960	159,403		159,403
Railway .....	3970			
Farm Land .....	3980			
Adjustments to Property Taxes .....	3990			
 Total Property Taxes and Grants In Place	 4000	 3,722,295		 3,722,295
Requisition Transfers			4010	
Education				
Residential/Farm Land .....			4031	723,802
Non-Residential .....			4035	260,661
Seniors Lodges .....			4090	26,250
Other .....			4100	
Adjustments to Requisition Transfers .....			4110	
 Total Requisition Transfers			4120	 1,010,713
 Net Municipal Property Taxes and Grants In Place			4130	 2,711,582

**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			162,639	162,639
 Total	 4240			 162,639	 162,639

**DEBT LIMIT**

**Schedule 9AA**

1

Debt Limit .....	5700	11,634,236
Total Debt .....	5710	5,126,029
Debt Service Limit .....	5720	1,939,039
Total Debt Service Costs .....	5730	561,356

Enter Prior year's Line 3450 Column 2 balance here: 5,126,029