

TOWN OF SUNDRE

**FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
THEREON
FOR THE YEAR ENDED DECEMBER 31, 2024**

Prepared by Administration and approved by Council:

A handwritten signature in blue ink, appearing to read "R. Warnock", is written over a horizontal line.

Richard Warnock, Mayor

A handwritten signature in blue ink, appearing to read "Chris Albert", is written over a horizontal line.

Chris Albert, CPA, CGA
Director of Corporate Services

Town of Sundre

Statement of Management Responsibility

The Town of Sundre 2024 financial statements (hereafter referred to as the "financial statements") are the responsibility of management. The financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards. Financial statements are not precise as they include amounts that are based on the best estimates and judgments of management. Management has determined such amounts on a reasonable basis to ensure that the financial statements are presented fairly, in all material respects.

Management maintains systems of accounting and administrative controls to provide reasonable assurance that transactions are appropriately authorized and accurately recorded, that assets are properly accounted for and safeguarded and that the financial statements realistically report the Town's operating and financial results.

Town Council has approved the information contained in the financial statements.

KPMG LLP have been appointed by Town Council to audit the financial statements and have provided the accompanying Independent Auditor's Report outlining their professional opinion on the statements.



Linda Nelson, CLGM, CTAJ, EMR
Chief Administrative Officer



Chris Albert, CPA, CGA
Director of Corporate Services



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INDEPENDENT AUDITOR'S REPORT

To the Mayor and Town Council of the Town of Sundre

Opinion

We have audited the financial statements of the Town of Sundre (the Entity), which comprise:

- the statement of financial position as at December 31, 2024
- the statement of operations and accumulated surplus for the year then ended
- the statement of change in net financial assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2024, and its results of operations, its remeasurement gains and losses, its cash flows, and its changes in net financial assets for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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



Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity's to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants

Calgary, Canada

April 29, 2025

**Town of Sundre
Statement of Financial Position
As at December 31, 2024**

	2024 \$	2023 \$
FINANCIAL ASSETS		
Cash and temporary investments (Note 4)	\$ 10,980,759	\$ 11,285,348
Receivables		
Taxes and grants in place of taxes	429,827	971,917
Trade and other receivables	1,290,262	789,796
Investments (Note 5)	27,754	27,754
	<u>\$ 12,728,602</u>	<u>\$ 13,074,815</u>
LIABILITIES		
Accounts payable and accrued liabilities	\$ 1,248,662	\$ 1,222,125
Deposit liabilities	90,900	256,856
Deferred revenue (Note 6)	1,720,588	1,693,955
Asset Retirement Obligations (Note 11)	5,000,000	5,000,000
Long-term debt (Note 7)	4,345,454	4,700,273
	<u>\$ 12,405,604</u>	<u>\$ 12,873,209</u>
NET FINANCIAL ASSETS	<u>\$ 322,998</u>	<u>\$ 201,606</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 2 and Note 10)	\$ 50,024,407	\$ 46,946,925
Inventory for consumption	38,963	38,963
Prepaid expenses	49,759	53,800
	<u>\$ 50,113,129</u>	<u>\$ 47,039,688</u>
ACCUMULATED SURPLUS (Schedule 1 and Note 13)	<u>\$ 50,436,127</u>	<u>\$ 47,241,294</u>

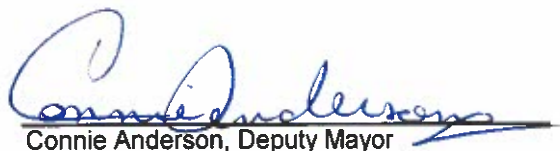
Commitments and contingencies (Note 16 and 17)

see accompanying Notes to Financial Statements

Approved on behalf of Council by:



Richard Warnock, Mayor


Connie Anderson, Deputy Mayor

Town of Sundre
Statement of Operations and Accumulated Surplus
As at December 31, 2024

	Budget \$ (Note 21)	2024 \$	2023 \$
REVENUE			
Net municipal taxes (Schedule 3)	\$ 3,710,553	\$ 3,701,582	\$ 3,507,047
User fees and sales of goods	4,127,050	3,976,696	3,924,389
Government transfers for operating (Schedule 4)	854,000	1,272,864	1,158,035
Investment income	250,000	402,263	494,791
Fines, penalties and cost of taxes	132,500	196,906	177,753
Licenses and permits	88,300	93,555	99,380
Rentals	107,000	95,648	107,622
Other	301,500	400,043	268,165
Total Revenue (Schedule 6)	\$ 9,570,903	\$ 10,139,557	\$ 9,737,182
EXPENSES			
Legislative	\$ 513,399	\$ 459,534	\$ 415,717
Administration	902,461	783,026	805,440
Protective services	1,074,562	1,098,714	983,190
Roads, streets, walks, lighting	1,602,993	1,441,044	1,414,467
Water supply and distribution	1,106,779	1,140,686	1,186,437
Wastewater treatment and disposal	1,334,087	960,870	979,227
Waste management	268,392	234,783	265,557
Gas distribution	1,228,215	1,156,913	1,353,572
Family and community support	33,373	174,010	173,443
Land use planning, zoning and development	565,696	638,387	719,157
Parks and recreation	2,013,048	2,063,754	1,925,385
Culture	139,000	197,580	194,178
Total Expenses (Schedules 5 and 6)	\$ 10,782,005	\$ 10,349,301	\$ 10,415,770
(DEFICIENCY) EXCESS OF REVENUE OVER EXPENSES - BEFORE OTHER	\$ (1,211,102)	\$ (209,744)	\$ (678,588)
OTHER			
Contributed assets (Note 10)	-	813,941	-
Government transfers for capital (Schedule 4)	1,428,000	2,590,636	1,641,113
	\$ 1,428,000	\$ 3,404,577	\$ 1,641,113
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ 216,898	\$ 3,194,833	\$ 962,525
ACCUMULATED SURPLUS, BEGINNING OF YEAR	\$ 47,241,294	\$ 47,241,294	\$ 46,278,769
ACCUMULATED SURPLUS, END OF YEAR (Note 13)	\$ 47,458,192	\$ 50,436,127	\$ 47,241,294

see accompanying Notes to Financial Statements

Town of Sundre
Statement of Change in Net Financial Assets
As at December 31, 2024

	Budget \$ (Note 21)	2024 \$	2023 \$
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ 216,898	\$ 3,194,833	\$ 962,525
Change in tangible capital assets			
Acquisition of tangible capital assets	(2,515,000)	(4,487,047)	(7,496,829)
Contributed tangible capital assets	-	(813,941)	-
Loss (Gain) on sale of tangible capital assets	-	42,873	1,181
Amortization of tangible capital assets	2,422,100	2,169,739	2,082,967
Trade-in value on disposal of tangible capital assets	-	-	-
Proceeds on disposal of tangible capital assets	-	10,894	3,645
	<u>\$ (92,900)</u>	<u>\$ (3,077,482)</u>	<u>\$ (5,409,036)</u>
Change in non-financial assets			
Use (Acquisition) of inventories for consumption	-	-	-
Use (Acquisition) of prepaid expenses	-	4,041	866
	<u>-</u>	<u>4,041</u>	<u>866</u>
(DECREASE) INCREASE IN NET FINANCIAL ASSETS	\$ 123,998	\$ 121,392	\$ (4,445,645)
NET FINANCIAL ASSETS, BEGINNING OF YEAR	<u>\$ 201,606</u>	<u>\$ 201,606</u>	<u>\$ 4,647,251</u>
NET FINANCIAL ASSETS, END OF YEAR	<u><u>\$ 325,604</u></u>	<u><u>\$ 322,998</u></u>	<u><u>\$ 201,606</u></u>

see accompanying Notes to Financial Statements

**Town of Sundre
Statement of Cash Flows
As at December 31, 2024**

	2024 \$	2023 \$
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Excess (Deficiency) of revenue over expenses	\$ 3,194,833	\$ 962,525
Non-cash items included in excess (deficiency) of revenue over expenses		
Amortization of tangible capital assets	2,169,739	2,082,967
Tangible capital assets received as contributions	(813,941)	-
Loss (Gain) on disposal of tangible capital assets	42,873	1,181
Trade-in value on disposal of tangible capital assets	-	-
Changes in non-cash working capital items		
Decrease (Increase) in taxes and grants in place of taxes	542,090	(276,727)
(Increase) Decrease in trade and other receivables	(500,466)	110,103
Decrease (Increase) in inventory for consumption	-	-
Decrease (Increase) in prepaid expenses	4,041	866
Increase (Decrease) in accounts payable and accrued liabilities	26,537	135,547
(Decrease) Increase in deposit liabilities	(165,956)	95,146
Increase (Decrease) in deferred revenue	26,633	470,943
Cash provided by operating activities	<u>\$ 4,526,383</u>	<u>\$ 3,582,551</u>
CAPITAL		
Acquisition of tangible capital assets	(4,487,047)	(7,496,829)
Non-cash recognition of asset retirement cost	-	5,000,000
Proceeds on disposal of tangible capital assets	10,894	3,645
Cash applied to capital transactions	<u>\$ (4,476,153)</u>	<u>\$ (2,493,184)</u>
INVESTING		
(Increase) Decrease in investments	-	-
Cash provided by investing transactions	<u>\$ -</u>	<u>\$ -</u>
FINANCING		
Long-term debt repaid	(354,819)	(341,895)
Long-term debt acquired	-	-
Cash (applied to) provided by financing transactions	<u>\$ (354,819)</u>	<u>\$ (341,895)</u>
CHANGE IN CASH AND TEMPORARY INVESTMENTS DURING THE YEAR	<u>\$ (304,589)</u>	<u>\$ 747,472</u>
CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR	<u>\$ 11,285,348</u>	<u>\$ 10,537,876</u>
CASH AND TEMPORARY INVESTMENTS, END OF YEAR	<u><u>\$ 10,980,759</u></u>	<u><u>\$ 11,285,348</u></u>
Cash and temporary investments is made up of:		
Cash and temporary investments (Note 4)	\$ 9,779,551	\$ 9,941,482
Designated portion of cash (Note 4)	1,201,208	1,343,866
	<u><u>\$ 10,980,759</u></u>	<u><u>\$ 11,285,348</u></u>

see accompanying Notes to Financial Statements

Town of Sundre
Schedule of Changes in Accumulated Surplus
As at December 31, 2024
Schedule 1

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2024	2023
BALANCE, BEGINNING OF YEAR	\$ 3,206,445	\$ 6,788,197	\$ 37,246,652	\$ 47,241,294	\$ 46,278,769
Excess (Deficiency) of revenue over expenses	3,194,833	-	-	3,194,833	962,525
Unrestricted funds designated for future use	(1,370,107)	1,370,107	-	-	-
Restricted funds used for operations	50,000	(50,000)	-	-	-
Restricted funds re-designated as Unrestricted	-	-	-	-	-
Restricted funds used for tangible capital assets	-	(2,275,227)	2,275,227	-	-
Current year funds used for tangible capital assets	(2,211,820)	-	2,211,820	-	-
Contributed tangible capital assets	(813,941)	-	813,941	-	-
Disposal of tangible capital assets	53,767	-	(53,767)	-	-
Annual amortization expense	2,169,739	-	(2,169,739)	-	-
Recognize Asset Retirement Obligation	-	-	-	-	-
Discharge Asset Retirement Obligation	-	-	-	-	-
Long term debt acquired	-	-	-	-	-
Long term debt repaid	(354,819)	-	354,819	-	-
Change in accumulated surplus	\$ 717,652	\$ (955,120)	\$ 3,432,301	\$ 3,194,833	\$ 962,525
BALANCE, END OF YEAR	\$ 3,924,097	\$ 5,833,077	\$ 40,678,953	\$ 50,436,127	\$ 47,241,294

see accompanying Notes to Financial Statements

TOWN OF SUNDRE
SCHEDULE OF TANGIBLE CAPITAL ASSETS
For the Year Ended December 31, 2024
Schedule 2

	Buildings	Engineered Structures	Land	Land Improvements	Machinery & Equipment	Vehicles	Work In-Progress	2024	2023
COSTS:									
Balance, beginning of year	\$ 15,573,860	\$ 35,156,423	\$ 9,770,110	\$ 8,103,787	\$ 4,314,303	\$ 1,778,618	\$ 1,739,428	\$ 76,435,529	\$ 68,986,963
Acquisition of tangible capital assets	13,105	3,108,057	-	897,183	453,678	180,291	648,674	5,300,988	7,496,829
Completed Work-in-progress	-	1,088,282	-	-	-	983,427	(2,081,709)	-	-
Disposal of tangible capital assets	-	-	-	-	(6,868)	(287,100)	-	(293,968)	(48,263)
Balance, end of year	\$ 15,586,965	\$ 39,362,762	\$ 9,770,110	\$ 9,000,970	\$ 4,761,113	\$ 2,655,236	\$ 305,393	\$ 81,442,549	\$ 76,435,529
ACCUMULATED AMORTIZATION:									
Balance, beginning of year	\$ 7,858,452	\$ 16,570,132	\$ -	\$ 1,465,510	\$ 2,494,206	\$ 1,100,304	\$ -	\$ 29,488,604	\$ 27,449,074
Annual Amortization	455,574	1,068,923	-	298,684	252,277	94,281	-	2,189,739	2,082,967
Accumulated amortization on disposals	-	-	-	-	(5,495)	(234,706)	-	(240,201)	(43,437)
Balance, end of year	\$ 8,314,026	\$ 17,639,055	\$ -	\$ 1,764,194	\$ 2,740,988	\$ 959,879	\$ -	\$ 31,418,142	\$ 29,488,604
2024 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	\$ 7,272,939	\$ 21,723,707	\$ 9,770,110	\$ 7,236,776	\$ 2,020,125	\$ 1,695,357	\$ 305,393	\$ 50,024,407	\$ 46,946,925
2023 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	\$ 7,715,408	\$ 18,586,291	\$ 9,770,110	\$ 6,638,277	\$ 1,820,097	\$ 678,314	\$ 1,738,428	\$ 46,946,925	

see accompanying Notes to Financial Statements

Town of Sundre
Schedule of Property and Other Taxes
For the Year Ended December 31, 2024
Schedule 3

	Budget \$ (Note 21)	2024 \$	2023 \$
TAXATION			
Real property taxes	\$ 3,710,553	\$ 4,859,258	\$ 4,587,439
Linear property taxes	-	219,385	203,125
Special assessments and local improvement taxes	-	-	-
	<u>\$ 3,710,553</u>	<u>\$ 5,078,643</u>	<u>\$ 4,790,564</u>
REQUISTIONS			
Alberta School Foundation Fund	-	1,208,236	1,121,965
Mountain View Senior's Housing	-	167,770	161,552
Designated Industrial Properties	-	1,055	-
	<u>\$ -</u>	<u>\$ 1,377,061</u>	<u>\$ 1,283,517</u>
NET MUNICIPAL TAXES	<u><u>\$ 3,710,553</u></u>	<u><u>\$ 3,701,582</u></u>	<u><u>\$ 3,507,047</u></u>

see accompanying Notes to Financial Statements

Town of Sundre
Schedule of Government Transfers
For the Year Ended December 31, 2024
Schedule 4

	Budget \$ (Note 21)	2024 \$	2023 \$
TRANSFERS FOR OPERATING			
PROVINCIAL TRANSFERS			
Family & Community Services	\$ -	\$ 74,695	\$ 73,890
Local Government Fiscal Framework - Operating	30,000	62,972	66,181
Other	-	71,284	63,807
	<u>30,000</u>	<u>208,951</u>	<u>203,878</u>
LOCAL GOVERNMENT TRANSFERS			
Shared-cost agreements and grants	824,000	1,063,913	954,157
Total Operating	<u>\$ 854,000</u>	<u>\$ 1,272,864</u>	<u>\$ 1,158,035</u>
TRANSFERS FOR CAPITAL			
FEDERAL TRANSFERS			
Canada Community Building Fund	\$ 253,000	\$ 241,880	\$ 542,831
PROVINCIAL TRANSFERS			
Municipal Sustainability Initiative - Capital	1,175,000	1,857,042	1,098,282
LOCAL GOVERNMENT TRANSFERS			
Shared-cost agreements	-	491,714	-
Total Capital	<u>\$ 1,428,000</u>	<u>\$ 2,590,636</u>	<u>\$ 1,641,113</u>
TOTAL GOVERNMENT TRANSFERS	<u>\$ 2,282,000</u>	<u>\$ 3,863,500</u>	<u>\$ 2,799,148</u>

see accompanying Notes to Financial Statements

Town of Sundre
Schedule of Expenses by Object
For the Year Ended December 31, 2024
Schedule 5

	Budget \$ (Note 21)	2024 \$	2023 \$
EXPENSES BY OBJECT			
Salaries, wages and benefits	\$ 3,714,535	\$ 3,747,014	\$ 3,445,293
Contracted and general services	1,072,600	1,186,840	1,185,600
Materials, goods, utilities and other	2,798,895	2,324,192	2,655,898
Transfers to local organizations	612,873	763,389	874,870
Interest on long-term debt	161,000	158,127	171,142
Amortization of tangible capital assets	2,422,100	2,169,739	2,082,967
	<u>\$ 10,782,003</u>	<u>\$ 10,349,301</u>	<u>\$ 10,415,770</u>

see accompanying Notes to Financial Statements

Town of Sundre
Schedule of Segmented Disclosure
For the Year Ended December 31, 2024
Schedule 6

	General Government	Protective Services	Transportation Services	Planning & Development	Recreation & Culture	Utility Services	Total \$
REVENUE							
Net Municipal Taxes	\$ 3,701,582	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,701,582
Government transfers	62,972	786,383	-	51,349	905,754	2,057,042	3,863,500
User fees and sales of goods, fines, penalties and cost of taxes, licenses and permits, and rentals	186,816	175,532	84,957	116,109	280,728	3,518,663	4,362,805
Investment income	402,263	-	-	-	-	-	402,263
Other revenues (losses)	352,999	41,444	-	5,600	813,941	-	1,213,984
	<u>\$ 4,706,632</u>	<u>\$ 1,003,359</u>	<u>\$ 84,957</u>	<u>\$ 173,058</u>	<u>\$ 2,000,423</u>	<u>\$ 5,575,705</u>	<u>\$ 13,544,134</u>
EXPENSES							
Salaries, wages and benefits	\$ 580,753	\$ 466,391	\$ 423,765	\$ 410,029	\$ 879,037	\$ 987,039	\$ 3,747,014
Contracted and general services	260,775	206,586	115,156	115,270	111,134	377,919	1,186,840
Materials, goods, utilities and other	290,736	287,164	242,514	93,536	362,892	1,047,350	2,324,192
Transfers to local organizations	-	-	-	19,553	713,215	30,621	763,389
Interest on long-term debt	11,605	-	107,722	-	-	38,800	158,127
	<u>\$ 1,143,869</u>	<u>\$ 960,141</u>	<u>\$ 889,157</u>	<u>\$ 638,388</u>	<u>\$ 2,066,278</u>	<u>\$ 2,481,729</u>	<u>\$ 8,179,562</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES, BEFORE AMORTIZATION	<u>\$ 3,562,763</u>	<u>\$ 43,218</u>	<u>\$ (804,200)</u>	<u>\$ (465,330)</u>	<u>\$ (65,855)</u>	<u>\$ 3,093,976</u>	<u>\$ 5,364,572</u>
Amortization expense	<u>\$ (98,691)</u>	<u>\$ (138,573)</u>	<u>\$ (551,887)</u>	<u>\$ -</u>	<u>\$ (369,065)</u>	<u>\$ (1,011,523)</u>	<u>\$ (2,169,739)</u>
2024 EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	<u><u>\$ 3,464,072</u></u>	<u><u>\$ (95,355)</u></u>	<u><u>\$ (1,356,087)</u></u>	<u><u>\$ (465,330)</u></u>	<u><u>\$ (434,920)</u></u>	<u><u>\$ 2,082,453</u></u>	<u><u>\$ 3,194,833</u></u>

see accompanying Notes to Financial Statements

Town of Sundre
Schedule of Segmented Disclosure
Comparative Information for 2023
Schedule 6

	General Government	Protective Services	Transportation Services	Planning & Development	Recreation & Culture	Utility Services	Total \$
REVENUE							
Net Municipal Taxes	\$ 3,507,047	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,507,047
Government transfers	66,181	179,967	-	70,000	1,384,718	1,098,282	2,799,148
User fees and sales of goods, fines, penalties and cost of taxes, licenses and permits, and rentals	164,896	166,468	84,494	102,956	268,023	3,522,307	4,309,144
Investment income	494,791	-	-	-	-	-	494,791
Other revenues (losses)	250,119	6,539	-	6,610	4,897	-	268,165
	<u>\$ 4,483,034</u>	<u>\$ 352,974</u>	<u>\$ 84,494</u>	<u>\$ 179,566</u>	<u>\$ 1,657,638</u>	<u>\$ 4,620,589</u>	<u>\$ 11,378,295</u>
EXPENSES							
Salaries, wages and benefits	\$ 528,261	\$ 412,596	\$ 379,134	\$ 462,423	\$ 765,598	\$ 897,281	\$ 3,445,293
Contracted and general services	252,303	172,708	120,730	63,871	60,096	515,892	1,185,600
Materials, goods, utilities and other	321,546	263,011	231,892	176,474	354,514	1,308,461	2,655,898
Transfers to local organizations	-	15,412	-	16,389	785,988	57,081	874,870
Interest on long-term debt	12,653	-	114,124	-	-	44,365	171,142
	<u>\$ 1,114,763</u>	<u>\$ 863,727</u>	<u>\$ 845,880</u>	<u>\$ 719,157</u>	<u>\$ 1,966,196</u>	<u>\$ 2,823,080</u>	<u>\$ 8,332,803</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES, BEFORE AMORTIZATION	<u>\$ 3,368,271</u>	<u>\$ (510,753)</u>	<u>\$ (761,386)</u>	<u>\$ (539,591)</u>	<u>\$ (308,558)</u>	<u>\$ 1,797,509</u>	<u>\$ 3,045,492</u>
Amortization expense	<u>\$ (106,393)</u>	<u>\$ (119,464)</u>	<u>\$ (568,587)</u>	<u>\$ -</u>	<u>\$ (326,810)</u>	<u>\$ (961,713)</u>	<u>\$ (2,082,967)</u>
2023 EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	<u>\$ 3,261,878</u>	<u>\$ (630,217)</u>	<u>\$ (1,329,973)</u>	<u>\$ (539,591)</u>	<u>\$ (635,368)</u>	<u>\$ 835,796</u>	<u>\$ 962,525</u>

see accompanying Notes to Financial Statements

Town of Sundre
Notes to Financial Statements
For the Year Ended December 31, 2024

NATURE OF BUSINESS

The Town of Sundre ("the Town") was incorporated in 1956 and is legislated under the *Municipal Government Act, Revised Statutes of Alberta 2000, Chapter M-26* ("the MGA"). The Town's principal activity is the provision of local government services to its citizens. These services include, but are not limited to, administrative, protective, environmental, transportation, planning and development, recreational and cultural.

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town of Sundre (the "Town") are the representations of management prepared in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada, hereafter referred to as Canadian public sector accounting standards ("PSAS"). Significant aspects of the accounting policies adopted by the Town of Sundre are as follows:

a) Reporting Entity

The Town's financial statements reflect the assets, liabilities, revenue and expenditures, changes in accumulated surplus and changes in financial position of the reporting entity that 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. As at December 31, 2024, the Town does not control any other entities.

The schedule of taxes levied also includes requisitions for education and seniors' lodges that are not part of the municipal reporting entity. Interdepartmental and organizational transactions and balances are eliminated.

b) Basis of Accounting

The financial statements are 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.

The Town has not included a statement of remeasurement gains and losses under PSAS. This statement reports unrealized amounts reclassified to the statement of operations upon de-recognition of an investment. There were no amounts to report on the statement of re-measurement gains and losses, and as a result this statement has not been included.

Revenues are recognized as they are earned, measurable and when, or as, the Town satisfies a performance obligation by providing the goods or services to a payor. Funds from external parties and earnings thereon that are restricted by agreement or legislation, or with performance obligations satisfied over time, 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 or contractual obligation to pay.

Town of Sundre
Notes to Financial Statements
For the Year Ended December 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Use of Estimates

The preparation of financial statements in conformity with PSAS 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 financial statements, and the reported amounts of revenue and expenditure during the period. Financial statement areas affected by the use of management estimates include the useful lives of tangible capital assets, asset retirement obligations, accrued liabilities and collection of receivables. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

d) Government Transfers

Government transfers are the transfers of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return. Government transfers are recognized in the financial statements 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.

e) 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.

f) 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.

g) Financial Instruments

The Town's financial instruments include cash and temporary investments, investments, receivables, accounts payable and accrued liabilities, deposit liabilities, and long-term debt. The carrying value of cash and temporary investments, receivables, accounts payable and accrued liabilities, and deposit liabilities approximate their fair values due to the short-term nature of these financial assets and liabilities. The Town measures all of its financial instruments at cost or amortized cost. All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the Statement of Operations. Transaction costs are incremental costs directly attributable to the acquisition or issuance of a financial asset or a financial liability. Transaction costs are added to the carrying value of the instruments when they are initially recognized.

h) Cash and Temporary Investments

Cash is comprised of cash, temporary investments and designated cash deposited with financial institutions. Temporary investments are defined as short-term deposits with original maturities of three months or less and that can be converted to cash as required. Designated cash relates to conditional grants received.

Town of Sundre
Notes to Financial Statements
For the Year Ended December 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

i) 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 is amortized to revenue by an amount equal to the debt repayment.

j) 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 (deficiency) of revenues over expenses, provides the Change in Net Financial Assets for the year.

k) 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 in accordance with Council Policy B-019 – Tangible Capital Assets as follows:

	<u>YEARS</u>
Land Improvements	15 - 25
Buildings	25 - 30
Engineered Structures	
Water System	30 - 40
Waste Water System	30 - 75
Gas System	30 - 50
Other engineered structures	5 - 40
Machinery & Equipment	3 - 40
Vehicles	10 - 25

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.

l) Contributions of Tangible Capital Assets

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

Town of Sundre
Notes to Financial Statements
For the Year Ended December 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

m) Asset Retirement Obligation

The Town recognizes the fair value of an Asset Retirement Obligation ("ARO") in the period in which it incurs a legal obligation associated with the retirement of tangible capital assets. The asset retirement obligation is measured at the current estimated cost to settle or otherwise extinguish the liability. The estimated fair value of an ARO is capitalized as part of the related tangible capital asset and depreciated on the same basis as the underlying asset. ARO may be adjusted for the passage of time, which is recognized as accretion expense, and for revisions to the timing or the amount of the estimated liability. Actual costs incurred are charged against the ARO to the extent of the liability recorded. Differences between the actual costs incurred and the liability are recognized in the excess of revenues over expenses when remediation is completed.

n) Inventory for Consumption

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

o) Restricted Surpluses for Future Expenditures

Restricted Surpluses are established at the discretion of Council to set aside funds for future operating and capital expenditures. Transfers to and/or from restricted surplus accounts are reflected in accumulated surplus.

p) Leases

Leases are classified as capital or operating leases. Leases that transfer substantially all of the benefit and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

p) Contaminated Sites

The Town of Sundre reviews all contaminated sites for possible liabilities associated with the remediation of such sites. Management has assessed such sites and has determined there is no liability regarding the remediation of these sites.

q) Related Party Transactions

Disclosure of information about related party transactions and the relationship underlying them is required when they have occurred at a value different from that which would have been arrived at if the parties were unrelated, and when the transactions have, or could have, a material financial effect on the financial statements. Related parties and transactions are reviewed annually.

r) Employee Future Benefits

The Town is a member of a defined contribution multi-employer pension plan covering substantially all of its employees. Pension contributions are accounted for using defined contribution accounting, wherein contributions for current and past service pension benefits are recorded as expenses in the year in which they become due.

**Town of Sundre
Notes to Financial Statements
For the Year Ended December 31, 2024**

2. ADOPTION OF NEW ACCOUNTING STANDARDS

PSAS Section 3160, Public Private Partnerships

PSAS 3160, Public Private Partnerships, came into effect for the 2024 fiscal year and provides guidance on recognition and measurement of public private partnerships as infrastructure assets and liabilities. Currently the Town has not engaged in such partnerships and the adoption of PSAS 3160 did not result in any changes to the Town's accounting policies.

PSAS Section 3400, Revenue

PSAS 3400, Revenue, came into effect for the 2024 fiscal year and provides greater clarity on the difference between exchange and non-exchange transactions. The standard was applied prospectively from the date of adoption. The Town has a number of revenue sources encompassing non-exchange transactions, as well as exchange transactions with performance obligations satisfied both at a point in time and over time. The Town has performed an assessment based on the type of transaction and revenues are recognized as they are earned, measurable and when, or as, the Town satisfies a performance obligation by providing the goods or services to a payor. Funds from external parties and earnings thereon that are restricted by agreement or legislation, or with performance obligations satisfied over time, are accounted for as deferred revenue until used for the purpose specified. The adoption of PSAS 3400 did not result in substantial changes to the Town's accounting policies.

PSG-8, Purchased Intangibles

PSG-8, Purchased Intangibles, is a guideline which came into effect for the 2024 fiscal year and provides guidance on recognition of purchased intangibles as non-financial assets. Currently the Town does not have purchased intangibles and PSG-8 did not result in any changes to the Town's accounting policies.

3. FUTURE ACCOUNTING POLICIES

PSAB announced the following accounting pronouncements:

PSAS Section 1202, Financial Statement Presentation

This section is effective for fiscal years beginning on or after April 1, 2026 and establishes a new reporting model to better respond to the need for understandable financial statements.

Revised Conceptual Framework (PSAS Section 1000 and Section 1100)

These revised sections are effective for fiscal years beginning on or after April 1, 2026 and will replace the existing conceptual framework, which consists of Section 1000 Financial Statement Concepts and Section 1100 Financial Statement Objectives.

Management is assessing the impact of the adoption of these standards.

Town of Sundre
Notes to Financial Statements
For the Year Ended December 31, 2024

4. CASH AND TEMPORARY INVESTMENTS

	2024 \$	2023 \$
Cash	9,779,551	9,116,469
Temporary Investments	-	825,013
Designated Cash	1,201,208	1,343,866
	<u>10,980,759</u>	<u>11,285,348</u>

5. INVESTMENTS

	2024 \$	2023 \$
Investment in Gas Alberta Inc.		
Shares at cost	254	254
Debentures	27,500	27,500
	<u>27,754</u>	<u>27,754</u>

The investment in Gas Alberta Inc. consists of shares of \$254 and debentures of \$27,500 that are non-interest bearing and are due when the Gas Alberta Inc. contract expires. Expiry requires five years notice prior to service termination. These shares are not publicly traded therefore fair market value is not readily available.

6. DEFERRED REVENUE

	2024 Beginning \$	Additions	Utilizations	2024 End \$
Prepaid Property Taxes	44,241	34,251	44,241	34,251
Prepaid Utility Accounts	17,880	16,858	17,880	16,858
Mountain View County pumper deposit	266,129	-	266,129	-
Mountain View County deposit	-	43,855	-	43,855
Insurance funds for RAV purchase	-	341,328	-	341,328
Mountain View Senior's Housing	21,838	-	-	21,838
	<u>350,088</u>	<u>436,292</u>	<u>328,250</u>	<u>458,130</u>
Grants – other				
Federation of Canadian Municipalities	-	61,250	-	61,250
	<u>-</u>	<u>61,250</u>	<u>-</u>	<u>61,250</u>

Town of Sundre
Notes to Financial Statements
For the Year Ended December 31, 2024

6. DEFERRED REVENUE (continued)

	2024 Beginning \$	Additions	Utilizations	2024 End \$
Grants – restricted cash				
FRIAA FireSmart Program	39	-	14	25
Northern & Region Economic Dev.	-	51,349	51,349	-
Local Gov't Fiscal Framework – Oper.	-	65,259	62,972	2,287
Canada Community Building Fund	332,562	410,657	241,881	501,338
Municipal Sustainability Int. - Capital	1,011,266	1,543,334	1,857,042	697,558
	<u>1,343,867</u>	<u>2,070,599</u>	<u>2,213,258</u>	<u>1,201,208</u>
	<u>1,693,955</u>	<u>2,568,141</u>	<u>2,541,508</u>	<u>1,720,588</u>

Deferred revenue represents amounts received or receivable which will be recognized as revenue in the period in which they are earned and corresponding expenditures are incurred.

The use of the Municipal Sustainability Initiative Grant and the Canadian Community Building Fund are restricted to eligible capital projects as approved by the Province of Alberta, which are scheduled for completion in the future.

7. LONG-TERM DEBT

	2024 \$	2023 \$
Tax supported debentures	<u>3,504,864</u>	<u>3,726,773</u>
Special levies supported debentures	<u>-</u>	<u>-</u>
Utility supported debentures	<u>840,590</u>	<u>973,500</u>
	<u>4,345,454</u>	<u>4,700,273</u>

Town of Sundre
Notes to Financial Statements
For the Year Ended December 31, 2024

7. LONG-TERM DEBT (continued)

Principal and interest repayments are as follows:

	Principal \$	Interest \$	Total \$
	<u> </u>	<u> </u>	<u> </u>
2025	368,255	147,091	515,346
2026	382,224	133,122	515,346
2027	396,747	118,599	515,346
2028	411,848	103,498	515,346
2029	427,550	87,796	515,346
Thereafter	2,358,830	320,397	2,679,227
	<u>4,345,454</u>	<u>910,503</u>	<u>5,255,957</u>

Debenture debt is repayable to the Government of Alberta, under the Local Authorities Capital Financing Act, bearing interest rates ranging from 2.46% to 5.24% per annum and matures in periods 2030 to 2039. Debenture debt is issued on the credit and security of the Town of Sundre at large.

Interest on long-term debt amounted to \$158,127 (2023 - \$171,142).

The Town's total cash payments for interest in 2024 were \$160,527 (2023 - \$173,451).

8. RESTRICTED SURPLUSES

Restricted Surpluses, included in accumulated surplus, for operating and capital activities are as follows:

	Beginning of Year \$	End of Year \$
	<u> </u>	<u> </u>
Operating		
General Corp. Stabilization	1,882,248	1,920,419
Corp. Serv. Stabilization	91,207	93,056
Prot. Serv. Stabilization	28,585	29,165
Mun. Op. Stabilization	38,871	39,659
Development Stabilization	117,461	119,843
Comm. Serv. Stabilization	204,621	220,315
Fire (Operating)	130,221	132,862
	<u>2,493,214</u>	<u>2,555,319</u>

Town of Sundre
Notes to Financial Statements
For the Year Ended December 31, 2024

8. RESTRICTED SURPLUSES (continued)

	Beginning of Year	End of Year
	\$	\$
Capital		
Municipal New Projects	198,325	119,912
Municipal Life-cycling	885,738	527,024
Utility Life-cycling	2,179,603	1,512,556
Fire (Capital)	558,103	678,785
Off-Site Levy – Transport.	259	1,041
Off-Site Levy - Water	341,587	361,050
Off-Site Levy - Wastewater	1,408	5,658
Municipal Reserve	69,112	71,732
Sundre Golf Society	60,848	-
	<u>4,294,983</u>	<u>3,277,758</u>
Total Restricted Surpluses	<u>6,788,197</u>	<u>5,833,077</u>

Capital Restricted Surpluses are based on a 10-year capital replacement plan that is approved by Council on an annual basis.

9. DEBT LIMITS

Section 276(2) of the Municipal Government Act requires that debt and debt limits as defined by Alberta Regulation 255/2000 for the Town of Sundre be disclosed as follows:

	2024 \$	2023 \$
Total debt limit	<u>15,209,336</u>	<u>14,605,773</u>
Total debt (Note 7)	<u>4,345,454</u>	<u>4,700,273</u>
Amount of debt limit unused	<u>10,863,882</u>	<u>9,905,500</u>
	2024 \$	2023 \$
Debt servicing limit	<u>2,534,889</u>	<u>2,434,296</u>
Debt servicing	<u>515,346</u>	<u>515,346</u>
Amount of debt servicing limit unused	<u>2,019,543</u>	<u>1,918,950</u>

Town of Sundre
Notes to Financial Statements
For the Year Ended December 31, 2024

9. DEBT LIMITS (continued)

The debt limit is calculated at 1.5 times revenue of the municipality (as defined in Alberta Regulation 255/2000) and the debt service limit is calculated at 0.25 times such revenue.

Incurring debt beyond these limitations requires approval by the Minister of Municipal Affairs. These thresholds are guidelines used by Alberta Municipal Affairs to identify municipalities that could be at financial risk if further debt is acquired. The calculation taken alone does not represent the financial stability of the municipality. Rather, the financial statements must be interpreted as a whole.

10. TANGIBLE CAPITAL ASSETS

	Net Book Value	
	2024	2023
	\$	\$
Land	9,770,110	9,770,110
Land Improvements	7,236,776	6,638,277
Buildings	7,272,939	7,715,408
Engineered Structures	21,723,707	18,586,291
Machinery, equipment and furnishings	2,020,125	1,820,097
Vehicles	1,695,357	678,314
Work in Progress	305,393	1,738,428
	<u>50,024,407</u>	<u>46,946,925</u>

There were contributed assets of \$813,941 in 2024 (2023 - nil) primarily consisting of a nature boardwalk constructed on Town-leased land by volunteers utilizing donated materials and categorized as a Land Improvement; the cumulative value of all contributed tangible capital assets is \$2,162,198 (2023 - \$1,348,257).

11. ASSET RETIREMENT OBLIGATIONS

The estimated undiscounted asset retirement obligations are as follows:

	2023	Liability	Liability	2024
	\$	Incurred	Discharged	\$
		\$	\$	
Lagoon	5,000,000	-	-	5,000,000
	<u>5,000,000</u>	<u>-</u>	<u>-</u>	<u>5,000,000</u>

The Town owns and operates a wastewater lagoon and related infrastructure. Regulations require the Town to undergo decommissioning and restoration procedures upon future closure of the facility. Although the timing of this asset retirement is conditional on the lagoon no longer being in use, regulations create an existing obligation for the Town. While the timing of settlement of asset retirement obligations is currently unknown, the related tangible capital asset has an expected remaining useful life of 50 years from January 1, 2023. For the year ended December 31, 2024 no recovery was recognized (2023 - \$nil).

Town of Sundre
Notes to Financial Statements
For the Year Ended December 31, 2024

12. EQUITY IN TANGIBLE CAPITAL ASSETS

	2024 \$	2023 \$
Tangible Capital Assets (Schedule 2)	81,442,549	76,435,529
Asset Retirement Obligations (Note 11)	(5,000,000)	(5,000,000)
Accumulated Amortization (Schedule 2)	(31,418,142)	(29,488,604)
Long-term debt (Note 7)	(4,345,454)	(4,700,273)
	<u>40,678,953</u>	<u>37,246,652</u>

13. ACCUMULATED SURPLUS

Accumulated surplus consists of restricted and unrestricted amounts and equity in tangible capital assets as follows:

	2024 \$	2023 \$
Equity in tangible capital assets (Note 12)	40,678,953	37,246,652
Unrestricted surplus (Schedule 1)	3,924,097	3,206,445
Restricted surplus		
Operating Restricted Surplus (Note 8)	2,555,319	2,493,214
Capital Restricted Surplus (Note 8)	3,277,758	4,294,983
	<u>50,436,127</u>	<u>47,241,294</u>

14. LOCAL AUTHORITIES PENSION PLAN

Employees of the town participate in the Local Authorities Pension Plan (LAPP), which is one of the plans covered by the Alberta Public Sector Pension Plan Act. The LAPP serves 304,451 people and 444 employers. It is financed by employer and employee contributions and by investment earnings of the LAPP Fund.

In 2024 the Town of Sundre was required to make current service contributions to the plan of 8.45% of the pensionable earnings up to the Canada Pension Plan Year's Maximum Pensionable Earnings and 11.65% for the excess. Employees of the Town were required to make current service contributions of 7.45% of pensionable salary up to the year's maximum pensionable salary and 10.65% on pensionable salary above this amount.

Total current service contributions by the town to the LAPP in 2024 were \$237,320 (2023 - \$209,103). Total current service contributions by the employees of the town to the LAPP in 2024 were \$211,288 (2023 - \$186,492).

According to the most recent reporting by LAPP, at December 31, 2023 LAPP disclosed an actuarial surplus of \$15.1 billion (2022 - \$12.7 billion).

Town of Sundre
Notes to Financial Statements
For the Year Ended December 31, 2024

15. SALARY AND BENEFITS DISCLOSURE

Disclosure of salaries and benefits for municipal officials, the chief administrative officer and designated officers are required by Alberta Regulation 313/2000 are as follows:

			2024 \$	2023 \$
	Salary ¹	Benefits & Allowances ²	Total	Total
Mayor & Councilors:				
Mayor, Warnock	32,840	-	32,840	32,550
Councillor, Dalke	13,250	580	13,830	18,746
Councillor, Isaac	15,290	702	15,992	19,191
Councillor, Anderson	16,990	-	16,990	14,910
Councillor, Marr	15,420	709	16,129	17,305
Councillor, Petersen	17,000	803	17,803	17,793
Councillor, Vardas	15,500	714	16,214	19,901
	126,290	3,508	129,798	140,396
Chief Administrative Officer	191,398	29,208	220,606	216,963

1. Salary includes regular base pay, bonuses, overtime, lump sum payments, and per diem payments.
2. Employer's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, vision coverage, group life insurance, accidental disability and dismemberment insurance, long and short-term disability plans.

16. COMMITMENTS

The Town of Sundre has an agreement with Wild Rose Assessment Services Inc. to provide assessment services. Assessment services are required by the municipality in order to carry out the assessment of property within each municipality, primarily for taxation purposes. Under the terms of the agreements the Town of Sundre is committed to the following minimum payments until the end of March 31, 2027.

January 1, 2025 – December 31, 2025	\$35,400
January 1, 2026 – December 31, 2026	\$35,400
January 1, 2027 – March 31, 2027	\$ 8,850

**Town of Sundre
Notes to Financial Statements
For the Year Ended December 31, 2024**

16. COMMITMENTS (continued)

The Town of Sundre has agreements with Environmental 360 Solutions Ltd to provide for the residential collection and processing of solid waste, recyclables and compost/organics services. Under the terms of the agreements the Town of Sundre is committed to the following monthly charges until May 31, 2025.

Residential Solid Waste	January 1, 2025 – May 31, 2025 - \$1.51 per household
Compost/Organics	January 1, 2025 – May 31, 2025 - \$1.53 per household
Recyclables	January 1, 2025 – May 31, 2025 - \$1.78 per household

The Town of Sundre has agreements with Angela's Janitorial Services to provide custodial services to the Town of Sundre firehall, town office and town shop facilities. Under the terms of the agreements the Town of Sundre is committed to the following charges until May 31, 2025.

Firehall	January 1, 2025 – May 31, 2025	\$5,750
Town Office	January 1, 2025 – May 31, 2025	\$11,175
Town Shop	January 1, 2025 – May 31, 2025	\$8,290

The Town of Sundre has an agreement with Quadient Leasing Canada Ltd to lease postage and mailing equipment. Under the terms of the agreement the Town of Sundre is committed to the following minimum payments until the end of December 31, 2026.

January 1, 2025 – December 31, 2025	\$7,336
January 1, 2026 – December 31, 2026	\$7,336

The Town of Sundre has an agreement with Vincovi Technology Solutions to provide information technology services. Under the terms of the agreements the Town of Sundre is committed to the following minimum payments until April 30, 2025.

January 1, 2025 – April 30, 2025	\$17,468
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The Town of Sundre has an equipment lease agreement with Xerox Financial Services Canada Ltd in regards to a multifunction printer/copier. Under the terms of the agreement, the Town of Sundre is committed to the following charges until August 24, 2026.

January 1, 2025 – December 31, 2025	\$5,280
January 1, 2026 – August 24, 2026	\$3,520

**Town of Sundre
Notes to Financial Statements
For the Year Ended December 31, 2024**

17. CONTINGENCIES

The Town of Sundre, in the conduct of its normal activities can be named as a defendant in legal proceedings. The ultimate outcome of these proceedings can often not be determined until the proceedings are completed. Should any loss result from the resolution of these proceedings or if the amount of the loss can be determined, such amount would be expensed as they become known to the Town.

18. FINANCIAL INSTRUMENTS

It is management's opinion that the Town is not exposed to significant interest or currency risk arising from its financial instruments. The Town's long-term debt bears interest at fixed rates and conducts substantially all of its business in Canadian dollars.

The Town's exposure to credit risk associated with its cash and temporary investments is assessed as low because the Town's deposits are held with large Canadian financial institutions.

The Town is subject to credit risk with respect to taxes, utilities and other accounts receivables. Credit risk arises from the possibility that some taxpayers and other customers may experience financial difficulty and be unable to fulfill their obligations. The Town's customers and taxpayers are diverse which minimizes this risk. Under the MGA, the Town has the authority to offer a property for sale at a public auction to recover uncollected taxes. If the property is not sold at the public auction, the Town may become the owner. Therefore, the Town assesses there is very little risk relating to taxes receivable.

Liquidity risk is the risk the Town will encounter difficulty in meeting financial obligations as they come due. The Town manages its liquidity risk through the management of its capital structure and existing long-term facilities. It also continuously monitors its expected cash position to its actual cash position and monitors the timing of payments to lenders, ensuring sufficient funds are available when payments come due. The Town's Council reviews and approves any material transactions out of the ordinary course of business. Accordingly, the Town is not exposed to any significant liquidity risk.

There have been no significant changes to the Town's risk exposure from 2023.

19. SEGMENTED DISCLOSURE

The Town is a diversified municipal government that provides a wide range of services to its citizens, including bylaw, fire, water, wastewater and gas management.

For management reporting purposes, the Town's operations and activities are organized and reported by functions and services provided. Certain functions that have been disclosed in the segmented information, along with services provided are as follows:

a) General Government

This category encompasses General revenue which includes taxes, government transfers, investment income, and franchise fees as well as Legislative Services which pertains to Town Council, Chief Administrative Officer and Legislative Services and also includes Corporate Services which oversees Financial Services, Taxation Administration, Utilities Administration, Accounts Payable, Accounts Receivable, Payroll, Insurance and Risk Management, Human Resources, and Information Technology.

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19. SEGMENTED DISCLOSURE (continued)

b) Protective Services

Protective services includes Bylaw Enforcement, Animal Control, Disaster Services and Fire Services.

c) Transportation Services

This category includes Roads, sidewalk maintenance, street lighting, fleet management and Shop.

d) Planning and development

This category includes municipal planning, development and economic development.

e) Utility Services

This category includes water supply and distribution, water treatment, wastewater treatment and disposal, waste and recycling and the purchase and distribution of gas services for the Town.

f) Recreation and Culture

Parks and recreation includes the Sundre Community Centre, Arena, Greenwood Campground, Baseball, Parks, Recreation & Culture grants, Community Services, Trails, Outdoor Rinks, Recreation Fields, funds provided to the Sundre Municipal Library, and funds provided to Greenwood Neighbourhood place to provide Family and Community Support Services (FCSS).

For each reported segment, revenues and expenses represent amounts that are directly attributable to the segments and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information. The accounting policies used in these segments are consistent with those followed in the preparation of financial statements as disclosed in Note 1. For additional information see the Schedule of Segmented Disclosure (Schedule 6).

20. COMPARATIVE INFORMATION

Certain comparative information has been reclassified to conform with the current year's presentation. These reclassifications did not impact the excess of revenue over expenses, accumulated surplus, or the valuation of assets and liabilities.

21. BUDGET AMOUNTS

The 2024 Budget of the Town of Sundre was approved by Council on December 4, 2023.

22. APPROVAL OF FINANCIAL STATEMENTS

The Council and Management have approved these financial statements on April 28, 2025