



TOWN OF SUNDRE

**FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
THEREON
FOR THE YEAR ENDED DECEMBER 31, 2023**

Prepared by Administration and approved by Council:


Richard Warnock, Mayor


Chris Albert, CPA, CGA
Director of Corporate Services



KPMG LLP
205 5th Avenue SW
Suite 3100
Calgary AB T2P 4B9
Tel 403-691-8000
Fax 403-691-8008
www.kpmg.ca

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, 2023
- 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, 2023, 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 these 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, 2024

Town of Sundre

Statement of Management Responsibility

The Town of Sundre 2023 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.



Chris Albert, CPA, CGA

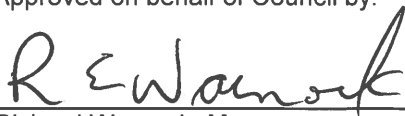
Director of Corporate Services

**Town of Sundre
Statement of Financial Position
As at December 31, 2023**

	2023 \$	2022 \$
FINANCIAL ASSETS		
Cash and temporary investments (Note 4)	\$ 11,285,348	\$ 10,537,876
Receivables		
Taxes and grants in place of taxes	971,917	695,190
Trade and other receivables	789,796	899,899
Investments (Note 5)	27,754	27,754
	\$ 13,074,815	\$ 12,160,719
LIABILITIES		
Accounts payable and accrued liabilities	\$ 1,222,125	\$ 1,086,578
Deposit liabilities	256,856	161,710
Deferred revenue (Note 6)	1,693,955	1,223,012
Asset Retirement Obligations (Note 11)	5,000,000	-
Long-term debt (Note 7)	4,700,273	5,042,168
	\$ 12,873,209	\$ 7,513,468
NET FINANCIAL ASSETS	\$ 201,606	\$ 4,647,251
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 10)	\$ 46,946,925	\$ 41,537,889
Inventory for consumption	38,963	38,963
Prepaid expenses	53,800	54,666
	\$ 47,039,688	\$ 41,631,518
ACCUMULATED SURPLUS (Note 13)	\$ 47,241,294	\$ 46,278,769

Commitments and contingencies (Note 16 and 17)

Approved on behalf of Council by:



 Richard Warnock, Mayor

Town of Sundre
Statement of Operations and Accumulated Surplus
As at December 31, 2023

	Budget \$ (Note 21)	2023 \$	2022 \$
REVENUE			
Net municipal taxes (Schedule 3)	\$ 3,514,377	\$ 3,507,047	\$ 3,435,942
User fees and sales of goods	3,911,550	3,924,389	4,692,506
Government transfers for operating (Schedule 4)	844,000	1,158,035	1,100,490
Investment Income	50,000	494,791	230,639
Fines, penalties and cost of taxes	141,500	177,753	172,476
Licenses and permits	87,300	99,380	65,533
Rentals	107,000	107,622	111,295
Other	246,500	268,165	247,270
Total Revenue	\$ 8,902,227	\$ 9,737,182	\$ 10,056,151
EXPENSES			
Legislative	\$ 455,470	\$ 415,717	\$ 420,496
Administration	904,531	805,440	749,576
Protective services	1,009,528	983,190	885,460
Roads, streets, walks, lighting	1,591,438	1,414,467	1,475,230
Water supply and distribution	1,095,841	1,186,437	1,240,369
Wastewater treatment and disposal	1,323,266	979,227	938,097
Waste management	275,109	265,557	272,886
Gas distribution	1,216,155	1,353,572	1,930,679
Family and community support	32,770	173,443	166,118
Land use planning, zoning and development	652,651	719,157	581,731
Parks and recreation	1,861,567	1,925,385	1,805,615
Culture	136,500	194,178	337,289
Total Expenses (Schedule 5)	\$ 10,554,826	\$ 10,415,770	\$ 10,803,546
(DEFICIENCY) EXCESS OF REVENUE OVER EXPENSES - BEFORE OTHER	\$ (1,652,599)	\$ (678,588)	\$ (747,395)
OTHER			
Contributed Assets	-	-	-
Government Transfers for capital (Schedule 4)	2,117,500	1,641,113	179,651
	\$ 2,117,500	\$ 1,641,113	\$ 179,651
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ 464,901	\$ 962,525	\$ (567,744)
ACCUMULATED SURPLUS, BEGINNING OF YEAR	\$ 46,278,769	\$ 46,278,769	\$ 46,846,513
ACCUMULATED SURPLUS, END OF YEAR (Note 13)	\$ 46,743,670	\$ 47,241,294	\$ 46,278,769

Town of Sundre
Statement of Change in Net Financial Assets
As at December 31, 2023

	Budget \$ (Note 21)	2023 \$	2022 \$
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ 464,901	\$ 962,525	\$ (567,744)
Change in tangible capital assets			
Acquisition of tangible capital assets	(2,963,500)	(7,496,829)	(727,393)
Contributed Tangible capital assets	-	-	-
Loss (Gain) on sale of tangible capital assets	-	1,181	15,663
Amortization of tangible capital assets	2,422,100	2,082,967	1,987,740
Trade-in value on disposal of tangible capital assets	-	-	15,000
Proceeds on disposal of tangible capital assets	-	3,645	1,260
	<u>\$ (541,400)</u>	<u>\$ (5,409,036)</u>	<u>\$ 1,292,270</u>
Change in non-financial assets			
Use (Acquisition) of inventories for consumption	-	-	8,858
Use (Acquisition) of prepaid expenses	-	866	(9,158)
	<u>-</u>	<u>866</u>	<u>(300)</u>
(DECREASE) INCREASE IN NET FINANCIAL ASSETS	\$ (76,499)	\$ (4,445,645)	\$ 724,226
NET FINANCIAL ASSETS, BEGINNING OF YEAR	<u>\$ 4,647,251</u>	<u>\$ 4,647,251</u>	<u>\$ 3,923,025</u>
NET FINANCIAL ASSETS, END OF YEAR	<u>\$ 4,570,752</u>	<u>\$ 201,606</u>	<u>\$ 4,647,251</u>

**Town of Sundre
Statement of Cash Flows
As at December 31, 2023**

	2023 \$	2022 \$
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Excess (Deficiency) of revenue over expenses	\$ 962,525	\$ (567,744)
Non-cash items included in excess (deficiency) of revenue over expenses		
Amortization of tangible capital assets	2,082,967	1,987,740
Tangible capital assets received as contributions	-	-
Loss / (Gain) on disposal of tangible capital assets	1,181	15,663
Trade-in value on disposal of tangible capital assets	-	15,000
Changes in non-cash working capital items		
(Increase) Decrease in taxes and grants in place of taxes	(276,727)	5,410
Decrease (Increase) in trade and other receivables	110,103	208,444
Decrease (Increase) in inventory for consumption	-	8,858
Decrease (Increase) in prepaid expenses	866	(9,158)
Increase (Decrease) in accounts payable and accrued liabilities	135,547	125,694
Increase (Decrease) in deposit liabilities	95,146	(99,900)
Increase (Decrease) in deferred revenue	470,943	401,725
Cash provided by operating activities	<u>\$ 3,582,551</u>	<u>\$ 2,091,732</u>
CAPITAL		
Acquisition of tangible capital assets	(7,496,829)	(727,393)
Non-cash recognition of asset retirement cost	5,000,000	-
Proceeds on disposal of tangible capital assets	3,645	1,260
Cash applied to capital transactions	<u>\$ (2,493,184)</u>	<u>\$ (726,133)</u>
INVESTING		
(Increase) Decrease in investments	-	-
Cash provided by investing transactions	<u>\$ -</u>	<u>\$ -</u>
FINANCING		
Long-term debt repaid	(341,895)	(329,461)
Long-term debt acquired	-	-
Cash provided by financing transactions	<u>\$ (341,895)</u>	<u>\$ (329,461)</u>
CHANGE IN CASH AND TEMPORARY INVESTMENTS DURING THE YEAR	\$ 747,472	\$ 1,036,138
CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR	<u>\$ 10,537,876</u>	<u>\$ 9,501,738</u>
CASH AND TEMPORARY INVESTMENTS, END OF YEAR	<u><u>\$ 11,285,348</u></u>	<u><u>\$ 10,537,876</u></u>
Cash and temporary investments is made up of:		
Cash and temporary investments (Note 4)	\$ 9,941,482	\$ 9,418,787
Designated portion of cash (Note 4)	1,343,866	1,119,089
	<u><u>\$ 11,285,348</u></u>	<u><u>\$ 10,537,876</u></u>

Town of Sundre
Schedule of Changes in Accumulated Surplus
As at December 31, 2023
Schedule 1

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2023	2022
BALANCE, BEGINNING OF YEAR	\$ 4,160,700	\$ 5,622,348	\$ 36,495,721	\$ 46,278,769	\$ 46,846,513
Excess (Deficiency) of revenue over expenses	962,525	-	-	962,525	(567,744)
Unrestricted funds designated for future use	(1,856,349)	1,856,349	-	-	-
Restricted funds used for operations	119,500	(119,500)	-	-	-
Restricted funds re-designated as Unrestricted	-	-	-	-	-
Restricted funds used for tangible capital assets	-	(571,000)	571,000	-	-
Current year funds used for tangible capital assets	(6,925,829)	-	6,925,829	-	-
Contributed tangible capital assets	-	-	-	-	-
Disposal of tangible capital assets	4,826	-	(4,826)	-	-
Annual amortization expense	2,082,967	-	(2,082,967)	-	-
Recognize Asset Retirement Obligation	5,000,000	-	(5,000,000)	-	-
Discharge Asset Retirement Obligation	-	-	-	-	-
Long term debt acquired	-	-	-	-	-
Long term debt repaid	(341,895)	-	341,895	-	-
Change in accumulated surplus	\$ (954,255)	\$ 1,165,849	\$ 750,931	\$ 962,525	\$ (567,744)
BALANCE, END OF YEAR	\$ 3,206,445	\$ 6,788,197	\$ 37,246,652	\$ 47,241,294	\$ 46,278,769

TOWN OF SUNDRE
SCHEDULE OF TANGIBLE CAPITAL ASSETS
 For the Year Ended December 31, 2023
 Schedule 2

	Buildings	Engineered Structures	Land	Land Improvements	Machinery & Equipment	Vehicles	Work In-Progress	2023	2022
COSTS:									
Balance, beginning of year	\$ 15,555,950	\$ 35,156,423	\$ 9,770,110	\$ 2,348,019	\$ 4,180,789	\$ 1,745,016	\$ 230,656	\$ 68,986,963	\$ 68,434,737
Acquisition of tangible capital assets	17,910	-	-	5,620,546	145,364	70,015	1,642,994	7,496,829	727,393
Completed Work-in-progress	-	-	-	135,222	-	-	(135,222)	-	-
Disposal of tangible capital assets	-	-	-	-	(11,850)	(36,413)	-	(48,263)	(175,167)
Balance, end of year	\$ 15,573,860	\$ 35,156,423	\$ 9,770,110	\$ 8,103,787	\$ 4,314,303	\$ 1,778,618	\$ 1,738,428	\$ 76,435,529	\$ 68,986,963
ACCUMULATED AMORTIZATION:									
Balance, beginning of year	\$ 7,399,371	\$ 15,519,620	-	\$ 1,206,008	\$ 2,268,007	\$ 1,056,068	\$ -	\$ 27,449,074	\$ 25,604,578
Annual Amortization	459,081	1,050,512	-	259,502	236,864	77,008	-	2,082,967	1,997,740
Accumulated amortization on disposals	-	-	-	-	(10,665)	(32,772)	-	(43,437)	(143,244)
Balance, end of year	\$ 7,858,452	\$ 16,570,132	\$ -	\$ 1,465,510	\$ 2,494,206	\$ 1,100,304	\$ -	\$ 29,488,604	\$ 27,449,074
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	\$ 41,537,889
2022 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	\$ 8,156,579	\$ 19,636,803	\$ 9,770,110	\$ 1,142,011	\$ 1,912,782	\$ 688,948	\$ 230,656	\$ 41,537,889	

Town of Sundre
Schedule of Property and Other Taxes
For the Year Ended December 31, 2023
Schedule 3

	Budget \$ (Note 21)	2023 \$	2022 \$
TAXATION			
Real property taxes	\$ 3,514,377	\$ 4,587,439	\$ 4,495,315
Linear property taxes	-	203,125	205,112
Special assessments and local improvement taxes	-	-	-
	<u>\$ 3,514,377</u>	<u>\$ 4,790,564</u>	<u>\$ 4,700,427</u>
REQUISITIONS			
Alberta School Foundation Fund	-	1,121,965	1,123,854
Mountain View Senior's Housing	-	161,552	140,631
Designated Industrial Properties	-	-	-
	<u>\$ -</u>	<u>\$ 1,283,517</u>	<u>\$ 1,264,485</u>
NET MUNICIPAL TAXES	<u>\$ 3,514,377</u>	<u>\$ 3,507,047</u>	<u>\$ 3,435,942</u>

**Town of Sundre
Schedule of Government Transfers
For the Year Ended December 31, 2023
Schedule 4**

	Budget \$ (Note 21)	2023 \$	2022 \$
TRANSFERS FOR OPERATING			
PROVINCIAL TRANSFERS			
Family & Community Services	\$ -	\$ 73,890	\$ 71,478
Municipal Sustainability Initiative - Operating	30,000	66,181	53,000
Other	-	63,807	82,497
	<u>30,000</u>	<u>203,878</u>	<u>206,975</u>
LOCAL GOVERNMENT TRANSFERS			
Shared-cost agreements and grants	814,000	954,157	893,515
Total Operating	<u>\$ 844,000</u>	<u>\$ 1,158,035</u>	<u>\$ 1,100,490</u>
TRANSFERS FOR CAPITAL			
FEDERAL TRANSFERS			
Canada Community Building Fund	\$ 617,500	\$ 542,831	\$ 105,897
Canada Community Revitalization Fund	-	-	45,278
PROVINCIAL TRANSFERS			
Municipal Sustainability Initiative - Capital	1,500,000	1,098,282	17,477
Municipal Stimulus Program	-	-	10,999
LOCAL GOVERNMENT TRANSFERS			
Shared-cost agreements	-	-	-
Total Capital	<u>\$ 2,117,500</u>	<u>\$ 1,641,113</u>	<u>\$ 179,651</u>
TOTAL GOVERNMENT TRANSFERS	<u>\$ 2,961,500</u>	<u>\$ 2,799,148</u>	<u>\$ 1,280,141</u>

**Town of Sundre
Schedule of Expenses by Object
For the Year Ended December 31, 2023
Schedule 5**

	Budget \$ (Note 21)	2023 \$	2022 \$
EXPENSES BY OBJECT			
Salaries, wages and benefits	\$ 3,596,211	\$ 3,445,293	\$ 3,406,058
Contracted and general services	1,017,600	1,185,600	1,091,637
Materials, goods, utilities and other	2,741,645	2,655,898	3,314,548
Transfers to local organizations	602,270	874,870	819,900
Interest on long-term debt	175,000	171,142	183,663
Amortization of tangible capital assets	2,422,100	2,082,967	1,987,740
	<u>\$ 10,554,826</u>	<u>\$ 10,415,770</u>	<u>\$ 10,803,546</u>

Town of Sundre
Schedule of Segmented Disclosure
For the Year Ended December 31, 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	\$ 3,368,271	\$ (510,753)	\$ (761,386)	\$ (539,591)	\$ (308,558)	\$ 1,797,509	\$ 3,045,492
Amortization expense	\$ (106,393)	\$ (119,464)	\$ (568,587)	\$ -	\$ (326,810)	\$ (961,713)	\$ (2,082,967)
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>

Town of Sundre
Schedule of Segmented Disclosure
Comparative information for 2022
Schedule 6

	General Government	Protective Services	Transportation Services	Planning & Development	Recreation & Culture	Utility Services	Total \$
REVENUE							
Net Municipal Taxes	\$ 3,435,942	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,435,942
Government transfers	52,999	168,914	20,000	82,497	908,720	47,010	1,280,140
User fees and sales of goods, fines, penalties and cost of taxes, licenses and permits, and rentals	157,719	182,761	86,082	73,591	399,590	4,142,067	5,041,810
Investment income	230,639	-	-	-	-	-	230,639
Other revenues (losses)	244,458	5,117	(8,505)	3,200	3,001	-	247,271
	<u>\$ 4,121,757</u>	<u>\$ 356,792</u>	<u>\$ 97,577</u>	<u>\$ 159,288</u>	<u>\$ 1,311,311</u>	<u>\$ 4,189,077</u>	<u>\$ 10,235,802</u>
EXPENSES							
Salaries, wages and benefits	\$ 487,241	\$ 367,969	\$ 444,088	\$ 380,906	\$ 844,740	\$ 881,114	\$ 3,406,058
Contracted and general services	254,243	142,778	69,101	33,674	59,648	532,193	1,091,637
Materials, goods, utilities and other	303,846	233,062	242,158	154,004	393,725	1,987,753	3,314,548
Transfers to local organizations	1	22,925	-	13,147	716,612	67,215	819,900
Interest on long-term debt	13,652	-	120,311	-	-	49,700	183,663
	<u>\$ 1,058,983</u>	<u>\$ 766,734</u>	<u>\$ 875,658</u>	<u>\$ 581,731</u>	<u>\$ 2,014,725</u>	<u>\$ 3,517,975</u>	<u>\$ 8,815,806</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES, BEFORE AMORTIZATION	<u>\$ 3,062,774</u>	<u>\$ (409,942)</u>	<u>\$ (778,081)</u>	<u>\$ (422,443)</u>	<u>\$ (703,414)</u>	<u>\$ 671,102</u>	<u>\$ 1,419,996</u>
Amortization expense	<u>\$ (111,089)</u>	<u>\$ (118,726)</u>	<u>\$ (599,573)</u>	<u>\$ -</u>	<u>\$ (294,296)</u>	<u>\$ (864,056)</u>	<u>\$ (1,987,740)</u>
2023 EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	<u>\$ 2,951,685</u>	<u>\$ (528,668)</u>	<u>\$ (1,377,654)</u>	<u>\$ (422,443)</u>	<u>\$ (997,710)</u>	<u>\$ (192,954)</u>	<u>\$ (567,744)</u>

**Town of Sundre
Notes to Financial Statements
For the Year Ended December 31, 2023**

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, 2023, 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 remeasurement gains and losses, and as a result this statement has not been included.

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 or contractual obligation to pay.

Town of Sundre
Notes to Financial Statements
For the Year Ended December 31, 2023

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, 2023**

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 revenue 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:

	YEARS
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, 2023**

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, 2023**

2. ADOPTION OF NEW ACCOUNTING STANDARDS

PSAB Section 3280, Asset Retirement Obligations

On January 1, 2023 the Town adopted PSAB 3280, Asset Retirement Obligations (ARO), which applies to the reporting of legal obligations associated with the retirement of tangible capital assets (TCAs). The Town assessed existing contracts and TCAs to identify obligations, and applied the standard using the prospective approach recognizing the current estimated value of the i) asset retirement obligation and ii) asset retirement cost capitalized as an increase to the carrying amount of the tangible capital assets in productive use. Third-party information and professional judgement of the Town's internal resources were used to estimate the amount of the asset retirement obligation.

PSAB Section 3450, Financial Instruments

On January 1, 2023 the Town adopted PSAB 3450, Financial Instruments, which establishes standards on how to account for and report all types of financial instruments including derivatives. Financial instruments include primary instruments and derivative instruments. The Town's financial instruments consist of cash and temporary investments, receivables, accounts payable and accrued liabilities, deposit liabilities and long-term debenture debt. In addition, the Town assessed compliance with Section 3050, Loans receivable; Section 3390, Contractual obligations; Section 3230, Long-term debt; Section 2500, Consolidation; and Section 3070, Investments in government business enterprises. No significant changes were required as a result of implementing these new standards. Currently, the Town does not engage in derivative instruments, loans receivable, consolidated entities or investments in government business entities.

3. FUTURE ACCOUNTING POLICIES

PSAB recently announced the following accounting pronouncements:

PSAB Section 3160, Public Private Partnerships

This section is effective for fiscal years beginning on or after April 1, 2023 and provides guidance on recognition and measurement of public private partnerships as infrastructure assets and liabilities.

PSAB Section 3400, Revenue

This section is effective for fiscal years beginning on or after April 1, 2023 and provides greater clarity on the difference between exchange and non-exchange transactions.

PSAB 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 (PSAB 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.

PSAB Section PSG-8, Purchased Intangibles

In November 2020, PSAB issued PSG-8 Purchased intangibles. This section is effective for fiscal years beginning on or after April 1, 2023 and provides guidance on how to account for intangibles.

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

**Town of Sundre
Notes to Financial Statements
For the Year Ended December 31, 2023**

4. CASH AND TEMPORARY INVESTMENTS

	2023	2022
	\$	\$
Cash	9,116,469	8,529,795
Temporary Investments	825,013	888,992
Designated Cash	1,343,866	1,119,089
	11,285,348	10,537,876

5. INVESTMENTS

	2023	2022
	\$	\$
Investment in Gas Alberta Inc.		
Shares at cost	254	254
Debentures	27,500	27,500
	27,754	27,754

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

	2023		2023
	Beginning	Additions	Utilizations
	\$		\$
2023 Prepaid Property Taxes	35,154	44,241	35,154
2023 Prepaid Utility Accounts	-	17,880	-
Mountain View County pumper deposit	45,129	221,000	-
Mountain View Senior's Housing	21,838	-	-
	102,121	283,121	35,154
			350,088

Town of Sundre
Notes to Financial Statements
For the Year Ended December 31, 2023

6. DEFERRED REVENUE (continued)

Grants				
FRIAA FireSmart Program	38	1	-	39
Travel Alberta	-	70,000	70,000	-
Municipal Sustainability Int. - Operating	1,429	64,752	66,181	-
Municipal Stimulus Prog	1,801	-	1,801	-
Canada Community Building Fund (formerly Federal Gas Tax Fund)	202,754	672,639	542,831	332,562
Municipal Sustainability Int. - Capital	914,869	1,194,679	1,098,282	1,011,266
	<u>1,120,891</u>	<u>2,002,071</u>	<u>1,779,095</u>	<u>1,343,867</u>
	<u>1,223,012</u>	<u>2,285,192</u>	<u>1,814,249</u>	<u>1,693,955</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 Grants and the Canada Community Building Fund is restricted to eligible capital projects as approved by the Province of Alberta, which are scheduled for completion in the future.

7. LONG-TERM DEBT

	2023 \$	2022 \$
Tax supported debentures	<u>3,726,773</u>	<u>3,941,264</u>
Special levies supported debentures	-	-
Utility supported debentures	<u>973,500</u>	<u>1,100,904</u>
	<u>4,700,273</u>	<u>5,042,168</u>

Principal and interest repayments are as follows:

	Principal \$	Interest \$	Total \$
2024	354,819	160,527	515,346
2025	368,255	147,091	515,346
2026	382,224	133,122	515,346
2027	396,747	118,599	515,346
2028	411,847	103,498	515,345
Thereafter	<u>2,786,381</u>	<u>408,193</u>	<u>3,194,574</u>
	<u>4,700,273</u>	<u>1,071,030</u>	<u>5,771,303</u>

**Town of Sundre
Notes to Financial Statements
For the Year Ended December 31, 2023**

7. LONG-TERM DEBT (continued)

Debenture debt is repayable to the Alberta Capital Finance Authority 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 \$171,142 (2022 - \$183,663).

The Town's total cash payments for interest in 2023 were \$173,451 (2022 - \$185,884).

8. RESTRICTED SURPLUSES

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

	Beginning of Year	End of Year
	\$	\$
Operating		
General Corp. Stabilization	1,440,068	1,882,248
Corp. Serv. Stabilization	54,513	91,207
Prot. Serv. Stabilization	13,359	28,585
Mun. Op. Stabilization	36,779	38,871
Development Stabilization	31,349	117,461
Comm. Serv. Stabilization	77,249	204,621
Fire (Operating)	122,706	130,221
	<u>1,776,023</u>	<u>2,493,214</u>
	Beginning of Year	End of Year
	\$	\$
Capital		
Municipal New Projects	116,181	198,325
Municipal Life-cycling	879,547	885,738
Utility Life-cycling	1,925,046	2,179,603
Fire (Capital)	478,682	558,103
Off-Site Levy – Transport.	-	259
Off-Site Levy - Water	323,431	341,587
Off-Site Levy - Wastewater	-	1,408
Municipal Reserve	65,867	69,112
Sundre Golf Society	57,571	60,848
	<u>3,846,325</u>	<u>4,294,983</u>
Total Restricted Surpluses	<u>5,622,348</u>	<u>6,788,197</u>

**Town of Sundre
Notes to Financial Statements
For the Year Ended December 31, 2023**

8. RESTRICTED SURPLUSES (continued)

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:

	2023	2022
	\$	\$
Total debt limit	14,605,773	15,084,227
Total debt (Note 7)	4,700,273	5,042,168
Amount of debt limit unused	9,905,500	10,042,059
	2023	2022
	\$	\$
Debt servicing limit	2,434,296	2,514,038
Debt servicing	515,346	515,345
Amount of debt servicing limit unused	1,918,950	1,998,693

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	
	2023	2022
	\$	\$
Land	9,770,110	9,770,110
Land Improvements	6,638,277	1,142,011
Buildings	7,715,408	8,156,579
Engineered Structures	18,586,291	19,636,803
Machinery, equipment and furnishings	1,820,097	1,912,782
Vehicles	678,314	688,948
Work in Progress	1,738,428	230,656
	47,046,925	41,537,889

**Town of Sundre
Notes to Financial Statements
For the Year Ended December 31, 2023**

10. TANGIBLE CAPITAL ASSETS (continued)

There were contributed assets of nil in 2023 (2022 - nil); and the cumulative value of contributed tangible capital assets is \$1,348,257 (2022 - \$1,348,257).

11. ASSET RETIREMENT OBLIGATIONS

The estimated undiscounted asset retirement obligations are as follows:

	2022 \$	Liability Incurred \$	Liability Discharged \$	2023 \$
Lagoon	-	5,000,000	-	5,000,000
	-	5,000,000	-	5,000,000

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, 2023 no recovery was recognized (2022 - \$nil).

12. EQUITY IN TANGIBLE CAPITAL ASSETS

	2023 \$	2022 \$
Tangible Capital Assets (Schedule 2)	76,435,529	68,986,963
Accumulated Amortization (Schedule 2)	(29,488,604)	(27,449,074)
Asset Retirement Obligation	(5,000,000)	-
Long-term debt (Note 7)	(4,700,273)	(5,042,168)
	37,246,652	36,495,721

**Town of Sundre
Notes to Financial Statements
For the Year Ended December 31, 2023**

13. ACCUMULATED SURPLUS

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

	2023	2022
	\$	\$
Equity in tangible capital assets (Note 12)	37,246,652	36,495,721
Unrestricted surplus (Schedule 1)	3,206,445	4,160,700
Restricted surplus		
Operating Restricted Surplus (Note 8)	2,493,214	1,776,023
Capital Restricted Surplus (Note 8)	4,294,983	3,846,325
	47,241,294	46,278,769

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 291,259 people and 437 employers. It is financed by employer and employee contributions and by investment earnings of the LAPP Fund.

In 2023 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 12.23% 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 11.23% on pensionable salary above this amount.

Total current service contributions by the town to the LAPP in 2023 were \$209,103 (2022 - \$220,418). Total current service contributions by the employees of the town to the LAPP in 2023 were \$186,492 (2022 - \$196,843).

At December 31, 2022 LAPP disclosed an actuarial surplus of \$12.7 billion (2021 - \$11.9 billion).

Town of Sundre
Notes to Financial Statements
For the Year Ended December 31, 2023

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:

			2023	2022
			\$	\$
	Salary ¹	Benefits & Allowances ²	Total	Total
Mayor & Councilors:				
Mayor, Warnock	32,550	-	32,550	32,150
Councillor, Dalke	17,890	856	18,746	13,520
Councillor, Isaac	18,310	881	19,191	19,154
Councillor, Anderson	14,910	-	14,910	13,620
Councillor, Marr	16,530	775	17,305	14,937
Councillor, Petersen	16,990	803	17,793	16,998
Councillor, Vardas	18,980	921	19,901	18,224
	136,160	4,236	140,396	128,603
Chief Administrative Officer	187,650	29,313	216,963	212,931

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, 2025.

January 1, 2024 – December 31, 2024	\$35,400
January 1, 2025 – March 31, 2025	\$ 8,850

**Town of Sundre
Notes to Financial Statements
For the Year Ended December 31, 2023**

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, 2024.

Residential Solid Waste	January 1, 2024 – May 31, 2024 - \$1.47 per household
Compost/Organics	January 1, 2024 – May 31, 2024 - \$1.49 per household
Recyclables	January 1, 2024 – May 31, 2024 - \$1.73 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, 2024.

Firehall	January 1, 2024 – May 31, 2024	\$5,750
Town Office	January 1, 2024 – May 31, 2024	\$11,175
Town Shop	January 1, 2024 – May 31, 2024	\$8,290

The Town of Sundre has an agreement with Quadiant 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, 2024 – December 31, 2024	\$7,336
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, 2024 – December 31, 2024	\$52,404
January 1, 2025 – April 30, 2025	\$17,468

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, 2024 – December 31, 2024	\$5,280
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, 2023

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.

The Town of Sundre is a member of the Alberta Local Authorities Reciprocal Insurance Exchange (ALARIE). Under the terms of the membership, the town could become liable for its proportionate share of any claim losses in excess of the funds held by the exchange. Any liability incurred would be accounted for as a current transaction in the year the losses are determined.

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 2022.

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:

**Town of Sundre
Notes to Financial Statements
For the Year Ended December 31, 2023**

19. SEGMENTED DISCLOSURE (continued)

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.

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 deficiency of revenue over expenses, accumulated surplus, or the valuation of assets and liabilities.

21. BUDGET AMOUNTS

The 2023 Budget of the Town of Sundre was approved by Council on December 5, 2022.

22. APPROVAL OF FINANCIAL STATEMENTS

The Council and Management have approved these financial statements on April 29, 2024.