

May 13, 2015

Via Email

**Confidential**

Mr. Brad Pickering  
Deputy Minister  
Municipal Affairs  
18<sup>th</sup> Floor, Commerce Place  
10155 - 102 Street  
Edmonton, AB T5J 4L4

Dear Mr. Pickering:

**Improvement District No. 9**

We have completed the audit of the financial statements and the municipal financial information return for Improvement District No. 9 for the year ended December 31, 2014 and enclose a copy of the audited financial statements and the municipal financial information return.

The purpose of our attest audit was to express an opinion on the financial statements and the municipal financial information return. Our audit included consideration of internal control in order to design audit procedures, but was not for the purpose of expressing an opinion on the effectiveness of internal control, and it is not designed to identify all matters that may be of interest to management and the council.

On April 21, 2015 we discussed the financial statements and the municipal financial information return with management. We did not identify any matters relating to internal control that in our judgment merit being reported to management.

Please thank the district's staff for their courtesy and co-operation during the audit.

Yours truly,



Michelle Fleming, CA  
Principal

MF/am

Encl.

c/Encl: Mr. Anthony Lemphers, Assistant Deputy Minister, Corporate Strategic Services,  
Municipal Affairs  
Mr. Dan Balderston, Executive Director / Senior Financial Officer, Financial Services,  
Municipal Affairs  
Mr. Darwin Bozek, Provincial Controller, Treasury Board and Finance

File ref: MA A 0172 14 [AS8.g]



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# **Improvement District No. 9**

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Financial Statements

December 31, 2014

**IMPROVEMENT DISTRICT NO. 9**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014**

Independent Auditor's Report

Statement of Financial Position

Statement of Operations

Statement of Change in Net Financial Assets

Statement of Cash Flows

Notes to the Financial Statements



## Independent Auditor's Report

To the Minister of Municipal Affairs and the Advisory Council for Improvement District No. 9

### **Report on the Financial Statements**

I have audited the accompanying financial statements of Improvement District No. 9, which comprise the statement of financial position as at December 31, 2014, and the statements of operations, change in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility 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.

### **Auditor's Responsibility**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### **Opinion**

In my opinion, the financial statements present fairly, in all material respects, the financial position of Improvement District No. 9 as at December 31, 2014, and the results of its operations, changes in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*Merwan N. Sahar, FCA*

Auditor General

April 29, 2015

Edmonton, Alberta

**IMPROVEMENT DISTRICT NO. 9**  
**STATEMENT OF FINANCIAL POSITION**  
**As at December 31, 2014**

	<b><u>2014</u></b>	<b><u>2013</u></b>
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents (Note 3)	\$ 8,011,790	\$ 8,119,955
Taxes receivable (Note 4)	219,960	165,974
Accounts receivable (Note 5)	634,869	600,546
Investment (Note 6)	10	10
	<u>8,866,629</u>	<u>8,886,485</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	926,234	311,324
Holdback payable	276,431	76,923
Deferred revenue (Note 8)	1,780,366	3,278,115
	<u>2,983,031</u>	<u>3,666,362</u>
<b>NET FINANCIAL ASSETS</b>	<u>5,883,598</u>	<u>5,220,123</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 7)	4,040,518	2,006,980
Prepaid expenses	19,910	15,419
	<u>4,060,428</u>	<u>2,022,399</u>
<b>ACCUMULATED SURPLUS (Note 9)</b>	<b><u><u>\$ 9,944,026</u></u></b>	<b><u><u>\$ 7,242,522</u></u></b>

The accompanying notes are part of these financial statements.



**IMPROVEMENT DISTRICT NO. 9**  
**STATEMENT OF OPERATIONS**  
**For the year ended December 31, 2014**

	<b>2014</b>		<b>2013</b>
	<b>Budget</b> (Unaudited) (Note 15)	<b>Actual</b>	<b>Actual</b>
<b>REVENUE</b>			
Taxation:			
Real property	\$2,262,270	\$ 2,262,270	\$ 2,140,552
Federal grants in place of taxes	1,011,078	1,011,173	1,008,123
Power and pipeline	100,318	100,317	102,774
	<u>3,373,666</u>	<u>3,373,760</u>	<u>3,251,449</u>
Payment of requisitions:			
Alberta School Foundation Fund	(1,530,436)	(1,530,436)	(1,466,481)
Seniors Foundation	(67,234)	(67,234)	(63,930)
	<u>1,775,996</u>	<u>1,776,090</u>	<u>1,721,038</u>
Net municipal taxes	16,000	27,459	23,833
Penalties	30,000	66,183	60,464
Bank interest	79,568	71,120	77,445
Housing rentals	12,440	9,760	12,240
Refund of expenditures	-	-	4,000
Gain on sale of capital assets	30,474	79,716	161,212
Government transfers for operating	1,200	276	398
Other			
	<u>1,945,678</u>	<u>2,030,604</u>	<u>2,060,630</u>
<b>Total Revenue</b>			
<b>EXPENSES</b>			
Protective services	836,533	677,331	633,554
Administration	202,394	172,696	161,434
Recreation and cultural services	555,904	264,102	599,582
Assessment fees	39,149	30,522	29,781
Legal fees	2,500	-	-
Water, sewage and garbage	17,500	9,446	12,283
Honoraria	54,000	48,150	43,400
Insurance	25,000	16,502	10,335
Building and land	2,000	1,723	1,863
Amortization	-	167,415	66,087
	<u>1,734,980</u>	<u>1,387,887</u>	<u>1,558,319</u>
<b>Total Expenses (Note 10)</b>			
<b>EXCESS OF REVENUE OVER EXPENSES BEFORE GOVERNMENT TRANSFERS FOR CAPITAL</b>			
	210,698	642,717	502,311
Government transfers for capital	289,302	2,058,787	801,415
	<u>500,000</u>	<u>2,701,504</u>	<u>1,303,726</u>
<b>EXCESS OF REVENUE OVER EXPENSES</b>			
ACCUMULATED SURPLUS, BEGINNING OF YEAR	7,242,522	7,242,522	5,938,796
ACCUMULATED SURPLUS, END OF YEAR	<u>\$7,742,522</u>	<u>\$ 9,944,026</u>	<u>\$ 7,242,522</u>

The accompanying notes are part of these financial statements.

**IMPROVEMENT DISTRICT NO. 9**  
**STATEMENT OF CHANGE IN NET FINANCIAL ASSETS**  
**For the year ended December 31, 2014**

	<b>2014</b>		<b>2013</b>
	<b>Budget</b>	<b>Actual</b>	<b>Actual</b>
	(Unaudited)		
	(Note 15)		
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<b>\$ 500,000</b>	<b>\$ 2,701,504</b>	<b>\$ 1,303,726</b>
Acquisition of tangible capital assets	-	(2,200,953)	(460,972)
Amortization of tangible capital assets	-	167,415	66,087
	-	(2,033,538)	(394,885)
Acquisition of prepaid assets	-	(19,910)	(15,419)
Use of prepaid assets	-	15,419	4,015
	-	(4,491)	(11,404)
<b>INCREASE IN NET FINANCIAL ASSETS</b>	<b>500,000</b>	<b>663,475</b>	<b>897,437</b>
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>	<b>5,220,123</b>	<b>5,220,123</b>	<b>4,322,686</b>
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	<b>\$ 5,720,123</b>	<b>\$ 5,883,598</b>	<b>\$ 5,220,123</b>

The accompanying notes are part of these financial statements.

**IMPROVEMENT DISTRICT NO. 9**  
**STATEMENT OF CASH FLOWS**  
**For the year ended December 31, 2014**

	<u>2014</u>	<u>2013</u>
<b>NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:</b>		
<b>OPERATING</b>		
Excess of revenues over expenses	\$ 2,701,504	\$ 1,303,726
Non-cash items included in excess of revenues over expenses:		
Amortization	167,415	66,087
Gain on sale of capital assets	-	(4,000)
	2,868,919	1,365,813
Non-cash charges to operations (net change):		
(Increase) decrease in taxes receivable	(53,986)	5,356
Increase in accounts receivable	(34,323)	(503,040)
Increase in prepaid expenses	(4,491)	(11,404)
Increase (decrease) in accounts payable and accrued liabilities	614,910	(239,930)
Increase in holdbacks payable	199,508	76,923
Decrease in deferred revenue	(1,497,749)	(356,541)
Cash provided by operating transactions	2,092,788	337,177
<b>CAPITAL</b>		
Acquisition of tangible capital assets	(2,200,953)	(460,972)
Proceeds on disposal of capital assets	-	4,000
Cash applied to capital transactions	(2,200,953)	(456,972)
<b>CHANGE IN CASH AND CASH EQUIVALENTS DURING THE YEAR</b>	<b>(108,165)</b>	<b>(119,795)</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>8,119,955</b>	<b>8,239,750</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 8,011,790</b>	<b>\$ 8,119,955</b>

The accompanying notes are part of these financial statements.



**IMPROVEMENT DISTRICT NO. 9**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended December 31, 2014**

**Note 1      Authority**

Improvement District No. 9 (the Improvement District) is administered by the Ministry of Municipal Affairs (Alberta Municipal Affairs) and operates under the authority of the *Municipal Government Act*, Chapter M-26, Revised Statutes of Alberta 2000.

**Note 2      Significant Accounting Policies**

These financial statements reflect the financial position, results of operations, net financial assets and cash flows of Improvement District No. 9 as at and for the year ended December 31, 2014 and have been prepared in accordance with Canadian Public Sector Accounting Standards.

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or the legal obligation to pay.

Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements, and reported amounts of revenue and expense during the period. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

Capital Assets

Capital assets are recorded at cost, net of capital asset disposals, write-downs and amortization. The cost of capital assets includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Capital assets having an original cost greater than \$2,500 are shown on the statement of financial position at net book value.

**IMPROVEMENT DISTRICT NO. 9**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended December 31, 2014**

**Note 2      Significant Accounting Policies (continued)**

Capital Assets (continued)

Capital assets are amortized on a straight-line basis over the estimated useful life of the asset as follows:

Buildings	40 years
Land Improvements	25 years
Computer Software	3 years
Vehicles	5 years

Work in progress is not amortized until the asset is complete (or substantially complete) and the asset is put into service.

Revenue Recognition

Taxation revenue is recorded at the time the tax billings are issued. Taxation billings are subject to appeal.

Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction and are not expected to be repaid in the future or as a result of a direct financial return. These transfers, including ones which result in capitalized assets, are recognized in the financial statements as revenue when the transfer is authorized, and any eligibility criteria have been met. Prior to revenue recognition, any amounts received or receivable along with restricted interest earned are recorded as deferred revenue.

Valuation of Financial Assets and Liabilities

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of cash and cash equivalents, taxes and accounts receivable, accounts payable and accrued liabilities and holdback payables are estimated to approximate their carrying values because of the short-term nature of these instruments.

**Note 3      Cash and Cash Equivalents**

Cash consists of deposits in the Consolidated Cash Investment Trust Fund (CCITF) of the Province of Alberta. The CCITF is managed with the objective of providing competitive interest income to depositors while maintaining appropriate security and liquidity of depositors' capital. The portfolio is comprised of high quality short-term securities with a maximum term to maturity of three years. Due to the short-term nature of investments, carrying value approximates fair value.

**IMPROVEMENT DISTRICT NO. 9**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended December 31, 2014**

**Note 4      Taxes Receivable**

	<b>2014</b>			<b>2013</b>
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Taxes receivable	\$219,960	\$ -	\$ 219,960	\$ 165,974

**Note 5      Accounts Receivable**

	<b>2014</b>			<b>2013</b>
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Grants receivable	\$612,365	\$ -	\$ 612,365	\$ 564,550
Rent receivable	-	-	-	30,450
Other receivables	22,504	-	22,504	5,546
	<u>\$634,869</u>	<u>\$ -</u>	<u>\$ 634,869</u>	<u>\$ 600,546</u>

All grants listed above are receivable from related parties - see note 11.

**Note 6      Investment**

The investment consists of one Class B share at a par value of \$10 in the Alberta Capital Finance Authority ("ACFA"). The share entitles the Improvement District to vote in the selection of one director to the Corporation's Board.

ACFA is authorized to issue 1,000 Class B shares at a par value of \$10 only to municipalities (defined as including municipal districts, counties, improvement districts and special areas) and to approved hospitals, hospital districts and regional health authorities.

ACFA is a provincial corporation and acts only as an agent of the Alberta crown. It assists municipal jurisdictions within the province to obtain capital funds at the lowest possible cost through access to capital markets which would not be available to them on an independent basis.

**IMPROVEMENT DISTRICT NO. 9**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended December 31, 2014**

**Note 7 Tangible Capital Assets**

	<u>2014</u>					<u>2013</u>	
	Work in Progress	Buildings	Computer Software	Land Improvements	Vehicles	Total	Total
Estimated Useful Life		40 years	3 years	25 years	5 years		
<u>Historical Cost</u>							
Beginning of Year	\$ 856,995	\$ 1,733,482	\$ 10,140	\$ 298,095	\$ 640,880	\$ 3,539,592	\$ 3,087,120
Additions	1,867,556	191,230	-	-	142,167	2,200,953	460,972
Transfers	(2,714,411)	2,724,551	(10,140)	-	-	-	-
Disposals	-	-	-	-	-	-	(8,500)
	<u>10,140</u>	<u>4,649,263</u>	<u>-</u>	<u>298,095</u>	<u>783,047</u>	<u>5,740,545</u>	<u>3,539,592</u>
<u>Accumulated Amortization</u>							
Beginning of Year	-	875,418	-	59,620	597,574	1,532,612	1,475,025
Amortization expense	-	116,231	-	11,924	39,260	167,415	66,087
Amortization on disposal	-	-	-	-	-	-	(8,500)
	<u>-</u>	<u>991,649</u>	<u>-</u>	<u>71,544</u>	<u>636,834</u>	<u>1,700,027</u>	<u>1,532,612</u>
Net book value at							
December 31, 2014	<u>\$ 10,140</u>	<u>\$ 3,657,614</u>	<u>\$ -</u>	<u>\$ 226,551</u>	<u>\$ 146,213</u>	<u>\$ 4,040,518</u>	
Net book value at							
December 31, 2013	<u>\$ 856,995</u>	<u>\$ 858,064</u>	<u>\$ 10,140</u>	<u>\$ 238,475</u>	<u>\$ 43,306</u>		<u>\$ 2,006,980</u>

During the year the rink roof was completed and the work in progress balance was transferred to buildings.

**Note 8 Deferred Revenue**

	<u>2014</u>	<u>2013</u>
Municipal Sustainability Initiative - Capital Grant	\$ 1,778,977	\$ 2,321,038
Municipal Sustainability Initiative - Operating Grant	-	49,242
Prepaid rent	1,389	1,387
Alberta Municipal Infrastructure Grant	-	906,448
	<u>\$ 1,780,366</u>	<u>\$ 3,278,115</u>

All grants listed above were received from related parties - see note 11.

**Note 9 Accumulated Surplus**

	<u>2014</u>	<u>2013</u>
Unrestricted accumulated surplus	\$ 5,903,508	\$ 5,235,542
Equity in tangible capital assets	4,040,518	2,006,980
	<u>\$ 9,944,026</u>	<u>\$ 7,242,522</u>



**IMPROVEMENT DISTRICT NO. 9**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended December 31, 2014**

**Note 10 Total Expenses**

Total expenses for the year are summarized by object of expense as follows:

	<u>2014</u>	<u>2013</u>
Supplies and services	\$ 956,370	\$ 892,650
Grants	264,102	599,582
Amortization	167,415	66,087
	<u>\$ 1,387,887</u>	<u>\$ 1,558,319</u>

The Ministry of Municipal Affairs manages the administrative operations of the Improvement District, on behalf of its taxpayers, as a trust fund. This is a regulated trust fund consisting of public money over which the Legislature has no power of appropriation.

**Note 11 Related Parties**

The Improvement District paid an administration fee of \$102,343 (2013 - \$133,272) and linear assessment costs of \$773 (2013 - \$785) to Alberta Municipal Affairs. The Improvement District has an accounts payable of \$103,116 (2013 - \$ nil) to Alberta Municipal Affairs and \$12,013 (2013 - \$14,480) to Alberta Justice and Solicitor General. The Improvement District had amounts receivable of \$612,365 (2013 - \$564,550) from Alberta Municipal Affairs. The Improvement District paid \$12,013 (2013 - \$19,720) to Alberta Justice and Solicitor General for policing services.

Requisitions paid to the Alberta School Foundation Fund and Seniors Foundation are shown separately in the statement of operations.

The Improvement District has deferred grant revenue of \$1,778,977 (2013 - \$2,370,280) from Alberta Municipal Affairs as part of the Municipal Sustainability Initiative. The Improvement District recognized \$79,716 (2013 - \$161,212) in government transfers for operating revenue and \$1,146,435 (2013 - \$801,415) in government transfers for capital revenue related to this program.

The Improvement District has deferred grant revenue of \$0 (2013 - \$906,448) from Alberta Transportation as part of the Alberta Municipal Infrastructure Program. The Improvement District recognized \$912,352 (2013 - \$0) in government transfers for capital revenue related to this program.



**IMPROVEMENT DISTRICT NO. 9**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended December 31, 2014**

**Note 12 Debt and Debt Service Limits**

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

	<u>2014</u>	<u>2013</u>
Total debt limit	\$ 3,045,906	\$ 3,090,945
Total debt	-	-
Debt limit in excess of actual debt	<u>\$ 3,045,906</u>	<u>\$ 3,090,945</u>
Service on debt limit	\$ 507,651	\$ 515,158
Service on debt	-	-
Service on debt limit in excess of actual debt service costs	<u>\$ 507,651</u>	<u>\$ 515,158</u>

The debt limit, as defined by the Regulation, is 1.5 times revenue of the Improvement District. The debt service limit is 0.25 times this same revenue amount.

**Note 13 Financial Instruments**

The Improvement District's financial instruments consist of cash and cash equivalents, taxes and accounts receivable, investments, and accounts payable and accrued liabilities. It is management's opinion that the Improvement District is not exposed to significant interest or currency risks arising from these financial instruments.

The Improvement District is subject to credit risk with respect to taxes and grants in place of taxes receivables and accounts receivables. Credit risk arises from the possibility that taxpayers and entities to which the Improvement District provides services may experience financial difficulty and be unable to fulfill their obligations. The large number and diversity of taxpayers and customers minimizes the credit risk.

Unless otherwise noted, the carrying value of the financial instrument approximates fair value.

**Note 14 Comparative Figures**

Certain 2013 figures have been reclassified to conform to the 2014 presentation.

**Note 15 Budget**

The budget for the year ended December 31, 2014 was approved by the Minister of Municipal Affairs.

**IMPROVEMENT DISTRICT NO. 9**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended December 31, 2014**

**Note 16    Approval of Financial Statements**

These financial statements were approved by the Chairman of the Advisory Council for Improvement District No. 9 and the Senior Financial Officer of Alberta Municipal Affairs.


MUNICIPAL FINANCIAL INFORMATION RETURN

For the Year Ending December 31, 2014

Municipality Name: IMPROVEMENT DISTRICT  
NO. 9

CERTIFICATION

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

  
\_\_\_\_\_  
Signature of Duty Authorized Signing Officer

Darryl Joyce  
\_\_\_\_\_  
Print Name

April 29, 2015  
\_\_\_\_\_  
Date



## Independent Auditor's Report

To the Minister of Municipal Affairs and the Advisory Council for Improvement District No. 9

### **Report on the Municipal Financial Information Return**

I have audited the accompanying municipal financial information return of Improvement District No. 9 for the year ended December 31, 2014. The municipal financial information return is prepared by management based on the required presentation and financial reporting provisions of the Financial Information Return Manual for December 31, 2014 as provided by the Ministry of Municipal Affairs.

### **Management's Responsibility for the Municipal Financial Information Return**

Management is responsible for the preparation and fair presentation of this financial information return in accordance with the required presentation and financial reporting provisions of the Financial Information Return Manual for December 31, 2014 as provided by the Ministry of Municipal Affairs, and for such internal control as management determines is necessary to enable the preparation of the financial information return that is free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

My responsibility is to express an opinion on this financial information return based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial information return is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial information return. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial information return, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial information return in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial information return.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### **Opinion**

In my opinion, the municipal financial information return presents fairly, in all material respects, the financial position of Improvement District No. 9 as at December 31, 2014, and its revenues and expenses for the year then ended in accordance with the required presentation and financial reporting provisions of the Financial Information Return Manual for December 31, 2014 as provided by the Ministry of Municipal Affairs.

### **Basis of Accounting**

Without modifying my opinion, I draw attention to the Financial Information Return Manual which describes the basis of accounting. The financial information return is prepared for statistical purposes as requested by the Minister of Municipal Affairs. As a result, this financial information return may not be suitable for another purpose.

*Merwan N. Saher, FCA*

Auditor General

April 29, 2015

Edmonton, Alberta



**FINANCIAL POSITION**

Schedule 9A

	Total
	1
<b>Assets</b>	0010
Cash and Temporary Investments .....	0020 8,011,790
Taxes and Grants in Place of Taxes Receivable.....	0030
. Current .....	0040 86,783
. Arrears .....	0050 133,177
. Allowance .....	0060
Receivable From Other Governments .....	0070 612,575
Loans Receivable .....	0080
Trade and Other Receivables .....	0090 22,294
Debt Charges Recoverable.....	0095
Inventories Held for Resale	0130
. Land .....	0140
. Other .....	0150
Long Term Investments	0170
. Federal Government .....	0180
. Provincial Government .....	0190 10
. Local Governments .....	0200
. Other .....	0210
Other Current Assets .....	0230
Other Long Term Assets .....	0240
<b>Total Financial Assets</b>	
	0250
	0260 8,866,629
<b>Liabilities</b>	0270
Temporary Loans Payable .....	0280
Payable To Other Governments .....	0290 425,231
Accounts Payable & Accrued Liabilities .....	0300 501,003
Deposit Liabilities .....	0310
Deferred Revenue .....	0340 1,780,366
Long Term Debt .....	0350
Other Current Liabilities .....	0360 276,431
Other Long Term Liabilities .....	0370
<b>Total Liabilities</b>	
	0380
	0390 2,983,031
<b>Net Financial Assets (Net Debt)</b>	
	0395 5,883,598
<b>Non Financial Assets</b>	
Tangible Capital Assets.....	0400 4,040,518
Inventory for Consumption.....	0410
Prepaid Expenses .....	0420 19,910
Other.....	0430
<b>Total Non-Financial Assets</b>	
	0440 4,060,428
<b>Accumulated Surplus</b>	
	0450 9,944,026



**CHANGE IN ACCUMULATED SURPLUS**

**Schedule 9B**

		Unrestricted	Restricted	Equity in TCA	Total
		1	2	3	4
Accumulated Surplus - Beginning of Year	0500	5,235,542		2,006,980	7,242,522
Net Revenue (Expense) .....	0505	2,701,504			2,701,504
Funds Designated For Future Use.....	0511				
Restricted Funds - Used for Operations.....	0512				
Restricted Funds - Used for TCA.....	0513				
Current Year Funds Used for TCA .....	0514	-2,200,953		2,200,953	
Donated and Contributed TCA.....	0516				
Disposals of TCA.....	0517				
Annual Amortization Expense.....	0518	167,415		-167,415	
Long Term Debt - Issued.....	0519				
Long Term Debt - Repaid.....	0521				
Capital Debt - Used for TCA.....	0522				
	0523				
Other Adjustments.....	0524				
Accumulated Surplus - End of Year.....	0525	5,903,508		4,040,518	9,944,026

**FINANCIAL ACTIVITIES BY FUNCTION**

**Schedule 9C**

	Revenue	Expense
	1	2
<b>Total General</b>	0700 1,803,549	
<b>Function</b>	0710	1150
<b>General Government</b>	0720	1160
Council and Other Legislative .....	0730	1170
General Administration .....	0740 66,183	1180 267,870
Other General Government.....	0750 245	1190
<b>Protective Services</b>	0760	1200
Police .....	0770 9,760	1210 12,013
Fire .....	0780 79,716	1220 704,577
Disaster and Emergency Measures .....	0790	1230
Ambulance and First Aid .....	0800	1240
Bylaws Enforcement .....	0810	1250
Other Protective Services.....	0820	1260
<b>Transportation</b>	0830	1270
Common and Equipment Pool .....	0840	1280
Roads, Streets, Walks, Lighting .....	0850	1290
Airport .....	0860	1300
Public Transit .....	0870	1310
Storm Sewers and Drainage .....	0880	1320
Other Transportation .....	0890	1330 60,000
<b>Environmental Use and Protection</b>	0900	1340
Water Supply and Distribution .....	0910	1350
Wastewater Treatment and Disposal .....	0920	1360
Waste Management .....	0930	1370
Other Environmental Use and Protection .....	0940	1380
<b>Public Health and Welfare</b>	0950	1390
Family and Community Support .....	0960	1400 5,400
Day Care .....	0970	1410
Cemeteries and Crematoriums .....	0980	1420
Other Public Health and Welfare .....	0990	1430
<b>Planning and Development</b>	1000	1440
Land Use Planning, Zoning and Development .....	1010	1450
Economic/Agricultural Development .....	1020	1460
Subdivision Land and Development .....	1030	1470
Public Housing Operations .....	1040	1480
Land, Housing and Building Rentals .....	1050 71,120	1490 127,401
Other Planning and Development.....	1060	1500
<b>Recreation and Culture</b>	1070	1510
Recreation Boards .....	1080	1520
Parks and Recreation .....	1090 2,058,787	1530 143,226
Culture: Libraries, Museums, Halls .....	1100	1540 12,500
Convention Centres .....	1110	1550
Other Recreation and Culture.....	1120	1560 54,900
<b>Other Utilities</b>	1125	1565
Gas .....	1126	1566
Electric .....	1127	1567
<b>Other</b> .....	1130 31	1570
<b>Total Revenue/Expense</b>	1140 4,089,391	1580 1,387,887
<b>Net Revenue/Expense</b>		1590 2,701,504

FINANCIAL ACTIVITIES BY TYPE / OBJECT

Schedule 9D

		Total 1
Revenues	1700	
Taxation and Grants in Place	1710	
. Property (Net Municipal) .....	1720	1,776,090
. Business .....	1730	
. Business Revitalization Zone .....	1740	
. Special .....	1750	
. Well Drilling .....	1760	
. Local Improvement .....	1770	
Sales To Other Governments .....	1790	
Sales and User Charges .....	1800	
Penalties and Costs on Taxes .....	1810	27,459
Licenses and Permits .....	1820	245
Fines .....	1830	
Franchise and Concession Contracts .....	1840	
Returns on Investments .....	1850	66,183
Rentals .....	1860	71,120
Insurance Proceeds .....	1870	
Net Gain on Sale of Tangible Capital Assets .....	1880	
Contributed and Donated Assets.....	1885	
Federal Government Unconditional Transfers .....	1890	
Federal Government Conditional Transfers .....	1900	
Provincial Government Unconditional Transfers .....	1910	
Provincial Government Conditional Transfers .....	1920	2,138,503
Local Government Transfers .....	1930	
Transfers From Local Boards and Agencies .....	1940	
Developer Agreements and Levies .....	1960	
Other Revenues .....	1970	9,791
<b>Total Revenue</b> .....	1980	<b>4,089,391</b>
Expenses	1990	
Salaries, Wages, and Benefits .....	2000	
Contracted and General Services .....	2010	109,516
Purchases from Other Governments .....	2020	898,802
Materials, Goods, Supplies, and Utilities .....	2030	8,052
Provision For Allowances .....	2040	
Transfers to Other Governments .....	2050	
Transfers to Local Boards and Agencies .....	2060	204,102
Transfers to Individuals and Organizations .....	2070	
Bank Charges and Short Term Interest .....	2080	
Interest on Operating Long Term Debt .....	2090	
Interest on Capital Long Term Debt .....	2100	
Amortization of Tangible Capital Assets .....	2110	167,415
Net Loss on Sale of Tangible Capital Assets.....	2125	
Write Down of Tangible Capital Assets.....	2127	
Other Expenditures .....	2130	
<b>Total Expenses</b> .....	2140	<b>1,387,887</b>
<b>Net Revenue (Expense)</b> .....	2150	<b>2,701,504</b>



REVENUE AND EXPENSE SUPPLEMENTARY DETAIL

Schedule 9E

		Revenue		Expenses	
		Sales and User Charges	Provincial Capital Transfers	Annual Amortization Expense	Capital Long Term Debt Interest Expense
		1	2	3	4
General Government	2200				
Council and Other Legislative .....	2210				
General Administration .....	2220				
Other General Government.....	2230				
Protective Services	2240				
Police .....	2250				
Fire .....	2260			39,260	
Disaster and Emergency Measures .....	2270				
Ambulance and First Aid .....	2280				
Bylaws Enforcement .....	2290				
Other Protective Services.....	2300				
Transportation	2310				
Common and Equipment Pool .....	2320				
Roads, Streets, Walks, Lighting .....	2330				
Airport .....	2340				
Public Transit .....	2350				
Storm Sewers and Drainage .....	2360				
Other Transportation .....	2370				
Environmental Use and Protection	2380				
Water Supply and Distribution .....	2390				
Wastewater Treatment and Disposal .....	2400				
Waste Management .....	2410				
Other Environmental Use and Protection .....	2420				
Public Health and Welfare	2430				
Family and Community Support .....	2440				
Day Care .....	2450				
Cemeteries and Crematoriums .....	2460				
Other Public Health and Welfare .....	2470				
Planning and Development	2480				
Land Use Planning, Zoning and Development .....	2490				
Economic/Agricultural Development .....	2500				
Subdivision Land and Development .....	2510				
Public Housing Operations .....	2520			43,337	
Land, Housing and Building Rentals .....	2530				
Other Planning and Development.....	2540				
Recreation and Culture	2550				
Recreation Boards .....	2560				
Parks and Recreation .....	2570		2,058,787	84,818	
Culture: Libraries, Museums, Halls .....	2580				
Convention Centres .....	2590				
Other Recreation and Culture.....	2600				
Other Utilities	2605				
Gas .....	2606				
Electric .....	2607				
Other .....	2610				
<b>Total</b>	2620		2,058,787	167,415	



TANGIBLE CAPITAL ASSETS SUPPLEMENTARY DETAIL

Schedule 9F

		Tangible Capital Assets		Capital Long Term Debt	
		Purchased	Donated or Contributed	Principal Additions	Principal Reductions
		1	2	3	4
General Government	2700				
Council and Other Legislative .....	2710				
General Administration .....	2720				
Other General Government.....	2730				
Protective Services	2740				
Police .....	2750				
Fire .....	2760	142,167			
Disaster and Emergency Measures .....	2770				
Ambulance and First Aid .....	2780				
Bylaws Enforcement .....	2790				
Other Protective Services.....	2800				
Transportation	2810				
Common and Equipment Pool .....	2820				
Roads, Streets, Walks, Lighting .....	2830				
Airport .....	2840				
Public Transit .....	2850				
Storm Sewers and Drainage .....	2860				
Other Transportation .....	2870				
Environmental Use and Protection	2880				
Water Supply and Distribution .....	2890				
Wastewater Treatment and Disposal .....	2900				
Waste Management .....	2910				
Other Environmental Use and Protection .....	2920				
Public Health and Welfare	2930				
Family and Community Support .....	2940				
Day Care .....	2950				
Cemeteries and Crematoriums .....	2960				
Other Public Health and Welfare .....	2970				
Planning and Development	2980				
Land Use Planning, Zoning and Development .....	2990				
Economic/Agricultural Development .....	3000				
Subdivision Land and Development .....	3010				
Public Housing Operations .....	3020				
Land, Housing and Building Rentals .....	3030				
Other Planning and Development.....	3040				
Recreation and Culture	3050				
Recreation Boards .....	3060				
Parks and Recreation .....	3070	2,058,786			
Culture: Libraries, Museums, Halls .....	3080				
Convention Centres .....	3090				
Other Recreation and Culture.....	3100				
Other Utilities	3105				
Gas .....	3106				
Electric .....	3107				
Other .....	3110				
<b>Total</b>	3120	2,200,953			



CHANGE IN TANGIBLE CAPITAL ASSETS

Schedule 9G

		Balance at Beginning of Year 1	Additions 2	Reductions 3	Balance at End of Year 4
<b>Tangible Capital Assets - Cost</b>					
Engineered Structures	3200				
Roadway Systems.....	3201				
Light Rail Transit Systems.....	3202				
Water Systems.....	3203				
Wastewater Systems.....	3204				
Storm Systems.....	3205				
Fibre Optics.....	3206				
Electricity Systems.....	3207				
Gas Distribution Systems.....	3208				
Total Engineered Structures .....	3210				
Construction In Progress.....	3219	856,995	-846,855		10,140
Buildings .....	3220	1,733,482	2,915,781		4,649,263
Machinery and Equipment .....	3230	10,140	-10,140		
Land .....	3240				
Land Improvements.....	3245	298,095			298,095
Vehicles .....	3250	640,880	142,167		783,047
<b>Total Capital Property Cost</b>	3260	3,539,592	2,200,953		5,740,545
<b>Accumulated Amortization</b>					
Engineered Structures	3270				
Roadway Systems	3271				
Light Rail Transit Systems	3272				
Water Systems	3273				
Wastewater Systems	3274				
Storm Systems	3275				
Fibre Optics	3276				
Electricity Systems	3277				
Gas Distribution Systems	3278				
Engineered Structures .....	3280				
Buildings .....	3290	875,418	116,231		991,649
Machinery and Equipment .....	3300				
Land .....	3310				
Land Improvements.....	3315	59,620	11,924		71,544
Vehicles .....	3320	597,574	39,260		636,834
<b>Total Accumulated Amortization</b>	3330	1,532,612	167,415		1,700,027
<b>Net Book Value of Capital Property</b>	3340	2,006,980			4,040,518
<b>Capital Long Term Debt (Net)</b>	3350				
<b>Equity in Tangible Capital Assets</b>	3400	2,006,980			4,040,518

**LONG TERM DEBT SUPPORT**

**Schedule 9H**

		Operating Purposes 1	Capital Purposes 2	Total 3
<b>Long Term Debt Support</b>	3405			
Supported by General Tax Levies .....	3410			
Supported by Special Levies .....	3420			
Supported by Utility Rates .....	3430			
Other .....	3440			
<b>Total Long Term Debt Principal Balance</b>	3450			

**LONG TERM DEBT SOURCES**

**Schedule 9I**

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

**FUTURE LONG TERM DEBT REPAYMENTS**

**Schedule 9J**

		Operating Purposes 1	Capital Purposes 2	Total 3
<b>Principal Repayments by Year</b>	3700			
Current + 1 .....	3710			
Current + 2 .....	3720			
Current + 3 .....	3730			
Current + 4 .....	3740			
Current + 5 .....	3750			
Thereafter .....	3760			
<b>Total Principal</b>	3770			
<b>Interest by Year</b>	3780			
Current + 1 .....	3790			
Current + 2 .....	3800			
Current + 3 .....	3810			
Current + 4 .....	3820			
Current + 5 .....	3830			
Thereafter .....	3840			
<b>Total Interest</b>	3850			

**PROPERTY TAXES AND GRANTS IN PLACE**

**Schedule 9K**

		Property Taxes 1	Grants - in Place 2	Total 3
Property Taxes	3900			
Residential Land and Improvements .....	3910	194,829	53,825	248,654
Non-Residential	3920			
Land and Improvements (Excluding M & E).....	3935	2,067,441	843,503	2,910,944
Machinery and Equipment .....	3950			
Linear Property .....	3960	100,317	336	100,653
Railway .....	3970		113,509	113,509
Farm Land .....	3980			
Adjustments to Property Taxes .....	3990			
<b>Total Property Taxes and Grants In Place</b>	<b>4000</b>	<b>2,362,587</b>	<b>1,011,173</b>	<b>3,373,760</b>
Requisition Transfers				
Education				
Residential/Farm Land .....	4031		203,443	
Non-Residential .....	4035		1,326,993	
Seniors Lodges .....	4090		67,234	
Other .....	4100			
Adjustments to Requisition Transfers .....	4110			
<b>Total Requisition Transfers</b>	<b>4120</b>		<b>1,597,670</b>	
<b>Net Municipal Property Taxes and Grants In Place</b>	<b>4130</b>		<b>1,776,090</b>	

**GRANTS IN PLACE OF TAXES**

**Schedule 9L**

		Property Taxes 1	Business Taxes 2	Other Taxes 3	Total 4
Federal Government .....	4200	1,011,173			1,011,173
Provincial Government .....	4210				
Local Government .....	4220				
Other .....	4230				
<b>Total</b>	<b>4240</b>	<b>1,011,173</b>			<b>1,011,173</b>



**DEBT LIMIT**

**Schedule 9AA**

Debt Limit .....  
Total Debt .....  
Debt Service Limit .....  
Total Debt Service Costs .....

	1
5700	3,045,906
5710	
5720	507,651
5730	

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