

Consolidated Financial Statements of the

TOWN OF SUNDRE

December 31, 2007

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TOWN OF SUNDRE

Management's Responsibility for Financial Statements

The accompanying consolidated financial statements of the Town of Sundre (the "Town") are the responsibility of management and have been approved by the Town's Council. The consolidated financial statements have been prepared in conformity with accounting principles for municipal governments established by the Canadian Institute of Chartered Accountants, using management's best estimates and judgements, where appropriate. In the opinion of management, these consolidated financial statements reflect fairly the financial position, the results of its financial activities and changes in financial position of the Town within reasonable limits of materiality.

A system of internal accounting and administrative controls is maintained by management to provide reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition and that the financial records are properly maintained to provide accurate and reliable financial statements.

Council is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal controls. Council carries out this responsibility through regular meetings with management throughout the year to review significant accounting and auditing matters.

These consolidated financial statements have been audited, in accordance with Canadian generally accepted auditing standards, by Chengkalath Van Eyck, Chartered Accountants, who were appointed by Council. Chengkalath Van Eyck has full and unrestricted access to management and Council to discuss their audit and related findings. The Auditor's Report outlining the scope of their examination and their opinion on the consolidated financial statements is presented on the following page.



Deborah D. Savage CGA
Interim Director of Corporate Services
March 31, 2008

Auditors' Report

To the Members of Council:

We have audited the consolidated statement of financial position of the Town of Sundre (the "Town") as at December 31, 2007 and the consolidated statement of financial activities with change in fund balance and the consolidated statement of changes in financial position for the year then ended. These consolidated financial statements are the responsibility of the Town's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Town as at December 31, 2007 and the results of its financial activities and the changes in its financial position for the year then ended in accordance with accounting principles for municipal governments established by the Canadian Institute of Chartered Accountants.

Chengkalath Van Eyck
Chartered Accountants

March 31, 2008

TOWN OF SUNDRE
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2007 and 2006

	2007	2006
Financial Assets		
Cash (Note 2)	\$ 4,475,785	\$ 4,951,361
Prepaid Expenses	58,659	55,333
Investments (Note 3)	851,900	1,165,993
Notes receivable		
Taxes and grants in place of taxes	132,323	66,743
Trade and other	632,733	780,033
	6,151,400	7,019,463
Financial Liabilities		
Accounts payable and accrued liabilities	573,183	797,931
Deposits liabilities	22,585	25,403
Deferred revenue (Note 5)	141,173	3,610
Builders deposit	120,000	120,000
Long-term debt (Note 6)	2,894,648	2,531,537
	3,751,590	3,478,481
Net Financial Assets	2,399,810	3,540,982
Physical Assets		
Inventory of materials and supplies	43,454	27,499
Physical Assets (Note 4)	23,523,195	21,141,870
	23,566,649	21,169,369
Net Position	25,966,460	24,710,351
Municipal Position		
Equity in capital assets (Schedule 4)	\$ 20,628,547	\$ 18,610,333
Capital Fund (Schedule 2)	-	-
Operating Fund (Schedule 1)	2,092,189	2,082,348
Reserve Fund (Schedule 3)	3,245,724	4,017,670
	\$ 25,966,460	\$ 24,710,351

Approved on behalf of the Members of Council by:

TOWN OF SUNDRE

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES AND CHANGE IN FUND BALANCES

For the Years Ended December 31, 2007 and 2006

	2007 Budget (unaudited)	2007	2006
Revenues			
Net municipal property taxes (Schedule 5)	\$ 1,783,243	\$ 1,783,243	\$ 1,413,579
User fees:			
General Administration	52,134	200,381	23,392
Protective services	22,700	20,928	29,327
Roads, streets, walks and lighting	55,546	196,744	194,915
Water supply and distribution	487,620	475,098	451,109
Wasterwater treatment and disposal	287,121	387,472	304,366
Waste management	172,400	173,965	168,643
F.C.S.S	51,100	1,298	14,429
Subdivision land and development	600	2,404	996,869
Parks and recreation	203,767	186,214	333,029
Culture- libraries and museums	48,000	74,782	205,616
Gas production and distribution	1,858,765	1,842,596	1,865,249
Penalties and cost on taxes	48,300	35,299	26,839
Licenses and permits	72,800	105,130	101,068
Fines	35,500	35,678	42,464
Investment income	90,203	255,918	197,177
Rentals	27,550	75,340	51,181
Provincial government transfers	76,471	633,072	610,466
Local government transfers	150,546	179,328	110,985
Other revenue	13,212	20,726	191,845
	<u>5,537,578</u>	<u>6,685,615</u>	<u>7,332,548</u>
Expenditures (Schedule 6)			
Legislative	144,691	135,008	107,439
Administration	397,426	394,980	293,332
Protective services	237,901	185,433	236,683
Roads, streets, walks, and lighting	711,466	634,659	377,777
Airport	1,000	1,000	1,000
Water supply and distribution	337,079	329,108	278,442
Wastewater treatment and disposal	311,119	296,837	205,589
Waste management	178,967	189,101	148,462
F.C.S.S	72,500	72,298	83,429
Subdivision land and development	303,903	365,189	226,483
Parks and recreation	730,339	700,573	555,588
Culture- libraries and museums	265,309	235,630	104,212
Gas production and distribution	1,793,183	1,779,691	1,792,679
Other	12,800	11,133	11,333
	<u>5,497,683</u>	<u>5,330,641</u>	<u>4,422,448</u>
Excess of revenues over expenditures	<u>\$ 39,895</u>	<u>\$ 1,354,974</u>	<u>\$ 2,910,100</u>

TOWN OF SUNDRE

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

For the Years Ended December 31, 2007 and 2006

	2007	2006
Cash Flows from Operating Activities		
Excess of revenues over expenditures	\$ 1,354,974	\$ 2,910,100
Adjustment for:		
Amortization of gas system	27,620	27,391
Deferred revenue	137,564	(34,758)
Appropriated surplus	(98,865)	(122,342)
	<u>1,421,293</u>	<u>2,780,391</u>
Changes in non-cash working capital balances		
Receivables:		
Taxes and grants in place of taxes receivable	(65,580)	3,598
Trade and other receivables	147,300	478,426
Inventory of materials and supplies	(15,955)	(1,308)
Land held for resale		
Prepaid expenses	(3,326)	(1,860)
Accounts payable and accrued liabilities	(224,748)	393,749
Builder's deposit	-	120,000
Deposit liabilities	(2,818)	(2,506)
	<u>1,256,167</u>	<u>3,770,490</u>
Cash flows used for investing activities:		
Purchases of capital assets	(2,408,946)	(3,981,474)
Investment in short-term deposits	314,093	764,533
	<u>(2,094,853)</u>	<u>(3,216,941)</u>
Cash flows used for financing activities:		
Long-term debt repaid	(166,889)	(150,419)
Long-term debt issued	530,000	1,723,786
	<u>363,111</u>	<u>1,573,367</u>
Decrease in cash during year	(475,576)	2,126,916
Cash, beginning of year	4,951,361	2,824,445
Cash , end of year (Note 2)	\$ 4,475,785	\$ 4,951,361

TOWN OF SUNDRE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2007

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Town of Sundre are the representations of management prepared in accordance with local government accounting standards established by the Public Sector Accounting and Auditing Board of the Canadian Institute of Chartered Accountants. Significant aspects of the accounting policies adopted by the Town of Sundre are as follows:

(a) Reporting entity

The consolidated financial statements reflect the assets, liabilities, revenues and expenditures, changes in fund balances and changes in financial position of the reporting entity. This entity is comprised of all of the organizations that are owned or controlled by the municipality and are, therefore, accountable to Council for the administration of their affairs and resources. They include the following:

- (i) General – activities associated with the provision of conventional municipal services including General Administrative Services, Protective Services (Fire, Police, Ambulance and Bylaw Services), Public Services (Engineering, Municipal Works, and Planning and Development), and Community Services (Family and Community Support Services and Parks and Recreation).
- (ii) Public Utilities – self-supporting activities which provide Water and Sewer.

The schedule of taxes levied also includes requisitions for education and other external organizations that are not part of the municipal reporting entity.

Interdepartmental and organizational transactions and balances are eliminated.

(b) Basis of accounting

The basis of accounting followed in the financial statement presentation includes revenues recognized in the period in which the transactions or events occurred that gave rise to the revenues, and expenditures recognized in the period the goods and services are acquired and a liability is incurred or transfers are due, with the exception of pension expenditures as disclosed in Note 11.

(c) Fund accounting

Management funds consist of the operating, capital and reserve funds. Transfers between funds are recorded as adjustments to the appropriate equity account.

(d) Government transfers

Government transfers are recognised in the financial statements as revenues in the period that the events giving rise to the transfer occurred, providing the transfers are authorised, any eligibility criteria have been met by municipality, and reasonable estimates of the amounts can be made.

(e) Investments

Investments are recorded at cost

TOWN OF SUNDRE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2007

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Taxes and Grants in place of Taxes Receivable

Construction and borrowing costs associated with local improvement projects are recovered through annual special property assessments during the period of the related borrowing.

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

(g) Inventories

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

Land held for resale is recorded at the lower of cost or net realizable value. Cost includes costs for land acquisition and improvements required to prepare the land for servicing such as clearing, stripping and levelling charges. Related development costs incurred to provide infrastructure such as water and waste water services, roads, side walks and street lighting are recorded as inventory. When land is sold the inventory balance is reduced with an offsetting entry to expenses.

(h) Capital Assets

Capital assets are recognized at cost except for donated assets, which are recorded at estimated fair value when acquired.

Government contributions for the acquisition of capital assets are recorded as capital revenue and do not reduce the related capital asset costs.

Capital assets for government are not amortized.

In the gas utility function, capital assets are amortized on a straight line basis over an estimated useful life of 30 years.

(i) Prepaid Local Improvement Charges

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

Where a tax payer 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 related borrowings, the deferred revenue is amortized to revenue by an amount equal to the debt repayment.

(j) Reserve for Future Expenditures

Reserves are established at the discretion of Council to set aside funds for future operating and capital expenditures. Transfers to and/or from reserves are reflected as an adjustment to the respective fund.

TOWN OF SUNDRE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2007

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Equity in Capital Assets

Equity in capital assets represents the Town of Sundre's net investment in its total capital assets after deducting work in progress, and the portion by third parties through debentures and long term capital borrowings.

(l) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

2. CASH

	<u>2007</u>	<u>2006</u>
Unrestricted		
Cash	\$ 200	\$ 200
General Account	1,229,861	933,491
Total unrestricted Cash	<u>1,230,061</u>	<u>933,691</u>
Internally restricted		
General reserve	278,869	191,182
Police reserve	36,508	15,915
Roads reserve	167,697	532,055
Street improvements reserve	98,133	261,208
Sewer reserve	613,165	736,443
Land sale reserve	12,401	873,427
Parks reserve	70,918	90,081
Baseball reserve	9,501	8,250
Arena reserve	124,755	136,887
Fire truck reserve	146,844	107,065
Recreation reserve	27,261	12,344
Outdoor park reserve	3,028	5,843
Greenwood park reserve	29,553	24,959
Library reserve	12,140	-
Trails reserve	10,404	37,671
Gas reserve	4,008	11,008
Alberta Infrastructure	1,309,169	885,461
New deals reserve	142,315	82,847
Solid waste reserve	-	5,024
Municipal sustainability reserve	149,056	-
Total restricted Cash	<u>3,245,724</u>	<u>4,017,670</u>
Total Cash	<u>\$ 4,475,785</u>	<u>\$ 4,951,361</u>

TOWN OF SUNDRE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2007

3. INVESTMENTS

	<u>2007</u>	<u>2006</u>
Short-term deposits	\$ 824,200	1,138,293
Investment in Gas Alberta Inc.	-	-
Shares at cost	200	200
Debentures	27,500	27,500
	<u>\$ 851,900</u>	<u>\$ 1,165,993</u>

Short term deposits have effective interest rates of 3.10% to 3.50% and mature in less than one year. Included in short-term deposits is \$120,000 which will be used to refund the builder's deposit once they have successfully completed development

The debenture with Gas Alberta Inc. is non-interest bearing and is due on June 30, 2008.

4. PHYSICAL ASSETS

	<u>2007</u>			<u>2006</u>
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	\$ 526,230	\$ -	\$ 526,230	\$ 526,230
Buildings	5,807,275	59,471	5,747,804	4,116,590
Distribution Systems				
Water	3,698,815	-	3,698,815	3,549,728
Wastewater	4,378,228	-	4,378,228	4,226,559
Gas	539,330	538,295	1,035	1,811
Other engineering structures	7,179,108	-	7,179,108	6,888,101
Machinery and equipment	1,691,918	230	1,691,688	1,543,558
Vehicle	300,287	-	300,287	289,293
	<u>\$ 24,121,191</u>	<u>\$ 597,996</u>	<u>\$ 23,523,195</u>	<u>\$ 21,141,870</u>

5. DEFERRED REVENUE

	<u>2007</u>	<u>2006</u>
Deposits on Land Sale	\$ 141,173	\$ 3,610

TOWN OF SUNDRE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2007

6 LONG-TERM DEBT	<u>2007</u>	<u>2006</u>
Tax supported debentures	\$ 1,244,776	\$ 817,538
Special levies supported debentures	1,329,426	1,404,583
Utility supported debentures	320,446	309,416
	<u>2,894,648</u>	<u>2,531,537</u>
Less: current portion	190,643	167,174
	<u>\$ 2,704,005</u>	<u>\$ 2,364,363</u>

Principal and interest repayments are due as follows

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 190,643	\$ 126,616	\$ 317,259
2009	199,264	117,996	317,260
2010	197,415	108,946	306,361
2011	181,215	100,406	281,621
2012	189,352	92,268	281,620
Thereafter	1,936,759	541,499	2,478,258
	<u>\$ 2,894,648</u>	<u>\$ 1,087,731</u>	<u>\$ 3,982,379</u>

Debenture debt is repayable to Alberta Finance Authority and ATB Financial bearing interest at rates ranging from 4.267% to 9.5% per annum, before Provincial subsidy and matures in periods 2006 to 2032. For qualifying debentures, the Province of Alberta rebates interest on certain debentures. Debenture debt is issued on the credit and security of the Town of Sundre at large.

Interest on long-term debt amounted to \$ 109,061 (2006- \$44,863)

The Town's total cash payments for interest in 2007 were \$ 108,927 (2006- \$47,004)

TOWN OF SUNDRE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2007

7. RESERVES

Reserves for operating and capital activities changed as follows

	2006	Increase	Decrease	2007
Operating reserves	\$ 191,182	\$ 302,474	\$ 214,787	\$ 278,869
Capital reserve				
Municipal Sustainability Reserve	-	149,056	-	149,056
Police Reserve	15,915	20,593	-	36,508
Fire truck Reserve	107,065	39,779	-	146,844
Roads Reserve	532,055	33,695	398,053	167,697
Street Improvement Reserve	261,208	152,491	315,566	98,133
AB Infrastructure Reserve	885,461	476,661	52,953	1,309,169
Water and Sewer Reserve	736,443	382,379	505,657	613,165
New Deals Reserve	82,847	59,468	-	142,315
Solid Waste Reserve	5,024	147	5,171	-
Land Reserve	873,427	479,351	1,340,377	12,401
Library Reserve		12,141		12,141
Arena Reserve	136,887	34,924	47,055	124,756
Greenwood Park Reserve	24,959	4,594	-	29,553
Baseball Reserve	8,250	1,251	-	9,501
Parks Reserve	90,081	30,595	49,757	70,919
Recreation and Culture Reserve	12,344	21,918	7,000	27,262
Trails Reserve	37,671	13,361	40,627	10,405
Outdoor Rinks Reserve	5,843	237	3,052	3,028
Gas Reserve	11,008	449	7,449	4,008
	<u>\$ 3,826,488</u>	<u>\$ 1,913,090</u>	<u>\$ 2,772,717</u>	<u>\$ 2,966,861</u>
	<u>\$ 4,017,670</u>	<u>\$ 2,215,559</u>	<u>\$ 2,987,505</u>	<u>\$ 3,245,724</u>

8. DEBT LIMIT

	2007	2006
Total Debt Limit	\$ 9,410,422	\$ 10,488,135
Total Debt	<u>2,894,648</u>	<u>2,531,537</u>
Amount of Debt Limit unused	<u>\$ 6,515,774</u>	<u>\$ 7,956,598</u>
Debt servicing limit	\$ 1,568,403	\$ 1,748,823
Debt servicing	<u>317,259</u>	<u>275,816</u>
	<u>\$ 1,251,144</u>	<u>\$ 1,473,007</u>

TOWN OF SUNDRE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2007

9. SALARY AND BENEFITS DISCLOSURE

Disclosure of salaries and benefits for elected municipal officials and the chief administrative officer as required by Alberta Regulation 313/2000 is as follows:

	<u>Salary</u>	<u>Benefits & Allowance</u>	<u>2007</u>	<u>2006</u>
Mayor and Council				
Mayor Cummings	\$ 16,222	\$ 600	\$ 16,822	\$ 10,588
Councilor Clews	11,031	2,850	13,881	7,896
Councilor Henze	11,031	900	11,931	7,496
Councilor McIntyre	1,697	450	2,147	-
Councilor Savage-Howe	9,637	-	9,637	7,196
Councilor Taylor	10,890	2,250	13,140	7,896
Councilor Toone	11,031	1,050	12,081	7,896
Councilor White	1,997	300	2,297	-
Councilor Brosh	9,637	600	10,237	8,296
Chief Administrator Officer	86,057	1,189	87,246	79,072

- (1) Salary includes regular base pay, bonuses, lump sum payments, honoraria and any other direct cash remuneration.
- (2) Employer's share of all employee benefits and contributions or payments made on behalf of employees including retirement pension, health care group life insurance, accidental disability, long and short-term disability plans, professional memberships.

10. FINANCIAL INSTRUMENTS

The Town's financial statements consist of cash, receivables, accounts payable, accrued liabilities and long term deb. It is management's opinion that the Town of Sundre is not exposed to significant interest or currency risk arising from these financial instruments.

Unless otherwise noted, the fair value of these financial instruments approximates their carrying values.

The Town is exposed to credit risk with respect to taxes and accounts receivable. Credit risk arises from the possibility that taxpayers and entities to which the Town provides services may experience financial difficulty and not be able to fulfill their obligation. The large number and diversity of taxpayers and customers minimizes the credit risk.

TOWN OF SUNDRE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2007

11. LOCAL AUTHORITIES PENSION PLAN

Employees of the Town of Sundre participate in the Local Authorities Pension Plan (LAPP), which is covered by the Alberta Public Sector Pension Plans Act.

Contributions for current service are recorded as expenditures in the year in which they become due.

The Town of Sundre is required to make current service contributions to the Plan of 7.75% (2006-7.75%) of pensionable earnings up to the Canada Pension Plan Year's Maximum Pensionable Earnings and 10.64% (2006-10.64%) for the excess. Employees of the Town are required to make current service contributions of 6.75% of pensionable salary up to the year's maximum pensionable salary and 9.64% on pensionable salary above this amount.

Total current service contributions by the Town of Sundre to the LAPP in 2007 were \$80242/- (2006 - \$62,256). Total current service contributions by the employees of the Town of Sundre to the LAPP in 2007 were \$70574/- (2006 - \$54578).

The plan disclosed an actuarial deficiency of \$1.18 billion at December 31, 2007.

12. TANGIBLE CAPITAL ASSETS

Effective December 31, 2007 the Town of Sundre adopted Accounting Guidelines 7 (PSG-7) of the Public Sector Accounting Handbook of the Canadian Institute of Chartered Accountants (CICA) with respect to the disclosure of Tangible capital assets of local government. PSG-7 provides transitional guideline on presenting information related to tangible capital assets until Section 3150 – Tangible capital assets of the Public Sector Accounting Handbook comes into effect on January 1, 2009. During 2007 the Town continued to work towards compliance with the new recommendation for accounting for tangible capital assets.

13. BUDGET AMOUNTS

The 2007 Budget of the Town of Sundre was approved by the Council and has been reported in the financial statements for information purpose only. These budget amounts have not been audited.

TOWN OF SUNDRE

Schedule 1

SCHEDULE OF OPERATING FUND FINANCIAL ACTIVITIES AND CHANGE IN FUND BALANCE

For the Years Ended December 31, 2007 and 2006

	2007 Budget (unaudited)	2007	2006
Revenues			
Net municipal property taxes (Schedule 5)	\$ 1,783,243	\$ 1,783,243	\$ 1,413,579
User fees:			
General Administration	17,700	200,381	23,392
Protective services	22,700	20,928	20,506
Roads, streets, walks and lighting	55,546	60,724	58,895
Water supply and distribution	487,620	475,098	451,109
Wastewater treatment and disposal	287,121	387,472	304,366
Waste management	172,400	173,965	168,643
F.C.S.S	51,100	1,298	14,429
Subdivision land and development	600	2,404	996,869
Parks and recreation	203,767	186,214	333,029
Culture- libraries and museums	42,000	24,802	9,999
Gas production and distribution	1,858,765	1,842,596	1,865,249
Penalties and cost on taxes	48,300	35,299	26,839
Licenses and permits	72,800	105,130	101,068
Fines	35,500	35,678	42,464
Investment income	90,203	255,918	197,177
Rentals	27,550	75,340	51,181
Provincial government transfers	76,471	613,072	610,466
Local government transfers	150,546	179,328	110,985
Other revenue	13,212	20,726	191,845
	5,497,144	6,479,615	6,992,090
Expenditures (Schedule 6)			
Legislative	144,691	135,008	107,439
Administration	397,426	394,980	293,332
Protective services	237,901	185,433	236,683
Roads, streets, walks, and lighting	711,466	634,659	377,777
Airport	1,000	1,000	1,000
Water supply and distribution	337,079	329,108	278,442
Wastewater treatment and disposal	311,119	296,837	205,589
Waste management	178,967	189,101	148,462
F.C.S.S	72,500	72,298	83,429
Subdivision land and development	303,903	365,189	226,483
Parks and recreation	730,339	700,573	555,588
Culture- libraries and museums	265,309	235,631	104,212
Gas production and distribution	1,793,183	1,752,071	1,765,288
Other	12,800	11,133	11,333
	5,497,683	5,303,021	4,395,057
Excess of revenues over expenditures	(539)	1,176,594	2,597,033
Transfers to reserves	141,626	771,946	(803,219)
Transfers from (to) capital fund	-	(1,672,946)	(1,917,230)
Debt repayment	(105,007)	(166,889)	(150,419)
Inter-fund transfers	-	(70,924)	322,787
Change in fund balance	36,080	37,782	48,952
Fund balance, beginning of year	2,082,348	2,082,348	2,478,525
Surplus appropriations	-	(27,941)	(445,129)
Fund Balance, end of year	\$ 2,118,428	\$ 2,092,189	\$ 2,082,348

TOWN OF SUNDRE

Schedule 2

**SCHEDULE OF CAPITAL FUND FINANCIAL ACTIVITIES AND CHANGES IN FUND
BALANCE****For the Years Ended December 31, 2007 and 2006**

	<u>2007</u>	<u>2006</u>
Revenues		
Government Transfers	\$ 206,000	\$ 340,458
Expenditures		
Acquisition of capital assets- Schedule 4	(2,408,946)	(3,981,474)
Excess(deficiency) of revenues over expenditure	(2,202,946)	(3,641,016)
Transfers(to) from operating fund	1,672,946	1,917,230
Debt issued	530,000	1,723,786
Change in fund balance	\$ -	\$ -

TOWN OF SUNDRE**Schedule 3****SCHEDULE OF RESERVE FUND FINANCIAL ACTIVITIES AND CHANGES IN FUND BALANCE
For the Years Ended December 31, 2007 and 2006**

	<u>2007</u>	<u>2006</u>
Fund balance, beginning of year	\$ 4,017,670	\$ 3,214,451
Add (deduct)		
Net increase in operating reserves	87,687	126,955
Net increase in capital reserves	(859,633)	676,264
Change in reserve fund balance	(771,946)	803,219
Fund balance, end of year (Note 7)	\$ 3,245,724	\$ 4,017,670

TOWN OF SUNDRE
SCHEDULE OF EQUITY IN CAPITAL ASSETS
For the Years Ended December 31, 2007 and 2006

Schedule 4

	2007	2006
Acquisition of Capital Assets		
General Administration	\$ 1,019,784	\$ 10,000
Roads, streets, walks and lighting	905,831	1,464,699
Water supply and distribution	149,087	20,672
Waste water treatment and disposal	163,519	18,806
Community Centre	30,909	2,151,845
Trails	40,627	1,700
Parks and recreation	92,302	218,623
Gas	6,887	95,129
	2,408,946	3,981,474
Expenditures		
Amortization of capital property	(27,620)	(27,390)
Capital Financing		
Capital debt issued	(530,000)	(1,723,786)
Capital debt repaid from operating fund	166,889	150,419
	(363,111)	(1,573,367)
Change in Equity balance	2,018,214	2,380,717
Equity Balance, beginning of year	18,610,333	16,229,616
Equity Balance, end of year	\$ 20,628,547	\$ 18,610,333

TOWN OF SUNDRE

Schedule 5

SCHEDULE OF TAXES LEVIED

For the Years Ended December 31,2007 and 2006

	Budget (Unaudited)	2007	2006
Taxation			
Real property taxes	\$ 2,374,510	\$ 2,374,510	\$ 2,075,278
Linear property taxes	158,351.00	158,351	151,506
Local improvement taxes	119,120.00	119,120	44,106
	2,651,981	2,651,980	2,270,890
Requisitions			
Alberta School Foundation Fund - Basic	783,718	783,718	520,599
Alberta School Foundation Fund - Additional	-	-	260,337
Senior Lodges- Mount View Foundation	25,569	25,569	24,134
Ambulance	59,451	59,451	52,241
	\$ 868,738	868,738	857,311
Net municipal property taxes	\$ 1,783,243	\$ 1,783,243	\$ 1,413,579

TOWN OF SUNDRE

Schedule 6

SCHEDULE OF NON CONSOLIDATED EXPENDITURES BY OBJECT

For the Years Ended December 31,2007 and 2006

	Budget (Unaudited)	2007	2006
Expenditures			
Salaries,wages and benefits	\$ 1,516,218	\$ 1,481,116	\$ 1,255,253
Contracted and general services	1,199,008	1,247,013	818,845
Materials, goods, supplies and utilities	2,037,507	2,041,246	1,898,721
Purchases from other governments	138,500	87,870	53,261
Transfers to other groups	321,046	306,206	278,211
Interest on capital long -term debt	213,754	109,061	44,863
Amortization of gas system	-	27,620	27,390
Other	71,650	30,509	45,904
Total expenditures	\$ 5,497,683	\$ 5,330,641	\$ 4,422,448