

MUNICIPAL FINANCIAL INFORMATION RETURN

For the Year Ending December 31, 2018

Municipality Name:

Town of Hanna

CERTIFICATION

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



Signature of Duly Authorized Signing Officer

Kim Neill

Print Name

April 10/2019

Date



410-2nd Avenue West
Box 2110, Hanna
Alberta T0J 1P0
(403) 854-4421

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CHARTERED PROFESSIONAL
ACCOUNTANTS

Jeff M. Faupel, B. Mgmt, CPA, CA *
Monica N. Faupel, B. Mgmt, CPA, CA *

Toll Free: 1 (800) 267-5601
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INDEPENDENT AUDITOR'S REPORT FINANCIAL INFORMATION RETURN

To the Mayor and Council of the Town of Hanna:

Opinion

We have audited the accompanying municipal financial information return of the Town of Hanna for the year ended December 31, 2018.

In our opinion, this financial information return presents fairly, in all material respects, the financial position of the municipality as at December 31, 2018 and the results of its operations, changes in its net financial assets for the year then ended in accordance with Canadian public sector accounting standards.

It is understood that this report, as requested by the Minister of Alberta Municipal Affairs, is to be used primarily for statistical purposes. We have issued an audit report dated March 8, 2019 on the financial statements of the Town of Hanna for the year ended December 31, 2018 and reference should be made to those audited financial statements for complete information.

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 information return section of our report. We are independent of the Town of Hanna in accordance with the ethical requirements that are relevant to our audit of the financial information return 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.

Emphasis of Matter – Basis of Accounting and Restriction on Distribution and Use

The financial information return is prepared to assist the Town of Hanna to meet the requirements of the Municipal Government Act (Section 227(1)). As a result, the financial information return may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Information Return

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

In preparing the financial information return, management is responsible for assessing the Town'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 cease operations, or has no realistic alternative but to do so.

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



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Auditor's Responsibility for the Audit of the Financial Information Return

Our objectives are to obtain reasonable assurance about whether the financial information return 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 the users taken on the basis of this financial information return. 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 information return, 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 controls.
- Obtain an understanding of internal controls 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 Town's internal controls.
- 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 Town'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 information return or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However future events or conditions may cause the Town to cease to continue to be a going concern.
- Evaluate the overall presentation, structure and content of the financial information return and whether the financial information return represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Entities or business activities within the Group to express an opinion on the financial information return. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other things, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during the audit.

HANNA, ALBERTA
MARCH 8, 2019


CHARTERED PROFESSIONAL ACCOUNTANTS

FINANCIAL POSITION

Schedule 9A

Total

1

Assets	0010	
Cash and Temporary Investments	0020	3,045,533
Taxes and Grants in Place of Taxes Receivable.....	0030	
. Current	0040	142,415
. Arrears	0050	91,784
. Allowance	0060	
Receivable From Other Governments	0070	1,077,705
Loans Receivable	0080	88,000
Trade and Other Receivables	0090	596,319
Debt Charges Recoverable.....	0095	
Inventories Held for Resale	0130	
. Land	0140	1,979,000
. Other	0150	
Long Term Investments	0170	
. Federal Government	0180	
. Provincial Government	0190	
. Local Governments	0200	
. Other	0210	1,932,854
Other Current Assets	0230	
Other Long Term Assets	0240	
	0250	
Total Financial Assets	0260	8,953,610
	0270	
Liabilities	0270	
Temporary Loans Payable	0280	
Payable To Other Governments	0290	
Accounts Payable & Accrued Liabilities	0300	453,933
Deposit Liabilities	0310	5,132
Deferred Revenue	0340	1,404,257
Long Term Debt	0350	332,456
Other Current Liabilities	0360	296,882
Other Long Term Liabilities	0370	
	0380	
Total Liabilities	0390	2,492,660
	0395	
Net Financial Assets (Net Debt)	0395	6,460,950
	0400	
Non Financial Assets	0400	
Tangible Capital Assets.....	0400	29,533,152
Inventory for Consumption.....	0410	
Prepaid Expenses	0420	192
Other.....	0430	
	0440	
Total Non-Financial Assets	0440	29,533,344
	0450	
Accumulated Surplus	0450	35,994,294

CHANGE IN ACCUMULATED SURPLUS

Schedule 9B

		Unrestricted	Restricted	Equity in TCA	Total
		1	2	3	4
Accumulated Surplus - Beginning of Year	0500	4,553,545	1,811,515	27,916,451	34,281,511
Net Revenue (Expense)	0505	1,712,783			1,712,783
Funds Designated For Future Use	0511	-237,930	237,930		
Restricted Funds - Used for Operations	0512	75,000	-75,000		
Restricted Funds - Used for TCA	0513				
Current Year Funds Used for TCA	0514	-2,266,286		2,266,286	
Donated and Contributed TCA	0516	-160,000		160,000	
Disposals of TCA	0517	164,169		-164,169	
Annual Amortization Expense	0518	985,119		-985,119	
Long Term Debt - Issued	0519				
Long Term Debt - Repaid	0521	-7,247		7,247	
Capital Debt - Used for TCA	0522				
	0523				
Other Adjustments	0524				
Accumulated Surplus - End of Year	0525	4,819,153	1,974,445	29,200,696	35,994,294

FINANCIAL ACTIVITIES BY FUNCTION

Schedule 9C

	Revenue	Expense
	1	2
Total General	0700 3,414,839	
Function	0710	1150
General Government	0720	1160
Council and Other Legislative	0730 700	1170 121,841
General Administration	0740 839,293	1180 1,210,303
Other General Government.....	0750	1190
Protective Services	0760	1200
Police	0770 9,835	1210
Fire	0780 509,241	1220 449,377
Disaster and Emergency Measures	0790	1230 5,542
Ambulance and First Aid	0800	1240
Bylaws Enforcement	0810 35,148	1250 102,186
Other Protective Services.....	0820	1260
Transportation	0830	1270
Common and Equipment Pool	0840 531,511	1280 612,933
Roads, Streets, Walks, Lighting	0850 105,660	1290 579,607
Airport	0860 879,021	1300 46,669
Public Transit	0870	1310
Storm Sewers and Drainage	0880	1320 15,469
Other Transportation	0890	1330
Environmental Use and Protection	0900	1340
Water Supply and Distribution	0910 1,409,652	1350 1,322,079
Wastewater Treatment and Disposal	0920 261,573	1360 259,899
Waste Management	0930 342,306	1370 340,330
Other Environmental Use and Protection	0940	1380
Public Health and Welfare	0950	1390
Family and Community Support	0960 94,054	1400 183,260
Day Care	0970	1410
Cemeteries and Crematoriums	0980 14,896	1420 22,771
Other Public Health and Welfare	0990	1430
Planning and Development	1000	1440
Land Use Planning, Zoning and Development	1010	1450
Economic/Agricultural Development	1020 21,471	1460 295,210
Subdivision Land and Development	1030	1470
Public Housing Operations	1040	1480
Land, Housing and Building Rentals	1050	1490
Other Planning and Development.....	1060	1500
Recreation and Culture	1070	1510
Recreation Boards	1080	1520 3,154
Parks and Recreation	1090 668,568	1530 1,547,790
Culture: Libraries, Museums, Halls	1100 137,681	1540 444,246
Convention Centres	1110	1550
Other Recreation and Culture.....	1120	1560
Other Utilities	1125	1565
Gas	1126	1566
Electric	1127	1567
Other	1130	1570
Total Revenue/Expense	1140 9,275,449	1580 7,562,666
Net Revenue/Expense		1590 1,712,783

FINANCIAL ACTIVITIES BY TYPE / OBJECT

Schedule 9D

**Total
1**

Revenues	1700	
Taxation and Grants in Place	1710	
Property (Net Municipal)	1720	2,866,460
Business	1730	
Business Revitalization Zone	1740	
Special	1750	
Well Drilling	1760	
Local Improvement	1770	
Sales To Other Governments	1790	
Sales and User Charges	1800	2,047,535
Penalties and Costs on Taxes	1810	49,404
Licenses and Permits	1820	26,810
Fines	1830	9,835
Franchise and Concession Contracts	1840	394,403
Returns on Investments	1850	104,572
Rentals	1860	336,732
Insurance Proceeds	1870	77,710
Net Gain on Sale of Tangible Capital Assets	1880	185,832
Contributed and Donated Assets	1885	160,000
Federal Government Unconditional Transfers	1890	
Federal Government Conditional Transfers	1900	20,821
Provincial Government Unconditional Transfers	1910	
Provincial Government Conditional Transfers	1920	2,145,032
Local Government Transfers	1930	579,903
Transfers From Local Boards and Agencies	1940	
Developer Agreements and Levies	1960	
Other Revenues	1970	270,400
Total Revenue	1980	9,275,449
Expenses	1990	
Salaries, Wages, and Benefits	2000	2,298,748
Contracted and General Services	2010	1,943,299
Purchases from Other Governments	2020	
Materials, Goods, Supplies, and Utilities	2030	1,735,160
Provision For Allowances	2040	
Transfers to Other Governments	2050	
Transfers to Local Boards and Agencies	2060	154,270
Transfers to Individuals and Organizations	2070	373,511
Bank Charges and Short Term Interest	2080	4,858
Interest on Operating Long Term Debt	2090	
Interest on Capital Long Term Debt	2100	3,074
Amortization of Tangible Capital Assets	2110	985,119
Net Loss on Sale of Tangible Capital Assets	2125	1
Write Down of Tangible Capital Assets	2127	
Other Expenditures	2130	64,626
Total Expenses	2140	7,562,666
Net Revenue (Expense)	2150	1,712,783

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	12,628		54,877	
Other General Government	2230				
Protective Services	2240				
Police	2250				
Fire	2260	116,633	75,000	118,600	
Disaster and Emergency Measures	2270	8,338		3,357	
Ambulance and First Aid	2280				
Bylaws Enforcement	2290				
Other Protective Services	2300				
Transportation	2310				
Common and Equipment Pool	2320	31,511	500,000	73,193	3,074
Roads, Streets, Walks, Lighting	2330	2,197	103,462	176,219	
Airport	2340	217	569,603	21,833	
Public Transit	2350				
Storm Sewers and Drainage	2360			15,469	
Other Transportation	2370				
Environmental Use and Protection	2380				
Water Supply and Distribution	2390	1,084,284	325,368	79,968	
Wastewater Treatment and Disposal	2400	261,573		98,156	
Waste Management	2410	75,150			
Other Environmental Use and Protection	2420	267,156			
Public Health and Welfare	2430				
Family and Community Support	2440	1,066			
Day Care	2450				
Cemeteries and Crematoriums	2460	14,896		1,676	
Other Public Health and Welfare	2470				
Planning and Development	2480				
Land Use Planning, Zoning and Development	2490				
Economic/Agricultural Development	2500	21,471		26,810	
Subdivision Land and Development	2510				
Public Housing Operations	2520				
Land, Housing and Building Rentals	2530				
Other Planning and Development	2540				
Recreation and Culture	2550				
Recreation Boards	2560				
Parks and Recreation	2570	150,307		286,900	
Culture: Libraries, Museums, Halls	2580	108		28,061	
Convention Centres	2590				
Other Recreation and Culture	2600				
Other Utilities	2605				
Gas	2606				
Electric	2607				
Other	2610				
Total	2620	2,047,535	1,573,433	985,119	3,074

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	9,450	160,000		
Other General Government	2730				
Protective Services	2740				
Police	2750				
Fire	2760	262,661			
Disaster and Emergency Measures	2770				
Ambulance and First Aid	2780				
Bylaws Enforcement	2790				
Other Protective Services	2800				
Transportation	2810				
Common and Equipment Pool	2820	1,237,520		339,703	7,247
Roads, Streets, Walks, Lighting	2830	103,462			
Airport	2840	774,060			
Public Transit	2850				
Storm Sewers and Drainage	2860				
Other Transportation	2870				
Environmental Use and Protection	2880				
Water Supply and Distribution	2890	172,344			
Wastewater Treatment and Disposal	2900	28,900			
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	6,288			
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	11,302			
Culture: Libraries, Museums, Halls	3080				
Convention Centres	3090				
Other Recreation and Culture	3100				
Other Utilities	3105				
Gas	3106				
Electric	3107				
Other	3110				
Total	3120	2,605,987	160,000	339,703	7,247

CHANGE IN TANGIBLE CAPITAL ASSETS

Schedule 9G

		Balance at Beginning of Year 1	Additions 2	Reductions 3	Balance at End of Year 4
Tangible Capital Assets - Cost					
Engineered Structures	3200				
Roadway Systems.....	3201	9,516,519	93,462		9,609,981
Light Rail Transit Systems.....	3202				
Water Systems.....	3203	3,723,362	172,343		3,895,705
Wastewater Systems.....	3204	5,572,165			5,572,165
Storm Systems.....	3205	1,288,948			1,288,948
Fibre Optics.....	3206				
Electricity Systems.....	3207				
Gas Distribution Systems.....	3208				
Total Engineered Structures	3210	20,100,994	265,805		20,366,799
Construction In Progress.....	3219	370,490	-364,867	5,623	
Buildings	3220	15,661,703	1,418,126	222,556	16,857,273
Machinery and Equipment	3230	3,138,993	535,819		3,674,812
Land	3240	980,408	137,044	49,786	1,067,666
Land Improvements.....	3245	1,901,476	774,060	130,661	2,544,875
Vehicles	3250	2,159,510			2,159,510
Total Capital Property Cost	3260	44,313,574	2,765,987	408,626	46,670,935
Accumulated Amortization					
Engineered Structures	3270				
Roadway Systems	3271	5,292,226	146,357		5,438,583
Light Rail Transit Systems	3272				
Water Systems	3273	1,106,414	53,555		1,159,969
Wastewater Systems	3274	2,215,390	78,108		2,293,498
Storm Systems	3275	437,509	15,468		452,977
Fibre Optics	3276				
Electricity Systems	3277				
Gas Distribution Systems	3278				
Engineered Structures	3280	9,051,539	293,488		9,345,027
Buildings	3290	3,682,157	302,824	113,799	3,871,182
Machinery and Equipment	3300	1,835,684	228,283		2,063,967
Land	3310				
Land Improvements.....	3315	884,948	75,131	130,660	829,419
Vehicles	3320	942,795	85,393		1,028,188
Total Accumulated Amortization	3330	16,397,123	985,119	244,459	17,137,783
Net Book Value of Capital Property	3340	27,916,451			29,533,152
Capital Long Term Debt (Net)	3350				332,456
Equity in Tangible Capital Assets	3400	27,916,451			29,200,696

LONG TERM DEBT SUPPORT

Schedule 9H

		Operating Purposes 1	Capital Purposes 2	Total 3
Long Term Debt Support	3405			
Supported by General Tax Levies	3410			
Supported by Special Levies	3420			
Supported by Utility Rates	3430			
Other	3440		332,456	332,456
Total Long Term Debt Principal Balance	3450		332,456	332,456

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		332,456	332,456
Total Long Term Debt Principal Balance	3620		332,456	332,456

FUTURE LONG TERM DEBT REPAYMENTS

Schedule 9J

		Operating Purposes 1	Capital Purposes 2	Total 3
Principal Repayments by Year	3700			
Current + 1	3710		23,586	23,586
Current + 2	3720		24,916	24,916
Current + 3	3730		26,322	26,322
Current + 4	3740		27,806	27,806
Current + 5	3750		229,826	229,826
Thereafter	3760			
Total Principal	3770		332,456	332,456
Interest by Year	3780			
Current + 1	3790		17,696	17,696
Current + 2	3800		16,366	16,366
Current + 3	3810		14,960	14,960
Current + 4	3820		13,476	13,476
Current + 5	3830		10,036	10,036
Thereafter	3840			
Total Interest	3850		72,534	72,534

PROPERTY TAXES AND GRANTS IN PLACE

Schedule 9K

	Property Taxes 1	Grants - In Place 2	Total 3
Property Taxes	3900		
Residential Land and Improvements	3910	2,563,774	2,563,774
Non-Residential	3920		
Land and Improvements (Excluding M & E).....	3935	805,643	897,889
Machinery and Equipment	3950	58,286	58,286
Linear Property	3960	149,073	149,073
Railway	3970		
Farm Land	3980	1,328	1,328
Adjustments to Property Taxes	3990		
Total Property Taxes and Grants In Place	4000	3,578,104	92,246
Requisition Transfers		4010	
Education			
Residential/Farm Land		4031	487,072
Non-Residential		4035	204,410
Seniors Lodges		4090	112,408
Other		4100	
Adjustments to Requisition Transfers		4110	
Total Requisition Transfers		4120	803,890
Net Municipal Property Taxes and Grants In Place		4130	2,866,460

GRANTS IN PLACE OF TAXES

Schedule 9L

	Property Taxes 1	Business Taxes 2	Other Taxes 3	Total 4
Federal Government	4200			
Provincial Government	4210	92,246		92,246
Local Government	4220			
Other	4230			
Total	4240	92,246		92,246

DEBT LIMIT

Schedule 9AA

Debt Limit	5700	10,802,211
Total Debt	5710	332,456
Debt Service Limit	5720	1,800,369
Total Debt Service Costs	5730	41,282

Enter prior year Line 3450 Column 2 balance here: