



**AGENDA**  
**ANNUAL GENERAL MEETING OF THE TOWN OF BARRHEAD TO**  
**BE HELD TUESDAY, APRIL 11, 2017 AT 7:00 P.M. IN THE**  
**TOWN OF BARRHEAD COUNCIL CHAMBERS**

*Barrhead....a quality community....giving a quality lifestyle*

Present

Absent

Others Present

1. Call to Order
2. Public Business
  - a) 2016 Financial Statements and Auditor's Report  
(Wayne Ellerington Delegation)
3. Adjournment

February 16, 2017

Ellerington **LLP**



**Mayor and Council**

Town of Barrhead  
PO Box 4189  
Barrhead, Alberta  
T7N 1A2

Dear Sirs/Madams:

Re: **Town of Barrhead 2016 Financial Audit**

**A – Our Role as Auditors**

As auditors for the Town, our objective was to express an opinion on whether the financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of the Town in accordance with Canadian generally accepted accounting principles.

Our audit was made in accordance with Canadian generally accepted auditing standards, and accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. We planned and performed audit procedures to obtain reasonable assurance whether the financial statements were free of material misstatement. This included 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.

Because an audit is conducted primarily to enable us to express an opinion on the financial statements, it is not specifically designed to identify all errors, fraud, illegal acts, significant weaknesses in internal control or other irregularities. In addition, because of the limitations inherent in the audit process, it cannot necessarily be expected to detect all such misstatements. If any significant errors or irregularities had been discovered as a result of our examination, they would have been reported to the appropriate level of management. There were none.

## **B – Identification of Possible Fraud Risk Factors**

Assurance required us to plan and perform our audits to obtain reasonable assurance that the financial statements are free from material misstatement, whether caused by error or fraud. To the extent any audit risk factors are deemed to exist our general audit approach and specific audit procedures are modified to minimize such risk factors.

Our review of possible fraud risk factors for the Town of Barrhead found the Town to have specific controls to circumstances that mitigate or eliminate the risk.

## **C – Confidentiality**

We maintain the strictest confidence with respect to any client's or former client's information. Accordingly, the Town's confidential information will not, without your consent, be disclosed to any individuals outside the firm, except as required by law or under the profession's Rules of Professional Conduct.

## **D – Practice Inspections**

In accordance with professional regulations (and by Firm policy), our client files must periodically be reviewed by provincial practice inspectors to ensure that we are adhering to professional and Firm standards. File reviewers are required to maintain confidentiality of client information.

## **E – Role of Management and Council**

The preparation of the financial statements in accordance with Canadian generally accepted accounting principles is the responsibility of management. This responsibility includes the maintenance of adequate accounting records and internal controls, prevention and detection of fraud errors, safeguarding of assets, selection and application of suitable accounting policies and appropriate disclosure of financial information in the financial statements.

It is the responsibility of Council to ensure that policies are in place for effective governance and to ensure that all unusual and material transactions during the year are properly approved.

Our audit revealed no material weaknesses in these areas.

## **F – Budgets, Council Minutes and General Ledger**

Since a municipality is a political organization, the decisions of Council, as documented in a budget or minutes, is paramount. Municipal employees are responsible to carry out instructions from council.

The operating and capital budgets are primary tools of fiscal management utilized in the municipal environment. Formulated by management and adopted by the Council, they become an important tool of management and of the auditor.

Reviewing the general ledger detail (specifically revenues and expenses) is an excellent tool for Councilors to gain familiarity with Municipal operations during the year.

## **G – Resolutions/Bylaws**

All decisions of the Council made by resolution or bylaw are legislative in nature and are enforceable within the municipality. The 2016 minutes and bylaws have all been reviewed in the course of our audit.

## **H – Debt Limit**

Schedule 10 of the Financial Statements discloses debt and debt limits for the Town. The Town has a debt limit under the Municipal Government Act is \$17,466,798. The actual debt of the Town was \$4,933,540 leaving \$12,533,258 available. Maximum allowable annual principal and interest payments under the Municipal Government Act are \$2,911,133. With annual principal and interest payments of \$290,569. The Town then has a further \$2,620,564 in annual payments available.

The existing debt is financed at 3.153 per cent per annum, the rate is fixed for 25 years. With annual inflation running between 1.5 and 2 per cent per annum, the cost of borrowing is exceptionally inexpensive.

## **I – Consolidated Statement of Financial Position**

Page 2 of the financial statements reflects the consolidated statement of financial position of the Town as at December 31, 2016. This statement can be evaluated as follows:

### **1. Debt Ratio**

Total assets increased to \$67,628,224 as at December 31, 2016 from \$56,563,452 a year earlier, an increase of \$11,064,772. Liabilities increased by \$5,663,361 during the year. The net result is an increase of accumulated surplus of \$5,401,411. The result is a debt ratio increased to 10.41 per cent from 2.43 per cent, still a very modest and manageable ratio.

### **2. Current Ratio**

In evaluating the liquidity of an entity, the current ratio is most useful. The ratio is a measure of current assets compared to current liabilities. As at December 31, 2016 this ratio was 4.34 to 1, as at December 31, 2015 this ratio was 4.64 to 1. An insignificant shift in the debt ratio.

### **3. Working Capital**

Working capital is another way of expressing an entity's liquidity. As at December 31, 2016 working capital was \$6,411,476, as at December 31, 2015 working capital was \$4,399,481. The significant increase in working capital is a result of commitments to capital projects in 2017.

Based upon evaluation of debt limits and financial ratios, the Town continues to maintain a strong financial position.

## **J – Consolidated Statement of Cash Flows**

Page 5 of the financial statements reflects the consolidated statement of cash flows of the Town for the year ended December 31, 2016. This statement provides detailing of sources of cash flow and uses of cash flow. During fiscal 2016 operations before financial activities provided \$7,530,448 in cash flows, higher than fiscal 2015 when operations provided cash flows of \$3,361,603. Excess of revenues over expenses for 2016 was \$5,401,411 after expensing \$2,190,082 in amortization and loss on disposal of tangible capital assets of \$333. These are non-cash expenses meaning that operations generated \$7,591,826 in cash flow, an increase of \$4,270,574 from 2015 when operations generated \$3,321,252. Another factor in the \$7,530,448 cash flow from operations was the increase in non-cash working capital of \$61,378.

Capital activity used \$10,543,797 of cash flows which was the difference between acquisition of tangible capital assets for \$10,549,797 and disposition of tangible capital assets for \$6,000.

Investing activity consisted solely of decreased restrictions on cash and cash equivalents of \$186,873. This pertains mainly to unexpended Provincial Grants.

Financing activities generated cash flows of \$4,933,540 which was the difference between long term debt issued of \$5,000,000 and long term debt repaid of \$66,460.

These four types of activities resulted in an increase of cash and cash equivalents for the year of \$2,107,064. Combined with cash and cash equivalents at the beginning of the year of \$2,993,534 the Town ended the year with \$5,100,598 in cash and cash equivalents.

## **K – Changes of Accumulated Surplus**

Page 6 of the financial statements details accumulated surplus and changes in accumulated surplus of the Town during fiscal 2016. Accumulated surplus is divided into three categories, unrestricted surplus, restricted surplus and equity in tangible capital assets.

Equity in tangible capital assets is equity that is not readily available for operations. It reflects total tangible capital assets invested in land, land improvements, buildings, engineering structures, machinery and equipment and vehicles owned by the Town. These assets are reflected in the financial statements at cost less accumulated amortization. Total cost is \$105,317,422 and total accumulated amortization is \$46,021,783 leaving a net book value of \$59,295,639. Subtracting long term debt of \$4,933,540 from the net book value leaves an equity in tangible capital assets of \$54,362,099. The increase in equity in tangible capital assets during the year reflects the fact that the Town is replaces capital assets at a pace faster than they are considered to amortize.

Restricted surplus of \$5,907,957 represents funds designated to operating and capital reserves in anticipation of future capital and operating expenditures. These reserves are the result of management decisions by Town council.

Unrestricted surplus is \$320,969 as at December 31, 2016, largely unchanged from \$319,163 as at December 31, 2015. Unrestricted funds are again the result of management decisions by Town council when funds are allocated to operating and capital reserves. The need for unrestricted surplus is minimal as long as the combination of restricted surplus and unrestricted surplus meet the Town's financial requirements which they do at \$6,228,926.

## **L – Beaver Brook Subdivision Phase 3**

The costs of this development are no longer reflected on the balance sheet as inventory but are reflected in various categories of tangible capital assets as required by Alberta Municipal Affairs. This requirement by Alberta Municipal Affairs tends to understate working capital. Beaver Brook Subdivision Phase 3 is an inventory available for resale and while it all may not be realized in one fiscal year, it certainly will result in positive cash flow over the next several fiscal years.

### **M – Regional Aquatic Center**

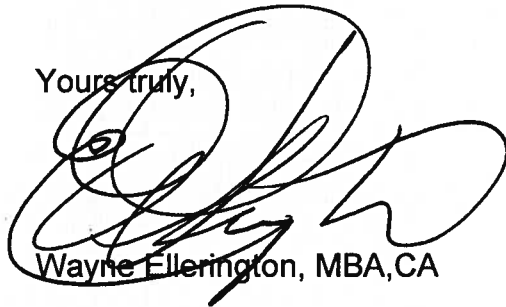
During fiscal 2016 the Town expended \$9,200,155 on a new Aquatic Center. There will be additional costs of approximately \$3,200,000 in fiscal 2017. The 2017 costs will be covered by a further contribution from the County of Barrhead of \$941,807 bringing their total contributions to \$5,000,000. Donation are anticipated to provide \$1,500,000 leaving the Town with a further contribution of \$758,193. This amount has been provided for during fiscal 2016 and are reflected by the increase of cash and cash equivalents of \$2,107,064.

### **N – Concluding Comments**

As in other years, as auditors, we are pleased with the financial progress and strength of the Town.

And as always, we received every co-operation from management and staff in the course of our financial audit. Thank you.

Yours truly,

A large, stylized handwritten signature in black ink, appearing to read 'Wayne Ellerington', is written over the text 'Yours truly,' and the printed name below it.

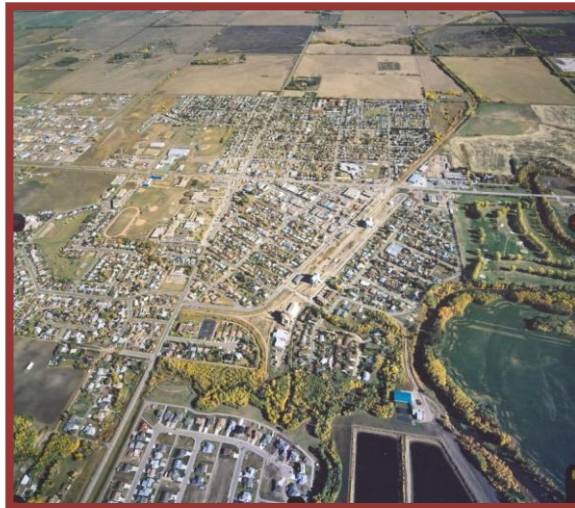
Wayne Ellerington, MBA, CA





# *~2016 Annual Report~*

## *Financial Statements & Auditor's Report*



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*Town Council is pleased to present the 2016 Annual Report.  
Inside this report you will find an Auditor's Report, various financial statements and  
summaries from each department within the Town, informing you of important  
happenings throughout 2016.*



Barrhead Town Council Members:

Back Row L-R – Roy Ulmer, Ryan Warehime, Ty Assaf, Don Smith  
Front Row L-R – Shelley Oswald, Mayor Gerry St. Pierre, Leslie Penny

Mayor's Message

The Town of Barrhead Council is pleased to present the 2016 Annual Report and Year End Financial Statements. The **Annual General Meeting** is scheduled for **April 11, 2017, at 7:00 p.m.**, in the Town of Barrhead Council Chambers, to review the 2016 Financial Statements and any other topics residents may wish to discuss. Everyone is welcome to attend.

As I'm sure everyone is aware, 2016 was a pretty significant year. Construction of the new Aquatic Centre commenced in the spring of 2016. We look forward to its completion in the summer of 2017. Our Recreation Department is busy researching and designing a variety of schedules and programs that will be available once the facility opens. This facility will be accessible by those of all ages and abilities and will be a great asset to our community. Check out our website, [www.barrhead.ca](http://www.barrhead.ca), for updates on the Aquatic Centre project and for information on a grand opening celebration.

Town Council is proud to lead such a vibrant community. If anyone would like to offer feedback or discuss how to make our community an even better place to live, please contact myself or any of the Town Councillors and we will be happy to meet with you.

**TOWN OF BARRHEAD**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016**

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To The Members of Council:

Ellerington **LLP**



## Auditor's Report

### *Report on the Consolidated Financial Statements*

We have audited the accompanying consolidated financial statements for the Town of Barrhead, which comprise the statement of financial position as at December 31, 2016, and the statements of operations, change in net financial assets (debt) and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

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

*Opinion*

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Town of Barrhead as at December 31, 2016, the results of its operations, change in its net financial assets (debt) and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Barrhead, Alberta  
February 16, 2017



ELLERINGTON LLP  
CHARTERED ACCOUNTANT



**TOWN OF BARRHEAD**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**As at December 31, 2016**

	<u>2016</u> <u>\$</u>	<u>2015</u> <u>\$</u>
<b>FINANCIAL ASSETS</b>		
Cash and Temporary Investments (Note 2)	5,872,749	3,952,556
Receivables		
Taxes and Grants In Lieu of Taxes (Note 3)	168,997	83,461
Trade and Other Receivables	2,108,807	1,405,324
Land for Resale Inventory	-	-
Investments	30	30
Debt Charges Recoverable	-	-
Other Current/Long Term Assets	110,622	113,328
	<u>8,261,205</u>	<u>5,554,699</u>
<b>LIABILITIES</b>		
Accounts Payable and Accrued Liabilities	1,021,465	74,778
Deposit Liabilities	107,958	104,881
Deferred Revenue (Note 4)	791,686	1,042,054
Provision for landfill closure and post-closing costs (Note 5)	182,550	152,125
Long Term Debt (Note 7)	4,933,540	-
	<u>7,037,199</u>	<u>1,373,838</u>
<b>NET FINANCIAL ASSETS (DEBT)</b>	<u>1,224,006</u>	<u>4,180,861</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible Capital Assets	59,295,639	50,942,258
Inventory for Consumption	48,394	48,395
Prepaid Expenses	22,986	18,100
	<u>59,367,019</u>	<u>51,008,753</u>
<b>ACCUMULATED SURPLUS</b> (Schedule 1 and 9)	<u>60,591,025</u>	<u>55,189,614</u>

*Contingencies - See Note 11*

**TOWN OF BARRHEAD**  
**CONSOLIDATED STATEMENT OF OPERATIONS**  
**For the Year Ended December 31, 2016**

	Budget (Unaudited)	2016 \$	2015 \$
<b>REVENUES</b>			
Net Municipal Taxes (Schedule 3)	4,894,506	<b>4,890,482</b>	4,363,549
Sales, User Charges, Franchise & Rentals	4,577,979	<b>4,620,657</b>	4,015,216
Government Transfers for Operating (Schedule 4)	1,541,597	<b>1,583,592</b>	1,613,864
Investment Income	53,214	<b>85,872</b>	48,425
Penalties and Costs on Taxes	62,000	<b>70,198</b>	76,647
Development Levies	10,000	<b>5,625</b>	16,875
Licenses, Permits and Fines	97,300	<b>90,161</b>	95,363
Contributed Assets	-	-	-
Other Revenues	1,678,625	<b>297,945</b>	315,985
<b>TOTAL REVENUE</b>	<u>12,915,221</u>	<u><b>11,644,532</b></u>	<u>10,545,924</u>
<b>EXPENDITURES</b>			
Council and Other Legislative	192,533	<b>167,777</b>	166,007
General Administration	1,051,395	<b>968,177</b>	1,170,212
RCMP	222,150	<b>202,116</b>	168,347
Fire	1,264,513	<b>1,211,610</b>	1,021,107
Disaster and Emergency Measures	250	-	-
Bylaw Enforcement	124,269	<b>124,807</b>	114,586
Common Services	568,734	<b>385,001</b>	398,539
Roads, Streets, Walks, Lighting	1,951,942	<b>997,382</b>	1,051,378
Airport	22,666	<b>12,886</b>	16,521
Storm Sewers and Drainage	155,500	<b>24,529</b>	3,923
Water Supply and Distribution	2,497,891	<b>2,154,121</b>	2,056,358
Wastewater Treatment and Disposal	532,536	<b>209,362</b>	205,562
Waste Management	769,440	<b>644,558</b>	673,261
Family and Community Support	415,423	<b>415,423</b>	395,281
Cemeteries	8,463	<b>9,182</b>	5,221
Land Use, Planning, Zoning and Development	128,999	<b>101,655</b>	121,261
Economic Development	22,498	<b>12,653</b>	13,882
Subdivision Land and Development	2,500	-	-
Parks and Recreation	1,768,284	<b>1,360,737</b>	1,294,508
Culture: Libraries, Museums, Halls	209,212	<b>179,649</b>	172,084
Amortization Expenditures	2,166,760	<b>2,190,082</b>	2,124,475
Loss (Gain) On Disposal of Capital Assets	-	<b>333</b>	22,974
Other Expenditures	-	<b>18,982</b>	-
<b>TOTAL EXPENSES</b>	<u>14,075,958</u>	<u><b>11,391,022</b></u>	<u>11,195,487</u>
<b>EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES - BEFORE OTHER</b>	<u>(1,160,737)</u>	<u><b>253,510</b></u>	<u>(649,563)</u>
<b>OTHER</b>			
Government Transfers for Capital (Schedule 4)	6,862,897	<b>5,147,901</b>	1,823,366
Unrestricted Fund Transfers	-	-	-
	<u>6,862,897</u>	<u><b>5,147,901</b></u>	<u>1,823,366</u>
<b>EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES</b>	<u>5,702,160</u>	<u><b>5,401,411</b></u>	<u>1,173,803</u>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<u>54,731,225</u>	<u><b>55,189,614</b></u>	<u>54,015,811</u>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<u>60,433,385</u>	<u><b>60,591,025</b></u>	<u>55,189,614</u>

**TOWN OF BARRHEAD**  
**CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS (DEBT)**  
For the Year Ended December 31, 2016

	Budget (Unaudited)	2016 \$	2015 \$
<b>EXCESS (SHORTFALL) OF REVENUES OVER EXPENSES</b>	5,702,160	<b>5,401,411</b>	1,173,803
Acquisition of Tangible Capital Assets	(15,152,140)	<b>(10,549,797)</b>	(3,907,796)
Proceeds on Disposal of Tangible Capital Assets	-	<b>6,000</b>	24,800
Amortization of Tangible Capital Assets	2,166,760	<b>2,190,082</b>	2,124,475
(Gain) Loss on Sale of Tangible Capital Assets	-	<b>333</b>	22,974
	<u>(12,985,380)</u>	<u><b>(8,353,382)</b></u>	<u>(1,735,547)</u>
Acquisition of Prepaid Assets	-	<b>(4,886)</b>	76,173
Use of Prepaid Assets	-	<b>-</b>	-
	<u>-</u>	<u><b>(4,886)</b></u>	<u>-</u>
<b>(INCREASE) DECREASE IN NET DEBT</b>	<u>(7,283,220)</u>	<u><b>(2,956,857)</b></u>	<u>(485,571)</u>
<b>NET FINANCIAL ASSETS (DEBT), BEGINNING OF YEAR</b>	4,180,861	<b>4,180,861</b>	4,666,432
<b>NET FINANCIAL ASSETS (DEBT), END OF YEAR</b>	<u>(3,102,359)</u>	<u><b>1,224,004</b></u>	<u>4,180,861</u>



**TOWN OF BARRHEAD**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
For the Year Ended December 31, 2016

**NET INFLOW (OUTFLOW) OF CASH RELATED TO THE  
FOLLOWING ACTIVITIES:**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>OPERATING</b>		
Excess (shortfall) of revenues over expenses	5,401,411	1,173,803
Non-cash items included in excess (shortfall) of revenues over expenses:		
Amortization of tangible capital assets	2,190,082	2,124,475
Loss (Gain) on disposal of tangible capital assets	333	22,974
Non-cash charges to operations (net change)		
Decrease (increase) in taxes and grants-in-lieu receivable	(85,536)	115,342
Decrease (increase) in trade and other receivables	(703,483)	(494,538)
Decrease (increase) in prepaid expenses	(4,886)	76,173
Decrease (increase) in current/long term assets	2,706	20,557
Increase (decrease) in accounts payable and accrued liabilities	946,687	(169,386)
Increase (decrease) in deposit liabilities	3,077	12,450
Increase (decrease) in deferred revenue	(250,368)	449,328
Increase (decrease) in provision for landfill closure/post-closure	30,425	30,425
Cash provided by operating transactions	<u>7,530,448</u>	<u>3,361,603</u>
<b>CAPITAL</b>		
Acquisition of tangible capital assets	(10,549,797)	(3,907,796)
Sale of tangible capital assets	6,000	24,800
Cash applied to capital transactions	<u>(10,543,797)</u>	<u>(3,882,996)</u>
<b>INVESTING</b>		
Decrease (increase) in restricted cash or equivalents	186,873	(387,054)
Cash provided by (applied to) investing transactions	<u>186,873</u>	<u>(387,054)</u>
<b>FINANCING</b>		
Debt charges recovered	-	-
Long-term debt issued	5,000,000	-
Long-term debt repaid	(66,460)	-
Cash provided by (applied to) financing transactions	<u>4,933,540</u>	<u>-</u>
<b>CHANGE IN CASH AND EQUIVALENTS DURING YEAR</b>	<b>2,107,064</b>	<b>(908,447)</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b><u>2,993,534</u></b>	<b><u>3,901,981</u></b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b><u>5,100,598</u></b>	<b><u>2,993,534</u></b>
<b>Cash and cash equivalents is made up of:</b>		
Cash and temporary investments (Note 2)	5,872,749	3,952,556
Less: restricted portion of cash and temporary investments (Note 2)	<u>(772,149)</u>	<u>(959,022)</u>
	<b>5,100,600</b>	<b>2,993,534</b>

**TOWN OF BARRHEAD**  
**SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS**  
**For the Year Ended December 31, 2016**  
**Schedule 1**

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2016 \$	2015 \$
<b>BALANCE, BEGINNING OF YEAR</b>	<b>319,163</b>	<b>3,928,193</b>	<b>50,942,258</b>	<b>55,189,614</b>	54,015,811
				-	-
Excess (deficiency) of revenues over expenses	5,401,411	-	-	<b>5,401,411</b>	1,173,803
Unrestricted funds designated for future use	(3,072,462)	3,072,462	-	-	-
Restricted funds used for operations	38,160	(38,160)	-	-	-
Restricted funds used for tangible capital assets	-	(1,054,538)	1,054,538	-	-
Current year funds used for tangible capital assets	(4,495,258)	-	4,495,258	-	-
Contributed tangible capital assets	-	-	-	-	-
Disposal of tangible capital assets	6,333	-	(6,333)	-	-
Annual amortization expense	2,190,082	-	(2,190,082)	-	-
Long term debt issued	-	-	(5,000,000)	<b>(5,000,000)</b>	-
Long term debt repaid	(66,460)	-	66,460	-	-
Capital debt used for TCA	-	-	5,000,000	<b>5,000,000</b>	-
Unrestricted fund transfers	-	-	-	-	-
Change in Accumulated Surplus	<u>1,806</u>	<u>1,979,764</u>	<u>3,419,841</u>	<u><b>5,401,411</b></u>	<u>1,173,803</u>
<b>BALANCE, END OF YEAR</b>	<u><b>320,969</b></u>	<u><b>5,907,957</b></u>	<u><b>54,362,099</b></u>	<u><b>60,591,025</b></u>	<u>55,189,614</u>

**TOWN OF BARRHEAD**  
**SCHEDULE OF TANGIBLE CAPITAL ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

**Schedule 2**

	Land	Land Improvements	Buildings	Engineered Structures	Machinery and Equipment	Vehicles	2016 \$	2015 \$
<b>COST:</b>								
BALANCE, BEGINNING OF YEAR	1,121,450	1,739,012	13,469,008	70,960,247	5,334,935	2,173,974	<b>94,798,626</b>	91,025,116
Acquisition of tangible capital assets	-	31,740	188,917	404,065	215,216	453,812	<b>1,293,751</b>	1,938,397
Construction-in-progress	-	-	9,203,280	48,765	4,000	-	<b>9,256,045</b>	1,969,399
Disposal of tangible capital assets	-	-	-	-	(15,000)	(16,000)	<b>(31,000)</b>	(134,286)
Write down of tangible capital assets	-	-	-	-	-	-	<b>-</b>	-
BALANCE, END OF YEAR	<u>1,121,450</u>	<u>1,770,752</u>	<u>22,861,205</u>	<u>71,413,077</u>	<u>5,539,151</u>	<u>2,611,786</u>	<b><u>105,317,422</u></b>	<u>94,798,626</u>
<b>ACCUMULATED AMORTIZATION:</b>								
BALANCE, BEGINNING OF YEAR	-	729,848	3,160,546	37,466,438	1,624,066	875,470	<b>43,856,368</b>	41,818,405
Annual amortization	-	79,633	237,219	1,496,338	248,695	128,197	<b>2,190,082</b>	2,124,475
Accumulated amortization on disposals	-	-	-	-	(13,000)	(11,667)	<b>(24,667)</b>	(86,512)
BALANCE, END OF YEAR	<u>-</u>	<u>809,481</u>	<u>3,397,765</u>	<u>38,962,776</u>	<u>1,859,761</u>	<u>992,000</u>	<b><u>46,021,783</u></b>	<u>43,856,368</u>
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<u>1,121,450</u>	<u>961,271</u>	<u>19,463,440</u>	<u>32,450,301</u>	<u>3,679,390</u>	<u>1,619,786</u>	<b><u>59,295,639</u></b>	<u>50,942,258</u>
 2015 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	<u>1,121,450</u>	<u>1,009,164</u>	<u>10,308,462</u>	<u>33,493,809</u>	<u>3,710,869</u>	<u>1,298,504</u>	<u>50,942,258</u>	

**TOWN OF BARRHEAD**  
**SCHEDULE OF PROPERTY AND OTHER TAXES**  
**For the Year Ended December 31, 2016**

**Schedule 3**

<b>TAXATION</b>	Budget (Unaudited)	<b>2016</b> <b>\$</b>	2015 \$
Real Property Taxes	6,065,470	<b>6,061,805</b>	5,498,038
Linear Property Taxes	116,517	<b>116,158</b>	115,105
Government Grants In Lieu of Property Taxes	85,764	<b>85,764</b>	101,895
Special Assessment and Local Improvement Taxes	-	-	-
<b>TOTAL TAXATION</b>	<u>6,267,751</u>	<u><b>6,263,727</b></u>	<u>5,715,038</u>
<b>REQUISITIONS</b>			
Alberta School Foundation	1,303,282	<b>1,303,282</b>	1,272,810
Barrhead & District Social Housing	49,915	<b>49,915</b>	48,104
Requisitions - Previous Year Underlevy	<u>20,048</u>	<u><b>20,048</b></u>	<u>30,575</u>
<b>TOTAL REQUISITIONS</b>	<u>1,373,245</u>	<u><b>1,373,245</b></u>	<u>1,351,489</u>
<b>NET MUNICIPAL TAXES</b>	<u>4,894,506</u>	<u><b>4,890,482</b></u>	<u>4,363,549</u>

**TOWN OF BARRHEAD**  
**SCHEDULE OF GOVERNMENT TRANSFERS**  
**For the Year Ended December 31, 2016**

**Schedule 4**

	Budget (Unaudited)	<b>2016 \$</b>	2015 \$
<b>TRANSFERS FOR OPERATING:</b>			
Provincial Government	553,636	<b>533,259</b>	678,177
Federal Government	5,300	<b>5,172</b>	2,500
Other Local Government	982,661	<b>1,045,161</b>	933,187
	<u>1,541,597</u>	<u><b>1,583,592</b></u>	<u>1,613,864</u>
<b>TRANSFERS FOR CAPITAL:</b>			
Provincial Government	1,338,700	<b>1,074,913</b>	1,542,320
Federal Government	473,197	-	261,466
Other Local Government	5,051,000	<b>4,072,988</b>	19,580
	<u>6,862,897</u>	<u><b>5,147,901</b></u>	<u>1,823,366</u>
<b>TOTAL GOVERNMENT TRANSFERS</b>	<u><u>8,404,494</u></u>	<u><u><b>6,731,493</b></u></u>	<u><u>3,437,230</u></u>

**TOWN OF BARRHEAD**  
**SCHEDULE OF CONSOLIDATED EXPENSES BY OBJECT**  
**For the Year Ended December 31, 2016**

**Schedule 5**

<b>CONSOLIDATED EXPENSES BY OBJECT</b>	Budget (Unaudited)	<b>2016</b> <b>\$</b>	2015 \$
Salaries, Wages and Benefits	3,795,265	<b>3,618,898</b>	3,610,220
Contracted and General Services	3,171,972	<b>2,972,265</b>	3,164,321
Purchases from Other Governments	156,850	<b>154,396</b>	137,728
Materials, Goods, Supplies and Utilities	1,565,272	<b>1,464,666</b>	1,317,874
Provision for Allowances	4,168	<b>6,993</b>	(4,589)
Transfers to Other Governments	396,125	<b>326,815</b>	284,105
Transfers to Local Boards and Agencies	516,936	<b>516,998</b>	492,675
Transfers to Individuals and Organizations	25,600	<b>10,600</b>	14,550
Bank Charges and Short Term Interest	1,000	<b>744</b>	729
Interest on Long Term Debt	78,825	<b>78,825</b>	-
Other Expenditures	30,425	<b>49,407</b>	30,425
Amortization of Tangible Capital Assets	2,166,760	<b>2,190,082</b>	2,124,475
Loss on Disposal of Tangible Capital Assets	-	<b>333</b>	22,974
<b>TOTAL EXPENDITURES</b>	<b>11,909,198</b>	<b>11,391,022</b>	<b>11,195,487</b>

**TOWN OF BARRHEAD**  
**SCHEDULE OF SEGMENTED DISCLOSURE**  
**For the Year Ended December 31, 2016**

Schedule 6

<b>REVENUE</b>	<b>General Government</b>	<b>Protective Services</b>	<b>Transportation Services</b>	<b>Planning &amp; Development</b>	<b>Recreation &amp; Culture</b>	<b>Environmental Services</b>	<b>Other</b>	<b>2016 \$</b>
Net Municipal Taxes	4,890,482							<b>4,890,482</b>
Sales, User Charges, Franchise & Rentals	518,709	71,863	12,160	273,616	250,664	3,487,964	5,681	<b>4,620,657</b>
Government Transfers	70,128	1,080,206	67,509	-	5,103,310	44,916	365,423	<b>6,731,493</b>
Investment Income	-	1,025	22,618	-	41,370	17,749	3,110	<b>85,872</b>
Penalties and Costs on Taxes	70,198	-	-	-	-	-	-	<b>70,198</b>
Development Levies	-	-	-	-	-	-	5,625	<b>5,625</b>
Licenses, Permits and Fines	40,085	40,626	-	9,450	-	-	-	<b>90,161</b>
Other Revenues	6,820	80,129	39,309	-	36,728	109,777	25,182	<b>297,945</b>
	<u>5,596,423</u>	<u>1,273,849</u>	<u>141,596</u>	<u>283,066</u>	<u>5,432,072</u>	<u>3,660,406</u>	<u>405,021</u>	<b><u>16,792,433</u></b>
<b>EXPENSES</b>								
Salaries, Wages and Benefits	773,977	592,811	658,434	61,839	682,034	840,939	8,864	<b>3,618,898.00</b>
Contracted and General Services	270,250	290,701	298,569	22,285	377,136	1,713,006	318	<b>2,972,265.00</b>
Purchases from Other Governments	571	153,825	-	-	-	-	-	<b>154,396.00</b>
Materials, Goods, Supplies and Utilities	86,475	186,267	449,910	30,185	291,216	420,615	-	<b>1,464,666.29</b>
Transfers to Other Governments	-	313,929	12,885	-	-	-	-	<b>326,814.85</b>
Transfers to Local Boards and Agencies	-	-	-	-	101,575	-	415,423	<b>516,998.19</b>
Transfers to Individuals and Organizations	-	1,000	-	-	9,600	-	-	<b>10,600.00</b>
Interest on Long Term Debt	-	-	-	-	78,825	-	-	<b>78,825.00</b>
Other Expenditures	23,662	-	-	-	333	33,482	-	<b>57,477.00</b>
	<u>1,154,935</u>	<u>1,538,533</u>	<u>1,419,798</u>	<u>114,309</u>	<u>1,540,719</u>	<u>3,008,042</u>	<u>424,605</u>	<b><u>9,200,940</u></b>
NET REVENUE, BEFORE AMORTIZATION	4,441,488	(264,684)	(1,278,202)	168,758	3,891,353	652,364	(19,584)	<b>7,591,493</b>
Amortization Expense	<u>(40,208)</u>	<u>(111,322)</u>	<u>(1,119,781)</u>	<u>-</u>	<u>(254,192)</u>	<u>(664,579)</u>	<u>-</u>	<b><u>(2,190,082)</u></b>
NET REVENUE	<u>4,401,280</u>	<u>(376,006)</u>	<u>(2,397,983)</u>	<u>168,758</u>	<u>3,637,161</u>	<u>(12,215)</u>	<u>(19,584)</u>	<b><u>5,401,411</u></b>

**TOWN OF BARRHEAD**  
**SCHEDULE OF SALARY & BENEFITS DISCLOSURE**  
**For Year Ended December 31, 2016**

Schedule 7

**SALARY & BENEFITS DISCLOSURE**

Disclosure of salaries and benefits for Elected Municipal Officials, the Chief Administrative Officer and Designated Officers, as required by Alberta Regulation 313/2000, is as follows:

		<b><u>2016</u></b> <b><u>Salary</u></b>	<b><u>2016</u></b> <b><u>Benefits &amp;</u></b> <b><u>Allowance</u></b>	<b><u>2016</u></b> <b><u>\$</u></b>	<b><u>2015</u></b> <b><u>\$</u></b>
<b><u>Mayor</u></b>					
St. Pierre, Gerry		31,098	4,419	<b>35,517</b>	32,318
<b><u>Councillors</u></b>					
Assaf, Ty		19,446	4,977	<b>24,423</b>	23,301
Oswald, Shelley		17,140	1,158	<b>18,298</b>	19,173
Penny, Leslie		18,656	4,942	<b>23,598</b>	22,528
Smith, Don		19,440	4,944	<b>24,384</b>	23,623
Ulmer, Roy		18,414	2,304	<b>20,718</b>	23,534
Warehime, Ryan		17,482	2,123	<b>19,605</b>	18,274
<b><u>Appointed Officer</u></b>					
Municipal Manager	(1)	164,274	45,002	<b>209,275</b>	213,443
Designated Officers	(2)	206,047	46,639	<b>252,687</b>	254,723

Salary includes regular base pay, lump sum payments and any other direct cash remuneration for meeting per diems.

Benefits & Allowances includes amounts paid for the Employer's share of all employee benefits and amounts paid for travel & subsistence while conducting Town Business.



**TOWN OF BARRHEAD**  
**SCHEDULE OF LOCAL AUTHORITIES PENSION PLAN**  
**For Year Ended December 31, 2016**

**Schedule 8**

**LOCAL AUTHORITIES PENSION PLAN**

Employees of the Town of Barrhead participate in the Local Authorities Pension Plan (LAPP), which is one of the plans covered by the Alberta Public Sector Pension Plans Act. The LAPP serves over 250,000 people and approximately 500 employers. The LAPP is financed by employer and employee contributions and by investment earnings of the LAPP fund. Contributions for current service are recorded as expenditures in the year in which they become

The Town of Barrhead is required to make current service contributions to the Plan of 11.39% of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 15.84% on pensionable earnings above this amount. Employees of the Town are required to make current service contributions of 10.39% of pensionable salary up to the year's maximum pensionable salary and 14.84% on pensionable salary above this amount.

Total current service contributions by the Town of Barrhead to the Local Authorities Pension Plan in 2016 were \$ 262,998.70 (2015 - \$ 275,380.70). Total current service contributions by the employees of the Town to the Local Authorities Pension Plan in 2016 were \$ 242,024.66 (2015 - \$ 255,044.71).

**TOWN OF BARRHEAD**  
**SCHEDULE OF ACCUMULATED SURPLUS**  
**For the Year Ended December 31, 2016**

**Schedule 9**

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

	<b>2016</b>	2015
	<b>\$</b>	<b>\$</b>
Unrestricted Surplus (Deficit)	<b>320,969</b>	319,163
Restricted surplus		
Tax Rate Stabilization	<b>650,446</b>	378,502
Roads	<b>911,322</b>	993,913
Water	<b>843,636</b>	598,469
Sewer	<b>687,894</b>	474,368
Garbage, Landfill, Recycling	<b>250,785</b>	187,730
Building replacement & renovations	<b>1,774,690</b>	503,310
Land Improvements	<b>395,446</b>	378,803
General Equipment replacement	<b>393,738</b>	413,098
	<b>5,907,957</b>	3,928,193
Equity in Tangible Capital Assets	<b>54,362,099</b>	50,942,258
<b>TOTAL ACCUMULATED SURPLUS</b>	<b>60,591,025</b>	55,189,614

**TOWN OF BARRHEAD  
SCHEDULE OF DEBT LIMITS  
For Year Ended December 31, 2016**

**Schedule 10**

**DEBT LIMITS**

Section 276 (2) of the Municipal Government Act requires that debt and debt limits as defined by Alberta Regulation 255/00 for the Town of Barrhead be disclosed as follows:

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Total Debt Limit	<b>17,466,798</b>	15,818,886
Total Debt	<b>4,933,540</b>	-
Amount of Debt Limit Unused	<b>12,533,258</b>	15,818,886
Debt Servicing Limit	<b>2,911,133</b>	2,636,481
Debt Servicing	<b>290,569</b>	-
Amount of Debt Servicing Limit Unused	<b>2,620,564</b>	2,636,481

The debt limit is calculated at 1.5 times revenue of the municipality (as defined by Alberta Regulation 255/00) and the debt service limit is calculated at .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 represented as a whole.

**Town of Barrhead  
Notes to Financial Statements  
For the Year Ended December 31, 2016**

**1. SIGNIFICANT ACCOUNTING POLICIES**

The consolidated financial statements of the Town of Barrhead 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 Canadian Institute of Chartered Accountants ("CICA"). Significant aspects of the accounting policies adopted by the Town of Barrhead are as follows:

***a) Reporting entity***

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

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

The statements exclude trust assets that are administered for the benefit of external parties. 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 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.

Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

Government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used for 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.

***c) 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 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.

**Town of Barrhead**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2016**

***d) Investments***

Investments are recorded at amortized cost. Investment premiums and discounts are amortized on the net present value basis over the term of the respective investments. When there has been a loss in value that is other than a temporary decline, the respective investment is written down to recognize the loss.

***e) Debt Charges Recoverable***

Debt charges recoverable consist of amounts that are recoverable from municipal agencies or other local governments with respect to outstanding debentures or other long-term debt pursuant to annexation orders or joint capital undertakings. These recoveries are recorded at a value that equals the offsetting portion of the un-matured long-term debt, less actuarial requirements for the retirement of any sinking fund debentures.

***f) Requisition Over-levy and Under-levy***

Over-levies and under-levies arise from the difference between the actual property tax levy made to cover each requisition and the actual amount requisitioned.

If the actual levy exceeds the requisition, the over-levy is accrued as a liability and property tax revenue is reduced. Where the actual levy is less than the requisition amount, the under-levy is accrued as a receivable and as property tax revenue.

Requisition tax rates in the subsequent year are adjusted for any over-levies or under-levies of the prior year.

***g) Inventories for Resale***

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 leveling charges. Related development costs incurred to provide infrastructure such as water and wastewater services, roads, sidewalks and street lighting are recorded as physical assets under their respective function.

***h) Tax Revenue***

Tax revenues are recognized when the tax has been authorized by bylaw and the taxable event has occurred.

Requisitions operate as flow through and are excluded from municipal revenue.

**Town of Barrhead**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2016**

***i) Landfill Closure and Post-Closure Liability***

Pursuant to the Alberta Environmental Protection and Enhancement Act, the Town is required to fund the closure of its landfill site and provide for post-closure care of the facility. Closure and post-closure activities include the final clay cover, landscaping, as well as surface and ground water monitoring, leachate control, and visual inspection. The requirement is being provided for over the estimated remaining life of the landfill site based on usage.

***j) Contaminated Sites Liability***

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of a contaminated site is recognized when a site is not in productive use and is management's estimate of the cost of post-remediation including operation, maintenance and monitoring.

***k) Government Transfers***

Government transfers are the transfer 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 revenue in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be determined.

***k) Non-Financial Assets***

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the consolidated Change in Net Financial Assets (Debt) for the year.

***i. 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 as follows:

**Town of Barrhead**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2016**

	<u>Years</u>
Land Improvements	15 - 20
Buildings	25 - 50
Engineered structures	
Water System	35 - 65
Storm Sewer System	35 - 65
Wastewater System	15 - 40
Other Engineered Structures	15 - 40
Machinery and equipment	5 - 20
Vehicles	3 - 20

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.

**ii. Contributions of Tangible Capital Assets**

Tangible capital assets received as contributions are recorded at fair value at the date of receipt and are also recorded as revenue.

**iii. Leases**

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits 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.

**iv. Inventories**

Inventories held for consumption are recorded at the lower of cost and replacement cost.

**v. Cultural and Historical Tangible Capital Assets**

Works of art for display are not recorded as tangible capital assets but are disclosed.

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**Town of Barrhead**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2016**

**2. CASH AND TEMPORARY INVESTMENTS**

	<b>2016 \$</b>	<b>2015 \$</b>
Cash	1,106,102.39	863,411.49
Temporary Investments	<u>4,766,646.72</u>	<u>3,089,145.27</u>
	<u>5,872,749.11</u>	<u>3,952,556.76</u>

Temporary investments are short-term deposits with original maturities of 1 year or less.

Included in temporary investments are restricted amounts received and held for specific **capital** projects:

	<b>2016 \$</b>	<b>2015 \$</b>
FGTF - 2014 to 2015 (Def. Rev. - Lagoons)	712,989.00	
<u>Municipal Sustainability Grant – To Be Allocated to Future Project</u>	59,160.00	58,530.00
<u>Municipal Sustainability Grant 2015 pt – Aquatic Centre Project</u>	_____	<u>900,492.43</u>
	<u>772,149.00</u>	<u>959,022.43</u>

Included in temporary investments are restricted amounts received and held for specific **operating** projects:

	<b>2016 \$</b>	<b>2015 \$</b>
<u>Alberta Traffic Safety - Bus Campaign</u>	2,945.80	
<u>Alberta Community Partnership Grant – Amalgamation Study</u>	_____	<u>70,211.49</u>
	<u>2,945.80</u>	<u>70,211.49</u>

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**3. RECEIVABLES**

	<b>2016 \$</b>	<b>2015 \$</b>
Property Taxes		
Current Taxes and Grants in Place of Taxes	181,746.66	86,421.42
Arrears Taxes	<u>11,160.70</u>	<u>17,014.67</u>
	<u>192,907.36</u>	<u>103,436.09</u>
Less Allowance for Doubtful Accounts	<u>(23,910.98)</u>	<u>(19,974.86)</u>
	<u>168,996.38</u>	<u>83,461.23</u>
Other		
Trade Accounts	1,867,825.02	1,339,392.37
GST	<u>240,982.24</u>	<u>65,931.18</u>
	<u>2,108,807.26</u>	<u>1,405,323.55</u>
	<u>2,277,803.64</u>	<u>1,488,784.78</u>

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**Town of Barrhead**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2016**

**4. DEFERRED REVENUE**

	<b>2016 \$</b>	<b>2015 \$</b>
Agrena – Future Advertising Sign Rental	920.41	2,529.67
Prepaid Taxes	15,671.19	10,290.09
Municipal Sustainability Initiative – Capital	59,160.00	959,022.43
Alberta Traffic Safety Grant - Operating	2,945.80	0.00
ACP Grant - Capital	0.00	70,211.49
Federal Gas Tax Fund Grant (Sewer)- Capital	<u>712,989.00</u>	<u>0.00</u>
	<u><u>791,686.40</u></u>	<u><u>1,042,053.68</u></u>

Businesses may enter into a 3 year or 5 year contract for advertising signs that are placed in the Agrena.

Prepaid taxes are recorded as credit balances on the tax roll. Operating and Capital Grants provide funding for specific projects for future years.

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**5. LANDFILL CLOSURE AND POST-CLOSURE LIABILITY**

Alberta Environment law requires closure and post-closure care of landfill sites, which includes final covering and landscaping, pumping of ground water and leachates from the site, and ongoing environmental monitoring, site inspections and maintenance.

The estimated total liability is based on the sum of discounted future cash flows for closure and post-closure activities for 40 years after closure using a discount rate of 4% and assuming annual inflation of 2%

The accrued liability portion is based on the cumulative capacity used at year end compared to the estimated total landfill capacity. The total air space capacity of the site is estimated at 235,300 cubic meters. The estimated remaining air space capacity of the landfill site is 224,000 cubic meters. The existing landfill site is expected to reach capacity in approximately the year 2030.

The Town has not designed assets for settling closure and post-closure liabilities. The Barrhead Regional Landfill is jointly owned by the Town of Barrhead and the County of Barrhead No. 11 with each municipality being responsible for 50% of the estimated total liability.

	<b>2016 \$</b>	<b>2015 \$</b>
Estimated Closure Costs	620,520.00	620,520.00
Estimated Post-Closure Costs	<u>863,500.00</u>	<u>863,500.00</u>
Estimated Total Liability	<u><u>1,484,020.00</u></u>	<u><u>1,484,020.00</u></u>
Estimated Capacity Remaining	<u>75.4%</u>	<u>79.5%</u>
Portion of Total Liability Remaining to be Recognized	<u><u>1,118,920.00</u></u>	<u><u>1,179,770.00</u></u>
Estimated Capacity Used	<u>24.6%</u>	<u>20.5%</u>
Total Accrued Liability Portion	<u><u>365,100.00</u></u>	<u><u>304,250.00</u></u>
Town of Barrhead 50% Accrued Liability Portion	<u><u>\$ 182,550.00</u></u>	<u><u>\$ 152,125.00</u></u>

**Town of Barrhead**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2016**

**6. CONTAMINATED SITES LIABILITY**

On January 1, 2015, the Town adopted PS 3260 Liability for Contaminated Sites. The standard was applied on a retroactive basis and did not result in any adjustments to the financial liabilities, tangible capital assets or accumulated surplus of the Town.

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**7. LONG-TERM DEBT**

	<b>2016 \$</b>	<b>2015 \$</b>
Tax supported debentures	4,933,540.50	0.00
Bank loans	<u>0.00</u>	<u>0.00</u>
	<u><u>4,933,540.50</u></u>	<u><u>0.00</u></u>

The current portion of the long-term debt amounts to \$ 66,459.50 (2015 - \$0.00).

Interest on long-term debt amounted to \$ 78,825.00 (2015 - \$0.00).

Principal and interest repayments are as follows:

	<b>Principal \$</b>	<b>Interest \$</b>	<b>Total \$</b>
2017	136,078.72	154,490.28	290,569.00
2018	140,403.11	150,165.89	290,569.00
2019	144,864.91	145,704.09	290,569.00
2020	149,468.51	141,100.49	290,569.00
2021	154,218.40	136,350.60	290,569.00
2022-2041	<u>4,208,506.85</u>	<u>1,457,588.65</u>	<u>5,666,095.50</u>
	4,933,540.50	2,185,400.00	7,118,940.50

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**8. EQUITY IN TANGIBLE CAPITAL ASSETS**

	<b>2016 \$</b>	<b>2015 \$</b>
Tangible Capital Assets (Schedule 2)	105,317,423.14	94,798,626.27
Accumulated Amortization (Schedule 2)	(46,021,783.42)	(43,856,368.42)
Long-term Debt (Note 6)	<u>4,933,540.50</u>	<u>(0.00)</u>
	<u><u>54,362,099.22</u></u>	<u><u>50,942,257.85</u></u>

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**9. SEGMENTED DISCLOSURE**

The Town of Barrhead provides a range of services to its ratepayers. For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in Note 1.

Refer to the Schedule of Segmented Disclosure (Schedule 6).

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**Town of Barrhead**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2016**

**10. TRUST FUNDS**

	<b>2016 \$</b>	<b>2015 \$</b>
Tax Sale Trust	38,644.05	38,644.05
Columbarium Trust – Perpetual Care	<u>8,586.54</u>	<u>8,586.54</u>
	<u>47,230.59</u>	<u>47,230.59</u>

Pursuant to the Municipal Government Act, and the Recovery of Taxes, the Town of Barrhead held a public auction in 2007 on Plan 1792 H.W., Block 5, Lot 16, the funds will be held in trust to 2017.

The Town of Barrhead has an agreement with Rose Garden Chapels Ltd. to hold, in trust monies paid for perpetual care for the columbarium. Once all blocks have been sold the Town will assume responsibility of the columbarium.

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**11. CONTINGENCIES**

The Town is a member of the Alberta Municipal Insurance Exchange (MUNIX). 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.

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**12. FINANCIAL INSTRUMENTS**

The Town's financial instruments consist of cash and temporary investments, accounts receivable, investments, debt charges recoverable, bank indebtedness, accounts payable and accrued liabilities, deposit liabilities, requisition over-levy, and long term debt. It is management's opinion that the Town is not exposed to significant interest or currency risks arising from these financial instruments.

The Town is subject to credit risk with respect to taxes and grants in place of taxes receivables and trade and other receivables. Credit risk arises from the possibility that taxpayers and entities to which the Town 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.

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**13. APPROVAL OF FINANCIAL STATEMENTS**

Council and Management have approved these financial statements.

# Town of Barrhead

## 2016 YEAR AT A GLANCE

Last year was a very busy year for the Town. We hope that you will join us at the Annual General Meeting on April 11, 2017, at 7:00 p.m. for a review of our annual financial statements and to allow us to answer any questions or clarify any concerns you may wish to discuss.

In 2016, Council raised the municipal portion of the tax rate by 0.15 mills for both Residential and Non-Residential properties. This was necessary in order to continue providing residents with quality services and to place funds in reserves for future capital projects. In 2016, an Aquatic Centre Debenture tax rate was also listed on property tax notices. This tax rate was 0.5887 for both residential and non-residential properties, which resulted in a tax increase of \$58.87 for every \$100,000.00 of assessment value.

In 2016 the capital project expenses were over \$ 10.5 million for the following projects:

- New Swimming Pool  
(Total \$9.2 million to date)
- 51 Avenue Infrastructure Completion
- 48 Avenue Curbs and Sidewalks
- Wastewater Plant Design Study
- Wastewater Monitoring/Fish Study
- Arena Walking Track Installation
- New Park Equipment
- Park Washrooms
- New Sidewalks
- New Mowers
- Fencing Around Sewage Lagoon
- Tennis Court Lane Completion
- Fire (Joint with County) – Pierce 100' Platform Aerial Fire Truck
- Emergency Response Centre (Joint with County) – Building Maintenance, Painting, Security Cameras

Many of the above projects were partially offset by the following grant funding:

**Municipal Sustainability Initiative Capital Grant (MSI)** of \$ 899,912 was used to fund a portion of the cost of the construction of the new Aquatic Centre.

**Municipal Sustainability Initiative Operating Grant** of \$128,204 assisted with the operational and maintenance costs of the parks, sportsgrounds, sidewalks, and road maintenance.

**Alberta Community Partnership (ACP) Capital Grant** of \$ 175,000 provided funding for the purchase of the Pierce 100' Aerial Fire Truck.

**Alberta Community Partnership (ACP) Operational Grant** of \$ 70,128 was allocated towards the Recreation study/agreement process with the County of Barrhead.

Town Council continually promotes inter-municipal cooperation on a number of levels. The Town of Barrhead and County of Barrhead No. 11 jointly provide, on an equally cost-shared basis, programs and services which are comprised of delivering Fire Protection, Emergency Response Centre operations, the management and operation of the Regional Landfill Site and the Barrhead Johnson Airport.

Additional services such as Family and Community Support Services and the Municipal Library (also includes Pembina Hills School Division) receive contributions from the Town and County in order to continue to provide services to the community. The County of Barrhead also provides a portion of funding towards the operations of the recreation facilities and summer programming for children.

The Aquatic Centre engineering and construction costs were \$9.2 million in 2016 and the project is well underway. The County of Barrhead has contributed \$4,058,113 of their \$5 million contribution commitment towards the capital project.

The RCMP School Resource Officer is a position that is funded by several partners, including Pembina Hills Regional School Division, the Town of Barrhead, the County of Barrhead and Woodlands County.

Town Council is pleased to be involved in enhancing the quality of life for the residents by providing worthwhile programs and services. Members of Council would like to take this opportunity to thank the countless volunteers and organizations that have provided generous assistance to the members of our community in this regard.

Please check out the Town of Barrhead website at [www.barrhead.ca](http://www.barrhead.ca) for information on our operations, updates on the Barrhead Regional Aquatic Centre construction, upcoming events, our bi-monthly newsletter and important notifications to our residential and business community.

Thank you all for your ongoing support, efforts and input throughout the year.

## Planning and Development Department Overview

In 2016, the Development Department was busy with the issuance of 42 development permits, summarized as follows:

DESCRIPTION	CONSTRUCTION VALUE
6 New Single Family Dwellings	\$1,581,000.00
3 New Multi-Family Dwellings	\$1,600,000.00
2 New Modular Home/Manufactured Homes	\$302,000.00
1 New Basement Suite	\$20,000.00
1 Institutional	\$750,000.00
8 Residential Additions, Sheds, Decks, Roofs, Fences, Renovations	\$30,100.00
9 Commercial Additions, Removals, Renovations	\$568,000.00
4 Signs	\$13,500.00
4 New Garages	\$56,000.00
3 Demolitions	
1 Removal of Mobile Home	
<b>42 TOTAL</b>	<b>\$4,920,600.00</b>

The total construction value for development permits that were issued was down in 2016 compared to 2015.

Fewer single family residential permits were taken out in 2016, with a total of 6 as compared to 2015's total of 8.

The total commercial development in 2016 was under \$1 million, down from 2015 which was \$3 million.

The development department accepted 7 subdivision applications in 2016.

The Town of Barrhead Municipal Development Plan will be undertaken and updated in 2017.

The department continues to update the Town's land use, index and street address maps with the new subdivisions and provides mapping and graphics to Town departments on an as needed basis.

The Planning and Development Department continues to work with developers on proposed projects throughout the Town.

## Public Services Department Overview

For the Public Works Department, 2016 started out slowly with minimal snow for removal. Conditions stayed very dry up until May. This allowed crews to get a jump on the spring cleaning, pot hole repairs, street sweeping, sign maintenance and to complete an asphalt overlay on 51 Avenue between 50<sup>th</sup> Street and 49A Street.

A second lift of asphalt was also put down on 51 Avenue from 50 Street west to 54 Street and finishes off the infrastructure rehabilitation contract from 2015. More road building occurred in the back lane beside the new tennis courts, as it was excavated, storm drainage added, base rebuilt and asphalt put down.

The Town conducted a sewage lagoon and river study in 2016. The scope of the study was to determine processes to streamline and create further efficiencies at processing the wastewater. Results of the study determined that upgrades were required to some of the equipment. As provincial and federal standards become more stringent, the Town is being proactive in sustaining a healthy environment for the community and local bodies of water.

Also on schedule was the second installment of weeping tile around the Bowling Alley. With this year's wet summer and fall, it was a much needed drainage upgrade to help the foundation and interior walls.

The Public Services Department also completed annual tasks, such as road oiling, lane blading and graveling, crack sealing, line painting, hydrant flushing and repairs, daily garbage & recycle pickup, water and sewer repairs or replacements and assisting with several Town events.

## **Recreation Department Overview**

Summer Programs in 2016 were amazing, with a very high enrollment and all of our programs being full and some running second dates. Parks & Recreation received overwhelming reviews from the Barrhead and surrounding communities. People loved what we offered and were given good value on the 33 programs that were run. Due to the change in the economy we wanted to keep the programs at a low cost, close to home and most of all FUN!! This year we received a number of donations totaling \$2,900.00, which helps to pass savings onto the children's programs. Thank you to everyone who donated!

The Recreation Department was involved in several annual events in 2016. These included free skate times for Halloween, Christmas, Easter and New Years, all which were very well attended. We continued our community partnerships with local businesses, groups and agencies. Canada Day celebrations were held at the Agrena again this year. We are looking forward to a much bigger event in 2017 in celebration of Canada's 150 Birthday.

The Town once again participated in Communities in Bloom in 2016, receiving 4 out of 5 Blooms. Thank you to everyone who helped to make our community look vibrant and beautiful!

Sand was replaced in Denthor Park, Lions Park and Cecile Martin Park in 2016. Installation of two new playground equipment structures with expression swing sets was completed. A Playground Safety Audit was completed by Apple Play Safe Inspections.

Resurfacing of the indoor Walking Track at the Agrena was completed in 2016. We also revamped all janitor rooms, painted all dressing rooms, the multipurpose room coat check area and office.

Construction of the new Aquatic Centre commenced in April 2016. Our department is thrilled that this project is well underway and can't wait for this facility to be up and running in the summer of 2017!



## Barrhead Fire Services Overview

A record year! That's what the call volume is showing us, with over 380 calls in 2016 - that is more than one a day. Members and equipment are working tirelessly as we have packed two years into one! Keeping our equipment well maintained and response ready is a very busy job and in the last month or so with the cold weather we find it is especially hard on equipment and personnel. Fighting fires in -32°C temperatures has very unique challenges - challenges BFS is more than happy to tackle. In 2016 we also assisted with several functions in the community such as the Demolition Derby, First Aid Stand-bys for events, Canada Day and New Years Eve Fireworks, the Street Festival, Christmas Parade, Fire Prevention Open House, multiple other parades and tours of the fire hall for school children. This is all done by volunteers in and around the community.

Members of Barrhead Fire Services are allowed to leave work from their employers to respond in the community and even if a neighboring municipality requires help, Barrhead Fire will respond if we can. Having a paid on-call service that is shared by both the Town and County of Barrhead is a smart, fiscally responsible way of doing business.

If you follow Barrhead Fire Services on Facebook at "\*\*\*OFFICIAL\*\* Friends and Family of Barrhead Fire Services" you can get up-to-date information with regards to fire bans, events we are involved with, upcoming training and open houses. You can provide feedback and get an understanding about calls, events and department issues affecting your community.

We completed the BFS first ever complete 1001 class and now have 90% of our department training to the professional fire fighter standard. This is a standard supported by both Councils, increasing our ability to train members in-house and not having to send them away for training, allowing us to have a much more cost effective training program. Our in-house training staff attended the International Fire Fighting Conference for fire educators and brought back some new techniques, which we are already implementing and finding that these techniques are making us safer and more efficient in an ever changing industry.

Some people see us responding with EMS or before EMS arrives and are not sure why. This is our First Responder Program. Because we have some individuals on the department with the same training as EMS and we have the ability to provide some of the same services, and sometimes we are closer and can provide more people to assist in the care of those in need of medical treatment. BFS can provide these added services in our community. This program has been fully supported by both municipalities.

Barrhead Fire Services appreciates all those who support us. From our significant others, the businesses who employ our firefighters, to both Town and County Councils for understanding the need for the proper training, equipment and professionalism, to the staff and administration at both the Town and County offices and to the other departments, Public Works, Recreation, Water and Sanitation for all they do from day to day operations to running for equipment, support and rehabilitation on emergency scenes, we appreciate them as well.

We are always looking for qualified people to assist as firefighters with Barrhead Fire Services and all inquiries can be brought to the fire hall administration Monday-Friday from 8:00 a.m.- 4:30 p.m. or by phoning 780-674-2087. From Barrhead Fire Services to you and yours we wish you all the best in 2017!

<b>BARRHEAD FIRE SERVICES - STATISTICS OVERVIEW</b>							
	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
Members	31	25	27	32	33	35	23
Town Responses	199	102	60	89	62	64	63
County Responses	167	113	90	63	67	73	77
Town Response Man Hours	543.5	706.5	258.5	738	359	431.5	811.5
County Response Man Hours	2413	1829.5	1314.5	1105.5	1101	1249.5	1196
Local Training Man Hours	3738	2042	1494	1704	1521	1949	1703.5
Other Training Man Hours	499	1242	713	628	1568	1371	624
Volunteer Hours Served	1538	1256	602	483	528	1156.5	520
Investigation Report Files	28	19	13	8	5	N/A	N/A
Mutual Aid Responses	11	11	6	N/A	N/A	N/A	N/A

## Community Peace Officer Overview

In 2016, the department responded to a wide range of calls for assistance or to address complaints from all areas of the Peace Officer enforcement spectrum. Of the 278 total files created this year, 50 were for various Animal Control issues. These issues included three incidents where citizens were bitten by dogs, one of these incidents resulting in the levying of charges under the Dangerous Dogs Act.

The department investigated 37 unsightly lot complaints, the majority of which were able to achieve compliance through education rather than enforcement action.

Many abandoned or derelict vehicles were removed from the streets of Barrhead as well, resulting in impounding of vehicles and the issuing of violations in many cases.

The department notified possible offenders through several means, including leaving door hanger notices, phone calls, e-mails and the preferred method of face to face discussion. As is the mandate of the department, often times the issues at hand were resolved through education and discussion, rather than the issuance of violation tickets.

A large majority of the files created by the department this year were for driving violations. As this was an area of concern from 2015, special attention was paid to speeding in the school zone, as well as deterring speeding instances on 53<sup>rd</sup> Avenue, both eastbound and westbound. Over the past year the department issued 130 driving violations either under the Traffic Safety Act or the Use of the Highway Rules of the Road Regulation. All of these offences thus far have resulted in convictions, with several matters still before the Courts.

In addition to these files, the department also assisted RCMP, Barrhead Fire and EMS on numerous occasions. This included traffic control at MVC scenes, assisting in investigations, and offering assistance in medical emergencies as well as fire emergencies.

This year, the patrol vehicle had the graphics and decals redone, as they were in need of replacement. Also, the department's mobile work station had to be replaced, as the former system was approximately 8 years old.

In 2017, the department will be reviewing our current bylaws to determine what, if any, changes may be necessary with respect to fine amounts, as well as some possible issues with wording of certain bylaw violations to clarify any possible confusion.