

COMMISSION FINANCIAL INFORMATION RETURN

For the Year Ending December 31, 2012

**Commission Name:** Alberta Capital Region Wastewater  
Commission

**CERTIFICATION**

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

  
Signature of Duly Authorized Signing Officer

M. DARBYSHIRE  
Print Name

2013 03 20  
Date



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## INDEPENDENT AUDITORS' REPORT

To the Members of Alberta Capital Region Wastewater Commission

We have audited the accompanying commission financial information return of Alberta Capital Region Wastewater Commission for the year ended December 31, 2012. The commission financial information return has been prepared by management based on the financial reporting provisions included in Section 602.32 of the Alberta Municipal Government Act and as described in the Financial Information Return Manual prepared by Alberta Municipal Affairs.

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

Management is responsible for the preparation of the commission financial information return in accordance with the financial reporting provisions included in Section 602.32 of the Alberta Municipal Government Act and the accounting principles described in the Financial Information Return Manual prepared by Alberta Municipal Affairs, and for such internal control as management determines is necessary to enable the preparation of the commission financial information return that is free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on the commission financial information return 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 commission financial information return is free from material misstatement.

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

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 commission financial information return of Alberta Capital Region Wastewater Commission for the year ended December 31, 2012 is prepared, in all material respects, in accordance with the financial reporting provisions included in Section 602.32 of the Alberta Municipal Government Act and the accounting principles described in the Financial Information Return Manual prepared by Alberta Municipal Affairs.

### *Basis of Accounting and Restriction on Use*

Without modifying our opinion, we draw attention to the financial reporting provisions included in Section 602.32 of the Alberta Municipal Government Act and the accounting principles described in the Financial Information Return Manual prepared by Alberta Municipal Affairs which describe the basis of accounting. The commission financial information return of Alberta Capital Region Wastewater Commission for the year ended December 31, 2012 has been prepared as requested by the Minister of Alberta Municipal Affairs and is to be used primarily for statistical purposes. As a result, the commission financial information return may not be suitable for another purpose. Our report is intended solely for Alberta Capital Region Wastewater Commission and Alberta Municipal Affairs and should not be used by parties other than Alberta Capital Region Wastewater Commission and Alberta Municipal Affairs.

A handwritten signature in black ink that reads 'KPMG LLP' with a long horizontal line underneath.

Chartered Accountants

March 15, 2013  
Edmonton, Canada

# FINANCIAL POSITION

Schedule 9A

	Total
	1
<b>Assets</b>	0010
Cash and Temporary Investments .....	0020 14,672,522
Receivable From Commission Members .....	0070 1,720,655
Loans Receivable .....	0080
Trade and Other Receivables .....	0090 600,320
Inventory for Consumption .....	0120
Inventories Held for Resale .....	0130
Land .....	0140
Other .....	0150
Long Term Investments .....	0170
Federal Government .....	0180
Provincial Government .....	0190
Local Governments .....	0200 10
Other .....	0210 1,930
Other Current Assets .....	0230
Other Long Term Assets .....	0240
	0250
<b>Total Financial Assets</b>	0260 16,995,437
<b>Liabilities</b>	0270
Temporary Loans Payable .....	0280
Payable To Other Governments .....	0290 1,336,558
Accounts Payable & Accrued Liabilities .....	0300 3,538,088
Deposit Liabilities .....	0310
Deferred Revenue .....	0340
Long Term Debt .....	0350 27,069,978
Other Current Liabilities .....	0360
Other Long Term Liabilities .....	0370
	0380
<b>Total Liabilities</b>	0390 31,944,624
<b>Net Financial Assets (Net Debt)</b>	0395 -14,949,187
<b>Non Financial Assets</b>	
Tangible Capital Assets .....	0400 156,361,187
Inventory for Consumption .....	0410 322,294
Prepaid Expenses .....	0420 101,214
Other .....	0430
<b>Total Non-Financial Assets</b>	0440 156,784,695
<b>Accumulated Surplus</b>	0450 141,835,508

# CHANGE IN ACCUMULATED SURPLUS

## Schedule 9B

		Unrestricted	Restricted	Equity in TCA	Total
		1	2	3	4
Accumulated Surplus - Beginning of Year	0500		9,978,661	131,921,157	141,899,818
Net Revenue (Expense)	0505	-64,310			-64,310
Funds Designated For Future Use	0511	-2,450,476	2,450,476		
Restricted Funds - Used for Operations	0512	-115,162	115,162		
Restricted Funds - Used for TCA	0513				
Current Year Funds Used for TCA	0514	-2,396,624		2,396,624	
Donated and Contributed TCA	0516				
Disposals of TCA	0517	216,835		-216,835	
Annual Amortization Expense	0518	4,985,159		-4,985,159	
Long Term Debt - Issued	0519			-12,000,000	-12,000,000
Long Term Debt - Repaid	0521	-1,866,325		1,866,325	
Capital Debt - Used for TCA	0522			12,000,000	12,000,000
	0523				
Other Adjustments	0524	1,690,903		-1,690,903	
Accumulated Surplus - End of Year	0525		12,544,299	129,291,209	141,835,508

FINANCIAL ACTIVITIES BY TYPE / OBJECT

Schedule 9D

	Total	
	1	
Revenues	1700	
Service Fees Charged to Commission Members.....	1790	25,356,624
Other Fees and User Charges .....	1800	
Licenses and Permits .....	1820	
Franchise and Concession Contracts .....	1840	
Returns on Investments .....	1850	205,191
Rentals .....	1860	
Insurance Proceeds .....	1870	
Net Gain on Sale of Tangible Capital Assets .....	1880	
Contributed and Donated Assets.....	1885	
Federal Government Unconditional Transfers .....	1890	
Federal Government Conditional Transfers .....	1900	
Provincial Government Unconditional Transfers .....	1910	
Provincial Government Conditional Transfers .....	1920	7,621
Local Government Transfers .....	1930	
Other Revenues .....	1970	101,379
<b>Total Revenue</b>	<b>1980</b>	<b>25,670,815</b>
Expenses	1990	
Salaries, Wages, and Benefits .....	2000	4,546,407
Contracted and General Services .....	2010	6,066,469
Purchases from Other Governments .....	2020	4,225,896
Materials, Goods, Supplies, and Utilities .....	2030	3,073,546
Provision For Allowances .....	2040	
Transfers to Governments .....	2050	
Bank Charges and Short Term Interest .....	2080	
Interest on Operating Long Term Debt .....	2090	
Interest on Capital Long Term Debt .....	2100	929,910
Amortization of Tangible Capital Assets .....	2110	4,985,159
Net Loss on Sale of Tangible Capital Assets.....	2125	216,835
Write Down of Tangible Capital Assets.....	2127	1,690,903
Other Expenditures .....	2130	
<b>Total Expenses</b>	<b>2140</b>	<b>25,735,125</b>
<b>Net Revenue (Expense)</b>	<b>2150</b>	<b>-64,310</b>

## TANGIBLE CAPITAL ASSETS SUPPLEMENTARY DETAIL

Schedule 9F

		Capital Long Term Debt	
		Principal Additions	Principal Reductions
		1	2
General Government	2700		
Council and Other Legislative .....	2710		
General Administration .....	2720		
Other General Government.....	2730		
Protective Services	2740		
Police .....	2750		
Fire .....	2760		
Disaster and Emergency Measures .....	2770		
Ambulance and First Aid .....	2780		
Bylaws Enforcement .....	2790		
Other Protective Services.....	2800		
Transportation	2810		
Common and Equipment Pool .....	2820		
Roads, Streets, Walks, Lighting .....	2830		
Airport .....	2840		
Public Transit .....	2850		
Storm Sewers and Drainage .....	2860		
Other Transportation .....	2870		
Environmental Use and Protection	2880		
Water Supply and Distribution .....	2890		
Wastewater Treatment and Disposal .....	2900	12,000,000	1,866,325
Waste Management .....	2910		
Other Environmental Use and Protection .....	2920		
Public Health and Welfare	2930		
Family and Community Support .....	2940		
Day Care .....	2950		
Cemeteries and Crematoriums .....	2960		
Other Public Health and Welfare .....	2970		
Planning and Development	2980		
Land Use Planning, Zoning and Development .....	2990		
Economic/Agricultural Development .....	3000		
Subdivision Land and Development .....	3010		
Public Housing Operations .....	3020		
Land, Housing and Building Rentals .....	3030		
Other Planning and Development.....	3040		
Recreation and Culture	3050		
Recreation Boards .....	3060		
Parks and Recreation .....	3070		
Culture: Libraries, Museums, Halls .....	3080		
Convention Centres .....	3090		
Other Recreation and Culture.....	3100		
Other Utilities	3105		
Gas .....	3106		
Electric .....	3107		
Other .....	3110		
Total	3120	12,000,000	1,866,325

## CHANGE IN TANGIBLE CAPITAL ASSETS

Schedule 9G

		Balance at Beginning of Year 1	Additions 2	Reductions 3	Balance at End of Year 4
<b>Tangible Capital Assets - Cost</b>					
Engineered Structures .....	3210	237,519,629	14,354,125	600,901	251,272,853
Construction In Progress.....	3219				
Buildings .....	3220				
Machinery and Equipment .....	3230	1,925,184	42,500		1,967,684
Land .....	3240	2,206,477			2,206,477
Land Improvements.....	3245				
Vehicles .....	3250				
<b>Total Capital Property Cost</b>	3260	241,651,290	14,396,625	600,901	255,447,014
<b>Accumulated Amortization</b>					
Engineered Structures .....	3280	91,323,159	6,259,768	68,189	97,514,738
Buildings .....	3290				
Machinery and Equipment .....	3300	1,470,671	100,418		1,571,089
Land .....	3310				
Land Improvements.....	3315				
Vehicles .....	3320				
<b>Total Accumulated Amortization</b>	3330	92,793,830	6,360,186	68,189	99,085,827
<b>Net Book Value of Capital Property</b>	3340	148,857,460			156,361,187
<b>Capital Long Term Debt (Net)</b>	3350	16,936,303			27,069,978
<b>Equity in Tangible Capital Assets</b>	3400	131,921,157			129,291,209



# LONG TERM DEBT SUPPORT

Schedule 9H

		Operating Purposes 1	Capital Purposes 2	Total 3
Long Term Debt Support	3405			
Supported by Utility Rates .....	3430		27,069,978	27,069,978
Other .....	3440			
<b>Total Long Term Debt Principal Balance</b>	<b>3450</b>		<b>27,069,978</b>	<b>27,069,978</b>

# LONG TERM DEBT SOURCES

Schedule 9I

		Operating Purposes 1	Capital Purposes 2	Total 3
Alberta Capital Finance Authority.....	3500		27,069,978	27,069,978
Other .....	3610			
<b>Total Long Term Debt Principal Balance</b>	<b>3620</b>		<b>27,069,978</b>	<b>27,069,978</b>

# FUTURE LONG TERM DEBT REPAYMENTS

Schedule 9J

		Operating Purposes 1	Capital Purposes 2	Total 3
<b>Principal Repayments by Year</b>	<b>3700</b>			
Current + 1 .....	3710		2,344,876	2,344,876
Current + 2 .....	3720		2,384,455	2,384,455
Current + 3 .....	3730		2,485,013	2,485,013
Current + 4 .....	3740		2,590,097	2,590,097
Current + 5 .....	3750		2,699,919	2,699,919
Thereafter .....	3760		14,565,618	14,565,618
<b>Total Principal</b>	<b>3770</b>		<b>27,069,978</b>	<b>27,069,978</b>
<b>Interest by Year</b>	<b>3780</b>			
Current + 1 .....	3790		993,006	993,006
Current + 2 .....	3800		893,652	893,652
Current + 3 .....	3810		793,092	793,092
Current + 4 .....	3820		688,009	688,009
Current + 5 .....	3830		578,187	578,187
Thereafter .....	3840		1,906,779	1,906,779
<b>Total Interest</b>	<b>3850</b>		<b>5,852,725</b>	<b>5,852,725</b>

**DEBT LIMIT****Schedule 9AA**

1

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

5700	51,326,387
5710	27,069,978
5720	8,982,118
5730	3,337,881

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

16,936,303