



# REPORT TO THE COMMUNITY 2015



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## MESSAGE FROM THE MAYOR

Every year, Town Council and Senior Administration review the Town of Cochrane's progress on community service and financial goals. Then we update the Ten-year Financial Strategy and report on our progress in this Report to the Community.

The Town's goals remain lofty, but within reach: we plan ahead to make the best use of current tax dollars and other funding, we develop goals for major projects so we can best serve the community for the long term, and we manage debt levels so we don't place an undue burden on future residents.

Updating this information each year gives us the opportunity to reflect on our progress towards meeting our goals, and helps us keep looking ahead towards the community's long-term needs. When we do this well, we're contributing to the sustainability and long-term success of our community.

We know that financial sustainability is a key component in serving the needs of our growing community, now and into the future. That's why we're committed to reporting our financial situation to the community. In this document, you'll find an overview of Council's priorities, an outline of our tax base and current financial position, a list of capital projects and an explanation of our debt limit.

I'm proud to be part of the team managing our growth and development so we can all enjoy life to the fullest here.

Mayor Ivan Brooker





# TOWN PROFILE

The Town of Cochrane is a municipality in southern Alberta, midway between Calgary and Banff National Park. Cochrane's 2015 population is over 23,000 people (over 9,000 households) and is growing steadily every year. Cochrane has roots steeped in world-famous ranch country, with an authentic western feel, reflected in the architecture and friendly people.

Cochrane was named after Senator Matthew Henry Cochrane, the man who established the Cochrane Ranche in 1881. The Canadian Pacific Railway granted the town site in 1885 and named it in honour of Senator Cochrane. The little hamlet of Cochrane became a village in 1903 and in 1906 had a population of 158.

Cochrane experienced waves of significant growth over the last 35 years, with peaks in the 1970s and 1990s: between 1996 and 2001, Cochrane was the fastest growing small urban centre in Canada, with 59 percent growth. In 2004, the need for developable land led Cochrane to annex approximately 1,225 additional hectares from neighbouring Rocky View County.

Today, Cochrane is still noted for its western heritage, unique buildings and popular Main Street, as well as its small-town hospitality. With the completion of the downtown revitalization and celebration of the Town's centennial in 2003, Cochrane is also a popular tourist destination.

The Town is at a critical juncture in terms of its future size, urban form and character. Cochrane's population could more than triple over the next 50 years. While demographics and economics will largely drive growth, Cochrane's high quality of life and strong sense of place enhances its potential to attract an even larger share of the region's projected growth.

# GOVERNMENT STRUCTURE

The Town of Cochrane municipal mandate is to provide protective services, public utilities, various social and recreational programs and other local services to the community. The organization consists of two branches: a legislative branch (Town Council), and an administrative branch (led by the Chief Administrative Officer).

Town Council consists of a Mayor and six Councillors. Council is elected at large by residents to serve a four-year term and governs in accordance with powers granted under the *Municipal Government Act*.

Town Council provides strategic direction to Administration through a variety of plans, bylaws, policies and other governance processes.

# VISION, MISSION AND VALUES

The Town's vision, mission and values provide the foundation for Council decisions and the direction given to Administration. The vision describes the type of town that Council wants Cochrane to become; the mission describes the Town's purpose; the values define how the Town as an organization carries out its work.

## VISION

Proud of Cochrane's heritage, embracing our future, we are a dynamic organization creating municipal excellence.

## MISSION

To protect and promote Cochrane as a unique community through our dedication to public service.

## VALUES

This is how we will act while accomplishing our vision and mission; it's the way we do our business and the principles that guide our daily behaviour.

**Accountability:** We conduct ourselves with integrity in a responsible manner to build trust and confidence.

**Continuous Learning and Development:** We acquire ongoing success and personal growth through continual learning and development.

**Customer Service:** We serve the public interest with a positive attitude.

**Fun:** We believe that the use of respectful humour, laughter and plain old fun are

important and that it contributes to our individual and organizational well-being.

**Healthy and Safe Work Environment:** We enhance the quality of life by minimizing risk and creating an environment where people are valued as individuals.

**Innovation:** We are a creative leading-edge organization embracing new ideas and new technologies.

**Open Communication:** We communicate openly, respectfully and promptly.

**Participation:** We achieve productivity and success through involvement, teamwork and recognition.



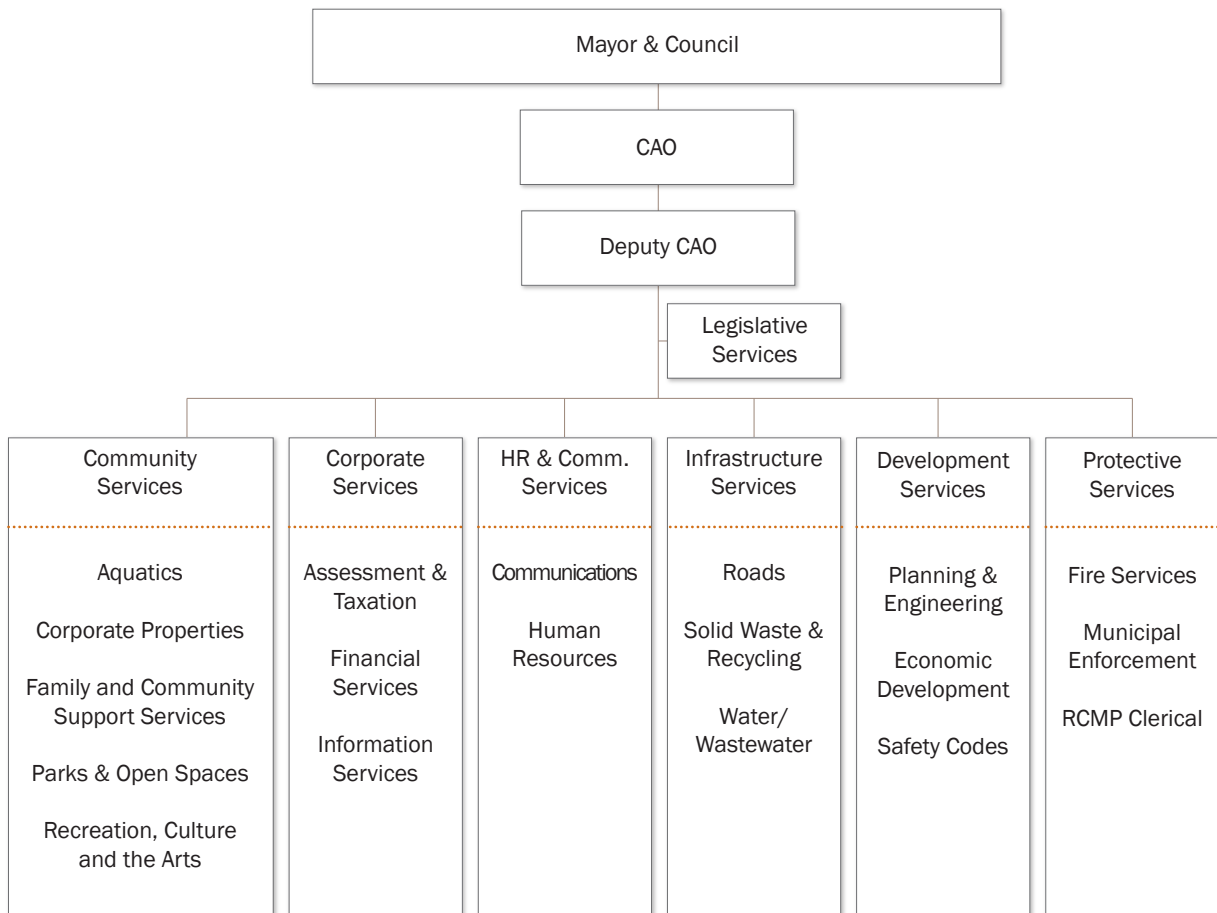
# ADMINISTRATION

Town Administration, with an appointed Chief Administrative Officer, consists of six divisions and 20 separate sections.

The CAO and Deputy CAO form the Executive Leadership Team while the six Senior Managers comprise the Town's Senior Leadership Team.

A broader Leadership Forum, consisting of section Managers from across the organization, also provide support and direction to Administration.

## 2015 ORGANIZATIONAL CHART



# COUNCIL'S STRATEGIC PRIORITIES

In addition to day-to-day activities, Council will focus on these top four priorities for 2015:

## Council 2015-2018 Strategic Priorities

1. Aquatic and Curling/Multi-sport Centre
  - Built and operating by Spring 2017
  - Complete operational transition plan
2. Improving roads and pathways:
  - Complete Connecting Cochrane (Transportation Master Plan)
  - Champion improvements to Hwy 22/1A intersection
  - Preparation for Bow River Bridge; start north road connection
  - Explore regional transit opportunities
  - Evaluate and upgrade existing intersections to improve traffic flow
3. Planning for community cultural hub:
  - Determine scope and partnerships
  - Identify site
4. Implementing Economic Development Strategy:
  - Review land assets; focus on the development of the old Town Hall site
  - Further implement Integrated Downtown Action Plan
  - Work with local businesses on opportunities for business diversification
  - Identify infrastructure required to support technology-based businesses

Here are a few priorities the Town is working on today:

## Sustainable Community Building

### Open Space Master Plan – Riverfront Park

Phase 2 construction close to completion. Grand opening event held August 29, 2015.

### Quarry development/Centre Avenue

Development permits continue to be issued. Southeast corner opened summer 2014.

### Community Revitalization Levy (CRL)

CRL revenue is funding enhancements to Centre Ave: sidewalk connections, landscaping, street printing.

### Connecting Cochrane (Transportation Master Plan)

Research, community engagement complete. Further study of Hwy 1A and 22 (with Alberta Transportation) required.

## Implementation of Zero Waste Framework

Multi-unit recycling strategy approved. Bylaw effective June 1, 2015. Research and strategy development for organics; industrial, commercial, institutional sector, and events and public spaces underway.

## Integrated Downtown Action Plan

Implementation of land strategy objectives underway. Comprehensive planning for existing rodeo grounds to be completed in 2015. Work continues on public washroom and at-grade crossing design for Historic Downtown (with provincial officials).

## Police Station – Location and Design

Land acquisition strategy underway. Next steps: design and hiring of project manager.

## Recreation, Arts & Culture Advancement

Aquatic and Curling/Multi-sport Centre design complete. Fundraising underway; currently at 41% of target. Construction began March 2015.

## Repairs: Flood 2013

Some pathway repairs included in Riverfront Park work. Jumping Pound Creek erosion control and flood mitigation work scheduled for completion 2016. Bow River hydrology study and Water Treatment Plant intakes still being investigated.

## Renewable Energy Framework

Stakeholder and community engagement complete. Council approved the framework in April 2015.

## Fire Services Master Plan

Research underway. Recommendations scheduled to go to Council fall 2015.

## Communications

### Town Messaging Signs

Sign Bylaw amendment approved. Installation scheduled for completion fall 2015.

## Organizational Excellence

### Economic Development Strategy

Working with local businesses and developers on strategies for business attraction.

# TEN-YEAR FINANCIAL STRATEGY

Each year, Council reviews the Town's progress on community service and financial goals, and updates the 10-year Financial Strategy.

Updating the 10-Year Financial Strategy each year gives us the opportunity to reflect on how we're meeting our goals, and helps us continue to look into the future towards the community's long-term needs.

## Financial Sustainability

As a champion of sustainability, the Town of Cochrane is committed to financial sustainability. What is financial sustainability? It is the ability to manage our finances so that we can meet current and long term spending commitments. It is having stable taxation, both now and in the future, while maintaining Council's highest priority programs.

## Planning for Growth

Our Town has grown 40 percent since 2006, and continues to grow. Cochrane's population from the 2015 census was 23,084 reflecting 20% growth in the previous two years. Growth will slow as a result of the economic downturn but some growth is still expected. If our population grows 5 percent per year for the next five years, Cochrane will have 27,848 residents in 2020.

## Exciting Opportunities

We have strategized to complete \$230 million in major capital projects over the next ten years. Core infrastructure projects include funding for a second Bow River crossing bridge and twinning of the wastewater pipeline. New facility projects include a new Police station, aquatic and curling multisport facility, and an arts and community centre. The Town cannot afford to pay for all of the capital costs of these projects. The ten year strategy assumes a portion of funding comes from other sources such as government grants, developer fees and community donations.

## Bridging the Gap

The Town of Cochrane has a healthy balance sheet at December 31, 2014. We have successfully funded service levels to meet our current needs, but it is increasingly difficult to sustain service levels while preparing for future growth. Population growth, increased demand for new services, and rising fixed costs, have resulted in operating costs rising faster than revenues available to fund current services. Council discussed the Town's operating budget gap in the annual strategic planning process. A gap in the operating budget cannot be sustained as we must ensure annual property tax increases are affordable.

## Strategies for the Future

Council has prioritized strategies to close the municipal budget operating gap. Further, the Town has life-cycling strategies for facilities that require increasing annual reserve contributions. There is no easy or single way to achieve this. These strategies will include:

- **Increasing revenue opportunities**
- **Reducing costs while finding ways to sustain existing service**
- **Setting a higher priority on financially sustainable solutions**
- **Staying resilient to take advantage of new sources of funding**

## What's Next?

We have the courage to take the bold steps necessary to close our operating gap. The 2015 Budget includes actions to create efficiencies and explore innovative ways to close the operating gap.



# CAPITAL PROJECTS SUMMARY

Council has strategized to complete \$230 million in major capital projects over the next 10 years. Core infrastructure projects include funding for a bridge across the Bow River, grade separation at Centre Avenue and twinning of the wastewater pipeline. New facility projects include a new police station, aquatic and curling/multisport facility, and arts centre.

The Town requires capital funding support from a variety of sources to meet the capital costs of these projects. The 10-year strategy assumes 5 percent growth, and that a portion of capital funding comes from other sources such as government grants, developer fees, community donations, sale of surplus Town lands and new debt.

Project	Est. Town Cash Outflow 2015-2024	Timeline	Major Source(s) of Funding
<b>Connecting Cochrane</b>			
Transportation Master Plan implementation	\$9,850,000	continuous	Town reserves and Gas Tax grants
Existing road network improvements	\$18,170,000	continuous	Provincial grants
Bow River Bridge crossing/arterial road connections	\$41,200,000	2015-2018	Offsite levies/Federal grants/Debt
Local Transit Fleet	\$2,000,000	2017	Provincial and Federal grant
Horse Creek CPR crossing	\$2,020,000	2021	Offsite levies
Centre Avenue CPR grade-separated crossing	\$30,300,000	2024	Prov. grants/Debt/Offsite levies
CPR pedestrian crossing: historic downtown to new downtown	\$2,000,000	2020	Community Revitalization Levy
<b>Total Connecting Cochrane</b>	<b>\$105,540,000</b>		
Fleet, equipment, facility lifecycling	\$14,500,000	continuous	Town reserves
Water capacity upgrades: booster and lift stations	\$9,172,000	continuous	Town reserves
Other offsite levy projects	\$11,621,000	continuous	Offsite levies
Aquatic and Curling /Multi-sport Centre	\$45,000,000	2014-2017	Town/Fundraising/Prov. grants
Riverfront Park/Flood erosion project	\$6,000,000	2015-2016	Provincial grants
Police station	\$10,800,000	2015-2016	Prov. grant/Debt
Open Space Master Plan implementation	\$4,317,000	2016-2017	Parks enhancement fee/Town reserves
Arts and Community Centre		tbd	Community consultation: Fall 2015
Wastewater capacity upgrade	\$24,650,000	2017-2019	Offsite levies/Debt
<b>Total capital spending to 2024</b>	<b>\$231,600,000</b>		

Developers will contribute \$63 million of above costs toward growth infrastructure detailed in Offsite Levy Bylaw 08/2015. In addition, developers support the Town's recreation, parks and culture facility needs with voluntary levies. Ten percent of community enhancement fees collected are transferred to an arts endowment fund while \$6 million will go toward the Aquatic and Curling Centre.



# YOUR TAX DOLLARS AT WORK

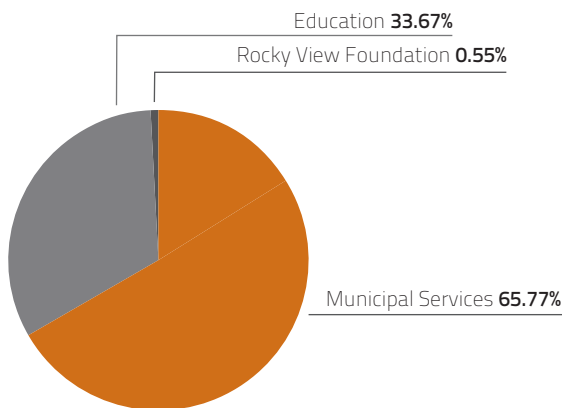
As the Town's major source of revenue comes directly from our taxpayers, the Town of Cochrane strives to provide good value for resident's tax dollars.

Each May, Council finalizes the amount of money required to support the Town's mandate to provide quality service to residents and businesses, and uses that figure to calculate the tax rate. Property taxes help

pay for Town initiatives and services such as emergency services, road maintenance, parks and recreation, and community development strategies.

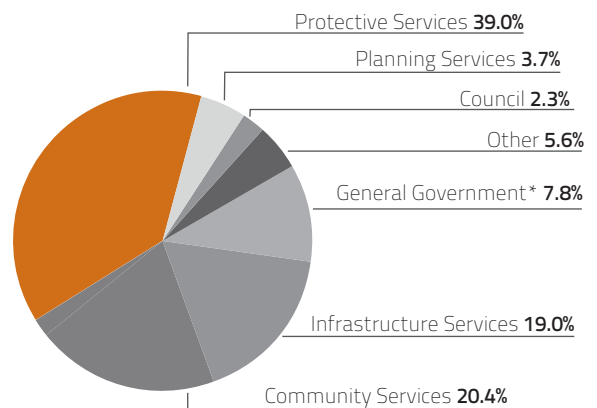
Just over 66 cents of every tax dollar received by the Town goes to fund municipal services. Taxes collected also go towards external requisitions such as provincial education and seniors' housing.

## TAX DOLLAR DISTRIBUTION



\*Includes Communications, Corporate Services, HR, Legislative Services.

## BREAKDOWN OF MUNICIPAL SERVICES





# CRL

A Community Revitalization Levy (CRL) is a unique funding opportunity provided by the province to accelerate the redevelopment of a specific area. This levy is adopted by municipal council and the province, and is applied to increases in assessed value to the properties within the CRL boundary. Cochrane's CRL was approved by the province in December 2012.

The education portion of taxes levied in the CRL boundary remain in Cochrane for completion of the CRL approved projects.

Over the next 20 years, revenue generated through the CRL will be used to implement street and plaza improvements, above-grade rail crossings, shared parking facilities and funding for a future arts centre.

In the first 30 months since the adoption of the CRL Plan, approximately 75% of the commercial floor area has been developed, allowing the CRL revenue goals to be met. Revenue was spent on Centre Avenue beautification.

Cochrane's CRL is getting attention as a successful, creative municipal financing tool. It won a 2013 Government Finance Officers Association (GFOA) award for excellence in government finance, and a 2015 Alberta Professional Planners Institute (APPI) Award of Merit.

The projects, and their associated cost estimates are:

Project Name	Commencement Priority	Estimated Expenditure
Public Space Improvements (Urban Design and Roadway)	2013-2016	\$3,000,000
CPR Pedestrian Crossing	As CRL cash flow permits	\$4,000,000
Contribution to the Arts Centre	As CRL cash flow permits	\$3,000,000
Shared Parking Facility	As CRL cash flow permits	\$3,000,000







## PLAN AREA





# HIGHLIGHTS OF PROGRESS AND A LOOK AT THE YEAR AHEAD





## COMMUNITY SERVICES

Community Services provides opportunities for positive social engagement, advocates for public lands, maintains parks and facilities, engages the community through healthy lifestyles and physical activity, and works to ensure residents have access to public libraries.

### 2014 HIGHLIGHTS

#### Aquatics

- Completion of the design of the new Aquatic and Curling/Multi-sport Centre; Rock the Waves fundraising campaign launched.
- Installation of a new chemical controller on the Big Hill Leisure Pool.
- Continued growth of the swimming lesson program, including the establishment of a Junior Lifeguard program.
- Further training of lifeguard staff in the Red Cross lifeguard program.

#### Parks and Open Spaces

- Completed construction of Phase 1 of Riverfront Park.
- Completed construction of the East End Pathway project connecting the top of Gleneagles Drive to the Spray Lake Sawmills Family Sports Centre.
- New business model implemented with a focus on area ownership.
- Facilitated the old hospital move with Cochrane Historical & Archival Preservation Society (CHAPS).

#### Family and Community Support Services (FCSS)

- The effective delivery of professional services, advice and guidance for 30 preventative social support projects.
- Celebrated 25 years of community service in 2013.

#### Corporate Properties

- Comprehensive asset management process under development.
- Life cycling strategy developed and implemented to ensure adequate funding is allotted to reserves for efficient and effective management and replacement of Town-owned and operated Facilities.

#### Recreation, Culture & the Arts

- Over 50% increase in special event permits from 2013 to 2014.
- Summer Camps revenue exceeded 2014 revenue projections by 15%.
- Cochrane one of nine municipalities to receive grant funding to develop a Physical Literacy program; PLAY Cochrane launched at two local schools.

### 2015 INITIATIVES

- Ground breaking for the new Aquatic Centre and Curling Rink/Multi-sport project
- Develop and implement a municipal heritage preservation program.
- Developing a facility lifecycling plan to maximize lifespan and efficiencies in Town buildings.
- Work with Cochrane Society for Housing Options (CSHO) to address affordable housing issues in Cochrane.
- Identify requirements and begin planning for a Community Cultural Hub.
- Increase community building through community outreach programs.
- Evaluate and revise programs, services and events offered to ensure gaps in the community are being addressed.
- Complete Riverfront Park construction.



13

BUILDINGS OPERATED  
& MAINTAINED



318

ACRES OF PARKLAND



29

PLAYGROUNDS



50

KILOMETRES OF  
PATHWAYS



4,000

PEOPLE TOOK LESSONS  
AT THE BIG HILL  
LEISURE POOL

## PLANNING, DEVELOPMENT AND ENGINEERING SERVICES

Planning, Development and Engineering ensures development in Town meets Council's vision for a sustainable community. This department processes planning documents and amendments, development permit applications and subdivision applications, as well as technical documents related to those applications. They support and advise the Cochrane Planning Commission (CPC) and Subdivision and Development Appeal Board (SDAB).

Economic Development supports, enhances and helps expand the economic viability in the Cochrane business community through business attraction, retention and expansion, and marketing and promotions.

### 2014 ACCOMPLISHMENTS

#### *Planning, Development and Engineering*

- Completed Wetland Conservation Policy.
- Developed Renewable Energy Framework, providing guidelines and regulations for the community and property owners on the use of renewable energy technologies.
- Developed Connecting Cochrane: Transportation Master Plan.
- Completed Green Building Technology Framework for new commercial, industrial and institutional buildings.
- Continued amendments to Land Use Bylaw to align with existing policies such as the Cochrane Sustainability Plan and Municipal Development Plan.

#### *Economic Development*

- Ongoing implementation of three-year Economic Development Strategy.
- Implementation of Integrated Downtown Action Plan priority items.

### 2015 INITIATIVES

- Strategy for implementing a software-based solution to process Building Permits.
- Provide public washrooms in the Historic Downtown and investigate the validity of Cochrane's Visitor Centre.
- Continue work on Integrated Downtown Action Plan including implementation of municipal land strategy to purchase and dispose of key lands to achieve plan goals.
- Continue to develop Land Use Bylaw amendments and implement new town policies such as Integrated Downtown Action Plan, Neighbourhood Design Guidelines.
- Public engagement for Connecting Cochrane: Transportation Master Plan; final draft plan forward to Council for consideration in 2015.
- Renewable Energy Framework policy writing.



**719** NEW  
RESIDENTIAL HOUSING  
PERMITS



**1,047**  
DEVELOPMENT  
APPLICATIONS  
(CONSTRUCTION OR  
CHANGE OF LAND USE)



**36**  
COMMERCIAL STARTS



**2,506**  
VISITORS TO THE  
VISITOR INFORMATION  
CENTRE



**34**  
OPEN HOUSES AND PUBLIC  
HEARINGS



## PROTECTIVE SERVICES

Protective Services oversees operations of Fire Services and their fire suppression, rescue, fire prevention, education and investigation activities, as well as Municipal Enforcement and Community Peace Officers enforcement and public education activities.

Protective Services also manages the Municipal Emergency Plan (MEP), liaises with Cochrane RCMP and supports Cochrane Citizens on Patrol (COP)

### 2014 ACCOMPLISHMENTS

#### *Fire Services*

- Started Strategic Fire Master Plan.

#### *Municipal Enforcement*

- Implemented animal licensing staggered renewal process and cat licensing.
- New technology for enhanced officer safety.

#### *Police Services*

- Site selected for new Police Station.
- Emphasis on traffic safety initiatives

#### *Emergency Management*

- Annual review and update of Municipal Emergency Plan.

### 2015 INITIATIVES

- Implement Strategic Fire Master Plan.
- Complete the design, land purchase and begin construction of the new Police Station.
- Thorough review of municipal bylaws and recommend revisions where necessary.
- Enter into second Collective Agreement with IAFF Local 4819.
- Restructure fire management; hire new Fire Chief.
- Enhance policing resources; restructure management to include inspector position.



# 601

CALLS RESPONDED TO  
BY FIRE SERVICES



# 3,992

TOTAL INCIDENTS  
RESPONDED TO BY  
MUNICIPAL ENFORCEMENT



# 4,792

CURRENT PET LICENSES





## INFRASTRUCTURE SERVICES

Infrastructure Services maintains and provides services related to roads, water, wastewater, and waste and recycling services.

### 2014 ACCOMPLISHMENTS

#### Roads

- Quarry Development: Centre Avenue construction with an at-grade CP rail crossing.
- Upgraded aging infrastructure in the East End.
- Participated with consulting engineers on defining and implementing the scope for both the Bow River Bridge and the multi-modal transportation plans.
- Enhanced stormwater quality with the installation of inline stormceptors in existing subdivisions as part of a five-year plan to upgrade the storm infrastructure.
- Implementation of pavement management system, a component of the Multi-Modal Transportation Plan.

#### Water and Wastewater

- Enhanced distribution and collection system communications program to allow for better control, monitoring, alarming and historical trend reporting of lift stations.

#### Waste and Recycling

- Multi-unit dwelling waste diversion strategy development and approval including stakeholder engagement, communication and implementation.
- Industrial, commercial and institutional (ICI) waste diversion strategy development including stakeholder engagement and implementation planning.
- Successful community events including rain barrel and backyard composter sale and community film and discussion night.

### 2015 INITIATIVES

- Implement proposed capital project: right in/right out entrance to RancheHouse Road; work with Alberta Transportation on the installation of traffic signals at Centre Avenue and Highway 1A.
- Review Connecting Cochrane: Transportation Master Plan and prioritize projects based on budget requirements and approvals.
- Upgrade aging arterial roadway infrastructure.
- Investigate potential for initiative allowing wastewater reuse as a source of non-potable water supply to our bulk water and internal water use sector.
- Industrial, commercial, institutional and multi-unit dwelling meter inventory and backflow investigation to determine compliance with water bylaws.
- Initiate program development stage for the multi-unit dwelling diversion and organics diversion pathways of the Town of Cochrane Zero Waste Framework.
- Engage community stakeholders in the construction, renovation and demolition (CRD) sector to establish a CRD waste diversion strategy.



**209**

KILOMETRES OF  
PAVED ROADS



**102**

KILOMETRES  
OF SIDEWALK



**2,100**

MEGALITRES OF DRINKING  
WATER PRODUCED



**3,400**

TONNES OF RESIDENTIAL  
CURBSIDE WASTE  
COLLECTED



**3,100**

TONNES OF RECYCLABLES  
AND COMPOSTABLES  
DIVERTED FROM LANDFILL





## CORPORATE SERVICES

Corporate Services provides overall management for the Town's financial and information technology services, including financial reporting, assessment, property taxes, accounts payable, accounts receivable, payroll, capital projects financing and tracking, utilities, business licensing and animal licensing.

### 2014 ACCOMPLISHMENTS

#### Assessment & Taxation

- Successful transition of assessment services from contract to in-house.
- Photographed all Town properties for use in assessment comparisons.

#### Financial Services

- Increased electronic billing for revenue services to reduce paper and postage costs, impact on environment and labour time.
- Participated in municipal benchmarking project.
- Reviewed purchases-payables-payments process for efficiencies.

#### Information Services/GIS

- Implemented working alone solution for Municipal Enforcement.
- Continued to develop disaster recovery plan with priority on cloud storage.

### 2015 INITIATIVES

- Perform internal audit of utility billing system; improve process and find efficiencies.
- Finalize franchise agreement with ATCO gas.
- Maintain aerial photos and contours in GIS database to keep current with growth.
- Transition contracted help desk and network services to in-house.



**11,640**

ASSESSMENT AND  
TAXATION ACCOUNTS



**8,700**

UTILITY ACCOUNTS



**1,700**

BUSINESS LICENSES

## HUMAN RESOURCES AND COMMUNICATION SERVICES

Human Resources supports approximately 300 employees with employee and labour relations, total compensation/benefits programs, organizational learning, training and development, and health, safety and wellness programs.

Communications promotes Town programs, services, events, opportunities, engagement and governance through a wide range of tools, processes and best practices that include online and print publications, advertising, marketing, public and media relations and more. Communications also advises Town Council and the Senior and Executive Leadership Teams on communications strategy.

### 2014 ACCOMPLISHMENTS

#### Human Resources

- Delivered new Respectful Workplace training program.
- Enhanced leadership development program.
- Completed internal Health and Safety audit.
- Workforce planning and human resources metrics programs initiated.

#### Communications

- Completed community survey.
- Launched Doors Open Cochrane initiative.
- Development of comprehensive new Town publications.
- Revision and approval of Public Engagement Policy.

### 2015 INITIATIVES

- Launch new intranet solution to improve communication and internal information sharing.
- Complete a compensation market survey for out of scope positions.
- Increase opportunities for public engagement and proactive communications to ensure alignment with community and organizational interests.

## LEGISLATIVE SERVICES

Legislative Services supports Council and committees as well as the Executive Leadership Team by coordinating Council and Committee business; managing corporate records, Freedom of Information and Protection of Privacy Act (FOIP) compliance and legal issues; and conducting elections and census.

### 2014 ACCOMPLISHMENTS

- Successful completion of 2014 municipal census.
- Council Highlights document developed to provide public summary of Council meetings.
- Implemented electronic meeting management solution to improve workflow for Council agendas, meetings and decisions.

### 2015 INITIATIVES

- Improve collection and accuracy of census data to ensure access to all available per capita federal and provincial funding.



7,194

FACEBOOK FOLLOWERS



2,671

TWITTER FOLLOWERS



300

FULL-TIME, PART-TIME  
AND CASUAL  
EMPLOYEES (APPROX.).



44%

RESIDENTS  
COMPLETED THE  
CENSUS ONLINE  
IN 2014.



95%

OF HOUSEHOLDS  
WERE INCLUDED IN  
CENSUS TOTALS.



# 2014 FINANCIAL STATEMENTS





## **FINANCIAL STATEMENTS OVERVIEW**

The Town of Cochrane is committed to providing quality financial information to residents. This Report to the Community has been completed in an effort to provide information in a concise manner.

## **BUDGET PROCESS**

The Town is mandated under the Municipal Government Act (MGA) to adopt an operating and capital budget for each year. Revenues must equal or exceed expenditures. If a deficit occurs, it must be recovered in future years.

The Town's operating budget pays for operating costs of the Town including salaries, contracted services, maintenance, supplies and debt servicing. Property taxes cover 48 percent of operating costs; the rest is covered by user fees, grants and other income.

The Town's capital budget funds the building of new infrastructure and facilities. The capital budget balances needs such as infrastructure rehabilitation, growth and environmental protection with available financial resources. Funding consists of grants, Town savings in capital reserves, developer contributions, debt and contributed assets.

## **ACCOUNTING PROCESS**

The Town's Financial Services section must follow practices and conventions set out by the accounting profession and provincial government legislation.

## **AUDIT PROCESS**

Town Administration is responsible for the integrity, relevance and comparability of the data in the accompanying consolidated financial statements. The Town practices the highest standard of ethics and has formal policies and procedures for internal controls. Administration is committed to maintaining an extensive system of internal controls, providing reasonable assurance that:

- all transactions are appropriately authorized
- assets are properly accounted for and safeguarded
- all transactions are appropriately recorded
- financial records are reliable for the preparation of financial statements

As set out in the Municipal Government Act, the Town must appoint an auditor on an annual basis. The municipal auditor must review the financial statements and issue an opinion as to whether the statements have been prepared according to generally accepted accounting principles, and whether the statements fairly represent the financial position of the municipality. The Town of Cochrane's consolidated financial statements have been audited by the independent firm PWC (PricewaterhouseCoopers) LLP.

Respectfully submitted,



Lori Craig, CMA  
Deputy Chief Administrative Officer  
Town of Cochrane



April 27, 2015

## **Independent Auditor's Report**

### **To the Mayor and Council of the Town of Cochrane**

We have audited the accompanying consolidated financial statements of the Town of Cochrane and its subsidiary, which comprise the consolidated statement of financial position as at December 31, 2014 and the consolidated statement of operations, statement of change in net financial assets and statement of cash flows for the year then ended, and the related notes, which comprise 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 Cochrane and its subsidiary as at December 31, 2014 and the results of their operations, changes in their net financial assets and their cash flows for the year then ended in accordance with Canadian public sector accounting standards.

#### **Other Matters**

Without modifying our opinion, we draw attention to the budget information displayed in the financial statements and the related disclosures. We were not engaged to report on the budget information, and as such, it is marked as unaudited.

*PricewaterhouseCoopers LLP*

**Chartered Accountants**



**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2014**

	<b>2014</b>	<b>2013</b>
<b>FINANCIAL ASSETS</b>		
Cash and Temporary Investments (Note 2)	\$68,087,459	\$44,616,610
Receivables		
Taxes and grants in place of taxes (Note 3)	587,940	676,824
Trade and other receivables	10,333,093	9,569,669
Investments (Note 4)	12,947,300	1,584,653
<b>TOTAL FINANCIAL ASSETS</b>	<b>\$91,955,792</b>	<b>\$56,447,756</b>
<b>FINANCIAL LIABILITIES</b>		
Accounts payable and accrued liabilities	5,255,207	5,470,621
Deposits and other liabilities	3,052,293	1,013,023
Deferred revenue (Note 5)	20,167,316	15,907,905
Employee benefit obligations (Note 6)	733,987	798,310
Long term debt (Note 7)	31,724,084	13,632,710
<b>TOTAL FINANCIAL LIABILITIES</b>	<b>\$60,932,887</b>	<b>\$36,822,569</b>
<b>NET FINANCIAL ASSETS</b>	<b>\$31,022,905</b>	<b>\$19,625,187</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 2)	289,523,553	262,692,911
Prepaid expenses	19,512	22,475
<b>TOTAL NON-FINANCIAL ASSETS</b>	<b>\$289,543,065</b>	<b>\$262,715,386</b>
<b>ACCUMULATED SURPLUS (Note 10)</b>	<b>\$320,565,970</b>	<b>\$282,340,573</b>

Commitments and Contingencies (Note 13)

**CONSOLIDATED STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<b>BUDGET (UNAUDITED)</b>	<b>2014</b>	<b>2013</b>
<b>REVENUE</b>			
Net municipal property taxes (Schedule 3)	\$18,931,509	\$ 18,931,509	\$18,081,897
Local improvement taxes	274,760	256,153	314,754
Community Revitalization Levy	-	290,202	94,411
Government transfers (Schedule 4)	2,519,945	2,924,806	3,430,996
User fees	11,646,984	14,234,041	12,372,717
Licenses, permits, fines, rentals, and other revenue	3,496,143	4,928,769	3,914,387
Franchise and concession contracts	1,784,227	2,058,362	1,783,155
Investment income	95,700	787,542	599,885
Development levies	-	7,460,204	4,893,453
Capital donations	-	252,774	4,915
<b>TOTAL REVENUE</b>	<b>\$36,873,444</b>	<b>\$52,124,362</b>	<b>\$45,490,570</b>
<b>EXPENSES</b>			
Legislative	442,212	392,109	396,680
General administrative	5,716,158	5,520,777	5,227,634
Police and bylaw enforcement	3,720,672	3,409,486	3,583,299
Fire	4,841,125	4,747,197	4,766,488
Roads, streets, and storm sewers	3,019,664	5,695,274	4,804,260
Water and wastewater	5,558,100	7,785,418	6,920,167
Waste and recycling	2,085,340	2,268,982	2,067,492
Subdivision land development	2,382,886	3,155,246	2,922,483
Recreation, parks, culture and facilities	7,161,914	8,505,054	7,251,550
Family and community service	1,821,449	1,989,704	1,993,019
Economic development, cemetery	401,233	381,908	365,379
<b>TOTAL EXPENDITURES</b>	<b>\$37,150,753</b>	<b>\$43,851,155</b>	<b>\$40,298,451</b>
<b>EXCESS OF REVENUE OVER EXPENSES BEFORE CAPITAL REVENUE</b>	<b>\$1,598,515</b>	<b>\$8,273,207</b>	<b>\$5,192,119</b>
<b>CAPITAL REVENUE</b>			
Contributed assets	-	21,938,203	8,298,579
Gain (loss) on disposal of tangible capital assets	-	(20,892)	(81,919)
Government transfers for capital (Schedule 4)	3,633,000	8,034,879	6,065,325
<b>TOTAL CAPITAL REVENUE</b>	<b>\$3,633,000</b>	<b>\$29,952,190</b>	<b>\$14,281,985</b>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>5,231,515</b>	<b>38,225,397</b>	<b>19,474,104</b>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<b>282,340,573</b>	<b>282,340,573</b>	<b>262,866,469</b>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<b>\$287,572,088</b>	<b>\$320,565,970</b>	<b>\$282,340,573</b>

**CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<b>BUDGET (UNAUDITED)</b>	<b>2014</b>	<b>2013</b>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	\$5,231,515	\$38,225,397	\$19,474,104
Acquisition of tangible capital assets	(6,285,942)	(11,636,923)	(12,228,006)
Contributed assets	-	(21,938,203)	(8,298,579)
Proceeds on disposal of tangible capital assets	-	10,112	26,925
Amortization of tangible capital assets	-	6,713,480	6,121,245
Increase in prepaid expenses	-	2,963	(1,771)
Loss (gain) on sale of tangible capital assets	-	20,892	81,919
<b>TOTAL REVENUE</b>	<b>(\$6,285,942)</b>	<b>(\$26,827,679)</b>	<b>(\$14,298,267)</b>
<b>INCREASE (DECREASE) IN NET FINANCIAL ASSETS</b>	(1,054,427)	11,397,718	5,175,837
<b>NET FINANCIAL ASSETS , BEGINNING OF YEAR</b>	19,625,187	19,625,187	14,449,350
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	<b>\$18,570,760</b>	<b>\$31,022,905</b>	<b>\$19,625,187</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2014

	2014	2013
<b>NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:</b>		
<b>OPERATING</b>		
Excess of revenues over expenses:	\$38,225,397	\$19,474,104
Non-cash items included in excess of revenues over expenses:		
Amortization of tangible capital assets	6,713,480	6,121,245
(Gain) loss on disposal of tangible capital assets	20,892	81,919
Tangible capital assets received as contributions	(21,938,203)	(8,298,579)
Non-cash charges to operations (net change):		
Decrease (increase) in taxes and grants in lieu	88,884	(36,785)
Increase (decrease) in trade, other receivables and prepaid expenses	(760,461)	2,811,033
Increase (decrease) in accounts payable and accrued liabilities	(215,414)	(342,825)
Increase (decrease) in deposits and other liabilities	2,039,270	(49,834)
Increase in deferred revenue	4,259,411	3,512,310
Increase (decrease) in employee benefit obligations	(64,323)	29,329
<b>CASH PROVIDED BY OPERATING TRANSACTIONS</b>	<b>\$28,368,933</b>	<b>\$23,301,917</b>
<b>CAPITAL</b>		
Acquisition of tangible capital assets	(11,636,923)	(12,228,006)
Proceeds from sale of tangible capital assets	10,112	26,925
<b>CASH APPLIED TO CAPITAL TRANSACTIONS</b>	<b>(\$11,626,811)</b>	<b>(\$12,201,081)</b>
<b>INVESTING</b>		
<b>(INCREASE) DECREASE IN INVESTMENTS</b>	<b>(\$11,362,647)</b>	<b>\$296,476</b>
<b>FINANCING</b>		
Long term debt issued	19,000,000	-
Long-term debt repaid	(908,626)	(890,259)
<b>CASH APPLIED TO FINANCING TRANSACTIONS</b>	<b>18,091,374</b>	<b>(\$890,259)</b>
<b>CHANGE IN CASH AND TEMPORARY INVESTMENTS DURING THE YEAR</b>	<b>23,470,849</b>	<b>10,507,053</b>
<b>CASH AND TEMPORARY INVESTMENTS BEGINNING OF YEAR (NOTE 2)</b>	<b>44,616,610</b>	<b>34,109,557</b>
<b>CASH AND TEMPORARY INVESTMENTS END OF YEAR (NOTE 2)</b>	<b>\$68,087,459</b>	<b>\$44,616,610</b>

## SCHEDULE 1: CONSOLIDATED SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS FOR THE YEAR ENDED DECEMBER 31, 2014

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2014	2013
<b>BALANCE, BEGINNING OF YEAR</b>	\$285,703	\$32,994,669	\$249,060,201	\$282,340,573	\$262,866,469
Excess (deficiency) of revenues over expenses	38,225,397	-	-	38,225,397	19,474,104
Unrestricted funds designated for future use	(32,032,173)	32,032,173	-	-	-
Restricted funds used for operations	648,316	(648,316)	-	-	-
Restricted funds used for tangible capital assets	-	(1,867,271)	1,867,271	-	-
Current year funds used for tangible capital assets	(9,769,652)	-	9,769,652	-	-
Contributed tangible capital assets	(21,938,203)	-	21,938,203	-	-
Disposal of tangible capital assets	31,004	-	(31,004)	-	-
Annual amortization expense	6,713,480	-	(6,713,480)	-	-
Long term debt issued	19,000,000	-	(19,000,000)	-	-
Long term debt repaid	(908,626)	-	908,626	-	-
<b>CHANGE IN ACCUMULATED SURPLUS</b>	<b>(30,457)</b>	<b>29,516,586</b>	<b>8,739,268</b>	<b>38,225,397</b>	<b>19,474,104</b>
<b>BALANCE, END OF YEAR</b>	<b>\$255,246</b>	<b>\$62,511,255</b>	<b>\$257,799,469</b>	<b>\$320,565,970</b>	<b>\$282,340,573</b>

## SCHEDULE 2: CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS FOR THE YEAR ENDED DECEMBER 31, 2014

	Land	Improvements	Buildings	Structures	Equipment	Vehicles	2014	2013
<b>COST:</b>								
<b>BALANCE, BEGINNING OF YEAR</b>	\$49,918,622	\$9,756,323	\$45,483,882	\$214,318,733	\$4,809,577	\$5,172,952	\$329,460,089	\$309,530,141
Acquisition of tangible capital assets	1,928,900	3,808,763	78,474	27,267,343	811,183	465,609	34,360,272	29,503,630
Const. in progress (net)		(1,576,518)	2,847,792	(2,056,420)			(785,146)	(8,977,045)
Disposal of tangible capital assets					(48,648)	(91,000)	(139,648)	(596,637)
<b>BALANCE, END OF YEAR</b>	<b>51,847,522</b>	<b>11,988,568</b>	<b>48,410,148</b>	<b>239,529,656</b>	<b>5,572,112</b>	<b>5,547,561</b>	<b>362,895,567</b>	<b>329,460,089</b>
<b>ACCUMULATED AMORTIZATION: BALANCE, BEGINNING OF YEAR</b>								
Annual amortization		332,470	1,412,943	4,233,374	442,562	292,131	6,713,480	6,121,245
Accumulated amortization on disposals					{17,644}	(91,000)	(108,644)	(487,793)
<b>BALANCE, END OF YEAR</b>		<b>4,611,919</b>	<b>12,973,497</b>	<b>50,113,609</b>	<b>3,393,970</b>	<b>2,279,019</b>	<b>73,372,014</b>	<b>66,767,178</b>
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<b>51,847,522</b>	<b>7,376,649</b>	<b>35,436,651</b>	<b>189,416,047</b>	<b>2,178,142</b>	<b>3,268,542</b>	<b>289,523,553</b>	<b>262,692,911</b>

Major works of art include the Man of Vision statue, Pioneer statue, and Trust Mural.

**SCHEDULE 3: CONSOLIDATED SCHEDULE OF PROPERTY AND OTHER TAXES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Budget (Unaudited)	2014	2013
<b>TAXATION</b>			
Real property taxes	\$28,283,340	\$28,283,340	\$27,472,473
Linear property taxes	380,763	380,763	373,964
Government grants in place of property taxes	118,477	118,477	123,714
	28,782,580	28,782,580	27,970,151
<b>REQUISITIONS</b>			
Alberta School Foundation Fund	8,494,754	8,494,754	8,511,857
Calgary Separate School Board	1,197,498	1,197,498	1,249,077
Rockyview Foundation	158,819	158,819	127,320
	9,851,071	9,851,071	9,888,254
<b>NET MUNICIPAL TAXES</b>	<b>\$18,931,509</b>	<b>\$18,931,509</b>	<b>\$18,081,897</b>

**SCHEDULE 4: CONSOLIDATED SCHEDULE OF GOVERNMENT TRANSFERS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Budget (Unaudited)	2014	2013
<b>TRANSFERS FOR OPERATING</b>			
Provincial Government	\$2,091,822	\$2,026,367	\$2,494,233
Federal Government	3,400	107,706	89,051
Other Local Governments	424,723	790,733	847,712
	2,519,945	2,924,806	3,430,996
<b>TRANSFERS FOR CAPITAL</b>			
Provincial Government	3,633,000	7,028,528	5,111,377
Federal Government	-	1,006,351	953,948
	3,633,000	8,034,879	6,065,325
<b>NET MUNICIPAL TAXES</b>	<b>\$6,152,945</b>	<b>\$10,959,685</b>	<b>\$9,496,321</b>



**SCHEDULE 5: CONSOLIDATED SCHEDULE OF EXPENSES BY OBJECT  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<b>Budget (Unaudited)</b>	<b>2014</b>	<b>2013</b>
<b>EXPENSES BY OBJECT</b>			
Salaries, wages and benefits	\$17,138,069	\$16,861,498	\$15,622,778
Contracted and general services	8,900,496	10,074,523	8,841,064
Purchases from other governments	5,029,583	4,569,620	4,449,622
Materials, goods, utilities, and other	3,702,597	3,260,432	3,502,106
Transfers to local boards and agencies	1,344,452	1,399,369	739,209
Bank charges and short-term interest	44,400	54,808	57,510
Interest on long-term debt and capital leases	991,156	917,425	964,917
Amortization of tangible capital assets	-	6,713,480	6,121,245
(Gain) loss on disposal of tangible capital assets	-	20,892	81,919
<b>NET MUNICIPAL TAXES</b>	<b>\$37,150,753</b>	<b>\$43,872,047</b>	<b>\$40,380,370</b>

**SCHEDULE 6: CONSOLIDATED SCHEDULE OF SEGMENTED DISCLOSURE  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Legislative	Protective Services	Transportation Services	Planning & Development	Community Services	Utility Services	General Government	2014	2013
<b>REVENUE</b>									
Net municipal taxes and special taxes	\$442,212	\$7,184,916	\$3,283,233	\$944,417	\$5,092,623	-	\$2,530,463	\$19,477,864	\$18,491,062
Government transfers	-	785,358	3,236,006	274,560	6,019,862	643,899	-	10,959,685	9,496,321
User fees, licenses, penalties, other revenues	-	1,050,496	47,509	2,880,471	3,251,870	10,811,896	3,178,929	21,221,171	18,070,249
Investment income	-	-	-	-	1,400	-	786,142	787,542	599,895
Contributed assets	-	-	871,282	-	-	19,134,862	1,932,059	21,938,203	8,298,579
Development levies	-	-	4,703,205	-	986,650	1,705,350	65,000	7,460,205	4,893,453
Capital donations	-	-	-	-	252,774	-	-	252,774	4,915
	442,212	9,020,770	12,141,235	4,099,448	15,605,179	32,296,007	8,492,593	82,097,444	59,854,474
<b>EXPENSES</b>									
Salaries and wages and benefits	264,016	4,315,883	1,196,579	1,686,012	4,806,341	1,583,347	3,009,320	16,861,498	15,622,778
Contract & general services	128,093	3,172,032	1,596,585	1,778,628	2,709,332	6,244,049	2,296,748	17,925,467	16,792,792
Grants to organization	-	-	-	-	1,399,369	-	-	1,399,369	739,209
Long-term debt interest	-	516,844	84,182	-	126,233	161,627	28,539	917,425	964,917
Bank charges and loss on disposal	-	-	-	-	-	-	54,808	54,808	139,429
	<b>392,109</b>	<b>8,004,759</b>	<b>2,877,346</b>	<b>3,464,640</b>	<b>9,041,275</b>	<b>7,989,023</b>	<b>5,389,415</b>	<b>37,158,567</b>	<b>34,259,125</b>
<b>NET REVENUE, BEFORE AMORTIZATION</b>	<b>50,103</b>	<b>1,016,011</b>	<b>9,263,889</b>	<b>634,808</b>	<b>6,563,904</b>	<b>24,306,984</b>	<b>3,103,178</b>	<b>44,938,877</b>	<b>25,595,349</b>
Amortization expense	-	151,924	2,153,339	48,017	1,477,981	2,729,965	152,254	6,713,480	6,121,245
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>50,103</b>	<b>864,087</b>	<b>7,110,550</b>	<b>586,791</b>	<b>5,085,923</b>	<b>21,577,019</b>	<b>2,950,924</b>	<b>38,225,397</b>	<b>19,474,104</b>

# NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2014

## 1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Town of Cochrane ("Town") are the representations of management prepared in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board of the Chartered Professional Accountants (PSAB). Significant aspects of the accounting policies adopted by the Town 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. Included with the municipality is the Nan Boothby Memorial Library. The schedule of taxes levied also includes requisitions for education and social organizations that are not part of the municipal reporting entity.

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

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 PSAB 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.

### d. Investments

Investments are recorded at amortized cost. Investment premiums and discounts are amortized on the new present value basis over the term of the respective investments. If there is a permanent loss in value, the respective investment is written down to recognize the loss.

### e. Taxes and grants in place of taxes receivable

Taxes and grants in place of taxes receivables consist of current and non-current property tax levies which remain outstanding at December 31.

### f. Off-site developers' levies

Off-site developers' levies are recorded as revenue when received. Monies received are transferred to reserves for future capital expenditures in accordance with the terms of each agreement.

### g. Requisition over-levies and under-levies

Over-levies and under-levies arise from the difference between the actual 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 property tax revenue is increased. Requisition tax rates in the subsequent year are adjusted for any over-levies or under-levies of the prior year.

### h. Prepaid local improvement charges

Construction and borrowing costs associated with local improvements are recovered through annual special property assessments during the period of the related borrowings. These levies are collectable from property owners for work performed by the municipality. Where a taxpayer has elected to prepay the outstanding local improvement charges, such amounts are recorded as deferred revenue. Deferred revenue is amortized to revenue on a straight-line basis over the remaining term of the related borrowings.

In the event that the prepaid amounts are applied against the related borrowings, the deferred revenue is amortized to revenue by an amount equal to the debt repayment.

### i. Restricted surplus – Reserve funds

Reserve fund represents the amounts set aside to finance future operating and capital expenditures. Reserves are established at the discretion of Council. Transfers to and/or from the reserve fund are reflected as an adjustment to the respective fund.

**j. Restricted surplus - Equity in Tangible Capital Assets**

Equity in capital assets represents the Town's net investment in its capital assets after deducting the portion financed by third parties through debenture, bond and mortgage debts, long-term capital borrowings, capitalized leases and other capital liabilities which will be repaid by the municipality.

**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 expenditures, provides the consolidated Change in Net Financial Assets for the year.

**l. PSAB Section 3260, Liability for Contaminated Sites**

Beginning with the 2015 fiscal year, municipalities will be required to account for and report liabilities associated with the remediation of contaminated sites within their municipality. Specifically, the new section:

- defines which activities would be included in a liability for remediation;
- establishes when to recognize and how to measure a liability for remediation.

**m. PSAB Section 3450, Financial Instruments**

This accounting pronouncement establishes standards on how to account for and report all types of financial instruments including derivatives. Financial instruments include primary instruments and derivative instruments. It is effective for fiscal years beginning on or after April 1, 2016 for governments only, with early adoption encouraged. Management is assessing the impact of the adoption of these standards which is not known or reasonably estimable at this time.

**n. PSAB Section 3401, Portfolio Investments**

This accounting pronouncement addresses the distinction between temporary and portfolio investments. It is effective for fiscal years beginning on or after April 1, 2016. Management is assessing the impact of the adoption of these standards which is not known or reasonably estimable at this time.

**o. 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:

<b>Asset type</b>	<b>Estimated useful life</b>
Land	Capitalize only
Land Improvements	15 – 20 years
Buildings and leasehold improvements	40 years or over the term of the lease
Structures:	
Water System	40 – 75 years
Wastewater System	45 – 75 years

Stormwater System	75 years
Roadway System	43 years
Road Signals	30 years
Equipment	5 – 10 years
Vehicles	10 – 25 years

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.

**i. Contributions of tangible capital assets**

Tangible capital assets received as contributions are recorded as an asset and revenue at fair value at the date of final acceptance certificate.

**ii. Leases**

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

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

Works of art for display are not recorded as tangible capital assets but are disclosed (Schedule 2).

**p. Segmented Information**

The Town is a diversified municipal government that provides a wide range of services to its citizens, including police, fire, roads, water and waste management.

For management reporting purposes, the Town's operations and activities are organized and reported by functions and services provided. Certain functions that have been disclosed in the segmented information, along with the services provided are as follows:

**i. Legislative:** This category includes Town Council

**ii. Protective Services:** Protective services include Police and Fire Protection, Emergency Management, Bylaw Enforcement, and Animal Control.

**iii. Transportation Services:** Transportation services includes, Roads, Fleet, and Storm Water.

**iv. Planning and Development:** Includes planning, engineering, and economic development.

**v. Community Services:** Includes includes Parks, Recreation, Culture, Facilities, Family and Community Support Services (FCSS) and cemeteries.

**vi. Utility Services:** Utility Services include Water Supply and Distribution, Wastewater Disposal, Waste and Recycling.

**vii. General Government:** General government is comprised of the Executive Leadership Team, Human Resources, and Communications, Corporate Services, and Legislative Services.

For each reported segment, revenues and expenses represent amounts that are directly attributable to the segments and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are



employed in the preparation of segmented financial information. The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 1. For additional information see the Consolidated Schedule of Segmented Disclosure (Schedule 6).

## 2. CASH AND TEMPORARY INVESTMENTS

	2014	2013
Cash	\$10,103,824	\$26,509,482
Temporary Investments (note 4)	5,983,635	18,107,128
<b>Total</b>	<b>\$68,087,459</b>	<b>\$44,616,610</b>

Temporary investments are short term deposits with maturities within one year from the date of purchase bearing interest at rates from 1.28% to 2.04% (2013- 1.20% to 2.40%).

## 3. TAXES AND GRANTS IN PLACE OF TAXES

	2014	2013
Current taxes and grants in place of taxes	\$370,653	\$451,582
Arrears taxes	217,287	225,242
<b>Total</b>	<b>\$587,940</b>	<b>\$676,824</b>

## 4. INVESTMENTS

	2014	2013
Temporary investments	\$5,983,635	\$18,107,128
Long term investments	12,947,300	1,584,653
<b>Total investments</b>	<b>\$70,930,935</b>	<b>\$19,691,781</b>
Reclassify to cash and temporary investments (Note 2)	(5,983,635)	(18,107,128)
<b>Long Term Investments</b>	<b>\$12,947,300</b>	<b>\$1,584,653</b>

Temporary and long term investments primarily represent term deposits issued by financial institutions, bearing interest at rates from 1.28% to 2.04% (2013- 1.20% to 2.40%) maturing between 30 days and 1 year and from 1.60%- 2.38% (2013 - 1.45%- 1.95%) for maturities over one year. Market value at December 31, 2014 was \$70,930,935 (2013- \$19,691,781).

## 5. DEFERRED REVENUE

	2014	2013
Deferred grant revenue	\$17,445,002	\$12,723,320
Deferred facility bookings revenue	72,447	81,582
Deferred developer revenue	2,026,201	2,700,641

Deferred fundraising revenue	-	20,695
Prepaid meters, licenses, fees	623,666	381,667
<b>Total</b>	<b>\$20,167,316</b>	<b>\$15,907,905</b>

## 6. EMPLOYEE BENEFIT OBLIGATIONS

The vacation and overtime liability is comprised of the vacation and overtime that employees are deferring to future years. Employees have either earned the benefits or are entitled to these benefits within the next budgetary year.

	2014	2013
Vacation and overtime accrual	\$733,987	\$798,310
<b>Total</b>	<b>\$733,987</b>	<b>\$798,310</b>

## 7. LONG-TERM DEBT

	2014	2013
Debentures	\$24,921,398	\$6,768,394
Leases	6,802,686	6,864,316
<b>Total</b>	<b>\$31,724,084</b>	<b>\$13,632,710</b>

The current portion of long term debt is \$967,363 (2013- \$908,632). Principal and interest repayments are as follows:

	Principal	Interest	Total
2015	967,363	1,192,224	2,159,587
2016	687,887	1,129,340	1,817,227
2017	6,887,523	1,063,669	7,951,192
2018	7,075,898	912,626	7,988,524
2019	7,232,755	755,767	7,988,522
Subsequent	8,872,658	7,070,806	15,943,464
<b>Total</b>	<b>\$31,724,084</b>	<b>\$12,124,432</b>	<b>\$43,848,516</b>

Debenture debt is repayable to Alberta Municipal Financing Corporation and bears interest at rates ranging from 1.52% to 9.625% per annum (2013 -1.52% to 9.625%), and matures between 2015 and 2029. The average annual interest rate is 2.53% for 2014 (2013- 6.16%). Debenture debt is issued on the credit and security of the Town of Cochrane at large.

The Protective Services Centre lease bears interest at a rate of 7.55% (2013-7.55%) and matures in 2037. The lease is collateralized by the underlying assets.

Interest on long term debt and capital leases amounted to \$917,417 (2013- \$964,917).

The Town's total cash payments for interest in 2014 were \$924,524 (2013- \$982,127 ).

**a. Protective Services Facility Capital Lease**

On March 13, 2006, Council approved a Partnering Agreement with Grand Central Properties Ltd. ("GCP") to construct a Protective Services Facility on their site located on Griffin Rd. The facility was completed in August 2007 and the Town began leasing the building for 30 years at a rate of \$18.66 per square foot for the first five years with rent increases of \$2 per square foot every five years to the end of the lease term. The cost of the asset under capital lease is \$7,711,498, the accumulated amortization is \$1,927,875 and the resulting net book value included in tangible capital assets is \$5,783,623.

At the end of the lease, the Town has an option to purchase GCP's land for fair market value less a one million dollar credit.

**8. DEBT LIMITS**

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

	2014	2013
Total debt limit	\$78,155,205	\$67,948,052
Total debt	31,724,084	13,632,710
<b>Amount of total debt limit available</b>	<b>\$46,431,121</b>	<b>\$54,315,342</b>
Debt servicing limit	13,025,868	11,324,675
Debt servicing	2,159,575	1,832,676
<b>Amount of debt servicing limit available</b>	<b>\$10,866,293</b>	<b>\$9,491,999</b>

The debt limit is calculated at 1.5 times revenue of the municipality (as defined in Alberta Regulation 255/2000) and the debt service limit is calculated at 0.25 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 interpreted as a whole.

**9. EQUITY IN TANGIBLE CAPITAL ASSETS**

	2014	2013
Tangible Capital assets (Schedule 2)	\$362,895,567	\$329,460,089
Accumulated amortization (Schedule 2)	(73,372,014)	(66,767,178)
Long-term debt (Note 7)	(31,724,084)	(13,632,710)
<b>Total</b>	<b>\$257,799,469</b>	<b>\$249,060,201</b>

**10. ACCUMULATED SURPLUS**

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

	2014	2013
Unrestricted surplus	\$255,246	\$285,703
Restricted surplus		
Operating fund (Note 14)	6,920,460	5,473,993
Reserve fund (Note 14)	55,590,795	27,520,676
Equity in tangible capital assets (Note 9)	257,799,469	249,060,201
<b>Total</b>	<b>\$320,565,970</b>	<b>\$282,340,573</b>

**11. SALARY AND BENEFITS DISCLOSURE**

Disclosure of salaries and benefits for municipal officials and the Chief Administrative Officer as required by Alberta Regulation 313/2000 is as follows:

	2014			2013
	Salary	Benefits	Total	Total
Mayor (McBride)	-	-	-	65,831
Mayor (Brooker)	68,502	13,816	82,318	12,727
Clr. (Brooker)	-	-	-	29,377
Clr. (Churchill)	-	-	-	26,520
Clr. (Davies)	-	-	-	26,518
Clr. (Davis)	26,424	3,100	29,524	4,925
Clr. (Levisky)	26,424	5,825	32,249	4,996
Clr. (McFadden)	26,424	7,226	33,650	34,763
Clr. (Nagel)	26,424	3,835	30,259	4,515
Clr. (Toews)	26,424	9,596	36,020	35,058
Clr. (Watson)	26,424	9,117	35,541	30,764
CAO	206,981	44,375	251,356	253,268
Designated Officers (2)	277,710	59,351	337,061	320,691

Council salary includes regular base pay, gross honoraria, and any other direct cash remuneration. Council benefits include:

- a. Employer's share of all employee benefits and contributions or payments made on behalf of employees, including health care, dental coverage, vision coverage, group life insurance, accidental disability and dismemberment insurance, long and short-term disability plans; and

- b. Allowances allowances and the employer's share of the cost of additional taxable benefits, including special leave with pay, car and travel allowances, conferences, and memberships.

CAO and Designated Officers salary includes regular base pay, bonuses, overtime, lump sum payments, gross honoraria, and any other direct cash remuneration. CAO and Designated Officers benefits include:

- c. Employer's share of all employee benefits and contributions or payments made on behalf of employees, including pension, health care, dental coverage, vision coverage, group life insurance, accidental disability and dismemberment insurance, long and short-term disability plans, professional memberships, and tuitions.

### 12. LOCAL AUTHORITIES PENSION PLAN

Employees of the Town participate in the Local Authorities Pension Plan ("LAPP" or the "Plan" ), which is covered by the Public Sector Pensions Plans Act. The Plan serves about 230,534 people and 418 employers. It is financed by employer and employee contributions and investment earnings of the LAPP Fund. Contributions for current service are recorded as expenditures in the year in which they become due.

The Town is required to make current service contributions to the Plan of 11.39% of pensionable earnings up to the Canada Pension Plan Year's Maximum Pensionable Earnings and 15.84% for the excess. 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 and prior period service contributions by the Town to the Plan in 2014 were \$1,307,855 (2013 - \$1,246,315). Total current and prior period service contributions by the employees of the Town to the Plan in 2014 were \$1,208,871 (2013 - \$1,139,835). At December 31, 2013, the Plan disclosed an actuarial deficiency of \$4.86 billion (2012- \$4.98 billion).

### 13. COMMITMENTS AND CONTINGENCIES

#### a. Lawsuits and Claims

No provision has been made for various lawsuits and legal claims filed against the Town as management believes the Town has minimal exposure to these actions at December 31, 2014.

#### b. Bow Valley High School Servicing Conditional Grant

The Town received a \$5 million conditional grant in 2006 from the Province of Alberta to construct utility services for Bow Valley High School. The total project cost was \$7,608,973 with \$5 million funded by the Provincial grant and \$2,608,973 advanced by the developer. The Town recovered the full \$2,608,973 of advances from offsite levies collected. The Province is now receiving repayments on the \$5 million conditional grant which is only repayable if there is sufficient offsite levies collected from future development. The Town must provide the Province with annual reports which forecast the amount, nature and timing of expected future development and anticipated revenues from associated development levies within the affected area, and the anticipated Grant repayment

schedule. Offsite levies collected and remitted to the province in 2014 were \$588,944 (2013 - \$928,235). As of December 31, 2014 the remaining amount to be paid is \$3,132,626 (2013- \$3,721,570).

### 14. RESTRICTED SURPLUS - RESERVE FUNDS

	2014	2013
Restricted Operating Surplus		
Committed operating reserves	2,390,033	2,432,315
Reserves for contingencies	4,530,427	3,041,678
<b>Operating reserves</b>	<b>\$6,920,460</b>	<b>\$5,473,993</b>
Restricted Capital Surplus		
Offsite levies	11,696,250	12,313,861
Voluntary levies	4,287,369	3,329,418
Asset replacements and other capital reserves	39,607,176	11,877,397
<b>Capital reserves</b>	<b>55,590,795</b>	<b>27,520,676</b>
<b>Long Term Investments</b>	<b>\$62,511,255</b>	<b>\$32,994,669</b>

### 15. FINANCIAL INSTRUMENTS

The Town's financial instruments consist of cash and temporary investments, receivables, investments, accounts payable and accrued liabilities, deposit and other liabilities, 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 statements.

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.

### 16. SUBSEQUENT EVENTS

On March 6, 2015, the Province of Alberta announced an additional \$400,000,000 of Municipal Sustainability Initiatives (MSI) capital funding. Of this amount, the Town of Cochrane was allocated \$1,901,579 which will be used to fund the new Aquatic and Curling Centre.

### 17. COMPARATIVE AMOUNTS

Certain prior year comparative figures have been reclassified to conform to the current year's presentation.

### 18. APPROVAL OF FINANCIAL STATEMENTS

Council and management approved these financial statements.

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