



Town of Vauxhall

Financial Statements

DECEMBER 31, 2014

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INDEPENDENT AUDITOR'S REPORT

**To the Mayor and Council of the
Town of Vauxhall**

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of the Town of Vauxhall, which comprise the statement of financial position as at December 31, 2014 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.

Managements Responsibility

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 Vauxhall as at December 31, 2014, 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.

McNiven Newman LLP

**Vauxhall, Alberta
April 20, 2015**

**McNiven Newman LLP
PROFESSIONAL ACCOUNTANTS**

TOWN OF VAUXHALL

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2014

	2014	2013
FINANCIAL ASSETS		
Cash and temporary investments (note 2)	\$ 2,105,191	\$ 2,261,273
Receivables		
Taxes and grants in place of taxes (note 3)	5,296	20,779
Trade and other receivables (net)	181,619	44,481
Receivable from other governments	404,784	314,666
Land held for resale	62,605	62,141
Long term investments (note 4)	855,517	850,742
Other assets	8,818	8,777
	3,623,830	3,562,859
LIABILITIES		
Accounts payable and accrued liabilities	249,652	346,742
Payroll remittance payable		10,887
Deposit liabilities	3,310	3,110
Other liabilities	12,318	12,277
Employee benefit obligation (note 5)	-	1,629
Long term debt (note 6)	751,794	615,267
Deferred revenue (note 7)	229,792	3,055
	1,246,866	992,967
NET FINANCIAL ASSETS (DEBT)	2,376,964	2,569,892
NON FINANCIAL ASSETS		
Inventory for consumption	70,085	69,611
Tangible capital assets (Schedule 2)	6,657,024	6,196,990
Prepaid expenses	40,357	46,389
	6,767,466	6,312,990
ACCUMULATED SURPLUS (Schedule 1, note 9)	\$ 9,144,430	\$ 8,882,882

Contingencies - note 13

TOWN OF VAUXHALL

CONSOLIDATED STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 2014

	Budget (Unaudited)	2014	2013
REVENUE			
Net municipal taxes (Schedule 3)	\$ 857,754	\$ 868,662	\$ 837,465
Sales and user charges	611,450	687,042	599,312
Penalties, fines and costs on taxes	25,500	24,704	26,323
Franchise and concession contracts	14,000	18,539	14,311
Investment income	32,600	32,061	39,958
Rentals	116,900	108,656	108,077
Government transfers (Schedule 4)	428,700	354,295	498,980
Licenses and permits	8,000	7,485	7,990
Sale of land held for resale	70,000	-	-
Other revenues	9,250	274,863	66,155
Gain on sale of assets	-	1,714	184,512
	2,174,154	2,378,021	2,383,083
EXPENDITURES (Schedule 5)			
Legislative	66,750	63,986	70,968
Administration	378,790	365,504	338,506
Fire, disaster services and ambulance	30,500	53,866	126,283
By-law enforcement	29,800	31,390	32,205
Roads, streets, walks, lighting	227,465	222,131	250,136
Water and storm water	501,100	489,334	431,127
Wastewater	109,600	88,254	81,842
Waste management	287,155	264,541	282,859
Cemetery	22,080	14,945	23,754
Municipal Planning, zoning, economic development	29,178	16,670	25,162
Subdivision land development	39,000	-	881
Recreation and culture	432,313	519,863	461,665
Health and FCSS	8,694	8,874	8,694
Provision for doubtful accounts	250	516	24,122
Amortization of tangible capital assets	384,800	393,396	383,471
Loss on disposal of asset		0	20,509
Tax penalty rebate			25,665
	2,547,475	2,533,270	2,587,849
EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES - BEFORE OTHER	(373,321)	(155,249)	(204,766)
OTHER			
Contributed assets		48,000	0
Government transfers for capital (Schedule 4)	-	368,797	801,299
EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	(373,321)	261,548	596,533
ACCUMULATED SURPLUS, BEGINNING OF YEAR	9,144,430	8,882,882	8,124,025
ACCUM SURPLUS, BEGINNING OF YEAR - LIBRARY		-	162,324
ACCUMULATED SURPLUS, END OF YEAR	\$ 8,771,109	\$ 9,144,430	\$ 8,882,882

TOWN OF VAUXHALL

CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS (DEBT)

YEAR ENDED DECEMBER 31, 2014

	Budget (Unaudited)	2014	2013
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES	(373,321)	\$ 281,548	\$ 598,533
Acquisition of tangible capital assets	(323,500)	(506,756)	(1,100,450)
Change in construction in progress	-	(346,874)	(43,701)
Contributed tangible capital assets	-	0	
Proceeds on disposal of tangible capital assets	-	1,714	326,344
Amortization of tangible capital assets	384,800	393,398	383,471
(Gain) loss on sale of tangible capital assets	-	(1,714)	(164,003)
	61,300	(460,034)	(598,339)
Net (acquisition) use of supplies inventory	-	(474)	(44,832)
Net (acquisition) use of prepaid assets	-	6,032	(3,928)
	-	5,558	(48,760)
((INCREASE) DECREASE IN NET DEBT	(312,021)	(192,928)	(50,586)
NET FINANCIAL ASSETS (DEBT), BEGINNING OF YEAR	2,376,863	2,589,892	2,458,134
NET FINANCIAL ASSETS (DEBT), BEG OF YEAR - LIBRARY			162,324
NET FINANCIAL ASSETS (DEBT), END OF YEAR	\$ 2,064,942	\$ 2,376,964	\$ 2,569,892

TOWN OF VAUXHALL

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2014

	2014	2013
EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURE	\$ 261,548	\$ 596,533
Non-cash items included in excess (shortfall) of revenues over expenses		
Amortization of tangible capital assets	393,396	383,471
(Gain) Loss on disposal of tangible assets	(1,714)	(164,003)
Non-cash charges to operations (net change):		
Decrease (increase) in taxes and grants in lieu receivables	15,483	40,812
Decrease (increase) in trade and other receivables	(137,138)	72,357
Decrease (increase) in receivable from other governments	(90,119)	246,669
Decrease (increase) in inventory for consumption	(474)	(44,832)
Decrease (increase) in prepaid expenses	6,032	(3,928)
Decrease (increase) in land held for resale	(464)	(4,788)
Decrease (increase) in other assets	(41)	(38)
Increase (decrease) in accounts payable and accrued liabilities	(97,090)	116,367
Increase (decrease) in payroll payable	(10,887)	10,887
Increase (decrease) in deposit liabilities	200	300
Increase (decrease) in other liabilities	41	(7,462)
Increase (decrease) in deferred revenue	226,737	(403,813)
Increase (decrease) in employee benefit obligation	(1,629)	1,051
Cash provided by operating transactions	563,881	839,583
INVESTING ACTIVITIES		
Decrease (increase) in long term investments	(4,775)	(107,124)
Cash provided (applied to) investing transactions	(4,775)	(107,124)
FINANCING ACTIVITIES		
Long term debt issued	175,000	-
Long term debt repaid	(38,472)	(37,418)
Cash provided (applied to) financing transactions	136,528	(37,418)
CAPITAL		
Acquisition of tangible capital assets	(506,756)	(1,100,450)
Change in construction in progress	(346,674)	(43,701)
Sale of tangible capital assets	1,714	326,344
Cash applied to capital transactions	(851,716)	(817,807)
CHANGE IN CASH AND EQUIVALENTS DURING YEAR	(156,082)	(122,766)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	\$ 2,261,273	\$ 2,221,715
CASH AND CASH EQUIVALENTS, BEG OF YEAR - LIBRARY		\$ 162,324
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 2,105,191	\$ 2,261,273
CASH AND CASH EQUIVALENTS ARE COMPRISED OF:		
Cash (note 2)	\$ 312,687	\$ 332,916
Temporary Investments	1,792,504	1,928,357
	\$ 2,105,191	\$ 2,261,273

TOWN OF VAUXHALL

SCHEDULE 1 - SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS

YEAR ENDED DECEMBER 31, 2014

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2014	2013
BALANCE, BEGINNING OF YEAR	\$ 2,023,144	\$ 1,278,015	\$ 5,581,723	\$ 8,882,882	\$ 8,124,025
BALANCE, BEGINNING OF YEAR - LIBRARY					162,324
Excess (deficiency) of revenues over expenses	261,548			261,548	596,533
Unrestricted funds designated for future use	-	-	-	-	-
Restricted funds used for operations	-	-	-	-	-
Restricted funds used for tangible capital assets	(592,025)	(213,405)	213,405	-	-
Current year funds used for tangible capital assets	(48,000)		48,000	-	-
Contributed tangible capital assets	393,396		(393,396)	-	-
Disposal of tangible capital assets	175,000		(175,000)	-	-
Annual amortization expense	(38,473)		38,473	-	-
Proceeds long term debt					
Long term debt repaid					
Change in accumulated surplus	151,446	(213,405)	323,507	261,548	596,533
BALANCE, END OF YEAR (note 9)	\$ 2,174,590	\$ 1,064,610	\$ 5,905,230	\$ 9,144,430	\$ 8,882,882

TOWN OF VAUXHALL

SCHEDULE 2 - SCHEDULE OF TANGIBLE CAPITAL ASSETS

YEAR ENDED DECEMBER 31, 2014

	Construction in Progress	Land	Buildings	Engineered Structures	Machinery & Equipment	Vehicles	2014	2013
COST								
Balance, beginning of year	\$ 61,062	\$ 52,399	\$ 3,017,446	\$ 9,773,930	\$ 959,684	\$ 649,331	\$ 14,513,852	\$ 13,740,840
Acquisition of tangible capital assets			116,033	390,723			506,756	1,100,450
Construction in progress	346,674						346,674	43,701
Disposal of tangible capital assets						(21,084)	(21,084)	(371,139)
Writedown of tangible capital assets								
Balance, end of year	407,736	52,399	3,133,479	10,164,653	959,684	628,247	15,346,198	14,513,852
ACCUMULATED AMORTIZATION								
Balance, beginning of year			1,849,847	5,613,560	423,295	430,160	8,316,862	8,142,189
Annual amortization			62,348	215,860	62,866	52,322	393,396	383,471
Accumulated amortization on disposal			-	-	-	(21,084)	(21,084)	(208,798)
Balance, end of year	-	-	1,912,195	5,829,420	486,161	461,398	8,689,174	8,316,862
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	407,736	52,399	1,221,284	4,335,233	473,523	166,849	6,657,024	6,196,990
2013 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	61,062	52,399	1,167,599	4,160,370	572,248	342,849		6,356,527

TOWN OF VAUXHALL

SCHEDULE 3 - SCHEDULE OF PROPERTY AND OTHER TAXES

YEAR ENDED DECEMBER 31, 2014

	Budget (Unaudited)	2014	2013
TAXATION			
Real property taxes	\$ 775,073	\$ 749,388	\$ 736,568
Linear property taxes	36,300	37,739	36,309
Government grants in lieu of property taxes	10,840	10,975	10,839
Local improvement taxes	265,150	268,280	265,835
Special assessments	13,409	31,105	30,932
	1,100,772	1,097,485	1,080,483
REQUISITIONS			
Alberta School Foundation Fund	236,838	222,647	236,838
Vauxhall Seniors Foundation	6,180	6,176	6,180
	243,018	228,823	243,018
NET MUNICIPAL TAXES	\$ 857,754	\$ 868,662	\$ 837,465

TOWN OF VAUXHALL

SCHEDULE 4 - SCHEDULE OF GOVERNMENT TRANSFERS

YEAR ENDED DECEMBER 31, 2014

	Budget (Unaudited)	2014	2013
TRANSFERS FOR OPERATING			
Federal government	\$ 6,000	\$ 8,245	\$ 8,246
Provincial government	255,000	143,207	260,806
Other local governments	167,700	202,843	229,928
	428,700	354,295	498,980
TRANSFERS FOR CAPITAL			
Federal government	-	-	-
Provincial government	-	368,797	801,299
Other local governments	-	-	-
	-	368,797	801,299
TOTAL GOVERNMENT TRANSFERS	\$ 428,700	\$ 723,092	\$ 1,300,279

TOWN OF VAUXHALL

SCHEDULE 5 - SCHEDULE OF CONSOLIDATED EXPENDITURES BY OBJECT

YEAR ENDED DECEMBER 31, 2014

	Budget (Unaudited)	2014	2013
CONSOLIDATED EXPENDITURES BY OBJECT			
Salaries, wages and benefits	\$ 700,385	\$ 661,794	\$ 718,614
Contracted and general services	711,845	702,850	693,645
Materials, goods, supplies and utilities	658,970	717,360	653,647
Provision for allowances	250	516	49,787
Bank charges and short term interest	1,300	1,181	1,090
Debenture debt charges	54,500	16,669	17,756
Grants to individuals and organizations	35,425	39,504	49,330
Transfer to other operating functions	-		
Other expenditures	-		
Amortization of tangible capital assets	384,800	393,396	383,471
Loss on disposal of tangible capital assets	-		20,509
CONSOLIDATED EXPENDITURES BY OBJECT	\$ 2,547,475	\$ 2,533,270	\$ 2,587,849

Town of Vauxhall
Notes to Financial Statements
For the Year Ended December 31, 2014

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Town of Vauxhall 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 Canadian Institute of Chartered Accountants. 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, and change in net financial assets of the reporting entity. This entity is comprised of the municipal operations plus all the organizations that are owned or controlled by the town and are, therefore, accountable to the council for the administration of their financial affairs and resources. Included with the Town are the following:

Vauxhall Public Library

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. Interdependent and organization transactions and balances have been 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 Vauxhall
Notes to Financial Statements
For the Year Ended December 31, 2014

- 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) **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 levelling 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 the respective function.
- f) **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 reserve.
- g) **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.

- h) **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 attributed 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:
- | | |
|-------------------------|----------------|
| Buildings | 25 to 50 years |
| Engineered structures | 25 to 50 years |
| Machinery and equipment | 5 to 25 years |
| Vehicles | 5 to 25 years |
- One half the annual amortization is charged in the year of acquisition. 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 also recorded as revenue.
- iii. **Inventories**
Inventories of material and supplies for consumption are valued at the lower of cost and replacement cost.

Town of Vauxhall
Notes to Financial Statements
For the Year Ended December 31, 2014

2. CASH AND TEMPORARY INVESTMENTS

	<u>2014</u>		<u>2013</u>
Cash	\$ 312,687	\$	332,916
Temporary Investments	1,792,504		1,928,357
	<u>\$ 2,105,191</u>	<u>\$</u>	<u>2,261,273</u>

Temporary investments are short-term deposits with original maturities of one year or less. Included in cash and temporary investments is a restricted amount of \$142,295 (2013 - \$0) received from the Municipal Sustainability Initiative and held exclusively for approved projects.

3. TAXES AND GRANTS IN PLACE OF TAXES RECEIVABLES

	<u>2014</u>		<u>2013</u>
Current taxes and grants in lieu	\$ 2,626	\$	11,821
Tax arrears and grants in lieu	9,412		15,700
	<u>\$ 12,038</u>	<u>\$</u>	<u>27,521</u>
Less allowance for doubtful accounts	<u>(6,742)</u>		<u>(6,742)</u>
	<u>\$ 5,296</u>	<u>\$</u>	<u>20,779</u>

4. LONG TERM INVESTMENTS

	<u>2014</u>		<u>2013</u>
AMFC investment	\$ 10	\$	10
South Country Coop equity	16,241		14,665
Vauxhall & District Regional Water Services Commission	811,617		812,430
Taber & District Regional Waste Authority	27,585		23,585
UFA Coop Equity	65		52
	<u>\$ 855,517</u>	<u>\$</u>	<u>850,742</u>

Town of Vauxhall
Notes to Financial Statements
For the Year Ended December 31, 2014

5. EMPLOYEE BENEFIT OBLIGATION

	2014	2013
Vacation and/or overtime	\$ -	\$ 1,629
	\$ -	\$ 1,629

Employee benefit obligation is comprised of vacation and/or overtime that employees deferred to future years. Employees have either earned the benefits or are entitled to these benefits within the next fiscal year.

6. LONG TERM DEBT

	2014	2013
Tax supported debentures	\$ 751,794	\$ 615,267
Less: current portion	(44,198)	(38,473)
	\$ 707,596	\$ 576,794

Principal and interest repayments are due as follows:

	Principal		Interest		Total
2015	\$ 44,198	\$	21,469	\$	65,667
2016	45,464		20,203		65,667
2017	46,766		18,901		65,667
2018	48,106		17,561		65,667
2019	49,483		16,184		65,667
Thereafter	517,777		96,647		614,424
	\$ 751,794	\$	190,965	\$	942,759

Debenture debt is repayable to Alberta Capital Finance Authority, bears interest rates ranging from 2.634% to 3.228% and matures in periods 2026, 2027, and 2039. Debentures were issued to fund investment in Vauxhall and District Regional Water Services Commission and the Vauxhall Public Library. This will be funded through utility (water) rates and tax collection respectively. Debenture debt is issued on the credit and security of the Town at large.

7. DEFERRED REVENUE

	2014	2013
Unearned licence and rental revenue	\$ 2,405	\$ 3,055
Unearned capital grants	227,387	
	\$ 229,792	\$ 3,055

Town of Vauxhall
Notes to Financial Statements
For the Year Ended December 31, 2014

7. DEFERRED REVENUE (continued)

Unearned capital grants include \$227,387 (2013 - \$0) from the capital component of the Municipal Sustainability Initiative funding grant. Use of these funds is restricted to eligible capital projects, as approved under the funding agreements.

8. EQUITY IN TANGIBLE CAPITAL ASSETS

	<u>2014</u>	<u>2013</u>
Tangible capital assets (Schedule 2)	15,346,198	14,513,852
Accumulated amortization (Schedule 2)	(8,689,174)	(8,316,862)
Long term debt (note 6)	(751,794)	(615,267)
	<u>\$ 5,905,230</u>	<u>\$ 5,581,723</u>

9. ACCUMULATED SURPLUS

	<u>2014</u>	<u>2013</u>
Unrestricted surplus (deficit)	\$ 2,174,590	\$ 1,860,820
Unrestricted surplus (deficit) – Library		162,324
Restricted Surplus		
Operating reserves	106,940	106,933
Fire	92,911	92,911
Roads	27,606	174,511
Storm sewer	115,371	115,371
Water	225,130	225,130
Sewer	14,065	14,065
Garbage	113,929	113,929
Subdivision	37,941	37,941
Recreation	330,717	372,224
Culture		25,000
Equity in tangible capital assets	<u>5,905,230</u>	<u>5,581,723</u>
	<u>\$ 9,144,430</u>	<u>\$ 8,882,882</u>

Town of Vauxhall
Notes to Financial Statements
For the Year Ended December 31, 2014

10. 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:

	Salary (1)	Benefits & Allowances (2)	2014 Total	2013 Total
Mayor				
Gordon Brown				9,102
Margaret Plumtree	13,615	7,211	20,826	2,417
Councillors:				
Martha Bueckert				4,802
Robert Dick				5,167
Linda English	6,695	1,409	8,104	1,822
Marilyn Forchuk	4,965	206	5,171	936
Brian Hagen				5,893
Martin Kondor	4,655	203	4,858	1,112
Dave Nielsen				5,081
Russell Norris	4,770	1,071	5,841	7,824
Richard Phillips	5,330	404	5,734	1,006
Christie Sorensen	4,875	206	5,081	5,521
Kim Cawley	860	206	1,066	
Municipal Administrator	18,625	8,548	27,173	
Municipal Administrator (previous)	92,252	4,870	97,122	112,662
Designated Officers (2 positions)			28,266	20,507

- (1) Salary includes regular base pay, bonuses, overtime, lump sum payments, gross honoraria and any other direct cash remuneration
- (2) Employer's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, vision coverage, group life insurance, accidental disability and dismemberment insurance, long and short term disability plans, professional memberships and tuition. Benefits and allowance figures also include the Employer's share of the costs of additional taxable benefits including special leave with pay, financial planning services, and retirement planning services, concessionary loans, travel allowances, car allowances and club memberships.

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11. LOCAL AUTHORITIES PENSION PLAN

Employees of the Town participate in the Local Authorities Pension Plan, (LAPP), which is covered by the Public Sector Pension Plans Act. The LAPP serves approximately 230,534 people and about 418 employers. The LAPP 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 LAPP of 10.39% of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 14.84% on pensionable earnings over this amount. Employees of the Town are required to make current service contributions of 11.39% of pensionable salary up to the year's maximum pensionable salary and 15.84% on pensionable salary above this amount.

Total current and past service contributions by the Town to the LAPP in 2014 were \$36,742 (2013 - \$40,412). Total current and past service contributions by the employees of the Town to the LAPP in 2014 were \$33,629 (2013 - \$36,733)

At December 31, 2013, the plan disclosed an actuarial deficiency of \$4.86 billion.

12. 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 Vauxhall be disclosed as follows:

	2014 Total	2013 Total
Total debt limit	\$ 3,567,032	\$ 3,585,267
Total debt	751,794	615,267
Amount of debt limit unused (exceeded)	\$ 2,815,238	\$ 2,970,000
Debt servicing limit	\$ 594,505	\$ 597,545
Debt servicing	65,667	55,414
Amount of debt servicing limit unused (exceeded)	\$ 528,838	\$ 542,131

The debt limit is calculated at 1.5 times revenue of the municipality (as defined in Alberta Regulation 255.00) 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.

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13. 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 shares 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.

14. FINANCIAL INSTRUMENTS

The town's financial instruments consist of cash and temporary investments, accounts receivable, accounts payable and accrued liabilities, deposit liabilities and long-term debt. It is management's opinion that the town is not exposed to significant interest, currency or credit risk 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.

15. RELATED PARTIES

The town, along with the Municipal District of Taber, shares in the ownership of the Vauxhall and District Regional Water Services Commission which was created for the purpose of potable water treatment and distribution. The town does not hold significant influence in the commission and as such, is reported in the financial statements as investment in Vauxhall & District Regional Water Services Commission. The Board of Directors consist of five (5) members, three (3) of which are appointed from the council of the Municipal District of Taber and two (2) of which are appointed from the council of the Town of Vauxhall.

The Town, along with the Municipal District of Taber, Town of Taber and Village of Barnwell forms the Taber and District Regional Waste Authority which owns and maintains the waste transfer station capital assets within the municipality. The town does not hold significant influence in the authority and as such, is reported in the financial statements as investment in Taber and District Regional Waste Authority. The Board of Directors consists of two (2) members appointed from the councils of the Municipal District of Taber and Town of Taber, one (1) member appointed from the councils of the Town of Vauxhall and Village of Barnwell.

The Vauxhall Public Library which is owned by the Town of Vauxhall is leased and managed by the Vauxhall Public Library Board. The board is comprised of 10 members including one (1) elected official. All board members are appointed through resolution of Council. The Vauxhall Public Library funds its operation through provincial, municipal, regional operating grants and other incidentals such as membership and book sales and fines.

16. APPROVAL OF FINANCIAL STATEMENTS

Council and Management have approved these financial statements.