



Town of Vauxhall

Financial Statements

DECEMBER 31, 2013

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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, 2013 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, 2013, 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
June 16, 2014**

**McNiven Newman LLP
PROFESSIONAL ACCOUNTANTS**

TOWN OF VAUXHALL

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2013

	2013	2012
FINANCIAL ASSETS		
Cash and temporary investments (note 2)	\$ 2,261,273	\$ 2,221,715
Receivables		
Taxes and grants in place of taxes (note 3)	20,779	61,591
Trade and other receivables (net)	44,481	116,838
Receivable from other governments	314,666	561,335
Land held for resale	62,141	57,353
Long term investments (note 4)	850,742	743,618
Other assets	8,777	8,739
	3,562,859	3,771,189
LIABILITIES		
Accounts payable and accrued liabilities	346,742	230,375
Payroll remittance payable	10,887	
Deposit liabilities	3,110	2,810
Other liabilities	12,277	19,739
Employee benefit obligation (note 5)	1,629	578
Long term debt (note 6)	615,267	652,685
Deferred revenue (note 7)	3,055	406,868
	992,967	1,313,055
NET FINANCIAL ASSETS (DEBT)	2,569,892	2,458,134
NON FINANCIAL ASSETS		
Inventory for consumption	69,611	24,779
Tangible capital assets (Schedule 2)	6,196,990	5,598,651
Prepaid expenses	46,389	42,461
	6,312,990	5,665,891
ACCUMULATED SURPLUS (Schedule 1, note 9)	\$ 8,882,882	\$ 8,124,025

Contingencies - note 13

TOWN OF VAUXHALL

CONSOLIDATED STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 2013

	Budget (Unaudited)	2013	2012
REVENUE			
Net municipal taxes (Schedule 3)	\$ 833,238	\$ 837,465	\$ 860,526
Sales and user charges	585,185	599,312	876,223
Penalties, fines and costs on taxes	30,600	26,323	30,176
Franchise and concession contracts	8,500	14,311	8,235
Investment income	26,900	39,958	32,893
Rentals	114,758	108,077	118,970
Government transfers (Schedule 4)	526,431	498,980	405,815
Licenses and permits	7,530	7,990	9,644
Sale of land held for resale	70,000	-	-
Other revenues	11,850	66,155	53,388
Gain on sale of assets	185,000	184,512	-
	2,399,992	2,383,083	2,395,870
EXPENDITURES (Schedule 5)			
Legislative	69,275	70,968	64,267
Administration	375,025	338,506	316,906
Fire, disaster services and ambulance	98,510	126,283	377,924
By-law enforcement	24,650	32,205	19,980
Roads, streets, walks, lighting	220,355	250,136	193,685
Airport and public transit	-	-	(2,024)
Water and storm water	436,210	431,127	344,067
Wastewater	108,740	81,842	81,953
Waste management	280,745	282,859	272,150
Cemetery	28,015	23,754	19,668
Municipal Planning, zoning, economic development	26,094	25,162	17,932
Subdivision land development	40,100	881	555
Recreation and culture	556,283	461,665	440,388
Health and FCSS	8,694	8,694	7,141
Provision for doubtful accounts	500	24,122	11,739
Amortization of tangible capital assets	379,045	383,471	398,933
Loss on disposal of asset		20,509	
Tax penalty rebate		25,665	
	2,652,241	2,587,849	2,565,264
EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES - BEFORE OTHER	(252,249)	(204,766)	(169,394)
OTHER			
Government transfers for capital (Schedule 4)	-	801,299	286,365
EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	(252,249)	596,533	116,971
ACCUMULATED SURPLUS, BEGINNING OF YEAR	8,124,025	8,124,025	8,007,054
ACCUM SURPLUS, BEGINNING OF YEAR - LIBRARY	162,324	162,324	
ACCUMULATED SURPLUS, END OF YEAR	\$ 8,034,100	\$ 8,882,882	\$ 8,124,025

TOWN OF VAUXHALL

CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS (DEBT)

YEAR ENDED DECEMBER 31, 2013

	Budget (Unaudited)	2013	2012
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES	\$ (252,249)	\$ 596,533	\$ 116,971
Acquisition of tangible capital assets	(372,400)	(1,100,450)	(368,771)
Change in construction in progress	-	(43,701)	(4,250)
Contributed tangible capital assets	-		
Proceeds on disposal of tangible capital assets	185,000	326,344	-
Amortization of tangible capital assets	379,045	383,471	398,933
(Gain) loss on sale of tangible capital assets	-	(164,003)	-
	191,645	(598,339)	25,912
Net (acquisition) use of supplies inventory	-	(44,832)	1,609
Net (acquisition) use of prepaid assets	-	(3,928)	1,449
	-	(48,760)	3,058
(INCREASE) DECREASE IN NET DEBT	(60,604)	(50,566)	145,941
NET FINANCIAL ASSETS (DEBT), BEGINNING OF YEAR	2,458,134	2,458,134	2,312,193
NET FINANCIAL ASSETS (DEBT), BEG OF YEAR - LIBRARY		162,324	
NET FINANCIAL ASSETS (DEBT), END OF YEAR	\$ 2,397,530	\$ 2,569,892	\$ 2,458,134

TOWN OF VAUXHALL

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2013

	2013	2012
EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURE	\$ 596,533	\$ 116,971
Non-cash items included in excess (shortfall) of revenues over expenses		
Amortization of tangible capital assets	383,471	398,933
(Gain) Loss on disposal of tangible assets	(164,003)	-
Non-cash charges to operations (net change):		
Decrease (increase) in taxes and grants in lieu receivables	40,812	(2,959)
Decrease (increase) in trade and other receivables	72,357	(40,518)
Decrease (increase) in receivable from other governments	246,669	(97,608)
Decrease (increase) in inventory for consumption	(44,832)	1,609
Decrease (increase) in prepaid expenses	(3,928)	1,449
Decrease (increase) in land held for resale	(4,788)	-
Decrease (increase) in other assets	(38)	(25)
Increase (decrease) in accounts payable and accrued liabilities	116,367	(79,369)
Increase (decrease) in payroll payable	10,887	-
Increase (decrease) in deposit liabilities	300	(59)
Increase (decrease) in other liabilities	(7,462)	(2,475)
Increase (decrease) in deferred revenue	(403,813)	93,165
Increase (decrease) in employee benefit obligation	1,051	578
Cash provided by operating transactions	839,583	389,692
INVESTING ACTIVITIES		
Decrease (increase) in long term investments	(107,124)	73,197
Cash provided (applied to) investing transactions	(107,124)	73,197
FINANCING ACTIVITIES		
Long term debt issued	-	525,000
Long term debt repaid	(37,418)	(22,315)
Cash provided (applied to) financing transactions	(37,418)	502,685
CAPITAL		
Acquisition of tangible capital assets	(1,100,450)	(368,771)
Change in construction in progress	(43,701)	(4,250)
Sale of tangible capital assets	326,344	-
Cash applied to capital transactions	(817,807)	(373,021)
CHANGE IN CASH AND EQUIVALENTS DURING YEAR	(122,766)	592,553
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	\$ 2,221,715	\$ 1,629,162
CASH AND CASH EQUIVALENTS, BEG OF YEAR - LIBRARY	\$ 162,324	
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 2,261,273	\$ 2,221,715
CASH AND CASH EQUIVALENTS ARE COMPRISED OF:		
Cash (note 2)	\$ 332,916	\$ 221,876
Temporary Investments	1,928,357	1,999,839
	\$ 2,261,273	\$ 2,221,715

TOWN OF VAUXHALL

SCHEDULE 1 - SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS

YEAR ENDED DECEMBER 31, 2013

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2013	2012
BALANCE, BEGINNING OF YEAR	1,338,295	1,839,764	4,945,966	8,124,025	8,007,054
BALANCE, BEGINNING OF YEAR - LIBRARY	162,324	-	-	162,324	-
Excess (deficiency) of revenues over expenses	596,533	-	-	596,533	116,971
Unrestricted funds designated for future use	(3,014)	3,014	-	-	-
Restricted funds used for operations	-	-	-	-	-
Restricted funds used for tangible capital assets	-	(564,763)	564,763	-	-
Current year funds used for tangible capital assets	(586,529)	-	586,529	-	-
Contributed tangible capital assets	-	-	-	-	-
Disposal of tangible capital assets	169,482	-	(169,482)	-	-
Annual amortization expense	383,471	-	(383,471)	-	-
Proceeds long term debt	-	-	-	-	-
Long term debt repaid	(37,418)	-	37,418	-	-
Change in accumulated surplus	522,525	(561,749)	635,757	596,533	116,971
BALANCE, END OF YEAR (note 9)	2,023,144	1,278,015	5,581,723	8,882,882	8,124,025

TOWN OF VAUXHALL

SCHEDULE 2 - SCHEDULE OF TANGIBLE CAPITAL ASSETS

YEAR ENDED DECEMBER 31, 2013

	Construction in Progress	Land	Buildings	Engineered Structures	Machinery & Equipment	Vehicles	2013	2012
COST								
Balance, beginning of year	17,361	59,099	3,125,294	8,713,694	973,962	851,430	13,740,840	13,367,819
Acquisition of tangible capital assets		-		1,072,774	27,676	-	1,100,450	368,771
Construction in progress	43,701						43,701	4,250
Disposal of tangible capital assets		(6,700)	(107,848)	(12,538)	(41,954)	(202,099)	(371,139)	-
Writedown of tangible captial assets							-	-
Balance, end of year	61,062	52,399	3,017,446	9,773,930	959,684	649,331	14,513,852	13,740,840
ACCUMULATED AMORTIZATION								
Balance, beginning of year			1,819,935	5,411,959	401,714	508,581	8,142,189	7,743,256
Annual amortization			62,446	203,273	62,061	55,691	383,471	398,933
Accumulated amortization on disposal			(32,534)	(1,672)	(40,480)	(134,112)	(208,798)	-
Balance, end of year	-	-	1,849,847	5,613,560	423,295	430,160	8,316,862	8,142,189
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	61,062	52,399	1,167,599	4,160,370	536,389	219,171	6,196,990	5,598,651
2012 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	17,361	59,099	1,305,359	3,301,735	572,248	342,849		5,598,651

TOWN OF VAUXHALL

SCHEDULE 3 - SCHEDULE OF PROPERTY AND OTHER TAXES

YEAR ENDED DECEMBER 31, 2013

	Budget (Unaudited)	2013	2012
TAXATION			
Real property taxes	\$ 803,312	\$ 736,568	\$ 718,137
Linear property taxes	-	36,309	40,298
Government grants in lieu of property taxes	-	10,839	10,342
Local improvement taxes	264,250	265,835	266,633
Special assessments	8,694	30,932	25,153
	1,076,256	1,080,483	1,060,563
REQUISITIONS			
Alberta School Foundation Fund	236,838	236,838	193,847
Vauxhall Seniors Foundation	6,180	6,180	6,190
	243,018	243,018	200,037
NET MUNICIPAL TAXES	\$ 833,238	\$ 837,465	\$ 860,526

TOWN OF VAUXHALL

SCHEDULE 4 - SCHEDULE OF GOVERNMENT TRANSFERS

YEAR ENDED DECEMBER 31, 2013

	Budget (Unaudited)	2013	2012
TRANSFERS FOR OPERATING			
Federal government	\$ 2,250	\$ 8,246	\$ 1,429
Provincial government	264,206	260,806	114,208
Other local governments	259,975	229,928	290,178
	526,431	498,980	405,815
TRANSFERS FOR CAPITAL			
Federal government	-	-	-
Provincial government	-	801,299	286,365
Other local governments	-	-	-
	-	801,299	286,365
TOTAL GOVERNMENT TRANSFERS	\$ 526,431	\$ 1,300,279	\$ 692,180

TOWN OF VAUXHALL

SCHEDULE 5 - SCHEDULE OF CONSOLIDATED EXPENDITURES BY OBJECT

YEAR ENDED DECEMBER 31, 2013

	Budget (Unaudited)	2013	2012
CONSOLIDATED EXPENDITURES BY OBJECT			
Salaries, wages and benefits	\$ 730,170	\$ 718,614	\$ 799,640
Contracted and general services	764,650	693,645	781,582
Materials, goods, supplies and utilities	670,229	653,647	505,273
Provision for allowances	500	49,787	11,739
Bank charges and short term interest	1,300	1,090	1,510
Debenture debt charges	55,415	17,756	16,234
Grants to individuals and organizations	50,932	49,330	50,353
Transfer to other operating functions	-	-	-
Other expenditures	-	-	-
Amortization of tangible capital assets	379,045	383,471	398,933
Loss on disposal of tangible capital assets	-	20,509	-
CONSOLIDATED EXPENDITURES BY OBJECT	\$ 2,652,241	\$ 2,587,849	\$ 2,565,264

Town of Vauxhall
Notes to Financial Statements
For the Year Ended December 31, 2013

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, 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 organizational 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 additions, 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, 2013

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) **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.

g) **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, 2013

2. CASH AND TEMPORARY INVESTMENTS

	<u>2013</u>	<u>2012</u>
Cash	\$ 332,916	\$ 221,876
Temporary Investments	1,928,357	1,999,839
	<u>\$ 2,261,273</u>	<u>\$ 2,221,715</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 \$ 0 (2012 - \$11,033) received from the Municipal Sustainability Initiative and held exclusively for approved projects.

3. TAXES AND GRANTS IN PLACE OF TAXES RECEIVABLES

	<u>2013</u>	<u>2012</u>
Current taxes and grants in lieu	\$ 11,821	\$ 41,793
Tax arrears and grants in lieu	15,700	25,062
Taxes on property acquired		41,367
	<u>\$ 27,521</u>	<u>\$ 108,222</u>
Less allowance for doubtful accounts	(6,742)	(46,631)
	<u>\$ 20,779</u>	<u>\$ 61,591</u>

4. LONG TERM INVESTMENTS

	<u>2013</u>	<u>2012</u>
AMFC investment	\$ 10	\$ 10
Vauxhall Coop equity	14,665	13,470
Vauxhall & District Regional Water Services Commission	812,430	710,771
Taber & District Regional Waste Authority	23,585	19,332
UFA Coop Equity	52	35
	<u>\$ 850,742</u>	<u>\$ 743,618</u>

5. EMPLOYEE BENEFIT OBLIGATION

	<u>2013</u>	<u>2012</u>
Vacation and/or overtime	\$ 1,629	\$ 578

Town of Vauxhall
Notes to Financial Statements
For the Year Ended December 31, 2013

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

		<u>2013</u>		<u>2012</u>
Tax supported debentures	\$	615,267	\$	652,685
Less: current portion		<u>(38,473)</u>		<u>(37,418)</u>
	\$	<u>576,794</u>	\$	<u>615,267</u>

Principal and interest repayments are due as follows:

	<u>Principal</u>		<u>Interest</u>		<u>Total</u>
2014	\$ 38,473	\$	16,941	\$	55,414
2015	39,557		15,857		55,414
2016	40,671		14,743		55,414
2017	41,817		13,597		55,414
2018	42,996		12,418		55,414
Thereafter	<u>411,753</u>		<u>53,008</u>		<u>464,761</u>
	\$ 615,267	\$	126,564	\$	<u>741,831</u>

Debenture debt is repayable to Alberta Capital Finance Authority, bears interest rates ranging from 2.634% to 3.013% and matures in periods 2026 and 2027. Debentures were issued to fund investment in Vauxhall and District Regional Water Services Commission and will be funded through utility (water) rates. Debenture debt is issued on the credit and security of the Town at large.

7. DEFERRED REVENUE

		<u>2013</u>		<u>2012</u>
Unearned licence and rental revenue	\$	3,055	\$	14,613
Unearned capital grants				<u>392,255</u>
	\$	<u>3,055</u>	\$	<u>406,868</u>

Town of Vauxhall
Notes to Financial Statements
For the Year Ended December 31, 2013

8. EQUITY IN TANGIBLE CAPITAL ASSETS

	<u>2013</u>	<u>2012</u>
Tangible capital assets (Schedule 2)	14,513,852	13,740,840
Accumulated amortization (Schedule 2)	(8,316,862)	(8,142,189)
Long term debt (note 6)	(615,267)	(652,685)
	<u>\$ 5,581,723</u>	<u>\$ 4,945,966</u>

9. ACCUMULATED SURPLUS

	<u>2013</u>	<u>2012</u>
Unrestricted surplus (deficit)	\$ 1,860,820	\$ 1,338,295
Unrestricted surplus (deficit) - Library	162,324	
Restricted Surplus		
Operating reserves	106,933	216,933
Fire	92,911	92,911
Ambulance	-	15,802
Roads	174,511	181,680
Storm sewer	115,371	115,371
Water	225,130	500,130
Sewer	14,065	95,665
Garbage	113,929	98,127
Cemetery	-	10,000
Subdivision	37,941	43,941
Recreation	372,224	369,204
Culture	25,000	100,000
Equity in tangible capital assets	<u>5,581,723</u>	<u>4,945,966</u>
	<u>\$ 8,882,882</u>	<u>\$ 8,124,025</u>

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)	2013 Total	2012 Total
Mayor				
Gordon Brown	8,935	167	9,102	12,150
Margaret Plumtree	2,350	67	2,417	nil
Councillors:				
Martha Bueckert	4,620	182	4,802	5,777

Town of Vauxhall
Notes to Financial Statements
For the Year Ended December 31, 2013

Robert Dick	5,000	167	5,167	4,965
Anthony Dunphy	nil	nil	nil	1,651
Linda English	1,750	72	1,822	nil
Marilyn Forchuk	900	36	936	nil
Brian Hagen	5,700	193	5,893	6,047
Martin Kondor	1,070	42	1,112	nil
Dave Nielsen	4,895	186	5,081	5,233
Russell Norris	7,540	284	7,824	7,386
Richard Phillips	970	36	1,006	nil
Christie Sorensen	5,300	221	5,521	1,970
Municipal Administrator	93,360	19,302	112,662	106,220
Designated Officers (2 positions)	20,507		20,507	20,722

- (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.

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 223,643 people and about 428 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 10.43% of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 14.74% on pensionable earnings over this amount. Employees of the Town are required to make current service contributions of 9.43% of pensionable salary up to the year's maximum pensionable salary and 13.47% on pensionable salary above this amount.

Total current and past service contributions by the Town to the LAPP in 2013 were \$40,412 (2012 - \$39,778). Total current and past service contributions by the employees of the Town to the LAPP in 2013 were \$36,733 (2012 - \$35,965)

At December 31, 2013, the plan disclosed an actuarial deficiency of \$4.98 billion.

Town of Vauxhall
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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:

	<u>2013</u>		<u>2012</u>
	<u>Total</u>		<u>Total</u>
Total debt limit	\$ 3,585,267	\$	3,593,805
Total debt	<u>615,267</u>		<u>652,685</u>
Amount of debt limit unused (exceeded)	<u>\$ 2,970,000</u>	\$	<u>2,941,120</u>
Debt servicing limit	\$ 597,545	\$	598,968
Debt servicing	<u>55,414</u>		<u>55,414</u>
Amount of debt servicing limit unused (exceeded)	<u>\$ 542,131</u>	\$	<u>543,554</u>

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.

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.

Town of Vauxhall
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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 water treatment plant was commissioned in April 2013.

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.

On January 1st, 2013, the Town of Vauxhall assumed bookkeeping responsibilities for the Vauxhall Public Library. Financial information for the Vauxhall Public Library has been consolidated with the Town of Vauxhall and forms part of these statements. The opening balance of accumulated surplus (as of January 1, 2013) for the Vauxhall Public Library was one hundred and sixty-two thousand three hundred and twenty-four dollars (\$162,324).

16. APPROVAL OF FINANCIAL STATEMENTS

Council and Management have approved these financial statements.