



Town of Vauxhall Consolidated Financial Statements

DECEMBER 31, 2020

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING


The consolidated financial statements are the responsibility of the management of the Town of Vauxhall (The Town).

These consolidated financial statements have been prepared from information provided by management. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

The Town maintains systems of internal accounting and administrative controls that are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and that the Town's assets are properly accounted for and adequately safeguarded.

The elected Council of the Town is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. Council meets periodically with management and the external auditors to review significant accounting, reporting and internal control matters. Following its review of the financial statements and discussions with the auditors, the Council approves the financial statements. The Council approves the appointment of the external auditors and reviews the monthly financial reports.

The consolidated financial statements have been audited by Shawn Cook Professional Corporation, Chartered Professional Accountants, the external auditor, in accordance with Canadian generally accepted auditing standards on behalf of the Council, residents and ratepayers of the Town. Shawn Cook Professional Corporation has full and free access to the Council.



Mrs. Margaret Plumtree,

Vauxhall, Alberta



INDEPENDENT AUDITOR'S REPORT

To the Members of Town of Vauxhall

Opinion

We have audited the financial statements of Town of Vauxhall (the Town), which comprise the consolidated statement of financial position as at December 31, 2020, and the consolidated statements of operations, changes in net financial assets (debt) and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Town as at December 31, 2020, and the results of its operations, change in its net financial debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Town in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Town's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Town or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Town's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

(continues)

Independent Auditor's Report to the Members of Town of Vauxhall *(continued)*

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Town's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Town's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Town to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Shawn Cook
Professional Corporation

Lethbridge, Alberta
April 19, 2021

Chartered Professional Accountants



TOWN OF VAUXHALL

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31 2020

	2020	2019
FINANCIAL ASSETS		
Cash and temporary investments (note 2)	\$ 384,411	\$ 537,385
Temporary Investments (note 3)	2,050,000	750,000
Receivables		
Taxes and grants in place of taxes (note 4)	426	12,786
Trade and other receivables (net)	62,184	145,136
Receivable from other governments	789,505	1,231,437
GST recoverable	10,448	16,218
Land held for resale	201,430	201,430
Long term investments (note 5)	27,708	20,653
Other assets	-	-
	3,526,112	2,915,045
LIABILITIES		
Accounts payable and accrued liabilities	117,035	112,007
Payroll remittance payable	1,774	818
Deposit liabilities	570	320
Other liabilities	-	-
Employee benefit obligation (note 6)	-	998
Long term debt (note 7)	466,875	517,776
Deferred revenue (note 8)	1,649,580	1,349,454
	2,235,834	1,981,373
NET FINANCIAL ASSETS (DEBT)	1,290,278	933,672
NON FINANCIAL ASSETS		
Inventory for consumption	46,550	50,844
Tangible capital assets (Schedule 2)	7,084,271	7,103,672
Prepaid expenses	21,367	19,893
	7,152,188	7,174,409
ACCUMULATED SURPLUS (Schedule 1, note 10)	\$ 8,442,466	\$ 8,108,081

Contingencies - note 15

TOWN OF VAUXHALL

CONSOLIDATED STATEMENT OF OPERATIONS

AS AT DECEMBER 31 2020

	Budget (Unaudited)	2020	2019
REVENUE			
Net municipal taxes (Schedule 3)	\$ 1,078,686	\$ 1,065,115	\$ 1,069,770
Sales and user charges	761,325	733,762	684,057
Penalties, fines and costs on taxes	11,600	13,632	27,410
Franchise and concession contracts	47,000	78,860	45,114
Investment income	14,100	30,461	21,960
Rentals	107,891	70,871	115,019
Government transfers (Schedule 4)	319,830	434,964	385,472
Licenses and permits	14,600	14,265	13,868
Sale of land held for resale	40,000	-	40,000
Other revenues	42,425	114,314	49,648
Gain on sale of assets	-	36,375	400
	2,437,457	2,592,619	2,452,718
EXPENDITURES (Schedule 5)			
Legislative	97,326	54,999	72,384
Administration	374,432	359,615	343,401
Fire, disaster services and ambulance	67,330	61,574	59,792
By-law enforcement	27,050	2,975	27,974
Roads, streets, walks, lighting	327,110	309,864	310,622
Water and storm water	537,004	447,891	467,858
Wastewater	106,890	103,292	122,537
Waste management	260,785	245,642	282,500
Cemetery	16,910	13,009	16,530
Municipal Planning, zoning, economic development	30,435	27,401	30,925
Recreation and culture	464,554	454,187	554,509
Health and FCSS	9,300	9,299	9,299
Provision for doubtful accounts	-	-	(6,375)
Amortization of tangible capital assets	442,000	454,899	436,393
Loss on disposal of asset	-	-	-
	2,761,126	2,544,647	2,728,349
EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES - BEFORE OTHER	(323,669)	47,972	(275,631)
OTHER			
Contributed assets	0	0	0
Government transfers for capital (Schedule 4)	0	286,413	214,232
EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	(323,669)	334,385	(61,399)
ACCUMULATED SURPLUS, BEGINNING OF YEAR		8,108,081	8,169,480
ACCUMULATED SURPLUS, END OF YEAR	\$ (323,669)	\$ 8,442,466	\$ 8,108,081

TOWN OF VAUXHALL

CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS (DEBT)

AS AT DECEMBER 31 2020

	Budget (Unaudited)	2020	2019
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES	\$ (323,669)	\$ 334,385	\$ (61,399)
Acquisition of tangible capital assets		(443,668)	(262,197)
Change in construction in progress	-	5,545	-
Proceeds on disposal of tangible capital assets	-	39,000	400
Amortization of tangible capital assets	442,000	454,899	436,393
(Gain) loss on sale of tangible capital assets	-	(36,375)	(400)
	442,000	19,401	174,196
Net (acquisition) use of supplies inventory	-	4,293	2,980
Net (acquisition) use of prepaid assets	-	(1,472)	1,380
	-	2,821	4,360
(INCREASE) DECREASE IN NET DEBT	118,331	356,607	117,157
NET FINANCIAL ASSETS (DEBT), BEGINNING OF YEAR	2,376,963	933,672	816,515
NET FINANCIAL ASSETS (DEBT), END OF YEAR	\$ 2,495,294	\$ 1,290,279	\$ 933,672

TOWN OF VAUXHALL

CONSOLIDATED STATEMENT OF CASH FLOWS

AS AT DECEMBER 31 2020

	2020	2019
EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURE	\$ 334,386	\$ (61,399)
Non-cash items included in excess (shortfall) of revenues over expenses		
Amortization of tangible capital assets	454,898	436,393
(Gain) Loss on disposal of tangible assets	(36,375)	-
Non-cash charges to operations (net change):		
Decrease (increase) in taxes and grants in lieu receivables	12,360	(14,106)
Decrease (increase) in trade and other receivables	82,952	(14,952)
Decrease (increase) in receivable from other governments	441,932	(42,695)
Decrease (increase) in GST	5,770	(9,536)
Decrease (increase) in inventory for consumption	4,294	2,980
Decrease (increase) in prepaid expenses	(1,474)	1,380
Decrease (increase) in land held for resale	-	-
Decrease (increase) in other assets	-	-
Increase (decrease) in accounts payable and accrued liabilities	5,028	2,148
Increase (decrease) in payroll payable	956	344
Increase (decrease) in deposit liabilities	250	-
Increase (decrease) in other liabilities	-	-
Increase (decrease) in deferred revenue	300,126	213,489
Increase (decrease) in employee benefit obligation	(998)	998
Cash provided by operating transactions	1,604,105	515,044
INVESTING ACTIVITIES		
Decrease (increase) in long term investments	(7,055)	5,394
Cash provided (applied to) investing transactions	(7,055)	5,394
FINANCING ACTIVITIES		
Long term debt issued	-	-
Long term debt repaid	(50,901)	(49,483)
Cash provided (applied to) financing transactions	(50,901)	(49,483)
CAPITAL		
Acquisition of tangible capital assets	(443,668)	(253,478)
Change in construction in progress	5,545	(8,719)
Sale of tangible capital assets	39,000	-
Cash applied to capital transactions	(399,123)	(262,197)
CHANGE IN CASH AND EQUIVALENTS DURING YEAR	1,147,026	208,758
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	\$ 1,287,385	\$ 1,078,627
CASH AND CASH EQUIVALENTS, END OF YEAR	2,434,411	\$ 1,287,385
CASH AND CASH EQUIVALENTS ARE COMPRISED OF:		
Cash (note 2)	\$ 384,411	\$ 537,385
Temporary Investments	2,050,000	750,000
	\$ 2,434,411	\$ 1,287,385

TOWN OF VAUXHALL

SCHEDULE 1 - SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS

AS AT DECEMBER 31 2020

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2020	2019
BALANCE, BEGINNING OF YEAR	300,261	\$ 1,221,924	\$ 6,585,896	\$ 8,108,081	\$ 8,169,480
Excess (deficiency) of revenues over expenses	\$ 334,385	-	-	334,385	(61,399)
Unrestricted funds designated for future use	(90,696)	90,696	-	-	-
Operating funds transferred to restricted surplus	(398,573)	(39,550)	39,550	-	-
Restricted funds used for tangible capital assets	-	-	398,573	-	-
Current year funds used for tangible capital assets	-	-	-	-	-
Contributed tangible capital assets	2,625	-	(2,625)	-	-
Disposal of tangible capital assets	454,899	-	(454,899)	-	-
Annual amortization expense	(50,901)	-	50,901	-	-
Proceeds long term debt	-	-	-	-	-
Long term debt repaid	-	-	-	-	-
Change in accumulated surplus	251,739	51,146	31,500	334,385	(61,399)
BALANCE, END OF YEAR (note 10)	\$ 552,000	\$ 1,273,070	\$ 6,617,396	\$ 8,442,466	\$ 8,108,081

TOWN OF VAUXHALL

SCHEDULE 2 - SCHEDULE OF TANGIBLE CAPITAL ASSETS

AS AT DECEMBER 31 2020

	Construction in Progress	Land	Buildings	Engineered Structures	Machinery & Equipment	Vehicles	2020	2019
COST								
Balance, beginning of year	\$ 19,191	\$ 52,400	\$ 3,889,154	\$ 11,533,836	\$ 1,307,368	\$ 547,946	\$ 17,349,895	\$ 17,097,693
Acquisition of tangible capital assets				197,618	72,244	173,806	443,668	253,478
Construction in progress	(5,545)						(5,545)	8,719
Disposal of tangible capital assets					(51,700)	(29,834)	(81,534)	(9,995)
Writedown of tangible capital assets								
Transfer of land held for resale								
Balance, end of year	13,646	52,400	3,889,154	11,731,454	1,327,912	691,918	17,706,484	17,349,895
ACCUMULATED AMORTIZATION								
Balance, beginning of year					619,749	409,971	10,246,223	9,819,825
Annual amortization			2,290,647	6,925,856	75,972	55,865	454,899	436,393
Accumulated amortization on disposal			83,442	239,620	(49,075)	(29,834)	(78,909)	(9,995)
Balance, end of year	-	-	2,374,089	7,165,476	646,646	436,002	10,622,213	10,246,223
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	13,646	52,400	1,515,065	4,565,978	681,266	255,916	7,084,271	7,103,672
2019 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	19,191	52,400	1,598,507	4,607,980	687,619	137,975		7,103,672

TOWN OF VAUXHALL

SCHEDULE 3 - SCHEDULE OF PROPERTY AND OTHER TAXES

AS AT DECEMBER 31 2020

	Budget (Unaudited)	2020	2019
TAXATION			
Real property taxes	\$ 1,042,096	\$ 1,032,799	\$ 1,028,975
Linear property taxes	34,825	37,878	37,307
Government grants in lieu of property taxes	6,200	6,139	6,138
Local improvement taxes	234,000	234,088	234,682
Special assessments	6,800	-	-
	1,323,921	1,310,904	1,307,102
REQUISITIONS			
Alberta School Foundation Fund	236,485	236,483	228,787
Designated Industrial Property Tax	150	133	139
Vauxhall Seniors Foundation	8,600	9,173	8,406
	245,235	245,789	237,332
NET MUNICIPAL TAXES	\$ 1,078,686	\$ 1,065,115	\$ 1,069,770

TOWN OF VAUXHALL

SCHEDULE 4 - SCHEDULE OF GOVERNMENT TRANSFERS

AS AT SEPTEMBER 30 2020

	Budget (Unaudited)	2020	2019
TRANSFERS FOR OPERATING			
Federal government	\$ 3,000	\$ 8,400	\$ 6,800
Provincial government	125,267	212,943	151,624
Other local governments	191,563	213,621	227,048
	319,830	434,964	385,472
TRANSFERS FOR CAPITAL			
Federal government	-	-	-
Provincial government	-	286,413	214,232
Other local governments	-	-	-
	-	286,413	214,232
TOTAL GOVERNMENT TRANSFERS	\$ 319,830	\$ 721,377	\$ 599,704

TOWN OF VAUXHALL

SCHEDULE 5 - SCHEDULE OF CONSOLIDATED EXPENDITURES BY OBJECT

AS AT DECEMBER 31 2020

	Budget (Unaudited)	2020	2019
CONSOLIDATED EXPENDITURES BY OBJECT			
Salaries, wages and benefits	\$ 932,527	\$ 896,321	\$ 936,216
Contracted and general services	599,114	523,392	647,681
Materials, goods, supplies and utilities	670,917	624,913	657,677
Provision for allowances	-	-	(6,375)
Bank charges and short term interest	501	482	555
Debenture debt charges	65,667	14,393	15,940
Grants to individuals and organizations	50,400	30,247	40,262
Transfer to other operating functions	-	-	-
Amortization of tangible capital assets	442,000	454,899	436,393
Loss on disposal of tangible capital assets	-	-	-
CONSOLIDATED EXPENDITURES BY OBJECT	\$ 2,761,126	\$ 2,544,647	\$ 2,728,349

TOWN OF VAUXHALL

SCHEDULE 6 - SCHEDULE OF SEGMENTED DISCLOSURE

AS AT DECEMBER 31 2020

	General Government	Protective Services	Transportation	Environmental Services	Public Health	Planning & Development	Recreation & Culture	Total
REVENUE								
Net municipal taxes	\$ 1,065,115	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,065,115
Government transfers	87,036	15,000	219,813	179,594	12,139	207,795		\$ 721,377
Sales and user charges	13,041	235		708,436	4,470	7,610	67,390	\$ 801,182
Investment income	30,461							\$ 30,461
Other revenues	156,602	750	920	3,633			98,993	\$ 260,898
	<u>1,352,255</u>	<u>15,985</u>	<u>220,733</u>	<u>891,663</u>	<u>4,470</u>	<u>19,749</u>	<u>374,178</u>	<u>2,879,033</u>
Expenses								
Salaries, wages and benefits	266,118	2,346	182,802	194,427	10,068	7,402	233,161	896,324
Contracted and general services	122,569	62,003	36,462	201,720	430	11,751	88,453	523,388
Purchase from other governments								
Materials, goods, supplies and utilities	21,279	200	90,600	387,542	2,511	1,407	121,374	624,913
Transfers to other governments and boards	16,825				9,299		4,123	30,247
Other expenses	14,876							14,876
	<u>441,666</u>	<u>64,549</u>	<u>309,864</u>	<u>783,689</u>	<u>22,309</u>	<u>20,560</u>	<u>447,111</u>	<u>2,089,748</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES BEFORE AMORTIZATION	910,589	(48,564)	(89,131)	107,973	(17,839)	(810)	(72,933)	789,284
Amortization	15,896	4,324	164,896	118,006	403	0	151,374	454,899
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	<u>894,693</u>	<u>(52,888)</u>	<u>(254,027)</u>	<u>(10,033)</u>	<u>(18,242)</u>	<u>(810)</u>	<u>(224,307)</u>	<u>334,385</u>

Town of Vauxhall
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2020

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 Chartered Professional Accountants of Canada. 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 Consolidated Financial Statements
For the Year Ended December 31, 2020

- 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) **Land held for resale**
Land held for resale is recorded at the lower of cost or net realizable value. Cost includes cost for land acquisition and improvements required to prepare the land for servicing such as clearing, stripping and leveling charges. Related development costs incurred to provide infrastructure such as water and wastewater services, roads and street lighting are recorded as tangible capital assets under their respective function. Land held for resale is classified as a financial asset when the land is in a condition to be sold, is marketed for sale and is reasonably anticipated that the land will be sold within one year.
- g) **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.
- h) **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.

- i) **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

Town of Vauxhall
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2020

i) **Tangible Capital Assets, continued**

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.

2. CASH AND CASH EQUIVALENTS

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 384,411	\$ 531,214
GIC's with original maturity of 90 days or less	-	6,171
	<u>\$ 384,411</u>	<u>\$ 577,385</u>

GIC interest rate is 2.20% in 2019.

3. TEMPORARY INVESTMENTS

	<u>2020</u>	<u>2019</u>
GIC's with maturity of more than 90 days	<u>\$ 2,050,000</u>	<u>\$ 750,000</u>

The average yield earned from investments during the year ended December 31, 2020 ranged from 1.0% to 1.35% (2019 2.0% - 2.35%). Maturity dates on the investments are in 2021. A portion of the Town of Vauxhall investments are held for certain purposes including reserves and capital purchases.

4. TAXES AND GRANTS IN PLACE OF TAXES RECEIVABLES

	<u>2020</u>	<u>2019</u>
Current taxes and grants in lieu	\$ (8,326)	\$ 18,723
Tax arrears and grants in lieu	8,752	(5,937)
	<u>\$ 426</u>	<u>\$ 12,786</u>
Less allowance for doubtful accounts	-	
	<u>\$ 426</u>	<u>\$ 12,786</u>

Town of Vauxhall
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2020

5. LONG TERM INVESTMENTS

	<u>2020</u>		<u>2019</u>
AMFC investment	\$ 10	\$	10
South Country Coop Equity	21,257		20,578
UFA Coop Equity	65		65
GIC	6,376		
	<u>\$ 27,708</u>	<u>\$</u>	<u>20,653</u>

6. EMPLOYEE BENEFIT OBLIGATION

	<u>2020</u>		<u>2019</u>
Vacation and/or overtime	\$ -	\$	998

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.

7. LONG TERM DEBT

	<u>2020</u>		<u>2019</u>
Tax supported debentures	\$ 466,875	\$	517,776
Less: current portion	(52,360)		(50,901)
	<u>\$ 414,515</u>	<u>\$</u>	<u>466,875</u>

Principal and interest repayments are due as follows:

	<u>Principal</u>		<u>Interest</u>		<u>Total</u>
2021	\$ 52,360	\$	13,307	\$	65,667
2022	53,860		11,807		65,667
2023	55,404		10,263		65,667
2024	56,991		8,676		65,667
2025	58,625		7,042		65,667
Thereafter	189,635		30,787		220,422
	<u>\$ 466,875</u>	<u>\$</u>	<u>81,882</u>	<u>\$</u>	<u>548,757</u>

Town of Vauxhall
Notes to Consolidated Financial Statements
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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.

8. DEFERRED REVENUE

	<u>2020</u>	<u>2019</u>
Unearned licence and rental revenue	\$ 72,188	\$ 62,958
Municipal Sustainability Initiative	904,839	876,428
Municipal Stimulus Grant	120,000	
Municipal Operating Support Transfer	72,584	
Gas Tax Fund	479,969	410,068
	<u>\$ 1,649,580</u>	<u>1,349,454</u>

Under various grant agreements with the Government of Canada and the Province of Alberta, the Town is required to account for grants provided and to complete the projects or program in accordance with the standards detailed in the various agreements. If these requirements are not adhered to, grants provided will become repayable to the source Government. Unexpended funds are repayable to the source Government upon final accounting. Funds are deferred until related expenditures under the specific grant agreement have been incurred.

9. EQUITY IN TANGIBLE CAPITAL ASSETS

	<u>2020</u>	<u>2019</u>
Tangible capital assets (Schedule 2)	17,706,484	17,349,895
Accumulated amortization (Schedule 2)	(10,622,213)	(10,246,223)
Long term debt (note 7)	(466,875)	(517,776)
	<u>\$ 6,617,396</u>	<u>\$ 6,585,896</u>

Town of Vauxhall
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2020

10. ACCUMULATED SURPLUS

	<u>2020</u>	<u>2019</u>
Unrestricted surplus (deficit)	\$ 552,000	\$ 300,261
Restricted Surplus		
Operating reserves	129,438	121,944
Fire	92,911	92,911
Roads	260,181	262,487
Storm sewer	115,371	115,371
Water	245,686	245,230
Sewer	39,065	39,065
Garbage	95,943	90,142
Subdivision	87,941	87,941
Cemetery	17,400	12,700
Recreation	154,134	144,133
Disaster	20,000	10,000
Economic Development	10,000	-
Bylaw	5,000	-
Equity in tangible capital assets	6,617,396	6,585,896
	<u>\$ 8,442,466</u>	<u>\$ 8,108,081</u>

11. 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)	2020 Total	2019 Total
Mayor				
Margaret Plumtree	10,505	2,344	12,849	18,462
Councillors:				
Kim Cawley	5,283	292	5,575	6,019
Raymond Coad	5,358	200	5,558	7,707
Linda English	6,445	912	7,357	8,340
Marilyn Forchuk	5,368	296	5,664	5,604
Richard Phillips	5,130	284	5,414	5,003
Jake Wiebe	4,875	272	5,147	6,356
Municipal Administrator	93,167	24,781	117,948	113,651
Assessor and Development Officer	20,476		20,476	19,877

Town of Vauxhall
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2020

- (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.

12. 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 274,151 people and about 420 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 8.39% of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 12.84% on pensionable earnings over this amount. Employees of the Town are required to make current service contributions of 9.39% of pensionable salary up to the year's maximum pensionable salary and 13.84% on pensionable salary above this amount.

Total current and past service contributions by the Town to the LAPP in 2020 were \$52,309 (2019 - \$49,614). Total current and past service contributions by the employees of the Town to the LAPP in 2020 were \$47,175 (2019- \$47,826)

At December 31, 2019, the plan disclosed an actuarial surplus of \$7.9 billion.

13. 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:

	2020 Total	2019 Total
Total debt limit	\$ 3,888,928	\$ 3,679,077
Total debt	466,875	517,776
Amount of debt limit unused (exceeded)	\$ 3,422,053	2,928,937
Debt servicing limit	\$ 648,154	\$ 613,180
Debt servicing	65,667	65,667
Amount of debt servicing limit unused (exceeded)	\$ 582,487	\$ 547,513

Town of Vauxhall
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2020

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.

14. SUBSEQUENT EVENTS

The outbreak of the novel strain of coronavirus, specifically identifies as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self imposed quarantine periods and social distancing, have caused material disruption to business globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Government and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimated the length and severity of these developments and the impact on the financial results and conditions of the organization.

15. 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.

16. 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.

17. BUDGET AMOUNTS

The 2020 budget for the Town was approved by Council and has been reported in the consolidated financial statements for information purposes only. These budget amounts have not been audited, reviewed, or otherwise verified.

Town of Vauxhall
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2020

18. 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 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.

19. LANDFILL CLOSURE AND POST-CLOSURE LIABILITY

Pursuant to the Alberta Environmental Protection and Enhancement Act, the Municipality is required to fund the closure of its landfill sites and provide for post-closure care of the facility. Closure and post-closure activities include the final clay cover, landscaping, as well as surface and ground water monitoring, leachate control, and visual inspections. This requirement is estimated to be immaterial and the post closure activities will be performed by municipal forces as landfill closures occur in the future. Therefore, the related liability has not been recorded in these financial statements.

20. APPROVAL OF FINANCIAL STATEMENTS

Council and Management have approved these financial statements.