



# Town of Vauxhall Consolidated Financial Statements

DECEMBER 31, 2021

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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.



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Mrs. Wendy Bergen, CFO

Vauxhall, Alberta  
April 19, 2022



## 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, 2021, 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, 2021, 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, 2022

Chartered Professional Accountants



# TOWN OF VAUXHALL

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31 2021

	2021	2020
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents (note 2)	\$ 506,812	\$ 384,411
Temporary Investments (note 3)	2,014,750	2,050,000
Receivables		
Taxes and grants in place of taxes (note 4)	34,306	34,565
Trade and other receivables (net)	73,915	73,987
Receivable from other governments	1,298,547	789,505
GST recoverable	14,686	10,448
Land held for resale	201,430	201,430
Long term investments (note 5)	28,398	27,708
Other assets	-	-
	<b>4,172,844</b>	<b>3,572,054</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	167,949	117,035
Payroll remittance payable	486	1,774
Deposit liabilities	320	570
Other liabilities	-	-
Employee benefit obligation (note 6)	716	-
Long term debt (note 7)	414,515	466,875
Deferred revenue (note 8)	1,831,774	1,695,522
	<b>2,415,760</b>	<b>2,281,776</b>
<b>NET FINANCIAL ASSETS (DEBT)</b>	<b>1,757,084</b>	<b>1,290,278</b>
<b>NON FINANCIAL ASSETS</b>		
Inventory for consumption	34,622	46,550
Tangible capital assets (Schedule 2)	6,962,474	7,084,271
Prepaid expenses	22,397	21,367
	<b>7,019,493</b>	<b>7,152,188</b>
<b>ACCUMULATED SURPLUS (Schedule 1, note 10)</b>	<b>\$ 8,776,577</b>	<b>\$ 8,442,466</b>

Contingencies - note 15

Approved on behalf of Council:

\_\_\_\_\_ Councillor

\_\_\_\_\_ Councillor

# TOWN OF VAUXHALL

## CONSOLIDATED STATEMENT OF OPERATIONS

AS AT DECEMBER 31 2021

	Budget (Unaudited)	2021	2020
<b>REVENUE</b>			
Net municipal taxes (Schedule 3)	\$ 1,087,550	\$ 1,091,432	\$ 1,065,115
Sales and user charges	751,150	811,828	733,762
Penalties, fines and costs on taxes	13,500	21,220	13,632
Franchise and concession contracts	47,500	76,102	78,860
Investment income	17,250	25,939	30,461
Rentals	103,200	55,313	70,871
Government transfers (Schedule 4)	374,235	359,717	434,964
Licenses and permits	14,300	13,810	14,265
Sale of land held for resale	40,000	12,000	-
Other revenues	22,725	302,567	114,314
Gain on sale of assets	-	27,686	36,375
	2,471,410	2,797,614	2,592,619
<b>EXPENDITURES (Schedule 5)</b>			
Legislative	113,350	91,501	54,999
Administration	436,954	391,417	375,511
Fire, disaster services and ambulance	81,385	84,173	65,899
By-law enforcement	29,525	14,675	2,975
Roads, streets, walks, lighting	489,100	479,513	474,761
Water and storm water	545,277	501,645	500,359
Wastewater	117,700	112,183	120,446
Waste management	309,717	362,139	294,026
Cemetery	14,590	14,107	13,412
Municipal Planning, zoning, economic development	42,621	27,937	27,401
Recreation and culture	635,720	626,706	605,559
Health and FCSS	9,400	9,299	9,299
Loss on disposal of asset	-	-	-
	2,825,339	2,715,295	2,544,647
<b>EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES - BEFORE OTHER</b>	(353,929)	82,319	47,972
<b>OTHER</b>			
Contributed assets	0	0	0
Government transfers for capital (Schedule 4)	0	251,792	286,413
<b>EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES</b>	(353,929)	334,111	334,385
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	8,442,466	8,442,466	8,108,081
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	\$ 8,088,537	\$ 8,776,577	\$ 8,442,466

# TOWN OF VAUXHALL

## CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS (DEBT)

AS AT DECEMBER 31 2021

	Budget (Unaudited)	2021	2020
<b>EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES</b>	\$ (353,929)	\$ 334,111	\$ 334,385
Acquisition of tangible capital assets	(79,200)	(358,363)	(443,668)
Change in construction in progress	-	2,699	5,545
Proceeds on disposal of tangible capital assets	-	57,777	39,000
Amortization of tangible capital assets	452,500	447,368	454,899
(Gain) loss on sale of tangible capital assets	-	(27,686)	(36,375)
	373,300	121,795	19,401
Net (acquisition) use of inventory for consumption	-	11,928	4,293
Net (acquisition) use of prepaid expenses	-	(1,030)	(1,472)
	-	10,898	2,821
<b>CHANGE IN NET FINANCIAL ASSETS (DEBT)</b>	19,371	466,803	356,607
<b>NET FINANCIAL ASSETS (DEBT), BEGINNING OF YEAR</b>	1,290,279	1,290,279	933,672
<b>NET FINANCIAL ASSETS (DEBT), END OF YEAR</b>	\$ 1,309,650	\$ 1,757,083	\$ 1,290,279

# TOWN OF VAUXHALL

## CONSOLIDATED STATEMENT OF CASH FLOWS

AS AT DECEMBER 31 2021

	2021	2020
<b>EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURE</b>	\$ 334,111	\$ 334,386
Non-cash items included in excess (shortfall) of revenues over expenditures		
Amortization of tangible capital assets	447,368	454,898
(Gain) Loss on disposal of tangible assets	(27,686)	(36,375)
Non-cash charges to operations (net change):		
Decrease (increase) in taxes and grants in lieu receivables	258	12,360
Decrease (increase) in trade and other receivables	72	82,952
Decrease (increase) in receivable from other governments	(509,042)	441,932
Decrease (increase) in GST	(4,238)	5,770
Decrease (increase) in inventory for consumption	11,928	4,294
Decrease (increase) in prepaid expenses	(1,030)	(1,474)
Decrease (increase) in land held for resale	-	-
Decrease (increase) in other assets	-	-
Increase (decrease) in accounts payable and accrued liabilities	50,915	5,028
Increase (decrease) in payroll payable	(1,285)	956
Increase (decrease) in deposit liabilities	(250)	250
Increase (decrease) in other liabilities	-	-
Increase (decrease) in deferred revenue	136,252	300,126
Increase (decrease) in employee benefit obligation	716	(998)
<b>Cash provided by operating transactions</b>	<b>438,089</b>	<b>1,604,105</b>
<b>INVESTING ACTIVITIES</b>		
Decrease (increase) in long term investments	(690)	(7,055)
<b>Cash provided (applied to) investing transactions</b>	<b>(690)</b>	<b>(7,055)</b>
<b>FINANCING ACTIVITIES</b>		
Long term debt issued	-	-
Long term debt repaid	(52,360)	(50,901)
<b>Cash provided (applied to) financing transactions</b>	<b>(52,360)</b>	<b>(50,901)</b>
<b>CAPITAL</b>		
Acquisition of tangible capital assets	(358,363)	(443,668)
Change in construction in progress	2,699	5,545
Sale of tangible capital assets	57,776	39,000
<b>Cash applied to capital transactions</b>	<b>(297,888)</b>	<b>(399,123)</b>
<b>CHANGE IN CASH AND EQUIVALENTS DURING YEAR</b>	<b>87,151</b>	<b>1,147,026</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>\$ 2,434,411</b>	<b>\$ 1,287,385</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>2,521,562</b>	<b>\$ 2,434,411</b>
<b>CASH AND CASH EQUIVALENTS ARE COMPRISED OF:</b>		
Cash (note 2)	\$ 506,812	\$ 384,411
Temporary Investments (note 3)	2,014,750	2,050,000
	<b>\$ 2,521,562</b>	<b>\$ 2,434,411</b>



**TOWN OF VAUXHALL**

**SCHEDULE 1 - SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS**

**AS AT DECEMBER 31 2021**

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2021	2020
<b>BALANCE, BEGINNING OF YEAR</b>	\$ 552,000	\$ 1,273,070	\$ 6,617,396	\$ 8,442,466	\$ 8,108,081
Excess (shortfall) of revenues over expenditures	334,111			334,111	334,385
Unrestricted funds designated for future use					
Operating funds transferred to restricted surplus	(135,963)	135,963			
Restricted funds used for tangible capital assets	(244,671)	(50,839)	50,839		
Current year funds used for tangible capital assets	(60,156)		244,671		
Contributed tangible capital assets	30,093		60,156		
Disposal of tangible capital assets	447,368		(30,093)		
Annual amortization expense			(447,368)		
Proceeds long term debt					
Long term debt repaid	(52,360)		52,360		
Change in accumulated surplus	318,422	85,124	(69,435)	334,111	334,385
<b>BALANCE, END OF YEAR (note 10)</b>	\$ 870,422	\$ 1,358,194	\$ 6,547,961	\$ 8,776,577	\$ 8,442,466

**TOWN OF VAUXHALL**

**SCHEDULE 2 - SCHEDULE OF TANGIBLE CAPITAL ASSETS**

**AS AT DECEMBER 31 2021**

	Construction in Progress	Land	Buildings	Engineered Structures	Machinery & Equipment	Vehicles	2021	2020
<b>COST</b>								
Balance, beginning of year	\$ 13,646	\$ 52,400	\$ 3,889,154	\$ 11,731,452	\$ 1,327,912	\$ 691,918	\$ 17,706,482	\$ 17,349,895
Acquisition of tangible capital assets			106,573	228,640	23,150		358,363	443,668
Construction in progress	(2,699)						(2,699)	(5,545)
Disposal of tangible capital assets						(293,511)	(293,511)	(81,534)
Writedown of tangible capital assets					(23,897)		(23,897)	-
Transfer of land held for resale	-						-	-
Balance, end of year	10,947	52,400	3,995,727	11,960,092	1,327,165	398,407	17,744,738	17,706,484
<b>ACCUMULATED AMORTIZATION</b>								
Balance, beginning of year					646,646	436,002	10,622,213	10,246,223
Annual amortization			86,994	244,219	71,504	44,652	447,369	454,899
Accumulated amortization on disposal					(23,896)	(263,422)	(287,318)	(78,909)
Balance, end of year	-	-	2,461,083	7,409,695	694,254	217,232	10,782,264	10,622,213
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	10,947	52,400	1,534,644	4,550,397	632,911	181,175	6,962,474	7,084,271
<b>2020 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	13,646	52,400	1,515,065	4,565,978	681,266	255,916	7,084,271	

## TOWN OF VAUXHALL

### SCHEDULE 3 - SCHEDULE OF PROPERTY AND OTHER TAXES

AS AT DECEMBER 31 2021

	Budget (Unaudited)	2021	2020
<b>TAXATION</b>			
Real property taxes	\$ 1,059,800	\$ 1,040,064	\$ 1,032,799
Linear property taxes	37,000	46,182	37,878
Government grants in lieu of property taxes	6,200	6,400	6,139
Local improvement taxes	234,000	242,613	234,088
Special assessments	-	-	-
	1,337,000	1,335,259	1,310,904
<b>REQUISITIONS</b>			
Alberta School Foundation Fund	240,500	233,936	236,483
Designated Industrial Property Tax	150	137	133
Vauxhall Seniors Foundation	8,800	9,754	9,173
	249,450	243,827	245,789
<b>NET MUNICIPAL TAXES</b>	<b>\$ 1,087,550</b>	<b>\$ 1,091,432</b>	<b>\$ 1,065,115</b>

## TOWN OF VAUXHALL

### SCHEDULE 4 - SCHEDULE OF GOVERNMENT TRANSFERS

AS AT DECEMBER 31 2021

	Budget (Unaudited)	2021	2020
<b>TRANSFERS FOR OPERATING</b>			
Federal government	\$ 11,200	\$ 9,100	\$ 8,400
Provincial government	172,184	142,068	212,943
Other local governments	190,851	208,549	213,621
	374,235	359,717	434,964
<b>TRANSFERS FOR CAPITAL</b>			
Federal government	-	-	-
Provincial government	-	251,792	286,413
Other local governments	-	-	-
	-	251,792	286,413
<b>TOTAL GOVERNMENT TRANSFERS</b>	<b>\$ 374,235</b>	<b>\$ 611,509</b>	<b>\$ 721,377</b>

# TOWN OF VAUXHALL

## SCHEDULE 5 - SCHEDULE OF CONSOLIDATED EXPENDITURES BY OBJECT

AS AT DECEMBER 31 2021

	Budget (Unaudited)	2021	2020
<b>CONSOLIDATED EXPENDITURES BY OBJECT</b>			
Salaries, wages and benefits	\$ 926,378	\$ 896,905	\$ 896,321
Contracted and general services	594,560	567,921	523,392
Materials, goods, supplies and utilities	645,383	749,441	624,913
Provision for allowances	-	60	-
Bank charges and short term interest	501	772	482
Debenture debt charges	65,667	12,924	14,393
Grants to individuals and organizations	55,950	39,904	30,247
Amortization of tangible capital assets	452,500	447,368	454,899
Loss on disposal of tangible capital assets	-	-	-
<b>CONSOLIDATED EXPENDITURES BY OBJECT</b>	<b>\$ 2,740,939</b>	<b>\$ 2,715,295</b>	<b>\$ 2,544,647</b>

# TOWN OF VAUXHALL

## SCHEDULE 6 - SCHEDULE OF SEGMENTED DISCLOSURE

AS AT DECEMBER 31 2021

### REVENUE

	General Government	Protective Services	Transportation	Environmental Services	Public Health	Planning & Development	Recreation & Culture	Total
Net municipal taxes	\$ 1,091,432	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,091,432
Government transfers	94,326	15,000	168,102	180,573		2,658	170,850	\$ 631,509
Sales and user charges	12,646	315		861,934	5,465	7,071	63,610	\$ 951,041
Investment income	25,939					12,000		\$ 37,939
Other revenues	196,684	3,265	6,110	4,883			126,544	\$ 337,486
	<u>1,421,027</u>	<u>18,580</u>	<u>174,212</u>	<u>1,047,390</u>	<u>5,465</u>	<u>21,729</u>	<u>361,004</u>	<u>3,049,408</u>

### EXPENDITURES

Salaries, wages and benefits	260,487	11,322	181,426	196,247	10,638	7,291	229,493	896,905
Contracted and general services	142,353	80,200	34,506	204,701	223	19,346	86,593	567,921
Purchase from other governments								-
Materials, goods, supplies and utilities	51,125	3,001	94,626	456,899	2,843	1,300	139,645	749,440
Transfers to other governments and boards	16,992				9,299		13,781	40,072
Other expenses	13,588							13,588
	<u>484,546</u>	<u>94,523</u>	<u>310,558</u>	<u>857,847</u>	<u>23,004</u>	<u>27,937</u>	<u>469,513</u>	<u>2,267,927</u>

### EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES BEFORE AMORTIZATION

	936,481	(75,943)	(136,346)	189,543	(17,539)	(6,208)	(108,509)	781,481
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### Amortization

	16,526	4,324	168,954	106,506	403	0	150,655	447,368
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### EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES

	<u>919,955</u>	<u>(80,267)</u>	<u>(305,300)</u>	<u>83,037</u>	<u>(17,942)</u>	<u>(6,208)</u>	<u>(259,164)</u>	<u>334,111</u>
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**Town of Vauxhall**  
**Notes to Consolidated Financial Statements**  
**For the Year Ended December 31, 2021**

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**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, 2021**

- 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) **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.
- f) **Tax Revenues**  
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  |

- 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.

**Town of Vauxhall**  
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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>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 506,812	\$ 384,411
GIC's with original maturity of 90 days or less	-	-
	<u>\$ 506,812</u>	<u>\$ 384,411</u>

Included in cash and cash equivalents is a restricted amount of \$1,711,327 (2020 - \$1,577,392) received from various grant programs which are held exclusively for approved projects (Note 8).

**3. TEMPORARY INVESTMENTS**

	<u>2021</u>	<u>2020</u>
GIC's with maturity of more than 90 days	<u>\$ 2,014,750</u>	<u>\$ 2,050,000</u>

The average yield earned from investments during the year ended December 31, 2021 ranged from 1.15% to 1.30% (2020 1.0% - 1.35%). Maturity dates on the investments are in 2022. 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>2021</u>	<u>2020</u>
Current taxes and grants in lieu	\$ 23,049	\$ 25,813
Tax arrears and grants in lieu	11,257	8,752
	<u>\$ 34,306</u>	<u>\$ 34,565</u>
Less allowance for doubtful accounts	-	-
	<u>\$ 34,306</u>	<u>\$ 34,565</u>

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**5. LONG TERM INVESTMENTS**

	<u>2021</u>		<u>2020</u>
AMFC investment	\$ 10	\$	10
South Country Coop Equity	21,858		21,257
UFA Coop Equity	65		65
GIC	6,465		6,376
	<u>\$ 28,398</u>	<u>\$</u>	<u>27,708</u>

GIC interest for the current year 0.30% (2020 – 1.35%)

**6. EMPLOYEE BENEFIT OBLIGATION**

	<u>2021</u>		<u>2020</u>
Vacation and/or overtime	\$ 716	\$	-

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>2021</u>		<u>2020</u>
Tax supported debentures	\$ 414,515	\$	466,875
Less: current portion	(53,860)		(52,360)
	<u>\$ 360,655</u>	<u>\$</u>	<u>414,515</u>

Principal and interest repayments are due as follows:

	<u>Principal</u>		<u>Interest</u>		<u>Total</u>
2022	\$ 53,860	\$	11,807	\$	65,667
2023	55,404		10,263		65,667
2024	56,992		8,675		65,667
2025	58,625		7,042		65,667
2026	53,704		5,361		59,065
Thereafter	135,930		38,737		174,667
	<u>\$ 414,515</u>	<u>\$</u>	<u>81,885</u>	<u>\$</u>	<u>496,400</u>

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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>2021</u>	<u>2020</u>
Unearned licence and rental revenue	\$ 120,447	\$ 118,130
Municipal Sustainability Initiative	1,164,499	904,839
Municipal Stimulus Grant	-	120,000
Municipal Operating Support Transfer	-	72,584
Gas Tax Fund	546,828	479,969
	<u>\$ 1,831,774</u>	<u>1,695,522</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>2021</u>	<u>2020</u>
Tangible capital assets (Schedule 2)	17,744,738	17,706,484
Accumulated amortization (Schedule 2)	(10,782,264)	(10,622,213)
Long term debt (note 7)	(414,515)	(466,875)
	<u>\$ 6,547,959</u>	<u>\$ 6,617,396</u>



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**10. ACCUMULATED SURPLUS**

	<u>2021</u>	<u>2020</u>
Unrestricted surplus (deficit)	\$ 870,422	\$ 552,000
Restricted Surplus		
Operating reserves	136,940	129,438
Fire	92,911	92,911
Roads	285,181	260,181
Storm sewer	115,371	115,371
Water	252,511	245,230
Sewer	39,065	39,065
Garbage	101,743	95,943
Subdivision	87,941	87,941
Cemetery	17,400	17,400
Recreation	169,133	154,134
Disaster	30,000	20,000
Economic Development	20,000	10,000
Bylaw	10,000	5,000
Equity in tangible capital assets	6,547,959	6,617,396
	<u>\$ 8,776,577</u>	<u>\$ 8,442,466</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)	2021 Total	2020 Total
<b>Mayor</b>				
Raymond Coad	2,465	1,309	3,774	-
Margaret Plumtree	7,637	786	8,423	12,849
<b>Councillors:</b>				
Kim Cawley	6,345	1,670	8,015	5,575
Raymond Coad	4,435	300	4,735	5,558
Shelley Deleeuw	1,385	663	2,048	-
Kim Egeland	1,095	654	1,749	-
Linda English	5,805	587	6,392	7,357
Marilyn Forchuk	5,605	915	6,520	5,664
Richard Phillips	4,225	431	4,656	5,414
Margaret Plumtree	2,225	631	2,856	-
Barry Thomsom	1,070	500	1,570	-
Jake Wiebe	3,990	360	4,350	5,147
Municipal Administrator	93,167	24,781	117,948	117,948
Assessor (1) and Development Officer (1)	20,611		20,611	20,476

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- (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 274,863 people and about 433 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 2021 were \$53,244 (2020 - \$52,309). Total current and past service contributions by the employees of the Town to the LAPP in 2021 were \$47,906 (2020- \$47,175)

At December 31, 2020, the plan disclosed an actuarial surplus of \$4.96 billion; the 2021 LAPP actuarial balance was not available at the date of this report.

**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:

	2021 Total	2020 Total
Total debt limit	\$ 4,196,421	\$ 3,888,928
Total debt	414,515	466,875
Amount of debt limit unused (exceeded)	\$ 3,781,906	3,422,053
Debt servicing limit	\$ 699,403	\$ 648,154
Debt servicing	65,667	65,667
Amount of debt servicing limit unused (exceeded)	\$ 633,736	\$ 582,487

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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. SIGNIFICANT 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 2021 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**  
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**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. COMPARATIVE FIGURES**

Some of the comparative figures have been reclassified to conform to the current year's presentation. The changes do not affect prior years earnings.

**21. APPROVAL OF FINANCIAL STATEMENTS**

Council and Management have approved these financial statements.