



Town of Vauxhall Consolidated Financial Statements

DECEMBER 31, 2022

Management's Responsibility for Financial Reporting	Page 1
Independent Auditor's Report	Page 2-3
Consolidated Statement of Financial Position	Page 4
Consolidated Statement of Operations	Page 5
Consolidated Statement of Change in Net Financial Assets (Debt)	Page 6
Consolidated Statement of Cash Flows	Page 7
Schedule of Changes in Accumulated Surplus	Page 8
Schedule of Tangible Capital Assets	Page 9
Schedule of Property and Other Taxes	Page 10
Schedule of Government Transfers	Page 10
Schedule of Consolidated Expenditures by Object	Page 11
Schedule of Segmented Disclosure	Page 12
Notes to Consolidated Financial Statements	Page 13-21

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. Wendy Bergen, CFO

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, 2022, 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, 2022, 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 11, 2023

Chartered Professional Accountants



TOWN OF VAUXHALL

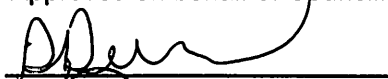
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

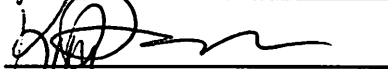
AS AT DECEMBER 31 2022

	2022	2021
FINANCIAL ASSETS		
Cash and cash equivalents (note 2)	\$ 401,868	\$ 506,812
Temporary Investments (note 3)	2,642,348	2,014,750
Receivables		
Taxes and grants in place of taxes (note 4)	35,473	34,306
Trade and other receivables (net)	118,063	73,915
Receivable from other governments	1,396,596	1,298,547
GST recoverable	10,930	14,686
Land held for resale	22,241	201,430
Long term investments (note 5)	29,279	28,398
Other assets	-	-
	4,656,798	4,172,844
LIABILITIES		
Accounts payable and accrued liabilities	124,457	167,949
Payroll remittance payable	193	486
Deposit liabilities	670	320
Employee benefit obligation (note 6)	-	716
Long term debt (note 7)	360,655	414,515
Deferred revenue (note 8)	1,875,123	1,831,774
	2,361,098	2,415,760
NET FINANCIAL ASSETS (DEBT)	2,295,700	1,757,084
NON FINANCIAL ASSETS		
Inventory for consumption	41,569	34,622
Tangible capital assets (Schedule 2)	7,105,604	6,962,474
Prepaid expenses	20,839	22,397
	7,168,012	7,019,493
ACCUMULATED SURPLUS (Schedule 1, note 10)	\$ 9,463,712	\$ 8,776,577

Contingencies - note 14

Approved on behalf of Council:


Councillor


Councillor

TOWN OF VAUXHALL

CONSOLIDATED STATEMENT OF OPERATIONS

AS AT DECEMBER 31 2022

	Budget (Unaudited)	2022	2021
REVENUE			
Net municipal taxes (Schedule 3)	\$ 1,123,279	\$ 1,136,342	\$ 1,091,432
Sales and user charges	773,300	780,821	811,828
Penalties, fines and costs on taxes	13,500	17,143	21,220
Franchise and concession contracts	75,000	111,045	76,102
Investment income	12,100	60,695	25,939
Rentals	93,800	90,033	55,313
Government transfers (Schedule 4)	339,278	375,267	359,717
Licenses and permits	16,750	33,457	13,810
Sale of land held for resale	220,000	507,635	12,000
Other revenues	15,775	97,449	302,567
Gain on sale of assets	-	31,588	27,686
	2,682,782	3,241,475	2,797,614
EXPENDITURES (Schedule 5)			
Legislative	133,600	126,331	91,501
Administration	428,319	413,669	391,417
Fire, disaster services and ambulance	122,885	100,935	84,173
By-law enforcement	20,875	8,638	14,675
Roads, streets, walks, lighting	548,770	489,942	479,513
Water and storm water	614,792	554,341	501,644
Wastewater	118,400	144,919	112,183
Waste management	294,830	279,905	362,139
Cemetery	15,065	16,554	14,107
Municipal Planning, zoning, economic development	220,541	45,039	27,937
Subdivision land development	-	193,128	-
Recreation and culture	607,575	750,267	626,706
Health and FCSS	9,600	9,580	9,299
Loss on disposal of asset	-	-	-
	3,135,252	3,133,248	2,715,295
EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES - BEFORE OTHER	(452,470)	108,227	82,319
OTHER			
Contributed assets	0	446,000	0
Government transfers for capital (Schedule 4)	0	132,908	251,792
EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	(452,470)	687,135	334,111
ACCUMULATED SURPLUS, BEGINNING OF YEAR	8,776,577	8,776,577	8,442,466
ACCUMULATED SURPLUS, END OF YEAR	\$ 8,324,107	\$ 9,463,712	\$ 8,776,577

TOWN OF VAUXHALL

CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS (DEBT)

AS AT DECEMBER 31 2022

	Budget (Unaudited)	2022	2021
EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	\$ (452,470)	\$ 687,135	\$ 334,111
Acquisition of tangible capital assets	(298,300)	(600,799)	(358,363)
Change in construction in progress	-	(18,416)	2,699
Proceeds on disposal of tangible capital assets	-	43,085	57,777
Amortization of tangible capital assets	452,500	464,589	447,368
(Gain) loss on sale of tangible capital assets	-	(31,588)	(27,686)
	154,200	(143,129)	121,795
Net (acquisition) use of inventory for consumption	-	(6,947)	11,928
Net (acquisition) use of prepaid expenses	-	1,557	(1,030)
	-	(5,390)	10,898
CHANGE IN NET FINANCIAL ASSETS (DEBT)	(298,270)	538,616	466,804
NET FINANCIAL ASSETS (DEBT), BEGINNING OF YEAR	1,757,084	1,757,084	1,290,280
NET FINANCIAL ASSETS (DEBT), END OF YEAR	\$ 1,458,814	\$ 2,295,700	\$ 1,757,084

TOWN OF VAUXHALL

CONSOLIDATED STATEMENT OF CASH FLOWS

AS AT DECEMBER 31 2022

	2022	2021
EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURE	\$ 687,135	\$ 334,111
Non-cash items included in excess (shortfall) of revenues over expenditures		
Amortization of tangible capital assets	464,589	447,368
(Gain) Loss on disposal of tangible assets	(31,588)	(27,686)
Non-cash charges to operations (net change):		
Decrease (increase) in taxes and grants in lieu receivables	(1,166)	258
Decrease (increase) in trade and other receivables	(44,148)	72
Decrease (increase) in receivable from other governments	(98,049)	(509,042)
Decrease (increase) in GST	3,757	(4,238)
Decrease (increase) in inventory for consumption	(6,947)	11,928
Decrease (increase) in prepaid expenses	1,558	(1,030)
Decrease (increase) in land held for resale	179,189	-
Decrease (increase) in other assets	-	-
Increase (decrease) in accounts payable and accrued liabilities	(43,494)	50,915
Increase (decrease) in payroll payable	(293)	(1,285)
Increase (decrease) in deposit liabilities	350	(250)
Increase (decrease) in other liabilities	-	-
Increase (decrease) in deferred revenue	43,349	136,252
Increase (decrease) in employee benefit obligation	(716)	716
Cash provided by operating transactions	1,153,526	438,089
INVESTING ACTIVITIES		
Decrease (increase) in long term investments	(881)	(690)
Cash provided (applied to) investing transactions	(881)	(690)
FINANCING ACTIVITIES		
Long term debt issued	-	-
Long term debt repaid	(53,860)	(52,360)
Cash provided (applied to) financing transactions	(53,860)	(52,360)
CAPITAL		
Acquisition of tangible capital assets	(600,799)	(358,363)
Change in construction in progress	(18,416)	2,699
Sale of tangible capital assets	43,084	57,776
Cash applied to capital transactions	(576,131)	(297,888)
CHANGE IN CASH AND EQUIVALENTS DURING YEAR	522,654	87,151
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	\$ 2,521,562	\$ 2,434,411
CASH AND CASH EQUIVALENTS, END OF YEAR	3,044,216	\$ 2,521,562
CASH AND CASH EQUIVALENTS ARE COMPRISED OF:		
Cash (note 2)	\$ 401,868	\$ 506,812
Temporary Investments (note 3)	2,642,348	2,014,750
	\$ 3,044,216	\$ 2,521,562

TOWN OF VAUXHALL

SCHEDULE 1 - SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS

AS AT DECEMBER 31 2022

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2022	2021
BALANCE, BEGINNING OF YEAR	\$ 870,422	\$ 1,358,194	\$ 6,547,961	\$ 8,776,577	\$ 8,442,466
Excess (shortfall) of revenues over expenditures	687,135			687,135	334,111
Unrestricted funds designated for future use				-	-
Operating funds transferred to restricted surplus	(386,900)	386,900		-	-
Restricted funds used for tangible capital assets			-	-	-
Current year funds used for tangible capital assets	(173,216)		173,216	-	-
Contributed tangible capital assets	(446,000)		446,000	-	-
Disposal of tangible capital assets	11,497		(11,497)	-	-
Annual amortization expense	464,589		(464,589)	-	-
Proceeds long term debt				-	-
Long term debt repaid	(53,860)		53,860	-	-
Change in accumulated surplus	103,245	386,900	196,990	687,135	334,111
BALANCE, END OF YEAR (note 10)	\$ 973,667	\$ 1,745,094	\$ 6,744,951	\$ 9,463,712	\$ 8,776,577

TOWN OF VAUXHALL

SCHEDULE 2 - SCHEDULE OF TANGIBLE CAPITAL ASSETS

AS AT DECEMBER 31 2022

	Construction in Progress	Land	Buildings	Engineered Structures	Machinery & Equipment	Vehicles	2022	2021
COST								
Balance, beginning of year	\$ 10,947	\$ 52,400	\$ 3,995,727	\$ 11,960,092	\$ 1,327,165	\$ 398,407	\$ 17,744,738	\$ 17,706,482
Acquisition of tangible capital assets			446,000		102,809	51,990	600,799	358,363
Construction in progress	18,416						18,416	(2,699)
Disposal of tangible capital assets					(66,555)		(66,555)	(293,511)
Writedown of tangible capital assets							-	(23,897)
Transfer of land held for resale	-						-	-
							-	-
Balance, end of year	29,363	52,400	4,441,727	11,960,092	1,363,419	450,397	18,297,398	17,744,738
ACCUMULATED AMORTIZATION								
Balance, beginning of year			2,461,083	7,409,695	694,254	217,232	10,782,264	10,622,213
Annual amortization			95,006	247,260	79,162	43,160	464,588	447,369
Accumulated amortization on disposal					(55,058)		(55,058)	(287,318)
Balance, end of year	-	-	2,556,089	7,656,955	718,358	260,392	11,191,794	10,782,264
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	29,363	52,400	1,885,638	4,303,137	645,061	190,005	7,105,604	6,962,474
2021 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	10,947	52,400	1,534,644	4,550,397	632,911	181,175		6,962,474

TOWN OF VAUXHALL

SCHEDULE 3 - SCHEDULE OF PROPERTY AND OTHER TAXES

AS AT DECEMBER 31 2022

	Budget (Unaudited)	2022	2021
TAXATION			
Real property taxes	\$ 1,084,605	\$ 1,100,451	\$ 1,040,064
Linear property taxes	48,399	41,028	46,182
Government grants in lieu of property taxes	6,400	6,561	6,400
Local improvement taxes	245,000	249,346	242,613
Special assessments	-	-	-
	1,384,404	1,397,385	1,335,259
REQUISITIONS			
Alberta School Foundation Fund	250,150	250,114	233,936
Designated Industrial Property Tax	175	137	137
Vauxhall Seniors Foundation	10,800	10,792	9,754
	261,125	261,043	243,827
NET MUNICIPAL TAXES	\$ 1,123,279	\$ 1,136,342	\$ 1,091,432

TOWN OF VAUXHALL

SCHEDULE 4 - SCHEDULE OF GOVERNMENT TRANSFERS

AS AT DECEMBER 31 2022

	Budget (Unaudited)	2022	2021
TRANSFERS FOR OPERATING			
Federal government	\$ 9,100	\$ 5,040	\$ 9,100
Provincial government	139,000	155,834	142,068
Other local governments	191,178	214,393	208,549
	339,278	375,267	359,717
TRANSFERS FOR CAPITAL			
Federal government	-	-	-
Provincial government	-	132,908	251,792
Other local governments	0	-	-
	-	132,908	251,792
TOTAL GOVERNMENT TRANSFERS	\$ 339,278	\$ 508,175	\$ 611,509

TOWN OF VAUXHALL

SCHEDULE 5 - SCHEDULE OF CONSOLIDATED EXPENDITURES BY OBJECT

AS AT DECEMBER 31 2022

	Budget (Unaudited)	2022	2021
CONSOLIDATED EXPENDITURES BY OBJECT			
Salaries, wages and benefits	\$ 901,476	\$ 957,463	\$ 896,905
Contracted and general services	659,110	919,136	567,921
Materials, goods, supplies and utilities	690,178	728,553	749,441
Provision for allowances	-	531	60
Bank charges and short term interest	551	409	772
Debenture debt charges	65,667	11,413	12,924
Grants to individuals and organizations	61,820	51,153	44,904
Amortization of tangible capital assets	452,500	464,589	447,368
Loss on disposal of tangible capital assets	-	-	-
CONSOLIDATED EXPENDITURES BY OBJECT	\$ 2,831,302	\$ 3,133,248	\$ 2,720,295

TOWN OF VAUXHALL

SCHEDULE 6 - SCHEDULE OF SEGMENTED DISCLOSURE

AS AT DECEMBER 31 2022

	General Government	Protective Services	Transportation	Environmental Services	Public Health	Planning & Development	Recreation & Culture	Total
REVENUE								
Net municipal taxes	\$ 1,136,342	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,136,342
Government transfers	89,466	15,000	120,310	125,065		2,658	155,677	\$ 508,176
Sales and user charges	13,191	540		740,757	8,700	26,898	95,333	\$ 885,419
Investment income	60,695							\$ 60,695
Other revenues	639,687	1,950	5,800	4,175		507,635	70,504	\$ 1,229,751
	<u>1,939,380</u>	<u>17,490</u>	<u>126,110</u>	<u>869,997</u>	<u>8,700</u>	<u>537,191</u>	<u>321,514</u>	<u>3,820,383</u>
EXPENDITURES								
Salaries, wages and benefits	276,259	7,685	175,040	220,294	11,468	7,603	259,115	957,464
Contracted and general services	200,997	97,028	53,362	247,669	407	214,285	105,388	919,136
Purchase from other governments								-
Materials, goods, supplies and utilities	27,351	535	86,559	400,242	4,276	8,881	200,771	728,615
Transfers to other governments and boards	17,517				9,580		24,055	51,152
Other expenses	12,292							12,292
	<u>534,416</u>	<u>105,248</u>	<u>314,961</u>	<u>868,206</u>	<u>25,731</u>	<u>230,769</u>	<u>589,330</u>	<u>2,668,660</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES BEFORE AMORTIZATION	1,404,964	(87,758)	(188,851)	1,791	(17,031)	306,422	(267,816)	1,151,723
Amortization	20,646	4,325	174,981	100,351	403	0	163,882	464,588
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>1,384,318</u>	<u>(92,083)</u>	<u>(363,832)</u>	<u>(98,560)</u>	<u>(17,434)</u>	<u>306,422</u>	<u>(431,698)</u>	<u>687,135</u>

Town of Vauxhall
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2022

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, 2022

- 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
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2022

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>2022</u>		<u>2021</u>
Cash and cash equivalents	\$	401,868	\$	506,812
GIC's with original maturity of 90 days or less		-		-
		<hr/>		<hr/>
	\$	401,868	\$	506,812

Included in cash and cash equivalents and receivable from other governments is a restricted amount of \$1,800,151 (2021 - \$1,711,327) received from various grant programs which are held exclusively for approved projects (Note 8).

3. TEMPORARY INVESTMENTS

		<u>2022</u>		<u>2021</u>
GIC's with maturity of more than 90 days	\$	2,642,348	\$	2,014,750

The average yield earned from investments during the year ended December 31, 2022, ranged from 4.10% to 4.50% (2021 – 1.15% to 1.30%). Maturity dates on the investments are in 2023. 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>2022</u>		<u>2021</u>
Current taxes and grants in lieu	\$	28,785	\$	53,049
Tax arrears and grants in lieu		6,688		11,257
		<hr/>		<hr/>
	\$	35,473	\$	34,306
Less allowance for doubtful accounts		-		-
		<hr/>		<hr/>
	\$	35,473	\$	34,306

Town of Vauxhall
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2022

5. LONG TERM INVESTMENTS

	<u>2022</u>	<u>2021</u>
AMFC investment	\$ 10	\$ 10
South Country Coop Equity	22,719	21,858
UFA Coop Equity	65	65
GIC	6,485	6,465
	<u>\$ 29,279</u>	<u>\$ 28,398</u>

GIC interest for the current year 1.00% (2021 – 0.30%)

6. EMPLOYEE BENEFIT OBLIGATION

	<u>2022</u>	<u>2021</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>2022</u>	<u>2021</u>
Tax supported debentures	\$ 360,655	\$ 414,515
Less: current portion	(55,404)	(53,860)
	<u>\$ 305,251</u>	<u>\$ 360,655</u>

Principal and interest repayments are due as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 55,404	\$ 10,263	\$ 65,667
2024	56,992	8,675	65,667
2025	58,625	7,042	65,667
2026	60,306	5,361	65,667
2027	27,982	3,726	31,708
Thereafter	101,346	21,698	123,044
	<u>\$ 360,655</u>	<u>\$ 56,765</u>	<u>\$ 417,420</u>

Town of Vauxhall
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2022

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>2022</u>	<u>2021</u>
Unearned licence and rental revenue	\$ 74,971	\$ 120,447
Municipal Sustainability Initiative	1,194,791	1,164,499
Gas Tax Fund	605,360	546,828
	<u>\$ 1,875,123</u>	<u>1,831,774</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>2022</u>	<u>2021</u>
Tangible capital assets (Schedule 2)	18,297,398	17,744,738
Accumulated amortization (Schedule 2)	(11,191,794)	(10,782,264)
Long term debt (note 7)	(360,655)	(414,515)
	<u>\$ 6,744,949</u>	<u>\$ 6,547,959</u>

Town of Vauxhall
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2022

10. ACCUMULATED SURPLUS

	<u>2022</u>	<u>2021</u>
Unrestricted surplus (deficit)	\$ 973,667	\$ 870,422
Restricted Surplus		
Operating reserves	154,440	136,940
Fire	92,911	92,911
Roads	347,781	285,181
Storm sewer	115,371	115,371
Water	259,511	252,511
Sewer	39,065	39,065
Garbage	107,543	101,743
Subdivision	337,941	87,941
Cemetery	17,400	17,400
Recreation	194,133	169,133
Disaster	40,000	30,000
Economic Development	24,000	20,000
Bylaw	15,000	10,000
Equity in tangible capital assets	6,744,949	6,547,959
	<u>\$ 9,463,712</u>	<u>\$ 8,776,577</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)	2022 Total	2021 Total
Mayor				
Raymond Coad	13,002	1,789	14,791	3,774
Margaret Plumtree	-	-	-	8,423
Councillors:				
Kim Cawley	6,030	1,914	7,197	8,015
Raymond Coad	-	-	-	4,735
Shelley Deleeuw	6,585	773	7,358	2,048
Kim Dorin	5,760	717	6,477	1,749
Linda English	-	-	-	6,392
Marilyn Forchuk	6,525	672	7,197	6,520
Richard Phillips	-	-	-	5,414
Margaret Plumtree	8,170	2,338	10,775	2,856
Barry Thomson	4,965	-	4,965	1,570
Jake Wiebe	-	-	-	4,350
Municipal Administrator	98,656	22,461	121,117	117,948
Assessor (1) and Development Officer (1)	21,970	-	20,611	20,611

Town of Vauxhall
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2022

- (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 281,761 people and about 435 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 2022 were \$49,197 (2021 - \$53,244). Total current and past service contributions by the employees of the Town to the LAPP in 2022 were \$43,729 (2021- \$47,906)

At December 31, 2021, the plan disclosed an actuarial surplus of \$11.922 billion; the 2022 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:

	2022 Total	2021 Total
Total debt limit	\$ 4,862,213	\$ 4,196,421
Total debt	360,655	414,515
Amount of debt limit unused (exceeded)	<u>\$ 4,501,558</u>	<u>3,781,906</u>
Debt servicing limit	\$ 810,369	\$ 699,403
Debt servicing	65,667	65,667
Amount of debt servicing limit unused (exceeded)	<u>\$ 744,702</u>	<u>\$ 633,736</u>

Town of Vauxhall
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2022

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. 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.

15. 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.

16. BUDGET AMOUNTS

The 2022 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.

17. 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.

Town of Vauxhall
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2022

18. 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.

19. 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.

20. APPROVAL OF FINANCIAL STATEMENTS

Council and Management have approved these financial statements.