

**VILLAGE OF WABAMUN**  
**Financial Statements**  
**For The Year Ended December 31, 2014**

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## INDEPENDENT AUDITORS' REPORT

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To the Mayor and Council of the Village of Wabamun

We have audited the accompanying financial statements of the Village of Wabamun, which comprise the statement of financial position as at December 31, 2014, and the statements of annual surplus and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these 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.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Village of Wabamun as at December 31, 2014 and the results of its operations, the change in its net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### *Other Matter*

The financial statements of the Village as at and for the year ended December 31, 2013 were audited by another auditor who expressed an unqualified opinion on those financial statements on June 17, 2014.



Edmonton, Alberta  
April 7, 2015

Hawkings Epp Dumont LLP  
Chartered Accountants

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## **MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

To His Worship the Mayor and Members of Council of the Village of Wabamun

The integrity, relevance and comparability of the data in the accompanying financial statements are the responsibility of management.

The financial statements are prepared by management in accordance with Canadian public sector accounting standards. They necessarily include some amounts that are based on the best estimates and judgements of management.

To assist in its responsibility, management maintains accounting, budget and other controls to provide reasonable assurance that transactions are appropriately authorized, that assets are properly accounted for and safeguarded, and that financial records are reliable for preparation of financial statements.

Hawkings Epp Dumont LLP, Chartered Accountants, have been appointed by the Village Council to express an opinion on the Town's financial statements.

Wabamun, Alberta  
April 7, 2015

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Shawn Patience  
Chief Administrative Officer

**VILLAGE OF WABAMUN  
STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2014**

	2014	2013
<b>FINANCIAL ASSETS</b>		
Cash and temporary investments (Note 2)	\$ 6,006,354	\$ 6,801,300
Investments (Note 3)	46,600	44,814
Receivables (Note 4)	520,165	534,047
Land held for resale	1,283,767	1,309,988
	<u>7,856,886</u>	<u>8,690,149</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	150,030	165,478
Deposit liabilities	6,900	6,900
Deferred revenue (Note 6)	333,514	811,668
	<u>490,444</u>	<u>984,046</u>
<b>NET FINANCIAL ASSETS</b>	<u>7,366,442</u>	<u>7,706,103</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 5)	12,043,554	12,074,685
Prepaid expenses	2,875	2,875
	<u>12,046,429</u>	<u>12,077,560</u>
<b>ACCUMULATED SURPLUS (Note 8)</b>	<u>\$ 19,412,871</u>	<u>\$ 19,783,663</u>
Contingencies (Note 10)		

The accompanying notes are an integral part of these financial statements.

**VILLAGE OF WABAMUN**  
**STATEMENT OF ANNUAL SURPLUS AND ACCUMULATED SURPLUS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	2014 (Budget) (Note 16)	2014 (Actual)	2013 (Actual)
<b>REVENUE</b>			
Net municipal taxes (Schedule 2)	\$ 624,738	\$ 624,577	\$ 628,285
Sales and user charges (Schedule 4)	380,615	429,092	339,549
Rentals	157,958	152,743	116,030
Interest	120,000	113,528	111,464
Government transfers for operating (Schedule 3)	73,506	71,800	63,198
Fines	20,150	26,063	25,193
Other	10,300	14,189	17,544
Penalties and costs on taxes	8,900	12,715	8,916
Franchise and concession contracts	11,000	11,083	-
Licenses and permits	5,100	6,754	3,174
	<u>1,412,267</u>	<u>1,462,544</u>	<u>1,313,353</u>
<b>EXPENSES</b>			
Roads, streets, walks and lighting	442,707	428,709	346,622
General administration	379,296	369,695	339,627
Water supply and distribution	281,660	295,651	402,216
Parks and recreation	232,745	160,127	393,418
Waste management	81,000	76,299	90,462
Culture: library and hall	71,145	73,030	91,056
Legislative	57,780	67,951	57,038
Bylaw enforcement	84,500	66,760	103,211
Land use planning, zoning and development	62,633	57,628	40,585
Waste water treatment and disposal	53,220	41,475	106,144
Subdivision land and development	12,900	36,844	33,307
Fire	38,443	27,424	28,450
Family and community support	17,459	19,145	8,850
Public housing	10,287	15,821	7,356
Ambulance and first aid	4,888	4,481	4,831
Disaster and emergency services	200	73	100
Cemeteries	-	-	5,535
Amortization	-	570,490	572,199
	<u>1,830,863</u>	<u>2,311,603</u>	<u>2,631,007</u>
<b>ANNUAL SURPLUS (DEFICIT) BEFORE OTHER REVENUE</b>	<u>(418,596)</u>	<u>(849,059)</u>	<u>(1,317,654)</u>
<b>OTHER REVENUE (EXPENSES)</b>			
Government transfers for capital (Schedule 3)	75	477,989	352,326
Gain (loss) on disposal of tangible capital assets	21,000	278	(2,950)
	<u>21,075</u>	<u>478,267</u>	<u>349,376</u>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<u>(397,521)</u>	<u>(370,792)</u>	<u>(968,278)</u>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<u>19,783,663</u>	<u>19,783,663</u>	<u>20,751,941</u>
<b>ACCUMULATED SURPLUS, END OF YEAR (Note 8)</b>	<u>\$ 19,386,142</u>	<u>\$ 19,412,871</u>	<u>\$ 19,783,663</u>

The accompanying notes are an integral part of these financial statements.

**VILLAGE OF WABAMUN**  
**STATEMENT OF CHANGES IN NET FINANCIAL ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	2014 (Budget) (Note 16)	<b>2014 (Actual)</b>	2013 (Actual)
<b>ANNUAL SURPLUS (DEFICIT)</b>	\$ (397,521)	\$ <b>(370,792)</b>	\$ (968,278)
Acquisition of tangible capital assets	-	<b>(583,740)</b>	(505,214)
Amortization of tangible capital assets	-	<b>570,490</b>	572,201
Proceeds on disposal of tangible capital assets	21,000	<b>44,659</b>	13,000
Loss on sale of tangible capital assets	-	<b>(278)</b>	2,950
	<u>(376,521)</u>	<u><b>(339,661)</b></u>	<u>(885,341)</u>
<b>DECREASE IN NET FINANCIAL ASSETS</b>	(376,521)	<b>(339,661)</b>	(885,341)
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>	<u>7,706,103</u>	<u><b>7,706,103</b></u>	<u>8,591,444</u>
<b>NET FINANCIAL ASSETS - END OF YEAR</b>	<u>\$ 7,329,582</u>	<u>\$ <b>7,366,442</b></u>	<u>\$ 7,706,103</u>

The accompanying notes are an integral part of these financial statements.

**VILLAGE OF WABAMUN  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	2014	2013
<b>OPERATING ACTIVITIES</b>		
Annual surplus (deficit)	\$ (370,792)	\$ (968,278)
Non-cash items not included in excess of revenue over expenses:		
Amortization	570,490	572,199
Loss (gain) on disposal of tangible capital assets	(278)	2,950
	<u>199,420</u>	<u>(393,129)</u>
Changes in non-cash working capital balances related to operations:		
Receivables	13,883	370,984
Land held for resale	26,221	(31,721)
Accounts payable and accrued liabilities	(15,449)	36,975
Deferred revenue	(478,154)	16,942
Deposit liabilities	-	(26,114)
	<u>(453,499)</u>	<u>367,066</u>
Cash flow used by operating activities	<u>(254,079)</u>	<u>(26,063)</u>
<b>CAPITAL ACTIVITIES</b>		
Purchase of tangible capital assets	(583,741)	(505,214)
Proceeds on sale of tangible capital assets	44,659	13,000
Cash flow used by capital activities	<u>(539,082)</u>	<u>(492,214)</u>
<b>FINANCING ACTIVITIES</b>		
Purchase of investments	(1,786)	(1,718)
<b>DECREASE IN CASH FLOW</b>	<b>(794,947)</b>	<b>(519,995)</b>
<b>CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR</b>	<b>6,801,301</b>	<b>7,321,295</b>
<b>CASH AND TEMPORARY INVESTMENTS - END OF YEAR</b>	<b>\$ 6,006,354</b>	<b>\$ 6,801,300</b>

The accompanying notes are an integral part of these financial statements.

**VILLAGE OF WABAMUN**  
**SCHEDULE OF EQUITY IN TANGIBLE CAPITAL ASSETS**      *(Schedule 1)*  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	2014	2013
<b>BALANCE, BEGINNING OF YEAR</b>	<b>\$ 12,074,685</b>	\$ 12,157,622
Acquisition of tangible capital assets	<b>583,741</b>	505,214
Amortization of tangible capital assets	<b>(570,490)</b>	(572,199)
Net book value of tangible capital assets disposed of	<b>(44,382)</b>	(15,952)
<b>BALANCE, END OF YEAR</b>	<b><u>\$ 12,043,554</u></b>	<u>\$ 12,074,685</u>
Equity in tangible capital assets is comprised of the following:		
Tangible capital assets (net book value)	<b><u>\$ 12,043,554</u></b>	<u>\$ 12,074,685</u>

The accompanying notes are an integral part of these financial statements.



**VILLAGE OF WABAMUN  
SCHEDULE OF PROPERTY TAXES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

*(Schedule 2)*

	2014 (Budget) (Note 15)	<b>2014 (Actual)</b>	2013 (Actual)
<b>TAXATION</b>			
Real property taxes	\$ 693,122	\$ <b>692,961</b>	\$ 688,652
Linear property taxes	163,130	<b>163,130</b>	168,505
	<u>856,252</u>	<u><b>856,091</b></u>	<u>857,157</u>
<b>REQUISITIONS</b>			
Alberta School Foundation Fund	228,133	<b>228,133</b>	225,491
Meridian Foundation	3,381	<b>3,381</b>	3,381
	<u>231,514</u>	<u><b>231,514</b></u>	<u>228,872</u>
<b>NET MUNICIPAL PROPERTY TAXES</b>	<u>\$ 624,738</u>	<u>\$ <b>624,577</b></u>	<u>\$ 628,285</u>

The accompanying notes are an integral part of these financial statements.

**VILLAGE OF WABAMUN**  
**SCHEDULE OF GOVERNMENT TRANSFERS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

*(Schedule 3)*

	2014 (Budget) (Note 15)	<b>2014 (Actual)</b>	2013 (Actual)
<b>TRANSFERS FOR OPERATING</b>			
Provincial government	\$ 36,506	\$ <b>52,625</b>	\$ 43,948
Local governments	37,000	<b>19,175</b>	19,250
	73,506	<b>71,800</b>	63,198
<b>TRANSFERS FOR CAPITAL</b>			
Provincial government conditional transfers	75	<b>477,989</b>	352,326
<b>TOTAL GOVERNMENT TRANSFERS</b>	<b>\$ 73,581</b>	<b>\$ 549,789</b>	<b>\$ 415,524</b>

The accompanying notes are an integral part of these financial statements.

**VILLAGE OF WABAMUN  
SCHEDULE OF SEGMENTED INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2014**

*(Schedule 4)*

	General Administration	Transportation	Protective Services	Recreation & Culture	Environmental Services	All Other	Total
<b>REVENUE</b>							
Taxation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 624,577	\$ 624,577
Sales and user charges	2,141	-	9,310	36,196	378,487	2,958	429,092
Rentals	5,221	-	11,100	89,022	47,400	-	152,743
Interest	113,528	-	-	-	-	-	113,528
Government transfers	-	-	-	34,375	19,047	18,378	71,800
Fines	-	-	26,063	-	-	-	26,063
Franchise fees & concession contracts	11,083	-	-	-	-	-	11,083
Other	6,342	3,399	-	200	3,836	412	14,189
Penalties and costs on taxes	12,715	-	-	-	-	-	12,715
Licenses and permits	2,924	-	1,255	-	-	2,575	6,754
	<u>153,954</u>	<u>3,399</u>	<u>47,728</u>	<u>159,793</u>	<u>448,770</u>	<u>648,900</u>	<u>1,462,544</u>
<b>EXPENSES</b>							
Salaries, wages and benefits	250,519	257,648	112	-	9,467	92,419	610,165
Contracted services	68,850	27,517	78,317	109,411	274,507	57,442	616,044
Utilities and telephone	14,836	63,190	6,157	61,994	76,571	14,570	237,318
Materials, goods, and supplies	9,212	73,020	11,837	34,412	45,600	9,855	183,936
Insurance	22,603	7,333	2,315	27,340	7,280	1,852	68,723
Transfers to local boards and agencies	3,676	-	-	-	-	21,251	24,927
	<u>\$ 369,696</u>	<u>\$ 428,708</u>	<u>\$ 98,738</u>	<u>\$ 233,157</u>	<u>\$ 413,425</u>	<u>\$ 197,389</u>	<u>\$ 1,741,113</u>
<b>NET REVENUE (DEFICIT) BEFORE AMORTIZATION</b>							
	(215,742)	(425,309)	(51,010)	(73,364)	35,345	451,511	(278,569)
Amortization	29,782	153,174	7,949	164,112	194,542	20,931	570,490
<b>NET REVENUE (DEFICIT)</b>	<u>\$ (245,524)</u>	<u>\$ (578,483)</u>	<u>\$ (58,959)</u>	<u>\$ (237,476)</u>	<u>\$ (159,197)</u>	<u>\$ 430,580</u>	<u>\$ (849,059)</u>

The accompanying notes are an integral part of these financial statements.

**VILLAGE OF WABAMUN**  
**SCHEDULE OF SEGMENTED INFORMATION**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

*(Schedule 4)*

	General Administration	Transportation	Protective Services	Recreation & Culture	Environmental Services	All Other	Total
<b>REVENUE</b>							
Taxation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 628,285	\$ 628,285
Sales and user charges	921	-	3,700	33,506	260,956	40,466	339,549
Rentals	12,155	-	8,700	86,875	8,300	-	116,030
Interest	111,464	-	-	-	-	-	111,464
Government transfers	-	-	-	19,250	-	43,948	63,198
Fines	-	-	25,193	-	-	-	25,193
Other	8,364	2,352	2,900	50	3,829	49	17,544
Licenses and permits	829	-	445	-	-	1,900	3,174
Penalties and costs on taxes	8,916	-	-	-	-	-	8,916
	<u>142,649</u>	<u>2,352</u>	<u>40,938</u>	<u>139,681</u>	<u>273,085</u>	<u>714,648</u>	<u>1,313,353</u>
<b>EXPENSES</b>							
Contracted services	\$ 158,245	\$ 41,082	\$ 117,307	\$ 170,564	\$ 306,078	\$ 22,573	\$ 815,849
Salaries, wages and benefits	125,342	154,802	-	150,072	127,633	97,965	655,814
Materials, goods, and supplies	13,070	82,776	8,841	53,107	50,649	15,111	223,554
Utilities and telephone	23,705	60,502	7,494	85,663	107,755	6,561	291,680
Insurance	19,265	7,460	1,950	25,068	6,707	1,261	61,711
Transfers to local boards and agencies	-	-	1,000	-	-	9,200	10,200
	<u>339,627</u>	<u>346,622</u>	<u>136,592</u>	<u>484,474</u>	<u>598,822</u>	<u>152,671</u>	<u>2,058,808</u>
<b>NET REVENUE (DEFICIT) BEFORE AMORTIZATION</b>	(196,978)	(344,270)	(95,654)	(344,793)	(325,737)	561,977	(745,455)
Amortization	32,280	89,179	13,101	160,583	194,274	82,782	572,199
<b>NET REVENUE (DEFICIT)</b>	<u>\$ (229,258)</u>	<u>\$ (433,449)</u>	<u>\$ (108,755)</u>	<u>\$ (505,376)</u>	<u>\$ (520,011)</u>	<u>\$ 479,195</u>	<u>\$ (1,317,654)</u>

The accompanying notes are an integral part of these financial statements.

**VILLAGE OF WABAMUN**  
**Notes to Financial Statements**  
**December 31, 2014**

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**1. ACCOUNTING POLICIES**

The financial statements of the Village of Wabamun (the "Village") are the representations of management, prepared in accordance with Canadian public sector accounting standards. Significant aspects of the accounting policies adopted by the Village are as follows:

(a) Reporting Entity

The financial statements reflect the assets, liabilities, revenues and expenditures, and cash flows of the reporting entity. The entity is comprised of all the organizations that are owned or controlled by the Village and are, therefore, accountable to Village Council for the administration of their financial affairs and resources.

The schedule of taxes levied also includes requisitions for education that are not part of the reporting entity.

The statements exclude trust assets that are administered for the benefit of external parties.

(b) Basis of Accounting

Revenues are accounted for in the period in which the transactions or events occurred that gave rise to the revenues.

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 are recognized in the financial statements as revenues in the period that the events giving rise to the transfer occurred, providing the transfers are authorized, the Town has met any eligibility criteria, and reasonable estimates of the amounts can be made.

Expenditures are recognized in the period the goods and services are acquired and a liability is incurred or transfers are due.

(c) Use of Estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards 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 expenditures 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.

(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.

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**VILLAGE OF WABAMUN**  
**Notes to Financial Statements**  
**December 31, 2014**

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**1. ACCOUNTING POLICIES (continued)**

(e) Tax Revenue

Property taxes are recognized as revenue in the year they are levied.

Construction and borrowing costs associated with local improvement projects are recovered through annual special assessments during the period of the related borrowings. These levies are collectable from propriety owners for work performed by the Village and are recognized as revenue in the year the tax is levied.

(f) Land held 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 leveling 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.

(g) Prepaid Local Improvement Charges

Construction and borrowing costs associated with local improvement projects are recovered through annual special assessments during the period of the related borrowings. These levies are collectable from property owners for work performed by the municipality.

Where a taxpayer has elected to prepay the outstanding local improvement charges, such amounts are recorded as deferred revenue. Deferred revenue is amortized to revenue on a straight line basis over the remaining term of the related borrowings.

In the event that the prepaid amounts are applied against the related borrowings, the deferred revenue is amortized to revenue by an amount equal to the debt repayment.

(h) Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable 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:

Land improvements	20 years
Buildings	50 Years
Engineered structures	10 - 75 years
Vehicles	8 - 12 years
Machinery and equipment	5 - 20 years
Engineered structures	

Tangible capital assets received as contributions are recorded at fair value at the date of receipt and also are recorded as revenue.

Works of art for display are not recorded as tangible capital assets but are disclosed.

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**VILLAGE OF WABAMUN**  
**Notes to Financial Statements**  
**December 31, 2014**

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**1. ACCOUNTING POLICIES (continued)**

(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.

(j) Over-levy and Under-levy

Over-levies and under-levies arise from the difference between the actual property tax levy made to cover each requisition and the actual amount requisitioned.

If the actual levy exceeds the requisition, the over-levy is accrued as a liability and property tax revenue is reduced. Where the actual levy is less than the requisition amount, the under-levy is accrued as a receivable and as property tax revenue.

Requisition tax rates in the subsequent year are adjusted for any over-levies or under-levies of the prior year.

(k) Equity in Capital Assets

Equity in capital assets represents the Villages's net investment in its capital assets after deducting the portion financed by third parties through debenture, bond and mortgage debts, long term capital borrowings, capitalized leases and other capital liabilities which will be repaid by the municipality.

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**VILLAGE OF WABAMUN**  
**Notes to Financial Statements**  
**December 31, 2014**

**2. CASH AND TEMPORARY INVESTMENTS**

	2014	2013
Operating account	\$ 184,209	\$ 2,039,082
Temporary investments	5,841,907	4,781,980
Subtotal	6,026,116	6,821,062
Less: cash held in trust (Note 7)	(19,762)	(19,762)
	\$ 6,006,354	\$ 6,801,300

Temporary investments are readily convertible to cash and consist of a Guaranteed Investment Certificates bearing interest at rate ranging from 1.25% to 2.10% maturing in March, July, and September 2015.

**3. INVESTMENTS**

	2014	2013
Servus Credit Union common shares	\$ 46,590	\$ 44,804
Alberta Municipal Financial Corporation shards	10	10
	\$ 46,600	\$ 44,814

**4. RECEIVABLES**

	2014	2013
Trade and other	\$ 313,464	\$ 355,305
Local improvement taxes	75,873	81,995
Taxes and grants in place of taxes	58,938	26,844
Utilities	52,334	46,482
Goods and Services Tax rebate	19,556	23,421
	\$ 520,165	\$ 534,047

Local Improvement Taxes

- a) The Village passed Bylaw 05-2003 authorizing Council to provide for a local improvement to complete an extension of a sanitary sewer forcemain in the Westview Estates Subdivision. The total cost of the local improvement was \$130,000, is repayable in 20 annual instalments of \$10,878 including interest at a fixed rate of 5.50% per annum maturing September 2023.
- b) The Village passed Bylaw 01-2003 authorizing Council to provide for a local improvement to complete an extension of a sanitary sewer forcemain north of 52 Avenue in line with 47 Street to the south boundary of Lot 1, Block 11, Plan 022-5897. The total cost of the local improvement was \$25,000, is repayable in 20 annual instalments of \$2,092 including interest at a fixed rate of 5.50% per annum maturing September 2023.



**VILLAGE OF WABAMUN**  
**Notes to Financial Statements**  
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**5. TANGIBLE CAPITAL ASSETS**

	2014 Net Book Value	2013 Net Book Value
Engineered Structures		
Roadway systems	\$ 1,847,804	\$ 1,386,080
Water systems	5,379,697	5,879,486
Wastewater systems	1,305,478	1,322,875
Electrical systems	57,178	181,445
	<b>8,590,157</b>	<b>8,769,886</b>
Buildings	2,426,585	2,458,354
Machinery and equipment	565,546	325,985
Land	231,930	231,930
Land improvements	211,686	267,575
Vehicles	17,650	20,955
	<b>\$ 12,043,554</b>	<b>\$ 12,074,685</b>

	Cost Beginning of Year	Purchased Additions	Disposals	Transfers	Cost End of Year
Engineered Structures					
Roadway systems	\$ 7,223,315	\$ -	\$ -	\$ -	\$ 7,223,315
Water systems	6,588,039	278,702	-	-	6,866,741
Wastewater systems	2,466,358	32,075	-	-	2,498,433
Electrical systems	209,624	-	-	(121,756)	87,868
	16,487,336	310,777	-	(121,756)	16,676,357
Buildings	4,091,380	29,909	-	33,167	4,154,456
Machinery and equipment	1,459,779	243,055	102,292	108,153	1,708,695
Land	231,930	-	-	-	231,930
Land improvements	805,980	-	-	(19,564)	786,416
Vehicles	199,786	-	-	-	199,786
	<b>\$ 23,276,191</b>	<b>\$ 583,741</b>	<b>\$ 102,292</b>	<b>\$ -</b>	<b>\$ 23,757,640</b>

	Accumulated Amortization Beginning of Year	Current Amortization	Disposals	Transfers	Accumulated Amortization End of Year
Engineered Structures					
Roadway systems	\$ 5,201,959	\$ 173,552	-	\$ -	\$ 5,375,511
Water systems	1,343,829	143,215	-	-	1,487,044
Wastewater systems	1,143,483	49,472	-	-	1,192,955
Electrical systems	28,179	2,511	-	-	30,690
	7,717,450	368,750	-	-	8,086,200
Buildings	1,633,026	87,802	-	7,043	1,727,871
Land improvements	538,405	43,368	-	(7,043)	574,730
Vehicles	178,831	3,305	-	-	182,136
Machinery and equipment	1,133,794	67,265	(57,910)	-	1,143,149
	<b>\$ 11,201,506</b>	<b>\$ 570,490</b>	<b>\$ (57,910)</b>	<b>\$ -</b>	<b>\$ 11,714,086</b>

**VILLAGE OF WABAMUN**  
**Notes to Financial Statements**  
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**6. DEFERRED REVENUE**

Deferred revenue consists of funds received which are restricted to costs of future periods.

	<u>2014</u>	<u>2013</u>
Municipal Sustainability Initiative - Capital	\$ 269,783	\$ 512,722
TransAlta Grant	50,000	50,000
Other	13,731	48,946
Federal Gas tax Fund Grant	-	200,000
	<u>\$ 333,514</u>	<u>\$ 811,668</u>

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**7. FUNDS HELD IN TRUST**

The Village administers the following trust funds on behalf of third parties. As related trust assets are not owned by the Village, the trusts have been excluded from the financial statements.

	<u>2014</u>	<u>2013</u>
Rescue Boat	\$ 10,731	\$ 10,731
Fire Department	6,113	6,113
Youth Council	2,919	2,919
	<u>\$ 19,763</u>	<u>\$ 19,763</u>

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**8. ACCUMULATED SURPLUS**

	<u>2014</u>	<u>2013</u>
Unrestricted surplus	\$ 4,401,564	\$ 4,730,640
Restricted surplus		
Capital reserves	2,967,753	2,978,338
Equity in tangible capital assets ( <i>Schedule 1</i> )	12,043,554	12,074,685
	<u>\$ 19,412,871</u>	<u>\$ 19,783,663</u>

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**9. RELATED PARTY TRANSACTIONS**

Recreation and culture expenses include \$12,750 (2013 - Nil) for janitorial services to the spouse of a Village Council member.

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**10. CONTINGENCIES**

The Village is a member of the Alberta Municipal Insurance Exchange (MUNIX). Under the terms of membership, the Village 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.

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**VILLAGE OF WABAMUN**  
**Notes to Financial Statements**  
**December 31, 2014**

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**11. CONTRACTUAL OBLIGATIONS**

The Village has entered into an agreement for waste hauling services for the period June 1, 2013 - May 31, 2018. The estimated cost of these services is approximately \$80,000 annually. Future requirements will be adjusted based on the Consumer Price Index as calculated by Statistics Canada each year with the increase / decrease to take effect on January 1 of each year.

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**12. DEBT LIMITS**

Section 276(2) of the *Municipal Government Act* requires that debt and debt limits as defined by Alberta Regulation 255/00 for the Village of Wabamun be disclosed as follows:

	<u>2014</u>	<u>2013</u>
Total debt limit	<b>\$ 2,193,816</b>	\$ 1,970,030
Service on debt limit	<b>\$ 365,636</b>	\$ 328,338

The debt limit is calculated at 1.5 times revenue of the Village (as defined in Alberta Regulation 255/00) and the debt service limit is calculated at 0.25 times such revenue. Incurring debt beyond these limits requires approval by the Minister of Municipal Affairs. These thresholds are guidelines used by Alberta Municipal Affairs to identify municipalities which could be a financial risk if further debt is acquired. The calculation taken alone does not represent the stability of the Town. Rather, the financial statements must be interpreted as a whole.

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**VILLAGE OF WABAMUN**  
**Notes to Financial Statements**  
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**13. SALARIES AND BENEFITS DISCLOSURE**

Disclosure of salaries and benefits for Village officials, the Village Chief Administrator Officer and designated officers are required by Alberta Regulation 313/2000 is as follows:

	Salary (1)	Benefits (2)	2014	2013
Mayor Lindsay	\$ 8,750	\$ -	\$ 8,750	\$ 2,975
Councillors				
Erickson	8,216	-	8,216	2,250
Smylie	7,800	-	7,800	2,900
Heimbeckner	4,933	-	4,933	1,650
Little	2,200	-	2,200	1,350
Purdy	-	-	-	3,450
Wiggins	-	-	-	8,050
Kosik	-	-	-	3,750
Hay	-	-	-	4,350
Brunning	-	-	-	7,225
	<u>\$ 31,899</u>	<u>\$ -</u>	<u>\$ 31,899</u>	<u>\$ 37,950</u>
Chief Administrative Officers	\$ 86,342	\$ 25,471	\$ 111,813	\$ 120,013

(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.

(3) Benefits and allowances figures also include the employer's share of the costs of additional taxable benefits including special leave with pay, financial planning services, retirement planning services, concessionary loans, travel allowances, car allowances and club memberships.

**14. LOCAL AUTHORITIES PENSION PLAN**

Employees of the Village participate in the Local Authorities Pension Plan (LAPP), which is covered by the *Public Sector Pension Plans Act*. The LAPP serves approximately 200,000 people and 418 employers. The LAPP is financed by employer and employee contributions and by investment earnings of the LAPP Fund.

Contributions for current service are recorded as expenses in the year in which they become due.

The Village is required to make current service contributions to the LAPP of 11.39% of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 15.84% on pensionable earnings above this amount. Employees of the Village are required to make current service contributions of 10.39% of pensionable earnings up to the year's maximum pensionable earnings and 14.84% on pensionable earnings above this amount.

Total current service contributions by the Village to the LAPP in 2014 were \$46,096 (2013 - \$46,599). Total current service contributions by the employees of the Village to the LAPP in 2014 were \$42,345 (2013 - \$39,200).

At December 31, 2013, the Plan disclosed an actuarial deficit of \$4.861 billion (2013 - \$4.635 billion).

**VILLAGE OF WABAMUN**  
**Notes to Financial Statements**  
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**15. FINANCIAL INSTRUMENTS**

The Villages's financial instruments consist of cash and temporary investments, receivables, and accounts payable and accrued liabilities. It is management's opinion that the Village is not exposed to significant interest, currency or credit risk arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values.

The Village is exposed to credit risk with respect to receivables. Credit risk arises from the possibility that customers may experience financial difficulty and be unable to fulfill their obligations. The large number and diversity of customers minimizes the Village's credit risk.

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**16. SEGMENTED INFORMATION**

The Village provides a range of services to its citizens. For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in Note 1. For additional information see the Schedule of Segmented Disclosure (Schedule 4).

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**17. BUDGET FIGURES**

Budget figures are presented for information purposes only and are unaudited. The 2014 budget, prepared by the Village of Wabamun, reflects all municipal activities including capital projects, debt repayments, and reserves for future use. The reconciliation below is provided to encompass these items and is provided for information purposes only.

	<u>2014 Budget</u>	<u>2014 Actual</u>	<u>2013 Actual</u>
Annual surplus (deficit)	\$ (397,521)	\$ <b>(370,792)</b>	\$ (968,278)
Amortization expense	-	<b>570,490</b>	572,199
Loss (gain) on disposal of tangible capital assets	(21,000)	<b>(278)</b>	2,950
Net transfers (to) from reserves	418,521	<b>10,585</b>	(1,699)
	<u>\$ -</u>	<u>\$ <b>210,005</b></u>	<u>\$ (394,828)</u>

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**18. APPROVAL OF FINANCIAL STATEMENTS**

These financial statements were approved by Council and management.

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**19. COMPARATIVE FIGURES**

Certain comparative figures have been reclassified to conform to the current year's presentation.

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