VILLAGE OF VILNA

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED

DECEMBER 31, 2014

JMD Group LLP CHARTERED ACCOUNTANTS

Maurice R. Joly, CA, CFP*
Barbara K. McCarthy, CA*
Claude R. Dion, CA, CMA*
Richard R. Jean, CA*
Amie Anderson, CA*
*Denotes Professional Corporation

INDEPENDENT AUDITOR'S REPORT

To the Members of Council:

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of the Village of Vilna, which comprise the consolidated statement of financial position as at December 31, 2014, and the consolidated statements of operations, change in net financial debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Village of Vilna as at December 31, 2014, 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.

ST. PAUL, ALBERTA
April 20, 2015

JMD Group
CHARTERED ACCOUNTANTS

VILLAGE OF VILNA
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2014

	2014	2013
Financial assets		
Cash - general	$ 122,814	$ 205,455
Cash - held in trust (note 3)	20	20
Taxes and grants in place receivable (note 2)	113,838	94,287
Receivable from other governments	69,685	34,747
Trade and other receivables	98,402	52,640
Land inventory held for resale	28,000	28,000
Share in Alberta Capital Finance Authority	30	30
	432,789	415,179
Liabilities		
Accounts payable and accrued liabilities (note 4)	166,352	298,523
Deposit liabilities and tax sale surplus	32,493	32,655
Funds held in trust (note 3)	20	20
Deferred revenue (note 5)	138,762	37,450
Long-term and callable debt (note 6)	382,163	440,758
	719,790	809,406
Net financial debt	(287,001)	(394,227)
Non-financial assets		
Tangible capital assets (schedule 2)	2,991,290	2,813,541
Prepaid expenses	1,362	--
	2,992,652	2,813,541
Accumulated surplus (note 9)	$ 2,705,651	$ 2,419,314

Contingent liabilities (note 12)

APPROVED BY:

Mayor

Administrator

VILLAGE OF VILNA
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2014

	Budget (unaudited)	2014	2013
Revenue			
Net municipal taxes (schedule 3)	**$ 270,477**	$ 270,485	$ 264,109
User fees and sales of goods	**176,150**	234,536	173,116
Government transfers for operating (schedule 4)	**112,200**	143,123	149,801
Franchise fees	**55,000**	60,927	54,626
Investment income	**500**	884	988
Penalties and costs on taxes	**24,000**	20,671	23,398
Licenses and permits	**4,500**	5,443	5,339
Local improvement charges	**21,271**	21,271	20,603
Rentals	**250**	75	325
Other	**20,110**	37,751	23,197
	684,458	795,166	715,502
Expenses			
Legislative	**15,950**	12,175	13,912
Administration	**206,815**	189,560	210,524
Protective services	**24,300**	28,025	22,120
Roads, streets, walks, lighting	**202,300**	219,449	200,755
Water supply and distribution	**129,900**	211,019	547,925
Wastewater treatment and disposal	**27,100**	51,795	30,882
Waste management	**47,900**	52,146	44,552
Public health and welfare	**10,900**	10,964	10,843
Planning and development	**8,100**	4,314	4,483
Parks and recreation	**47,500**	39,281	37,700
Culture	**16,950**	19,896	15,965
	737,715	838,624	1,139,661
Deficiency of revenues over expenses - before other	**(53,257)**	(43,458)	(424,159)
Other			
Government transfers for capital (schedule 4)	**286,200**	329,795	436,307
Excess of revenues over expenses	**232,943**	286,337	12,148
Accumulated surplus, beginning of year	**2,419,314**	2,419,314	2,407,166
Accumulated surplus, end of year	**$ 2,652,257**	$ 2,705,651	$ 2,419,314

VILLAGE OF VILNA
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL DEBT
FOR THE YEAR ENDED DECEMBER 31, 2014

	Budget (unaudited)	2014	2013
Excess of revenues over expenses	**$ 232,943**	$ 286,337	$ 12,148
Acquisition of tangible capital assets	**(304,200)**	(312,843)	(54,400)
Amortization of tangible capital assets	**129,700**	135,094	130,817
	(174,500)	(177,749)	76,417
Use (acquisition) of prepaid expenses	**--**	(1,362)	3,554
Decrease in net financial debt	**58,443**	107,226	92,119
Net financial debt, beginning of year	**(394,227)**	(394,227)	(486,346)
Net financial debt, end of year	**$ (335,784)**	$ (287,001)	$ (394,227)

VILLAGE OF VILNA
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2014

	2014	2013
Net inflow of cash related to the following activities:		
Operating		
Excess of revenues over expenses	$ 286,337	$ 12,148
Non-cash items included in excess of revenues over expenses:		
Amortization of tangible capital assets	135,094	130,817
	421,431	142,965
Decrease (increase) in:		
Taxes and grants in place receivable	(19,551)	19,939
Receivable from other governments	(34,938)	64,830
Trade and other receivables	(45,762)	(8,375)
Prepaid expenses	(1,362)	3,554
Increase (decrease) in:		
Accounts payable and accrued liabilities	(132,171)	50,002
Deposit liabilities and tax sale surplus	(162)	(4,800)
Funds held in trust	--	(624)
Deferred revenue	101,312	(296,630)
	288,797	(29,139)
Capital		
Acquisition of tangible capital assets	(312,843)	(54,400)
Financing		
Debt repaid	(58,595)	(57,375)
Change in cash during the year	(82,641)	(140,914)
Cash, beginning of year	205,475	346,389
Cash, end of year	$ 122,834	$ 205,475
Cash consists of:		
Cash - general	$ 122,814	$ 205,455
Cash - held in trust	20	20
	$ 122,834	$ 205,475

VILLAGE OF VILNA
SCHEDULE 1 – CHANGES IN ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2014

	Accumulated Operating Deficit	Equity in Tangible Capital Assets	2014	2013
Balance, beginning of year	$ (139,038)	$ 2,558,352	$ 2,419,314	$ 2,407,166
Excess of revenues over expenses	286,337	--	286,337	12,148
Current year funds used for tangible capital assets	(312,843)	312,843	--	--
Capital debt repaid	(29,689)	29,689	--	--
Annual amortization expense	135,094	(135,094)	--	--
Change in accumulated surplus	78,899	207,438	286,337	12,148
Balance, end of year	$ (60,139)	$ 2,765,790	$ 2,705,651	$ 2,419,314

VILLAGE OF VILNA
SCHEDULE 2 - TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2014

	Land	Cultural Structures	Land Improvements	Buildings	Engineered Structures	Machinery and Equipment	Vehicles	2014	2013
Cost:									
Balance, beginning of year	$ 126,273	$ 27,887	$ 54,582	$ 541,243	$ 3,646,596	$ 156,427	$ 28,508	$ 4,581,516	$ 4,567,147
Acquisition of tangible capital assets	--	--	--	--	303,343	--	9,500	312,843	54,400
Disposal of tangible capital assets	--	--	--	--	(126,072)	--	--	(126,072)	(40,031)
Balance, end of year	126,273	27,887	54,582	541,243	3,823,867	156,427	38,008	4,768,287	4,581,516
Accumulated amortization:									
Balance, beginning of year	--	--	33,806	274,447	1,352,251	78,963	28,508	1,767,975	1,677,189
Annual amortization	--	--	3,232	10,824	112,205	8,358	475	135,094	130,817
Accumulated amortization on disposals	--	--	--	--	(126,072)	--	--	(126,072)	(40,031)
Balance, end of year	--	--	37,038	285,271	1,338,384	87,321	28,983	1,776,997	1,767,975
Net book value of tangible capital assets	$ 126,273	$ 27,887	$ 17,544	$ 255,972	$ 2,485,483	$ 69,106	$ 9,025	$ 2,991,290	$ 2,813,541
2013 Net book value of tangible capital assets	$ 126,273	$ 27,887	$ 20,776	$ 266,796	$ 2,294,345	$ 77,464	$ --	$ 2,813,541	$ 2,813,541

VILLAGE OF VILNA
SCHEDULE 3 - PROPERTY TAXES LEVIED
FOR THE YEAR ENDED DECEMBER 31, 2014

	2014 Budget (unaudited)	2014 Actual	2013 Actual
Levies			
Residential land and improvements and farm land	**$ 243,692**	$ 242,100	$ 233,593
Non-residential land and improvements and linear	**74,729**	76,321	75,421
	318,421	318,421	309,014
Requisitions			
Alberta School Foundation Fund	**36,543**	36,543	37,497
Smoky Lake Foundation	**11,401**	11,393	7,408
	47,944	47,936	44,905
Net taxes for general municipal purposes	**$ 270,477**	$ 270,485	$ 264,109

SCHEDULE 4 - GOVERNMENT TRANSFERS

	2014 Budget (unaudited)	2014 Actual	2013 Actual
Transfers for operating			
Provincial government	**$ 94,700**	$ 120,663	$ 132,144
Other local governments	**17,500**	22,460	17,657
	112,200	143,123	149,801
Transfers for capital			
Provincial government	**286,200**	329,795	436,307
Total government transfers	**$ 398,400**	$ 472,918	$ 586,108

SCHEDULE 5 - EXPENDITURES BY TYPE

	2014 Budget (unaudited)	2014 Actual	2013 Actual
Expenditures			
Salaries and benefits	**$ 220,550**	$ 229,629	$ 181,069
Contracted and general services	**171,650**	212,951	202,465
Purchases from other governments	**30,500**	63,254	21,562
Materials, goods, supplies and utilities	**135,900**	141,146	121,998
Transfers to other governments	**20,600**	27,604	445,530
Transfers to local boards and agencies	**8,450**	7,972	8,594
Provision for allowances	**1,665**	3,760	9,766
Amortization	**129,700**	135,094	130,817
Bank charges and short-term interest	**500**	1,578	566
Interest on debt	**18,200**	15,636	17,294
Total expenditures by type	**$ 737,715**	$ 838,624	$ 1,139,661

VILLAGE OF VILNA
SCHEDULE 6 – SEGMENTED DISCLOSURE
FOR THE YEAR ENDED DECEMBER 31, 2014

	General Government	Protective Services	Transportation Services	Planning and Development	Recreation and Culture	Environmental Services	Public Health and Welfare	Total
Revenue								
Net municipal and improvement taxes	$ 291,756	$ --	$ --	$ --	$ --	$ --	$ --	$ 291,756
Government transfers	10,388	14,130	328,336	416	6,200	105,294	8,154	472,918
User fees and sales of goods	210	2,200	--	--	12,648	219,078	400	234,536
Investment income	884	--	--	--	--	--	--	884
Other revenues	102,749	500	1,225	1,000	18,043	1,350	--	124,867
	405,987	16,830	329,561	1,416	36,891	325,722	8,554	1,124,961
Expenses								
Contract and general services	70,975	11,900	12,388	1,329	18,974	160,639	--	276,205
Salaries and wages	105,466	--	43,986	--	19,195	57,602	3,380	229,629
Goods and supplies	12,616	10,032	74,943	--	12,226	31,329	--	141,146
Transfers	--	--	--	2,985	2,288	22,719	7,584	35,576
Other expenses	10,549	--	4,777	--	--	5,648	--	20,974
	199,606	21,932	136,094	4,314	52,683	277,937	10,964	703,530
Net revenue before amortization	206,381	(5,102)	193,467	(2,898)	(15,792)	47,785	(2,410)	421,431
Amortization expense	(2,129)	(6,093)	(83,355)	--	(6,494)	(37,023)	--	(135,094)
Net revenue	$ 204,252	$ (11,195)	$ 110,112	$ (2,898)	$ (22,286)	$ 10,762	$ (2,410)	$ 286,337

1. Significant Accounting Policies

The consolidated financial statements of the Village of Vilna are the representations of management prepared in accordance with Canadian generally accepted accounting principles for local governments established by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Significant aspects of the accounting policies adopted by the village are as follows:

(a) Reporting Entity

The consolidated financial statements reflect the assets, liabilities, revenues and expenditures, changes in fund balances and change in financial position of the reporting entity. This entity is comprised of the municipal operations plus all of the organizations that are owned or controlled by the village and are, therefore, accountable to the village council for the administration of their financial affairs and resources.

The schedule of taxes levied also includes requisitions for education and other external organizations that are not part of the municipal reporting entity.

The statements exclude trust assets that are administered for the benefit of external parties. Interdepartmental and organizational transactions and balances are 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 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.

1. Significant Accounting Policies – continued

(d) Cash

Cash is defined as petty cash plus cash in bank accounts adjusted for outstanding items.

(e) 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.

(f) Tax Revenue

Tax revenues are recognized when the tax has been authorized by bylaw and the taxable event has occurred. Requisitions operate as a flow through and are excluded from municipal revenue.

(g) Land Inventory 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 their respective function.

(h) Government Transfers

Government transfers are the transfer of assets from senior levels of government and other local governments that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return.

Government transfers are recognized in the financial statements as revenue in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be determined.

(i) Requisition 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.

1. Significant Accounting Policies – continued

(j) 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 Debt for the year.

(i) 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 costs, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

	Years
Land improvements	10-20
Buildings	50
Engineered structures	
Roadway system	10-30
Water system	40-75
Wastewater system	35-75
Machinery and equipment	10-15
Vehicles	10-25

One-half of the annual amortization is charged in the year of acquisition. Assets under construction are not amortized until the asset is available for productive use.

(ii) Contributions of Tangible Capital Assets

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

(iii) Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

2. Taxes and Grants in Place Receivable

	2014	2013
Current	$ 56,789	$ 42,790
Arrears	115,937	109,485
	172,726	152,275
Less: allowance for doubtful accounts	(58,888)	(57,988)
	$ 113,838	$ 94,287

3. Funds Held in Trust

The village has collected donations on behalf of the senior's lodge. These funds are held in a separate bank account in trust.

4. Accounts Payable and Accrued Liabilities and Employee Benefit Obligation

	2014	2013
Due to other government	$ 49,277	$ 234,954
Vacation and lieu accrual	6,798	3,803
Other payables	110,277	59,766
	$ 166,352	$ 298,523

The vacation accrual is comprised of the vacation pay and banked time that employees have earned and are deferring to next year.

5. Deferred Revenue

	2014	2013
Municipal Sustainability Initiative - capital	$ 138,762	$ 37,450

Funding in the amount of $138,762 was received in the current and previous years from various grant programs. The use of these funds is restricted to eligible operating and capital projects as approved under the funding agreements.

6. Long-Term and Callable debt

	2014	2013
Tax supported debentures	$ 74,250	$ 90,189
Tax supported callable capital loan	151,250	165,000
Tax supported callable operating loan	156,663	185,569
	$ 382,163	$ 440,758

Principal and interest repayments for each of the next five years and to maturity are as follows:

	Principal	Interest	Total
2015	$ 52,386	$ 14,061	$ 66,447
2016	53,948	12,085	66,033
2017	55,604	10,018	65,622
2018	57,322	7,886	65,208
2019	55,820	5,680	61,500
Thereafter	107,083	11,039	118,122
	$ 382,163	$ 60,769	$ 442,932

The current portion of the debentures amounts to $8,745 ($2013 - $15,939).

The callable debt due within the next year is $43,641 ($2013 - $42,272).

6. Long-Term and Callable debt (continued)

Debenture debt is repayable to Alberta Capital Finance Authority and bears interest at a rate of 6.375% per annum, and matures in 2021. The average annual interest rate is 6.19% for 2014 (6.04% for 2013). Debenture debt is issued on the credit and security of the Village of Vilna at large.

The callable loans are repayable to ATB Financial and bear a floating rate of interest of bank prime to bank prime plus 0.35%. The average annual interest rate is 3.20% for 2014 (3.06% for 2013). Interest is accrued monthly and the loans are callable at the option of the lender. The callable debt is issued on the credit and security of the Village of Vilna at large and by a $275,000 land mortgage.

The village's total cash payments for interest in 2014 was $16,292 (2013 - $17,925).

7. 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 Vilna be disclosed as follows:

	2014	2013
Total debt limit	$ 1,192,749	$ 1,072,503
Total debt	382,163	440,758
Amount of debt limit unused	$ 810,586	$ 631,745
Debt servicing limit	$ 198,792	$ 178,751
Debt servicing	66,447	74,888
Amount of debt servicing limit unused	$ 132,345	$ 103,863

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.

8. Equity in Tangible Capital Assets

	2014	2013
Tangible capital assets (schedule 2)	$ 4,768,287	$ 4,581,516
Accumulated amortization (schedule 2)	(1,776,997)	(1,767,975)
Capital debentures (note 6)	(74,250)	(90,189)
Capital callable debt (note 6)	(151,250)	(165,000)
	$ 2,765,790	$ 2,558,352

9. Accumulated Surplus

Accumulated surplus consists of an accumulated operating deficit and equity in tangible capital assets as follows:

	2014	2013
Accumulated operating deficit	$ (60,139)	$ (139,038)
Equity in tangible capital assets (note 8)	2,765,790	2,558,352
	$ 2,705,651	$ 2,419,314

10. Commitment

The Village currently leases a photocopier. The future lease payments under this operating lease are as follows:

2015	$ 1,392
2016	696

11. Segmented Disclosure

The Village of Vilna provides a range of services to its ratepayers. For each 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.

Refer to the Schedule of Segmented Disclosure (schedule 6).

12. Contingent Liabilities

The Village of Vilna is a member of the Alberta Municipal Insurance Exchange (MUNIX). Under the terms of the membership, the Village of Vilna could become liable for its proportionate share 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.

The Village of Vilna is a member of the Evergreen Regional Waste Management Services Commission. Each participating municipality funds a portion of the Commission's deficit based on their proportionate tippage for the year. The expense is accounted for as a current transaction in the year the village is invoiced.

The Village of Vilna is a member of Highway 28/63 Regional Water Services Commission. Each participating municipality would be responsible for their proportionate share of any unfunded deficit. The expense would be accounted for as a current transaction in the year the village is invoiced.

VILLAGE OF VILNA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

13. Salary and Benefits Disclosure

Disclosure of salaries and benefits for municipal officials and the chief administrative officer as required by Alberta Regulation 313/2000 is as follows:

	2014			2013
	Salary	Benefits & Allow.	Total	Total
	(1)	(2)		
Mayor – Romanko	$ 3,020	$ 768	$ 3,788	$ 3,273
Deputy mayor – Barry	3,015	1,001	4,016	5,394
Councillor – Farmer	--	99	99	3,968
Councillor – Klassen	3,255	1,017	4,272	1,276
CAO – Leslie	65,458	5,142	70,600	66,254
Assistant CAO – Wagar	34,735	490	35,225	49,925

(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 Canada Pension Plan, Employment Insurance, health care, dental coverage and group life insurance plus mileage.

14. Financial Instruments

The village's financial instruments consist of cash, receivables, investment, accounts payable and accrued liabilities, deferred revenue and long-term and callable debt. It is management's opinion that the village is not exposed to significant currency risks arising from these financial instruments.

The village is subject to credit risk with respect to taxes and grants in place receivable and trade and other receivables. Credit risk arises from the possibility that taxpayers and entities to which the village provides services may experience financial difficulty and be unable to fulfill their obligations. The village has recorded a total allowance of $67,086 (2013 - $61,869) against taxes and grants in place receivable and other receivables.

The village is subject to interest rate risk with respect to its operating line-of-credit and callable debt. Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates.

Unless otherwise noted, the carrying value of the financial instruments approximates fair value.

15. Other Credit Facilities

The village has an operating line-of-credit with the Alberta Treasury Branches with a limit of $75,000. Interest is calculated from the date or dates funds are advanced on the daily outstanding principal at the Alberta Treasury Branches prime rate.

The village also has an Alberta Treasury Branches MasterCard with a limit of $10,000. Interest is calculated on principal owing beyond one month at the Alberta Treasury Branch prime rate plus 2%.

The security over callable loans described in note 6 also secures these other credit facilities.

16. Related Party Transactions

The village purchased a tangible capital asset from a business owned by an employee of the village in the amount of $5,000 (2013 - $nil). The amount recorded was measured at the exchange amount, being the amount of consideration established and agreed to by the related parties.

17. Approval of Financial Statements

Council and Management have approved these financial statements.

18. Budget Amounts

Budget amounts are included for information purposes only and are not audited.

19. Recent Accounting Pronouncements Published But Not Yet Adopted

PSAB Section 3260, Liability for Contaminated Sites

Beginning with the 2015 fiscal year municipalities will be required to account for and report liabilities associated with the remediation of inactive contaminated sites within their municipality.

Specifically, the new section:

- defines which activities would be included in a liability for remediation;
- establishes when to recognize and how to measure a liability for remediation; and
- provides the related financial statement presentation and disclosure requirements.

PSAB Section 3041, Portfolio Investments

This standard is effective for the 2016 fiscal year and addresses the distinction between temporary and portfolio investments.

PSAB Section 3450, Financial Instruments

PS3450 establishes recognition, measurement and disclosure requirements for derivative and non-derivative financial instruments, effective for the 2016 fiscal year.