

**TOWN OF WEMBLEY**  
**Consolidated Financial Statements**  
**December 31, 2014**



**TOWN OF WEMBLEY**  
**Index to Consolidated Financial Statements**  
**Year Ended December 31, 2014**

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## INDEPENDENT AUDITORS' REPORT

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To the Mayor and Members of Council of the Town of Wembley

We have audited the accompanying consolidated financial statements of the Town of Wembley, which comprise the consolidated statement of financial position as at December 31, 2014 and the consolidated statements of financial activities and accumulated surplus, changes in net financial assets and changes in financial position 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.

### *Independent Auditors' 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 Town of Wembley as at December 31, 2014 and the results of its financial activities, changes in its financial assets and changes in its financial position for the year then ended in accordance with Canadian public sector accounting standards.



Grande Prairie, Alberta  
April 13, 2015

Chartered Accountants

**TOWN OF WEMBLEY**  
**Consolidated Statement of Financial Position**  
**December 31, 2014**

	2014	2013
<b>FINANCIAL ASSETS</b>		
Cash and temporary investments <i>(Note 2)</i>	\$ 1,443,747	\$ 2,665,970
Taxes and grants in lieu of taxes receivable <i>(Note 3)</i>	182,402	193,290
Trade and other receivables <i>(Note 4)</i>	643,621	217,136
Due from County of Grande Prairie No. 1	8,722	9,120
Land held for resale	17,504	17,504
Investments <i>(Note 5)</i>	1,058	1,053
	2,297,054	3,104,073
<b>FINANCIAL LIABILITIES</b>		
Accounts payable and accrued liabilities <i>(Note 6)</i>	234,224	328,407
Deposit liabilities	20,195	19,600
Deferred revenue <i>(Note 7)</i>	604,104	1,079,541
Provision for landfill closure and post-closure costs <i>(Note 8)</i>	14,679	13,323
	873,202	1,440,871
<b>NET FINANCIAL ASSETS</b>	<b>1,423,852</b>	<b>1,663,202</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets <i>(Note 10)</i>	12,016,125	10,530,238
Prepaid expenses	38,467	32,552
	12,054,592	10,562,790
<b>NET ASSETS</b>	<b>\$ 13,478,444</b>	<b>\$ 12,225,992</b>
<b>CONTINGENT LIABILITIES</b> <i>(Note 17)</i>		
<b>ACCUMULATED SURPLUS</b> <i>(Schedule 1, Note 12)</i>	<b>\$ 13,478,444</b>	<b>\$ 12,225,992</b>

**ON BEHALF OF THE BOARD**

\_\_\_\_\_ *Councillor*

\_\_\_\_\_ *Councillor*

*Please see accompanying notes to financial statements*



**TOWN OF WEMBLEY**  
**Consolidated Statement of Financial Activities and Accumulated Surplus**  
**Year Ended December 31, 2014**

	<i>Budget</i> 2014 <i>(Unaudited)</i>	2014	2013
<b>REVENUE</b>			
Net municipal property taxes ( <i>Schedule 2</i> )	\$ 883,802	\$ 897,327	\$ 767,064
Government transfers for operating ( <i>Schedule 3</i> )	235,819	191,647	214,883
User fees and sales of goods	661,500	778,623	651,434
Interest and investment income	6,800	15,502	26,540
Penalties and costs of taxes	60,000	67,102	60,025
Franchise and concession contracts	135,000	138,233	119,932
Fines, rentals, licences and permits	39,940	52,040	50,675
	<u>2,022,861</u>	<u>2,140,474</u>	<u>1,890,553</u>
<b>EXPENDITURES</b>			
Council and other legislative services	64,800	61,159	61,054
Administrative services	380,850	380,856	398,246
Protective services	225,690	231,896	168,249
Transportation services	603,900	884,855	646,941
Water and wastewater services	364,200	361,924	319,154
Garbage collection and disposal services	101,877	176,368	159,210
Family and community support services	74,450	66,268	68,483
Planning and development services	90,152	49,343	31,287
Recreation and cultural services	157,213	163,233	140,531
	<u>2,063,132</u>	<u>2,375,902</u>	<u>1,993,155</u>
<b>EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES BEFORE THE FOLLOWING</b>	<u>(40,271)</u>	<u>(235,428)</u>	<u>(102,602)</u>
<b>OTHER ITEMS</b>			
Gain (loss) on disposal of tangible capital assets	-	1,512	(3,457)
Contributed tangible capital assets	-	-	123,003
Government transfers for capital ( <i>Schedule 3</i> )	-	1,486,368	868,625
	<u>-</u>	<u>1,487,880</u>	<u>988,171</u>
<b>EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES</b>	<u>(40,271)</u>	<u>1,252,452</u>	<u>885,569</u>
<b>ACCUMULATED SURPLUS, BEGINNING</b>	<u>12,225,992</u>	<u>12,225,992</u>	<u>11,340,423</u>
<b>ACCUMULATED SURPLUS, ENDING</b>	<u>\$ 12,185,721</u>	<u>\$ 13,478,444</u>	<u>\$ 12,225,992</u>

*Please see accompanying notes to financial statements*



**TOWN OF WEMBLEY**  
**Consolidated Statement of Changes in Net Financial Assets**  
**Year Ended December 31, 2014**

	<i>Budget</i> 2014 <i>(Unaudited)</i>	2014	2013
<b>EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES</b>	\$ (40,271)	\$ 1,252,452	\$ 885,569
Acquisition of tangible capital assets	-	(1,855,212)	(1,061,107)
Acquisition of contributed tangible capital assets	-	-	(123,003)
Proceeds on disposal of tangible capital assets	-	5,625	7,567
Amortization of tangible capital assets	-	365,212	330,878
Loss on disposal of tangible capital assets	-	(1,512)	3,457
	-	(1,485,887)	(842,208)
Acquisition of prepaid assets	-	(38,467)	(32,552)
Use of prepaid assets	-	32,552	28,066
	-	(5,915)	(4,486)
<b>INCREASE (DECREASE) IN NET FINANCIAL ASSETS</b>	(40,271)	(239,350)	38,875
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>	1,663,202	1,663,202	1,624,327
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	\$ 1,622,931	\$ 1,423,852	\$ 1,663,202

*Please see accompanying notes to financial statements*



**TOWN OF WEMBLEY**  
**Consolidated Statement of Changes in Financial Position**  
**Year Ended December 31, 2014**

	2014	2013
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenditures	\$ 1,252,452	\$ 885,569
Items not affecting cash:		
Amortization of tangible capital assets	365,212	330,878
Loss (gain) on disposal of tangible capital assets	(1,512)	3,457
Provision for landfill closure/post-closure	1,355	1,299
Contributed tangible capital assets	-	(123,003)
	<u>1,617,507</u>	<u>1,098,200</u>
Changes in non-cash working capital:		
Taxes and grants in lieu of taxes receivable	10,888	(56,058)
Trade and other receivables	(426,485)	(144,416)
Due from County of Grande Prairie No. 1	398	(1,655)
Accounts payable and accrued liabilities	(94,187)	221,789
Deposit liabilities	595	700
Deferred revenue	(475,437)	(260,566)
Prepaid expenses	(5,915)	(4,486)
	<u>(990,143)</u>	<u>(244,692)</u>
Cash from operating activities	<u>627,364</u>	<u>853,508</u>
<b>CAPITAL ACTIVITY</b>		
Acquisitions of tangible capital asset	(1,855,212)	(1,061,107)
Proceeds on disposal of tangible capital assets	5,625	7,567
Cash used by capital activity	<u>(1,849,587)</u>	<u>(1,053,540)</u>
<b>FINANCING ACTIVITY</b>		
Repayment of long-term debt	-	(35,942)
<b>DECREASE IN CASH</b>	<b>(1,222,223)</b>	<b>(235,974)</b>
CASH AND TEMPORARY INVESTMENTS - BEGINNING OF YEAR	<u>2,665,970</u>	<u>2,901,944</u>
CASH AND TEMPORARY INVESTMENTS - END OF YEAR	<u>\$ 1,443,747</u>	<u>\$ 2,665,970</u>

*Please see accompanying notes to financial statements*



TOWN OF WEMBLEY

Consolidated Changes in Accumulated Surplus

(Schedule 1)

Year Ended December 31, 2014

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2014	2013
				\$	\$
<b>BALANCE, BEGINNING OF YEAR</b>	\$ -	\$ 1,695,754	\$ 10,530,238	\$ 12,225,992	\$ 11,340,423
Excess of revenue over expenditures	1,252,452	-	-	<b>1,252,452</b>	885,569
Unrestricted funds designated for future use	(252,592)	252,592	-	-	-
Restricted funds used for operations	134,306	(134,306)	-	-	-
Restricted funds used for tangible capital assets	-	(351,721)	351,721	-	-
Current year funds used for tangible capital assets	(17,125)	-	17,125	-	-
Government transfers for tangible capital assets	(1,486,366)	-	1,486,366	-	-
Disposal of tangible capital assets	4,113	-	(4,113)	-	-
Annual amortization expense	365,212	-	(365,212)	-	-
Change in accumulated surplus	-	(233,435)	1,485,887	<b>1,252,452</b>	885,569
<b>BALANCE, END OF YEAR</b>	\$ -	\$ 1,462,319	\$ 12,016,125	\$ 13,478,444	\$ 12,225,992

Please see accompanying notes to financial statements





**TOWN OF WEMBLEY**  
**Consolidated Property and Other Taxes**  
**Year Ended December 31, 2014**

*(Schedule 2)*

	<i>Budget</i> 2014 <i>(Unaudited)</i>	2014	2013
<b>Taxation</b>			
Real property taxes	\$ 1,209,397	\$ <b>1,184,452</b>	\$ 1,037,526
Government grants in lieu of property taxes	-	<b>16,455</b>	15,464
Linear property taxes	-	<b>22,014</b>	21,744
	1,209,397	<b>1,222,921</b>	1,074,734
<b>Deduct: requisitions</b>			
Alberta School Foundation Fund	320,235	<b>320,234</b>	302,398
Senior Foundation	5,360	<b>5,360</b>	5,272
	325,595	<b>325,594</b>	307,670
<b>Net municipal property taxes</b>	\$ 883,802	\$ <b>897,327</b>	\$ 767,064

*Please see accompanying notes to financial statements*



**TOWN OF WEMBLEY**  
**Consolidated Government Transfers**  
**Year Ended December 31, 2014**

*(Schedule 3)*

	<i>Budget 2014 (Unaudited)</i>	<b>2014</b>	2013
<b>Transfers for operating</b>			
Provincial government	\$ 230,819	\$ <b>167,526</b>	\$ 199,654
Other local governments	5,000	<b>24,121</b>	15,229
	235,819	<b>191,647</b>	214,883
<b>Transfers for capital</b>			
Provincial government	-	<b>1,486,368</b>	868,625
	\$ 235,819	\$ <b>1,678,015</b>	\$ 1,083,508

*Please see accompanying notes to financial statements*



**TOWN OF WEMBLEY**  
**Consolidated Expenditures by Object**  
**Year Ended December 31, 2014**

*(Schedule 4)*

	<i>Budget</i> 2014 <i>(Unaudited)</i>	<b>2014</b>	2013
<b>EXPENDITURES</b>			
Salaries, wages and benefits	\$ 739,050	\$ <b>741,629</b>	\$ 627,762
Contracted and general services	834,340	<b>782,410</b>	619,493
Purchases from other governments	14,950	<b>14,983</b>	14,594
Materials, goods, supplies and utilities	416,842	<b>386,699</b>	322,358
Transfers to individuals and organizations	56,750	<b>83,803</b>	75,319
Bank charges and short-term interest	1,200	<b>1,166</b>	1,404
Interest on long-term debt	-	-	1,347
Amortization of tangible capital assets	-	<b>365,212</b>	330,878
	<u>\$ 2,063,132</u>	<u>\$ <b>2,375,902</b></u>	<u>\$ 1,993,155</u>

*Please see accompanying notes to financial statements*



**TOWN OF WEMBLEY**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2014**

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1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The consolidated financial statements of the Town of Wembley are the representations of management prepared in accordance with local government accounting standards established by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Significant aspects of the accounting policies adopted by the Town are as follows:

Reporting entity

The consolidated financial statements reflect the assets, liabilities, revenues and expenditures, changes in net financial assets and changes 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 Town and are, therefore, accountable to the Town for the administration of their financial affairs and resources. Included in the Town's consolidated financial statements is the Town's proportionate share of the financial activities of the West Grande Prairie County Solid Waste Management Authority.

The schedule of taxes levied includes operating requisitions for education and senior foundations that are not part of the Town's reporting entity.

Interdepartmental and organizational transactions and balances have been eliminated.

Basis of accounting

The consolidated 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

Government transfers are recognized in the consolidated financial statements as revenues in the period that the events giving rise to the transfer occurred, providing the transfers are authorized, the eligibility criteria have been met and a reasonable estimate of the amounts can be made.

Land held for resale

Land held for resale is recorded at the lower of cost and net realizable value. Cost includes costs for land acquisition and improvements required to prepare the land for servicing. Related development costs incurred to provide infrastructure such as water and waste water services, roads, sidewalks and street lighting are recorded as capital assets under their respective function.

Investments

Investments are recorded at cost.

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**TOWN OF WEMBLEY**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2014**

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1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

Tangible capital assets

Tangible capital 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.

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 of the tangible capital assets is amortized on a straight-line basis over the estimated useful life as follows:

Land improvements	15 - 25 years
Buildings	25 - 50 years
Engineered structures	20 - 75 years
Equipment	5 - 20 years
Motor vehicles	10 - 20 years

In the year of acquisition, amortization is applied at half of normal rates. Assets under construction are not amortized until the asset is available for productive use.

The Town regularly reviews its tangible capital assets for sold or scrapped assets, at which time the cost and the related accumulated amortization are removed from the accounts and any resulting gain or loss on disposal is reflected in income. No amortization is recorded in the year of disposition.

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

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.

Equity in tangible capital assets

Equity in tangible capital assets represents the Town's net investment in tangible capital assets, after deducting the portion financed by third parties through debenture, bond and mortgage debts, long-term capital borrowing, capital lease or other capital liabilities.

Employee future benefits

Selected employees of the Town are members of the Local Authority Pension Plan (LAPP), a multi-employer defined benefit pension plan. The President of the Alberta Treasury Board and the Minister of Finance are the legal trustees and administrators of the Plan, which is governed by a Board of Trustees. Since the plan is a multi-employer plan, it is accounted for as a defined contribution plan and, accordingly, the Town does not recognize its share of any plan surplus or deficit.

Landfill closure and post-closure liability

Pursuant to the Alberta Environment Protection & Enhancement Act, the Town is required to fund its proportionate share of the closure of its landfill site and provide for post-closure care of the facility. Closure and post-closure activities include the final clay cover and landscaping, as well as surface and ground water monitoring, leachate control and visual inspection. The requirement is being provided for over the estimated remaining life of the landfill site based on usage.

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**TOWN OF WEMBLEY**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2014**

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Reserves for future expenditures

Reserves are established at the discretion of Council to set aside funds for future expenditures and capital projects.

Budget

The budget amounts are presented for information purposes and have not been audited. It should be noted that the budget was prepared in accordance with accounting policies in place prior to transition to accounting for tangible assets. The Town's 15% share of the West Grande Prairie County Solid Waste Management Authority's budget has been consolidated.

Measurement uncertainty

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, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Significant estimates used in the preparation of the financial statements includes the provision for amortization of tangible capital assets. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

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2. CASH AND TEMPORARY INVESTMENTS

	2014	2013
Cash on hand and in banks	\$ 228,749	\$ 403,840
Savings accounts	1,024,074	2,111,636
West Grande Prairie County Solid Waste Management Authority temporary investments	190,924	150,494
	\$ 1,443,747	\$ 2,665,970

Savings accounts bear interest at rates ranging from prime minus 2.25% to prime minus 2.40% per annum.

Included in cash are restricted amounts aggregating \$550,140 (2013 - \$1,026,293) to be used for specific capital and other projects and \$14,679 (2013 - \$13,323) to be used for the West Grande Prairie County Solid Waste Management Authority landfill closure and post-closure liabilities.

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3. TAXES AND GRANTS IN PLACE OF TAXES RECEIVABLE

	2014	2013
Current taxes and grants in lieu	\$ 134,485	\$ 154,438
Tax arrears	47,917	38,852
	\$ 182,402	\$ 193,290

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**TOWN OF WEMBLEY**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2014**

4. TRADE AND OTHER RECEIVABLES

	2014	2013
Grants receivable from Government of Alberta	\$ 531,675	\$ 130,648
Trade and other receivables	97,098	76,063
Receivable from other governments	14,848	10,425
	\$ 643,621	\$ 217,136

5. INVESTMENTS

	2014	2013
Alberta Capital Finance Authority shares	\$ 10	\$ 10
United Farmers of Alberta patronage reserves	876	871
Alberta Association of Municipal Districts and Counties patronage reserves	172	172
	\$ 1,058	\$ 1,053

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2014	2013
Regular trade payables	\$ 93,429	\$ 97,779
Capital project payables	140,795	230,628
	\$ 234,224	\$ 328,407

7. DEFERRED REVENUE

	2014	2013
Provincial capital grants	\$ 542,070	\$ 1,017,709
Skateboard park capital grant	8,070	8,000
Deferred sales and user charges	53,964	53,832
	\$ 604,104	\$ 1,079,541

Unexpended funds for specific projects are restricted as disclosed in Note 2.

**TOWN OF WEMBLEY**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2014**

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8. LANDFILL CLOSURE AND POST-CLOSURE LIABILITY

Alberta environmental law requires closure and post-closure care of landfill sites, which includes final covering and landscaping, pumping of ground water and leachates from the site, and ongoing environmental monitoring, site inspections and maintenance.

The estimated liability is based on the sum of the discounted future cash flows for closure and post-closure activities for 40 years after closure using a discount rate of 6% and assuming annual inflation of 2%.

The accrued liability portion is based on the cumulative capacity used at year end compared to the estimated total landfill capacity. The total capacity of the site is estimated at 952,000 cubic meters. The estimated remaining capacity of the landfill site is 802,463 (2013 - 812,103) cubic meters. The existing landfill site is expected to reach capacity in approximately the year 2081.

The Town has implemented a restricted cash fund which is not less than the closure and post-closure liability and is adjusted annually to ensure the fund is sufficient to settle closure and post-closure liabilities.

The following summarizes the estimated costs of closure and post-closure care:

Estimated closure costs	\$	<b>84,842</b>
Estimated post-closure costs		<u><b>8,606</b></u>
Estimated total costs		<b>93,448</b>
Amount accrued to December 31, 2014		<u><b>(14,679)</b></u>
Balance of estimated costs to accrue	\$	<u><b>78,769</b></u>

9. DEBT LIMIT

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 Wembley be disclosed as follows:

	<u>2014</u>	<u>2013</u>
Total debt limit	\$ <b>3,216,623</b>	\$ 2,835,830
Debt servicing limit	\$ <b>536,104</b>	\$ 472,638

The debt limit is calculated as 1.5 times revenue of the Town 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 Town. Rather, the consolidated financial statements must be interpreted as a whole.

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**TOWN OF WEMBLEY**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2014**

10. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2014 Net book value	2013 Net book value
Land	\$ 2,415,034	\$ -	\$ 2,415,034	\$ 2,415,034
Land improvements	375,978	225,510	150,468	169,562
Buildings	931,783	344,328	587,455	606,576
Equipment	1,531,635	856,467	675,168	465,737
Motor vehicles	424,194	123,594	300,600	82,796
Engineered structures	11,280,328	4,368,819	6,911,509	5,942,471
Construction in progress	975,891	-	975,891	848,062
	<u>\$ 17,934,843</u>	<u>\$ 5,918,718</u>	<u>\$ 12,016,125</u>	<u>\$ 10,530,238</u>

11. EQUITY IN TANGIBLE CAPITAL ASSETS

	2014	2013
Tangible capital assets ( <i>Note 10</i> )	\$ 17,934,843	\$ 16,084,201
Accumulated amortization ( <i>Note 10</i> )	(5,918,718)	(5,553,963)
	<u>\$ 12,016,125</u>	<u>\$ 10,530,238</u>

12. ACCUMULATED SURPLUS

Accumulated surplus consists of restricted and unrestricted amounts and equity in tangible capital assets as follows:

	2014	2013
Unrestricted surplus	\$ -	\$ -
Restricted surplus		
Operating reserves ( <i>Note 13</i> )	668,544	541,274
Capital reserves ( <i>Note 13</i> )	793,775	1,154,480
Equity in tangible capital assets ( <i>Note 11</i> )	<u>12,016,125</u>	<u>10,530,238</u>
	<u>\$ 13,478,444</u>	<u>\$ 12,225,992</u>



**TOWN OF WEMBLEY**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2014**

13. RESERVES

Council has set aside funds as an internal allocation of accumulated surplus as follows:

	Balance Beginning	Additions	Reductions	Balance Closing
Operating reserves:				
Water	\$ 75,000	\$ -	\$ -	\$ 75,000
Operating contingency	442,443	182,604	(61,270)	563,777
West Grande Prairie County Solid Waste Management Authority	23,831	5,936	-	29,767
	<u>541,274</u>	<u>188,540</u>	<u>(61,270)</u>	<u>668,544</u>
Capital reserves:				
Common services equipment replacement	141,442	-	(131,928)	9,514
Roads	100,000	-	-	100,000
Subdivisions	574,198	27,000	(281,654)	319,544
Recreation and cultural services	7,924	-	-	7,924
Dinosaur park	15,000	-	(10,500)	4,500
Parks	191,823	-	-	191,823
West Grande Prairie County Solid Waste Management Authority	124,093	37,052	(675)	160,470
	<u>1,154,480</u>	<u>64,052</u>	<u>(424,757)</u>	<u>793,775</u>
	<u>\$ 1,695,754</u>	<u>\$ 252,592</u>	<u>\$ (486,027)</u>	<u>\$ 1,462,319</u>



**TOWN OF WEMBLEY**  
**Notes to Consolidated Financial Statements**  
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14. SALARY AND BENEFITS DISCLOSURE

Disclosure of salaries and benefits for Municipal officials, the Chief Administrative Officer and designated officers as required by Alberta Regulation 313/00 is as follows:

	Salary (1)	Benefits and Allowances (2)	<b>2014</b>	2013
<u>Mayor:</u>				
C. Turnmire	\$ 15,450	\$ -	<b>\$ 15,450</b>	\$ 15,575
<u>Councillors:</u>				
C. Holler	6,330	-	<b>6,330</b>	5,575
T. Jones	6,725	-	<b>6,725</b>	7,075
T. Pope	-	-	-	4,500
R. Querin	-	-	-	3,925
M. Moncrieff	5,570	-	<b>5,570</b>	6,075
R. Robichaud	4,825	-	<b>4,825</b>	1,150
J. Anaka	5,425	-	<b>5,425</b>	1,300
T. Johnson	4,675	-	<b>4,675</b>	1,050
Administrative officer	111,100	15,262	<b>126,362</b>	113,591
	<b>\$ 160,100</b>	<b>\$ 15,262</b>	<b>\$ 175,362</b>	<b>\$ 159,816</b>

- (1) Salary includes regular base pay, bonuses, overtime, lump sum payments, gross honoraria and any other direct cash remuneration.
- (2) Benefits include the employer's share of all employee benefits and contributions or payments made on behalf of employees including health care, dental coverage, group life insurance, accidental disability and dismemberment insurance, registered retirement savings plan contributions, professional membership fees and tuition fee reimbursements.



**TOWN OF WEMBLEY**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2014**

15. GOVERNMENT PARTNERSHIPS

The consolidated financial statements include the accounts of the Town and its proportionate share of its government partnerships. The Town entered into a government partnership to provide landfill disposal services to the Town and surrounding area.

The Town has a 15% interest in the West Grande Prairie County Solid Waste Management Authority, which is accounted for using the proportionate consolidation method in accordance with Section 3060 of the Public Sector Accounting Handbook.

The following provides condensed supplementary information for the Town's proportionate share of the West Grande Prairie County Solid Waste Management Authority:

	<b>2014</b>	2013
Financial assets	\$ 214,495	\$ 170,039
Tangible capital assets	<b>418,482</b>	442,481
	<b>\$ 632,977</b>	\$ 612,520
Financial liabilities	\$ 19,685	\$ 17,768
Accumulated surplus	<b>613,292</b>	594,752
	<b>\$ 632,977</b>	\$ 612,520
Revenue	\$ 90,978	\$ 74,048
Expenditures	<b>(73,950)</b>	(62,451)
Excess of revenue over expenditures	<b>\$ 17,028</b>	\$ 11,597

16. LOCAL AUTHORITIES PENSION PLAN

Employees of the Town of Wembley participate in the Local Authorities Pension Plan (LAPP), which is covered by the Alberta Public Sector Pension Plans Act. The Plan serves about 223,500 people and about 425 employers. It 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 Plan of 11.39% of pensionable earnings up to the year's maximum pensionable earnings under the Canadian Pension Plan and 15.84% on the excess. Employees of the Town of Wembley are required to make current service contributions of 10.39% of pensionable payroll up to the year's maximum pensionable earnings under the Canada Pension Plan and 14.84% on the excess.

Total current service contributions by the Town of Wembley to the Local Authorities Pension Plan in 2014 were \$57,645 (2013 - \$41,307). Total current service contributions by the employees of the Town of Wembley to the Local Authorities Pension Plan in 2014 were \$53,039 (2013 - \$37,687).

At December 31, 2013, the Plan disclosed an actuarial deficiency of \$4.9 billion (2012 - \$5.0 billion).

LAPP has announced that member contribution rates will remain consistent in 2015 and 2016.



**TOWN OF WEMBLEY**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2014**

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17. CONTINGENT LIABILITIES

The Town of Wembley is a member of the Alberta Municipal Insurance Exchange (MUNIX). Under the terms of the membership, the Town of Wembley could become liable for its proportionate share of any claim losses in excess of the funds held by the program. Any liability incurred would be accounted for as a current transaction in the year the losses are determined.

The Town of Wembley has agreed to guarantee a loan on behalf of the Wembley and District Agricultural Society in the amount of \$350,000 to assist in the Society's renovations to the Rec-Plex situated in Wembley. The terms of repayment are not to exceed 15 years with equal payments made at least annually at an interest rate not to exceed 10% per annum. Any loan principal and interest that may be required to be paid by the Town is to be funded from reserves, surplus or general taxation.

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18. FINANCIAL INSTRUMENTS

Credit Risk

Credit risk arises from the potential that a customer will fail to perform its obligations. The Town is exposed to credit risk from customers. In order to reduce its credit risk, the Town conducts regular reviews of its existing customers' credit performance. An allowance for doubtful accounts is established based on factors surrounding the credit risk of specific accounts, historical trends and other information.

The two most significant sources of revenue for the Town are property taxes and government transfers. The Town has a significant number of taxpayers which minimizes concentration of credit risk. No one taxpayer makes up a significant portion of such revenue. The majority of government transfers are received from the provincial and federal government agencies. Due to the nature of these payors, the Town is not exposed to significant credit risk on such transactions.

Fair Value

The Town's carrying values of cash and temporary investments, taxes and grants in lieu of taxes receivable, trade and other receivables, amounts due from the County of Grande Prairie No. 1, investments and accounts payable and accrued liabilities approximate their fair values due to the immediate or short-term maturity and the nature of these instruments.

The carrying value of the long-term debt approximates the fair value as the interest rates are consistent with the current rates offered to the Town for debt with similar terms.

Interest Rate

The Town is not exposed to significant interest rate risk.

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19. APPROVAL OF FINANCIAL STATEMENTS

Council has approved these financial statements.

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