

VILLAGE OF DONALDA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

**Brian King Professional Corporation
Certified General Accountant**



INDEPENDENT AUDITOR'S REPORT

To the Mayor and Council of the Village of Donalda:

Report on the Consolidated Financial Statements

I have audited the accompanying consolidated financial statements of the Village of Donalda, which comprise the statement of financial position as at December 31, 2014, and the statements of operations, change 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 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

My responsibility is to express an opinion on these consolidated financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

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

M.D. of Wainwright

April 22, 2015

A handwritten signature in black ink, appearing to be 'B. King', written over a horizontal line.

Certified General Accountant

VILLAGE OF DONALDA

CONSOLIDATED STATEMENT OF FINANCIAL POSITION DECEMBER 31, 2014

	2014	2013
FINANCIAL ASSETS		
Cash and term deposits (Note 2)	233,341	547,622
Taxes and grants in place of taxes (Note 3)	41,107	18,607
Trade and other receivables	17,871	5,952
Due from other governments	65,636	70,557
Inventory held for resale	10,577	17,890
	368,532	660,628
LIABILITIES		
Accounts payable and accrued liabilities	68,087	21,998
Deferred revenue (Note 4)	196,772	479,993
Long term debt (Note 5)	1,392	2,654
	266,251	504,645
NET FINANCIAL ASSETS	102,281	155,983
NON-FINANCIAL ASSETS		
Tangible capital assets	1,788,386	1,413,411
Prepaid expenses <i>RHINO 5 NOT</i>	25,512	5,735
	1,813,898	1,419,146
ACCUMULATED SURPLUS (NOTE 8)	1,916,179	1,575,129

VILLAGE OF DONALDA

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2014

	Budget (unaudited)	2014	2013
REVENUE			
Net municipal property taxes (Schedule 3)	148,122	146,029	133,072
User fees and sales of goods	141,772	157,178	91,191
Penalties and costs on taxes	10,000	6,732	7,608
Licenses and permits	2,050	1,720	1,775
Fines	4,500	1,108	4,783
Franchise and concession contracts	17,800	18,019	17,620
Investment income	3,300	4,916	3,606
Rentals	10,000	10,343	10,343
Government transfers for operating	57,372	45,772	72,396
Other	-	4,726	4,275
	394,916	396,543	346,669
EXPENSES			
Legislative	15,042	19,171	16,082
Administration	133,878	124,782	126,958
Protective services	5,700	25,000	32,921
Transportation	79,350	78,521	68,753
Water supply and distribution	62,474	89,067	40,531
Wastewater treatment and disposal	9,000	6,421	78,453
Waste management	31,914	32,085	30,177
Public health and welfare	10,942	10,092	10,641
Planning and development — <i>COST OF LAND</i>	2,500	11,883	455
Recreation	12,385	15,173	14,496
Culture	41,931	38,232	38,191
Amortization	-	91,642	81,043
	405,116	542,069	538,701
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES BEFORE OTHER	(10,200)	(145,526)	(192,032)
OTHER			
Government transfers for capital (Schedule 4)	-	486,576	104,884
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	(10,200)	341,050	(87,148)
ACCUMULATED SURPLUS, BEGINNING OF YEAR	1,575,129	1,575,129	1,662,277
ACCUMULATED SURPLUS, END OF YEAR	1,564,929	1,916,179	1,575,129

VILLAGE OF DONALDA

CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS FOR THE YEAR ENDED DECEMBER 31, 2014

	Budget (unaudited)	2014	2013
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	<u>(10,200)</u>	<u>341,050</u>	<u>(87,148)</u>
Acquisition of tangible capital assets	-	(466,617)	-
Amortization of tangible capital assets	<u>-</u>	<u>91,642</u>	<u>81,043</u>
	<u>-</u>	<u>(374,975)</u>	<u>81,043</u>
Net (increase) decrease of prepaid assets	<u>-</u>	<u>(19,777)</u>	<u>-</u>
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	<u>(10,200)</u>	<u>(53,702)</u>	<u>(6,105)</u>
NET FINANCIAL ASSETS, BEGINNING OF YEAR	<u>155,983</u>	<u>155,983</u>	<u>162,088</u>
NET FINANCIAL ASSETS, END OF YEAR	<u><u>145,783</u></u>	<u><u>102,281</u></u>	<u><u>155,983</u></u>

VILLAGE OF DONALDA

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

	<u>2014</u>	<u>2013</u>
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Excess of revenues over expenses	341,050	(87,148)
Non-cash items included in excess of revenue over expenses:		
Amortization of tangible capital assets	91,642	81,043
Non-cash charges to operations (net change):		
Decrease (increase) in taxes and grants in place of taxes	(22,500)	8,733
Decrease (increase) in due from other governments	4,921	(66,819)
Decrease (increase) in trade and other receivables	(11,919)	710
Decrease (increase) in inventory held for resale	7,313	(15,100)
Decrease (increase) in prepaid expenses	(19,777)	-
Increase (decrease) in accounts payable and accrued liabilities	46,089	(42,281)
Increase (decrease) in deferred revenue	(283,221)	93,333
	<u>153,598</u>	<u>(27,529)</u>
CAPITAL		
Acquisition of tangible capital assets	(466,617)	-
	<u>(466,617)</u>	<u>-</u>
FINANCING		
Long-term debt repaid	(1,262)	(1,145)
	<u>(1,262)</u>	<u>(1,145)</u>
CHANGE IN CASH AND EQUIVALENTS DURING THE YEAR	(314,281)	(28,674)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	547,622	576,296
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>233,341</u>	<u>547,622</u>

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SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS FOR THE YEAR ENDED DECEMBER 31, 2014 (Schedule 1)

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2014	2013
BALANCE, BEGINNING OF YEAR	26,756	137,616	1,410,757	1,575,129	1,662,277
Excess (deficiency) of revenues over expenses	341,050	-	-	341,050	(87,148)
Restricted funds used for operations	8,850	(8,850)	-	-	-
Current year funds used for tangible capital assets	(466,617)	-	466,617	-	-
Annual amortization expense	91,642	-	(91,642)	-	-
Long term debt repaid	(1,262)	-	1,262	-	-
Change in accumulated surplus	(26,337)	(8,850)	376,237	341,050	(87,148)
BALANCE, END OF YEAR	419	128,766	1,786,994	1,916,179	1,575,129

VILLAGE OF DONALDA

**CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2014
(Schedule 2)**

	LAND	BUILDINGS	ENGINEERED STRUCTURES	MACHINERY AND EQUIPMENT	VEHICLES	2014	2013
COST:							
Balance - beginning of year	15,928	275,111	2,584,109	111,709	34,768	3,021,625	3,021,625
Acquisition of tangible capital assets	-	-	455,917	10,700	-	466,617	-
Balance - end of year	15,928	275,111	3,040,026	122,409	34,768	3,488,242	3,021,625
ACCUMULATED AMORTIZATION							
Balance - beginning of year	-	162,939	1,401,331	33,513	10,431	1,608,214	1,527,171
Annual amortization	-	5,587	70,694	11,884	3,477	91,642	81,043
Balance - end of year	-	168,526	1,472,025	45,397	13,908	1,699,856	1,608,214
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	15,928	106,585	1,568,001	77,012	20,860	1,788,386	1,413,411
OPENING NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	15,928	112,172	1,182,778	78,196	24,337	1,413,411	

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CONSOLIDATED SCHEDULE OF PROPERTY TAXES LEVIED FOR THE YEAR ENDED DECEMBER 31, 2014 (Schedule 3)

	Budget (Unaudited)	2014	2013
TAXATION			
Real property taxes	175,750	173,826	159,968
Linear property taxes	10,015	10,015	9,799
Government grants in place of property taxes	1,057	1,057	1,097
	<u>186,822</u>	<u>184,898</u>	<u>170,864</u>
REQUISITIONS			
Alberta School Foundation	34,723	34,892	34,250
County of Stettler Housing Authority	3,977	3,977	3,542
	<u>38,700</u>	<u>38,869</u>	<u>37,792</u>
NET MUNICIPAL TAXES	<u>148,122</u>	<u>146,029</u>	<u>133,072</u>

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CONSOLIDATED SCHEDULE OF GOVERNMENT TRANSFERS FOR THE YEAR ENDED DECEMBER 31, 2014 (Schedule 4)

	Budget (Unaudited)	2014	2013
TRANSFERS FOR OPERATING			
Federal Government	1,000	1,000	1,000
Provincial Government	56,372	44,772	71,396
	<u>57,372</u>	<u>45,772</u>	<u>72,396</u>
TRANSFERS FOR CAPITAL			
Federal Government	-	163,912	41,997
Provincial Government	-	322,664	62,887
	<u>-</u>	<u>486,576</u>	<u>104,884</u>
TOTAL GOVERNMENT TRANSFERS	<u>57,372</u>	<u>532,348</u>	<u>177,280</u>

VILLAGE OF DONALDA

CONSOLIDATED SCHEDULE OF EXPENDITURE BY OBJECT FOR THE YEAR ENDED DECEMBER 31, 2014 (Schedule 5)

	Budget (Unaudited)	2014	2013
Expenditures			
Salaries, wages and benefits	169,153	159,647	153,257
Contracted and general services	120,730	135,010	178,537
Materials, goods and utilities	73,880	88,241	57,223
Transfers to other governments	3,885	28,885	28,885
Transfers to local boards and agencies	35,608	36,004	36,262
Bank charges and short term interest	1,450	1,566	1,630
Interest on capital long term debt	-	205	323
Other expenditures	410	869	1,541
Amortization of tangible capital assets	-	91,642	81,043
	<u>405,116</u>	<u>542,069</u>	<u>538,701</u>

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SCHEDULE OF SEGMENTED DISCLOSURE FOR THE YEAR ENDED DECEMBER 31, 2014 (Schedule 6)

	General Government	Protective Services	Transportation services	Environmental Services	Public Health & Welfare	Planning & Development	Recreation & Culture	Total
REVENUE								
Net municipal property taxes (Schedule 2)	146,029	-	-	-	-	-	-	146,029
User fees and sales of goods	1,099	-	675	127,554	850	27,000	-	157,178
Penalties and costs on taxes	6,732	-	-	-	-	-	-	6,732
Licenses and permits	840	880	-	-	-	-	-	1,720
Fines	-	1,108	-	-	-	-	-	1,108
Franchise and concession contracts	18,019	-	-	-	-	-	-	18,019
Investment income	4,916	-	-	-	-	-	-	4,916
Rentals	10,343	-	-	-	-	-	-	10,343
Government transfers	38,647	-	-	-	6,125	-	-	45,772
Other	450	-	-	-	-	-	1,000	4,726
	<u>227,075</u>	<u>1,988</u>	<u>675</u>	<u>127,554</u>	<u>6,975</u>	<u>27,000</u>	<u>5,276</u>	<u>396,543</u>
EXPENSES								
Salaries, wages and benefits	94,738	-	29,067	28,926	-	-	6,916	159,647
Contracted and general services	43,520	-	11,775	47,861	8,551	2,570	20,733	135,010
Materials, goods and utilities	3,683	-	37,051	30,476	541	9,313	7,177	88,241
Transfers to other governments	-	25,000	-	-	-	-	3,885	28,885
Transfers to local boards and agencies	-	-	-	20,310	1,000	-	14,694	36,004
Bank charges and short term interest	1,566	-	-	-	-	-	-	1,566
Interest on capital long term debt	205	-	-	-	-	-	-	205
Other expenditures	241	-	628	-	-	-	-	869
	<u>143,953</u>	<u>25,000</u>	<u>78,521</u>	<u>127,573</u>	<u>10,092</u>	<u>11,883</u>	<u>53,405</u>	<u>450,427</u>
NET REVENUE, BEFORE AMORTIZATION	<u>83,122</u>	<u>(23,012)</u>	<u>(77,846)</u>	<u>(19)</u>	<u>(3,117)</u>	<u>15,117</u>	<u>(48,129)</u>	<u>(53,884)</u>
AMORTIZATION AND DISPOSAL OF ASSETS								
Amortization of tangible capital assets	6,659	-	55,890	28,287	-	-	806	91,642
NET REVENUE	<u>76,463</u>	<u>(23,012)</u>	<u>(133,736)</u>	<u>(28,306)</u>	<u>(3,117)</u>	<u>15,117</u>	<u>(48,935)</u>	<u>(145,526)</u>

VILLAGE OF DONALDA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Village of Donalda are the representations of management prepared in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board of the 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 are, therefore accountable to the Council for the administration of their financial affairs and resources.

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

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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditure during the period. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

d) Investments

Investments are recorded at amortized cost. Investment premiums and discounts are amortized on the net present value basis over the term of the respective investments. When there has been a loss in value that is other than a temporary decline, the respective investment is written down to recognize the loss.

e) 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.

f) Inventories 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 levelling 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) Government Transfers

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

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

VILLAGE OF DONALDA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the consolidated Change in Net Financial Assets 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 cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over the estimated useful life as follows:

	YEARS
Buildings	25-50
Engineered structures - other	15-40
Engineered structures - water system	35-75
Engineered structures - wastewater system	35-75
Land improvements	15-20
Machinery and equipment	5-20
Vehicles	3-20

One-half of the annual amortization is charged in the year of acquisition and in the year of disposal. 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.

iv. Inventories

Inventories held for consumption are recorded at the lower of cost and replacement cost.

v. Cultural and Historical Tangible Capital Assets

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

VILLAGE OF DONALDA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

2. CASH AND TERM DEPOSITS

	<u>2014</u>	<u>2013</u>
Included in cash and term deposits are amounts received from various grant funding programs that are held for use in accordance with the funding agreements. (Note 4)	196,772	412,450
Included in cash and term deposits are amounts designated by council for future expenses and tangible capital asset acquisitions. (Note 8)	<u>36,569</u>	<u>135,172</u>
Total restricted cash and term deposits	<u>233,341</u>	<u>547,622</u>
Total unrestricted cash and term deposits	<u>-</u>	<u>-</u>

3. TAXES AND GRANTS IN PLACE OF TAXES RECEIVABLES

	<u>2014</u>	<u>2013</u>
Current taxes and grants in place of taxes	33,849	15,672
Arrears taxes	<u>7,258</u>	<u>2,935</u>
	<u>41,107</u>	<u>18,607</u>

4. DEFERRED INCOME

Deferred income consists of the following:	<u>2014</u>	<u>2013</u>
Federal Gas Tax	-	113,912
Municipal Sustainability Initiative - capital	196,772	332,971
Basic Municipal Transportation Grant	-	29,610
Other deferred revenue	-	3,500
	<u>196,772</u>	<u>479,993</u>

VILLAGE OF DONALDA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

5. CAPITAL LEASE OBLIGATION

	<u>2014</u>	<u>2013</u>
Capital lease obligation	<u>1,392</u>	<u>2,654</u>
Principal and interest payments are as follows:		
	<u>Principal</u>	<u>Interest</u>
2015	<u>1,392</u>	<u>76</u>
		<u>Total</u>
		<u>1,468</u>

Capital lease obligation repayable to Rioch Canada Inc. bears interest at prime plus 9.8% and matures in 2015 and is secured by equipment under the lease.

The village's total cash payments for interest in 2014 were \$205 (2013 - \$323).

6. 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 Donalda be disclosed as follows:

	<u>2014</u>	<u>2013</u>
Total debt limit	<u>594,815</u>	<u>520,004</u>
Total debt	<u>1,392</u>	<u>2,654</u>
Surplus debt limit	<u>593,423</u>	<u>517,350</u>
Debt servicing limit	<u>99,136</u>	<u>86,667</u>
Debt servicing	<u>1,468</u>	<u>1,468</u>
Surplus debt servicing	<u>97,668</u>	<u>85,199</u>

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, which 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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

7. EQUITY IN TANGIBLE CAPITAL ASSETS

	2014	2013
Tangible capital assets (Schedule 2)	3,488,242	3,021,625
Accumulated amortization (Schedule 2)	(1,699,856)	(1,608,214)
Long-term debt (Note 6)	(1,392)	(2,654)
	1,786,994	1,410,757

8. ACCUMULATED SURPLUS

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

	2014	2013
Unrestricted surplus	419	26,756
Restricted surplus		
General	33,766	33,766
Fire department	78,000	78,000
Roads and streets	5,000	5,000
Water systems	12,000	20,000
Garbage	-	600
Parks and recreation	-	250
	128,766	137,616
Equity in tangible capital assets	1,786,994	1,410,757
	1,916,179	1,575,129

9. SEGMENTED DISCLOSURE

The Village of Donalda provides a range of services to its ratepayers. 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.

Refer to the Schedule of Segmented Disclosure (schedule 6)

VILLAGE OF DONALDA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

10. SALARY AND BENEFITS DISCLOSURE

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

	2014			2013
	Salary	Benefits & Allowances	Total	Total
Ebel	-	-	-	1,410
Fox	3,960	-	3,960	800
Gartside	7,320	70	7,390	7,575
Knudtson	4,020	-	4,020	2,460
Tantrum	-	-	-	240
Whiteside	-	-	-	291
CAO	45,953	6,025	51,978	51,978

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.

11. CONTINGENCIES

The village is a member of the Alberta Municipal Insurance Exchange (MUNIX). Under the terms of the membership, the village 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 is a member of the Stettler Waste Management Authority. Under the terms of the membership, the village could become liable for its proportionate share of any landfill closure and post-closure costs in excess of the funds held by the association. Any liability incurred would be accounted for as a current transaction in the year the shortfall is determined.

VILLAGE OF DONALDA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

12. FINANCIAL INSTRUMENTS

The Village's financial instruments consist of cash and temporary investments, accounts receivable, investments, bank indebtedness, accounts payable and accrued liabilities, deposit liabilities and long-term debt. It is management's opinion that the village is not exposed to significant interest or currency risks arising from these financial instruments.

The village is subject to credit risk with respect to taxes 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 large number and diversity of taxpayers and customers minimizes the credit risk.

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

13. COMMITMENTS

The village has entered into a fire services agreement with the County of Stettler. Under the agreement, the county is to provide fire services to the village for an annual fee of \$25,000.

The village is a member of the Shirley McClellan Regional Water Services Commission and as such provides a proportionate share of the annual funding for administration and capital expenditures in proportion to their allocation of water capacity of the commission.

14. COMPARITIVE FIGURES

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

15. APPROVAL OF FINANCIAL STATEMENTS

Council and Management have approved these financial statements.