

**TOWN OF ONOWAY**

**ONOWAY, ALBERTA**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2014**

## INDEPENDENT AUDITORS' REPORT

To the Mayor and Council of the Town of Onoway

### *Report on the Financial Statements*

We have audited the accompanying financial statements of the Town of Onoway, which comprise the statement of financial position as at December 31, 2014, and the statements of operations and accumulated surplus, changes in net 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 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 Town of Onoway as at December 31, 2014, and the results of its operations, changes in net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.



Hawkings Epp Dumont LLP  
Chartered Accountants

Edmonton, Alberta  
March 26, 2015

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**MANAGEMENT'S RESPONSIBILITY  
FOR FINANCIAL REPORTING**

To the Mayor and Council of the Town of Onoway

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 judgments 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 Town Council to express an opinion on the Town's financial statements.



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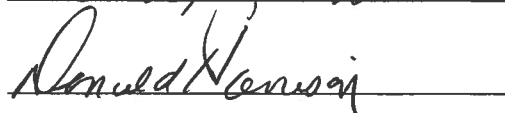
Wendy Wildman  
Chief Administrative Officer

**TOWN OF ONOWAY**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2014**

	<u>2014</u>	<u>2013</u>
<b>FINANCIAL ASSETS</b>		
Cash and temporary investments (Note 2)	\$ 266,439	\$ 628,639
Receivables (Note 4)	489,210	370,606
Land held for resale	<u>216,095</u>	<u>216,095</u>
	<u>971,744</u>	<u>1,215,340</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 5)	217,389	238,590
Deferred revenue (Note 6)	-	169,449
Long-term debt (Note 8)	<u>1,919,491</u>	<u>1,981,131</u>
	<u>2,136,880</u>	<u>2,389,170</u>
<b>NET DEBT</b>	<b><u>(1,165,136)</u></b>	<b><u>(1,173,830)</u></b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 3)	9,581,399	9,485,783
Prepaid expenses	<u>14,986</u>	<u>10,151</u>
	<u>9,596,385</u>	<u>9,495,934</u>
<b>ACCUMULATED SURPLUS (Note 10)</b>	<b><u>\$ 8,431,249</u></b>	<b><u>\$ 8,322,104</u></b>

ON BEHALF OF THE TOWN COUNCIL:

  
 \_\_\_\_\_ Mayor

  
 \_\_\_\_\_ Councillor

**TOWN OF ONOWAY**

**STATEMENT OF ANNUAL SURPLUS AND ACCUMULATED SURPLUS**

**FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>2014</u> (Budget) (Note 15)	<u>2014</u> (Actual)	<u>2013</u> (Actual)
<b>REVENUE</b>			
Net taxes available for municipal purposes (Schedule 2)	\$ 949,523	\$ 948,996	\$ 872,111
Sales and user charges (Schedule 4)	659,900	643,498	811,423
Government transfers for operating (Schedule 3)	239,203	308,252	236,512
Franchise fees (Note 12)	64,000	72,638	61,940
Rentals	41,300	47,300	38,900
Penalties and costs on taxes	35,000	31,454	36,386
Other	37,000	26,335	52,876
Fines	9,100	9,066	9,885
Licenses and permits	4,000	7,219	4,920
Interest income	<u>1,000</u>	<u>1,101</u>	<u>296</u>
	<u>2,040,026</u>	<u>2,095,859</u>	<u>2,125,249</u>
<b>EXPENSES</b>			
General administration	453,100	483,077	439,617
Wastewater treatment and disposal	129,873	291,521	177,556
Water supply and distribution	303,333	280,703	301,652
Roads, streets, walks, lighting	282,580	276,487	316,141
Common and equipment pool	165,850	178,655	161,780
Waste management	117,150	117,121	114,937
Land/housing/building rentals and other	16,800	109,796	11,350
Council and other legislative	81,705	79,611	65,785
Parks and recreation	77,670	74,815	72,489
Fire	54,410	46,264	54,130
Land use planning, zoning and development	23,650	35,058	21,546
Family and community support services	28,710	30,447	31,246
Police	20,000	16,981	14,763
Recreation board and other services	13,150	15,724	12,989
Culture: libraries, museums, halls	12,500	14,896	10,491
Subdivision land and development	17,000	12,608	41,261
Bylaws enforcement	10,000	3,800	577
Other	9,000	3,118	1,953
Disaster and emergency services	94,800	-	-
Amortization	<u>62,105</u>	<u>328,556</u>	<u>305,415</u>
	<u>1,973,386</u>	<u>2,399,238</u>	<u>2,155,678</u>
<b>ANNUAL SURPLUS (DEFICIT) BEFORE OTHER REVENUE</b>	<u>66,640</u>	<u>(303,379)</u>	<u>(30,429)</u>
<b>OTHER REVENUE</b>			
Government transfers for capital (Schedule 3)	446,537	401,663	334,773
Gain on disposal of tangible capital assets	<u>-</u>	<u>10,861</u>	<u>1,650</u>
	<u>446,537</u>	<u>412,524</u>	<u>336,423</u>
<b>ANNUAL SURPLUS</b>	513,177	109,145	305,994
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<u>8,322,104</u>	<u>8,322,104</u>	<u>8,016,110</u>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<u>\$ 8,835,281</u>	<u>\$ 8,431,249</u>	<u>\$ 8,322,104</u>

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

**TOWN OF ONOWAY**  
**STATEMENT OF CHANGES IN NET DEBT**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>2014</u> (Budget) (Note 15)	<u>2014</u> (Actual)	<u>2013</u> (Actual)
<b>ANNUAL SURPLUS</b>	\$ <u>513,177</u>	\$ <u>109,145</u>	\$ <u>305,994</u>
Purchase of tangible capital assets	(446,537)	(459,650)	(397,065)
Proceeds on disposal of tangible capital assets	-	46,339	1,650
Amortization of tangible capital assets	62,105	328,556	305,415
Loss (gain) on disposal of tangible capital assets	<u>-</u>	<u>(10,861)</u>	<u>(1,650)</u>
	<u>(384,432)</u>	<u>(95,616)</u>	<u>(91,650)</u>
Acquisition (use) of prepaid expenses	<u>-</u>	<u>(4,835)</u>	<u>6,588</u>
<b>DECREASE (INCREASE) IN NET DEBT</b>	128,745	8,694	220,932
<b>NET DEBT, BEGINNING OF YEAR</b>	<u>(1,173,830)</u>	<u>(1,173,830)</u>	<u>(1,394,762)</u>
<b>NET DEBT, END OF YEAR</b>	<u>\$ (1,045,085)</u>	<u>\$ (1,165,136)</u>	<u>\$ (1,173,830)</u>

**TOWN OF ONOWAY**  
**STATEMENT OF CHANGES IN CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>2014</u>	<u>2013</u>
<b>OPERATING ACTIVITIES</b>		
Cash from operations		
Annual surplus	\$ 109,145	\$ 305,994
Non-cash items included in excess of revenues over expenses:		
Amortization	328,556	305,415
Gain (loss) on disposal of tangible capital assets	<u>(10,861)</u>	<u>(1,650)</u>
	426,840	609,759
Change in non-cash working capital		
balances related to operations:		
Prepaid expenses	(4,835)	6,588
Receivables	(118,604)	170,702
Accounts payable and accrued liabilities	(21,201)	27,791
Land held for resale	-	(71,169)
Deferred revenue	<u>(169,449)</u>	<u>(61,778)</u>
	<u>112,751</u>	<u>681,893</u>
<b>FINANCING ACTIVITIES</b>		
Repayment of long-term debt	<u>(61,640)</u>	<u>(58,856)</u>
<b>CAPITAL ACTIVITIES</b>		
Proceeds on disposal of tangible capital assets	46,339	1,650
Purchase of tangible capital assets	<u>(459,650)</u>	<u>(397,065)</u>
	<u>(413,311)</u>	<u>(395,415)</u>
<b>CHANGE IN CASH AND TEMPORARY INVESTMENTS DURING THE YEAR</b>	<b>(362,200)</b>	<b>227,622</b>
<b>CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR</b>	<b><u>628,639</u></b>	<b><u>401,017</u></b>
<b>CASH AND TEMPORARY INVESTMENTS, END OF YEAR</b>	<b><u>\$ 266,439</u></b>	<b><u>\$ 628,639</u></b>

TOWN OF ONOWAY

Schedule 1

SCHEDULE OF EQUITY IN TANGIBLE CAPITAL ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>2014</u>	<u>2013</u>
<b>BALANCE, BEGINNING OF YEAR</b>	\$ 7,504,652	\$ 7,354,146
Purchase of Tangible Capital Assets	459,650	397,065
Amortization of Tangible Capital Assets	(328,556)	(305,415)
Net Book Value of Tangible Capital Assets Disposed of	(35,478)	-
Repayment of Capital Long-Term Debt	<u>61,640</u>	<u>58,856</u>
<b>BALANCE, END OF YEAR</b>	<u>\$ 7,661,908</u>	<u>\$ 7,504,652</u>

Equity in Tangible Capital Assets is Comprised of the Following:

Tangible Capital Assets (Note 3)	\$ 9,581,399	\$ 9,485,783
Long-term Debt (Note 8)	<u>(1,919,491)</u>	<u>(1,981,131)</u>
	<u>\$ 7,661,908</u>	<u>\$ 7,504,652</u>



TOWN OF ONOWAY

Schedule 2

SCHEDULE OF PROPERTY TAXES LEVIED

FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>2014</u> (Budget) (Note 15)	<u>2014</u> (Actual)	<u>2013</u> (Actual)
<b>TAXATION</b>			
Real property taxes	\$ 1,213,218	\$ 1,212,690	\$ 1,141,361
Linear property taxes	<u>37,360</u>	<u>37,361</u>	<u>37,211</u>
	<u>1,250,578</u>	<u>1,250,051</u>	<u>1,178,572</u>
<b>REQUISITIONS</b>			
Alberta School Foundation Fund	277,442	277,442	282,416
Lac Ste. Anne Foundation	<u>23,613</u>	<u>23,613</u>	<u>24,045</u>
	<u>301,055</u>	<u>301,055</u>	<u>306,461</u>
<b>NET MUNICIPAL TAXES</b>	<u>\$ 949,523</u>	<u>\$ 948,996</u>	<u>\$ 872,111</u>

TOWN OF ONOWAY

Schedule 3

SCHEDULE OF GOVERNMENT TRANSFERS

FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>2014</u> (Budget) (Note 15)	<u>2014</u> (Actual)	<u>2013</u> (Actual)
<b>TRANSFERS FOR OPERATING</b>			
Provincial government	\$ <u>239,203</u>	\$ <u>308,252</u>	\$ <u>236,512</u>
	<u>239,203</u>	<u>308,252</u>	<u>236,512</u>
<b>TRANSFERS FOR CAPITAL</b>			
Provincial government	<u>446,537</u>	<u>401,663</u>	<u>334,773</u>
	<u>446,537</u>	<u>401,663</u>	<u>334,773</u>
<b>TOTAL GOVERNMENT TRANSFERS</b>	\$ <u>685,740</u>	\$ <u>709,915</u>	\$ <u>571,285</u>

TOWN OF ONOWAY

SCHEDULE OF SEGMENTED INFORMATION

FOR THE YEAR ENDED DECEMBER 31, 2014

	General Administration	Protective Services	Public Works	Roads Streets, Walks and Lighting	Utilities	All Other	Total
<b>REVENUE</b>							
Taxation	\$ 333,227	\$ 27,698	\$ 178,655	\$ 273,319	\$ -	\$ 136,097	\$ 948,996
Sales and user charges	12,056	-	-	-	642,842	(11,400)	643,498
Government transfers	71,409	-	-	-	213,875	22,968	308,252
Other	66,385	39,347	-	3,167	-	86,214	195,113
	<u>483,077</u>	<u>67,045</u>	<u>178,655</u>	<u>276,486</u>	<u>856,717</u>	<u>233,879</u>	<u>2,095,859</u>
<b>EXPENSES</b>							
Contracted and general services	\$ 242,441	\$ 62,053	\$ 37,406	\$ 65,832	\$ 308,878	\$ 79,049	\$ 795,659
Salaries, wages, and benefits	187,377	-	67,840	95,771	123,577	105,417	579,982
Materials, goods, and supplies	17,907	3,620	52,672	57,070	125,565	166,308	423,142
Utilities	12,531	1,334	7,778	55,820	21,621	2,458	101,542
Interest on long-term debt	-	-	-	-	91,080	-	91,080
Insurance	22,821	38	12,959	1,993	18,622	1,413	57,846
Other	-	-	-	-	-	21,432	21,432
	<u>483,077</u>	<u>67,045</u>	<u>178,655</u>	<u>276,486</u>	<u>689,343</u>	<u>376,077</u>	<u>2,070,683</u>
<b>NET REVENUE BEFORE AMORTIZATION</b>	-	-	-	-	167,374	(142,198)	25,176
Amortization	32,449	-	50,422	35,684	177,705	32,295	328,555
<b>NET REVENUE (DEFICIT)</b>	<u>\$ (32,449)</u>	<u>\$ -</u>	<u>\$ (50,422)</u>	<u>\$ (35,684)</u>	<u>\$ (10,331)</u>	<u>\$ (174,493)</u>	<u>\$ (303,379)</u>

**TOWN OF ONOWAY**

Schedule 4

**SCHEDULE OF SEGMENTED INFORMATION**

**FOR THE YEAR ENDED DECEMBER 31, 2013**

	General Administration	Protective Services	Public Works	Roads Streets, Walks and Lighting	Utilities	All Other	Total
<b>REVENUE</b>							
Taxation	\$ 276,779	\$ 32,149	\$ 160,395	\$ 228,918	\$ -	\$ 173,870	\$ 872,111
Sales and user charges	1,575	-	-	-	638,792	171,056	811,423
Government transfers	74,558	-	-	87,223	49,763	24,968	236,512
Other	<u>86,705</u>	<u>37,320</u>	<u>1,385</u>	<u>-</u>	<u>-</u>	<u>79,793</u>	<u>205,203</u>
	<u>439,617</u>	<u>69,469</u>	<u>161,780</u>	<u>316,141</u>	<u>688,555</u>	<u>449,687</u>	<u>2,125,249</u>
<b>EXPENSES</b>							
Contracted and general services	208,867	66,884	34,404	161,117	150,206	51,793	673,271
Salaries, wages, and benefits	178,997	-	54,288	69,770	131,221	95,201	529,477
Materials, goods, and supplies	16,287	436	50,318	25,891	173,722	63,553	330,207
Utilities	14,096	2,116	9,963	58,137	28,673	1,955	114,940
Interest on long-term debt	10	-	-	-	93,903	-	93,913
Other	-	-	-	-	-	55,818	55,818
Insurance	<u>21,360</u>	<u>33</u>	<u>12,807</u>	<u>1,226</u>	<u>16,422</u>	<u>789</u>	<u>52,637</u>
	<u>439,617</u>	<u>69,469</u>	<u>161,780</u>	<u>316,141</u>	<u>594,147</u>	<u>269,109</u>	<u>1,850,263</u>
<b>NET REVENUE BEFORE AMORTIZATION</b>	-	-	-	-	94,408	180,578	274,986
Amortization	<u>34,134</u>	<u>-</u>	<u>49,808</u>	<u>25,911</u>	<u>168,010</u>	<u>27,552</u>	<u>305,415</u>
<b>NET REVENUE (DEFICIT)</b>	<u>\$ (34,134)</u>	<u>\$ -</u>	<u>\$ (49,808)</u>	<u>\$ (25,911)</u>	<u>\$ (73,602)</u>	<u>\$ 153,026</u>	<u>\$ (30,429)</u>

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

**TOWN OF ONOWAY**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2014**

**1. SIGNIFICANT ACCOUNTING POLICIES**

These financial statements are 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:

(a) Reporting Entity

The financial statements reflect assets, liabilities, revenue and expenditures and changes in fund balances and changes in financial position of the Town. This is comprised of the municipal operations plus all of the organizations that are owned or accountable to the Town 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.

(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 revenue in the period that the events giving rise to the transfer occurred, providing the transfers are authorized, any eligibility criteria have been met by the municipality, 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 the accounting principles for local governments established by the Canadian Institute of Chartered Accountants 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) 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 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 their respective function.

(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 borrowing. These levies are collectable from property owners for work performed by the Town and are recognized as revenue in the year the tax is levied.

TOWN OF ONOWAY

NOTES TO FINANCIAL STATEMENTS (CONT'D)

DECEMBER 31, 2014

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) 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 their estimated useful lives as follows:

Engineered structures	
Water systems	45 - 75 years
Wastewater systems	75 years
Roadways	10 - 20 years
Storm systems	75 years
Buildings	25 & 50 years
Machinery and equipment	5 - 33 years
Vehicles	10 years

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.

(g) Under-Levies and Over-Levies

Under-levies and over-levies arise from the difference between the actual levy made to cover each requisition and the actual amount requisitioned.

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

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

2. CASH AND TEMPORARY INVESTMENTS

	<u>2014</u>	<u>2013</u>
Operating account	\$ 32,548	\$ 426,039
Temporary investments	233,291	202,000
Cash on hand	<u>600</u>	<u>600</u>
	<u>\$ 266,439</u>	<u>\$ 628,639</u>

Temporary investments consist of a guaranteed investment certificates bearing interest at 0.8% and maturing April 3 and August 6, 2014.

TOWN OF ONOWAY

NOTES TO FINANCIAL STATEMENTS (CONT'D)

DECEMBER 31, 2014

3. TANGIBLE CAPITAL ASSETS

	<u>2014</u>	<u>2013</u>
Engineered structures		
Water systems	\$ 4,691,736	\$ 4,809,726
Wastewater systems	2,922,387	2,953,403
Roadways	657,257	538,337
Storm systems	<u>57,263</u>	<u>58,731</u>
	8,328,643	8,360,197
Buildings	407,120	420,663
Machinery, equipment, and furnishings	517,342	348,478
Land	180,756	180,756
Vehicles	<u>147,538</u>	<u>175,689</u>
	<u>\$ 9,581,399</u>	<u>\$ 9,485,783</u>

	<u>Cost</u> <u>Beginning of</u> <u>Year</u>	<u>Additions</u>	<u>Disposals</u>	<u>Write-downs</u>	<u>Cost</u> <u>End of</u> <u>Year</u>
Engineered structures					
Roadways	\$ 2,301,159	\$ 153,136	\$ -	\$ -	\$ 2,454,295
Water systems	6,850,607	-	-	-	6,850,607
Wastewater systems	3,467,850	15,323	-	-	3,483,173
Storm systems	<u>111,587</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>111,587</u>
	12,731,203	168,459	-	-	12,899,662
Land	180,756	-	-	-	180,756
Buildings	1,224,127	13,125	-	-	1,237,252
Machinery, equipment, and furnishings	615,192	278,066	(42,094)	-	851,164
Vehicles	<u>281,508</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>281,508</u>
	<u>\$ 15,032,786</u>	<u>\$ 459,650</u>	<u>\$ (42,094)</u>	<u>\$ -</u>	<u>\$ 15,450,342</u>

	<u>Accumulated</u> <u>Amortization</u> <u>Beginning of</u> <u>Year</u>	<u>Current</u> <u>Amortization</u>	<u>Disposals</u>	<u>Write-downs</u>	<u>Accumulated</u> <u>Amortization</u> <u>End of</u> <u>Year</u>
Engineered structures					
Roadways	\$ 1,762,822	\$ 34,216	\$ -	\$ -	\$ 1,797,038
Water systems	2,040,881	117,990	-	-	2,158,871
Wastewater systems	514,447	46,339	-	-	560,786
Storm systems	<u>52,856</u>	<u>1,468</u>	<u>-</u>	<u>-</u>	<u>54,324</u>
	4,371,006	200,013	-	-	4,571,019
Buildings	803,464	26,668	-	-	830,132
Machinery, equipment, and furnishings	266,714	73,724	(6,616)	-	333,822
Vehicles	<u>105,819</u>	<u>28,151</u>	<u>-</u>	<u>-</u>	<u>133,970</u>
	<u>\$ 5,547,003</u>	<u>\$ 328,556</u>	<u>\$ (6,616)</u>	<u>\$ -</u>	<u>\$ 5,868,943</u>

**TOWN OF ONOWAY**  
**NOTES TO FINANCIAL STATEMENTS (CONT'D)**  
**DECEMBER 31, 2014**

**4. RECEIVABLES**

	<u>2014</u>	<u>2013</u>
Taxes and grants in place of taxes	\$ 231,121	\$ 177,381
Government grants	124,654	-
Goods and Services Tax	68,017	52,360
Utilities	60,230	59,435
Trade and other	<u>5,188</u>	<u>81,430</u>
	<u>\$ 489,210</u>	<u>\$ 370,606</u>

Taxes and grants in place of taxes include arrears taxes in the amount of \$124,399 (2014 - \$54,215).

**5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<u>2014</u>	<u>2013</u>
Trade payables	\$ 191,077	\$ 211,433
Accrued interest on long-term debt	<u>26,312</u>	<u>27,157</u>
	<u>\$ 217,389</u>	<u>\$ 238,590</u>

**6. DEFERRED REVENUE**

Deferred revenue consists of externally restricted unspent funds received which relate to expenditures of future periods.

	<u>Opening</u>	<u>Receipts</u>	<u>Revenue</u>	<u>Ending</u>
Municipal Sustainability Initiative Capital	\$ <u>169,449</u>	\$ <u>334,515</u>	\$ <u>(503,964)</u>	\$ _____
	<u>\$ 169,449</u>	<u>\$ 334,515</u>	<u>\$ (503,964)</u>	<u>\$ _____</u>

**7. TRUST FUNDS**

The Town administers the following trusts on behalf of third parties. As related trust assets are not owned by the Town, the trusts have been excluded from the financial statements. The following table provides a summary of the transactions within these trusts during the year:

	<u>Opening</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Ending</u>
Regional Collaboration Program Grant	\$ -	\$ 90,000	\$ 20,206	\$ 69,794
Tax sale proceeds	54,844	35,372	20,817	69,399
Seniors Housing	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>1,000</u>
	<u>\$ 55,844</u>	<u>\$ 125,372</u>	<u>\$ 41,023</u>	<u>\$ 140,193</u>



**TOWN OF ONOWAY**  
**NOTES TO FINANCIAL STATEMENTS (CONT'D)**  
**DECEMBER 31, 2014**

**8. LONG-TERM DEBT**

	<u>2014</u>	<u>2013</u>
Alberta Capital Finance Authority debenture, repayable in bi-annual instalments of \$76,783 including interest at a fixed rate of 4.676%, due September 15, 2033. Debenture debt is issued on the credit and security of Town at large.	<u>\$ 1,919,491</u>	<u>\$ 1,981,131</u>

Principal and interest payments are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 64,556	\$ 89,010	\$ 153,566
2016	67,610	85,955	153,565
2017	70,809	82,757	153,566
2018	74,158	79,407	153,565
2019	77,666	75,899	153,565
Thereafter	<u>1,564,692</u>	<u>584,230</u>	<u>2,148,922</u>
	<u>\$ 1,919,491</u>	<u>\$ 997,258</u>	<u>\$ 2,916,749</u>

The Town's cash payments for interest in 2014 were \$91,925 (2013 - \$94,710).

**9. DEBT LIMITS**

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

	<u>2014</u>	<u>2013</u>
Total debt limit	<u>\$ 3,143,789</u>	\$ 3,187,874
Total debt	<u>(1,919,491)</u>	<u>(1,981,131)</u>
Amount of debt limit unused	<u>\$ 1,224,298</u>	<u>\$ 1,206,743</u>
Service on debt limit	<u>\$ 523,965</u>	\$ 531,312
Service on debt	<u>(153,566)</u>	<u>(153,568)</u>
Amount of debt servicing limit unused	<u>\$ 370,399</u>	<u>\$ 377,744</u>

**TOWN OF ONOWAY**  
**NOTES TO FINANCIAL STATEMENTS (CONT'D)**  
**DECEMBER 31, 2014**

**10. ACCUMULATED SURPLUS**

	<u>2014</u>	<u>2013</u>
Unrestricted surplus	\$ 292,648	\$ 334,510
Restricted surplus		
Operating reserves (Note 11)	58,202	64,451
Capital reserves (Note 11)	418,491	418,491
Equity in tangible capital assets (Schedule 1)	<u>7,661,908</u>	<u>7,504,652</u>
	<u>\$ 8,431,249</u>	<u>\$ 8,322,104</u>

**11. RESERVES**

	<u>2014</u>	<u>2013</u>
<b>Operating Reserves</b>		
Tax stabilization	\$ 42,202	\$ 42,202
Special projects	16,000	16,000
Communities in bloom	<u>-</u>	<u>6,249</u>
	<u>\$ 58,202</u>	<u>\$ 64,451</u>
<b>Capital Reserves</b>		
Roads and streets	\$ 200,000	\$ 200,000
Utilities	135,292	135,292
Equipment	53,199	53,199
Parks and playground	<u>30,000</u>	<u>30,000</u>
	<u>\$ 418,491</u>	<u>\$ 418,491</u>

**12. UTILITY FRANCHISE AGREEMENTS**

Disclosure of utility franchise agreement annual revenues as required by Alberta Regulation 313/2000 is as follows:

	<u>2014</u>	<u>2013</u>
Atco Gas	\$ 16,982	\$ 14,199
Fortis Alberta Inc.	<u>55,656</u>	<u>47,741</u>
	<u>72,638</u>	<u>61,940</u>

**TOWN OF ONOWAY**

**NOTES TO FINANCIAL STATEMENTS (CONT'D)**

**DECEMBER 31, 2014**

**13. SALARIES AND BENEFITS DISCLOSURE**

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

	<u>Salary</u>	<u>2014</u> <u>Benefits and</u> <u>Allowances</u>	<u>Total</u>	<u>2013</u> <u>Total</u>
<b>Town Council</b>				
Krasnow (Mayor)	\$ 9,567	\$ 155	\$ 9,722	\$ 10,883
Harrison (Mayor)	7,990	98	8,088	7,332
Tracy	7,476	75	7,551	1,082
Feth	6,275	45	6,320	4,929
Yuill	5,206	11	5,217	775
Walker	-	-	-	3,067
Roberts	-	-	-	4,317
	<u>\$ 36,514</u>	<u>\$ 384</u>	<u>\$ 36,898</u>	<u>\$ 32,385</u>
<b>Chief Administrative Officers</b>				
Wildman	<u>\$ 102,943</u>	<u>\$ -</u>	<u>\$ 102,943</u>	<u>\$ 94,700</u>

Salary includes regular base pay, lump sum payments, gross honoraria and any other direct cash remuneration.

Benefits and allowances include the employer's share of all employee benefits and contributions or payments made on behalf of employees, and the employer's share of the costs of any additional taxable benefits.

**14. FINANCIAL INSTRUMENTS**

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

The Town 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 Town's credit risk.

**15. BUDGET FIGURES**

Budget figures are provided for informational purposes only and are unaudited.

**16. APPROVAL OF FINANCIAL STATEMENTS**

These financial statements were approved by Council and administration.