

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

INDEPENDENT AUDITOR'S REPORT

To the Mayor and Council of the Village of Alliance:

Report on the Consolidated Financial Statements

I have audited the accompanying consolidated financial statements of the Village of Alliance, 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 Alliance 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

May 13, 2015

Certified General Accountant

VILLAGE OF ALLIANCE

CONSOLIDATED STATEMENT OF FINANCIAL POSITION DECEMBER 31, 2014

	<u>2014</u>	<u>2013</u>
FINANCIAL ASSETS		
Cash (Note 2)	174,078	138,418
Taxes and grants in place of taxes (Note 3)	36,473	38,283
Trade, grants and other receivables	10,583	15,103
Due from other governments	59,013	77,115
Inventory held for resale	72,083	18,660
Investments	20,000	20,000
Other financial assets	8,025	7,996
	<u>380,255</u>	<u>315,575</u>
LIABILITIES		
Accounts payable and accrued liabilities	29,385	20,964
Deferred revenue (Note 4)	190,975	101,526
Long term debt (Note 5)	49,224	54,701
	<u>269,584</u>	<u>177,191</u>
NET FINANCIAL ASSETS	<u>110,671</u>	<u>138,384</u>
NON-FINANCIAL ASSETS		
Tangible capital assets	<u>4,247,460</u>	<u>4,354,893</u>
ACCUMULATED SURPLUS (NOTE 8)	<u>4,358,131</u>	<u>4,493,277</u>

VILLAGE OF ALLIANCE

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

	Budget (unaudited)	2014	2013
REVENUE			
Net municipal property taxes (Schedule 3)	142,123	141,220	140,717
User fees and sales of goods	127,800	132,366	144,525
Penalties and costs on taxes	6,600	10,651	8,786
Licenses and permits	1,300	1,214	920
Fines	1,500	-	1,548
Franchise and concession contracts	11,730	12,672	11,408
Investment income	1,200	637	1,090
Rentals	-	1,901	1,756
Government transfers for operating	51,113	47,931	66,859
Other	8,067	10,759	80,816
	<u>351,433</u>	<u>359,351</u>	<u>458,425</u>
EXPENSES			
Legislative	25,500	24,960	16,827
Administration	89,758	80,313	81,568
Protective services	35,219	36,483	34,725
Transportation	150,991	123,041	143,028
Water supply and distribution	96,712	81,443	72,610
Wastewater treatment and disposal	18,466	18,299	7,058
Waste management	26,145	26,267	26,019
Public health and welfare	4,849	3,613	2,349
Planning and development	2,000	22,986	3,649
Recreation	32,296	37,045	25,534
Culture	5,072	4,614	5,378
Amortization	18,803	139,588	132,504
Loss (gain) on disposal of assets	-	3,290	-
	<u>505,811</u>	<u>601,942</u>	<u>551,249</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES BEFORE OTHER	(154,378)	(242,591)	(92,824)
OTHER			
Government transfers for capital (Schedule 4)	641,443	107,445	276,486
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	487,065	(135,146)	183,662
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>4,493,277</u>	<u>4,493,277</u>	4,309,615
ACCUMULATED SURPLUS, END OF YEAR	<u>4,980,342</u>	<u>4,358,131</u>	<u>4,493,277</u>

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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>487,065</u>	<u>(135,146)</u>	<u>183,662</u>
Acquisition of tangible capital assets	(547,500)	(36,445)	(295,108)
Proceeds on disposal of tangible capital assets	-	1,000	-
Amortization of tangible capital assets	18,803	139,588	132,504
Loss on sale of tangible capital assets	-	3,290	-
	<u>(528,697)</u>	<u>107,433</u>	<u>(162,604)</u>
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	(41,632)	(27,713)	21,058
NET FINANCIAL ASSETS, BEGINNING OF YEAR	<u>138,384</u>	<u>138,384</u>	<u>117,326</u>
NET FINANCIAL ASSETS, END OF YEAR	<u><u>96,752</u></u>	<u><u>110,671</u></u>	<u><u>138,384</u></u>

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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 (deficiency) of revenues over expenses	(135,146)	183,662
Non-cash items included in excess of revenue over expenses:		
Amortization of tangible capital assets	139,588	132,504
Non-cash charges to operations (net change):		
Decrease (increase) in taxes and grants in place of taxes	1,810	(9,336)
Decrease (increase) in trade and other receivables	4,520	(6,805)
Decrease (increase) in due from other governments	18,102	66,553
Decrease (increase) in other financial assets	(29)	(246)
Increase (decrease) in accounts payable and accrued liabilities	8,421	(1,996)
Increase (decrease) in deferred revenue	89,449	(69,131)
	<u>76,582</u>	<u>295,205</u>
CAPITAL		
Acquisition of tangible capital assets	(36,445)	(295,108)
Sale of tangible capital assets	1,000	-
	<u>(35,445)</u>	<u>(295,108)</u>
FINANCING		
Long-term debt repaid	(5,477)	(5,155)
CHANGE IN CASH AND EQUIVALENTS DURING THE YEAR	35,660	(5,058)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	138,418	143,476
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>174,078</u>	<u>138,418</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	15,930	177,155	4,300,192	4,493,277	4,309,615
Excess (deficiency) of revenues over expenses	(135,146)	-	-	(135,146)	183,662
Restricted funds used for operations	30,772	(30,772)	-	-	-
Current year funds used for tangible capital assets	(36,445)	-	36,445	-	-
Disposal of tangible capital assets	4,290	-	(4,290)	-	-
Annual amortization expense	139,588	-	(139,588)	-	-
Long term debt repaid	(5,477)	-	5,477	-	-
Change in accumulated surplus	(2,418)	(30,772)	(101,956)	(135,146)	183,662
BALANCE, END OF YEAR	13,512	146,383	4,198,236	4,358,131	4,493,277

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

	LAND	LAND IMPROVEMENTS	BUILDINGS	ENGINEERED STRUCTURES	MACHINERY AND EQUIPMENT	VEHICLES	2014	2013
COST:								
Balance - beginning of year	63,041	109,999	1,488,148	3,847,407	176,163	204,309	5,889,067	5,593,959
Acquisition of tangible capital assets	-	-	-	-	16,500	-	16,500	295,108
Construction in progress	-	-	-	19,945	-	-	19,945	-
Disposal of tangible capital assets	-	-	9,749	-	-	-	9,749	-
Balance - end of year	63,041	109,999	1,478,399	3,867,352	192,663	204,309	5,915,763	5,889,067
ACCUMULATED AMORTIZATION								
Balance - beginning of year	-	39,297	145,555	1,169,388	81,668	98,266	1,534,174	1,401,670
Annual amortization	-	4,940	29,417	81,292	12,035	11,904	139,588	132,504
Accumulated amortization on disposals	-	-	5,459	-	-	-	5,459	-
Balance - end of year	-	44,237	169,513	1,250,680	93,703	110,170	1,668,303	1,534,174
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	63,041	65,762	1,308,886	2,616,672	98,960	94,139	4,247,460	4,354,893
OPENING NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	63,041	70,702	1,342,593	2,678,019	94,495	106,043	4,354,893	

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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	158,041	157,138	158,801
Linear property taxes	5,040	5,040	5,859
Government grants in place of property taxes	3,047	3,047	2,987
	<u>166,128</u>	<u>165,225</u>	<u>167,647</u>
REQUISITIONS			
Alberta School Foundation	22,096	22,096	25,152
Flagstaff Regional Housing Group	1,909	1,909	1,778
	<u>24,005</u>	<u>24,005</u>	<u>26,930</u>
NET MUNICIPAL TAXES	<u>142,123</u>	<u>141,220</u>	<u>140,717</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			
Provincial Government	30,783	27,777	49,675
Local Governments	20,330	20,154	17,184
	<u>51,113</u>	<u>47,931</u>	<u>66,859</u>
TRANSFERS FOR CAPITAL			
Federal Government	35,000	-	-
Provincial Government	606,443	107,445	276,486
	<u>641,443</u>	<u>107,445</u>	<u>276,486</u>
TOTAL GOVERNMENT TRANSFERS	<u>692,556</u>	<u>155,376</u>	<u>343,345</u>

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

	Budget (Unaudited)	2014	2013
Expenditures			
Salaries, wages and benefits	164,637	156,595	151,246
Contracted and general services	210,458	166,809	166,507
Materials, goods and utilities	99,925	121,029	90,721
Provision for allowances	1,400	-	-
Transfers to local boards and agencies	2,697	6,654	3,964
Interest on capital long term debt	3,741	3,308	3,637
Other expenditures	4,150	4,669	2,670
Amortization of tangible capital assets	18,803	139,588	132,504
Loss (gain) on disposal of tangible capital assets	-	3,290	-
	<u>505,811</u>	<u>601,942</u>	<u>551,249</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)	141,220	-	-	-	-	-	-	141,220
User fees and sales of goods	-	1,355	1,464	98,470	-	10,716	20,361	132,366
Penalties and costs on taxes	9,732	-	-	919	-	-	-	10,651
Licenses and permits	-	990	-	-	-	224	-	1,214
Franchise and concession contracts	12,672	-	-	-	-	-	-	12,672
Investment income	637	-	-	-	-	-	-	637
Rentals	1,901	-	-	-	-	-	-	1,901
Government transfers	27,777	16,154	-	-	2,500	-	1,500	47,931
Other	2,658	700	-	-	-	-	7,401	10,759
	<u>196,597</u>	<u>19,199</u>	<u>1,464</u>	<u>99,389</u>	<u>2,500</u>	<u>10,940</u>	<u>29,262</u>	<u>359,351</u>
EXPENSES								
Salaries, wages and benefits	66,112	10,270	54,406	25,807	-	-	-	156,595
Contracted and general services	30,189	14,391	27,835	79,558	1,264	497	13,075	166,809
Materials, goods and utilities	4,958	11,167	40,800	17,336	-	22,489	24,279	121,029
Transfers to local boards and agencies	-	-	-	-	2,349	-	4,305	6,654
Interest on capital long term debt	-	-	-	3,308	-	-	-	3,308
Other expenditures	4,014	655	-	-	-	-	-	4,669
	<u>105,273</u>	<u>36,483</u>	<u>123,041</u>	<u>126,009</u>	<u>3,613</u>	<u>22,986</u>	<u>41,659</u>	<u>459,064</u>
NET REVENUE, BEFORE AMORTIZATION	<u>91,324</u>	<u>(17,284)</u>	<u>(121,577)</u>	<u>(26,620)</u>	<u>(1,113)</u>	<u>(12,046)</u>	<u>(12,397)</u>	<u>(99,713)</u>
AMORTIZATION AND DISPOSAL OF ASSETS								
Amortization of tangible capital assets	1,612	13,393	43,466	46,836	1,500	-	32,781	139,588
Loss on disposal of tangible capital assets	3,290	-	-	-	-	-	-	3,290
	<u>4,902</u>	<u>13,393</u>	<u>43,466</u>	<u>46,836</u>	<u>1,500</u>	<u>-</u>	<u>32,781</u>	<u>142,878</u>
NET REVENUE	<u>86,422</u>	<u>(30,677)</u>	<u>(165,043)</u>	<u>(73,456)</u>	<u>(2,613)</u>	<u>(12,046)</u>	<u>(45,178)</u>	<u>(242,591)</u>

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

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Village of Alliance 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.

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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	50
Engineered structures - other	20
Engineered structures - water system	50-75
Engineered structures - wastewater system	50-75
Land improvements	20
Machinery and equipment	10-15
Vehicles	10-20

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.

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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)	140,975	38,971
Included in cash and term deposits are amounts designated by council for future expenses and tangible capital asset acquisitions. (Note 8)	<u>33,103</u>	<u>99,447</u>
Total restricted cash and term deposits	<u><u>174,078</u></u>	<u><u>138,418</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	22,797	25,608
Arrears taxes	7,612	12,675
Property held by the village as a result of tax forfeiture	6,064	-
	<u><u>36,473</u></u>	<u><u>38,283</u></u>

4. DEFERRED INCOME

Deferred income consists of the following:	<u>2014</u>	<u>2013</u>
Federal Gas Tax	50,000	-
Municipal Sustainability Initiative - capital	137,969	101,526
Municipal Sustainability Initiative - operating	3,006	-
	<u><u>190,975</u></u>	<u><u>101,526</u></u>

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

5. LONG TERM DEBT

	2014	2013
Alberta Capital Finance Authority	49,224	54,701

Principal and interest payments are as follows:

	Principal	Interest	Total
2015	5,820	3,076	8,896
2016	6,183	2,713	8,896
2017	6,570	2,326	8,896
2018	6,981	1,915	8,896
2019	7,417	1,479	8,896
Thereafter	16,253	1,539	17,792
	49,224	13,048	62,272

Debenture debt repayable to the Alberta Capital Finance Authority bears interest at 6.25% and matures in 2021 and is secured by the credit and security of the village at large.

The village's total cash payments for interest in 2014 were \$3,419 (2013 - \$3,741).

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 Alliance be disclosed as follows:

	2014	2013
Total debt limit	539,027	687,638
Total debt	49,224	54,701
Surplus debt limit	489,803	632,937
Debt servicing limit	89,838	114,606
Debt servicing	8,896	8,896
Surplus debt servicing	80,942	105,710

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

	<u>2014</u>	<u>2013</u>
Tangible capital assets (Schedule 2)	5,915,763	5,889,067
Accumulated amortization (Schedule 2)	(1,668,303)	(1,534,174)
Long-term debt (Note 6)	<u>(49,224)</u>	<u>(54,701)</u>
	<u><u>4,198,236</u></u>	<u><u>4,300,192</u></u>

8. ACCUMULATED SURPLUS

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

	<u>2014</u>	<u>2013</u>
Unrestricted surplus	<u>13,512</u>	<u>15,930</u>
Restricted surplus		
General	100,000	118,742
Fire department	10,000	10,000
Water and Sewer	36,383	36,383
Lagoon	-	10,000
Recreation	-	2,030
	<u>146,383</u>	<u>177,155</u>
Equity in tangible capital assets	<u>4,198,236</u>	<u>4,300,192</u>
	<u><u>4,358,131</u></u>	<u><u>4,493,277</u></u>

9. SEGMENTED DISCLOSURE

The Village of Alliance 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)

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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
Fankhanel	-	-	-	3,900
McLeod	6,000	-	6,000	900
Thomas	6,000	-	6,000	4,800
Wickstrom	6,000	-	6,000	4,800
CAO	35,478	3,685	39,163	36,688

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 Flagstaff Regional Solid Waste Management Association. Under the terms of the membership, the town 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 ALLIANCE

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. COMPARITIVE FIGURES

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

14. APPROVAL OF FINANCIAL STATEMENTS

Council and Management have approved these financial statements.