

**TOWN OF FOX CREEK**  
**Consolidated Financial Statements**  
**Year Ended December 31, 2014**

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

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# *Shoemaker, Viney & Friesen*

CHARTERED ACCOUNTANTS

John S. Shoemaker Professional Corporation

Tina J. Viney Professional Corporation



Timothy J. Friesen Professional Corporation

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of Town of Fox Creek

We have audited the accompanying consolidated financial statements of Town of Fox Creek, which comprise the consolidated statement of financial position as at December 31, 2014 and the consolidated statements of operations, changes 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 accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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

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

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

*(continues)*

Independent Auditor's Report to the Members of Town of Fox Creek *(continued)*

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Town of Fox Creek as at December 31, 2014 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Westlock, Alberta  
September 28, 2015

*Shoemaker, Viney & Friesen*  
CHARTERED ACCOUNTANTS

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

	2014	2013
<b>FINANCIAL ASSETS</b>		
Cash and temporary investments <i>(Note 2)</i>	\$ 16,746,577	\$ 19,139,850
Taxes and grants in place of taxes <i>(Note 3)</i>	534,012	476,311
Trade and other receivables	604,642	665,317
Land for resale inventory	805,396	441,898
	<u>18,690,627</u>	<u>20,723,376</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	1,047,065	6,068,076
Deferred revenue <i>(Note 4)</i>	674,033	642,338
Long Term Debt <i>(Note 5)</i>	1,383,683	1,561,144
	<u>3,104,781</u>	<u>8,271,558</u>
<b>NET FINANCIAL ASSETS</b>	<u>15,585,846</u>	<u>12,451,818</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 1)	27,514,961	26,885,532
Prepaid expenses	10,272	-
	<u>27,525,233</u>	<u>26,885,532</u>
<b>ACCUMULATED SURPLUS (Note 8)</b>	<u>\$ 43,111,079</u>	<u>\$ 39,337,350</u>

**TOWN OF FOX CREEK**  
**Consolidated Statement of Operations**  
**Year Ended December 31, 2014**

	Budget (unaudited)	2014	2013
<b>REVENUE</b>			
Net municipal taxes (Schedule 2)	\$ 3,544,895	\$ 3,748,213	\$ 3,101,155
Government transfers for operating (Schedule 3)	2,544,257	3,161,838	2,328,711
User fees and sales of goods	1,866,230	2,146,751	1,829,119
Rental revenue	890,683	1,104,478	977,709
Franchise fees	148,170	185,945	145,460
Penalties and costs of taxes	100,250	98,811	155,832
Investment income	66,359	93,177	84,530
Licenses, permits and fines	105,575	90,055	132,515
Other	215,021	55,828	120,054
Insurance proceeds	-	-	250,000
<b>Total Revenue</b>	<b>9,481,440</b>	<b>10,685,096</b>	<b>9,125,085</b>
<b>EXPENSES</b>			
Administration	1,110,389	1,173,983	1,254,837
Amortization of tangible capital assets	799,000	798,060	799,552
Culture and other	444,040	166,853	146,721
Family and community support	965,082	784,501	733,317
Land use planning, zoning and development	803,210	831,712	713,454
Legislative	233,850	178,352	163,844
Parks and recreation	504,045	392,307	443,431
Protective and health services	483,825	505,472	453,425
Roads, streets, walks, lighting	1,398,925	1,014,806	1,011,547
Waste management	639,802	530,257	452,306
Wastewater treatment and disposal	180,950	158,703	286,119
Water supply and distribution	597,976	409,475	362,345
<b>Total Expenses</b>	<b>8,161,094</b>	<b>6,944,481</b>	<b>6,820,898</b>
<b>EXCESS OF REVENUE OVER EXPENSES FROM OPERATIONS</b>	<b>1,320,346</b>	<b>3,740,615</b>	<b>2,304,187</b>
<b>CAPITAL ITEMS</b>			
Government transfer for capital (Schedule 3)	11,500,000	-	-
Contributed assets (Schedule 3)	-	33,114	145,715
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>12,820,346</b>	<b>3,773,729</b>	<b>2,449,902</b>
<b>ACCUMULATED SURPLUS - BEGINNING OF YEAR</b>	<b>39,337,350</b>	<b>39,337,350</b>	<b>36,887,448</b>
<b>ACCUMULATED SURPLUS - END OF YEAR</b>	<b>\$ 52,157,696</b>	<b>\$ 43,111,079</b>	<b>\$ 39,337,350</b>

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

	2014	2013
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	<b>\$ 3,773,729</b>	<b>\$ 2,449,902</b>
Acquisition of tangible capital assets	(1,427,491)	(1,796,004)
Amortization of tangible capital assets	798,060	799,552
	<u>(629,431)</u>	<u>(996,452)</u>
(Acquisition) disposal of prepaid expenses	<u>(10,270)</u>	-
(INCREASE)/DECREASE IN NET ASSETS (DEBT)	<b>3,134,028</b>	1,453,450
<b>NET FINANCIAL ASSETS - BEGINNING OF YEAR</b>	<u><b>12,451,818</b></u>	<u>10,998,368</u>
<b>NET FINANCIAL ASSETS - END OF YEAR</b>	<u><b>\$ 15,585,846</b></u>	<u>\$ 12,451,818</u>

**TOWN OF FOX CREEK**  
**Consolidated Statement of Cash Flows**  
**Year Ended December 31, 2014**

	2014	2013
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenses	\$ 3,773,729	\$ 2,449,902
Item not affecting cash:		
Amortization of tangible capital assets	<u>798,060</u>	<u>799,552</u>
	<u>4,571,789</u>	<u>3,249,454</u>
Changes in non-cash working capital:		
Taxes and grants in place of taxes	(57,701)	(78,478)
Trade and other receivables	60,675	(143,280)
Land for resale inventory	(363,498)	174,072
Accounts payable and accrued liabilities	(5,021,009)	4,995,915
Deferred revenue	31,695	565,916
Prepaid expenses	<u>(10,272)</u>	<u>-</u>
	<u>(5,360,110)</u>	<u>5,514,145</u>
Cash flow from (used by) operating activities	<u>(788,321)</u>	<u>8,763,599</u>
<b>INVESTING ACTIVITY</b>		
Purchase of tangible capital assets	<u>(1,427,491)</u>	<u>(1,796,004)</u>
<b>FINANCING ACTIVITY</b>		
Debt repayment	<u>(177,461)</u>	<u>(166,128)</u>
<b>Net change in cash and cash equivalents during the year</b>	<b>(2,393,273)</b>	<b>6,801,467</b>
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<b><u>19,139,850</u></b>	<b><u>12,338,383</u></b>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b><u>\$ 16,746,577</u></b>	<b><u>\$ 19,139,850</u></b>



**TOWN OF FOX CREEK**  
**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 Fox Creek 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 Town of Fox Creek 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 Town of Fox Creek and are, therefore, 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. Interdepartmental and organizational transactions and balances are eliminated.

b) Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or the legal obligation to pay.

Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

Government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used for certain programs, in the completion of specific work, or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred, services performed or the tangible capital assets are acquired.

c) Use of Estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and 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.

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

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

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) Debt Charges Recoverable

Debt charges recoverable consist of amounts that are recoverable from municipal agencies or other local governments with respect to outstanding debentures or other long-term debt pursuant to annexation orders or joint capital undertakings. These recoveries are recorded at a value that equals the offsetting portion of the unmatured long term debt, less actuarial requirements for the retirement of any sinking fund debentures.

f) 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.

g) 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.

h) Prepaid Local Improvement Charges

Construction and borrowing costs associated with local improvement projects are recovered through annual special assessments during the period of the related borrowings. These levies are collectable from property owners for work performed by the municipality.

Where a taxpayer has elected to prepay the outstanding local improvement charges, such amounts are recorded as deferred revenue. Deferred revenue is amortized to revenue on a straight line basis over the remaining term of the related borrowings.

In the event that the prepaid amounts are applied against the related borrowings, the deferred revenue is amortized to revenue by an amount equal to the debt repayment.

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

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

i) 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 (Debt) for the year.

i. Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over the estimated useful life as follows:

Land improvements		non-depreciable
Engineered structures	2%	straight-line method
Buildings	3%	straight-line method
Machinery and equipment	15%	straight-line method
Vehicles	20%	straight-line method

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 are also 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.

j) Landfill Closure and Post-Closure Liability

Pursuant to the Alberta Environmental Protection and Enhancement Act, the Town of Fox Creek is required to fund 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, 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 FOX CREEK**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2014**

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

k) 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.

2. CASH AND TEMPORARY INVESTMENTS

	2014	2013
Cash and temporary investments	<b>\$ 16,746,577</b>	<b>\$ 19,139,850</b>

Council has designated funds of \$14,386,266 (2013 - \$11,700,606) included in the above amounts for funding the Town's reserves.

Included in cash and temporary investments is a restricted amount of \$674,033 (2013 - \$642,338) received from the provincial government and others, held exclusively for a variety of capital and operating projects.

3. TAXES AND GRANTS IN PLACE OF TAXES

	2014	2013
Taxes and grants in place of taxes	<b>\$ 458,658</b>	<b>\$ 329,645</b>
Arrears taxes	<b>75,354</b>	<b>146,666</b>
	<b>\$ 534,012</b>	<b>\$ 476,311</b>

4. DEFERRED REVENUE

	2014	2013
Alberta Finance - municipal sustainability initiative	<b>\$ 674,033</b>	<b>\$ 555,993</b>
F.C.S.S. Grants	<b>-</b>	<b>86,345</b>
	<b>\$ 674,033</b>	<b>\$ 642,338</b>

Funding received or receivable is anticipated to be spent in 2015.

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

5. LONG TERM DEBT

	2014	2013
Tax supported debentures	\$ 745,808	\$ 863,170
Special Levy supported debentures	547,839	537,187
Utility Rate supported debentures	90,036	160,787
	<b>\$ 1,383,683</b>	<b>\$ 1,561,144</b>

The current portion of the long term debt amounts to \$141,167 (2013 - \$177,462).

Principal and interest repayment terms are as follows:

	Principal	Interest	Total
2015	\$ 141,167	\$ 75,699	\$ 216,866
2016	108,285	66,367	174,652
2017	114,467	60,184	174,651
2018	121,006	53,643	174,649
2019	102,297	46,727	149,024
Thereafter	796,461	203,527	999,988
	<b>\$ 1,383,683</b>	<b>\$ 506,147</b>	<b>\$ 1,889,830</b>

Debenture debt is repayable to the Alberta Municipal Finance Authority and bears interest at 7.75%.

Debenture debt is issued on the credit and security of the Town of Fox Creek at large.

Interest on long term debt amounted to \$87,927 (2013 - \$99,339).

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

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 Town of Fox Creek be disclosed as follows:

	2014	2013
Total debt limit	\$ 16,027,644	\$ 13,687,628
Total debt	1,383,683	1,561,144
Amount of debt limit unused	\$ 14,643,961	\$ 12,126,484
Debt servicing limit	\$ 2,671,274	\$ 2,281,271
Debt servicing	216,866	267,391
Amount of debt servicing limit unused	\$ 2,454,408	\$ 2,013,880

The debt limit is calculated at 1.5 times revenue of the municipality (as defined in Alberta Regulation 255/00) and the debt service limit is calculated at 0.25 times such revenue. Incurring debt beyond these limitations requires approval by the Minister of Municipal Affairs. These thresholds are guidelines used by Alberta Municipal Affairs to identify municipalities that could be at financial risk if further debt is acquired. The calculation taken alone does not represent the financial stability of the municipality. Rather, the financial statements must be interpreted as a whole.

7. EQUITY IN TANGIBLE CAPITAL ASSETS

	2014	2013
Tangible capital assets ( <i>Schedule 1</i> )	\$ 40,438,926	\$ 39,011,437
Accumulated amortization ( <i>Schedule 1</i> )	(12,923,965)	(12,125,905)
Long term debt ( <i>Note 5</i> )	(1,383,683)	(1,561,144)
	\$ 26,131,278	\$ 25,324,388

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

**8. ACCUMULATED SURPLUS**

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

	2014	2013
Unrestricted surplus (deficit)	<b>\$ 2,593,535</b>	\$ 2,312,358
Restricted surplus		
Parks & recreation	2,205,230	1,171,259
Roads & other engineering structure	8,976,979	8,212,374
General and sustainability	877,962	1,395,341
Community enhancement and equipment	2,326,095	921,630
Equity in tangible capital assets	<b>26,131,278</b>	25,324,388
	<b>\$ 43,111,079</b>	<b>\$ 39,337,350</b>

**9. SALARY AND BENEFITS DISCLOSURE**

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

	Salary <sup>1</sup>	Benefits & allowances <sup>2</sup>	2014 Total	2013 Total
<b>Councillors:</b>				
Ahn, Jim	\$ -	\$ -	\$ -	\$ 2,090
Burridge, Brenda	12,675	788	<b>13,463</b>	13,893
Campbell, Mary	-	-	-	6,387
Conlin, Christopher	8,700	486	<b>9,186</b>	2,973
Gislason, Albert	-	-	-	5,700
Hailes, James	11,000	661	<b>11,661</b>	1,348
Hornby, Bernie	-	-	-	7,612
Stadnyk, Christopher	10,538	626	<b>11,164</b>	2,648
Thompson, Thomas	7,975	431	<b>8,406</b>	2,998
Mayor (Ahn, Jim)	19,350	1,294	<b>20,644</b>	5,953
Mayor (MacKinnon, Leora)	-	-	-	12,674
Chief Administrative Officer	129,707	21,006	<b>150,713</b>	164,416

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.

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

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10. LOCAL AUTHORITIES PENSION PLAN

Employees of the Town of Fox Creek participate in the Local Authorities Pension Plan (LAPP), which is one of the plans covered by the Alberta Public Sector Pension Plans Act. The LAPP serves about 237,612 people and 423 employers. The LAPP is financed by employer and employee contributions and by investment earnings of the LAPP Fund.

Contributions for current service are recorded as expenditures in the year in which they become due.

The Town of Fox Creek is required to make current service contributions to the LAPP of 11.39% of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 15.84% on pensionable earnings above this amount. Employees of the Town of Fox Creek are required to make current service contributions of 10.39% of pensionable salary up to the year's maximum pensionable salary and 14.84% on pensionable salary above this amount.

Total current service contributions by the Town of Fox Creek to the LAPP in 2014 were \$158,038 (2013 - \$124,889). Total current service contributions by the employees of the Town of Fox Creek to the LAPP in 2014 were \$145,168 (2013 - \$113,795).

At December 31, 2014, the LAPP disclosed an actuarial deficiency of \$2.45 billion.

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11. CONTINGENCIES

The Town of Fox Creek is a member of the Alberta Municipal Insurance Exchange (MUNIX). Under the terms of the membership, the Town of Fox Creek 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.

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12. FINANCIAL INSTRUMENTS

The Town of Fox Creek's financial instruments consist of cash, accounts receivable, investments, accounts payable, deposit liabilities and long term debt. It is management's opinion that the Town of Fox Creek is not exposed to significant interest or currency risks arising from these financial instruments.

The Town of Fox Creek is subject to credit risk with respect to taxes and grants in place of taxes receivables and trade and other receivables. Credit risk arises from the possibility that taxpayers and entities to which the Town of Fox Creek 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 carrying value of the financial instrument approximates fair value.

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13. BUDGET FIGURES

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

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14. APPROVAL OF FINANCIAL STATEMENTS

Council and Management have approved these financial statements.

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**TOWN OF FOX CREEK**  
**Consolidated Schedule of Expenses by Object** *(Schedule 1)*  
**Year Ended December 31, 2014**

	Budget (Unaudited)	2014	2013
<b>CONSOLIDATED EXPENSES BY OBJECT</b>			
Salaries, wages and benefits	\$ 2,996,749	\$ <b>2,558,113</b>	\$ 2,363,205
Contracted and general services	2,506,899	<b>2,005,874</b>	2,158,005
Materials, goods and utilities	1,533,161	<b>1,072,800</b>	1,064,020
Provision for allowances	1,000	<b>28,486</b>	38,108
Transfers to local boards and agencies	183,135	<b>166,035</b>	220,295
Other	29,400	<b>227,186</b>	78,374
Interest on long term debt	111,750	<b>87,927</b>	99,339
Amortization of tangible capital assets	799,000	<b>798,060</b>	799,552
	<b>\$ 8,161,094</b>	<b>\$ 6,944,481</b>	<b>\$ 6,820,898</b>

**TOWN OF FOX CREEK**  
**Consolidated Schedule of Property and Other Taxes** *(Schedule 2)*  
**Year Ended December 31, 2014**

	Budget (Unaudited)	2014	2013
<b>TAXATION</b>			
Real property taxes	\$ 4,286,867	\$ 4,490,021	\$ 3,771,749
Pipeline	124,028	124,028	98,509
	<u>4,410,895</u>	<u>4,614,049</u>	<u>3,870,258</u>
<b>REQUISITIONS</b>			
Alberta School Foundation Fund	823,727	823,563	712,233
Heart River Foundation	42,273	42,273	56,870
	<u>866,000</u>	<u>865,836</u>	<u>769,103</u>
<b>NET MUNICIPAL TAXES</b>	<u>\$ 3,544,895</u>	<u>\$ 3,748,213</u>	<u>\$ 3,101,155</u>

**TOWN OF FOX CREEK**  
**Consolidated Schedule of Government Transfers** *(Schedule 3)*  
**Year Ended December 31, 2014**

	Budget (Unaudited)	2014	2013
<b>TRANSFERS FOR OPERATING:</b>			
Local Government	\$ 2,013,265	\$ 2,403,115	\$ 2,000,000
Other local groups	-	<b>139,423</b>	46,554
Provincial Government	530,992	<b>619,300</b>	282,157
	2,544,257	<b>3,161,838</b>	2,328,711
<b>TRANSFERS FOR CAPITAL:</b>	11,500,000	<b>33,114</b>	145,715
<b>TOTAL GOVERNMENT TRANSFERS</b>	<b>\$ 14,044,257</b>	<b>\$ 3,194,952</b>	<b>\$ 2,474,426</b>

**Consolidated Schedule of Tangible Capital Assets  
(Schedule 4)**

**Year Ended December 31, 2014**

	Land	Land Improvements	Buildings	Engineered Structures	Machinery and Equipment	Vehicles	2014	2013
<b>COST:</b>								
BALANCE, BEGINNING OF YEAR	\$ 58,379	\$ 2,756,648	\$ 3,413,933	\$ 28,313,012	\$ 3,256,461	\$ 1,213,002	\$ 39,011,435	\$ 37,215,433
Acquisitions	-	341,576	89,271	838,340	86,225	72,079	1,427,491	1,796,002
BALANCE, END OF YEAR	58,379	3,098,224	3,503,204	29,151,352	3,342,686	1,285,081	40,438,926	39,011,435
<b>ACCUMULATED AMORTIZATION:</b>								
BALANCE, BEGINNING OF YEAR	-	508,711	1,389,638	7,291,094	2,026,963	909,499	12,125,905	11,326,353
Annual amortization	-	48,374	62,068	428,819	190,892	67,907	798,060	799,552
BALANCE, END OF YEAR	-	557,085	1,451,706	7,719,913	2,217,855	977,406	12,923,965	12,125,905
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	\$ 58,379	\$ 2,541,139	\$ 2,051,498	\$ 21,431,439	\$ 1,124,831	\$ 307,675	\$ 27,514,961	\$ 26,885,530

**TOWN OF FOX CREEK**  
**SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS**  
**For the Year Ended Wednesday, December 31, 2014**  
**SCHEDULE 5**

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	Total 2014	Total 2013
BALANCE, BEGINNING OF YEAR	\$ 2,312,358	\$ 11,700,606	\$ 25,324,386	\$ 39,337,350	\$ 36,887,448
Excess (Deficiency) of revenues over expenses	3,773,729	-	-	3,773,729	2,449,902
Unrestricted funds designated for future use	(4,321,510)	4,321,510	-	-	-
Restricted funds used for operations	280,395	(280,395)	-	-	-
Restricted funds used for tangible capital assets	-	(1,355,455)	1,355,455	-	-
Current year funds used for tangible capital assets	(38,922)	-	38,922	-	-
Contributed tangible capital assets	(33,114)	-	33,114	-	-
Annual amortization expense	798,060	-	(798,060)	-	-
Long term debt repaid	(177,461)	-	177,461	-	-
Change in accumulated surplus	281,177	2,685,660	806,892	3,773,729	2,449,902
BALANCE, END OF YEAR	\$ 2,593,535	\$ 14,386,266	\$ 26,131,278	\$ 43,111,079	\$ 39,337,350

**TOWN OF FOX CREEK**  
**SCHEDULE OF SEGMENTED DISCLOSURE**  
**For the Year Ended Wednesday, December 31, 2014**  
**SCHEDULE 6**

	General Government	Protective Services	Transportation Services	F.C.S.S.	Recreation & Culture	Environmental Services	Other	Total
<b>REVENUE:</b>								
Net municipal taxes and general government and contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,452,349	\$ 6,452,349
User fees and sales of goods	5,175	78,460	288,496	410,701	25,080	-	-	802,737
Licenses, Permits and Fines	24,126	111,200	29,353	8,323	4,341	1,406,216	582,143	2,146,751
Rentals	249,271	46,235	-	-	-	10,952	16,096	97,409
Other revenues	-	68,081	174,788	23,033	37,254	-	552,051	1,104,478
			48,361	-	4,800	61,325	-	114,486
	278,572	303,976	540,998	442,057	71,475	1,478,493	7,602,639	10,718,210
<b>EXPENSES:</b>								
Contract & general services	398,086	348,519	223,772	108,778	84,504	583,541	258,674	2,005,874
Salaries & wages	780,746	61,913	419,204	608,253	280,916	215,303	191,778	2,558,113
Goods & supplies	91,996	95,040	342,730	63,470	98,105	240,837	140,622	1,072,800
Transfers to local boards	44,900	-	-	4,000	95,635	-	21,500	166,035
Long-term debt interest	73	-	29,100	-	-	58,754	-	87,927
Other expenses	36,534	-	-	-	-	-	219,138	255,672
	1,352,335	505,472	1,014,806	784,501	559,160	1,098,435	831,712	6,146,421
<b>NET REVENUE, BEFORE AMORTIZATION</b>	(1,073,763)	(201,496)	(473,808)	(342,444)	(487,685)	380,058	6,770,927	4,571,789
Amortization expense	66,788	67,487	308,713	2,155	82,007	253,587	17,323	798,060
<b>NET REVENUE</b>	(1,140,551)	(268,983)	(782,521)	(344,599)	(569,692)	126,471	6,753,604	3,773,729