

# VILLAGE OF CHAMPION

## Financial Statements

December 31, 2012

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## INDEPENDENT AUDITORS' REPORT

**To The Mayor and Council  
of the Village of Champion**

### **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of the Village of Champion, which comprise the statement of financial position as at December 31, 2012 and the statements of operations, changes in net financial assets and cash flows for the period 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 the consolidated 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 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 auditors' 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 auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

### **Opinion**

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Village of Champion as at December 31, 2012, the results of its operations, change in its net financial assets and its cash flows for the period then ended in accordance with Canadian public sector accounting standards.

Lethbridge, Alberta

August 19, 2013

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

Chartered Accountants

# VILLAGE OF CHAMPION

## Consolidated Statement of Financial Position

As at December 31, 2012

	2012	2011
<b>FINANCIAL ASSETS</b>		
Cash and temporary investments (Note 2)	\$ 170,784	\$ 97,575
Receivables		
Taxes and grants in place of taxes (Note 3)	28,013	40,200
Trade and other	191,934	103,504
Land held for resale	<u>23,978</u>	<u>15,227</u>
	<u>\$ 414,709</u>	<u>\$ 256,506</u>
<b>FINANCIAL LIABILITIES</b>		
Accounts payable and accrued liabilities	58,807	51,717
Deferred revenue (Note 4)	<u>286,419</u>	<u>75,685</u>
	<u>\$ 345,226</u>	<u>\$ 127,402</u>
<b>NET FINANCIAL ASSETS</b>	<u>\$ 69,483</u>	<u>\$ 129,104</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 2)	\$ 5,145,483	\$ 5,210,803
Prepaid expenses and deposits	<u>2,552</u>	<u>2,431</u>
	<u>\$ 5,148,035</u>	<u>\$ 5,213,234</u>
<b>ACCUMULATED SURPLUS (Schedule 1 and Note 7)</b>	<u><u>\$ 5,217,518</u></u>	<u><u>\$ 5,342,338</u></u>

**CONTINGENCIES (Note 11)**



**VILLAGE OF CHAMPION**  
**Consolidated Statement of Operations**  
**For the Year Ended December 31, 2012**

	Budget (Unaudited)	2012	2011
<b>REVENUES</b>			
User fees and sales of goods	\$ 272,425	\$ 165,102	\$ 176,471
Net municipal property taxes (Schedule 3)	291,482	300,081	268,712
Government transfers (Schedule 4)	101,998	76,553	58,541
Franchise and concession contracts	13,000	28,816	25,980
Penalties and costs of taxes	12,800	10,631	9,791
Investment income	1,100	-	1,000
	<u>\$ 692,805</u>	<u>\$ 581,183</u>	<u>\$ 540,495</u>
<b>EXPENSES</b>			
Water, wastewater and waste management	\$ 301,532	\$ 221,553	\$ 218,662
Administration	195,180	161,948	159,933
Roads, streets, walks, lighting	128,349	90,612	80,665
Parks and recreation	64,761	60,383	28,885
Police, fire, ambulance and bylaw enforcement	27,950	19,050	22,552
Legislative	8,800	12,458	17,956
Amortization	-	143,399	135,391
	<u>\$ 726,572</u>	<u>\$ 709,403</u>	<u>\$ 664,044</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES BEFORE OTHER</b>	<b>\$ (33,767)</b>	<b>\$ (128,220)</b>	<b>\$ (123,549)</b>
<b>OTHER</b>			
Government transfers for capital (Schedule 4)	<u>1,168</u>	<u>3,400</u>	<u>226,469</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	<b>\$ (32,599)</b>	<b>\$ (124,820)</b>	<b>\$ 102,920</b>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<u>5,342,338</u>	<u>5,342,338</u>	<u>5,239,418</u>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<u><u>\$ 5,309,739</u></u>	<u><u>\$ 5,217,518</u></u>	<u><u>\$ 5,342,338</u></u>



# VILLAGE OF CHAMPION

## Consolidated Statement of Change in Net Financial Assets (Debt)

For the Year Ended December 31, 2012

	Budget (Unaudited)	2012	2011
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	\$ <u>(32,599)</u>	\$ <u>(124,820)</u>	\$ <u>102,920</u>
Acquisition of tangible capital assets	\$ (128,349)	\$ (78,079)	\$ (213,524)
Amortization of tangible capital assets	<u>-</u>	<u>143,399</u>	<u>135,391</u>
	\$ <u>(128,349)</u>	\$ <u>65,320</u>	\$ <u>(78,133)</u>
Acquisition of prepaid assets	\$ <u>-</u>	\$ <u>(121)</u>	\$ <u>(2,431)</u>
<b>INCREASE (DECREASE) IN NET DEBT</b>	\$ (160,948)	\$ (59,621)	\$ 22,356
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>	<u>129,104</u>	<u>129,104</u>	<u>106,748</u>
<b>NET FINANCIAL ASSETS (DEBT), END OF YEAR</b>	\$ <u><u>(31,844)</u></u>	\$ <u><u>69,483</u></u>	\$ <u><u>129,104</u></u>



**VILLAGE OF CHAMPION**  
**Consolidated Statement of Cash Flows**  
**For the Year Ended December 31, 2012**

	2012	2011
<b>NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:</b>		
<b>OPERATING</b>		
Excess (deficiency) of revenues over expenses	\$ (124,820)	\$ 102,920
Non-cash items included in excess of revenues over expenses		
Amortization of tangible capital assets	143,399	135,391
Non-cash charges to operations (net changes)		
(Increase) decrease in taxes and grants in lieu receivable	12,185	(1,920)
(Increase) in trade and other receivables	(88,430)	(68,997)
(Increase) in land held for resale	(8,751)	(15,227)
(Increase) in prepaid expenses	(121)	(2,431)
(Decrease) increase in accounts payable and accrued liabilities	7,090	29,524
(Decrease) increase in deferred revenue	<u>210,734</u>	<u>(18,144)</u>
	<u>\$ 151,288</u>	<u>\$ 161,116</u>
<b>CAPITAL</b>		
Acquisition of tangible capital assets	<u>\$ (78,079)</u>	<u>\$ (213,524)</u>
<b>FINANCING</b>		
Long-term debt repaid	<u>\$ -</u>	<u>\$ (33,037)</u>
<b>CHANGE IN CASH AND EQUIVALENTS DURING THE YEAR</b>	<b>\$ 73,209</b>	<b>\$ (85,445)</b>
<b>CASH AND EQUIVALENTS, BEGINNING OF YEAR</b>	<u>97,575</u>	<u>183,020</u>
<b>CASH AND EQUIVALENTS, END OF YEAR (Note 2)</b>	<u><b>\$ 170,784</b></u>	<u><b>\$ 97,575</b></u>





**VILLAGE OF CHAMPION**  
**Schedule of Changes in Accumulated Surplus**  
**For the Year Ended December 31, 2012**

**SCHEDULE 1**

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2012	2011
<b>BALANCE, BEGINNING OF THE YEAR</b>	\$ 131,535	\$ -	\$ 5,210,803	\$ 5,342,338	\$ 5,239,418
Excess (deficiency) of revenues over expenses	(124,820)	-	-	(124,820)	102,920
Current year funds used for tangible capital assets	(78,079)	-	78,079	-	-
Annual amortization expense	<u>143,399</u>	-	<u>(143,399)</u>	-	-
Change in accumulated surplus	\$ <u>(59,500)</u>	\$ -	\$ <u>(65,320)</u>	\$ <u>(124,820)</u>	\$ <u>102,920</u>
<b>BALANCE, END OF YEAR</b>	\$ <u><u>72,035</u></u>	\$ -	\$ <u><u>5,145,483</u></u>	\$ <u><u>5,217,518</u></u>	\$ <u><u>5,342,338</u></u>



**VILLAGE OF CHAMPION**  
 Schedule of Tangible Capital Assets  
 For the Year Ended December 31, 2012

**SCHEDULE 2**

	Land	Land Improvements	Buildings	Engineered Structures	Machinery & Equipment	Vehicles	2012	2011
<b>COST:</b>								
BALANCE, BEGINNING OF YEAR	\$ 705,239	\$ 221,341	\$ 4,987,284	\$ 3,436,046	\$ 213,273	\$ 47,775	\$ 9,610,958	\$ 9,397,434
Acquisition of tangible capital assets	-	-	-	-	78,079	-	78,079	183,093
Construction-in-progress	-	-	-	-	-	-	-	30,431
BALANCE, END OF YEAR	\$ 705,239	\$ 221,341	\$ 4,987,284	\$ 3,436,046	\$ 291,352	\$ 47,775	\$ 9,689,037	\$ 9,610,958
<b>ACCUMULATED AMORTIZATION:</b>								
BALANCE, BEGINNING OF YEAR	\$ -	\$ 14,338	\$ 2,770,791	\$ 1,457,541	\$ 142,550	\$ 14,935	\$ 4,400,155	\$ 4,264,764
Annual amortization	-	4,427	53,079	62,561	18,982	4,350	143,399	135,391
BALANCE, END OF YEAR	\$ -	\$ 18,765	\$ 2,823,870	\$ 1,520,102	\$ 161,532	\$ 19,285	\$ 4,543,554	\$ 4,400,155
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	\$ <u>705,239</u>	\$ <u>202,576</u>	\$ <u>2,163,414</u>	\$ <u>1,915,944</u>	\$ <u>129,820</u>	\$ <u>28,490</u>	\$ <u>5,145,483</u>	\$ <u>5,210,803</u>
2011 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	\$ <u>705,239</u>	\$ <u>207,003</u>	\$ <u>2,216,493</u>	\$ <u>1,978,505</u>	\$ <u>70,723</u>	\$ <u>32,840</u>	\$ <u>5,210,803</u>	



**VILLAGE OF CHAMPION**  
**Schedule of Property Taxes Levied**  
**For the Year Ended December 31, 2012**

**SCHEDULE 3**

	Budget (Unaudited)	2012	2011
<b>TAXATION</b>			
Real property taxes	\$ 339,941	\$ 359,490	\$ 311,676
Special assessment and local improvement taxes	<u>10,950</u>	<u>-</u>	<u>10,805</u>
	<u>\$ 350,891</u>	<u>\$ 359,490</u>	<u>\$ 322,481</u>
<b>REQUISITIONS</b>			
Alberta School Foundation Fund	\$ 55,805	\$ 55,805	\$ 50,377
Seniors foundation	<u>3,604</u>	<u>3,604</u>	<u>3,392</u>
	<u>\$ 59,409</u>	<u>\$ 59,409</u>	<u>\$ 53,769</u>
<b>NET MUNICIPAL PROPERTY TAXES</b>	<u><b>\$ 291,482</b></u>	<u><b>\$ 300,081</b></u>	<u><b>\$ 268,712</b></u>



**VILLAGE OF CHAMPION**  
**Schedule of Government Transfers**  
**For the Year Ended December 31, 2012**

**SCHEDULE 4**

	Budget (Unaudited)	2012	2011
<b>TRANSFERS FOR OPERATIONS</b>			
Provincial Government	\$ <u>101,998</u>	\$ <u>76,553</u>	\$ <u>58,541</u>
<b>TRANSFERS FOR CAPITAL</b>			
Federal Government	\$ -	\$ -	\$ 216,469
Provincial Government	<u>1,168</u>	<u>3,400</u>	<u>10,000</u>
	\$ <u>1,168</u>	\$ <u>3,400</u>	\$ <u>226,469</u>
	\$ <u><b>103,166</b></u>	\$ <u><b>79,953</b></u>	\$ <u><b>285,010</b></u>



**VILLAGE OF CHAMPION**  
**Schedule of Consolidated Expenditures by Object**  
**For the Year Ended December 31, 2012**

**SCHEDULE 5**

	Budget (Unaudited)	2012	2011
<b>EXPENDITURES</b>			
Salaries, wages and benefits	\$ 178,179	\$ 129,126	\$ 104,044
Contracted and general services	154,250	147,974	162,885
Materials, goods, and utilities	325,275	217,292	204,042
Transfers to local boards and agencies	66,868	68,505	54,768
Bank charges and short-term interest	2,000	1,756	1,860
Interest on long-term debt	-	-	371
Other	-	1,351	682
Amortization	-	143,399	135,391
	<u>\$ 726,572</u>	<u>\$ 709,403</u>	<u>\$ 664,043</u>





**VILLAGE OF CHAMPION**  
 Schedule of Segmented Disclosure  
 For the Year Ended December 31, 2012

**SCHEDULE 6**

	General Government	Protective Services	Transportation Services	Planning & Development	Recreation & Culture	Environmental Services	Other	Total
<b>REVENUE</b>								
Net municipal property taxes	\$ 300,081	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 300,081
Government transfers	-	-	79,953	-	-	-	-	79,953
User fees and sales of goods	4,045	6,007	1,255	-	25,477	128,318	-	165,102
Other revenue	<u>39,447</u>	-	-	-	-	-	-	<u>39,447</u>
	<u>\$ 343,573</u>	<u>\$ 6,007</u>	<u>\$ 81,208</u>	<u>\$ -</u>	<u>\$ 25,477</u>	<u>\$ 128,318</u>	<u>\$ -</u>	<u>\$ 584,583</u>
<b>EXPENSES</b>								
Contracted and general services	\$ 60,777	\$ 9,528	\$ 4,999	\$ -	\$ 17,252	\$ 55,418	\$ -	\$ 147,974
Salaries, wages and benefits	71,564	-	24,916	12,458	14,591	5,597	-	129,126
Materials, goods and utilities	26,500	3,122	60,697	-	15,103	111,870	-	217,292
Transfers to local boards and agencies	-	6,400	-	-	13,437	48,668	-	68,505
Other expenses	<u>3,107</u>	-	-	-	-	-	-	<u>3,107</u>
	<u>\$ 161,948</u>	<u>\$ 19,050</u>	<u>\$ 90,612</u>	<u>\$ 12,458</u>	<u>\$ 60,383</u>	<u>\$ 221,553</u>	<u>\$ -</u>	<u>\$ 566,004</u>
<b>NET REVENUE BEFORE AMORTIZATION</b>	<u>\$ 181,625</u>	<u>\$ (13,043)</u>	<u>\$ (9,404)</u>	<u>\$ (12,458)</u>	<u>\$ (34,906)</u>	<u>\$ (93,235)</u>	<u>\$ -</u>	<u>\$ 18,579</u>
Amortization expense	<u>\$ 53,078</u>	<u>\$ -</u>	<u>\$ 66,914</u>	<u>\$ -</u>	<u>\$ 4,426</u>	<u>\$ 18,981</u>	<u>\$ -</u>	<u>\$ 143,399</u>
<b>NET REVENUE</b>	<u>\$ 128,547</u>	<u>\$ (13,043)</u>	<u>\$ (76,318)</u>	<u>\$ (12,458)</u>	<u>\$ (39,332)</u>	<u>\$ (112,216)</u>	<u>\$ -</u>	<u>\$ (124,820)</u>

# VILLAGE OF CHAMPION

## Notes to Financial Statements

For the Year Ended December 31, 2012

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### 1. Significant Accounting Policies

The consolidated financial statements of the Village of Champion 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 of Champion 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. The entity is comprised of the municipal operations plus all of the organizations that are owned or controlled by the village and are, therefore, accountable to the village 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 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.



# VILLAGE OF CHAMPION

## Notes to Financial Statements

For the Year Ended December 31, 2012

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### 1. Significant Accounting Policies (continued)

- d) 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 collectible 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 borrowing, the deferred revenue is amortized to revenue by an amount equal to the debt repayment.

- e) 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.

- f) 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 Asset (Debt) for the year.

1. 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:

	<u>YEARS</u>
Land Improvements	50
Buildings	50
Engineered Structures	
Water System	40
Wastewater System	40
Other Engineered Structures	40
Machinery and Equipment	10
Vehicles	10

A full year of amortization is charged in the year of acquisition and no amortization is charged in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.



**VILLAGE OF CHAMPION**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2012**

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**1. Significant Accounting Policies (continued)**

2. 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.

**2. Cash and Temporary Investments**

	2012	2011
Cash on hand	\$ 85	\$ 85
Cash	<u>170,699</u>	<u>97,490</u>
	<u><u>170,784</u></u>	<u><u>97,575</u></u>

The village has a demand line of credit with Alberta Treasury Branches with an authorized limit of \$45,000 which bears interest at the prime rate, of which none was used at year-end. Security pledged consists of an assignment of property taxes. The prime rate at December 31, 2012 was 3.00%.

**3. Taxes and Grants in Place of Taxes Receivables**

	2012	2011
Current taxes and grants in place of taxes	\$ 19,386	\$ 27,897
Arrears taxes	<u>8,627</u>	<u>12,303</u>
	<u><u>\$ 28,013</u></u>	<u><u>\$ 40,200</u></u>

**4. Deferred Revenue**

	2012	2011
Municipal Sustainability Initiative - Capital	\$ 185,906	\$ 49,497
Arena	-	10,000
Basic Municipal Transportation Grant	39,228	16,188
Regional Collaboration Grant	45,174	-
Federal Gas Tax Fund	<u>16,111</u>	<u>-</u>
	<u><u>\$ 286,419</u></u>	<u><u>\$ 75,685</u></u>



**VILLAGE OF CHAMPION**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2012**

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**5. 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 be disclosed as follows:

	2012	2011
Total debt limit	\$ 871,775	\$ 810,743
Total debt	<u>-</u>	<u>-</u>
Total unused debt limit	<u>\$ 871,775</u>	<u>\$ 810,743</u>
Service on debt limit	\$ 145,296	\$ 135,124
Service on debt	<u>-</u>	<u>-</u>
Amount of unused service on debt	<u>\$ 145,296</u>	<u>\$ 135,124</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 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.

**6. Equity in Tangible Capital Assets**

	2012	2011
Tangible capital assets (Schedule 2)	\$ 9,689,037	\$ 9,610,958
Accumulated amortization (Schedule 2)	<u>(4,543,554)</u>	<u>(4,400,155)</u>
	<u>\$ 5,145,483</u>	<u>\$ 5,210,803</u>

**7. Accumulated Surplus**

	2012	2011
Unrestricted surplus	\$ 72,035	\$ 131,535
Equity in tangible capital assets	<u>5,145,483</u>	<u>5,210,803</u>
	<u>\$ 5,217,518</u>	<u>\$ 5,342,338</u>

**8. Segmented Disclosure**

The Village of Champion 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 CHAMPION

## Notes to Financial Statements

For the Year Ended December 31, 2012

### 9. Salary and Benefits Disclosure

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

	Salary (1)	Benefits & Allowances (2)	2012 Total	2011 Total
	\$	\$	\$	\$
Mayor - Christine Nyberg	5,038	-	5,038	-
- Richard Ellis	-	-	-	4,885
- James Smith	565	-	565	-
- Keith Harris	2,265	-	2,265	-
- James Sparkes	-	-	-	2,255
- Richard Ellis	2,200	-	2,200	-
- Elaine Dixon	185	-	185	930
- Art Dyck	2,206	-	2,206	1,700
- Christine Nyberg	-	-	-	5,110
Designated officer - CAO	55,968	4,352	60,320	29,719

- (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, accident disability and dismemberment insurance, long and short term disability plans, professional memberships and tuition.

Benefits and allowances figures also include the employer's share of the costs of additional taxable benefits including special leave with pay, car and travel allowances, conferences, and memberships.

### 10. Local Authorities Pension Plan

Employees of the village 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 133,000 people and 389 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 is required to make current service contributions of 5.525% of pensionable earnings up to the year's maximum pensionable earnings under the Canadian Pension Plan and 7.4% on pensionable earnings above this amount. Employees of the town are required to make current service contributions of 4.525% of pensionable salary up to the year's maximum pensionable salary and 6.4% on pensionable salary above this amount.

The total current service contributions by the village to the LAPP in 2012 were \$5,672 (2011 - \$3,345). Total current year service contributions by the employees of the village to the LAPP were \$5,099 (2011 - \$8,700).



# VILLAGE OF CHAMPION

## Notes to Financial Statements

For the Year Ended December 31, 2012

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### 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.

### 12. Financial Instruments

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

The village 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 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 carrying value of the financial instrument approximates fair value.

### 13. Comparative Figures

Where necessary the comparative figures for the 2011 year have been reclassified to conform with 2012 financial statement presentation. The changes do not affect prior year earnings.

### 14. Approval of Financial Statements

Council and Management have approved these financial statements.

