

TOWN OF TURNER VALLEY

Financial Statements

For the year ended December 31, 2009

TOWN OF TURNER VALLEY
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For the year ended December 31, 2009

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AUDITORS' REPORT

To: The Mayor and Members of Council of
the Town of Turner Valley

We have audited the consolidated statement of financial position of the Town of Turner Valley as at December 31, 2009, the consolidated statement of operations, the consolidated statement of change in net financial assets and the consolidated statement of cash flow for the year then ended. These financial statements are the responsibility of the municipal administration. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Town of Turner Valley as at December 31, 2009 and the results of its operations, the changes in its net financial assets and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Lethbridge, Alberta

May 13, 2010

Young Rankin M.Nab LLP

Chartered Accountants

MANAGEMENT REPORT

The accompanying consolidated financial statements and other information contained in this Financial Report are the responsibility of the management of the Town of Turner Valley.

These consolidated financial statements have been prepared from information provided by management. Financial statements are not precise since they include certain amounts based on estimates and judgments. Management has determined such amounts on a reasonable basis in order to ensure that the financial statements are presented fairly, in all material respects.

The Town maintains systems of internal accounting and administrative controls that are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and that the Town's assets are properly accounted for and adequately safeguarded.

The elected Council of the Town of Turner Valley is responsible for ensuring that management fulfils its responsibilities for financial statements. Council carries out its responsibility principally through the committee of the whole.

The Council meets annually with management and the external auditors to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, and to satisfy itself that each party is properly discharging its responsibilities. Council also considers the engagement or re-appointment of the external auditors. Council reviews the monthly financial reports.

The consolidated financial statements have been audited by Young Parkyn McNab LLP, Chartered Accountants, the external auditors, in accordance with Canadian generally accepted auditing standards on behalf of the Council, residents and ratepayers of the Town. Young Parkyn McNab LLP has full and free access to the Council.

Chief Administrative Officer

TOWN OF TURNER VALLEY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2009

	2009	2008
	<u>(Restated)</u>	
Financial assets		
Cash and temporary investments (note 2)	\$ 5,194,788	\$ 4,387,759
Taxes and grants in place of taxes receivable (note 3)	791,649	367,248
Trade and other receivables	468,314	275,212
Land held for resale	48,414	48,414
	<hr/>	<hr/>
	\$ 6,503,165	\$ 5,078,633
Liabilities		
Accounts payable and accrued liabilities	\$ 392,701	\$ 501,836
Employee benefit obligations (note 4)	6,393	26,620
Deposits	488,138	598,119
Deferred revenue (note 5)	389,385	384,507
Long-term debt (note 6)	677,537	764,256
Obligation under capital lease (note 7)	115,504	-
	<hr/>	<hr/>
	2,069,658	2,275,338
Net financial assets	<hr/>	<hr/>
	4,433,507	2,803,295
Non-financial assets		
Tangible capital assets (schedule 1)	24,590,035	24,026,127
Inventory for consumption	17,855	31,230
Prepaid expenses	11,477	38,960
	<hr/>	<hr/>
	24,619,367	24,096,317
Accumulated surplus (note 10)	<hr/>	<hr/>
	\$ 29,052,874	\$ 26,899,612

Commitments and contingencies (note 17)

TOWN OF TURNER VALLEY
CONSOLIDATED STATEMENT OF OPERATIONS
For the year ended December 31, 2009

	Budget (Unaudited)	2009	2008 (Restated)
Revenue			
Net municipal taxes (note 12)	\$ 2,246,652	\$ 2,245,265	\$ 1,958,488
User fees and sales of goods	1,381,841	1,440,817	1,699,405
Government transfers for operating (note 13)	42,120	90,102	150,590
Investment income	64,000	22,312	84,397
Penalties and costs of taxes	113,500	199,529	118,220
Licenses and permits	58,400	49,416	132,359
Franchise and concession contracts	89,500	115,257	74,098
Other revenue	95,024	87,907	21,203
	4,091,037	4,250,605	4,238,760
Expenditures (note 14)			
Legislative	219,323	222,303	245,093
Administration	444,726	446,209	490,146
Fire	116,620	137,254	118,626
Disaster services	24,500	13,095	21,121
Emergency medical	35,190	31,964	56,956
Bylaw enforcement	185,134	195,491	198,363
Common services	148,913	215,007	227,539
Roads, streets, walks, lighting	293,720	809,914	690,196
Building	1,200	1,083	1,237
Water supply and distribution	613,476	884,087	659,763
Wastewater treatment and disposal	252,177	321,023	374,581
Waste management	178,230	199,615	194,658
Family and community support services	55,006	49,639	37,440
Cemeteries and crematoriums	35,000	42,683	32,416
Land use planning, zoning and development	106,940	132,274	126,740
Economic and agricultural development	26,500	11,431	4,758
Parks and recreation	389,770	299,203	269,743
Culture - libraries, museums, halls	62,200	62,200	58,275
	3,188,625	4,074,475	3,807,651
Excess of revenues over expenditures before other	902,412	176,130	431,109
Other			
Government transfers for capital (note 13)	2,152,248	1,977,132	2,314,509
Excess of revenues over expenditures	3,054,660	2,153,262	2,745,618
Accumulated surplus, beginning of year			
As previously stated	25,332,167	25,332,167	22,710,525
Prior period adjustment (note 11)	-	1,567,445	1,443,469
As restated	26,899,612	26,899,612	24,153,994
Accumulated surplus, end of year	\$ 29,954,272	\$ 29,052,874	\$ 26,899,612

TOWN OF TURNER VALLEY
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
For the year ended December 31, 2009

	Budget (Unaudited)	2009	2008 (Restated)
Excess of revenues over expenditures	\$ 3,054,660	\$ 2,153,262	\$ 2,745,618
Acquisition of tangible capital assets	(3,593,040)	(1,669,504)	(2,327,991)
Amortization of tangible capital assets	-	946,671	928,639
Loss on disposal of tangible capital assets	-	158,925	92,987
	<u>(3,593,040)</u>	<u>(563,908)</u>	<u>(1,306,365)</u>
Net change in supplies inventory	-	13,375	(5,073)
Net change in prepaid expense	-	27,483	(26,149)
	<u>-</u>	<u>40,858</u>	<u>(31,222)</u>
Increase (decrease) in net financial assets	(538,380)	1,630,212	1,408,031
Net financial assets, beginning of year	<u>2,803,295</u>	<u>2,803,295</u>	<u>1,395,264</u>
Net financial assets, end of year	\$ 2,264,915	\$ 4,433,507	\$ 2,803,295

TOWN OF TURNER VALLEY
CONSOLIDATED STATEMENT OF CASH FLOW
For the year ended December 31, 2009

	2009	2008 (Restated)
Operating transactions		
Excess of revenues over expenditures	\$ 2,153,262	\$ 2,745,618
Adjustments for items which do not affect cash		
Loss on disposal of tangible capital assets	158,925	92,987
Amortization of tangible capital assets	946,671	928,639
	3,258,858	3,767,244
Net change in non-cash working capital items		
Taxes and grants in place of taxes receivable	(424,401)	(114,331)
Trade and other receivables	(193,102)	54,869
Inventory for consumption	13,375	(5,072)
Prepaid expenses	27,483	(26,149)
Accounts payable and accrued liabilities	(109,135)	31,672
Employee benefit obligations	(20,227)	12,080
Deposits	(109,981)	(127,137)
Deferred revenue	4,878	(1,109,006)
Cash provided by operating transactions	2,447,748	2,484,170
Capital transactions		
Acquisition of tangible capital assets	(1,669,504)	(2,327,991)
Financing transactions		
Proceeds of capital lease	127,248	-
Repayment of capital lease	(11,744)	-
Proceeds of long-term debt	328,131	-
Repayment of long-term debt	(414,850)	(32,933)
Cash provided by (applied to) financing transactions	28,785	(32,933)
Increase in cash and temporary investments		
	807,029	123,246
Cash and temporary investments, beginning of year	4,387,759	4,264,513
Cash and temporary investments, end of year	\$ 5,194,788	\$ 4,387,759

TOWN OF TURNER VALLEY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2009

1. Significant accounting policies

The consolidated financial statements of the Town of Turner Valley are the representations of management prepared in accordance with generally accepted accounting principles for local government 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 consolidated financial statements reflect the assets, liabilities, revenue and expenditures, changes in fund balances and change in financial position of the reporting entity which comprises all of the organizations that are owned or controlled by the Town and are, therefore, accountable to the Council for the administration of their financial affairs and resources.

Taxes levied also includes requisitions for educational, health care, 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) Inventories for resale

Land held for resale is recorded at the lower of cost and net realizable value. Cost includes costs for land acquisition and improvements required to prepare the land for servicing such as clearing, stripping, and leveling charges. Related development costs incurred to provide infrastructure such as water and waste water services, roads, sidewalks, and street lighting are recorded as physical assets under their respective function.

(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.

TOWN OF TURNER VALLEY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2009

1. Significant accounting policies, continued

(e) Prepaid local improvements charges

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

Where a taxpayer has elected to prepay the outstanding local improvement charge, 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 the revenue by an amount equal to the debt repayment.

(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) 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.

(h) 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.

(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 for the year.

TOWN OF TURNER VALLEY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2009

1. Significant accounting policies, continued

(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	30-65
Machinery and equipment	10-25
Vehicles	10-25

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.

(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 of materials and supplies for consumption are valued at the lower of cost and net realizable value with cost determined by the average cost method.

(v) **Cultural and historical tangible capital assets**

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

2. Cash and temporary investments

	2009	2008
Cash	\$ 2,769,863	\$ 1,927,747
Marketable securities	2,424,925	2,460,012
	\$ 5,194,788	\$ 4,387,759

Marketable securities consist of funds invested in the Servus Credit Union Savings account in the amount of \$260,567 (2008 - \$2,115,493) and Guaranteed Investment Certificates in the amount of \$2,164,358 (2008 - \$344,519) which bear interest between 1.15% and 1.35% and mature between March and April 2011.

TOWN OF TURNER VALLEY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2009

3. Taxes and grants in place of taxes receivables

	2009	2008
Current taxes and grants in place of taxes receivable	\$ 580,254	\$ 297,304
Arrears	211,395	69,944
	\$ 791,649	\$ 367,248

4. Employee benefit obligations

	2009	2008
Vacation and overtime payable	\$ 6,393	\$ 26,620

Vacation and overtime

The vacation and overtime liability is comprised of the vacation and overtime that employees are deferring to future years. Employees have either earned the benefits (and are vested) or are entitled to these benefits within the next budgetary year.

Sick time

Sick time can be accumulated up to 960 hours per employee however this amount is not paid out upon the termination of employment therefore no accrual is recorded. The current value of the sick time accrual is \$160,166 (2008 - \$117,992).

5. Deferred revenue

	2009	2008
Municipal Sustainability Initiative	\$ 60,610	\$ 60,069
Municipal sponsorship program	25,203	25,203
Resident donations - recycling	1,650	1,650
Prepaid license, fees and rental	325	180
Street Improvement Program	301,597	297,405
	\$ 389,385	\$ 384,507

6. Long-term debt

	2009	2008
Self supported debentures	\$ 351,637	\$ 764,256
Self supported non-revolving term facility	325,900	-
	\$ 677,537	\$ 764,256
Current portion	\$ 37,638	\$ 35,285

TOWN OF TURNER VALLEY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2009

6. Long-term debt, continued

Principal and interest repayments are due as follows:

	Principal	Interest	Total
2010	\$ 37,638	\$ 30,675	\$ 68,313
2011	39,316	28,997	68,313
2012	41,070	27,243	68,313
2013	42,903	25,410	68,313
2014	44,818	23,495	68,313
Thereafter	471,792	140,538	612,330
	\$ 677,537	\$ 276,358	\$ 953,895

Debenture debt is repayable to Alberta Capital Finance Authority and bears interest at 5.096% per annum, before Provincial subsidy, and matures in 2029. The non-revolving term facility is repayable to Royal Bank of Canada and bears interest at 4.110% per annum and matures in 2019. The average annual interest rate is 4.6% for 2009 (6.9% for 2008). For qualifying debentures, the Province of Alberta rebates 60% of interest in excess of 8%, 9% and 11% to a maximum annual credit of 12.5%, depending on the date borrowed. Debenture debt is issued on the credit and security of the town at large.

Interest on long-term debt amounted to \$48,173 (2008 - \$47,627).

The Town's total cash payments for interest in 2009 were \$57,027 (2008 - \$48,623).

7. Capital lease obligation

	2009	2008
Royal Bank of Canada	\$ 115,504	\$ -
Current portion	\$ 18,286	\$ -

Principal and interest repayments are due as follows:

	Principal	Interest	Total
2010	\$ 18,286	\$ 4,806	\$ 23,092
2011	19,123	3,969	23,092
2012	19,999	3,094	23,093
2013	20,913	2,179	23,092
2014	37,183	516	37,699
	\$ 115,504	\$ 14,564	\$ 130,068

This lease is repayable in monthly installments of \$1,924 including interest at 4.48%. Security pledged consists of equipment with a carrying value of \$118,777. The lease expires April 2014.

TOWN OF TURNER VALLEY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2009

8. Equity in tangible capital assets

	2009	2008
	(Restated)	
Tangible capital assets (schedule 1)	\$ 40,876,053	\$ 39,550,154
Accumulated amortization (schedule 1)	(16,286,019)	(15,524,027)
Long-term debt (note 6)	(677,537)	(764,256)
Capital lease obligation (note 7)	(115,504)	-
	\$ 23,796,993	\$ 23,261,871

9. Reserves

Council has set up reserves for various purposes. These reserves are either required by legislation or set up at the discretion of Council to provide funding for future expenditures.

	2009	2008
Operating		
General	\$ 32,453	\$ 32,453
Water supply and distribution	87,820	87,820
Wastewater treatment and disposal	81,994	55,469
Waste management	87,503	70,409
Other	694,235	717,867
	984,005	964,018
Capital		
Administration	152,208	40,060
Common services	349,516	343,774
Roads, streets, walks and lighting	20,416	18,321
Water supply and distribution	718,717	613,065
Wastewater treatment and disposal	501,069	461,274
Equipment	1,743,757	1,427,169
	3,485,683	2,903,663
	\$ 4,469,688	\$ 3,867,681

TOWN OF TURNER VALLEY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2009

10. Accumulated surplus

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

	2009	2008
	(Restated)	
Unrestricted surplus (deficit)	\$ 786,193	\$ (229,940)
Internally restricted surplus (reserves) (note 9)	4,469,688	3,867,681
Equity in tangible capital assets (note 8)	23,796,993	23,261,871
	\$ 29,052,874	\$ 26,899,612

11. Prior period adjustments

The town has restated its financial statements to comply with the provision of Section 3150 of the Public Sector Accounting Board Handbook, which requires governments to record and amortize their tangible capital assets on their financial statements. In addition, revenue from contributed assets and government grants and transfers relating to capital acquisitions has been included in income. These adjustments are as follows:

Adjustments to January 1, 2008 accumulated surplus:

As previously reported	\$ 22,710,525
Adjustment to net book value of tangible capital assets	2,907,891
Adjustment to deferred revenue	(1,464,422)
As restated	\$ 24,153,994

Adjustments to excess of revenues over expenditures for the year ended

December 31, 2008:

As previously reported	\$ 272,235
Tangible capital assets recorded but previously expensed	2,327,990
Amortization	(928,639)
Decrease in deferred revenue	1,167,018
Loss on disposal of capital assets	(92,986)
As restated	\$ 2,745,618

Adjustments to tangible capital assets as at December 31, 2008:

As previously reported	\$ 22,161,281
Adjustments to historical cost of tangible capital assets	17,388,873
Accumulated amortization recorded	(15,524,027)
As restated	\$ 24,026,127

TOWN OF TURNER VALLEY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2009

12. Net municipal property taxes

	Budget (Unaudited)	2009	2008
Taxation			
Real property taxes	\$ 2,812,500	\$ 2,811,819	\$ 2,463,984
Linear property taxes	72,830	72,131	77,036
Government grants in place of property taxes	26,690	26,683	26,635
Special assessments and local improvements	16,786	16,786	19,508
	2,928,806	2,927,419	2,587,163
Requisitions			
Alberta School Foundation Fund	622,321	623,363	575,019
Christ the Redeemer School	37,986	36,944	34,943
Seniors Foundation	21,847	21,847	18,713
	682,154	682,154	628,675
	\$ 2,246,652	\$ 2,245,265	\$ 1,958,488

13. Government transfers

	Budget (Unaudited)	2009	2008 (Restated)
Transfers for operating:			
Provincial government	\$ 42,120	\$ 90,102	\$ 150,590
Transfers for capital			
Provincial government	1,318,914	1,596,446	2,314,509
Federal government	833,334	380,686	-
	2,152,248	1,977,132	2,314,509
	\$ 2,194,368	\$ 2,067,234	\$ 2,465,099

TOWN OF TURNER VALLEY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2009

14. Expenditures by object

	Budget (Unaudited)	2009	2008 (Restated)
Salaries, wages and benefits	\$ 1,285,019	\$ 1,146,332	\$ 1,195,978
Contracted and general services	906,515	919,817	767,361
Materials, goods, supplies and utilities	588,810	489,415	415,337
Interest on long term debt	46,272	48,173	47,627
Other expenditures	3,500	4,562	4,210
Transfers to organizations and others	358,509	360,579	355,512
Loss on disposal of tangible capital assets	-	158,926	92,987
Amortization of tangible capital assets	-	946,671	928,639
	\$ 3,188,625	\$ 4,074,475	\$ 3,807,651

15. 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:

	2009	2008
Total debt limit	\$ 6,375,908	\$ 6,358,141
Total debt	793,041	764,256
	\$ 5,582,867	\$ 5,593,885
Debt servicing limit	\$ 1,062,651	\$ 1,059,690
Debt servicing	91,406	81,557
	\$ 971,245	\$ 978,133

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.

TOWN OF TURNER VALLEY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2009

16. Salary and benefits disclosure

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

	(1) Salary	(2) Benefits & allowances	2009	2008
Council				
Mayor Fluter	\$ 10,877	\$ 10,794	\$ 21,671	\$ 24,200
Councillor Jones	8,140	1,975	10,115	14,073
Councillor Pollock	8,140	10,016	18,156	20,558
Councillor Roberts	8,140	123	8,263	9,709
Councillor Rowntree	8,140	2,123	10,263	8,987
Councillor Wallace	8,140	923	9,063	12,985
Councillor Williamson	8,140	6,143	14,283	14,576
Administrator Ogrodniczuk	\$ 93,291	\$ 7,134	\$ 100,425	\$ 102,057

(1) Salary includes regular base pay, bonuses, overtime, lump sum payments, gross honoraria and any other direct cash remuneration.

(2) Benefits and allowances include the 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.

Benefits and allowances figures also include the employer's share of the costs of additional taxable benefits including special leave with pay, financial planning services, retirement planning services, concessionary loans, travel allowances, car allowances, and club memberships.

17. Commitments and contingencies

The Town of Turner Valley is a member of the Alberta Municipal Insurance Exchange (MUNIX) which provides liability insurance. The investment in this program is not reflected as an asset in the accompanying financial statements.

Under the terms of membership, the Town 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.

TOWN OF TURNER VALLEY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2009

18. Financial instruments

The Town of Turner Valley's financial instruments consist of cash and temporary investments, trade and other receivables, taxes and grants in place of taxes receivable, accounts payable and accrued liabilities, deposit liabilities, capital lease obligations and long-term debt. It is management's opinion that the Town is not exposed to significant interest or risk arising from these financial instruments.

The Town of Turner Valley 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 provides services may experience financial difficulty and be unable to fulfil 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.

19. Approval of financial statements

These financial statements were approved by Council and Management.

20. Budget amounts

The 2009 budget for the Town was approved by Council and has been reported in the consolidated financial statements for information purposes only. These budget amounts have not been audited, reviewed, or otherwise verified. The budget as originally approved contained expenditures for capital additions, debt repayments and fund transfers. These balances have been excluded from the budget presented.

21. Comparative figures

Where necessary the comparative figures for the 2008 year have been reclassified to conform with 2009 financial statement presentation.

TOWN OF TURNER VALLEY
SCHEDULE TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2009

Schedule of tangible capital assets

Schedule 1

	Land	Buildings	Engineered structures	Machinery and equipment	Vehicles	2009	2008 (Restated)
Cost:							
Balance, beginning of year	\$ 970,267	\$ 8,069,178	\$ 29,265,968	\$ 697,800	\$ 546,941	\$ 39,550,154	\$ 37,418,649
Acquisition of tangible capital assets	-	-	134,206	187,841	-	322,047	2,154,081
Construction-in-progress	-	26,071	1,321,387	-	-	1,347,458	173,910
Disposal of tangible capital assets	-	-	(343,606)	-	-	(343,606)	(196,486)
Balance, end of year	970,267	8,095,249	30,377,955	885,641	546,941	40,876,053	39,550,154
Accumulated amortization:							
Balance, beginning of year	-	2,838,259	12,095,757	375,008	215,003	15,524,027	14,698,891
Annual amortization	-	161,385	687,859	48,455	48,974	946,673	928,636
Accumulated amortization on disposals	-	-	(184,681)	-	-	(184,681)	(103,500)
Balance, end of year	-	2,999,644	12,598,935	423,463	263,977	16,286,019	15,524,027
Net book value	\$ 970,267	\$ 5,095,605	\$ 17,779,020	\$ 462,178	\$ 282,964	\$ 24,590,034	\$ 24,026,127
2008 net book value (restated)	\$ 970,267	\$ 5,230,919	\$ 17,170,211	\$ 322,792	\$ 331,938	\$ 24,026,127	