

**TOWN OF DRUMHELLER**  
Consolidated Financial Statements  
Year Ended December 31, 2018

# TOWN OF DRUMHELLER

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Year Ended December 31, 2018

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## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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The accompanying consolidated financial statements of the Town of Drumheller (the "Town") have been prepared in accordance with Canadian public sector accounting standards. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

The integrity and reliability of Town of Drumheller's reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

The Board of Directors is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board carries out this responsibility principally through its Audit Committee. The Audit Committee is appointed by the Board and meets periodically with management and the members' auditors to review significant accounting, reporting and internal control matters. Following its review of the financial statements and discussions with the auditors, the Audit Committee reports to the Board of Directors prior to its approval of the financial statements. The Committee also considers, for review by the Board and approval by the members, the engagement or re-appointment of the external auditors.

The consolidated financial statements have been audited on behalf of the members by RSM Alberta LLP, in accordance with Canadian public sector accounting standards.



Chief Administrative Officer



Director of Corporate Services

Drumheller, AB  
May 03, 2019



RSM Alberta LLP

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## INDEPENDENT AUDITOR'S REPORT

To the Members of Council of

**Town of Drumheller**

### *Opinion*

We have audited the consolidated financial statements of Town of Drumheller (the Town), which comprise the consolidated statement of financial position as at December 31, 2018, and the consolidated statements of operations, changes in net financial assets, changes in accumulated surplus and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Town as at December 31, 2018, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Town in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Other Matter*

The consolidated financial statements for the year ended December 31, 2017 were audited by another auditor who expressed an unmodified opinion on those financial statements on April 30, 2018.

### *Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of the 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.

In preparing the consolidated financial statements, management is responsible for assessing the Town's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Town or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Town's financial reporting process.

*(continues)*

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### *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements*

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Town's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Town's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Town to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Edmonton, Alberta  
May 3, 2019

*RSM Alberta LLP*  
Chartered Professional Accountants

# TOWN OF DRUMHELLER

## Consolidated Statement of Financial Position

December 31, 2018

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### FINANCIAL ASSETS

Cash and cash equivalents (Note 2)	\$ 4,179,303	\$ 10,559,217
Taxes receivable (Note 3)	946,013	1,134,766
Accounts receivable (Note 4)	3,616,919	9,098,646
Accrued interest receivable	17,380	64,130
Inventory held for resale (Note 5)	1,827,324	1,847,299
Investments (Note 6)	25,619,894	10,391,685
	<b>36,206,833</b>	<b>33,095,743</b>

### LIABILITIES

Accounts payable and accrued liabilities	2,607,989	2,728,180
Employee benefit obligation (Note 7)	564,746	594,968
Deferred revenue (Note 8)	10,513,170	9,529,669
Long-term debt (Note 9)	9,190,367	9,605,204
	<b>22,876,272</b>	<b>22,458,021</b>

### NET FINANCIAL ASSETS

**13,330,561**      10,637,722

### NON-FINANCIAL ASSETS

Tangible capital assets (Note 10)	142,201,352	141,831,984
Inventory for consumption	611,945	667,942
Prepaid expenses	302,222	289,570
	<b>143,115,519</b>	<b>142,789,496</b>

### ACCUMULATED SURPLUS (Note 12)

**\$156,446,080**      \$153,427,218

CONTINGENCIES (Note 19)

COMMITMENTS (Note 20)

# TOWN OF DRUMHELLER

## Consolidated Statement of Operations

Year Ended December 31, 2018

	Budget 2018 (Note 22)	2018	2017
<b>REVENUES</b>			
Net municipal taxes (Note 13)	\$ 8,774,766	\$ 8,750,341	\$ 8,509,169
Government transfers for operating (Note 14)	877,613	909,180	1,011,707
Sales and user fees	6,879,105	7,837,542	7,420,037
Franchise and concessions	2,062,825	1,731,291	1,616,724
Investment income	280,000	488,670	318,771
Penalties and costs on taxes	167,000	167,774	186,250
Rentals	336,852	434,338	400,290
Other	151,895	224,509	514,196
	19,530,056	20,543,645	19,977,144
<b>EXPENSES (Note 15)</b>			
Legislative	281,220	276,890	300,788
Administration	1,685,495	1,525,274	1,482,879
Protective services	2,529,930	2,209,069	2,699,813
Transportation services	2,645,102	3,823,164	4,014,556
Water and wastewater	5,697,410	5,260,838	5,580,109
Waste management	413,800	418,369	396,700
Planning and development	1,123,245	735,008	672,667
Recreation and parks	5,468,265	4,824,844	4,662,846
Public health and welfare	530,550	448,993	492,296
	20,375,017	19,522,449	20,302,654
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE CAPITAL REVENUES</b>	(844,961)	1,021,196	(325,510)
<b>CAPITAL REVENUES</b>			
Government transfers for capital (Note 14)	10,205,880	1,892,719	2,702,944
Other capital revenues	-	70,190	33,293
Gain on disposal of tangible capital assets	-	34,757	34,672
	10,205,880	1,997,666	2,770,909
<b>EXCESS OF REVENUES OVER EXPENSES</b>	\$ 9,360,919	\$ 3,018,862	\$ 2,445,399

See notes to financial statements

## TOWN OF DRUMHELLER

Consolidated Statement of Changes in Accumulated Surplus

Year Ended December 31, 2018

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2018	2017
<b>BALANCE - BEGINNING OF YEAR</b>	\$ 5,705,765	\$ 15,494,673	\$132,226,780	<b>\$153,427,218</b>	\$150,981,819
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	7,277,892	-	(4,259,030)	<b>3,018,862</b>	2,445,399
	12,983,657	15,494,673	127,967,750	<b>156,446,080</b>	153,427,218
DEBENTURE PRINCIPAL PAYMENTS	(414,837)	-	414,837	-	-
NET OPERATING TRANSFERS TO RESTRICTED SURPLUS	(3,295,183)	3,295,183	-	-	-
ACQUISITION OF TANGIBLE CAPITAL ASSETS	(4,642,257)	-	4,642,257	-	-
DISPOSALS AND WRITE-DOWN OF TANGIBLE CAPITAL ASSETS	13,859	-	(13,859)	-	-
<b>BALANCE - END OF YEAR</b>	\$ 4,645,239	\$ 18,789,856	\$133,010,985	<b>\$156,446,080</b>	\$153,427,218

See notes to financial statements



## TOWN OF DRUMHELLER

### Consolidated Statement of Changes in Net Financial Assets

Year Ended December 31, 2018

	Budget 2018 (Note 22)	2018	2017
<b>ANNUAL SURPLUS</b>	\$ 9,360,919	\$ 3,018,862	\$ 2,445,399
Acquisition of tangible capital assets	(10,549,880)	(4,642,257)	(3,240,414)
Amortization of tangible capital assets	3,569,315	4,259,030	4,513,469
Gain on sale of tangible capital assets	-	(34,757)	(34,672)
Proceeds on sale of tangible capital assets	-	48,616	41,973
	(6,980,565)	(369,368)	1,280,356
Decrease (increase) in prepaid expenses	-	(12,652)	545,595
Decrease in inventory for consumption	-	55,997	45,033
	(6,980,565)	(326,023)	1,870,984
<b>INCREASE IN NET FINANCIAL ASSETS</b>	2,380,354	2,692,839	4,316,383
<b>NET FINANCIAL ASSETS - BEGINNING OF YEAR</b>	10,637,722	10,637,722	6,321,339
<b>NET FINANCIAL ASSETS - END OF YEAR</b>	\$ 13,018,076	\$ 13,330,561	\$ 10,637,722

See notes to financial statements

# TOWN OF DRUMHELLER

## Consolidated Statement of Cash Flows

Year Ended December 31, 2018

	2018	2017
<b>OPERATING ACTIVITIES</b>		
Excess of revenues over expenses	\$ 3,018,862	\$ 2,445,399
Items not affecting cash:		
Amortization of tangible capital assets	4,259,030	4,513,469
Gain on disposal of tangible capital assets	(34,757)	(34,672)
	<b>7,243,135</b>	6,924,196
Changes in non-cash working capital:		
Taxes receivable	188,753	(41,363)
Accounts receivable	5,481,727	(74,936)
Accrued interest receivable	46,750	5,368
Inventory held for resale	19,975	(475)
Accounts payable and accrued liabilities	(120,191)	28,110
Employee benefit obligation	(30,222)	102,491
Deferred revenue	983,501	124,389
Inventory for consumption	55,997	45,033
Prepaid expenses	(12,652)	545,593
	<b>6,613,638</b>	734,210
	<b>13,856,773</b>	7,658,406
<b>CAPITAL ACTIVITIES</b>		
Acquisition of tangible capital assets	(4,642,257)	(3,240,414)
Proceeds on sale of tangible capital assets	48,616	41,973
	<b>(4,593,641)</b>	(3,198,441)
<b>INVESTING ACTIVITIES</b>		
Purchase of investments	(22,128,275)	(12,860,674)
Proceeds on redemption of investments	6,900,066	9,798,975
	<b>(15,228,209)</b>	(3,061,699)
<b>FINANCING ACTIVITIES</b>		
Proceeds from issuance of long-term debt	476,165	-
Repayment of long-term debt	(891,002)	(862,001)
	<b>(414,837)</b>	(862,001)
<b>(DECREASE) INCREASE IN CASH</b>	<b>(6,379,914)</b>	536,265
Cash and cash equivalents - beginning of year	10,559,217	10,022,952
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$ 4,179,303</b>	<b>\$ 10,559,217</b>

See notes to financial statements

# TOWN OF DRUMHELLER

## Notes to Consolidated Financial Statements

Year Ended December 31, 2018

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Town of Drumheller (the "Town") are the representations of management prepared in accordance with Canadian Public Sector Accounting Standards (PSAS). Significant aspects of the accounting policies adopted by the Town are as follows:

#### Reporting entity

The consolidated financial statements reflect the assets, liabilities, revenues and expenses, changes in net financial assets and cash flows of the reporting entity. This entity is comprised of the municipal operations plus all the organizations that are owned or controlled by the Town including the Drumheller Public Library and therefore, are accountable to the Town Council for the administration of their financial affairs and resources. The summary of taxes levied (Note 13) also includes requisitions for education and social organizations that are not part of the municipal reporting entity.

#### Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and cash on deposit less outstanding cheques at the reporting date.

#### Investments

Investments are recorded at 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 decline in the market value which is other than temporary in nature, the respective investments are written down to market value. During the year, there was no impairment recorded (2017 - \$nil).

#### Inventory held for resale

Inventory held for resale includes land and buildings. Inventory 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 leveling charges. Related development costs incurred to provide infrastructure such as water and wastewater services, roads, sidewalks and street lighting are recorded as physical assets under their respective function. During the year, there was no impairment recorded (2017 - \$nil).

#### Inventory for consumption

Inventory for consumption is valued at the lower of cost or net realizable value with cost determined using the average cost method.

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# TOWN OF DRUMHELLER

## Notes to Consolidated Financial Statements

Year Ended December 31, 2018

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

#### Tangible capital assets

Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to the acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the contribution, with a corresponding amount recorded as revenue. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset commencing once the asset is available for productive use as follows:

Land improvements	15 to 45 years
Buildings	25 to 50 years
Engineered Structures	45 to 75 years
Water system	
Wastewater system	45 to 75 years
Road system	5 to 65 years
Machinery and equipment	5 to 40 years
Vehicles	10 to 40 years

One-half of the annual amortization is charged in the year of acquisition. Work in process (assets under construction) have a cost of \$1,326,961 (2017 - \$3,335,746) and are not amortized until the asset is available for productive use.

#### Excess collections and under-levies

Excess collections arise from the difference between the actual levy made to cover each requisition and the actual amount requisitioned. If the actual levy exceeds the requisition, the excess collection is accrued as a liability and as a reduction in property tax revenue. Requisition tax rates in the subsequent year are adjusted for any excess collections.

#### Collection of taxes on behalf of other taxation authorities

The Town collects taxation revenue on behalf of other entities. Such levies, other revenues, expenses, assets and liabilities with respect to the operations of entities are not reflected in these financial statements.

The entities the Town collects taxation revenue on behalf of are:

- Alberta School Foundation Fund
- Drumheller and District Seniors Foundation

#### Retirement benefits and other employee benefits plans

The Town's contributions due during the period to its multi-employer defined benefit plan are expensed as incurred.

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# TOWN OF DRUMHELLER

## Notes to Consolidated Financial Statements

Year Ended December 31, 2018

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

#### 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, along with excess of revenues over expenses, provides the consolidated Change in Net Financial Assets for the year.

#### Revenue recognition

Revenues are accounted for in the period in which the transactions or events occurred that gave rise to the revenues.

Funds received for specific purposes which are externally restricted by legislation, regulation or agreement and are not available for general municipal purposes, are accounted for as deferred revenue on the consolidated Statement of Financial Position. The revenue is recognized in the consolidated Statement of Operations in the year in which it is used for the specified purpose.

Government transfers, which include legislative grants, are recognized in the financial statements 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 amount can be made.

Property tax revenue is based on market value assessments determined in accordance with the Municipal Government Act (MGA). Tax mill rates are established annually. Taxation revenues are recorded at the time the tax billings are issued. Assessments are subject to appeal. Losses on assessment appeals are recorded as adjustments to tax revenues and receivables when a written decision is received from the authorized board.

Charges for sewer and water usage are recorded as user fees. Connection fee revenues are recognized when the connection has been established.

Conditional grant revenue is recognized to the extent the conditions imposed on it have been fulfilled. Unconditional grant revenue is recognized when monies are receivable.

Grants for the acquisition of tangible capital assets are recognized in the period in which eligible expenses are made.

Sales of service and other revenue are recognized on an accrual basis.

Revenues from the provision of goods or services are recognized in the period in which the goods are provided or the services are rendered. Rental revenues are recognized in the period to which they relate.

Investment income is reported as revenue in the period earned. When required by agreement or legislation, investment income earned on deferred revenue is added to the investment and forms part of the deferred revenue balance

(*continues*)

# TOWN OF DRUMHELLER

## Notes to Consolidated Financial Statements

### Year Ended December 31, 2018

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

##### 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, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from these estimates.

Significant estimates include assumptions used in a number of areas including useful lives of tangible capital assets and the determination of reserves. Estimates are also used for various liabilities including accrued liabilities. Other areas that estimates are used include revenue recognized in the year, provision for tax exempt appeals, investment impairment, provisions for allowances in accounts receivable and in performing actuarial valuations of employee future benefits.

##### Recently adopted accounting pronouncements

Effective January 1, 2018, the Town adopted the following accounting standards concurrently as required by the Public Sector Accounting Standards Board.

PS 2200 - Related Party Disclosures: This section provides guidance on the definition of a related party and establishes the disclosure requirements for transactions between related parties. The Town adopted PS 2200 prospectively and there were no impacts on the financial statement amounts or disclosures.

PS 3210 – Assets: This section provides guidance on the various components related to the definition of an asset and establishes the related disclosure requirements. The Town adopted PS 3210 prospectively and there were no impacts on the financial statement amounts or disclosures.

PS 3320 - Contingent Assets: This section provides a general application standard providing guidance on the definition and disclosures standards related to contingent assets. It is noted that specific types of contingent assets are excluded from this standard. The Town adopted the PS 3320 prospectively and there were no impacts on the financial statement amounts or disclosures.

PS 3380 - Contractual Rights: This section provides guidance on the disclosure of contractual rights, including their nature, extent and timing. The Town adopted PS 3380 prospectively and there were no impacts on the financial statement amounts or disclosures.

PS 3420 – Inter-Entity Transactions: This section provides guidance on the recognition, measurement and presentation of transactions between entities controlled by a government within the government reporting entity from the perspective of both parties. The Town adopted PS 3420 prospectively and there were no impacts on the financial statement amounts or disclosures.

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# TOWN OF DRUMHELLER

## Notes to Consolidated Financial Statements

Year Ended December 31, 2018

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

#### Future accounting pronouncements

The following summarizes upcoming changes to public sector accounting standards issued by the Public Sector Accounting Standards Board. In 2019, the Town will continue to assess the impact and prepare for the adoption of these standards. While the timing of standard adoption may vary, certain standards must be adopted concurrently. The requirements in Financial Statement Presentation (PS 1201), Financial Instruments (PS 3450), Foreign Currency Translations (PS 2601) and Portfolio Investments (PS 3041) must be implemented at the same time.

PS 1201 - Financial Statement Presentation: The implementation of this standard requires a new statement of re-measurement gains and losses separate from the statement of operations. This new statement will include the unrealized gains and losses arising from the re-measurement of financial instruments and items denominated in foreign currency. This standard is effective for fiscal years beginning on or after April 1, 2019.

PS 2601 - Foreign Currency Translation: This section establishes guidance on the recognition, measurement, presentation and disclosure of assets and liabilities denominated in foreign currencies. The Section requires monetary assets and liabilities, denominated in a foreign currency, and non-monetary items valued at fair value, denominated in a foreign currency, to be adjusted to reflect the exchange rates in effect at the financial statement date. The resulting unrealized gains and losses are to be presented in the new statement of re-measurement gains and losses. This standard is effective for fiscal years beginning on or after April 1, 2019.

PS 3041 - Portfolio Investments: This section removes the distinction between temporary and portfolio investments and provides additional guidance on recognition, measurement, presentation and disclosure of portfolio investments. Upon adoption of this section and PS 3450, PS 3040 - Portfolio Investments will no longer be applicable. This standard is effective for fiscal years beginning on or after April 1, 2019.

PS 3430 – Restructure Transactions: This section provides guidance on the recognition, measurement and presentation on restructuring transactions by both the transferor and recipients of assets and/or liabilities, together with related program or operating responsibilities. This section is effective for fiscal years beginning on or after April 1, 2018.

PS 3450 - Financial Instruments: This section establishes recognition, measurement, and disclosure requirements for derivative and non-derivative instruments. The standard requires fair value measurements of derivative instruments and equity instruments; all other financial instruments can be measured at either cost or fair value depending upon elections made by the Town. Unrealized gains and losses will be presented on the new statement of re-measurement gains and losses arising from the adoption of PS 1201. There will also be a requirement to disclose the nature and extent of risks arising from financial instruments and clarification is given for the de-recognition of financial liabilities. This standard is effective for fiscal years beginning on or after April 1, 2019.

# TOWN OF DRUMHELLER

## Notes to Consolidated Financial Statements

Year Ended December 31, 2018

### 2. CASH AND CASH EQUIVALENTS

	2018	2017
Current accounts	\$ 3,995,229	\$ 8,726,192
Investment margin accounts	184,074	118,976
Term deposits	-	1,714,049
	<b>\$ 4,179,303</b>	<b>\$ 10,559,217</b>

### 3. TAXES RECEIVABLE

	2018	2017
Current taxes and grants in place	\$ 532,024	\$ 607,692
Non-current taxes and grants in place	811,689	985,846
	<b>1,343,713</b>	<b>1,593,538</b>
Less: allowance for doubtful accounts	(397,700)	(458,772)
	<b>\$ 946,013</b>	<b>\$ 1,134,766</b>

### 4. ACCOUNTS RECEIVABLE

	2018	2017
Trade receivable	\$ 2,554,155	\$ 2,056,272
Government grants receivable	1,125,240	7,098,600
	<b>3,679,395</b>	<b>9,154,872</b>
Less: allowance for doubtful accounts	(62,476)	(56,226)
	<b>\$ 3,616,919</b>	<b>\$ 9,098,646</b>



**TOWN OF DRUMHELLER**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2018**

**5. INVENTORY HELD FOR RESALE**

	2018	2017
Airport fuel	\$ 42,430	\$ 19,216
Land held for resale	1,784,894	1,828,083
	<b>\$ 1,827,324</b>	<b>\$ 1,847,299</b>

**6. INVESTMENTS**

	2018 Cost	2018 Market value	2017 Cost	2017 Market value
<u>Short-term</u>				
Term deposits	\$ 22,035,746	\$ 22,035,746	\$ 6,850,000	\$ 6,850,000
Fixed income notes	123,098	119,342	50,112	50,066
<u>Long-term</u>				
Term deposits	36,608	36,608	36,608	36,608
Fixed income notes	2,893,433	2,744,916	2,923,956	2,825,325
Principal protected notes	527,000	533,985	527,000	557,447
Other	4,009	4,009	4,009	4,009
	<b>\$ 25,619,894</b>	<b>\$ 25,474,606</b>	<b>\$ 10,391,685</b>	<b>\$ 10,323,455</b>

Short-term term deposits bear variable interest at 2.0% to 2.9% per annum (2017 - 1.70% to 2.25% per annum) and mature between January and December 2019 (2017 - March and December 2018). Short-term fixed income notes mature June to July 2019 (2017 - March 2018) and bear interest from 2.944% to 3.75% (2017 - 2.364% to 2.598%).

Long-term term deposits bear interest at 2.25% per annum (2017 - 2.25% per annum) and mature July 2019 (2017 - July 2019). Long-term fixed income notes bear interest at 1.5% to 9.976% (2017 - 1.50% to 9.976% per annum) and mature June 2019 to June 2108 (2017 - June 2019 to July 2108).

Principal protected notes mature April 2020 to September 2022 (2017 - April 2020 to September 2022).

# TOWN OF DRUMHELLER

## Notes to Consolidated Financial Statements

Year Ended December 31, 2018

### 7. EMPLOYEE BENEFIT OBLIGATION

	2018	2017
Accrued vacation pay	\$ 251,015	\$ 278,517
Accrued long-term service benefits	313,731	316,451
	<b>\$ 564,746</b>	<b>\$ 594,968</b>

Accrued vacation pay is comprised of the vacation that employees are deferring to future years. Accrued long-term service benefits are calculated per policy at 2 days per year of service over 5 years at the current rate of pay. Employees have either earned the benefits (and are vested) or are entitled to these benefits within the next budgetary year.

### 8. DEFERRED REVENUE

	Opening Balance	Contributions Received	Revenue Recognized	Ending Balance
MSI grant	\$ 544,301	\$ 2,383,067	\$ 1,373,147	\$ 1,554,221
Gas Tax fund	201,000	440,240	438,902	202,338
Policing grant	91,058	364,138	364,232	90,964
Alberta Community Resilience grant	6,413,600	104,853	-	6,518,453
Water for Life	684,593	-	25,519	659,074
Kneehill	900,409	-	75,034	825,375
Other	694,708	260,460	292,423	662,745
	<b>\$ 9,529,669</b>	<b>\$ 3,552,758</b>	<b>\$ 2,569,257</b>	<b>\$ 10,513,170</b>

Under various grant agreements with the Government of Canada and the Province of Alberta, the Town is required to account for grants provided and to complete the projects or program in accordance with standards detailed in the various agreements. If these requirements are not adhered to, grants provided will become repayable to the source government. Excess funds are repayable to the source government upon final accounting. Funds are deferred until related expenses under the specific grant agreement have been incurred. The funds are included in cash and cash equivalents and investments.

**TOWN OF DRUMHELLER**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2018**

**9. LONG-TERM DEBT**

	<b>2018</b>	<b>2017</b>
Various Alberta Capital Finance Authority Debentures, bearing interest at 4.252% to 5.012% per annum, with blended combined semi-annual payments of \$486,926 due 2021 through 2033. Debenture debt is issued on the credit and security of the Town of Drumheller at large.	<b>\$ 8,757,168</b>	\$ 8,869,241
Alberta Capital Finance Authority Debenture, matured during the year.	-	268,625
Alberta Capital Finance Authority Debenture, bearing interest at 2.765% per annum, with blended combined semi-annual payments of \$14,257 due June 15, 2035. Debenture debt is issued on the credit and security of the Town of Drumheller at large.	<b>375,729</b>	393,486
CMHC mortgage payable, bearing interest at 12.50% per annum, with annual blended payments of \$22,313, due 2021.	<b>57,470</b>	73,852
	<b>\$ 9,190,367</b>	\$ 9,605,204

Principal and interest payments relating to long-term debt outstanding are due as follows:

	Principal Repayments	Interest Payments	Total
2019	\$ 650,176	\$ 373,503	\$ 1,023,679
2020	680,283	344,796	1,025,079
2021	705,826	313,403	1,019,229
2022	710,103	281,764	991,867
2023	741,711	249,755	991,466
Thereafter	5,702,268	2,532,580	8,234,848
	<u>\$ 9,190,367</u>	<u>\$ 4,095,801</u>	<u>\$ 13,286,168</u>

Interest on long-term debt amounted to \$409,931 (2017 - \$429,802).

# TOWN OF DRUMHELLER

## Notes to Consolidated Financial Statements

Year Ended December 31, 2018

### 10. TANGIBLE CAPITAL ASSETS

Cost	2017 Balance	Additions	Disposals / Transfers	2018 Balance
Land	\$ 13,017,034	\$ 399,110	\$ -	\$ 13,416,144
Land improvements	3,758,592	156,127	-	3,914,719
Buildings	37,184,623	1,772,858	(2,669,861)	41,627,342
Equipment	8,452,094	359,726	26,224	8,785,596
Motor vehicles	2,929,643	175,283	154,373	2,950,553
Engineered structures	165,205,829	1,112,924	-	166,318,753
Work in progress	3,335,746	666,229	2,675,014	1,326,961
	\$233,883,561	\$ 4,642,257	\$ 185,750	\$238,340,068

Accumulated Amortization	2017 Balance	Amortization	Accumulated Amortization on Disposals	2018 Balance
Land improvements	\$ 2,987,788	\$ 125,877	\$ -	\$ 3,113,665
Buildings	10,448,990	657,875	-	11,106,865
Equipment	4,628,133	306,434	17,136	4,917,431
Motor vehicles	1,975,613	164,607	154,755	1,985,465
Engineered structures	72,011,053	3,004,237	-	75,015,290
	\$ 92,051,577	\$ 4,259,030	\$ 171,891	\$ 96,138,716

Net book value	2018	2017
Land	\$ 13,416,144	\$ 13,017,034
Land improvements	801,054	770,804
Buildings	30,520,477	26,735,633
Equipment	3,868,165	3,823,961
Motor vehicles	965,088	954,030
Engineered structures	91,303,463	93,194,776
Work in progress	1,326,961	3,335,746
	\$142,201,352	\$141,831,984

During the year, \$2,669,861 was transferred from work in progress to buildings as work was completed and the asset was made available for productive use.

# TOWN OF DRUMHELLER

## Notes to Consolidated Financial Statements

Year Ended December 31, 2018

### 11. EQUITY IN TANGIBLE CAPITAL ASSETS

	2018	2017
Tangible capital assets (Note 10)	\$238,340,068	\$233,883,561
Accumulated amortization (Note 10)	(96,138,716)	(92,051,577)
Debenture debt (Note 9)	(9,190,367)	(9,605,204)
	<b>\$133,010,985</b>	<b>\$132,226,780</b>

### 12. ACCUMULATED SURPLUS

	2018	2017
Equity in tangible capital assets (Note 11)	\$133,010,985	\$132,226,780
Unrestricted surplus	4,645,239	5,705,765
	<b>137,656,224</b>	<b>137,932,545</b>
Sewer Facilities	3,509,555	3,127,850
Equipment	3,423,939	4,077,695
Water	2,680,153	1,756,927
Contingencies	2,442,755	1,721,194
Transportation - long-term	2,382,750	2,175,000
Contingencies - long-term	1,938,096	1,148,326
Offsite levies	1,320,500	905,000
Storm drain	415,348	402,345
Utility energy savings	353,175	-
Sandstone	322,500	258,000
General capital	126,000	126,000
Scholarship	55,000	55,000
Management incentive fund	36,600	36,600
Municipal reserves	35,000	35,000
Land	12,236	12,236
	(263,751)	(342,500)
	<b>18,789,856</b>	<b>15,494,673</b>
	<b>\$156,446,080</b>	<b>\$153,427,218</b>

The equity in tangible capital assets represents amounts already spent and invested in infrastructure. Reserve funds represent funds set aside by bylaw or council resolution for specific purposes.

**TOWN OF DRUMHELLER**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2018**

**13. NET MUNICIPAL TAXES**

	Budget 2018 (Note 22)	2018	2017
Real property	\$ 11,583,554	\$ <b>11,503,129</b>	\$ 11,226,089
Machinery and equipment	33,535	<b>34,935</b>	32,069
Linear property	441,950	<b>431,270</b>	415,389
Special assessments and local improvement taxes	56,000	<b>62,265</b>	55,767
	12,115,039	<b>12,031,599</b>	11,729,314
Requisitions			
Alberta School Foundation Fund	(2,800,000)	<b>(2,740,985)</b>	(2,699,640)
Sunshine Senior's Lodge	(540,273)	<b>(540,273)</b>	(520,505)
	(3,340,273)	<b>(3,281,258)</b>	(3,220,145)
Net municipal taxes	\$ 8,774,766	\$ <b>8,750,341</b>	\$ 8,509,169

**14. GOVERNMENT TRANSFERS**

	Budget 2018 (Note 22)	2018	2017
Operating			
Federal government	\$ 4,900	\$ <b>5,000</b>	\$ 9,292
Provincial government	872,713	<b>904,180</b>	1,002,415
	877,613	<b>909,180</b>	1,011,707
Capital			
Provincial government	10,205,880	<b>1,892,719</b>	2,702,944
Total government transfers	\$ 11,083,493	\$ <b>2,801,899</b>	\$ 3,714,651

**TOWN OF DRUMHELLER**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2018**

**15. EXPENSES BY OBJECT**

	Budget 2018 (Note 22)	2018	2017
Salaries and wages	\$ 6,736,451	\$ <b>6,493,305</b>	\$ 6,500,161
Contracted and general services	4,766,951	<b>4,244,404</b>	4,354,211
Purchases from other governments	1,434,100	<b>936,883</b>	1,435,724
Materials, goods and utilities	2,894,530	<b>2,527,568</b>	2,503,734
Transfer to local agencies	492,055	<b>491,094</b>	453,984
Transfer to individuals and organizations	20,000	<b>21,000</b>	20,500
Bank charges and short-term interest	23,125	<b>29,095</b>	21,686
Interest on long-term debt	403,790	<b>409,932</b>	429,801
Amortization	3,569,315	<b>4,259,030</b>	4,513,469
Other expenses	34,700	<b>102,575</b>	69,384
	\$ 20,375,017	\$ <b>19,514,886</b>	\$ 20,302,654

**16. LOCAL AUTHORITIES PENSION PLAN**

Certain employees of the Town are eligible to be members of the Local Authorities Pension Plan ("LAPP"), a multi-employer pension plan which is covered by the Public Sector Pension Plans Act. The Plan serves about 200,000 people and over 400 employers. It is financed by employer and employee contributions and investment earnings of the LAPP fund. The plan provides defined pension benefits to employees based on their length of service and rates of pay.

The Town contributes to the Plan at a rate of 11.39% of pensionable earnings up to the Canada Pension Plan Maximum Pensionable Earnings and 15.84% for the excess. Employees contribute to the Plan at a rate of 10.39% of pensionable earnings up to the Canada Pension Plan Maximum Pensionable Earnings and 14.84% for the excess.

Contributions for the year were:

	2018	2017
Employer contributions	\$ <b>413,370</b>	\$ 400,993
Employee contributions	<b>376,465</b>	434,735
	\$ <b>789,835</b>	\$ 835,728

As this is a multi-employer pension plan, these contributions comprise the Town's pension benefit expense. No pension liability for this type of plan is included in the Town's financial statements. The most recent valuation as of December 31, 2017 indicates a surplus of \$4,835,515,000 (2016 - deficit of \$637,357,000) for basic pension benefits. The actuary does not attribute portions of the unfunded liability to individual employers. LAPP has not yet disclosed the actuarial deficiency as of December 31, 2018.

# TOWN OF DRUMHELLER

## Notes to Consolidated Financial Statements

Year Ended December 31, 2018

### 17. SALARIES AND BENEFITS DISCLOSURE

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

	Salary	Benefits and Allowances	2018 Total	2017 Total
Mayor Colberg	\$ 30,134	\$ 15,822	\$ 45,956	\$ 7,008
Mayor Yemen	-	-	-	44,890
Councillor Garbutt	16,226	8,583	24,809	27,782
Councillor Hansen-Zacharuk	16,059	8,499	24,558	27,524
Councillor Zariski	16,559	8,749	25,308	26,278
Councillor Makowecki	15,893	8,416	24,309	4,443
Councillor Lacher	15,559	8,249	23,808	4,054
Councillor DeMott	15,393	8,166	23,559	4,615
Councillor Kolafa	-	-	-	23,493
Councillor McMillan	-	-	-	23,493
Councillor Shoff	-	-	-	20,282
Chief Administrative Officer Drohmerski (CAO)	178,446	2,885	181,331	43,743
Chief Administrative Officer Romanetz (CAO)	-	-	-	167,572

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

Benefits and allowances include employer's share of all employee benefits and contributions or payments made on behalf of employees including retirement pension, Canada Pension Plan, employment insurance, health care, extended health, vision, group life, accidental death and long and short-term disability plans.

Benefits for the CAO include the use of an automobile.



**TOWN OF DRUMHELLER**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2018**

**18. DEBENTURE DEBT LIMITS**

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

	2018	2017
Total debt limit	<b>\$ 30,815,468</b>	\$ 29,965,716
Total debt	<b>(9,190,367)</b>	(9,605,204)
	<b>21,625,101</b>	20,360,512
Debt servicing limit	<b>5,135,911</b>	4,994,286
Debt servicing	<b>(1,294,786)</b>	(1,294,786)
Amount of debt servicing limit unused	<b>3,841,125</b>	3,699,500

The debt limit is calculated at 1.5 times revenue of the Town (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.

**19. CONTINGENCIES**

The Town, in conduct of its normal activities, can be named as a defendant in legal proceedings. The ultimate outcome of these proceedings can often not be determined until the proceedings are completed. Should any loss result from the resolution of these proceedings or if the amount of the loss can be determined, such amounts would be expensed as they become known to the Town.

**20. COMMITMENTS**

The Town has ongoing capital projects that were not completed during the year. The estimated costs to the Town are \$12,098,120 for projects that will continue through 2019. These projects are to be funded by \$2,057,300 from reserves, \$8,439,420 from provincial grant funding, \$1,501,400 from debt financing, and \$100,000 from trade-in value.

The Town has an agreement to obtain electricity, expiring December 31, 2019 at a fixed rate of \$56.23/MWh up to a maximum of 6,040 MWh and a forward purchase agreement for January 2020 - December 2020 at a fixed rate of \$53.90/MWh for contract volumes of 6,543 MWh, and an additional forward purchase agreement for January 2021 - December 2023 at a fixed rate of \$44.89/MWh for contract volumes of 6,818 MWh.

# TOWN OF DRUMHELLER

## Notes to Consolidated Financial Statements

Year Ended December 31, 2018

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### 21. SEGMENTED INFORMATION

The Town is a diversified municipal government institution that provides a wide range of services to its citizens. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and the activities they encompass are as follows:

#### **Protective Services**

Protective services is comprised of police, bylaw enforcement and fire protection. This service area is responsible for the overall safety of the public through various prevention and enforcement activities.

#### **Transportation Services**

Transportation services is responsible for the delivery of municipal public works services related to the planning, the development and maintenance of roadway systems, the maintenance of park and open space and street lighting.

#### **Water and Wastewater Service**

Water and wastewater provides drinking water to the Town's citizens and collects and treats wastewater. The Town processes and cleans sewage and ensures the water system meets all Provincial standards.

#### **Waste Management Services**

Waste management provides collection, disposal and recycling programs.

#### **Planning and Development**

The planning department provides a number of services including town planning and enforcement of building and construction codes and review of all property development plan through its application process.

#### **Recreation and Parks**

This service area maintains recreation infrastructure such as parks, arenas, aquatic centres and community centres as well as provides recreational programs and cultural programs at those locations.

#### **Public Health and Welfare**

This service area provides and administers community support programs.

#### **General Government**

This service area includes legislative and administrative support to all other service areas and also relates to the revenues and expenses that relate to the operations of the Town itself and cannot be directly attributed to a specific segment.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. In measuring and reporting segment revenue from transactions with other segments, inter-segment transfers have been eliminated. The revenues and expenses that are directly attributable to a particular segment are allocated to that segment. Taxation has been allocated to general government except where specific tax revenues can be directly allocated to a service area.

# TOWN OF DRUMHELLER

## Notes to Consolidated Financial Statements

Year Ended December 31, 2018

### 22. BUDGET

The reported budget information has been derived from the tax supported operating budget approved by Council on March 19, 2018, the utilities supported operating budget approved by Council on March 19, 2018, and the capital budget approved by Council on March 19, 2018. The chart below reconciles the approved budget to the budget figures reported in these financial statements.

	<b>2018</b>
Revenues per tax supported operating budget	<b>\$ 13,905,036</b>
Revenues per utilities supported operating budget	<b>5,625,020</b>
	<b>19,530,056</b>
Expenses per tax supported operating budget	<b>(14,677,607)</b>
Expenses per utilities supported operating budget	<b>(5,697,410)</b>
	<b>(20,375,017)</b>
Revenues per capital approved budget	<b>10,549,880</b>
Less transfers drawn from capital reserve	<b>(344,000)</b>
	<b>10,205,880</b>
	<b>\$ 9,360,919</b>

# TOWN OF DRUMHELLER

Consolidated Segmented Information  
Year Ended December 31, 2018

(Schedule 1)

	Protective Services	Transportation Services	Water and Wastewater	Waste Management	Planning and Development	Recreation and Parks	Public Health and Welfare	General Government	Total 2018
<b>REVENUES</b>									
Net municipal taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,750,341	\$ 8,750,341
Government transfers for operating	508,880	-	-	-	24,596	27,614	279,631	68,459	909,180
Government transfers for capital	-	1,892,719	-	-	-	-	-	-	1,892,719
Sales and user fees	396,009	656,524	5,676,185	90,250	135,961	663,111	64,461	155,041	7,837,542
Franchise and concessions	-	-	-	-	-	-	-	1,731,291	1,731,291
Investment income	-	-	-	-	-	-	-	488,670	488,670
Penalties and costs on taxes	-	-	22,066	-	-	-	-	145,708	167,774
Rentals	-	3,025	-	-	46,777	384,236	-	300	434,338
Other	16,988	14,020	100,236	-	11,329	91,242	1,727	59,157	294,699
Gain on disposal of tangible capital assets	1,000	31,185	-	-	-	2,572	-	-	34,757
	922,877	2,597,473	5,798,487	90,250	218,663	1,168,775	345,819	11,398,967	22,541,311

(continues)

See notes to financial statements

# TOWN OF DRUMHELLER

Consolidated Segmented Information *(continued)*

(Schedule 1)

Year Ended December 31, 2018

	Protective Services	Transportation Services	Water and Wastewater	Waste Management	Planning and Development	Recreation and Parks	Public Health and Welfare	General Government	Total 2018
<b>EXPENSES (BY OBJECT)</b>									
Salaries and wages	774,445	891,042	1,412,636	29,680	111,943	2,100,634	325,241	847,683	<b>6,493,304</b>
Contracted and general services	324,428	970,664	663,495	388,690	201,639	1,031,716	79,019	584,755	<b>4,244,406</b>
Amortization	91,496	1,276,384	2,081,617	-	103,516	563,833	2,111	140,073	<b>4,259,030</b>
Purchases from other governments	936,883	-	-	-	-	-	-	-	<b>936,883</b>
Materials, goods and utilities	74,238	684,079	880,104	-	79,455	692,451	17,590	99,650	<b>2,527,567</b>
Transfer to local agencies	5,132	-	-	-	219,888	242,074	24,000	-	<b>491,094</b>
Bank charges and short-term interest	-	1,045	-	-	-	12,662	-	15,388	<b>29,095</b>
Interest on long-term debt	-	-	-	221,281	-	8,567	180,084	-	<b>409,932</b>
Other	2,598	(50)	1,705	-	10,000	1,390	1,031	93,464	<b>110,138</b>
Transfer to individuals and organizations	-	-	-	-	-	-	-	21,000	<b>21,000</b>
	<b>2,209,220</b>	<b>3,823,164</b>	<b>5,039,557</b>	<b>639,651</b>	<b>726,441</b>	<b>4,653,327</b>	<b>629,076</b>	<b>1,802,013</b>	<b>19,522,449</b>
<b>(DEFICIENCY) EXCESS OF REVENUES OVER EXPENSES</b>	<b>\$ (1,286,343)\$</b>	<b>(1,225,691)\$</b>	<b>758,930 \$</b>	<b>(549,401)\$</b>	<b>(507,778)\$</b>	<b>(3,484,552)\$</b>	<b>(283,257)\$</b>	<b>9,596,954 \$</b>	<b>3,018,862</b>

See notes to financial statements

# TOWN OF DRUMHELLER

Consolidated Segmented Information

(Schedule 2)

Year Ended December 31, 2017

	Protective Services	Transportation Services	Water and Wastewater	Waste Management	Planning and Development	Recreation and Parks	Public Health and Welfare	General Government	Total 2017
<b>REVENUES</b>									
Net municipal taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,509,169	\$ 8,509,169
Government transfers for operating	416,932	-	-	-	39,788	30,292	299,460	225,235	1,011,707
Government transfers for capital	-	2,702,944	-	-	-	-	-	-	2,702,944
Sales and user fees	468,974	579,294	5,453,491	89,993	3,856	571,448	91,664	161,317	7,420,037
Franchise and concessions	-	-	-	-	-	-	-	1,616,724	1,616,724
Investment income	-	-	-	-	-	-	-	318,771	318,771
Penalties and costs on taxes	-	-	21,649	-	-	-	-	164,601	186,250
Rentals	-	2,100	-	-	46,477	351,713	-	-	400,290
Other	8,483	115,499	150,835	-	104,414	68,755	4,423	95,080	547,489
Gain on disposal of tangible capital assets	-	34,672	-	-	-	-	-	-	34,672
	894,389	3,434,509	5,625,975	89,993	194,535	1,022,208	395,547	11,090,897	22,748,053

(continues)

See notes to financial statements

# TOWN OF DRUMHELLER

Consolidated Segmented Information *(continued)*

(Schedule 2)

Year Ended December 31, 2017

	Protective Services	Transportation Services	Water and Wastewater	Waste Management	Planning and Development	Recreation and Parks	Public Health and Welfare	General Government	Total 2017
<b>EXPENSES (BY OBJECT)</b>									
Salaries and wages	788,898	905,930	1,466,702	28,609	100,184	2,013,358	364,271	832,210	6,500,162
Contracted and general services	291,234	1,131,891	804,334	368,091	196,942	826,427	86,770	648,577	4,354,266
Amortization	106,462	1,327,574	2,141,372	-	103,900	669,553	1,888	162,719	4,513,468
Purchases from other governments	1,435,724	-	-	-	-	-	-	-	1,435,724
Materials, goods and utilities	76,410	649,352	933,813	-	33,154	711,886	18,749	80,292	2,503,656
Transfer to local agencies	1,214	-	-	-	222,550	206,220	24,000	-	453,984
Bank charges and short-term interest	-	-	-	-	-	10,785	-	10,901	21,686
Interest on long-term debt	-	-	-	228,185	-	10,475	191,141	-	429,801
Other	-	-	2,321	-	5,462	33,233	-	28,391	69,407
Transfer to individuals and organizations	-	-	-	-	-	-	-	20,500	20,500
	2,699,942	4,014,747	5,348,542	624,885	662,192	4,481,937	686,819	1,783,590	20,302,654
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>									
	\$ (1,805,553)\$	(580,238)\$	277,433 \$	(534,892)\$	(467,657)\$	(3,459,729)\$	(291,272)\$	9,307,307 \$	2,445,399

See notes to financial statements