

TOWN OF DRUMHELLER
Consolidated Financial Statements
For the Year Ended December 31, 2017

TOWN OF DRUMHELLER

Index to Consolidated Financial Statements
Year Ended December 31, 2017

MANAGEMENT REPORT

INDEPENDENT AUDITORS' REPORT 1

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Statement of Financial Position	2
Consolidated Statement of Operations	3
Consolidated Statement of Changes in Net Financial Assets	4
Consolidated Statement of Cash Flows	5
Notes to Consolidated Financial Statements	6 - 26

Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of the Town of Drumheller (the "Town") are the responsibility of the Town's management and have been prepared in accordance with Canadian Public Sector Accounting Standards established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada, as described in Note 1 to the consolidated financial statements.

The preparation of consolidated financial statements necessarily involves the use of estimates based on management's judgement, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Town's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in accordance with Canadian Public Sector Accounting Standards established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by management. Council meets with management and the external auditor to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

The consolidated financial statements have been audited by Collins Barrow Edmonton LLP, independent external auditor appointed by the Town. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the Town's consolidated financial statements.



Chief Administrative Officer
April 30, 2018



Director of Corporate Services
April 30, 2018

INDEPENDENT AUDITORS' REPORT

To the Members of Council of the Town of Drumheller

We have audited the accompanying consolidated financial statements of the Town of Drumheller, which comprise the consolidated statement of financial position as at December 31, 2017 and the consolidated statements of operations, changes in net financial assets and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian Public Sector Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

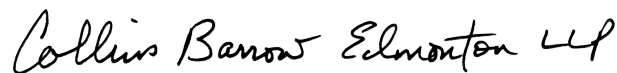
Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Town of Drumheller as at December 31, 2017, and the results of its operations, changes in its net financial assets and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Other Matters

Without modifying our opinion, we draw attention to the budget information displayed in the consolidated financial statements and the related disclosures. We were not engaged to report on the budget information, and as such, it is marked as unaudited.

Edmonton, Alberta
April 30, 2018



Chartered Professional Accountants

TOWN OF DRUMHELLER
Consolidated Statement of Financial Position
December 31, 2017

	2017	2016
Financial assets		
Cash and cash equivalents (Note 3)	\$ 10,559,217	\$ 10,022,952
Taxes receivable (Note 4)	1,134,766	1,093,403
Accounts receivable (Note 5)	9,098,646	9,023,710
Accrued interest receivable	64,130	69,498
Inventory held for resale (Note 6)	1,847,299	1,846,824
Investments (Note 7)	<u>10,391,685</u>	<u>7,329,986</u>
	<u>33,095,743</u>	<u>29,386,373</u>
Liabilities		
Accounts payable and accrued liabilities	2,728,180	2,700,072
Employee benefit obligation (Note 8)	594,968	492,477
Deferred revenue (Note 9)	9,529,669	9,405,280
Long-term debt (Note 10)	<u>9,605,204</u>	<u>10,467,205</u>
	<u>22,458,021</u>	<u>23,065,034</u>
Net financial assets	<u>10,637,722</u>	<u>6,321,339</u>
Non-financial assets		
Tangible capital assets (Note 11)	141,831,984	143,112,340
Inventory for consumption	667,942	712,975
Prepaid expenses	<u>289,570</u>	<u>835,165</u>
	<u>142,789,496</u>	<u>144,660,480</u>
Accumulated surplus (Note 13)	<u>\$ 153,427,218</u>	<u>\$ 150,981,819</u>
Debenture debt limits (Note 20)		
Contingencies (Note 21)		
Commitments (Note 22)		

See accompanying notes to the consolidated financial statements

TOWN OF DRUMHELLER
Consolidated Statement of Operations
For the Year Ended December 31, 2017

	Budget 2017 (Unaudited) (Note 23)	2017	2016
Revenues			
Net municipal taxes (Note 15)	\$ 8,520,836	\$ 8,509,169	\$ 8,521,659
Government transfers for operating (Note 16)	908,063	1,011,707	838,672
Sales and user fees	6,721,695	7,420,037	6,535,460
Franchises and concessions	2,037,350	1,616,724	1,518,105
Investment income	220,000	318,771	273,735
Penalties and costs on taxes	168,250	186,250	174,319
Rentals	345,377	400,290	421,332
Other	190,990	514,196	327,832
	<u>19,112,561</u>	<u>19,977,144</u>	<u>18,611,114</u>
Expenses (Note 17)			
Legislative	289,375	300,788	240,539
Administration	1,705,012	1,482,879	1,420,660
Protective services	2,804,365	2,699,813	2,566,347
Transportation services	2,741,273	4,014,556	3,407,238
Water and wastewater	5,561,620	5,580,109	5,548,793
Waste management	404,110	396,700	374,903
Planning and development	1,027,845	672,667	764,253
Recreation and parks	5,035,123	4,662,846	4,708,558
Public health and welfare	510,120	492,296	502,872
	<u>20,078,843</u>	<u>20,302,654</u>	<u>19,534,163</u>
Excess (deficiency) of revenues over expenses – before capital revenues	(966,282)	(325,510)	(923,049)
Capital revenues			
Government transfers for capital (Note 16)	4,070,000	2,702,944	2,466,643
Other capital revenues	439,600	33,293	27,813
Gain on disposal of tangible capital assets	---	34,672	621
		<u>2,770,910</u>	<u>2,500,077</u>
Excess of revenues over expenses	3,543,318	2,445,399	1,572,028
Accumulated surplus, beginning of year	<u>150,981,820</u>	<u>150,981,819</u>	<u>149,409,792</u>
Accumulated surplus, end of year	<u>\$ 154,525,138</u>	<u>\$ 153,427,218</u>	<u>\$ 150,981,820</u>

See accompanying notes to the consolidated financial statements

TOWN OF DRUMHELLER**Consolidated Statement of Changes in Net Financial Assets
For the Year Ended December 31, 2017**

	Budget 2017 (Unaudited) (Note 23)	2017	2016
Excess (deficiency) of revenues over expenses	\$ 3,543,318	\$ 2,445,399	\$ 1,572,028
Acquisition of tangible capital assets	(4,847,000)	(3,240,414)	(3,341,028)
Amortization of tangible capital assets	3,741,058	4,513,469	4,619,086
Loss on sale of tangible capital assets	---	(34,672)	(621)
Proceeds on sale of tangible capital assets	---	41,973	12,500
	2,437,376	3,725,755	2,861,965
Change in prepaid expenses	---	545,595	(565,878)
Change in inventory for consumption	---	45,032	9,444
Increase in net financial assets	2,437,376	4,316,382	2,305,531
Net financial assets, beginning of year	<u>6,321,340</u>	<u>6,321,340</u>	<u>4,015,809</u>
Net financial assets, end of year	<u>\$ 8,758,716</u>	<u>\$ 10,637,722</u>	<u>\$ 6,321,340</u>

See accompanying notes to the consolidated financial statements

TOWN OF DRUMHELLER
Consolidated Statement of Cash Flows
For the Year Ended December 31, 2017

	2017	2016
Net Inflow (Outflow) of Cash and cash equivalents related to the following activities:		
Operating activities		
Excess of revenues over expenses	\$ 2,445,399	\$ 1,572,028
Items not involving cash:		
Amortization of tangible capital assets	4,513,469	4,619,086
Loss on disposal of tangible capital assets	(34,672)	(621)
Changes in non-cash operating balances:		
Taxes receivable	(41,363)	(168,174)
Accounts receivable	(74,936)	(4,291,067)
Accrued interest receivable	5,368	(48,450)
Inventory held for resale	(475)	113,269
Accounts payable and accrued liabilities	28,108	859,040
Employee benefit obligation	102,491	(264,894)
Deferred revenue	124,389	6,536,321
Inventory for consumption	45,033	9,444
Prepaid expenses	545,595	(565,878)
	<u>7,658,406</u>	<u>8,370,104</u>
Capital activities		
Acquisition of tangible capital assets	(3,240,414)	(3,341,028)
Proceeds on sale of tangible capital assets	41,973	12,500
	<u>(3,198,441)</u>	<u>(3,328,528)</u>
Investing activities		
Purchase of investments	(12,860,674)	(4,041,419)
Proceeds on redemption of investments	9,798,975	---
Decrease in restricted cash balances	(124,389)	(6,536,321)
	<u>(3,186,088)</u>	<u>(10,577,740)</u>
Financing activities		
Repayment of long-term debt	(862,001)	(834,212)
Net change in cash and cash equivalents	411,876	(6,370,376)
Cash and cash equivalents, beginning of year	<u>617,672</u>	<u>6,988,048</u>
Cash and cash equivalents, end of year	<u>\$ 1,029,548</u>	<u>\$ 617,672</u>
Cash and cash equivalents is comprised of:		
Cash and cash equivalents	\$ 10,559,217	\$ 10,022,952
Less: restricted (Note 3)	(9,529,669)	(9,405,280)
	<u>\$ 1,029,548</u>	<u>\$ 617,672</u>

See accompanying notes to the consolidated financial statements

TOWN OF DRUMHELLER
Notes to the Consolidated Financial Statements
December 31, 2017

1. Summary of Significant Accounting Policies

The consolidated financial statements of the Town of Drumheller ("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 and; therefore, are accountable to the Town Council for the administration of their financial affairs and resources. The summary of taxes levied (Note 15) 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 consists of cash on deposit and term deposits with original maturities of 90 days or less at the date of acquisition and are recorded at cost.

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.

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 levelling charges. Related development costs incurred to provide infrastructure such as water and wastewater services, roads, sidewalks and street lighting are recorded as physical assets under their respective function.

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.

TOWN OF DRUMHELLER
Notes to the Consolidated Financial Statements
December 31, 2017

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 donation, 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	
Water system	45 to 75 years
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) is 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.

TOWN OF DRUMHELLER
Notes to the Consolidated Financial Statements
December 31, 2017

1. **Summary of Significant Accounting Policies (Continued)**

Deferred Revenue

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

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.

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 excess of revenue 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.

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 rendered. Rental revenues are recognized in the period to which they relate. Investment income is recorded as revenue in the period earned.

TOWN OF DRUMHELLER
Notes to the Consolidated Financial Statements
December 31, 2017

1. **Summary of Significant Accounting Policies (Continued)**

Use of Estimates

The preparation of financial statements in conformity with PSAS 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 expenses during the period. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Significant management estimates pertain to the estimated useful lives of tangible capital assets and related amortization, the collectability of accounts receivable and the amounts for accrued liabilities. Actual results could differ from those estimates.

2. **Recent Accounting Pronouncements**

The following accounting standards have been issued under PSAS but are not yet effective. The Town is currently evaluating the effect of adopting these standards on their financial statements.

PS3210, Assets provides additional guidance on the definition of assets and new disclosure requirements for those assets not recognized in the government's financial statements. This standard is applicable for fiscal years beginning on or after April 1, 2017.

PS3320, Contingent Assets establishes standards on the reporting and disclosure of possible assets that may arise from existing conditions or situations involving uncertainty. This standard is applicable for fiscal years beginning on or after April 1, 2017.

PS3380, Contractual Rights defines and establishes disclosure standards on contractual rights. Disclosure of the nature, extent, and timing of any contractual rights is required. This standard is applicable for fiscal years beginning on or after April 1, 2017.

PS2200, Related Party Disclosures provides an updated definition for related parties and establishes new disclosure requirements for related party transactions. This standard is applicable for fiscal years beginning on or after April 1, 2017.

PS3420, Inter-Entity Transactions specifically addresses the reporting of transactions between entities controlled by a government and that comprise the government's reporting entity from both a provider and recipient perspective. This standard is applicable for fiscal years beginning on or after April 1, 2017.

PS1201, Financial Statement Presentation, requires a new statement of re-measurement gains and losses separate from the statement of operations. Included in this new statement are the unrealized gains and losses arising from the re-measurement of financial instruments and items denominated in foreign currencies, as well as the government's proportionate share of other comprehensive income that arises when a government includes the results of government business enterprises and partnerships. This standard is applicable for fiscal years beginning on or after April 1, 2019.

TOWN OF DRUMHELLER
Notes to the Consolidated Financial Statements
December 31, 2017

2. Recent Accounting Pronouncements (Continued)

PS2601 Foreign Currency Translation, requires exchange rates to be adjusted to the rate in effect at the financial statement date for monetary assets and liabilities denominated in foreign currency and non-monetary items included in the fair value category. Unrealized gains and losses are to be presented in the statement of re-measurement gains and losses. Gains and losses on long-term monetary assets and liabilities are amortized over the remaining term of the item. This standard is applicable for fiscal years beginning on or after April 1, 2019.

PS3450 Financial Instruments, Financial Instruments establishes recognition, measurement, and disclosure requirements for derivative and non-derivative financial instruments. The standard requires fair value measurement of derivatives and equity instruments; all other financial instruments can be measured at cost/amortized cost or fair value at the election of the government. Unrealized gains and losses are presented in a new statement of re-measurement gains and losses. There is the 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 applicable for fiscal years beginning on or after April 1, 2019.

PS3041 Portfolio Investments has removed the distinction between temporary and portfolio investments. This section was amended to conform to Financial Instruments ("PS 3450"), and now includes pooled investments in its scope. Upon adoption of PS 3450 and PS 3041, Temporary Investments ("PS 3030") will no longer apply.

3. Cash and Cash Equivalents

	<u>2017</u>	<u>2016</u>
Current accounts	\$ 8,726,192	\$ 3,656,258
Investment margin accounts	118,976	139,283
Term deposits	<u>1,714,049</u>	<u>6,227,411</u>
	<u>\$ 10,559,217</u>	<u>\$ 10,022,952</u>

Term deposits are redeemable short-term deposits with maturities within three months from the date of purchase bearing interest at 1.80% per annum (2016 0.55% – 1.50%).

Included in the above amounts are the following restricted amounts received or receivable from the Government of Canada and the Province of Alberta as conditional grants held exclusively for future projects (Note 9).

	<u>2017</u>	<u>2016</u>
Municipal Sustainability Initiative grant (MSI)	\$ 544,301	\$ 1,185,372
New Deal for Cities and Communities grant (NDCC)	201,000	---
Policing grant	91,058	91,058
Alberta Community Resilience	6,413,600	6,413,600
Water for Life	684,593	---
Kneehill	900,409	975,443
Other	<u>694,708</u>	<u>739,807</u>
	<u>\$ 9,529,669</u>	<u>\$ 9,405,280</u>

TOWN OF DRUMHELLER

Notes to the Consolidated Financial Statements

December 31, 2017

4. Taxes Receivable

	<u>2017</u>	<u>2016</u>
Current taxes and grants in place	\$ 607,692	\$ 724,556
Non-current taxes and grants in place	<u>985,846</u>	<u>807,697</u>
	1,593,538	1,532,253
Less: Allowance for doubtful accounts	<u>458,772</u>	<u>438,850</u>
	<u>\$ 1,134,766</u>	<u>\$ 1,093,403</u>

5. Accounts Receivable

	<u>2017</u>	<u>2016</u>
Trade receivable	\$ 2,056,272	\$ 1,969,537
Government grants receivable	<u>7,098,600</u>	<u>7,117,473</u>
	9,154,872	9,087,010
Less: Allowance for doubtful accounts	<u>56,226</u>	<u>63,300</u>
	<u>\$ 9,098,646</u>	<u>\$ 9,023,710</u>

6. Inventory Held for Resale

	<u>2017</u>	<u>2016</u>
Airport fuel	\$ 19,216	\$ 14,164
Land held for resale	<u>1,828,083</u>	<u>1,832,660</u>
	<u>\$ 1,847,299</u>	<u>\$ 1,846,824</u>

7. Investments

	2017		2016	
	<u>Cost</u>	<u>Market Value</u>	<u>Cost</u>	<u>Market Value</u>
Short-term				
Term deposits	\$ 6,850,000	\$ 6,850,000	\$ 3,923,071	\$ 3,923,071
Fixed income notes	50,112	50,066	164,602	163,682
Long-term				
Term deposits	36,608	36,608	36,608	36,608
Fixed income notes	2,923,956	2,825,325	2,674,827	2,641,810
Principal protected notes	527,000	557,447	527,000	557,447
Other	<u>4,009</u>	<u>4,009</u>	<u>3,878</u>	<u>3,878</u>
	<u>\$ 10,391,685</u>	<u>\$ 10,323,455</u>	<u>\$ 7,329,986</u>	<u>\$ 7,326,496</u>

TOWN OF DRUMHELLER
Notes to the Consolidated Financial Statements
December 31, 2017

7. Investments (Continued)

Short term term deposits bear variable interest at 1.70% to 2.25% per annum (2016 – 0.90% to 1.70%) and mature between March and December 2018 (2016 – September to December 2017). Short term fixed income notes mature March 2018 (2016 – February to September 2017) and beared interest from 2.364% to 2.598% per annum in 2016.

Long term term deposits bear interest at 2.25% per annum (2016 – 2.25%) and mature July 2019 (2016 – July 2019). Long term fixed income notes bear interest at 1.50% to 9.976% per annum (2016 – 1.500% to 10.221%) and mature June 2019 to July 2108 (2016 – March 2018 to July 2108).

Principal protected notes mature April 2020 to September 2022 (2016 – April 2020 to September 2022).

8. Employee Benefit Obligation

	<u>2017</u>	<u>2016</u>
Accrued vacation pay	\$ 278,517	\$ 238,267
Accrued long-term service benefits	<u>316,451</u>	<u>254,210</u>
	<u>\$ 594,968</u>	<u>\$ 492,477</u>

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.

9. Deferred Revenue

	<u>Opening Balance</u>	<u>Contributions Received</u>	<u>Revenue Recognized</u>	<u>Ending Balance</u>
MSI grant	\$ 1,185,372	\$ 1,809,519	\$ 2,450,590	\$ 544,301
Gas Tax Fund	---	434,281	233,281	201,000
Policing grant	91,058	364,232	364,232	91,058
Alberta Community Resilience grant	6,413,600			6,413,600
Water for Life	---	684,593	---	684,593
Kneehill	975,443	---	75,034	900,409
Other	<u>739,807</u>	<u>1,706,245</u>	<u>1,751,344</u>	<u>694,708</u>
	<u>\$ 9,405,280</u>	<u>\$ 4,998,870</u>	<u>\$ 4,874,481</u>	<u>\$ 9,529,669</u>

Grants

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.

TOWN OF DRUMHELLER
Notes to the Consolidated Financial Statements
December 31, 2017

10. **Long-term Debt**

Long-term debt reported on the statement of financial position is comprised of the following:

	<u>2017</u>	<u>2016</u>
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.	\$ 8,869,241	\$ 9,432,139
Alberta Capital Finance Authority Debenture, bearing interest at 0.735% per annum, with blended combined semi-annual payments of \$135,054 due 2018. Debenture debt is issued on the credit and security of the Town of Drumheller at large.	268,625	535,287
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.	393,486	410,761
CMHC mortgage payable, bearing interest at 12.50% per annum, with annual blended payments of \$22,313, due 2021.	<u>73,852</u>	<u>89,018</u>
	<u>\$ 9,605,204</u>	<u>\$ 10,467,205</u>

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

	<u>Principal Repayments</u>	<u>Interest Payments</u>	<u>Total</u>
2018	\$ 891,001	\$ 403,785	\$ 1,294,786
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
Thereafter	<u>5,967,815</u>	<u>2,782,335</u>	<u>8,750,150</u>
	<u>\$ 9,605,204</u>	<u>\$ 4,499,586</u>	<u>\$ 14,104,790</u>

Interest on long-term debt amounted to \$429,801 (2016 – \$456,838).

TOWN OF DRUMHELLER
Notes to the Consolidated Financial Statements
December 31, 2017

11. **Tangible Capital Assets**

	2017							Total
	<u>Land</u>	<u>Land Improvements</u>	<u>Buildings</u>	<u>Engineered Structures</u>	<u>Machinery and Equipment</u>	<u>Vehicles</u>	<u>Work in Progress</u>	
Cost, beginning of year	\$ 13,017,034	\$ 3,758,592	\$ 37,066,479	\$ 164,339,371	\$ 8,225,018	\$ 2,929,641	\$ 1,471,873	\$ 230,808,008
Additions	---	---	118,144	866,457	391,964	---	1,863,849	3,240,414
Change in work in progress	---	---	---	---	---	---	---	---
Disposals	---	---	---	---	(164,877)	---	---	(164,877)
Cost, end of year	<u>\$ 13,017,034</u>	<u>\$ 3,758,592</u>	<u>\$ 37,184,623</u>	<u>\$ 165,205,828</u>	<u>\$ 8,452,105</u>	<u>\$ 2,929,641</u>	<u>\$ 3,335,722</u>	<u>\$ 233,883,545</u>
Accumulated amortization, beginning of year	\$ ---	\$ 2,840,953	\$ 9,782,965	\$ 68,876,715	\$ 4,395,339	\$ 1,799,696	\$ ---	\$ 87,695,668
Amortization	---	146,835	666,026	3,134,337	390,352	175,919	---	4,513,469
Disposals	---	---	---	---	(157,576)	---	---	(157,576)
Accumulated amortization, end of year	---	<u>2,987,788</u>	<u>10,448,991</u>	<u>72,011,052</u>	<u>4,628,115</u>	<u>1,975,615</u>	---	<u>92,051,561</u>
Net carrying amount, end of year	<u>\$ 13,017,034</u>	<u>\$ 770,804</u>	<u>\$ 26,735,632</u>	<u>\$ 93,194,776</u>	<u>\$ 3,823,990</u>	<u>\$ 954,026</u>	<u>\$ 3,335,722</u>	<u>\$ 141,831,984</u>

TOWN OF DRUMHELLER
Notes to the Consolidated Financial Statements
December 31, 2017

11. **Tangible Capital Assets** (Continued)

	2016							Total
	Land	Land Improvements	Buildings	Engineered Structures	Machinery and Equipment	Vehicles	Work in Progress	
Cost, beginning of year	\$ 13,017,034	\$ 3,734,883	\$ 37,026,864	\$ 162,611,458	\$ 7,925,234	\$ 2,791,920	\$ 379,386	\$ 227,486,779
Additions	---	23,709	39,615	1,667,654	299,784	137,721	1,172,545	3,341,028
Change in work in progress	---	---	---	80,058	---	---	(80,058)	---
Disposals	---	---	---	(19,799)	---	---	---	(19,799)
Cost, end of year	<u>\$ 13,017,034</u>	<u>\$ 3,758,592</u>	<u>\$ 37,066,479</u>	<u>\$ 164,339,371</u>	<u>\$ 8,225,018</u>	<u>\$ 2,929,641</u>	<u>\$ 1,471,873</u>	<u>\$ 230,808,008</u>
Accumulated amortization, beginning of year	\$ ---	\$ 2,691,816	\$ 9,098,107	\$ 65,693,358	\$ 3,984,543	\$ 1,616,678	\$ ---	\$ 83,084,502
Amortization	---	149,137	684,858	3,183,357	418,716	183,018	---	4,619,086
Disposals	---	---	---	---	(7,920)	---	---	(7,920)
Accumulated amortization, end of year	---	<u>2,840,953</u>	<u>9,782,965</u>	<u>68,876,715</u>	<u>4,395,339</u>	<u>1,799,696</u>	---	<u>87,695,668</u>
Net carrying amount, end of year	<u>\$ 13,017,034</u>	<u>\$ 917,639</u>	<u>\$ 27,283,514</u>	<u>\$ 95,462,656</u>	<u>\$ 3,829,679</u>	<u>\$ 1,129,945</u>	<u>\$ 1,471,873</u>	<u>\$ 143,112,340</u>

TOWN OF DRUMHELLER
Notes to the Consolidated Financial Statements
December 31, 2017

12. Equity in Tangible Capital Assets

	<u>2017</u>	<u>2016</u>
Tangible capital assets (Note 11)	\$ 233,883,545	\$ 230,808,008
Accumulated amortization (Note 11)	(92,051,561)	(87,695,668)
Debenture debt (Note 10)	<u>(9,605,204)</u>	<u>(10,467,205)</u>
	<u>\$ 132,226,780</u>	<u>\$ 132,645,135</u>

13. Accumulated Surplus

	<u>2017</u>	<u>2016</u>
Equity in tangible capital assets (Note 12)	\$ 132,226,780	\$ 132,645,135
Unrestricted surplus	<u>5,705,765</u>	<u>3,810,673</u>
	<u>137,932,545</u>	<u>136,455,808</u>
Restricted surplus (reserve funds)		
Management incentive fund	35,000	35,000
Scholarship	36,600	36,600
Building – long-term	---	548,500
Municipal reserves	12,236	12,236
Utility energy savings	258,000	193,500
Contingencies	2,175,000	2,175,000
Contingency – long-term	905,000	905,000
Equipment	1,756,927	1,347,450
Equipment – long-term	---	466,000
Facilities	4,077,694	3,652,000
General capital	55,000	51,520
Land	(342,500)	(342,500)
Offsite levies	402,345	393,000
Sandstone	126,000	41,000
Sewer	3,127,851	2,704,900
Transportation – long-term	1,148,326	1,318,450
Water	<u>1,721,194</u>	<u>988,355</u>
	<u>15,494,673</u>	<u>14,526,011</u>
	<u>\$ 153,427,218</u>	<u>\$ 150,981,819</u>

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 the Consolidated Financial Statements
December 31, 2017

14. Change in Accumulated Surplus

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	<u>2017</u>	<u>2016</u>
Balance, beginning of year	\$ 3,810,673	\$ 14,526,011	\$132,645,135	\$150,981,819	\$149,409,792
Excess of revenue over expenses	2,445,399	---	---	2,445,399	1,572,027
Net operating transfers to restricted surplus	(1,472,864)	1,472,864	---	---	---
Capital transfers from restricted surplus	504,202	(504,202)	---	---	---
Debenture principal payments	(862,000)	---	862,000	---	---
Acquisition of capital	(3,240,414)	---	3,240,414	---	---
Disposals and write-down of assets	7,300	---	(7,300)	---	---
Amortization	<u>4,513,469</u>	<u>---</u>	<u>(4,513,469)</u>	<u>---</u>	<u>---</u>
Change in accumulated surplus	<u>1,895,091</u>	<u>968,662</u>	<u>(418,355)</u>	<u>2,445,399</u>	<u>1,572,027</u>
Balance, end of year	<u>\$ 5,705,765</u>	<u>\$ 15,494,673</u>	<u>\$132,226,780</u>	<u>\$153,427,218</u>	<u>\$150,981,819</u>

15. Net Municipal Taxes

	Budget 2017 (Unaudited) (Note 23)	<u>2017</u>	<u>2016</u>
Real property	\$ 11,323,706	\$ 11,226,089	\$ 11,205,241
Machinery and equipment	32,560	32,069	32,562
Linear property	429,075	415,389	429,071
Special assessments and local improvement taxes	<u>56,000</u>	<u>55,767</u>	<u>59,958</u>
	<u>11,841,341</u>	<u>11,729,314</u>	<u>11,726,832</u>
Requisitions			
Alberta School Foundation Fund	2,800,000	2,699,640	2,705,283
Sunshine Senior's Lodge	<u>520,505</u>	<u>520,505</u>	<u>499,890</u>
	<u>3,320,505</u>	<u>3,220,145</u>	<u>3,205,173</u>
Net municipal taxes	<u>\$ 8,520,836</u>	<u>\$ 8,509,169</u>	<u>\$ 8,521,659</u>

TOWN OF DRUMHELLER
Notes to the Consolidated Financial Statements
December 31, 2017

16. Government Transfers

	Budget 2017 (Unaudited) (Note 23)	<u>2017</u>	<u>2016</u>
Operating			
Federal government	\$ 4,900	\$ 9,292	\$ 4,900
Provincial government	<u>903,163</u>	<u>1,002,415</u>	<u>833,772</u>
	908,063	1,011,707	838,672
Capital			
Provincial government	<u>4,070,000</u>	<u>2,702,944</u>	<u>2,466,643</u>
Total government transfer	<u>\$ 4,978,063</u>	<u>\$ 3,714,651</u>	<u>\$ 3,305,315</u>

17. Expenses by Object

	Budget 2017 (Unaudited) (Note 23)	<u>2017</u>	<u>2016</u>
Salaries and wages	\$ 6,539,870	\$ 6,500,161	\$ 6,148,775
Contracted and general services	4,649,978	4,354,211	3,874,532
Purchases from other governments	1,340,640	1,435,724	1,350,136
Materials, goods and utilities	2,818,402	2,503,734	2,484,248
Transfer to local agencies	462,480	453,984	502,661
Transfer to individuals and organizations	20,000	20,500	8,305
Bank charges and short-term interest	22,300	21,686	21,787
Interest on long-term debt	432,790	429,801	456,838
Amortization	3,741,058	4,513,469	4,619,086
Other expenses	<u>51,325</u>	<u>69,384</u>	<u>67,797</u>
	<u>\$ 20,078,843</u>	<u>\$ 20,302,654</u>	<u>\$ 19,534,165</u>

18. 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.

TOWN OF DRUMHELLER
Notes to the Consolidated Financial Statements
December 31, 2017

18. **Local Authorities Pension Plan** (Continued)

Contributions for the year were:

	<u>2017</u>	<u>2016</u>
Employer contributions	\$ 400,993	\$ 378,983
Employee contributions	<u>434,735</u>	<u>349,927</u>
	<u>\$ 835,728</u>	<u>\$ 728,910</u>

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 at December 31, 2016 indicates a deficit of \$637,357,000 (2015 - \$923,416,000) 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 at December 31, 2017.

19. **Salary 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:

	<u>Salary</u>	<u>Benefits and Allowances</u>	<u>2017 Total</u>	<u>2016 Total</u>
Mayor Yemen	\$ 39,084	\$ 5,806	\$ 44,890	\$ 48,845
Mayor Colberg	6,587	421	7,008	---
Councillor Hansen-Zacharuk	22,173	5,351	27,524	26,823
Councillor Kolafa	18,864	4,629	23,493	26,693
Councillor Garbutt	22,423	5,359	27,782	27,210
Councillor McMillan	18,864	4,629	23,493	25,919
Councillor Shoff	17,864	2,418	20,282	23,627
Councillor Zariski	21,423	4,855	26,278	25,720
Councillor DeMott	3,720	895	4,615	---
Councillor Lacher	3,809	245	4,054	---
Councillor Makowecki	3,559	884	4,443	---
Chief Administrative Officer Romanetz (CAO)	158,610	8,962	167,572	342,910
Chief Administrative Officer Drohomerski (CAO)	36,923	6,820	43,743	---

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 the Consolidated Financial Statements
December 31, 2017

20. 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 be disclosed as follows:

	<u>2017</u>	<u>2016</u>
Total debt limit	\$ 29,965,716	\$ 27,916,671
Total debt	<u>9,605,204</u>	<u>10,467,205</u>
	<u>\$ 20,360,512</u>	<u>\$ 17,449,466</u>
Debt servicing limit	\$ 4,994,286	\$ 4,652,779
Debt servicing	<u>1,294,786</u>	<u>1,294,786</u>
Amount of debt servicing limit unused	<u>\$ 3,699,500</u>	<u>\$ 3,357,993</u>

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.

21. Contingencies

The Town of Drumheller, 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.

22. Commitments

The Town of Drumheller has ongoing capital projects that were not completed during the year. The estimated costs to the Town are \$10,673,825 for projects that will continue through 2018. These projects are to be funded by \$1,346,085 from reserves, \$7,818,340 from Provincial grant funding, \$1,501,400 from Debt financing, and \$8,000 from Trade in value.

The Town has an agreement to obtain electricity, expiring December 31, 2018 at a fixed rate of \$56.23/MWh up to a maximum of 6,040 MWh and a forward purchase agreement for January 2019 – 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.

22. **Commitments** (Continued)

The Town has the following contractual agreement in place securing fixed price natural gas for the term of January 2018 – September 2022 at a fixed price of \$2.50/ GJ for volumes equivalent to 0% of the Town’s weather-normalized volumes. Hedged volume totals are 24,221 GJ/ year. Remaining volumes will be purchased by the Town of Drumheller at the AECO “C” daily index price, which has averaged \$2.11/ GJ in 2018 so far. The contract purchase was awarded to Access Gas via a competitive RFP process and firm bid round, conducted on March 29, 2017.

23. **Budget**

The reported budget information has been derived from the tax supported operating budget approved by Council on February 21, 2017 and the utilities supported operating budget approved by Council on February 21, 2017. The budget figures contained in the financial statements have been presented for information purposes and are unaudited.

24. **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 Services

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 plans through its application process.

24. **Segmented Information** (Continued)

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 transfer 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 the Consolidated Financial Statements

December 31, 2017

24. **Segmented Information (Continued)**

	2017								
	Protective Services	Transportation Services	Water and Wastewater	Waste Management	Planning and Development	Recreation and Parks	Public Health and Welfare	General Government	2017 Total
Revenue									
Net municipal taxes	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 8,509,169	\$ 8,509,169
Government transfers for operating	416,932	---	---	---	39,788	30,292	299,460	225,236	1,011,708
Government transfer 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	91,352	161,317	7,419,905
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	4,734	94,900	547,620
Gain (loss) on disposal of tangible capital assets	---	34,672	---	---	---	---	---	---	34,672
	<u>894,389</u>	<u>3,434,509</u>	<u>5,625,975</u>	<u>89,993</u>	<u>194,535</u>	<u>1,022,207</u>	<u>395,546</u>	<u>11,090,718</u>	<u>22,748,053</u>
Expenses (by Object)									
Salaries and wages	788,898	905,930	1,470,084	28,609	100,184	2,013,358	360,889	832,209	6,500,161
Contracted and general services	291,027	1,131,966	804,334	368,091	196,942	826,427	86,770	648,654	4,354,211
Purchases from other governments	1,435,724	---	---	---	---	---	---	---	1,435,724
Materials, goods and utilities	76,488	649,352	933,813	---	33,154	711,886	18,749	80,292	2,503,734
Transfer to local agencies	1,214	---	---	---	222,550	206,220	24,000	---	453,984
Transfers to individuals and organizations	---	---	---	---	---	---	---	20,500	20,500
Bank charges and short-term interests	---	---	---	---	---	10,785	---	10,901	21,686
Interest on long-term debt	---	---	---	228,185	---	10,475	191,141	---	429,801
Amortization	106,462	1,327,574	2,141,372	---	103,900	669,553	1,888	162,720	4,513,469
Other	--	---	2,321	---	5,462	33,475	---	28,391	69,384
	<u>2,699,813</u>	<u>4,014,822</u>	<u>5,531,924</u>	<u>624,885</u>	<u>662,192</u>	<u>4,482,179</u>	<u>683,437</u>	<u>1,783,402</u>	<u>20,302,654</u>
Excess (deficiency) of revenue over expenses	<u>\$ (1,805,424)</u>	<u>\$ (580,313)</u>	<u>\$ 274,051</u>	<u>\$ (534,892)</u>	<u>\$ (467,657)</u>	<u>\$ (3,459,972)</u>	<u>\$ (287,711)</u>	<u>\$ 9,307,316</u>	<u>\$ 2,445,399</u>

TOWN OF DRUMHELLER

Notes to the Consolidated Financial Statements

December 31, 2017

24. Segmented Information (Continued)

	2016								
	Protective Services	Transportation Services	Water and Wastewater	Waste Management	Planning and Development	Recreation and Parks	Public Health and Welfare	General Government	2016 Total
Revenue									
Net municipal taxes	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 8,521,659	\$ 8,521,659
Government transfers for operating	410,810	---	---	---	22,346	27,800	311,066	66,650	838,672
Government transfer for capital	---	846,577	663,264	---	---	956,802	---	---	2,466,643
Sales and user fees	402,716	57,349	4,928,190	89,908	175,301	615,378	94,886	171,732	6,535,460
Franchise and concessions	---	---	---	---	---	---	---	1,518,105	1,518,105
Investment income	---	---	---	---	---	---	---	273,735	273,735
Penalties and costs on taxes	---	---	23,326	---	---	---	---	150,993	174,319
Rentals	---	1,925	---	---	46,552	372,855	---	---	421,332
Other	6,414	28,801	116,649	---	(9,764)	75,975	1,462	136,109	355,646
Gain (loss) on disposal of tangible capital assets	---	---	---	---	---	621	---	---	621
	<u>819,940</u>	<u>934,652</u>	<u>5,731,429</u>	<u>89,908</u>	<u>234,435</u>	<u>2,049,431</u>	<u>407,414</u>	<u>10,838,983</u>	<u>21,106,192</u>
Expenses (by Object)									
Salaries and wages	728,095	815,973	1,495,259	26,792	72,158	1,991,255	313,842	705,401	6,148,775
Contracted and general services	301,723	581,210	810,143	346,279	158,454	891,300	146,510	638,913	3,874,532
Purchases from other governments	1,350,136	---	---	---	---	---	---	---	1,350,136
Materials, goods and utilities	75,561	646,931	823,969	1,832	178,484	669,830	17,065	70,576	2,484,248
Transfer to local agencies	914	---	---	---	236,785	240,788	24,174	---	502,661
Transfers to individuals and organizations	---	---	---	---	---	---	---	8,305	8,305
Bank charges and short-term interests	---	---	---	---	---	9,800	---	11,987	21,787
Interest on long-term debt	---	---	242,009	---	13,088	201,741	---	---	456,838
Amortization	109,918	1,363,124	2,170,640	---	104,284	703,773	1,281	166,066	4,619,086
Other	---	---	6,775	---	1,000	71	---	59,951	67,797
	<u>2,566,347</u>	<u>3,407,238</u>	<u>5,548,795</u>	<u>374,903</u>	<u>764,253</u>	<u>4,708,558</u>	<u>502,872</u>	<u>1,661,199</u>	<u>19,534,165</u>
Excess (deficiency) of revenue over expenses	<u>\$ (1,746,407)</u>	<u>\$ (2,472,586)</u>	<u>\$ 182,634</u>	<u>\$ (284,995)</u>	<u>\$ (529,818)</u>	<u>\$ (2,659,127)</u>	<u>\$ (95,458)</u>	<u>\$ 9,177,784</u>	<u>\$ 1,572,027</u>

TOWN OF DRUMHELLER

Notes to the Consolidated Financial Statements

December 31, 2017

25. Comparative Figures

Whenever necessary, comparative figures have been reclassified to conform to the current year's financial statement presentation.

26. Approval of Financial Statements

Council and Management approved these financial statements.