

TOWN OF DRUMHELLER
Consolidated Financial Statements
For the Year Ended December 31, 2016

TOWN OF DRUMHELLER

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Year Ended December 31, 2016

MANAGEMENT REPORT

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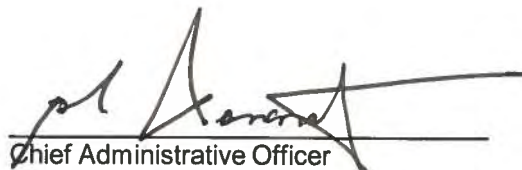
Management's Responsibility for the Consolidated Financial Statements

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 Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Town's consolidated financial statements.



Chief Administrative Officer
April 24, 2017



Director of Corporate Services
April 24, 2017

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, 2016 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.

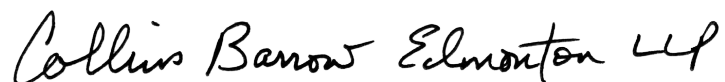
Opinion

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, 2016, 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 24, 2017



Chartered Professional Accountants

TOWN OF DRUMHELLER
Consolidated Statement of Financial Position
December 31, 2016

	2016	2015
Financial assets		
Cash and cash equivalents (Note 3)	\$ 13,946,022	\$ 9,857,007
Taxes receivable (Note 4)	1,093,403	925,229
Accounts receivable (Note 5)	9,023,710	4,732,644
Accrued interest receivable	69,498	21,048
Inventory held for resale (Note 6)	1,846,824	1,960,093
Investments (Note 7)	<u>3,406,916</u>	<u>3,288,567</u>
	<u>29,386,373</u>	<u>20,784,588</u>
Liabilities		
Accounts payable and accrued liabilities	2,700,072	1,841,032
Employee benefit obligation (Note 8)	492,477	757,371
Deferred revenue (Note 9)	9,405,280	2,868,959
Long-term debt (Note 10)	<u>10,467,205</u>	<u>11,301,417</u>
	<u>23,065,034</u>	<u>16,768,779</u>
Net financial assets	<u>6,321,339</u>	<u>4,015,809</u>
Non-financial assets		
Tangible capital assets (Note 11)	143,112,340	144,402,277
Inventory for consumption	712,975	722,419
Prepaid expenses	<u>835,165</u>	<u>269,287</u>
	<u>144,660,480</u>	<u>145,393,983</u>
Accumulated surplus (Note 13)	<u>\$ 150,981,819</u>	<u>\$ 149,409,792</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, 2016

	Budget 2016 (Unaudited)	2016	2015
Revenues			
Net municipal taxes (Note 15)	\$ 8,510,975	\$ 8,521,659	\$ 8,177,693
Government transfers for operating (Note 16)	757,498	838,672	853,376
Sales and user fees	7,156,566	6,535,460	6,878,731
Franchises and concessions	1,545,075	1,518,105	1,540,930
Investment income	179,274	273,735	223,114
Penalties and costs on taxes	165,000	174,319	164,125
Rentals	396,677	421,332	405,882
Other	144,998	327,832	488,829
	<u>18,856,063</u>	<u>18,611,114</u>	<u>18,732,680</u>
Expenses (Note 17)			
Legislative	258,650	240,539	224,707
Administration	1,524,867	1,420,660	1,734,005
Protective services	2,629,631	2,566,347	2,340,174
Transportation services	2,648,967	3,407,238	3,087,169
Water and wastewater	5,800,844	5,548,795	5,308,036
Waste management	381,728	374,903	368,454
Planning and development	1,152,260	764,253	916,611
Recreation and parks	5,257,825	4,708,558	4,854,643
Public health and welfare	531,629	502,872	606,078
	<u>20,186,401</u>	<u>19,534,165</u>	<u>19,439,877</u>
Deficiency of revenues over expenses – before capital revenue	(1,330,338)	(923,050)	(707,197)
Capital revenues			
Government transfers for capital (Note 16)	3,456,222	2,466,643	3,584,531
Other capital revenues	---	27,814	940,765
Gain (loss) on disposal of tangible capital assets	---	621	(18,458)
	<u>2,215,884</u>	<u>1,572,027</u>	<u>3,799,641</u>
Excess of revenues over expenses	2,215,884	1,572,027	3,799,641
Accumulated surplus, beginning of year	<u>149,409,792</u>	<u>149,409,792</u>	<u>145,610,151</u>
Accumulated surplus, end of year	<u>\$ 151,625,676</u>	<u>\$ 150,981,819</u>	<u>\$ 149,409,792</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, 2016**

	Budget 2016 (Unaudited)	2016	2015
Excess of revenues over expenses	\$ 2,257,142	\$ 1,572,027	\$ 3,799,641
Acquisition of tangible capital assets	(5,606,327)	(3,341,028)	(5,599,117)
Amortization of tangible capital assets	3,657,918	4,619,086	4,389,066
Loss on sale of tangible capital assets	---	(621)	18,458
Proceeds on sale of tangible capital assets	---	12,500	92,121
	308,733	2,861,964	2,700,169
Change in prepaid expenses	---	(565,878)	(115,537)
Change in inventory for consumption	---	9,444	(174,737)
Increase in net financial assets	308,733	2,305,530	2,409,895
Net financial assets, beginning of year	<u>4,015,809</u>	<u>4,015,809</u>	<u>1,605,914</u>
Net financial assets, end of year	<u>\$ 4,324,542</u>	<u>\$ 6,321,339</u>	<u>\$ 4,015,809</u>

See accompanying notes to the consolidated financial statements

TOWN OF DRUMHELLER
Consolidated Statement of Cash Flows
For the Year Ended December 31, 2016

	2016	2015
Net Inflow (Outflow) of Cash and cash equivalents related to the following activities:		
Operating activities		
Excess of revenues over expenses	\$ 1,572,027	\$ 3,799,641
Items not involving cash:		
Amortization of tangible capital assets	4,619,086	4,389,066
Loss on disposal of tangible capital assets	(621)	18,458
Changes in non-cash operating balances:		
Taxes receivable	(168,174)	(1,821)
Accounts receivable	(4,291,066)	2,051,573
Accrued interest receivable	(48,450)	(12,829)
Inventory held for resale	113,269	(1,113,843)
Prepaid expenses	(565,878)	(115,537)
Inventory for consumption	9,444	(174,737)
Accounts payable and accrued liabilities	859,040	(42,743)
Employee benefit obligation	(264,894)	8,652
Deferred revenue	<u>6,536,321</u>	<u>(1,322,267)</u>
	<u>8,370,104</u>	<u>7,483,613</u>
Capital activities		
Acquisition of tangible capital assets	(3,341,028)	(5,599,117)
Proceeds on sale of tangible capital assets	<u>12,500</u>	<u>92,121</u>
	<u>(3,328,528)</u>	<u>(5,506,996)</u>
Investing activities		
Decrease of investments	(118,349)	(54,040)
(Increase) decrease of restricted cash balances	<u>(6,536,321)</u>	<u>1,322,267</u>
	<u>(6,654,670)</u>	<u>1,268,227</u>
Financing activities		
Proceeds on transfers to reserves for new loans	---	1,227,568
Repayment of long-term debt	<u>(834,212)</u>	<u>(528,456)</u>
	<u>(834,212)</u>	<u>699,112</u>
Net change in cash and cash equivalents	(2,447,306)	3,943,956
Cash and cash equivalents, beginning of year	<u>6,988,048</u>	<u>3,044,092</u>
Cash and cash equivalents, end of year	<u>\$ 4,540,742</u>	<u>\$ 6,988,048</u>
Cash and cash equivalents is comprised of:		
Cash and cash equivalents	\$ 13,946,022	\$ 9,857,007
Less: restricted (Note 3)	<u>(9,405,280)</u>	<u>(2,868,959)</u>
	<u>\$ 4,540,742</u>	<u>\$ 6,988,048</u>

See accompanying notes to the consolidated financial statements

TOWN OF DRUMHELLER
Notes to the Consolidated Financial Statements
December 31, 2016

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 generally accepted accounting principles for local governments established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada (PSAB). 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 fund balances and change in financial position 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

Management considers all highly liquid investments with maturity of one year or less from the date of acquisition to be cash equivalents.

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 for Resale

Inventory 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.

TOWN OF DRUMHELLER
Notes to the Consolidated Financial Statements
December 31, 2016

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 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.

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.

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

Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles for local governments established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada 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 by the Chartered Professional Accountants of Canada ("CPA") but are not yet effective. The Town is currently evaluating the effect of adopting these standards on their financial statements.

Section PS 3450 – Financial Instruments

The new section 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 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 applicable for fiscal years beginning on or after April 1, 2019.

Section PS 1201 – Financial Statement Presentation

This new section 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 for the re-measurement of financial instruments and items denominated in foreign currencies as well as 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, 2016

2. **Recent Accounting Pronouncements (Continued)**

Section PS 2601 – Foreign Currency Translation

This section replaces PS2600 and is applicable for years beginning on or after April 1, 2019. This standard requires that monetary assets and liabilities denominated in a foreign currency be adjusted to reflect the exchange rates in effect at the financial statement date. Unrealized gains and losses are to be presented in the new statement of re-measurement gains and losses.

Section PS 3041 - Portfolio Investments

This section removes the distinction between temporary and portfolio investments. This section now includes pooled investments in its scope and was amended to conform to Financial Instruments PS3450. Upon adoption of PS3450 and PS3041, Temporary Investments PS3030 will no longer apply. This standard is applicable for fiscal years beginning on or after April 1, 2019.

3. **Cash and Cash Equivalents**

	<u>2016</u>	<u>2015</u>
Current accounts	\$ 3,656,258	\$ 4,187,853
Investment margin accounts	139,283	183,410
Redeemable guaranteed investment certificates	<u>10,150,481</u>	<u>5,485,744</u>
	<u>\$ 13,946,022</u>	<u>\$ 9,857,007</u>

Redeemable guaranteed investment certificates are short term deposits with maturities within one year from the date of purchase bearing interest at rates from 1.000% – 1.700%.

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>2016</u>	<u>2015</u>
Municipal Sustainability Initiative grant (MSI)	\$ 1,185,372	\$ 970,573
New Deal for Cities and Communities grant (NDCC)	---	277,546
Policing grant	91,058	91,058
Kneehill	975,443	1,050,476
Alberta Community Resilience grant	6,413,600	---
Other	<u>739,807</u>	<u>479,306</u>
	<u>\$ 9,405,280</u>	<u>\$ 2,868,959</u>

TOWN OF DRUMHELLER
Notes to the Consolidated Financial Statements
December 31, 2016

4. **Taxes Receivable**

	<u>2016</u>	<u>2015</u>
Current taxes and grants in place	\$ 724,556	\$ 733,287
Non-current taxes and grants in place	<u>807,697</u>	<u>613,405</u>
	1,532,253	1,346,692
Less: Allowance for doubtful accounts	<u>438,850</u>	<u>421,463</u>
	<u>\$ 1,093,403</u>	<u>\$ 925,229</u>

5. **Accounts Receivable**

	<u>2016</u>	<u>2015</u>
Trade receivable	\$ 1,969,537	\$ 2,303,819
Government grants receivable	<u>7,117,473</u>	<u>2,486,320</u>
	9,087,010	4,790,139
Less: Allowance for doubtful accounts	<u>63,300</u>	<u>57,495</u>
	<u>\$ 9,023,710</u>	<u>\$ 4,732,644</u>

6. **Inventory for Resale**

	<u>2016</u>	<u>2015</u>
Airport fuel	\$ 14,164	\$ 20,965
Land held for resale	<u>1,832,660</u>	<u>1,939,128</u>
	<u>\$ 1,846,824</u>	<u>\$ 1,960,093</u>

7. **Investments**

	<u>2016</u>	<u>2015</u>
Long-term bonds, maturing between 2016 and 2048, with rates from 1.500% – 10.221%, with a market value of \$3,345,532 (2015 –3,273,555)	\$ 3,366,430	\$ 3,236,675
Equity in Alberta Local Authorities Reciprocal Insurance Exchange (ALARIE)	---	11,618
Shares	3,878	3,666
Guaranteed investment certificates at 2.250%, maturing July 2019	<u>36,608</u>	<u>36,608</u>
	<u>\$ 3,406,916</u>	<u>\$ 3,288,567</u>

TOWN OF DRUMHELLER
Notes to the Consolidated Financial Statements
December 31, 2016

8. Employee Benefit Obligation

	<u>2016</u>	<u>2015</u>
Accrued vacation pay	\$ 238,267	\$ 359,087
Accrued long-term service benefits	254,210	334,482
Accrued sick leave benefits	---	63,802
	<u>\$ 492,477</u>	<u>\$ 757,371</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.

Sick Leave Benefits

The Town provides paid sick leave at a rate of 2 days per month. Sick leave can be accumulated from year to year to a total of 86 work days. Sick leave is not paid out upon termination.

9. Deferred Revenue

	<u>Opening Balance</u>	<u>Contributions Received</u>	<u>Revenue Recognized</u>	<u>Ending Balance</u>
MSI grant	\$ 970,573	\$ 3,904,504	\$ (3,689,705)	\$ 1,185,372
NDCC grant	277,546	1,132,012	(1,409,558)	---
Policing grant	91,058	364,232	(364,232)	91,058
Kneehill	1,050,476	---	(75,033)	975,443
ACR grant	---	6,413,600	---	6,413,600
Other	479,306	1,867,896	(1,607,395)	739,807
	<u>\$ 2,868,959</u>	<u>\$ 13,682,244</u>	<u>\$ (7,145,923)</u>	<u>\$ 9,405,280</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, 2016

10. Long-term Debt

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

	<u>2016</u>	<u>2015</u>
Various Alberta Capital Finance Authority Debentures, bearing interest at 4.252% to 5.012% per year, 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.	\$ 9,432,139	\$ 9,970,795
Alberta Capital Finance Authority Debenture, bearing interest at 0.735% per year, 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.	535,287	800,000
Alberta Capital Finance Authority Debenture, bearing interest at 2.765% per year, 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.	410,761	427,568
CMHC mortgage payable, bearing interest at 12.50% per year, with annual blended payments of \$22,313, due 2021.	<u>89,018</u>	<u>103,054</u>
	<u>\$ 10,467,205</u>	<u>\$ 11,301,417</u>

Principal and interest payments relating to long-term debt of \$10,467,205 outstanding are due as follows:

	<u>Principal Repayments</u>	<u>Interest Payments</u>	<u>Total</u>
2017	\$ 862,000	\$ 432,786	\$ 1,294,786
2018	891,001	403,785	1,294,786
2019	650,130	374,549	1,024,679
2020	679,717	344,962	1,024,679
2021	705,826	313,403	1,019,229
Thereafter	<u>6,678,531</u>	<u>1,194,614</u>	<u>7,873,144</u>
	<u>\$ 10,467,205</u>	<u>\$ 3,064,099</u>	<u>\$ 13,531,304</u>

Interest on long-term debt amounted to \$456,838 (2015 – \$472,320).

TOWN OF DRUMHELLER
Notes to the Consolidated Financial Statements
December 31, 2016

11. **Tangible Capital Assets**

	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, 2016

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

	2015							Total
	Land	Land Improvements	Buildings	Engineered Structures	Machinery and Equipment	Vehicles	Work in Progress	
Cost, beginning of year	\$ 13,066,168	\$ 3,734,883	\$ 36,332,901	\$ 155,017,348	\$ 7,141,336	\$ 2,470,842	\$ 4,298,399	\$ 222,061,877
Additions	8,923	---	192,698	3,806,972	855,822	355,316	379,386	5,599,117
Change in work in progress	---	---	511,261	3,787,138	---	---	(4,298,399)	---
Disposals	(58,057)	---	(9,996)	---	(71,924)	(34,238)	--	(174,215)
Cost, end of year	<u>\$ 13,017,034</u>	<u>\$ 3,734,883</u>	<u>\$ 37,026,864</u>	<u>\$ 162,611,458</u>	<u>\$ 7,925,234</u>	<u>\$ 2,791,920</u>	<u>\$ 379,386</u>	<u>\$ 227,486,779</u>
Accumulated amortization, beginning of year	\$ ---	\$ 2,530,785	\$ 8,435,507	\$ 62,683,541	\$ 3,631,317	\$ 1,477,920	\$ ---	\$ 78,759,070
Amortization	---	161,031	672,036	3,009,817	373,186	172,996	---	4,389,066
Disposals	---	---	(9,436)	---	(19,960)	(34,238)	---	(63,634)
Accumulated amortization, end of year	---	<u>2,691,816</u>	<u>9,098,107</u>	<u>65,693,358</u>	<u>3,984,543</u>	<u>1,616,678</u>	---	<u>83,084,502</u>
Net carrying amount, end of year	<u>\$ 13,017,034</u>	<u>\$ 1,043,067</u>	<u>\$ 27,928,757</u>	<u>\$ 96,918,100</u>	<u>\$ 3,940,691</u>	<u>\$ 1,175,242</u>	<u>\$ 379,386</u>	<u>\$ 144,402,277</u>

TOWN OF DRUMHELLER
Notes to the Consolidated Financial Statements
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12. Equity in Tangible Capital Assets

	<u>2016</u>	<u>2015</u>
Tangible capital assets (Note 11)	\$ 230,808,008	\$ 227,486,779
Accumulated amortization (Note 11)	(87,695,668)	(83,084,502)
Debenture debt (Note 10)	<u>(10,467,205)</u>	<u>(11,301,417)</u>
	<u>\$ 132,645,135</u>	<u>\$ 133,100,860</u>

13. Accumulated Surplus

	<u>2016</u>	<u>2015</u>
Equity in tangible capital assets (Note 12)	\$ 132,645,135	\$ 133,100,860
Unrestricted surplus	<u>3,810,673</u>	<u>5,105,432</u>
	<u>136,455,808</u>	<u>138,206,292</u>
Restricted surplus (reserve funds)		
Management incentive fund	35,000	35,000
Scholarship	36,600	36,600
Building – long-term	548,500	548,500
Municipal reserves	12,236	2,500
Utility energy savings	193,500	129,000
Contingencies	2,175,000	2,175,000
Contingency – long-term	905,000	905,000
Equipment	1,347,450	1,172,000
Equipment – long-term	466,000	466,000
Facilities	3,652,000	3,100,000
General capital	51,520	50,000
Land	(342,500)	(490,000)
Offsite levies	393,000	381,350
Sandstone	41,000	41,000
Sewer	2,704,900	2,148,000
Transportation – long-term	1,318,450	150,000
Water	<u>988,355</u>	<u>353,550</u>
	<u>14,526,011</u>	<u>11,203,500</u>
	<u>\$ 150,981,819</u>	<u>\$ 149,409,792</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, 2016

14. Change in Accumulated Surplus

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2016	2015
Balance, beginning of year	\$ 5,105,432	\$ 11,203,500	\$133,100,860	\$149,409,792	\$145,610,151
Excess of revenue over expenses	1,572,027	---	---	1,572,027	3,799,641
Net operating transfers to restricted surplus	(4,207,814)	4,207,814	---	---	---
Capital transfers from restricted surplus	885,303	(885,303)	---	---	---
Debenture principal payments	(834,212)	---	834,212	---	---
Proceeds from ACFA debentures	---	---	---	---	---
Acquisition of capital	(3,341,028)	---	3,341,028	---	---
Disposals and write-down of assets	11,879	---	(11,879)	---	---
Amortization	<u>4,619,086</u>	<u>---</u>	<u>(4,619,086)</u>	<u>---</u>	<u>---</u>
Change in accumulated surplus	<u>(1,294,759)</u>	<u>3,322,511</u>	<u>(455,725)</u>	<u>1,572,027</u>	<u>3,799,641</u>
Balance, end of year	<u>\$ 3,810,673</u>	<u>\$ 14,526,011</u>	<u>\$132,645,135</u>	<u>\$150,981,819</u>	<u>\$148,409,792</u>

15. Net Municipal Taxes

	Budget 2016 (Unaudited)	2016	2015
Real property	\$ 11,254,225	\$ 11,205,241	\$ 10,803,886
Machinery and equipment	38,870	32,562	37,177
Linear property	465,380	429,071	451,829
Special assessments and local improvement taxes	<u>56,000</u>	<u>59,958</u>	<u>59,025</u>
	<u>11,841,475</u>	<u>11,726,832</u>	<u>11,351,917</u>
Requisitions			
Alberta School Foundation Fund	2,800,000	2,705,283	2,723,724
Sunshine Senior's Lodge	<u>503,500</u>	<u>499,890</u>	<u>450,500</u>
	<u>3,303,500</u>	<u>3,205,173</u>	<u>3,174,224</u>
Net municipal taxes	<u>\$ 8,510,975</u>	<u>\$ 8,521,659</u>	<u>\$ 8,177,693</u>

TOWN OF DRUMHELLER
Notes to the Consolidated Financial Statements
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16. Government Transfers

	Budget 2016 (Unaudited)	<u>2016</u>	<u>2015</u>
Operating			
Federal government	\$ 4,900	\$ 4,900	\$ 4,900
Provincial government	<u>752,598</u>	<u>833,772</u>	<u>848,476</u>
	757,498	838,672	853,376
Capital			
Provincial government	<u>3,546,222</u>	<u>2,466,643</u>	<u>3,584,531</u>
Total government transfer	<u>\$ 3,587,480</u>	<u>\$ 3,305,315</u>	<u>\$ 4,437,907</u>

17. Expenses by Object

	Budget 2016 (Unaudited)	<u>2016</u>	<u>2015</u>
Salaries and wages	\$ 6,335,344	\$ 6,148,775	\$ 6,177,777
Contracted and general services	4,650,259	3,874,532	3,884,838
Purchases from other governments	1,232,858	1,350,136	1,179,966
Materials, goods and utilities	2,861,676	2,484,248	2,506,722
Transfer to local agencies	598,781	502,661	639,193
Transfer to individuals and organizations	17,500	8,305	6,500
Bank charges and short-term interest	19,185	21,787	22,050
Interest on long-term debt	460,580	456,838	472,320
Amortization	3,657,918	4,619,086	4,389,066
Other expenses	<u>352,300</u>	<u>67,797</u>	<u>161,445</u>
	<u>\$ 20,186,401</u>	<u>\$ 19,534,165</u>	<u>\$ 19,439,877</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, 2016

18. Local Authorities Pension Plan (Continued)

Contributions for the year were:

	<u>2016</u>	<u>2015</u>
Employer contributions	\$ 378,983	\$ 374,100
Employee contributions	<u>349,927</u>	<u>345,460</u>
	<u>\$ 728,910</u>	<u>\$ 719,560</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, 2015 indicates a deficit of \$923,416,000 (2014 - \$2,455,636,000) 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, 2016.

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>2016 Total</u>	<u>2015 Total</u>
Mayor Yemen	\$ 42,664	\$ 6,182	\$ 48,845	\$ 46,802
Councillor Hansen-Zacharuk	21,895	4,928	26,823	25,046
Councillor Kolafa	21,770	4,924	26,693	25,046
Councillor Garbutt	22,270	4,940	27,210	25,046
Councillor McMillan	21,020	4,899	25,919	25,046
Councillor Shoff	21,020	2,607	23,627	23,239
Councillor Zariski	21,270	4,450	25,720	24,719
Chief Administrative Officer Romanetz (CAO)	332,860	10,050	342,910	197,530

Council salary includes regular base pay, gross honoraria and any other direct cash remuneration.

Council and CAO benefits and allowances include:

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

CAO salary includes regular base pay, bonuses, overtime, lump sum payments, gross honoraria, and any other direct cash remuneration. CAO benefits and allowances also include the use of an automobile.

Included in the CAO's salary for 2016 is a vacation pay-out of \$77,082 and a long service benefit pay-out of \$60,757.

TOWN OF DRUMHELLER
Notes to the Consolidated Financial Statements
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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>2016</u>	<u>2015</u>
Total debt limit	\$ 27,916,671	\$ 28,099,020
Total debt	<u>10,467,205</u>	<u>11,301,417</u>
	<u>\$ 17,449,466</u>	<u>\$ 16,797,603</u>
Debt servicing limit	\$ 4,652,779	\$ 4,683,170
Debt servicing	<u>1,294,786</u>	<u>996,165</u>
Amount of debt servicing limit unused	<u>\$ 3,357,993</u>	<u>\$ 3,687,005</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.

The Town is a member of the Alberta Local Authorities Reciprocal Insurance Exchange. Under the terms of membership, the Town could become liable for its proportionate share of any claim losses in excess of the funds held by the exchange. Any liability incurred would be accounted for as a current transaction in the year the losses are determined.

22. Commitments

The Town of Drumheller has ongoing capital projects that were not completed during the year. The estimated costs to the Town are \$1,646,063 for projects that will continue through 2016. These projects are to be funded by \$845,347 from reserves, \$784,458 from Provincial grants and \$16,258 from other granting bodies.

The Town has an agreement to obtain electricity, expiring December 31, 2017 at a fixed rate of \$56.23/MWh up to a maximum of 6,040 MWh and a forward purchase agreement for January 1, 2019 – December 31, 2020 at a fixed rate of \$53.90/MWh for an annual volume of 6,543 MWh.

TOWN OF DRUMHELLER
Notes to the Consolidated Financial Statements
December 31, 2016

22. **Commitments** (Continued)

The Town also has an agreement to obtain natural gas expiring December 31, 2017 at a fixed rate of \$3.70/GJ for 70% of its annual usage volume of 26,000 GJ. The remaining natural gas volumes required by the Town will be purchased at AECO's spot market rate which has been trending at an average of \$2.57/GJ.

23. **Budget**

The deficit budget adopted by Council on February 22, 2016, was prepared on a basis that incorporates the use of surpluses accumulated in previous years to fund current year operations and capital activities. The budget figures presented in the statements of operations and change in net financial assets are derived as follows:

	<u>Budget</u> (Unaudited)	<u>Amortization</u> <u>Allocation</u>	<u>Budget per</u> <u>Financial</u> <u>Statements</u>	<u>Actual per</u> <u>Financial</u> <u>Statements</u>
Operating revenue	\$ 18,856,063	\$ ---	\$ 18,856,063	\$ 18,611,114
Capital revenues	<u>3,456,222</u>	<u>---</u>	<u>3,456,222</u>	<u>2,495,077</u>
Total revenues	<u>22,312,285</u>	<u>---</u>	<u>22,312,285</u>	<u>21,106,191</u>
Legislative	258,650	---	258,650	240,539
Administrative	1,524,867	166,066	1,358,801	1,420,660
Protective Services	2,629,631	109,918	2,519,713	2,566,347
Transportation Service	2,648,967	1,363,124	1,285,843	3,407,238
Water and wastewater	5,800,844	2,170,640	3,630,204	5,548,795
Waste management	381,728	---	381,728	374,903
Planning and developments	1,152,260	104,284	1,047,976	764,253
Recreation and park	5,257,825	703,773	4,554,052	4,708,558
Public health and welfare	<u>531,629</u>	<u>1,281</u>	<u>530,348</u>	<u>502,872</u>
Total expenses	<u>20,186,401</u>	<u>4,619,086</u>	<u>15,567,315</u>	<u>19,534,165</u>
Excess of revenues over expenses	<u>2,125,884</u>	<u>4,619,086</u>	<u>6,744,970</u>	<u>1,572,026</u>
Capital expenditures	(5,606,327)			
Proceeds on sale of capital	---			
Inter-fund transfers	291,200			
Debenture proceeds	---			
Debenture payments	(834,213)			
Budgeted amortization	<u>3,657,918</u>			
	<u>\$ (365,538)</u>			

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.

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.

TOWN OF DRUMHELLER
Notes to the Consolidated Financial Statements
December 31, 2016

24. **Segmented Information** (Continued)

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, 2016

24. Segmented Information (Continued)

	2016								2016 Total
	Protective Services	Transportation Services	Water and Wastewater	Waste Management	Planning and Development	Recreation and Parks	Public Health and Welfare	General Government	
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, 2016

24. Segmented Information (Continued)

	2015								2015 Total
	Protective Services	Transportation Services	Water and Wastewater	Waste Management	Planning and Development	Recreation and Parks	Public Health and Welfare	General Government	
Revenue									
Net municipal taxes	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 8,177,693	\$ 8,177,693
Government transfers for operating	425,827	---	---	---	32,346	4,900	316,643	73,660	853,376
Government transfer for capital	76,179	1,364,977	1,231,463	---	---	911,912	---	---	3,584,531
Sales and user fees	366,856	57,118	5,027,636	89,433	189,499	628,491	207,160	312,538	6,878,731
Franchise and concessions	---	---	---	---	---	---	---	1,540,930	1,540,930
Investment income	---	---	---	---	---	---	---	223,114	223,114
Penalties and costs on taxes	---	---	24,139	---	---	---	---	139,986	164,125
Rentals	---	1,925	---	---	46,452	357,505	---	---	405,882
Other	11,526	308,439	223,705	---	111,342	746,041	1,620	26,921	1,429,594
Gain (loss) on disposal of tangible capital assets	---	(3,013)	(2,273)	---	---	25,374	---	(38,546)	(18,458)
	<u>880,388</u>	<u>1,729,446</u>	<u>6,504,670</u>	<u>89,433</u>	<u>379,639</u>	<u>2,674,223</u>	<u>525,423</u>	<u>10,456,296</u>	<u>23,239,518</u>
Expenses (by Object)									
Salaries and wages	743,462	748,494	1,390,033	29,002	88,546	2,082,340	326,792	769,108	6,177,777
Contracted and general services	234,285	467,259	753,863	339,452	230,152	859,551	227,697	772,579	3,884,838
Purchases from other governments	1,179,966	---	---	---	---	---	---	---	1,179,966
Materials, goods and utilities	76,413	612,376	808,546	---	176,793	736,275	26,231	70,088	2,506,722
Transfer to local agencies	352	---	---	---	310,827	304,014	24,000	---	639,193
Transfers to individuals and organizations	---	---	---	---	---	---	---	6,500	6,500
Bank charges and short-term interests	---	---	---	---	---	10,078	---	11,972	22,050
Interest on long-term debt	---	---	250,442	---	10,000	211,878	---	---	472,320
Amortization	116,956	1,266,414	2,074,458	---	103,516	650,507	885	176,330	4,389,066
Other	(11,260)	(7,374)	30,694	---	(3,223)	---	473	152,135	161,445
	<u>2,340,174</u>	<u>3,087,169</u>	<u>5,308,036</u>	<u>368,454</u>	<u>916,611</u>	<u>4,854,643</u>	<u>606,078</u>	<u>1,958,712</u>	<u>19,439,877</u>
Excess (deficiency) of revenue over expenses	<u>\$ (1,459,786)</u>	<u>\$ (1,357,723)</u>	<u>\$ 1,196,634</u>	<u>\$ (279,021)</u>	<u>\$ (536,972)</u>	<u>\$ (2,180,420)</u>	<u>\$ (80,655)</u>	<u>\$ 8,497,584</u>	<u>\$ 3,799,641</u>

TOWN OF DRUMHELLER
Notes to the Consolidated Financial Statements
December 31, 2016

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.