

**VILLAGE OF WABAMUN**  
**Financial Statements**  
**For The Year Ended December 31, 2017**

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## INDEPENDENT AUDITORS' REPORT

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To the Mayor and Council of the Village of Wabamun

We have audited the accompanying financial statements of the Village of Wabamun, which comprise the statement of financial position as at December 31, 2017, and the statements of , and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the 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 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 financial statements.

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

### *Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Village of Wabamun as at December 31, 2017 and the results of its operations, the change in its net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

**METRIX GROUP LLP**

Chartered Professional Accountants

Edmonton, Alberta  
April 17, 2018

## **MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

To His Worship the Mayor and Members of Council of the Village of Wabamun

The integrity, relevance and comparability of the data in the accompanying financial statements are the responsibility of management.

The financial statements are prepared by management in accordance with Canadian public sector accounting standards. They necessarily include some amounts that are based on the best estimates and judgements of management.

To assist in its responsibility, management maintains accounting, budget and other controls to provide reasonable assurance that transactions are appropriately authorized, that assets are properly accounted for and safeguarded, and that financial records are reliable for preparation of financial statements.

Metrix Group LLP, Chartered Professional Accountants, have been appointed by the Village Council to express an opinion on the Village's financial statements.

Wabamun, Alberta  
April 17, 2018

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Shawn Patience  
Chief Administrative Officer

**VILLAGE OF WABAMUN**  
**Statement of Financial Position**  
**As At December 31, 2017**

	2017	2016
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents <i>(Note 2)</i>	\$ 2,829,644	\$ 5,127,251
Investments <i>(Note 3)</i>	51,764	50,023
Receivables <i>(Note 4)</i>	750,151	282,561
Land held for resale	<u>2,114,147</u>	<u>1,801,484</u>
	<u>5,745,706</u>	<u>7,261,319</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	135,693	202,007
Deposit liabilities	2,000	2,500
Deferred revenue <i>(Note 6)</i>	<u>4,606</u>	<u>430,066</u>
	<u>142,299</u>	<u>634,573</u>
<b>NET FINANCIAL ASSETS</b>	<u>5,603,407</u>	<u>6,626,746</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets <i>(Note 5)</i>	12,660,624	11,342,567
Prepaid expenses	-	2,126
	<u>12,660,624</u>	<u>11,344,693</u>
<b>ACCUMULATED SURPLUS <i>(Note 8)</i></b>	<u>\$ 18,264,031</u>	<u>\$ 17,971,439</u>
Contingencies <i>(Note 10)</i>		

The accompanying notes are an integral part of these financial statements.

# VILLAGE OF WABAMUN

## Statement of Annual Surplus and Accumulated Surplus

For the Year Ended December 31, 2017

	2017 (Budget) (Note 16)	2017 (Actual)	2016 (Actual)
<b>REVENUE</b>			
Net municipal taxes (Schedule 2)	\$ 726,331	\$ 726,330	\$ 687,618
Sales and user charges (Schedule 4)	712,685	703,581	624,377
Other	26,361	222,059	36,371
Government transfers for operating (Schedule 3)	36,859	99,651	131,279
Rentals	92,400	79,594	107,053
Interest	49,000	58,528	57,840
Franchise and concession contracts	44,000	42,011	32,692
Penalties and costs on taxes	8,524	9,119	8,524
Licenses and permits	7,835	7,252	5,598
Fines	9,864	3,851	9,864
	<u>1,713,859</u>	<u>1,951,976</u>	<u>1,701,216</u>
<b>EXPENSES</b>			
Roads, streets, walks and lighting	478,434	491,977	509,495
Water supply and distribution	415,727	374,427	355,110
General administration	361,700	373,260	365,647
Waste water treatment and disposal	72,282	209,114	97,115
Parks and recreation	209,051	190,845	223,858
Waste management	69,000	75,565	68,016
Legislative	76,217	73,319	73,379
Fire	63,900	66,075	56,398
Culture: library and hall	60,840	57,750	57,200
Family and community support	32,055	43,242	37,147
Bylaw enforcement	43,112	40,014	23,999
Land use planning, zoning and development	8,500	15,165	6,541
Ambulance and first aid	8,056	5,796	5,620
Cemeteries	400	2,208	238
Subdivision land and development	1,235	-	1,155
Public housing	-	-	651
Disaster and emergency services	500	-	-
Amortization	-	611,851	584,542
	<u>1,901,009</u>	<u>2,630,608</u>	<u>2,466,111</u>
<b>ANNUAL SURPLUS (DEFICIT) BEFORE OTHER REVENUE</b>	<u>(187,150)</u>	<u>(678,632)</u>	<u>(764,895)</u>
<b>OTHER REVENUE</b>			
Government transfers for capital (Schedule 3)	501,537	650,639	122,122
Local government transfers for capital	-	165,000	-
Gain on disposal of tangible capital assets	-	2,585	3,723
Other	747,500	153,000	-
	<u>1,249,037</u>	<u>971,224</u>	<u>125,845</u>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<u>1,061,887</u>	<u>292,592</u>	<u>(639,050)</u>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<u>17,971,439</u>	<u>17,971,439</u>	<u>18,610,489</u>
<b>ACCUMULATED SURPLUS, END OF YEAR (Note 8)</b>	<u>\$ 19,033,326</u>	<u>\$ 18,264,031</u>	<u>\$ 17,971,439</u>

The accompanying notes are an integral part of these financial statements.

**VILLAGE OF WABAMUN****Statement of Changes in Net Financial Assets****For the Year Ended December 31, 2017**

	2017 (Budget) (Note 16)	2017 (Actual)	2016 (Actual)
<b>ANNUAL SURPLUS (DEFICIT)</b>	\$ 1,061,887	\$ 292,592	\$ (639,050)
Acquisition of tangible capital assets	(3,461,139)	(1,973,265)	(556,626)
Amortization of tangible capital assets	-	611,851	584,542
Proceeds on disposal of tangible capital assets	-	45,942	153,251
Loss on sale of tangible capital assets	-	(2,585)	(3,723)
	(2,399,252)	(1,025,465)	(461,606)
(Acquisition) use of prepaid expenses	-	2,126	(2,126)
<b>DECREASE IN NET FINANCIAL ASSETS</b>	(2,399,252)	(1,023,339)	(463,732)
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>	6,626,746	6,626,746	7,090,478
<b>NET FINANCIAL ASSETS - END OF YEAR</b>	\$ 4,227,494	\$ 5,603,407	\$ 6,626,746

The accompanying notes are an integral part of these financial statements.

**VILLAGE OF WABAMUN**  
**Statement of Cash Flows**  
**For The Year Ended December 31, 2017**

	2017	2016
<b>OPERATING ACTIVITIES</b>		
Annual surplus (deficit)	\$ 292,592	\$ (639,050)
Non-cash items not included in excess of revenue over expenses:		
Amortization	611,851	584,542
Gain on disposal of tangible capital assets	<u>(2,585)</u>	<u>(3,723)</u>
	<u>901,858</u>	<u>(58,231)</u>
Changes in non-cash working capital balances related to operations:		
Receivables	(467,587)	103,377
Land held for resale	(312,663)	(323,739)
Accounts payable and accrued liabilities	(66,317)	(38,365)
Deferred revenue	(425,460)	430,066
Deposit liabilities	(500)	1,500
Prepaid expenses	<u>2,126</u>	<u>(2,126)</u>
	<u>(1,270,401)</u>	<u>170,713</u>
Cash flow from (used by) operating activities	<u>(368,543)</u>	<u>112,482</u>
<b>CAPITAL ACTIVITIES</b>		
Purchase of tangible capital assets	(1,973,265)	(556,626)
Proceeds on sale of tangible capital assets	<u>45,942</u>	<u>153,251</u>
Cash flow used by capital activities	<u>(1,927,323)</u>	<u>(403,375)</u>
<b>FINANCING ACTIVITIES</b>		
Purchase of investments	<u>(1,741)</u>	<u>(1,681)</u>
<b>DECREASE IN CASH FLOW</b>	<b>(2,297,607)</b>	<b>(292,574)</b>
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<b><u>5,127,251</u></b>	<b><u>5,419,825</u></b>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b><u>\$ 2,829,644</u></b>	<b><u>\$ 5,127,251</u></b>

The accompanying notes are an integral part of these financial statements.

**VILLAGE OF WABAMUN****Schedule of Equity in Tangible Capital Assets  
For the Year Ended December 31, 2017****(Schedule 1)**

	<u>2017</u>	<u>2016</u>
<b>BALANCE, BEGINNING OF YEAR</b>	<b>\$ 11,342,567</b>	\$ 11,520,011
Acquisition of tangible capital assets	<b>1,973,265</b>	556,626
Amortization of tangible capital assets	<b>(611,851)</b>	(584,542)
Net book value of tangible capital assets disposed of	<b>(43,357)</b>	(149,528)
<b>BALANCE, END OF YEAR</b>	<b><u>\$ 12,660,624</u></b>	<b><u>\$ 11,342,567</u></b>
Equity in tangible capital assets is comprised of the following:		
Tangible capital assets (net book value)	<b><u>\$ 12,660,624</u></b>	<b><u>\$ 11,342,567</u></b>

The accompanying notes are an integral part of these financial statements.



**VILLAGE OF WABAMUN**  
**Schedule of Property Taxes**  
**For the Year Ended December 31, 2017**

**(Schedule 2)**

	2017 (Budget) (Note 15)	<b>2017 (Actual)</b>	2016 (Actual)
<b>TAXATION</b>			
Real property taxes	\$ 823,465	\$ <b>823,464</b>	\$ 762,917
Linear property taxes	145,684	<b>145,684</b>	149,212
	<u>969,149</u>	<u><b>969,148</b></u>	<u>912,129</u>
<b>REQUISITIONS</b>			
Alberta School Foundation Fund	239,018	<b>239,018</b>	221,062
Meridian Foundation	3,800	<b>3,800</b>	3,449
	<u>242,818</u>	<u><b>242,818</b></u>	<u>224,511</u>
<b>NET MUNICIPAL PROPERTY TAXES</b>	<u>\$ 726,331</u>	<u>\$ <b>726,330</b></u>	<u>\$ 687,618</u>

The accompanying notes are an integral part of these financial statements.

**VILLAGE OF WABAMUN****Schedule of Government Transfers  
For the Year Ended December 31, 2017****(Schedule 3)**

	2017 (Budget) (Note 15)	2017 (Actual)	2016 (Actual)
<b>TRANSFERS FOR OPERATING</b>			
Provincial government	\$ 36,554	\$ 69,524	\$ 115,683
Local governments	305	30,127	15,596
	<u>36,859</u>	<u>99,651</u>	<u>131,279</u>
<b>TRANSFERS FOR CAPITAL</b>			
Provincial government conditional transfers	501,537	650,639	122,122
Local governments	-	165,000	-
	<u>501,537</u>	<u>815,639</u>	<u>122,122</u>
<b>TOTAL GOVERNMENT TRANSFERS</b>	<u>\$ 538,396</u>	<u>\$ 915,290</u>	<u>\$ 253,401</u>

The accompanying notes are an integral part of these financial statements.

**VILLAGE OF WABAMUN**  
**Schedule of Segmented Information**  
**For the Year Ended December 31, 2017**

**(Schedule 4)**

	General Administration	Transportation	Protective Services	Recreation & Culture	Environmental Services	All Other	Total
<b>REVENUE</b>							
Taxation	\$ -	\$ 435,207	\$ 77,561	\$ 109,129	\$ -	\$ 104,433	\$ 726,330
Sales and user charges	1,496	-	5,612	47,461	645,477	3,535	703,581
Other	32,984	2,698	3,812	11,460	142,862	28,244	222,060
Government transfers	-	50,672	-	31,337	-	17,642	99,651
Rentals	5,231	-	20,100	54,263	-	-	79,594
Interest	58,528	-	-	-	-	-	58,528
Franchise fees & concession contracts	42,011	-	-	-	-	-	42,011
Penalties and costs on taxes	9,119	-	-	-	-	-	9,119
Licenses and permits	5,252	-	950	-	-	1,050	7,252
Fines	-	-	3,851	-	-	-	3,851
	<u>154,621</u>	<u>488,577</u>	<u>111,886</u>	<u>253,650</u>	<u>788,339</u>	<u>154,904</u>	<u>1,951,977</u>
<b>EXPENSES</b>							
Contracted services	81,899	114,431	50,882	80,462	289,290	26,947	643,911
Salaries, wages and benefits	234,715	236,492	148	33,314	29,733	69,809	604,211
Materials, goods, and supplies	9,809	56,650	50,064	39,241	260,691	21,293	437,748
Utilities and telephone	18,781	76,520	9,007	56,149	61,948	1,200	223,605
Insurance	23,645	7,884	1,785	39,429	17,443	300	90,486
Transfers to local boards and agencies	4,411	-	-	-	-	14,386	18,797
	<u>\$ 373,260</u>	<u>\$ 491,977</u>	<u>\$ 111,886</u>	<u>\$ 248,595</u>	<u>\$ 659,105</u>	<u>\$ 133,935</u>	<u>\$ 2,018,758</u>
<b>NET REVENUE (DEFICIT) BEFORE AMORTIZATION</b>	(218,639)	(3,400)	-	5,055	129,234	20,969	(66,781)
Amortization	32,992	138,759	7,835	225,442	205,241	1,582	611,851
<b>NET REVENUE (DEFICIT)</b>	<u>\$ (251,631)</u>	<u>\$ (142,159)</u>	<u>\$ (7,835)</u>	<u>\$ (220,387)</u>	<u>\$ (76,007)</u>	<u>\$ 19,387</u>	<u>\$ (678,632)</u>

The accompanying notes are an integral part of these financial statements.

**VILLAGE OF WABAMUN**

**Schedule of Segmented Information  
For the Year Ended December 31, 2016**

**(Schedule 4)**

	General Administration	Transportation	Protective Services	Recreation & Culture	Environmental Services	All Other	Total
<b>REVENUE</b>							
Taxation	\$ -	\$ 500,671	\$ 57,304	\$ 124,574	\$ -	\$ 5,069	\$ 687,618
Sales and user charges	1,938	-	5,689	54,736	561,734	280	624,377
Government transfers	-	5,050	-	15,596	92,991	17,642	131,279
Rentals	10,077	-	12,025	84,951	-	-	107,053
Interest	57,840	-	-	-	-	-	57,840
Other	3,744	3,775	-	1,203	-	27,649	36,371
Franchise fees & concession contracts	32,692	-	-	-	-	-	32,692
Fines	-	-	9,864	-	-	-	9,864
Penalties and costs on taxes	8,524	-	-	-	-	-	8,524
Licenses and permits	3,163	-	1,135	-	-	1,300	5,598
	<u>117,978</u>	<u>509,496</u>	<u>86,017</u>	<u>281,060</u>	<u>654,725</u>	<u>51,940</u>	<u>1,701,216</u>
<b>EXPENSES</b>							
Contracted services	\$ 73,403	\$ 130,945	\$ 34,995	\$ 98,384	\$ 342,247	\$ 21,773	\$ 701,747
Salaries, wages and benefits	232,644	237,466	56	36,495	-	55,450	562,111
Utilities and telephone	17,357	70,405	7,704	72,102	70,827	651	239,046
Materials, goods, and supplies	16,883	57,232	40,829	40,784	99,038	17,532	272,298
Insurance	20,948	13,448	2,433	33,295	8,129	370	78,623
Transfers to local boards and agencies	4,411	-	-	-	-	23,333	27,744
	<u>365,646</u>	<u>509,496</u>	<u>86,017</u>	<u>281,060</u>	<u>520,241</u>	<u>119,109</u>	<u>1,881,569</u>
<b>NET REVENUE (DEFICIT) BEFORE AMORTIZATION</b>	(247,668)	-	-	-	134,484	(67,169)	(180,353)
Amortization	31,515	133,836	7,835	205,420	204,355	1,581	584,542
<b>NET REVENUE (DEFICIT)</b>	<u>\$ (279,183)</u>	<u>\$ (133,836)</u>	<u>\$ (7,835)</u>	<u>\$ (205,420)</u>	<u>\$ (69,871)</u>	<u>\$ (68,750)</u>	<u>\$ (764,895)</u>

The accompanying notes are an integral part of these financial statements.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Village of Wabamun (the "Village") are the representations of management, prepared in accordance with Canadian public sector accounting standards. Significant aspects of the accounting policies adopted by the Village are as follows:

(a) *Reporting Entity*

The financial statements reflect the assets, liabilities, revenues and expenses, and cash flows of the reporting entity. The entity is comprised of all the organizations that are owned or controlled by the Village and are, therefore, accountable to Village Council for the administration of their financial affairs and resources.

The schedule of taxes levied also includes requisitions for education that are not part of the reporting entity.

The statements exclude trust assets that are administered for the benefit of external parties.

(b) *Basis of Accounting*

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

Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

Government transfers are recognized in the financial statements as revenues in the period that the events giving rise to the transfer occurred, providing the transfers are authorized, the Town has met any eligibility criteria, and reasonable estimates of the amounts can be made.

Expenses are recognized in the period the goods and services are acquired and a liability is incurred or transfers are due.

(c) *Use of Estimates*

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures during the period. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

(d) *Cash and Cash Equivalents*

Cash and cash equivalents is comprised of items that are readily convertible to known amount of cash and are subject to an insignificant risk of change in value.

(e) *Investments*

Investments are recorded at amortized cost. Investment premiums and discounts are amortized on the net present value basis over the term of the respective investments. When there has been a loss in value that is other than a temporary decline, the respective investment is written down to recognize the loss.

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**VILLAGE OF WABAMUN**  
**Notes to Financial Statements**  
**December 31, 2017**

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

(f) *Tax Revenue*

Property taxes are recognized as revenue in the year they are levied.

Construction and borrowing costs associated with local improvement projects are recovered through annual special assessments during the period of the related borrowings. These levies are collectable from propriety owners for work performed by the Village and are recognized as revenue in the year the tax is levied.

(g) *Land Held for Resale*

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

(h) *Prepaid Local Improvement Charges*

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

Where a taxpayer has elected to prepay the outstanding local improvement charges, such amounts are recorded as deferred revenue. Deferred revenue is amortized to revenue on a straight line basis over the remaining term of the related borrowings.

In the event that the prepaid amounts are applied against the related borrowings, the deferred revenue is amortized to revenue by an amount equal to the debt repayment.

(i) *Inventory*

Inventories are valued at the lower of cost and net realizable value with cost determined by the average cost method.

(j) *Tangible Capital Assets*

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over the estimated useful life as follows:

Land improvements	20 years
Building Fixed Assets	50 Years
Engineered structures	10 - 75 years
Vehicles	8 - 12 years
Machinery and equipment	5 - 20 years
Engineered structures	

Tangible capital assets received as contributions are recorded at fair value at the date of receipt and also are recorded as revenue.

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

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**VILLAGE OF WABAMUN**  
**Notes to Financial Statements**  
**December 31, 2017**

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

(k) *Non-Financial Assets*

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the consolidated Change in Net Financial Assets (Debt) for the year.

(l) *Over-levy and Under-levy*

Over-levies and under-levies arise from the difference between the actual property tax levy made to cover each requisition and the actual amount requisitioned.

If the actual levy exceeds the requisition, the over-levy is accrued as a liability and property tax revenue is reduced. Where the actual levy is less than the requisition amount, the under-levy is accrued as a receivable and as property tax revenue.

Requisition tax rates in the subsequent year are adjusted for any over-levies or under-levies of the prior year.

(m) *Contaminated Sites*

Contaminated sites are defined as the result of contamination being introduced in air, soil, water or sediment of a chemical, organic, or radioactive material or live organism that exceeds an environmental standard. A liability for remediation on contaminated sites is recognized, net of any recoveries, when an environmental standard exists, contamination exceeds the environmental standard, the Town is directly responsible for or accepts responsibility for the liability, future economic benefits will be given up, and a reasonable estimate of the liability can be made.

(n) *Equity in Capital Assets*

Equity in capital assets represents the Villages's net investment in its capital assets after deducting the portion financed by third parties through debenture, bond and mortgage debts, long term capital borrowings, capitalized leases and other capital liabilities which will be repaid by the municipality.

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**VILLAGE OF WABAMUN**  
**Notes to Financial Statements**  
**December 31, 2017**

**2. CASH AND CASH EQUIVALENTS**

	<u>2017</u>	<u>2016</u>
Other	\$ 30,533	\$ -
Operating account	1,178,784	504,780
Guaranteed Investment Certificates	<u>1,641,707</u>	<u>4,642,233</u>
Subtotal	2,851,024	5,147,013
Less: cash held in trust (Note 7)	<u>(21,380)</u>	<u>(19,762)</u>
	<b>\$ 2,829,644</b>	<b>\$ 5,127,251</b>

Guaranteed Investment Certificates bear interest at rates ranging from 1.00% to 1.66% maturing from August 2017 to December 2018.

**3. INVESTMENTS**

	<u>2017</u>	<u>2016</u>
Servus Credit Union common shares	\$ 51,754	\$ 50,013
Alberta Municipal Financial Corporation shares	<u>10</u>	<u>10</u>
	<b>\$ 51,764</b>	<b>\$ 50,023</b>

**4. RECEIVABLES**

	<u>2017</u>	<u>2016</u>
Trade and other	\$ 519,132	\$ 97,488
Goods and Services Tax rebate	74,700	29,109
Utilities	68,606	64,628
Local improvement taxes	52,251	60,961
Taxes and grants in place of taxes	<u>35,462</u>	<u>30,375</u>
	<b>\$ 750,151</b>	<b>\$ 282,561</b>

Local Improvement Taxes

- a) The Village passed Bylaw 05-2003 authorizing Council to provide for a local improvement to complete an extension of a sanitary sewer forcemain in the Westview Estates Subdivision. The total cost of the local improvement was \$130,000, is repayable in 20 annual instalments of \$10,878 including interest at a fixed rate of 5.50% per annum maturing September 2023.
- b) The Village passed Bylaw 01-2003 authorizing Council to provide for a local improvement to complete an extension of a sanitary sewer forcemain north of 52 Avenue in line with 47 Street to the south boundary of Lot 1, Block 11, Plan 022-5897. The total cost of the local improvement was \$25,000, is repayable in 20 annual instalments of \$2,092 including interest at a fixed rate of 5.50% per annum maturing September 2023.



**VILLAGE OF WABAMUN**  
**Notes to Financial Statements**  
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**5. TANGIBLE CAPITAL ASSETS**

	2017 Net Book Value	2016 Net Book Value
Engineered Structures		
Water systems	\$ 5,547,916	\$ 5,128,483
Roadway systems	2,471,314	2,336,925
Wastewater systems	1,307,891	1,200,121
Electrical systems	553,841	122,731
	<b>9,880,962</b>	<b>8,788,260</b>
Buildings	1,670,350	1,414,936
Machinery and equipment	563,218	558,661
Land	231,930	231,930
Land improvements	213,146	244,203
Vehicles	101,018	104,577
	<b>\$ 12,660,624</b>	<b>\$ 11,342,567</b>

	Cost Beginning of Year	Purchased Additions	Disposals	Transfers	Cost End of Year
Engineered Structures					
Roadway systems	\$ 8,095,909	\$ 353,452	-	-	\$ 8,449,361
Water systems	6,906,068	565,031	-	-	7,471,099
Wastewater systems	2,498,433	162,175	-	-	2,660,608
Other	161,601	438,544	-	-	600,145
	17,662,011	1,519,202	-	-	19,181,213
Buildings	3,252,269	333,540	-	-	3,585,809
Machinery and equipment	1,670,626	109,187	44,852	-	1,734,961
Land	231,930	-	-	-	231,930
Land improvements	884,940	8,211	-	-	893,151
Vehicles	209,323	3,125	-	-	212,448
	<b>\$ 23,911,099</b>	<b>\$ 1,973,265</b>	<b>\$ 44,852</b>	<b>\$ -</b>	<b>\$ 25,839,512</b>

	Accumulated Amortization Beginning of Year	Current Amortization	Disposals	Transfers	Accumulated Amortization End of Year
Engineered Structures					
Roadway systems	\$ 5,758,984	\$ 219,063	-	-	\$ 5,978,047
Water systems	1,777,585	145,598	-	-	1,923,183
Wastewater systems	1,298,312	54,405	-	-	1,352,717
Other	38,870	7,434	-	-	46,304
	8,873,751	426,500	-	-	9,300,251
Buildings	1,837,333	78,126	-	-	1,915,459
Land improvements	640,737	39,268	-	-	680,005
Vehicles	104,746	6,684	-	-	111,430
Machinery and equipment	1,111,965	61,273	(1,495)	-	1,171,743
	<b>\$ 12,568,532</b>	<b>\$ 611,851</b>	<b>\$ (1,495)</b>	<b>\$ -</b>	<b>\$ 13,178,888</b>

**VILLAGE OF WABAMUN**  
**Notes to Financial Statements**  
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**6. DEFERRED REVENUE**

Deferred revenue consists of funds received which are restricted to costs of future periods.

	<u>2017</u>	<u>2016</u>
Other	\$ 4,606	\$ 44,829
Alberta Community Partnership grant	-	306,000
Municipal Sustainability Initiative - Capital grant	-	79,237
	<u>\$ 4,606</u>	<u>\$ 430,066</u>

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**7. FUNDS HELD IN TRUST**

The Village administers the following trust funds on behalf of third parties. As related trust assets are not owned by the Village, the trusts have been excluded from the financial statements.

	<u>2017</u>	<u>2016</u>
Rescue Boat	\$ 10,731	\$ 10,731
Fire Department	6,113	6,113
Youth Council	3,133	2,919
Wabamun Medical Clinic Foundation	1,403	-
	<u>\$ 21,380</u>	<u>\$ 19,763</u>

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**8. ACCUMULATED SURPLUS**

	<u>2017</u>	<u>2016</u>
Unrestricted surplus	\$ 3,292,173	\$ 3,085,395
Restricted surplus		
Reserves	2,311,234	3,543,477
Equity in tangible capital assets ( <i>Schedule 1</i> )	12,660,624	11,342,567
	<u>\$ 18,264,031</u>	<u>\$ 17,971,439</u>

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**9. CREDIT FACILITY**

The Village has a demand credit facility with its financial institution for a maximum amount of \$100,000 bearing interest at 2.95%. No amounts were drawn as at December 31, 2017 or 2016.

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**10. CONTINGENCIES**

The Village is a member of the Alberta Municipal Insurance Exchange (MUNIX). Under the terms of membership, the Village could become liable for its proportionate shares 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.

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**VILLAGE OF WABAMUN**  
**Notes to Financial Statements**  
**December 31, 2017**

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**11. CONTRACTUAL OBLIGATIONS**

The Village has entered into an agreement for waste hauling services for the period June 1, 2013 - May 31, 2018. The estimated cost of these services is approximately \$70,000 annually. Future requirements will be adjusted based on the Consumer Price Index as calculated by Statistics Canada each year with the increase / decrease to take effect on January 1 of each year.

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**12. DEBT LIMITS**

Section 276(2) of the *Municipal Government Act* requires that debt and debt limits as defined by Alberta Regulation 255/00 for the Village of Wabamun be disclosed as follows:

	<u>2017</u>	<u>2016</u>
Total debt limit	<b>\$ 2,927,964</b>	\$ 2,551,824
Service on debt limit	<b>\$ 487,994</b>	\$ 425,304

The debt limit is calculated at 1.5 times revenue of the Village (as defined in Alberta Regulation 255/00) and the debt service limit is calculated at 0.25 times such revenue. Incurring debt beyond these limits requires approval by the Minister of Municipal Affairs. These thresholds are guidelines used by Alberta Municipal Affairs to identify municipalities which could be a financial risk if further debt is acquired. The calculation taken alone does not represent the stability of the Town. Rather, the financial statements must be interpreted as a whole.

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**VILLAGE OF WABAMUN**  
**Notes to Financial Statements**  
**December 31, 2017**

**13. SALARIES AND BENEFITS DISCLOSURE**

Disclosure of salaries and benefits for Village officials, the Village Chief Administrator Officer and designated officers are required by Alberta Regulation 313/2000 is as follows:

	Salary (1)	Benefits (2)	2017	2016
Mayor Smylie	\$ 9,300	\$ 289	\$ 9,589	\$ 9,262
Councillors				
Wiggins	6,950	172	7,122	4,495
Erickson	6,075	172	6,247	8,330
Little	3,272	21	3,293	2,200
Pasko	2,775	66	2,841	8,269
Wittmeier	1,778	54	1,832	-
Purdy	1,353	32	1,385	-
Griffiths	1,345	33	1,378	-
	<b>\$ 32,848</b>	<b>\$ 839</b>	<b>\$ 33,687</b>	<b>\$ 32,556</b>
Chief Administrative Officer	\$ 110,879	\$ 29,448	\$ 140,327	\$ 130,702

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

(2) Employer's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, vision coverage, group life insurance, accidental disability and dismemberment insurance, long and short term disability plans, professional memberships and tuition.

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

**14. LOCAL AUTHORITIES PENSION PLAN**

Employees of the Village participate in the Local Authorities Pension Plan (LAPP), which is covered by the *Public Sector Pension Plans Act*. The LAPP serves approximately 200,000 people and 418 employers. The LAPP is financed by employer and employee contributions and by investment earnings of the LAPP Fund.

Contributions for current service are recorded as expenses in the year in which they become due.

The Village is required to make current service contributions to the LAPP of 11.39% of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 15.84% on pensionable earnings above this amount. Employees of the Village are required to make current service contributions of 10.39% of pensionable earnings up to the year's maximum pensionable earnings and 14.84% on pensionable earnings above this amount.

Total current service contributions by the Village to the LAPP in 2017 were \$35,186 (2016 - \$36,524). Total current service contributions by the employees of the Village to the LAPP in 2016 were \$32,387 (2016 - \$33,561).

At December 31, 2016, the Plan disclosed an actuarial deficit of \$637 million (2015 - \$923 million).

**VILLAGE OF WABAMUN**  
**Notes to Financial Statements**  
**December 31, 2017**

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**15. FINANCIAL INSTRUMENTS**

The Villages's financial instruments consist of cash and cash equivalents, receivables, and accounts payable and accrued liabilities. It is management's opinion that the Village is not exposed to significant interest, currency or credit risk arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values.

The Village is exposed to credit risk with respect to receivables. Credit risk arises from the possibility that customers may experience financial difficulty and be unable to fulfill their obligations. The large number and diversity of customers minimizes the Village's credit risk.

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**16. SEGMENTED INFORMATION**

The Village provides a range of services to its citizens. For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in Note 1. For additional information see the Schedule of Segmented Disclosure (Schedule 4).

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**17. BUDGET FIGURES**

The 2017 budget data presented in these financial statements is based on the operating and capital budgets approved by Council on June 20, 2017. The chart below reconciles the approved financial plan to the figures reported in these financial statements.

	<u>2017 Budget</u>	<u>2017 Actual</u>	
Annual surplus (deficit)	\$ 1,061,887	\$ <b>292,592</b>	\$
Amortization expense	-	<b>611,851</b>	
Loss (gain) on disposal of tangible capital assets	-	<b>(2,585)</b>	
Purchase of tangible capital assets	(3,461,139)	<b>(1,973,265)</b>	
Net transfers (to) from reserves	2,399,252	<b>1,232,243</b>	
	<u>\$ -</u>	<u>\$ <b>160,836</b></u>	\$

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**18. APPROVAL OF FINANCIAL STATEMENTS**

These financial statements were approved by Council and management.

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